PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 3, 2022

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 set forth in the resolutions approving the issuance of the Bonds, interest to be paid on the Bonds is not includable in gross income for federal income tax purposes and, to the same extent, is not includable in taxable net income of individuals, trusts, and estates 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. However, such interest is included in determining the adjusted financial statement income of applicable corporations for purposes of computing the alternative minimum tax imposed on such applicable corporations for tax years beginning after December 31, 2022 and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. No opinion will be expressed by Bond Counsel regarding the 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. 270 (HOPKINS PUBLIC SCHOOLS), MINNESOTA

(Hennepin County)

(Minnesota School District Credit Enhancement Program)

$10,985,000* GENERAL OBLIGATION FACILITIES MAINTENANCE BONDS, SERIES 2022A

PROPOSAL OPENING: November 15, 2022, 10:30 A.M., C.T. **CONSIDERATION**: November 15, 2022, 7:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The $10,985,000* General Obligation Facilities Maintenance Bonds, Series 2022A (the "Bonds") are being issued pursuant to Minnesota Statutes, Chapter 475, as amended, and Minnesota Statutes, Section 123B.595, as amended, (long-term facilities maintenance revenue) by Independent School District No. 270 (Hopkins Public Schools), Minnesota (the "District") for the purpose of financing certain facilities and site maintenance projects which are included in the District's ten-year facilities plan approved by the Commissioner of Education. The Bonds will be general obligations of the District for which its full faith and 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 7, 2022

MATURITY: February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2031	$100,000	2034	$935,000	2037	$2,530,000
2032	870,000	2035	1,680,000		
2033	895,000	2036	3,975,000		

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, 2023 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2032 and thereafter are subject to call for prior optional redemption on February 1, 2031 and any date thereafter, at a price of par plus accrued interest.

MINIMUM PROPOSAL: $10,985,000.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $219,700 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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HOPKINS PUBLIC SCHOOLS
SCHOOL BOARD

		Term Expires
Jen Bouchard	Board Chair	January 2026
Shannon Andreson	Vice Chair	January 2024
Katie Pederson	Clerk	January 2024
Steve Adams	Treasurer	January 2024
Rachel Hartland	Member	January 2026
Tanya Khan	Member	January 2024
Jason Ross	Member	January 2026

ADMINISTRATION

Dr. Rhoda Mhiripiri-Reed, Superintendent of Schools
Tariro Chapinduka, Director of Business Services
Jason Stegeman, Controller

PROFESSIONAL SERVICES

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

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

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding Independent School District No. 270 (Hopkins Public Schools), Minnesota (the "District") and the issuance of its $10,985,000* General Obligation Facilities Maintenance Bonds, Series 2022A (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 authorizing the issuance and sale of the Bonds ("Award Resolution") to be adopted by the School Board on November 15, 2022.

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 7, 2022. 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, 2023, 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 2031 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 Award 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, 2032 shall be subject to optional redemption prior to maturity on February 1, 2031 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 being issued pursuant to Minnesota Statutes, Chapter 475, as amended, and Minnesota Statutes, Section 123B.595 , as amended, (long-term facilities maintenance revenue) by the District to provide funds for certain facilities and site maintenance projects which are included in the District's ten-year facilities plan approved by the Commissioner of Education.

ESTIMATED SOURCES AND USES*

Sources			
	Par Amount of Bonds	$10,985,000	
	Reoffering Premium	120,626	
	Total Sources		**$11,105,626**
Uses			
	Total Underwriter's Discount (1.000%)	$109,850	
	Costs of Issuance	81,300	
	Deposit to Project Construction Fund	10,914,476	
	Total Uses		**$11,105,626**

*Preliminary, subject to change.

SECURITY

The Bonds will be general obligations of the District to which its full faith and 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 Bonds, less estimated collections of other revenues pledged for payments on the Bonds. In the event funds on hand for payment of principal and interest are at any time insufficient, the District is required to levy additional taxes upon all taxable properties within its boundaries without limit as to rate or amount to make up any deficiency.

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 "Aa1" to issuers participating in the MNCEP. The "Aa1" rating is based on the State of Minnesota's current "Aaa" rating from Moody's. See "STATE OF MINNESOTA CREDIT ENHANCEMENT PROGRAM FOR SCHOOL DISTRICTS" for further details.

The District currently has a "Aa2" underlying rating from Moody's and will be requesting an underlying rating on this issue. Such rating, if any, 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.

STATE OF MINNESOTA CREDIT ENHANCEMENT PROGRAM FOR SCHOOL DISTRICTS

By resolution adopted for this issue on September 20, 2022 (the "Resolution"), the District has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55, as amended, 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 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, 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 certain corporations, including financial institutions. Interest on the Bonds is included in determining the annual adjusted financial statement income (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) of applicable corporations (as defined in Section 59(k) of the Code) for purposes of computing the alternative minimum tax imposed on such applicable corporations for tax years beginning after December 31, 2022.

Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Award 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, 2021 have been audited by CliftonLarsonAllen LLP, 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. 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 Award 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	2019/20	2020/21	2021/22
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 $1,880,000 - 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]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $1,890,000 - 0.50% [2] Over $1,890,000 - 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 $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%	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 $174,000 - .75% Over $174,000 - .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 $100,000 - 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

2021/22 Economic Market Value $14,569,635,139[1]

	2021/22 Assessor's Estimated Market Value	2021/22 Net Tax Capacity
Real Estate	$13,455,412,200	$172,429,372
Personal Property	49,713,300	977,599
Total Valuation	$13,505,125,500	$173,406,971
Less: Captured Tax Increment Tax Capacity[2]		(8,221,343)
Fiscal Disparities Contribution[3]		(25,837,883)
Taxable Net Tax Capacity		$139,347,745
Plus: Fiscal Disparities Distribution[3]		9,006,097
Adjusted Taxable Net Tax Capacity		$148,353,842

1 According to the Minnesota Department of Revenue, the Assessor's Estimated Market Value (the "AEMV") for the District is about 93.58% 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 $14,569,635,139.

2 The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts 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, and fiscal capacity indicated market value as determined by the Minnesota Department of Revenue. Each governmental unit makes a contribution and receives a distribution--sometimes gaining and sometimes contributing net tax capacity for tax purposes.

2021/22 NET TAX CAPACITY BY CLASSIFICATION

	2021/22 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	$79,918,617	46.09%
Commercial/industrial	65,999,084	38.06%
Public utility	189,392	0.11%
Railroad operating property	250,772	0.14%
Non-homestead residential	25,718,452	14.83%
Commercial & residential seasonal/rec.	265,060	0.15%
Other	87,995	0.05%
Personal property	977,599	0.56%
Total	$173,406,971	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 Increase/Decrease in Estimated Market Value
2017/18	$10,806,890,300	$10,581,736,258	$140,372,282	$119,587,184	5.14%
2018/19	11,530,769,000	11,325,889,494	148,964,041	127,935,979	6.70%
2019/20	12,317,308,800	12,126,266,580	159,089,157	136,539,987	6.82%
2020/21	13,092,197,600	12,909,381,770	169,249,447	145,319,307	6.29%
2021/22	13,505,125,500	13,335,570,533	173,406,971	148,353,842	3.15%

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 TAXPAYING PARCELS[1]

Taxpayer	Type of Property	2021/22 Net Tax Capacity	Percent of District's Total Net Tax Capacity
EP Campus I, LLC	Commercial	$2,639,250	1.52%
BOF II Minnesota Excelsior Crossing	Commercial	1,859,170	1.07%
United Healthcare Services, Inc.	Commercial	1,749,250	1.01%
Allianz Life Insurance Company	Commercial	1,721,650	0.99%
General Mills, Inc.	Commercial	1,647,250	0.95%
SOF-XI Colonnade	Commercial	1,429,250	0.82%
Thomson Reuters Prop Tax	Commercial	1,045,910	0.60%
Cargill Incorporated	Commercial	1,023,630	0.59%
394 Associates, LLC	Apartments	959,750	0.55%
Virtus Rize, LLC	Apartments	947,988	0.55%
Total		$15,023,098	8.66%

District's Total 2021/22 Net Tax Capacity $173,406,971

Source: Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Larger Taxpaying Parcels have been furnished by Hennepin County.

1 Hennepin County has provided only the ten largest taxpaying ***parcels*** which appeas on the tax rolls of the County, and therefore the information stated above may not be reflective of the entire valuation of all parcels and may not include all classifications of property.

DEBT

DIRECT DEBT[1]

General Obligation Debt (see schedule following)

Total G.O. debt secured by taxes (includes the Bonds)*	$155,815,000

Lease Purchase Obligations (see schedule following)

Total lease purchase obligations paid by annual appropriations[2]	$1,760,089

Other Obligations - Cooperative District/Joint Governmental Obligations

The District is a member of Intermediate District No. 287, Plymouth, MN. The District has a contractual obligation to make a portion of outstanding debt service payments, along with other member districts. The Fiscal Year 2023 obligation is estimated to be $498,745.70.

*Preliminary, subject to change.

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

2 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 voter approved school building bonds. Bonds and Certificates that are 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. The District does not currently qualify for Long Term Facilities Maintenance Aid in the debt service fund.

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 60% for taxes payable in 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 District does not currently qualify for the Agricultural Credit.

Independent School District No. 270 (Hopkins Public Schools), Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 11/22/2022)

	Alternative Facilities Bonds Series 2013A		Alternative Facilities Refunding Bonds Series 2013B		Alternative Facilities Bonds Series 2015A		Capital Facilities Bonds Series 2015B		Facilities Maintenance Bonds Series 2017A	
Dated	05/16/2013		05/16/2013		05/21/2015		05/21/2015		02/23/2017	
Amount	$16,090,000		$18,940,000		$10,120,000		$4,425,000		$14,140,000	
Maturity	02/01		02/01		02/01		02/01		02/01	
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2023	0	258,213	1,845,000	146,575	2,275,000	34,125	270,000	49,250	0	266,825
2024	0	516,425	1,920,000	219,350			300,000	87,700	0	533,650
2025	0	516,425	2,000,000	142,550			320,000	75,700	0	533,650
2026	0	516,425	2,085,000	62,550			340,000	62,900	0	533,650
2027	0	516,425					365,000	52,700	0	533,650
2028	3,890,000	516,425					395,000	38,100	0	533,650
2029	8,000,000	390,000					425,000	26,250	2,820,000	533,650
2030	4,000,000	130,000					450,000	13,500	2,070,000	420,850
2031									6,055,000	338,050
2032									3,195,000	95,850
2033										
2034										
2035										
2036										
2037										
	15,890,000	3,360,338	7,850,000	571,025	2,275,000	34,125	2,865,000	406,100	14,140,000	4,323,475

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Independent School District No. 270 (Hopkins Public Schools), Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 11/22/2022)

	School Building Bonds Series 2018A		Alternative Facilities Refunding Bonds Series 2018B		Facilities Maintenance Bonds Series 2019A		Alternative Facilities Refunding and Facilities Maintenance Bonds Series 2020A		Facilities Maintenance Bonds Series 2022A							
Dated	02/21/2018		11/08/2018		03/14/2019		11/04/2020		12/7/2022							
Amount	$29,030,000		$18,835,000		$17,895,000		$40,650,000		$10,985,000*							
Maturity	02/01		02/01		02/01		02/01		02/01							
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Fiscal Year Ending**
2023	905,000	453,444	3,200,000	398,394	0	277,550	2,945,000	659,500	0	0	11,440,000	2,543,875	13,983,875	144,375,000	7.34%	**2023**
2024	575,000	861,638	3,375,000	636,788	0	555,100	3,345,000	1,201,200	0	570,227	9,515,000	5,182,077	14,697,077	134,860,000	13.45%	**2024**
2025	615,000	832,888	3,550,000	468,038	0	555,100	2,975,000	1,067,400	0	478,513	9,460,000	4,670,263	14,130,263	125,400,000	19.52%	**2025**
2026	635,000	814,438	3,760,000	290,538	0	555,100	3,415,000	948,400	0	478,513	10,235,000	4,262,513	14,497,513	115,165,000	26.09%	**2026**
2027	680,000	795,388	3,155,000	102,538	0	555,100	6,430,000	811,800	0	478,513	10,630,000	3,846,113	14,476,113	104,535,000	32.91%	**2027**
2028	695,000	761,388			0	555,100	6,190,000	554,600	0	478,513	11,170,000	3,437,775	14,607,775	93,365,000	40.08%	**2028**
2029	745,000	726,638			0	555,100	0	307,000	0	478,513	11,990,000	3,017,150	15,007,150	81,375,000	47.77%	**2029**
2030	2,765,000	689,388			950,000	555,100	0	307,000	0	478,513	10,235,000	2,594,350	12,829,350	71,140,000	54.34%	**2030**
2031	3,090,000	599,525			875,000	517,100	0	307,000	100,000	478,513	10,120,000	2,240,188	12,360,188	61,020,000	60.84%	**2031**
2032	5,155,000	491,375			2,050,000	482,100	0	307,000	870,000	473,513	11,270,000	1,849,838	13,119,838	49,750,000	68.07%	**2032**
2033	5,100,000	310,950			5,640,000	420,600	0	307,000	895,000	430,013	11,635,000	1,468,563	13,103,563	38,115,000	75.54%	**2033**
2034	5,265,000	157,950			5,795,000	251,400	0	307,000	935,000	385,263	11,995,000	1,101,613	13,096,613	26,120,000	83.24%	**2034**
2035					2,585,000	77,550	6,140,000	307,000	1,680,000	347,863	10,405,000	732,413	11,137,413	15,715,000	89.91%	**2035**
2036							6,615,000	184,200	3,975,000	276,463	10,590,000	460,663	11,050,663	5,125,000	96.71%	**2036**
2037							2,595,000	51,900	2,530,000	107,525	5,125,000	159,425	5,284,425	0	100.00%	**2037**
	26,225,000	7,495,006	17,040,000	1,896,294	17,895,000	5,912,000	40,650,000	7,628,000	10,985,000	5,940,452	155,815,000	37,566,815	193,381,815			

* Preliminary, subject to change.

Independent School District No. 270 (Hopkins Public Schools), Minnesota
Schedule of Bonded Indebtedness
Non-General Obligation Debt Secured by Annual Appropriation
(As of 11/22/2022)

	Lease-Purchase 2016							
Dated	12/29/2016							
Amount	$3,667,000							
Maturity	02/01 & 08/01							
Fiscal Year Ending	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Fiscal Year Ending**
2023	186,553	20,681	186,553	20,681	207,234	1,573,536	10.60%	**2023**
2024	379,707	34,760	379,707	34,760	414,468	1,193,829	32.17%	**2024**
2025	388,683	25,785	388,683	25,785	414,468	805,146	54.26%	**2025**
2026	397,871	16,597	397,871	16,597	414,468	407,275	76.86%	**2026**
2027	407,275	7,192	407,275	7,192	414,468	0	100.00%	**2027**
	1,760,089	105,015	1,760,089	105,015	1,865,104			

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:

2021/22 Economic Market Value	$14,569,635,139
Multiply by 15%	0.15
Statutory Debt Limit	$2,185,445,271
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes (includes the Bonds)*	(155,815,000)
Less: Long-Term Debt Outstanding Being Paid Solely from Annual Appropriations	(1,760,089)
Unused Debt Limit*	$2,027,870,182

*Preliminary, subject to change.

OVERLAPPING DEBT[1]

Taxing District	2021/22 Adjusted Taxable Net Tax Capacity	% In District	Total G.O. Debt[2]	District's Proportionate Share
County of:				
Hennepin	$2,336,109,435	6.3505%	$1,108,595,000[3]	$70,401,325
Cities of:				
Eden Prairie	130,779,089	4.8515%	17,700,000	858,716
Edina	155,998,083	7.3722%	57,425,000	4,233,486
Golden Valley	51,516,128	55.3823%	42,455,000	23,512,555
Hopkins	27,981,297	97.0881%	63,355,000	61,510,166
Minnetonka	121,244,286	53.7950%	24,720,000	13,298,124
Plymouth	159,987,353	3.1014%	60,845,000	1,887,055
St. Louis Park	87,256,766	5.3018%	63,310,000	3,356,540
Special Districts of:				
Metropolitan Council	5,197,211,231	2.8545%	218,520,000[4]	6,237,653
Three Rivers Park District	1,631,381,661	9.0938%	53,865,000	4,898,375
District's Share of Total Overlapping Debt				$190,193,995

DEBT PAYMENT HISTORY

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

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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 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.

4 The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation sewer revenue, wastewater revenue, and radio revenue bonds and lease obligations outstanding all of which are supported entirely by revenues and have not been included in the Overlapping Debt or Debt Ratios sections.

DEBT RATIOS

	G.O. Debt	Debt/Economic Market Value 14,569,635,139	Debt/ Per Capita 67,562[1]
Direct G.O. Debt Secured By Taxes (includes the Bonds)*	$155,815,000	1.07%	$2,306.25
District's Share of Total Overlapping Debt	$190,193,995	1.31%	$2,815.10
Total*	$346,008,995	2.37%	$5,121.36

*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.

[1] Estimated 2021 population.

TAX RATES, LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy[1]	Total Collected Following Year	Collected to Date[2]	% Collected
2017/18	$51,479,231	$51,167,541	$51,403,863	99.85%
2018/19	52,356,909	52,043,910	52,306,585	99.90%
2019/20	57,852,340	57,599,395	57,776,713	99.87%
2020/21	58,192,275	57,954,475	57,954,475	99.59%
2021/22	59,710,944	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.

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

2 Collections are through January 1, 2022.

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

TAX CAPACITY RATES[1]

	2017/18	2018/19	2019/20	2020/21	2021/22
I.S.D. No. 270 (Hopkins Public Schools)	29.035%	27.022%	27.190%	26.478%	26.783%
Hennepin County	42.808%	41.861%	41.084%	38.210%	38.535%
City of Eden Prairie	32.526%	31.690%	31.676%	31.589%	32.475%
City of Edina	27.849%	27.499%	28.082%	28.939%	29.088%
City of Golden Valley	55.152%	53.780%	53.400%	52.596%	54.736%
City of Hopkins	67.833%	71.697%	70.748%	67.664%	66.840%
City of Minnetonka	36.246%	35.234%	37.047%	36.064%	37.288%
City of Plymouth	26.804%	26.355%	26.206%	26.509%	27.574%
City of St. Louis Park	48.101%	46.373%	45.066%	44.554%	46.424%
Metro Mosquito	0.456%	0.427%	0.412%	0.381%	0.377%
Metro Council	0.844%	0.659%	0.616%	0.631%	0.659%
Metro Transit	1.383%	1.456%	1.433%	1.256%	1.204%
Three Rivers Park District	3.161%	2.961%	2.859%	2.793%	2.787%
Park Museum	0.710%	0.705%	0.710%	0.707%	0.722%
HCRRA	1.962%	1.807%	1.388%	1.323%	1.329%
Hennepin HRA	0.457%	0.535%	0.801%	0.722%	0.771%
Referendum Market Value Rates:					
I.S.D. No. 270 (Hopkins Public Schools)	0.15045%	0.14703%	0.16182%	0.14358%	0.14030%
City of Eden Prairie	0.00862%	0.00800%	0.00765%	0.00771%	0.00772%
City of Minnetonka	0.01542%	0.01434%	0.00280%	0.00265%	0.00257%
City of Plymouth	0.00475%	0.00219%	0.00209%	0.00197%	0.00185%

Source: Tax Levies and Collections and Tax Capacity Rates have been furnished by Hennepin County.

[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 1,586, including 947 non-licensed employees and 639 licensed employees (556 of whom are teachers). The District provides education for 6,850 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
Hopkins Education Association	June 30, 2023
Service Employees International Union, Local 284 - Maintenance	June 30, 2022
Service Employees International Union, Local 284 - Teacher Paraprofessionals	June 30, 2022
Independent School Nutrition Workers	June 30, 2023
Hopkins Clerical Association	June 30, 2023
Hopkins Association of School Administrators	June 30, 2023
Independent Community Education Staff	June 30, 2022
SEIU Local 284 Kids & Co & Stepping Stones	June 30, 2022

Status of Contracts

Contracts which expired on June 30, 2022 are currently in negotiations, except the contract between the District and the Service Employees International Union, Local 284 - Maintenance. Negotiations concerning that contract will begin in the near future.

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. 75 (GASB 75). The District 's most recent Financial Statement (Audit) shows a total OPEB liability of $24,047,362 as of June 30, 2021. In 2009, the District issued a total of $19,500,000 in OPEB Bonds to fund a revocable trust. As of June 30, 2021, the net position of the trust was $19,080,976. 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
2018/19	500	2,932	3,294	6,726
2019/20	509	2,978	3,272	6,759
2020/21	503	2,952	3,204	6,659
2021/22	450	2,919	3,253	6,622
2022/23	535	3,151	3,164	6,850

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

Year	Kindergarten	Grades 1-6	Grades 7-12	Total
2023/24	535	3,198	3,132	6,865
2024/25	535	3,241	3,140	6,916
2025/26	535	3,241	3,163	6,939

SCHOOL BUILDINGS

School Building	Year Constructed	Years of Additions/ Remodelings
Alice Smith Elementary	1952	1961, 1995, 2001, 2015
Eisenhower Elementary[1]	1955	1962, 2001
Gatewood Elementary	1969	2001
Glen Lake Elementary	1956	1961, 2001, 2015
L.H. Tanglen Elementary	1967	1995, 2001, 2014
Meadowbrook Elementary	1948	1951, 1961, 1966, 2001, 2014, 2018
Hopkins North Junior High	1959	1970, 1977, 1995, 2001
Hopkins West Junior High	1967	1995, 1997, 2001
Hopkins Senior High	1970	1983, 1995, 2001, 2019

FUNDS ON HAND (as of June 30, 2022)

Fund	Total Cash and Investments
General	$13,910,125
Food Service	1,127,259
Community Service	3,128,069
Debt Service	4,141,688
Building/Construction	11,028,268
Internal Service	17,612,232
Total Funds on Hand	$50,947,641

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.

[1] XingXing Academy (Chinese immersion program) is also located in this building.

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 District's 2021 audited financial statements.

	FISCAL YEAR ENDING JUNE 30				
COMBINED STATEMENT	**2019 Audited**	**2020 Audited**	**2021 Audited**	**2021-22 Adopted Budget 1)**	**2022-23 Adopted Budget 2)**
Revenues					
Local property taxes	$27,698,676	$28,680,573	$34,065,164	$30,914,141	$37,924,085
Other local and county revenues	3,741,164	4,143,574	3,033,327	4,068,430	3,081,992
Revenues from state sources	63,985,373	66,790,032	68,989,978	63,460,024	73,050,708
Revenues from federal sources	3,891,693	3,983,390	5,304,497	3,941,669	4,315,325
Earnings on investments	381,687	222,378	(7,302)	238,060	308,881
Total Revenues	$99,698,593	$103,819,947	$111,385,664	$102,622,324	$118,680,991
Expenditures					
Current:					
Administration	4,158,956	4,379,882	4,657,568	4,428,337	5,802,053
District support services	5,215,768	4,796,570	5,453,766	5,054,748	7,150,351
Elementary & secondary regular instruction	45,690,309	46,990,453	49,511,174	46,320,426	49,720,524
Vocational education instruction	1,297,841	1,316,860	971,954	1,330,333	1,024,667
Special education instruction	16,240,938	16,639,136	16,923,828	16,915,109	17,722,608
Community education			184,325		
Instructional support services	6,476,852	6,236,585	4,612,424	6,060,145	7,295,559
Pupil support services	9,352,041	9,947,366	7,186,826	10,103,159	11,480,024
Sites and buildings	10,008,457	10,245,095	10,360,119	10,429,847	12,862,982
Fiscal and other fixed cost programs	278,697	245,185	410,860	254,263	1,126,553
Capital outlay	2,023,895	1,288,277	4,131,076	1,305,885	4,070,670
Debt service	414,467	414,467	414,467	420,072	425,000
Total Expenditures	$101,158,221	$102,499,876	$104,818,387	$102,622,324	$118,680,991
Excess of revenues over (under) expenditures	($1,459,628)	$1,320,071	$6,567,277	$0	$0
Other Financing Sources (Uses)					
Operating transfers in	$2,100,416	$1,042,509	$0	$0	$0
Operating transfers out	(1,050,000)	0	0	0	0
Sale of equipment	31,500	200	0	0	0
Insurance recovery proceeds	42,066	0	0	0	0
Total Other Financing Sources (Uses)	$1,123,982	$1,042,709	$0	$0	$0
Net changes in Fund Balances	($335,646)	$2,362,780	$6,567,277	$0	$0
General Fund Balance July 1	11,496,878	11,161,232	13,524,012		
Prior Period Adjustment	0	0	0		
Residual Equity Transfer in (out)	0	0	0		
General Fund Balance June 30	$11,161,232	$13,524,012	$20,091,289		
DETAILS OF JUNE 30 FUND BALANCE					
Nonspendable	$284,935	$253,391	$261,491		
Restricted	1,721,160	3,327,415	4,154,649		
Assigned	1,407,061	1,938,677	5,414,024		
Unassigned	7,748,076	8,004,529	10,261,125		
Total	$11,161,232	$13,524,012	$20,091,289		

1) The 2021-22 budget was adopted on June 2, 2020.

2) The 2022-23 budget was adopted on June 7, 2022.

GENERAL INFORMATION

LOCATION

The District, with a 2020 U.S. Census population of 68,599 and a 2021 population estimate of 67,562, and comprising an area of 29.48 square miles, is located approximately 10 miles southwest of the City of Minneapolis.

LARGER EMPLOYERS[1]

Larger employers in the District include the following:

Firm	Type of Business/Product	Estimated No. of Employees
United Health Care/Optum Health	Accident and health insurance & services	5,000 [2]
Cargill	Farm management services	3,500
General Mills - World Headquarters	Food research/production	3,100
Micro-Tech Hearing Instruments	Hearing aids products and services	2,000
Polaroid	Photographic equipment and supplies	2,000
I.S.D. No. 270 (Hopkins Public Schools)	Elementary and secondary education	1,586
UNFI	Wholesale food distribution	1,400
MTS Systems Corporation	Mechanical testing	1,000
Abbott Laboratories	Physicians & surgeons equipment	800
SUEZ Water Tech & Solutions	Filtration equipment-manufacturer	700

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

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.

2 Optum is a part of United Health Group, and their corporate headquarters is located in the District.

U.S. CENSUS DATA

Population Trend: The District

2010 U.S. Census population	61,813
2020 U.S. Census population	68,599
2021 State Demographer Estimate	67,562
Percent of Change 2010 - 2020	10.98%

Income and Age Statistics

	The District	**Hennepin County**	**State of Minnesota**	**United States**
2020 per capita income	$54,844	$47,618	$38,881	$35,384
2020 median household income	$79,091	$81,169	$73,382	$64,994
2020 median family income	$109,580	$108,580	$92,692	$80,069
2020 median gross rent	$1,276	$1,176	$1,010	$1,096
2020 median value owner occupied units	$326,300	$292,100	$235,700	$229,800
2020 median age	39.8 yrs.	36.7 yrs.	38.1 yrs.	38.2 yrs.

	State of Minnesota	**United States**
District % of 2020 per capita income	141.06%	155.00%
District % of 2020 median family income	118.22%	136.86%

Source: *2010 and 2020 Census of Population and Housing, and 2020 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	**Hennepin County**	**Hennepin County**	**State of Minnesota**
2018	687,099	2.7%	3.1%
2019	694,727	3.0%	3.4%
2020	667,542	6.7%	6.3%
2021	669,687	3.4%	3.4%
2022, August	697,433	2.2%	2.1%

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.

ANNUAL COMPREHENSIVE
FINANCIAL REPORT OF

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
HOPKINS, MINNESOTA

YEAR ENDED JUNE 30, 2021

PREPARED BY THE
FINANCE DEPARTMENT

TARIRO CHAPINDUKA
DIRECTOR OF BUSINESS SERVICES

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INTRODUCTORY SECTION

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Committed to Equity & Excellence
Hopkins Public Schools
www.hopkins.k12.mn.us

HOPKINS PUBLIC SCHOOLS

Education Services Center
1001 Highway 7
Hopkins, MN 55305-4723
952.988.4000
952.988.4108 fax

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

Date: December 13, 2021

INTRODUCTION

The Annual Comprehensive Financial Report (ACFR) of Independent School District No. 270, Hopkins, Minnesota (the District) for the fiscal year ended June 30, 2021 is presented for your information and review. The ACFR is intended to fully disclose the financial position of the District and the results of operations for the fiscal year. The District administration accepts total responsibility for the accuracy, completeness, and fairness in presentation of the enclosed financial reports. Questions and comments are solicited and welcome.

REPORT FORMAT

This ACFR is presented in three main sections: introductory, financial, and statistical. In addition to the information contained in this letter, the introductory section includes the District's organizational chart, and a list of the District's principal officials. The financial section includes the independent auditors' report, Management's Discussion and Analysis (MD&A), basic financial statements, notes to basic financial statements, and detailed combining and individual statements and schedules. The statistical section includes selected financial and general information presented on a multi-year comparative basis. Where possible, historical data is presented for a 10-year period.

Accounting principles generally accepted in the United States of America require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of an MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A of the District can be found immediately following the report of the independent auditors.

DISTRICT ORGANIZATION

The Hopkins School District officially organized in 1896 and serves the city of Hopkins, most of Minnetonka, about half of Golden Valley, and portions of Eden Prairie, Edina, Plymouth, and St. Louis Park. The District is guided by its mission that reflects the loftiest goal of the School District. It is a statement of our desired future, and our identity.

Serving a community rich in culture and diversity, the Hopkins Public Schools develops in all students the skills, knowledge, and passion for lifelong learning.

The District enrolled 6,860 students from a population of over 65,000 citizens residing in a 29.5 square mile area. During 2019 - 2020 the District operated 12 buildings: 1 high school, 2 junior high schools, 6 elementary schools serving students in kindergarten through Grade 6, junior highs serving Grades 7-9, and the high school serving Grades 10-12.

REPORTING ENTITY

Independent School District No. 270, also known as Hopkins Public Schools, is an instrumentality of the state of Minnesota established to function as an educational institution. The elected School Board is responsible for legislative and fiscal control of Hopkins Public Schools. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

The District's financial statements include all funds, departments, agencies, boards, commissions, and other component units for which the District is considered to be financially accountable. Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit included 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 the potential component unit.

Based on these criteria, there are no organizations considered to be component units of the District.

DISTRICT FISCAL FRAMEWORK

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

- Declining enrollment;
- Insufficient increases in state funding;
- COVID-19 Pandemic;
- Inflationary pressures on key expenditure areas.

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

- Present and future outlook for revenue increases is pessimistic;
- District's cost structure is tied roughly 82% to people, with building operating costs coming next.

On a positive note, the District has seen a slight increase in enrollment projected to continue for the next five years. The district received one-time federal funding to mitigate some of the COVID 19 pandemic challenges.

The District has a Citizen's Financial Advisory Committee (CFAC). The purpose of the CFAC committee is to provide advice, direction, and support to the Hopkins School Board and senior administration in evaluating possible future economic conditions the District may face, developing future budget assumptions, and providing insights, when requested, as to the overall fiscal condition of the District. The committee will review the District's financial planning model and make recommendations to the School Board. This committee is accountable to the Hopkins School Board.

FISCAL YEAR 2021 ANALYSIS

The District adopted a Fiscal Year 2021 (July 1-June 30) budget totaling $102.6 million as of June 30, 2020 in the middle of a pandemic. The district's fiscal outlook has improved considerably due Federal stimulus packages which provided relief to school districts.
With COVID case numbers continuing to increase this led to a suspension of in person learning. As the pace of vaccination increased through the winter and into the spring, enrollment rebounded aided by the infusion of federal stimulus.

The different variants of the COVID 19 virus remains the greatest threat to a full fiscus recovery. A resurgent of the virus has the potential to complicate the return to full-time in-person learning for Hopkins Public Schools' scholars, impacting both their full educational attainment. This is true for younger students, who are not yet eligible for vaccination.

FINANCIAL STATEMENTS

The financial statements contained in this report disclose the financial position of the District as of June 30, 2021, and the financial operations for the fiscal year then ended. The District's financial records and reports are maintained and prepared on a modified or full accrual basis of accounting in accordance with the Uniform Financial Accounting and Reporting System for Minnesota School Districts as well as the standards of the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. These records are audited annually by an independent certified public accountant as required by Minnesota law. The accounting firm of CliftonLarsonAllen LLP performed the audit for the 2019 - 2020 fiscal year. Their report is included in the financial section of this report. The auditor has given an unmodified opinion on the District's financial statements. An unmodified opinion means that, in the judgment of the auditor, the financial statements present fairly, in all material respects, the financial position of the District and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

FEDERAL SINGLE AUDIT AND STATE COMPLIANCE AUDIT

The independent audit of the financial statements of the District is 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 Statute §6.65. These reports are available in a separate document.

ACCOUNTING AND BUDGETING

A major thrust of the District's accounting system is to provide adequate internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits likely to be derived, and that the evaluation of the cost and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance for proper recording of financial transactions.

The legal level of budgetary control is demonstrated through an annual budget adopted by the School Board for all funds as required by state statutes and School Board policy. The budget process starts with the Citizens' Financial Advisory Committee (comprised of five members of the public) suggesting potential assumptions to be used to develop the budget. The CFAC report is submitted to the Board and the School Board then determines whether to use the CFAC assumptions presented. The School Board directs administration to develop the budget based on the agreed upon parameters. The administration then presents the budget to the School Board for preliminary approval in early spring and final approval in May. The adopted budget serves as the authorizing document for all expenditures, although the School Board approves all checks issued on a monthly basis. The superintendent and director of business services are authorized to make financial commitments within budgetary guidelines up to $50,000. Additional expenditure controls are maintained by the Business Office in accordance with state statutes, i.e., the District cannot incur a negative unassigned balance in the General Fund in excess of 2.5% of the preceding year's expenditures. The budget is published annually in the District's legal newspaper to inform residents of the District's financial position and operating plan for the fiscal year. The School Board receives a monthly report showing the budget to actual balances for revenues and expenditures of the current year and prior year. Program managers receive monthly budget reports via email, which indicate the approved budget on a line-item basis; the year-to-date expenditures assigned to those line items; and the percent expended to date. Monthly monitoring of revenues and expenditures by the School Board as well as ongoing monitoring by program managers helps to ensure budget integrity and provides an opportunity to detect material budget variances before the end of the fiscal year.

The budget is adopted by the School Board in the spring of each year for the following fiscal year beginning July 1. In the winter the budget is revised based upon enrollment changes, effects of negotiated employee contracts, or other new information impacting revenues or expenditures. The revised budget is presented to the School Board for approval. To accurately track and report financial activities with a focus on site-based accounting, approximately 17,000 accounts have been defined in the District's chart of accounts.

FINANCIAL PROSPECTS FOR FUTURE YEARS

The District's finances are largely dependent on student enrollment. Revenue increases to the per pupil formula allowance are then offset by the fewer numbers of students attending, resulting in even smaller actual gross revenue increases. Hopkins had been experiencing declining enrollment from FY10 to FY19 to the magnitude of 547 students or about an 7.4% decrease over this 10-year period. State funding on average is equal to about $6,438 per student for FY21.

The Hopkins School Board has focused on rebuilding the unassigned fund balance of the General Fund from its FY05 low point of -$4.2 million, or -5.34% to its current level at June 30, 2021 of $10.4 million, or 10% of its General Fund expenditures. This turnaround is a reflection of tough decisions that the School Board and administration have had to make to bring the District back to fiscal health.

DISTRICT FACILITIES

District educational facilities consist of 10 educational buildings originally constructed from 1948 to 1990. Each building has had numerous additions over the years. In spite of the age of the facilities, all school buildings are maintained in a state of good repair, with building components modernized and updated on a systematic basis through the District's long-term maintenance plan. Because of this continual improvement, all educational facilities should be able to effectively serve the District for a minimum of 50-60 additional years. The total District square footage, including administrative buildings, is 1,896,495.

ECONOMIC FACTORS

The District is located in western Hennepin County, which is part of the seven-county metro area of Minneapolis/St. Paul. Residents are typically employed in professional vocations within the metropolitan area.

The taxable market value of property within the District continued to grow until 2009. Previous growth was due to new construction and valuation increases for existing property. Market values have rebounded from $9,052,017,600 in 2011 to $13,000,922,000 in 2021. While the District is essentially fully developed residentially, commercial development and redevelopment is clearly evident throughout the community.

MAJOR INITIATIVES

Strategic Plan

In Hopkins, every student deserves a brilliant future. The District has unveiled a new **Vision 2031 Strategic Plan**. Vision 2031 is a vision of innovation created with the core belief designed to find out what our community, staff, and students think a world-class education should look like and what traits each student in the graduating class of 2031 should have.

What is Hopkins Vision 2031?

Vision 2031 is a vision of innovation to reimagine Hopkins Public Schools starting from the ground up. The strategic "why" behind it is that every student deserves a brilliant future. These key points will help explain more:

- At Hopkins, we believe in educating learners ages 0-21, self-directed learning, teaching holistically, job market connections, and creating a student of the world.
- Our students are ready to leave traditional classrooms behind and engage in change that includes their voice.
- The future of employment in our volatile, uncertain, complex, and ambiguous (VUCA) world demands we prepare a different kind of student.
- Hopkins 2031 graduates will be: confident in their voice, critical and holistic thinkers, well-traveled and global-minded, and cultivators of empathy.
- We are proud to look like the real world, with a 46% nonwhite student body — it is our quest to permanently disrupt gender and racial disparities.
- Our Six Pillars of Innovation are: Innovation Teams that are not afraid to fail, digital tools to help students and educators succeed, reimagining what school could be, crowdsourcing new ideas, strategic partnerships, and an open mindset.

Core Values

In Hopkins, our core values represent how we show up to work every day. The more we are able to embody and embrace our core values, the more successful we will be in our goal of reaching Vision 2031 and truly moving from Great to World Class.

The values that define us are:

- Authentic Inclusivity
- Intentionally Adventurous
- Optimistic Innovation
- Humility of Heart
- Vigilant Equity
- Love

Beliefs

World class does not mean elite or exclusive. It means, the best. And every child in Hopkins deserves the best. In Hopkins we believe in:

- Educating learners 0-21
- Self-directed learning
- Educators evolving roles
- Teaching holistically
- Increasing job market connections
- Creating students of the world

As we progress in our Great to World Class work, there are some traits about Hopkins that we are determined to hold onto. In Hopkins we will continue to:

- Put students first
- Be vigilantly focused on equity
- Build and sustain authentic relationships
- Value community engagement and partnership

INDEPENDENT AUDIT AND CERTIFICATE OF EXCELLENCE

State statutes require an annual audit by independent certified public accountants. The accounting firm of CliftonLarsonAllen LLP was selected by the District Board to conduct the annual audit.

This report has been prepared following the guidelines provided by the Association of School Business Officials International (ASBO) for their Certificate of Excellence in Financial Reporting Program. In 2020, the District received recognition from this program by receiving the Certificate of Excellence. Continuing to achieve recognition is a goal of the District's Business Office and provides a clear indication of the District's high standards for financial reporting. The District intends to submit this Annual Comprehensive Financial Report to the ASBO Certificate Program for consideration.

ACKNOWLEDGMENTS

We acknowledge the efforts of the entire Business Office staff under the leadership of Tariro Chapinduka in providing complete and accurate data for this Annual Comprehensive Financial Report.

Sincerely,

Tariro Chapinduka
Director of Business Services

Dr. Rhoda Mhiripiri-Reed
Superintendent

Jason Stegeman
Controller

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
SCHOOL BOARD AND ADMINISTRATION
JUNE 30, 2021

The Hopkins School Board — comprised of seven members elected at large by District residents — is the governing authority of Hopkins Public Schools. The responsibilities of the Board are primarily focused on three areas:

- Budget adoption, revenue management, and expenditure authorization
- Superintendent selection, contract, and evaluation
- Establishing District policy

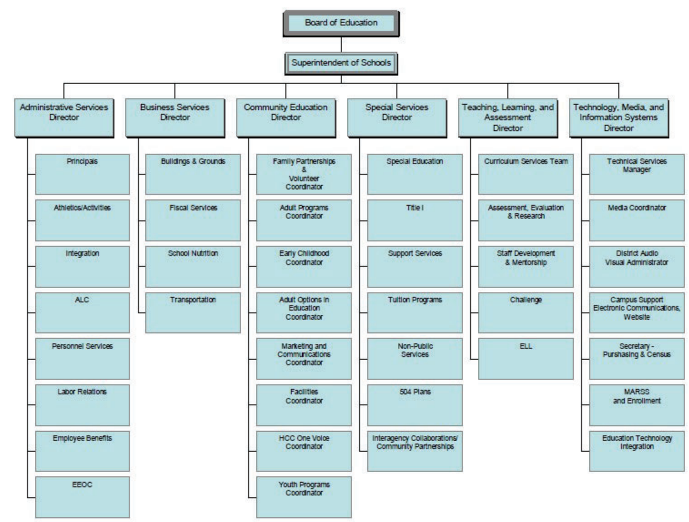
The District Superintendent serves as an ex officio, non-voting member of the Board.

Hopkins School Board members (from top to bottom, left to right): Jen Bouchard, Chair; Shannon Andreson, Vice Chair; Katie Pederson, Clerk, Steve Adams, Treasurer, Fartun Ahmed, Director, Tanya Khan, Director; John Kuhl, Director; Chris LaTondresse; Former Vice Chair

ADMINISTRATION

Dr. Rhoda Mhiripiri-Reed	Superintendent
Tariro Chapinduka	Director of Business Services
District Offices:	Independent School District No. 270 Hopkins Public Schools 1001 Highway 7 Hopkins, MN 55305-4722 (952) 988-4000

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
ORGANIZATIONAL STRUCTURE
JUNE 30, 2021



HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING
JUNE 30, 2021

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Hopkins Public Schools ISD 270

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

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

W. Edward Chabal
President

David J. Lewis
Executive Director

FINANCIAL SECTION

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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Members of the Board of Education
Independent School District No. 270
Hopkins Public Schools
Hopkins, 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 Hopkins Public Schools, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Hopkins Public Schools' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Hopkins Public Schools as of June 30, 2021, and the respective changes in financial position, the budgetary comparison for the General, Food Service, and Community Service funds and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Prior Year Information

We have previously audited Hopkins Public Schools' 2020 financial statements of the governmental activities, each major fund and the aggregate remaining fund information, and we expressed an unmodified opinion on those audited financial statements in our report dated December 1, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended **June 30, 2020** is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in total OPEB liability and related ratios, schedules of the Independent School District No. 270's (the District) proportionate share of net pension liability, schedules of the District's pension contributions, and the schedule of changes in the District's total pension liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hopkins Public Schools' basic financial statements. The introductory section, combining and individual fund financial statements, uniform financial accounting and reporting standards compliance table and statistical sections are presented for purposes of additional analysis and are not required parts of the basic financial statements.

Other Matters (Continued)

The combining and individual fund financial statements and the UFARS compliance table are the responsibility of management and were derived from and relate 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.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2021, on our consideration of Hopkins Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hopkins Public Schools' internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 13, 2021

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REQUIRED SUPPLEMENTARY INFORMATION

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HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021

This section of Hopkins Public Schools – Independent School District No. 270's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the District's basic financial statements, which immediately follows this section. The Management's Discussion and Analysis (MD&A) is a required element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current year (2020-2021) and the prior year (2019-2020) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020-2021 fiscal year include the following:

- Net position of the District in total increased by $10,373,620, from June 2020 resulting in an ending net position deficit of $48,887,858.
- Overall General Fund revenues were $111,385,664 as compared to $104,818,387 of expenditures.
- Total fund balance of the General Fund increased by $6,567,277 from the prior year resulting from revenues increasing over $7.5 million while expenditures increased about $2.3 million.
- The District had $156,770,000 in General Obligation Bonds outstanding at year-end.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-Wide Statements

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

The two Government-wide statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets, 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 an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

- *Governmental Activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Property taxes and state aids finance most of these activities.

Fund Financial Statements

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

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

The District has three kinds of funds:

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

- The District uses *internal service funds* to report activities that provide supplies and services for the District's other programs and activities. The District currently has an internal service fund for self-insurance of health and dental benefits, for its OPEB Revocable Trust and for a Retiree Severance Fund.
- *Fiduciary Funds* – The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the Government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's *combined* net position was $(48,887,858) on June 30, 2021.

Table A-1
The District's Net Position

	Governmental Activities as of June 30, 2021	Governmental Activities as of June 30, 2020	Percentage Change
Current and Other Assets	$ 135,523,858	$ 112,780,075	20.17 %
Capital Assets	186,241,686	190,688,871	(2.33)
Total Assets	321,765,544	303,468,946	6.03
Deferred Outflows of Resources	38,465,069	54,747,735	(29.74)
Current Liabilities	9,843,180	8,967,469	9.77
Long-Term Liabilities	285,701,561	272,475,521	4.85
Total Liabilities	295,544,741	281,442,990	5.01
Deferred Inflows of Resources	113,617,992	136,035,169	(16.48)
Net Position:			
Net Investment in Capital Assets	16,737,405	179,206,759	(90.66)
Restricted	23,347,531	8,366,016	179.08
Unrestricted	(89,017,056)	(246,834,253)	(63.94)
Total Net Position	$ (48,932,120)	$ (59,261,478)	(17.43)

Net position of the District increased by $10,373,620 from the June 2020 amount primarily due to an increase in the restricted fund component due to management's plan for use of the resources in the future. Due to the COVID-19 pandemic, the use of restricted revenue decreased, and the funds improved the net position.

Changes in Net Position

The District's total revenues were $146,763,827 for the year ended June 30, 2021. Property taxes and state formula aid accounted for 80% of total revenue for the year (see Figure A-1). Another 0.3% came from other general revenues combined with investment earnings and the remaining 19.7% from program revenues.

Table A-2
Change in Net Position

	Governmental Activities for the Fiscal Year Ended June 30, 2021	Governmental Activities for the Fiscal Year Ended June 30, 2020	Percentage Change
Revenues			
Program Revenues			
Charges for Services	$ 5,933,691	$ 10,180,804	(41.72)%
Operating Grants and Contributions	22,665,143	19,191,748	18.10
Capital Grants and Contributions	464,464	530,435	(12.44)
General Revenues			
Property Taxes	58,778,410	52,674,308	11.59
Unrestricted State Aid	58,417,002	57,939,346	0.82
Earnings on Investments	186,963	2,290,672	(91.84)
Other	318,154	585,415	(45.65)
Total Revenues	146,763,827	143,392,728	2.35
Expenses			
Administration	6,359,322	5,187,577	22.59
District Support Services	5,390,708	4,973,713	8.38
Regular Instruction	62,819,452	62,335,841	0.78
Vocational Education Instruction	1,035,229	1,351,171	(23.38)
Special Education Instruction	17,711,213	17,524,989	1.06
Instructional Support Services	5,321,288	6,493,756	(18.06)
Pupil Support Services	7,747,188	10,270,877	(24.57)
Sites and Buildings	12,670,008	11,804,890	7.33
Fiscal and Other Fixed Cost Programs	410,860	245,185	67.57
Food Service	3,511,681	4,598,575	(23.64)
Community Service	8,616,516	10,978,332	(21.51)
Interest and Fiscal Charges on Long-Term Liabilities	4,841,004	5,063,825	(4.40)
Total Expenses	136,434,469	140,828,731	(3.12)
Change in Net Position	10,329,358	2,563,997	
Beginning Net Position	(59,261,478)	(61,825,475)	
Ending Net Position	$ (48,932,120)	$ (59,261,478)	

The total cost of all programs and services was $136,390,207. Total revenues exceeded expenses increasing net position by $10,373,620 from the prior year net position.

The total revenues of all *governmental* activities this year was $146,763,827.

- Some of the cost was paid by the users of the District's programs ($5,933,691).
- The federal and state governments subsidized certain programs with grants and contributions ($23,129,607).
- Most of the District's costs ($117,195,412), however, were paid for by District taxpayers and the taxpayers of our state. This portion of governmental activities was paid for with $58,778,410 in property taxes, and $58,417,002 of unrestricted state aid based on the statewide education aid formula.

Figure A-1
Sources of District's Revenues for Fiscal 2021

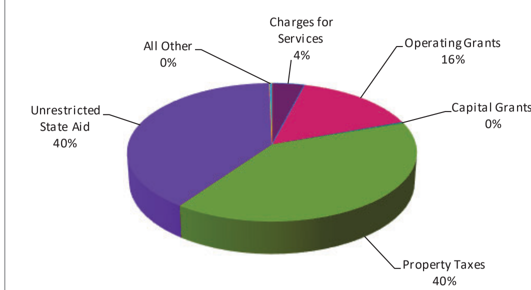
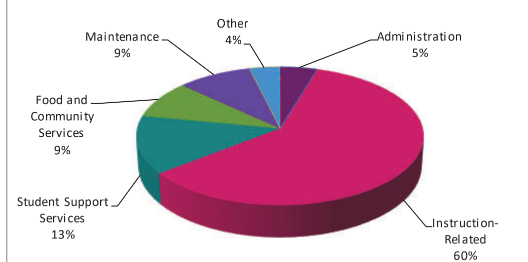


Figure A-2
District Expenses for Fiscal 2021



All governmental funds include not only the funds received for the general operation of the District, which are used for classroom instruction, but also include resources from the entrepreneurial-type funds of Food Service and Community Education, and from resources for fiscal service transactions. Funding for the general operation of the District is controlled by the state and the District does not have the latitude to allocate money received in Food Service or Community Education or for fiscal services to enhance classroom instruction resources. The District cannot take funds from these restricted areas and use the funds to hire teachers to enhance instruction.

Table A-3
Program Expenses and Net Cost of Services

	Total Cost of Services 2021	Total Cost of Services 2020	Percentage Change	Net Cost of Services 2021	Net Cost of Services 2020	Percentage Change
Administration	$ 6,359,322	$ 5,187,577	22.59 %	$ 6,273,196	$ 5,009,731	25.22 %
District Support Services	5,390,708	4,973,713	8.38	5,285,633	4,966,450	6.43
Regular Instruction	62,819,452	62,335,841	0.78	57,676,720	58,898,691	(2.07)
Vocational Education Instruction	1,035,229	1,351,171	(23.38)	1,012,943	1,312,928	(22.85)
Special Education Instruction	17,711,213	17,524,989	1.06	5,319,276	6,222,269	(14.51)
Instructional Support Services	5,321,288	6,493,756	(18.06)	5,153,931	5,692,550	(9.46)
Pupil Support Services	7,747,188	10,270,877	(24.57)	7,714,347	9,921,467	(22.25)
Sites and Buildings	12,670,008	11,804,890	7.33	11,244,786	10,317,445	8.99
Fiscal and Other Fixed Cost Programs	410,860	245,185	67.57	410,860	245,185	67.57
Food Service	3,511,681	4,598,575	(23.64)	19,294	(210,856)	(109.15)
Community Service	8,616,516	10,978,332	(21.51)	2,419,181	3,486,059	(30.60)
Interest and Fiscal Charges on Long-Term Liabilities	4,841,004	5,063,825	(4.40)	4,841,004	5,063,825	(4.40)
Total	$ 136,434,469	$ 140,828,731	(3.12)	$ 107,371,171	$ 110,925,744	(3.20)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of $40,451,340, or $21,045,797 more than last year's ending fund balance of $19,405,543.

Total revenues and other financing sources for the District's governmental funds were $146,649,502 while total expenditures and other financing uses were $141,534,007.

GENERAL FUND

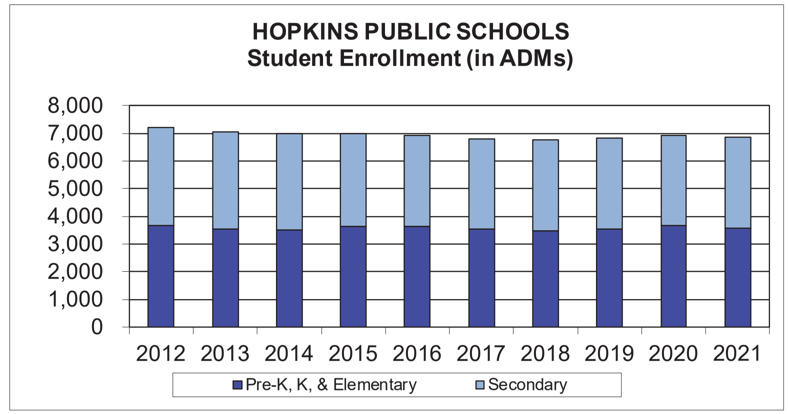
The General Fund includes the primary operations of the District in providing educational services to students from kindergarten through grade 12 including pupil transportation activities and capital outlay projects.

Approximately 67% of General Fund operational revenue is controlled by a complex set of state funding formulas resulting in the local school board having no meaningful authority to determine the level of resources. This includes special education state aid that is based upon a cost reimbursement model providing approximately 68% of personnel expenditures. Other state formulas then determine what portion of the revenue will be provided by property taxes and what portion will come from state aid.

ENROLLMENT

Enrollment is a critical factor in determining revenue with approximately 75% of General Fund revenue being determined by enrollment. The following chart shows that the number of students has decreased slightly over the last 10 years.

Table A-4
Ten-Year Enrollment Trend
Average Daily Membership (ADM)



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Pre-K & KH	72.74	67.19	74.35	91.51	101.71	110.70	120.03	133.02	176.14	151.59
Reg K	452.81	450.86	494.96	505.31	504.80	425.27	448.38	455.36	495.58	460.46
Pre-K, K, & Elementary	3,674.93	3,550.96	3,498.80	3,622.42	3,622.66	3,527.87	3,477.67	3,540.91	3,663.52	3,561.87
Secondary	3,517.28	3,486.77	3,473.61	3,370.47	3,302.99	3,251.02	3,292.46	3,286.16	3,250.18	3,296.99
Total Students for Aid	7,717.76	7,555.78	7,541.72	7,589.71	7,532.16	7,314.86	7,338.54	7,415.45	7,585.42	7,470.91
Percent Change	-2.01%	-2.10%	-0.19%	0.64%	-0.76%	-2.88%	0.32%	1.05%	2.29%	-1.51%

Over the last 10 years, the District has experienced a decline in average daily membership by 247 students or 3.3%. It is anticipated that enrollment will slightly increase in the next five years, due to the expansion of the immersion programs. The District continues to market and accept open enrollment students to mitigate some of this natural decline.

The following schedule presents a summary of General Fund Revenues.

Table A-5
General Fund Revenues

	Year Ended		Change	
	June 30, 2021	June 30, 2020	Increase (Decrease)	Percent Change
Local Sources:				
Property Taxes	$ 34,065,164	$ 28,680,573	$ 5,384,591	18.8 %
Earnings on Investments	(7,302)	222,378	(229,680)	(103.3)
Other	3,033,327	4,143,574	(1,110,247)	(26.8)
State Sources	68,989,978	66,790,032	2,199,946	3.3
Federal Sources	5,304,497	3,983,390	1,321,107	33.2
Total General Fund Revenue	$ 111,385,664	$ 103,819,947	$ 7,565,717	7.3

Total General Fund Revenue increased by $7,565,717 or 7.3% from the previous year. Basic general education revenue is determined by multiple state formulas, largely enrollment driven, and consists of an equalized mix of property tax and state aid revenue. Other state-authorized revenue may also involve an equalized mix of property tax and state aid revenue. Therefore, the mix of property tax and state aid can change significantly from year to year without any net change on total revenue.

For 2020-2021, local property tax revenue increased by $5,384,591, or 18.8%. Earnings on investments decreased by $229,680.

State Sources increased by $2,199,946, or 3.3%, Federal Sources increased by $1,321,107, or 33.2%, and Other revenue decreased by $1,110,247, or 26.8%.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021

The following schedule presents a summary of General Fund Expenditures.

Table A-6
General Fund Expenditures

	Year Ended		Change	
	June 30, 2021	June 30, 2020	Increase (Decrease)	Percent Change
Salaries	$ 63,195,290	$ 63,745,378	$ (550,088)	(0.9)%
Employee Benefits	21,546,152	19,221,707	2,324,445	12.1
Purchased Services	12,430,903	15,114,712	(2,683,809)	(17.8)
Supplies and Materials	2,403,923	2,224,856	179,067	8.0
Capital Expenditures	4,131,076	1,288,277	2,842,799	220.7
Debt Service	414,467	414,467	-	-
Other Expenditures	696,576	490,479	206,097	42.0
Total General Fund Expenditures	$ 104,818,387	$ 102,499,876	$ 2,318,511	2.3

Total General Fund Expenditures increased $2,318,511 or 2.3% from the previous year. The major factor driving the increase from 2019-2020 to 2020-2021 were significant increases in employee benefits due to increased expenditures in Other Post Employee Benefits and other fringe benefits. Capital Expenditure saw a significant increase due to purchase of digital technology and ventilation devices to aid in distance learning and curb the spread of COVID 19. Purchased Services including contract expenses decreased due to significant reductions in transportation expenses driven by the effect of the COVID-19 pandemic. Supplies and Other Expenditures increases were driven by the effects of the COVID-19 pandemic. All other expenditures decreased due to cost saving measures the district implemented as well as reduction in operating expenditure due to the pandemic.

In fiscal 2020-2021, General Fund revenues were more than expenditures by $6,567,277 including other financing sources and uses. Therefore, total fund balance increased from $13,524,012 in the prior year to $20,091,289 as of June 30, 2021. After deducting statutory categories of fund balance and District commitments and assignments, the General Fund Unassigned fund balance increased from $8,004,529 at June 30, 2020 to $10,481,837 at June 30, 2021. This represents about 10% of fiscal year 2020-2021 total general fund expenditures. The School Board fund balance policy states that the administration shall plan and manage annual revenue and expenditure budgets that provide a General Fund unassigned fund balance of no less than 6% of annual expenditures and treats any excess above 6% as a contingency reserve to be utilized for nonrecurring costs.

General Fund Budgetary Highlights

Following approval of the budget prior to the beginning of the fiscal year, the District revises the annual operating budget in mid-year. These budget amendments typically fall into two categories:

- Implementing budgets for specially funded projects, which include both federal and state grants and reinstating unexpended funds being carried over.
- Legislation passed subsequent to budget adoption, changes necessitated by collective bargaining agreements, and increases in appropriations for significant unbudgeted costs.

Actual revenues were $1,254,748 or 1.1% more than budgeted, while expenditures were $2,248,762 or 2.1% less than budgeted.

While the District's final budget for the General Fund anticipated that fund balance would increase by $2,058,367, the actual results for the year show that fund balance increased in total by $6,567,277.

CAPITAL PROJECTS AND DEBT SERVICE FUNDS

The Building Construction Fund has two major components, the Capital Projects Levy (Technology Levy) component, and the Long-Term Facilities Maintenance Revenue (LTFMR) Bonding and Levy component (previously the Alternative Facilities Bonding and Levy Program). These are ongoing restricted revenue and expenditure programs.

In the Debt Service Fund, expenditures exceeded revenues and other financing sources and uses by $221,670 in 2019-2020. The ending Debt Service fund balance at June 30, 2020 of $3,159,566 includes $2,208,519 for meeting future regular debt service obligations and $991,189 available for meeting future OPEB debt service obligations.

OTHER MAJOR FUNDS

Expenditures exceeded revenue and other financing sources by $130,823, resulting in the fund balance of the Food Service Fund ending at $852,871 for 2020-2021. In the Community Service Fund revenue and other financing sources exceeded expenditures by $248,033 and resulted in the fund balance of the Community Service Fund ending at $1,387,304, with $1,084,669 restricted for community education programs.

From the standpoint of maintaining current operating expenditures within the range of annual revenue and maintaining a sound fund balance, the Food Service and Community Service funds have respective budgets for 2020-21 that allow them to continue to operate on a sound financial basis. We have taken mitigating measures to align our Community Services expenditures to the revenues generated to avoid excess use of fund balance in the future.

INTERNAL SERVICE FUND

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2021, the District had invested approximately $337 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). More detailed information about capital assets can be found in Note 3 to the financial statements. Total depreciation expense for the year was about $11.6 million.

Table A-7
Capital Assets

	2021	2020	Percentage Change
Land	$ 2,867,600	$ 2,867,600	- %
Construction in Progress	11,649,164	15,578,107	(25.2)
Land Improvements	26,028,036	24,617,126	5.7
Buildings and Improvements	267,807,385	257,608,954	4.0
Equipment	37,229,710	36,687,823	1.5
Less: Accumulated Depreciation	(159,340,209)	(146,670,739)	8.6
Total Capital Assets	$ 186,241,686	$ 190,688,871	(2.3)

Construction – Next Five Years

In fiscal 2021, the District continued its 16-year (16th construction year) of a rolling 10-year program to address in excess of $70 million in deferred maintenance needs, with an emphasis on improving indoor air quality and roof, parking lot and window replacement. The revised 10-year facilities management plan identified $18 million in projects for Phase VIII. The District bonded for $15 million in the fall of 2020. The program name has also changed from the Alternative Facilities Bonding and Levy program to the Long-Term Facilities Maintenance Revenue (LTFMR) program.

Long-Term Liabilities

At year-end, the District had $156,770,000 in general obligation bonds outstanding – a decrease of 2.4% from last year – as shown in Note 4 to the financial statements. Pension Benefits Payable represents the District's proportionate share of the Public Employees' Retirement Association of Minnesota General Employees' Retirement Fund's net pension liability, the District's portion of the Teacher's Retirement Association's Coordinated and Basic Plan net pension liability, as well as the net pension liability of the District's supplemental pension plan. The District's pension benefits payable related to these net pension liabilities increased $12,022,935, or 12.8%. The District also increased its postemployment severance and health benefits payable at June 30, 2021 by a net of $1,347,514.

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

	2021	2020	Percentage Change
Net Pension Liability	$ 93,858,460	$ 81,835,525	14.7 %
Other Postemployment Benefits Payable	24,047,362	25,394,876	(5.3)
Other Long-Term Liabilities:			
General Obligation Bonds	156,770,000	153,095,000	2.4
General Obligation OPEB Bonds	-	3,730,000	(100.0)
Net Bond Premium and Discount	8,718,890	5,759,266	51.4
Capital Leases Payable	2,306,849	2,660,854	(13.3)
Total Long-Term Liabilities	$ 285,701,561	$ 272,475,521	4.9
Long-Term Liabilities:			
Due Within One Year	$ 15,233,939	$ 12,927,837	17.8 %
Due in More Than One Year	270,467,622	259,547,684	4.2
Total	$ 285,701,561	$ 272,475,521	4.9

FACTORS BEARING ON THE DISTRICT'S FUTURE

Hopkins Public Schools remained financially stable as of June 30, 2021. The economy of the district is robust and the enrollment trend is positive. Resident income is healthy at 117% of the US median. The three year enrollment trend is increasing at 0.7%. Audited results for 2020-2021 will result in a revised General Fund balance that will keep the General Fund Unassigned fund balance as of June 30, 2021 at slightly higher than the previous year. This will keep Hopkins Public Schools Unassigned fund balance in the range of 7-15%, an amount that will keep it in line with financially strong neighboring districts. The district benefited from Federal funds which were allocated to mitigate the spread of COVID 19 pandemic. The funds were used to supplement the budget which left the district in a positive financial outlook. The state legislature set the budget for an increase in per pupil funding for 2021-22 and 2022-23. No increase in per pupil funding was assumed when creating the FY2021-22 budgets. Hopkins Public Schools remains in a strong fiscal position assuming conservative increases for education funding in the future.

Hopkins Public Schools will need to continue to look at possible ways to increase other nonstate revenue and continue to identify efficiencies to control expenditures for fiscal year 2021-22 and beyond.

Hopkins Public Schools utilizes a financial planning model that incorporates anticipated revenue and expenditure increases to more closely monitor the finances of the District on a long-range basis. The model anticipates separately the amount of reductions necessary due to declining student enrollment, which Hopkins Public Schools has experienced in the near past. The model is also intended to show the total amount of reductions necessary for the District to adhere to its fund balance policy, while striving to maintain its long-standing commitment to academic excellence and educational opportunity for students.

Outlook Due to the COVID-19 Pandemic

The COVID-19 pandemic has had an unparalleled impact on the entire world, and devastating impacts on school districts. Aggressive measures have contained the virus for now, but as Minnesota progresses through a cautious reopening, great uncertainty remains about how much and how quickly the economy will recover. Hopkins Public Schools has safely reopened to full-time in-person learning and has also established an online academy for scholars who cannot attend in person learning. There is a likelihood of a pandemic resurgence in Hopkins and Minnesota in general and this may impact district operations. This risk may be mitigated by testing and contact tracing, which requires testing capacity that is currently under strain at the state and national level. On the other hand, the development of effective treatments and an effective vaccine, has allowed for a quicker return to normal. The State's health guidelines remain in effect for indoor events and Public School settings.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Independent School District 270, 1001 Highway 7, Hopkins, Minnesota 55305.

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BASIC FINANCIAL STATEMENTS

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HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
STATEMENT OF NET POSITION
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)

	Governmental Activities	
	2021	2020
ASSETS		
Cash and Investments	$ 94,180,782	$ 70,557,286
Cash with Fiscal Agent	59,000	59,000
Receivables:		
Property Taxes	29,477,531	30,675,522
Other Governments	10,537,611	10,375,356
Other	511,399	416,628
Prepaid Items	503,675	431,474
Inventories	253,860	264,809
Capital Assets:		
Land and Construction in Progress	14,516,764	18,445,707
Other Capital Assets, Net of Depreciation	171,724,922	172,243,164
Total Assets	321,765,544	303,468,946
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows - Other Postemployment Benefits	3,738,383	3,114,864
Deferred Outflows - Pensions	34,726,686	51,632,871
Total Deferred Outflows	38,465,069	54,747,735
LIABILITIES		
Salaries Payable	1,192,288	1,058,327
Accounts and Contracts Payable	3,710,978	3,095,965
Accrued Interest	2,578,328	2,443,312
Due to Other Governmental Units	774,723	901,834
Unearned Revenue	1,586,863	1,468,031
Long-Term Liabilities:		
Net Pension Liability	93,858,460	81,835,525
Other Postemployment Benefits Due Within One Year	2,931,566	2,253,223
Other Postemployment Benefits Payable	21,115,796	23,141,653
Bonds and Other Liabilities Due Within One Year	12,302,373	10,674,614
Bonds and Other Liabilities Due in More Than One Year	155,493,366	154,570,506
Total Liabilities	295,544,741	281,442,990
DEFERRED INFLOWS OF RESOURCES		
Property Taxes Levied for Subsequent Year	53,777,862	53,675,469
Gains on Debt Refunding	339,256	136,002
Deferred Inflows - Other Postemployment Benefits	542,563	-
Deferred Inflows - Pensions	58,958,311	82,223,698
Total Deferred Inflows of Resources	113,617,992	136,035,169
NET POSITION		
Net Investment in Capital Assets	16,737,405	179,206,759
Restricted for:		
General Fund Operating Capital Purposes	1,806,381	1,233,050
General Fund State-Mandated Reserves	11,730,629	2,094,365
Food Service	852,871	975,725
Community Service	1,393,680	1,152,259
Debt Service	1,606,535	869,759
Capital Projects - Building Construction	5,699,468	2,040,858
Other Purposes	257,967	-
Unrestricted	(89,017,056)	(246,834,253)
Total Net Position	$ (48,932,120)	$ (59,261,478)

See accompanying Notes to Basic Financial Statements.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)

	2021					2020
		Program Revenues			Net (Expense) Revenue and Change in Net Position	Net (Expense) Revenue and Change in Net Position
Functions	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Governmental Activities
GOVERNMENTAL ACTIVITIES						
Administration	$ 6,359,322	$ 13,656	$ 71,123	$ 1,347	$ (6,273,196)	$ (5,009,731)
District Support Services	5,390,708	2,302	102,773	-	(5,285,633)	(4,966,450)
Regular Instruction	62,819,452	847,526	4,293,681	1,525	(57,676,720)	(58,898,691)
Vocational Education Instruction	1,035,229	598	21,688	-	(1,012,943)	(1,312,928)
Special Education Instruction	17,711,213	133,787	12,258,150	-	(5,319,276)	(6,222,269)
Instructional Support Services	5,321,288	36,181	131,176	-	(5,153,931)	(5,692,550)
Pupil Support Services	7,747,188	1,088	31,753	-	(7,714,347)	(9,921,467)
Sites and Buildings	12,670,008	675,318	288,312	461,592	(11,244,786)	(10,317,445)
Fiscal and Other Fixed Cost Programs	410,860	-	-	-	(410,860)	(245,185)
Food Service	3,511,681	76,878	3,415,509	-	(19,294)	210,856
Community Service	8,616,516	4,146,357	2,050,978	-	(2,419,181)	(3,486,059)
Interest and Fiscal Charges on Long-Term Liabilities	4,841,004	-	-	-	(4,841,004)	(5,063,825)
Total School District	$ 136,434,469	$ 5,933,691	$ 22,665,143	$ 464,464	(107,371,171)	(110,925,744)
GENERAL REVENUES						
Property Taxes Levied for:						
General Purposes					33,929,675	28,741,194
Community Service					1,370,361	1,497,177
Debt Service					17,969,097	17,086,760
Capital Projects					5,509,277	5,349,177
State Aid Not Restricted to Specific Purposes					58,417,002	57,939,346
Earnings on Investments					186,963	2,290,672
Miscellaneous					313,654	234,260
Gain on Sale of Capital Assets					4,500	351,155
Total General Revenues					117,700,529	113,489,741
CHANGE IN NET POSITION					10,329,358	2,563,997
Net Position - Beginning					(59,261,478)	(61,825,475)
NET POSITION - ENDING					$ (48,932,120)	$ (59,261,478)

See accompanying Notes to Basic Financial Statements.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2021	2020
ASSETS							
Cash and Investments	$ 26,561,225	$ 741,875	$ 2,601,478	$ 15,017,826	$ 13,001,410	$ 57,923,814	$ 36,344,502
Cash with Fiscal Agent	-	-	-	59,000	-	59,000	59,000
Receivables:							
Current Property Taxes	19,613,419	-	711,189	-	8,901,708	29,226,316	30,208,460
Delinquent Property Taxes	165,080	-	6,376	-	79,759	251,215	467,062
Accounts and Interest Receivable	266,897	1,042	500	-	-	268,439	176,772
Due from Other Minnesota School Districts	304,877	-	5,597	-	-	310,474	302,616
Due from Minnesota Department of Education	7,551,123	-	(17,078)	-	-	7,534,045	7,174,951
Due from Federal through Minnesota Department of Education	1,127,456	79,987	199,840	-	-	1,407,283	2,539,005
Due from Other Governmental Units	1,199,577	-	86,232	-	-	1,285,809	358,784
Inventory	120,021	133,839	-	-	-	253,860	264,809
Prepaids	141,470	-	-	357,238	-	498,708	431,474
Total Assets	$ 57,051,145	$ 956,743	$ 3,594,134	$ 15,434,064	$ 21,982,877	$ 99,018,963	$ 78,327,435
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE							
Liabilities:							
Salaries and Compensated Absences Payable	$ 217,273	$ 15,604	113,503	$ -	$ -	$ 346,380	$ 317,335
Payroll Deductions and Employer Contributions Payable	544,635	77,445	229,224	35,268	-	886,572	768,807
Accounts and Contracts Payable	870,008	10,823	52,708	1,428,286	2,613	2,364,438	2,639,258
Due to Other Governmental Units	539,611	-	235,112	-	-	774,723	901,834
Unearned Revenue	62,525	-	148,170	-	-	210,695	152,127
Total Liabilities	2,234,052	103,872	778,717	1,463,554	2,613	4,582,808	4,779,361
Deferred Inflows of Resources:							
Unavailable Revenue - Property Taxes Levied for Subsequent Year	34,560,724	-	1,421,737	-	17,795,401	53,777,862	53,675,469
Unavailable Revenue - Delinquent Property Taxes	165,080	-	6,376	-	79,759	251,215	467,062
Total Deferred Inflows of Resources	34,725,804	-	1,428,113	-	17,875,160	54,029,077	54,142,531
Fund Balance:							
Nonspendable:							
Inventory	120,021	133,839	-	-	-	253,860	264,809
Prepaids	141,470	-	-	357,238	-	498,708	431,474
Restricted for:							
Student Activities	229,048	-	-	-	-	229,048	233,191
Scholarships	28,919	-	-	-	-	28,919	-
Staff Development	781,917	-	-	-	-	781,917	243,566
Capital Projects Levy	-	-	-	3,972,944	-	3,972,944	294,356
Operating Capital	1,806,381	-	-	-	-	1,806,381	1,233,050
Medical Assistance	1,070,045	-	-	-	-	1,070,045	839,879
Learning and Development	18,468	-	-	-	-	18,468	18,468
Community Education	-	-	970,504	-	-	970,504	810,808
Early Childhood and Family Education	-	-	260,697	-	-	260,697	297,551
School Readiness	-	-	41,938	-	-	41,938	27,990
Adult Basic Education	-	-	89,961	-	-	89,961	736
Safe Schools Levy	219,871	-	-	-	-	219,871	119,933
Long-Term Facilities Maintenance	-	-	-	9,640,328	-	9,640,328	639,328
Restricted for Other Purposes	-	719,032	24,204	-	4,105,104	4,848,340	4,007,198
Assigned for:							
Enrollment Contingency	2,000,000	-	-	-	-	2,000,000	1,000,000
Strategic Visioning 2031	1,600,000	-	-	-	-	1,600,000	235,676
Building Fund Cleanup	1,000,000	-	-	-	-	1,000,000	-
Building Renovation	814,024	-	-	-	-	814,024	482,899
Special Projects	-	-	-	-	-	-	220,102
Unassigned	10,261,125	-	-	-	-	10,261,125	8,004,529
Total Fund Balance	20,091,289	852,871	1,387,304	13,970,510	4,105,104	40,407,078	19,405,543
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 57,051,145	$ 956,743	$ 3,594,134	$ 15,434,064	$ 21,982,877	$ 99,018,963	$ 78,327,435

See accompanying Notes to Basic Financial Statements.

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HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)

	2021	2020
Total Fund Balance for Governmental Funds	$ 40,407,078	$ 19,405,543
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	2,867,600	2,867,600
Construction in Progress	11,649,164	15,578,107
Land Improvements, Net of Accumulated Depreciation	12,363,924	12,181,904
Buildings and Improvements, Net of Accumulated Depreciation	145,070,007	143,500,409
Equipment, Net of Accumulated Depreciation	14,290,991	16,560,851
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows in the funds.	251,215	467,062
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(2,578,328)	(2,443,312)
The District's net pension liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:		
Net Pension Liability	(93,858,460)	(81,835,525)
Deferred Inflows of Resources - Pensions	(58,958,311)	(82,223,698)
Deferred Outflows of Resources - Pensions	34,726,686	51,632,871
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long term - are reported in the statement of net position. Balances at year-end are:		
Bonds Payable	(156,770,000)	(156,825,000)
Unamortized Premiums	(8,718,890)	(5,759,266)
Unamortized Deferred Gains on Refunding	(339,256)	(136,002)
Obligations Under Capital Leases	(2,306,849)	(2,660,854)
The District's other postemployment benefits liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:		
Other Postemployment Benefits Payable	(24,047,362)	(25,394,876)
Deferred Inflows of Resources - Other Postemployment Benefits	(542,563)	-
Deferred Outflows of Resources - Other Postemployment Benefits	3,738,383	3,114,864
Internal service funds are used by management to charge the costs of health and dental insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position at year-end is:	33,822,851	32,707,844
Total Net Position of Governmental Activities	$ (48,932,120)	$ (59,261,478)

See accompanying Notes to Basic Financial Statements.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2021	2020
REVENUES							
Local Sources:							
Property Taxes	$ 34,065,164	$ -	$ 1,376,973	$ 5,509,277	$ 18,042,843	$ 58,994,257	$ 52,575,255
Earnings on Investments	(7,302)	2,569	8,856	10,150	9,836	24,109	625,081
Other	3,033,327	79,097	4,415,346	-	-	7,527,770	11,431,682
State Sources	68,989,978	14,604	2,161,548	-	-	71,166,130	69,413,862
Federal Sources	5,304,497	3,397,497	235,242	-	-	8,937,236	7,171,289
Total Revenues	111,385,664	3,493,767	8,197,965	5,519,427	18,052,679	146,649,502	141,217,169
EXPENDITURES							
Current:							
Administration	4,657,568	-	-	-	-	4,657,568	4,379,882
District Support Services	5,453,766	-	-	-	-	5,453,766	4,796,570
Elementary and Secondary Regular Instruction	49,511,174	-	-	-	-	49,511,174	46,990,453
Vocational Education Instruction	971,954	-	-	-	-	971,954	1,316,860
Special Education Instruction	16,923,828	-	-	-	-	16,923,828	16,639,136
Instructional Support Services	4,612,424	-	-	-	-	4,612,424	6,236,585
Pupil Support Services	7,186,826	-	-	-	-	7,186,826	9,947,366
Sites and Buildings	10,360,119	-	-	-	-	10,360,119	10,245,095
Fiscal and Other Fixed Cost Programs	410,860	-	-	-	-	410,860	245,185
Food Service	-	3,554,977	-	-	-	3,554,977	4,363,230
Community Service	184,325	-	7,936,957	-	-	8,121,282	10,500,338
Capital Outlay	4,131,076	69,613	12,975	7,513,216	-	11,726,880	25,880,879
Debt Service:							
Principal	354,005	-	-	-	11,295,000	11,649,005	11,260,830
Interest and Fiscal Charges	60,462	-	-	212,163	6,164,981	6,437,606	6,474,814
Total Expenditures	104,818,387	3,624,590	7,949,932	7,725,379	17,459,981	141,578,269	159,277,223
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,567,277	(130,823)	248,033	(2,205,952)	592,698	5,071,233	(18,060,054)
OTHER FINANCING SOURCES (USES)							
Sale of Equipment	-	4,500	-	-	-	4,500	351,155
Insurance Recovery	-	3,469	-	-	-	3,469	-
Issuance of Bonds	-	-	-	15,350,000	-	15,350,000	-
Issuance of Refunding Bonds	-	-	-	-	25,300,000	25,300,000	-
Bond Premium	-	-	-	219,493	4,459,255	4,678,748	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	(29,406,415)	(29,406,415)	-
Transfers In	-	-	-	-	951,047	951,047	1,042,509
Transfers Out	-	-	-	-	(951,047)	(951,047)	-
Total Other Financing Sources (Uses)	-	7,969	-	15,569,493	352,840	15,930,302	1,393,664
NET CHANGE IN FUND BALANCE	6,567,277	(122,854)	248,033	13,363,541	945,538	21,001,535	(16,666,390)
FUND BALANCES							
Beginning of Year	13,524,012	975,725	1,139,271	606,969	3,159,566	19,405,543	36,071,933
End of Year	$ 20,091,289	$ 852,871	$ 1,387,304	$ 13,970,510	$ 4,105,104	$ 40,407,078	$ 19,405,543

See accompanying Notes to Basic Financial Statements.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2021)

	2021	2020
Net Change in Fund Balance - Total Governmental Funds	$ 21,001,535	$ (16,666,390)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation in the current period is:		
Capital Outlays	8,222,285	23,073,448
Depreciation Expense	(12,669,470)	(11,591,336)
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds.	(215,847)	99,053
Some capital asset additions are financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability. Repayment of capital lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the statement of net position.		
Change in Accrued Interest - Capital Leases	3,466	3,386
Principal Payments - Capital Leases	354,005	345,830
Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expenses on the statement of activities are measured by the change in the net pension liability and the related deferred inflows and outflows of resources.	(4,776,176)	(4,293,124)
In the statement of activities, certain operating expenses - severance benefits and compensated absences - are measured by amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts paid).	(887,557)	(196,237)
Other postemployment benefit (OPEB) expenditures in the governmental funds are measured by current year employer contributions. OPEB expenses on the statement of activities are measured by the change in the net OPEB liability and the related deferred inflows and outflows of resources.	1,428,470	(82,863)
The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:		
General Obligation and Certificates of Participation Bond Proceeds	(40,650,000)	-
Bond Premium or Discount	(4,678,748)	-
Payment to Refunded Bond Escrow Agent	29,406,415	-
Repayment of Bond Principal	11,295,000	10,915,000
Change in Deferred Gain on Bond Refunding	46,790	20,923
Change in Accrued Interest	(138,482)	303,510
Amortization of Bond Premium	1,472,665	1,083,170
Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The change in net position of the internal service funds is reported with governmental activities.	1,115,007	(450,373)
Change in Net Position of Governmental Activities	$ 10,329,358	$ 2,563,997

See accompanying Notes to Basic Financial Statements.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	$ 31,493,256	$ 32,763,417	$ 34,065,164	$ 1,301,747
Earnings on Investments	318,137	318,137	(7,302)	(325,439)
Other	3,562,686	2,851,810	3,033,327	181,517
State Sources	68,495,572	68,784,563	68,989,978	205,415
Federal Sources	3,225,673	5,412,989	5,304,497	(108,492)
Total Revenues	107,095,324	110,130,916	111,385,664	1,254,748
EXPENDITURES				
Current:				
Administration	4,091,185	4,757,790	4,657,568	(100,222)
District Support Services	5,607,782	6,220,510	5,453,766	(766,744)
Elementary and Secondary Regular Instruction	48,840,240	50,891,954	49,511,174	(1,380,780)
Vocational Education Instruction	1,377,268	1,322,821	971,954	(350,867)
Special Education Instruction	16,727,588	17,739,983	16,923,828	(816,155)
Community Education	-	-	184,325	184,325
Instructional Support Services	5,958,225	5,501,489	4,612,424	(889,065)
Pupil Support Services	10,146,372	7,818,372	7,186,826	(631,546)
Sites and Buildings	9,899,385	10,409,030	10,360,119	(48,911)
Fiscal and Other Fixed Cost Programs	438,519	441,713	410,860	(30,853)
Capital Outlay	2,080,228	1,549,020	4,131,076	2,582,056
Debt Service:				
Principal	683,032	354,005	354,005	-
Interest and Fiscal Charges	135,562	60,462	60,462	-
Total Expenditures	105,985,386	107,067,149	104,818,387	(2,248,762)
EXCESS OF REVENUES OVER EXPENDITURES	1,109,938	3,063,767	6,567,277	3,503,510
OTHER FINANCING SOURCES (USES)				
Transfers Out	(923,493)	(1,005,400)	-	1,005,400
NET CHANGE IN FUND BALANCE	$ 186,445	$ 2,058,367	6,567,277	$ 4,508,910
FUND BALANCE				
Beginning of Year			13,524,012	
End of Year			$ 20,091,289	

See accompanying Notes to Basic Financial Statements.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Earnings and Investments	$ -	$ -	$ 2,569	$ 2,569
Other - Primarily Meal Sales	2,218,054	90,673	79,097	(11,576)
State Sources	139,658	9,249	14,604	5,355
Federal Sources	2,029,694	3,138,864	3,397,497	258,633
Total Revenues	4,387,406	3,238,786	3,493,767	254,981
EXPENDITURES				
Current:				
Food Service	4,442,439	3,253,400	3,554,977	301,577
Capital Outlay	68,500	25,977	69,613	43,636
Total Expenditures	4,510,939	3,279,377	3,624,590	345,213
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(123,533)	(40,591)	(130,823)	(90,232)
OTHER FINANCING SOURCES				
Sale of Equipment	-	5,407	4,500	(907)
Insurance Recovery		4,169	3,469	(700)
Total Other Financing Sources	-	9,576	7,969	(1,607)
NET CHANGE IN FUND BALANCE	$ (123,533)	$ (31,015)	(122,854)	$ (91,839)
FUND BALANCE				
Beginning of Year			975,725	
End of Year			$ 852,871	

See accompanying Notes to Basic Financial Statements.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR COMMUNITY SERVICE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	$ 1,375,693	$ 1,375,693	$ 1,376,973	$ 1,280
Earnings and Investments	-	-	8,856	8,856
Other - Primarily Tuition and Fees	6,811,477	4,118,119	4,415,346	297,227
State Sources	2,015,350	2,381,611	2,161,548	(220,063)
Federal Sources	113,000	-	235,242	235,242
Total Revenues	10,315,520	7,875,423	8,197,965	322,542
EXPENDITURES				
Current:				
Community Service	11,089,231	7,859,733	7,936,957	77,224
Capital Outlay	68,500	12,860	12,975	115
Total Expenditures	11,157,731	7,872,593	7,949,932	77,339
NET CHANGE IN FUND BALANCE	$ (842,211)	$ 2,830	248,033	$ 245,203
FUND BALANCE				
Beginning of Year			1,139,271	
End of Year			$ 1,387,304	

See accompanying Notes to Basic Financial Statements.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
STATEMENT OF NET POSITION
PROPRIETARY FUND
INTERNAL SERVICE FUND
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)

	Governmental Activities - Internal Service Funds 2021	Governmental Activities - Internal Service Funds 2020
ASSETS		
Current Assets:		
Cash and Investments	$ 36,219,365	$ 34,212,784
Prepaid Items	4,967	-
Accounts Receivable	115,902	112,798
Interest Receivable	127,058	127,058
Total Assets	36,467,292	34,452,640
LIABILITIES		
Current Liabilities:		
Accounts Payable	273,574	(19,855)
Claims Payable - Medical	994,699	448,747
Unearned Revenue	1,376,168	1,315,904
Total Liabilities	2,644,441	1,744,796
NET POSITION		
Unrestricted	$ 33,822,851	$ 32,707,844

See accompanying Notes to Basic Financial Statements.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION
PROPRIETARY FUND
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)

	Governmental Activities - Internal Service Funds 2021	Governmental Activities - Internal Service Funds 2020
OPERATING REVENUES		
Charges for Services:		
Health Insurance Premiums	$ 11,418,178	$ 11,157,168
OPEB Contributions	1,846,986	-
Total Operating Revenues	13,265,164	11,157,168
OPERATING EXPENSES		
Health Insurance Claim Payments	12,187,046	11,224,682
Severance Payments	-	884,964
OPEB Payments	125,965	120,977
Total Operating Expenses	12,313,011	12,230,623
OPERATING INCOME (LOSS)	952,153	(1,073,455)
NONOPERATING INCOME		
Earnings on Investments	162,854	1,665,591
INCOME BEFORE TRANSFERS	1,115,007	592,136
OTHER FINANCING SOURCES (USES)		
Transfers Out	-	(1,042,509)
CHANGE IN NET POSITION	1,115,007	(450,373)
Net Position - Beginning	32,707,844	33,158,217
NET POSITION - ENDING	$ 33,822,851	$ 32,707,844

See accompanying Notes to Basic Financial Statements.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)

	Governmental Activities - Internal Service Funds	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Interfund Services Provided	$ 13,322,324	$ 11,258,043
Payments for Medical Fees and Insurance Claims	(11,352,632)	(11,514,220)
Payments for Other Postemployment Benefits	(125,965)	(120,977)
Payments for Severance Benefits	-	(884,964)
Net Cash Provided (Used) by Operating Activities	1,843,727	(1,262,118)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to Other Funds	-	(1,042,509)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	141,601	285,098
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,985,328	(2,019,529)
Cash and Cash Equivalents - Beginning	15,294,744	17,314,273
CASH AND CASH EQUIVALENTS - ENDING	$ 17,280,072	$ 15,294,744
DISPLAYED ON STATEMENT OF FUND NET POSITION AS:		
Cash and Cash Equivalents	$ 17,280,072	$ 15,294,744
Investments	18,939,293	18,918,040
Total Cash and Investments on the Statement of Net Position	$ 36,219,365	$ 34,212,784
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 952,153	$ (1,073,455)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Increase in Prepaids	(4,967)	-
(Increase) Decrease in Accounts Receivable	(3,104)	24,359
Increase (Decrease) in Accounts Payable	293,429	(26,907)
Increase (Decrease) in Claims Payable	545,952	(262,631)
Increase in Unearned Revenue	60,264	76,516
Total Adjustments	891,574	(188,663)
Net Cash Provided (Used) by Operating Activities	$ 1,843,727	$ (1,262,118)

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Independent School District No. 270 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. This financial report has been prepared in conformity with GASB Statement No. 34.

B. Financial Reporting Entity

The District is an instrumentality of the state of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statement Presentation

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

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

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

Separate Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Fiduciary funds are presented in the fiduciary fund financial statements by type: a custodial fund. Since by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the Government-wide statements.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

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

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

1. Revenue Recognition

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

2. Recording of Expenditures

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

The District reports unearned revenue on its statement of net position and balance sheet. Unearned revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to incurring the qualifying expenditures. In subsequent periods when the District has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Description of Funds

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

Major Governmental Funds

General Fund

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

Food Service Special Revenue Fund

The Food Service Fund is used to account for food service revenues and expenditures. Major sources of revenue include meal sales to students and federal and state grants.

Community Service Special Revenue Fund

The Community Service Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs, K-6 extended day programs or other similar services. Major sources of revenue include fees collected for these programs.

Capital Projects Fund

The Capital Projects Fund/Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of general long-term obligation bond principal, interest, and related costs.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Proprietary Fund

Internal Service Fund

The Internal Service Fund accounts for financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The District's Internal Service Fund includes its self-insured health insurance plan for its employees. In fiscal year 2009, the District also established a revocable trust to account for cash and other assets held by the District for the payment of Other Postemployment Benefits, which is accounted for as an internal service fund. In fiscal year 2012, the District established an internal service fund for the payment of certain severance benefits to District employees.

E. Budgeting

Budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America. Each May, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, Capital Projects – Building Construction, and Debt Service Funds. The approved budget is published in summary form in the District's legal newspaper. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgeting (Continued)

Budgeted amounts include mid-year budget amendments as follows:

	Original Budget	Amendments	Amended Budget
Revenues			
General Fund	$ 107,095,324	$ 3,035,592	$ 110,130,916
Special Revenue Funds:			
Food Service Fund	4,387,406	(1,148,620)	3,238,786
Community Service Fund	10,315,520	(2,440,097)	7,875,423
Capital Projects Fund	16,674,317	(11,165,040)	5,509,277
Debt Service Fund	17,096,420	-	17,096,420
Expenditures			
General Fund	$ 105,985,386	$ 1,081,763	$ 107,067,149
Special Revenue Funds:			
Food Service Fund	4,510,939	(1,231,562)	3,279,377
Community Service Fund	11,157,731	(3,285,138)	7,872,593
Capital Projects Fund	16,585,433	-	16,585,433
Debt Service Fund	17,096,420	29,767,363	46,863,783

Budget provisions for the Debt Service Fund are set by state law governing required debt service levels. Budgeted revenues exclude other financing sources such as long-term debt proceeds.

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

F. Cash and Investments

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Cash and Investments (Continued)

Investments are stated at their fair value as determined by quoted market prices, except for money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less which are recorded at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations. Investments in external investment pools operated in a manner consistent with the SEC's Rule 2a7 of the Investment Act of 1940 are valued at the pool's share price.

G. Accounts Receivable

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

H. Inventories

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

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments using the consumption method. Under the consumption method, prepaid expenses are treated as an asset when purchased rather than accounted for an expense. Expense is allocated over the periods benefitted.

J. Property Taxes

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Property Taxes (Continued)

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

In accordance with state law, the current tax shift consists of an amount equal to 31% of the District's 2000 Pay 2001 operating referendum levy (frozen at $4,134,655) advance recognized as revenue in fiscal 2020 with no corresponding state aid adjustment. Certain other portions of the District's 2020 pay 2021 levy, normally revenue for the 2021-22 fiscal year, are also advance recognized at June 30, 2021, as required by state statute to match revenue with the same fiscal year as the related expenditures.

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is a deferred inflow because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material. Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the state which will be recognized as revenue in the next fiscal year beginning July 1, 2021, are included in Property Taxes Levied for Subsequent Year to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

K. Capital Assets

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

Capital assets are recorded in the Government-wide financial statement but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings, and 7 to 20 years for equipment.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets (Continued)

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

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

L. Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until that time. Currently, the District has two types of items that qualify for reporting in this category. The District reports deferred outflows of resources related to pensions and Other Postemployment Benefits. See Notes 7 through Note 9 for additional detail.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has four types of items which occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the District's year-end) under the modified accrual basis of accounting. The third type of deferred inflows reports is related to pensions. The last type of deferred inflows relates to funds needed to defease the carrying value of debt being less than the carrying value itself and thus a deferred gain on bond refunding is recorded. See Notes 7 and Note 8 for additional detail on deferred inflows related to pensions.

M. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are expensed on both the fund financial statements and government-wide financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Pensions

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

O. Accrued Employee Benefits

Sick Pay

Substantially all District employees are entitled to sick leave at various rates. For certain employees, unused sick leave is a factor in the calculation of an employee's severance pay upon termination.

Pension and Health Benefits

Severance and health benefits consist of lump sum early retirement incentive payments and postemployment health care benefits. Accounting policies for severance and health benefits are described below.

1. Early Retirement Incentive and Convertible Sick Leave

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 early retirement incentive payments exceeding one year's salary. Benefits are not considered vested until actual turnover occurs.

The long-term portion of early retirement incentive and administrator experience benefits is recognized as part of other pension benefits payable.

At June 30, 2021, the long-term portion of the estimated early retirement incentive and convertible sick leave liability is included as part of the net pension liability on the statement of net position. See Note 8 for further information.

2. Postemployment Health Care Benefits

In addition to retirement benefits, the District provides postretirement medical insurance benefits to teachers, administrators, principals, food service workers, custodians, and clerical employees, in accordance with their respective master employment agreements. The eligibility for, amount of, duration of, and District's contribution to the cost of the benefits provided varies by contract and date of retirement. See Note 9 for further information.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Statement of Cash Flows

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments with an original maturity from the time of purchase by the District of three months or less to be cash equivalents. The Internal Service Fund's equity in the Government-wide cash and investment management pool is considered to be cash equivalents.

Q. Fund Balance

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

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

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters and workers' compensation. The District purchases commercial insurance coverage for such risks.

There have been no significant reductions in insurance coverage from the previous year in any of the District's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

S. Net Position

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

T. Comparative Data

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

NOTE 2 DEPOSITS AND INVESTMENTS

A. Deposits

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

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does have a deposit policy that will minimize Custodial Credit Risk by obtaining collateral or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law. Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository. All of the District's deposits were fully insured during the year ended June 30, 2021.

B. Investments

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

- Direct obligations or obligations guaranteed by the United States or its agencies
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less
- General obligations rated "A" or better; revenue obligations rated "AA" or better
- General obligations of the Minnesota Housing Finance Agency rate "A" or better
- Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories
- Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

At June 30, 2021, the District's investment balances were as follows:

Investments Measured at Fair Value	Fair Value
U.S. Treasuries with Maturities at Purchase of Greater Than 1 Year	$ 1,674,319
Federal Home Loan Bank	1,906,462
Federal National Mortgage Association	2,145,042
Federal Farm Credit Bank	1,094,665
Municipal Bonds	9,234,744
Corporate Bonds	839,620
Mutual Funds	1,822,025
Total Investments Measured at Fair Value	$ 18,716,877

Investments Measured at Amortized Cost	Amortized Cost
Money Markets	$ 222,414
MSDLAF+ Liquid Class	31,746,593
MSDLAF+ Max Class	43,494,898
Total Investments Measured at Amortized Cost	$ 75,463,905
Total District Investments	$ 94,180,782

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

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

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NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

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

		Maturity Duration in Years				No	
Type	Total	Less Than 1	1 to 5	6 to 10	> 10	Maturities	Rating
U.S. Treasury Notes	$ 1,674,319	$ -	$ 1,002,698	$ 480,126	$ 191,495	$ -	N/A
Federal Home Loan Bank	1,906,462	-	-	1,906,462	-	-	AAA - AA
Federal National Mortgage Association	2,145,042	-	551,121	1,593,921	-	-	AAA - AA
Federal Farm Credit Bank	1,094,665	-	-	1,094,665	-	-	AAA - AA
Municipal Bonds	9,234,744	411,471	2,552,548	6,270,725	-	-	AAA - A
Corporate Bonds	839,620	-	137,873	701,747	-	-	A - BB+
Mutual Funds	1,822,025	1,822,025	-	-	-	-	AAA
Money Markets	222,414	-	-	-	-	222,414	AAA
MSDLAF+	75,241,491	-	-	-	-	75,241,491	N/A
Total	$ 94,180,782	$ 2,233,496	$ 4,244,240	$ 12,047,646	$ 191,495	$ 75,463,905	

Concentration of Credit Risk – The District places no limit on the amount that the District may invest in any on issuer. The District had no investments at June 30, 2021 which individually comprised more than 5% of total investments.

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

Cash and Investments - Statement of Net Position	$ 94,180,782
Cash and Investments with Fiscal Agent - Statement of Net Position	59,000
Total Cash and Investments	$ 94,239,782

C. Fair Value Measurements

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

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

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Fair Value Measurements (Continued)

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

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

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

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

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

Investment	Level 1	Level 2	Level 3	Total
U.S. Treasuries with Maturities at Purchase of Greater Than One Year	$ 1,674,319	$ -	$ -	$ 1,674,319
Federal Home Loan Bank	-	1,906,462	-	1,906,462
Federal National Mortgage Association	-	2,145,042	-	2,145,042
Federal Farm Credit Bank	-	1,094,665	-	1,094,665
Municipal Bonds	-	9,234,744	-	9,234,744
Corporate Bonds	-	839,620	-	839,620
Mutual Funds	1,822,025	-	-	1,822,025
Total	$ 3,496,344	$ 15,220,533	$ -	18,716,877
Investments Measured at Amortized Cost				75,463,905
Total				$ 94,180,782

Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and equity securities as well as governmental agencies 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.

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	$ 2,867,600	$ -	$ -	$ 2,867,600
Construction in Progress	15,578,107	-	(3,928,943)	11,649,164
Total Capital Assets, Not Being Depreciated	18,445,707	-	(3,928,943)	14,516,764
Capital Assets, Being Depreciated				
Land Improvements	24,617,126	1,410,910	-	26,028,036
Buildings and Improvements	257,608,954	10,198,431	-	267,807,385
Equipment	36,687,823	541,887	-	37,229,710
Total Capital Assets, Being Depreciated	318,913,903	12,151,228	-	331,065,131
Accumulated Depreciation for:				
Land Improvements	(12,435,222)	(1,228,890)	-	(13,664,112)
Buildings and Improvements	(114,108,545)	(8,628,833)	-	(122,737,378)
Equipment	(20,126,972)	(2,811,747)	-	(22,938,719)
Total Accumulated Depreciation	(146,670,739)	(12,669,470)	-	(159,340,209)
Total Capital Assets, Being Depreciated, Net	172,243,164	(518,242)	-	171,724,922
Governmental Activities Capital Assets, Net	$ 190,688,871	$ (518,242)	$ (3,928,943)	$ 186,241,686

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

Governmental Activities	
Administration	$ 1,500,681
District Support Services	1,467
Regular Instruction	10,395,102
Pupil Support Services	104,412
Sites and Buildings	10,489
Community Service	111,309
Total Depreciation Expense, Governmental Activities	$ 12,669,470

NOTE 4 LONG-TERM LIABILITIES

A. Components of Long-Term Debt

Issue Date	Net Interest Rate	Original Issue	Final Maturity	Principal Outstanding Due Within One Year	Principal Outstanding Total
6/27/2012	0.45% - 1.80%	6,120,000	2/1/2022	$ 720,000	$ 720,000
5/16/2013	3.00% - 3.25%	16,090,000	2/1/2030	-	15,890,000
5/15/2013	1.50% - 4.00%	18,940,000	2/1/2026	1,770,000	9,620,000
5/21/2015	2.00% - 3.00%	10,120,000	2/1/2023	4,225,000	6,500,000
5/21/2015	2.00% - 4.00%	4,425,000	2/1/2030	250,000	3,115,000
11/12/2015	2.00% - 5.00%	18,305,000	2/1/2022	3,425,000	3,425,000
1/25/2017	3.00% - 4.00%	14,140,000	2/1/2032	-	14,140,000
2/21/2018	3.00% - 5.00%	29,030,000	2/1/2034	850,000	27,075,000
11/8/2018	3.25% - 5.00%	18,835,000	2/1/2027	700,000	17,740,000
3/14/2019	3.00% - 4.00%	17,895,000	2/1/2035	-	17,895,000
11/4/2020	2.00% - 4.00%	40,650,000	2/1/2037	-	40,650,000
Total General Obligation Bonds				11,940,000	156,770,000
Bond Premiums				-	8,718,890
Capital Lease Payable				362,373	2,306,849
Total				$ 12,302,373	$ 167,795,739

B. Minimum Debt Payments

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

Year Ending June 30,	General Obligation Bonds Payable Principal	General Obligation Bonds Payable Interest	Capital Lease Obligation Payable Principal	Capital Lease Obligation Payable Interest
2022	$ 11,940,000	$ 5,815,018	$ 362,373	$ 52,094
2023	11,440,000	5,087,750	370,939	43,529
2024	9,515,000	4,611,850	379,707	34,760
2025	9,460,000	4,191,750	388,683	25,785
2026	10,235,000	3,784,000	397,871	23,789
2027-2031	54,045,000	12,743,013	407,276	-
2032-2036	47,540,000	3,699,975	-	-
2037	2,595,000	51,900	-	-
Total	$ 156,770,000	$ 39,985,256	$ 2,306,849	$ 179,957

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt

General Obligation School Building Bonds

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

On April 13, 2011, the District issued $3,000,000 of General Obligation School Building Bonds, Series 2011B. The proceeds of this issue were used to finance safety and security improvements and parking lot improvements.

On June 27, 2012, the District issued $6,120,000 General Obligation School Building Refunding Bonds, Series 2012A, to finance an advanced crossover refunding of the 2014 through 2022 maturities of the District's $9,870,000 General Obligation School Building Bonds, Series 2004A.

On May 16, 2013, the District issued $18,940,000 General Obligation Refunding Bonds, Series 2013B, to finance an advanced crossover refunding of the 2016 through 2026 maturities of the District's $30,900,000 General Obligation Alternative Facilities Bonds, Series 2006.

On May 21, 2015, the District issued $4,425,000 General Obligation Capital Facilities Bonds, Series 2015B. The proceeds of this issue were used to finance energy conservation measures throughout the District.

On November 12, 2015, the District issued $18,305,000 General Obligation School Building Refunding Bonds, Series 2015C, to finance an advance refunding of the 2017 through 2022 maturities of the District's $32,045,000 General Obligation School Building Refunding Bonds, Series 2006C.

On February 21, 2018, the District issued $29,030,000 General Obligation School Building Bonds, Series 2018A, to provide funds for the acquisition and betterment of school sites and facilities, and to prepay the District's $4,273,000 Lease Purchase, Series 2013, and the District's $4,215,000 Lease Purchase, Series 2014. The refunding resulted in cash flow savings of $5,115,335 and net present value cash flow savings of $4,915,838.

General Obligation Alternative Facilities Bonds

On April 13, 2011, the District issued $29,410,000 of General Obligation Alternative Facilities Bonds, Series 2011A. The proceeds of this issue were used to finance the acquisition and betterment of projects included in the District's 10-year facility plan. These bonds were refunded in FY21 with the General Obligation Facilities Maintenance Bonds, Series 2020A.

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

General Obligation Alternative Facilities Bonds (Continued)

On May 16, 2013, the District issued $16,090,000 of General Obligation Alternative Facilities Bonds, Series 2013A. The proceeds of this issue were used to finance the acquisition and betterment of projects included in the District's 10-year facility plan.

On May 21, 2015, the District issued $10,120,000 of General Obligation Alternative Facilities Bonds, Series 2015A. The proceeds of this issued were used to finance the acquisition and betterment of projects included in the District's 10-year facility plan.

General Obligation Facilities Maintenance Bonds

On January 25, 2017, the District issued $14,140,000 of General Obligation Facilities Maintenance Bonds, Series 2017A. The proceeds of this issue will be used to finance facility maintenance projects included in the 10-year facility plan of the District.

On November 8, 2018, the District issued $18,835,000 General Obligation Alternative Facilities Refunding Bonds, Series 2018B, to call and prepay the 2020 through 2027 maturities of the District's outstanding 2009B Alternative Facilities Bonds.

On March 14, 2019, the District issued $17,895,000 of General Obligation Facilities Maintenance Bonds, Series 2019A. The proceeds of this issue will be used to finance facility maintenance projects included in the 10-year facility plan of the District.

On November 4, 2020, the District issued $40,650,000 of General Obligation Facilities Maintenance Bonds, Series 2020A. The proceeds of this issue will be used to finance facility maintenance projects included in the 10-year facility plan of the District as well as to finance an advance refunding of the 2022 through 2028 maturities of the District's $29,410,000 General Obligation School Building Refunding Bonds, Series 2011A.

Capital Leases Payable

On December 29, 2016, the District entered into a lease-purchase financing agreement with First Resource Bank to finance the construction, installation, and equipping of synthetic turf fields at Hopkins High School. The total financed was $3,667,000, with an interest rate of 2.50% and requires the District to make semi-annual principal and interest payments through February 1, 2027. The athletic fields acquired through the lease proceeds, as well as additional District funds, were completed in 2019 for a total cost of $5,482,339 and had accumulated depreciation of $685,292 at June 30, 2021.

D. Changes in Long-Term Debt

	June 30, 2020	Additions	Retirements	June 30, 2021
Bonds Payable	$ 156,825,000	$ 40,650,000	$ 40,705,000	$ 156,770,000
Bond Premiums	5,759,266	4,678,748	1,719,124	8,718,890
Capital Lease Payable	2,660,854	-	354,005	2,306,849
Total	$ 165,245,120	$ 45,328,748	$ 42,778,129	$ 167,795,739

NOTE 5 FUND BALANCES

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

A. Restricted for Student Activities

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

B. Restricted for Scholarships

Represents the resources received from donors to use for scholarships.

C. Restricted for Staff Development

A portion of the general education aid received by the District is restricted for staff development. The cumulative amount of aid received in excess of staff development expenditures has been reported as a restriction of fund balance in the General Fund.

D. Restricted for Capital Projects Levy

Represents resources restricted for projects financed with the District's capital projects levy.

E. Restricted for Operating Capital

The District levies taxes and receives state aid to be used for the purchase of equipment or facilities. The cumulative excess of such revenues over equipment and facilities expenditures is reported as a restriction of fund balance in the General Fund.

F. Restricted for Medical Assistance

This fund balance restriction represents resources to be used for Medical Assistance expenditures.

G. Restricted for Learning and Development

Represents resources available for reducing the pupil-to-staff ratio.

H. Restricted for Community Education Programs

This fund balance restriction represents accumulated resources available to provide general community education programming.

I. Restricted for Early Childhood and Family Education Programs

This fund balance restriction represents accumulated resources available to provide services for early childhood and family education programming.

NOTE 5 FUND BALANCES (CONTINUED)

J. Restricted for School Readiness

This fund balance restriction represents accumulated resources available to provide school readiness programming in accordance with funding made available for that purpose.

K. Restricted for Adult Basic Education Programs

This fund balance restriction represents accumulated resources available to provide adult basic education programming.

L. Restricted for Safe Schools Levy

Represents the unspent resources available from the safe schools' levy.

M. Restricted for Long-Term Facilities Maintenance

Represents unspent general obligation bond proceeds issued to finance facilities plans approved by the Board.

N. Restricted for Other Purposes

Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. These amounts are restricted for food service, community service, capital projects, or debt service, per the fund in which they are contained.

NOTE 6 INTERFUND BALANCES AND TRANSFERS

The District had no interfund receivables and payables at June 30, 2021. The District had the following interfund transfers during the year ended June 30, 2021:

	Transfers In	Transfers Out
Debt Service Fund	$ 951,047	$ -
OPEB Debt Service Fund		951,047
Total	$ 951,047	$ 951,047

The purpose of these interfund transfers was as follows:

The OPEB Debt Service Fund transferred $951,047 to the Debt Service Fund to transfer the fund balance out and close the fund.

NOTE 7 DEFINED BENEFIT PENSION PLANS

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

A. Plan Description

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

1. General Employees Retirement Plan

All full-time and certain part-time employees of the District, other than teachers, are covered by the General Employees Plan. The General Employees Plan is a multiple employer cost sharing defined benefit pension plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Teachers Retirement Fund (TRA)

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

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided

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

1. General Employees Plan Benefits

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

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits

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

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

Tier 1 Benefits

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

With these provisions:

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

(b) 3.0% per year early retirement reduction factor for all years under normal retirement age.

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

or

Tier II Benefits

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

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

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

1. General Employees Fund Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature. Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2020 and the District was required to contribute 7.50% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2021 were $1,407,866. The District's contributions were equal to the required contributions as set by state statute.

2. TRA Contributions

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for fiscal year 2021 were:

	2021	
	Employee	Employer
Basic	11.00%	12.13%
Coordinated	7.50%	8.13%

The Districts contributions to TRA for the plan's fiscal year ended June 30, 2021 were $3,944,159. The District's contributions were equal to the required contributions for each year as set by state statute.

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs

1. General Employees Plan Pension Costs

At June 30, 2021, the District reported a liability of $17,021,102 for its proportionate share of the General Employees Plan's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of $16 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled $524,773, for a total net pension liability of $17,545,875 associated with the District. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers.

At June 30, 2021, the District's proportion was 0.2839%, which was a decrease of 0.0111% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the District recognized pension expense of $184,344 for its proportionate share of General Employees Plan's pension expense. In addition, the District recognized an additional $45,671 as pension expense (and corresponding grant revenue) for its proportionate share of the state of Minnesota's contribution of $16 million to the General Employees Fund.

At June 30, 2021, the District reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 155,190	$ 64,399
Changes in Actuarial Assumptions	-	631,038
Net Difference Between Projected and Actual Earnings on Plan Investments	294,052	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	413,818	1,428,772
District Contributions Subsequent to the Measurement Date	1,407,866	-
Total	$ 2,270,926	$ 2,124,209

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. GERF Pension Costs (Continued)

A total of $1,407,866 reported as deferred outflows of resources related to pensions resulting from District contributions to GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to GERF pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2022	$ (1,348,264)
2023	(228,367)
2024	(95,755)
2025	411,237
2026	-
Thereafter	-

2. TRA Pension Costs

At June 30, 2021, the District reported a liability of $62,363,239 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the state of Minnesota, city of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.8441% at the end of the measurement period and 0.8198% for the beginning of the period.

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

Description	Amount
District's Proportionate Share of the TRA Net Pension Liability	$ 62,363,239
State's Proportionate Share of the Net Pension Liability Associated with the District	5,226,003
Total	$ 67,589,242

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

For the year ended June 30, 2021, the District recognized pension expense of $8,953,665. It also recognized $478,757 as pension expense and grant revenue for the support provided by direct aid.

At June 30, 2021, the District reported its proportionate share of the TRA's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 1,250,632	$ 945,285
Changes in Actuarial Assumptions	22,375,980	52,352,426
Net Difference Between Projected and Actual Earnings on Plan Investments	965,658	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	2,068,746	1,956,665
District Contributions Subsequent to the Measurement Date	3,944,159	-
Total	$ 30,605,175	$ 55,254,376

A total of $3,944,159 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to TRA will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2022	$ 915,568
2023	(19,152,747)
2024	(12,843,062)
2025	1,816,372
2026	670,509
Thereafter	-

The District's total pension expense for all plans for the year ended June 30, 2021 was $9,138,009. In addition, the school recognized pension expense of $524,428 for indirect aid.

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.25% per Year	2.50%
Active Member Payroll Growth	3.00% per Year	2.85% Before July 1, 2028 and 3.25% after June 30, 2028
Investment Rate of Return	7.50%	7.50%

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

Actuarial assumptions used in the PERA June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation.

TRA pre-retirement mortality rates were based on the RP-2014 white-collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP-2015 scale. Post-retirement mortality rates were based on the RP-2014 white-collar annuitant table, male rates set back three years, and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale. Post-disability mortality rates were based on the RP-2014 disabled retiree mortality table, without adjustment. TRA cost of living benefit increases 1.0% for January 2020 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

The following changes in actuarial assumptions for PERA occurred in 2020:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two to five and slightly higher thereafter.

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NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

The following changes in actuarial assumptions for PERA occurred in 2020 (Continued):

- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

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

The following changes in actuarial assumptions for TRA occurred in 2020:

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35.50 %	5.10%
Private Markets	25.00	5.90%
Fixed Income	20.00	0.75%
International Equity	17.50	5.30%
Cash Equivalents	2.00	0.00%
Totals	100.00 %	

F. Discount Rate

The discount rate used to measure the PERA General Employees Plan liability in 2020 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund 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.

The discount rate used to measure the TRA pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contribution will be made at the fiscal year 2020 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

G. Pension Liability Sensitivity

The following presents the School'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 School's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Current 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	$ 27,278,923	$ 17,021,102	$ 8,559,224
TRA Discount Rate	6.50%	7.50%	8.50%
District's Proportionate Share of the TRA Net Pension Liability	$ 95,477,459	$ 62,363,239	$ 35,078,795

H. Pension Plan Fiduciary Net Position

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

Detailed information about TRA's fiduciary net position is available in a separately issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org; by writing to TRA at 60 Empire Drive #400, St. Paul, Minnesota, 55103-4000; or by calling (651) 296-2409 or 1-800-657-3669.

NOTE 8 SUPPLEMENTAL PENSION PLAN

A. Plan Description

The District provides a single-employer defined benefit supplemental pension benefit to eligible employees. Currently, certain groups of employees are eligible to retire and receive the pension supplement after the completion of a minimum amount of years of service and, for some employee groups, the attainment of age 55. Benefits range from a flat dollar amount to percentages of annual salary up to a maximum of 100% of annual salary. Certain benefits are also dependent on the number of unused sick days remaining.

Currently, there are 1,060 active employees who are eligible to receive benefits under the plan as of July 1, 2020.

NOTE 8 SUPPLEMENTAL PENSION PLAN (CONTINUED)

B. Funding Policy

Payments under the plan are made on a pay-as-you-go basis. There are no invested plan assets accumulated for the payment of future benefits. The General Fund is used for funding all of the pension/retirement benefits. The employer makes all contributions.

C. Total Pension Liability

The District recognizes its total pension liability, rather than a net pension liability. In order for the District to recognize a net pension liability, assets must be accumulated in a trust that meets the following criteria:

- Contributions from the employer and nonemployer contributing entities, and the earnings thereon, must be irrevocable.
- Pension plan assets must be dedicated to providing pensions to Plan members in accordance with benefit terms.
- Pension plan assets must be legally protected from the creditors of employer-nonemployer contributing entities, the Plan administrator, and the Plan members.

No assets are accumulated in a trust that meets all of the above criteria. Accordingly, the District's total pension liability is not reduced by any assets accumulated, and the District must report its total pension liability.

The District's total pension liability was determined by an actuarial valuation dated July 1, 2018 with a measurement date of July 1, 2020. At June 30, 2021, the District reported a total pension liability of $14,474,119. Changes in the District's total pension liability were as follows:

Total Pension Liability - Beginning Balance	$ 13,271,412
Changes for the Year	
Service Cost	996,490
Interest	428,693
Changes in Benefit Terms	1,012,410
Differences Between Expected and Actual Experience	(569,816)
Changes of Assumptions and Other Inputs	219,894
Benefit Payments	(884,964)
Other Changes	-
Net Changes	1,202,707
Total Pension Liability - Ending Balance	$ 14,474,119

NOTE 8 SUPPLEMENTAL PENSION PLAN (CONTINUED)

D. Pension Costs

For the year ended June 30, 2021, the District recognized pension expense of $887,557. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 1,206,176
Changes of Assumptions of Other Inputs	443,256	373,550
Benefit Payments Subsequent to the Measurement Date	1,407,329	-
Pension Administrative Expenses Incurred Subsequent to the Measurement Date	-	-
Total	$ 1,850,585	$ 1,579,726

The District's benefit payments and amounts incurred by the District for pension administrative expenses subsequent to the measurement date of $1,407,329 reported as deferred outflows of resources will be recognized as a reduction of the total pension liability in the year ended June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2021	$ (142,707)
2022	(142,707)
2023	(142,707)
2024	(142,707)
2025	(142,707)
Thereafter	(422,935)

E. Actuarial Methods and Assumptions

The actuarial total pension liability was determined as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	July 1, 2020
Measurement Date:	July 1, 2020
Actuarial Cost Method:	Entry Age, Level Percentage of Pay
Discount Rate:	2.40%
Inflation:	2.50%
Salary Increases:	Service graded tables
Retirement Age:	55
Mortality:	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2019 Generational Improvement Scale

NOTE 8 SUPPLEMENTAL PENSION PLAN (CONTINUED)

F. Discount Rate

The discount rate used to measure the total pension liability was 3.10%. The discount rate is based on the estimated yield of 20-Year AA-rated municipal bonds. The discount rate was changed from 3.50% in the prior measurement period to 3.10%.

G. Total Pension Liability Sensitivity

The following presents the District's total pension liability, calculated using the discount rate of 3.10%, as well as what the District's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.10%) or one percentage point higher (4.10%) than the current rate:

	1% Decrease (1.40%)	Current Discount Rate (2.40%)	1% Increase (3.40%)
Total Pension Liability	$ 15,328,840	$ 14,474,119	$ 13,647,213

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PAYABLE

A. Plan Description

The District operates a single-employer retiree benefit plan (the Plan) that provides health and dental insurance to eligible employees and their spouses through the District's health insurance plan. There are 1,098 active participants, 92 retired participants, and 22 spouses. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period. The Plan does not issue a publicly available financial report.

B. Funding Policy

The District has assets designated for OPEB. These assets are in a revocable trust which is included as an internal service fund in these financial statements. Contribution requirements are also negotiated between the District and union representatives. The eligibility for, amount of, duration of, and District's contribution to the cost of the benefits provided varies by contract and date of retirement. For fiscal year 2021, the District contributed $2,253,223 to the plan.

C. Actuarial Methods and Assumptions

The District's total OPEB liability was determined by an actuarial valuation with a valuation date of July 1, 2020 and a measurement date of July 1, 2020. Liabilities in this report were calculated as of the valuation date and rolled forward to the measurement date using standard actuarial roll-forward techniques.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)

C. Actuarial Methods and Assumptions (Continued)

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	Service graded tables
20-Year Municipal Bond Yield	2.40%
Health Care Trend Rates	6.50% Decreasing to 5.00% Over 6 Years and Then to 4.00% Over the Next 48 Years

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

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of the Teacher Retirement Association of Minnesota actuarial experience study for the period July 1, 2008 through June 30, 2014 and a study of economic assumptions dated November 2017. The rates for other employees are based on the Public Employees Retirement Association of Minnesota most recent six-year experience study for the General Employees Plan completed in 2015 and a review of the inflation assumption dated September 11, 2017. The retirement and withdrawal assumptions used to value GASB 75 liabilities are similar to those used to value pension liabilities for Minnesota school district employees. The rates are based on the Teacher Retirement Association of Minnesota actuarial experience study for the period July 1, 2008 through June 30, 2014.

The discount rate used to measure the total OPEB liability was 2.40%. The discount rate is based on the estimated yield of 20-year AA-rated bonds.

D. Actuarial Methods and Assumptions

Since the most recent actuarial valuation, the following changes have been made:

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.
- The discount rate was changed from 3.10% to 2.40%.
- These changes increased the liability $52,216.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)

D. Changes in the total OPEB Liability

	Total OPEB Liability
Beginning Balance	$ 25,394,876
Changes for the Year:	
Service Cost	1,591,130
Interest Cost	801,908
Differences Between Expected and Actual Experience	(610,383)
Changes of Assumptions	52,216
Contributions-Employer	-
Net Investment income	-
Benefit Payments	(2,253,223)
Plan Changes	(929,162)
Net Changes	(1,347,514)
Ending Balance	$ 24,047,362

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

	1% Decrease (1.40%)	Discount Rate (2.40%)	1% Increase (3.40%)
Total OPEB Liability	$ 25,401,844	$ 24,047,362	$ 22,722,044

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower (5.25% decreasing to 4.00% over five years) or 1% point higher (7.25% decreasing to 6.00% over five years) than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease (5.50% Decreasing to 4.00% Then 3.00%)	Current Trend Rates (6.50% Decreasing to 5.00% Then 4.00%)	1% Increase (7.50% Decreasing to 6.00% Then 5.00%)
Total OPEB Liability	$ 23,059,483	$ 24,047,362	$ 25,205,171

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)

E. OPEB Liability Costs

For the year ended June 30, 2021, the District recognized negative OPEB expense of $1,572,548. At June 30, 2021, the Districted reported $542,563 of deferred inflows of resources and $3,738,383 of deferred outflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 43,301	$ 542,563
Change of Assumptions	763,516	-
Contributions Between Measurement Date and Reporting Date	2,931,566	-
Total	$ 3,738,383	$ 542,563

The contributions subsequent to the measurement date will reduce the District's total OPEB liability in the District's fiscal year ended June 30, 2022.

Other amounts reported as deferred outflows of resources will be recognized in OPEB expense as follows:

Year Ending June 30,	Expense
2021	$ 39,220
2022	39,220
2023	39,220
2024	39,220
2025	39,220
Thereafter	68,154

NOTE 10 FLEXIBLE BENEFIT PLAN

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

Before the beginning of the plan year, which is July 1 to June 30, each participant designates a total amount of pre-tax dollars to be contributed to the plan during the year. At June 30, the District is contingently liable for claims against the total amount of participants’ annual contributions to the plan, whether or not such contributions have been made.

All assets of the plan are held in a separate bank account, administered by a third-party. Payments are made by the District to participating employees for eligible medical expenses. Payments of insurance premiums (health, dental, life, and disability) are made by the District directly to designated insurance companies. These payments are made on a monthly basis and all plan activity is included in the financial statements as a Private-Purpose Trust Fund.

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

NOTE 11 HEALTH AND DENTAL SELF-INSURANCE PLAN

The District maintains an Internal Service Fund to account for and finance a self-insurance program for health and dental benefits. Accordingly, the District has not purchased outside insurance for the risks of losses to which it is exposed for amounts under its stop-loss limit of $100,000 at which point reinsurance coverage is available. District management believes it is more economical to manage its risks internally and set aside assets for claim settlement. The Internal Service Fund currently services all claims and risk of loss to which the District is exposed for health and dental expenses.

Participants in the program make premium payments to the fund based on the insurance premium. The District contributes a portion of premiums to the plan based on employment contracts. The excess amount received above current year claims is used to establish a reserve for future claims. At June 30, 2021, there is a reserve of $3,109,812.

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

There were no liabilities in excess of claims paid at June 30, 2021. There is a possibility for loss if claims are in excess of the premiums collected. The District does not believe this occurrence would have a material financial effect on the District. The District held $5,633,384 in cash and investments at June 30, 2021 for payment of claims.

Changes in the balances of claim liabilities during fiscal years 2021 and 2020 were as follows:

	2021	2020
Beginning of Fiscal Year Liability - July 1,	$ 448,747	$ 711,378
Current Year Claims, Changes in Estimates, and Other Charges	12,187,046	11,224,682
Current Year Claims Paid, Including an Estimate of Claims Incurred But Not Reported (IBNR)	(11,641,094)	(11,487,313)
End of Fiscal Year Liability - June 30,	$ 994,699	$ 448,747

NOTE 12 COMMITMENTS AND CONTINGENCIES

A. Federal and State Programs

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

B. Operating Leases

In November 1997, the District entered into a lease agreement with the Housing and Redevelopment Authority in and for the city of Hopkins. The District is leasing a building owned by the city to be used for the Hopkins Center for the Arts. The lease had an initial term of 10 years with 10-year renewal periods at the District's discretion. The District renewed the lease for an additional 10 years extending through October 2027. The rent is $100,000 per year.

In June 2013, the District entered into a lease agreement with Hennepin County for the lease of space in the Wells Fargo Building in Hopkins for the District's Resource West Program. The lease terms extend for 10 years through August 31, 2023 and include annual lease payments ranging from $30,136 to $31,564.

Future minimum lease payments required under these operating leases are as follows:

Year Ending June 30,	Amount
2022	$ 158,232
2023	162,093
2024	139,510
2025	138,235
2026	142,382
2027-2028	196,018
Total Future Minimum Lease Payments	$ 936,470

NOTE 12 COMMITMENTS AND CONTINGENCIES (CONTINUED)

C. Joint Powers Agreement

The District entered into a joint powers agreement with the city of Minnetonka to provide for the joint construction, use, maintenance, and operation of the Lindbergh Center, a multi-use athletic and community center. As specified in the agreement and related management plan, the District and the city will share in the proportionate costs to build, maintain, and operate the facility. The agreement also outlines finance-related issues such as revenue sharing.

Operating results of the Lindbergh Center for fiscal 2020-2021 are as follows:

	School District	City
Total Expenditures	$ 254,707	$ 104,035
Total Revenue	(103,305)	(42,195)
Final Operating Costs to Respective Government	$ 151,402	$ 61,840

D. Construction Commitments

At June 30, 2021, the District is committed to approximately $0.1 million in contracts in progress.

NOTE 13 STEWARDSHIP AND ACCOUNTABILITY

Excess of Expenditures Over Budget

Expenditures exceeded budgeted amounts in the following funds at June 30, 2021:

	Budget	Expenditures	Excess
Special Revenue Funds:			
Food Service Fund	$ 3,279,377	$ 3,624,590	$ 345,213
Community Service Fund	7,872,593	7,949,932	77,339

The overages were considered by District management to be the result of necessary expenditures critical to operations and were approved by the Board.

NOTE 14 DEFINED CONTRIBUTION PLAN

The District provides eligible employees future retirement benefits through the District's 403(b) Plan (the Plan). Employees of the District are eligible to participate in the Plan commencing on the date of their employment. Eligible employees may elect to have a percentage of their pay contributed to the Plan. Some employees are eligible to receive a District match of employee contributions up to the qualifying amount set forth in their respective bargaining agreements. Contributions are invested in tax-deferred annuities selected and owned by Plan participants. Contributions to the plan for the fiscal year ended June 30, 2021 totaled $178,281.

NOTE 15 NET INVESTMENT IN CAPITAL ASSETS

The District's net investment in capital assets was calculated as follows:

Net Investment in Capital Assets	
Capital Assets, Net of Accumulated Depreciation	$ 186,241,686
Less: General Obligation Bonds Outstanding	(156,770,000)
Less: Capital Leases Payable	(2,306,849)
Less: Unamortized Premium on Capital-Related Bonds	(8,718,890)
Less: Deferred Gain on Bond Refundings	(339,256)
Less: Capital-Related Accounts and Contracts Payable	(1,428,286)
Plus: Capital Projects Fund Unspent Bond Proceeds	59,000
Total Net Investment in Capital Assets	$ 16,737,405

REQUIRED SUPPLEMENTARY INFORMATION

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HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST FOUR MEASUREMENT PERIODS

	Measurement Date			
	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
Service Cost	$ 1,591,130	$ 1,415,894	$ 1,285,813	$ 1,344,733
Interest	801,908	874,625	829,379	799,678
Changes in Benefit Terms	(929,162)	-	-	-
Differences Between Expected and Actual Experience	(610,383)	-	61,858	-
Changes of Assumptions of Other Inputs	52,216	517,304	433,227	-
Benefit Payments	(2,253,223)	(1,955,835)	(1,254,410)	(1,170,163)
Other Changes	-	-	(542,630)	-
Net Changes	(1,347,514)	851,988	813,237	974,248
Total OPEB Liability - Beginning	25,394,876	24,542,888	23,729,651	22,755,403
Total OPEB Liability - Ending	$ 24,047,362	$ 25,394,876	$ 24,542,888	$ 23,729,651
Covered Employee Payroll	$ 62,531,689	$ 62,285,759	$ 60,471,611	$ 53,977,701
Total OPEB Liability as a Percentage of Covered Employee Payroll	38.46%	40.77%	40.59%	43.96%

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

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
TRA SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST SEVEN MEASUREMENT DATES

	Measurement Date June 30,						
	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.8441%	0.8198%	0.8197%	0.8411%	0.8633%	0.8628%	0.9324%
District's Proportionate Share of the Net Pension Liability	$ 62,363,239	$ 52,254,224	$ 51,482,236	$ 167,898,818	$ 205,917,648	$ 53,372,713	$ 42,964,321
State's Proportionate Share of the Net Pension Liability Associated with District	5,226,003	4,624,083	4,837,086	16,230,127	20,669,786	6,546,465	3,022,504
Total	$ 67,589,242	$ 56,878,307	$ 56,319,322	$ 184,128,945	$ 226,587,434	$ 59,919,178	$ 45,986,825
District's Covered Payroll	$ 49,047,790	$ 44,824,280	$ 45,207,213	$ 45,321,333	$ 44,803,453	$ 43,789,520	$ 42,563,629
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	127.15%	116.58%	113.88%	370.46%	459.60%	121.88%	100.94%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.48%	78.21%	78.07%	51.57%	44.88%	76.80%	81.50%

Note: Ten years of data was not available. The above table will be expanded to 10 years of information as the information becomes available.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
PERA SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST SEVEN MEASUREMENT DATES

	Measurement Date June 30,						
	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.2839%	0.2950%	0.2817%	0.2923%	0.2993%	0.3135%	0.3326%
District's Proportionate Share of the Net Pension Liability	$ 17,021,102	$ 16,309,889	$ 15,627,561	$ 18,660,239	$ 24,301,675	$ 16,247,197	$ 15,623,882
State's Proportionate Share of the Net Pension Liability Associated with District	524,773	506,978	512,717	234,649	317,389	-	-
Total	$ 17,545,875	$ 16,816,867	$ 16,140,278	$ 18,894,888	$ 24,619,064	$ 16,247,197	$ 15,623,882
District's Covered Payroll	$ 20,236,880	$ 20,802,413	$ 18,956,667	$ 20,876,400	$ 18,755,067	$ 18,427,268	$ 17,458,331
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	84.11%	78.40%	82.44%	89.38%	129.57%	88.17%	89.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.10%	80.23%	79.50%	75.90%	68.90%	78.20%	78.70%

Note: Ten years of data was not available. The above table will be expanded to 10 years of information as the information becomes available.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
TRA SCHEDULE OF DISTRICT CONTRIBUTIONS
LAST EIGHT FISCAL YEARS

	Fiscal Year Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily Required Contribution	$ 3,944,159	$ 3,884,585	$ 3,455,952	$ 3,390,541	$ 3,399,100	$ 3,360,259	$ 3,284,214	$ 2,979,454
Contributions in Relation to the Statutorily Required Contribution	(3,944,159)	(3,884,585)	(3,455,952)	(3,390,541)	(3,399,100)	(3,360,259)	(3,284,214)	(2,979,454)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 48,513,641	$ 49,047,790	$ 44,824,280	$ 45,207,213	$ 45,321,333	$ 44,803,453	$ 43,789,520	$ 42,563,629
Contributions as a Percentage of Covered Payroll	8.13%	7.92%	7.71%	7.50%	7.50%	7.50%	7.50%	7.00%

Note: Ten years of data was not available. The above table will be expanded to 10 years of information as the information becomes available.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
PERA SCHEDULE OF DISTRICT CONTRIBUTIONS
LAST EIGHT FISCAL YEARS

	Fiscal Year Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily Required Contribution	$ 1,407,866	$ 1,517,766	$ 1,560,181	$ 1,421,750	$ 1,565,730	$ 1,406,630	$ 1,359,011	$ 1,265,729
Contributions in Relation to the Statutorily Required Contribution	(1,407,866)	(1,517,766)	(1,560,181)	(1,421,750)	(1,565,730)	(1,406,630)	(1,359,011)	(1,265,729)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 18,771,547	$ 20,236,880	$ 20,802,413	$ 18,956,667	$ 20,876,400	$ 18,755,067	$ 18,427,268	$ 17,458,331
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.38%	7.25%

Note: Ten years of data was not available. The above table will be expanded to 10 years of information as the information becomes available.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL PENSION LIABILITY AND RELATED RATIOS
SUPPLEMENTAL PENSION PLAN
LAST FOUR MEASUREMENT DATES

	Measurement Date			
	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
Service Cost	$ 996,490	$ 732,001	$ 664,771	$ 689,485
Interest	428,693	460,096	473,190	296,170
Changes in Benefit Terms	1,012,410	-	-	4,153,716
Differences Between Expected and Actual Experience	(569,816)	-	(946,225)	-
Changes of Assumptions of Other Inputs	219,894	297,433	(111,774)	(459,274)
Benefit Payments	(884,964)	(1,252,641)	(967,459)	(935,517)
Other Changes	-	-	189,756	-
Net Changes	1,202,707	236,889	(697,741)	3,744,580
Total Pension Liability - Beginning	13,271,412	13,034,523	13,732,264	9,987,684
Total Pension Liability - Ending	$ 14,474,119	$ 13,271,412	$ 13,034,523	$ 13,732,264
Covered Employee Payroll	$ 58,614,287	$ 54,656,357	$ 53,064,424	$ 53,977,701
Total Pension Liability as a Percentage of Covered Employee Payroll	24.69%	24.28%	24.56%	25.44%

*Ten Years of Data Will be Presented as it Becomes Available

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

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

A. General Employees Fund

2020

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two to five and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.
- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019

- The mortality projection scale was changed from MP-2017 to MP-2018.
- The employer supplemental contribution was changed prospectively, decreasing from $31.0 million to $21.0 million per year. The State's special funding contribution was changed prospectively, requiring $16.0 million due per year through 2031.

2018

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed postretirement benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

2017

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and nonvested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability, and 3.0% for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5 % per year thereafter.

2016

- The assumed postretirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

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

A. Coordinated Plan

2020

- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale.
- Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.
- There have been no changes since the prior valuation.

2019

- No changes.

2018

- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next four years, (7.92% in 2019, 8.13% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.
- The single discount rate was changed from 5.12% to 7.5%

2017

- The cost of living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- The investment return assumption was changed from 8.0% to 7.5%.
- The price inflation assumption was lowered from 2.75% to 2.5%.

- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.
- The single discount rate was changed from 4.66% to 5.12%.

2016

- There was a change in actuarial assumptions that affected the measurement of the total liability since the prior measurement date.
- Postretirement benefit adjustments are now assumed to stay level at 2.0% annually.
- The single discount rate was changed from 8.0% to 4.66%

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

2020

- The healthcare trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.
- The discount rate was changed from 3.10% to 2.40%.

2019

- The discount rate was changed from 3.50% to 3.10%

2018

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

2017

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

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

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

2020

- A GASB 73 benefit was added for the Superintendent.
- The Administrator's eligibility to receive the full GASB 73 retirement benefit was changed from age 55 with 15 years of service (10 in the district) and 120 unused sick days to age 55 with 15 years of service (10 in the district) and 80 unused sick days.
- ABE/ECFE Teachers no longer receive prorated benefits at age 55 with 15 years of service. They still receive their full GASB 73 benefits at age 55 with 20 years of service.
- Clerical employees' severance benefits are now paid 100% to a 403(b) (GASB 73) and -% to a VEBA (GASB 75). Previously, 100% of the benefit was payable to a VEBA.
- The mortality tables and salary increase rates were updated.
- The discount rate was changed from 3.10% to 2.40%.

2019

- The discount rate was changed from 3.50% to 3.10%

2018

- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The discount rate was changed from 3.40% to 3.50%.
- Paraprofessionals' severance benefits are now paid 100% to a 403(b) (GASB 73) and 0% to a VEBA (GASB 75) instead of 75% to a 403(b) and 25% to a VEBA. Also, the annual cap for all Paraprofessionals retiring in the same year increased from $120,000 to $150,000.
- Administrators need 120 unused sick days to be eligible to receive 50% of annual salary and 60 unused sick days to be eligible for 37.50% of annual salary. Previously 80 and 40 unused sick days were needed.

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SUPPLEMENTARY INFORMATION

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HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
GENERAL FUND
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)

	2021	2020
ASSETS		
Cash and Investments	$ 26,561,225	$ 20,087,653
Receivables:		
Current Property Taxes	19,613,419	20,097,132
Delinquent Property Taxes	165,080	300,569
Accounts and Interest Receivable	266,897	171,572
Due from Other Minnesota School Districts	304,877	300,806
Due from Minnesota Department of Education	7,551,123	7,072,174
Due from Federal Through the Minnesota Department of Education	1,127,456	1,818,343
Due from Other Governmental Units	1,199,577	260,126
Inventory	120,021	87,108
Prepaids	141,470	166,283
Total Assets	$ 57,051,145	$ 50,361,766
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Salaries and Compensated Absences Payable	$ 217,273	$ 136,235
Payroll Deductions and Employer Contributions Payable	544,635	484,005
Accounts and Contracts Payable	870,008	948,958
Due to Other Minnesota School Districts	539,385	582,362
Due to Other Governmental Units	226	1,024
Unearned Revenue	62,525	125,633
Total Liabilities	2,234,052	2,278,217
Deferred Inflows:		
Unavailable Revenue - Property Taxes Levied for Subsequent Year	34,560,724	34,258,968
Unavailable Revenue - Delinquent Property Taxes	165,080	300,569
Total Deferred Inflows of Resources	34,725,804	34,559,537
Fund Balance:		
Nonspendable:		
Inventory	120,021	166,283
Prepaids	141,470	87,108
Restricted for:		
Student Activities	229,048	233,191
	28,919	-
Staff Development	781,917	243,566
Operating Capital	1,806,381	1,233,050
Learning and Development	18,468	18,468
Safe Schools Levy	219,871	119,933
Long-Term Facilities Maintenance	-	639,328
Medical Assistance	1,070,045	839,879
Assigned for:		
Enrollment Contingency	2,000,000	1,000,000
Strategic Visioning	1,600,000	235,676
Transportation - Start Times	1,000,000	-
Building Renovation	814,024	482,899
Special Projects	-	220,102
Unassigned	10,261,125	8,939,814
Total Fund Balance	20,091,289	13,524,012
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 57,051,145	$ 50,361,766

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	$ 32,763,417	$ 34,065,164	$ 1,301,747	$ 28,680,573
Earnings on Investments	318,137	(7,302)	(325,439)	222,378
Other	2,851,810	3,033,327	181,517	4,143,574
State Sources	68,784,563	68,989,978	205,415	66,790,032
Federal Sources	5,412,989	5,304,497	(108,492)	3,983,390
Total Revenues	110,130,916	111,385,664	1,254,748	103,819,947
EXPENDITURES				
Current:				
Administration:				
Salaries	3,512,529	3,401,167	(111,362)	3,093,257
Employee Benefits	1,038,571	1,054,037	15,466	904,105
Purchased Services	91,391	89,496	(1,895)	247,781
Supplies and Materials	55,735	31,321	(24,414)	62,767
Capital Expenditures	3,923	4,430	507	60,261
Other Expenditures	59,564	81,547	21,983	71,972
Total Administration	4,761,713	4,661,998	(99,715)	4,440,143
District Support Services:				
Salaries	3,785,910	3,367,746	(418,164)	3,309,178
Employee Benefits	1,208,041	1,069,147	(138,894)	1,047,528
Purchased Services	416,239	417,179	940	439,272
Supplies and Materials	713,544	581,610	(131,934)	182,471
Capital Expenditures	584	10,462	9,878	6,399
Other Expenditures	96,776	18,084	(78,692)	(181,879)
Total District Support Services	6,221,094	5,464,228	(756,866)	4,802,969
Elementary and Secondary Regular Instruction:				
Salaries	36,220,662	34,144,762	(2,075,900)	33,438,428
Employee Benefits	12,239,927	12,212,566	(27,361)	9,840,935
Purchased Services	1,407,545	1,863,895	456,350	2,339,727
Supplies and Materials	921,434	873,236	(48,198)	1,044,763
Capital Expenditures	793,037	718,851	(74,186)	919,358
Other Expenditures	102,386	416,715	314,329	326,600
Total Elementary and Secondary Regular Instruction	51,684,991	50,230,025	(1,454,966)	47,909,811

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
EXPENDITURES (CONTINUED)				
Current (Continued):				
Vocational Education Instruction:				
Salaries	$ 769,946	$ 649,707	$ (120,239)	$ 759,470
Employee Benefits	211,340	179,069	(32,271)	198,054
Purchased Services	322,989	117,291	(205,698)	313,823
Supplies and Materials	10,389	13,854	3,465	35,281
Other Expenditures	8,157	12,033	3,876	10,232
Total Vocational Education Instruction	1,322,821	971,954	(350,867)	1,316,860
Special Education Instruction:				
Salaries	12,755,616	11,856,789	(898,827)	11,950,604
Employee Benefits	4,107,765	3,846,593	(261,172)	3,777,225
Purchased Services	737,437	1,101,742	364,305	696,123
Supplies and Materials	60,618	36,443	(24,175)	48,298
Capital Expenditures	7,206	8,346	1,140	11,004
Other Expenditures	78,547	82,261	3,714	166,886
Total Special Education Instruction	17,747,189	16,932,174	(815,015)	16,650,140
Community Education:				
Salaries	-	122,090	122,090	-
Employee Benefits	-	62,235	62,235	-
Total Community Education	-	184,325	184,325	-
Instructional Support Services:				
Salaries	4,026,487	3,301,115	(725,372)	4,547,184
Employee Benefits	1,172,493	969,065	(203,428)	1,291,965
Purchased Services	142,395	139,894	(2,501)	211,863
Supplies and Materials	139,532	163,362	23,830	153,186
Capital Expenditures	35,875	26,777	(9,098)	-
Other Expenditures	20,582	38,988	18,406	32,387
Total Instructional Support Services	5,537,364	4,639,201	(898,163)	6,236,585
Pupil Support Services:				
Salaries	2,905,888	2,684,838	(221,050)	2,786,995
Employee Benefits	1,038,308	926,781	(111,527)	901,391
Purchased Services	3,845,510	3,547,035	(298,475)	6,210,238
Supplies and Materials	10,793	11,714	921	20,214
Capital Expenditures	572,023	535,901	(36,122)	17,494
Other Expenditures	17,873	16,458	(1,415)	28,528
Total Pupil Support Services	8,390,395	7,722,727	(667,668)	9,964,860

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)

	2021 Final Budget	2021 Actual Amounts	2021 Over (Under) Final Budget	2020 Actual Amounts
EXPENDITURES (CONTINUED)				
Current (Continued):				
Sites and Buildings:				
Salaries	$ 3,913,558	$ 3,667,076	$ (246,482)	$ 3,860,262
Employee Benefits	1,311,544	1,226,659	(84,885)	1,260,504
Purchased Services	4,548,577	4,762,520	213,943	4,410,700
Supplies and Materials	632,864	692,383	59,519	677,876
Capital Expenditures	136,372	2,826,309	2,689,937	273,761
Other Expenditures	2,487	11,481	8,994	35,753
Total Sites and Buildings	10,545,402	13,186,428	2,641,026	10,518,856
Fiscal and Other Fixed Costs:				
Employee Benefits	4,865	-	(4,865)	-
Purchased Services	391,848	391,851	3	245,185
Other Expenditures	45,000	19,009	(25,991)	-
Total Fiscal and Other Fixed Costs	441,713	410,860	(30,853)	245,185
Debt Service:				
Principal	354,005	354,005	-	345,830
Interest and Fiscal Charges	60,462	60,462	-	68,637
Total Debt Service	414,467	414,467	-	414,467
Total Expenditures	107,067,149	104,818,387	(2,433,087)	102,499,876
EXCESS OF REVENUES OVER EXPENDITURES	3,063,767	6,567,277	3,687,835	1,320,071
OTHER FINANCING SOURCES (USES)				
Sale of Equipment	-	-	-	200
Transfers In	-	-	-	1,042,509
Transfers Out	(1,005,400)	-	1,005,400	-
Total Other Financing Sources (Uses)	(1,005,400)	-	1,005,400	1,042,709
NET CHANGE IN FUND BALANCE	$ 2,058,367	6,567,277	$ 4,693,235	2,362,780
FUND BALANCE				
Beginning of Year		13,524,012		11,161,232
End of Year		$ 20,091,289		$ 13,524,012

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
FOOD SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)

	2021	2020
ASSETS		
Cash and Investments	$ 741,875	$ 234,096
Receivables:		
Accounts and Interest Receivable	1,042	1,074
Due from Minnesota Department of Education	-	130,444
Due from Federal Through the Minnesota Department of Education	79,987	606,192
Due from Other Governmental Units	-	25
Inventory	133,839	177,701
Prepaids	-	312
Total Assets	$ 956,743	$ 1,149,844
LIABILITIES AND FUND BALANCE		
Liabilities:		
Salaries and Compensated Absences Payable	$ 15,604	$ 21,829
Payroll Deductions and Employer Contributions Payable	77,445	57,040
Accounts and Contracts Payable	10,823	95,197
Due to Other Governmental Units	-	53
Total Liabilities	103,872	174,119
Fund Balance:		
Nonspendable:		
Inventory	133,839	177,701
Prepaids	-	312
Restricted for:		
Other Purposes	719,032	797,712
Total Fund Balance	852,871	975,725
Total Liabilities and Fund Balance	$ 956,743	$ 1,149,844

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
FOOD SERVICE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)

	2021 Final Budget	2021 Actual Amounts	2021 Over (Under) Final Budget	2020 Actual Amounts
REVENUES				
Local Sources:				
Earnings on Investments	$ -	$ 2,569	$ 2,569	$ 7,054
Other - Primarily Meal Sales	90,673	79,097	(11,576)	1,591,371
State Sources	9,249	14,604	5,355	301,701
Federal Sources	3,138,864	3,397,497	258,633	3,073,429
Total Revenues	3,238,786	3,493,767	254,981	4,973,555
EXPENDITURES				
Current:				
Salaries	1,594,212	1,585,155	(9,057)	1,895,631
Employee Benefits	613,668	619,438	5,770	652,133
Purchased Services	39,603	36,140	(3,463)	(1,138)
Supplies and Materials	999,151	1,308,229	309,078	1,811,613
Other Expenditures	6,766	6,015	(751)	4,991
Capital Outlay	25,977	69,613	43,636	230,059
Total Expenditures	3,279,377	3,624,590	345,213	4,593,289
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(40,591)	(130,823)	(90,232)	380,266
OTHER FINANCING SOURCES				
Sale of Equipment	5,407	4,500	(907)	1,800
Insurance Recovery	4,169	3,469	(700)	-
Total Other Financing Sources	9,576	7,969	(1,607)	1,800
NET CHANGE IN FUND BALANCE	$ (31,015)	(122,854)	$ (91,839)	382,066
FUND BALANCE				
Beginning of Year		975,725		593,659
End of Year		$ 852,871		$ 975,725

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
COMMUNITY SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)

	2021	2020
ASSETS		
Cash and Investments	$ 2,601,478	$ 2,399,376
Receivables:		
Current Property Taxes	711,189	716,092
Delinquent Property Taxes	6,376	12,988
Accounts and Interest Receivable	500	4,111
Due from Other Minnesota School Districts	5,597	1,810
Due from Minnesota Department of Education	(17,078)	(27,667)
Due from Federal Through the Minnesota Department of Education	199,840	114,470
Due from Other Governmental Units	86,232	98,633
Prepaids	-	2,186
Total Assets	$ 3,594,134	$ 3,321,999
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Salaries and Compensated Absences Payable	$ 113,503	$ 159,271
Payroll Deductions and Employer Contributions Payable	229,224	195,149
Accounts and Contracts Payable	52,708	95,339
Due to Other Minnesota School Districts	235,112	318,395
Unearned Revenue	148,170	26,494
Total Liabilities	778,717	794,648
Deferred Inflows:		
Property Taxes Levied for Subsequent Year	1,421,737	1,375,092
Unavailable Revenue - Delinquent Taxes	6,376	12,988
Total Deferred Inflows of Resources	1,428,113	1,388,080
Fund Balance:		
Nonspendable:		
Prepaids	-	2,186
Restricted for:		
Community Education	970,504	810,808
Early Childhood and Family Education	260,697	297,551
School Readiness	41,938	27,990
Adult Basic Education	89,961	736
Other Purposes	24,204	-
Total Fund Balance	1,387,304	1,139,271
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 3,594,134	$ 3,321,999

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
COMMUNITY SERVICE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	$ 1,375,693	$ 1,376,973	$ 1,280	$ 1,495,097
Earnings on Investments	-	8,856	8,856	41,051
Other - Primarily Tuition and Fees	4,118,119	4,415,346	297,227	5,624,073
State Sources	2,381,611	2,161,548	(220,063)	2,322,129
Federal Sources	-	235,242	235,242	114,470
Total Revenues	7,875,423	8,197,965	322,542	9,596,820
EXPENDITURES				
Current:				
Salaries	5,091,137	5,122,668	31,531	6,626,859
Employee Benefits	1,545,975	1,504,876	(41,099)	1,902,611
Purchased Services	665,692	981,423	315,731	1,288,903
Supplies and Materials	552,039	299,365	(252,674)	461,179
Other Expenditures	4,890	28,625	23,735	220,786
Capital Outlay	12,860	12,975	115	162,576
Total Expenditures	7,872,593	7,949,932	77,339	10,662,914
NET CHANGE IN FUND BALANCE	$ 2,830	248,033	$ 245,203	(1,066,094)
FUND BALANCE				
Beginning of Year		1,139,271		2,205,365
End of Year		$ 1,387,304		$ 1,139,271

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)

	2021	2020
ASSETS		
Cash and Investments	$ 15,017,826	$ 1,810,763
Cash with Fiscal Agent	59,000	59,000
Receivables:		
Accounts and Interest Receivable	-	15
Prepaids	357,238	262,693
Total Assets	$ 15,434,064	$ 2,132,471
LIABILITIES AND FUND BALANCE		
Liabilities:		
Payroll Deductions and Employer Contributions Payable	$ 35,268	$ 32,613
Accounts and Contracts Payable	1,428,286	1,492,889
Total Liabilities	1,463,554	1,525,502
Fund Balance:		
Nonspendable:		
Prepaids	357,238	262,693
Restricted for:		
Capital Projects Levy	3,972,944	294,356
Long-Term Facilities Maintenance	9,640,328	-
Restricted for Other Purposes	-	49,920
Total Fund Balance	13,970,510	606,969
Total Liabilities and Fund Balance	$ 15,434,064	$ 2,132,471

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	$ 5,509,277	$ 5,509,277	$ -	$ 5,349,177
Earnings on Investments	-	10,150	10,150	305,499
Other	-	-	-	72,664
Total Revenues	5,509,277	5,519,427	10,150	5,727,340
EXPENDITURES				
Current:				
Salaries	214,532	130,101	(84,431)	321,763
Employee Benefits	61,121	39,580	(21,541)	88,987
Purchased Services	691,660	817,498	125,838	1,214,654
Capital Outlay	15,618,120	6,439,290	(9,178,830)	22,574,563
Debt Service:				
Interest and Fiscal Charges	-	212,163	212,163	-
Total Expenditures	16,585,433	7,725,379	(8,860,054)	24,199,967
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,076,156)	(2,205,952)	8,870,204	(18,472,627)
OTHER FINANCING SOURCES				
Sale of Equipment	-	-	-	349,155
Issuance of Bonds	11,165,040	15,350,000	4,184,960	-
Bond Premium	-	219,493	219,493	-
Total Other Financing Sources	11,165,040	15,569,493	4,404,453	349,155
NET CHANGE IN FUND BALANCE	$ 88,884	13,363,541	$ 13,274,657	(18,123,472)
FUND BALANCE				
Beginning of Year		606,969		18,730,441
End of Year		$ 13,970,510		$ 606,969

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)

	Regular Debt Service	OPEB Debt Service	Totals 2021	Totals 2020
ASSETS				
Cash and Investments	$ 13,001,410	$ -	$ 13,001,410	$ 11,812,614
Receivables:				
Current Property Taxes	8,901,708	-	8,901,708	9,395,236
Delinquent Property Taxes	71,474	8,285	79,759	153,505
Total Assets	$ 21,974,592	$ 8,285	$ 21,982,877	$ 21,361,355
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts and Contracts Payable	$ 2,613	$ -	$ 2,613	$ 6,875
Deferred Inflows:				
Property Taxes Levied for Subsequent Year	17,795,401	-	17,795,401	18,041,409
Unavailable Revenue - Delinquent Taxes	71,474	8,285	79,759	153,505
Total Deferred Inflows of Resources	17,866,875	8,285	17,875,160	18,194,914
Fund Balance:				
Restricted for:				
Debt Service	4,105,104	-	4,105,104	3,159,566
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 21,974,592	$ 8,285	$ 21,982,877	$ 21,361,355

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)

	2021					2020
		Actual				
	Final Budgeted Amounts	Regular Debt Service	OPEB Debt Service	Total Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES						
Local Sources:						
Property Taxes	$ 17,096,420	$ 18,042,843	$ -	$ 18,042,843	$ 946,423	$ 17,050,408
Earnings on Investments	-	9,836	-	9,836	9,836	49,099
Total Revenues	17,096,420	18,052,679	-	18,052,679	956,259	17,099,507
EXPENDITURES						
Debt Service:						
Bond Principal	40,705,000	11,295,000	-	11,295,000	(29,410,000)	10,915,000
Bond Interest	5,801,420	5,805,005	-	5,805,005	3,585	6,393,364
Paying Agent Fees and Other	357,363	359,976	-	359,976	2,613	12,813
Total Expenditures	46,863,783	17,459,981	-	17,459,981	(29,403,802)	17,321,177
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(29,767,363)	592,698	-	592,698	30,360,061	(221,670)
OTHER FINANCING SOURCES (USES)						
Refunding Bonds Issued	29,759,255	25,300,000	-	25,300,000	(4,459,255)	-
Bond Premium	-	4,459,255	-	4,459,255	4,459,255	-
Bond Refunding Payment	-	(29,406,415)	-	(29,406,415)	(29,406,415)	-
Transfers In	-	951,047	-	951,047	951,047	-
Transfers Out	-	-	(951,047)	(951,047)	(951,047)	-
Total Other Financing Sources (Uses)	29,759,255	1,303,887	(951,047)	352,840	(29,406,415)	-
NET CHANGE IN FUND BALANCE	$ (8,108)	1,896,585	(951,047)	945,538	$ 953,646	(221,670)
FUND BALANCE						
Beginning of Year		2,208,519	951,047	3,159,566		3,381,236
End of Year		$ 4,105,104	$ -	$ 4,105,104		$ 3,159,566

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
INTERNAL SERVICE FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)

	Self-Insurance Accounts	OPEB Revocable Trust	Severance	Totals 2021	Totals 2020
ASSETS					
Current Assets:					
Cash and Investments	$ 5,633,384	$ 18,953,918	$ 11,632,063	$ 36,219,365	$ 34,212,784
Prepaid Items	4,967	-	-	4,967	-
Accounts Receivable	115,902	-	-	115,902	112,798
Interest Receivable	-	127,058	-	127,058	127,058
Total Assets	5,754,253	19,080,976	11,632,063	36,467,292	34,452,640
LIABILITIES					
Current Liabilities:					
Accounts Payable	273,574	-	-	273,574	(19,855)
Claims Payable - Medical	994,699	-	-	994,699	448,747
Unearned Revenue	1,376,168	-	-	1,376,168	1,315,904
Total Liabilities	2,644,441	-	-	2,644,441	1,744,796
NET POSITION					
Unrestricted	3,109,812	19,080,976	11,632,063	33,822,851	32,707,844
Total Liabilities and Net Position	$ 5,754,253	$ 19,080,976	$ 11,632,063	$ 36,467,292	$ 34,452,640

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
INTERNAL SERVICE FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)

	Self-Insurance Accounts	OPEB Revocable Trust	Severance	Totals 2021	Totals 2020
OPERATING REVENUES					
Charges for Services:					
Health Insurance Premiums	$ 11,418,178	$ -	$ -	$ 11,418,178	$ 11,157,168
OPEB Contributions	-	-	1,846,986	1,846,986	-
Total Operating Revenues	11,418,178	-	1,846,986	13,265,164	11,157,168
OPERATING EXPENSES					
Health Insurance Claim Payments	12,187,046	-	-	12,187,046	11,224,682
Severance Payments	-	-	-	-	884,964
OPEB Payments	-	125,965	-	125,965	120,977
Total Operating Expenses	12,187,046	125,965	-	12,313,011	12,230,623
OPERATING INCOME (LOSS)	(768,868)	(125,965)	1,846,986	952,153	(1,073,455)
NONOPERATING INCOME					
Earnings on Investments	5,263	147,218	10,373	162,854	1,665,591
NET INCOME (LOSS) BEFORE TRANSFERS	(763,605)	21,253	1,857,359	1,115,007	592,136
OTHER FINANCING SOURCES (USES)					
Transfer Out	-	-	-	-	(1,042,509)
CHANGE IN NET POSITION	(763,605)	21,253	1,857,359	1,115,007	(450,373)
Net Position - Beginning	3,873,417	19,059,723	9,774,704	32,707,844	33,158,217
NET POSITION - ENDING	$ 3,109,812	$ 19,080,976	$ 11,632,063	$ 33,822,851	$ 32,707,844

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)

	Self-Insurance Accounts	OPEB Revocable Trust	Severance	Totals 2021	Totals 2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Interfund Services Provided	$ 11,475,338	$ -	$ 1,846,986	$ 13,322,324	$ 11,258,043
Payments for Medical Fees and Insurance Claims	(11,352,632)	-	-	(11,352,632)	(11,514,220)
Payments for Other Postemployment Benefits	-	(125,965)	-	(125,965)	(120,977)
Payments for Severance Benefits	-	-	-	-	(884,964)
Net Cash Provided (Used) by Operating Activities	122,706	(125,965)	1,846,986	1,843,727	(1,262,118)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers to Other Funds	-	-	-	-	(1,042,509)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	5,263	125,965	10,373	141,601	285,098
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	127,969	-	1,857,359	1,985,328	(2,019,529)
Cash and Cash Equivalents - Beginning	5,505,415	14,625	9,774,704	15,294,744	17,314,273
CASH AND CASH EQUIVALENTS - ENDING	$ 5,633,384	$ 14,625	$ 11,632,063	$ 17,280,072	$ 15,294,744
DISPLAYED ON STATEMENT OF FUND NET POSITION AS:					
Cash and Cash Equivalents	$ 5,633,384	$ 14,625	$ 11,632,063	$ 17,280,072	$ 15,294,744
Investments	-	18,939,293	-	18,939,293	18,918,040
Total Cash and Investments on the Statement of Net Position	$ 5,633,384	$ 18,953,918	$ 11,632,063	$ 36,219,365	$ 34,212,784
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	$ (768,868)	$ (125,965)	$ 1,846,986	$ 952,153	$ (1,073,455)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities					
Increase in Prepaids	(4,967)	-	-	(4,967)	-
(Increase) Decrease in Accounts Receivable	(3,104)	-	-	(3,104)	24,359
Increase (Decrease) in Accounts Payable	293,429	-	-	293,429	(26,907)
Increase (Decrease) in Claims Payable	545,952	-	-	545,952	(262,631)
Increase in Unearned Revenue	60,264	-	-	60,264	76,516
Total Adjustments	891,574	-	-	891,574	(188,663)
Net Cash Provided (Used) by Operating Activities	$ 122,706	$ (125,965)	$ 1,846,986	$ 1,843,727	$ (1,262,118)

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS
COMPLIANCE TABLE
JUNE 30, 2021

	AUDIT	UFARS	DIFFERENCE
01 GENERAL FUND			
Total Revenue	$ 111,360,298	$ 111,360,298	$ -
Total Expenditures	104,818,387	104,818,388	(1)
Nonspendable:			
460 Nonspendable Fund Balance	261,491	261,491	-
Restricted:			
401 Student Activities	229,048	229,048	-
402 Scholarship	28,919	28,919	-
403 Staff Development	781,917	781,917	-
405 Deferred Maintenance	-	-	-
406 Health and Safety	-	-	-
407 Capital Project Levy	(311,776)	(311,776)	-
408 Cooperative Programs	-	-	-
413 Projects Funded by COP	-	-	-
414 Operating Debt	-	-	-
416 Levy Reduction	-	-	-
417 Taconite Building Maintenance	-	-	-
424 Operating Capital	1,806,381	1,806,381	-
426 $25 Taconite	-	-	-
427 Disabled Accessibility	-	-	-
428 Learning and Development	18,468	18,468	-
434 Area Learning Center	-	-	-
435 Contracted Alternative Programs	-	-	-
436 State-Approved Alternative Programs	-	-	-
438 Gifted and Talented	-	-	-
440 Teacher Development and Evaluations	-	-	-
441 Basic Skills Programs	-	-	-
445 Career and Technical Programs	-	-	-
448 Achievement and Integration	-	-	-
449 Safe Schools Crime Levy	219,871	219,871	-
451 QZAB Payments	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
453 Unfunded Severance & Retirement Levy	-	-	-
464 Restricted Fund Balance	-	-	-
467 Long-Term Facilities Maintenance	(22,821)	(22,821)	-
472 Medical Assistance	1,070,045	1,070,045	-
Committed:			
418 Committed for Separation	-	-	-
461 Committed Fund Balance	-	-	-
Assigned:			
462 Assigned Fund Balance	5,414,024	5,414,024	-
Unassigned:			
422 Unassigned Fund Balance	10,595,722	10,595,720	2
02 FOOD SERVICE			
Total Revenue	3,497,236	3,497,237	(1)
Total Expenditures	3,624,590	3,624,591	(1)
Nonspendable:			
460 Nonspendable Fund Balance	133,839	133,840	(1)
Restricted:			
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	719,032	719,032	-
Unassigned:			
463 Unassigned Fund Balance	-	-	-
04 COMMUNITY SERVICE			
Total Revenue	8,197,965	8,197,967	(2)
Total Expenditures	7,949,932	7,949,932	-
Nonspendable:			
460 Nonspendable Fund Balance	-	-	-
Restricted:			
426 $25 Taconite	-	-	-
431 Community Education	970,504	970,505	(1)
432 E.C.F.E.	260,697	260,697	-
440 Teacher Development and Evaluations	-	-	-
444 School Readiness	41,938	41,938	-
447 Adult Basic Education	89,961	89,961	-
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	24,204	24,204	-
Unassigned:			
463 Unassigned Fund Balance	-	-	-

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS
COMPLIANCE TABLE (CONTINUED)
JUNE 30, 2021

	AUDIT	UFARS	DIFFERENCE
06 BUILDING CONSTRUCTION			
Total Revenue	$ 5,519,427	$ 5,519,426	$ 1
Total Expenditures	7,725,379	7,725,377	2
Nonspendable:			
460 Nonspendable Fund Balance	357,238	357,238	-
Restricted:			
407 Capital Projects Levy	3,972,944	3,972,947	(3)
409 Alternative Facility Program	-	-	-
413 Projects Funded by COP	-	-	-
467 Long-Term Facilities Maintenance	9,640,328	9,640,326	2
464 Restricted Fund Balance	-	-	-
Unassigned:			
463 Unassigned Fund Balance	-	-	-
07 DEBT SERVICE			
Total Revenue	18,052,679	18,052,679	-
Total Expenditures	17,459,981	17,459,981	-
Nonspendable:			
460 Nonspendable Fund Balance	-	-	-
Restricted:			
425 Bond Refunding	-	-	-
451 QZAB and QSCB Payments	-	-	-
464 Restricted Fund Balance	4,105,104	4,105,105	(1)
Unassigned:			
463 Unassigned Fund Balance	-	-	-
08 TRUST			
Total Revenue	-	-	-
Total Expenditures	-	-	-
Net Position:			
401 Student Activities	-	-	-
402 Scholarships	-	-	-
422 Net Position	-	-	-
18 CUSTODIAL			
Total Revenue	-	-	-
Total Expenditures	-	-	-
Net Position:			
401 Student Activities	-	-	-
402 Scholarships	-	-	-
422 Net Position	-	-	-
20 INTERNAL SERVICE			
Total Revenue	13,280,800	13,280,801	(1)
Total Expenditures	12,187,046	12,187,047	(1)
Net Position:			
422 Net Position	14,741,875	14,741,875	-
25 OPEB REVOCABLE TRUST			
Total Revenue	147,218	147,219	(1)
Total Expenditures	125,965	125,965	-
Net Position:			
422 Net Position	19,080,976	19,080,976	-
45 OPEB IRREVOCABLE TRUST			
Total Revenue	-	-	-
Total Expenditures	-	-	-
Net Position:			
422 Net Position	-	-	-
47 OPEB DEBT SERVICE			
Total Revenue	-	-	-
Total Expenditures	-	-	-
Nonspendable:			
460 Nonspendable Fund Balance	-	-	-
Restricted:			
425 Bond Refunding	-	-	-
464 Restricted Fund Balance	-	-	-
Unassigned:			

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STATISTICAL SECTION (UNAUDITED)

This part of the Hopkins Public Schools Annual Comprehensive Financial Report presents detailed information as a context for understating what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

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, the property tax.

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 the District's financial activities take place.

Operating Information

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

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2012	2013	2014	2015
Governmental Activities				
Net Investment in Capital Assets	$ 9,944,518	$ 11,711,667	$ 15,885,515	$ 18,582,850
Restricted	2,268,838	4,217,295	2,397,149	3,049,717
Unrestricted	14,777,335	15,398,309	11,286,030	(55,274,101)
Total Governmental Activities Net Position	$ 26,990,691	$ 31,327,271	$ 29,568,694	$ (33,641,534)

Source: District's financial records.

Note: Beginning with 2015, the net position includes the effects of implementing GASB Statements Nos. 68 and 71, which required the District to record its proportionate share of the state administered defined benefit pension plans in which it participates. Beginning in 2018 the net position includes the effects of implementing GASB Statement No. 75, which adjusted the way the

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NET POSITION BY COMPONENT (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year					
	2016	2017	2018	2019	2020	2021
Net Investment in Capital Assets	$ 23,952,842	$ 28,641,741	$ 12,896,090	$ 22,915,255	$ 23,873,860	$ 16,737,405
Restricted	4,471,490	10,098,439	5,905,911	5,457,499	8,366,016	23,347,531
Unrestricted	(55,395,516)	(94,121,420)	(107,061,513)	(90,198,229)	(91,501,354)	(89,017,056)
Total Governmental Activities Net Position	$ (26,971,184)	$ (55,381,240)	$ (88,259,512)	$ (61,825,475)	$ (59,261,478)	$ (48,932,120)

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2012	2013	2014	2015
Expenses				
Governmental Activities:				
Administration	$ 4,234,800	$ 3,909,891	$ 3,710,664	$ 4,050,926
District Support Services	1,876,871	1,884,001	2,156,481	2,163,267
Regular Instruction	34,553,785	42,600,108	43,536,297	43,781,953
Vocational Education Instruction	1,030,780	1,097,780	1,005,928	1,076,456
Special Education Instruction	14,713,589	14,648,982	14,944,211	15,257,689
Instructional Support Services	3,949,700	3,901,694	4,186,084	4,246,721
Pupil Support Services	7,520,723	7,346,843	7,771,228	8,041,111
Sites and Buildings	30,964,522	19,153,416	20,911,495	22,516,225
Fiscal and Other Fixed Cost Programs	224,935	237,032	271,000	424,278
Food Service	4,067,566	4,167,355	4,092,596	4,351,770
Community Service	9,307,748	9,944,797	10,667,163	9,904,238
Interest on Long-Term Debt	6,279,986	5,794,867	6,600,072	6,261,412
Total Governmental Activities Expenses	$ 118,725,005	$ 114,686,766	$ 119,853,219	$ 122,076,046
Program Revenues				
Governmental Activities:				
Charges for Services:				
Administration	$ -	$ -	$ -	$ -
District Support Services	-	-	-	8,762
Regular Instruction	1,179,082	1,190,669	1,155,272	1,579,157
Vocational Education Instruction	-	-	-	3,072
Special Education Instruction	275,136	249,875	154,534	124,495
Instructional Support Services	17,633	19,716	19,217	19,461
Pupil Support Services	17,523	28,341	36,707	500,283
Sites and Buildings	759,659	1,033,210	362,545	1,015,622
Food Service	2,335,055	2,412,791	2,200,394	2,281,440
Community Service	5,986,755	6,342,528	5,783,082	5,951,842
Operating Grants and Contributions	15,711,241	16,474,776	17,066,386	16,173,852
Capital Grants and Contributions	2,843,901	1,744,474	1,721,420	318,408
Total Governmental Activities Program Revenue	$ 29,125,985	$ 29,496,380	$ 28,499,557	$ 27,976,394
Net Expense				
Governmental Activities	$ (89,599,020)	$ (85,190,386)	$ (91,353,662)	$ (94,099,652)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes:				
General Purposes and Capital Projects	$ 19,088,953	$ 19,938,887	$ 11,257,068	$ 23,818,768
Community Service	1,301,537	1,361,145	700,646	1,594,199
Debt Service	12,780,282	14,571,791	14,043,788	14,205,042
Capital Projects	6,654,459	6,514,220	6,372,556	8,331,369
Unrestricted State Aid	44,893,616	45,886,955	55,326,174	50,310,068
Unrestricted Investment Earnings	2,243,690	(102,744)	830,633	522,972
Gain on Sale of Capital Assets	-	-	42,650	-
Miscellaneous	1,789,333	1,356,712	1,648,539	558,333
Total Governmental Activities	$ 88,751,870	$ 89,526,966	$ 90,222,054	$ 99,340,751
Change in Net Position	$ (847,150)	$ 4,336,580	$ (1,131,608)	$ 5,241,099
Net Position - Beginning	28,165,174	26,990,691	31,327,271	29,568,694
Prior Period Adjustment	(327,333)	-	(626,969)	(68,451,327)
Net Position - Ending	$ 26,990,691	$ 31,327,271	$ 29,568,694	$ (33,641,534)

Source: District's financial records.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year					
	2016	2017	2018	2019	2020	2021
Expenses						
Governmental Activities:						
Administration	$ 4,147,904	$ 5,604,111	$ 5,361,601	$ 3,084,800	$ 5,187,577	$ 6,359,322
District Support Services	2,088,225	2,188,737	4,041,454	5,099,790	4,973,713	5,390,708
Regular Instruction	54,063,008	75,020,531	74,082,770	39,578,619	62,335,841	62,819,452
Vocational Education Instruction	1,423,789	1,859,183	1,703,900	870,422	1,351,171	1,035,229
Special Education Instruction	15,989,709	21,314,677	20,349,472	11,152,732	17,524,989	17,711,213
Instructional Support Services	4,243,960	5,781,370	5,457,785	5,197,523	6,493,756	5,321,288
Pupil Support Services	7,986,832	9,878,519	9,296,987	8,576,359	10,270,877	7,747,188
Sites and Buildings	14,326,242	15,927,872	19,194,948	16,545,796	11,804,890	12,670,008
Fiscal and Other Fixed Cost Programs	269,926	254,518	235,254	278,697	245,185	410,860
Food Service	4,437,815	4,240,342	4,194,963	4,244,581	4,598,575	3,511,681
Community Service	10,169,469	10,425,140	10,571,316	10,186,680	10,978,332	8,616,516
Interest on Long-Term Debt	4,504,285	5,027,855	5,110,476	5,573,114	5,063,825	4,841,004
Total Governmental Activities Expenses	$ 123,651,164	$ 157,522,855	$ 159,600,926	$ 110,389,113	$ 140,828,731	$ 136,434,469
Program Revenues						
Governmental Activities:						
Charges for Services:						
Administration	$ 137,637	$ 168,396	$ 170,571	$ 169,329	$ 149,858	$ 13,656
District Support Services	7,348	10,052	8,562	5,535	6,408	2,302
Regular Instruction	1,242,316	1,275,414	1,556,008	1,191,671	1,136,831	847,526
Vocational Education Instruction	5,939	2,395	3,058	2,109	1,173	598
Special Education Instruction	153,476	182,696	123,283	138,753	129,532	133,787
Instructional Support Services	17,100	16,441	19,029	741,637	783,190	36,181
Pupil Support Services	114,353	126,673	117,347	110,698	296,076	1,088
Sites and Buildings	921,007	889,773	805,232	821,089	741,833	675,318
Food Service	2,266,293	2,249,463	2,125,603	2,109,801	1,568,840	76,878
Community Service	5,533,474	5,785,685	5,695,608	6,222,316	5,367,063	4,146,357
Operating Grants and Contributions	15,459,603	19,149,940	15,972,054	13,765,249	19,191,748	22,665,143
Capital Grants and Contributions	218,425	80,061	427,504	580,583	530,435	464,464
Total Governmental Activities Program Revenue	$ 26,076,971	$ 29,936,989	$ 27,023,859	$ 25,858,770	$ 29,902,987	$ 29,063,298
Net Expense						
Governmental Activities	$ (97,574,193)	$ (127,585,866)	$ (132,577,067)	$ (84,530,343)	$ (110,925,744)	$ (107,371,171)
General Revenues and Other Changes in Net Position						
Governmental Activities:						
Property Taxes:						
General Purposes and Capital Projects	$ 23,624,265	$ 25,613,722	$ 27,056,370	$ 27,722,523	$ 28,741,194	$ 33,929,675
Community Service	1,437,522	1,454,956	1,390,148	1,715,341	1,497,177	1,370,361
Debt Service	14,861,215	14,616,054	14,822,188	17,200,345	17,086,760	17,969,097
Capital Projects	8,436,720	8,418,538	7,580,309	5,356,546	5,349,177	5,509,277
Unrestricted State Aid	54,554,759	53,665,184	54,358,728	55,800,925	57,939,346	58,417,002
Unrestricted Investment Earnings	1,186,057	990,135	843,281	2,847,023	2,290,672	186,963
Gain on Sale of Capital Assets	-	-	133,043	-	350,955	4,500
Miscellaneous	144,005	401,744	128,963	321,677	234,460	313,654
Total Governmental Activities	$ 104,244,543	$ 105,160,333	$ 106,313,030	$ 110,964,380	$ 113,489,741	$ 117,700,529
Change in Net Position	$ 6,670,350	$ (22,425,533)	$ (26,264,037)	$ 26,434,037	$ 2,563,997	$ 10,329,358
Net Position - Beginning	(33,641,534)	(26,971,184)	(55,381,240)	(88,259,512)	(61,825,475)	(59,261,478)
Prior Period Adjustment	-	(5,984,523)	(6,614,235)	-	-	-
Net Position - Ending	$ (26,971,184)	$ (55,381,240)	$ (88,259,512)	$ (61,825,475)	$ (59,261,478)	$ (48,932,120)

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2012	2013	2014	2015
General Fund				
Nonspendable	$ 242,902	$ 246,984	$ 235,207	$ 227,406
Restricted	941,882	777,092	689,370	1,106,251
Committed	-	6,041,951	6,041,951	5,735,000
Assigned	1,592,271	2,442,348	1,233,735	1,318,370
Unassigned	12,750,788	8,088,001	8,834,090	9,793,489
Total General Fund	15,527,843	17,596,376	17,034,353	18,180,516
All Other Governmental Funds				
Nonspendable, Reported in:				
Food Service Fund	49,011	57,661	52,927	55,135
Community Service Fund	8,833	10,461	997	9,886
Capital Projects Fund	132,807	304,099	285,856	185,365
Restricted, Reported in:				
Food Service Fund	7,823	148,995	202,161	232,199
Community Service Fund	1,005,385	1,256,159	1,157,784	1,446,265
Capital Projects Fund	618,171	11,931,839	7,365,897	7,057,691
Debt Service Funds	7,775,293	23,677,796	22,937,517	2,266,113
Unassigned, Reported in:				
Capital Projects Fund	(511,507)	-	-	-
Community Service Fund	-	-	-	-
All Other Governmental Funds	9,085,816	37,387,010	32,003,139	11,252,654
Total All Funds	$ 24,613,659	$ 54,983,386	$ 49,037,492	$ 29,433,170

Source: District's financial records

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2016	2017	2018	2019	2020	2021
General Fund						
Nonspendable	$ 300,955	$ 559,320	$ 241,888	$ 284,935	$ 253,391	$ 261,491
Restricted	1,678,394	2,881,612	1,474,618	1,721,160	3,327,415	4,154,649
Committed	2,428,627	-	-	-	-	-
Assigned	666,960	2,041,810	1,407,061	779,561	1,938,677	5,414,024
Unassigned	8,269,162	8,540,982	8,373,311	7,748,076	8,004,529	10,261,125
Total General Fund	13,344,098	14,023,724	11,496,878	10,533,732	13,524,012	20,091,289
All Other Governmental Funds						
Nonspendable, Reported in:						
Food Service Fund	64,422	65,866	80,250	58,206	178,013	133,839
Community Service Fund	-	4,047	-	-	2,186	-
Capital Projects Fund	232,123	210,061	228,493	178,226	262,693	357,238
Restricted, Reported in:						
Food Service Fund	377,063	656,390	658,864	535,453	797,712	719,032
Community Service Fund	1,713,069	2,123,067	2,216,581	2,205,365	1,137,085	1,387,304
Capital Projects Fund	-	11,456,791	22,696,272	18,552,215	344,276	13,613,272
Debt Service Funds	2,838,356	2,978,438	2,580,649	3,381,236	3,159,566	4,105,104
Unassigned, Reported in:						
Capital Projects Fund	(3,154,049)	-	-	-	-	-
Community Service Fund	-	-	-	-	-	-
All Other Governmental Funds	2,070,984	17,494,660	28,461,109	24,910,701	5,881,531	20,315,789
Total All Funds	$ 15,415,082	$ 31,518,384	$ 39,957,987	$ 35,444,433	$ 19,405,543	$ 40,407,078

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2012	2013	2014	2015
Revenues				
Local Sources:				
Property Taxes	$ 39,798,547	$ 42,099,659	$ 32,904,587	$ 47,751,576
Earnings on Investments	824,803	13,649	41,037	52,324
Other	11,938,608	12,624,153	12,676,441	12,106,279
State Sources	58,469,704	59,335,727	68,092,504	61,936,703
Federal Sources	5,383,247	4,746,783	4,676,489	4,800,700
Total Revenues	116,414,909	118,819,971	118,391,058	126,647,582
Expenditures				
Current:				
Administration	3,652,025	3,702,143	3,457,551	3,800,920
District Support Services	1,648,725	1,753,551	1,960,920	2,176,186
Regular Instruction	38,978,437	39,772,620	40,454,347	42,182,408
Vocational Education Instruction	1,016,099	1,061,807	972,508	1,082,007
Special Education Instruction	14,227,674	14,068,452	14,399,228	14,820,763
Instructional Support Services	3,777,992	3,674,819	3,969,721	4,181,973
Pupil Support Services	7,306,760	7,030,543	7,507,772	7,824,549
Sites and Buildings	7,253,963	8,108,678	8,087,321	8,257,340
Fiscal and Other Fixed Cost Programs	224,935	237,032	271,000	424,278
Food Service	4,015,583	4,033,197	3,952,468	4,328,328
Community Service Fund	9,208,143	9,734,396	10,451,595	9,787,057
Capital Outlay	24,779,167	11,808,102	20,920,610	27,329,925
Debt Service:				
Principal	8,577,199	8,338,313	9,899,521	8,106,513
Interest and Fiscal Charges	8,204,899	6,531,412	6,595,604	6,558,113
Total Expenditures	132,871,601	119,855,065	132,900,166	140,860,360
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,456,692)	(1,035,094)	(14,509,108)	(14,212,778)
Other Financing Sources (Uses)				
Sale of Equipment	17,375	43,404	44,378	49,321
Insurance Recovery	-	-	28,836	1,113
Sale of Bonds	6,120,000	35,030,000	8,490,000	14,545,000
Bond Premium	-	2,831,417	-	763,022
Capital Lease Proceeds	257,817	-	-	-
Payment to Refunded Bond Escrow Agent	(32,385,000)	(6,000,000)	-	(20,250,000)
Transfers In	-	356,840	1,650,000	1,773,113
Transfers Out	(8,688,384)	(856,840)	(1,650,000)	(2,273,113)
Total Other Financing Sources (Uses)	(34,678,192)	31,404,821	8,563,214	(5,391,544)
Net Change in Fund Balances	$ (51,134,884)	$ 30,369,727	$ (5,945,894)	$ (19,604,322)
Debt Service as a Percentage of Noncapital Expenditures	15.50%	13.80%	13.70%	11.50%

Sources: District's financial records

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year					
	2016	2017	2018	2019	2020	2021
Revenues						
Local Sources:						
Property Taxes	$ 48,467,153	$ 50,107,678	$ 50,851,355	$ 51,946,767	$ 52,575,255	$ 58,994,257
Earnings on Investments	96,136	276,671	703,945	1,251,613	625,081	24,109
Other	12,302,244	12,963,957	12,215,175	13,206,269	11,431,682	7,527,770
State Sources	63,949,812	63,170,425	64,379,818	66,395,240	69,413,862	71,166,130
Federal Sources	4,523,206	4,888,848	4,886,735	5,734,246	7,171,289	8,937,236
Total Revenues	129,338,551	131,407,579	133,037,028	138,534,135	141,217,169	146,649,502
Expenditures						
Current:						
Administration	4,012,660	4,138,586	4,179,572	4,158,956	4,379,882	4,657,568
District Support Services	2,078,586	1,846,598	2,311,373	5,215,768	4,796,570	5,453,766
Regular Instruction	43,614,720	43,862,824	46,274,076	45,690,309	46,990,453	49,511,174
Vocational Education Instruction	1,405,443	1,314,391	1,279,959	1,297,841	1,316,860	971,954
Special Education Instruction	15,225,594	14,606,775	14,992,720	16,240,938	16,639,136	16,923,828
Instructional Support Services	4,140,524	3,599,280	3,604,288	6,476,852	6,236,585	4,612,424
Pupil Support Services	7,824,324	8,585,842	8,310,271	9,352,041	9,947,366	7,186,826
Sites and Buildings	8,536,324	8,740,145	9,746,626	10,008,457	10,245,095	10,360,119
Fiscal and Other Fixed Cost Programs	269,926	254,518	235,254	278,697	245,185	410,860
Food Service	4,249,996	4,134,538	4,131,427	4,172,181	4,363,230	3,554,977
Community Service Fund	10,001,398	9,379,018	9,658,501	10,715,045	10,500,338	8,121,282
Capital Outlay	20,706,852	15,144,738	25,156,231	31,474,896	25,880,879	11,726,880
Debt Service:						
Principal	9,521,735	9,530,064	17,355,346	31,757,844	11,260,830	11,649,005
Interest and Fiscal Charges	6,019,346	5,739,368	5,761,105	6,408,304	6,474,814	6,437,606
Total Expenditures	137,607,428	130,876,685	152,996,749	183,248,129	159,277,223	141,578,269
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,268,877)	530,894	(19,959,721)	(44,713,994)	(18,060,054)	5,071,233
Other Financing Sources (Uses)						
Sale of Equipment	63,124	-	134,343	138,802	351,155	4,500
Insurance Recovery	473	-	17,862	48,693	-	3,469
Sale of Bonds	18,305,000	14,140,000	29,030,000	17,859,000	-	40,650,000
Bond Premium	2,163,565	877,020	1,104,294	2,110,029	-	4,678,748
Capital Lease Proceeds	-	3,667,000	-	-	-	-
Payment to Refunded Bond Escrow Agent	(20,375,000)	-	-	-	-	(29,406,415)
Transfers In	815,000	250,000	250,000	2,850,416	1,042,509	951,047
Transfers Out	(6,721,373)	(3,361,612)	(2,137,175)	(1,050,000)	-	(951,047)
Total Other Financing Sources (Uses)	(5,749,211)	15,572,408	28,399,324	21,956,940	1,393,664	15,930,302
Net Change in Fund Balances	$ (14,018,088)	$ 16,103,302	$ 8,439,603	$ (22,757,054)	$ (16,666,390)	$ 21,001,535
Debt Service as a Percentage of Noncapital Expenditures	12.60%	12.40%	17.10%	17.10%	13.02%	13.56%

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HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(UNAUDITED)

Payable Year	(1) Residential Property	(2) Commercial Property	Total Assessed Value	Total Direct School Tax Rate
2012	$ 6,068,959,262	$ 2,486,074,800	$ 8,555,034,062	29.270%
2013	5,852,199,127	2,521,418,100	8,373,617,227	29.730%
2014	5,853,960,954	2,585,214,200	8,439,175,154	32.358%
2015	6,722,136,651	2,857,098,000	9,579,234,651	30.340%
2016	6,717,731,163	2,858,753,300	9,576,484,463	28.514%
2017	6,987,222,057	3,051,045,950	10,038,268,007	25.611%
2018	7,511,299,258	3,007,028,100	10,518,327,358	29.035%
2019	8,265,407,905	3,060,481,589	11,325,889,494	27.022%
2020	8,852,174,603	3,274,091,977	12,126,266,580	27.190%
2021	9,491,235,665	3,418,146,105	12,909,381,770	26.478%

Source: Hennepin County

Notes:
(1) Residential includes single family homes, townhomes and condominiums, and all other property including vacant land, farm, utilities, personal property and railroad property.
(2) Commercial property above includes both commercial and industrial property.
(3) Data for the estimated actual value of taxable property was not readily available.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)

	ISD No. 270 Direct Rate (1)					Overlapping Rates		
Fiscal Year Ended June 30,	General Fund Basic Rate	Community Service	General Obligation Debt Service	OPEB	Total Direct School Tax Rate	City of Eden Prairie	City of Edina	City of Golden Valley
2012	11.871	1.453	14.910	1.036	29.270	33.250	26.247	55.796
2013	12.423	1.553	14.677	1.077	29.730	34.617	27.216	58.204
2014	14.970	1.771	12.780	2.837	32.358	34.709	27.920	61.839
2015	13.906	1.423	10.564	4.134	30.027	33.954	26.605	54.626
2016	13.530	1.357	9.547	4.080	28.514	32.327	27.137	54.452
2017	11.121	1.243	9.169	4.078	25.611	32.667	28.271	56.109
2018	13.145	1.361	11.207	3.322	29.035	32.526	27.849	55.152
2019	12.481	1.097	10.291	3.153	27.022	31.690	27.499	53.780
2020	12.936	1.010	13.244	-	27.190	31.676	28.082	53.400
2021	13.298	0.975	12.205	-	26.478	31.432	28.779	52.444

Sources: Overlapping Rate Data provided by the District's financial advisor, Ehlers & Associates.
School Tax Report from County Auditor's Office

Notes:
(1) Tax Capacity Rate Method
(2) Special Districts includes Metro Mosquito, Metro Council and Metro Transit.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
DIRECT AND OVERLAPPING PROPERTY TAX RATES (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

Overlapping Rates								
City of Hopkins	City of Minnetonka	City of Plymouth	City of St. Louis Park	Special Districts (2)	Hennepin County	Hennepin Parks	Other	Total Direct and Overlapping Tax Rate City of Hopkins
59.718	35.595	28.716	45.672	3.084	48.231	3.943	0.799	370.321
63.819	37.567	29.816	48.228	3.242	49.461	4.054	4.562	390.516
64.290	37.865	30.114	50.378	3.335	49.959	4.169	4.863	401.799
62.503	37.089	28.374	49.433	3.006	46.398	4.491	2.371	378.877
65.581	35.863	27.838	47.829	2.899	45.356	3.601	4.263	375.660
64.485	36.564	26.959	47.861	2.821	44.087	3.365	4.390	373.190
67.833	35.965	26.804	48.101	2.683	42.808	3.161	4.333	376.250
71.697	34.960	26.355	46.373	2.542	41.861	2.961	4.211	370.951
70.748	36.772	26.206	45.066	2.461	41.084	2.859	4.392	369.936
66.252	35.556	26.119	42.855	2.268	38.210	2.793	3.772	356.958

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HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

	2021			2012		
Taxpayer	Tax Capacity	Rank	Percentage of Total Tax Capacity	Tax Capacity	Rank	Percentage of Total Tax Capacity
United Healthcare Srv, Inc.	$946,790	10	7.426%	$914,000	3	9.933%
394 Associates LLC	959,750	9	7.528%			
General Mills, Inc.	1,607,250	2	12.607%	1,359,250	1	14.771%
Allianz Life Insurance Co., North America	1,719,650	1	13.489%	1,281,790	2	13.929%
SOF-XI Colonnade Owner L L	1,477,250	4	11.587%			
Thomson Reuters Property Tax Service	1,212,030	6	9.507%	769,250	9	8.360%
Wells Real Estate Funds	1,003,370	8	7.870%	817,250	8	8.881%
EP Campus II LLC	1,303,680	5	10.226%			
Property Reserve, Inc.				719,250	10	7.816%
RE Capital Partners				871,830	4	9.474%
United Center LLC				829,250	5	9.012%
DRA Advisors LLC				820,770	6	8.919%
Excelsior Crossings Investment LLC				819,450	7	8.905%
Cargill Incorporated	1,023,630	7	8.029%			
EP Campus I LLC	1,495,570	3	11.731%			
Total	$ 12,748,970		100.000%	$ 9,202,090		100.000%

Source:
Hennepin County

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

	Taxes Levied for the Fiscal Year				
Fiscal Year	General Fund Basic Levy	Community Service Levy	Debt Service Fund Levy	OPEB Levy	Total Tax Levy (1)
2012	$ 24,511,272	$ 1,275,332	$ 13,086,549	$ 908,599	$ 39,781,752 (2)
2013	24,764,374	1,344,996	12,714,884	932,646	39,756,900 (2)
2014	30,222,527	1,549,967	11,185,763	2,482,634	45,440,891 (2)
2015	30,196,834	1,368,801	10,166,837	3,978,289	45,710,761 (2)
2016	32,306,985	1,407,728	9,904,838	4,232,984	47,852,535 (2)
2017	30,396,539	1,338,598	9,873,590	4,391,320	46,000,047 (2)
2018	30,995,500	1,536,214	12,651,147	3,749,775	48,932,636 (2)
2019	31,916,090	1,324,036	12,425,008	3,806,672	49,471,806 (2)
2020	36,445,291	1,298,603	17,037,857	-	54,781,751 (2)
2021	39,209,178	1,421,737	17,795,401	-	58,426,316 (2)

Notes:
(1) State credits are included in the operating levy.

(2) Original Gross Levy

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
PROPERTY TAX LEVIES AND COLLECTIONS (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

Collected within the Fiscal Year of Levy			Total Collections to Date			
Current Tax Collection	Percentage of Levy	Collections in Subsequent Years	Total Tax Collection	Percentage of Levy	Outstanding Delinquent Taxes	Percentage of Levy Outstanding
$ 19,943,659	50.1%	$ 19,838,093	$ 39,781,752	100.0%	$ -	0.0%
21,239,387	53.4%	18,517,513	39,756,900	100.0%	-	0.0%
21,122,800	46.5%	24,404,271	45,527,071	100.2%	(86,180)	-0.2%
24,167,808	52.9%	21,530,320	45,698,128	100.0%	12,633	0.0%
24,505,786	51.2%	23,321,788	47,827,574	99.9%	24,961	0.1%
25,766,512	56.0%	20,183,340	45,949,852	99.9%	50,195	0.1%
24,569,651	50.2%	24,329,289	48,898,940	99.9%	33,696	0.1%
27,400,000	55.4%	22,005,492	49,405,492	99.9%	66,314	0.1%
27,800,000	50.7%	26,832,156	54,632,156	99.7%	149,595	0.3%
29,200,000	50.0%	-	29,200,000	50.0%		0.0%

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

	Governmental Activities							
Fiscal Year	General Obligation Bonds	Capital Improvement Loans	Capital Leases Payable	Other Long-Term Debt	Resources Restricted for Repayment	Total Primary Government	Percentage of Personal Income (1)	Per Capita
2012	$ 150,345,000	$ 1,892,834	$ 202,893	$ -	$ (7,775,293)	$ 144,665,434	-	$ 2,336
2013	171,505,000	1,424,521	154,590	-	(23,662,321)	149,421,790	-	2,417
2014	163,030,000	-	8,594,661	-	(22,937,517)	148,687,144	-	2,405
2015	149,270,000	-	8,144,672	-	(2,266,113)	155,148,559	-	2,510
2016	138,185,000	-	7,637,937	-	(2,838,356)	142,984,581	-	2,313
2017	148,695,075	-	10,834,873	-	(2,978,438)	156,551,510	-	2,533
2018	148,695,075	-	3,344,528	-	(2,580,649)	149,458,954	-	2,750
2019	167,740,000	-	3,006,684	-	(3,381,236)	167,365,448	-	2,567
2020	156,825,000	-	2,660,853	-	(3,361,447)	156,124,406	-	2,395
2021	165,488,890	-	2,306,848	-	(4,105,105)	163,690,633	-	2,511

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

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

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2021
(UNAUDITED)

	2019/20 Adjusted Taxable Net Tax Capacity	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping:				
Hennepin County	$ 2,112,707,400	$ 1,070,610,000	6.4628%	$ 69,191,349
Cities:				
Eden Prairie	123,047,160	26,647,000	5.2204%	1,391,076
Edina	141,311,302	40,650,000	7.3407%	2,984,006
Golden Valley	46,939,314	46,195,000	54.9666%	25,391,831
Hopkins	25,252,707	68,335,000	98.1534%	67,073,125
Minnetonka	111,515,652	26,805,000	53.7703%	14,413,123
Plymouth	146,534,687	44,785,000	3.2142%	1,439,472
St. Louis Park	79,948,547	57,325,000	5.6082%	3,214,888
Metropolitan Council	4,576,187,142	230,225,000	2.9837%	6,869,238
Three Rivers Park District	1,487,545,247	53,830,000	9.1789%	4,940,991
Total Overlapping				196,909,099
Direct:				
Hopkins ISD No. 270	136,539,987	169,765,000		169,765,000
Total Direct and Overlapping Bonded Debt:				$ 366,674,099

Sources: Taxable value data used to estimate applicable percentages and Debt outstanding data provided by the District's financial advisor, Ehlers.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. The method used to determine the percentage of overlapping debt is representative of area and geographic jurisdiction.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

		Fiscal Year 2012	2013	2014	2015
Debt Limit	(1)	$ 1,283,255	$ 1,348,492	$ 1,438,581	$ 1,514,087
Total Net Debt Applicable to Limit	(2)	130,910	131,820	142,780	149,520
Legal Debt Margin		$ 1,152,345	$ 1,216,672	$ 1,295,801	$ 1,364,567
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit		10.20%	9.78%	9.93%	9.88%

Source:

(1) Taxable assessed valuations for are from the Hennepin County
(2) Net debt applicable to limit is based on District records.
(3) According to the Minnesota Department of Revenue, the Economic Market Value (the "EMV") for Independent School District No. 270 (Hopkins) is about 98.1% 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 Assessor's Estimated Market Value (the "AEMV").

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
LEGAL DEBT MARGIN INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2021	
Economic Market Value (3)	$ 13,836,014,886
Debt Limit (15% of Assessed Value)	2,075,402
Debt Applicable to Limit	156,770
Legal Debt Margin	$ 1,918,632

Fiscal Year 2016	2017	2018	2019	2020	2021
$ 1,572,658	$ 1,505,740	$ 1,552,148	$ 1,652,886	1,950,138	2,075,402
138,185	148,695	148,695	164,010	172,250	156,770
$ 1,434,473	$ 1,357,045	$ 1,403,453	$ 1,488,876	$ 1,777,888	1,918,632
8.79%	9.88%	9.58%	9.92%	8.83%	7.55%

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Population	Personal Income *(thousands of dollars)* (1)	Per Capita Personal Income (1)	Enrollment	City of Hopkins Unemployment Rate	
2012	61,931	-	-	7,192	5.1%	
2013	61,813	-	-	7,038	4.3%	
2014	61,813	-	-	6,972	3.8%	
2015	61,813	-	-	6,993	3.1%	
2016	61,813	-	-	6,926	3.8%	
2017	61,813	-	-	6,779	3.6%	
2018	54,340	-	-	6,770	3.4%	
2019	65,197	-	-	6,827	3.2%	
2020	65,199	-	-	6,913	5.0%	
2021	65,199	-	-	6,860	3.5%	(2)

Source: Minnesota Department of Education

Notes:
(1) Personal income information for residents living within the District is not available.

(2) Not available at this time

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

	2021 (1)		2011 (2)	
Employer	Employees	Rank	Employees	Rank
General Mills	5,000	2	5,000	1
Cargill	3,500	3	2,500	3
United Healthcare/Optum Health	5,000	1	2,800	2
Micro-Tech Hearing Instruments	2,000	4	2,000	4
Polaroid	2,000	5	2,000	5
I.S.D. No. 270 (Hopkins Public Schools	1,345	7	1,534	6
Abbott Labs (Previously St. Jude Medic	800	9	1,500	7
UNFI (previously SuperValu, Inc.)	1,400	6	1,495	8
MTS Systems Corporation	1,000	8	-	-
SUEZ Water Tech Solutions (previously	700	10	-	-
Aimia	-	-	1,100	9
Intrepid USA Healthcare Service	-	-	1,000	10
Total	22,745		20,929	

Source:
(1) 2021 information provided by the District's financial advisor Ehlers.

(2) Includes the major employers in the City of Hopkins, the City of Golden Valley, and the City of Minnetonka.

Note: Total employment for the area served by Hopkins ISD No. 270 is not available and, therefore, a percentage of total employment for each of the employers listed above is not included.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
FULL-TIME EQUIVALENT DISTRICT LICENSED EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

	Full-Time Equivalent Employees as of June 30,			
	2012	2013	2014	2015
Administrative Staff				
Superintendent	1.0	1.0	1.0	1.0
Principals	9.0	9.0	9.0	9.0
Administrative Assistants (Asst. Principals and Asst. Superintendent)	7.0	7.0	7.3	8.0
Supervisory Coordinator	4.0	3.0	6.5	8.7
Total Administrative Staff	**21.0**	**20.0**	**23.8**	**26.7**
Support Service Staff				
Other Non-Instructional Staff				
Counselors	17.0	17.0	16.6	15.8
Media/Librarian	10.0	10.0	9.6	11.4
Nurse	9.7	9.8	9.3	9.5
Social Worker	10.7	9.8	9.6	9.7
Psychologists	3.9	4.9	4.5	5.0
Total Support Service Staff	**51.3**	**51.5**	**49.6**	**51.4**
Special Education Teachers				
Speech Language	15.1	13.8	13.3	14.9
Other Special Education Teachers	66.7	62.4	64.5	67.7
Total Special Education Teachers	**81.8**	**76.2**	**77.8**	**82.6**
Classroom Teachers				
K-12 Teacher	377.7	398.6	390.4	397.3
Vocational Education Teacher	0.0	0.0	0.0	0.0
Pre-K, ECFE, and Other Teacher	17.2	21.8	19.2	20.5
Total Classroom Teachers	**394.9**	**420.4**	**409.6**	**417.8**
Total	**549.0**	**568.1**	**560.8**	**578.5**

Source: Minnesota Department of Education STARS data.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
FULL-TIME EQUIVALENT DISTRICT LICENSED EMPLOYEES BY TYPE (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

	Full-Time Equivalent Employees as of June 30,					
	2016	2017	2018	2019	2020	2021
Administrative Staff						
Superintendent	1.0	1.0	1.0	1.0	1.0	1.0
Principals	9.0	9.0	9.0	9.0	9.0	9.6
Administrative Assistants (Asst. Principals and Asst. Superintendent)	7.0	7.0	8.0	8.0	9.0	9.9
Supervisory Coordinator	7.0	7.0	10.0	10.0	5.0	6.0
Total Administrative Staff	**24.0**	**24.0**	**28.0**	**28.0**	**24.0**	**26.5**
Support Service Staff						
Other Non-Instructional Staff						
Counselors	11.4	12.0	17.0	17.0	20.0	22.5
Media/Librarian	7.7	10.0	9.0	10.0	10.0	10.0
Nurse	10.2	9.5	8.7	8.7	9.6	9.7
Social Worker	9.2	9.5	9.0	9.5	14.5	14.3
Psychologists	7.6	6.2	4.5	5.0	5.0	5.0
Total Support Service Staff	**46.1**	**47.2**	**48.2**	**50.2**	**59.1**	**61.5**
Special Education Teachers						
Speech Language	13.6	15.0	12.5	12.2	15.0	14.4
Other Special Education Teachers	70.6	66.3	58.2	68.1	63.4	61.9
Total Special Education Teachers	**84.2**	**81.3**	**70.7**	**80.3**	**78.4**	**76.3**
Classroom Teachers						
K-12 Teacher	412.4	420.3	408.3	392.5	405.2	385.7
Vocational Education Teacher	0.0	0.0	0.0	0.0	-	-
Pre-K, ECFE, and Other Teacher	17.3	20.6	23.0	20.2	23.8	17.0
Total Classroom Teachers	**429.7**	**441.0**	**431.3**	**412.7**	**429.0**	**402.7**
Total	**584.0**	**593.5**	**578.2**	**571.2**	**590.5**	**567.1**

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HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Governmental Activities	Cost per Pupil	Percentage Change	Teaching Staff	Pupil–Teacher Ratio
2012	7,192	93,319,183	12,975	1.59	132,871,601	18,475	2.62	476.7	15.1
2013	7,038	94,802,603	13,470	3.81	119,855,065	17,030	(7.82)	496.6	14.2
2014	6,972	96,950,951	13,906	3.23	132,900,166	19,062	11.93	487.4	14.3
2015	6,993	100,723,553	14,403	3.58	140,860,360	20,143	5.67	500.4	14.0
2016	6,926	103,880,868	14,992	4.09	137,607,428	19,868	(1.36)	513.9	13.5
2017	6,779	103,496,582	15,267	1.84	130,876,685	19,306	(2.83)	522.2	12.9
2018	6,770	110,762,532	16,361	7.16	152,996,749	22,599	17.06	502.0	13.5
2019	6,827	116,249,617	17,028	4.08	183,248,129	26,842	18.77	493.1	13.8
2020	6,913	117,756,079	17,034	0.04	159,277,223	23,040	(14.16)	507.4	13.6
2021	6,859	116,392,909	16,969	(0.38)	141,578,269	20,641	(10.41)	479.1	14.3

Source: District records and teaching staff numbers from the Minnesota Department of Education STARS data.

Notes: Operating expenditures are total expenditures less debt service and capital projects.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
School	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Elementary										
Alice Smith (1951)										
Square feet	81,526	81,526	81,526	84,998	84,998	84,998	84,998	84,998	84,998	84,998
Capacity	592	592	592	629	629	629	629	629	629	629
Enrollment (1)	569	557	548	565	564	552	494	490	490	490
Eisenhower (1954)										
Square feet	121,173	121,173	121,173	121,173	121,173	121,173	121,048	121,048	121,048	121,048
Capacity	792	792	792	898	898	898	898	898	898	898
Enrollment (1)	774	776	760	734	703	672	687	681	681	681
Gatewood (1958)										
Square feet	75,039	75,759	75,793	75,793	75,793	75,793	75,793	75,793	75,793	75,793
Capacity	692	692	692	561	561	561	561	561	561	561
Enrollment (1)	530	530	501	511	485	435	428	383	383	383
Glen Lake (1956)										
Square feet	84,916	84,916	84,916	87,816	87,816	87,816	87,816	87,816	87,816	87,816
Capacity	566	566	566	650	650	650	650	650	650	650
Enrollment (1)	524	489	474	477	500	487	469	484	484	484
Tanglen (1966)										
Square feet	74,332	74,332	83,593	85,458	85,458	87,369	87,369	87,369	87,369	87,369
Capacity	592	592	592	633	633	633	633	633	633	633
Enrollment (1)	538	469	467	504	534	520	520	553	553	553
Meadowbrook (1948)										
Square feet	111,200	111,200	125,200	125,200	125,200	129,830	129,830	129,830	129,830	129,830
Capacity	616	616	616	927	927	927	927	927	927	927
Enrollment (1)	633	632	647	726	758	752	788	832	832	832
Middle										
North Junior High (1958)										
Square feet	193,671	193,671	193,671	193,671	193,671	193,671	193,671	193,671	193,671	193,671
Capacity	896	896	896	1,019	1,019	1,019	1,019	1,019	1,019	1,019
Enrollment (1)	842	859	950	929	941	875	917	884	884	884
West Junior High (1959)										
Square feet	202,474	202,474	202,474	202,474	202,474	197,474	197,474	197,474	197,474	197,474
Capacity	873	873	873	1,065	1,065	1,065	1,065	1,065	1,065	1,065
Enrollment (1)	750	727	714	708	702	687	689	684	684	684

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
SCHOOL BUILDING INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
School	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
High										
Hopkins High School (1970)										
Square feet	478,834	478,834	479,426	479,426	479,426	479,426	479,426	479,426	479,426	479,426
Capacity	2,166	2,166	2,166	2,179	2,179	2,179	2,179	2,179	2,179	2,179
Enrollment (1)	1,681	1,765	1,693	1,609	1,556	1,584	1,536	1,543	1,543	1,543
Other										
Katherine Curren (1948)										
Square feet	65,593	65,593	65,593	65,593	65,593	65,593	65,791	65,791	65,791	65,791
Capacity	380	380	380	423	423	423	423	423	423	423
Enrollment (1)	-	-	-	-	-	-	-	-	-	-
Community Center (1954)										
Square feet	160,311	160,311	160,311	245,309	245,309	245,309	245,309	245,309	245,309	245,309
Capacity	745	745	745	745	745	745	745	745	745	745
Enrollment (1)	-	-	-	-	-	-	-	-	-	-
Harley Hopkins Family Center (1990)										
Square feet	40,930	40,930	40,930	40,930	40,930	40,930	40,930	40,930	40,930	40,930
Capacity	360	360	360	303	303	303	303	303	303	303
Enrollment (1)	54	57	45	57	63	64	71	71	71	71
Bus Depot (1978)										
Square feet	87,040	87,040	87,040	87,040	87,040	87,040	87,040	87,040	87,040	87,040
Total										
Square feet	1,777,039	1,777,759	1,801,646	1,894,881	1,894,881	1,896,297	1,896,495	1,896,495	1,896,495	1,896,495
Capacity	9,270	9,270	9,270	10,032	10,032	10,032	10,032	10,032	10,032	10,032
Enrollment	6,895	6,861	6,799	6,820	6,806	6,640	6,598	1,614	1,614	1,614
Athletics										
Football fields	4	4	4	10	10	4	3	3	3 (3)	3
Soccer fields	7	7	7	8	8	7	11	11	11 (3)	11
Running tracks	2	2	2	1	1	1	1	1	1	1
Baseball/softball	14	16	16	17	17	16	16	16	16	16
Swimming pools	3	3	3	3	3	3	3	3	3	3
Playgrounds	9	9	9	13	13	13	13	13	13	13

Source: Square footage, capacity and athletic statistics are derived from District records. Enrollment was obtained from "School Average Daily Membership" reports available on the Minnesota Department of Education website.

Notes:

(1) Enrollment reflects average daily membership served by site. Resident students served under tuition agreements are excluded from this enrollment data.

(2) Katherine Curren leased to Ubah Academy beginning in 2007-2008 school year through current year.

(3) Note that fields at the High School are used for football, soccer and lacrosse. The remaining fields are at West Junior High.

(4) Department of Education. This resulted in a change in many of the buildings' capacities without actual additions or other alterations to the buildings.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
OPERATING INDICATORS BY FUNCTION
STANDARDIZED TESTING AND GRADUATION RATES
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Standardized Tests										
MCA Reading (See Note 1)										
Grade 3	78.00%	59.10%	62.20%	57.50%	56.30%	61.00%	60.60%	55.00%	NA	50.00%
Grade 5	82.70	69.50	70.80	66.60	69.80	67.00	69.90	69.90	NA	59.10
Grade 7	77.80	60.60	59.80	62.30	65.90	65.80	66.80	51.70	NA	61.20
Grade 10	84.30	68.30	69.10	60.60	51.60	53.80	55.80	59.20	NA	63.00
MCA Math (See Note 1)										
Grade 3	73.20	68.90	72.50	67.09	67.10	73.00	70.60	62.60	NA	55.50
Grade 5	64.10	61.90	65.20	59.08	62.50	58.20	59.70	53.70	NA	42.10
Grade 7	58.70	50.70	57.10	56.24	59.90	56.20	57.80	42.90	NA	43.50
Grade 11 (See Note 3)	61.10	56.60	61.10	50.67	36.80	48.00	55.30	54.70	NA	51.90
ACT (See Note 4)										
Hopkins Average Composite Score	23.70	23.80	23.10	21.00	21.60	21.50	21.60	21.10	21.90	21.60
State Average Composite Score	22.80	23.00	22.90	20.50	N/A	N/A	NA	NA	NA	NA

N/A - Not Available

Note 1: Percent of students scoring at or above proficiency on the Minnesota Comprehensive Assessment Test

Note 2: The MCA Reading test in 2013 was for the first time based on the Common Core national standards, which require a significantly higher level of rigor than in previous years. As a result, test scores are not directly comparable with previous MCA Reading test results, since the standards on which the test is based are not the same.

Note 3: The Grade 11 MCA Math results are not representative of Hopkins students due to low participation rates. In 2021, none of the secondary results are representative due to low participation rates.

Note 4: ACT data was reported for the high school graduating class through 2014. Beginning in 2015, the Grade 11 district administration is reported.

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
SUMMARY OF MEALS SERVED
LAST TEN FISCAL YEARS
(UNAUDITED)

Year Ended June 30,	Non-Program Adult Meals	Total Meals Served Students	Regular Price Meals	Free Meals Served	Reduced Price Meals Served
2012	28,945	726,562	373,695	293,117	59,750
2013	24,540	687,771	356,759	274,374	56,637
2014	24,021	645,548	322,019	268,358	55,171
2015	27,542	712,577	359,816	287,122	65,639
2016	27,811	717,272	364,345	293,604	59,323
2017	22,299	690,115	359,609	266,457	64,049
2018	25,155	648,854	338,736	244,588	65,530
2019	23,912	593,778	310,102	225,811	57,865
2020	18,612	437,799	233,046	160,986	43,767
2021	10,769 (2)	485,273	-	-	- (3)

June 30,	Elementary	Middle	High School (1)
2012	$ 2.55	$ 2.80	$ 3.05
2013	2.65	2.90	3.15
2014	2.70	2.95	3.20
2015	2.70	2.95	3.20
2016	2.75	3.00	3.25
2017	2.85	3.10	3.35
2018	2.85	3.10	3.35
2019	2.95	3.20	3.45
2020	3.00	3.25	3.50
2021	3.00	3.25	3.50

(1) Includes New Generation and Ethnic Food Options.
(2) Estimate
(3) All Meals Free to Students in 2021

Source: District Food Service Department

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
SCHEDULE OF INSURANCE COVERAGE
JUNE 30, 2021
(UNAUDITED)

Type of Coverage	Amount of Coverage
Property Loss limit per occurrence	$501,000,000
Property Coverage:	
Real and Personal Property (Blanketed)	$ 391,243,450
Blanket Valuable Papers and Records	500,000
Accounts Receivables	3,886,000
Fine Arts	2,500,000
Blanket Computer Hardware/Software	35,607,455
Miscellaneous Mobile Equipment	5,000,000
Audio Visual Equipment	250,000
Musical Instruments	500,000
Extra Expense	2,500,000
Artificial Turf	1,000,000
Auto Physical Damage	22,371,571
Miscellaneous Property	2,500,000
Business Income/Extra Expense	2,500,000
Expediting Expense	n/a
Liability Coverages:	
General Liability, including sexual misconduct	
Each Occurrence	2,000,000
General Aggregate Limit	4,000,000
Sexual Misconduct Aggregate per member	2,000,000
Policy Aggregate limit for Sexual Misconduct	10,000,000
	25,000
Law Enforcement Liability	
Each Occurrence	Included in GL
Aggregate Limit	Included in GL
Employee Benefits Liability	
Each Occurrence	2,000,000
Aggregate Limit	4,000,000
Professional Liability (Nurses, Occupational Therapists, Psychologists)	
Limit Each Claim	Included in GL
Aggregate	Included in GL
Crime Coverage	
Employee Dishonesty	500,000
Forgery or Alteration	Included
Money and Securities (Inside and Outside Premises)	Included
Social Engineering fraud	100,000
General Aggregate	500,000
Business Automobile Coverage	
Each Occurrence	2,000,000
Aggregate Limit	N/A
Uninsured/Underinsured Motorists	1,000,000
No Fault	40,000
School Leaders Errors and Omissions:	
Each Occurrence	4,000,000
Aggregate	8,000,000
Excess Liability	
Each Occurrence	2,000,000
Aggregate	2,000,000
Sexual Misconduct Policy aggregate	5,000,000
Boiler and Machinery Coverage:	
Property Damage	200,000,000
Pollution Legal Liability	2,000,000
First Party Clean-up	2,000,000
Emergency Response Expense	2,000,000
Business Interruption	1,000,000
Disinfection Event Expenses	500,000
Policy Aggregate	10,000,000

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
(612) 337-9310 fax
kennedy-graven.com
Affirmative Action, Equal Opportunity Employer

$_______
INDEPENDENT SCHOOL DISTRICT NO. 270
(HOPKINS PUBLIC SCHOOLS)
HENNEPIN COUNTY, MINNESOTA
GENERAL OBLIGATION FACILITIES MAINTENANCE BONDS
SERIES 2022A

We have acted as bond counsel to Independent School District No. 270 (Hopkins Public Schools), Hennepin County, Minnesota (the "Issuer"), in connection with the issuance by the Issuer of its General Obligation Facilities Maintenance Bonds, Series 2022A (the "Bonds"), originally dated November ___, 2022, 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 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 included in determining the annual adjusted financial statement income (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) of applicable corporations (as defined in Section 59(k) of the Code) for purposes of computing the alternative minimum tax imposed on such applicable corporations for tax years beginning after December 31, 2022, and is subject to Minnesota franchise taxes on certain 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 Code 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 September 20, 2022, 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 appropriated 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 _________________, 2022, 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. 270
(HOPKINS PUBLIC SCHOOLS)
HENNEPIN COUNTY, MINNESOTA
GENERAL OBLIGATION FACILITIES MAINTENANCE BONDS
SERIES 2022A

CONTINUING DISCLOSURE CERTIFICATE

November ___, 2022

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Independent School District No. 270 (Hopkins Public Schools), Hennepin County, Minnesota (the "District"), in connection with the issuance of its General Obligation Facilities Maintenance Bonds, Series 2022A (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 Facilities Maintenance Bonds, Series 2022A, issued by the District in the original aggregate principal amount of $__________.

"Disclosure Certificate" means this Continuing Disclosure Certificate.

"District" means Independent School District No. 270 (Hopkins Public Schools), Hennepin County, 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 __________, 2022, 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, 2022, 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. 270 (HOPKINS PUBLIC SCHOOLS), HENNEPIN COUNTY, MINNESOTA

____
Board Chair

____
Clerk

APPENDIX E

TERMS OF PROPOSAL

$10,985,000* GENERAL OBLIGATION FACILITIES MAINTENANCE BONDS, SERIES 2022A INDEPENDENT SCHOOL DISTRICT NO. 270 (HOPKINS PUBLIC SCHOOLS), MINNESOTA

Proposals for the purchase of $10,985,000* General Obligation Facilities Maintenance Bonds, Series 2022A (the "Bonds") of the Independent School District No. 270 (Hopkins Public Schools), 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 10:00 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 15, 2022, 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 7:00 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 being issued pursuant to Minnesota Statutes, Chapter 475, as amended, and Minnesota Statutes, Section 123B.595, as amended (long-term facilities maintenance revenue), by the District to provide funds for certain facilities and site maintenance projects which are included in the District's ten-year facilities plan approved by the Commissioner of Education. The Bonds will be general obligations of the District for which its full faith and credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated December 7, 2022, 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*
2031	$100,000	2034	$935,000	2037	$2,530,000
2032	870,000	2035	1,680,000		
2033	895,000	2036	3,975,000		

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, 2023, 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 2031 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, 2032 shall be subject to optional redemption prior to maturity on February 1, 2031 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 7, 2022, 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 $10,985,000 plus accrued interest on the principal sum of $10,985,000 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 10:00 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 $219,700 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) <u>If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule</u>, 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) <u>If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test</u>, 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. 270
(Hopkins Public Schools), Minnesota

PROPOSAL FORM

The School Board **November 15, 2022**
Independent School District No. 270 (Hopkins Public Schools), Minnesota (the "District")

RE: $10,985,000* General Obligation Facilities Maintenance Bonds, Series 2022A (the "Bonds")
DATED: December 7, 2022

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 $10,985,000) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

________	% due	2031	________	% due	2034	________	% due	2037
________	% due	2032	________	% due	2035			
________	% due	2033	________	% due	2036			

* 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 2024 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 $219,700 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 7, 2022.

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 7, 2022 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. 270 (Hopkins Public Schools), Minnesota, on November 15, 2022.

By: ______________________________ By: ______________________________

Title: ______________________________ Title: ______________________________