

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
ROSEMOUNT, MINNESOTA**

**YEAR ENDED JUNE 30, 2020**

**PREPARED BY THE  
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**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
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ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
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ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
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## **INTRODUCTORY SECTION**





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November 30, 2020

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

## **INTRODUCTION**

We are submitting the Comprehensive Annual Financial Report (CAFR) of Independent School District No. 196, Rosemount – Apple Valley – Eagan (the District) for the fiscal year ended June 30, 2020. This report fairly presents the District's financial position and results of operations and cash flows in accordance with accounting principles generally accepted in the United States of America. The District's administration accepts total responsibility for the accuracy, completeness, and fairness in presentation.

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

In addition to the independent audit of the District's financial statements, the District is required to undergo an annual Single Audit in conformity with the provisions of the Federal Single Audit Act Amendments of 1996 and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The District is also required to undergo an annual Minnesota State legal compliance audit under Minnesota Statutes § 6.65. The standards governing Single Audit engagements require the independent auditor to report on not only the fair presentation of the financial statements, but also the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's separately issued "Schedule of Expenditures of Federal Awards and Other Required Reports."

**DISTRICT196.ORG**

Rosemount-Apple Valley-Eagan Public Schools  
3455 153rd Street West • Rosemount, MN 55068

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

## **REPORT FORMAT**

The CAFR is presented in three sections:

- **Introductory Section** – The introductory section contains this transmittal letter, an organizational chart, a list of School Board members and the Superintendent's Cabinet members, a map of the District, and a copy of the Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting for the District's 2018–2019 CAFR.
- **Financial Section** – The financial section begins with the independent auditors' report. This section includes the MD&A; basic financial statements; required supplementary information; and combining and individual fund statements and schedules presented as supplementary information.
- **Statistical Section** – The statistical section, which is not audited, includes selected financial, demographic, and economic data, generally presented on a multi-year comparative basis.

## **REPORTING ENTITY AND ITS SERVICES**

The financial reporting entity includes all the funds of the primary government (the District). Component units are legally separate entities for which the District (primary government) is financially accountable. There are no organizations considered to be component units of the District.

The District was incorporated in 1950 and serves a portion of 10 suburban communities within Dakota County located on the southeastern edge of the Minneapolis/St. Paul metropolitan area. The District encompasses all or part of the communities of Apple Valley, Burnsville, Coates, Eagan, Empire Township, Farmington, Inver Grove Heights, Lakeville, Rosemount, and Vermillion Township.

### **Programs and Services**

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

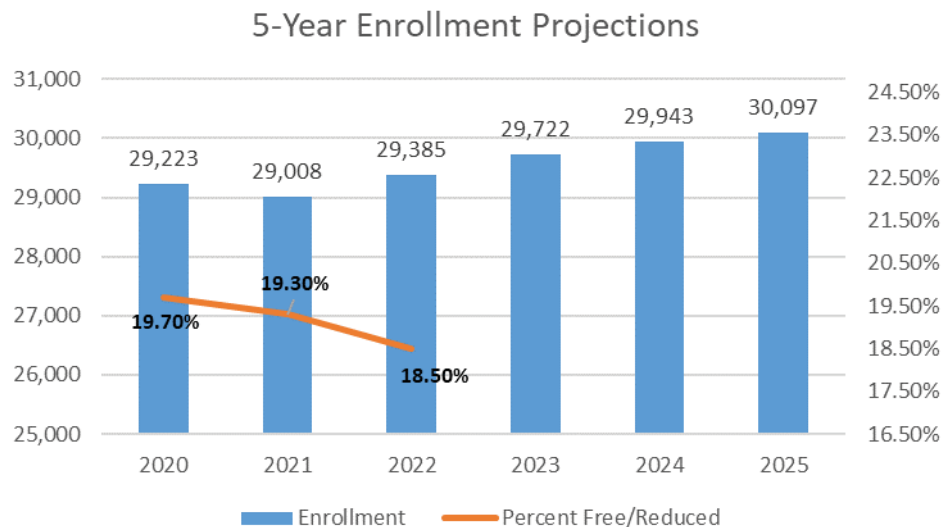
### **Student Enrollment**

The District enrolled 29,196 students (or average daily membership totaling 28,997) in 2019–2020 from a population of 153,390 people residing in a 108.6 square mile area. In terms of the number of students, the District is Minnesota's fourth largest school district.

The District has an increasingly diverse population of students with a variety of needs. For the 2019-2020 school year, 62% of our students were white, 12% of the District's student population were black, students of Asian descent comprised 8%, Hispanic students totaled 10%, 1% were American Indian, while other races accounted for 7%.

In 2019-2020, 21.6% of our students qualified to receive free or reduced-price meals; this compared to a fall 2019 Minnesota average of 35.8%.

While the District enrollment was projected to increase slightly over the next five years, the administration is reviewing the enrollment effects due to the COVID19 pandemic.



## District Schools and Facilities

During the 2019-2020 school year, the District operated 35 school buildings: an Early Childhood Learning Center, 4 comprehensive (Grades 9–12) high schools, 1 optional (Grades 11–12) high school, 6 middle schools (Grades 6–8), 19 elementary schools (kindergarten through Grade 5), 1 area learning center, 1 school (kindergarten through Grade 12) for students with special needs, and 2 learning centers dedicated to adult basic education and early childhood education students.

The average age of the District's facilities is over 35 years; the District qualifies for Long Term Facilities Maintenance funding and has been able to keep up with routine repairs, maintenance, and other major improvements.

## LOCAL ECONOMIC CONDITION AND OUTLOOK

According to the Minnesota Department of Management and Budget, the economic data has been somewhat positive, despite the effects of the COVID-19 pandemic. Minnesota's overall economy has been affected negatively overall by the effects of the virus. The forecasted GDP decline for 2020 was projected at 3.5%, in the released October report, which is down from the 5.4% decline forecast in the April outlook report. Generally, growth is expected to accelerate in the third quarter of 2020 and decelerate in the fourth quarter of 2020.

According to the October economic update, unemployment across the U.S. in September was at 7.9%, down from 14.7% at the peak of the pandemic. U.S. employers added 661,000 jobs in September, however the economy has 10.7 million fewer jobs than before the pandemic, with around half of the jobs recovered from the peak of unemployment during the pandemic.

The state's February 2020 budget forecast indicated a small increase in anticipated revenue collections. The \$96 million (0.2%) reduction in revenues for fiscal year 2020, would result in a budgetary balance of \$1.513 billion.

The state of Minnesota assumes major responsibility for funding public education. Following the passage of the 2019 operating referendum, approximately 23% of our General Fund revenues are generated locally from property taxes, 72% from state aids, close to 3% from federal aids, and miscellaneous income made up the remaining 2%.

Reliance on the state for the majority of its operating revenues places the District in the position of being dependent on state-wide economic conditions that drive state tax collections. The 2017 Legislature has provided some increase to the basic general education formula allowance and other categorical funding for the 2019-2020 school year. This funding level was again increased by the 2020 legislature for the coming biennium. Across the state, school boards and administrators continue to adjust instructional and related services delivery in an effort to maintain adequate programming buffeted by funding imbalances. The 2% formula allowance increase has not kept pace with general inflations and rising cost of providing quality education to all our students. The District will continue to respond to this challenge by curtailing expenditures when possible and is committed to engage staff and community members in future budget discussions and to consider other options for increasing revenues and containing growth.

## **DISTRICT MISSION AND STRATEGIC PLAN**

In spring 2011, the District convened a 60-member task force to develop a vision for education that will guide district goals for the next five years. The task force included parents, staff, School Board members, and a variety of leaders from the business, civic, and faith communities. Task force members attended four informational meetings to establish a shared base of knowledge about district enrollment and demographics, school finance, teaching and learning, community and partnerships, educational trends, and innovation. These informational meetings, led by a facilitator, were followed by four planning meetings where the task force members developed revised belief statements for the District and four strategies for the future. The School Board approved the plan in December 2011. A brief summary of the plan is listed below.

**Mission Statement:** *Educating our students to reach their full potential.*

### **Belief Statements:**

- Students come first
- All students can learn
- High expectations inspire students and staff to excel
- Learning is maximized in a safe, respectful, and inclusive environment
- A well-rounded education includes opportunities in academics, the arts, and athletics
- Learning is a lifelong pursuit
- Effective management of resources is critical
- Partnerships and collaboration enhance educational programming
- A culture of innovation and continuous improvement prepares students to be college and/or career ready
- An informed and engaged community guides effective decision-making

## **Strategies and Goals:**

- **Strategy One – Teaching and Learning**
  - Deliver a high-quality instructional program that anticipates and meets the needs of all learners
- **Strategy Two – Early Learning**
  - Provide a well-aligned continuum of high-quality, culturally responsive, early learning (birth to Grade 3) services to meet the needs of all students
- **Strategy Three – Educational Equity**
  - Implement a systemic process that increases achievement for all students by addressing equitable access to opportunities in our schools and programs
- **Strategy Four – Partnerships**
  - Develop and implement sustainable strategies to increase collaboration between the District and community partners

## **STUDENT ASSESSMENT AND TESTING**

The District uses a variety of state and national tests to measure student achievement, determine student ability, and evaluate curriculum.

### **Minnesota Comprehensive Assessments (MCAs)**

Due to the COVID19 pandemic, a number of standardized tests were not administered, as such the MCA the results included herein are for fiscal year 2019.

According to the results of the Standards-Based Accountability Assessments released by the Minnesota Department of Education in July 2019, the percentage of the District's students who scored proficient on the state reading, math, and science tests exceeded the state-wide averages for all grades tested in the spring of 2019.

The Standards-Based Accountability Assessments include the MCAs and the Minnesota Test of Academic Skills (MTAS) for students receiving special education services who qualify. These tests are given annually in reading (Grades 3–8 and 10), math (Grades 3–8 and 11), and science (Grades 5, 8 and high schools, after completion of the life science curriculum). More than 14,000 district students took the MCAs or MTAS last spring.

The MCAs and MTAS measure student performance on the Minnesota Academic Standards, which define what students should know and be able to do in a particular grade. Students earn a score that falls into one of four achievement levels: 1) does not meet the standards; 2) partially meets the standards; 3) meets the standards, and 4) exceeds the standards. Students who meet or exceed the standards are considered to be proficient in the subject areas.

Compared to 2018 results, the percentage of district students who scored proficient on the MCAs or MTAS reading, math, and science tests stayed about the same for all levels tested.

### **American College Test (ACT)**

In 2019-2020, the District's high school students continued to score higher than the state and national average composite scores on the ACT college-entrance exam.

The ACT average composite score for the District's students in 2020 was 22.7 points out of a possible score of 36. The District average remained the same from the year before but is still 2.1 points higher than the national average of 20.6 points and 1.4 points higher than the state average of 21.3 points, which was highest among the 17 states where more than 90% of all students took the test.

The ACT is the primary admissions test for students attending college in the Midwest; the Scholastic Aptitude Test is the primary test for colleges located in the eastern and western states.

### **Advanced Placement (AP)**

In August 2020, 771 of the District's high school students were recognized as AP Scholars by the College Board for earning a score of 3 or higher (on a scale of 1-to-5) on at least three or more exams. An AP exam score of 3 or higher earns credit at many of the nation's colleges and universities.

### **National Merit Scholars**

In 2019-2020, 12 of the District's high school seniors were named National Merit Scholarship semifinalists (top 1% of seniors nation-wide), another 44 students were named commended students (top 5%).

### **ACHIEVEMENTS AND AWARDS**

#### **National Speech and Debate Association – Top 10 Schools of Outstanding Distinction**

In 2019-20, Eagan high school was one of the top 10 Schools of Outstanding Distinction at the June 15-20, 2020 Virtual National Speech and Debate Association tournament.

The tournament's top 10 schools are selected based on the number of rounds of competition their students compete in both speech and debate events. A total of 35 District 196 students qualified for this year's national tournament, 13 from Eastview, 12 from Eagan, nine from Apple Valley and one from Rosemount High School.

This is the sixth year in a row that Eagan has finished among the top 10 Schools of Outstanding Distinction at the national tournament.

### **FINANCIAL AND BUDGETARY CONTROL**

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

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



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

- **Fund Balance Policy** – Requires the District to maintain an operating fund balance of 5% of the expenditure budget.
- **Budget Policy** – Establishes a guideline for allocation of district resources.
- **Personnel Staffing Guidelines** – Personnel costs represent over 85% of General Fund expenditures. These guidelines, which set the staffing allocation for every allocated position in the District, are updated each February by the administration and the School Board.

The District's budget process is based, first, on development of a budget projection model that attempts to project resources and expenses over a multiple year period. The budget projection is used by the School Board and the administration to determine budget parameters and staffing guidelines. Second, the budget, adopted in June, is based on the personnel staffing guidelines and building allocations approved by the School Board in February of the preceding budget year. School and department administrators develop expenditure plans in accordance with School Board-approved budget parameters. The School Board resolution adopting the budget in June also includes a provision directing the administration to update the budget in October. This final budget reflects the District's actual enrollment count on October 1, the actual staff hired, and other dynamics such as employee contract settlements and legislative changes not included in the preliminary budget process.

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

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

### **CERTIFICATE OF EXCELLENCE**

This report will be submitted to the ASBO International for consideration for the Certificate of Excellence in Financial Reporting.

The District received the Certificate of Excellence in Financial Reporting from ASBO International for excellence in the preparation and issuance of the District's CAFR for the year ended June 30, 2019. It is the 17th consecutive year the District has received the award, which was earned by fewer than 10% of all school districts in the state.

The District expects to continue to earn the recognition that accompanies national standards of accuracy and thoroughness of the Certificate of Excellence program.

## **MERITORIOUS BUDGET AWARD**

The District's Finance Department has submitted its 2020-2021 budget for the ASBO international Meritorious Budget Award (MBA). The receipt of this award is pending as of the audit conclusion.

The MBA program promotes and recognizes excellence in school budget presentation. The award is awarded to school districts that have met or exceeded the program's stringent criteria, following a rigorous review by professional auditors.

The District has submitted its 2020–2021 budget document for ASBO International's review.

## **FINANCIAL PROSPECTS FOR FUTURE YEARS**

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

The state's budget outlook has improved steadily since 2012 and the Minnesota Department of Management and Budget's February 2020 forecast calls for the continual improvement over the next several years, but also indicates a lot of uncertainty as new policies are implemented with the new federal administration. Additionally, Minnesota's economic forecast carries a large degree of uncertainty related to the COVID-19 outbreak.

The table below summarizes the per pupil unit funding amounts and percentage change over the past five school years:

<b>School Year</b>	<b>Formula Allowance</b>	<b>Percentage Change</b>
2015-16	\$5,948	2.00%
2016-17	\$6,067	2.00%
2017-18	\$6,188	2.00%
2018-19	\$6,312	2.00%
2019-20	\$6,438	2.00%

The District appreciates and welcomes the additional funding. However, with funding not sufficient to keep pace with inflation over the past decade, steady student enrollment, and the costs of educating our students continuing to rise, the financial outlook for the District continues to present challenges.

The District is committed to continuing to engage parents, staff, and business and community members in further budget adjustment discussions and to consider other options for increasing revenues.



## **MAJOR INITIATIVES**

### **Referendum Improvements**

On November 3, 2015, district voters approved a referendum question for \$180 million in capital improvements and technology funding. The referendum question was approved by a more than 2-to-1 margin, 8,768 yes (69%) to 3,935 no (31%). The approved referendum provided the District with \$130 million in bonding authority to make safety and security improvements at all schools, provide additional space for learning, including a new elementary school, and upgrades to technology infrastructure district-wide. Fiscal year 2018-2019 marked the last year of major projects related to the referendum.

The referendum questions also include a capital project levy that will provide approximately \$5.0 million per year for 10 years to increase access to technology for all students and maintain that access over the life of the levy.

The improvements that will be supported by the referendum are summarized below.

#### **Safety and Security**

- Modify entrances at all schools to better control visitor access
- Upgrade security equipment at all schools
- Site improvements at 16 sites with identified need to improve pedestrian and traffic safety

#### **Space for Learning**

- New elementary school in the southern part of the District
- Additions to five elementary magnet schools and Parkview Elementary
- STEM improvements at all six middle schools, Cedar Park Elementary STEM School and Apple Valley High School
- Improvements to meet district standards for space at Rosemount High School and elementary schools with identified need
- Replacement of worn-out student furniture at middle schools and high schools

#### **Technology for Learning**

- Infrastructure upgrades
- Mobile learning device for each student in Grades 4–12, phased in over three years
- 3-to-1 ratio of students-to-mobile learning device for Grades pre-K–3

### **Operating Referendum**

On November 5, 2019, district voters approved an operating referendum question for the district. The referendum question revoked and replaced the previous authority and will provide \$19 million in additional levy authority beginning in the fiscal year 2020-2021. These funds will be used to reverse the reductions of previous years and provide additional support for areas of great need including mental health support and after school activity busses, which allow more students to participate in enrichment activities beyond the school day.

## **ACKNOWLEDGMENTS**

The preparation of this CAFR in a timely manner would not be possible without the assistance of the entire Finance Department staff. We would like to particularly thank our manager of financial systems, reporting, and compliance, Daniel Duchene; finance department supervisors and staff for their work.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Adam Lloyd', with a stylized flourish at the end.

Adam Lloyd, CPA  
Controller

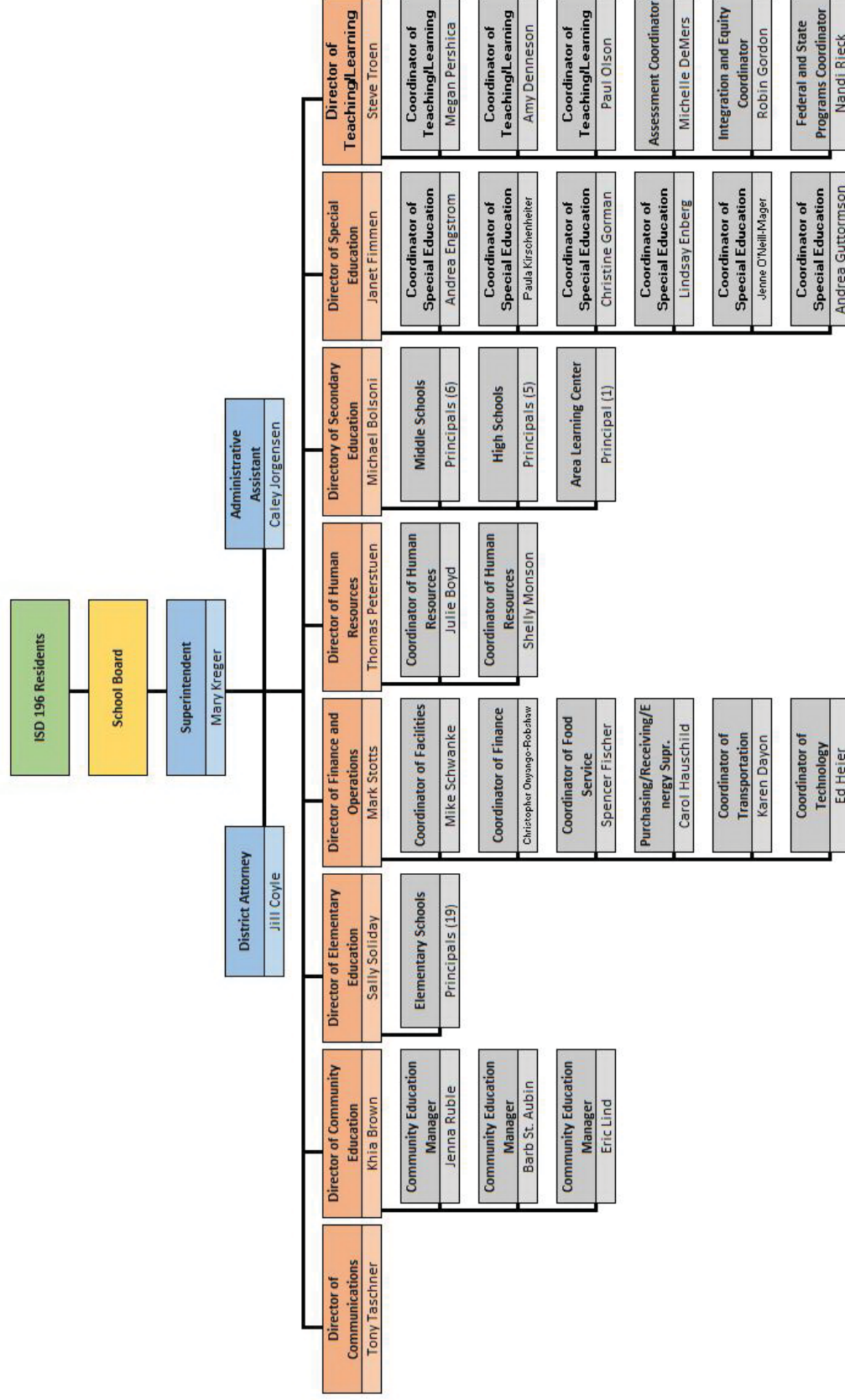
A handwritten signature in black ink, appearing to read 'Christopher Onyango-Robshaw', with a long, sweeping horizontal line at the end.

Christopher Onyango-Robshaw, CPA  
Coordinator of Finance



Independent School District No. 196  
 Rosemount-Apple Valley-Eagan Public Schools  
*Educating our students to reach their full potential*

**Organization Chart**



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
SCHOOL BOARD AND ADMINISTRATION  
JUNE 30, 2020**

**SCHOOL BOARD**

Jackie Magnuson	Chairperson
Joel Albright	Vice-Chairperson
Sachin Isaacs	Clerk
Art Coulson	Treasurer
Craig Angrimson	Director
Mike Roseen	Director
Bob Schutte	Director

**SUPERINTENDENT'S CABINET**

Mary Kreger	Superintendent
Khia Brown	Director of Community Education
Jill Coyle	School District Attorney
Janet Fimmen	Director of Special Education
Sally Soliday	Director of Elementary Education
Mark Parr	Director of Secondary Education
Thomas Pederstuen	Director of Human Resources
Mark Stotts	Director of Finance and Operations
Tony Taschner	Director of Communications
Steve Troen	Director of Teaching and Learning

# INDEPENDENT SCHOOL DISTRICT 196

## Rosemount-Apple Valley-Eagan Public Schools

Education for all students to reach their full potential

### District Map

- Elementary Schools

1

Deerwood

2

East Lake

3

Greenleaf

4

Highland

5

Northview

6

Parkview

7

Pinewood

8

Red Pine

9

Rosemount

10

Shannon Park

11

Southview

12

Thomas Lake

13

Westview

14

Woodland

Middle Schools

20

Black Hawk

21

Dakota Hills

22

Falcon Ridge

23

Rosemount

24

Scott Highlands

25

Valley Middle School of STEM

High Schools

30

Apple Valley

31

Eagan

32

Eastview

33

Rosemount

34

School of Environmental Studies

35

Area Learning Center

Special Education School

40

Dakota Ridge

District Office

1

District Office East

2

District Service Center

3

Cedar Valley Learning Center

4

Dakota Valley Learning Center
- Elementary Magnet

15

Cedar Park Science, Tech., Engineering and Math (STEM) School

16

Diamond Path School of International Studies

17

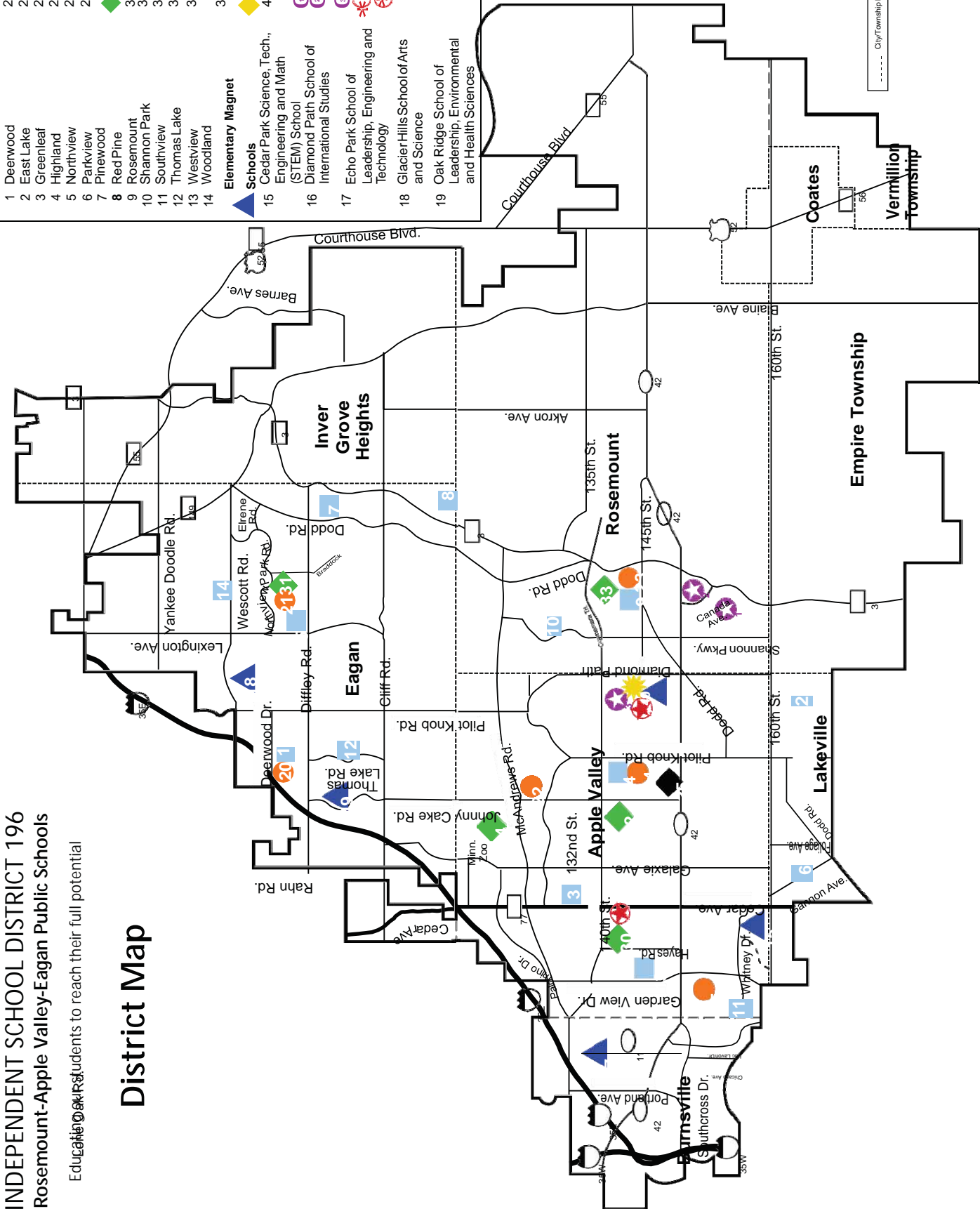
Echo Park School of Leadership, Engineering and Technology

18

Glacier Hills School of Arts and Science

19

Oak Ridge School of Leadership, Environmental and Health Sciences





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

**Independent School District 196 - Rosemount-  
Apple Valley-Eagan Public Schools**

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

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



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

Claire Hertz, SFO  
President

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

David J. Lewis  
Executive Director

## **FINANCIAL SECTION**





## INDEPENDENT AUDITORS' REPORT

School Board  
Rosemount-Apple Valley-Eagan Public Schools  
Independent School District No. 196  
Rosemount, Minnesota

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 196 (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Independent School District No. 196's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 196 as of June 30, 2020, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended and budgetary comparison for General, Food Service, and Community Service, in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of a Matters**

During fiscal year ended June 30, 2020, the District restated its beginning net position for additional capital expenditures identified which should have been capitalized with construction in progress in prior years. See Note 11 for additional information on this restatement. Our auditors' opinion was not modified with respect to this restatement.

Also, during fiscal year ended June 30, 2020, Rosemount Apple Valley Eagan Public School adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, activity that was previously reported as separately issued student activity fund financial statements are now reported as part of the General Fund. Our auditors' opinion was not modified with respect to this matter.

### **Report on Summarized Comparative Information**

We have previously audited the District's 2019 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and we expressed unmodified audit opinions on those audited financial statements in our report dated December 6, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Independent School District No. 196's basic financial statements. The introductory section, individual fund financial statements, Uniform Financial Accounting and Reporting Standards table, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and Uniform Financial Accounting and Reporting Standards 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Other Information (Continued)*

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Independent School District No. 196 as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated December 6, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. 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 financial statements. The individual fund financial statements have been subjected to the auditing procedures applied to the audit of the 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

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 November 30, 2020, on our consideration of Independent School District No. 196's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Independent School District No. 196's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Independent School District No. 196's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
November 30, 2020



## **REQUIRED SUPPLEMENTARY INFORMATION**

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

This section of Independent School District No. 196's Comprehensive Annual Financial Report (CAFR) presents the management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2020. Please read it in conjunction with the district's financial statements, which immediately follow this letter. The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Government Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.

**FINANCIAL HIGHLIGHTS**

For the year ended June 30, 2020, the District showed a decrease in total net position of \$8.42 million. Many factors contributed to this change. A few key financial highlights from the District's basic financial statements for the 2019–2020 fiscal year are listed below:

- The liabilities and deferred inflows of resources of the District exceed its assets and deferred outflows of resources at the close of the 2019–2020 fiscal year by \$133.26 million. This amount includes a net investment in capital assets of \$136.64 million, \$22.73 million net position restricted for specific uses, and a negative unrestricted net position of \$292.62 million.
- The District's total net position decreased by \$8.58 million in the current year. Restricted net position decreased by \$5.38 million. The unrestricted portion of the District's net position decreased \$12.14 million. A more detailed analysis of these changes can be found later in this document.
- As of June 30, 2020, the District's governmental funds reported combined ending fund balances of \$78.03 million, a net increase of \$12.47 million in comparison with the prior year. Approximately 58.61% of the total fund balance amount, or \$45.74 million, is unassigned.
- At the close of the 2019–2020 fiscal year, unassigned fund balance for the General Fund was \$45.73 million, or 11.92%, of total General Fund expenditures.
- The District's long-term liabilities increased by \$6.96 million, or 1.6%, during the current fiscal year. This was partially due to a \$10.6 million net increase in the District's proportionate share of the net pension liability related to the statewide pension plans administered by the Teachers Retirement Association (TRA) and the Public Employees Retirement Association (PERA). This increase was offset by a \$5.53 million decrease in the District's liabilities for bonds, COPs, and capital leases. The liability for severance benefits and compensated absences payables also increased \$1.9 million.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts: Independent Auditors' Report, Required Supplementary Information which includes MD&A (this section), the basic financial statements, single and supplementary information. The basic financial statements include several statements that present different views of the District:

- The **government-wide financial statements**, including the *Statement of Net Position* and the *Statement of Activities*, 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 district-wide statements.
- **Governmental funds statements** tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- **Proprietary funds statements** offer short- and long-term financial information about the activities the District operates like businesses.
- **Fiduciary funds statements** provide information about the financial relationships in which the District acts solely as a trustee or custodian for the benefit of others to whom the resources belong.

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

### **Government-Wide Statements**

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

The two government-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred outflows of resources and 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.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

**Fund Financial Statements**

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

- Some funds are required by state law and by bond covenants.
- The District may establish 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.
- *Proprietary Fund* – The District maintains one type of proprietary fund. The Internal Service Funds are used as an accounting device to accumulate and allocate costs internally among the District's various functions. The District uses its Internal Service Funds to account for its dental and health self-insurance programs as well as contributions and benefit payments for the District's severance benefits. These services have been included within the governmental activities in the government-wide financial statements.
- *Fiduciary Funds* – The District is the trustee, or *fiduciary*, for assets that belong to others. 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 and governmental fund statements because the District cannot use these assets to finance its operations.



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

Figure 1 depicts how the various parts of this CAFR are arranged and their relationship to one another:

**Figure 1  
Organization of  
Comprehensive Annual Financial Report**

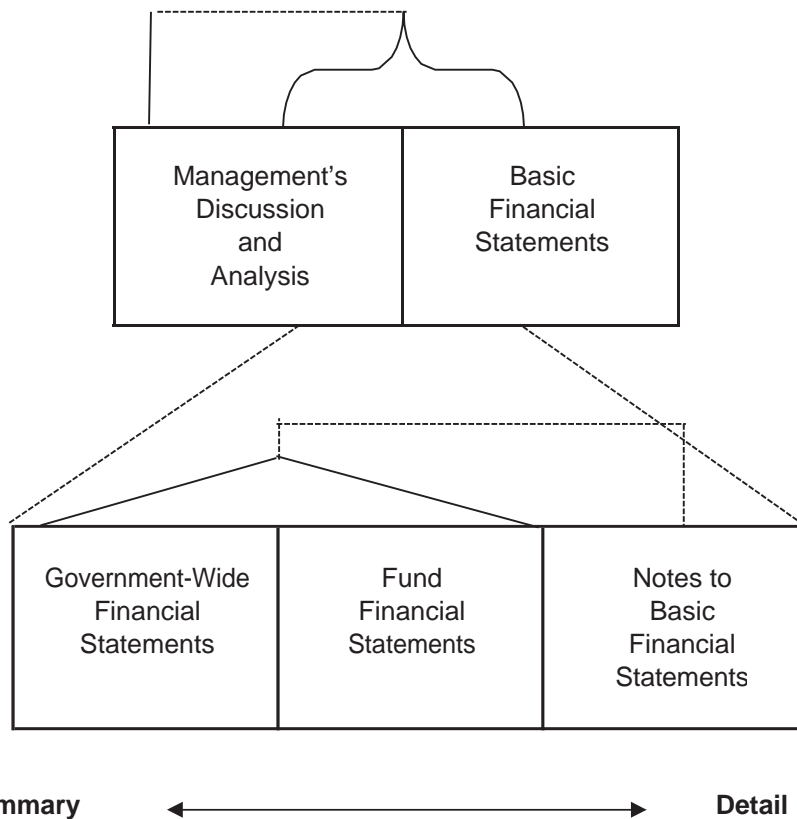


Figure 2, at the top of the next page, summarizes the major features of the District's financial statements, including portions of the District's activities covered and the types of information they contain. The remainder of this overview section of the MD&A highlights the structure and contents of each of the statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

Figure 2, below, summarizes the major features of the District's financial statements, including portions of the District's activities covered and the types of information they contain.

<p style="text-align: center;"><b>Figure 2</b> <b>Major Features of the Government-Wide and Fund Financial Statements</b></p>				
	<b>Government-Wide Financial Statements</b>	<b>Fund Financial Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire district (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as building maintenance, food service, and community education	Activities of the District that operate similar to private businesses: internal service funds	Instances in which the District administers resources on behalf of someone else, such as the OPEB Trust
<b>Required financial statements</b>	<ul style="list-style-type: none"> <li>– Statement of Net Position</li> <li>– Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>– Balance Sheet</li> <li>– Statement of Revenue, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>– Statement of Net Position</li> <li>– Statement of Revenue, Expenses, and Changes in Fund Net Position</li> <li>– Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>– Statement of Fiduciary Net Position</li> <li>– Statement of Changes in Fiduciary Net Position</li> </ul>
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of asset/deferred outflow of resources/ liability/deferred inflow of resources information</b>	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources; both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources; both financial and capital, short-term and long-term	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources; both short-term and long-term. Funds do not currently contain capital assets; although they can
<b>Type of inflow/outflow information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Position**

The District's financial position is the product of many factors. As indicated earlier, net position may serve over time as a useful indicator of the District's financial position. The reader needs to understand that the determination of net position includes significant assumptions and estimates, such as current and accumulated depreciation amounts. A conservative versus liberal approach to depreciation estimates, as well as capitalization policies, may produce a significant difference in the calculation of the District's net investment in capital assets.

The District's *combined* net position was a deficit of \$133,258,389 on June 30, 2020 (see Table A-1).

The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2020 reducing the District's net position to a deficit of \$133,258,389. The District's total net position was significantly impacted in fiscal 2020 by the required actuarial calculation changes included in GASB Statements related to statewide pension plans. The District had \$22,731,361 of net position that was available to meet its ongoing obligations, but restricted for specific uses.

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

	Governmental Activities as of June 30,		Percentage Change
	2020	2019	
Current and Other Assets	\$ 281,892,612	\$ 241,256,098	16.84 %
Capital Assets	293,507,195	287,705,830	2.02
Total Assets	575,399,807	528,961,928	8.78
Deferred Outflows of Resources	213,797,893	290,795,319	(26.48)
Current Liabilities	62,065,023	61,266,271	1.30
Long-Term Liabilities	436,105,769	429,147,058	1.62
Total Liabilities	498,170,792	490,413,329	1.58
Deferred Inflows of Resources	424,285,297	464,992,537	(8.75)
Net Position:			
Net Investment in Capital Assets	136,635,071	116,725,381	17.06
Restricted	22,731,361	28,107,150	(19.13)
Unrestricted	(292,624,821)	(280,481,150)	4.33
Total Net Position	<u>\$ (133,258,389)</u>	<u>\$ (135,648,619)</u>	(1.76)

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

**Changes in Net Position**

In Table A-2, Change in Net Position, operations are reported on a governmental-wide basis with no reference to funds.

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

	Governmental Activities for the Fiscal Year Ended June 30,		Percentage Change
	2020	2019	
<b>Revenues</b>			
<u>Program Revenues</u>			
Charges for Services	\$ 13,727,898	\$ 16,554,773	(17.08)%
Operating Grants and Contributions	98,694,653	101,343,381	(2.61)
Capital Grants and Contributions	5,176,740	5,300,870	(2.34)
<u>General Revenues</u>			
Property Taxes	95,593,616	91,277,009	4.73
Unrestricted State Aid	213,963,522	212,253,653	0.81
Investment Earnings	1,892,813	3,014,218	(37.20)
Other	841,115	362,703	131.90
Total Revenues	429,890,357	430,106,607	(0.05)
<b>Expenses</b>			
Administration	18,232,212	12,051,588	51.28
District Support Services	13,408,956	11,702,181	14.59
Regular Instruction	211,435,239	121,251,866	74.38
Vocational Education Instruction	5,653,997	3,561,099	58.77
Special Education Instruction	75,482,535	73,220,623	3.09
Instructional Support Services	24,594,800	16,663,894	47.59
Pupil Support Services	29,792,252	24,625,849	20.98
Sites and Buildings	34,725,496	34,429,780	0.86
Fiscal and Other Fixed Cost Programs	671,312	1,182,069	(43.21)
Food Service	10,922,877	12,227,206	(10.67)
Community Service	9,010,785	7,301,923	23.40
Unallocated Depreciation	-	10,310,511	(100.00)
Interest and Fiscal Charges on Long-Term Liabilities	4,540,835	5,145,850	(11.76)
Total Expenses	438,471,296	333,674,439	31.41
<b>Change in Net Position</b>	(8,580,939)	96,432,168	
Beginning Net Position	(135,648,619)	(232,080,787)	
Prior Period Restatement	10,971,169	-	
Beginning Net Position, as Restated	(124,677,450)	(232,080,787)	
Ending Net Position	\$ (133,258,389)	\$ (135,648,619)	

The District's total revenues were \$429,890,357 for the year ended June 30, 2020, a decrease of \$216,250 (0.05%) from 2018-2019 actual revenues of \$430.11 million.

For 2019-2020, property taxes and general grants and aids accounted for 72.02% of total revenue for the year. About 24.16% of the District's revenue came from operating and capital grants. Fees and charges for services accounted for 3.19% of the total revenue, while the remaining .63% came from other general revenue, including investment income.

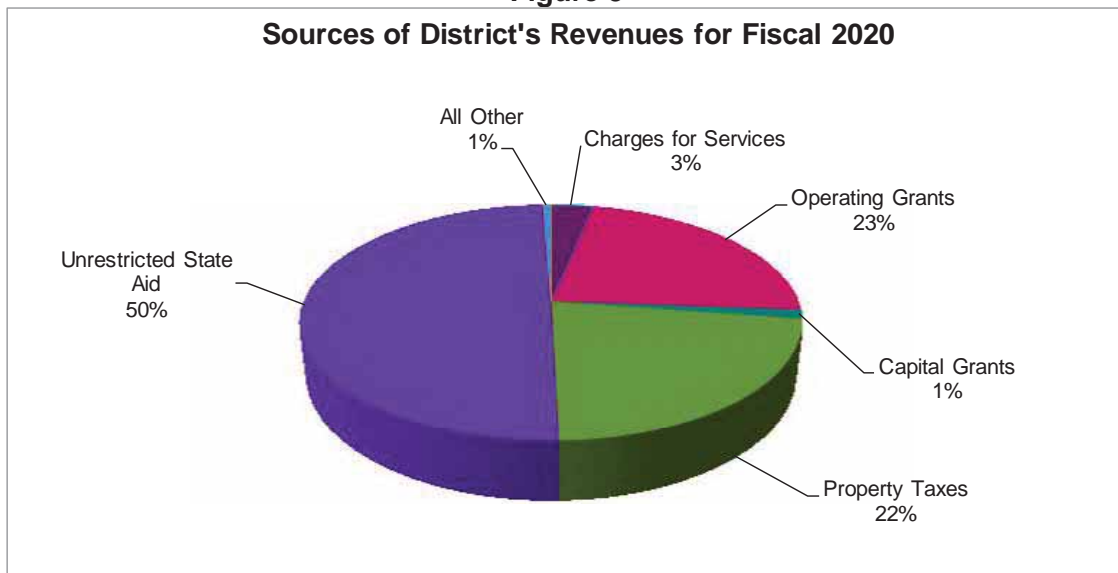
**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

For 2019-2020, the cost of all *governmental* programs and services was \$438,471,296. This is an increase of \$104.80 million (31.41%) from the 2018-2019 total cost of \$333.67 million. The majority of this increase is attributable to the amount of pension expense recognized related to the District's proportionate share of the two statewide pension plans.

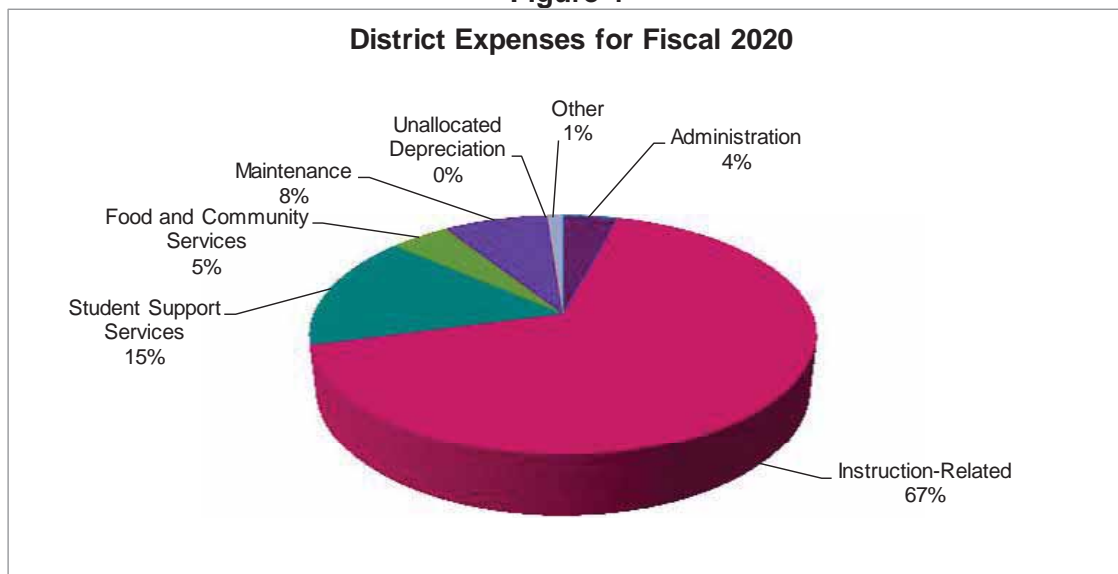
As in past years, the bulk of the District's resources (66.72%) were directed to providing instructional services to our students enrolled in regular education, special education, and vocational education programs (including instructional and pupil support). The administrative activities of the District accounted for 4.16% of total costs for the year.

Total expenses exceeded revenues, decreasing the District's net position by \$8.58 million, before a prior period restatement of \$10.97 million.

**Figure 3**



**Figure 4**



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

The cost of all *governmental* activities for 2019–2020 was \$438.47 million. Of this amount, \$117.6 million was supported by “charges for services, operating grants, or capital grants” received by the schools.

- A majority of the District’s costs were paid for by state taxpayers based on the statewide education aid formula, and property taxes paid by district taxpayers.
- The federal and state governments, and other local sources, subsidized certain programs with grants and contributions totaling \$103.87 million, or 23.7%, of the total costs for 2019–2020. In addition, federal, state, and local sources subsidized general district operations with grants and contributions of \$213.96 million, or 48.82%, of the total costs for 2019–2020.
- About 3.19%, or \$13.73 million, of costs were paid by the users of the District’s programs.
- Finally, \$2.73 million of the district revenue came from investment earnings and other general revenue.

**Table A-3  
Program Expenses and Net Cost of Services**

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2020	2019		2020	2019	
Administration	\$ 18,232,212	\$ 12,051,588	51.28 %	\$ 15,905,660	\$ 10,552,762	50.73 %
District Support Services	13,408,956	11,702,181	14.59	11,415,544	9,425,912	21.11
Regular Instruction	211,435,239	121,251,866	74.38	193,070,343	99,405,100	94.23
Vocational Education Instruction	5,653,997	3,561,099	58.77	4,403,863	1,955,519	125.20
Special Education Instruction	75,482,535	73,220,623	3.09	27,902,995	26,619,995	4.82
Instructional Support Services	24,594,800	16,663,894	47.59	23,155,067	13,878,827	66.84
Pupil Support Services	29,792,252	24,625,849	20.98	9,939,495	4,931,218	101.56
Sites and Buildings	34,725,496	34,429,780	0.86	27,511,771	27,770,506	(0.93)
Fiscal and Other Fixed Cost Programs	671,312	1,182,069	(43.21)	671,312	1,182,069	(43.21)
Food Service	10,922,877	12,227,206	(10.67)	(91,351)	(622,983)	(85.34)
Community Service	9,010,785	7,301,923	23.40	2,446,471	(79,871)	(3163.03)
Unallocated Depreciation	-	10,310,511	(100.00)	-	10,310,511	(100.00)
Interest and Fiscal Charges on Long-Term Liabilities	4,540,835	5,145,850	(11.76)	4,540,835	5,145,850	(11.76)
Total	<u>\$ 438,471,296</u>	<u>\$ 333,674,439</u>	31.41	<u>\$ 320,872,005</u>	<u>\$ 210,475,415</u>	52.45

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The financial performance of the District as a whole is also reflected in its governmental funds. As of June 30, 2020, the District's governmental funds reported total fund balances of \$78.03 million, an increase of \$12.47 million, or 19.01%, from last year's ending total fund balances of \$65.56 million. This net increase is chiefly due to the following factors:

- In 2019–2020, actual revenues and other financing sources were \$7.44 million more than actual expenditures and other financing uses in the General Fund.
- During 2019–2020, the District continued to utilize the proceeds from the Series 2016A General Obligation School Building Bonds on remaining maintenance and building improvement projects and began the conversion of athletic fields at two of its high schools. The athletic turf field projects are funded using Certificates of Participation debt proceeds issued during the fiscal year.

Table A-4 below shows the total fund balances of each of the District's governmental funds:

**Table A-4  
Fund Balance - All Governmental Funds**

	Year Ended		Change
	June 30, 2020	June 30, 2019	
General Fund	\$ 58,364,327	\$ 50,927,013	\$ 7,437,314
Food Service Fund	4,652,190	4,115,839	536,351
Community Service Fund	2,875,090	2,794,089	81,001
Capital Projects Fund	9,469,385	6,027,687	3,441,698
Debt Service Fund	2,669,765	1,699,991	969,774
Total	<u>\$ 78,030,757</u>	<u>\$ 65,564,619</u>	<u>\$ 12,466,138</u>

**GENERAL FUND**

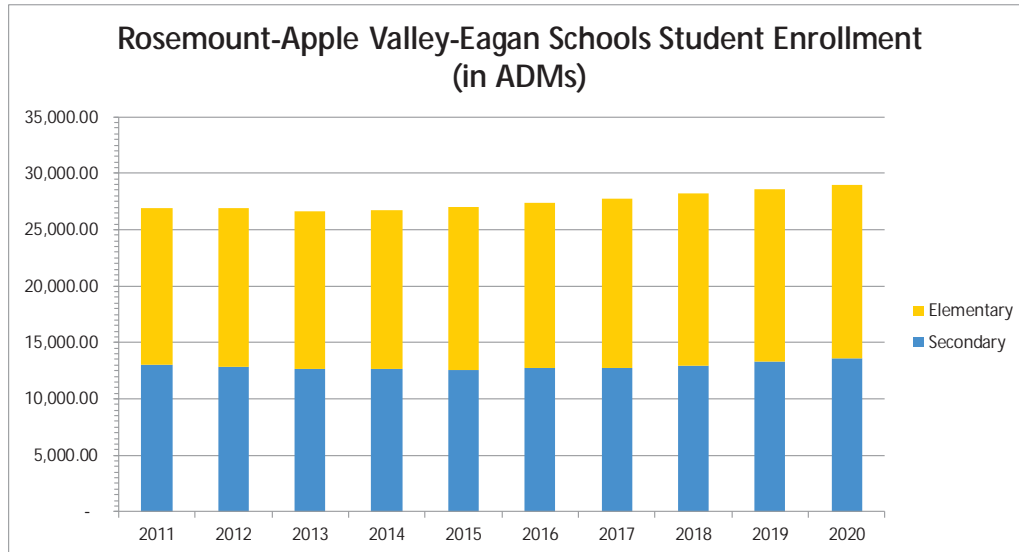
The General Fund is used by the District to record the primary operations of providing education services to students from kindergarten through Grade 12. Pupil transportation activities and capital and major maintenance projects are also included in the General Fund.

Funding for Minnesota school districts is largely driven by enrollment. Over the last five years, the District's enrollment has increased year over year. Based on the results of an updated enrollment projection reviewed by the School Board in February 2020, enrollment was projected to increase slightly over the next few years. The district has lowered its reliance of these projections due to the adverse effects on enrollment anticipated as a result of the COVID-19 pandemic.

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ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

The graph below (Figure 5) shows the District's actual average daily membership (ADM) over the last 10 years. ADM for 2019–2020 increased from the previous year at the kindergarten through elementary levels, as well as at the secondary level. Preliminary enrollment data for the 2020–2021 fiscal year shows a decrease of 10 ADMs over the 2019–2020 total of 28,967.

**Figure 5  
Average Daily Membership (ADM)**



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Pre-K & KH	358	399	399	402	498	505	537	571	577	572
Reg K	1,658	1,691	1,684	1,596	1,749	1,720	1,745	1,826	1,827	1,874
Elementary	11,829	11,941	11,919	12,114	12,231	12,418	12,716	12,832	12,865	12,950
Secondary	13,056	12,856	12,639	12,658	12,570	12,735	12,792	12,949	13,294	13,570
Total Students for Aid	26,901	26,887	26,641	26,770	27,048	27,379	27,790	28,178	28,563	28,967
Percentage Change	-0.42%	-0.05%	-0.91%	0.48%	1.04%	1.23%	1.50%	1.40%	1.37%	1.41%



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The following schedule presents a summary of General Fund Revenues and Other Financing Sources.

**Table A-5  
General Fund Revenues and Other Financing Sources**

	Year Ended		Change	
	June 30, 2020	June 30, 2019	Increase (Decrease)	Percent Change
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 76,087,494	\$ 72,874,150	\$ 3,213,344	4.4 %
Earnings on Investments	1,263,501	1,564,028	(300,527)	(19.2)
Other	9,608,187	10,254,691	(646,504)	(6.3)
State Sources	292,415,624	281,583,679	10,831,945	3.8
Federal Sources	11,229,529	10,805,733	423,796	3.9
Total Revenues	<u>390,604,335</u>	<u>377,082,281</u>	<u>13,522,054</u>	
<b>OTHER FINANCING SOURCES</b>				
Sale of Equipment	649,234	19,383	629,851	3249.5
Judgments for School District	-	369	(369)	-
Insurance Recovery	25,413	56,303	(30,890)	(54.9)
Total Other Financing Sources	<u>674,647</u>	<u>76,055</u>	<u>598,592</u>	787.1
Total General Fund Revenues and Other Financing Sources	<u>\$ 391,278,982</u>	<u>\$ 377,158,336</u>	<u>\$ 14,120,646</u>	3.7

During 2019–2020, the District's total General Fund revenues and other financing sources increased \$14.12 million, or 3.7%, from the previous year. The increase was due to the following factors:

- An increase of \$3.21 million in property taxes due to the inflationary increase in operating levy
- State aids for 2019-2020 were \$10.83 million more than the previous year. This increase was mainly due to the following factors:
  - 1) An increase of \$9.8 million in basic general education aid, due to an increase of 2% in the general education formula allowance coupled with the increase in students served.
  - 2) An increase of \$0.8 million in other categorical aid.
  - 3) And an increase of \$300,000 in special education aid.

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

The following schedule presents a summary of General Fund Expenditures and Other Financing Uses.

**Table A-6  
General Fund Expenditures and Other Financing Uses**

	Year Ended		Change	
	June 30, 2020	June 30, 2019	Increase (Decrease)	Percent Change
<b>EXPENDITURES</b>				
Salaries	\$ 238,237,891	\$ 233,046,502	\$ 5,191,389	2.2 %
Employee Benefits	89,318,372	82,224,250	7,094,122	8.6
Purchased Services	28,273,059	26,295,209	1,977,850	7.5
Supplies and Materials	15,530,854	15,660,936	(130,082)	(0.8)
Capital Expenditures	8,858,208	8,485,551	372,657	4.4
Debt Service	2,482,343	2,868,723	(386,380)	(13.5)
Other Expenditures	948,349	1,983,350	(1,035,001)	(52.2)
Total Expenditures	383,649,076	370,564,521	13,084,555	3.5
<b>OTHER FINANCING SOURCES</b>				
Transfers In	399,229	135,509	263,720	194.6
Total General Fund Expenditures and Other Financing Uses	<u>\$ 384,048,305</u>	<u>\$ 370,700,030</u>	<u>\$ 13,348,275</u>	3.6

Total General Fund expenditures and other financing uses increased \$13.35 million or 3.5% from the previous year. The changes in the major expenditure categories include:

Overall salaries increased by \$5.19 million which was primarily due to wage increases based on salary settlements and additional staff hired to meet the educational needs of the growing student population.

Employee benefits increased \$7.09 or 8.6% over the previous year due to the additional costs of increased staff coupled with the cost of related benefits associated with the wage settlements. These costs also include the district's share of pension benefits allocated from the state pension systems over which, the district has no control.

Purchased Services consist of expenditures for fees for service including transportation contracts, postage, utilities, property insurance, maintenance repairs, leases, travel, telephone, and tuition. The District's increase of \$1.98 million or 7.5% in purchased services was partially due to costs associated with the contracted repairs and maintenance in the Long-Term Facilities Maintenance program.

Supplies and Materials decreased by \$130,082, or 0.8%, from the previous year. This was due to reduced use of funds for discretionary supplies.

Capital expenditures increased \$372,657, or 4.4%, from the previous year.

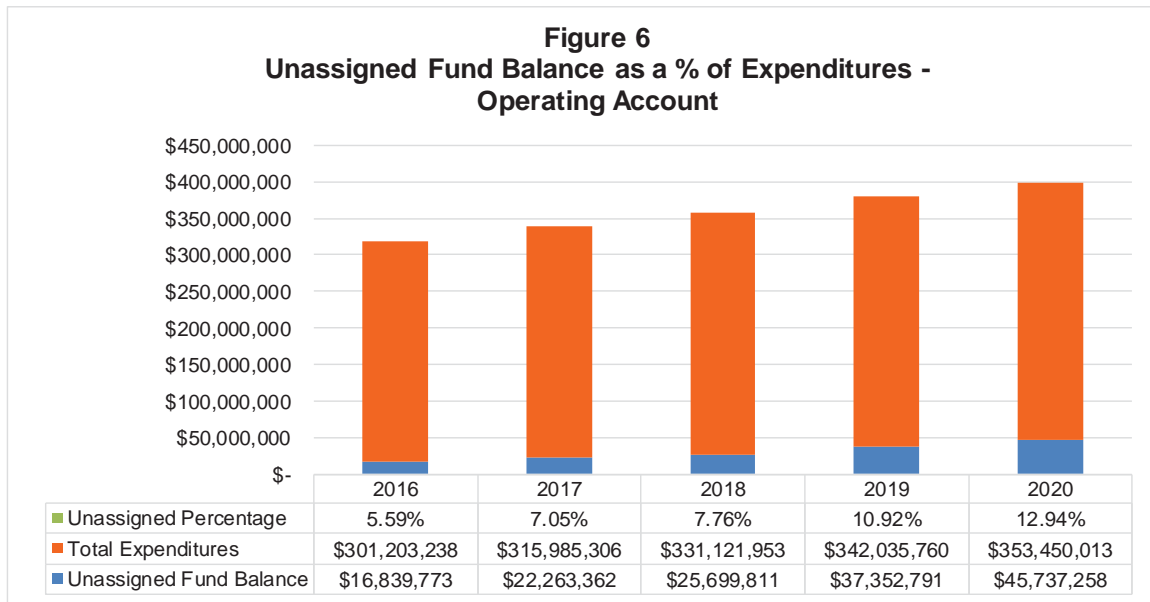
Debt service expenditures decreased \$386,380, or 13.5%, from the previous year per the debt redemption schedule.

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Other expenditures decreased \$1.03 million or 52.2%, from the previous year. This decrease is a result of one-time fiscal costs related to the conversion to a new Finance and Human Resource/Payroll program.

In summary, 2019-2020 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$7.44 million. After deducting statutory restrictions and internal assignments, the unassigned fund balance increased to \$45.74 million.

Figure 6 shows the General Fund – Operating Account unassigned fund balance as a percentage of expenditures.



The graph, as shown in Figure 6 above, is the single best measure of the District's overall financial health. The unassigned fund balance of \$45.74 million in the Operating Account of the General Fund at June 30, 2020 represents 12.95% of annual Operating Account expenditures, or almost seven weeks of operations, assuming level spending throughout the year.

The District is committed to continuing to provide quality instructional services to our students; the administration and School Board will continue to monitor expenditures and maintain fund balance as prescribed in School Board policy.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
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YEAR ENDED JUNE 30, 2020**

**General Fund Budgetary Highlights**

The District is required to adopt an operating budget prior to the beginning of its fiscal year (July 1) and is referred to as the original budget. Over the course of the year, the District revised its annual operating budget to the appropriate levels. The budget amendments fall into two categories:

- 1) Implementing budgets for specially funded projects, which include both federal and state grants, adjusting staffing and various instructional allocations to the schools based on actual enrollment and unspent funds carried over from fiscal year 2018-2019.
- 2) Increase in appropriations for significant unbudgeted costs.

The final budget amounts, as shown in Table 7 below, include all of these adjustments and represent the District's revised estimates for 2019-2020:

**Table A-7  
General Fund Budget**

	Preliminary Budget	Final Budget	Increase (Decrease)	Percent Change
Revenue and Other Financing Sources	\$ 383,090,774	\$ 383,851,549	\$ 760,775	0.2 %
Expenditures and Other Financing Uses	376,900,524	383,183,348	6,282,824	1.7 %
Net Change in Fund Balance	<u>\$ 6,190,250</u>	<u>\$ 668,201</u>	<u>\$ (5,522,049)</u>	(89.2)%

While the District's final budget for the General Fund anticipated that revenues and other financing sources would exceed expenditures and other financing uses by \$0.67 million (net gain), the actual results for the year show a net gain of \$7.44 million.

- Actual revenues and other financing sources were about \$7.63 million more than expected. The major factors that had contributed to this variance are as follows:
  - 1) Actual property tax revenues were \$0.54 million more than budgeted as tax delinquencies and abatements were less than projections.
  - 2) State aids received by the District for the 2019-2020 school year were \$6.0 million higher than budget due to higher final enrollment numbers and increase categorical aid in areas such as Long Term Facilities Maintenance.
  - 3) Actual receipts from local sources and fees was \$877,000 higher than budgeted. The district had reduced estimates on these revenues due to the transition to remote learning in the spring months predicated on the COVID-19 pandemic.

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

- Actual expenditures and other financing uses were \$0.2 million, or 0.0005% less than budget. There are many factors, both positive and negative, that have contributed to the net decrease.
  - 1) Actual employee benefits were \$5.9 million more than budget. This was mainly due to higher overall premiums from staff coverage elections and a large number of retiree severance payments processed during the year.
  - 2) In 2019-2020, actual salaries were \$57,415 more than budget.
  - 3) The District spent \$4.39 million less than budgeted in the areas of purchased services and supplies and materials, and capital related expenditures. Reductions in contracted services were due to decreased in-person interactions beginning in the spring of 2020, while anticipated capital expenditures were also curtailed as a consequence of the transition to remote learning.

**Food Service Fund**

The Food Service Special Revenue Fund revenues for 2019-2020 totaled \$11.37 million and expenditures were \$11.09 million, resulting in an increase in the fund balance of \$0.54 million after a transfer in of \$0.26 million. The June 30, 2020 Food Service Special Revenue Fund balance was at \$4.65 million.

The 2019-2020 actual revenues were \$725 thousand, or 6.8%, more than the budgeted amount. At the onset of the pandemic, the revenue budget was reduced in anticipation of the adverse effects of the transition to remote learning leading to fewer meal sales.

The actual 2019-2020 Food Service Special Revenue Fund expenditures were \$1.68 million, or 13.18%, less than the budgeted amount. The variance includes savings in both staffing costs and expenditures related to purchased goods and services.

Consistent with the food service comprehensive capital projects plan, the District will continue to use the accumulated fund balance to fund routine equipment purchases and major capital projects.

**Community Service Fund**

In 2019–2020, the total revenues and other financing sources for the Community Service Special Revenue Fund were \$8.38 million and the total expenditures were \$8.43 million, resulting in a decrease to fund balance of \$0.06 million. The Community Service Special Revenue Fund balance as of June 30, 2020 is \$2.88 million. Of this amount, \$0.41 million is restricted for community education programs, \$0.68 million is restricted for the Early Childhood Family Education Program, \$1.14 million is restricted for the School Readiness Program, \$0.45 million is restricted for the Adult Basic Education Program, and \$.19 million is restricted for community service programs.

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YEAR ENDED JUNE 30, 2020**

**Capital Projects – Building Construction Fund**

The Capital Projects – Building Construction Fund expenditures exceeded revenues by \$6.06 million for the year ended June 30, 2020. After other financing sources of \$9.5 million from the issuance of certificates of participation, the fund had an increase in fund balance of \$3.44 million.

**Debt Service Fund**

Revenues and expenditures for the District's Debt Service Fund are directly tied to the District's bond principal and interest payment needs. For 2019–2020, approximately 98.62% of the District's debt service revenues came from property taxes. The remaining balance came from the state in the form of agricultural market value property tax credits and interest income from short-term investments.

In 2019–2020, the District's total Debt Service Fund revenues exceeded expenditures by \$970 thousand.

The June 30, 2020 Debt Service Fund balance totaled \$2.67 million. The general debt service account had an ending balance of \$406 thousand, while the reserve for Other Post-Employment Benefits (OPEB) at year-end was \$2.26 million.

**INTERNAL SERVICE FUNDS**

The District maintains three internal service funds at year-end. The Severance Benefits Internal Service Fund is used to fund severance or retirement pay for eligible retirees. For 2019–2020, the revenues for this fund include interest income from short-term investments and contributions paid from the District's governmental funds. The severance payable liabilities for the District on June 30, 2020 totaled \$15.60 million, and the net position of the fund was a deficit \$5.02 million.

The Self-Insured Dental Benefits Internal Service Fund was established to report all activities related to the District's self-insured dental benefits plan. This plan covers all non-bargained staff, as well as principals, building chiefs, and vehicle technicians. The total contributions (both district and employee) for 2019–2020 totaled \$0.47 million, and claims paid or accrued totaled \$0.37 million, resulting in net position increasing \$0.10 million to \$0.29 million at year-end.

The Self-Insured Health Benefits Internal Service Fund was established to report all activities related to the District's self-insured health benefits plan, which covers all district employees. The total contributions (both district and employee) to the plan for 2019–2020 totaled \$55.53 million, and claims paid or accrued totaled \$49.92 million, resulting in net position decreasing \$5.75 million to \$18.07 million at year-end.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At year-end, the District has net capital assets of \$293.51 million representing a broad range of capital assets, including school buildings; athletic facilities; and computer, audio-visual, and other equipment for instructional programs (see Table 8). Total depreciation expense for the year was \$14.13 million.

During 2019–2020, the District invested a total of \$2.20 million in furniture and equipment and \$64.85 million in buildings and construction in progress. The majority of the capital investment can be attributed to major maintenance and building improvement projects funded by proceeds from the Series 2016A General Obligation Building Construction Bond, which were used to fund several projects across the district.

**Table A-8  
Capital Assets**

	2020	2019	Percentage Change
Land	\$ 11,966,353	\$ 11,966,353	-
Construction in Progress	31,226,033	78,429,511	(60.2)
Land Improvements	15,808,864	14,812,196	6.7
Buildings and Improvements	451,547,981	389,892,678	15.8
Equipment	59,275,451	58,313,509	1.6
Less: Accumulated Depreciation	(276,317,487)	(265,708,417)	4.0
Total General Fund Expenditures	<u>\$ 293,507,195</u>	<u>\$ 287,705,830</u>	2.0

**Long-Term Liabilities**

At year-end, the District had \$157.82 million in bonds, refunding bonds, and certificates of participation outstanding, including unamortized premiums and discounts. This is a decrease of \$4.63 million from the previous year, as shown in Table A-9.

- Outstanding bonds and certificates of participation show a decrease of \$3.4 million, due to the District continuing to make required scheduled payments.
- Premiums and discounts on bonds show a net decrease of \$1.24 million, mostly due to amortization.
- During 2019-2020, the District also retired \$0.9 million of existing capital lease principal.
- The District's liabilities for various long-term employee benefits, including pensions, severance, and compensated absences, increased \$12.50 million during 2019-2020, mainly due to the increase in the District's proportionate share of two statewide pension plan liabilities.



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

**Table A-9  
The District's Long-Term Liabilities**

	2020	2019	Percentage Change
General Obligation Bonds	\$ 122,785,000	\$ 134,115,000	(8.4)%
Net Bond Premium and Discount	15,961,911	17,199,212	(7.2)
Certificates of Participation Payable	19,075,000	11,140,000	71.2
Capital Leases Payable	6,149,919	7,046,515	(12.7)
Net Pension Liability	253,237,916	242,633,448	4.4
Severance Benefits Payable	15,598,386	14,658,880	6.4
Compensated Absences Payable	3,297,637	2,354,003	40.1
Total Long-Term Liabilities	<u>\$ 436,105,769</u>	<u>\$ 429,147,058</u>	1.6
Long-Term Liabilities:			
Due Within One Year	\$ 15,354,648	\$ 14,375,901	
Due in More Than One Year	<u>420,751,121</u>	<u>414,771,157</u>	
Total	<u>\$ 436,105,769</u>	<u>\$ 429,147,058</u>	

### **Bond Ratings**

The District's general obligation bonds carry a rating of Aa1, upgraded by Moody's Investors Services in April 2010, and reconfirmed in May 2020 during the preparation for the sale of the 2020 Certificates of Participation.

### **Limitation on Debt**

The state limits the amount of general obligation debt the District can issue up to 15% of actual market value of all taxable property within the District's boundaries. The estimated market value of all taxable property is \$19.32 billion for calendar year 2020 and the District's debt limit is \$2.90 billion.

The District's outstanding debt is significantly below this limit. The District's outstanding debt as of June 30, 2020 is \$138.21 million. The amount that is applicable to the debt limit calculation is \$135.54 million (total outstanding debt less Debt Service Fund balance).

Additional details of the Districts capital assets and long-term debt activity can be found in the notes to the basic financial statements.



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

**FACTORS BEARING ON THE DISTRICT'S FUTURE**

With the exception of the voter-approved operating referendum and building bond referendum, the District is dependent on the state of Minnesota for a majority of its revenue. District voters approved an operating levy increase in the 2019 election, providing additional funding to the district beginning in the fiscal year 2020-2021.

While the state's budget outlook has improved steadily since 2012, the financial impact of the COVID-19 pandemic is bound to depress the national and state economy.

Since 2011–2012 school year, the state has provided annual increases to the per pupil unit funding for basic general education aid. The basic general education formula allowance for the 2019–2020 school year was \$6,438, representing a 2% increase from the 2018-2019 fiscal year.

The District welcomes additional funding to meet the growing needs of students in the district. Education communities across the state note the imbalance in the funding levels in comparison to the changes in inflationary, hence the growing requests for additional property tax increases through operating referenda across the state.

The administration appreciates the continued support from the community and is committed to continuing to monitor its spending and striving to maintain sustainable operations while delivering a high standard of education and engagement in academics, athletics, and the arts.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This CAFR is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Independent School District No. 196, Rosemount – Apple Valley – Eagan Public Schools, 3455 – 153rd Street West, Rosemount, Minnesota 55068.



## **BASIC FINANCIAL STATEMENTS**

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
STATEMENT OF NET POSITION  
JUNE 30, 2020**

	Governmental Activities 2020
<b>ASSETS</b>	
Cash and Investments	\$ 167,320,022
Receivables:	
Current Taxes	63,494,879
Delinquent Taxes	414,845
Other Governments	36,966,646
Accounts and Interest	204,709
Prepaid Items	518,194
Inventories	1,261,964
Cash and Investments for Construction	9,331,094
Net OPEB Prepaid Asset	2,380,259
Capital Assets:	
Capital Assets Not Being Depreciated	43,192,386
Other Capital Assets, Net of Depreciation	250,314,809
Total Assets	<u>575,399,807</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows - Pensions	212,452,006
Deferred Outflows - OPEB	1,345,887
Total Deferred Outflows	<u>213,797,893</u>
<b>LIABILITIES</b>	
Salaries Payable	37,914,289
Accounts and Contracts Payable	11,306,395
Accrued Interest	2,377,808
Due to Other Governmental Units	763,983
Unearned Revenue	9,702,548
Long-Term Liabilities:	
Net Pension Liability	253,237,916
Portion Due Within One Year	15,354,648
Portion Due in More Than One Year	167,513,205
Total Liabilities	<u>498,170,792</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes Levied for Subsequent Year	112,444,589
Deferred Inflows - Pensions	311,836,567
Deferred Inflows - Other Postemployment Benefits	4,141
Total Deferred Inflows of Resources	<u>424,285,297</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	136,635,071
Restricted for:	
General Fund Operating Capital Purposes	5,443,273
State-Mandated Restrictions	4,629,085
Food Service	4,652,190
Community Service	2,882,949
Debt Service	373,926
Capital Asset Acquisition	2,369,679
Other Postemployment Benefits	2,380,259
Unrestricted	(292,624,821)
Total Net Position	<u>\$ (133,258,389)</u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2020**

2020					Net (Expense) Revenue and Change in Net Position
Functions	Expenses	Program Revenues			Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>GOVERNMENTAL ACTIVITIES</b>					
Administration	\$ 18,232,212	\$ 2,950	\$ 2,303,506	\$ 20,096	\$ (15,905,660)
District Support Services	13,408,956	248,479	477,108	1,267,825	(11,415,544)
Regular Instruction	211,435,239	3,688,825	13,846,918	829,153	(193,070,343)
Vocational Education Instruction	5,653,997	-	1,221,290	28,844	(4,403,863)
Special Education Instruction	75,482,535	1,135,866	46,443,674	-	(27,902,995)
Instructional Support Services	24,594,800	13,440	1,423,882	2,411	(23,155,067)
Pupil Support Services	29,792,252	552,186	19,207,627	92,944	(9,939,495)
Sites and Buildings	34,725,496	-	4,278,258	2,935,467	(27,511,771)
Fiscal and Other Fixed Cost Programs	671,312	-	-	-	(671,312)
Food Service	10,922,877	4,968,821	6,045,407	-	91,351
Community Service	9,010,785	3,117,331	3,446,983	-	(2,446,471)
Depreciation Not Allocated Directly to Programs	-	-	-	-	-
Interest and Fiscal Charges on Long-Term Liabilities	4,540,835	-	-	-	(4,540,835)
Total School District	<u>\$ 438,471,296</u>	<u>\$ 13,727,898</u>	<u>\$ 98,694,653</u>	<u>\$ 5,176,740</u>	<u>(320,872,005)</u>
<b>GENERAL REVENUES</b>					
Property Taxes Levied for:					
General Purposes					76,031,346
Community Service					1,753,218
Debt Service					17,809,052
State Aid Not Restricted to Specific Purposes					213,963,522
Earnings on Investments					1,892,813
Miscellaneous					841,115
Total General Revenues					<u>312,291,066</u>
<b>CHANGE IN NET POSITION</b>					(8,580,939)
Net Position - Beginning					(135,648,619)
Prior Period Restatement - See Note 11					10,971,169
Net Position - Beginning, as Restated					<u>(124,677,450)</u>
<b>NET POSITION - ENDING</b>					<u>\$ (133,258,389)</u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2020	2019
<b>ASSETS</b>							
Cash and Investments	\$ 104,097,109	\$ 4,472,683	\$ 3,976,993	\$ 2,369,679	\$ 10,688,834	\$ 125,605,298	\$ 115,793,120
Cash with Fiscal Agent	-	-	-	9,331,094	-	9,331,094	-
Receivables:							
Current Property Taxes	52,747,419	-	941,365	-	9,806,095	63,494,879	51,604,197
Delinquent Property Taxes	325,017	-	7,859	-	81,969	414,845	485,440
Due from Minnesota Department of Education	29,044,271	117,760	332,715	-	14,510	29,509,256	27,900,480
Due from Federal through Minnesota Department of Education	6,341,401	414,347	11,256	-	-	6,767,004	3,369,965
Due from Federal Government Received Directly	333,560	-	-	-	-	333,560	357,568
Due from Other Governmental Units	262,698	-	8,207	-	85,921	356,826	254,688
Accounts and Interest Receivable	202,754	111	1,844	-	-	204,709	2,609,259
Prepays	517,694	-	500	-	-	518,194	805,792
Inventory	765,137	496,827	-	-	-	1,261,964	860,090
Total Assets	<u>\$ 194,637,060</u>	<u>\$ 5,501,728</u>	<u>\$ 5,280,739</u>	<u>\$ 11,700,773</u>	<u>\$ 20,677,329</u>	<u>\$ 237,797,629</u>	<u>\$ 204,040,599</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>							
Liabilities:							
Salaries and Compensated Absences Payable	\$ 17,912,156	\$ 169	\$ 44,481	\$ -	\$ -	\$ 17,956,806	\$ 18,065,199
Payroll Deductions and Employer	19,577,506	126,274	253,703	-	-	19,957,483	19,157,583
Accounts and Contracts Payable	4,897,049	213,076	33,817	2,231,388	-	7,375,330	6,851,893
Due to Other Governmental Units	757,446	-	6,537	-	-	763,983	991,310
Unearned Revenue	5,385	510,019	338,432	-	-	853,836	1,162,600
Total Liabilities	<u>43,149,542</u>	<u>849,538</u>	<u>676,970</u>	<u>2,231,388</u>	<u>-</u>	<u>46,907,438</u>	<u>46,228,585</u>
Deferred Inflows of Resources:							
Unavailable Revenue - Property Taxes							
Levied for Subsequent Year	92,798,174	-	1,720,820	-	17,925,595	112,444,589	91,761,955
Unavailable Revenue - Delinquent Property Taxes	325,017	-	7,859	-	81,969	414,845	485,440
Total Deferred Inflows of Resources	<u>93,123,191</u>	<u>-</u>	<u>1,728,679</u>	<u>-</u>	<u>18,007,564</u>	<u>112,859,434</u>	<u>92,247,395</u>
Fund Balance:							
Nonspendable:							
Prepays	517,694	-	500	-	-	518,194	805,792
Inventory	765,137	496,827	-	-	-	1,261,964	860,090
Restricted for:							
Student Activities	345,787	-	-	-	-	345,787	-
Adult Basic Education	-	-	452,742	-	-	452,742	505,996
Capital Projects Levy	1,742,257	-	-	-	-	1,742,257	1,150,621
Community Education	-	-	411,311	-	-	411,311	420,498
Early Childhood and Family Education	-	-	680,237	-	-	680,237	471,540
Long-Term Facility Maintenance	1,239,486	-	-	-	-	1,239,486	4,071,499
Medical Assistance	1,301,555	-	-	-	-	1,301,555	671,447
Operating Capital	5,443,273	-	-	-	-	5,443,273	4,947,277
Projects Funded by Certificates of Participation	-	-	-	6,020,489	-	6,020,489	-
School Readiness	-	-	1,136,511	-	-	1,136,511	1,210,605
Other Purposes	-	4,155,363	193,789	3,448,896	2,669,765	10,467,813	12,339,088
Assigned for:							
Site Carry-Over	1,271,880	-	-	-	-	1,271,880	-
Subsequent Year Budget Deficit	-	-	-	-	-	-	1,311,999
Unassigned for:							
Unassigned	<u>45,737,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,737,258</u>	<u>36,798,167</u>
Total Fund Balance	<u>58,364,327</u>	<u>4,652,190</u>	<u>2,875,090</u>	<u>9,469,385</u>	<u>2,669,765</u>	<u>78,030,757</u>	<u>65,564,619</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 194,637,060</u>	<u>\$ 5,501,728</u>	<u>\$ 5,280,739</u>	<u>\$ 11,700,773</u>	<u>\$ 20,677,329</u>	<u>\$ 237,797,629</u>	<u>\$ 204,040,599</u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2020**

	<u>2020</u>
<b>Total Fund Balance for Governmental Funds</b>	<b>\$ 78,030,757</b>
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	11,966,353
Construction in Progress	31,226,033
Land Improvements, Net of Accumulated Depreciation	4,758,425
Buildings and Improvements, Net of Accumulated Depreciation	232,116,904
Equipment, Net of Accumulated Depreciation	13,439,480
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.	414,845
The District's net other postemployment benefits asset and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:	
Net Other Postemployment Benefits Asset	2,380,259
Deferred Inflows of Resources - Other Postemployment Benefits	(4,141)
Deferred Outflows of Resources - Other Postemployment Benefits	1,345,887
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(2,377,808)
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	(253,237,916)
Deferred Inflows of Resources - Pensions	(311,836,567)
Deferred Outflows of Resources - Pensions	212,452,006
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	(122,785,000)
Unamortized Premiums	(15,961,911)
Certificates of Participation Payable	(19,075,000)
Obligations Under Capital Leases	(6,149,919)
Compensated Absences Payable	(3,297,637)
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:	
	<u>13,336,561</u>
<b>Total Net Position of Governmental Activities</b>	<b>\$ <u>(133,258,389)</u></b>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2020	2019
<b>REVENUES</b>							
Local Sources:							
Property Taxes	\$ 76,087,494	\$ -	\$ 1,754,513	\$ -	\$ 17,822,204	\$ 95,664,211	\$ 91,158,991
Earnings and Investments	1,263,501	53,826	64,990	107,879	105,070	1,595,266	2,390,487
Other	9,608,187	5,016,162	3,230,815	120,000	-	17,975,164	21,450,041
State Sources	292,415,624	690,118	3,269,753	-	145,094	296,520,589	285,746,486
Federal Sources	11,229,529	5,606,437	58,779	-	-	16,894,745	16,232,102
Total Revenues	390,604,335	11,366,543	8,378,850	227,879	18,072,368	428,649,975	416,978,107
<b>EXPENDITURES</b>							
Current:							
Administration	16,978,484	-	-	-	-	16,978,484	16,342,073
District Support Services	13,024,402	-	-	-	-	13,024,402	12,008,717
Elementary and Secondary Regular Instruction	179,117,976	-	-	-	-	179,117,976	177,357,744
Vocational Education Instruction	5,104,823	-	-	-	-	5,104,823	5,396,017
Special Education Instruction	76,516,745	-	-	-	-	76,516,745	72,650,167
Instructional Support Services	23,078,098	-	-	-	-	23,078,098	22,489,640
Pupil Support Services	27,564,639	-	-	-	-	27,564,639	26,181,738
Sites and Buildings	30,069,134	-	-	-	-	30,069,134	25,398,051
Fiscal and Other Fixed Cost Programs	671,312	-	-	-	-	671,312	1,182,069
Food Service	-	10,890,508	-	-	-	10,890,508	12,113,867
Community Service	182,912	-	8,423,261	-	-	8,606,173	8,933,712
Capital Outlay	8,858,208	202,042	11,459	6,290,383	-	15,362,092	40,050,087
Debt Service:							
Principal	1,921,596	-	-	-	11,330,000	13,251,596	14,694,828
Interest and Fiscal Charges	560,747	-	-	-	5,772,594	6,333,341	6,992,089
Total Expenditures	383,649,076	11,092,550	8,434,720	6,290,383	17,102,594	426,569,323	441,790,799
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	6,955,259	273,993	(55,870)	(6,062,504)	969,774	2,080,652	(24,812,692)
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of Real Property	206,637	-	-	-	-	206,637	-
Sale of Equipment	649,234	-	-	-	-	649,234	19,383
Insurance Recovery	25,413	-	-	-	-	25,413	56,303
Judgments for the School District	-	-	-	-	-	-	369
Issuance of Certificates of Participation	-	-	-	8,960,000	-	8,960,000	-
Premiums on Certificates of Participation	-	-	-	544,202	-	544,202	-
Transfers In	-	262,358	136,871	-	-	399,229	135,509
Transfers Out	(399,229)	-	-	-	-	(399,229)	(135,509)
Total Other Financing Sources (Uses)	482,055	262,358	136,871	9,504,202	-	10,385,486	76,055
<b>NET CHANGE IN FUND BALANCE</b>	7,437,314	536,351	81,001	3,441,698	969,774	12,466,138	(24,736,637)
<b>FUND BALANCE</b>							
Beginning of Year	50,927,013	4,115,839	2,794,089	6,027,687	1,699,991	65,564,619	90,301,256
End of Year	\$ 58,364,327	\$ 4,652,190	\$ 2,875,090	\$ 9,469,385	\$ 2,669,765	\$ 78,030,757	\$ 65,564,619

See accompanying Notes to Basic Financial Statements.



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS  
TO STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2020**

	2020
<b>Net Change in Fund Balance - Total Governmental Funds</b>	<b>\$ 12,466,138</b>
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	9,869,094
Gain (Loss) on Disposal of Capital Assets	(706,869)
Proceeds from the Sales of Capital Assets	(206,637)
Depreciation Expense	(14,125,392)
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.	(70,595)
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.	
Principal Payments - Capital Leases	896,596
Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expense in the statement of activities is measured by the change in the net pension liability and the related deferred inflows and outflows of resources.	(26,156,021)
In the statement of activities, certain operating expenses - 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 actually paid).	(943,634)
OPEB expense in the statement of activities is measured by the change in the net OPEB liability or asset and the related deferred inflows and outflows of resources.	513,187
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	(8,960,000)
Premium or Discount on Issued Debt	(544,202)
Repayment of Bond Principal	11,330,000
Repayment of Certificates of Participation Payable	1,025,000
Change in Accrued Interest	184,150
Amortization of Bond Premium	1,783,933
Amortization of Bond Discount	(2,430)
Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The net revenue of the internal service funds is reported with governmental activities.	5,066,743
Total	<u><u>\$ (8,580,939)</u></u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 75,545,518	\$ 75,545,518	\$ 76,087,494	\$ 541,976
Earnings and Investments	1,200,000	1,200,000	1,263,501	63,501
Other	9,739,596	8,659,954	9,608,187	948,233
State Sources	285,587,734	286,413,605	292,415,624	6,002,019
Federal Sources	10,817,926	11,372,472	11,229,529	(142,943)
Total Revenues	<u>382,890,774</u>	<u>383,191,549</u>	<u>390,604,335</u>	<u>7,412,786</u>
<b>EXPENDITURES</b>				
Current:				
Administration	16,960,634	18,082,244	16,978,484	(1,103,760)
District Support Services	14,894,607	14,759,793	13,024,402	(1,735,391)
Elementary and Secondary				
Regular Instruction	179,735,730	179,659,428	179,117,976	(541,452)
Vocational Education Instruction	5,218,512	4,933,873	5,104,823	170,950
Special Education Instruction	73,491,656	74,965,143	76,516,745	1,551,602
Community Service	162,473	168,630	182,912	14,282
Instructional Support Services	19,896,546	20,529,954	23,078,098	2,548,144
Pupil Support Services	26,742,414	27,455,606	27,564,639	109,033
Sites and Buildings	23,122,566	23,829,158	30,069,134	6,239,976
Fiscal and Other Fixed Cost Programs	791,771	791,771	671,312	(120,459)
Capital Outlay	13,441,499	15,565,632	8,858,208	(6,707,424)
Debt Service:				
Principal	1,813,717	1,813,717	1,921,596	107,879
Interest and Fiscal Charges	563,629	563,629	560,747	(2,882)
Total Expenditures	<u>376,835,754</u>	<u>383,118,578</u>	<u>383,649,076</u>	<u>530,498</u>
<b>EXCESS OF REVENUES</b>				
<b>OVER EXPENDITURES</b>	6,055,020	72,971	6,955,259	6,882,288
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Real Property	-	-	206,637	206,637
Sale of Equipment	-	650,000	649,234	(766)
Insurance Recovery	200,000	10,000	25,413	15,413
Transfers Out	(64,770)	(64,770)	(399,229)	(334,459)
Total Other Financing Sources (Uses)	<u>135,230</u>	<u>595,230</u>	<u>482,055</u>	<u>(113,175)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 6,190,250</u>	<u>\$ 668,201</u>	<u>7,437,314</u>	<u>\$ 6,769,113</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>50,927,013</u>	
End of Year			<u>\$ 58,364,327</u>	

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
FOOD SERVICE FUND  
YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>REVENUES</b>				
Local Sources:				
Earnings and Investments	\$ 45,955	\$ 45,955	\$ 53,826	\$ 7,871
Other - Primarily Meal Sales	6,576,814	4,564,200	5,016,162	451,962
State Sources	658,789	813,296	690,118	(123,178)
Federal Sources	4,521,519	5,218,241	5,606,437	388,196
Total Revenues	<u>11,803,077</u>	<u>10,641,692</u>	<u>11,366,543</u>	<u>724,851</u>
<b>EXPENDITURES</b>				
Current:				
Food Service	11,795,263	12,576,262	10,890,508	(1,685,754)
Capital Outlay	200,000	200,000	202,042	2,042
Total Expenditures	<u>11,995,263</u>	<u>12,776,262</u>	<u>11,092,550</u>	<u>(1,683,712)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(192,186)	(2,134,570)	273,993	2,408,563
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>-</u>	<u>-</u>	<u>262,358</u>	<u>262,358</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (192,186)</u>	<u>\$ (2,134,570)</u>	536,351	<u>\$ 2,670,921</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>4,115,839</u>	
End of Year			<u>\$ 4,652,190</u>	

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
COMMUNITY SERVICE FUND  
YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 1,676,880	\$ 1,676,880	\$ 1,754,513	\$ 77,633
Earnings and Investments	45,000	45,000	64,990	19,990
Other - Primarily Tuition and Fees	4,062,812	4,090,666	3,230,815	(859,851)
State Sources	3,340,243	3,289,886	3,269,753	(20,133)
Federal Sources	50,562	58,779	58,779	-
Total Revenues	<u>9,175,497</u>	<u>9,161,211</u>	<u>8,378,850</u>	<u>(782,361)</u>
<b>EXPENDITURES</b>				
Current:				
Community Service	9,078,550	9,247,029	8,423,261	(823,768)
Capital Outlay	<u>22,800</u>	<u>24,300</u>	<u>11,459</u>	<u>(12,841)</u>
Total Expenditures	<u>9,101,350</u>	<u>9,271,329</u>	<u>8,434,720</u>	<u>(836,609)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	74,147	(110,118)	(55,870)	54,248
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>64,770</u>	<u>64,770</u>	<u>136,871</u>	<u>72,101</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 138,917</u>	<u>\$ (45,348)</u>	81,001	<u>\$ 126,349</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>2,794,089</u>	
End of Year			<u>\$ 2,875,090</u>	

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**INTERNAL SERVICE FUND**  
**JUNE 30, 2020**

	Governmental Activities - Internal Service Funds
<b>ASSETS</b>	
Cash and Investments	\$ 41,714,724
<b>LIABILITIES</b>	
Current Liabilities:	
Claims Payable - Medical	3,931,065
Severance Benefits Payable	2,060,979
Unearned Revenue	8,848,712
Total Current Liabilities	<u>14,840,756</u>
Long-Term Liabilities:	
Severance Benefits Payable	<u>13,537,407</u>
<b>NET POSITION</b>	
Unrestricted	<u><u>\$ 13,336,561</u></u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2020**

	Governmental Activities - Internal Service Funds
<b>OPERATING REVENUES</b>	
Local Sources:	
Contributions from Governmental Funds	\$ 50,325,527
Contributions from Employees	7,106,652
Total Operating Revenues	<u>57,432,179</u>
<b>OPERATING EXPENSES</b>	
Severance Benefits	2,367,729
Self-Insured Benefits	50,295,254
Total Operating Expenses	<u>52,662,983</u>
<b>OPERATING INCOME</b>	4,769,196
<b>NONOPERATING REVENUE</b>	
Earnings on Investments	<u>297,547</u>
<b>CHANGE IN NET POSITION</b>	5,066,743
Net Position - Beginning	<u>8,269,818</u>
<b>NET POSITION - ENDING</b>	<u><u>\$ 13,336,561</u></u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2020**

	Governmental Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Assessments Made to Other Funds	\$ 50,325,527
Receipts from Employee Contributions	7,289,817
Payments for Severance, OPEB, and Self-Insured Claims	<u>(51,602,593)</u>
Net Cash Provided by Operating Activities	6,012,751
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Received	<u>297,547</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	6,310,298
Cash and Cash Equivalents - Beginning	<u>35,404,426</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u><u>\$ 41,714,724</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 4,769,196
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Increase in Claims Payable	120,884
Increase in Unearned Revenue	183,165
Increase in Severance Benefits Payable	<u>939,506</u>
Total Adjustments	<u>1,243,555</u>
Net Cash Provided by Operating Activities	<u><u>\$ 6,012,751</u></u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2020**

	<u>Trust Funds</u>
	<u>OPEB Trust</u>
<b>ASSETS</b>	
Investments	\$ 57,388,776
<b>LIABILITIES</b>	
Accounts and Contracts Payable	<u>-</u>
<b>NET POSITION</b>	
Restricted for Employee Benefits and OPEB	<u><u>\$ 57,388,776</u></u>

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2020**

	<u>Trust Funds</u>
	<u>OPEB Trust</u>
<b>ADDITIONS</b>	
Employer Contributions	\$ 3,643,391
Earnings on Investments	2,903,606
Total Additions	<u>6,546,997</u>
<b>DEDUCTIONS</b>	
Benefits Paid to Plan Members	<u>3,643,391</u>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	2,903,606
Net Position - Beginning of Year	<u>54,485,170</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 57,388,776</u></u>

See accompanying Notes to Basic Financial Statements.



## **NOTES TO BASIC FINANCIAL STATEMENTS**

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The financial statements of Independent School District No. 196 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**B. Financial Reporting Entity**

Independent School District No. 196 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes and is an instrumentality of the state of Minnesota established to function as an educational institution. The District is governed by a seven-member School Board elected by voters of the District to serve four-year terms.

Accounting Principles Generally Accepted in the United States of America (GAAP) require that the District's financial statements include all funds, departments, agencies, boards, commissions, and other organizations which are not legally separated from the District. In addition, the District's financial statements are to include all component units - entities for which the District is financially accountable.

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

Extracurricular 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. Accordingly, the accounts and transactions for the Student Activity funds are included in these financial statements within the General Fund.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basic Financial Statement Presentation**

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

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

The District applies restricted resources first when an expense is incurred for purpose for which both restricted and unrestricted net position 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. The District has one type of fiduciary fund: the OPEB irrevocable trust. Since, by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the government-wide statements.

The Internal Service Funds are presented in the proprietary fund financial statements. Because the principal users of the internal services are the District's governmental activities, the financial statement of the internal service funds are 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 funds is charges for services in the form of health and dental insurance premiums, early retirement incentive costs, and sick pay.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basic Financial Statement Presentation (Continued)**

Operating expenses for the internal service funds include the cost of services (claims and admin costs). All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**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 the proprietary 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. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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. The District maintains three accounts within the General Fund:

Operating Account – The Operating Account is used to account for the general operations of the District.

Pupil Transportation Account – The Pupil Transportation Account is used to account for pupil transportation activities of the District.

Capital Expenditures Accounts – The Capital Expenditures Account is used to account for the maintenance of facilities, equipment purchases, and disabled accessibility projects.

Food Service Special Revenue Fund

The Food Service Fund is used to account for food service revenues and expenditures.

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, adult or early childhood programs, or other similar services.

Capital Projects – Building Construction Fund

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

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting (Continued)**

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general obligation bond principal, interest, and related costs. The District maintains a separate Other Postemployment Benefits (OPEB) account within the Debt Service Fund to account for OPEB-related debt activity. All other debt is recorded in the General Debt Service Account.

*Proprietary Fund*

Internal Service Funds

Internal Service Funds are used to account for the financial resources used for the District's self-insurance of the employee dental and health insurance programs as well as the District's severance benefits. As proprietary funds the internal service funds employ the economic resources measurement focus, and are accounted for on the accrual basis.

*Fiduciary Funds*

Other Postemployment Benefit Trust

The Other Postemployment Benefit Trust Fund is used to account for resources set aside and held in an irrevocable trust arrangement for postemployment benefits.

**E. Budgeting**

The School Board adopted annual budgets for the General Fund (including separate budgets for the Operating, Pupil Transportation, and Capital Expenditure Accounts), Food Service Special Revenue, Community Service Special Revenue, Capital Projects – Building Construction, and Debt Service Funds (including separate budgets for the General Account and OPEB Account). The budget for each fund is prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. All appropriations lapse at year-end. Actual expenditures for the year ended June 30, 2020 exceeded budgeted amounts in the following funds:

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund	\$ 383,118,578	\$ 383,649,076	\$ 530,498
Capital Projects Fund	4,400,000	6,290,383	1,890,383

Management and the School Board determined these budget overages to be necessary to the operations of the School District.

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Cash and Investments**

Cash and temporary investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Earnings from the investments of the Capital Projects – Building Construction Fund, the Debt Service Fund, and all trust funds are allocated directly to those funds/accounts.

Cash and investments include balances held in segregated accounts established for specific purposes. In the Capital Projects – Building Construction Fund, this represents capital lease proceeds held by a trustee available for the renovation of an elementary school.

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

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

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

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

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

**G. Accounts Receivable**

Accounts receivable represent amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. When necessary, the District utilizes an allowance for uncollectible accounts to value its receivables. However, the District considers all of its current receivables to be collectible. The only receivables not expected to be fully collected within one year are delinquent property taxes receivable.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Inventories**

Inventories are recorded using the 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. Prepaid items are reported using the consumption method and recorded as an expense or expenditure at the time of consumption.

**J. Property Taxes**

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes \$3,340,555 of the property tax levy collectible in 2021 as revenue to the District in fiscal year 2019–2020. The remaining portion of the taxes collectible in 2021 is recorded as a deferred inflow of resources (property taxes levied for the subsequent year).

Taxes which remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is reported as a deferred inflow of resources (unavailable revenue) in the governmental fund financial statements because if it not considered to be available to finance the current operations of the District.



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Capital Assets**

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

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

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

**L. Long-Term Obligations**

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

**M. Compensated Absences**

Under the terms of collectively bargained contracts, eligible employees accrue vacation and sick leave at varying rates, portions of which may be carried over to future years. Employees are reimbursed for any unused, accrued vacation upon termination. Unused sick leave enters into the calculation of certain termination payments for some employees. Compensated absences are accrued in governmental fund financial statements only when used or matured prior to year-end due to employee termination or similar circumstances, and are paid by the General Fund and special revenue funds. Unused vacation pay is accrued when incurred in the government-wide financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. Severance Benefits**

The District provides lump sum severance benefits to eligible employees in accordance with provisions of certain collectively bargained contracts. Eligibility is based on years of service and/or minimum age requirements. Severance benefits are calculated by converting a portion of an eligible employee's unused accumulated sick leave. Severance benefits for any individual cannot exceed one year's salary.

Members of certain employee groups may also elect to receive district matching contributions paid into a tax-deferred matching contribution plan established under IRC Section 403(b). The amount of any severance benefits due to an individual is reduced by the total matching contributions made by the District to such a plan over the course of that individual's employment. If the District's 403(b) matching contributions for an individual employee exceed the severance benefits due that individual, the excess would then reduce any OPEB (described later in these notes) earned by that individual.

Severance benefits are required to be paid out within 30 days following the effective date of retirement. Severance benefits for eligible teachers are paid into a post-retirement, healthcare savings plan administered by the Minnesota State Retirement System. For other employees, severance benefits are paid into a pay deferral plan or healthcare savings plan as directed by the individual retirees.

The District has established a separate Internal Service Fund to account for its severance benefits liability. Severance benefits payable, along with any related benefit costs, are accrued in the government-wide and proprietary fund financial statements as they are earned and it becomes probable they will vest at some point in the future.

**O. 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.

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

PERA has a special funding situation created by a direct aid contribution made by the state of Minnesota. The direct aid is a result of the merger of the Minneapolis Employees Retirement Fund into the PERA on January 1, 2015. Additional information can be found in Note 6.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**P. Other Postemployment Benefits Payable**

The District operates and administers a single-employer defined benefit other postemployment benefit plan (the Plan) that provides health insurance to eligible employees and their spouses through the District's self-insured health insurance plan. There are 3,453 active participants and 182 retired participants. Benefit and eligibility provisions are established through contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements. The Plan does not issue a publicly available financial report. See Note 7 for further information.

**Q. Risk Management**

1. General Insurance – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which it carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in the District's insurance coverage in fiscal year 2020.
2. Self-Insurance – The District has established two internal service funds to account for and finance its uninsured risk of loss for respective employee dental and health insurance plans. Under these plans, the internal service funds provide coverage to participating employees and their dependents for various dental and healthcare costs as described in the plan.

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

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

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

Fiscal Year Ended June 30,	Claims Payable Beginning of Year	Current Year Claims	Claim Payments	Claims Payable End of Year
2019	\$ 14,213	\$ 410,243	\$ 414,147	\$ 10,309
2020	10,309	373,204	359,607	23,906

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Q. Risk Management (Continued)**

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

Fiscal Year Ended June 30,	Claims Payable Beginning of Year	Current Year Claims	Claim Payments	Claims Payable End of Year
2019	\$ 3,211,423	\$ 51,252,183	\$ 50,663,734	\$ 3,799,872
2020	3,799,872	49,922,050	49,814,763	3,907,159

**R. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position and balance sheet 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 then.

The District has two types of items that qualify for reporting in this category as deferred outflows of resources related to pensions and other postemployment benefits. See Notes 6 and 7 for details.

In addition to liabilities, the statement of financial position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has three types of deferred inflows, two of which are related to revenue recognition. The first is property taxes levied for subsequent year. As an imposed nonexchange revenue transaction, property taxes received or reported as a receivable before the period for which the property taxes are levied are reported as a deferred inflow of resources in the government-wide financial statements and in the governmental fund financial statements. The second type of deferred inflow of resources is delinquent property taxes. Governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's year-end) under the modified accrual basis of accounting. Delinquent taxes not collected within 60 days after the District's year-end are considered unavailable and reported as a deferred inflow of resources in the governmental fund financial statements. The District also has deferred inflows of resources related to pensions and other postemployment benefits. See Notes 6 and 7 for details.

**S. Unearned Revenue**

Unearned revenues are those in which resources are received by the District before it has a legal claim to them. The District has reported unearned revenues for prepaid General Fund and Community Service Fund revenues and school lunch balances for students in the Food Service Fund.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**T. 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 School Board. Those committed amounts cannot be used for any other purposes unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

*Assigned* – consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. The School Board passed a resolution authorizing the Superintendent or other authorized designee to establish assignments of fund balance.

*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 target of 5% of annual operating expenditures.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**U. Net Position**

Net position represents the difference between assets, deferred outflow of resources and liabilities, and deferred inflows of resources in the government-wide, Proprietary and Fiduciary Fund financial statements. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. All other net position that does not meet the definition of restricted or net investment in capital assets is presented as unrestricted.

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

**V. Comparative Data**

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

**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.

**Custodial Credit Risk** – Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits. Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral 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 departments of a commercial bank or other financial institution not owned or controlled by the depository.



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**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**A. Deposits (Continued)**

The carrying value and bank balance of the District's deposits in banks at June 30, 2020 is \$33,694,746 and \$34,399,939, respectively, and were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes. In addition, the District's fiduciary funds had deposits with carrying value of \$654,570.

**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
- Investments related to the OPEB Revocable Trust Fund may be invested in accordance with Minnesota Statute 356A.06.

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

	Amortized Cost
Money Markets	\$ 9,331,094
MSDLAF+ Liquid Class	34,188
MSDLAF+ Max Class	52,449,605
MN Trust Investment Shares	75,826,604
Commercial Paper	5,279,648
Total Investments at Amortized Cost	<u>\$ 142,921,139</u>

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**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

**Investments Held in Other Postemployment Benefit Trust –**

The following investments are held within the other postemployment benefit trust. The funds are invested in accordance with the investment policy adopted by the District for the OPEB Trust. State statute does not limit the allowable investments for OPEB trust assets.

	Fair Value
U.S. Treasuries with Maturities at Purchase of Greater Than 1 Year	\$ 9,136,850
Corporate Bonds	11,826,884
Equities	23,205,767
Alternative Investments	6,606,054
Real Estate Investment Trusts (REITs)	194,419
Real Asset Funds	3,908,090
Total	<u>\$ 54,878,064</u>
	Amortized
	Cost
Money Markets	<u>\$ 2,510,712</u>

***Credit Risk and Interest Rate 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 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.

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

Type	Total	Maturity Duration in Years			No Maturities	Rating
		Less Than 1	1 to 2	2 to 5		
MSDLAF+ Liquid Class	\$ 34,188	\$ -	\$ -	\$ -	34,188	AA
MSDLAF+ Max Class	52,449,605	-	-	-	52,449,605	A-1
Commercial Paper	5,279,648	5,279,648	-	-	-	P1/A1
MN Trust Investment Shares	75,826,604	-	-	-	75,826,604	AAAm
Money Markets	9,331,094	-	-	-	9,331,094	N/A
Total	<u>\$ 142,921,139</u>	<u>\$ 5,279,648</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,641,491</u>	



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**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

The credit ratings and average duration for the OPEB Trust assets are as follows:

Type	Total	Maturity Duration in Years			No Maturities	Rating
		Less Than 1	1 to 2	2 to 5		
MSDLAF+ Liquid Class	\$ 34,188	\$ -	\$ -	\$ -	\$ 34,188	AA
MSDLAF+ Max Class	52,449,605	-	-	-	52,449,605	A-1
Commercial Paper	5,279,648	5,279,648	-	-	-	P1/A1
MN Trust Investment Shares	75,826,604	-	-	-	75,826,604	AAAm
Money Markets	9,331,094	-	-	-	9,331,094	N/A
Total	<u>\$ 142,921,139</u>	<u>\$ 5,279,648</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,641,491</u>	

***Custodial Credit Risk*** – For an investment, custodial risk is the risk that, in the event of failure of the counterparty, the School District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The School District's investment policy requires that brokers provide insurance to cover balances held in each investment account. As of June 30, 2020, the investment balances were fully covered by insurance for each brokerage firm.

***Concentration of Credit Risk***

The District places no limit on the amount that the District may invest in any one issuer. Currently, the District did not have investments with any issuer 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	\$ 176,651,116
Cash and Cash Equivalents - Statement of Fiduciary Net Position	58,008,115
Total Cash and Investments	<u>\$ 234,659,231</u>

**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 that 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 quoted 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.

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**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 and would use in pricing the asset.

All of the District's \$142,921,139 in investments are measured at amortized cost and are therefore not subject to fair value leveling. However, the District's OPEB Trust consists of assets measured at both fair value and amortized cost.

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

	Level 1	Level 2	Level 3	Total
U.S. Treasuries	\$ 9,136,850	\$ -	\$ -	\$ 9,136,850
Corporate Bonds	11,826,884	-	-	11,826,884
Equities	23,205,767	-	-	23,205,767
Mutual Funds	6,606,054	-	-	6,606,054
Real Estate Investment Trusts (REITs)	-	194,419	-	194,419
Real Asset Funds	-	3,908,090	-	3,908,090
Total	<u>\$ 50,775,555</u>	<u>\$ 4,102,509</u>	<u>\$ -</u>	<u>54,878,064</u>
Investments Measured at Amortized Cost				2,510,712
Total				<u>\$ 57,388,776</u>

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**NOTE 3 CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 11,966,353	\$ -	\$ -	\$ 11,966,353
Construction in Progress	89,400,680	7,652,903	(65,827,550)	31,226,033
Total Capital Assets, Not Being Depreciated	101,367,033	7,652,903	(65,827,550)	43,192,386
Capital Assets, Being Depreciated:				
Land Improvements	14,812,196	996,668	-	15,808,864
Buildings and Improvements	389,892,678	64,847,116	(3,191,813)	451,547,981
Furniture and Equipment	58,313,509	2,199,957	(1,238,015)	59,275,451
Total Capital Assets, Being Depreciated	463,018,383	68,043,741	(4,429,828)	526,632,296
Accumulated Depreciation for:				
Land Improvements	(10,741,110)	(309,329)	-	(11,050,439)
Buildings and Improvements	(211,197,334)	(10,512,050)	2,278,307	(219,431,077)
Furniture and Equipment	(43,769,973)	(3,304,013)	1,238,015	(45,835,971)
Total Accumulated Depreciation	(265,708,417)	(14,125,392)	3,516,322	(276,317,487)
Total Capital Assets, Being Depreciated, Net	197,309,966	53,918,349	(913,506)	250,314,809
Governmental Activities Capital Assets, Net	<u>\$ 298,676,999</u>	<u>\$ 61,571,252</u>	<u>\$ (66,741,056)</u>	<u>\$ 293,507,195</u>

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

<b>Governmental Activities</b>	
Administration	\$ 6,624
District Support Services	67,880
Regular Instruction	10,683,533
Vocational Education Instruction	3,922
Special Education Instruction	13,315
Instructional Support Services	1,477
Pupil Support Services	1,823,568
Sites and Buildings	1,400,844
Food Service	124,229
Total Depreciation Expense, Governmental Activities	<u>\$ 14,125,392</u>

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**NOTE 4 LONG-TERM LIABILITIES**

**A. Components of General Long-Term Debt**

Issue	Issue Date	Net Interest Rate	Original Issue	Final Maturity	Principal Outstanding	
					Due Within One Year	Total
2012C Refunding Bonds	6/7/2012	3.00% - 4.50%	\$ 24,210,000	2/1/2025	\$ 2,365,000	\$ 12,570,000
2013A Refunding Bonds	6/15/2013	2.00% - 3.00%	12,100,000	2/1/2025	1,270,000	6,940,000
2016A School Building Bonds	2/16/2016	1.00% - 5.00%	112,150,000	2/1/2030	8,165,000	103,275,000
Total General Obligation Bonds					11,800,000	122,785,000
Bond Premiums					-	15,961,911
Certificates of Participation					1,880,000	19,075,000
Capital Lease Payable					911,879	6,149,919
Severance Benefits Payable					2,044,911	15,598,386
Compensated Absences Payable					597,858	3,297,637
Total					<u>\$ 15,354,648</u>	<u>\$ 182,867,853</u>

**B. Descriptions of Long-Term Liabilities**

General Obligation Bonds Payable

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

Certificates of Participation

The District issued certificates of participation of \$2,705,000 in October 2010 to finance the purchase and renovation of a building. This debt requires semiannual principal and interest payments of varying amounts (at rates ranging from 2.0% to 3.5%) for 15 years, maturing in April 2026. These certificates are being repaid from the General Fund.

The District issued certificates of participation of \$13,710,000 in December 2013 to finance the construction of a new Early Childhood/Adult Education facility. This debt requires semiannual principal and interest payments of varying amounts (at rates ranging from 2.0% to 4.0%) for 15 years, maturing in February 2029. These certificates are being repaid from the General Fund.

The District issued certificates of participation of \$8,960,000 in May 2020 to finance the construction of artificial turf athletic fields at Eagan and Rosemount High Schools. This debt requires semiannual principal and interest payments of varying amounts (at rates ranging from 2.0% to 4.0%) for 10 years, maturing in February 2030. These certificates are being repaid from the General Fund.

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**NOTE 4 LONG-TERM LIABILITIES (CONTINUED)**

**B. Descriptions of Long-Term Liabilities (Continued)**

Capital Leases

The District has purchased various assets through capitalized lease-purchase agreements. Annual principal and interest on these leases will be paid from the General Fund.

Asset Leased	Asset Value Capitalized	Interest Rate	Lease Date	Final Maturity	Principal Outstanding
ATP - Building	\$ 5,028,875	4.54%	6/2/2012	6/1/2027	\$ 2,616,955
Parkview Elementary School	4,200,000	2.91%	11/25/2014	2/1/2030	3,012,448
Vehicles and Mowers	480,000	1.99%	6/21/2016	7/1/2020	98,056
Instruments	140,157	2.95%	6/1/2018	7/1/2021	56,851
Special Education Bus	903,052	2.56%	7/25/2017	7/25/2021	365,609

Amortization of the assets capitalized through these lease agreements is included in depreciation expense in the government-wide financial statements. The amount charged to depreciation for the year ended June 30, 2020 was \$396,454.

The assets acquired through these capital leases are reported as follows:

	Building	Furniture and Equipment	Total
Assets	\$ 9,447,320	\$ 1,354,868	\$ 10,802,188
Less: Accumulated Depreciation	(1,284,014)	(758,392)	(2,042,406)
Total	<u>\$ 8,163,306</u>	<u>\$ 596,476</u>	<u>\$ 8,759,782</u>

**C. Minimum Debt Payments**

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

Year Ending June 30,	General Obligation Bonds Payable		Certificates of Participation Payable	
	Principal	Interest	Principal	Interest
2021	\$ 11,800,000	\$ 5,254,920	\$ 1,880,000	\$ 698,408
2022	12,205,000	4,713,970	1,865,000	564,606
2023	12,765,000	4,154,623	1,930,000	499,819
2024	13,350,000	3,570,620	1,995,000	432,419
2025	13,955,000	2,959,270	2,065,000	361,613
2026-2030	58,710,000	6,451,200	9,340,000	718,025
Total	<u>\$ 122,785,000</u>	<u>\$ 27,104,603</u>	<u>\$ 19,075,000</u>	<u>\$ 3,274,890</u>

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**NOTE 4 LONG-TERM LIABILITIES (CONTINUED)**

**C. Minimum Debt Payments (Continued)**

Year Ending June 30,	Capital Lease Payable		Total	
	Principal	Interest	Principal	Interest
2021	\$ 911,879	\$ 172,223	\$ 14,591,879	\$ 6,125,551
2022	837,197	146,876	14,907,197	5,425,452
2023	641,689	122,828	15,336,689	4,777,270
2024	660,684	103,832	16,005,684	4,106,871
2025	680,241	84,275	16,700,241	3,405,158
2026-2030	2,418,229	158,914	70,468,229	7,328,139
Total	<u>\$ 6,149,919</u>	<u>\$ 788,948</u>	<u>\$ 148,009,919</u>	<u>\$ 31,168,441</u>

**D. Changes in Long-Term Debt**

	June 30, 2019	Additions	Retirements	June 30, 2020
Bonds Payable	\$ 134,115,000	\$ -	\$ 11,330,000	\$ 122,785,000
Bond Premiums	17,201,642	544,202	1,783,933	15,961,911
Bond Discount	(2,430)	-	(2,430)	-
Certificates of Participations	11,140,000	8,960,000	1,025,000	19,075,000
Capital Lease Payable	7,046,515	-	896,596	6,149,919
Severance Benefits Payable	14,658,880	2,367,729	1,428,223	15,598,386
Compensated Absences Payable	2,354,003	2,935,722	1,992,088	3,297,637
Total	<u>\$ 186,513,610</u>	<u>\$ 14,807,653</u>	<u>\$ 18,453,410</u>	<u>\$ 182,867,853</u>

Governmental compensated absences and severance benefits are typically liquidated (paid) by the operating funds.

**NOTE 5 FUND BALANCES AND NET POSITION**

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

Restricted and Assigned fund balances at year-end are as follows:

*Restricted for Student Activities* – Represents the resources available for the extracurricular activity funds raised by students.

*Restricted for Adult Basic Education* – Represents available resources available for activities involving Adult Basic Education.

*Restricted for Capital Projects Levy* – Represents available resources dedicated for capital projects.

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**NOTE 5 FUND BALANCES AND NET POSITION (CONTINUED)**

*Restricted for Community Education Programs* – Represents accumulated resources available to provide general community education programming.

*Restricted for Early Childhood and Family Education Programs* – Represents accumulated resources available to provide services for early childhood and family education programming.

*Restricted for Long-Term Facility Maintenance* – Represents resources available to be used for long-term facilities maintenance projects in accordance with the District's 10-year plan.

*Restricted for Medical Assistance* – Represents resources available to be used for Medical Assistance expenditures.

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

*Restricted for Projects Funded by Certificates of Participation* – Represents resources remaining for projects funded by certificates of participation with related lease levy authority.

*Restricted for School Readiness* – Represents accumulated resources available to provide school readiness programming.

*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.

*Assigned for Site Carryover* – Represents dollars assigned for unspent site supply allocations.

*Assigned for Subsequent Year Budget Deficit* – Represents dollars assigned to fund budgeted deficits in the subsequent year.

On the statement of net position, the District presents net position representing the District's net investment in capital assets. This amount is calculated as follows:

Capital Assets, Net of Accumulated Depreciation	\$ 293,507,195
Bonds Payable at June 30, 2020	(122,785,000)
COPs Payable at June 30, 2020	(19,075,000)
Capital Leases Payable at June 30, 2020	(6,149,919)
Premiums/Discounts	(15,961,911)
Capital Related Payables	(2,231,388)
Add back: Unspent bond proceeds	9,331,094
Net Investment in Capital Assets	<u><u>\$ 136,635,071</u></u>



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**NOTE 6    DEFINED BENEFIT PENSION PLANS**

**A. Plan Description**

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

**1. General Employees Retirement Plan**

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

**2. Teachers Retirement Fund (TRA)**

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

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

**B. Benefits Provided**

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

**1. General Employees Plan Benefits**

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



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**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Benefits Provided (Continued)**

**1. General Employees Plan Benefits (Continued)**

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

**2. TRA Benefits**

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

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

*Tier 1 Benefits*

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

With these provisions:

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

or

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**NOTE 6    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B.    Benefits Provided (Continued)**

**2.    TRA Benefits (Continued)**

*Tier II Benefits (Continued)*

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 Statutes. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

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

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

**C.    Contributions**

**1.    General Employees Plan Contributions**

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature. Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2020 and the District was required to contribute 7.50% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2020 were \$4,081,535. The District's contributions were equal to the required contributions as set by state statute.

**2.    TRA Contributions**

Per Minnesota Statutes, Chapter 354 rates for the fiscal year for coordinated were 7.5% for the employee and 7.92% for the employer. Basic rates were 11.00% for the employee and 11.92% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2020 were \$14,839,282. The District's contributions were equal to the required contributions for each year as set by state statute.

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**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs**

**1. General Employees Fund Pension Costs**

At June 30, 2020, the District reported a liability of \$41,371,831 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million to the fund in 2019. The state of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled \$1,285,874, for a total net pension liability of \$42,657,705 associated with the District. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018 through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers.

At June 30, 2019, the District's proportionate share was 0.7483% which was a decrease of .0126% from its proportionate share measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$4,573,595 for its proportionate share of General Employees Plan's pension expense. In addition, the District recognized an additional \$96,300 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the General Employees Fund.

At June 30, 2020, the District reported its proportionate share of the 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	\$ 1,146,566	\$ -
Changes in Actuarial Assumptions	-	3,251,854
Net Difference Between Projected and Actual		
Earnings on Plan Investments	-	4,193,523
Changes in Proportion and Differences Between		
District Contributions and Proportionate Share		
of Contributions	67,625	621,588
District Contributions Subsequent to the		
Measurement Date	4,081,535	-
Total	<u>\$ 5,295,726</u>	<u>\$ 8,066,965</u>

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**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs (Continued)**

**1. General Employees Fund Pension Costs (Continued)**

A total of \$4,081,535 reported as deferred outflows of resources related to pensions resulting from District contributions to General Employees Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to General Employees Plan pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2021	\$ (2,402,793)
2022	(3,492,399)
2023	(1,024,255)
2024	66,673
2025	-
Thereafter	-

**2. TRA Pension Costs**

At June 30, 2020, the District reported a liability of \$211,866,085 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the state of Minnesota, city of Minneapolis, and Minneapolis School District. The District's proportionate share was 3.3239% at the end of the measurement period and 3.1910% for the beginning of the period.

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

<u>Description</u>	<u>Amount</u>
District's Proportionate Share of the TRA	
Net Pension Liability	\$ 211,866,085
State's Proportionate Share of the Net Pension	
Liability Associated with the District	18,749,509

For the year ended June 30, 2020, the District recognized pension expense of \$40,558,651. It also recognized \$1,425,186 as pension expense and grant revenue for the support provided by direct aid.

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**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

D. Pension Costs (Continued)

**2. TRA Pension Costs (Continued)**

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 30,121	\$ 5,144,575
Changes in Actuarial Assumptions	178,294,220	281,067,864
Net Difference Between Projected and Actual		
Earnings on Plan Investments	-	17,557,163
Changes in Proportion and Differences Between		
District Contributions and Proportionate Share		
of Contributions	13,992,657	-
District Contributions Subsequent to the		
Measurement Date	14,839,282	-
Total	<u>\$ 207,156,280</u>	<u>\$ 303,769,602</u>

A total of \$14,839,282 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to TRA will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	Pension Expense Amount
2021	\$ 15,355,033
2022	2,114,632
2023	(77,064,429)
2024	(53,554,012)
2025	1,696,172
Thereafter	-

The District recognized \$46,653,732 in pension expense for all of the pension plans in which it participates.

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**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**E. Actuarial Assumptions**

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

Assumptions	General Employees Plan	TRA
Inflation	2.50% per Year	2.50%
Salary Growth		2.85% for 10 years and 3.25% thereafter
	3.25% per Year	
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, 2019 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2015. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

TRA 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 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

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

The following changes in actuarial assumptions for PERA occurred in 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.

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**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**E. Actuarial Assumptions (Continued)**

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

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

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

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



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**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**F. Discount Rate**

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

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

**G. Pension Liability Sensitivity**

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

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
General Employees Plan Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability at Different Discount Rates	\$ 68,013,062	\$ 41,371,831	\$ 19,374,198
TRA Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability at Different Discount Rates	\$ 337,766,342	\$ 211,866,085	\$ 108,063,180

**H. Pension Plan Fiduciary Net Position**

Detailed information about the General Employees Fund fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

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](http://www.MinnesotaTRA.org), by writing to TRA at 60 Empire Drive, Suite 400, St. Paul, Minnesota, 55103-4000; or by calling 651-296-2409 or 1-800-657-3669.



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**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS PLAN**

**A. Plan Description**

The District operates and administers a single-employer defined benefit other postemployment benefit plan (the Plan) that provides health insurance to eligible employees and their spouses through the District's self-insured health insurance plan. There are 3,453 active participants and 182 retired participants. Benefit and eligibility provisions are established through contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements. The Plan does not issue a publicly available financial report.

Teachers' Postemployment Health Care Savings Benefits – Eligible teachers receive at retirement an amount equal to 25 days of pay multiplied by their daily rate of pay at retirement, plus an additional \$12,000. Teachers may also elect to receive district matching contributions paid into a tax-deferred matching contribution plan established under IRC Section 403(b). The amount of any postemployment healthcare savings plan benefits due to an individual is reduced by the total matching contributions made by the District to such a plan over the course of that individual's employment, to the extent that such 403(b) contributions exceed any severance (as described earlier in these notes) earned by the individual.

Postemployment Insurance Benefits – all retirees of the District have the option under state law to continue their medical insurance coverage through the District from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of certain employee groups, the District pays for all or part of the eligible retiree's premiums for medical, dental, and/or life insurance from the time of retirement until the employee reaches the age of eligibility for Medicare. Benefits paid by the District differ by bargaining unit, with some contracts specifying a certain dollar amount per month (ranging from \$182 to \$1,290), and some covering the full monthly premium costs. Retirees not eligible for these district-paid premium benefits must pay the full district premium rate for their coverage.

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

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**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)**

**B. Funding Policy**

The District has assets designated for OPEB. These assets are in a qualified irrevocable trust which is included as a fiduciary fund in these financial statements. The District's investment policy is to follow state statutes as listed in Note 2. The District is assumed to make no future contributions to the trust. Benefit payments equal to the annual direct subsidy plus implicit subsidy are assumed to be made from the trust.

Contribution requirements are also established through contractual agreements with employee groups. 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.

**C. Net OPEB Liability (Asset) of the District**

The components of the net OPEB liability (asset) of the District at June 30, 2020 were as follows:

Total OPEB Liability	\$ 55,008,517
Plan Fiduciary Net Position	57,388,776
District's net OPEB Liability (Asset)	<u>\$ (2,380,259)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	104.33%

**D. Actuarial Methods and Assumptions**

The long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that (1) the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and (2) OPEB plan assets are expected to be invested using a strategy to achieve that return, and a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), to the extent that the conditions above are not met.

The District's net OPEB liability (asset) was measured as of June 30, 2020, and the total OPEB liability (asset) used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018. The actuarial valuation was rolled forward to July 1, 2019. Liabilities in this report were calculated as of the valuation date and rolled forward to the measurement date using standard actuarial roll-forward techniques.

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**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)**

**D. Actuarial Methods and Assumptions (Continued)**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.00%
Investment Rate of Return	5.60%
20-Year Municipal Bond Yield	2.40%
Medical Trend Rate	6.25% decreasing to 5.00% over 5 years
Dental Trend Rate	4.00%

Mortality rates were based on the RP-2014 white-collar mortality tables with MP-2017 Generational Improvement Scale.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (or target allocation, if available) and by adding expected inflation (2.50%).

Best estimates of geometric real and nominal rates of return for each major asset class included in the OPEB plan's asset allocation as of the measurement date are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Fixed Income	40.00 %	2.00 %
Domestic Equity	20.00	8.00
International Equity	20.00	8.00
Real Estate and Alternatives	10.00	8.00
Cash and Equivalents	10.00	8.00
Total	100.00 %	5.60
Reduced for Assumed Investment Expense		-
Net Assumed Investment Return (Weighted Avg, Rounded to 1/4%)		5.60 %

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**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)**

**D. Actuarial Methods and Assumptions (Continued)**

The discount rate used to measure the total OPEB liability was 5.20%. The projection of cash flows and OPEB trust assets used to determine the discount rate were based on recent employer contribution history and their stated funding policy. The OPEB trust's long-term assumed investment return was used to discount projected benefit payments for as long as projected trust assets are available to fund OPEB payments. Once projected trust assets are exhausted, the municipal bond index rate of 3.10% was applied to the remaining expected benefit payments.

The expected employer asset return is based on the long-term expected return on short-term/cash-equivalent assets using our capital market assumption model.

Since the most recent GASB 75 valuation, there have been no changes made.

**E. Changes in the Net OPEB Liability (Asset)**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2019	\$ 52,674,097	\$ 54,485,170	\$ (1,811,073)
Changes for the Year:			
Service Cost	3,167,572	-	3,167,572
Interest Cost	2,810,239	-	2,810,239
Changes of Assumptions	-	-	-
Plan Changes	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Contributions-Employer	-	3,643,391	(3,643,391)
Projected Investment Return	-	3,051,170	(3,051,170)
Net Investment Income	-	(147,564)	147,564
Benefit Payments	(3,643,391)	(3,643,391)	-
Administrative Expense	-	-	-
Net Changes	2,334,420	2,903,606	(569,186)
Balances at June 30, 2019	\$ 55,008,517	\$ 57,388,776	\$ (2,380,259)

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

	1% Decrease (4.2%)	Discount Rate (5.2%)	1% Increase (6.2%)
Net OPEB Liability (Asset)	\$ 824,103	\$ (2,380,259)	\$ (5,438,601)

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**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)**

**E. Changes in the Net OPEB Liability (Asset) (Continued)**

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1% point lower (Medical 5.25% decreasing to 4.0% over six years, and Dental 3.0%) or 1% point higher (Medical 7.25% decreasing to 6.0% over six years, and Dental 5.0%) than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease (Medical 5.25% Decreasing to 4% over 5 Years, Dental 3.00%)	Current Trend Rates (Medical 6.25% Decreasing to 5% over 4 Years, Dental 4.0%)	1% Increase (Medical 7.25% Decreasing to 6% over 5 Years, Dental 5.00%)
Net OPEB Liability (Asset)	\$ (6,299,637)	\$ (2,380,259)	\$ 2,144,171

For the year ended June 30, 2020, the District recognized OPEB expense of 3,130,204. At June 30, 2020, the District reported the following deferred outflows of resources and deferred inflows of resources related to OPEB.

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Liability	\$ -	\$ 4,141
Change of Assumptions	1,231,843	-
Net Difference Between Projected and Actual Investment Earnings	114,044	-
Contributions Between Measurement Date and Reporting Date	N/A	N/A
Total	<u>\$ 1,345,887</u>	<u>\$ 4,141</u>

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

<u>Year Ending June 30,</u>	<u>Future Recognition</u>
2021	\$ 203,563
2022	203,563
2023	203,563
2024	204,899
2025	175,386
Thereafter	350,772
Total	<u>\$ 1,341,746</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
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**NOTE 8 FLEXIBLE BENEFIT PLAN**

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

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

The Plan is being administered by an independent contract administrator. The unreimbursed medical expense and dependent care expense portions of the Plan were recorded in the Employee Benefit Trust Fund. However, the health insurance premium reimbursements were accounted for in the District’s operating funds.

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

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

**A. Legal Claims**

The District has the usual and customary types of miscellaneous legal claims pending at year-end, mostly of a minor nature and usually covered by insurance carried for that purpose.

**B. Federal and State Receivables**

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

**C. Contract Commitments**

At June 30, 2020, the District had approximately \$8.44 million in commitments related to capital-related contracts.

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JUNE 30, 2020**

**NOTE 10 INTERFUND BALANCES**

The District had the following interfund transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 399,229
Special Revenue Funds:		
Food Service Fund	262,358	-
Community Service Fund	136,871	-
Total	<u>\$ 399,229</u>	<u>\$ 399,229</u>

The District transferred \$129,657 to the Community Service Fund to fund a shortfall in preschool screening, \$7,214 to the Community Service Fund for remote learning wages during the pandemic, and \$262,358 to the Food Service Fund to cover wages for child nutrition program employees working during the remote learning months.

**NOTE 11 PRIOR PERIOD RESTATEMENT**

During fiscal year ended June 30, 2020, the District restated its beginning net position in the governmental funds to reflect an understatement of construction in progress from the last several prior years. The effects of the prior period restatement are below.

	<u>Governmental Activities</u>
Net Position, June 30, 2019, as Previously Reported	\$ (135,648,619)
Cumulative Affect of Prior Period Restatement for Understatement of Capital Assets	<u>10,971,169</u>
Net Position, June 30, 2019, as Restated	<u>\$ (124,677,450)</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY (ASSET)  
AND RELATED RATIOS  
JUNE 30, 2020**

	2020	2019	2018
<b>Total OPEB Liability</b>			
Service Cost	\$ 3,167,572	\$ 3,075,313	\$ 2,665,745
Interest	2,810,239	2,847,687	2,777,088
Changes of Benefit Terms	-	(179,505)	-
Differences Between Expected and Actual Experience	-	(5,324)	-
Changes of Assumptions	-	1,583,799	-
Benefit Payments	(3,643,391)	(4,783,071)	(4,405,513)
<b>Net Change in Total OPEB Liability</b>	<u>2,334,420</u>	<u>2,538,899</u>	<u>1,037,320</u>
Total OPEB Liability - Beginning	52,674,097	50,135,198	49,097,878
<b>Total OPEB (Asset) Liability - Ending (a)</b>	<u><u>\$ 55,008,517</u></u>	<u><u>\$ 52,674,097</u></u>	<u><u>\$ 50,135,198</u></u>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 3,643,391	\$ 2,283,071	\$ 58,362,417
Net Investment Income	2,903,606	3,028,266	-
Benefit Payments	(3,643,391)	(4,783,071)	(4,405,513)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>2,903,606</u>	<u>528,266</u>	<u>53,956,904</u>
Plan Fiduciary Net Position - Beginning	54,485,170	53,956,904	-
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u><u>\$ 57,388,776</u></u>	<u><u>\$ 54,485,170</u></u>	<u><u>\$ 53,956,904</u></u>
<b>District's Net OPEB Liability - Ending (a) - (b)</b>	\$ (2,380,259)	\$ (1,811,073)	\$ (3,821,706)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	104.33%	103.44%	107.62%
Covered-Employee Payroll	\$ 221,113,728	\$ 214,673,522	\$ 207,060,884
District's Net OPEB Liability as a Percentage of Covered-Employee Payroll	(1.08)%	(0.84)%	(1.85)%
	2020	2019	2018
Actuarially Determined Contribution (ADC)	N/A	N/A	N/A
Contributions in Relation to the ADC	N/A	N/A	N/A
Contribution Deficiency (Excess)	N/A	N/A	N/A
Covered-Employee Payroll	\$ 221,113,728	\$ 214,673,522	\$ 207,060,884
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%

\* The District implemented GASB Statement Nos. 74 and 75 in fiscal year 2018, and the above table will be expanded to 10 years of information as the information becomes available.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN  
ON PLAN ASSETS – OPEB  
JUNE 30, 2020**

Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2018	8.50%
2019	5.60%
2020	5.60%

\* The District implemented GASB Statement Nos. 74 and 75 in fiscal year 2018, and the above table will be expanded to 10 years of information as the information becomes available.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
TRA SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
LAST SIX MEASUREMENT DATES**

	Measurement Date June 30,					
	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	3.3239%	3.1910%	3.1521%	3.1503%	3.1326%	3.3358%
District's Proportionate Share of the Net Pension Liability	\$ 211,866,085	\$ 200,421,836	\$ 629,216,339	\$ 751,421,716	\$ 193,782,291	\$ 153,711,262
State's Proportionate Share of the Net Pension Liability						
Associated with District	18,749,509	18,830,184	60,824,265	75,422,961	23,768,953	10,813,476
Total	<u>\$ 230,615,594</u>	<u>\$ 219,252,020</u>	<u>\$ 690,040,604</u>	<u>\$ 826,844,677</u>	<u>\$ 217,551,244</u>	<u>\$ 164,524,738</u>
District's Covered Payroll	\$ 188,698,314	\$ 178,260,773	\$ 169,205,267	\$ 164,204,850	\$ 159,010,347	\$ 152,270,353
District's Proportionate Share of the Net Pension Liability (Asset)						
as a Percentage of its Covered Payroll	112.28%	112.43%	371.87%	457.61%	121.87%	100.95%
Plan Fiduciary Net Position as a Percentage of the						
Total Pension Liability	78.21%	78.07%	51.57%	44.88%	76.80%	81.50%

\* The District implemented GASB Statement No. 68 in fiscal year 2015, and the above table will be expanded to 10 years of information as the information becomes available.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
TRA SCHEDULE OF DISTRICT CONTRIBUTIONS  
LAST SIX FISCAL YEARS\***

	Year Ended June 30,					
	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 14,839,282	\$ 14,548,640	\$ 13,369,558	\$ 12,690,395	\$ 12,315,364	\$ 11,925,776
Contributions in Relation to the Statutorily Required Contribution	(14,839,282)	(14,548,640)	(13,369,558)	(12,690,395)	(12,315,364)	(11,925,776)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 187,364,672	\$ 188,698,314	\$ 178,260,773	\$ 169,205,267	\$ 164,204,850	\$ 159,010,347
Contributions as a Percentage of Covered Payroll	7.92%	7.71%	7.50%	7.50%	7.50%	7.50%

\* The District implemented GASB Statement No. 68 in fiscal year 2015, and the above table will be expanded to 10 years of information as the information becomes available.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
GERF SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
LAST SIX MEASUREMENT DATES\***

	Measurement Date June 30,					
	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.7483%	0.7609%	0.7588%	0.7610%	0.7836%	0.8558%
District's Proportionate Share of the Net Pension Liability	\$ 41,371,831	\$ 42,211,612	\$ 48,441,291	\$ 61,789,425	\$ 40,610,219	\$ 40,201,196
State's Proportionate Share of the Net Pension Liability						
Associated with the District	1,285,874	1,384,512	609,138	806,952	-	-
Total	<u>\$ 42,657,705</u>	<u>\$ 43,596,124</u>	<u>\$ 49,050,429</u>	<u>\$ 62,596,377</u>	<u>\$ 40,610,219</u>	<u>\$ 40,201,196</u>
District's Covered Payroll	\$ 52,812,080	\$ 51,294,453	\$ 48,849,901	\$ 47,231,887	\$ 46,021,245	\$ 44,913,931
District's Proportionate Share of the Net Pension Liability (Asset)						
as a Percentage of its Covered Payroll	78.34%	82.29%	99.16%	130.82%	88.24%	89.51%
Plan Fiduciary Net Position as a Percentage of the						
Total Pension Liability	80.23%	78.07%	75.90%	68.90%	78.20%	78.70%

\* The District implemented GASB Statement No. 68 in fiscal year 2015, and the above table will be expanded to 10 years of information as the information becomes available.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
GERF SCHEDULE OF THE DISTRICT CONTRIBUTIONS  
LAST SIX FISCAL YEARS\***

	Year Ended June 30,					
	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 4,081,535	\$ 3,960,906	\$ 3,847,084	\$ 3,663,743	\$ 3,542,392	\$ 3,394,067
Contributions in Relation to the Statutorily Required Contribution	(4,081,535)	(3,960,906)	(3,847,084)	(3,663,743)	(3,542,392)	(3,394,067)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 54,420,467	\$ 52,812,080	\$ 51,294,453	\$ 48,849,901	\$ 47,231,887	\$ 46,021,245
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.38%

\* The District implemented GASB Statement No. 68 in fiscal year 2015, and the above table will be expanded to 10 years of information as the information becomes available.

## **SUPPLEMENTARY INFORMATION**

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and Investments	\$ 104,097,109	\$ 90,294,594
Receivables:		
Current Taxes	52,747,419	41,030,517
Delinquent Taxes	325,017	378,514
Accounts and Interest Receivable	202,754	2,511,434
Due from Minnesota Department of Education	29,044,271	27,393,186
Due from Federal Through the Minnesota Department of Education	6,341,401	2,691,042
Due from Federal Government Received Directly	333,560	357,568
Due from Other Governmental Units	262,698	199,163
Inventory	765,137	619,872
Prepays	517,694	801,507
	<u>\$ 194,637,060</u>	<u>\$ 166,277,397</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 17,912,156	\$ 17,524,852
Payroll Deductions and Employer Contributions Payable	19,577,506	19,157,583
Accounts and Contracts Payable	4,897,049	4,986,004
Due to Other Minnesota School Districts	689,249	847,349
Due to Other Governmental Units	68,197	138,281
Unearned Revenue	5,385	81,500
Total Liabilities	<u>43,149,542</u>	<u>42,735,569</u>
Deferred Inflows:		
Unavailable Revenue - Property Taxes Levied for Subsequent Year	92,798,174	72,236,301
Unavailable Revenue - Delinquent Taxes	325,017	378,514
Total Deferred Inflows of Resources	<u>93,123,191</u>	<u>72,614,815</u>
Fund Balance:		
Nonspendable:		
Inventory	765,137	619,872
Prepays	517,694	801,507
Restricted for:		
Student Activities	345,787	-
Capital Projects Levy	1,742,257	1,150,621
Long-Term Facility Maintenance	1,239,486	4,071,499
Medical Assistance	1,301,555	671,447
Operating Capital	5,443,273	4,947,277
Assigned for:		
Site Carry-Over	1,271,880	-
Subsequent Year Budget Deficit	-	1,311,999
Unassigned	45,737,258	37,352,791
Total Fund Balance	<u>58,364,327</u>	<u>50,927,013</u>
	<u>\$ 194,637,060</u>	<u>\$ 166,277,397</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance		
	<u>\$ 194,637,060</u>	<u>\$ 166,277,397</u>



**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2020**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

	2020		2019	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 75,545,518	\$ 76,087,494	\$ 541,976	\$ 72,874,150
Earnings and Investments	1,200,000	1,263,501	63,501	1,564,028
Other	8,659,954	9,608,187	948,233	10,254,691
State Sources	286,413,605	292,415,624	6,002,019	281,583,679
Federal Sources	11,372,472	11,229,529	(142,943)	10,805,733
Total Revenues	383,191,549	390,604,335	7,412,786	377,082,281
<b>EXPENDITURES</b>				
Current:				
Administration:				
Salaries	11,599,298	11,753,768	154,470	11,488,899
Employee Benefits	4,410,870	4,588,780	177,910	4,240,499
Purchased Services	561,634	314,989	(246,645)	252,707
Supplies and Materials	274,744	135,847	(138,897)	142,842
Capital Expenditures	128,441	19,473	(108,968)	17,299
Other Expenditures	1,235,698	185,100	(1,050,598)	217,126
Total Administration	18,210,685	16,997,957	(1,212,728)	16,359,372
District Support Services:				
Salaries	6,451,132	6,438,412	(12,720)	5,382,958
Employee Benefits	3,953,442	3,123,019	(830,423)	2,772,698
Purchased Services	2,987,848	2,616,215	(371,633)	3,134,971
Supplies and Materials	1,357,751	1,455,077	97,326	813,855
Capital Expenditures	279,026	374,321	95,295	309,016
Other Expenditures	9,620	(608,321)	(617,941)	(95,765)
Total District Support Services	15,038,819	13,398,723	(1,640,096)	12,317,733
Elementary and Secondary Regular Instruction:				
Salaries	127,371,114	124,789,923	(2,581,191)	123,481,716
Employee Benefits	39,042,765	42,886,409	3,843,644	39,877,894
Purchased Services	5,648,257	5,695,788	47,531	7,179,677
Supplies and Materials	7,007,262	4,651,999	(2,355,263)	5,773,398
Capital Expenditures	2,570,130	1,288,630	(1,281,500)	1,004,356
Other Expenditures	590,030	1,093,857	503,827	1,045,059
Total Elementary and Secondary Regular Instruction	182,229,558	180,406,606	(1,822,952)	178,362,100

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

	2020		2019	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 3,454,364	\$ 3,597,444	\$ 143,080	\$ 3,792,366
Employee Benefits	1,040,601	1,147,193	106,592	1,188,840
Purchased Services	304,605	208,085	(96,520)	228,989
Supplies and Materials	128,093	116,515	(11,578)	156,030
Capital Expenditures	53,260	83,152	29,892	23,262
Other Expenditures	6,210	35,586	29,376	29,792
Total Vocational Education Instruction	4,987,133	5,187,975	200,842	5,419,279
Special Education Instruction:				
Salaries	53,054,625	53,004,793	(49,832)	51,095,572
Employee Benefits	19,347,783	21,308,449	1,960,666	19,248,270
Purchased Services	1,521,937	1,273,122	(248,815)	1,419,633
Supplies and Materials	1,025,798	918,453	(107,345)	880,893
Capital Expenditures	300,344	246,314	(54,030)	461,240
Other Expenditures	15,000	11,928	(3,072)	5,799
Total Special Education Instruction	75,265,487	76,763,059	1,497,572	73,111,407
Community Service:				
Salaries	62,452	61,422	(1,030)	104,875
Employee Benefits	14,954	28,834	13,880	46,838
Purchased Services	66,556	68,530	1,974	48,000
Supplies and Materials	24,668	24,126	(542)	4,318
Total Community Service	168,630	182,912	14,282	204,031
Instructional Support Services:				
Salaries	11,263,793	13,766,518	2,502,725	13,901,947
Employee Benefits	3,799,978	4,432,149	632,171	4,221,409
Purchased Services	804,555	437,458	(367,097)	603,911
Supplies and Materials	4,523,583	4,267,226	(256,357)	3,588,290
Capital Expenditures	9,236	19,264	10,028	41,726
Other Expenditures	138,045	174,747	36,702	174,083
Total Instructional Support Services	20,539,190	23,097,362	2,558,172	22,531,366

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

	2020		2019	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Pupil Support Services:				
Salaries	\$ 14,235,137	\$ 14,634,814	\$ 399,677	\$ 14,417,826
Employee Benefits	7,019,342	7,277,084	257,742	6,535,318
Purchased Services	3,754,327	3,688,756	(65,571)	2,708,210
Supplies and Materials	2,439,800	1,913,800	(526,000)	2,467,525
Capital Expenditures	1,665,500	1,601,719	(63,781)	1,289,391
Other Expenditures	7,000	50,185	43,185	52,859
Total Pupil Support Services	29,121,106	29,166,358	45,252	27,471,129
Sites and Buildings:				
Salaries	10,688,389	10,190,797	(497,592)	9,380,343
Employee Benefits	4,767,707	4,526,455	(241,252)	4,092,484
Purchased Services	6,980,159	13,298,804	6,318,645	10,086,922
Supplies and Materials	1,392,903	2,047,811	654,908	1,833,785
Capital Expenditures	10,559,695	5,225,335	(5,334,360)	5,339,261
Other Expenditures	-	5,267	5,267	4,517
Total Sites and Buildings	34,388,853	35,294,469	905,616	30,737,312
Fiscal and Other Fixed Costs:				
Purchased Services	791,771	671,312	(120,459)	632,189
Other Expenditures	-	-	-	549,880
Total Fiscal and Other Fixed Costs	791,771	671,312	(120,459)	1,182,069
Debt Service:				
Principal	1,813,717	1,921,596	107,879	2,224,828
Interest and Fiscal Charges	563,629	560,747	(2,882)	643,895
Total Debt Service	2,377,346	2,482,343	104,997	2,868,723
Total Expenditures	383,118,578	383,649,076	530,498	370,564,521
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	72,971	6,955,259	6,882,288	6,517,760

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

	2020		2019	
	Actual	Over (Under)	Actual	
	Final Budget	Final Budget	Amounts	
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Real Property	\$ -	\$ 206,637	\$ 206,637	\$ -
Sale of Equipment	650,000	649,234	(766)	19,383
Insurance Recovery	10,000	25,413	15,413	56,303
Judgments for the School District	-	-	-	369
Transfers Out	(64,770)	(399,229)	(334,459)	(135,509)
Total Other Financing Sources (Uses)	595,230	482,055	(113,175)	(59,454)
<b>NET CHANGE IN FUND BALANCE</b>				
	\$ 668,201	7,437,314	\$ 6,769,113	6,458,306
<b>FUND BALANCE</b>				
Beginning of Year		50,927,013		44,468,707
End of Year		\$ 58,364,327		\$ 50,927,013

**INDEPENDENT SCHOOL DISTRICT NO. 19**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BY ACCOUNT**  
**YEAR ENDED JUNE 30, 2020**

	Operating	Pupil Transportation	Capital Expenditures	Total
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 71,415,153	\$ -	\$ 4,672,341	\$ 76,087,494
Earnings and Investments	1,263,501	-	-	1,263,501
Other	9,473,686	134,501	-	9,608,187
State Sources	267,720,896	19,517,988	5,176,740	292,415,624
Federal Sources	11,229,529	-	-	11,229,529
Total Revenues	361,102,765	19,652,489	9,849,081	390,604,335
<b>EXPENDITURES</b>				
Current:				
Administration:				
Salaries	11,753,768	-	-	11,753,768
Employee Benefits	4,588,780	-	-	4,588,780
Purchased Services	310,077	-	4,912	314,989
Supplies and Materials	111,096	-	24,751	135,847
Capital Expenditures	-	-	19,473	19,473
Other Expenditures	185,100	-	-	185,100
Total Administration	16,948,821	-	49,136	16,997,957
District Support Services:				
Salaries	5,555,073	-	883,339	6,438,412
Employee Benefits	2,712,759	-	410,260	3,123,019
Purchased Services	1,447,052	-	1,169,163	2,616,215
Supplies and Materials	1,305,575	-	149,502	1,455,077
Capital Expenditures	5,075	-	369,246	374,321
Other Expenditures	(608,321)	-	-	(608,321)
Total District Support Services	10,417,213	-	2,981,510	13,398,723
Elementary and Secondary Regular Instruction:				
Salaries	124,789,923	-	-	124,789,923
Employee Benefits	42,886,409	-	-	42,886,409
Purchased Services	5,592,690	-	103,098	5,695,788
Supplies and Materials	4,001,843	-	650,156	4,651,999
Capital Expenditures	415,320	-	873,310	1,288,630
Other Expenditures	1,093,857	-	-	1,093,857
Total Elementary and Secondary Regular Instruction	178,780,042	-	1,626,564	180,406,606

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BY ACCOUNT (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

	Operating	Pupil Transportation	Capital Expenditures	Total
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 3,597,444	\$ -	\$ -	\$ 3,597,444
Employee Benefits	1,147,193	-	-	1,147,193
Purchased Services	208,085	-	-	208,085
Supplies and Materials	116,515	-	-	116,515
Capital Expenditures	48,152	-	35,000	83,152
Other Expenditures	35,586	-	-	35,586
Total Vocational Education Instruction	5,152,975	-	35,000	5,187,975
Special Education Instruction:				
Salaries	53,004,793	-	-	53,004,793
Employee Benefits	21,308,449	-	-	21,308,449
Purchased Services	1,273,122	-	-	1,273,122
Supplies and Materials	918,453	-	-	918,453
Capital Expenditures	246,314	-	-	246,314
Other Expenditures	11,928	-	-	11,928
Total Special Education Instruction	76,763,059	-	-	76,763,059
Community Service:				
Salaries	61,422	-	-	61,422
Employee Benefits	28,834	-	-	28,834
Purchased Services	68,530	-	-	68,530
Supplies and Materials	24,126	-	-	24,126
Total Community Service	182,912	-	-	182,912
Instructional Support Services:				
Salaries	13,237,195	-	529,323	13,766,518
Employee Benefits	4,236,737	-	195,412	4,432,149
Purchased Services	437,458	-	-	437,458
Supplies and Materials	3,879,758	-	387,468	4,267,226
Capital Expenditures	16,339	-	2,925	19,264
Other Expenditures	174,747	-	-	174,747
Total Instructional Support Services	21,982,234	-	1,115,128	23,097,362

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BY ACCOUNT (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

	Operating	Pupil Transportation	Capital Expenditures	Total
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Pupil Support Services:				
Salaries	\$ 5,736,813	\$ 8,898,001	\$ -	\$ 14,634,814
Employee Benefits	2,153,582	5,123,502	-	7,277,084
Purchased Services	380,980	3,307,776	-	3,688,756
Supplies and Materials	55,292	1,858,508	-	1,913,800
Capital Expenditures	-	1,601,719	-	1,601,719
Other Expenditures	43,874	6,311	-	50,185
Total Pupil Support Services	8,370,541	20,795,817	-	29,166,358
Sites and Buildings:				
Salaries	10,190,797	-	-	10,190,797
Employee Benefits	4,526,455	-	-	4,526,455
Purchased Services	13,011,835	-	286,969	13,298,804
Supplies and Materials	2,047,811	-	-	2,047,811
Capital Expenditures	4,217,414	-	1,007,921	5,225,335
Other Expenditures	1,030	-	4,237	5,267
Total Sites and Buildings	33,995,342	-	1,299,127	35,294,469
Fiscal and Other Fixed Costs:				
Purchased Services	671,312	-	-	671,312
Debt Service:				
Principal	185,363	-	1,736,233	1,921,596
Interest and Fiscal Charges	199	-	560,548	560,747
Total Debt Service	185,562	-	2,296,781	2,482,343
Total Expenditures	353,450,013	20,795,817	9,403,246	383,649,076
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	7,652,752	(1,143,328)	445,835	6,955,259

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BY ACCOUNT (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

	Operating	Pupil Transportation	Capital Expenditures	Total
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Real Property	\$ -	\$ -	\$ 206,637	\$ 206,637
Sale of Equipment	649,234	-	-	649,234
Insurance Recovery	6,944	18,469	-	25,413
Transfers Out	(399,229)	-	-	(399,229)
Total Other Financing Sources	256,949	18,469	206,637	482,055
<b>NET CHANGE IN FUND BALANCE</b>	7,909,701	(1,124,859)	652,472	7,437,314
<b>FUND BALANCE</b>				
Beginning of Year	40,394,566	4,936,683	5,595,764	50,927,013
End of Year	<u>\$ 48,304,267</u>	<u>\$ 3,811,824</u>	<u>\$ 6,248,236</u>	<u>\$ 58,364,327</u>



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
GENERAL FUND – OPERATING ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

	2020			2019
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 71,070,085	\$ 71,415,153	\$ 345,068	\$ 69,184,332
Earnings and Investments	1,200,000	1,263,501	63,501	1,564,028
Other	7,451,249	9,473,686	2,022,437	10,048,270
State Sources	221,663,450	267,720,896	46,057,446	257,101,004
Federal Sources	4,689,419	11,229,529	6,540,110	10,805,733
Total Revenues	306,074,203	361,102,765	55,028,562	348,703,367
<b>EXPENDITURES</b>				
Current:				
Administration:				
Salaries	11,599,298	11,753,768	154,470	11,488,899
Employee Benefits	4,410,870	4,588,780	177,910	4,240,499
Purchased Services	535,209	310,077	(225,132)	247,925
Supplies and Materials	249,496	111,096	(138,400)	103,010
Capital Expenditures	72,000	-	(72,000)	32
Other Expenditures	1,235,698	185,100	(1,050,598)	217,126
Total Administration	18,102,571	16,948,821	(1,153,750)	16,297,491
District Support Services:				
Salaries	5,401,561	5,555,073	153,512	4,511,975
Employee Benefits	3,468,948	2,712,759	(756,189)	2,367,522
Purchased Services	2,329,556	1,447,052	(882,504)	1,898,307
Supplies and Materials	1,144,251	1,305,575	161,324	614,974
Capital Expenditures	7,000	5,075	(1,925)	7,160
Other Expenditures	9,620	(608,321)	(617,941)	(95,765)
Total District Support Services	12,360,936	10,417,213	(1,943,723)	9,304,173
Elementary and Secondary Regular Instruction:				
Salaries	127,371,114	124,789,923	(2,581,191)	123,481,716
Employee Benefits	39,042,765	42,886,409	3,843,644	39,877,894
Purchased Services	5,546,611	5,592,690	46,079	7,042,930
Supplies and Materials	5,539,800	4,001,843	(1,537,957)	5,083,187
Capital Expenditures	178,752	415,320	236,568	625,737
Other Expenditures	590,030	1,093,857	503,827	1,045,059
Total Elementary and Secondary Regular Instruction	178,269,072	178,780,042	510,970	177,156,523

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND - OPERATING ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

	2020			2019
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 3,454,364	\$ 3,597,444	\$ 143,080	\$ 3,792,366
Employee Benefits	1,040,601	1,147,193	106,592	1,188,840
Purchased Services	304,605	208,085	(96,520)	228,989
Supplies and Materials	128,093	116,515	(11,578)	120,590
Capital Expenditures	18,260	48,152	29,892	10,302
Other Expenditures	6,210	35,586	29,376	29,792
Total Vocational Education Instruction	4,952,133	5,152,975	200,842	5,370,879
Special Education Instruction:				
Salaries	53,054,625	53,004,793	(49,832)	51,095,572
Employee Benefits	19,347,783	21,308,449	1,960,666	19,248,270
Purchased Services	1,521,937	1,273,122	(248,815)	1,419,633
Supplies and Materials	1,025,798	918,453	(107,345)	880,893
Capital Expenditures	300,344	246,314	(54,030)	461,240
Other Expenditures	15,000	11,928	(3,072)	5,799
Total Special Education Instruction	75,265,487	76,763,059	1,497,572	73,111,407
Community Service:				
Salaries	62,452	61,422	(1,030)	104,875
Employee Benefits	14,954	28,834	13,880	46,838
Purchased Services	66,556	68,530	1,974	48,000
Supplies and Materials	24,668	24,126	(542)	4,318
Total Community Service	168,630	182,912	14,282	204,031
Instructional Support Services:				
Salaries	10,633,141	13,237,195	2,604,054	13,408,831
Employee Benefits	3,608,295	4,236,737	628,442	4,041,168
Purchased Services	804,555	437,458	(367,097)	603,911
Supplies and Materials	4,015,949	3,879,758	(136,191)	2,914,509
Capital Expenditures	1,700	16,339	14,639	40,047
Other Expenditures	138,045	174,747	36,702	174,083
Total Instructional Support Services	19,201,685	21,982,234	2,780,549	21,182,549

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND - OPERATING ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

	2020			2019
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Pupil Support Services:				
Salaries	\$ 5,602,503	\$ 5,736,813	\$ 134,310	\$ 5,707,013
Employee Benefits	2,047,294	2,153,582	106,288	2,054,875
Purchased Services	372,478	380,980	8,502	374,272
Supplies and Materials	84,400	55,292	(29,108)	73,344
Capital Expenditures	3,000	-	(3,000)	-
Other Expenditures	2,400	43,874	41,474	45,852
Total Pupil Support Services	8,112,075	8,370,541	258,466	8,255,356
Sites and Buildings:				
Salaries	10,688,389	10,190,797	(497,592)	9,380,343
Employee Benefits	4,767,707	4,526,455	(241,252)	4,092,484
Purchased Services	6,726,514	13,011,835	6,285,321	9,754,052
Supplies and Materials	1,392,903	2,047,811	654,908	1,833,785
Capital Expenditures	9,276,220	4,217,414	(5,058,806)	4,673,986
Other Expenditures	-	1,030	1,030	280
Total Sites and Buildings	32,851,733	33,995,342	1,143,609	29,734,930
Fiscal and Other Fixed Costs:				
Purchased Services	791,771	671,312	(120,459)	632,189
Other Expenditures	-	-	-	549,880
Total Fiscal and Other Fixed Costs	791,771	671,312	(120,459)	1,182,069
Debt Service:				
Principal	194,000	185,363	(8,637)	215,189
Interest and Fiscal Charges	-	199	199	21,163
Total Debt Service	194,000	185,562	(8,438)	236,352
Total Expenditures	350,101,463	353,450,013	3,165,638	342,035,760
<b>EXCESS (DEFICIENCY) OF REVENUES</b>				
<b>OVER (UNDER) EXPENDITURES</b>	(44,027,260)	7,652,752	51,862,924	6,667,607

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND - OPERATING ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

	2020			2019
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment	\$ 650,000	\$ 649,234	\$ (766)	\$ 19,383
Insurance Recovery	10,000	6,944	(3,056)	-
Judgments for the School District	-	-	-	369
Transfers Out	(64,770)	(399,229)	(334,459)	(135,509)
Total Other Financing Sources (Uses)	<u>595,230</u>	<u>256,949</u>	<u>(338,281)</u>	<u>(115,757)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (43,432,030)</u></u>	<u>7,909,701</u>	<u><u>\$ 51,524,643</u></u>	<u>6,551,850</u>
<b>FUND BALANCE</b>				
Beginning of Year		<u>40,394,566</u>		<u>33,842,716</u>
End of Year		<u><u>\$ 48,304,267</u></u>		<u><u>\$ 40,394,566</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND – PUPIL TRANSPORTATION ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2020**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

		2020		2019
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Other	\$ 230,000	\$ 134,501	\$ (95,499)	\$ 174,505
State Sources	19,839,310	19,517,988	(321,322)	19,213,721
Total Revenues	20,069,310	19,652,489	(416,821)	19,388,226
<b>EXPENDITURES</b>				
Current:				
Pupil Support Services:				
Salaries	8,632,634	8,898,001	265,367	8,710,813
Employee Benefits	4,972,048	5,123,502	151,454	4,480,443
Purchased Services	3,381,849	3,307,776	(74,073)	2,333,938
Supplies and Materials	2,355,400	1,858,508	(496,892)	2,394,181
Capital Expenditures	1,661,500	1,601,719	(59,781)	1,289,391
Other Expenditures	4,600	6,311	1,711	7,007
Total Pupil Support Services	21,008,031	20,795,817	(212,214)	19,215,773
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	(938,721)	(1,143,328)	(204,607)	172,453
<b>OTHER FINANCING SOURCES</b>				
Insurance Recovery	-	18,469	18,469	41,683
<b>NET CHANGE IN FUND BALANCE</b>				
	\$ (938,721)	(1,124,859)	\$ (204,607)	214,136
<b>FUND BALANCE</b>				
Beginning of Year		4,936,683		4,722,547
End of Year		\$ 3,811,824		\$ 4,936,683

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND – CAPITAL EXPENDITURE ACCOUNT**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2020**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

		2020		2019
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	\$ 4,475,433	\$ 4,672,341	\$ 196,908	\$ 3,689,818
Other	-	-	-	31,916
State Sources	5,036,889	5,176,740	139,851	5,268,954
Total Revenues	9,512,322	9,849,081	336,759	8,990,688
EXPENDITURES				
Current:				
Administration:				
Purchased Services	26,425	4,912	(21,513)	4,782
Supplies and Materials	25,248	24,751	(497)	39,832
Capital Expenditures	56,441	19,473	(36,968)	17,267
Total Administration	108,114	49,136	(58,978)	61,881
District Support Services:				
Salaries	1,049,571	883,339	(166,232)	870,983
Employee Benefits	484,494	410,260	(74,234)	405,176
Purchased Services	658,292	1,169,163	510,871	1,236,664
Supplies and Materials	213,500	149,502	(63,998)	198,881
Capital Expenditures	272,026	369,246	97,220	301,856
Total District Support Services	2,677,883	2,981,510	303,627	3,013,560
Elementary and Secondary Regular Instruction:				
Purchased Services	101,646	103,098	1,452	136,747
Supplies and Materials	1,467,462	650,156	(817,306)	690,211
Capital Expenditures	2,391,378	873,310	(1,518,068)	378,619
Total Elementary and Secondary Regular Instruction	3,960,486	1,626,564	(2,333,922)	1,205,577
Vocational Education Instruction:				
Supplies and Materials	-	-	-	35,440
Capital Expenditures	35,000	35,000	-	12,960
Total Vocational Education Instruction	35,000	35,000	-	48,400
Instructional Support Services:				
Salaries	630,652	529,323	(101,329)	493,116
Employee Benefits	191,683	195,412	3,729	180,241
Supplies and Materials	507,634	387,468	(120,166)	673,781
Capital Expenditures	7,536	2,925	(4,611)	1,679
Total Instructional Support Services	1,337,505	1,115,128	(222,377)	1,348,817

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
GENERAL FUND – CAPITAL EXPENDITURE ACCOUNT  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

	2020			2019
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Sites and Buildings:				
Purchased Services	\$ 253,645	\$ 286,969	\$ 33,324	\$ 332,870
Capital Expenditures	1,283,475	1,007,921	(275,554)	665,275
Other Expenditures	-	4,237	4,237	4,237
Total Sites and Buildings	1,537,120	1,299,127	(237,993)	1,002,382
Debt Service:				
Principal	1,619,717	1,736,233	116,516	2,009,639
Interest and Fiscal Charges	554,129	560,548	6,419	622,732
Total Debt Service	2,173,846	2,296,781	122,935	2,632,371
Total Expenditures	11,829,954	9,403,246	(2,426,708)	9,312,988
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,317,632)	445,835	2,763,467	(322,300)
<b>OTHER FINANCING SOURCES</b>				
Sale of Real Property	-	206,637	206,637	-
Insurance Recovery	-	-	-	14,620
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (2,317,632)</u>	652,472	<u>\$ 2,970,104</u>	(307,680)
<b>FUND BALANCE</b>				
Beginning of Year		5,595,764		5,903,444
End of Year		<u>\$ 6,248,236</u>		<u>\$ 5,595,764</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF SPECIAL EDUCATION REVENUE AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2020**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

	2020		2019	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ -	\$ 750,635	\$ 750,635	\$ 719,127
Other	850,316	1,146,404	296,088	1,095,706
State Sources	39,873,956	40,020,915	146,959	39,729,088
Federal Sources	6,683,053	6,734,173	51,120	6,084,445
Total Revenues	47,407,325	48,652,127	1,244,802	47,628,366
<b>EXPENDITURES</b>				
Current:				
Special Education Instruction:				
Salaries	53,054,625	53,004,793	(49,832)	51,095,572
Employee Benefits	19,347,783	21,308,449	1,960,666	19,248,270
Purchased Services	1,521,937	1,273,122	(248,815)	1,419,633
Supplies and Materials	1,025,798	961,698	(64,100)	880,893
Capital Expenditures	300,344	203,069	(97,275)	461,240
Other Expenditures	15,000	11,928	(3,072)	5,799
Debt Service:				
Principal	194,000	175,991	(18,009)	171,600
Interest and Fiscal Charges	9,500	-	(9,500)	18,252
Total Expenditures	75,468,987	76,939,050	1,470,063	73,301,259
<b>DEFICIENCY OF REVENUES</b>				
<b>UNDER EXPENDITURES</b>	<b>\$ (28,061,662)</b>	<b>\$ (28,286,923)</b>	<b>\$ (225,261)</b>	<b>\$ (25,672,893)</b>



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
FOOD SERVICE FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and Investments	\$ 4,472,683	\$ 3,949,071
Receivables:		
Accounts and Interest Receivable	111	20,392
Due from Minnesota Department of Education	117,760	120,171
Due from Federal through Minnesota Department of Education	414,347	672,591
Inventory	<u>496,827</u>	<u>240,218</u>
Total Assets	<u><u>\$ 5,501,728</u></u>	<u><u>\$ 5,002,443</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 169	\$ 195,258
Payroll Deductions and Employer Contributions Payable	126,274	-
Accounts and Contracts Payable	213,076	278,861
Due to Other Governmental Units	-	60
Unearned Revenue	<u>510,019</u>	<u>412,425</u>
Total Liabilities	849,538	886,604
Fund Balance:		
Nonspendable:		
Inventory	496,827	240,218
Restricted for:		
Food Service	<u>4,155,363</u>	<u>3,875,621</u>
Total Fund Balance	<u>4,652,190</u>	<u>4,115,839</u>
Total Liabilities and Fund Balance	<u><u>\$ 5,501,728</u></u>	<u><u>\$ 5,002,443</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**FOOD SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2020**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

		2020		2019
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Earnings and Investments	\$ 45,955	\$ 53,826	\$ 7,871	\$ 106,219
Other - Primarily Meal Sales	4,564,200	5,016,162	451,962	7,094,349
State Sources	813,296	690,118	(123,178)	793,658
Federal Sources	5,218,241	5,606,437	388,196	5,373,773
Total Revenues	10,641,692	11,366,543	724,851	13,367,999
<b>EXPENDITURES</b>				
Current:				
Salaries	4,310,409	3,701,409	(609,000)	4,126,384
Employee Benefits	1,468,972	1,058,746	(410,226)	1,198,053
Purchased Services	569,760	507,825	(61,935)	589,639
Supplies and Materials	6,205,096	5,308,535	(896,561)	6,184,594
Other Expenditures	22,025	313,993	291,968	15,197
Capital Outlay	200,000	202,042	2,042	349,022
Total Expenditures	12,776,262	11,092,550	(1,683,712)	12,462,889
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,134,570)	273,993	2,408,563	905,110
<b>OTHER FINANCING SOURCES</b>				
Transfers In	-	262,358	262,358	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (2,134,570)</u>	536,351	<u>\$ 2,670,921</u>	905,110
<b>FUND BALANCE</b>				
Beginning of Year		4,115,839		3,210,729
End of Year		<u>\$ 4,652,190</u>		<u>\$ 4,115,839</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
COMMUNITY SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and Investments	\$ 3,976,993	\$ 4,230,165
Receivables:		
Current Taxes	941,365	916,076
Delinquent Taxes	7,859	9,524
Accounts and Interest Receivable	1,844	77,433
Due from Minnesota Department of Education	332,715	373,072
Due from Federal Through the Minnesota Department of Education	11,256	6,332
Due from Other Governmental Units	8,207	5,068
Prepays	<u>500</u>	<u>4,285</u>
 Total Assets	 <u><u>\$ 5,280,739</u></u>	 <u><u>\$ 5,621,955</u></u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 44,481	\$ 345,089
Accounts and Contracts Payable	33,817	107,306
Due to Other Governmental Units	5,152	4,950
Unearned Revenue	<u>338,432</u>	<u>668,675</u>
Total Liabilities	676,970	1,126,690
 Deferred Inflows:		
Property Taxes Levied for Subsequent Year	1,720,820	1,691,652
Unavailable Revenue - Delinquent Taxes	<u>7,859</u>	<u>9,524</u>
Total Deferred Inflows of Resources	1,728,679	1,701,176
 Fund Balance:		
Nonspendable:		
Prepays	500	4,285
Restricted for:		
Community Education	411,311	420,498
Early Childhood and Family Education	680,237	471,540
School Readiness	1,136,511	1,210,605
Adult Basic Education	452,742	505,996
Other Purposes	<u>193,789</u>	<u>181,165</u>
Total Fund Balance	<u><u>2,875,090</u></u>	<u><u>2,794,089</u></u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	 <u><u>\$ 5,280,739</u></u>	 <u><u>\$ 5,621,955</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
COMMUNITY SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

	2020			2019
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 1,676,880	\$ 1,754,513	\$ 77,633	\$ 1,673,788
Earnings and Investments	45,000	64,990	19,990	112,471
Other - Primarily Tuition and Fees	4,090,666	3,230,815	(859,851)	4,003,849
State Sources	3,289,886	3,269,753	(20,133)	3,227,499
Federal Sources	58,779	58,779	-	52,596
Total Revenues	9,161,211	8,378,850	(782,361)	9,070,203
<b>EXPENDITURES</b>				
Current:				
Salaries	5,852,293	5,352,276	(500,017)	5,674,498
Employee Benefits	1,809,576	1,662,649	(146,927)	1,633,408
Purchased Services	1,201,527	905,310	(296,217)	1,072,091
Supplies and Materials	377,935	245,411	(132,524)	322,203
Other Expenditures	5,698	257,615	251,917	27,481
Capital Outlay	24,300	11,459	(12,841)	9,882
Total Expenditures	9,271,329	8,434,720	(836,609)	8,739,563
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(110,118)	(55,870)	54,248	330,640
<b>OTHER FINANCING SOURCES</b>				
Transfers In	64,770	136,871	72,101	135,509
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (45,348)</u>	81,001	<u>\$ 126,349</u>	466,149
<b>FUND BALANCE</b>				
Beginning of Year		2,794,089		2,327,940
End of Year		<u>\$ 2,875,090</u>		<u>\$ 2,794,089</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND  
BALANCE SHEET  
JUNE 30, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and Investments	\$ 2,369,679	\$ 7,507,409
Cash with Fiscal Agent	<u>9,331,094</u>	<u>-</u>
Total Assets	<u><u>\$ 11,700,773</u></u>	<u><u>\$ 7,507,409</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts and Contracts Payable	\$ 2,231,388	\$ 1,479,722
Fund Balance:		
Restricted for:		
Projects Funded by Certificates of Participation	6,020,489	-
Restricted for Capital Projects	<u>3,448,896</u>	<u>6,027,687</u>
Total Fund Balance	<u>9,469,385</u>	<u>6,027,687</u>
Total Liabilities and Fund Balance	<u><u>\$ 11,700,773</u></u>	<u><u>\$ 7,507,409</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

	2020	2019
	Actual Amounts	Actual Amounts
<b>REVENUES</b>	Final Budget	Over (Under) Final Budget
Local Sources:		
Earnings and Investments	\$ -	\$ 107,879
Other	320,000	(200,000)
Total Revenues	320,000	(92,121)
		532,140
<b>EXPENDITURES</b>		
Current:		
Purchased Services	-	201,499
Supplies and Materials	-	211,199
Capital Outlay	4,400,000	5,704,538
Debt Service:		
Other Debt Service Expenditures	-	173,147
Total Expenditures	4,400,000	6,290,383
		1,890,383
		31,205,632
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(4,080,000)	(6,062,504)
		(1,982,504)
		(30,673,492)
<b>OTHER FINANCING SOURCES</b>		
Issuance of Certificates of Participation	8,900,000	9,504,202
		604,202
		-
<b>NET CHANGE IN FUND BALANCE</b>	\$ 4,820,000	3,441,698
		\$ (1,378,302)
		(30,673,492)
<b>FUND BALANCE</b>		
Beginning of Year		6,027,687
		36,701,179
End of Year		\$ 9,469,385
		\$ 6,027,687

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	Regular Debt Service	OPEB Debt Service	Totals	
			2020	2019
<b>ASSETS</b>				
Cash and Investments	\$ 8,434,201	\$ 2,254,633	\$ 10,688,834	\$ 9,811,881
Receivables:				
Current Taxes	9,806,095	-	9,806,095	9,657,604
Delinquent Taxes	58,155	23,814	81,969	97,402
Due from Minnesota Department of Education	14,510	-	14,510	14,051
Due from Other Governmental Units	76,921	9,000	85,921	50,457
	<u>\$ 18,389,882</u>	<u>\$ 2,287,447</u>	<u>\$ 20,677,329</u>	<u>\$ 19,631,395</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
Deferred Inflows:				
Property Taxes Levied for Subsequent Year	\$ 17,925,595	\$ -	\$ 17,925,595	\$ 17,834,002
Unavailable Revenue - Delinquent Taxes	58,155	23,814	81,969	97,402
Total Deferred Inflows of Resources	<u>17,983,750</u>	<u>23,814</u>	<u>18,007,564</u>	<u>17,931,404</u>
Fund Balance:				
Restricted for Debt Service	406,132	2,263,633	2,669,765	2,254,615
Unassigned	-	-	-	(554,624)
Total Fund Balance	<u>406,132</u>	<u>2,263,633</u>	<u>2,669,765</u>	<u>1,699,991</u>
	<u>\$ 18,389,882</u>	<u>\$ 2,287,447</u>	<u>\$ 20,677,329</u>	<u>\$ 19,631,395</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 18,389,882</u>	<u>\$ 2,287,447</u>	<u>\$ 20,677,329</u>	<u>\$ 19,631,395</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2020**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

	2020					2019
	Final Budgeted Amounts	Regular Debt Service	OPEB Debt Service	Total Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES						
Local Sources:						
Property Taxes	\$ 17,699,289	\$ 17,813,186	\$ 9,018	\$ 17,822,204	\$ 122,915	\$ 16,611,053
Earnings and Investments	90,000	105,070	-	105,070	15,070	172,781
State Sources	600	145,094	-	145,094	144,494	141,650
Total Revenues	17,789,889	18,063,350	9,018	18,072,368	282,479	16,925,484
EXPENDITURES						
Debt Service:						
Bond Principal	11,330,000	11,330,000	-	11,330,000	-	12,470,000
Bond Interest	5,771,170	5,771,170	-	5,771,170	-	6,345,819
Paying Agent Fees and Other	10,500	1,424	-	1,424	(9,076)	2,375
Total Expenditures	17,111,670	17,102,594	-	17,102,594	(9,076)	18,818,194
NET CHANGE IN FUND BALANCE	\$ 678,219	960,756	9,018	969,774	\$ 291,555	(1,892,710)
FUND BALANCE						
Beginning of Year		(554,624)	2,254,615	1,699,991		3,592,701
End of Year		\$ 406,132	\$ 2,263,633	\$ 2,669,765		\$ 1,699,991



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
DEBT SERVICE FUND – GENERAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

		2020		2019
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 17,699,289	\$ 17,813,186	\$ 113,897	\$ 6,989,566
Earnings and Investments	50,000	105,070	55,070	54,545
State Sources		145,094	145,094	140,039
Total Revenues	17,749,289	18,063,350	314,061	7,184,150
<b>EXPENDITURES</b>				
Debt Service:				
Principal	11,330,000	11,330,000	-	3,345,000
Interest	5,771,170	5,771,170	-	5,889,570
Fiscal Charges and Other	10,000	1,424	(8,576)	1,900
Total Expenditures	17,111,170	17,102,594	(8,576)	9,236,470
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 638,119</u>	960,756	<u>\$ 322,637</u>	(2,052,320)
<b>FUND BALANCE</b>				
Beginning of Year		(554,624)		1,497,696
End of Year		<u>\$ 406,132</u>		<u>\$ (554,624)</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
DEBT SERVICE FUND – OPEB ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

	2020	2019
	Actual	Actual
	Over (Under)	
	Final Budget	Amounts
	Final Budget	Amounts
<b>REVENUES</b>		
Local Sources:		
Property Taxes	\$ -	\$ 9,018
Earnings and Investments	40,000	-
State Sources	-	-
Total Revenues	40,000	9,018
		(30,982)
		9,741,334
<b>EXPENDITURES</b>		
Debt Service:		
Principal	-	-
Interest	-	-
Fiscal Charges and Other	500	-
Total Expenditures	500	-
		(500)
		9,581,724
<b>NET CHANGE IN FUND BALANCE</b>	\$ 39,500	9,018
		\$ (30,482)
		159,610
<b>FUND BALANCE</b>		
Beginning of Year	2,254,615	2,095,005
End of Year	\$ 2,263,633	\$ 2,254,615

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	Severance Benefits	Self-Insured Dental Benefits	Self-Insured Health Benefits	Totals	
				2020	2019
<b>ASSETS</b>					
Cash and Investments	\$ 10,581,307	\$ 309,647	\$ 30,823,770	\$ 41,714,724	\$ 35,404,426
<b>LIABILITIES</b>					
Current Liabilities:					
Claims Payable	-	23,906	3,907,159	3,931,065	3,810,181
Severance Benefits Payable	2,060,979	-	-	2,060,979	1,429,535
Unearned Revenue	-	-	8,848,712	8,848,712	8,665,547
Total Current Liabilities	2,060,979	23,906	12,755,871	14,840,756	13,905,263
Long-Term Liabilities:					
Severance Benefits Payable	13,537,407	-	-	13,537,407	13,229,345
<b>NET POSITION</b>					
Unrestricted	<u>\$ (5,017,079)</u>	<u>\$ 285,741</u>	<u>\$ 18,067,899</u>	<u>\$ 13,336,561</u>	<u>\$ 8,269,818</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION**  
**YEAR ENDED JUNE 30, 2020**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

	Severance Benefits	Self-Insured Dental Benefits	Self-Insured Health Benefits	Totals	
				2020	2019
<b>OPERATING REVENUES</b>					
Local Sources:					
Contributions from Governmental Funds	\$ 1,428,223	\$ 466,527	\$ 48,430,777	\$ 50,325,527	\$ 45,793,340
Contributions from Employees	-	5,975	7,100,677	7,106,652	6,793,387
Total Operating Revenues	1,428,223	472,502	55,531,454	57,432,179	52,586,727
<b>OPERATING EXPENSES</b>					
Severance Benefits	2,367,729	-	-	2,367,729	768,317
Self-Insured Benefits	-	373,204	49,922,050	50,295,254	51,662,426
Total Operating Expenses	2,367,729	373,204	49,922,050	52,662,983	52,430,743
<b>OPERATING INCOME</b>	(939,506)	99,298	5,609,404	4,769,196	155,984
<b>NONOPERATING REVENUE</b>					
Earnings on Investments	150,362	2,505	144,680	297,547	623,731
<b>CHANGE IN NET POSITION</b>	(789,144)	101,803	5,754,084	5,066,743	779,715
Net Position - Beginning	(4,227,935)	183,938	12,313,815	8,269,818	7,490,103
<b>NET POSITION - ENDING</b>	<u>\$ (5,017,079)</u>	<u>\$ 285,741</u>	<u>\$ 18,067,899</u>	<u>\$ 13,336,561</u>	<u>\$ 8,269,818</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

	Severance Benefits	Self Insured Dental Benefits	Self-Insured Health Benefits	Totals	
				2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Assessments Made to Other Funds	\$ 1,428,223	\$ 466,527	\$ 48,430,777	\$ 50,325,527	\$ 45,793,340
Receipts from Employee Contributions	-	5,975	7,283,842	7,289,817	7,479,678
Payments for Severance, OPEB, and Self-Insurance Claims	(1,428,223)	(359,607)	(49,814,763)	(51,602,593)	(52,345,633)
Net Cash Provided by Operating Activities	-	112,895	5,899,856	6,012,751	927,385
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Received	150,362	2,505	144,680	297,547	623,731
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	150,362	115,400	6,044,536	6,310,298	1,551,116
Cash and Cash Equivalents - Beginning	10,430,945	194,247	24,779,234	35,404,426	33,853,310
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ 10,581,307</u>	<u>\$ 309,647</u>	<u>\$ 30,823,770</u>	<u>\$ 41,714,724</u>	<u>\$ 35,404,426</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ (939,506)	\$ 99,298	\$ 5,609,404	\$ 4,769,196	\$ 155,984
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Increase in Claims Payable	-	13,597	107,287	120,884	584,545
Increase in Unearned Revenue	-	-	183,165	183,165	686,291
Increase (Decrease) in Severance Benefits Payable	939,506	-	-	939,506	(499,435)
Total Adjustments	939,506	13,597	290,452	1,243,555	771,401
Net Cash Provided by Operating Activities	<u>\$ -</u>	<u>\$ 112,895</u>	<u>\$ 5,899,856</u>	<u>\$ 6,012,751</u>	<u>\$ 927,385</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS**  
**COMPLIANCE TABLE**  
**YEAR ENDED JUNE 30, 2020**

	AUDIT	UFARS	DIFFERENCE
<b>01 GENERAL FUND</b>			
Total Revenue	\$ 390,629,748	\$ 390,629,747	\$ 1
Total Expenditures	383,649,076	383,649,076	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	1,282,831	1,282,831	-
<i>Restricted:</i>			
401 Student Activities	345,787	345,787	-
403 Staff Development	-	-	-
406 Health and Safety	-	-	-
407 Capital Project Levy	1,742,257	1,742,257	-
408 Cooperative Programs	-	-	-
413 Projects Funded by COP	-	-	-
414 Operating Debt	-	-	-
416 Levy Reduction	-	-	-
417 Taconite Building Maintenance	-	-	-
424 Operating Capital	5,443,273	5,443,273	-
426 \$25 Taconite	-	-	-
427 Disabled Accessibility	-	-	-
428 Learning and Development	-	-	-
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	(460,103)	(460,103)	-
451 QZAB Payments	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
453 Unfunded Severance & Retirement Levy	-	-	-
467 LTFM	1,239,486	1,239,486	-
472 Medical Assistance	1,301,555	1,301,555	-
464 Restricted Fund Balance	-	-	-
<i>Committed:</i>			
418 Committed for Separation	-	-	-
461 Committed Fund Balance	-	-	-
<i>Assigned:</i>			
462 Assigned Fund Balance	1,271,880	1,271,880	-
<i>Unassigned:</i>			
422 Unassigned Fund Balance	46,197,361	46,197,358	3
<b>02 FOOD SERVICE</b>			
Total Revenue	11,366,543	11,366,541	2
Total Expenditures	11,092,550	11,092,547	3
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	496,827	496,827	-
<i>Restricted:</i>			
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	4,155,363	4,155,364	(1)
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
<b>04 COMMUNITY SERVICE</b>			
Total Revenue	8,378,850	8,378,846	4
Total Expenditures	8,434,720	8,434,713	7
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	500	500	-
<i>Restricted:</i>			
426 \$25 Taconite	-	-	-
431 Community Education	411,311	411,311	-
432 E.C.F.E.	680,237	680,237	-
440 Teacher Development and Evaluations	-	-	-
444 School Readiness	1,136,511	1,136,511	-
447 Adult Basic Education	452,742	452,742	-
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	193,789	193,791	(2)
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS**  
**COMPLIANCE TABLE (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

	AUDIT	UFARS	DIFFERENCE
<b>06 BUILDING CONSTRUCTION</b>			
Total Revenue	\$ 227,879	\$ 227,879	\$ -
Total Expenditures	6,290,383	6,290,382	1
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
407 Capital Projects Levy	-	-	-
409 Alternative Facility Program	-	-	-
413 Projects Funded by COPs	6,020,489	6,020,489	-
467 LTFM	-	-	-
464 Restricted Fund Balance	3,448,896	3,448,897	(1)
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
<b>07 DEBT SERVICE</b>			
Total Revenue	18,063,350	18,063,350	-
Total Expenditures	17,102,594	17,102,594	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
425 Bond Refunding	-	-	-
451 QZAB and QSCB Payments	-	-	-
464 Restricted Fund Balance	406,132	406,132	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
<b>08 TRUST</b>			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Restricted:</i>			
401 Student Activities	-	-	-
402 Scholarships	-	-	-
422 Unassigned Net Position	-	-	-
<b>18 CUSTODIAL FUND</b>			
Total Revenue	-	1,813,004	(1,813,004) *
Total Expenditures	-	1,823,060	(1,823,060) *
<i>Restricted:</i>			
401 Student Activities	-	-	-
402 Scholarships	-	-	-
448 Achievement and Integration	-	-	-
464 Restricted Fund Balance	\$ -	619,339	(619,339) *
<b>20 INTERNAL SERVICE</b>			
Total Revenue	57,729,726	57,729,725	1
Total Expenditures	52,662,983	52,662,983	-
<i>Net Position:</i>			
422 Net Position	13,336,561	13,336,560	1
<b>25 OPEB REVOCABLE TRUST</b>			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Net Position:</i>			
422 Net Position	-	-	-
<b>45 OPEB IRREVOCABLE TRUST</b>			
Total Revenue	6,546,997	6,546,997	-
Total Expenditures	3,643,391	3,643,391	-
<i>Net Position:</i>			
422 Net Position	57,388,776	57,388,776	-
<b>47 OPEB DEBT SERVICE</b>			
Total Revenue	9,018	9,018	-
Total Expenditures	-	-	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
425 Bond Refunding	-	-	-
464 Restricted Fund Balance	2,263,633	2,263,632	1
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-

\*Variance is due to an adjustment made after the deadline to make UFARS adjustments.

## STATISTICAL SECTION (UNAUDITED)

This section of Independent School District No. 196's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	127
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes.	134
<b>Debt Capacity</b>	
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.	141
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	146
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to services the District provides and the activities it performs.	149

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive financial reports for the relevant year.



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities:										
Net Investment in Capital Assets	\$ 125,050,825	\$ 132,049,464	\$ 140,892,970	\$ 148,790,976	\$ 158,918,349	\$ 154,681,937	\$ 149,036,967	\$ 112,909,002	\$ 116,725,381	\$ 136,635,071
Restricted For:										
Capital Asset Acquisition	1,900,381	1,195,907	1,546,791	3,109,569	3,017,560	2,551,987	7,056,555	19,609,902	7,507,409	2,404,496
Debt Service	4,710,365	3,478,996	3,048,044	3,146,047	2,521,510	4,332,306	2,320,162	1,028,372	-	373,926
Other Postemployment Benefits	-	-	-	-	-	10,112	9,646,093	3,821,706	1,811,073	2,178,119
Other Purposes	4,285,838	3,796,239	3,899,144	3,665,502	3,223,691	3,083,262	7,378,316	14,634,189	17,760,294	17,614,349
Unrestricted	22,415,867	25,951,166	29,225,638	27,764,005	(191,421,788)	(186,199,312)	(286,586,292)	(384,314,650)	(279,452,776)	(292,504,778)
Total Governmental Activities	\$ 158,363,276	\$ 166,471,772	\$ 178,612,587	\$ 186,476,099	\$ (23,740,678)	\$ (21,539,708)	\$ (111,148,199)	\$ (232,311,479)	\$ (135,648,619)	\$ (133,298,817)
Net Position										

Note: The District implemented GASB Statement No. 68 in 2015, which resulted in a \$222,722,907 reduction of beginning net position. In 2018 the District implemented GASB Statement No. 75, which resulted in a \$24,200,608 reduction of beginning net position. Prior year information has not been restated for the effects of either of these

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Year			
	2011	2012	2013	2014
Governmental Activities:				
Expenses:				
Administration	\$ 11,180,500	\$ 11,137,222	\$ 11,433,970	\$ 12,788,255
District Support Services	8,294,596	8,400,776	8,309,187	8,478,285
Elementary and Secondary Regular Instruction	147,871,836	148,397,275	147,547,387	150,639,805
Vocational Education Instruction	3,771,098	3,867,848	3,878,014	3,894,552
Special Education Instruction	56,254,830	56,495,369	57,500,259	60,005,088
Instructional Support Services	13,330,690	13,764,619	16,280,078	16,554,014
Pupil Support Services	22,136,945	21,828,053	22,089,783	22,561,249
Sites and Buildings	25,708,804	25,949,814	23,639,275	25,311,941
Fiscal and Other Fixed Cost Programs	480,313	539,813	598,093	697,917
Food Service	10,846,263	11,381,527	10,942,769	11,359,961
Community Service	9,231,014	9,361,591	9,754,914	9,802,212
Unallocated Depreciation	9,918,941	9,957,859	10,385,661	9,805,568
Interest and Fiscal Charges on Debt	7,841,877	6,718,174	5,894,160	4,601,447
Total Expenses	326,867,707	327,799,940	328,253,550	336,500,294
Program Revenues:				
Charges for Services:				
Administration	-	-	-	-
District Support Services	92,363	134,773	130,907	112,285
Elementary and Secondary Regular Instruction	5,640,999	6,256,482	6,294,929	6,289,085
Vocational Education Instruction	13,070	12,633	14,197	17,675
Special Education Instruction	323,786	286,617	313,960	271,959
Instructional Support Services	33,087	34,718	53,566	44,434
Pupil Support Services	931,678	1,121,369	1,124,840	1,190,359
Sites and Buildings	213,825	128,841	93,836	123,572
Food Service	7,219,979	7,026,043	6,547,387	6,519,363
Community Service	4,915,046	5,349,086	5,441,560	5,759,982
Operating Grants and Contributions	48,184,008	45,572,463	47,069,459	48,096,296
Capital Grants and Contributions	52,688	23,875	41,520	103,677
Total Program Revenues	67,620,529	65,946,900	67,126,161	68,528,687
Net (Expense) Revenue	(259,247,178)	(261,853,040)	(261,127,389)	(267,971,607)
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes	75,606,000	48,125,441	47,579,360	24,660,338
Property Taxes, Levied for Community Service	2,444,228	1,591,757	1,658,474	850,036
Property Taxes, Levied for Facility Improvements	7,322,623	7,703,130	6,637,900	6,020,570
Property Taxes, Levied for Debt Service	18,379,723	18,497,035	19,463,752	18,533,559
General Grants and Aids	157,855,931	192,639,683	191,800,239	218,035,675
Other General Revenues	2,417,001	2,280,965	2,841,805	2,329,934
Investment Earnings (Loss)	4,967,666	(876,475)	3,286,674	5,405,007
Total General Revenues	268,993,172	269,961,536	273,268,204	275,835,119
Change in Net Position	\$ 9,745,994	\$ 8,108,496	\$ 12,140,815	\$ 7,863,512

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 12,801,745	\$ 15,493,748	\$ 19,813,397	\$ 19,849,495	\$ 12,051,588	\$ 18,233,295
9,142,598	9,058,209	9,785,816	11,304,721	11,702,181	13,429,650
160,761,078	166,000,943	238,876,726	237,331,260	121,251,866	211,444,602
4,089,165	5,237,887	7,252,774	6,971,224	3,561,099	5,654,203
61,805,761	65,647,768	90,835,750	92,821,199	73,220,623	75,487,437
18,302,791	19,753,852	27,432,668	27,761,713	16,663,894	24,595,643
22,639,915	23,523,058	27,520,644	28,187,078	24,625,849	29,794,651
24,878,718	27,849,964	30,156,308	44,032,340	34,429,780	34,726,544
651,864	650,603	613,851	582,782	1,182,069	671,312
11,787,045	12,302,155	12,468,780	11,440,841	12,227,206	10,922,877
7,954,502	8,211,003	10,479,888	10,362,136	7,301,923	9,011,068
10,322,952	10,580,519	10,454,449	10,559,793	10,310,511	-
4,033,890	4,760,111	6,031,917	4,880,487	5,145,850	4,540,835
349,172,024	369,069,820	491,722,968	506,085,069	333,674,439	438,512,117
-	-	4,392	435,369	429,722	2,950
141,218	203,086	111,607	191,466	258,441	248,479
5,966,969	6,205,284	3,440,568	3,866,135	3,810,261	3,688,825
17,997	3,343	-	-	940	-
978,884	961,972	1,044,883	796,072	1,082,057	1,135,866
24,389	143,290	-	16,158	17,965	13,440
1,249,628	231,078	148,992	267,920	242,342	552,186
245,482	118,028	-	-	-	-
6,376,625	6,390,305	6,663,041	6,479,339	7,049,877	4,968,821
3,373,200	3,325,681	3,768,615	3,646,054	3,663,168	3,117,331
54,043,906	58,170,271	64,488,748	85,003,445	101,343,381	98,694,661
62,540	8,105	334,716	4,963,687	5,300,870	5,176,740
72,480,838	75,760,443	80,005,562	105,665,645	123,199,024	117,599,299
(276,691,186)	(293,309,377)	(411,717,406)	(400,419,424)	(210,475,415)	(320,912,818)
51,982,775	53,871,623	66,731,765	71,069,187	72,968,496	76,031,346
1,678,863	1,662,796	1,671,770	1,670,006	1,675,955	1,753,218
6,220,053	8,535,237	-	-	-	-
19,185,246	14,584,470	17,426,213	16,767,998	16,632,558	17,809,052
208,882,436	215,880,510	229,657,806	208,324,498	212,253,653	213,963,522
383,544	563,633	258,267	465,747	3,014,218	841,500
864,399	412,078	6,363,094	5,159,316	362,703	1,892,813
289,197,316	295,510,347	322,108,915	303,456,752	306,907,583	312,291,451
\$ 12,506,130	\$ 2,200,970	\$ (89,608,491)	\$ (96,962,672)	\$ 96,432,168	\$ (8,621,367)

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year			
	2011	2012	2013	2014
General Fund:				
Nonspendable	\$ 773,859	\$ 843,827	\$ 854,963	\$ 940,209
Restricted	2,218,810	1,195,907	1,714,690	3,010,821
Assigned	8,962,579	9,487,053	20,341,273	8,451,360
Unassigned	23,542,504	29,847,225	16,844,900	18,728,496
Total General Fund	<u>\$ 35,497,752</u>	<u>\$ 41,374,012</u>	<u>\$ 39,755,826</u>	<u>\$ 31,130,886</u>
All Other Governmental Funds:				
Nonspendable	\$ 319,961	\$ 196,015	\$ 249,138	\$ 172,385
Restricted	9,393,920	36,826,306	49,345,541	30,575,969
Unassigned, Reported in:				
Capital Projects – Building Construction Fund	(91,298)	-	-	-
Debt Service Funds	-	-	-	-
Total All Other Governmental Funds	<u>\$ 9,622,583</u>	<u>\$ 37,022,321</u>	<u>\$ 49,594,679</u>	<u>\$ 30,748,354</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 924,736	\$ 967,324	\$ 1,061,586	\$ 1,050,944	\$ 1,421,379	\$ 1,282,831
3,296,572	2,454,724	5,838,313	9,318,698	10,840,842	10,072,358
6,636,835	10,790,390	7,472,160	8,399,254	1,311,999	1,271,880
21,074,506	16,839,773	22,263,362	25,699,811	37,352,793	45,737,258
<u>\$ 31,932,649</u>	<u>\$ 31,052,211</u>	<u>\$ 36,635,421</u>	<u>\$ 44,468,707</u>	<u>\$ 50,927,013</u>	<u>\$ 58,364,327</u>
\$ 132,289	\$ 136,641	\$ 163,619	\$ 208,298	\$ 244,503	\$ 497,327
19,888,229	138,407,574	104,910,947	45,393,559	14,947,727	16,169,103
(279,012)	-	-	-	-	-
-	-	-	-	(554,624)	-
<u>\$ 19,741,506</u>	<u>\$ 138,544,215</u>	<u>\$ 105,074,566</u>	<u>\$ 45,601,857</u>	<u>\$ 14,637,606</u>	<u>\$ 16,666,430</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Year			
	2011	2012	2013	2014
Revenues:				
Local Sources:				
Taxes	\$ 103,540,368	\$ 75,872,335	\$ 75,534,830	\$ 50,312,679
Investment Earnings	108,110	62,715	183,896	254,245
Other	23,736,052	24,616,940	24,762,575	24,827,075
State Sources	190,544,694	218,969,312	224,715,822	251,943,911
Federal Sources	13,612,715	17,281,296	12,289,808	12,123,310
Total Revenues	<u>331,541,939</u>	<u>336,802,598</u>	<u>337,486,931</u>	<u>339,461,220</u>
Expenditures:				
Current:				
Administration	10,610,352	10,884,027	11,685,219	12,662,675
District Support Services	8,003,178	8,390,674	8,303,655	8,245,964
Elementary and Secondary				
Regular Instruction	146,233,427	146,550,850	146,884,786	151,453,547
Vocational Education Instruction	3,684,086	3,820,177	3,860,595	3,899,432
Special Education Instruction	55,441,820	55,821,234	57,700,284	60,749,987
Instructional Support Services	13,266,880	13,446,242	16,120,814	16,734,739
Pupil Support Services	21,823,059	20,036,358	22,686,884	23,318,080
Sites and Buildings	21,853,910	26,073,195	22,380,519	22,906,580
Fiscal and Other Fixed Cost Programs	480,313	539,813	598,093	697,917
Food Service	10,859,314	11,130,758	10,707,855	11,253,357
Community Service	9,085,817	9,230,564	9,772,281	9,784,435
Capital Outlay	9,795,213	8,609,979	6,200,964	13,388,239
Debt Service:				
Principal	17,084,198	17,203,854	16,871,223	16,460,404
Interest and Fiscal Charges	5,443,472	5,470,324	5,368,621	4,897,774
Total Expenditures	<u>333,665,039</u>	<u>337,208,049</u>	<u>339,141,793</u>	<u>356,453,130</u>
Excess of Revenues Over (Under) Expenditures	(2,123,100)	(405,451)	(1,654,862)	(16,991,910)
Other Financing Sources (Uses):				
Transfers in	7,434,560	7,813,886	6,749,505	6,128,424
Transfers out	(7,434,560)	(7,813,886)	(7,456,023)	(6,128,424)
Refunding Debt Issued	-	34,800,000	12,100,000	2,230,000
Debt Issued	2,705,000	-	-	13,710,000
Premium on Debt Issued	-	4,406,816	811,026	325,933
Discount on Debt Issued	(41,187)	-	-	-
Bond Refunding Payments	-	(11,185,000)	-	(26,850,000)
Capital Leases and Other Loans	-	5,478,812	-	96,569
Insurance Recovery	-	-	-	-
Judgments for the School District	-	-	-	-
Sale of Capital Assets	2,878	180,821	404,526	8,143
Total Other Financing Sources (Uses)	<u>2,666,691</u>	<u>33,681,449</u>	<u>12,609,034</u>	<u>(10,479,355)</u>
Net Change in Fund Balances	<u>\$ 543,591</u>	<u>\$ 33,275,998</u>	<u>\$ 10,954,172</u>	<u>\$ (27,471,265)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>6.9%</u>	<u>6.9%</u>	<u>6.7%</u>	<u>6.2%</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

Fiscal Year				
2015	2016	2017	2018	2019
\$ 79,262,313	\$ 78,828,084	\$ 85,651,484	\$ 89,682,487	\$ 91,158,991
197,264	990,686	1,525,963	1,720,017	2,390,487
21,183,365	20,303,840	21,655,777	21,241,570	21,450,041
247,270,824	258,200,427	264,144,986	275,878,205	285,746,486
12,820,914	13,700,319	14,628,580	15,834,368	16,232,102
360,734,680	372,023,356	387,606,790	404,356,647	416,978,107
13,188,527	14,846,637	14,931,628	15,599,003	16,342,073
8,802,535	9,360,367	9,807,545	10,694,868	12,008,717
160,442,599	165,181,027	169,848,898	173,672,800	177,357,744
4,161,539	5,198,949	5,013,173	5,137,316	5,396,017
62,011,436	65,226,216	68,020,953	71,133,191	72,650,167
18,361,748	19,695,766	20,664,400	21,616,857	22,489,640
22,991,342	23,694,661	24,615,829	25,550,001	26,181,738
21,468,077	21,979,790	25,390,808	23,681,891	25,398,051
651,864	650,603	613,851	582,782	1,182,069
11,509,963	11,757,651	11,992,184	11,258,394	12,113,867
7,739,627	8,044,250	8,822,111	8,751,046	8,933,712
19,028,484	11,640,890	33,546,532	68,021,071	40,050,087
17,880,544	13,326,884	14,394,446	14,079,855	14,694,828
4,586,660	4,384,850	7,911,158	7,595,387	6,992,089
372,824,945	374,988,541	415,573,516	457,374,462	441,790,799
(12,090,265)	(2,965,185)	(27,966,726)	(53,017,815)	(24,812,692)
6,225,838	8,554,099	20,122	-	135,509
(6,225,838)	(8,554,099)	(20,122)	-	(135,509)
-	-	-	-	-
-	112,150,000	-	-	-
-	20,355,238	-	-	-
-	-	-	-	-
(2,325,000)	(12,125,000)	-	-	-
4,200,000	480,000	-	1,043,209	-
-	-	-	311,212	56,303
-	-	-	-	369
10,180	27,218	80,287	23,971	19,383
1,885,180	120,887,456	80,287	1,378,392	76,055
\$ (10,205,085)	\$ 117,922,271	\$ (27,886,439)	\$ (51,639,423)	\$ (24,736,637)
6.3%	4.8%	5.8%	5.3%	5.3%

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCES AND LEVY TYPE  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

Fiscal Year	Property Tax				Total
	General Purposes	Community Service	Capital Projects – Facility Improvement	Debt Service	
2011	\$ 75,606,000	\$ 2,444,228	\$ 7,322,623	\$ 18,379,723	\$ 103,752,574
2012	48,125,441	1,591,757	7,703,130	18,497,035	75,917,363
2013	47,579,360	1,658,474	6,637,900	19,463,752	75,339,486
2014	24,660,338	850,036	6,020,570	18,533,559	50,064,503
2015	51,982,775	1,678,863	6,220,053	19,185,246	79,066,937
2016	53,871,623	1,662,796	8,535,237	14,584,470	78,654,126
2017	66,731,765	1,671,770	-	17,426,213	85,829,748
2018	71,069,187	1,670,006	-	16,767,998	89,507,191
2019	72,968,496	1,675,955	-	212,253,653	286,898,104
2020	76,033,997	1,752,848	-	17,806,771	95,593,616

Note: Legislative changes in the “tax shift” impacted the amount of tax revenue recognized in fiscal years 2011 and 2014. These changes were offset by an adjustment to state aid payments of an equal amount.

Per CAFR Statement of Activities.



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
TAX CAPACITY AND ESTIMATED MARKET VALUE OF PROPERTY  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Tax Collection Calendar Year	Tax Capacity (1)				Tax Rate Determining Value Subtotal	
	Real and Personal Property	Fiscal Disparities Contribution	Tax Increment	Percent Increase (Decrease)		
				Amount		
2011	\$ 159,044,236	\$ (16,085,261)	\$ (3,758,099)	\$ 139,200,876	(6.8) %	
2012	148,173,078	(15,228,004)	(3,364,482)	129,580,592	(6.9)	
2013	140,967,953	(15,126,445)	(1,921,746)	123,919,762	(4.4)	
2014	145,202,900	(14,651,943)	(2,002,926)	128,548,031	3.7	
2015	158,041,081	(14,673,865)	(2,150,890)	141,216,326	9.9	
2016	166,440,791	(14,921,393)	(1,904,735)	149,614,663	5.9	
2017	173,554,906	(15,383,669)	(2,471,521)	155,699,716	4.1	
2018	186,318,358	(15,403,001)	(3,128,406)	167,786,951	7.8	
2019	201,428,701	(15,818,379)	(3,731,389)	181,878,933	8.4	
2020	215,880,510	(16,477,982)	(4,312,949)	195,089,579	7.3	

(1) Tax capacity is calculated by applying class rates (for specific property classifications such as residential, commercial, etc.) to the assessed market value. Class rates are periodically changed by the state.

Source: Dakota County Department of Property Tax and Public Records

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
TAX CAPACITY AND ESTIMATED MARKET VALUE OF PROPERTY (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>Tax Capacity (1)</u>				
Fiscal Disparities		Referendum Market Value		
<u>Distribution</u>	<u>Total Tax Capacity</u>	<u>Amount</u>	<u>Percent Increase</u>	
\$ 21,042,211	\$ 160,243,087	\$ 13,695,749,525	(6.4) %	
19,083,897	148,664,489	13,379,616,185	(2.3)	
17,944,344	141,864,106	12,717,603,775	(4.9)	
17,217,872	145,765,903	13,089,930,995	2.9	
17,375,325	158,591,651	14,246,590,466	8.8	
17,855,260	167,469,923	14,984,685,831	5.2	
19,309,802	175,009,518	15,593,078,470	4.1	
20,713,134	188,500,085	16,705,743,318	7.1	
22,023,827	203,902,760	18,061,396,485	8.1	
23,476,576	218,566,155	19,320,498,352	7.0	

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Rate	Year Collectible	Independent School District No. 196				Overlapping Rates, Municipalities, and Townships					
		General Fund	Community Service Special Revenue Fund	Debt Service Fund	Total	Apple Valley	Burnsville	Coates	Eagan	Farmington	Inver Grove Heights
Tax Capacity Rate	2011	13.718	1.061	12.180	26.959	42.388	42.598	14.343	33.675	55.733	43.169
Market Value Rate	2011	0.226	-	-	0.226	0.038	-	-	0.017	-	-
Tax Capacity Rate	2012	14.102	1.116	13.222	28.440	44.110	43.213	18.984	34.553	63.093	44.883
Market Value Rate	2012	0.221	-	-	0.221	0.042	-	-	0.016	-	-
Tax Capacity Rate	2013	13.627	1.182	13.147	27.956	49.210	47.021	22.842	38.272	66.821	46.312
Market Value Rate	2013	0.235	-	-	0.235	0.021	-	-	0.017	-	-
Tax Capacity Rate	2014	13.325	1.149	13.132	27.606	47.891	46.670	19.507	38.250	65.876	46.128
Market Value Rate	2014	0.258	-	-	0.258	0.021	-	-	0.017	-	-
Tax Capacity Rate	2015	12.859	1.032	9.380	23.271	45.274	44.790	20.081	36.525	61.455	48.131
Market Value Rate	2015	0.255	-	-	0.255	0.020	-	-	0.016	-	-
Tax Capacity Rate	2016	12.843	1.004	10.470	24.317	44.721	46.525	17.482	37.097	59.239	49.266
Market Value Rate	2016	0.270	-	-	0.270	0.020	-	-	0.015	-	-
Tax Capacity Rate	2017	13.000	0.915	9.421	23.336	44.473	46.557	17.490	37.385	58.760	51.644
Market Value Rate	2017	0.274	-	-	0.274	0.020	-	-	0.015	-	-
Tax Capacity Rate	2018	11.728	0.880	8.744	21.352	42.475	43.552	17.399	36.378	57.161	51.112
Market Value Rate	2018	0.267	-	-	0.267	0.018	-	-	0.013	-	-
Tax Capacity Rate	2019	12.511	0.860	7.242	20.613	39.603	43.595	15.688	35.227	54.372	53.537
Market Value Rate	2019	0.261	-	-	0.261	0.017	-	-	0.012	-	-
Tax Capacity Rate	2020	11.758	0.860	7.242	19.860	39.782	43.148	17.196	35.262	50.971	51.037
Market Value Rate	2020	0.344	-	-	0.344	0.016	-	-	0.012	-	-

(1) Overlapping rates are those of local and county governments that apply to property owners within the District. Not all overlapping rates apply to all the District's property owners (e.g., the rates for special districts apply only to the proportion of the District's property owners whose property is located within the geographic boundaries of the special district).

(2) The miscellaneous other levy includes the Metropolitan Council, Mosquito Abatement, Transit District, Dakota County CDA, and Light Rail. These miscellaneous levies vary slightly

Source: Dakota County Department of Property and Public Records

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Rate	Year Collectible	Overlapping Rates, Municipalities, and Townships (continued)						Total Direct and Overlapping Rates		
		Lakeville	Rosemount	Empire Township	Vermillion Township	Dakota County	Miscellaneous Other (2)	Apple Valley Resident	Eagan Resident	Rosemount Resident
Tax Capacity Rate	2011	38.250	44.661	27.953	17.605	29.149	4.644	103.140	94.427	105.413
Market Value Rate	2011	0.008	0.007	-	-	0.005	-	0.269	0.248	0.238
Tax Capacity Rate	2012	39.051	46.994	30.845	18.664	31.426	5.021	108.997	99.440	111.881
Market Value Rate	2012	0.008	-	-	-	0.006	-	0.269	0.244	0.227
Tax Capacity Rate	2013	41.234	48.862	31.746	19.555	33.421	5.341	115.928	104.990	115.580
Market Value Rate	2013	0.008	-	-	-	-	-	0.256	0.252	0.235
Tax Capacity Rate	2014	40.696	47.676	31.164	17.466	31.827	4.993	112.317	102.676	112.102
Market Value Rate	2014	0.007	-	-	-	-	-	0.279	0.275	0.258
Tax Capacity Rate	2015	38.948	45.152	29.823	17.214	29.633	4.567	102.745	93.996	102.623
Market Value Rate	2015	-	-	-	-	-	-	0.275	0.270	0.255
Tax Capacity Rate	2016	38.669	43.149	29.445	16.724	28.570	5.063	102.671	95.047	101.099
Market Value Rate	2016	-	-	-	-	-	-	0.290	0.285	0.270
Tax Capacity Rate	2017	37.510	41.832	29.642	16.279	28.004	4.458	100.271	93.183	97.630
Market Value Rate	2017	-	-	-	-	-	-	0.293	0.288	0.274
Tax Capacity Rate	2018	36.419	40.961	29.892	16.282	26.580	4.458	94.865	88.768	93.351
Market Value Rate	2018	-	-	-	-	-	-	0.285	0.280	0.267
Tax Capacity Rate	2019	35.607	39.355	25.386	15.723	-	-	60.216	55.840	59.968
Market Value Rate	2019	-	-	-	-	25.386	-	25.664	25.659	25.647
Tax Capacity Rate	2020	34.615	38.580	29.131	14.728	24.133	4.030	87.805	83.285	86.603
Market Value Rate	2020	-	-	-	-	-	-	0.360	0.356	0.344

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

Taxpayer	Levy Year Collectible December 31,					
	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
West Publishing Company	\$ 76,635,700	1	0.4 %	\$ 74,873,600	2	0.5 %
Burnsville Center SPE LLC	73,708,700	2	0.4	104,000,000	1	0.8
Northern States Power Co/Xcel Energy	64,731,300	3	0.3	49,992,100	4	0.4
Dakota Electric Association	52,554,500	4	0.3	50,932,100	3	0.4
Flint Hills Resources Pine Bend LLC	70,264,117	5	0.4	57,150,200	5	0.4
Eagan Promenade Inc	37,120,400	6	0.2	-	-	-
RRE Woods Holdings LLC	53,591,800	7	0.3	-	-	-
Stephen & Roberta Haight	51,944,200	8	0.3	-	-	-
Continental 313 Fund LLC	51,352,100	9	0.3	-	-	-
Nighthawk Properties LLC	48,897,400	10	0.3	-	-	-
Promenade Oaks LLC	-	-	-	34,000,000	9	0.2
JPT IND Inc	-	-	-	21,000,000	10	0.2
DDRA Community Centers Five L.P.	-	-	-	31,741,900	6	0.2
Principal Life Insurance Company	-	-	-	27,673,300	7	0.2
Dayton Hudson Corp	-	-	-	22,277,400	8	0.2
Total	<u>\$ 580,800,217</u>		<u>3.0 %</u>	<u>\$ 473,640,600</u>		<u>3.5 %</u>

Source: Dakota County Department of Property Tax and Public Records

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Levy Year Collectible December 31,	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 76,514,703	\$ 75,577,446	98.78 %	\$ 937,257	\$ 76,514,703	100.00 %
2012	75,939,060	75,216,046	99.05	723,014	75,939,060	100.00
2013	73,876,495	73,303,172	99.22	573,323	73,876,495	100.00
2014	78,338,055	77,887,178	99.42	379,363	78,266,541	99.91
2015	78,627,184	78,236,512	99.50	370,927	78,607,439	99.97
2016	85,688,567	85,298,846	99.55	356,996	85,655,842	99.96
2017	89,051,368	88,689,493	99.59	317,603	89,007,096	99.95
2018	90,961,693	90,579,847	99.58	286,011	90,865,858	99.89
2019	95,260,090	94,911,727	99.63	197,609	95,109,336	99.84
2020 (1)	116,080,843	52,582,424	45.30	N/A	52,582,424	45.30

N/A – Not Applicable

(1) Only a portion of the calendar year 2020 taxes are collected by June 30, 2020.

Source: Dakota County Department of Property Tax and Public Records

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	General Obligation Bonds	Refunding Bonds	Capital Notes	State Energy Loans	Capital Leases	Certificates of Participation	Total	Percentage of Personal Income (1)	Per Capita (1)
2011	\$ 111,655,000	\$ 22,415,000	\$ 90,000	\$ 2,564	\$ 6,542,399	\$ 2,705,000	\$ 143,409,963	0.01 %	\$ 946
2012	101,765,000	41,070,000	-	-	9,909,921	2,555,000	155,299,921	0.01	1,015
2013	90,175,000	49,230,000	-	-	8,726,698	2,400,000	150,531,698	0.01	1,019
2014	51,730,000	47,975,000	-	-	7,594,863	15,955,000	123,254,863	0.01	831
2015	46,180,000	35,595,000	-	-	10,519,317	14,955,000	107,249,317	0.01	717
2016	138,270,000	32,660,000	-	-	9,467,435	14,030,000	194,427,435	N/A	1,270
2017	128,940,000	29,530,000	-	-	8,477,989	13,085,000	180,032,989	N/A	1,175
2018	139,238,317	26,310,000	-	-	8,286,343	12,125,000	185,959,660	N/A	1,203
2019	126,537,591	24,776,622	-	-	7,046,515	11,140,000	169,500,728	N/A	1,076
2020	117,208,645	20,998,759	-	-	6,149,919	19,614,507	163,971,830	N/A	1,029

N/A – Not Available

(1) See the Schedule of Demographic and Economic Statistics for Dakota County personal income and the District's population data.

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

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>Fiscal Year</u>	<u>General Obligation Bonds and Capital Notes</u>	<u>Less Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Market Value of Property (1)</u>	<u>Per Capita (2)</u>
2011	\$ 134,160,000	\$ 4,697,250	\$ 129,462,750	0.95 %	\$ 854
2012	142,835,000	32,238,524	110,596,476	0.83	723
2013	139,405,000	44,234,187	95,170,813	0.75	644
2014	99,705,000	18,831,629	80,873,371	0.62	545
2015	81,775,000	16,385,721	65,389,279	0.46	437
2016	170,930,000	7,362,951	163,567,049	1.09	1,093
2017	158,470,000	5,338,811	153,131,189	0.98	1,001
2018	146,585,000	3,592,701	142,992,299	0.86	934
2019	151,314,213	1,699,991	149,614,222	0.83	968
2020	138,207,404	2,669,765	135,537,639	0.70	861

(1) See the Schedule of Tax Capacity and Estimated Market Value of Property for information on the market value of the District's property.

(2) See the Schedule of Demographic and Economic Statistics for the District's population data.

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



**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**DIRECT AND OVERLAPPING DEBT**  
**JUNE 30, 2020**  
**(UNAUDITED)**

Taxing Unit	Tax Collection Calendar Year 2019-2020 Taxable Net Tax Capacity	General Obligation Bonded Debt (1)	Debt Applicable to Tax Capacity in ISD No. 196	
			Percent	Amount
Direct Debt:				
ISD No. 196	\$ 195,089,579	\$ 122,785,000	100.00 %	\$ 122,785,000
Overlapping Debt:				
Dakota County	532,219,151	-	36.66	-
Cities:				
Apple Valley	59,587,491	13,090,000	70.88	9,278,031
Burnsville	76,916,975	37,140,000	18.97	7,044,224
Eagan	99,370,274	42,445,000	48.03	20,384,604
Farmington	21,076,174	9,530,000	0.03	2,443
Inver Grove Heights	42,843,772	29,165,000	17.67	5,152,753
Lakeville	83,226,858	89,025,000	10.04	8,939,579
Rosemount	30,081,833	7,060,000	65.86	4,649,481
Town of Empire	4,104,568	2,460,000	13.63	335,300
Other:				
Metropolitan Council	4,268,355,428	221,800,000	4.57	10,137,597
Total Overlapping Debt				<u>65,924,012</u>
Total Direct and Overlapping Debt Outstanding				<u><u>\$ 188,709,012</u></u>

(1) Includes that portion of debt which is secured by the authority to levy taxes on real estate.

Source: Dakota County Department of Property Tax and Public Records

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year			
	2011	2012	2013	2014
Debt Limit	\$ 2,054,362,429	\$ 2,006,942,428	\$ 1,907,640,566	\$ 1,963,489,649
Total Net Debt Applicable to Limit	<u>129,462,750</u>	<u>110,596,476</u>	<u>95,170,813</u>	<u>80,873,371</u>
Legal Debt Margin	<u>\$ 1,924,899,679</u>	<u>\$ 1,896,345,952</u>	<u>\$ 1,812,469,753</u>	<u>\$ 1,882,616,278</u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	6.30%	5.51%	4.99%	4.12%

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

Source: Dakota County Department of Property Tax and Public Records.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
LEGAL DEBT MARGIN INFORMATION (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 2,136,988,570	\$ 2,247,702,875	\$ 2,338,961,771	\$ 2,505,861,498	\$ 2,709,209,473	\$ 2,898,074,753
65,389,279	163,567,049	153,131,189	142,992,299	149,614,222	135,537,639
<u>\$ 2,071,599,291</u>	<u>\$ 2,084,135,826</u>	<u>\$ 2,185,830,581</u>	<u>\$ 2,362,869,199</u>	<u>\$ 2,559,595,251</u>	<u>\$ 2,762,537,114</u>
3.06%	7.28%	6.55%	5.71%	5.52%	4.68%
<u>Legal Debt Margin Calculation for Fiscal Year 2020</u>					
Estimated Market Value – 2019					\$ 19,320,498,352
Debt Limit (15% of Market Value)					2,898,074,753
Debt Applicable to Limit:					
General Obligation Bonds					138,207,404
Less Amount Set Aside for Repayment of					
General Obligation Debt					<u>(2,669,765)</u>
Total Net Debt Applicable to Limit					<u>135,537,639</u>
Legal Debt Margin					<u>\$ 2,762,537,114</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Calendar Year	ISD No. 196 Population (1)	Dakota County					School Enrollment (4)	Unemployment Rate (2)
		Population (2)	Personal Income (Thousands) (2)	Per Capita Personal Income (2)	Median Age (2)	Education Level in Years of Formal Schooling (3)		
2010	151,622	397,650	\$ 17,970,760	\$ 45,192	36.8	95.0	27,454	7.0
2011	153,051	400,480	18,612,486	46,475	36.5	95.0	27,404	6.1
2012	147,703	405,088	20,192,381	49,847	36.7	95.0	27,168	5.2
2013	148,392	408,509	20,706,256	50,687	37.4	94.0	27,202	4.5
2014	149,616	412,529	21,524,339	52,177	36.8	94.0	27,204	3.8
2015	153,051	414,686	22,272,614	53,710	37.3	95.0	27,790	3.3
2016	153,174	417,486	22,951,451	54,975	37.6	94.0	28,182	3.4
2017	154,620	421,751	24,308,945	57,638	38.0	94.0	28,644	2.5
2018	157,475	425,423	25,802,276	60,651	38.2	95.2	29,196	2.5
2019	159,390	429,021	N/A	N/A	N/A	N/A	N/A	2.9

N/A – Not Available

Data sources:

- (1) District population is based upon an annual school district census and U.S. census. This information is certified to the state and is subsequently used in determining community education revenue.
- (2) 2019 comprehensive annual financial report for Dakota County, Minnesota
- (3) Dakota County Demographics Report.
- (4) Actual number of students enrolled in the District on October 1 of each school year, based on the District's official October 1 enrollment reports.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

Employer	2019 (1)			2010 (1)		
	Employees	Rank	Percentage of Total District Population	Employees	Rank	Percentage of Total District Population
Total District Population			239,837			217,790
Thomson West	7,000	1	2.92 %	7,500	1	3.44 %
ISD No. 196	4,500	2	1.88	4,300	2	1.97
Blue Cross-Blue Shield	3,816	3	1.59	3,500	3	1.61
Burnsville Center	3,000	4	1.25	-	-	-
Dakota County	2,052	5	0.86	1,806	4	0.83
CHS Incorporated	2,000	6	0.83	-	-	-
U.S. Postal Service	2,000	6	0.83	1,570	7	0.72
UTC Aerospace	1,600	8	0.67	-	-	-
Prime Therapeutics	1,591	9	0.66	-	-	-
ISD No. 194	1,555	10	0.65	1,596	6	0.73
ISD No. 191	-	-	-	1,600	5	0.73
Evergreen Industries	-	-	-	1,200	8	0.55
Flint Hills Resources	-	-	-	1,200	8	0.55
Sun Country Airlines	-	-	-	1,200	8	0.55

(1) Calendar Year

Source: 2019 Dakota County CAFR

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
EMPLOYEES BY CLASSIFICATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administrators/Principals (1)	86	106	109	104	135	117	117	136	140	138
Supervisors/Special Staff	56	56	58	59	71	69	68	81	85	82
Teachers/Nurses	2,419	2,386	2,542	2,537	2,769	2,812	2,815	2,624	2,356	2,378
Clerical	893	875	928	950	982	1,096	1,087	930	939	863
Building Chiefs and Custodians	204	207	204	203	199	201	203	206	215	185
Food Service	185	188	189	181	194	196	202	193	199	172
Truck Drivers/Mechanics/Bus Drivers	266	258	266	255	257	245	256	253	312	292
Nonlicensed Specialists	51	44	46	52	56	56	53	62	62	48
Total	4,160	4,120	4,342	4,341	4,663	4,792	4,801	4,485	4,308	4,158

(1) District office cabinet, principals, secondary school building assistant principals, and principals on special assignment.

Note: This schedule is a headcount based on assignment—if an employee has multiple assignments, they are reflected multiple times.

Source: ISD No. 196 – Human Resources Department –

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**OPERATING INDICATORS**  
**STANDARDIZED TESTING AND GRADUATION RATES**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

		Fiscal Year									
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Standardized tests</b>											
<b>MCA Reading (1)</b>											
Grade 3	87 %	87 %	64 %	63 %	63 %	59 %	65 %	65 %	64 %	61 %	N/A %
Grade 4	83	83	63	61	65	65	62	66	66	60	N/A
Grade 5	89	86	74	76	72	73	72	70	73	73	N/A
Grade 6	83	85	67	68	71	66	69	69	69	66	N/A
Grade 7	78	81	65	65	63	65	64	63	63	62	N/A
Grade 8	79	79	65	66	67	66	69	66	66	63	N/A
Grade 10	84	87	75	72	71	74	73	73	73	73	N/A
<b>MCA Math (1)</b>											
Grade 3	80	77	76	76	76	74	75	73	73	71	N/A
Grade 4	78	76	77	77	77	73	73	74	74	70	N/A
Grade 5	66	68	68	70	69	65	64	62	62	62	N/A
Grade 6	54	64	66	67	66	66	65	65	64	59	N/A
Grade 7	60	61	67	67	64	63	62	61	61	59	N/A
Grade 8	54	65	63	66	64	66	66	66	66	65	N/A
Grade 11	64	54	68	65	63	64	68	64	64	62	N/A
<b>MCA Science (1)</b>											
Grade 5	57	61	66	71	67	70	68	67	67	66	N/A
Grade 8	46	46	51	56	57	63	61	59	59	55	N/A
High school	65	68	68	69	69	73	74	70	70	74	N/A
<b>MAP (Measures of Academic Progress) (2)</b>											
<b>Reading</b>											
Grade 2–5	69.5	63.1	64.3	72.3	72.8	N/A	N/A	N/A	N/A	N/A	N/A
Grade 6–7	60.7	61.3	62.5	61.0	63.2	56.6	55.3	56.4	56.4	54.5	49.6
<b>Math</b>											
Grade 2–5	75.7	72.9	66.3	65.0	71.9	55.0	54.6	51.2	51.2	48.3	51.7
Grade 6–7	60.3	67.8	55.5	60.3	63.2	58.4	60.4	60.8	60.8	58.8	56.4
<b>ACT</b>											
Average composite score	24.0	24.1	24.0	24.1	24.4	23.0	23.1	23.1	23.1	23	N/A
<b>National Merit Scholars</b>											
Commended	29	36	36	29	41	32	47.0	47.0	47.0	26.0	56.0
Finalists and semifinalists	12	16	16	15	15	15	15.0	15.0	7.0	16.0	12.0

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
OPERATING INDICATORS  
STANDARDIZED TESTING AND GRADUATION RATES (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Attendance percentages</b>										
Kindergarten	95.20	96.20	95.80	96.40	95.70	95.80	95.90	96.00	95.70	95.80
1st grade	96.06	96.20	96.00	96.10	95.70	95.80	95.90	96.00	96.00	95.80
2nd grade	96.27	96.60	96.20	96.30	95.80	96.10	95.80	96.20	96.00	96.10
3rd grade	96.34	96.60	96.40	96.50	96.00	96.00	96.10	96.10	96.10	95.90
4th grade	96.32	96.40	96.30	96.40	96.00	96.00	95.70	96.10	95.90	96.00
5th grade	96.25	96.50	96.20	96.30	95.90	95.90	95.80	95.80	96.00	95.90
6th grade	95.80	96.10	95.80	95.50	95.90	95.70	95.40	95.20	95.50	96.00
7th grade	95.66	95.80	95.40	95.60	95.40	95.40	95.30	94.90	95.50	95.60
8th grade	95.25	95.80	95.00	95.40	95.00	95.20	95.00	94.80	95.40	95.30
9th grade	96.38	96.20	96.10	96.10	99.00	95.70	95.20	95.20	96.30	97.00
10th grade	95.58	95.50	95.30	95.50	98.70	95.00	94.20	93.80	95.30	96.10
11th grade	94.87	94.20	94.90	94.60	98.40	93.20	93.10	92.30	95.10	95.30
12th grade	93.80	91.50	91.70	92.10	95.60	90.20	89.40	89.40	92.00	93.30
All grades	95.68 %	95.68 %	95.47 %	95.10 %	95.80 %	94.60 %	94.40 %	94.30 %	95.00 %	95.30 %

**Graduation data (3)**

District graduation rates  
State graduation rate

88 %	91 %	92 %	92 %	90 %	92 %	90 %	90 %	91 %	91.2 %	N/A
77 %	78 %	80 %	81 %	82 %	82 %	82 %	83 %	83 %	83.7 %	N/A

N/A – Not Available

(1) Percent of students scoring at or above proficiency on the Minnesota Comprehensive Assessments (MCA).

(2) Percent of students who met or exceeded their mean growth

(3) To comply with U.S. Department of Education reporting requirements, calculations for high school graduation rates have changed. The state graduation rates shown for fiscal 2008 and thereafter, and the District rates shown for fiscal year 2012, are percentages of students graduating from high school within four years after they enrolled in Grade 9. Students who took an additional year to meet graduation requirements are not included in this calculation.

Source: Standardized testing results for the District are from the "Annual Report on Curriculum, Instruction, and Student Achievement," prepared by the District's Teaching and Learning Department.



**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**CAPITAL ASSET STATISTICS BY PROGRAM AND CLASSIFICATION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Program:</b>										
Administration	\$ 201,217	\$ 198,717	\$ 190,127	\$ 190,908	\$ 249,608	\$ 249,608	\$ 249,608	\$ 249,608	\$ 249,608	\$ 249,608
District Support Services	932,471	862,520	1,010,232	1,052,752	1,081,139	1,209,990	1,313,995	1,417,800	1,497,800	1,434,713
Elementary and Secondary										
Regular Instruction	9,017,233	9,005,469	9,019,255	9,156,130	9,310,499	9,498,719	10,298,063	10,356,373	10,413,270	10,541,161
Vocational Education	143,323	140,590	166,854	166,854	166,854	153,059	156,601	164,106	164,106	164,106
Special Education	292,624	319,752	324,876	345,565	358,609	387,351	392,500	392,500	392,500	385,920
Community Education	56,877	48,020	42,437	42,437	36,225	36,225	36,225	36,225	36,225	36,225
Instructional Support	196,710	181,009	175,634	158,389	154,527	159,917	159,917	159,917	159,917	159,917
Transportation	13,768,324	13,199,928	14,019,124	14,931,523	15,355,534	15,966,253	16,873,062	18,213,195	18,517,122	20,733,236
Food Service	2,045,907	2,110,819	2,164,109	2,296,422	2,392,865	2,486,240	2,662,531	2,746,826	2,982,509	3,161,792
Sites and Buildings	2,606,356	3,596,095	3,711,558	4,766,294	5,049,084	6,418,617	6,666,365	6,993,094	10,600,927	11,966,353
Sites and Buildings – Unallocated	369,999,764	380,961,031	385,485,390	395,222,661	410,215,923	412,984,267	442,192,955	486,431,295	509,995,795	520,991,650
<b>Total Program</b>	<b>\$ 399,260,806</b>	<b>\$ 410,623,949</b>	<b>\$ 416,309,396</b>	<b>\$ 428,329,935</b>	<b>\$ 444,370,867</b>	<b>\$ 449,550,246</b>	<b>\$ 481,001,722</b>	<b>\$ 527,160,939</b>	<b>\$ 555,009,779</b>	<b>\$ 569,824,681</b>
<b>Classification:</b>										
Land	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 11,966,353	\$ 11,966,353
Land Improvements	10,826,510	11,327,871	11,616,641	12,841,906	12,948,913	12,976,413	12,976,413	12,976,413	14,812,196	15,808,864
Building	320,226,324	329,828,810	332,834,757	334,572,452	336,821,378	357,940,976	362,591,261	374,845,921	376,147,361	437,802,664
Equipment	24,655,160	27,191,998	28,391,134	29,075,405	30,760,757	32,852,222	36,720,661	37,117,841	38,409,410	37,086,444
Eligible Pupil Transportation Vehicle	14,223,093	13,541,853	14,358,205	15,409,291	15,330,093	14,480,477	15,334,693	17,925,049	18,517,122	18,587,679
Food Service Equipment	2,436,108	2,552,543	2,605,833	2,712,415	2,357,122	2,450,498	2,626,789	2,711,084	2,982,509	3,601,327
Property and Equipment under										
Capital Leases	18,022,899	17,310,162	17,207,107	17,227,800	17,227,800	17,336,653	14,315,371	15,358,580	13,745,317	13,745,317
<b>Total Classification</b>	<b>399,260,806</b>	<b>410,623,949</b>	<b>415,884,389</b>	<b>420,709,981</b>	<b>424,316,775</b>	<b>446,907,951</b>	<b>453,435,900</b>	<b>469,805,600</b>	<b>476,580,268</b>	<b>538,598,648</b>
Construction in Progress	3,748,287	271,931	425,007	7,619,954	20,054,092	2,642,295	27,565,822	57,355,339	78,429,511	31,226,033
<b>Total Classification and Construction in Progress</b>	<b>\$ 403,009,093</b>	<b>\$ 410,895,880</b>	<b>\$ 416,309,396</b>	<b>\$ 428,329,935</b>	<b>\$ 444,370,867</b>	<b>\$ 449,550,246</b>	<b>\$ 481,001,722</b>	<b>\$ 527,160,939</b>	<b>\$ 555,009,779</b>	<b>\$ 569,824,681</b>

Source: The District's Finance Department

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
EXPENDITURES PER STUDENT (AVERAGE DAILY MEMBERSHIP)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration	\$ 392	\$ 402	\$ 436	\$ 470	\$ 485	\$ 539	\$ 537	\$ 553	\$ 575	\$ 587
District Support Services	295	310	310	306	324	340	353	379	423	463
Elementary and Secondary Regular Instruction	5,396	5,417	5,482	5,626	5,897	6,001	6,110	6,177	6,241	6,229
Vocational Education Instruction	136	141	144	145	153	189	180	182	190	179
Special Education Instruction	2,046	2,063	2,154	2,257	2,279	2,370	2,447	2,516	2,556	2,654
Instructional Support Services	490	497	602	622	675	716	743	767	791	804
Pupil Support Services	805	741	847	866	845	861	886	905	921	1,007
Sites and Buildings	806	964	835	851	789	799	913	839	894	1,297
Fiscal and Other Fixed Cost Programs	18	20	22	26	24	24	22	21	42	37
Food Service	401	411	400	418	423	427	431	400	426	363
Community Service	335	341	365	363	284	292	317	310	314	291
Capital Outlay	361	318	231	497	699	423	1,207	263	1,409	217
Debt Service	831	838	830	793	826	643	802	767	763	590
Total Expenditures	\$ 12,313	\$ 12,465	\$ 12,658	\$ 13,242	\$ 13,704	\$ 13,623	\$ 14,950	\$ 14,078	\$ 15,546	\$ 14,738
Average Daily Membership	27,099	27,053	26,793	26,918	27,206	27,526	27,797	28,178	28,418	28,967

Note 1: Includes all governmental fund expenditures.

Note 2: Expenditures for 2009 were unusually high due to the District issuing \$37.44 million of general obligation taxable OPEB bonds, reported as both an other financing source and expenditure in the governmental funds in the year of issuance.

Source: Average daily membership from the Minnesota Department of Education

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
FOOD SERVICE SCHOOL LUNCH PROGRAM DATA  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Year Ended June 30,	Average Daily Attendance (1)	Total Lunches Served	Days	Average Daily Participation	Participation as a Percentage of Average Daily Attendance	Free Lunch		Reduced Lunch	
						Number Served	Percent of Total	Number Served	Percent of Total
2011	23,857	2,668,882	175	15,251	63.9	563,511	21.1	186,803	7.0
2012	23,868	2,633,781	174	15,137	63.4	625,915	23.8	168,576	6.4
2013	23,602	2,398,031	170	14,106	59.8	606,438	25.3	170,748	7.1
2014	24,571	2,385,935	165	14,460	58.9	643,503	27.0	165,163	6.9
2015	24,853	2,528,744	169	14,963	60.2	676,947	26.8	195,960	7.7
2016	25,198	2,561,285	169	15,156	60.1	694,018	27.1	207,102	8.1
2017	26,416	2,585,768	169	15,300	57.9	667,303	25.8	227,423	8.8
2018	25,296	2,598,724	165	15,750	62.3	671,874	25.9	227,855	8.8
2019	28,418	2,603,191	165	15,777	55.5	622,877	23.9	238,377	9.2
2020	28,967	1,924,112	116	16,587	57.3	438,784	22.8	171,961	8.9

(1) Attendance is deemed to be 95 percent of enrollment.

Source: ISD No. 196 Summary: Food Service Statistics Reports

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**SCHOOL FACILITIES**  
**AS OF JUNE 30, 2020**  
**(UNAUDITED)**

Facility	Use	Constructed	Acres	Classrooms (1)	Square Footage	Capacity	Enrollment (2)
<b>Elementary Schools:</b>							
Cedar Park	School	1977	16.64	29	79,178	595	702.98
Deerwood	School	1987	(3a)	35	80,741	595	651.63
Diamond Path	School	1970	40.00	39	83,780	725	757.93
East Lake	School	2017	22.40	38	84,600	750	731.43
Echo Park	School	1979	16.29	45	94,876	790	786.55
Glacier Hills	School	1993	15.01	39	85,167	680	735.70
Greenleaf	School	1975	30.40	50	88,130	835	839.89
Highland	School	1986	(3b)	43	85,497	725	741.94
Northview	School	1960	39.50	37	67,743	705	490.49
Oak Ridge	School	1991	9.95	45	86,896	680	560.78
Parkview	School	1970	13.00	39	95,430	680	806.96
Pinewood	School	1990	17.31	44	85,328	815	602.15
Red Pine	School	1995	13.09	47	88,784	815	737.12
Rosemount	School	1960	(3c)	38	76,251	660	737.35
Shannon Park	School	1990	13.50	47	83,936	770	637.24
Southview	School	1967	(3d)	46	75,391	790	668.71
Thomas Lake	School	1979	15.00	34	69,912	595	570.91
Westview	School	1964	18.00	41	71,678	725	448.98
Woodland	School	1988	18.43	37	83,724	680	695.19
<b>Middle Schools:</b>							
Black Hawk	School	1994	38.81	71	198,534	1,200	812.16
Dakota Hills	School	1989	(3e)	64	223,560	1,300	1,254.71
Falcon Ridge	School	1986	32.46	73	197,534	1,200	1,076.97
Rosemount	School	1918	(3c)	61	173,796	1,055	1,315.32
Scott Highlands	School	1979	40.00	60	165,735	1,030	1,184.82
Valley	School	1972	32.74	60	192,198	1,165	1,097.02
<b>High Schools:</b>							
Apple Valley	School	1976	80.00	83	370,234	1,990	1,618.98
Eagan	School	1990	94.00	87	382,970	2,040	1,952.45
Eastview	School	1997	54.00	97	338,242	2,015	2,203.57
Rosemount	School	1963	120.13	91	414,998	2,015	2,387.26
School of Environmental Studies	School	1995	12.25	53	71,171	400	324.38
Area Learning Center and Transition Plus	School	2006	N/A	18	27,659	310	237.58
Dakota Ridge	School	1997	(3f)	26	50,338	160	110.85
Cedar Valley Learning Center	School	1993	1.59	6	13,730	309	-
Dakota Valley Learning Center	Special/Early Child/ Adult Education	2014	(3f)	22	54,000	529	263.87
District Office	Office	2006	2.10	N/A	25,900	368	-
District Service Center	Office	1972	40.00	N/A	23,937	N/A	-
Facilities	Office/Maintenance/Warehouse	1972	(3f)	N/A	28,964	N/A	-
District Office East	Office	1984	9.50	N/A	18,677	N/A	-
N/A – Not Available							

(1) All rooms dedicated for instructional purposes, including regular classrooms, portable classrooms, computer labs, art rooms, band/choir/music rooms, special services rooms, science rooms, F.A.C.S. rooms, and industrial technology rooms.

(2) Enrollment is defined as the adjusted ADMs served excluding resident students tutitioned out to other Minnesota school districts. Students served by the school of environmental studies are included in the students' home high school.

(3) Joint sites  
(a) with Black Hawk Middle School (d) with Valley Middle School  
(b) with Scott Highlands Middle School (e) with Eagan High School  
(c) with Rosemount High School (f) with District Service Center/Facilities/Dakota Ridge/Dakota Valley Learning Center

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
BUILDING PERMITS ISSUED BY MAJOR CITIES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Calendar Year	Total Permits		New Residential Permits (1)	
	Number	Value	Number	Value
City of Rosemount				
2010	924	\$ 33,716,925	38	\$ 7,552,704
2011	2,359	28,753,846	16	4,834,000
2012	2,251	38,804,214	59	16,832,849
2013	2,471	42,084,362	93	26,136,626
2014	2,879	75,168,593	180	45,310,000
2015	2,677	63,330,428	173	39,739,000
2016	3,033	82,205,630	136	38,723,900
2017	3,136	74,717,882	135	37,709,343
2018	3,503	87,287,106	256	57,601,704
2019	3,997	90,278,793	274	65,796,011
City of Apple Valley				
2009	2,688	44,857,000	31	7,991,000
2010	2,995	59,290,047	61	35,346,000
2011	4,248	21,248,500	31	7,929,000
2012	4,438	41,228,000	47	12,284,000
2013	4,426	49,921,500	63	19,317,000
2014	5,430	90,423,600	71	22,147,000
2015	5,755	90,870,178	120	34,525,000
2016	6,573	92,352,609	140	42,385,000
2017	6,932	202,481,522	177	42,973,000
2018	5,698	141,378,881	125	33,552,000
2019	6,534	81,344,499	29	9,899,000
City of Eagan				
2009	2,400	55,050,142	13	3,920,000
2010	2,616	56,977,150	32	9,481,442
2011	2,259	59,743,157	73	20,912,987
2012	2,699	109,835,569	154	37,114,705
2013	7,455	218,669,781	188	70,828,088
2014	5,044	158,991,311	177	57,043,757
2015	2,470	101,187,211	49	17,047,341
2016	2,426	152,547,456	84	29,123,360
2017	3,145	428,078,165	72	26,208,327
2018	2,641	139,726,902	40	14,790,119
2019	2,555	245,770,779	35	14,486,797

(1) Includes single family homes, duplexes, quad homes, townhomes, multi-unit, and condominiums.

Note: The District includes portions of nine municipalities. The above table includes the three main municipalities within the District and is representative of growth in the area. These cities maintain building permit information on a calendar year.

Source: City of Rosemount, City of Apple Valley, and City of Eagan

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
STUDENTS – AVERAGE DAILY MEMBERSHIP  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Year Ended June 30,	ADM (for Students Served or Tuition Paid)						Total Pupil Units	
	Early Childhood and Kindergarten – Handicapped	Kindergarten	Elementary	Secondary	Total		Number	Percent Increase (Decrease)
					Number	Percent Increase (Decrease)		
2011	362.72	1,658.41	11,839.43	13,238.22	27,098.78	(0.5) %	31,510.72	(0.6) %
2012	401.43	1,690.94	11,948.37	13,012.52	27,053.26	(0.2)	31,406.83	(0.3)
2013	402.20	1,683.94	11,926.58	12,780.09	26,792.81	(1.0)	31,079.22	(1.0)
2014	405.36	1,596.02	12,116.23	12,800.68	26,918.29	0.5	31,261.97	0.6
2015	501.42	1,749.62	12,235.89	12,718.96	27,205.89	1.1	29,748.93	(4.8)
2016	500.75	1,721.13	12,421.88	12,869.63	27,513.39	1.1	30,087.31	1.1
2017	536.81	1,745.10	12,728.02	12,901.49	27,911.42	1.4	30,347.56	0.9
2018	570.62	1,826.07	12,831.89	12,949.34	28,177.92	1.0	30,766.98	1.4
2019	598.22	1,827.47	12,859.96	13,132.63	28,418.28	0.9	31,045.11	0.9
2020	571.88	1,874.44	12,950.18	13,570.38	28,966.88	1.9	31,452.21	1.3

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

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

	Early Childhood and Kindergarten – Handicapped	Kindergarten		Elementary		
		Part-Time	All-Day	1–3	4–6	Secondary
Fiscal 2009 through 2014	Various	0.612	0.061	1.115	1.060	1.300
Fiscal 2015 through 2018	Various	0.550	1.000	1.000	1.000	1.200

Source: Minnesota Department of Education