



South St. Paul School Board Meeting  
Monday, November 22, 2021 6:00 PM  
Location: CITY HALL  
125 THIRD AVENUE NORTH  
South St Paul, Minnesota 55075

## Agenda

I.	<b>ROLL CALL and PLEDGE OF ALLEGIANCE</b>	
II.	<b>APPROVAL OF MEETING AGENDA/MINUTES</b>	
	A. School Board Meeting Agenda, November 22, 2021	
	B. Committee-of-the-Whole Meeting Minutes, November 8, 2021	4
	C. School Board Meeting Minutes, November 8, 2021	5
III.	<b>QUALITY-IN-ACTION and REPORTS</b>	
	A. <b>Quality-in-Action:</b> Director of Learning Chad Schmidt along with the District's International Baccalaureate (IB) program coordinators will provide brief backgrounds on our Primary Years Program (PYP) that is for all students in grades K-5, the Middle Years Program (MYP) for all students in grades 6-10, and the Diploma Program (DP) for students in grades 11-12. They will also share some highlights of student cross-disciplinary learning experiences. (C. Schmidt and IB Coordinators)	7
	B. <b>Report:</b> Chair Linda Diaz will highlight the Public Listening Session submissions. (L. Diaz)	8
	C. <b>Report:</b> Superintendent Webb will provide highlights from around the District. (D. Webb)	9
IV.	<b>CONSENT ITEMS</b>	
	A. Financial Claims: Bills Payable (D. Webb)	10
	B. Staffing: Appointments, Resignations, Transfers, Retirements, Abolishments, and Leaves (D. Webb)	16
V.	<b>POLICY REVIEW</b>	
VI.	<b>BUSINESS ITEMS</b>	

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|----|--|-----|
| A. | Approval, for the South St. Paul School Board to approve the June 30, 2021 Financial Statements and Management Report. (B. Hoffman and A. Nielsen)   | 20  |
| B. | Approval, for the South St. Paul School Board to approve the Aquatics Lead Instructor hourly rate of pay of \$20 per hour to be included on the 2021-22 Miscellaneous Wages. (D. Webb)                     | 191 |
| C. | Approval, for the South St. Paul School Board to approve the agreement with the Educational Support Professionals for the period of July 1, 2021 to June 30, 2023. (D. Webb)                               | 192 |
| D. | Approval, for the South St. Paul School Board to approve the Educational Support Professionals Memorandum of Agreement for a one-time longevity & retention stipend for the 2021-22 school year. (D. Webb) | 193 |
| E. | Approval, for the South St. Paul School Board to approve the Principal Memorandum of Agreement for a one-time longevity & retention stipend for the 2021-22 school year. (D. Webb)                         | 195 |
| F. | Approval, for the South St. Paul School Board to approve a Superintendent Search Firm Contract with _____ . (L. Diaz)  | 197 |
| G. | Approval, for the South St. Paul School Board to approve scheduling a work session on Wednesday, December 1, 2021 at 4:30 PM in the District Office Conference Room. (L. Diaz)                             |     |

**VII. CLOSED SESSION**

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|----|--|
| A. | Approval, for the South St. Paul School Board to move to a Closed Session pursuant to Minn. Stat. § 13.5.05, subd. 3(c)(3) to develop or consider an offer to purchase or sell real property identified as PID Nos. 36-53600-03-150, 36-53600-02-290, 36-53600-02-301, 36-53600-03-301, 36-80100-07-010, and 36-83575-00-010. (D. Webb/B. Hoffman) |
| B. | Consideration of a Resolution Approving a Purchase Agreement and Letter of Agreement. (D. Webb/B. Hoffman)   |

**VIII. SUPPLEMENTAL AGENDA**

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|----|---|
| A. | Approval, for the South St. Paul School Board to approve the Resolution Approving Purchase Agreement and Letter of Agreement. (D. Webb/B.Hoffman) |
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**IX. INFORMATIONAL ITEMS**

- A. **Board Members' Reports/Committee Updates/Where Have You Seen a Passion:** Board members will report on recent educational activities/events in which they have participated as well as other informational items.

X. **ADJOURNMENT**

**South St. Paul School Board  
Committee-of-the-Whole Meeting Minutes**

**November 8, 2021**

Chair Linda Diaz called the November 8, 2021, meeting of the Committee-of-the-Whole to order at 5:00 PM with seven Board members present: Inspector Arend, Diaz, Felton, Laliberte, Raasch, Walker and Weber. Others present included Superintendent of Schools Dave Webb and several other staff and community members.

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**County Library Update**

Representatives from Dakota County and the City of South St. Paul shared updates on the county library proposed for the 7<sup>th</sup> Avenue and Marie Avenue location. They reviewed the layout and design components of the proposed plan. City leaders briefly spoke of the road and parking adjustments that would need to be made to accommodate the library. School leaders shared their concern for the impact it will have with the amount of foot and vehicle traffic in the area as well as student supervision given the close proximity of the school.

**Bond Refunding**

Jodie Zesbaugh from Ehlers reviewed the results of the final sale of bonds that will go before the School Board for approval this evening. Several factors including the district's exceptional credit rating contributed to the district receiving low interest rate bids from six companies for this refunding.

Refunding bonds are similar to refinancing a home mortgage; the district can take advantage of lower interest rates to reduce the amount of interest paid on the district's debt. These lower interest rates will not be a savings to the district, but instead a reduction of the district's annual tax levies that will in turn reduce the amount of taxes paid by SSP property owners.

**Employee Agreements**

Human Resource Director Cathy provided highlights to the teacher and principal contracts going before the School Board for approval this evening. In addition, the Board will vote on several memorandum of agreements and resolutions to address the district's staffing shortages caused by the COVID-19 pandemic.

**Superintendent Search**

Board Chair Linda Diaz along with Lisa Brandecker provided an overview of the superintendent search firm proposals the district received. The Board agreed to allow the Board personnel committee to take a closer look at the two proposals received and bring forth a recommendation to the full board at their meeting on November 22.

**School Board Committee Updates**

School Board members provided updates to the various committees in which they serve.

The committee-of-the-whole meeting adjourned at 5:52 PM.

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Respectfully submitted by:

Lisa Brandecker, Acting Secretary-Clerk  
South St. Paul Board of Education



## SOUTH ST. PAUL PUBLIC SCHOOLS Special School District No. 6

NOVEMBER 8, 2021

The regular meeting of the School Board, Special School District No. 6, South St. Paul, was held in the city hall council chambers on Monday, November 8, 2021. Chair Linda Diaz called the meeting to order at 6:00 PM with seven Board members present: Inspectors Arend, Diaz, Felton, Laliberte, Raasch Walker and Weber. Superintendent Dave Webb as well as several staff, students and community members were also present.

By Inspector Felton

Seconded by Inspector Weber

That the South St. Paul School Board approves the November 8, 2021, School Board meeting agenda and minutes for the following meetings:

- A. School Board Meeting Agenda, November 8, 2021
- B. Committee-of-the-Whole Meeting Minutes, October 25, 2021
- C. Regular Meeting Minutes, October 25, 2021
- D. School Board Book Study Minutes, October 25, 2021
- E. School Board Work Session Minutes, November 3, 2021

Motion carried (7-0)

### QUALITY-IN-ACTION AND REPORTS

*Quality-in-Action* – Kaposia Education Center Principal Terry Bretoi, Special Education Teacher Rachel Hosszu along with several students highlighted their snack cart project. School Board members engaged in the hiring process of the three student snack cart vendors.

*Quality-in-Action* – Kaposia Education Center Parent Teacher Committee (KPTC) provided an update on the various things they coordinate and support for the school.

*Report* – There were no listening session submission to report.

*Superintendent's Update* – Superintendent Webb provided highlights from around the district.

By Inspector Laliberte

Seconded by Inspector Raasch

- A. Financial Claims—Bills Payable
- B. Staffing: Appointments, Resignations, Transfers, Retirements, Abolishments, and Leaves.

Motion carried (7-0)

By Inspector Felton

Seconded by Inspector Weber

Approval, for the South St. Paul School Board to approve the Resolution Awarding the Sale of the General Obligation Refunding Bonds, Series 2021A, in the Original Aggregate Principal Amount of \$12,610,000; Fixing their Form and Specification; Directing their Execution and Delivery; and Providing for their Payment.

Motion carried 7 yeas – Felton, Walker, Raasch, Weber, Laliberte, Arend and Diaz

0 nays

By Inspector Weber  
Approval, for the South St. Paul School Board to approve the agreement with the South St. Paul Teachers' Association Local #861, for the contract period of July 1, 2021 to June 30, 2023.  
Motion carried (7-0)

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By Inspector Walker  
Approval, for the South St. Paul School Board to approve the agreement with the South St. Paul Principals for the agreement period of July 1, 2021 to June 30, 2023.  
Motion carried (7-0)

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By Inspector Raasch  
Approval, for the South St. Paul School Board to approve the Teacher Memorandum of Agreement for a one-time longevity & retention stipend for the 2021-22 school year.  
Motion carried (7-0)

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By Inspector Weber  
Approval, for the South St. Paul School Board to approve the Office & Professionals Memorandum of Agreement for a one-time longevity & retention stipend for the 2021-22 school year.  
Motion carried (7-0)

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By Inspector Laliberte  
Approval, for the South St. Paul School Board to approve the Custodial & Maintenance Memorandum of Agreement for a one-time longevity & retention stipend for the 2021-22 school year.  
Motion carried (7-0)

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By Inspector Raasch  
Approval, for the South St. Paul School Board to approve the Resolution for a one-time longevity & retention stipend for the independent group employees for the 2021-22 school year.  
Motion carried 7 yeas – Laliberte, Arend, Felton, Walker, Raasch, Weber and Diaz  
0 nays

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By Inspector Laliberte  
Approval, for the South St. Paul School Board to approve the Resolution for a one-time longevity & retention stipend for the Superintendent for the 2021-22 school year.  
Motion carried 7 yeas – Weber, Laliberte, Arend, Felton, Walker, Raasch and Diaz  
0 nays

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*Informational Items:* School Board members reported on various educational activities/events in which they have participated as well as other informational items.

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By Inspector Raasch  
Approval, for the South St. Paul School Board to adjourn the November 8, 2021, meeting at 6:54 PM  
Motion carried (7-0)

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Respectfully Submitted by:

Official Board Minutes are available in the District Office at 104 – 5<sup>th</sup> Ave. So. – So. St. Paul

Lisa Brandecker, Acting Secretary-Clerk  
Board of Education



## SOUTH ST. PAUL PUBLIC SCHOOLS

### School Board Agenda Item

**Meeting Date:** Monday, November 22, 2021

**Place on Agenda:** Quality-in-Action

**Action Requested:** None at this time

**Attachment:**

**Topic:** IB Continuum Program Highlights: PYP – MYP - DP

**Presenter(s):** IB Coordinators: Chris Bretz (PYP – Kaposia), Diane Tiffany (PYP – Lincoln), Melissa Miller (MYP – MS & HS), Conrad Anderson (DP – HS), Dr. Chad Schmidt, Learning Director

**Background:**

South St. Paul Public Schools was certified as Minnesota’s first K-12 International Baccalaureate (IB) World Schools district in 2007, approximately three years after the SSPPS Board of Education voted to adopt and implement the Primary Years Program (PYP) in our elementary schools and the Middle Years Program (MYP) in our secondary school. The Diploma Program (DP) preceded both the PYP and MYP in South St. Paul Schools, dating back to its adoption in 1986.

Over the course of the past almost 15 years, SSPPS educators have deepened their awareness and understanding of effective IB practices under the guidance and leadership of numerous IB coordinators. Our current team of coordinators have a tremendous passion for and belief in the power and impact of an IB education for all students. In this Quality-in-Action presentation, they will provide a brief background about their respective programs and share some highlights of student cross-disciplinary learning experiences.

**Recommendation:**

None at this time. For review and discussion only.

**Alternatives:**

N/A



## SOUTH ST. PAUL PUBLIC SCHOOLS

### School Board Agenda Item

**Meeting Date:** November 22, 2021

**Place on Agenda:** Committee-of-the-Whole and Regular Meeting Reports

**Action Requested:** None

**Attachment:** None

**Topic:** School Board Listening Session Report

**Presenter(s):** Board Chair Linda Diaz

**Background:**

At the committee-of-the-whole and regular business meetings, the Board Chair will provide an overview of the listening session submissions.

The South St. Paul School Board provides the following opportunities for community members to address the board:

- **In-Person** on the first meeting date of each month according to the schedule listed on the [district's website](#). Public listening sessions are held at City Hall (125 - 3rd Avenue North) beginning at 4:15 PM in the second floor conference room.
- **Electronic form submissions** are accepted on all meeting dates listed on the [district's website](#). Click [here](#) to submit a Public Listening Session comment.
  - Form submissions will be acknowledged by Board Chair and/or Superintendent on-air during the regular business meeting. The Board Chair and/or Superintendent will also follow-up personally with the individuals submitting a Public Listening Session form.



## SOUTH ST. PAUL PUBLIC SCHOOLS

### School Board Agenda Item

**Meeting Date:** November 22, 2021

**Place on Agenda:** Reports

**Action Requested:** None

**Attachment:** None

<b>Topic:</b> Superintendent's Update
<b>Presenter(s):</b> Superintendent Dave Webb
<b>Background:</b> Superintendent Dave Webb will provide highlights from around the District.
<b>Recommendation:</b> N/A
<b>Alternatives:</b> N/A



## SOUTH ST. PAUL PUBLIC SCHOOLS

### School Board Agenda Item

**Meeting Date:** November 22, 2021

**Place on Agenda:** Consent Items

**Action Requested:** Approval

**Attachment:** Financials – Bills Payable

<b>Topic:</b> Financials – Bills Payable
<b>Presenter(s):</b> Chair
<b>Background:</b>  It is the policy of the school district to maintain its records so that they will be available for inspection by members of the general public and to provide for the publication of its official proceedings in compliance with law.
<b>Recommendation:</b>  Approve financial statement
<b>Alternatives:</b>  N/A

<u>CHECK NUMBER</u>	<u>AMOUNT</u>	<u>CHECK DATE</u>	<u>VENDOR</u>
198094	-80.00	11/18/2021	HOLSEN, KELTON
198211	20.98	11/11/2021	ACE HARDWARE & PAINT
198212	368.00	11/11/2021	ALBIN ACQUISITION CO
198213	80.00	11/11/2021	ANDERSON, FALLON
198214	4,489.90	11/11/2021	ARVIG
198215	242.00	11/11/2021	BIFFS, INC
198216	428.86	11/11/2021	CAPITAL ONE TRADE CR
198217	55.00	11/11/2021	CASALENDA, PAULA
198218	41.46	11/11/2021	CIOX HEALTH
198219	1,120.00	11/11/2021	CONQUER NINJA ST PAU
198220	150.00	11/11/2021	CPI
198221	119.13	11/11/2021	CULLIGAN-MILBERT COM
198222	306.93	11/11/2021	FIRST SUPPLY LLC
198223	318.99	11/11/2021	FOLLETT SCHOOL SOLUT
198224	1,400.00	11/11/2021	GOPHER STAGE LIGHTIN
198225	105.72	11/11/2021	GRAINGER, INC
198226	96.00	11/11/2021	GROTH MUSIC CO
198227	8,447.55	11/11/2021	HASTINGS CREAMERY, L
198228	7,162.50	11/11/2021	HOFFMAN, BRADY
198229	154,338.15	11/11/2021	INDEPENDENT SCHOOL D
198230	59,111.23	11/11/2021	INDEPENDENT SCHOOL D
198231	300.00	11/11/2021	INFINITE HEALTH COLL
198232	7,680.00	11/11/2021	JB OFFICEWORKS, LLC
198233	165.50	11/11/2021	JOHNSTONE SUPPLY
198234	3.99	11/11/2021	KNOWLAN'S
198235	20.00	11/11/2021	KRAMMER, KATIE
198236	1,485.00	11/11/2021	LINDENMEYR MUNROE
198237	2,279.55	11/11/2021	MANAGEBAC INC
198238	339.18	11/11/2021	MARK'S PLUMBING PART
198239	148.00	11/11/2021	MCMASTER-CARR SUPPLY
198240	1,980.00	11/11/2021	MERIDIAN CONSULTING
198241	8.94	11/11/2021	MINNESOTA LOCKS
198242	520.00	11/11/2021	MINNESOTA DEPARTMENT
198243	926.42	11/11/2021	MTI DISTRIBUTING COM
198244	1,434.44	11/11/2021	MUSEUM OF SCIENCE
198245	2,860.01	11/11/2021	NAC
198246	132.26	11/11/2021	NAPA AUTO PARTS
198247	2,488.73	11/11/2021	NETWORK SERVICES COM
198248	277.36	11/11/2021	NEW DOMINION SCHOOL/
198249	539.71	11/11/2021	PLUNKETT'S PEST CONT
198250	295.08	11/11/2021	POMP'S TIRE SERVICE
198251	135.00	11/11/2021	PROFESSIONAL WIRELES
198252	541.49	11/11/2021	PROGRESSIVE DIRECT I
198253	60.69	11/11/2021	REALLY GOOD STUFF
198254	5,319.80	11/11/2021	RUPP, ANDERSON, SQUI
198255	194.31	11/11/2021	SAFEWAY BUS COMPANY
198256	4,246.77	11/11/2021	SAFEWAY WISCONSIN, I
198257	73.32	11/11/2021	SCHMITT MUSIC
198258	135.98	11/11/2021	SHERWIN WILLIAMS CO
198259	754.79	11/11/2021	SOUTH ST PAUL OPEN F
198260	307.00	11/11/2021	SPRIGGS PLUMBING & H
198261	188.00	11/11/2021	SSP/IGH ROTARY CLUB
198262	10,645.84	11/11/2021	TEACHERS ON CALL
198263	872.00	11/11/2021	TESSMAN SEED COMPANY
198264	310.20	11/11/2021	TOWMASTER
198265	19,760.00	11/11/2021	TRIMARK

CHECK NUMBER	AMOUNT	CHECK DATE	VENDOR
198266	1,078.20	11/11/2021	TUMBLEWEED PRESS INC
198267	66.43	11/11/2021	UNITED REFRIGERATION
198268	350.00	11/11/2021	UNIVERSITY OF OREGON
198269	28,509.36	11/11/2021	UPPER LAKES FOODS
198270	264.76	11/11/2021	VOSS LIGHTING
198271	82,049.15	11/11/2021	WIDE AREA TRANSPORTA
198272	33,423.05	11/11/2021	XCEL ENERGY
198273	57.00	11/15/2021	EDUCATION MINNESOTA
198274	300.80	11/15/2021	GURSTEL LAW FIRM PC
198275	478.57	11/15/2021	LOCAL #70
198276	848.50	11/15/2021	MINNESOTA CHILD SUPP
198277	318.00	11/15/2021	OFFICE AND PROF EMPL
198278	179.25	11/15/2021	RIVERVIEW LAW OFFICE
198279	12,015.19	11/15/2021	SOUTH ST PAUL TEACHE
198280	5.00	11/15/2021	SOUTH ST PAUL OPEN F
198281	151.00	11/15/2021	SOUTH ST PAUL EDUCAT
198282	1,029.30	11/15/2021	SSP EASRP
198283	51,440.00	11/18/2021	360 COMMUNITIES
198284	646.38	11/18/2021	ADWEAR SPECIALTIES,
198285	967.22	11/18/2021	AMAZON CAPITAL SERVI
198286	80.00	11/18/2021	ANDERSON, FALLON
198287	16.10	11/18/2021	BROWN, JOANN
198288	455.00	11/18/2021	CARPENTER ST CROIX V
198289	149.99	11/18/2021	CATALYST SOURCING SO
198290	7,514.93	11/18/2021	CITY OF SOUTH ST PAU
198291	65.63	11/18/2021	CLASSEN, GLORIA
198292	490.00	11/18/2021	ECSI
198293	30.00	11/18/2021	ED'S TROPHIES
198294	9,924.28	11/18/2021	EXCEL AV GROUP LLC
198295	199.43	11/18/2021	GENERAL PARTS INC
198296	257.56	11/18/2021	GOLDCOM, INC
198297	659.96	11/18/2021	GRAPHIC EDGE
198298	84.58	11/18/2021	GROTH MUSIC CO
198299	5,455.76	11/18/2021	HASTINGS BUS COMPANY
198300	6,495.00	11/18/2021	HILLER COMMERCIAL FL
198301	208.80	11/18/2021	HIRTE, DIANA
198302	160.00	11/18/2021	HOLSEN, KELTON
198303	4,130.11	11/18/2021	INTERMEDIATE DISTRIC
198304	4,929.15	11/18/2021	JOHNSON, CHRISTINE
198305	1,130.27	11/18/2021	LAKESHORE LEARNING M
198306	128.50	11/18/2021	LAUNDRY LOOPS
198307	2,244.52	11/18/2021	LINDENMEYR MUNROE
198308	2,648.32	11/18/2021	LINK INTERPRET
198309	3,286.94	11/18/2021	MACKIN EDUCATIONAL R
198310	7,980.00	11/18/2021	MALLOY, MONTAGUE, KA
198311	678.00	11/18/2021	MCEA EXECUTIVE OFFIC
198312	1,008.00	11/18/2021	MEDICINE LAKE TOURS
198313	35.00	11/18/2021	MINNESOTA DEPARTMENT
198314	2,100.00	11/18/2021	MINNESOTA DEPARTMENT
198315	1,295.00	11/18/2021	MN SCHOOL BOARDS ASS
198316	480.00	11/18/2021	MNIB
198317	2,239.71	11/18/2021	MUSKEGON HEIGHTS SOL
198318	1,099.25	11/18/2021	NETWORK SERVICES COM
198319	89.26	11/18/2021	OFFICE DEPOT
198320	904.00	11/18/2021	REBYL SPORTS, INC
198321	450.00	11/18/2021	SAFE HARBOR COUNSELI

CHECK NUMBER	AMOUNT	CHECK DATE	VENDOR
198322	110.26	11/18/2021	SCHMITT MUSIC
198323	3,000.53	11/18/2021	SCHOLASTIC BOOK FAIR
198324	376.70	11/18/2021	SCHOOL SPECIALTY, LL
198325	195.45	11/18/2021	SHRED RIGHT
198326	524.34	11/18/2021	STERICYCLE, INC
198327	4,539.00	11/18/2021	STRATEGIC STAFFING S
198328	1,470.00	11/18/2021	SUCCESS BEYOND THE C
198329	11,580.68	11/18/2021	TEACHERS ON CALL
198330	510.30	11/18/2021	TEAM SPORTING GOODS,
198331	307.00	11/18/2021	TRAFERA, LLC
198332	6,268.05	11/18/2021	TRIO SUPPLY CO
198333	66.37	11/18/2021	ULINE
198334	23,784.60	11/18/2021	UPPER LAKES FOODS
202100121	42,489.39	11/15/2021	MINNESOTA PAYROLL TA
202100122	255,849.67	11/15/2021	FEDERAL PAYROLL TAXE
202100123	41,717.80	11/15/2021	PERA
202100124	56,214.99	11/15/2021	TSA/ACH DEDUCTION
202100125	127,851.51	11/15/2021	TEACHER RETIREMENT A
202100126	0.00	11/15/2021	MINNESOTA PAYROLL TA
202100127	0.00	11/15/2021	FEDERAL PAYROLL TAXE
202100128	0.00	11/15/2021	PERA
212200092	290.91	11/11/2021	ANDERSON, CONRAD
212200093	64.62	11/11/2021	AREND, FRANCIS
212200094	1,305.85	11/11/2021	BAUER, KIMBERLY
212200095	38.50	11/11/2021	CAMPBELL, LOUISE
212200096	37.85	11/11/2021	CORNELL, JANE
212200097	35.16	11/11/2021	DEVINE, JOHN
212200098	235.32	11/11/2021	HOLSEN, ERIC
212200099	167.32	11/11/2021	JUNKER, AUSTIN
212200100	150.00	11/11/2021	MCKIBBEN, KORI
212200101	23.54	11/11/2021	METTILLE, RACHEL
212200102	44.99	11/11/2021	NYGAARD, LINDA
212200103	34.22	11/11/2021	SEXAUER, JENNIFER
212200104	12.67	11/11/2021	SHANNON, JODY
212200105	13.25	11/11/2021	WELLS, TRAVIS
212200106	10.17	11/11/2021	WOHLERS, DARI

1,168,352.98 Totals for checks

FUND SUMMARY

<u>FUND</u>	<u>DESCRIPTION</u>	<u>BALANCE SHEET</u>	<u>REVENUE</u>	<u>EXPENSE</u>	<u>TOTAL</u>
01	GENERAL	505,508.85	352.00	255,436.09	761,296.94
02	FOOD SERVICE	8,848.94	0.00	90,748.35	99,597.29
04	COMMUNITY EDUCATION	254,860.06	0.00	4,820.78	259,680.84
05	CAPITAL	0.00	0.00	41,630.44	41,630.44
50	ACTIVITY ACCOUNT	6,147.47	0.00	0.00	6,147.47
***	Fund Summary Totals ***	775,365.32	352.00	392,635.66	1,168,352.98

\*\*\*\*\* End of report \*\*\*\*\*

**CHECKRUNS**

<b><u>FUND</u></b>	<b><u>DESCRIPTION</u></b>	<b><u>November 5, 2021 - November 18, 2021</u></b>
1	GENERAL	\$761,296.94
2	FOOD SERVICE	\$99,597.29
4	COMMUNITY EDUCATION	\$259,680.84
5	CAPITAL	\$41,630.44
6	CONSTRUCTION	\$0.00
7	DEBT SERVICE	\$0.00
47	OPEB	\$0.00
50	ACTIVITY ACCOUNTS	\$6,147.47
	<b>TOTAL</b>	<b><u>\$1,168,352.98</u></b>

Check 198211 - 198334

Employee ACH 212200092 -2122000106

Wire Payments 202100121 - 202100128

**PAYROLL**

**11/15/21**

Payroll Direct Deposit	900071050 - 900071569	\$733,362.18
Checks	236600	



## SOUTH ST. PAUL PUBLIC SCHOOLS

### School Board Agenda Item

**Meeting Date:** November 22, 2021

**Place on Agenda:** Consent Items

**Action Requested:** Approval

**Attachment:** Staffing

<b>Topic:</b> Staffing
<b>Presenter(s):</b> Chair
<b>Background:</b>  The staffing report includes the Appointments, Resignations, Transfers, Retirements, Abolishments and Leaves being recommended to the School Board for approval.
<b>Recommendation:</b>  Administration recommends approval of the proposed staffing and supplemental staffing as presented.
<b>Alternatives:</b>  Amend the motion to remove a certain appointment, resignation, transfer, retirement, abolishment, or leave. Provide administration with directions for next steps.

**VII.A.1 Staff Appointments, Resignations, Retirements, Terminations and Leaves (Cathy Miller)**

**11-22-21**

**Certified**

1. Appointments/Reassignments

1. Joshua Craig – 1.0 FTE Special Education Teacher (Temporary), Middle School, BA60, Step 4, effective December 20, 2022.
2. Cassidy Watson – 1.0 FTE Grade 1 Elementary Teacher (Temporary), Lincoln Center, BA00, Step 1, effective November 29, 2021.

Change of Assignment – effective January 3, 2022 (revised from December 1, 2021)  
 Steven Forsythe – Special Education Teacher, change from Middle School to Lincoln Center

2021-22 Teacher Mentor (\$754 Stipend)

High School  
 Lindsey Alejandrino  
 Janessa Brackett  
 Jane Cornell  
 Desirae Demmings  
 Chris Gustilo  
 Courtney Nygaard

Kaposia  
 Maren Daniels  
 Kim Laska  
 Brea Lorentz  
 Amy Peabody

CLC  
 Ben Peake  
 Jessica Peterson

Middle School  
 John Devine  
 Liv Garcia  
 Austin Junker  
 Tara St. Martin

Lincoln  
 Ashley Becker  
 LaVonne Francis  
 Jody Jaakola  
 Deanna Roering  
 Jessica Splittstoesser

**2021-22 ECA**

**BASKETBALL – BOYS**

Jr. High Coach	Youdas, Scott	\$2,237
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**BASKETBALL – GIRLS**

Jr. High Coach	Britton, Lawrence	\$2,237 (flex position)
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**WRESTLING**

Coach – Girls	Radunz, Desmond	\$4,532 (flex position)
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**MS ATHLETIC SITE SUPERVISOR**

November – December	Binder, Allison	\$2,200
---------------------	-----------------	---------

\*indicates a non-district employee

\*\* indicates a returning non-district employee

B. Resignations/Retirements/Leaves/Reductions/Other

1. Randall Bjorklund – Extend leave of absence, 1.0 FTE Physical Education Teacher, High School, effective September 29, 2021, through December 3, 2021. (extension from November 5, 2021)
2. Heather Mortel – Extend leave of absence, 1.0 FTE MTSS Specialist/School Psychologist, High School, effective August 30, 2021, through June 10, 2022. (extension from November 30, 2021)
3. Robert Murphy – Resignation, Head Coach, Boys’ Soccer, effective November 15, 2021.
4. Catherine Rue – Leave of absence (intermittent), 1.0 FTE Speech Language (ECSE), Kaposia Education Center and Lincoln Center, effective November 16, 2021, through December 31, 2021.

**Classified**

**A. Appointments/Reassignments**

1. Jesse Campbell – Part-Time Cleaner, Central Square Community Center, \$17.33 per hour, 15 hours per week, effective November 22, 2021.
2. Kate Paulson – Gymnastics Instructor, Central Square Community Center, \$15.00 per hour, up to 20 hours per week, effective November 20, 2021.
3. Nicole Tuescher - Director of Human Resources, District Office, effective November 29, 2021.

**B. Resignations/Retirements/Leaves/Reductions/Other**

1. Kelly Dietz – Leave of absence, Preschool Teacher, Kaposia Education Center, effective approximately February 4, 2022, through April 29, 2022.
2. Ginette Friesen – Resignation, Health Assistant, Kaposia Education Center, effective December 31, 2021.
3. Araya Oase – Termination, Part-Time Cleaner, Lincoln Center, effective November 12, 2021.
4. Tiffany Pedersen – Termination, Part-Time Cleaner, Lincoln Center, effective November 17, 2021.
5. Lesley Ramos – Termination, Part-Time Cleaner, Kaposia Education Center, effective November 12, 2021.
6. Nikole Williams – Resignation, Preschool Teacher, Lincoln Center, effective November 19, 2021.
7. Christina Zambrano – Extend leave of absence, Kids’ Choice Assistant, Kaposia Education Center, effective September 30, 2021, through approximately December 1, 2021. (extension from November 11, 2021)



## SOUTH ST. PAUL PUBLIC SCHOOLS

### School Board Agenda Item

**Meeting Date:** Monday, November 22, 2021

**Place on Agenda:** Regular Meeting

**Action Requested:** Approval

**Attachment:** MMKR Power Point presentation  
June 30, 2021 Financial Statements  
June 30, 2021 Management Report

<b>Topic:</b> Approve 2020-21 Audit Reports
<b>Presenter(s):</b> Brady Hoffman, Finance Consultant
<b>Background:</b> Attached are the Financial Statements and Management Report for the fiscal year ended June 30, 2021. We have received an unmodified or 'clean' opinion on the District's financial statements.  Aaron Nielsen, the district's independent auditor from MMKR, will review these reports with the School Board. Aaron has prepared a power point presentation to share with you at the meeting.
<b>Recommendation:</b> Approve June 30, 2021 Financial Statements and Management Report
<b>Alternatives:</b> N/A

SPECIAL SCHOOL DISTRICT NO. 6  
SOUTH ST. PAUL, MINNESOTA

Financial Statements and  
Supplemental Information

Year Ended  
June 30, 2021

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SPECIAL SCHOOL DISTRICT NO. 6

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INTRODUCTORY SECTION

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SPECIAL SCHOOL DISTRICT NO. 6

School Board and Administration  
Year Ended June 30, 2021

**SCHOOL BOARD**

	<u>Board Position</u>
Chris Walker	Chair
Linda Diaz	Vice Chair
Nikki Laliberte	Clerk
Wendy Felton	Treasurer
Bill Arend	Inspector
John Raasch	Inspector
Monica Weber	Inspector

**ADMINISTRATION**

David Webb	Superintendent of Schools
Aaron Bushberger	Finance Director
Lynne Welsh	Assistant Business Manager

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FINANCIAL SECTION

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**PRINCIPALS**

Thomas A. Karnowski, CPA  
Paul A. Radosevich, CPA  
William J. Lauer, CPA  
James H. Eichten, CPA  
Aaron J. Nielsen, CPA  
Victoria L. Holinka, CPA/CMA  
Jaclyn M. Huegel, CPA  
Kalen T. Karnowski, CPA

**INDEPENDENT AUDITOR'S REPORT**

To the School Board and Management of  
Special School District No. 6  
South St. Paul, 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 Special School District No. 6 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

**AUDITOR'S RESPONSIBILITY**

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

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

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

(continued)

## **OPINIONS**

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

## **OTHER MATTERS**

### **Required Supplementary Information**

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

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, supplemental information, and other district information, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements of the District. The accompanying Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table is presented for purposes of additional analysis as required by the Minnesota Department of Education, and is also not a required part of the basic financial statements of the District.

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

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

(continued)

## **Prior Year Comparative Information**

We have previously audited the District's 2020 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 7, 2020. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota  
October 6, 2021

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## SPECIAL SCHOOL DISTRICT NO. 6

### Management's Discussion and Analysis Year Ended June 30, 2021

This section of Special School District No. 6's (the District) annual financial statements presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with the other components of the District's annual financial statements.

#### **FINANCIAL HIGHLIGHTS**

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2021 by \$25,755,622 (net position deficit). The District's total net position increased by \$1,000,918 during the fiscal year ended June 30, 2021.
- Government-wide revenues totaled \$50,997,975 and were \$1,000,918 more than expenses of \$49,997,057.
- The General Fund's total fund balance (under the governmental fund presentation) increased by \$162,692 from the prior year, compared to a decrease of \$750,000 planned in the budget.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual financial statements consists of the following parts:

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

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

#### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

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

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

## **FUND FINANCIAL STATEMENTS**

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

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. For Minnesota schools, funds are established in accordance with Uniform Financial Accounting and Reporting Standards in accordance with statutory requirements and accounting principles generally accepted in the United States of America. Some funds are required by state law and by bond covenants. The District can establish other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The District maintains the following kinds of funds:

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

**Proprietary Funds** – The District maintains one type of proprietary fund. The internal service 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 the self-insurance activities of district employees' dental claims, medical claims, and its other post-employment benefits (OPEB) liabilities. These services have been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

	2021	2020
<b>Assets</b>		
Current and other assets	\$ 35,462,238	\$ 37,149,149
Capital assets, net of depreciation	42,801,858	41,859,830
Total assets	\$ 78,264,096	\$ 79,008,979
<b>Deferred outflows of resources</b>		
Pension plan deferments	\$ 13,289,148	\$ 22,355,843
OPEB plan deferments	394,024	640,220
Total deferred outflows of resources	\$ 13,683,172	\$ 22,996,063
<b>Liabilities</b>		
Current and other liabilities	\$ 6,686,997	\$ 8,247,973
Long-term liabilities, including due within one year	72,581,892	73,235,245
Total liabilities	\$ 79,268,889	\$ 81,483,218
<b>Deferred inflows of resources</b>		
Property taxes levied for subsequent year	\$ 10,648,705	\$ 10,054,668
Pension plan deferments	24,698,914	35,897,775
OPEB plan deferments	3,086,382	1,325,921
Total deferred inflows of resources	\$ 38,434,001	\$ 47,278,364
<b>Net position</b>		
Net investment in capital assets	\$ 10,170,549	\$ 9,925,751
Restricted	2,163,000	2,352,453
Unrestricted	(38,089,171)	(39,034,744)
Total net position	\$ (25,755,622)	\$ (26,756,540)

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

The District's increase in net investment in capital assets is due mostly to the relationship between the rate at which the District's capital assets are being added, depreciated, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets. The District's decrease in net position restricted for debt service, food service, and other state funding restrictions contributed to the change in restricted net position. The change in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans contributed to the change in deferred outflows, long-term liabilities, deferred inflows, and unrestricted net position.

Table 2 presents a summarized version of the District’s Statement of Activities:

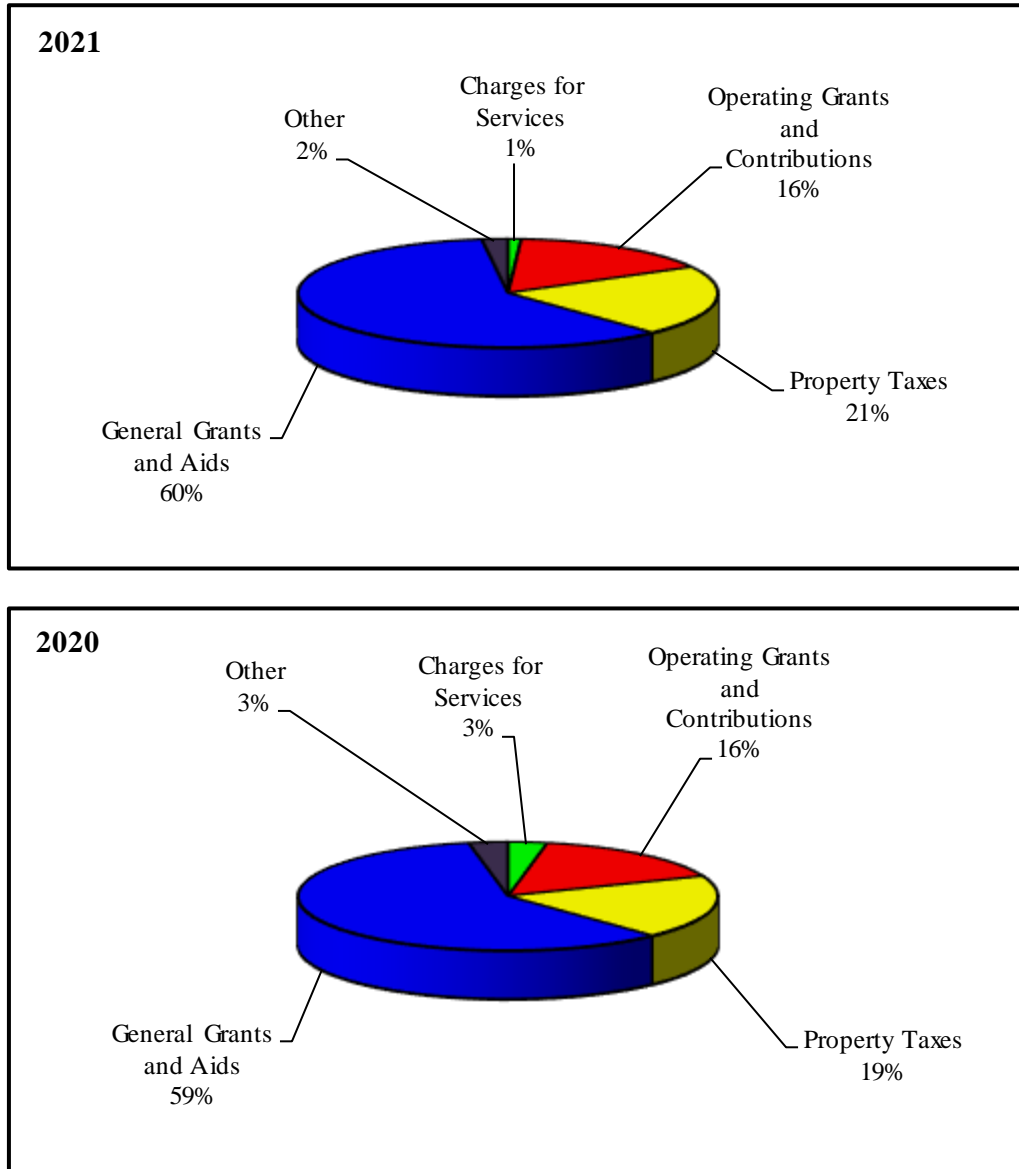
<b>Table 2</b>		
<b>Summary Statement of Activities</b>		
<b>for the Years Ended June 30, 2021 and 2020</b>		
	<u>2021</u>	<u>2020</u>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 656,790	\$ 1,524,857
Operating grants and contributions	8,398,875	8,560,643
General revenues		
Property taxes	10,671,559	10,075,483
General grants and aids	30,333,393	31,125,163
Other	937,358	1,263,102
Total revenues	<u>50,997,975</u>	<u>52,549,248</u>
<b>Expenses</b>		
Administration	1,405,254	1,225,243
District support services	1,961,638	1,857,405
Elementary and secondary regular instruction	20,245,354	22,905,668
Vocational education instruction	165,690	167,804
Special education instruction	8,710,089	8,740,605
Instructional support services	3,818,764	4,233,607
Pupil support services	2,654,632	3,378,207
Sites and buildings	5,036,344	4,741,466
Fiscal and other fixed cost programs	267,833	250,147
Food service	1,468,286	2,267,479
Community service	1,696,144	2,191,682
Depreciation not allocated to other functions	1,446,479	1,460,300
Interest and fiscal charges	1,120,550	1,228,246
Total expenses	<u>49,997,057</u>	<u>54,647,859</u>
Change in net position	1,000,918	(2,098,611)
Net position – beginning	<u>(26,756,540)</u>	<u>(24,657,929)</u>
Net position – ending	<u>\$ (25,755,622)</u>	<u>\$ (26,756,540)</u>

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

The COVID-19 pandemic impacted financial activity in several areas in the current year. Revenues shifted with more federal revenues recognized through new pandemic related grants, offset in part by less charges for services and other local sources. Expenses changed to adapt to new distance and hybrid learning models impacting transportation, technology, and other program areas.

Figure A shows further analysis of these revenue sources:

**Figure A – Sources of Revenues for Fiscal Years 2021 and 2020**



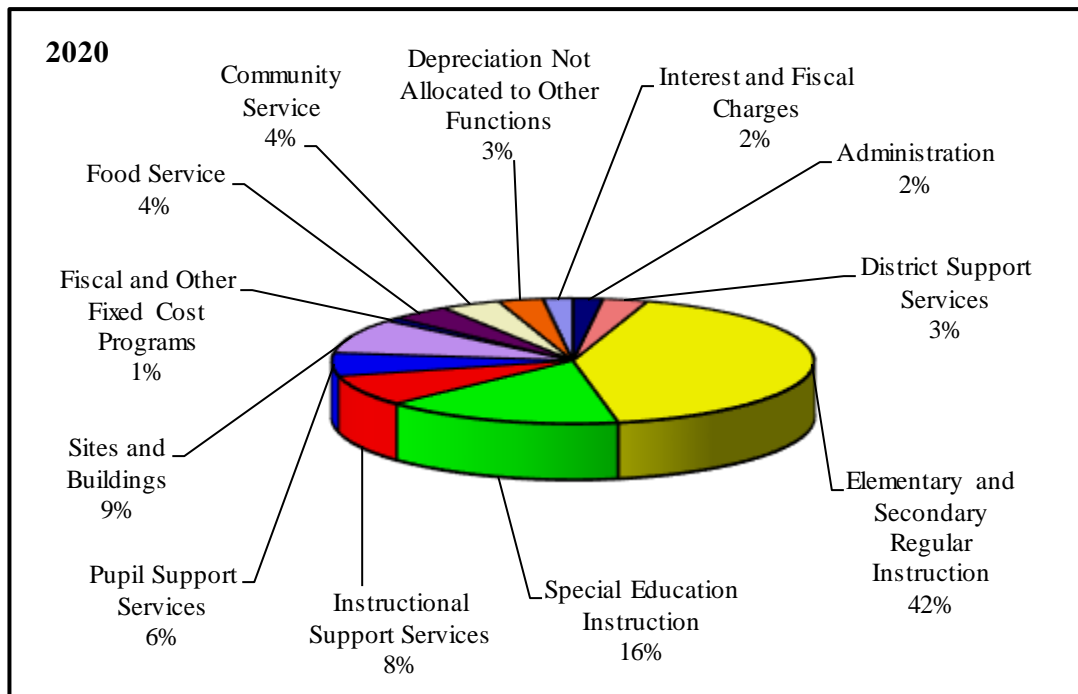
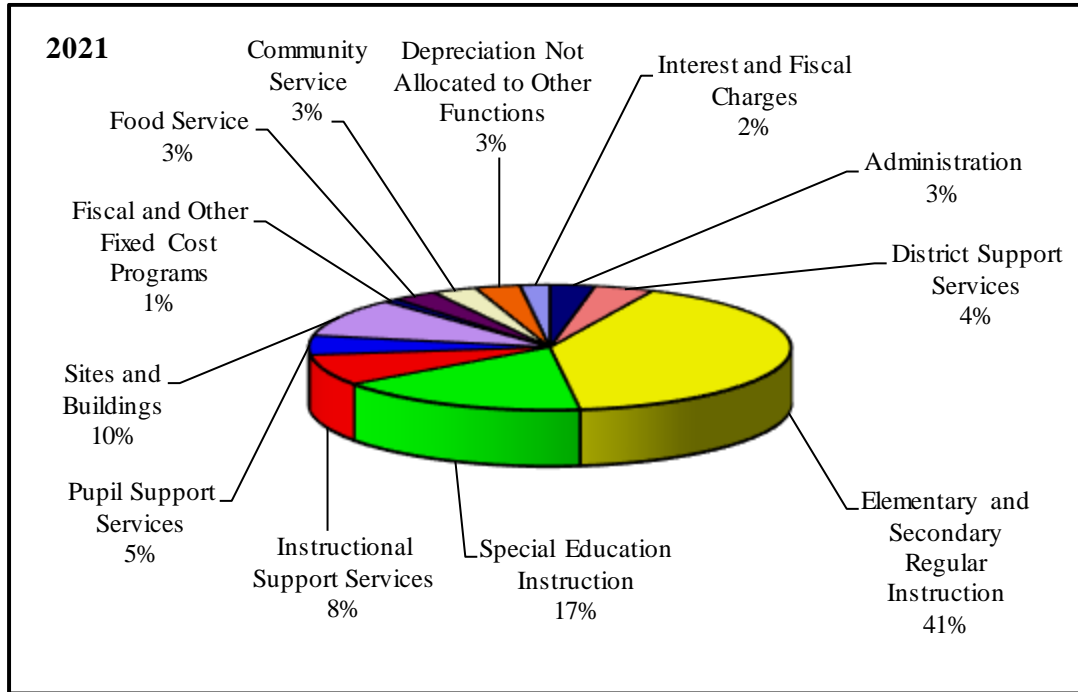
The largest share of the District’s revenue is received from the state, including the general education aid formula and most of the operating grants.

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

The COVID-19 pandemic impacted current year revenue sources compared to the prior year as mentioned on the previous page.

Figure B shows further analysis of these expense functions:

**Figure B – Expenses for Fiscal Years 2021 and 2020**



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

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Major funds			
General	\$ 6,140,423	\$ 5,977,731	\$ 162,692
Debt Service	725,335	967,956	(242,621)
Nonmajor funds			
Food Service Special Revenue	523,334	657,171	(133,837)
Community Service Special Revenue	321,789	134,009	187,780
Capital Projects – Building Construction	<u>–</u>	<u>2,386,500</u>	<u>(2,386,500)</u>
Total governmental funds	<u>\$ 7,710,881</u>	<u>\$ 10,123,367</u>	<u>\$ (2,412,486)</u>

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

At June 30, 2021, the District's governmental funds reported combined fund balances of \$7,710,881, a decrease of \$2,412,486 in comparison with the prior year. Approximately 49.5 percent of this amount (\$3,814,551) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either nonspendable, restricted, or assigned to indicate that it is: 1) not in spendable form (\$43,801), 2) restricted for particular purposes (\$2,506,966), or 3) assigned for particular purposes (\$1,345,563).

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

## ANALYSIS OF THE GENERAL FUND

Table 4 summarizes the amendments to the General Fund budget:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>	<u>Percent Change</u>
Revenue	<u>\$ 43,461,285</u>	<u>\$ 43,696,133</u>	<u>\$ 234,848</u>	<u>0.5%</u>
Expenditures	<u>\$ 44,451,450</u>	<u>\$ 44,246,133</u>	<u>\$ (205,317)</u>	<u>(0.5%)</u>
Other financing sources (uses)	<u>\$ —</u>	<u>\$ (200,000)</u>	<u>\$ (200,000)</u>	<u>(100.0%)</u>

The District is required to adopt an operating budget prior to the beginning of its fiscal year, referred to above as the original budget. During the year, the District amended the budget for known significant changes in circumstances such as: updated enrollment estimates, legislative changes, additional funding received from grants or other local sources, staffing changes, employee contract settlements, insurance premium changes, special education tuition changes, or for new debt issued.

Table 5 summarizes the operating results of the General Fund:

	<u>2021 Actual</u>	<u>Over (Under) Final Budget</u>		<u>Over (Under) Prior Year</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenue	\$ 44,421,810	\$ 725,677	1.7%	\$ (369,119)	(0.8%)
Expenditures	<u>44,259,118</u>	<u>12,985</u>	0.0%	<u>(2,880,383)</u>	(6.1%)
Excess (deficiency) of revenue over expenditures	162,692	712,692		2,511,264	
Net other financing sources (uses)	<u>—</u>	<u>200,000</u>		<u>97,310</u>	
Net change in fund balances	<u>\$ 162,692</u>	<u>\$ 912,692</u>		<u>\$ 2,608,574</u>	

The fund balance of the General Fund increased \$162,692, compared to a decrease of \$750,000 approved in the final budget.

General Fund revenues were close to budget, coming in 1.7 percent over the amended projection. Property taxes and other local sources were over budget by \$118,780 and \$156,099, respectively. State sources were over budget by \$503,730. The favorable variance in revenues was largely due to conservative budgeting. The decrease in revenue was largely due to a decline in the number of students served in the current year, partially offset by improvements in funding formulas and additional federal coronavirus relief funds.

General Fund expenditures were also close to budget, as seen in the previous table, with the variance spread across several programs and object categories. Expenditures decreased from the prior year, with the majority of the decrease in salaries and benefits, due to staff reductions, with the District serving fewer students in the current year.

## **COMMENTS ON SIGNIFICANT ACTIVITIES IN OTHER FUNDS**

### **Debt Service Fund**

The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. Debt Service Fund expenditures exceeded revenues by \$242,621 in the current year. The year-end fund balance of 725,335 at June 30, 2021 is available for meeting future debt service obligations.

### **Other Governmental Funds**

The Food Service Special Revenue Fund ended the year with expenditures exceeding revenues, decreasing equity by \$133,837, compared to a planned fund balance reduction of \$373,884.

The Community Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing equity by \$187,780, compared to a planned fund balance reduction of \$42,776.

The Capital Projects – Building Construction Fund reported a year-end fund balance of \$0. The District spent down the remaining proceeds of the \$5,265,000 of certificates of participation that were issued in the prior year to purchase and renovate a new site for educational purposes.

### **Internal Service Funds**

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

The combined total net position balance for the internal service funds as of June 30, 2021 was \$1,327,304. Current year operations increased net position by \$1,550,991.

## CAPITAL ASSETS AND LONG-TERM LIABILITIES

### Capital Assets

Table 6 shows the District's capital assets, together with changes from the previous year. The table also shows the total depreciation expense for fiscal years ended June 30, 2021 and 2020.

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Land	\$ 2,444,143	\$ 2,444,143	\$ –
Construction in progress	–	1,828,699	(1,828,699)
Buildings	55,957,097	52,008,215	3,948,882
Building improvements	6,364,141	6,364,141	–
Furniture and equipment	5,528,300	5,259,976	268,324
Less accumulated depreciation	<u>(27,491,823)</u>	<u>(26,045,344)</u>	<u>(1,446,479)</u>
Total	<u>\$ 42,801,858</u>	<u>\$ 41,859,830</u>	<u>\$ 942,028</u>
Depreciation expense	<u>\$ 1,446,479</u>	<u>\$ 1,460,300</u>	<u>\$ (13,821)</u>

By the end of 2021, the District had invested in a broad range of capital assets, including school buildings, athletic facilities, and other equipment for various instructional programs (see Table 6).

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2021, consistent with the activity of the Capital Projects – Building Construction Fund discussed on the previous page and the capital spending in the General Fund.

The District defines capital assets as those with an initial, individual cost of \$3,000 or more, which benefit more than one fiscal year.

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

## Long-Term Liabilities

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

	<u>2021</u>	<u>2020</u>	<u>Change</u>
General obligation bonds payable	\$ 27,065,000	\$ 29,110,000	\$ (2,045,000)
Certificates of participation	5,030,000	5,265,000	(235,000)
Unamortized premium/discount	536,309	625,579	(89,270)
Capital lease payable	249,979	327,842	(77,863)
Compensated absences payable	243,186	231,595	11,591
Severance benefits payable	97,681	108,180	(10,499)
Net pension liability	32,593,421	28,894,801	3,698,620
Total OPEB liability	<u>6,766,316</u>	<u>8,672,248</u>	<u>(1,905,932)</u>
 Total	 <u>\$ 72,581,892</u>	 <u>\$ 73,235,245</u>	 <u>\$ (653,353)</u>

The decrease in bonds, certificates of participation and capital lease payable in the table above is primarily due to the planned repayment schedules reflecting principal payments during fiscal year 2021.

The difference in the net pension liability reflects the change in the District's proportionate share of the state-wide pension obligations for the PERA and the TRA. The change in the total OPEB liability was due in part to plan provision and assumption changes used to calculate this obligation.

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

District's market value	\$ 1,851,551,800
Limit rate	<u>15.0%</u>
Legal debt limit	<u>\$ 277,732,770</u>

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

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

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

The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. The Legislature has added \$161, or 2.45 percent, per pupil to the basic general education funding formula for fiscal year 2022, and an additional \$135, or 2.00 percent, per pupil to the formula for fiscal year 2023.

The COVID-19 pandemic caused numerous financial and operational challenges for school districts in fiscal 2021, and is expected to continue to have a significant impact in fiscal 2022 and possibly beyond.

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

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

These financial statements are 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 Business Services Department, Special School District No. 6, 104 – 5th Avenue South, South St. Paul, Minnesota 55075.

BASIC FINANCIAL STATEMENTS

SPECIAL SCHOOL DISTRICT NO. 6

Statement of Net Position  
as of June 30, 2021

(With Partial Comparative Information as of June 30, 2020)

	Governmental Activities	
	2021	2020
<b>Assets</b>		
Cash and temporary investments	\$ 20,195,122	\$ 21,678,849
Receivables		
Current taxes	6,465,657	6,453,611
Delinquent taxes	167,978	190,227
Accounts and interest	67,743	46,986
Due from other governmental units	3,563,212	3,723,421
Inventory	43,801	58,599
Prepaid items	60,432	63,476
<b>Restricted assets</b>		
Cash and investments for OPEB	4,898,293	4,933,980
<b>Capital assets</b>		
Not depreciated	2,444,143	4,272,842
Depreciated, net of accumulated depreciation	40,357,715	37,586,988
Total capital assets, net of accumulated depreciation	<u>42,801,858</u>	<u>41,859,830</u>
Total assets	78,264,096	79,008,979
<b>Deferred outflows of resources</b>		
Pension plan deferments	13,289,148	22,355,843
OPEB plan deferments	394,024	640,220
Total deferred outflows of resources	<u>13,683,172</u>	<u>22,996,063</u>
Total assets and deferred outflows of resources	<u>\$ 91,947,268</u>	<u>\$ 102,005,042</u>
<b>Liabilities</b>		
Salaries payable	\$ 1,800,115	\$ 1,986,152
Accounts and contracts payable	2,247,548	3,451,608
Accrued interest payable	461,914	523,606
Due to other governmental units	548,720	453,553
Unearned revenue	1,269,630	1,369,634
Claims incurred, but not reported	359,070	463,420
<b>Long-term liabilities</b>		
Due within one year	3,151,377	2,589,459
Due in more than one year	69,430,515	70,645,786
Total long-term liabilities	<u>72,581,892</u>	<u>73,235,245</u>
Total liabilities	79,268,889	81,483,218
<b>Deferred inflows of resources</b>		
Property taxes levied for subsequent year	10,648,705	10,054,668
Pension plan deferments	24,698,914	35,897,775
OPEB plan deferments	3,086,382	1,325,921
Total deferred inflows of resources	<u>38,434,001</u>	<u>47,278,364</u>
<b>Net position</b>		
Net investment in capital assets	10,170,549	9,925,751
Restricted for		
Capital asset acquisition	8,683	2,894
Debt service	333,049	565,035
Food service	523,334	657,171
Community service	326,308	139,098
Other purposes (state funding restrictions)	971,626	988,255
Unrestricted	(38,089,171)	(39,034,744)
Total net position	<u>(25,755,622)</u>	<u>(26,756,540)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 91,947,268</u>	<u>\$ 102,005,042</u>

SPECIAL SCHOOL DISTRICT NO. 6

Statement of Activities  
 Year Ended June 30, 2021  
 (With Partial Comparative Information for the Year Ended June 30, 2020)

Functions/Programs	Expenses	2021		2020	
		Program Revenues		Net (Expense)	Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position	Revenue and Changes in Net Position
			Governmental Activities	Governmental Activities	
Governmental activities					
Administration	\$ 1,405,254	\$ -	\$ -	\$ (1,405,254)	\$ (1,225,243)
District support services	1,961,638	-	-	(1,961,638)	(1,857,405)
Elementary and secondary regular instruction	20,245,354	242,441	568,903	(19,434,010)	(21,594,826)
Vocational education instruction	165,690	-	-	(165,690)	(167,804)
Special education instruction	8,710,089	104,067	5,266,007	(3,340,015)	(3,762,055)
Instructional support services	3,818,764	-	-	(3,818,764)	(4,233,607)
Pupil support services	2,654,632	-	144,570	(2,510,062)	(3,279,858)
Sites and buildings	5,036,344	22,319	-	(5,014,025)	(4,733,782)
Fiscal and other fixed cost programs	267,833	-	-	(267,833)	(250,147)
Food service	1,468,286	33,524	1,328,487	(106,275)	(213,327)
Community service	1,696,144	254,439	1,090,908	(350,797)	(555,759)
Depreciation not allocated to other functions	1,446,479	-	-	(1,446,479)	(1,460,300)
Interest and fiscal charges	1,120,550	-	-	(1,120,550)	(1,228,246)
<b>Total governmental activities</b>	<b>\$ 49,997,057</b>	<b>\$ 656,790</b>	<b>\$ 8,398,875</b>	<b>(40,941,392)</b>	<b>(44,562,359)</b>
General revenues					
Taxes					
Property taxes, levied for general purposes				7,272,533	6,585,158
Property taxes, levied for community service				548,454	416,101
Property taxes, levied for debt service				2,850,572	3,074,224
General grants and aids				30,333,393	31,125,163
Other general revenues				524,401	788,190
Investment earnings				412,957	474,912
<b>Total general revenues</b>				<b>41,942,310</b>	<b>42,463,748</b>
<b>Change in net position</b>				<b>1,000,918</b>	<b>(2,098,611)</b>
<b>Net position – beginning</b>				<b>(26,756,540)</b>	<b>(24,657,929)</b>
<b>Net position – ending</b>				<b>\$ (25,755,622)</b>	<b>\$ (26,756,540)</b>

## SPECIAL SCHOOL DISTRICT NO. 6

Balance Sheet  
 Governmental Funds  
 as of June 30, 2021  
 (With Partial Comparative Information as of June 30, 2020)

	General Fund	Debt Service Fund	Nonmajor Funds
<b>Assets</b>			
Cash and temporary investments	\$ 10,213,709	\$ 1,947,535	\$ 1,287,064
Receivables			
Current taxes	4,375,066	1,742,698	347,893
Delinquent taxes	109,713	49,818	8,447
Accounts and interest	1,162	-	3,084
Due from other governmental units	3,368,065	-	195,147
Inventory	-	-	43,801
Prepaid items	-	-	-
	<u>18,067,715</u>	<u>3,740,051</u>	<u>1,885,436</u>
	<u>\$ 18,067,715</u>	<u>\$ 3,740,051</u>	<u>\$ 1,885,436</u>
<b>Liabilities</b>			
Salaries payable	\$ 1,754,332	\$ -	\$ 45,783
Accounts and contracts payable	2,182,452	-	65,096
Due to other governmental units	251,918	-	296,802
Due to other funds	164,558	-	-
Unearned revenue	449,089	-	31,995
Total liabilities	<u>4,802,349</u>	<u>-</u>	<u>439,676</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue – delinquent taxes	58,383	28,689	4,519
Property taxes levied for subsequent year	7,066,560	2,986,027	596,118
Total deferred inflows of resources	<u>7,124,943</u>	<u>3,014,716</u>	<u>600,637</u>
<b>Fund balances</b>			
Nonspendable	-	-	43,801
Restricted	980,309	725,335	801,322
Assigned	1,345,563	-	-
Unassigned	3,814,551	-	-
Total fund balances	<u>6,140,423</u>	<u>725,335</u>	<u>845,123</u>
	<u>\$ 18,067,715</u>	<u>\$ 3,740,051</u>	<u>\$ 1,885,436</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,067,715</u>	<u>\$ 3,740,051</u>	<u>\$ 1,885,436</u>

Total Governmental Funds	
2021	2020
\$ 13,448,308	\$ 16,198,259
6,465,657	6,453,611
167,978	190,227
4,246	26,431
3,563,212	3,723,421
43,801	58,599
—	200
<u>\$ 23,693,202</u>	<u>\$ 26,650,748</u>
\$ 1,800,115	\$ 1,986,152
2,247,548	3,451,608
548,720	453,553
164,558	—
481,084	468,915
<u>5,242,025</u>	<u>6,360,228</u>
91,591	112,485
<u>10,648,705</u>	<u>10,054,668</u>
10,740,296	10,167,153
43,801	58,799
2,506,966	5,077,986
1,345,563	2,213,778
3,814,551	2,772,804
<u>7,710,881</u>	<u>10,123,367</u>
<u>\$ 23,693,202</u>	<u>\$ 26,650,748</u>

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SPECIAL SCHOOL DISTRICT NO. 6

Reconciliation of the Balance Sheet to the  
Statement of Net Position  
Governmental Funds  
as of June 30, 2021

(With Partial Comparative Information as of June 30, 2020)

	<u>2021</u>	<u>2020</u>
Total fund balances – governmental funds	\$ 7,710,881	\$ 10,123,367
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	70,293,681	67,905,174
Accumulated depreciation	(27,491,823)	(26,045,344)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance as other financing sources and uses.		
General obligation bonds payable	(27,065,000)	(29,110,000)
Certificates of participation	(5,030,000)	(5,265,000)
Unamortized premium/discount	(536,309)	(625,579)
Capital lease payable	(249,979)	(327,842)
Compensated absences payable	(243,186)	(231,595)
Severance benefits payable	(97,681)	(108,180)
Net pension liability	(32,593,421)	(28,894,801)
Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.	(461,914)	(523,606)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	1,327,304	(223,687)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	13,289,148	22,355,843
Deferred inflows of resources – pension plan deferments	(24,698,914)	(35,897,775)
Deferred inflows of resources – unavailable revenue – delinquent taxes	91,591	112,485
Total net position – governmental activities	<u>\$ (25,755,622)</u>	<u>\$ (26,756,540)</u>

SPECIAL SCHOOL DISTRICT NO. 6

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2021  
 (With Partial Comparative Information for the Year Ended June 30, 2020)

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Funds</u>
<b>Revenue</b>			
Local sources			
Property taxes	\$ 7,284,368	\$ 2,859,061	\$ 549,024
Investment earnings	24,579	5,155	3,085
Other	863,479	-	317,712
State sources	34,077,775	-	900,369
Federal sources	2,171,606	-	1,519,026
Total revenue	<u>44,421,807</u>	<u>2,864,216</u>	<u>3,289,216</u>
<b>Expenditures</b>			
Current			
Administration	1,394,814	-	-
District support services	2,038,010	-	-
Elementary and secondary regular instruction	19,715,733	-	-
Vocational education instruction	164,582	-	-
Special education instruction	8,680,368	-	-
Instructional support services	3,764,591	-	-
Pupil support services	2,630,715	-	-
Sites and buildings	5,079,931	-	-
Fiscal and other fixed cost programs	267,833	-	-
Food service	-	-	1,456,220
Community service	-	-	1,704,370
Capital outlay	-	-	2,461,183
Debt service			
Principal	312,863	2,045,000	-
Interest and fiscal charges	209,675	1,061,837	-
Total expenditures	<u>44,259,115</u>	<u>3,106,837</u>	<u>5,621,773</u>
Excess (deficiency) of revenue over expenditures	162,692	(242,621)	(2,332,557)
<b>Other financing sources (uses)</b>			
Debt issued	-	-	-
Premium on debt issued	-	-	-
Sale of capital assets	-	-	-
Transfer in	-	-	-
Transfer (out)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	162,692	(242,621)	(2,332,557)
<b>Fund balances</b>			
Beginning of year	<u>5,977,731</u>	<u>967,956</u>	<u>3,177,680</u>
End of year	<u>\$ 6,140,423</u>	<u>\$ 725,335</u>	<u>\$ 845,123</u>

See notes to basic financial statements

<u>Total Governmental Funds</u>	
<u>2021</u>	<u>2020</u>
\$ 10,692,453	\$ 10,085,102
32,819	177,799
1,181,191	2,313,047
34,978,144	36,673,876
<u>3,690,632</u>	<u>3,001,262</u>
50,575,239	52,251,086
1,394,814	1,183,514
2,038,010	1,882,854
19,715,733	21,927,804
164,582	160,800
8,680,368	8,541,448
3,764,591	4,137,689
2,630,715	3,353,482
5,079,931	5,613,410
267,833	250,147
1,456,220	2,166,237
1,704,370	2,169,135
2,461,183	3,124,661
2,357,863	2,073,908
<u>1,271,512</u>	<u>1,250,715</u>
<u>52,987,725</u>	<u>57,835,804</u>
(2,412,486)	(5,584,718)
—	5,265,000
—	268,859
—	2,690
—	100,000
—	(100,000)
<u>—</u>	<u>5,536,549</u>
(2,412,486)	(48,169)
<u>10,123,367</u>	<u>10,171,536</u>
<u>\$ 7,710,881</u>	<u>\$ 10,123,367</u>

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SPECIAL SCHOOL DISTRICT NO. 6

Reconciliation of the Statement of  
Revenue, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
Governmental Funds  
Year Ended June 30, 2021

(With Partial Comparative Information for the Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
Total net change in fund balances – governmental funds	\$ (2,412,486)	\$ (48,169)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	2,388,507	3,941,691
Depreciation expense	(1,446,479)	(1,460,300)
A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balances.		
	–	(51,086)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
	–	(5,265,000)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	2,045,000	1,995,000
Certificates of participation	235,000	–
Capital lease payable	77,863	78,908
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.		
	89,270	(183,520)
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Compensated absences payable	(11,591)	(11,302)
Severance benefits payable	10,499	8,163
Net pension liability	(3,698,620)	(917,099)
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.		
	61,692	(62,870)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.		
	1,550,991	1,680,700
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	(9,066,695)	(10,570,668)
Deferred inflows of resources – pension plan deferments	11,198,861	8,776,560
Deferred inflows of resources – unavailable revenue – delinquent taxes	(20,894)	(9,619)
Change in net position – governmental activities	<u>\$ 1,000,918</u>	<u>\$ (2,098,611)</u>

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SPECIAL SCHOOL DISTRICT NO. 6

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 General Fund  
 Year Ended June 30, 2021

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
<b>Revenue</b>				
Local sources				
Property taxes	\$ 7,165,588	\$ 7,165,588	\$ 7,284,368	\$ 118,780
Investment earnings	–	–	24,579	24,579
Other	799,880	707,380	863,479	156,099
State sources	34,255,817	33,574,045	34,077,775	503,730
Federal sources	1,240,000	2,249,120	2,171,606	(77,514)
Total revenue	<u>43,461,285</u>	<u>43,696,133</u>	<u>44,421,807</u>	<u>725,674</u>
<b>Expenditures</b>				
Current				
Administration	1,471,371	1,397,975	1,394,814	(3,161)
District support services	1,962,593	2,046,469	2,038,010	(8,459)
Elementary and secondary regular instruction	19,478,057	19,618,774	19,715,733	96,959
Vocational education instruction	–	161,770	164,582	2,812
Special education instruction	9,116,639	8,630,986	8,680,368	49,382
Instructional support services	3,897,667	3,803,378	3,764,591	(38,787)
Pupil support services	3,468,027	2,756,058	2,630,715	(125,343)
Sites and buildings	4,837,096	5,540,723	5,079,931	(460,792)
Fiscal and other fixed cost programs	220,000	220,000	267,833	47,833
Debt service				
Principal	–	70,000	312,863	242,863
Interest and fiscal charges	–	–	209,675	209,675
Total expenditures	<u>44,451,450</u>	<u>44,246,133</u>	<u>44,259,115</u>	<u>12,982</u>
Excess (deficiency) of revenue over expenditures	(990,165)	(550,000)	162,692	712,692
<b>Other financing sources (uses)</b>				
Transfer (out)	<u>–</u>	<u>(200,000)</u>	<u>–</u>	<u>200,000</u>
Net change in fund balances	<u>\$ (990,165)</u>	<u>\$ (750,000)</u>	<u>162,692</u>	<u>\$ 912,692</u>
<b>Fund balances</b>				
Beginning of year			<u>5,977,731</u>	
End of year			<u>\$ 6,140,423</u>	

SPECIAL SCHOOL DISTRICT NO. 6

Statement of Net Position  
 Internal Service Funds  
 as of June 30, 2021  
 (With Partial Comparative Information as of June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash and temporary investments	\$ 6,746,814	\$ 5,480,590
Receivables		
Accounts and interest	63,497	20,555
Due from other funds	164,558	-
Prepaid items	<u>60,432</u>	<u>63,276</u>
Total current assets	7,035,301	5,564,421
Long-term assets		
Restricted assets		
Cash and cash equivalents	1,579,168	1,807,753
Investments	<u>3,319,125</u>	<u>3,126,227</u>
Total long-term assets	<u>4,898,293</u>	<u>4,933,980</u>
Total assets	11,933,594	10,498,401
Deferred outflows of resources		
OPEB plan deferments	394,024	640,220
Liabilities		
Current liabilities		
Unearned revenue	788,546	900,719
Claims incurred, but not reported	359,070	463,420
Total OPEB liability	<u>567,658</u>	<u>-</u>
Total current liabilities	1,715,274	1,364,139
Long-term liabilities		
Total OPEB liability (net of current portion)	<u>6,198,658</u>	<u>8,672,248</u>
Total liabilities	7,913,932	10,036,387
Deferred inflows of resources		
OPEB plan deferments	<u>3,086,382</u>	<u>1,325,921</u>
Net position		
Unrestricted	<u>\$ 1,327,304</u>	<u>\$ (223,687)</u>

SPECIAL SCHOOL DISTRICT NO. 6

Statement of Revenue, Expenses, and Changes in Net Position  
 Internal Service Funds  
 Year Ended June 30, 2021  
 (With Partial Comparative Information for the Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
Operating revenue		
Contributions from governmental funds	\$ 7,167,297	\$ 7,694,809
Operating expenses		
Dental benefit claims	293,648	255,907
Medical benefit claims	5,366,629	5,387,038
OPEB	336,167	668,277
Total operating expenses	<u>5,996,444</u>	<u>6,311,222</u>
Operating income	1,170,853	1,383,587
Nonoperating revenue		
Investment earnings	<u>380,138</u>	<u>297,113</u>
Change in net position	1,550,991	1,680,700
Net position		
Beginning of year	<u>(223,687)</u>	<u>(1,904,387)</u>
End of year	<u>\$ 1,327,304</u>	<u>\$ (223,687)</u>

SPECIAL SCHOOL DISTRICT NO. 6

Statement of Cash Flows  
Internal Service Funds  
Year Ended June 30, 2021  
(With Partial Comparative Information for the Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Received from assessments made to other funds	\$ 7,012,182	\$ 7,808,003
Payment for dental claims	(299,213)	(255,848)
Payment for medical claims	(5,462,570)	(5,308,559)
Post-employment benefit payments	(235,442)	(464,018)
Net cash flows from operating activities	<u>1,014,957</u>	<u>1,779,578</u>
Cash flows from noncapital financing activities		
Cash paid to other funds	(164,558)	-
Cash flows from investing activities		
Purchase of investments	(258,673)	(1,355,546)
Sale of investments	65,775	274,439
Interest on investments	380,138	297,113
Net cash flows from investing activities	<u>187,240</u>	<u>(783,994)</u>
Net change in cash and cash equivalents	1,037,639	995,584
Cash and cash equivalents		
Beginning of year	<u>7,288,343</u>	<u>6,292,759</u>
End of year	<u>\$ 8,325,982</u>	<u>\$ 7,288,343</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$ 1,170,853	\$ 1,383,587
Adjustments to reconcile operating income to cash flows from operating activities		
Changes in assets, liabilities, and deferred outflows/inflows		
Accounts and interest receivable	(42,942)	(2,824)
Prepaid items	2,844	18,904
Deferred outflows – OPEB plan deferments	246,196	(290,660)
Accounts and contracts payable	-	(1,047)
Unearned revenue	(112,173)	116,018
Claims incurred, but not reported	(104,350)	60,681
Total OPEB liability	(1,905,932)	642,244
Deferred inflows – OPEB plan deferments	<u>1,760,461</u>	<u>(147,325)</u>
Net cash flows from operating activities	<u>\$ 1,014,957</u>	<u>\$ 1,779,578</u>
Cash and cash equivalents are reported on the Statement of Net Position as follows:		
Cash and temporary investments	\$ 6,746,814	\$ 5,480,590
Cash and cash equivalents	<u>1,579,168</u>	<u>1,807,753</u>
Total cash and cash equivalents	<u>\$ 8,325,982</u>	<u>\$ 7,288,343</u>

## SPECIAL SCHOOL DISTRICT NO. 6

Notes to Basic Financial Statements  
Year Ended June 30, 2021

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Organization**

Special School District No. 6 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. The District is governed by a School Board elected by voters of the District. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District's boundaries and the City of South St. Paul's boundaries are nearly the same, fostering a feeling of family, with many opportunities for parent and community involvement. The mission of the District is delivering lifelong education by providing opportunities for learners of all ages, backgrounds, and needs. In 2009, the District became Minnesota's first K–12 International Baccalaureate (IB) World Schools District after successfully being authorized in the IB Middle Years Program, serving all students in Grades 7–10, and the Primary Years Program, which serves all students in Grades K–6. The District has been offering the IB Diploma Program at the high school since 1986.

#### **B. Reporting Entity**

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

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

#### **C. Government-Wide Financial Statement Presentation**

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District. Generally, the effect of material interfund activity has been removed from the government-wide financial statements. Transactions representing interfund services provided and used are not eliminated in the consolidation process to the government-wide financial statements.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

### D. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements.

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. For this purpose, the District generally considers revenues, including property taxes, to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to funding formulas established by Minnesota Statutes. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.
- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term obligations, which are recognized as expenditures to the extent they have matured. 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.

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

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

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

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

### **Description of Funds**

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

#### **Major Governmental Funds**

**General Fund** – The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources for, and payment of general obligation debt principal, interest, and related costs. The regular debt service account is used for all general obligation debt service except for the financial activities of the other post-employment benefits (OPEB) debt service account. The OPEB debt service account was used for the taxable OPEB bond issues, which were paid off in the current year.

#### **Nonmajor Governmental Funds**

**Food Service Special Revenue Fund** – The Food Service Special Revenue Fund is primarily used to account for the District's child nutrition program.

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

**Capital Projects – Building Construction Fund** – The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition, construction, or improvement of capital facilities authorized by bond or other debt issue.

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

### **Proprietary Funds**

**Internal Service Funds** – Internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the District, or to other governments, on a cost reimbursement basis. The District’s internal service funds are used to account for dental and medical insurance benefits offered by the District to its employees as a self-insured plan and for the payment and financing of its OPEB liabilities, including the administration of assets held in a revocable trust to finance these liabilities.

### **E. Budgetary Information**

The School Board adopts an annual budget for the General, Food Service Special Revenue, Community Service Special Revenue, and Debt Service Funds prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end. Expenditures in the General Fund exceeded budgeted appropriations by \$12,982 during the year ended June 30, 2021. Revenues in excess of budget, along with available fund balance, financed these variances.

### **F. Cash and Temporary Investments**

Cash and temporary investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Debt proceeds recorded in the Capital Projects – Building Construction Fund are not pooled, and earnings on these proceeds are allocated directly to the fund.

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes. In the Internal Service Fund, this represents assets held in a revocable trust established to finance the District’s liability for other post-employment insurance benefits. Interest earned on these investments is allocated directly to these accounts.

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

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

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.

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

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. Receivables**

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

### **H. Inventories**

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

### **I. Prepaid Items**

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

### **J. Property Taxes**

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes \$424,524 of the property tax levy collectible in 2021 as revenue to the District in fiscal year 2020–2021. The remaining portion of the taxes collectible in 2021 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

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

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

### **K. Capital Assets**

Capital assets that are purchased or constructed by the District are recorded at historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. The District defines capital assets as those with an initial, individual cost of \$3,000 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 governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are generally sold for an immaterial amount or scrapped when declared as no longer fit or needed for public school purposes by the District, no salvage value is considered for depreciation purposes. Useful lives vary from 20 to 50 years for buildings and building improvements, and 5 to 20 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. If material, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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

### **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 unused, accrued vacation to the limit specified in their labor contract or School Board policy upon termination. Unused sick leave enters into the calculation of severance benefits for some employees upon termination. Compensated absences are accrued when earned in the government-wide financial statements. Compensated absences are accrued in the governmental fund financial statements only to the extent they have been used or otherwise matured prior to year-end, due to employee termination or similar circumstances.

### **N. Severance**

The District provides lump sum severance benefits to eligible employees in accordance with provisions in certain collectively bargained contracts. Eligibility for these benefits is based on years of service and/or minimum age requirements. Severance benefits are calculated by converting a portion of an eligible employee's unused accumulated sick leave. No individual can receive severance benefits in excess of one year's salary. Members of certain employee groups may elect to receive district matching contributions paid into tax deferred matching contribution plans. The amount of any severance or retirement benefit due to an individual is reduced by the total matching contributions made by the District to such a plan over the course of that individual's employment.

Severance payable and the District's share of related benefits are recorded as a liability in the government-wide financial statements as it is earned and it becomes probable that it will vest at some point in the future. Severance pay is accrued in the governmental fund financial statements when the liability matures, due to employee termination.

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

### **O. State-Wide Pension Plans**

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

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

### **P. Deferred Outflows/Inflows of Resources**

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

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

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

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Q. Net Position

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

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

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

### R. Fund Balance Classifications

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

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

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

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

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

**S. Restricted Assets**

Restricted assets are cash and cash equivalents whose use is limited by legal requirements such as a bond indenture. Restricted assets are reported only in the government-wide and proprietary (internal service) fund financial statements.

**T. Risk Management and Self-Insurance**

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers’ compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. After completing an insurance review in the current year, the District reduced certain limits for umbrella and other property insurance. There were no other significant reductions in the District’s coverage in the current year.
2. **Self-Insurance** – The District has established two internal service funds to account for and finance its self-insured 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 plans.

The District makes premium payments that include both employer and employee contributions to the internal service funds on behalf of program participants based on 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 past two years were as follows:

	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2020	\$ 15,889	\$ 255,907	\$ 255,664	\$ 16,132
2021	\$ 16,132	\$ 293,648	\$ 299,413	\$ 10,367

Changes in the balance of health claim liabilities for the past two years were as follows:

	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2020	\$ 386,850	\$ 5,387,038	\$ 5,326,600	\$ 447,288
2021	\$ 447,288	\$ 5,366,629	\$ 5,465,214	\$ 348,703

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

### **U. Use of Estimates**

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

### **V. Prior Period Comparative Financial Information/Reclassification**

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

### **W. Deficit Net Position**

As of June 30, 2021, the District has a net position deficit of \$4,395,823 in its Other Post-Employment Benefits Internal Service Fund. This deficit will be eliminated through contributions and investment earnings.

## NOTE 2 – DEPOSITS AND INVESTMENTS

### A. Deposits

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the School Board, including checking accounts, savings accounts, and nonnegotiable certificates of deposit.

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

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

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

At year-end, the carrying amount of the District’s deposits was \$5,178,139, while the balance on the bank records was \$5,496,975. At June 30, 2021, all deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the District’s agent in the District’s name.

### B. Investments

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

**Custodial Credit Risk** – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form and, therefore, are not subject to custodial credit risk disclosures. Although the District’s investment policies do not directly address custodial credit risk, it typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

**Concentration Risk** – This is the risk associated with investing a significant portion of the District’s investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District’s investment policies do not address concentration risk.

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

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

**Credit Risk** – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the District’s investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less; general obligations rated “A” or better; revenue obligations rated “AA” or better; general obligations of the Minnesota Housing Finance Agency rated “A” or better; bankers’ acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers. For assets held in the District’s revocable OPEB trust accounted for in its OPEB Internal Service Fund, the investment options available to the District are expanded to include the investment types specified in Minnesota Statutes § 356A.06, Subd. 7. The District’s investment policies do not further restrict investing in specific financial instruments.

The following table presents the District’s deposit and investment balances, and information relating to potential investment risks:

Investment Type	Credit Risk		Fair Value Measurements	Interest Risk – Maturity Duration in Years		Total
	Rating	Agency		Less Than 1	1 to 5	
U.S. treasury note	N/A	N/A	Level 1	\$ 126,563	\$ 833,002	\$ 959,565
U.S. agency security	AA	S&P	Level 1	\$ –	\$ 249,692	249,692
Corporate obligations	A	S&P	Level 1	\$ 25,446	\$ 1,153,680	1,179,126
Corporate obligations	A	Moody’s	Level 1	\$ –	\$ 443,625	443,625
Corporate obligations	BBB	S&P	Level 1	\$ –	\$ 408,247	408,247
Corporate obligations	AAA	Moody’s	Level 1	\$ –	\$ 78,869	78,869
Equities	N/R	N/R	Level 1	N/A	N/A	967,223
Investment pools/mutual funds						
OPEB mutual funds	N/R	N/R	Level 1	N/A	N/A	345,588
Real estate investment trust	N/R	N/R	Level 1	N/A	N/A	6,694
Real asset funds	N/R	N/R	Level 2	N/A	N/A	259,664
Minnesota School District						
Liquid Asset Fund						
Liquid Class	AAA	S&P	Amortized cost	N/A	N/A	10,410,370
Max Class	AAA	S&P	Amortized cost	N/A	N/A	2,606,613
Term Series	AAA	Fitch	Amortized cost	\$ 2,000,000	\$ –	2,000,000
Total investments						19,915,276
Total deposits						5,178,139
Total deposits and investments						<u>\$ 25,093,415</u>

N/A – Not Applicable

N/R – Not Rated

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

The Minnesota School District Liquid Asset Fund (MSDLAF) is regulated by Minnesota Statutes and is an external investment pool, which is not registered with the Securities and Exchange Commission (SEC) that follows the same regulatory rules of the SEC. The District’s investment in this pool is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. There are no restrictions or limitations on withdrawals from the MSDLAF Liquid Class investment pool. Investments in the MSDLAF MAX Class must be deposited for a minimum of 14 calendar days with the exception of direct investments of funds distributed by the state of Minnesota. Withdrawals prior to the 14-day restriction period may be subject to a penalty and there is a 24-hour hold on all requests for redemptions. MSDLAF+ Term investments have a maturity of 60 days to 1 year and early withdrawal may result in substantial early redemption penalties.

Deposits and investments are included on the basic financial statements as follows:

Statement of Net Position	
Cash and temporary investments	\$ 20,195,122
Restricted assets	
Cash and investments for OPEB	<u>4,898,293</u>
Total deposits and investments	<u><u>\$ 25,093,415</u></u>

**NOTE 3 – CAPITAL ASSETS**

Capital assets activity for the current year ended is as follows:

	Balance – Beginning of Year	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated					
Land	\$ 2,444,143	\$ –	\$ –	\$ –	\$ 2,444,143
Construction in progress	<u>1,828,699</u>	<u>2,120,183</u>	<u>–</u>	<u>(3,948,882)</u>	<u>–</u>
Total capital assets, not depreciated	4,272,842	2,120,183	–	(3,948,882)	2,444,143
Capital assets, depreciated					
Buildings	52,008,215	–	–	3,948,882	55,957,097
Building improvements	6,364,141	–	–	–	6,364,141
Furniture and equipment	<u>5,259,976</u>	<u>268,324</u>	<u>–</u>	<u>–</u>	<u>5,528,300</u>
Total capital assets, depreciated	63,632,332	268,324	–	3,948,882	67,849,538
Less accumulated depreciation for					
Buildings	(20,383,410)	(935,018)	–	–	(21,318,428)
Building improvements	(2,849,896)	(247,117)	–	–	(3,097,013)
Furniture and equipment	<u>(2,812,038)</u>	<u>(264,344)</u>	<u>–</u>	<u>–</u>	<u>(3,076,382)</u>
Total accumulated depreciation	(26,045,344)	(1,446,479)	–	–	(27,491,823)
Net capital assets, depreciated	<u>37,586,988</u>	<u>(1,178,155)</u>	<u>–</u>	<u>3,948,882</u>	<u>40,357,715</u>
Total capital assets, net	<u><u>\$ 41,859,830</u></u>	<u><u>\$ 942,028</u></u>	<u><u>\$ –</u></u>	<u><u>\$ –</u></u>	<u><u>\$ 42,801,858</u></u>

Capital assets of the District are used by multiple functions, therefore depreciation expense for the year is reported as depreciation not allocated to other functions in the Statement of Activities.

## NOTE 4 – LONG-TERM LIABILITIES

### A. General Obligation Bonds Payable

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

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Face/Par Value</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
General obligation bonds payable					
Series 2013B – Building	08/13/2013	2.00–4.00%	\$ 16,675,000	02/01/2029	\$ 16,505,000
Series 2014A – Building	01/29/2014	1.00–3.75%	\$ 10,000,000	02/01/2033	9,920,000
Series 2015A – Capital Facilities	04/09/2015	2.00%	\$ 1,520,000	02/01/2025	<u>640,000</u>
Total general obligation bonds payable					<u>\$ 27,065,000</u>

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

### B. Certificates of Participation Payable

The District currently has the following certificates of participation outstanding:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Face/Par Value</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
2019A Certificates of Participation	12/30/2019	2.00–4.00%	\$ 5,265,000	04/01/2035	<u>\$ 5,030,000</u>

The certificates of participation were issued to finance the acquisition and renovation of a building for educational programming purposes. Scheduled future ad valorem lease obligation tax levies will be made to finance the retirement of principal and interest payments on the certificates. The certificates of participation are being paid by the General Fund.

### C. Capital Lease

The District has one capital lease outstanding at year-end for computers. The lease has a five-year term, bears an interest rate of 3.40 percent, and has a final maturity of February 2024. The capital lease will be repaid by the General Fund. The District did not capitalize the computers as the cost of each individual computer did not meet the capitalization threshold policy.

### D. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including: compensated absences, severance benefits, pensions, and OPEB. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are financed primarily from the General Fund. The District has also established an Internal Service Fund to finance OPEB obligations.

## NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

District employees participate in two state-wide, cost-sharing, multiple-employer defined benefit pension plans, administered by the PERA and the TRA. The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the year ended June 30, 2021:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERA	\$ 6,565,025	\$ 739,293	\$ 405,620	\$ 314,582
TRA	26,028,396	12,549,855	24,293,294	3,575,360
Total	<u>\$ 32,593,421</u>	<u>\$ 13,289,148</u>	<u>\$ 24,698,914</u>	<u>\$ 3,889,942</u>

### E. Minimum Debt Payments

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

Year Ending June 30,	General Obligation Bonds Payable		Certificates of Participation		Capital Lease Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 1,975,000	\$ 1,010,338	\$ 285,000	\$ 149,594	\$ 80,533	\$ 7,821
2023	2,040,000	934,438	295,000	138,194	83,295	5,059
2024	2,115,000	856,038	305,000	126,394	86,151	2,203
2025	2,180,000	794,188	320,000	114,194	–	–
2026	2,080,000	725,400	335,000	101,394	–	–
2027–2031	11,505,000	2,320,213	1,850,000	318,969	–	–
2032–2035	5,170,000	292,875	1,640,000	92,881	–	–
	<u>\$ 27,065,000</u>	<u>\$ 6,933,490</u>	<u>\$ 5,030,000</u>	<u>\$ 1,041,620</u>	<u>\$ 249,979</u>	<u>\$ 15,083</u>

### F. Changes in Long-Term Liabilities

	Balance – Beginning of Year	Additions	Deletions	Balance – End of Year	Due Within One Year
General obligation bonds payable	\$ 29,110,000	\$ –	\$ 2,045,000	\$ 27,065,000	\$ 1,975,000
Certificates of participation	5,265,000	–	235,000	5,030,000	285,000
Unamortized premium/discount	625,579	–	89,270	536,309	–
Capital lease payable	327,842	–	77,863	249,979	80,533
Compensated absences payable	231,595	427,060	415,469	243,186	243,186
Severance benefits payable	108,180	4,818	15,317	97,681	–
Net pension liability	28,894,801	6,465,132	2,766,512	32,593,421	–
Total OPEB liability	<u>8,672,248</u>	<u>677,849</u>	<u>2,583,781</u>	<u>6,766,316</u>	<u>567,658</u>
	<u>\$ 73,235,245</u>	<u>\$ 7,574,859</u>	<u>\$ 8,228,212</u>	<u>\$ 72,581,892</u>	<u>\$ 3,151,377</u>

## NOTE 5 – FUND BALANCES

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

### A. Classifications

At year-end, a summary of the District’s governmental fund balance classifications are as follows:

	General Fund	Debt Service Fund	Nonmajor Funds	Total
Nonspendable				
Inventory	\$ –	\$ –	\$ 43,801	\$ 43,801
Restricted				
Student activities	222,409	–	–	222,409
Staff development	105,046	–	–	105,046
Operating capital	8,683	–	–	8,683
Gifted and talented	138,196	–	–	138,196
Safe schools	175,049	–	–	175,049
Medical Assistance	90,976	–	–	90,976
Debt reduction	194,839	–	–	194,839
Flexible benefits	45,111	–	–	45,111
Debt service	–	725,335	–	725,335
Food service	–	–	479,533	479,533
Community education programs	–	–	177,179	177,179
Early childhood family education programs	–	–	11,039	11,039
School readiness	–	–	90,669	90,669
Adult basic education	–	–	42,902	42,902
Total restricted	<u>980,309</u>	<u>725,335</u>	<u>801,322</u>	<u>2,506,966</u>
Assigned				
Subsequent year budget	195,165	–	–	195,165
Alternative Teacher Performance Pay System (ATPPS)	190,398	–	–	190,398
Separation benefits	335,000	–	–	335,000
Curriculum	250,000	–	–	250,000
Staff development	75,000	–	–	75,000
Construction	200,000	–	–	200,000
Building maintenance	100,000	–	–	100,000
Total assigned	<u>1,345,563</u>	<u>–</u>	<u>–</u>	<u>1,345,563</u>
Unassigned				
Long-term facilities maintenance restricted account deficit	(109,590)	–	–	(109,590)
Unassigned	3,924,141	–	–	3,924,141
Total unassigned	<u>3,814,551</u>	<u>–</u>	<u>–</u>	<u>3,814,551</u>
Total	<u>\$ 6,140,423</u>	<u>\$ 725,335</u>	<u>\$ 845,123</u>	<u>\$ 7,710,881</u>

## **NOTE 5 – FUND BALANCES (CONTINUED)**

### **B. Minimum Fund Balance Policy**

The School Board has formally adopted a fund balance policy regarding the minimum unrestricted fund balance for the General Fund. The policy establishes that the District will strive to maintain a minimum unrestricted General Fund balance of 12.0 percent of the annual budget. At June 30, 2021, the unrestricted fund balance (excluding restricted account deficits) of the General Fund was 11.9 percent of fiscal 2021 actual expenditures.

## **NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

### **A. Plan Descriptions**

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

#### **1. General Employees Retirement Fund (GERF)**

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

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

#### **2. Teachers Retirement Association (TRA)**

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

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

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

### **B. Benefits Provided**

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

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

#### **1. GERF Benefits**

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

Benefit increases are provided to benefit recipients each January. The post-retirement increase will be equal to 50.0 percent of the cost of living adjustment (COLA) announced by the Social Security Administration, with a minimum increase of at least 1.0 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit 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**

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

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

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

**Tier I Benefits**

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

With these provisions:

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

**Tier II Benefits**

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

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

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

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

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

**C. Contributions**

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

**1. GERF Contributions**

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2021 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District’s contributions to the GERF for the year ended June 30, 2021, were \$486,506. The District’s contributions were equal to the required contributions as set by state statutes.

**2. TRA Contributions**

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

	Year Ended June 30,					
	2019		2020		2021	
	Employee	Employer	Employee	Employer	Employee	Employer
<b>Basic Plan</b>	11.00 %	11.71 %	11.00 %	11.92 %	11.00 %	12.13 %
<b>Coordinated Plan</b>	7.50 %	7.71 %	7.50 %	7.92 %	7.50 %	8.13 %

The District’s contributions to the TRA for the plan’s fiscal year ended June 30, 2021, were \$1,629,325. The District’s contributions were equal to the required contributions for each year as set by state statutes.

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

	<i>in thousands</i>
Employer contributions reported in the TRA’s Comprehensive Annual Financial Report Statement of Changes in Fiduciary Net Position	\$ 425,223
Add employer contributions not related to future contribution efforts	(56)
Deduct the TRA’s contributions not included in allocation	(508)
Total employer contributions	424,659
Total nonemployer contributions	35,587
Total contributions reported in the Schedule of Employer and Nonemployer Pension Allocations	<u>\$ 460,246</u>

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

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

**D. Pension Costs**

**1. GERF Pension Costs**

At June 30, 2021, the District reported a liability of \$6,565,025 for its proportionate share of the General Employees Fund’s net pension liability. The District’s net pension liability reflected a reduction due to the state of Minnesota’s contribution of \$16 million. The state of Minnesota is considered a nonemployer contributing entity and the state’s contribution meets the definition of a special funding situation. The state of Minnesota’s proportionate share of the net pension liability associated with the District totaled \$202,484. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s 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, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA’s participating employers. The District’s proportionate share was 0.1095 percent at the end of the measurement period and 0.1122 percent for the beginning of the period.

District’s proportionate share of the net pension liability	\$	6,565,025
State’s proportionate share of the net pension liability associated with the District	\$	202,484

For the year ended June 30, 2021, the District recognized pension expense of \$296,960 for its proportionate share of the GERF’s pension expense. In addition, the District recognized \$17,622 as grant revenue for its proportionate share of the state of Minnesota’s pension expense for the annual \$16 million contribution.

At June 30, 2021, the District reported its proportionate share of the GERF’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 61,269	\$ 24,839
Changes in actuarial assumptions	–	244,884
Net collective difference between projected and actual investment earnings	111,078	–
Changes in proportion	80,440	135,897
District’s contributions to the GERF subsequent to the measurement date	486,506	–
Total	<u>\$ 739,293</u>	<u>\$ 405,620</u>

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

The \$486,506 reported as deferred outflows of resources related to pensions resulting from the District’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2022	\$ (396,318)
2023	\$ (2,866)
2024	\$ 87,738
2025	\$ 158,613

**2. TRA Pension Costs**

At June 30, 2021, the District reported a liability of \$26,028,396 for its proportionate share of the TRA’s net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Special School District No. 1, Minneapolis Public Schools. The District’s proportionate share was 0.3523 percent at the end of the measurement period and 0.3560 percent for the beginning of the period.

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

District’s proportionate share of the net pension liability	\$ 26,028,396
State’s proportionate share of the net pension liability associated with the District	\$ 2,181,119

For the year ended June 30, 2021, the District recognized pension expense of \$3,375,555. It also recognized \$199,805 as an increase to pension expense for the support provided by direct aid.

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

At June 30, 2021, the District had deferred resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 521,975	\$ 404,155
Changes in actuarial assumptions	9,727,866	21,840,667
Net difference between projected and actual investment earnings on pension plan investments	373,391	–
Changes in proportion	297,298	2,048,472
District’s contributions to the TRA subsequent to the measurement date	<u>1,629,325</u>	<u>–</u>
Total	<u>\$ 12,549,855</u>	<u>\$ 24,293,294</u>

A total of \$1,629,325 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2022	\$ 236,624
2023	\$ (8,439,464)
2024	\$ (5,859,149)
2025	\$ 620,222
2026	\$ 69,003

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2020 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

<u>Assumptions</u>	<u>GERF</u>	<u>TRA</u>
Inflation	2.25%	2.50%
Wage growth rate		2.85% before July 1, 2028, and 3.25% thereafter
Projected salary increase	3.00%	
Active member payroll growth		2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% thereafter
Investment rate of return	7.50%	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disableds for all plans were based on Pub-2010 General Employee Mortality Table for the GERF Plan and the RP-2014 tables for the TRA for males and females, as appropriate, with slight adjustments to fit the PERA’s experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for the GERF and 1.00 percent for January 2020 through January 2023, then increasing by 0.10 percent each year, up to 1.50 percent annually for the TRA.

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

Actuarial assumptions used in the June 30, 2020 valuations were based on the results of actuarial experience studies. The most recent four-year experience study in the GERF plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. The most recent experience study in the TRA plan was completed in 2015, with economic assumptions updated in 2017.

The following changes in actuarial assumptions and plan provisions occurred in 2020:

### **1. GERF**

#### **CHANGES IN ACTUARIAL ASSUMPTIONS**

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two through five, and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 Table to the Pub-2010 General Mortality Table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality Table to the Pub-2010 General/Teacher Disabled Annuitant Mortality Table, with adjustments.
- The mortality improvement scale was changed from MP-2018 to MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100.00 percent joint and survivor option changed from 35.00 percent to 45.00 percent. The assumed number of married female new retirees electing the 100.00 percent joint and survivor option changed from 15.00 percent to 30.00 percent. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

#### **CHANGES IN PLAN PROVISIONS**

- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020 through December 31, 2023, and zero percent thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

### **2. TRA**

#### **CHANGES IN ACTUARIAL ASSUMPTIONS**

- Employer contribution rate increased from 7.92 percent to 8.13 percent in July 2020.

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	35.50 %	5.10 %
Private markets	25.00	5.90 %
Fixed income	20.00	0.75 %
International equity	17.50	5.30 %
Cash equivalents	2.00	– %
Total	100.00 %	

### F. Discount Rate

#### 1. GERP

The discount rate used to measure the total pension liability in 2020 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERP was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### 2. TRA

The discount rate used to measure the total pension liability was 7.50 percent. There was no change since the prior measurement. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2020 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

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

### G. Pension Liability Sensitivity

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	6.50%	7.50%	8.50%
District’s proportionate share of the GERF net pension liability	\$ 10,521,459	\$ 6,565,025	\$ 3,301,286
TRA discount rate	6.50%	7.50%	8.50%
District’s proportionate share of the TRA net pension liability	\$ 39,849,199	\$ 26,028,396	\$ 14,640,753

### H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s 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 PERA website at [www.mnpera.org](http://www.mnpera.org).

Detailed information about the plan’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 the TRA at 60 Empire Drive, Suite 400, St. Paul, MN, 55103-4000; or by calling 651-296-2409 or 800-657-3669.

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

### A. Plan Description

The District provides post-employment benefits to certain eligible employees through the OPEB Plan, a single-employer defined benefit plan administered by the District. Management of the plan is vested with the School Board of the District. All post-employment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a separate financial report.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

**B. Benefits Provided**

All retirees of the District upon retirement have the option under state law to continue their medical insurance coverage through the District. For members of certain employee groups, the District pays for all or part of the eligible retiree’s premiums for medical and/or dental 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, and some covering premium costs as defined within each collective bargaining agreement. Retirees not eligible for these district-paid premium benefits must pay the full district premium rate for their coverage.

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

**C. Contributions**

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District’s contributions in the current year totaled \$235,442 as required on a pay-as-you-go basis to finance current year benefits as described in the previous section. The District has established a separate Internal Service Fund to finance these OPEB obligations.

**D. Membership**

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

Retirees and beneficiaries receiving benefits	71
Active plan members	<u>417</u>
Total members	<u><u>488</u></u>

**E. Total OPEB Liability of the District**

The District’s total OPEB liability of \$6,766,316 as of year-end was measured as of July 1, 2020, and was determined by an actuarial valuation as of July 1, 2020.

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

**F. Actuarial Methods and Assumptions**

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

Discount rate	2.40%
20-year municipal bond yield	2.40%
Inflation rate	2.50%
Salary increases	Service graded table
Medical trend rate	6.50% grading to 5.00% over 6 years, and then 4.00% over the next 48 years

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield.

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

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

**G. Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Beginning balance	\$ 8,672,248
Changes for the year	
Service cost	403,634
Interest	274,215
Assumption changes	(724,418)
Differences between expected and actual experience	(1,395,345)
Benefit payments	(464,018)
Total net changes	<u>(1,905,932)</u>
Ending balance	<u>\$ 6,766,316</u>

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

Plan provision changes since the prior measurement date include the following:

- The post-employment medical subsidy for Meet and Confer Non-Union employees hired after July 1, 2020 changed to \$150 per month payable to the earlier of 10 years or Medicare eligibility and \$100 per month for the subsequent 5 years.
- The post-employment medical subsidy for Principals and Directors hired after January 1, 2020 changed to \$7,500 (no increase post-employment) payable to the earlier of 5 years or Medicare eligibility.
- Since these changes only impact new hires, the impact on the accrued liability as of the valuation date is \$0.

Assumption changes since the prior measurement date include the following:

- The healthcare trend rates, mortality tables, salary increase rates, and percentage of future retirees eligible for a subsidy who are assumed to continue on one of the District’s medical plans post-employment were updated.
- The discount rate was changed from 3.10 percent to 2.40 percent.

**H. Total OPEB Liability Sensitivity to Discount and Healthcare Cost Trend Rate Changes**

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1.0 percentage point lower or 1.0 percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	1.40%	2.40%	3.40%
Total OPEB liability	\$ 7,177,945	\$ 6,766,316	\$ 6,374,606

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

	<u>1% Decrease in Healthcare Cost Trend Rate</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
Medical trend rate	5.50% grading to 4.00%, then 3.00%	6.50% grading to 5.00%, then 4.00%	7.50% grading to 6.00%, then 5.00%
Total OPEB liability	\$ 6,349,235	\$ 6,766,316	\$ 7,258,424

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

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

For the current year ended, the District recognized OPEB expense of \$336,167. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic	\$ –	\$ 2,275,489
Changes in actuarial assumptions	158,582	810,893
District’s contributions subsequent to the measurement date	<u>235,442</u>	<u>–</u>
Total	<u>\$ 394,024</u>	<u>\$ 3,086,382</u>

A total of \$235,442 reported as deferred outflows of resources related to OPEB contributions, subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>OPEB Expense Amount</u>
2022	\$ (341,681)
2023	\$ (341,681)
2024	\$ (341,681)
2025	\$ (341,681)
2026	\$ (341,681)
Thereafter	\$ (1,219,395)

**NOTE 8 – FLEXIBLE BENEFIT PLAN**

The District has a flexible benefit plan, which is classified as a cafeteria plan (the Plan) under § 125 of the IRC. All employee groups of the District are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing pretax dollars withheld from payroll checks to the Plan for healthcare and dependent care benefits. 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 January 1 to December 31, each participant designates a total amount of pretax dollars to be contributed to the Plan during the year. At June 30, the District is contingently liable for claims against the total amount of participants’ annual contributions to the Plan, whether or not such contributions have been made.

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

## **NOTE 8 – FLEXIBLE BENEFIT PLAN (CONTINUED)**

Amounts withheld for medical reimbursement and dependent care are accounted for by a district employee who serves as the plan administrator. Payments are made to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the employee. The medical reimbursement and dependent care activity are included in the General Fund.

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 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 – INTERFUND TRANSACTIONS**

### **A. Interfund Receivables and Payables**

At year-end, the General Fund reported a balance of \$164,558 due to the Other Post-Employment Benefits Internal Service Fund, representing the difference in amount drawn from the trust during the year and actual allowable OPEB expenditures. Interfund receivables and payables are reported in the fund financial statements, but are eliminated in the government-wide financial statements.

### **B. Interfund Transfers**

The District recorded an intrafund transfer of \$163,514 from the OPEB Debt Service Account to the Regular Debt Service Account as required by Minnesota Statutes with the final payment on the OPEB bonds in the current year. Since the transfer was between two debt services "Accounts," this intrafund transfer was reported in the detailed fund financial statements, but was eliminated in the basic governmental fund and government-wide financial statements.

## **NOTE 10 – COMMITMENTS AND CONTINGENCIES**

### **A. Federal and State Programs**

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

### **B. Legal Claims**

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

## **NOTE 10 – COMMITMENTS AND CONTINGENCIES**

### **C. Purchase Power Commitment**

#### **Solar Gardens**

During fiscal year 2021, the District entered into a solar system subscription agreements with IPS Solar DG Solar A, LLC. The District is committed to purchasing all of the annual delivered energy of the solar system for a period of 20 years and additional three terms of five years from the commercial operation date and continues for the duration of the initial term and any additional terms. In return, the District will receive bill credits associated with the energy production.

### **D. COVID-19**

The COVID-19 pandemic has caused numerous financial and operation challenges for districts in fiscal 2021, and is expected to have a significant impact for fiscal 2022 and possibly beyond. Any potential effects it may have on the District's future operations and financial condition cannot be determined at this time and have not been reflected in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SPECIAL SCHOOL DISTRICT NO. 6

Public Employees Retirement Association Pension Benefits Plan  
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability  
 Year Ended June 30, 2021

District Fiscal Year-End	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.1107%	\$ 5,200,131	\$ -	\$ 5,200,131	\$ 5,796,603	89.71%	78.70%
06/30/2016	06/30/2015	0.1091%	\$ 5,654,128	\$ -	\$ 5,654,128	\$ 6,430,677	87.92%	78.20%
06/30/2017	06/30/2016	0.1074%	\$ 8,720,346	\$ 113,888	\$ 8,834,234	\$ 6,666,940	130.80%	68.90%
06/30/2018	06/30/2017	0.1108%	\$ 7,073,396	\$ 88,931	\$ 7,162,327	\$ 7,141,483	99.05%	75.90%
06/30/2019	06/30/2018	0.1093%	\$ 6,063,516	\$ 198,744	\$ 6,262,260	\$ 7,332,178	82.70%	79.50%
06/30/2020	06/30/2019	0.1122%	\$ 6,203,286	\$ 192,825	\$ 6,396,111	\$ 7,939,979	78.13%	80.20%
06/30/2021	06/30/2020	0.1095%	\$ 6,565,025	\$ 202,484	\$ 6,767,509	\$ 7,816,070	83.99%	79.10%

Public Employees Retirement Association Pension Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2021

District Fiscal Year-End	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 474,641	\$ 474,641	\$ -	\$ 6,430,677	7.38%
06/30/2016	\$ 499,908	\$ 499,908	\$ -	\$ 6,666,940	7.50%
06/30/2017	\$ 535,497	\$ 535,497	\$ -	\$ 7,141,483	7.50%
06/30/2018	\$ 549,688	\$ 549,688	\$ -	\$ 7,332,178	7.50%
06/30/2019	\$ 595,495	\$ 595,495	\$ -	\$ 7,939,979	7.50%
06/30/2020	\$ 585,902	\$ 585,902	\$ -	\$ 7,816,070	7.50%
06/30/2021	\$ 486,506	\$ 486,506	\$ -	\$ 6,488,932	7.50%

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

SPECIAL SCHOOL DISTRICT NO. 6

Teachers Retirement Association Pension Benefits Plan  
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability  
 Year Ended June 30, 2021

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.3819%	\$ 17,597,677	\$ 1,238,076	\$ 18,835,753	\$ 17,434,323	100.94%	81.50%
06/30/2016	06/30/2015	0.3716%	\$ 22,987,135	\$ 2,819,725	\$ 25,806,860	\$ 18,878,949	121.76%	76.80%
06/30/2017	06/30/2016	0.3670%	\$ 87,538,256	\$ 8,785,747	\$ 96,324,003	\$ 19,304,901	453.45%	44.88%
06/30/2018	06/30/2017	0.3669%	\$ 73,239,894	\$ 7,080,446	\$ 80,320,340	\$ 19,744,761	370.93%	51.57%
06/30/2019	06/30/2018	0.3489%	\$ 21,914,186	\$ 2,059,012	\$ 23,973,198	\$ 19,279,005	113.67%	78.07%
06/30/2020	06/30/2019	0.3560%	\$ 22,691,515	\$ 2,008,105	\$ 24,699,620	\$ 20,206,696	112.30%	78.21%
06/30/2021	06/30/2020	0.3523%	\$ 26,028,396	\$ 2,181,119	\$ 28,209,515	\$ 20,470,746	127.15%	75.48%

Teachers Retirement Association Pension Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2021

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 1,415,929	\$ 1,415,929	\$ -	\$ 18,878,949	7.50%
06/30/2016	\$ 1,448,037	\$ 1,448,037	\$ -	\$ 19,304,901	7.50%
06/30/2017	\$ 1,481,077	\$ 1,481,077	\$ -	\$ 19,744,761	7.50%
06/30/2018	\$ 1,445,979	\$ 1,445,979	\$ -	\$ 19,279,005	7.50%
06/30/2019	\$ 1,557,835	\$ 1,557,835	\$ -	\$ 20,206,696	7.71%
06/30/2020	\$ 1,621,284	\$ 1,621,284	\$ -	\$ 20,470,746	7.92%
06/30/2021	\$ 1,629,325	\$ 1,629,325	\$ -	\$ 20,040,978	8.13%

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

SPECIAL SCHOOL DISTRICT NO. 6

Other Post-Employment Benefits Plan  
 Schedule of Changes in the District's Total  
 OPEB Liability and Related Ratios  
 Year Ended June 30, 2021

	District Fiscal Year-End Date			
	2018	2019	2020	2021
Total OPEB liability				
Service cost	\$ 442,920	\$ 444,251	\$ 489,454	\$ 403,634
Interest	311,019	316,347	292,396	274,215
Assumption changes	–	(218,512)	193,824	(724,418)
Plan changes	–	337,912	–	–
Differences between expected and actual experience	–	(1,402,059)	–	(1,395,345)
Benefit payments	(586,475)	(610,891)	(333,430)	(464,018)
Net change in total OPEB liability	167,464	(1,132,952)	642,244	(1,905,932)
Total OPEB liability – beginning balance	8,995,492	9,162,956	8,030,004	8,672,248
Total OPEB liability – ending balance	<u>\$ 9,162,956</u>	<u>\$ 8,030,004</u>	<u>\$ 8,672,248</u>	<u>\$ 6,766,316</u>
Covered-employee payroll	<u>\$ 24,641,269</u>	<u>\$ 24,372,096</u>	<u>\$ 25,103,259</u>	<u>\$ 24,421,664</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>37.19%</u>	<u>32.95%</u>	<u>34.55%</u>	<u>27.71%</u>

Note 1: The District has not established a trust fund to finance GASB Statement No. 75 related benefits.

Note 2: The District implemented GASB Statement No. 75 in fiscal 2018. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

SPECIAL SCHOOL DISTRICT NO. 6

Notes to Required Supplementary Information  
June 30, 2021

**PERA – GENERAL EMPLOYEES RETIREMENT FUND**

**2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two through five, and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 Table to the Pub-2010 General Mortality Table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality Table to the Pub-2010 General/Teacher Disabled Annuitant Mortality Table, with adjustments.
- The mortality improvement scale was changed from MP-2018 to MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100.00 percent joint and survivor option changed from 35.00 percent to 45.00 percent. The assumed number of married female new retirees electing the 100.00 percent joint and survivor option changed from 15.00 percent to 30.00 percent. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

**2020 CHANGES IN PLAN PROVISIONS**

- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020 through December 31, 2023, and zero percent thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

SPECIAL SCHOOL DISTRICT NO. 6

Notes to Required Supplementary Information (continued)  
June 30, 2021

**PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)**

**2019 CHANGES IN PLAN PROVISIONS**

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

**2019 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2018 CHANGES IN PLAN PROVISIONS**

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

**2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

SPECIAL SCHOOL DISTRICT NO. 6

Notes to Required Supplementary Information (continued)  
June 30, 2021

**PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)**

**2017 CHANGES IN PLAN PROVISIONS**

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

**2017 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2016 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2015 CHANGES IN PLAN PROVISIONS**

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

**2015 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

SPECIAL SCHOOL DISTRICT NO. 6

Notes to Required Supplementary Information (continued)  
June 30, 2021

**TEACHERS RETIREMENT ASSOCIATION (TRA)**

**2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2017 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The COLA was assumed to increase from 2.00 percent annually to 2.50 percent annually on July 1, 2045.
- The COLA was not assumed to increase to 2.50 percent, but remain at 2.00 percent for all future years.
- Adjustments were made to the CSA loads. The active load was reduced from 1.40 percent to zero percent, the vested inactive load increased from 4.00 percent to 7.00 percent, and the nonvested inactive load increased from 4.00 percent to 9.00 percent.
- The investment return assumption was changed from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 2.75 percent to 2.50 percent.
- The payroll growth assumption was lowered from 3.50 percent to 3.00 percent.
- The general wage growth assumption was lowered from 3.50 percent to 2.85 percent for 10 years, followed by 3.25 percent thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.
- The single discount rate changed from 4.66 percent to 5.12 percent.

SPECIAL SCHOOL DISTRICT NO. 6

Notes to Required Supplementary Information (continued)  
June 30, 2021

**TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)**

**2016 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2015 CHANGES IN PLAN PROVISIONS**

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

**2015 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

SPECIAL SCHOOL DISTRICT NO. 6

Notes to Required Supplementary Information (continued)  
June 30, 2021

**OTHER POST-EMPLOYMENT BENEFITS PLAN**

**2020 CHANGES IN PLAN PROVISIONS**

- The post-employment medical subsidy for Meet and Confer Non-Union employees hired after July 1, 2020 changed to \$150 per month payable to the earlier of 10 years or Medicare eligibility and \$100 per month for the subsequent 5 years.
- The post-employment medical subsidy for Principals and Directors hired after January 1, 2020 changed to \$7,500 (no increase post-employment) payable to the earlier of 5 years or Medicare eligibility.
- Since these changes only impact new hires, the impact on the accrued liability as of the valuation date is \$0.

**2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The healthcare trend rates, mortality tables, salary increase rates, and percentage of future retirees eligible for a subsidy who are assumed to continue on one of the District's medical plans post-employment were updated.
- The discount rate was changed from 3.10 percent to 2.40 percent.

**2019 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.50 percent to 3.10 percent.

**2018 CHANGES IN PLAN PROVISIONS**

- An early retirement incentive of \$5,000 per year paid to a healthcare savings plan, payable until the earlier of five years or Medicare eligibility (or a one-time payment of \$5,000 if already eligible for Medicare), was elected by nine teachers who retired by June 30, 2019. The retirement rates for these nine teachers were adjusted to assume all retire on July 1, 2019.
- The director of community education now has the same post-employment subsidies as other directors. Her eligibility start date for these post-employment subsidies is July 1, 2017.
- The post-employment subsidies for principals hired after July 1, 2004 are no longer frozen at retirement.

**2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The discount rate was changed from 3.40 percent to 3.50 percent.
- The percentage of future retired custodians, meet and confer nonunion employees without special agreements, office professional employees, and support staff eligible for a subsidy who are assumed to continue on one of the District's medical plans post-employment, was changed from 100 percent to 75 percent.

SPECIAL SCHOOL DISTRICT NO. 6

Notes to Required Supplementary Information (continued)  
June 30, 2021

**OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)**

**2017 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

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SUPPLEMENTAL INFORMATION

SPECIAL SCHOOL DISTRICT NO. 6

Nonmajor Governmental Funds  
 Combining Balance Sheet  
 as of June 30, 2021

	Special Revenue Funds		Capital Projects –	Total
	Food Service	Community Service	Building Construction	
<b>Assets</b>				
Cash and temporary investments	\$ 599,828	\$ 687,236	\$ –	\$ 1,287,064
Receivables				
Current taxes	–	347,893	–	347,893
Delinquent taxes	–	8,447	–	8,447
Accounts and interest	–	3,084	–	3,084
Due from other governmental units	97,658	97,489	–	195,147
Inventory	43,801	–	–	43,801
<b>Total assets</b>	<b>\$ 741,287</b>	<b>\$ 1,144,149</b>	<b>\$ –</b>	<b>\$ 1,885,436</b>
<b>Liabilities</b>				
Salaries payable	\$ 30,877	\$ 14,906	\$ –	\$ 45,783
Accounts and contracts payable	39,944	25,152	–	65,096
Due to other governmental units	132,044	164,758	–	296,802
Unearned revenue	15,088	16,907	–	31,995
<b>Total liabilities</b>	<b>217,953</b>	<b>221,723</b>	<b>–</b>	<b>439,676</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue – delinquent taxes	–	4,519	–	4,519
Property taxes levied for subsequent year	–	596,118	–	596,118
<b>Total deferred inflows of resources</b>	<b>–</b>	<b>600,637</b>	<b>–</b>	<b>600,637</b>
<b>Fund balances</b>				
Nonspendable	43,801	–	–	43,801
Restricted	479,533	321,789	–	801,322
<b>Total fund balances</b>	<b>523,334</b>	<b>321,789</b>	<b>–</b>	<b>845,123</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 741,287</b>	<b>\$ 1,144,149</b>	<b>\$ –</b>	<b>\$ 1,885,436</b>

SPECIAL SCHOOL DISTRICT NO. 6

Nonmajor Governmental Funds  
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Year Ended June 30, 2021

	Special Revenue Funds		Capital Projects –	Total
	Food Service	Community Service	Building Construction	
Revenue				
Local sources				
Property taxes	\$ –	\$ 549,024	\$ –	\$ 549,024
Investment earnings	1,424	1,603	58	3,085
Other	33,524	254,439	29,749	317,712
State sources	1,294	899,075	–	900,369
Federal sources	1,327,193	191,833	–	1,519,026
Total revenue	<u>1,363,435</u>	<u>1,895,974</u>	<u>29,807</u>	<u>3,289,216</u>
Expenditures				
Current				
Food service	1,456,220	–	–	1,456,220
Community service	–	1,704,370	–	1,704,370
Capital outlay	41,052	3,824	2,416,307	2,461,183
Total expenditures	<u>1,497,272</u>	<u>1,708,194</u>	<u>2,416,307</u>	<u>5,621,773</u>
Net change in fund balances	(133,837)	187,780	(2,386,500)	(2,332,557)
Fund balances				
Beginning of year	<u>657,171</u>	<u>134,009</u>	<u>2,386,500</u>	<u>3,177,680</u>
End of year	<u>\$ 523,334</u>	<u>\$ 321,789</u>	<u>\$ –</u>	<u>\$ 845,123</u>

SPECIAL SCHOOL DISTRICT NO. 6

General Fund  
Comparative Balance Sheet  
as of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and temporary investments	\$ 10,213,709	\$ 9,177,308
Receivables		
Current taxes	4,375,066	4,371,212
Delinquent taxes	109,713	120,128
Accounts and interest	1,162	13,682
Due from other governmental units	<u>3,368,065</u>	<u>3,432,511</u>
Total assets	<u>\$ 18,067,715</u>	<u>\$ 17,114,841</u>
<b>Liabilities</b>		
Salaries payable	\$ 1,754,332	\$ 1,944,435
Accounts and contracts payable	2,182,452	1,791,882
Due to other governmental units	251,918	225,550
Due to other funds	164,558	-
Unearned revenue	<u>449,089</u>	<u>442,145</u>
Total liabilities	4,802,349	4,404,012
<b>Deferred inflows of resources</b>		
Unavailable revenue – delinquent taxes	58,383	70,218
Property taxes levied for subsequent year	<u>7,066,560</u>	<u>6,662,880</u>
Total deferred inflows of resources	7,124,943	6,733,098
<b>Fund balances (deficit)</b>		
Restricted for student activities	222,409	232,200
Restricted for staff development	105,046	112,244
Restricted for capital projects levy	-	1,509
Restricted for operating capital	8,683	1,385
Restricted for gifted and talented	138,196	178,739
Restricted for safe schools	175,049	106,589
Restricted for Medical Assistance	90,976	145,723
Restricted for debt reduction	194,839	166,508
Restricted for flexible benefits	45,111	46,252
Assigned for subsequent year budget	195,165	990,165
Assigned for ATPPS program	190,398	263,613
Assigned for separation benefits	335,000	335,000
Assigned for curriculum	250,000	250,000
Assigned for staff development	75,000	75,000
Assigned for construction	200,000	200,000
Assigned for building maintenance	100,000	100,000
Unassigned – long-term facilities maintenance restricted account deficit	(109,590)	(485,422)
Unassigned	<u>3,924,141</u>	<u>3,258,226</u>
Total fund balances	<u>6,140,423</u>	<u>5,977,731</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,067,715</u>	<u>\$ 17,114,841</u>

SPECIAL SCHOOL DISTRICT NO. 6

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2021  
 (With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021		2020	
	Budget	Actual	Over (Under) Budget	Actual
<b>Revenue</b>				
Local sources				
Property taxes	\$ 7,165,588	\$ 7,284,368	\$ 118,780	\$ 6,592,421
Investment earnings	—	24,579	24,579	121,398
Other	707,380	863,479	156,099	1,071,864
State sources	33,574,045	34,077,775	503,730	35,626,546
Federal sources	2,249,120	2,171,606	(77,514)	1,378,700
Total revenue	<u>43,696,133</u>	<u>44,421,807</u>	<u>725,674</u>	<u>44,790,929</u>
<b>Expenditures</b>				
Current				
Administration	1,397,975	1,394,814	(3,161)	1,183,514
District support services	2,046,469	2,038,010	(8,459)	1,882,854
Elementary and secondary regular instruction	19,618,774	19,715,733	96,959	21,927,804
Vocational education instruction	161,770	164,582	2,812	160,800
Special education instruction	8,630,986	8,680,368	49,382	8,541,448
Instructional support services	3,803,378	3,764,591	(38,787)	4,137,689
Pupil support services	2,756,058	2,630,715	(125,343)	3,353,482
Sites and buildings	5,540,723	5,079,931	(460,792)	5,613,410
Fiscal and other fixed cost programs	220,000	267,833	47,833	250,147
Debt service				
Principal	70,000	312,863	242,863	78,908
Interest and fiscal charges	—	209,675	209,675	9,445
Total expenditures	<u>44,246,133</u>	<u>44,259,115</u>	<u>12,982</u>	<u>47,139,501</u>
Excess (deficiency) of revenue over expenditures	(550,000)	162,692	712,692	(2,348,572)
<b>Other financing sources (uses)</b>				
Sale of capital assets	—	—	—	2,690
Transfer (out)	<u>(200,000)</u>	<u>—</u>	<u>200,000</u>	<u>(100,000)</u>
Total other financing sources (uses)	<u>(200,000)</u>	<u>—</u>	<u>200,000</u>	<u>(97,310)</u>
Net change in fund balances	<u>\$ (750,000)</u>	<u>162,692</u>	<u>\$ 912,692</u>	<u>(2,445,882)</u>
<b>Fund balances</b>				
Beginning of year		<u>5,977,731</u>		<u>8,423,613</u>
End of year		<u>\$ 6,140,423</u>		<u>\$ 5,977,731</u>

SPECIAL SCHOOL DISTRICT NO. 6

Food Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and temporary investments	\$ 599,828	\$ 699,534
Receivables		
Due from other governmental units	97,658	125,447
Inventory	<u>43,801</u>	<u>58,599</u>
Total assets	<u>\$ 741,287</u>	<u>\$ 883,580</u>
Liabilities		
Salaries payable	\$ 30,877	\$ 33,024
Accounts and contracts payable	39,944	46,923
Due to other governmental units	132,044	136,599
Unearned revenue	<u>15,088</u>	<u>9,863</u>
Total liabilities	217,953	226,409
Fund balances		
Nonspendable for inventory	43,801	58,599
Restricted for food service	<u>479,533</u>	<u>598,572</u>
Total fund balances	<u>523,334</u>	<u>657,171</u>
Total liabilities and fund balances	<u>\$ 741,287</u>	<u>\$ 883,580</u>

SPECIAL SCHOOL DISTRICT NO. 6

Food Service Special Revenue Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2021  
 (With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021		2020	
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	\$ -	\$ 1,424	\$ 1,424	\$ 10,798
Other – primarily meal sales	15,246	33,524	18,278	283,501
State sources	-	1,294	1,294	160,577
Federal sources	1,125,974	1,327,193	201,219	1,610,074
Total revenue	<u>1,141,220</u>	<u>1,363,435</u>	<u>222,215</u>	<u>2,064,950</u>
Expenditures				
Current				
Salaries	445,388	490,882	45,494	595,823
Employee benefits	221,612	195,142	(26,470)	219,540
Purchased services	150,944	151,562	618	168,141
Supplies and materials	596,490	616,359	19,869	1,015,818
Other expenditures	3,035	2,275	(760)	166,915
Capital outlay	97,635	41,052	(56,583)	101,866
Total expenditures	<u>1,515,104</u>	<u>1,497,272</u>	<u>(17,832)</u>	<u>2,268,103</u>
Net change in fund balances	<u>\$ (373,884)</u>	<u>(133,837)</u>	<u>\$ 240,047</u>	<u>(203,153)</u>
Fund balances				
Beginning of year		<u>657,171</u>		<u>860,324</u>
End of year		<u>\$ 523,334</u>		<u>\$ 657,171</u>

SPECIAL SCHOOL DISTRICT NO. 6

Community Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and temporary investments	\$ 687,236	\$ 303,549
Receivables		
Current taxes	347,893	336,288
Delinquent taxes	8,447	8,409
Accounts and interest	3,084	12,749
Due from other governmental units	97,489	165,463
Prepaid items	<u>–</u>	<u>200</u>
Total assets	<u>\$ 1,144,149</u>	<u>\$ 826,658</u>
Liabilities		
Salaries payable	\$ 14,906	\$ 8,693
Accounts and contracts payable	25,152	22,901
Due to other governmental units	164,758	91,404
Unearned revenue	<u>16,907</u>	<u>16,907</u>
Total liabilities	221,723	139,905
Deferred inflows of resources		
Unavailable revenue – delinquent taxes	4,519	5,089
Property taxes levied for subsequent year	<u>596,118</u>	<u>547,655</u>
Total deferred inflows of resources	600,637	552,744
Fund balances		
Nonspendable for prepaid items	–	200
Restricted for community education programs	177,179	41,516
Restricted for early childhood family education programs	11,039	11,900
Restricted for school readiness	90,669	77,423
Restricted for adult basic education	<u>42,902</u>	<u>2,970</u>
Total fund balances	<u>321,789</u>	<u>134,009</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,144,149</u>	<u>\$ 826,658</u>

SPECIAL SCHOOL DISTRICT NO. 6

Community Service Special Revenue Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2021  
 (With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Over (Under) Budget	Actual
<b>Revenue</b>				
Local sources				
Property taxes	\$ 397,549	\$ 549,024	\$ 151,475	\$ 416,805
Investment earnings	–	1,603	1,603	9,976
Other – primarily tuition and fees	78,000	254,439	176,439	736,682
State sources	880,364	899,075	18,711	886,753
Federal sources	111,357	191,833	80,476	12,488
Total revenue	<u>1,467,270</u>	<u>1,895,974</u>	<u>428,704</u>	<u>2,062,704</u>
<b>Expenditures</b>				
Current				
Salaries	1,052,481	1,023,342	(29,139)	1,321,225
Employee benefits	375,065	387,162	12,097	494,297
Purchased services	234,500	235,473	973	292,802
Supplies and materials	48,000	57,133	9,133	59,576
Other expenditures	–	1,260	1,260	1,235
Capital outlay	–	3,824	3,824	–
Total expenditures	<u>1,710,046</u>	<u>1,708,194</u>	<u>(1,852)</u>	<u>2,169,135</u>
Excess (deficiency) of revenue over expenditures	(242,776)	187,780	430,556	(106,431)
<b>Other financing sources</b>				
Transfers in	<u>200,000</u>	–	<u>(200,000)</u>	<u>100,000</u>
Net change in fund balances	<u>\$ (42,776)</u>	187,780	<u>\$ 230,556</u>	(6,431)
<b>Fund balances</b>				
Beginning of year		<u>134,009</u>		<u>140,440</u>
End of year		<u>\$ 321,789</u>		<u>\$ 134,009</u>

SPECIAL SCHOOL DISTRICT NO. 6

Capital Projects – Building Construction Fund  
 Comparative Balance Sheet  
 as of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and temporary investments	\$           –	<u>3,976,402</u>
Liabilities		
Accounts and contracts payable	\$           –	\$   1,589,902
Fund balances		
Restricted for projects funded by certificates of participation	<u>                  –</u>	<u>2,386,500</u>
Total liabilities and fund balances	<u>\$           –</u>	<u>\$   3,976,402</u>

SPECIAL SCHOOL DISTRICT NO. 6

Capital Projects – Building Construction Fund  
 Comparative Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenue		
Local sources		
Investment earnings	\$ 58	\$ 9,119
Other	29,749	–
Total revenue	<u>29,807</u>	<u>9,119</u>
Expenditures		
Capital outlay		
Purchased services	294,929	240,601
Capital expenditures	2,121,378	2,759,760
Other expenditures	–	22,434
Debt service		
Fiscal charges and other	–	133,683
Total expenditures	<u>2,416,307</u>	<u>3,156,478</u>
Excess (deficiency) of revenue over expenditures	(2,386,500)	(3,147,359)
Other financing sources		
Debt issued	–	5,265,000
Premium on debt issued	–	268,859
Total other financing sources	<u>–</u>	<u>5,533,859</u>
Net change in fund balances	(2,386,500)	2,386,500
Fund balances		
Beginning of year	<u>2,386,500</u>	<u>–</u>
End of year	<u>\$ –</u>	<u>\$ 2,386,500</u>

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SPECIAL SCHOOL DISTRICT NO. 6

Debt Service Fund  
 Balance Sheet by Account  
 as of June 30, 2021  
 (With Comparative Totals as of June 30, 2020)

	Regular	OPEB	Totals	
	Debt Service Account	Debt Service Account	2021	2020
<b>Assets</b>				
Cash and temporary investments	\$ 1,947,535	\$ -	\$ 1,947,535	\$ 2,041,466
Receivables				
Current taxes	1,742,698	-	1,742,698	1,746,111
Delinquent taxes	49,818	-	49,818	61,690
	<u>3,740,051</u>	<u>-</u>	<u>3,740,051</u>	<u>3,849,267</u>
<b>Total assets</b>	<b>\$ 3,740,051</b>	<b>\$ -</b>	<b>\$ 3,740,051</b>	<b>\$ 3,849,267</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue – delinquent taxes	\$ 28,689	\$ -	\$ 28,689	\$ 37,178
Property taxes levied for subsequent year	2,986,027	-	2,986,027	2,844,133
<b>Total deferred inflows of resources</b>	<b>3,014,716</b>	<b>-</b>	<b>3,014,716</b>	<b>2,881,311</b>
<b>Fund balances</b>				
Restricted for debt service	725,335	-	725,335	967,956
	<u>725,335</u>	<u>-</u>	<u>725,335</u>	<u>967,956</u>
<b>Total deferred inflows     of resources and fund balances</b>	<b>\$ 3,740,051</b>	<b>\$ -</b>	<b>\$ 3,740,051</b>	<b>\$ 3,849,267</b>

SPECIAL SCHOOL DISTRICT NO. 6

Debt Service Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account  
 Budget and Actual  
 Year Ended June 30, 2021  
 (With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021		
	Budget	Regular Debt Service Account	Actual OPEB Debt Service Account
Revenue			
Local sources			
Property taxes	2,843,592	\$ 2,177,072	\$ 681,989
Investment earnings	-	5,155	-
Other sources	221,000	-	-
Total revenue	<u>3,064,592</u>	<u>2,182,227</u>	<u>681,989</u>
Expenditures			
Debt service			
Principal	2,045,000	1,365,000	680,000
Interest	1,056,238	1,042,638	13,600
Fiscal charges and other	6,600	5,362	237
Total expenditures	<u>3,107,838</u>	<u>2,413,000</u>	<u>693,837</u>
Excess (deficiency) of revenue over expenditures	(43,246)	(230,773)	(11,848)
Other financing sources (uses)			
Intrafund transfers in	-	163,514	-
Intrafund transfers out	-	-	(163,514)
Total other financing sources (uses)	<u>-</u>	<u>163,514</u>	<u>(163,514)</u>
Net change in fund balances	<u>\$ (43,246)</u>	<u>(67,259)</u>	<u>(175,362)</u>
Fund balances			
Beginning of year		<u>792,594</u>	<u>175,362</u>
End of year		<u>\$ 725,335</u>	<u>\$ -</u>

		2020	
Total	Over (Under) Budget	Actual	
\$ 2,859,061	\$ 15,469	\$ 3,075,876	
5,155	5,155	26,508	
—	(221,000)	221,000	
<u>2,864,216</u>	<u>(200,376)</u>	<u>3,323,384</u>	
2,045,000	—	1,995,000	
1,056,238	—	1,100,938	
5,599	(1,001)	6,649	
<u>3,106,837</u>	<u>(1,001)</u>	<u>3,102,587</u>	
(242,621)	(199,375)	220,797	
163,514	163,514	—	
<u>(163,514)</u>	<u>(163,514)</u>	<u>—</u>	
<u>—</u>	<u>—</u>	<u>—</u>	
(242,621)	<u>\$ (199,375)</u>	220,797	
<u>967,956</u>		<u>747,159</u>	
<u>\$ 725,335</u>		<u>\$ 967,956</u>	

## SPECIAL SCHOOL DISTRICT NO. 6

Internal Service Funds  
Combining Statement of Net Position  
as of June 30, 2021  
(With Comparative Totals as of June 30, 2020)

	Dental	Medical	Other	Totals	
	Self-Insurance	Self-Insurance	Post-Employment Benefits	2021	2020
<b>Assets</b>					
Current assets					
Cash and temporary investments	\$ 232,631	\$ 6,514,183	\$ –	\$ 6,746,814	\$ 5,480,590
Receivables					
Accounts and interest	3,036	60,461	–	63,497	20,555
Due from other funds	–	–	164,558	164,558	–
Prepaid items	2,019	58,413	–	60,432	63,276
Total current assets	<u>237,686</u>	<u>6,633,057</u>	<u>164,558</u>	<u>7,035,301</u>	<u>5,564,421</u>
Long-term assets					
Restricted assets					
Cash and cash equivalents	–	–	1,579,168	1,579,168	1,807,753
Investments	–	–	3,319,125	3,319,125	3,126,227
Total long-term assets	<u>–</u>	<u>–</u>	<u>4,898,293</u>	<u>4,898,293</u>	<u>4,933,980</u>
Total assets	237,686	6,633,057	5,062,851	11,933,594	10,498,401
Deferred outflows of resources					
OPEB plan deferments	–	–	394,024	394,024	640,220
<b>Liabilities</b>					
Current liabilities					
Unearned revenue	28,222	760,324	–	788,546	900,719
Claims incurred, but not reported	10,367	348,703	–	359,070	463,420
Total OPEB liability	–	–	567,658	567,658	–
Total current liabilities	<u>38,589</u>	<u>1,109,027</u>	<u>567,658</u>	<u>1,715,274</u>	<u>1,364,139</u>
Long-term liabilities					
Total OPEB liability (net of current portion)	–	–	6,198,658	6,198,658	8,672,248
Total liabilities	38,589	1,109,027	6,766,316	7,913,932	10,036,387
Deferred inflows of resources					
OPEB plan deferments	–	–	3,086,382	3,086,382	1,325,921
<b>Net position</b>					
Unrestricted	<u>\$ 199,097</u>	<u>\$ 5,524,030</u>	<u>\$ (4,395,823)</u>	<u>\$ 1,327,304</u>	<u>\$ (223,687)</u>

## SPECIAL SCHOOL DISTRICT NO. 6

Internal Service Funds  
Combining Statement of Revenue, Expenses, and Changes in Net Position  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Dental Self-Insurance	Medical Self-Insurance	Other Post-Employment Benefits	Totals	
				2021	2020
Operating revenue					
Contributions from governmental funds	\$ 304,617	\$ 6,862,680	\$ –	\$ 7,167,297	\$ 7,694,809
Operating expenses					
Dental benefit claims	293,648	–	–	293,648	255,907
Medical benefit claims	–	5,366,629	–	5,366,629	5,387,038
OPEB	–	–	336,167	336,167	668,277
Total operating expenses	<u>293,648</u>	<u>5,366,629</u>	<u>336,167</u>	<u>5,996,444</u>	<u>6,311,222</u>
Operating income (loss)	10,969	1,496,051	(336,167)	1,170,853	1,383,587
Nonoperating revenue					
Investment earnings	<u>656</u>	<u>15,169</u>	<u>364,313</u>	<u>380,138</u>	<u>297,113</u>
Change in net position	11,625	1,511,220	28,146	1,550,991	1,680,700
Net position					
Beginning of year	<u>187,472</u>	<u>4,012,810</u>	<u>(4,423,969)</u>	<u>(223,687)</u>	<u>(1,904,387)</u>
End of year	<u>\$ 199,097</u>	<u>\$ 5,524,030</u>	<u>\$ (4,395,823)</u>	<u>\$ 1,327,304</u>	<u>\$ (223,687)</u>

## SPECIAL SCHOOL DISTRICT NO. 6

Internal Service Funds  
Combining Statement of Cash Flows  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Dental	Medical	Other	Total	
	Self-Insurance	Self-Insurance	Post-Employment Benefits	2021	2020
Cash flows from operating activities					
Received from assessments made to other funds	\$ 301,017	\$ 6,711,165	\$ -	\$ 7,012,182	\$ 7,808,003
Payment for dental claims	(299,213)	-	-	(299,213)	(255,848)
Payment for medical claims	-	(5,462,570)	-	(5,462,570)	(5,308,559)
Post-employment benefit payments	-	-	(235,442)	(235,442)	(464,018)
Net cash flows from operating activities	1,804	1,248,595	(235,442)	1,014,957	1,779,578
Cash flows from noncapital financing activities					
Cash paid to other funds	-	-	(164,558)	(164,558)	-
Cash flows from investing activities					
Purchase of investments	-	-	(258,673)	(258,673)	(1,355,546)
Sale of investments	-	-	65,775	65,775	274,439
Interest on investments	656	15,169	364,313	380,138	297,113
Net cash flows from investing activities	656	15,169	171,415	187,240	(783,994)
Net change in cash and cash equivalents	2,460	1,263,764	(228,585)	1,037,639	995,584
Cash and cash equivalents					
Beginning of year	230,171	5,250,419	1,807,753	7,288,343	6,292,759
End of year	\$ 232,631	\$ 6,514,183	\$ 1,579,168	\$ 8,325,982	\$ 7,288,343
Reconciliation of operating income (loss) to net cash flows from operating activities					
Operating income (loss)	\$ 10,969	\$ 1,496,051	\$ (336,167)	\$ 1,170,853	\$ 1,383,587
Adjustments to reconcile operating income (loss) to net cash flows from operating activities					
Changes in assets, liabilities, and deferred outflows/inflows					
Accounts and interest receivable	285	(43,227)	-	(42,942)	(2,824)
Prepaid items	200	2,644	-	2,844	18,904
Deferred outflows – OPEB plan deferments	-	-	246,196	246,196	(290,660)
Accounts and contracts payable	-	-	-	-	(1,047)
Unearned revenue	(3,885)	(108,288)	-	(112,173)	116,018
Claims incurred, but not reported	(5,765)	(98,585)	-	(104,350)	60,681
Total OPEB liability	-	-	(1,905,932)	(1,905,932)	642,244
Deferred inflows – OPEB plan deferments	-	-	1,760,461	1,760,461	(147,325)
Net cash flows from operating activities	\$ 1,804	\$ 1,248,595	\$ (235,442)	\$ 1,014,957	\$ 1,779,578
Cash and cash equivalents are reported on the Statement of Net Position as follows:					
Cash and temporary investments	\$ 232,631	\$ 6,514,183	\$ -	\$ 6,746,814	\$ 5,480,590
Cash and cash equivalents	-	-	1,579,168	1,579,168	1,807,753
Total cash and cash equivalents	\$ 232,631	\$ 6,514,183	\$ 1,579,168	\$ 8,325,982	\$ 7,288,343

OTHER DISTRICT INFORMATION

(UNAUDITED)

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SPECIAL SCHOOL DISTRICT NO. 6

Government-Wide Revenue by Type  
Last Ten Fiscal Years

Year Ended June 30,	Program Revenues		General Revenues			Total
	Charges for Services	Operating Grants and Contributions	Property Taxes	General Grants and Aids	Investment Earnings and Other	
2012	\$ 2,661,679 6%	\$ 5,695,085 14%	\$ 8,923,422 22%	\$ 23,757,188 58%	\$ 124,340 -	\$ 41,161,714 100%
2013	2,686,319 6%	6,435,504 15%	8,310,930 20%	24,614,074 58%	616,600 1%	42,663,427 100%
2014	2,502,597 6%	6,428,553 15%	5,660,896 13%	28,358,725 65%	745,221 1%	43,695,992 100%
2015	2,668,863 5%	6,909,688 15%	8,617,083 18%	28,799,116 61%	314,619 1%	47,309,369 100%
2016	2,679,050 5%	7,276,738 15%	8,644,541 18%	30,313,012 62%	120,499 -	49,033,840 100%
2017	2,593,395 5%	7,945,568 15%	9,068,563 18%	31,866,738 61%	641,089 1%	52,115,353 100%
2018	2,252,264 4%	8,030,824 16%	8,923,410 18%	31,301,712 61%	702,894 1%	51,211,104 100%
2019	2,056,463 4%	8,013,083 15%	10,221,464 20%	30,218,525 59%	903,820 2%	51,413,355 100%
2020	1,524,857 3%	8,560,643 16%	10,075,483 19%	31,125,163 59%	1,263,102 3%	52,549,248 100%
2021	656,790 1%	8,398,875 16%	10,671,559 21%	30,333,393 60%	937,358 2%	50,997,975 100%

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

SPECIAL SCHOOL DISTRICT NO. 6

Government-Wide Expenses by Function  
Last Ten Fiscal Years

Year Ended June 30,	Administration	District Support Services	Elementary and Secondary Regular Instruction	Vocational Education Instruction	Special Education Instruction	Instructional Support Services	Pupil Support Services
2012	\$ 864,544 2%	\$ 684,754 2%	\$ 17,014,454 44%	\$ 265,411 1%	\$ 6,085,145 15%	\$ 2,869,793 7%	\$ 1,629,324 4%
2013	942,689 2%	762,764 2%	17,971,803 44%	171,539 1%	6,411,286 15%	3,083,373 7%	1,714,132 4%
2014	870,834 2%	1,216,403 3%	18,349,953 42%	236,672 1%	6,816,750 16%	3,012,807 7%	1,806,707 4%
2015	1,033,622 2%	1,360,462 3%	19,102,239 40%	245,692 1%	7,330,447 16%	3,573,162 8%	2,093,948 4%
2016	1,153,014 2%	1,612,075 3%	20,230,015 41%	150,444 -	7,934,604 16%	3,743,950 8%	2,624,337 5%
2017	1,493,074 2%	1,788,939 3%	28,839,252 46%	251,888 1%	10,463,569 17%	4,493,422 7%	3,007,484 5%
2018	1,460,342 2%	1,803,755 3%	27,957,766 46%	252,554 1%	9,984,693 17%	4,517,900 7%	2,930,048 5%
2019	827,315 2%	1,816,877 5%	13,714,316 35%	107,757 -	5,586,492 14%	2,997,694 8%	2,640,535 7%
2020	1,225,243 2%	1,857,405 3%	22,905,668 42%	167,804 -	8,740,605 16%	4,233,607 8%	3,378,207 6%
2021	1,405,254 3%	1,961,638 4%	20,245,354 41%	165,690 -	8,710,089 17%	3,818,764 8%	2,654,632 5%

Sites and Buildings	Fiscal and Other Fixed Cost Programs	Food Service	Community Service	Depreciation Not Allocated to Other Functions	Interest and Fiscal Charges	Total
\$ 4,523,908 11%	\$ 113,771 -	\$ 1,722,078 4%	\$ 2,361,546 6%	\$ 785,438 2%	\$ 610,425 2%	\$ 39,530,591 100%
4,634,278 11%	118,911 -	1,674,627 4%	2,450,631 6%	773,799 2%	674,622 2%	41,384,454 100%
4,465,638 10%	130,887 -	1,720,704 4%	2,432,466 5%	761,628 2%	1,604,152 4%	43,425,601 100%
5,899,085 12%	139,313 -	1,784,294 4%	2,547,479 5%	907,695 2%	1,343,443 3%	47,360,881 100%
5,130,866 10%	145,114 -	1,868,409 4%	2,278,869 5%	1,349,560 3%	1,277,194 3%	49,498,451 100%
4,803,238 8%	155,560 -	2,081,770 3%	2,759,987 4%	1,342,250 2%	1,219,318 2%	62,699,751 100%
4,527,741 8%	182,420 -	1,985,158 3%	2,693,355 4%	1,427,210 2%	1,197,044 2%	60,919,986 100%
4,912,325 12%	173,521 -	2,108,072 5%	2,118,791 5%	1,459,823 4%	1,054,808 3%	39,518,326 100%
4,741,466 9%	250,147 1%	2,267,479 4%	2,191,682 4%	1,460,300 3%	1,228,246 2%	54,647,859 100%
5,036,344 10%	267,833 1%	1,468,286 3%	1,696,144 3%	1,446,479 3%	1,120,550 2%	49,997,057 100%

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SPECIAL SCHOOL DISTRICT NO. 6

General Fund Revenue by Source  
Last Ten Fiscal Years

<u>Year Ended June 30,</u>	<u>Local Property Taxes</u>	<u>State</u>	<u>Federal</u>	<u>Other Local</u>	<u>Total</u>
2012	\$ 6,320,046 18%	\$ 26,467,481 77%	\$ 1,154,065 3%	\$ 868,163 2%	\$ 34,809,755 100%
2013	5,993,422 17%	28,046,726 77%	1,362,961 4%	883,566 2%	36,286,675 100%
2014	3,444,981 10%	31,513,967 85%	1,221,561 3%	854,343 2%	37,034,852 100%
2015	5,398,296 14%	32,342,678 81%	1,218,316 3%	916,987 2%	39,876,277 100%
2016	5,064,027 12%	34,259,165 83%	1,257,276 3%	844,992 2%	41,425,460 100%
2017	5,452,392 13%	35,121,981 82%	1,325,739 3%	1,007,095 2%	42,907,207 100%
2018	5,177,387 12%	35,710,305 82%	1,333,323 3%	1,139,108 3%	43,360,123 100%
2019	6,637,567 15%	35,976,601 79%	1,384,129 3%	1,209,319 3%	45,207,616 100%
2020	6,592,421 15%	35,626,546 79%	1,378,700 3%	1,193,262 3%	44,790,929 100%
2021	7,284,368 16%	34,077,775 77%	2,171,606 5%	888,058 2%	44,421,807 100%

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

SPECIAL SCHOOL DISTRICT NO. 6

General Fund Expenditures by Function  
Last Ten Fiscal Years

Year Ended June 30,	Administration	District Support Services	Elementary and Secondary Regular Instruction	Vocational Education Instruction	Special Education Instruction
2012	\$ 843,583 2%	\$ 675,281 2%	\$ 16,542,521 49%	\$ 259,121 1%	\$ 5,906,391 17%
2013	890,024 2%	748,850 2%	17,448,094 49%	166,422 -	6,198,625 18%
2014	916,594 2%	1,191,400 3%	17,833,876 49%	229,287 1%	6,603,735 18%
2015	995,335 2%	1,355,193 3%	19,001,794 46%	244,040 1%	7,278,906 18%
2016	1,079,698 2%	1,593,886 4%	19,997,954 48%	147,844 -	7,832,449 19%
2017	1,072,918 2%	1,704,901 4%	20,410,135 48%	187,501 -	7,751,666 18%
2018	1,127,343 3%	1,764,843 4%	20,746,253 48%	180,445 -	7,737,139 18%
2019	1,161,013 3%	1,891,938 4%	21,225,940 47%	180,823 -	8,066,259 18%
2020	1,183,514 2%	1,882,854 4%	21,927,804 47%	160,800 -	8,541,448 18%
2021	1,394,814 3%	2,038,010 5%	19,715,733 45%	164,582 -	8,680,368 20%

<u>Instructional Support Services</u>	<u>Pupil Support Services</u>	<u>Sites and Buildings</u>	<u>Other Programs</u>	<u>Total</u>
\$ 2,816,592 8%	\$ 1,605,272 5%	\$ 5,008,509 15%	\$ 297,210 1%	\$ 33,954,480 100%
3,023,767 9%	1,689,984 5%	4,876,894 14%	330,844 1%	35,373,504 100%
2,961,199 8%	1,783,217 5%	4,640,689 13%	321,762 1%	36,481,759 100%
3,596,957 9%	2,093,077 5%	6,107,057 15%	267,150 1%	40,939,509 100%
3,707,592 9%	2,609,229 6%	4,649,362 11%	262,554 1%	41,880,568 100%
3,492,275 8%	2,689,663 6%	5,461,050 13%	220,708 1%	42,990,817 100%
3,677,803 8%	2,663,758 6%	5,565,648 13%	182,420 –	43,645,652 100%
3,950,967 9%	3,009,831 7%	5,576,373 12%	173,521 –	45,236,665 100%
4,137,689 9%	3,353,482 7%	5,613,410 12%	338,500 1%	47,139,501 100%
3,764,591 8%	2,630,715 6%	5,079,931 11%	790,371 2%	44,259,115 100%

SPECIAL SCHOOL DISTRICT NO. 6

School Tax Levies and Tax Rates by Fund  
Last Ten Fiscal Years

Year Collectible	General Fund	Community Service Special Revenue Fund	Debt Service Fund	Total All Funds
<b>Levies</b>				
2012	\$ 5,885,823	\$ 300,211	\$ 1,988,390	\$ 8,174,424
2013	5,859,808	359,131	2,040,956	8,259,895
2014	5,360,648	313,666	2,916,376	8,590,690
2015	5,018,970	446,220	3,101,405	8,566,595
2016	5,072,061	499,299	3,176,475	8,747,835
2017	4,971,240	511,504	3,247,353	8,730,097
2018	6,489,708	431,979	3,114,579	10,036,266
2019	6,426,941	417,739	3,086,030	9,930,710
2020	7,117,919	547,781	2,844,122	10,509,822
2021	7,491,084	596,118	2,986,027	11,073,229
<b>Tax capacity rates</b>				
2012	16.907	2.020	13.379	32.306
2013	17.855	2.637	14.986	35.478
2014	20.025	2.379	22.118	44.522
2015	13.836	2.773	19.272	35.881
2016	12.591	3.278	20.850	36.719
2017	12.815	3.137	19.916	35.868
2018	11.991	2.360	17.016	31.367
2019	11.229	2.193	16.200	29.622
2020	12.730	2.608	13.540	28.878
2021	13.355	2.815	14.100	30.270
<b>Market value rates</b>				
2012	0.19530	—	—	0.19530
2013	0.21801	—	—	0.21801
2014	0.14862	—	—	0.14862
2015	0.16295	—	—	0.16295
2016	0.18667	—	—	0.18667
2017	0.14734	—	—	0.14734
2018	0.23734	—	—	0.23734
2019	0.19630	—	—	0.19630
2020	0.19271	—	—	0.19271
2021	0.20054	—	—	0.20054

Note: A tax rate based on market value is used primarily for the District's referendum levy.

Source: State of Minnesota School Tax Report

## SPECIAL SCHOOL DISTRICT NO. 6

Tax Capacities and Market Values  
Last Ten Fiscal Years

Taxes Collectible	Tax Capacity Valuation					Market Value
	Agricultural and Nonagricultural	Net Fiscal Disparities Distribution	Tax Increment	Total Taxable		
2012	\$ 13,872,371	\$ 2,658,809	\$ (1,480,108)	\$ 15,051,072	\$ 1,294,977,350	
2013	12,878,501	2,506,969	(1,445,441)	13,940,029	1,202,553,350	
2014	12,885,732	2,606,084	(1,556,699)	13,935,117	1,199,668,500	
2015	14,232,820	2,550,076	(1,568,940)	15,213,956	1,322,540,825	
2016	14,486,492	2,491,955	(1,661,773)	15,316,674	1,333,685,325	
2017	15,213,174	2,736,665	(1,732,491)	16,217,348	1,394,111,550	
2018	16,741,700	2,801,054	(1,816,971)	17,725,783	1,526,948,025	
2019	17,887,397	2,881,747	(1,971,353)	18,797,791	1,617,423,625	
2020	19,647,746	3,182,514	(1,948,178)	20,882,082	1,784,759,825	
2021	20,621,225	3,096,995	(2,338,526)	21,379,694	1,851,551,800	

Source: State of Minnesota School Tax Report

SPECIAL SCHOOL DISTRICT NO. 6

Property Tax Levies and Receivables  
Last Ten Fiscal Years

<u>Taxes Collectible</u>	<u>Original Levy</u>		
	<u>Local Spread</u>	<u>Fiscal Disparities</u>	<u>Total Spread</u>
2012	\$ 6,179,907	\$ 1,994,517	\$ 8,174,424
2013	6,295,738	1,964,157	8,259,895
2014	6,346,937	2,243,753	8,590,690
2015	6,306,926	2,259,669	8,566,595
2016	6,791,300	1,956,535	8,747,835
2017	6,468,534	2,261,563	8,730,097
2018	7,923,706	2,112,560	10,036,266
2019	7,499,706	2,431,004	9,930,710
2020	8,139,687	2,370,135	10,509,822
2021	8,828,211	2,245,018	11,073,229

Note: Delinquent taxes are written off after seven years.

Source: State of Minnesota School Tax Report

Uncollected Taxes Receivable as of June 30, 2021

Delinquent		Current	
Amount	Percent	Amount	Percent
\$ —	— %	\$ —	— %
—	—	—	—
—	—	—	—
22,757	0.27	—	—
4,720	0.05	—	—
6,645	0.08	—	—
11,246	0.11	—	—
23,633	0.24	—	—
98,977	0.94	—	—
—	—	6,465,657	58.39
<u>\$ 167,978</u>		<u>\$ 6,465,657</u>	

SPECIAL SCHOOL DISTRICT NO. 6

Students Served  
Last Ten Fiscal Years

Year Ended June 30,	Average Daily Membership (ADM) (Including Enrollment Option)					Total Pupil Units
	Pre-Kindergarten and Handicapped Kindergarten	Kindergarten	Elementary	Secondary	Total	
2012	67.40	267.58	1,509.01	1,490.83	3,334.82	3,820.66
2013	79.48	245.08	1,584.80	1,470.86	3,380.22	3,874.81
2014	67.30	251.99	1,621.44	1,477.92	3,418.65	3,917.20
2015	55.54	251.13	1,657.25	1,503.79	3,467.71	3,768.45
2016	70.67	230.04	1,681.05	1,526.21	3,507.97	3,813.22
2017	119.07	198.26	1,654.38	1,553.52	3,525.23	3,835.94
2018	162.21	194.39	1,558.43	1,571.45	3,486.48	3,800.76
2019	182.30	189.49	1,526.59	1,520.91	3,419.29	3,723.48
2020	181.39	190.59	1,427.23	1,489.81	3,289.02	3,586.98
2021	135.63	172.56	1,316.39	1,477.43	3,102.01	3,397.49

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

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

	Pre-Kindergarten	Handicapped Kindergarten	Half-Day Kindergarten	Full-Day Kindergarten	Elementary 1-3	Elementary 4-6
Fiscal 2012 through 2014	1.250	1.000	0.612	0.612	1.115	1.060
Fiscal 2015 through 2021	1.000	1.000	0.550	1.000	1.000	1.000

Source: Minnesota Department of Education student reporting system

SINGLE AUDIT AND OTHER REQUIRED REPORTS

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SPECIAL SCHOOL DISTRICT NO. 6

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Federal Expenditures	
<b>U.S. Department of Agriculture</b>			
Passed through Minnesota Department of Education			
Child nutrition cluster			
Summer Food Service Program for Children	10.559	\$ 129,505	
COVID-19 – Summer Food Service Program for Children	10.559	<u>1,147,688</u>	
Total child nutrition cluster			\$ 1,277,193
<b>U.S. Department of Treasury</b>			
Passed through Dakota County			
COVID-19 – Coronavirus Relief Fund	21.019	118,955	
Passed through Minnesota Department of Education			
COVID-19 – Coronavirus Relief Fund	21.019	<u>1,009,523</u>	
Total ALN 21.019			1,128,478
<b>U.S. Department of Transportation</b>			
Passed through Minnesota Department of Transportation			
Highway Planning and Construction	20.205		44,402
<b>U.S. Department of Education</b>			
Passed through Minnesota Department of Education			
Special education cluster			
Special Education Grants to States	84.027	608,305	
Special Education Preschool Grants	84.173	<u>22,542</u>	
Total special education cluster			630,847
Adult Education – Basic Grants to States	84.002		16,408
Title I Grants to Local Educational Agencies	84.010		475,470
Special Education – Grants for Infants and Families	84.181		25,417
English Language Acquisition State Grants	84.365		10,262
Supporting Effective Instruction State Grants	84.367		75,994
Passed through Intermediate School District No. 917			
Career and Technical Education – Basic Grants to States	84.048		2,877
<b>U.S. Department of Homeland Security and Emergency Management</b>			
Passed through Minnesota Department of Public Safety			
Disaster Grants - Public Assistance	97.036		<u>6,791</u>
Total federal awards			<u>\$ 3,694,139</u>

Note 1: The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the District's basic financial statements.

Note 2: The pass-through entities listed above use the same Assistance Listing Numbers (ALN) as the federal grantors to identify these grants, and have not assigned any additional identifying numbers.

Note 3: The District did not elect to use the 10 percent de minimis indirect cost rate.

Note 4: The District had \$28,247 transferred into Title I ALN 84.010 from other Title programs.

Note 5: The District had \$127,256 of noncash assistance included in the Summer Food Service Program, ALN 10.559.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the School Board and Management of  
Special School District No. 6  
South St. Paul, Minnesota

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Special School District No. 6 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 6, 2021.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify one deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as finding 2021-001, that we consider to be a material weakness.

(continued)

## **COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **DISTRICT'S RESPONSE TO FINDING**

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

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

Minneapolis, Minnesota  
October 6, 2021



**PRINCIPALS**

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR**  
**EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL**  
**CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the School Board and Management of  
Special School District No. 6  
South St. Paul, Minnesota

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

We have audited Special School District No. 6’s (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2021. The District’s major federal programs are identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

**MANAGEMENT’S RESPONSIBILITY**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**AUDITOR’S RESPONSIBILITY**

Our responsibility is to express an opinion on compliance for each of the District’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District’s compliance.

(continued)

## **OPINION ON EACH MAJOR FEDERAL PROGRAM**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to on the previous page that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## **REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to on the previous page. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **PURPOSE OF THIS REPORT**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Minneapolis, Minnesota  
October 6, 2021

INDEPENDENT AUDITOR'S REPORT  
ON MINNESOTA LEGAL COMPLIANCE

To the School Board and Management of  
Special School District No. 6  
South St. Paul, Minnesota

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Special School District No. 6 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 6, 2021.

**MINNESOTA LEGAL COMPLIANCE**

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

**PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

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

Minneapolis, Minnesota  
October 6, 2021

SPECIAL SCHOOL DISTRICT NO. 6

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021

**A. SUMMARY OF AUDIT RESULTS**

This summary is formatted to provide federal granting agencies and pass-through agencies answers to specific questions regarding the audit of federal awards.

**Financial Statements**

What type of auditor's report is issued?   X   Unmodified  
       Qualified  
       Adverse  
       Disclaimer

Internal control over financial reporting:

Material weakness(es) identified?   X   Yes        No

Significant deficiency(ies) identified?        Yes   X   None reported

Noncompliance material to the financial statements noted?        Yes   X   No

**Federal Awards**

Internal controls over major federal award programs:

Material weakness(es) identified?        Yes   X   No

Significant deficiency(ies) identified?        Yes   X   None reported

Type of auditor's report issued on compliance for major programs?

U.S. Department of Agriculture – child nutrition cluster Unmodified

U.S. Department of Treasury – COVID-19 – Coronavirus Relief Fund Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?        Yes   X   No

Programs tested as major programs:

Program or Cluster	ALN No.
The U.S. Department of Agriculture – child nutrition cluster consisting of:	
– Summer Food Service Program for Children	10.559
– COVID-19 – Summer Food Service Program for Children	10.559
The U.S. Department of Treasury – COVID-19 – Coronavirus Relief Fund	21.019

Threshold for distinguishing type A and B programs.   \$   750,000

Does the auditee qualify as a low-risk auditee?        Yes   X   No

SPECIAL SCHOOL DISTRICT NO. 6

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2021

**B. FINANCIAL STATEMENT FINDINGS**

**MATERIAL WEAKNESS**

**2021-001 Segregation of Duties**

**Criteria** – Internal control over financial reporting.

**Condition** – Special School District No. 6 (the District) has limited segregation of duties in several areas, including the processing of receipts, payroll transactions, and certain computer controls.

**Questioned Costs** – Not applicable.

**Context** – The condition applies to multiple areas as noted above.

**Repeat Finding** – This is a current year and prior year finding.

**Cause** – The limited segregation of duties is primarily caused by the limited size of the District's business office staff.

**Effect** – One important element of internal accounting controls is an adequate segregation of duties such that no one individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction. A lack of segregation of duties subjects the District to a higher risk that errors or fraud could occur and not be detected and corrected in a timely manner in the normal course of business.

**Recommendation** – We recommend that the District continue its efforts to segregate duties as best it can within the limits of what the District considers to be cost-beneficial.

**View of Responsible Official and Planned Corrective Actions** – The District agrees with the finding. The District intends to review policies, procedures, and transaction cycles, and work with the District's financial auditors to review specific weaknesses identified during the annual audit and actions needed to eliminate or mitigate this internal control weakness. The District has separately issued a Corrective Action Plan related to this finding.

**C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

**D. MINNESOTA LEGAL COMPLIANCE FINDINGS**

None.

SPECIAL SCHOOL DISTRICT NO. 6

Uniform Financial Accounting and Reporting Standards  
Compliance Table  
June 30, 2021

		Audit	UFARS	Audit – UFARS
<b>General Fund</b>				
Total revenue		\$ 44,421,807	\$ 44,421,807	\$ –
Total expenditures		\$ 44,259,115	\$ 44,259,115	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
401	Student activities	\$ 222,409	\$ 222,409	\$ –
402	Scholarships	\$ –	\$ –	\$ –
403	Staff development	\$ 105,046	\$ 105,046	\$ –
407	Capital projects levy	\$ –	\$ –	\$ –
408	Cooperative revenue	\$ –	\$ –	\$ –
413	Projects funded by COP	\$ –	\$ –	\$ –
414	Operating debt	\$ –	\$ –	\$ –
416	Levy reduction	\$ –	\$ –	\$ –
417	Taconite building maintenance	\$ –	\$ –	\$ –
424	Operating capital	\$ 8,683	\$ 8,683	\$ –
426	\$25 taconite	\$ –	\$ –	\$ –
427	Disabled accessibility	\$ –	\$ –	\$ –
428	Learning and development	\$ –	\$ –	\$ –
434	Area learning center	\$ –	\$ –	\$ –
435	Contracted alternative programs	\$ –	\$ –	\$ –
436	State approved alternative program	\$ –	\$ –	\$ –
438	Gifted and talented	\$ 138,196	\$ 138,196	\$ –
440	Teacher development and evaluation	\$ –	\$ –	\$ –
441	Basic skills programs	\$ –	\$ –	\$ –
448	Achievement and integration	\$ –	\$ –	\$ –
449	Safe schools levy	\$ 175,049	\$ 175,049	\$ –
451	QZAB payments	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
453	Unfunded severance and retirement levy	\$ –	\$ –	\$ –
459	Basic skills extended time	\$ –	\$ –	\$ –
467	Long-term facilities maintenance	\$ (109,590)	\$ (109,590)	\$ –
472	Medical Assistance	\$ 90,976	\$ 90,976	\$ –
473	PPP loans	\$ –	\$ –	\$ –
474	EIDL loans	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ 239,950	\$ 239,950	\$ –
475	Title VII – Impact Aid	\$ –	\$ –	\$ –
476	PILT	\$ –	\$ –	\$ –
Committed				
418	Committed for separation	\$ –	\$ –	\$ –
461	Committed fund balance	\$ –	\$ –	\$ –
Assigned				
462	Assigned fund balance	\$ 1,345,563	\$ 1,345,563	\$ –
Unassigned				
422	Unassigned fund balance	\$ 3,924,141	\$ 3,924,141	\$ –
<b>Food Service</b>				
Total revenue		\$ 1,363,435	\$ 1,363,435	\$ –
Total expenditures		\$ 1,497,272	\$ 1,497,272	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ 43,801	\$ 43,801	\$ –
Restricted				
452	OPEB liability not in trust	\$ –	\$ –	\$ –
474	EIDL loans	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ 479,533	\$ 479,533	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
<b>Community Service</b>				
Total revenue		\$ 1,895,974	\$ 1,895,974	\$ –
Total expenditures		\$ 1,708,194	\$ 1,708,194	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
426	\$25 taconite	\$ –	\$ –	\$ –
431	Community education	\$ 177,179	\$ 177,179	\$ –
432	ECFE	\$ 11,039	\$ 11,039	\$ –
440	Teacher development and evaluation	\$ –	\$ –	\$ –
444	School readiness	\$ 90,669	\$ 90,669	\$ –
447	Adult basic education	\$ 42,902	\$ 42,902	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
473	PPP loans	\$ –	\$ –	\$ –
474	EIDL loans	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –

SPECIAL SCHOOL DISTRICT NO. 6

Uniform Financial Accounting and Reporting Standards  
Compliance Table (continued)  
June 30, 2021

		Audit	UFARS	Audit – UFARS
<b>Building Construction</b>				
Total revenue		\$ 29,807	\$ 29,807	\$ –
Total expenditures		\$ 2,416,307	\$ 2,416,307	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
407	Capital projects levy	\$ –	\$ –	\$ –
413	Projects funded by COP	\$ –	\$ –	\$ –
467	Long-term facilities maintenance	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
<b>Debt Service</b>				
Total revenue		\$ 2,182,227	\$ 2,182,227	\$ –
Total expenditures		\$ 2,413,000	\$ 2,413,000	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
425	Bond refundings	\$ –	\$ –	\$ –
433	Maximum effort loan	\$ –	\$ –	\$ –
451	QZAB payments	\$ –	\$ –	\$ –
467	Long-term facilities maintenance	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ 725,335	\$ 725,335	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
<b>Trust</b>				
Total revenue		\$ –	\$ –	\$ –
Total expenditures		\$ –	\$ –	\$ –
401	Student activities	\$ –	\$ –	\$ –
402	Scholarships	\$ –	\$ –	\$ –
422	Net position	\$ –	\$ –	\$ –
<b>Custodial Fund</b>				
Total revenue		\$ –	\$ –	\$ –
Total expenditures		\$ –	\$ –	\$ –
401	Student activities	\$ –	\$ –	\$ –
402	Scholarships	\$ –	\$ –	\$ –
448	Achievement and integration	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
<b>Internal Service</b>				
Total revenue		\$ 7,183,122	\$ 7,183,122	\$ –
Total expenditures		\$ 5,660,277	\$ 5,660,277	\$ –
422	Net position	\$ 5,723,127	\$ 5,723,127	\$ –
<b>OPEB Revocable Trust Fund</b>				
Total revenue		\$ 364,313	\$ 364,313	\$ –
Total expenditures		\$ 336,167	\$ 336,167	\$ –
422	Net position	\$ (4,395,823)	\$ (4,395,823)	\$ –
<b>OPEB Irrevocable Trust Fund</b>				
Total revenue		\$ –	\$ –	\$ –
Total expenditures		\$ –	\$ –	\$ –
422	Net position	\$ –	\$ –	\$ –
<b>OPEB Debt Service Fund</b>				
Total revenue		\$ 681,989	\$ 681,989	\$ –
Total expenditures		\$ 693,837	\$ 693,838	\$ (1)
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
425	Bond refundings	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –

Note: Statutory restricted deficits, if any, are reported in unassigned fund balances in the financial statements in accordance with accounting principles generally accepted in the United States of America.

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Management Report

for

Special School District No. 6  
South St. Paul, Minnesota

June 30, 2021

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PRINCIPALS

Thomas A. Karnowski, CPA  
Paul A. Radosevich, CPA  
William J. Lauer, CPA  
James H. Eichten, CPA  
Aaron J. Nielsen, CPA  
Victoria L. Holinka, CPA/CMA  
Jaclyn M. Huegel, CPA  
Kalen T. Karnowski, CPA

To the School Board and Management of  
Special School District No. 6  
South St. Paul, Minnesota

We have prepared this management report in conjunction with our audit of Special School District No. 6's (the District) financial statements for the year ended June 30, 2021. We have organized this report into the following sections:

- Audit Summary
- Funding Public Education in Minnesota
- Financial Trends of Your District
- Legislative Summary
- Accounting and Auditing Updates

We would be pleased to further discuss any of the information contained in this report or any other concerns that you would like us to address. We would also like to express our thanks for the courtesy and assistance extended to us during the course of our audit.

The purpose of this report is solely to provide those charged with governance of the District, management, and those with responsibility for oversight of the District's financial reporting process comments resulting from our audit and information relevant to school district financing in Minnesota. Accordingly, this report is not suitable for any other purpose.

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

Minneapolis, Minnesota  
October 6, 2021

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## AUDIT SUMMARY

The following is a summary of our audit work, key conclusions, and other information that we consider important or that is required to be communicated to the School Board, administration, or those charged with governance of the District.

### **OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, *GOVERNMENT AUDITING STANDARDS*, AND TITLE 2 U.S. CODE OF FEDERAL REGULATIONS PART 200, *UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS (UNIFORM GUIDANCE)***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

### **PLANNED SCOPE AND TIMING OF THE AUDIT**

We performed the audit according to the planned scope and timing previously discussed and coordinated in order to obtain sufficient audit evidence and complete an effective audit.

### **AUDIT OPINION AND FINDINGS**

Based on our audit of the District's financial statements for the year ended June 30, 2021:

- We have issued an unmodified opinion on the District's basic financial statements.
- In regard to the District's internal controls over financial reporting, we have reported one material weakness. Due to the limited size of the District's office staff, the District has limited segregation of duties in several areas. An ideal system of internal accounting control contemplates an adequate segregation of duties so that no one individual handles a transaction from inception to completion. While we recognize that your organization may not be large enough to permit an adequate segregation of duties in all respects, it is important that you are aware of this condition.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our tests indicate that the District has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no deficiencies in the District's internal controls over compliance that we considered to be material weaknesses with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no findings based on our testing of the District's compliance with Minnesota laws and regulations.

## **OTHER OBSERVATIONS AND RECOMMENDATIONS**

### **Uniform Guidance Written Controls and Micro-Purchase Threshold**

Federal Uniform Guidance requires that nonfederal entities must have and use documented procurement procedures consistent with 2CFR § 200.317-320 for the acquisition of property or services required under a federal award or subaward. Effective August 31, 2020, the federal micro-purchase threshold, which is the threshold that allows for procurements without soliciting competitive price or rate quotations given certain conditions, was increased from \$3,500 to \$10,000 in the Federal Acquisition Regulations (FAR).

Effective November 12, 2020, the Uniform Guidance was also revised to allow nonfederal entities to establish a micro-purchase threshold higher than the \$10,000 threshold established in the FAR under certain circumstances. The nonfederal entity may self-certify a micro-purchase threshold up to \$50,000 if the requirements in 2CFR § 200.320(a)(1)(iv) are followed. Requirements include an *annual* self-certification and clear documentation of the justification to support the increase in the threshold. Acceptable reasons for justification must meet *one* of the following criteria:

- A qualification as a low-risk auditee, in accordance with the criteria in § 200.520 for the most recent audit,
- An annual internal institutional risk assessment to identify, mitigate, and manage financial risks, or,
- A higher threshold consistent with state law.

This flexibility would allow Minnesota local governments to increase and align their federal procurement procedures, specifically the micro-purchase threshold, with state law, which allows for procurements below \$25,000 to be made without competitive price or rate quotations.

We recommend that the District review its current federal procurement policy. If the micro-purchase threshold in your currently adopted policy is below the allowable FAR limit of \$10,000, you would need to make a one-time amendment to the policy to adopt the \$10,000 FAR limit before using it. If you prefer to increase your federal micro-purchase threshold to \$25,000 to align it with state law, in addition to amending your federal procurement policy, you would need to annually certify the higher threshold and the justification for using the higher threshold.

### **SIGNIFICANT ACCOUNTING POLICIES**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 of the notes to basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2021.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

## **ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

General education revenue and certain other revenues are computed by applying an allowance per student to the number of students served by the District. Student attendance is accumulated in a state-wide database—MARSS. Because of the complexity of student accounting and because of certain enrollment options, student information is input by other school districts and the MARSS data for the current fiscal year is not finalized until after the District has closed its financial records. General education revenue and certain other revenues are computed using preliminary information on the number of students served in the resident district and also utilizing some estimates, particularly in the area of enrollment options.

Special education state aid includes an adjustment related to tuition billings to and from other school districts for special education services, which are computed using formulas derived by the Minnesota Department of Education (MDE). Because of the timing of the calculations, this adjustment for the current fiscal year is not finalized until after the District has closed its financial records. The impact of this adjustment on the receivable and revenue recorded for state special education aid is calculated using preliminary information available to the District.

The District has recorded a liability in the Statement of Net Position for severance benefits payable for which it is probable employees will be compensated. The "vesting method" used by the District to calculate this liability is based on assumptions involving the probability of employees becoming eligible to receive the benefits (vesting), the potential use of accumulated sick leave prior to termination, and the age at which such employees are likely to retire.

The District has recorded activity for other post-employment benefits (OPEB) and pension benefits. These obligations are calculated using actuarial methodologies, primarily described in Governmental Accounting Standards Board (GASB) Statement Nos. 68 and 75. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, proportionate share, and employee turnover.

The depreciation of capital assets involves estimates pertaining to useful lives.

The District's self-insured activities require recording a liability for claims incurred, but not yet reported, which are based on estimates.

We evaluated the key factors and assumptions used by management to develop the estimates discussed above in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures included in the notes to the basic financial statements related to OPEB and pension benefits are particularly sensitive due to the materiality of the liabilities, and the large and complex estimates involved in determining the disclosures.

The financial statement disclosures are neutral, consistent, and clear.

## **DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

## **CORRECTED AND UNCORRECTED MISSTATEMENTS**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures that were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

## **DISAGREEMENTS WITH MANAGEMENT**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

## **MANAGEMENT REPRESENTATIONS**

We have requested certain representations from management that are included in the management representation letter dated October 6, 2021.

## **MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

## **OTHER AUDIT FINDINGS OR ISSUES**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## **OTHER MATTERS**

We applied certain limited procedures to the management's discussion and analysis and the pension and OPEB-related required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplemental information, the Schedule of Expenditures of Federal Awards, and the Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table accompanying the financial statements, which are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and other district information, which accompany the financial statements, but are not RSI. Such information has 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 it.

## FUNDING PUBLIC EDUCATION IN MINNESOTA

Due to its complexity, it would be impossible to fully explain the funding of public education in Minnesota within this report. A summary of legislative changes affecting school districts included later in this report gives an indication of how complicated the funding system is. This section provides selected state-wide funding and financial trend information.

### BASIC GENERAL EDUCATION REVENUE

The largest single funding source for Minnesota school districts is basic general education aid. Each year, the Legislature sets a basic formula allowance. Total basic general education revenue is calculated by multiplying the formula allowance by the number of pupil units for which a district is entitled to aid. Pupil units are calculated using a legislatively determined weighting system applied to average daily membership (ADM). Over the years, various modifications have been made to this calculation, including changes in weighting and special consideration for declining enrollment districts.

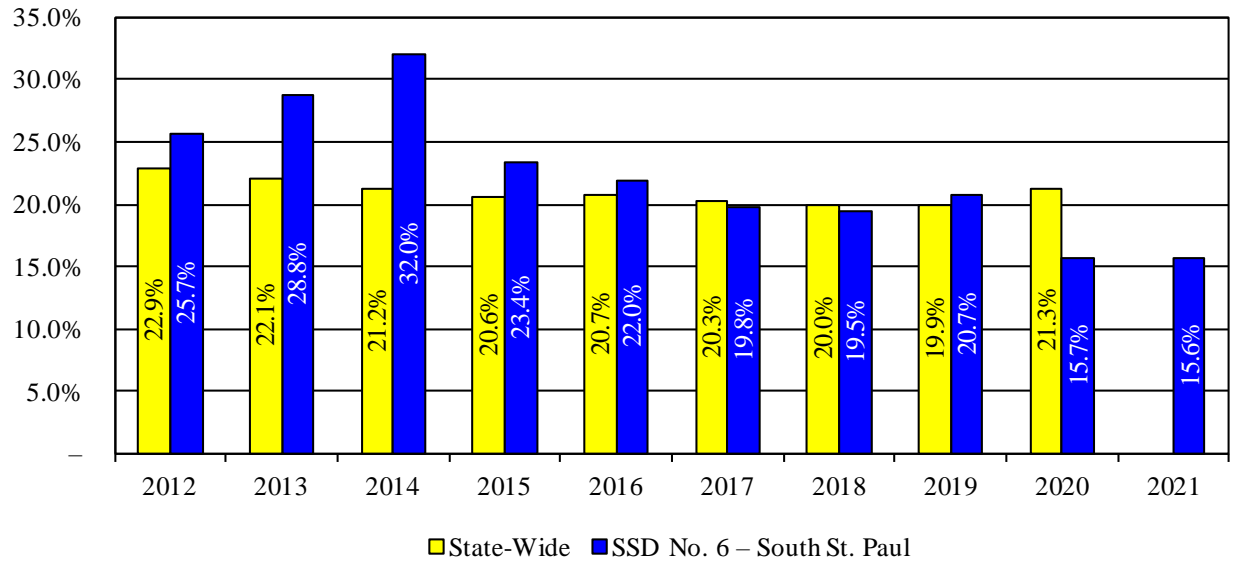
The table below presents a summary of the formula allowance for the past decade and as approved for the next two fiscal years. The 2021 Legislature approved per pupil increases of \$161 for fiscal 2022 and \$135 for fiscal 2023. The amount of the formula allowance and the percentage change from year-to-year excludes temporary funding changes, the “roll-in” of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts. The \$529 increase in 2015 was offset by changes to pupil weightings and the general education aid formula that resulted in an increase equivalent to approximately \$105, or 2.0 percent, state-wide.

Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
2012	\$ 5,174	1.00 %
2013	\$ 5,224	1.00 %
2014	\$ 5,302	1.50 %
2015	\$ 5,831	2.00 %
2016	\$ 5,948	2.00 %
2017	\$ 6,067	2.00 %
2018	\$ 6,188	2.00 %
2019	\$ 6,312	2.00 %
2020	\$ 6,438	2.00 %
2021	\$ 6,567	2.00 %
2022	\$ 6,728	2.45 %
2023	\$ 6,863	2.00 %

## STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

One of the most common and comparable statistics used to evaluate school district financial health is the unrestricted operating fund balance as a percentage of operating expenditures.

State-Wide Unrestricted Operating Fund Balance  
as a Percentage of Operating Expenditures



Note: State-wide information is not available for fiscal 2021.

The calculation above reflects only the unrestricted fund balance of the General Fund, and the corresponding expenditures, which is the same method the state uses for the calculation of statutory operating debt. We have also included the comparable percentages for your district.

The average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts decreased gradually from 22.9 percent at the end of fiscal 2012 to 19.9 percent at the end of fiscal 2019, a period of relative stability in the state's economic condition and school funding. This ratio increased back up to 21.3 percent at the end of fiscal 2020, the highest level since 2014.

The District's unrestricted operating fund balance as a percentage of operating expenditures was 15.6 percent at the end of the current year, as compared to 15.7 percent at June 30, 2020.

Having an appropriate fund balance is an important factor in assessing the District's financial health because a government, like any organization, requires a certain amount of equity to operate. It is important to review fund balance levels on an ongoing basis to ensure a sufficient equity reserve is available to support programs and cash flow of the District.

The table below shows a comparison of governmental fund revenue per ADM received by Minnesota school districts and your district. Revenues for all governmental funds are included, except for the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds. Other financing sources, such as proceeds from sales of capital assets, insurance recoveries, bond sales, loans, and interfund transfers, are also excluded.

<b>Governmental Funds Revenue per Student (ADM) Served</b>								
	State-Wide		Metro Area		SSD No. 6 – South St. Paul			
	2019	2020	2019	2020	2019	2020	2021	
<b>General Fund</b>								
Property taxes	\$ 2,140	\$ 2,345	\$ 2,796	\$ 3,100	\$ 1,909	\$ 1,975	\$ 2,332	
Other local sources	556	538	454	417	348	357	284	
State	9,883	10,144	9,885	10,127	10,347	10,673	10,908	
Federal	475	480	499	499	398	413	695	
Total General Fund	<u>13,054</u>	<u>13,507</u>	<u>13,634</u>	<u>14,143</u>	<u>13,002</u>	<u>13,418</u>	<u>14,219</u>	
<b>Special revenue funds</b>								
Food Service	559	554	556	539	592	619	436	
Community Service	676	632	797	732	642	618	607	
Debt Service Fund	<u>1,229</u>	<u>1,322</u>	<u>1,287</u>	<u>1,385</u>	<u>709</u>	<u>787</u>	<u>699</u>	
Total revenue	<u>\$ 15,518</u>	<u>\$ 16,015</u>	<u>\$ 16,274</u>	<u>\$ 16,799</u>	<u>\$ 14,945</u>	<u>\$ 15,442</u>	<u>\$ 15,961</u>	
ADM served per MDE School District Profiles Report (current year estimated)					<u>3,477</u>	<u>3,338</u>	<u>3,124</u>	
Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.								
Source of state-wide and metro area data: School District Profiles Report published by the MDE								

ADM used in the table above is based on enrollments consistent with those used in the MDE School District Profiles Report, which include extended time ADM, and may differ from ADM reported in other tables. Changes in enrollment also impact comparisons in the table above and on the next page when revenue and expenditures are based on fixed costs, such as debt levies and principal and interest on outstanding indebtedness.

The mix of local and state revenues vary from year to year primarily based on funding formulas and the state’s financial condition. The mix of revenue components from district to district varies, due to factors such as the strength of property values, mix of property types, operating and bond referendums, enrollment trends, density of population, types of programs offered, and countless other criteria.

The District’s revenues per ADM have been below both the metro area and state-wide averages in recent years.

The District earned \$49,863,443 in the governmental funds reflected above in fiscal 2021, a decrease of \$1,681,295 (3.3 percent) from the prior year, largely caused by declining enrollment. Total revenue per ADM served increased by \$519 (3.4 percent) per student, with declining enrollment. The increase in the basic formula allowance, as discussed earlier, improved special education funding, along with additional property taxes with an increase in the approved levy, contributed to the change in General Fund sources. Federal sources in the General Fund also increased with coronavirus relief and education stabilization funds recognized for COVID-19 pandemic-related spending. Significant programing changes and increased federal funding with the COVID-19 pandemic contributed to the change in the Food Service Special Revenue Fund. The pandemic also limited program participation, resulting in a reduction in other local revenues in the Community Service Special Revenue Fund. Debt Service Fund revenue per capita was down in the current year with a one-time inflow in other sources in the prior year.

The following table reflects similar comparative data available from the MDE for all governmental fund expenditures, excluding the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds. Other financing uses, such as bond refundings and transfers, are also excluded.

<b>Governmental Funds Expenditures per Student (ADM) Served</b>							
	State-Wide		Metro Area		SSD No. 6 – South St. Paul		
	2019	2020	2019	2020	2019	2020	2021
<b>General Fund</b>							
Administration and district support	\$ 1,065	\$ 1,093	\$ 1,078	\$ 1,100	\$ 878	\$ 919	\$ 1,077
Elementary and secondary regular instruction	5,787	5,881	6,112	6,231	6,087	6,558	6,311
Vocational education instruction	180	186	165	171	52	48	53
Special education instruction	2,380	2,481	2,505	2,626	2,320	2,557	2,777
Instructional support services	669	683	751	787	1,135	1,240	1,205
Pupil support services	1,178	1,203	1,282	1,316	866	1,005	842
Sites, buildings, and other	960	952	907	910	1,099	1,244	1,374
Total General Fund – noncapital	12,219	12,479	12,800	13,141	12,437	13,571	13,639
General Fund capital expenditures	721	748	675	717	573	552	529
Total General Fund	12,940	13,227	13,475	13,858	13,010	14,123	14,168
<b>Special revenue funds</b>							
Food Service	561	556	556	548	617	679	479
Community Service	675	661	799	774	689	650	547
Debt Service Fund	1,313	1,360	1,308	1,379	689	721	772
Total expenditures	<u>\$ 15,489</u>	<u>\$ 15,804</u>	<u>\$ 16,138</u>	<u>\$ 16,559</u>	<u>\$ 15,005</u>	<u>\$ 16,173</u>	<u>\$ 15,966</u>
ADM served per MDE School District Profiles Report (current year estimated)					<u>3,477</u>	<u>3,338</u>	<u>3,124</u>
Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.							
Source of state-wide and metro area data: School District Profiles Report published by the MDE							

Expenditure patterns also vary from district to district for various reasons. Factors affecting the comparison include the growth cycle or maturity of the District, average employee experience, availability of funding, population density, and even methods of allocating costs.

The District’s expenditures per ADM have also been below the averages presented above in recent years.

The District spent \$49,877,581 in the governmental funds reflected above in fiscal 2021, a decrease of \$4,104,270 (7.6 percent) from the prior year. On a per student basis, this represents a decrease of \$207 (1.3 percent). General Fund expenditures increased \$45 per student, with declining revenue. As presented in the table above, per capita spending shifted between functions in the General Fund due to several factors, included the District adjusting for declining enrollment and changes with distance and hybrid learning models caused by the COVID-19 pandemic. As previously mentioned, the decline in enrollment also impacted the expenditures on a per student basis, with an increase in the Debt Service Fund. Community Service was down, consistent with the decrease in revenues with fewer program offerings, due to the ongoing pandemic. Food Service was also down, due to less meals being served because of the ongoing pandemic.

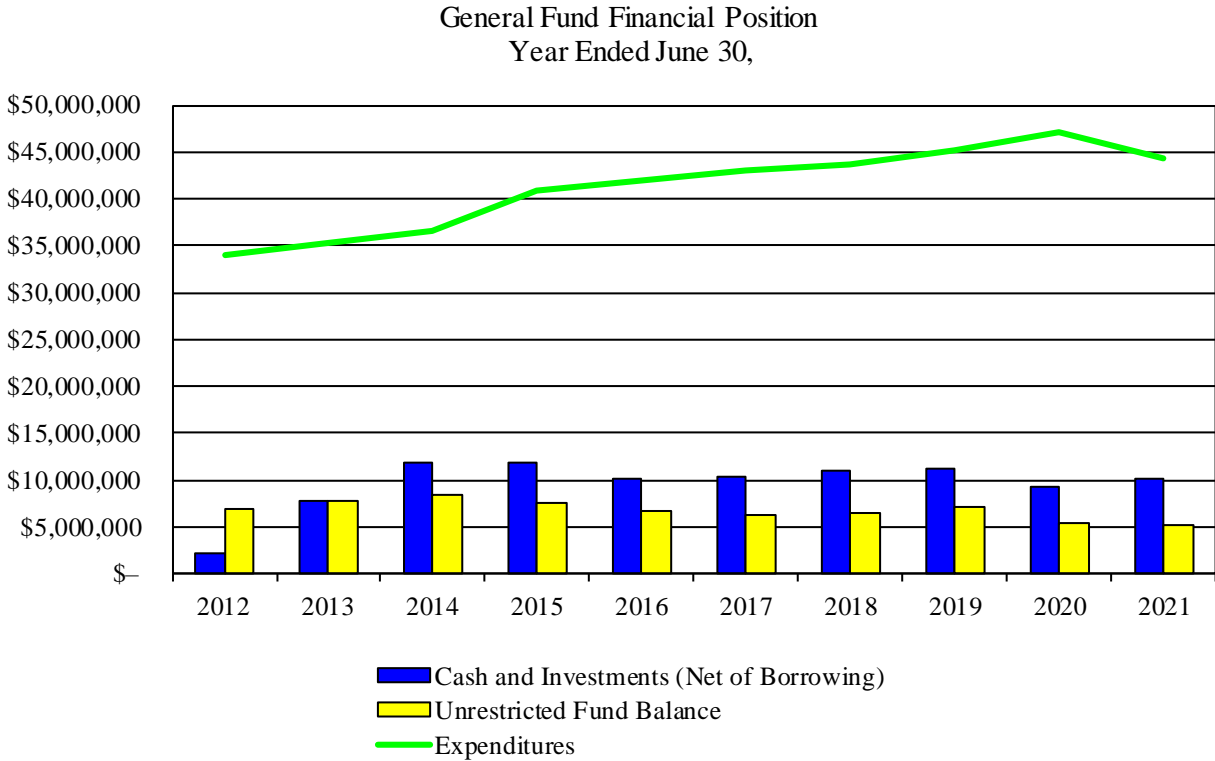
## SUMMARY

The COVID-19 pandemic caused numerous financial and operational challenges for districts in fiscal 2021; creating instability in student populations, requiring numerous shifts in the delivery of educational services, and resulting in substantial new and unfamiliar federal revenue streams, to name a few. Such challenges are expected to continue into the foreseeable future, as districts strive to provide a safe and effective learning experience for their students in this uncertain and unprecedented environment.

## FINANCIAL TRENDS OF YOUR DISTRICT

### GENERAL FUND FINANCIAL POSITION

The following graph displays the District’s General Fund trends of financial position and changes in the volume of financial activity. Unrestricted fund balance and cash balance are two indicators of financial health, while annual expenditures are often used to measure the size of the operation.



The District ended fiscal year 2021 with a General Fund cash and investments balance of \$10,049,151 (net of borrowing), an increase of \$871,843 from the previous year. Unrestricted fund balance (consisting of any assigned and unassigned fund balances) at year-end totaled \$5,269,704, a decrease of \$202,300. Total fund balance of the General Fund increased by \$162,692, compared to a decrease of \$750,000 approved in the final budget.

Legislatively-approved changes in the metering of state aid payments to school districts and in the tax shift significantly impacted cash and investment balances in certain years presented in the graph above.

## GENERAL FUND COMPONENTS OF FUND BALANCE

The following table presents the components of the General Fund balance for the past five years:

	June 30,				
	2017	2018	2019	2020	2021
Nonspendable fund balances	\$ 498,225	\$ –	\$ –	\$ –	\$ –
Restricted fund balances (1)	1,522,587	1,457,515	1,288,366	505,727	870,719
Unrestricted fund balances					
Assigned	2,387,848	1,888,230	2,669,807	2,213,778	1,345,563
Unassigned	3,883,649	4,667,938	4,433,711	3,258,226	3,924,141
<b>Total fund balances</b>	<b>\$ 8,292,309</b>	<b>\$ 8,013,683</b>	<b>\$ 8,391,884</b>	<b>\$ 5,977,731</b>	<b>\$ 6,140,423</b>
Unrestricted fund balances as a percentage of total expenditures	14.6%	15.0%	15.7%	11.6%	11.9%
Unassigned fund balances as a percentage of total expenditures	9.0%	10.7%	9.8%	6.9%	8.9%
(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.					

The table above reflects the total General Fund unrestricted fund balance and percentages, which differs from those used in the previous discussion of state-wide fund balances, which are based on a state formula.

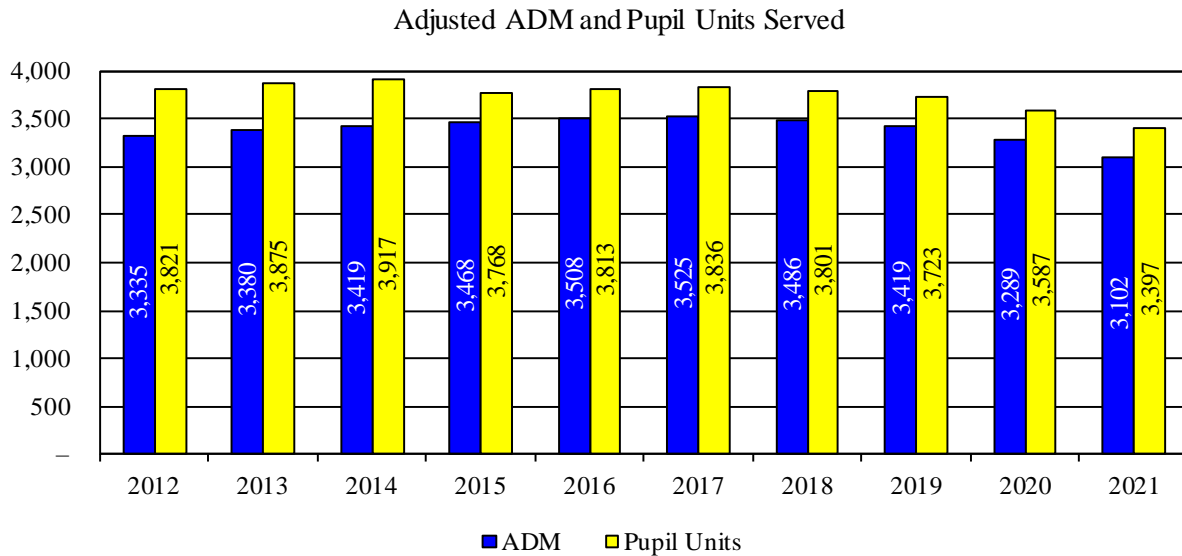
The resources represented by this fund balance are critical to a district's ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion against the impact of unexpected costs or funding shortfalls.

The School Board has formally adopted a fund balance policy regarding the minimum unrestricted fund balance for the General Fund. The policy establishes that the District will strive to maintain a minimum unrestricted General Fund balance of 12.0 percent of the annual budget.

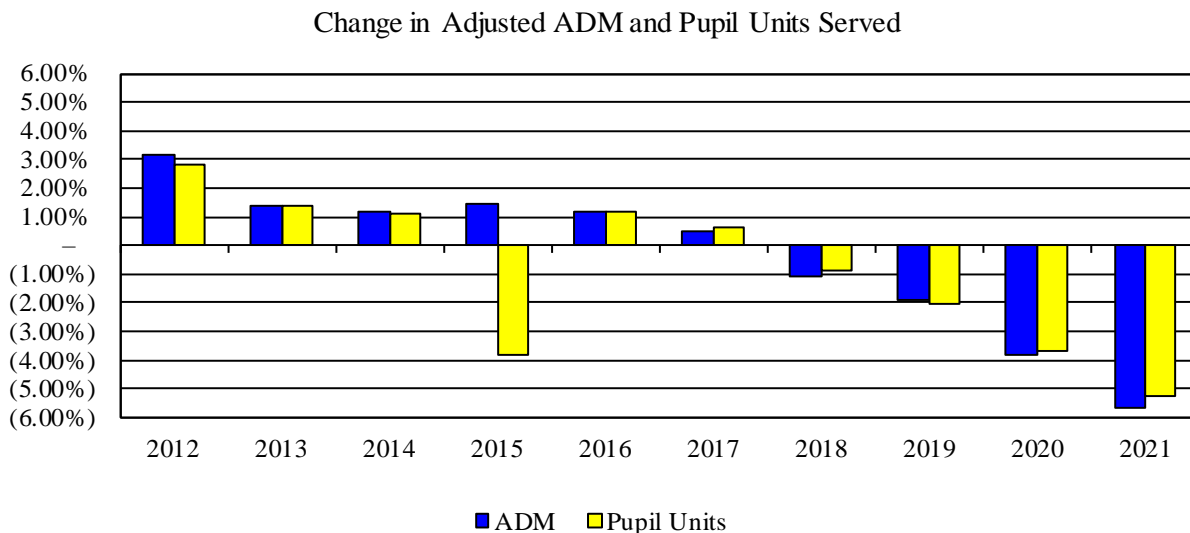
At June 30, 2021, unrestricted fund balance in the General Fund represented 11.9 percent of annual expenditures, or about six weeks of operations, assuming level spending throughout the year.

## AVERAGE DAILY MEMBERSHIP (ADM) AND PUPIL UNITS

The following graph presents the District's ADM and resulting pupil units served for the past 10 years:



The following graph shows the rate of change in ADM served by the District from year-to-year, along with the change in the resulting pupil units:



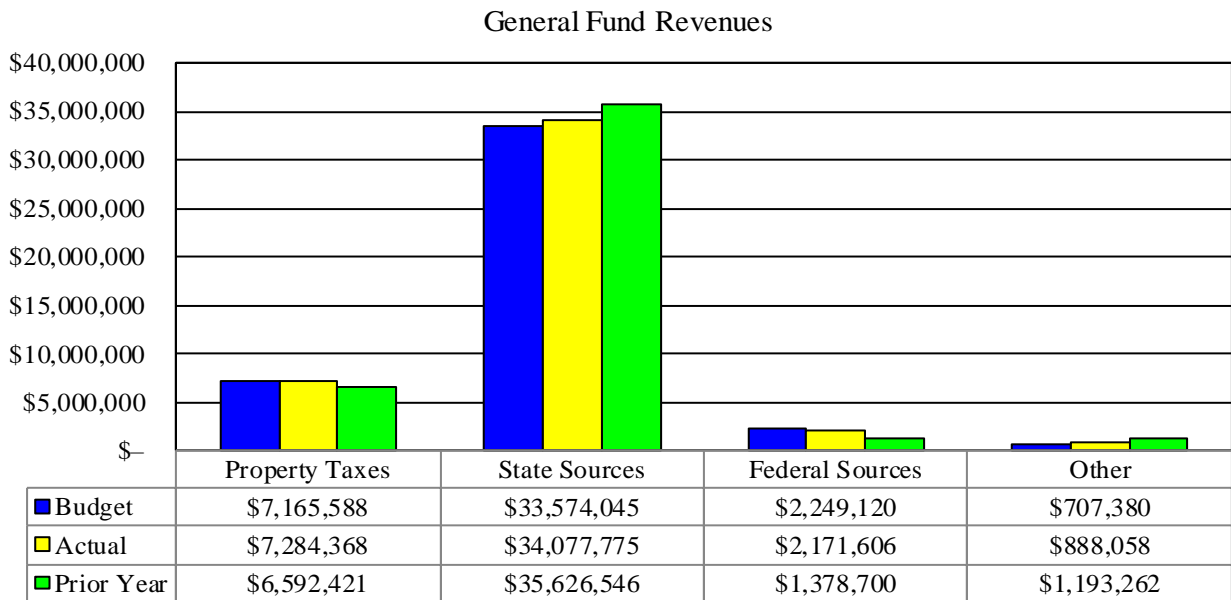
The change in pupil units for 2015 includes the effect of legislative reductions to pupil units.

ADM is a measure of students attending class, which is then converted to pupil units (the base for determining revenue) using a statutory formula. Not only is the original budget based on ADM estimates, the final audited financial statements are based on updated, but still estimated, ADM since the counts are not finalized until around January of the following year. When viewing revenue budget variances, one needs to consider these ADM changes, the impact of the prior year final adjustments which affect this year's revenue, and also the final adjustments caused by open enrollment gains and losses.

The District served an estimated ADM of 3,102 in 2021, a decrease of 187 ADM, or 5.7 percent, from the prior year. The number of pupil units served by the District for fiscal 2021 was 3,397, a decrease of 190 (5.3 percent) from the prior year.

## GENERAL FUND REVENUES

The following graph presents the District's General Fund revenues for 2021:



Total General Fund revenues were \$44,421,807 for the year ended June 30, 2021, which was \$725,674 (1.7 percent) over the final budget, and \$369,122 (0.8 percent) less than the prior year.

The largest budget variance was in state sources, which were \$503,730 over budget. Conservative budgeting for special education funding and student counts for general education funding accounted for the favorable variance in state sources. Conservative budgeting contributed to revenues surpassing budget for property taxes and other local sources.

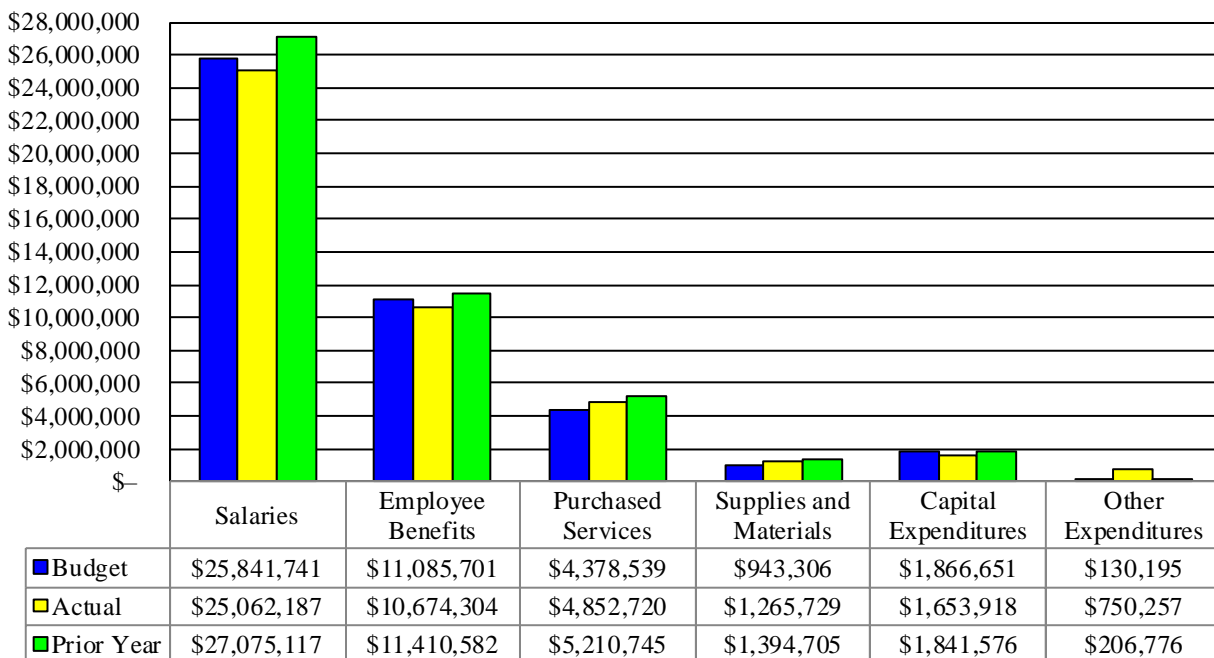
The decrease was primarily in state and other local sources, which were \$1,548,771 and \$305,204 less than the prior year, respectively. Increases in funding formulas were more than offset by the impact of declining enrollment in the current year largely accounting for the decrease in state sources. Investment earnings and program fees were down in the current year accounting for the drop in other local sources. An increase in the approved property tax levy and new federal coronavirus relief funds recognized for pandemic-related spending partially offset the decreases mentioned earlier.

The graph above reflects the concentration of state sources (76.7 percent), followed by property taxes (16.4 percent) recognized to finance General Fund operations.

## GENERAL FUND EXPENDITURES

The following graph presents the District's General Fund expenditures for 2021:

General Fund Expenditures



Total General Fund expenditures were \$44,259,115 for the year ended June 30, 2021, which was \$12,982 over the final budget and \$2,880,386 (6.1 percent) less than the prior year.

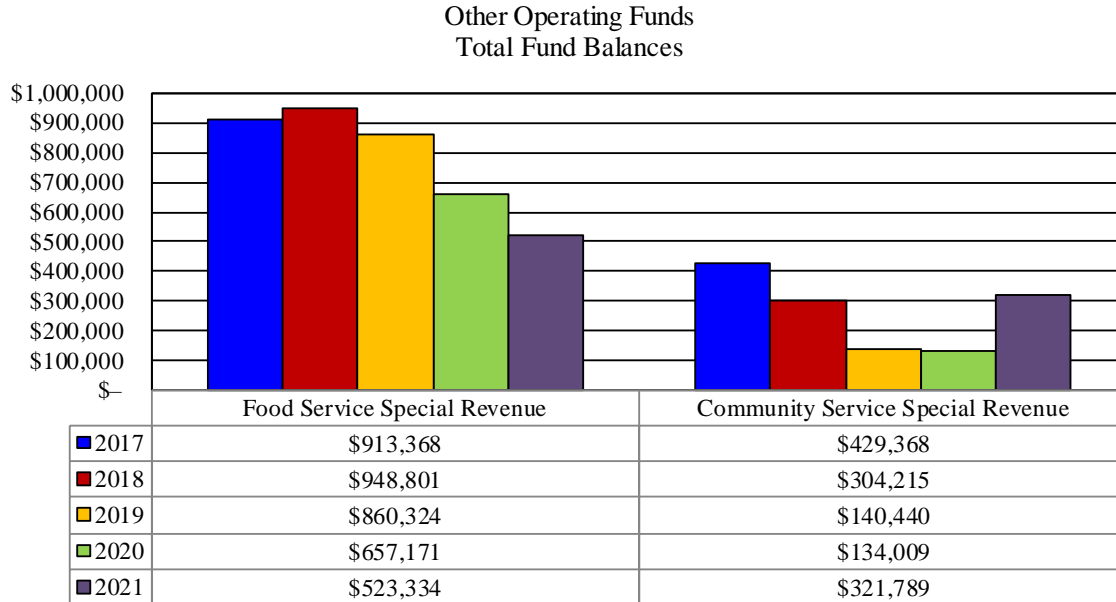
As presented in the graph above, expenditures variances to budget were both favorable and unfavorable and spread across all district programs. General Fund spending was close in total to budgeted appropriations.

Other expenditure were up with the principal interest payments on certificates of participation issued in the prior year. Each remaining category presented above reported less spending compared to the prior year. This was due to several factors including action taken by the District with reductions due to declining enrollment in recent years. The ongoing pandemic also impacted spending with changes due to new distance and hybrid learning models. The District also experienced difficulty in filling open positions with the tight labor market.

Salary and employee benefits, which account for 80.7 percent of General Fund spending, were \$2,749,208 (7.1 percent) less than the prior year and \$1,190,951 (3.2 percent) under budget.

## OTHER FUNDS OF THE DISTRICT

The following graph shows what is referred to as the other operating funds. The remaining nonoperating funds are only included in narrative form below, since their level of fund balance can fluctuate significantly, due to such things as issuing and spending the proceeds of refunding or building bonds and, therefore, the trend of fund balance levels is not necessarily a key indicator of financial health. It does not mean that these funds cannot experience financial trouble or that their fund balances are unimportant.



### Food Service Special Revenue Fund

The District's Food Service Special Revenue Fund ended the year with a decrease in fund balance of \$133,837 in 2021, compared to a budgeted decrease of \$373,884. Revenues were \$222,215 over budget, while expenditures were under budget by \$17,832. The Food Service Special Revenue Fund had a year-end fund balance of \$523,334, representing 35.0 percent of annual expenditures totaling \$1,497,272. Participation levels were difficult to anticipate with the changing learning models, along with programming changes allowed under the federal Summer Food Service Program for Children during the ongoing COVID-19 pandemic, contributing to the variances in revenues and expenditures compared to budget.

This operation has maintained a healthy fund balance for several years and has also been able to assist in funding a portion of several capital improvements to food service facilities in recent years. The District should continue reviewing upcoming capital needs of the operation and incorporate that information in establishing an optimal level of fund balance that is also within state and federal fund balance limits.

### Community Service Special Revenue Fund

The District's Community Service Special Revenue Fund ended the year with an increase in fund balance of \$187,780, compared to a budgeted decrease of \$42,776. Revenues were \$428,704 over budget, while expenditures were under budget by \$1,852. The Community Service Special Revenue Fund had a year-end fund balance of \$321,789, representing 18.8 percent of annual expenditures totaling \$1,708,194. With favorable operating results in the current year, a budgeted transfer from the General Fund to support operations was not necessary.

The Community Service Special Revenue Fund, like the Food Service Special Revenue Fund, needs to be self-sustaining. In addition to cost controls, financial analysis of the costs of providing programs, including overhead, is important. Fees and tuition charges should be sufficient to cover these costs, as well as potential funding shortfalls from state, federal, or property tax sources.

## **Capital Projects – Building Construction Fund**

The activity of this fund is largely controlled by various debt issues used for the acquisition, construction, or improvement of major capital facilities. Current year activity included spending the remaining resources, from certificates of participation issued in the prior year, for additional educational space. The fund was closed in the current year with completion of the project. Capital outlay spending in the current year totaled \$2,416,307 in this fund.

## **Debt Service Fund**

The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. It is important to remember that resources of the Debt Service Fund are restricted to the payment of outstanding debt obligations of the District. As of June 30, 2021, the District has \$725,335 available for the payment of debt.

## **Internal Service Funds**

### Dental Self-Insurance

The District established an internal service fund to account for the District's self-insured dental plan. As of June 30, 2021, net position totaled \$199,097, an increase of \$11,625 over the prior year.

### Medical Self-Insurance

The District established an internal service fund to account for the District's self-insured medical plan. As of June 30, 2021, net position totaled \$5,524,030, an increase of \$1,511,220 over the prior year.

### Other Post-Employment Benefits

In fiscal year 2010, the District established an internal service fund to finance the costs of retiree health (other post-employment benefits [OPEB]) as they accrue. The proceeds of the District's \$5.4 million OPEB bonds were contributed into this fund from the District's governmental funds. The assets in this fund are being held in a revocable trust account the District established to finance its OPEB liabilities, and can only be used to pay OPEB costs. However, because the District elected to make the trust revocable (meaning that under certain specific and very restrictive circumstances, the District may take the assets back out of the trust and use them for other purposes), these assets must be accounted for in the internal service funds, which are included in the District's government-wide financial statements.

The District's Other Post-Employment Benefits Internal Service Fund ended the year with cash and investments of \$4,898,293 available to pay future OPEB benefits. Net position increased from the prior year deficit balance of \$4,423,969 as previously reported, to a net position deficit of \$4,395,823 at the end of the current year. This is an increase of \$28,146 from current year activity.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's financial statements include fund-based information that focuses on budgetary compliance, and the sufficiency of the District's current assets to finance its current liabilities. The governmental reporting model also requires the inclusion of two government-wide financial statements designed to present a clear picture of the District as a single, unified entity. These government-wide financial statements provide information on the total cost of delivering educational services, including capital assets and long-term liabilities.

Theoretically, net position represents district resources available for providing services after its debts are settled. However, those resources are not always in expendable form, or there may be restrictions on how some of those resources can be used. Therefore, this statement divides net position into three components: net investment in capital assets, restricted, and unrestricted. The following table presents a summarized reconciliation of the District's governmental fund balances to net position, and the separate components of net position for the last two years:

	June 30,		Change
	2021	2020	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 7,710,881	\$ 10,123,367	\$ (2,412,486)
Total capital assets, net of depreciation	42,801,858	41,859,830	942,028
Bonds payable and certificates of participation (including unamortized premium)	(32,631,309)	(35,000,579)	2,369,270
Capital lease payable	(249,979)	(327,842)	77,863
Pension adjustments	(44,003,187)	(42,436,733)	(1,566,454)
Other adjustments	616,114	(974,583)	1,590,697
Total net position – governmental activities	<u>\$ (25,755,622)</u>	<u>\$ (26,756,540)</u>	<u>\$ 1,000,918</u>
Net position			
Net investment in capital assets	\$ 10,170,549	\$ 9,925,751	\$ 244,798
Restricted	2,163,000	2,352,453	(189,453)
Unrestricted	<u>(38,089,171)</u>	<u>(39,034,744)</u>	<u>945,573</u>
Total net position	<u>\$ (25,755,622)</u>	<u>\$ (26,756,540)</u>	<u>\$ 1,000,918</u>

Some of the District's fund balances translate into restricted net position by virtue of external restrictions (statutory restrictions) or by the nature of the fund they are in (e.g. Food Service Special Revenue Fund balance can only be spent for food service program costs). The unrestricted net position category consists mainly of the General Fund unrestricted fund balances, offset against noncapital long-term obligations, such as vacation payable, severance payable, net pension, and net OPEB liabilities.

Total net position increased by \$1,000,918 during fiscal 2021. The District's net investment in capital assets increased \$244,798 this year. The change in this category of net position typically depends on the relationship between the rate at which the District is adding additional capital assets, the rate capital assets are being depreciated, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets.

The restricted portion of the District's net position decreased, primarily in amounts restricted for debt service, food service, and for other state funding restrictions. The change in unrestricted net position includes changes in the District's proportionate share of the Public Employees Retirement Association and the Teachers Retirement Association pension plan liabilities and related deferments. The improved financial position of the General Fund, as previously discussed, also contributed to the increase in unrestricted net position.

## LEGISLATIVE SUMMARY

In a typical year, the primary focus of the 2021 Minnesota legislative session would have been the development of the state's fiscal year (FY) 2022–2023 biennial budget. However, given the significant events of the preceding year, including the COVID-19 pandemic and death of George Floyd while in police custody, the focus of the regular session shifted to legislation responding to the pressing issues that resulted from these events. The business of setting a biennial budget and passing an education finance bill were ultimately not addressed until a June special session.

There was positive news on the state's budget outlook entering the session. A May 2020 special pandemic budget projection had predicted the state would finish the FY 2020–2021 biennium with a \$2.4 billion shortfall. By the regular budget and economic forecast in February 2021, the state's fiscal outlook had improved, projecting a positive budgetary variance of \$940 million at the end of the biennium, reducing the threat of potential funding cuts to local government programs. The resulting education finance bill passed and signed by the Governor on June 30, 2021, included appropriation increases of approximately \$554 billion for the FY 2022–2023 biennium, and \$669 billion for the FY 2024–2025 biennium.

The following is a brief summary of specific legislative changes from the 2021 Legislature impacting Minnesota school districts in future years.

**General Education Revenue** – The Legislature approved annual increases of 2.45 percent and 2.00 percent to the basic general education formula allowance for the FY 2022–2023 biennium. The per pupil allowance will increase \$161 to \$6,728 for FY 2022, and another \$135 to \$6,863 for FY 2023.

**English Learner Cross-Subsidy Aid** – Approved annual appropriations of \$2 million to provide English learner cross-subsidy aid for FY 2022 through FY 2025. This new funding will be allocated annually to school districts and charter schools based on their proportionate share of English learner and concentration revenue from the preceding fiscal year, and must be used and accounted for within the basic skills program.

**Special Education Revenue** – The Legislature had previously approved enhancements to special education funding designed to hold the state average cross-subsidy per pupil constant at the FY 2019 level of \$82 per ADM for FY 2021, which included establishing a new component of the state special education funding formula, known as cross-subsidy reduction aid. Cross subsidy reduction aid will equal a percentage of each district's "initial cross-subsidy" for the prior fiscal year, with the percentages set at 6.43 percent for 2021. Initial cross-subsidy is defined as the district's nonfederal special education costs, including transportation, less state special education aid after tuition adjustments and general education aid attributable to students receiving special education services outside of the regular classroom for at least 60.00 percent of the school day. The 2021 Legislature approved an additional appropriation of \$10.425 million to fund a one-time increase to cross-subsidy for FY 2022, which is estimated to increase the percentage funded by 1.24 percent to a total of 7.67 percent. Charter schools are not eligible for cross-subsidy reduction aid.

**Voluntary Pre-Kindergarten (VPK) and School Readiness Plus (SRP)** – The Legislature approved continued funding for FY 2022 and FY 2023 to maintain 4,000 state-wide VPK and SRP seats set to expire after FY 2021. The Local Optional Revenue (LOR) second tier equalization factor was increased for FY 2023 only to offset the state-wide impact of levy changes for the VPK/SRP continuation, which should result in a levy increase for VPK/SRP districts and a levy decrease for most other districts.

**Hiring Bonuses** – Districts or schools are authorized to offer a hiring or retention bonus of \$2,500–\$5,000 to attract teachers who are American Indians or persons of color, or \$4,000–\$8,000 to meet staffing needs in shortage areas and to attract teachers who are American Indians or persons of color.

**Sales Tax Exemption** – A previous sales tax exemption for sales made by school-associated student groups for funding extracurricular student activities, that was eliminated by the 2019 omnibus education bill, was restored.

**Staff Development** – Teacher mentorship was added as an eligible use of general education aid restricted for staff development as part of a mandate for districts to develop teacher mentoring programs.

**Lunch Shaming Prohibited** – Students approved for free or reduced-price meal status must be served reimbursable meals irrespective of any outstanding individual student lunch account debt. Districts are required to post this policy.

## ACCOUNTING AND AUDITING UPDATES

The following is a summary of GASB standards expected to be implemented in the next few years. Due to the COVID-19 pandemic, the GASB has delayed the original implementation dates of these and other standards as described below.

### **GASB STATEMENT NO. 87, *LEASES***

A lease is a contract that transfers control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this statement.

Governments enter into leases for many types of assets. Under the previous guidance, leases were classified as either capital or operating depending on whether the lease met any of the four tests. In many cases, the previous guidance resulted in reporting lease transactions differently than similar nonlease financing transactions.

The goal of this statement is to better meet the information needs of users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Under this statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

To reduce the cost of implementation, this statement includes an exception for short-term leases, defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this statement are effective for fiscal years beginning after June 15, 2021.

### **GASB STATEMENT NO. 92, *OMNIBUS 2020***

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other post-employment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for post-employment benefits

- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to post-employment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

The requirements of this statement are effective for fiscal years beginning after June 15, 2021. Earlier application is encouraged.

**GASB STATEMENT NO. 96, *SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS***

This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability.

This statement provides an exception for short-term SBITAs with a maximum possible term under the SBITA contract of 12 months, including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

***GASB STATEMENT NO. 97, CERTAIN COMPONENT UNIT CRITERIA, AND ACCOUNTING AND FINANCIAL REPORTING FOR INTERNAL REVENUE CODE SECTION 457 DEFERRED COMPENSATION PLANS—AN AMENDMENT OF GASB STATEMENT NO. 14 AND NO. 84, AND A SUPERSESSION OF GASB STATEMENT NO. 32***

The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this statement that (1) exempt primary governments that perform the duties that a government board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans, and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this statement.

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**SPECIAL SCHOOL DISTRICT NO. 6  
SOUTH ST. PAUL, MINNESOTA**

**Audit Report  
Year Ended June 30, 2021**





## AUDITOR'S ROLE

- **Opinion on Financial Statements**
  - **District Audit**
- **Internal Controls and Compliance**
  - **Financial Statement Audits**
  - **Federal "Single Audit"**
  - **State Laws and Regulations**



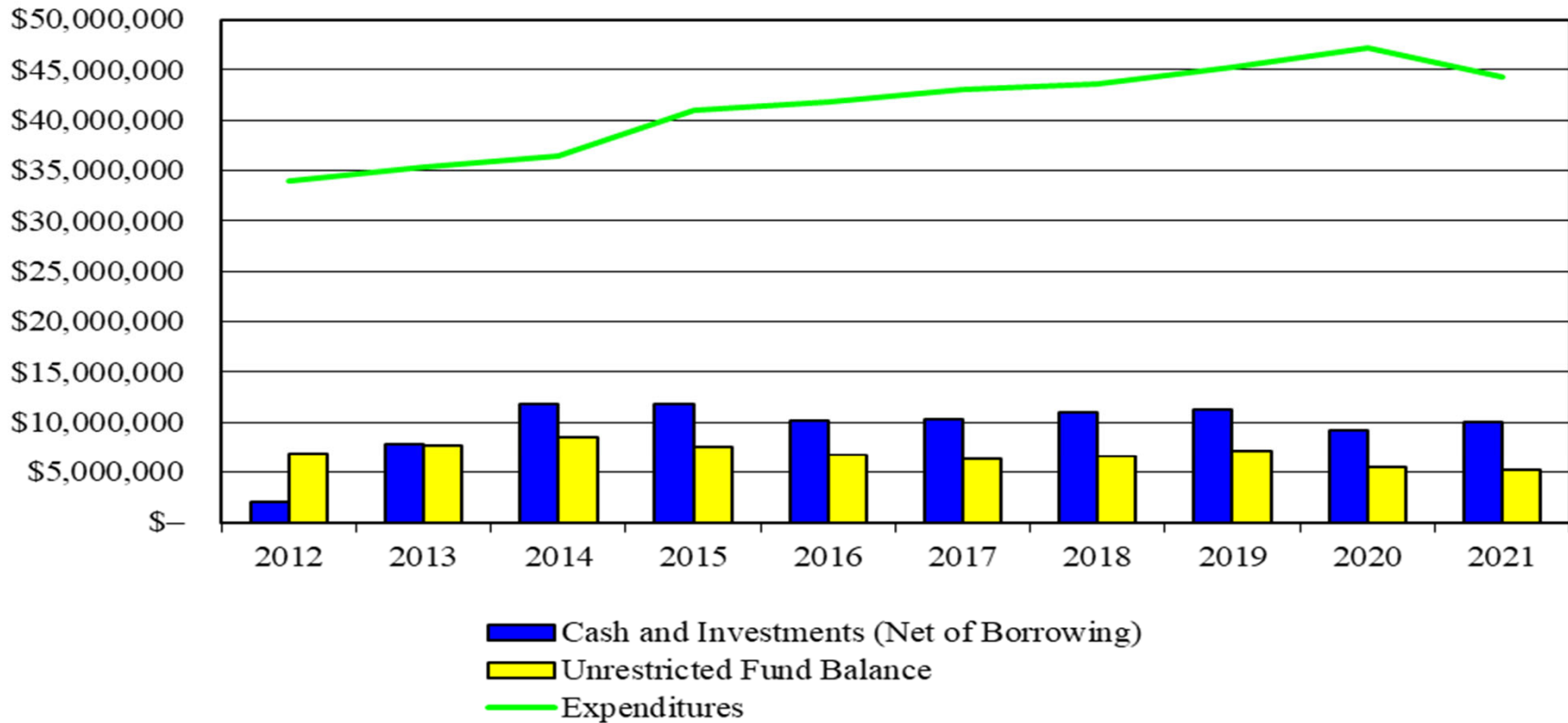
# AUDIT RESULTS

- **District Audit**
  - **Unmodified Opinion on Basic Financial Statements**
  
  - **Internal Control and Compliance Reports**
    - **2021-001 - Limited Segregation of Duties**



# GENERAL FUND FINANCIAL POSITION

General Fund Financial Position  
Year Ended June 30,





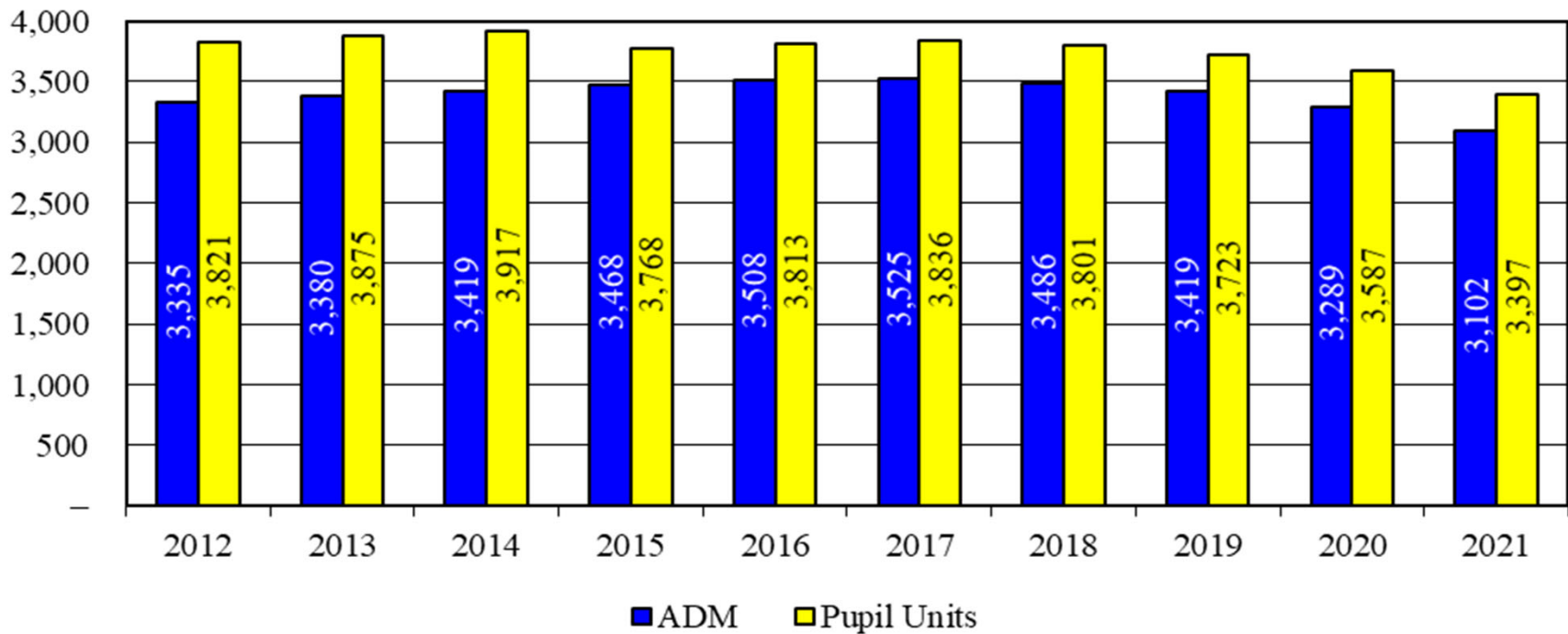
# GENERAL FUND FINANCIAL POSITION

	June 30,				
	2017	2018	2019	2020	2021
Nonspendable fund balances	\$ 498,225	\$ –	\$ –	\$ –	\$ –
Restricted fund balances (1)	1,522,587	1,457,515	1,288,366	505,727	870,719
Unrestricted fund balances					
Assigned	2,387,848	1,888,230	2,669,807	2,213,778	1,345,563
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<b>Total fund balances</b>	<b>\$ 8,292,309</b>	<b>\$ 8,013,683</b>	<b>\$ 8,391,884</b>	<b>\$ 5,977,731</b>	<b>\$ 6,140,423</b>
Unrestricted fund balances as a percentage of total expenditures	<u>14.6%</u>	<u>15.0%</u>	<u>15.7%</u>	<u>11.6%</u>	<u>11.9%</u>
Unassigned fund balances as a percentage of total expenditures	<u>9.0%</u>	<u>10.7%</u>	<u>9.8%</u>	<u>6.9%</u>	<u>8.9%</u>

(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.

# ADJUSTED ADM AND PUPIL UNITS SERVED

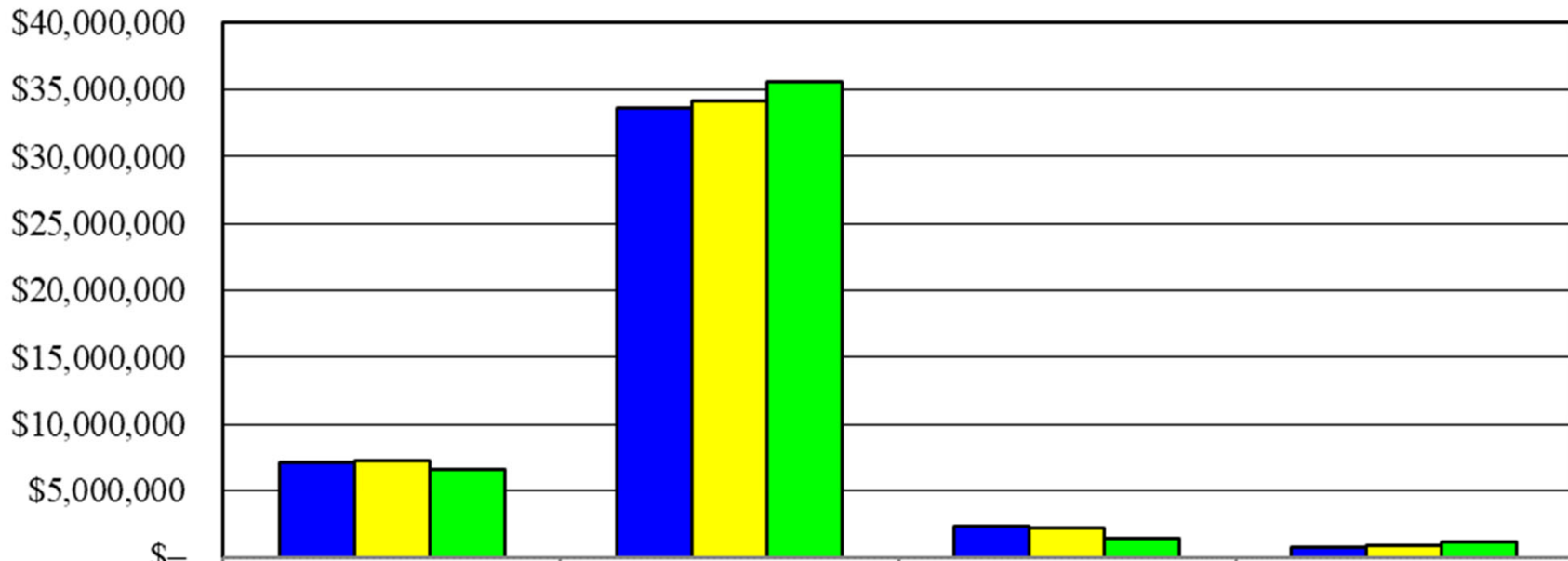
Adjusted ADM and Pupil Units Served



The change in pupil units for 2015 includes the effect of legislative reductions to pupil units.

# GENERAL FUND REVENUE

General Fund Revenues

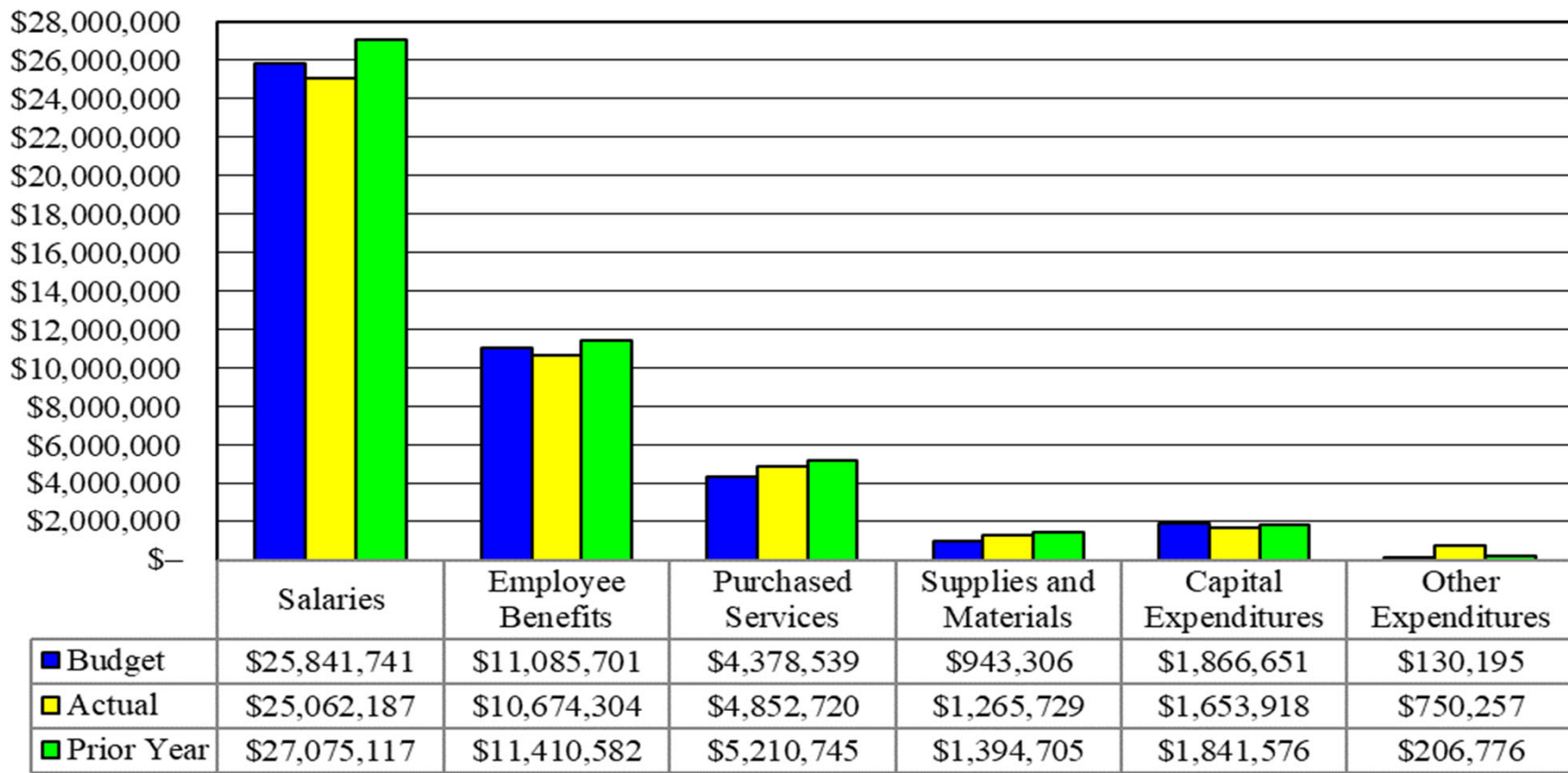


	Property Taxes	State Sources	Federal Sources	Other
■ Budget	\$7,165,588	\$33,574,045	\$2,249,120	\$707,380
■ Actual	\$7,284,368	\$34,077,775	\$2,171,606	\$888,058
■ Prior Year	\$6,592,421	\$35,626,546	\$1,378,700	\$1,193,262



# GENERAL FUND EXPENDITURES

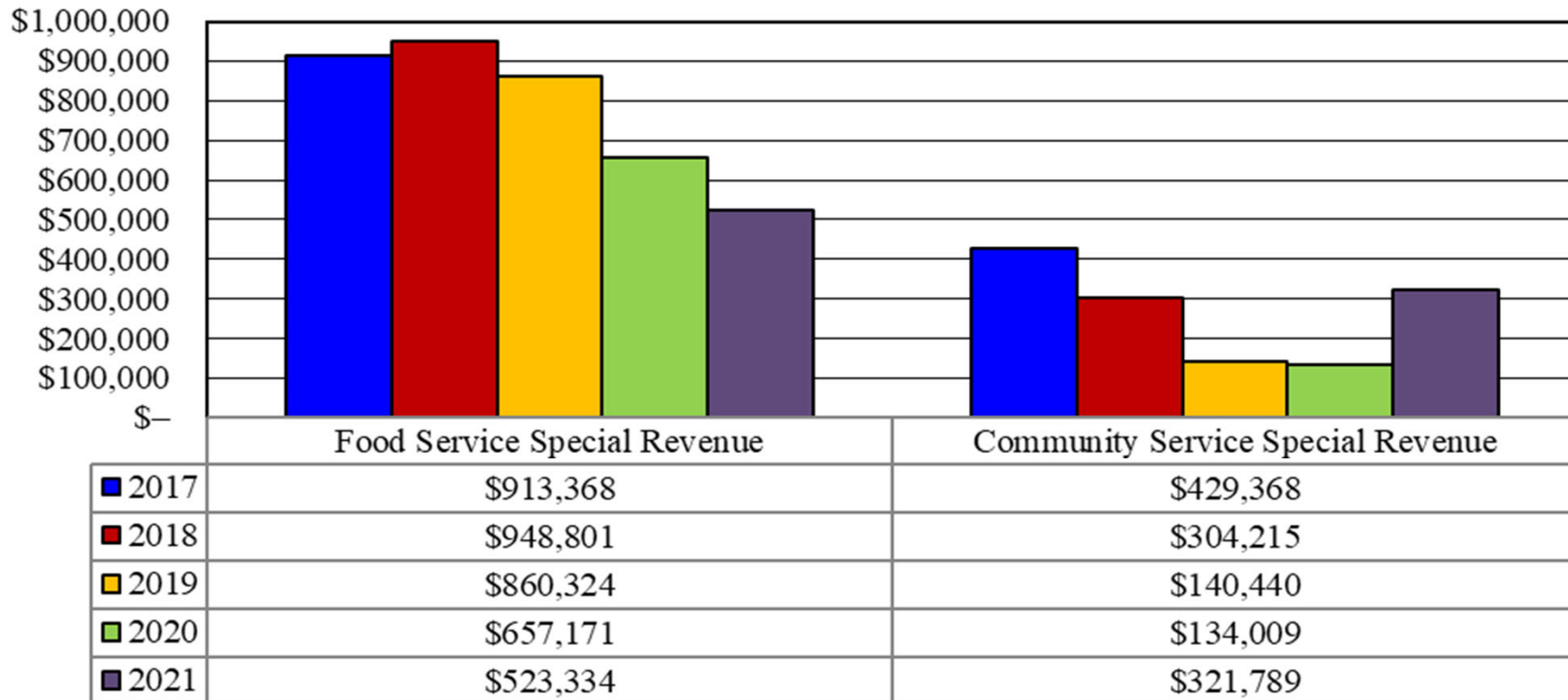
General Fund Expenditures





# OTHER GOVERNMENTAL FUNDS

Other Operating Funds  
Total Fund Balances





# DISTRICT-WIDE STATEMENT OF NET POSITION

	June 30,		Change
	2021	2020	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 7,710,881	\$ 10,123,367	\$ (2,412,486)
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Pension adjustments	(44,003,187)	(42,436,733)	(1,566,454)
Other adjustments	616,114	(974,583)	1,590,697
Total net position – governmental activities	<u>\$ (25,755,622)</u>	<u>\$ (26,756,540)</u>	<u>\$ 1,000,918</u>
Net position			
Net investment in capital assets	\$ 10,170,549	\$ 9,925,751	\$ 244,798
Restricted	2,163,000	2,352,453	(189,453)
Unrestricted	(38,089,171)	(39,034,744)	945,573
Total net position	<u>\$ (25,755,622)</u>	<u>\$ (26,756,540)</u>	<u>\$ 1,000,918</u>



## SOUTH ST. PAUL PUBLIC SCHOOLS

### School Board Agenda Item

**Meeting Date:** Monday, November 22, 2021

**Place on Agenda:** Committee-of-the-Whole and Regular Agenda

**Action Requested:** Approval

**Attachment:**

<b>Topic:</b> 2021-22 Miscellaneous Wages
<b>Presenter(s):</b> Cathy Miller, Human Resource Director
<b>Background:</b> <p>Annually, miscellaneous wages for various tasks or assignments are recommended to the School Board approval. The assignments included are game workers, officials, community education, substitute rates and other miscellaneous rates. The School Board approved most rates on June 14, 2021 and August 9, 2021.</p> <p>Administration is requesting approval for a rate of pay for a new Community Education assignment of Aquatics Lead Instructor in the amount of \$20.00 per hour to be added to the 2021-22 Miscellaneous Wages.</p>
<b>Recommendation:</b> <p>Approval of the Aquatics Lead Instructor hourly rate of pay to include on the 2021-22 Miscellaneous Wages.</p>
<b>Alternatives:</b> <p>Do not approve the Aquatics Lead Instructor hourly rate of pay and direct administration with next steps.</p>



# SOUTH ST. PAUL PUBLIC SCHOOLS

## School Board Agenda Item

**Meeting Date:** Monday, November 22, 2021

**Place on Agenda:** COW and Regular Agenda

**Action Requested:** Approval

**Attachment:**

<b>Topic:</b> 2021-2023 Educational Support Professional Agreement
<b>Presenter(s):</b> Cathy Miller, Human Resources Director
<p><b>Background:</b></p> <p>The school district has reached a tentative agreement with the South St. Paul Educational Support Professionals, on the Collective Bargaining Agreement for the period of July 1, 2021 through June 30, 2023. The proposed agreement is within the parameters established by the Board of Education.</p> <p>The components of the settlement have been provided to the School Board and the Educational Support Professional group approved this settlement on November 17, 2021. The Agreement includes a salary increase of 2.0% in year one and 2% in year two, along with 5% increase in the district contribution towards health insurance in year one and 5% increase year two.</p>
<p><b>Recommendation:</b></p> <p>Approval the agreement with the Educational Support Professionals for the agreement period of July 1, 2021 to June 30, 2023.</p>
<p><b>Alternatives:</b></p> <p>Do not approve the agreement and direct administration with next steps.</p>



## SOUTH ST. PAUL PUBLIC SCHOOLS

### School Board Agenda Item

**Meeting Date:** Monday, November 22, 2021

**Place on Agenda:** COW and Regular Agenda

**Action Requested:** Approval

**Attachment:** Educational Support Professionals Memorandum of Agreement One-Time Longevity & Retention Stipend

**Topic:** Educational Support Professionals Memorandum of Agreement One-Time Longevity & Retention Stipend

**Presenter(s):** Cathy Miller, Human Resources Director

**Background:**

The Educational Support Professionals Union and District have agreed to a Memorandum of Agreement (MOA) for a one-time longevity & retention stipend in the amount of \$500 to eligible employees for the 2021-22 school year. Eligibility criteria and payment is defined in the MOA.

Administration recommends approval of the Memorandum of Agreement.

**Recommendation:**

Approval of the Educational Support Professionals Memorandum of Agreement for a one-time longevity & retention stipend for the 2021-22 school year.

**Alternatives:**

Do not approve the Educational Support Professionals Memorandum of Agreement for a one-time longevity & retention stipend for the 2021-22 school year and direct administration with next steps.

**Memorandum of Agreement  
Longevity and Retention One-Time Stipend**

This Memorandum of Agreement (“MOA”) is entered into by and between South St. Paul Public Schools, Special School District No. 6, (hereafter “District”) and South St. Paul Educational Support Professionals, Local #7312 (hereafter “Union”).

WHEREAS, the Union and the District are parties to a collective bargaining agreement (“CBA”) governing the negotiated terms and conditions of employment for educational support professionals who are employed by the District;

WHEREAS, the COVID-19 pandemic has caused staffing shortages and the District would like to offer retention incentives to respond to and address this problem;

WHEREAS, the District is willing to agree, on a one-time basis, to pay a \$500 longevity and retention stipend during the 2021-22 school year to eligible employees within the payments and eligibility criteria defined below.

NOW, THEREFORE, the Union and the District agree as follows:

- 1) Educational Support Professionals (ESPs) are eligible for a one-time stipend in the amount of \$500 for the 2021-22 school year. Eligibility is defined as ESPs in a paid school year assignment for 2021-22 school year and remain in an active and eligible status through December 1, 2021. Eligible employees are limited to a single one-time longevity and retention stipend in the 2021-22 school year.
- 2) Active and eligible employees hired and employed on or prior to November 1, 2021 and remain in an active and eligible status through December 1, 2021 will be paid a one-time longevity and retention stipend in the amount of \$500 on December 7, 2021. Active and eligible employees hired and employed on or after November 2, 2021 and remain in an active and eligible status through April 1, 2022 will be paid a one-time longevity and retention stipend in the amount of \$500 on April 7, 2022.

This MOA is separate from and not part of the CBA. As a result, this MOA is not subject to the grievance process. This MOA does not establish any precedent or practice that will continue after June 30, 2022. No party may present or rely on this MOA as establishing any precedent or practice extending beyond June 30, 2022.

This MOA will expire on June 30, 2022.

IN WITNESS WHEREOF, the parties have executed this Agreement as follows:

For \_\_\_\_\_  
South St. Paul Public Schools  
Special School District No. 6  
South St. Paul, MN 55075

For \_\_\_\_\_  
Education Minnesota  
South St. Paul Educational Support  
Professionals  
Local No. 7312

\_\_\_\_\_  
School Board Chair

\_\_\_\_\_  
President

\_\_\_\_\_  
School Board Secretary-Clerk

\_\_\_\_\_  
Negotiations Representative

\_\_\_\_\_  
Director of Human Resources

\_\_\_\_\_  
Negotiations Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



## SOUTH ST. PAUL PUBLIC SCHOOLS

### School Board Agenda Item

**Meeting Date:** Monday, November 22, 2021

**Place on Agenda:** COW and Regular Agenda

**Action Requested:** Approval

**Attachment:** Principal Memorandum of Agreement One-Time Longevity & Retention Stipend

<b>Topic:</b> Principal Memorandum of Agreement One-Time Longevity & Retention Stipend
<b>Presenter(s):</b> Cathy Miller, Human Resources Director
<b>Background:</b>  The Principals Association and District have agreed to a Memorandum of Agreement (MOA) for a one-time longevity & retention stipend in the amount of \$500 to eligible employees for the 2021-22 school year. Eligibility criteria and payment is defined in the MOA.  Administration recommends approval of the Memorandum of Agreement.
<b>Recommendation:</b>  Approval of the Principal Memorandum of Agreement for a one-time longevity & retention stipend for the 2021-22 school year.
<b>Alternatives:</b>  Do not approve the Principal Memorandum of Agreement for a one-time longevity & retention stipend for the 2021-22 school year and direct administration with next steps.

**Memorandum of Agreement  
Longevity & Retention One-Time Stipend**

This Memorandum of Agreement (“MOA”) is entered into by and between South St. Paul Public Schools, Special School District No. 6, (hereafter “District”) and South St. Paul Principals’ Association (hereafter “Union”).

WHEREAS, the Union and the District are parties to a collective bargaining agreement (“CBA”) governing the negotiated terms and conditions of employment for principals who are employed by the District;

WHEREAS, the COVID-19 pandemic has caused staffing shortages and the District would like to offer retention incentives to respond to and address this problem;

WHEREAS, the District is willing to agree, on a one-time basis, to pay a \$500 longevity and retention stipend during the 2021-22 school year to eligible principals within the payments and eligibility criteria defined below.

NOW, THEREFORE, the Union and the District agree as follows:

- 1) Principals are eligible for a one-time longevity and retention stipend in the amount of \$500 for the 2021-22 school year. Eligibility is defined as principals in a paid school year assignment for 2021-22 school year and remain in an active and eligible status through December 1, 2021.
- 2) Active and eligible employees hired and employed on or prior to November 1, 2021 and remain in an active and eligible status through December 1, 2021 will be paid a one-time longevity and retention stipend in the amount of \$500 on December 7, 2021. Active and eligible employees hired and employed on or after November 2, 2021 and remain in an active and eligible status through April 1, 2022 will be paid a one-time longevity and retention stipend in the amount of \$500 on April 7, 2022.

This MOA is separate from and not part of the CBA. As a result, this MOA is not subject to the grievance process. This MOA does not establish any precedent or practice that will continue after June 30, 2022. No party may present or rely on this MOA as establishing any precedent or practice extending beyond June 30, 2022.

This MOA will expire on June 30, 2022.

**IN WITNESS WHEREOF**, the parties have executed this Memorandum of Agreement as follows:

For \_\_\_\_\_  
**South St, Paul Public Schools  
Special School District #6**

For \_\_\_\_\_  
**South St. Paul  
Principals’ Association**

\_\_\_\_\_  
School Board Chair

\_\_\_\_\_  
Association Representative

\_\_\_\_\_  
School Board Vice Chair

\_\_\_\_\_  
Association Representative

\_\_\_\_\_  
Director of Human Resources

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_



# SOUTH ST. PAUL PUBLIC SCHOOLS

## School Board Agenda Item

**Meeting Date:** November 22, 2021

**Place on Agenda:** Committee-of-the-Whole and Regular Business Meeting

**Action Requested:** Approval

**Attachment:** Superintendent Search Firm Proposal Comparison  
MSBA Executive Search Service Proposal  
School Exec Connect Search Proposal

<b>Topic:</b> Superintendent Search Consultant
<b>Presenter(s):</b> Board Personnel Committee: Linda Diaz, Nikki Laliberte and John Raasch
<p><b>Background:</b></p> <p>At the request of the Board, the Board Personnel Committee met on November 15 to review and discuss the superintendent search firm proposals received from the Minnesota School Boards Association (MSBA) and School Exec Connect.</p> <p>The committee concluded that overall, the services within the proposals were very similar with some minor differences on the structure of services. It is noted that both organizations will gather critical stakeholder feedback throughout the superintendent search process. The committee also recognized and discussed the following factors when preparing their recommendation:</p> <ul style="list-style-type: none"> <li>• Cost</li> <li>• Post-hiring support that MSBA provides</li> <li>• Guarantees offered by School Exec Connect</li> <li>• Search lens (board, superintendent, equity, and state/legislative familiarity)</li> </ul> <p>On Monday evening, the Board will hear the rationale for the personnel committee’s recommendation and discuss next steps.</p>
<p><b>Recommendation:</b></p> <p>The Board Personnel Committee recommends entering into a Superintendent Search Agreement with the Minnesota School Boards Association (MSBA).</p>
<p><b>Alternatives:</b></p> <p>Do not enter into a Superintendent Search Agreement with MSBA and direct the Board Personnel Committee with next steps.</p>

## Superintendent Search Proposal Comparison

	MSBA	School Exec Connect	Notes
<b>Cost</b>	Base Fee 13,500 Workshop Credit - 1,295 Total Fee 12, 205 In Person Meetings +900 <b>\$13,105</b>	Base Fee 15,900 Misc Expenses 1,500 <b>\$17,400</b>	Estimated difference of <b>\$4,295</b>
<b>Components of Search</b> <ul style="list-style-type: none"> <li>● Superintendent Profile - Stakeholder Input</li> </ul>	<ul style="list-style-type: none"> <li>● Online Survey with an option to add a focus group component.                             <ul style="list-style-type: none"> <li>○ \$1,295 per day in-person and \$995 virtual; or</li> <li>○ \$300 per focus group</li> </ul> </li> </ul>	Online Survey and focus group	The services within the both proposals are very similar with minor differences in the process of the services.
<b>Assigned Consultants</b>	12 listed in the proposal. Uncertain as to who is dedicated / running point on the search.	Dr. Kenneth Dragseth, Senior Partner Ms. Lisa Anderson, Associate	
<b>Conducted Searches (References)</b>	<ul style="list-style-type: none"> <li>● Austin Public Schools</li> <li>● Bloomington Public Schools</li> <li>● Byron Public Schools</li> <li>● DGF Public Schools</li> <li>● Intermediate 917</li> <li>● Montevideo Public Schools</li> <li>● Rochester Public Schools</li> <li>● Hastings Public Schools</li> </ul>	<ul style="list-style-type: none"> <li>● WSP-Mendota Heights-Eagan Area Schools</li> <li>● South Washington County</li> <li>● St Louis Park Schools</li> <li>● Robbinsdale Area Schools</li> <li>● Burnsville-Eagan-Savage Schools</li> <li>● Richfield Public Schools</li> <li>● Edina Public Schools</li> </ul>	
<b>Personnel Committee thoughts</b>	<ul style="list-style-type: none"> <li>● Post-hiring support</li> <li>● MSBS singled out who they would share their posting to various organizations of color</li> <li>● Has more of a board lens</li> <li>● Works closely with Minnesota legislatures/laws</li> </ul>	<ul style="list-style-type: none"> <li>● School Exec guarantees</li> <li>● Has more of a superintendent lens</li> </ul>	

<b>Recommendation and Rationale</b>	<p>The Board Personnel Committee recommends entering into a Superintendent Search Agreement with the Minnesota School Boards Association (MSBA)</p> <ul style="list-style-type: none"><li>○ Cost</li><li>○ Transition Plan</li><li>○ Board lens versus superintendent lens</li><li>○ Minnesota focus but ability use a broader more diverse pool of candidates</li><li>○ Works closely with Understands Minnesota legislative focus</li></ul>
<b>Next Steps</b>	<p>Developing Superintendent Standards can help give us a guiding light to specific duties of a superintendent while we decide which are priorities and include other skills/abilities/characteristics/ that fit our district best. To help Board members prepare for the conversations, process and decisions that will follow in the coming weeks, here are some things to be thinking about:</p> <ul style="list-style-type: none"><li>● What do you view as the three most important goals for your school district to achieve in the next three years?</li><li>● What do you see as the three greatest strengths for achieving these goals?</li><li>● What do you see as the three greatest challenges for achieving these goals?</li><li>● What are the three most important characteristics you believe the next superintendent should possess to be successful in SSPPS?</li></ul> <p><i>Note: These are sample questions and not necessarily the exact ones that will be asked by the selected search firm.</i></p>



**EXECUTIVE SEARCH SERVICES  
FOR  
SOUTH ST. PAUL PUBLIC SCHOOLS**

November 6, 2021

**South St. Paul**  
*Public Schools*





*Where Minnesota School Boards Learn to Lead*

November 6, 2021

Linda Diaz, School Board Chair  
South St. Paul Public Schools  
104 Fifth Avenue South  
South St. Paul, MN 55075

Dear Chair Diaz and Members of the South St. Paul Public Schools School Board:

On behalf of the Minnesota School Boards Association, thank you for the opportunity to present this proposal to assist South St. Paul Public Schools in the search for a new superintendent. As the School Board has recognized, engaging a search firm can be an effective and efficient way to find your district's next leader, and MSBA looks forward to visiting further about your district's specific needs. Whatever those might be, MSBA's firm grasp of school board challenges and opportunities, as well as the pandemic's effect on pre-K - 12 education, makes our Executive Search team uniquely qualified to assist your district with this search.

Without question today's reality has tested superintendents and school boards as never before. Relentless uncertainty has challenged every district's best-laid plans for everything from governance to management, up to and including superintendent search. As South St. Paul Public Schools seeks its next leader, your search must continue to take into consideration these uncertainties and their potential effect on facets of the search such as crafting the district's hiring criteria, stakeholder involvement, interview processes and procedures, and the impact of Minnesota's open meeting law and data privacy issues on search activities. MSBA's role as a guide to Minnesota school boards has continued to broaden and deepen throughout the pandemic, and our expertise in superintendent search has simultaneously led to increased and unexpected benefits to member districts utilizing MSBA's search services.

For example, over the past two years MSBA has assisted more than 40 Minnesota school boards find a new superintendent, and in each case our process increased their district's search process transparency as well as significantly grew and diversified stakeholder participation. MSBA also gleaned internal efficiencies and increased effectiveness through 100% online delivery of services during this time, which has now led to improvements in all our processes as well. As Minnesota school districts ease back toward some semblance of normalcy this year, MSBA's experience, qualifications, and steady hand will provide the assistance South St. Paul Public Schools needs to successfully conduct the District's search for your next superintendent.

Thank you for your consideration of MSBA's Executive Search services. We believe our approach and experience align well with your District's priorities, and we would be honored to assist with South St. Paul's superintendent search. Please let me know if you have any questions regarding this proposal, or if you need further clarification on MSBA's search services, staff qualifications, fees, or references.

Sincerely,

Barb Dorn  
MSBA Director of Leadership Development and Executive Search

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### PRESENTED BY

### Minnesota School Boards Association Executive Search Service

1900 West Jefferson Ave.  
St. Peter, MN 56082

Phone: 800-324-4459

Fax: 507-931-1515

[www.mnmsba.org/  
ExecutiveSearchService](http://www.mnmsba.org/ExecutiveSearchService)

### Prepared for

Linda Diaz  
School Board Chair

### Prepared by

Barb Dorn  
MSBA Executive Search  
507-508-5501 (cell)  
[bdorn@mnmsba.org](mailto:bdorn@mnmsba.org)



# INTRODUCTION

One of the most important decisions a school board will ever make is to choose a new superintendent. As the school district's chief executive officer, the superintendent is responsible for providing district-wide leadership, implementing the school board's policies, and ensuring the school board's priorities are met. Effective superintendents ensure that all students are learning at high levels. Ultimately, hiring the right superintendent — someone who possesses the skills and attributes needed to help achieve your school district's vision and strategic priorities — requires time, thoughtful planning, and sound recruitment and employment processes and procedures.

The Minnesota School Boards Association (MSBA) is pleased to present the School Board of South St. Paul Public Schools with a proposal for executive search services. MSBA has been serving Minnesota school boards for over 100 years, and as a result brings a strong school board perspective to the search and has a vested interest in helping your School Board find and hire the best person for its superintendent.

MSBA-led searches are based on one clear premise: all searches are conducted through the lens of School Board leadership. Throughout the search the MSBA search team will professionally handle all details and guide the School Board through the process. The MSBA search team will customize the search to meet the needs of the school district and community, allowing the School Board to concentrate on the most important aspects of the search — interviewing the most qualified candidates and selecting the next superintendent.

## TESTIMONIALS FOR MSBA EXECUTIVE SEARCH SERVICES

*"MSBA far surpassed our expectations. They are the perfect guide to help school boards navigate the superintendent search process, and I would absolutely recommend MSBA because of their depth of expertise and ability to empower boards to make informed decisions. Also -- and this is no small thing -- the candidates they brought forward were exceptional. I cannot imagine how we could have navigated this experience without them."*

*- Dr. Jean Marvin, Board Chair, Rochester Public Schools*

*"In hiring our next superintendent we needed an extremely transparent process that heavily involved the community and staff, along with strong facilitation to keep us on task. MSBA gave us this and more. I highly endorse their executive search services and believe MSBA's leadership also helped move our school board into a more collaborative, respectful way of working together."*

*- Nancy Denzer, Board Chair, Winona Area Public Schools*

*"We had a great experience utilizing MSBA for our district's search. They helped us focus on what we wanted in a superintendent, and their process brought clarity and harmony to the board table. Throughout the process we relied heavily on MSBA's understanding of our board's needs and expectations, and as a result they helped us find the best possible fit. Our board would unanimously recommend using MSBA for your district's search."*

*- Dean Anderson, Board Chair, Alexandria Public Schools*

*"As our school board's advocacy group, MSBA has a vested interest in our success. They also shared all candidate applications with the board, not just a select few, and provided a process that was efficient and timely. We couldn't be happier with the result."*

*- Mike Reynolds, Board Chair, Willmar Public Schools*



# PLANNING, HIRING CRITERIA AND STAKEHOLDER INPUT

## Initial Planning Meeting

An MSBA search begins with an initial planning meeting between the School Board and the search team. At the planning meeting, a search team member will work with the School Board to establish the search timeline, discuss hiring criteria and stakeholder involvement, identify the district's position in the marketplace, determine advertising venues, and finalize all processes and procedures for conducting the search.

## Determining Hiring Criteria

The search team will help the School Board determine the personal and professional skills and attributes it most desires in a superintendent, which, in turn, will provide the basis for the position leadership profile and hiring criteria. Stakeholder input will also be heavily considered in finalizing the leadership profile, as well as the District's Strategic Plan and Mission. This profile will then be used throughout the duration of the search as a guideline for selecting finalists, crafting interview questions, and evaluating superintendent candidates to find the best fit for South St. Paul Public Schools.

## Stakeholder Input

Several stakeholder involvement-related opportunities are included in the search package. These opportunities include:

- an online **survey**, open to all staff, parents, students, community members, and district stakeholders
  - This survey will include gathering quantitative information regarding stakeholder priorities for candidate background, experience, and personal characteristics.
  - It will also include gathering qualitative information through several open-ended questions regarding the opportunities and challenges facing South St. Paul Public Schools, and what type of individual could most effectively lead the District.
  - This survey will also be offered in multiple languages per the District's request, as well as hard copies to ensure access for those unable or uninterested in taking the survey electronically.
- an **informational Q&A session** for staff and community members regarding the superintendent search process. It is recommended this session be recorded to increase the transparency of the search and ensure all district stakeholders have access to accurate information regarding search processes and expectations.
- stakeholder **Input Forums** with finalists in conjunction with the second round of interviews. Several options regarding the structure of Input Forums will be provided to the Board for consideration.
- **training** of community and/or school district staff input committees, if needed, to ensure adherence to all legal considerations involved in the superintendent search process.

Note: The Q&A session, Input Forums, and training sessions may be conducted in-district or virtually.

The search team will work with the School Board and its designee(s) to schedule and promote stakeholder involvement and will provide a summary of all key findings to the Board.



# ADVERTISING AND RECRUITING

MSBA will work with the School Board to develop a two-sided color brochure to advertise the position. This brochure is also known as a vacancy announcement, and it will be made available to the district in electronic format to facilitate posting on the district's website or affiliated sites.

As part of MSBA's outreach for your district's open position, this vacancy announcement will be posted on the following job opportunity sites:

- Minnesota School Boards Association (MSBA). NOTE: our superintendent job openings page receives more than 4,000 Minnesota-specific hits per month during peak search season
- Minnesota Association of School Administrators (MASA)
- Minnesota EdPost (hosted by St. Cloud State University)

In addition, the search team will directly contact Superintendents, Assistant Superintendents, Service Cooperative Directors, Charter School Directors, Principals, and Assistant Principals across the state of Minnesota to inform them of the vacancy and application procedures. Emails are sent directly to these individuals at regular intervals throughout the search to sustain and heighten interest in your position.

MSBA's reach also extends nationally to other states through the National Affiliation of Superintendent Searchers (NASS). The NASS is comprised of more than 100 superintendent search consultants representing thirty-nine (39) state school boards associations who assist their peers in other states by providing access to nationwide job postings (utilizing Revelus - a proprietary, nationwide application database), as well as vital reference and work-history verification concerning out-of-state applicants. Ultimately, when a school board hires MSBA to conduct its superintendent search, the school district taps into NASS — one of the most experienced, qualified networks of search consultants in the United States.

Finally, at the direction of the School Board, other advertising sites such as those listed below may be utilized to promote the position and recruit applicants. In that case, any additional advertising costs must be approved by the School Board and borne by the school district. These additional sites may include:

- American Association of School Administrators (AASA)
- National Alliance of Black School Educators (NABSE)
- Association of Latino Administrators and Superintendents (ALAS)
- Top School Jobs (EdWeek)
- Other sites as requested by the School Board



In conclusion, facilitating the complexities of the advertising, recruitment, and application process is one of the MSBA search team's greatest strengths. Not only will we develop all application procedures, handle applicants' calls and correspondences concerning the vacancy, collect and review applicants' files, and develop a recommended pool of applicants for School Board consideration, but through our extensive statewide and national contacts MSBA will secure a diversified pool of high-quality individuals interested in the unique opportunity to lead South St. Paul Public Schools as its next Superintendent.



# INTERVIEW PREPARATION

## Interview Training and Preparation

Prior to the application deadline, the search team will meet with the School Board to help it prepare for and conduct the first and second rounds of interviews, reference checks, and site visits (if needed). Interview training will include information to help School Board members conduct interviews in open sessions as required by state law, as well as abide by all requirements of the Data Practices Act. This training may be conducted by the search team in-district or virtually.

The search team will also help the School Board develop interview questions that fit the leadership profile and hiring criteria, that do not violate the law either directly or indirectly, and that standardize the interview process to ensure a level playing field for all candidates. In addition, the search team will assist the School Board with planning second interviews, additional reference checks, and site visit questions (if needed).

Because hiring the superintendent is the School Board's role, MSBA recommends that only its members participate in the finalists' interviews with the Board. If the School Board decides to involve non-school board members in the interview process, however, the search team will help the School Board develop an **Input Forum** process that makes clear the advisory nature of the non-school board members' roles. The search team will also provide guidelines for the non-school board members, and review all questions submitted by Input Forum members. By following these recommendations, the School Board is able to standardize the interview questions and format, provide more control over the selection process, and reduce the school district's risk of liability.

Without question, interview training and preparation is key to a successful superintendent search. MSBA's long-standing reputation for high-quality training programs carries over to our executive search services, and in addition to providing a firm foundation for search decision-making, many boards have found MSBA's training and guidance throughout the process to have strengthened their board relationships as well. This result has become an unexpected bonus for those districts striving to become a more high-functioning school board, as the consensus-building aspects of MSBA's search process helps them become a stronger and more unified team.



# SCREENING, FINALISTS SELECTION, AND MSBA VETTING

## Screen Applications, Vet Candidates, and Select Finalists

After the application deadline has passed, the search team will review the applicants' files in relationship to the position leadership profile and the hiring criteria that were established by the School Board in order to identify the applicants who best meet the School Board's hiring criteria. The search team will then conduct preliminary verification of references and pre-interviews of the applicants who best meet the School Board's hiring criteria. This vetting process involves MSBA staff as well as former superintendents serving as MSBA service providers during the executive search process.

**IMPORTANT:** All completed applications will be made available to School Board members to review prior to the candidate selection meeting. A foundational belief of MSBA's executive search service is that it is crucial for Board members, as the District's hiring authority, to have the opportunity to review all applications in order to make the most informed decision possible. This information is confidential and must be treated in accordance with Minnesota's Data Practices Act, and MSBA's training services during the search will outline all Board responsibilities regarding data privacy issues.

Once the screening, preliminary verification of references, pre-interviews, and vetting have been completed by MSBA, the search team will meet with the School Board to recommend the candidates MSBA feels best fit your District's leadership profile and assist the School Board in selecting those to be interviewed. The next page in this proposal outlines MSBA's vetting process in greater detail.

Following the School Board's selection of finalists, the search team will prepare a communications piece to send to the media, school district staff, and community including the names of those to be interviewed, as well as the schedule of remaining search-related activities.



# MSBA'S APPLICANT VETTING PROCESS

After the application deadline has passed, a team of MSBA service providers and staff review all completed applications. MSBA will look at their licensure, references and recommendations, and work and educational history. We then align each applicant's background, experience and application information with the district's hiring criteria, leadership profile, and feedback gathered from district stakeholders on the next superintendent's desirable skills, traits, and experience.

After reviewing all completed applications, each member of the vetting team rates all applicants on a 5-point scale and an aggregate rating is compiled.

Next the team meets to discuss the ratings and evaluate which applicants have risen to the top and why. Following a lengthy discussion, consensus is reached on which applicants to consider presenting to the Board due to their alignment with the hiring criteria and the district's needs.

This results in the team conducting additional vetting on 6-10 applicants. This vetting includes team members conducting a phone interview with each applicant, holding conversations with at least three of their listed references, and a closer look into each applicant's qualifications. The result is the final list of applicants MSBA recommends be presented to the Board for interview consideration.

At the candidate presentation meeting with the Board, MSBA will share our recommendations. After hearing short verbal presentations on each applicant, the Board will then discuss the applicant pool (by alphabet identifier only to abide by data privacy laws) and request clarification from MSBA as needed (recognizing our responses will also be somewhat limited due to privacy laws). The Board then has three options:

- Accept the recommendations made by MSBA for first round interviews as presented.
- Accept some applicants recommended by MSBA but replace others with candidates identified by the Board.
- Forfeit all candidates recommended by MSBA and select an entirely new slate of applicants identified by the Board.

A motion will then be made, seconded, and passed (again, using alphabet identifiers only). Once this motion has passed, the Board Chair or MSBA will read aloud the names of those selected for first round interviews. These names will be in no particular order and not tied to their alphabet identifiers.

MSBA will then call these applicants to congratulate them, confirm their interest in the position, and inform them they will receive an email from MSBA's application software (Revelus) to schedule their interview. Once all interviews are scheduled, MSBA will send each interviewee an email containing final information for their interview. Finally, applicants not selected for interviews will receive an email thanking them for their interest in the position, and notifying them that the Board has chosen to proceed with other candidates who more closely align with the district's hiring criteria.



# CONTRACT AND FOLLOW-UP

## Decisions, Contract, and Announcement

The search team will guide the School Board through the process of contacting the lone finalist to offer the position. MSBA recommends the School Board use the MSBA/MASA Model Superintendent Contract as the basis for negotiating the superintendent's contract, and will provide comparative superintendent salary and benefit information to assist the district in negotiating an appropriate compensation package. MSBA's search team will not negotiate the contract for the School Board, however, as it is the Board's responsibility to set and negotiate all hiring parameters for the new superintendent. The search team will draft a communications piece for the media, school district staff, and community announcing the new superintendent, if requested.

The search team will also personally contact the non-selected finalists.

## Transition Plan and Follow-up Services

Once the search is concluded and the parties have a signed contract, the search team will continue to provide support for the School Board and superintendent. Past clients have found MSBA's search services follow-through to be invaluable in setting expectations and ensuring success for the new Board-Superintendent team.

For example, to strengthen the School Board and superintendent's working relationship, and to provide support to the new superintendent, the search team will:

- assist in developing a transition plan for the new superintendent;
- facilitate a post-hiring workshop to develop goals and/or performance expectations for the School Board and superintendent after the new superintendent begins work in the school district;
- visit the new superintendent during their first year of school district employment; and
- be available to answer the new superintendent's and the School Board's questions during the transition and beyond via phone, email, workshop, etc.

NOTE: There is no additional charge for any of the above transition services.



# SEARCH SERVICES

The proposed search for South St. Paul Public Schools includes the services outlined below.

## The MSBA Search Team will:

- Conduct an initial planning meeting with the School Board to establish the search timeline, discuss hiring criteria and stakeholder involvement, identify the district's position in the marketplace, determine advertising venues, and finalize all processes and procedures for conducting the search. \*
- Collect stakeholder input through an online qualifications and quantitative data survey (in multiple languages, if requested). Results will be summarized for the School Board by MSBA.
- Host an informational Q&A session for staff and community members regarding the superintendent search process. \*\*
- Develop a two-sided color vacancy announcement and post vacancy via various sites.
- Directly contact Superintendents, Assistant Superintendents, Service Cooperative Directors, Charter School Directors, Principals, and Assistant Principals across the state of Minnesota to inform them of the vacancy and application procedures. Also post in Revelus through the national NASS network.
- Develop all application procedures, handle applicants' calls and correspondence, collect and review applicants' files, and receive applicants' credentials.
- Screen the applicant pool against the School Board's established hiring criteria.
- Conduct preliminary verification of references and pre-interviews and vetting of applicants who best meet the School Board's hiring criteria as determined by MSBA's screening team.
- Conduct a meeting with the School Board for purposes of interview training, developing interview questions, clarifying interview schedules, presenting candidate recommendations so the School Board can take action to select finalists for interviews, and clarifying remaining steps of the search process. \*\*
- Coordinate with finalists and be present during the first and second rounds of interviews. \*
- Prepare a communications piece for the district to send to the media, school district staff, and community that includes the names of the finalists who will be interviewed, if requested.
- Facilitate Audience Input Forums with finalists in conjunction with the second round of interviews, if requested. \*
- Prepare a communications piece for the district to send to the media, school district staff, and community introducing the new superintendent, if requested.
- Assist in developing a transition plan for the new superintendent.
- Visit the new superintendent during their first year of employment. \*
- Facilitate a post-hiring workshop to develop goals and/or expectations for the School Board and superintendent after the new superintendent begins work in the school district. \*\*

\* Designates in-district meetings, if possible.

\*\* Designates virtual meetings; however, at the Board's request in-district meetings may be substituted for an additional \$300 per meeting.



## ESTIMATED FEE FOR SERVICE

The estimated professional fee for this search proposal shall not exceed **\$12,205**, which is broken out as follows:

Base fee for district based on enrollment	\$ 13,500
Credit for workshop held 10/25/21	- \$ 1,295
<b>TOTAL FEE</b>	<b>\$12,205</b>

This fee includes the search team's time and all expenses. Additional fees the school district may incur above the professional fee include advertising beyond the venues noted on Page 3 (see below), school board member stipends, expenses associated with finalists' interviews, and School Board members' site visits (if needed). The level of services and fee included in this proposal are negotiable based on the School Board's needs.

## ADDITIONAL FEES: A LA CARTE OPTIONS

**NATIONAL ADVERTISING SITES:** As referenced on Page 3, additional advertising is available on the following sites at no additional mark-up (costs listed are 2020-21 rates so may change in 2021-22):

- American Association of School Administrators (AASA) - 30 days @ \$559; 60 days \$799
- National Alliance of Black School Educators (NABSE) - 30 days @ \$250
- Association of Latino Administrators and Superintendents (ALAS) - 6 weeks @ \$150
- Top School Jobs (EdWeek) - 30 days @ \$495
- Other sites as requested by the School Board

**BACKGROUND CHECKS:** Criminal background checks, as well as verification of employment, educational credentials, and professional licensure are also available for final candidates at a cost of \$395 per person.

### Satisfaction Guarantee

MSBA will conduct the South St. Paul Public Schools' superintendent search from a strong school board perspective, and with impartiality and professionalism while focusing on the School Board's identified hiring criteria. If, at any time during the first year of the new superintendent's contract the School Board releases the superintendent, MSBA will conduct a second superintendent search for no additional fee. However, the School Board would be responsible for new direct expenses, if any, incurred by MSBA for the second search.



# WHY MSBA?

MSBA believes the following distinguishing features truly differentiate our services from other firms in both the philosophy and implementation of executive search services.

## 1. LENS OF SCHOOL BOARD LEADERSHIP

MSBA's process is school-board driven, and every step is viewed through the lens of board leadership. We understand not only best practices of conducting an executive search, but also the myriad of challenges and opportunities facing school boards today. In addition we understand how to balance Minnesota's Open Meeting Law with our state's Data Practices Act, the increasing pressure on public education to provide an equitable education to each and every student, and the vital leadership role a school board must fill in finding its next superintendent. MSBA is your association, and as a result we place the interests of school boards at the forefront of everything we do ... including MSBA's Executive Search services.

## 2. TRANSPARENCY AND COMMUNICATION

Every facet of a superintendent search depends upon clear and open communications amongst the school board, search firm, and the public. To help ensure success, MSBA sets expectations early in the process regarding the role of the board and involvement of stakeholders. We also believe in sharing all applications with the school board to assist you in making the most informed decisions possible. Because this is *your* search, as the hiring authority you are entitled to review every application for your district's superintendent position. MSBA understands the additional work this creates for the district's search firm, but in the interest of transparency with the board we are committed to taking the steps necessary to ensure you have access to the entire applicant pool. In sum, our ability to conduct the labor-intensive search legwork, yet guide the process appropriately, empowers school boards to confidently take ownership of finding the best fit for their district.

## 3. NO HIDDEN FEES

Search costs quickly escalate when firms charge for consultant travel, multi-language surveys, attendance at finalist interviews, transition services, workshops, etc. MSBA stands behind all fee options as outlined in this proposal so your board can rest assured that total search costs will not exceed your expectations.

## 4. POST-HIRING SUPPORT

A new superintendent's first year can feel overwhelming due to volume of workload coupled with a steep and intense learning curve. MSBA firmly believes that our transition and follow-up services provided to the new Board-Superintendent Team make a significant difference in ensuring a successful first year. We offer a post-hiring workshop to the Team to discuss expectations, clarify goals, and lay the groundwork for that year's superintendent performance evaluation process. We also provide a transition plan outline, visit the new superintendent during their first year, and remain fully available by phone, text, email, or workshop to continue building trust and collaboration among board members and their new superintendent. Together all of these MSBA commitments help a superintendent's first year get off to a strong start.



## WHY MSBA? (FROM OUR CLIENTS)

***The process was clear from the beginning and the information supporting the process was extremely organized. There were no extraneous steps or information that complicated the process, so the Board and the community could all be on the same page at all times.***

- Board member, Rochester Public Schools

***MSBA was both easy to work with and made a daunting process manageable and enjoyable. I believe it also helped draw our board closer.***

- Board member, Byron Public Schools

***A bonus to working with MSBA is the expertise provided in the search process AND the expertise they have in school board law and process.***

- Board Chair, Rochester Public Schools

***MSBA was invaluable in guiding our district's search process. Their training and guidance were exemplary as they helped the board navigate the decisions we needed to make – reminding us that this was our process.***

- Board member, Bloomington Public Schools

***MSBA's work allowed the board to focus on the candidates' applications, their strengths and weaknesses, and their letters of support. MSBA's experience provided much-needed guidance while remaining neutral, allowing the board to make all of the decisions.***

- Board member, Cook County ISD 166

***The training and support throughout the entire process was spot-on! MSBA was always available with expert, professional advice.***

- Board member, Intermediate School District 917

***MSBA assisted with every step in the process and provided guidance to ensure we held a fair and equitable search. As a board member, it was reassuring to know they were there to help us select the best candidate while also following all of the rules and ethical standards required of us. I would recommend MSBA to any school district having to hire for these critical positions.***

- Board member, La Crescent-Hokah Public Schools

***The search process was very professional and straightforward, and I always felt we were ultimately in charge of the process.***

- Board member, Austin Public Schools

***The process was very organized and as chair of the board I always felt comfortable working with MSBA. I trusted their advice, appreciated their insights, and felt validated and respected. I can only say good things about the process.***

- Board Chair, Bloomington Public Schools



# TENTATIVE TIMELINE

## Mid-November 2021 to Late December 2021

- School Board holds initial planning meeting with MSBA search team to establish the search timeline, review hiring criteria, identify district's position in the marketplace, determine advertising venues, discuss stakeholder involvement, and finalize all processes and procedures for conducting the search.
- School Board approves all advertising materials, including hiring criteria and vacancy brochure.
- MSBA's search team collects stakeholder input through qualitative and quantitative data survey.
- MSBA hosts an informational Q&A session regarding superintendent search process.
- MSBA prepares a summary of stakeholder input for Board to review and integrate into the search process.

## Late December 2021 to Mid-February 2022

- MSBA search team finalizes application procedures and advertises the vacancy.
- MSBA search team receives applications.
- MSBA search team conducts initial screening of applicants.
- MSBA search team conducts preliminary verification of references, pre-interviews, and vetting of applicants.

## Mid-February 2022

- MSBA's search team meets with the School Board to conduct interview training, develop interview questions, clarify interview procedures, and facilitate applicant screening conducted by the School Board to select finalists for interviews.

## Mid-February to Late February 2022

- School Board conducts first round of interviews.
- School Board conducts reference checks.
- School Board conducts second round of interviews, and invites stakeholder feedback through Input Forums, if desired.
- School Board conducts site visit(s), if applicable.
- School Board selects lone finalist.

## Early March 2022

- School Board negotiates terms and conditions of superintendent's contract.
- School Board meets to approve the superintendent's employment contract.

## July 1, 2022

- Superintendent reports to work.

*NOTE: This timeline provides a starting point for considering and adopting a superintendent search timeline. Specific dates and times will be determined at the initial planning meeting.*



## 2020-2021 MSBA-LED SEARCHES

- Austin Public Schools
- Bloomington Public Schools (Limited)
- Byron Public Schools
- Clinton-Graceville-Beardsley Schools
- Cook County ISD 166
- Dilworth-Glyndon-Felton Public Schools
- Greenway Public Schools
- Houston Public Schools
- Intermediate School District 917
- La Crescent-Hokah Public Schools
- Lac qui Parle Valley School District
- Lake Park Audubon School District
- Lynd Public School (Limited)
- Montevideo Public Schools
- Rochester Public Schools - Interim
- Royalton Public Schools
- Tri-County Schools
- Ulen-Hitterdal Public Schools

**Member districts:**

Bloomington, Burnsville-Eagan Savage, Farmington, Hastings, Inver Grove Heights, Lakeville, Randolph, South St. Paul, and West St. Paul-Mendota Heights-Eagan

## MSBA EXECUTIVE SEARCH SERVICE REFERENCES 2020-2021 SEARCHES (MORE AVAILABLE UPON REQUEST)

1. Kathy Green, School Board Chair, **Austin Public Schools**, [kathy.green@austin.k12.mn.us](mailto:kathy.green@austin.k12.mn.us)
2. Nelly Korman, School Board Chair, **Bloomington Public Schools**, [nkorman@isd271.org](mailto:nkorman@isd271.org)
3. Harvey Bergh, School Board Chair, **Byron Public Schools**, [harvey.bergh@byron.k12.mn.us](mailto:harvey.bergh@byron.k12.mn.us)
4. Lindsey Leach, School Board Chair, **DGF Public Schools**, [lleach@dgf.k12.mn.us](mailto:lleach@dgf.k12.mn.us)
5. Dr. DeeDee Currier, School Board Chair, **Intermediate School District 917**, [dcurrier@isd191.org](mailto:dcurrier@isd191.org)
6. Kelly Snell, School Board Member, **Montevideo Public Schools**, [ksnell@montevideoschools.org](mailto:ksnell@montevideoschools.org)
7. Dr. Jean Marvin, School Board Chair, **Rochester Public Schools**, [jemarvin@rochesterschools.org](mailto:jemarvin@rochesterschools.org)

## 2019-2020 MSBA-LED SEARCHES

- Adrian Public Schools
- Alexandria Public Schools
- Browns Valley Public School (Interim)
- Carlton Public Schools (Interim)
- Detroit Lakes Public Schools
- Hastings Public Schools (Interim)
- Hastings Public Schools
- Hermantown Community Schools
- Kenyon-Wanamingo Public Schools
- LeRoy-Ostrander Public Schools
- Lewiston-Altura Public School District
- McGregor Public Schools
- Mora Public Schools
- Ortonville Public Schools
- Pine River-Backus Schools
- St. Clair Public School
- St. James Public Schools
- St. Peter Public Schools
- Thief River Falls Public Schools
- Tri-City United Public Schools
- Warren-Alvarado-Oslo School District

## MSBA EXECUTIVE SEARCH SERVICE REFERENCES 2019-2020 SEARCHES (MORE AVAILABLE UPON REQUEST)

1. Kelsey Waits, School Board Chair, **Hastings Public Schools**, [kwaits@hastings.k12.mn.us](mailto:kwaits@hastings.k12.mn.us)
2. Ben Leonard, School Board Chair, **St. Peter Public Schools**, [ben.leonard@stpeterschools.org](mailto:ben.leonard@stpeterschools.org)
3. Dean Anderson, School Board Chair, **Alexandria Public Schools**, [dadds7@gmail.com](mailto:dadds7@gmail.com)
4. Dianne Mathews, School Board Chair, **Hermantown Community Schools**, [dmathews@isd700.org](mailto:dmathews@isd700.org)
5. Marsha Franek, School Board Chair, **Tri-City United Public Schools**, [MFranek@tcu2905.us](mailto:MFranek@tcu2905.us)
6. Jack May, School Board Chair, **St. Clair Public School**, [jmay@stclaircyclones.org](mailto:jmay@stclaircyclones.org)
7. Chris Cunningham, **Pine River-Backus Schools**, [ccunningham@prbschools.org](mailto:ccunningham@prbschools.org)

## 2018-2019 MSBA-LED SEARCHES

- Badger Independent School District
- Bagley School District
- Barnesville Public Schools
- Buffalo Lake-Hector-Stewart Schools
- Cannon Falls Area Schools
- Central Public Schools
- Fosston School District
- Greenbush Middle River School District
- Jackson County Central School District
- Kaleidoscope Charter School
- Lake Park Audubon Schools
- Lester Prairie Schools
- Lynd Public Schools
- Morris Area Schools
- Red Rock Central Public School District
- Roseau Community Schools
- Warroad Public Schools
- West Central Area School District
- Winona Area Public Schools

## OTHER MSBA-LED SEARCHES

- Annandale Independent School District
- Atwater-Cosmos-Grove City Public Schools
- Blackduck Independent School District
- Brooklyn Center Community Schools
- Butterfield-Odin Public School
- Canby Public Schools
- Clinton-Graceville-Beardsley Public Schools
- Cook County Schools
- Crookston Public Schools
- Forest Lake Area Schools
- Grand Rapids School District
- Hermantown Community Schools
- Hibbing Public Schools
- La Crescent-Hokah Public Schools
- Lac qui Parle Valley Area Schools
- Monticello School District
- Moose Lake Community Schools
- Moorhead Area Public Schools
- Nashwauk-Keewatin Schools
- Northland Community Schools
- Odyssey Academy Charter School
- Pelican Rapids School District
- Pillager School District
- Pine River-Backus Schools
- Red Lake School District
- Russell-Tyler-Ruthton (RTR) School District
- South Koochiching-Rainy River School District
- St. Louis County Public Schools
- Tri-County Public Schools
- Ulen-Hitterdal Public School District
- Underwood School District
- Willmar Public Schools
- Winona Area Public Schools
- Wright Technical Center
- Yellow Medicine East Schools



# SEARCH TEAM — MSBA STAFF

MSBA's search team is comprised of experienced MSBA staff and service providers. Search team members understand that selecting a superintendent is one of the Board's most important duties and have a vested interest in the success of your search. Below are brief résumés of MSBA's search team.

## ▪ **BARB DORN**

Barb has more than 30 years of experience in nonprofit leadership, marketing and communications, consulting, and process facilitation. She has worked across public, private, and nonprofit sectors to build collaborative and viable partnerships, deliver high-impact workshops, and produce outcomes based on common goals and shared decision-making processes. Barb has also served on the Boards of Directors for Greater Mankato's City Center Partnership and the area chapter of Leave a Legacy. She joined MSBA in 2019 and is a member of the National Affiliation of Superintendent Searchers.

### **WORK HISTORY**

- Minnesota School Boards Association (MSBA): Director of Leadership Development and Executive Search
- YWCA Mankato: Executive Director
- March of Dimes: Division Director
- Minnesota State University Mankato: Adjunct Professor
- Pathways Marketing: Owner / Marketing Consultant
- DLR Group: Business Development / Referendum Consultant

### **RELEVANT WORK EXPERIENCE**

- Individual school board in-services: Superintendent Search, Mutual Expectations, and Superintendent Evaluation
- Presenter — MSBA workshops, seminars, and conferences:
  - o Superintendent Evaluation
  - o Superintendent Search
  - o Various other topics
- Program and Brand Management, Marketing, and Public Relations
- Daily telephone/email responses to MSBA school board member questions
- Contributor to The MSBA *Leader* newsletter
- Presenter at other professional workshops and conferences:
  - o Leadership Development Series including:
    - Collaboration and Teamwork
    - Diversity, Equity, and Inclusion
    - Conflict Management
    - Resiliency
    - Communication and Team-Building
  - o Community Relations
  - o Strategy and Visioning



# SEARCH TEAM — MSBA STAFF

## ▪ AMY FULLENKAMP-TAYLOR, S.P.H.R., SHRM-SCP

Amy has more than 20 years of experience in human resources including recruitment, total rewards, employee relations, employment and labor law compliance, and employee training. She has worked for a variety of industries including Nonprofit, Gaming, Retail, Telecommunications, and Manufacturing. Amy has also achieved the designations of Senior Professional in Human Resources from the Human Resource Certification Institute and SHRM Senior Certified Professional from the Society for Human Resource Management. Amy joined MSBA in 2007, and below is a summary of her work history and relevant work experience.

### WORK HISTORY

- Minnesota School Boards Association (MSBA): Director of Management Services
- Jones Metal Products: Director of Human Resources
- Midwest Wireless: Human Resources Specialist
- Sears Roebuck & Company: Human Resources Specialist
- Argosy V Belle of Sioux City: Director of Human Resources

### RELEVANT WORK EXPERIENCE

- Individual school board in-services: Superintendent Search
- Presenter — MSBA workshops, seminars, and conferences:
  - o Superintendent Evaluation
  - o Negotiations
  - o Leadership Foundations—School Finance and Management: Phase II
  - o Various Other Topics
- Analyze superintendent employment contracts and licensed and non-licensed master agreements
- Contributor to The MSBA *Leader* newsletter
- Daily telephone/email responses to MSBA school board member questions
- Presenter at other professional workshops and conferences
  - o Americans with Disabilities Act
  - o Family and Medical Leave Act
  - o Collective Bargaining
  - o Unrequested Leaves of Absence
- Created employee handbooks
- Superintendent Search



# SEARCH TEAM — MSBA STAFF

## ▪ GARY LEE

Gary has 29 years of experience in private business — both in a large corporate setting and as an owner/president of small rural businesses. Gary is a former member of the Fertile-Beltrami School Board. Gary also served on the MSBA Board of Directors, the Northwest Service Cooperative Board of Directors, the Minnesota Service Cooperatives Board of Directors, the MSBA Insurance Trust Board of Directors, and the Big Three working group. Gary joined MSBA in 2009.

### WORK HISTORY

- Minnesota School Boards Association (MSBA): Deputy Executive Director
- Lee Nursery, Inc.: Owner and President
- Lee Nursery Supplies, Inc.: Owner and President
- Sondreli Business Services: Owner
- UNISYS (formerly Sperry) Defense Systems: IT Manager

### RELEVANT WORK EXPERIENCE

- Individual school board in-services: Superintendent Search and School Board-Superintendent Relationship
- Presenter — MSBA workshops, seminars, and conferences:
  - o Teacher Development and Evaluation
  - o Area Negotiations
  - o Board Treasurers
  - o Strategic Planning
  - o Various Other Financial and Data Trainings
- Analyze superintendent employment contracts and licensed and non-licensed master agreements
- Contributor to The MSBA *Leader* newsletter
- Daily telephone/email responses to MSBA school board member questions



# SEARCH TEAM — MSBA STAFF

## ▪ SHELBY HERRERA

Shelby has more than 20 years of experience in education — as a classroom teacher, a paraprofessional, and a teaching assistant at the university level. Shelby joined MSBA in 2019.

### WORK HISTORY

- Minnesota School Boards Association (MSBA): Administrative Assistant to Strategic Governance
- Mankato Public Schools: Science Teacher
- Mankato Public Schools: Paraprofessional
- Minnesota State University, Mankato: Teaching assistant

### RELEVANT WORK EXPERIENCE

- Conduct research and compile data
- Handle information requests
- Interact with a wide range of staff, business partners, and members
- Prepare reports, memos, letters, and other documents, using word processing, spreadsheet, database, etc.
- Assist applicants and board members with Revelus, MSBA's proprietary application platform

## ▪ BRUCE LOMBARD

Bruce has more than 10 years of experience providing a full range of administrative support services. Bruce joined MSBA in 2008.

### WORK HISTORY

- Minnesota School Boards Association (MSBA): Associate Director of Communications and Marketing
- Mankato Free Press: Copy Editor
- Washington Unified School District (West Sacramento, California): Substitute Teacher
- Sogon University Language Program (Seoul, South Korea): English Language Instructor

### RELEVANT WORK EXPERIENCE

- Answer and direct phone calls to appropriate parties
- Handle information requests
- Interact with a wide range of staff, business partners, and members
- Prepare search proposal and advertising materials



# SEARCH TEAM — MSBA STAFF

## ▪ MARIA LONIS

Juris Doctor and educator with over 10 years' experience as a community servant. Maria joined MSBA in 2018.

### WORK HISTORY

- Minnesota School Boards Association (MSBA): Associate Director of Management Services and Charter School Liaison
- Marshall Brennan Constitutional Literacy Project Fellow
- Law Clerk at Hennepin County Attorney's Office
- Cambridge Academy East (Mesa, Arizona): Fifth/Sixth Grade English Teacher
- Milan C-2 School District (Milan, Missouri) Fifth/Sixth Grade Reading Teacher

### RELEVANT WORK EXPERIENCE

- Facilitate community, staff, and student input sessions
- Ensure compliance with data privacy statutes by redacting resumes
- Consolidate staff and community responses to surveys and interviews
- Help members interpret state and federal statutes regarding human resources, data practices and contracts

## ▪ JOEL STENCEL, CPA

Joel has more than 20 years of accounting and auditing experience providing a full range of support services. Joel joined MSBA in 2017.

### WORK HISTORY

- Minnesota School Boards Association (MSBA): Director of Association Finance
- Eide Bailly LLP: Audit Manager

### RELEVANT WORK EXPERIENCE

- School District Auditor
- Answer and direct phone calls to appropriate parties
- Interact with a wide range of staff, business partners, and members
- Gathers salary information for Districts selected.
- Assists with EMD analysis submitted by school board members.



# SEARCH TEAM — MSBA SERVICE PROVIDERS

## ▪ PAUL CARLSON

Paul has 37 years of experience in education as a teacher, principal, and 20 years as a superintendent. He is committed to delivering effective guidance for educational excellence to ensure optimal education opportunities for all students.

### WORK HISTORY

- ACGC Public Schools: Interim Superintendent
- Hancock Public Schools: Part-time Superintendent (3 Years)
- New London-Spicer Schools: Superintendent (17 years)
- New London-Spicer Schools: High School Principal
- Sleepy Eye Public Schools: High School Principal
- Sleepy Eye Public Schools: Business Education Teacher

### RELEVANT WORK EXPERIENCE

- Implemented long-range planning and goal-setting processes gathering community input and student achievement data resulting in facilities maintenance and energy project.

## ▪ RENAE TOSTENSON, Ed.S.

Renaë has nearly 40 years of experience in education. She has served as superintendent (Lac qui Parle Valley Schools, 2011-2017), principal (Appleton Elementary School, 2007-2011), teacher coach (Lac qui Parle Valley Schools, 2005-2007), and as an elementary school teacher.

### WORK HISTORY

- Lac qui Parle Valley Schools: Superintendent
- Lac qui Parle Valley Schools: Principal
- Lac qui Parle Valley Schools: Teacher coach

### RELEVANT WORK EXPERIENCE

- Presenter at MASA and MSBA conferences and workshops
- Facilitated superintendent searches



# SEARCH TEAM — MSBA SERVICE PROVIDERS

## ▪ BRUCE KLAEHN

Bruce has recently retired from 41 years as a Minnesota educator, serving as a teacher, coach, principal, and superintendent, as well as an adjunct college instructor in educational administration. He has extensive experience in financial budgeting, school construction projects, administrative mentoring, and contract negotiations.

### WORK HISTORY

- Southeast Service Cooperative: Educational Consultant
- Winona State University: Adjunct Instructor
- Dover-Eyota Public School District: Superintendent
- Grand Meadow Public Schools: Superintendent
- Granada-Huntley-East Chain School District: Principal
- Madelia Public Schools: Teacher and Coach

### RELEVANT WORK EXPERIENCE

- Experience facilitating superintendent searches
- Mentor of new superintendents in southeast Minnesota

## ▪ LEE WARNE, Ed. S.

Lee has 48 years of experience in education, including serving as a high school principal, superintendent, service cooperative executive director, Minnesota Rural Education Association executive director, and Association of Educational Service Agencies executive director. Lee has served at all levels of leadership in local, state, and national organizations. Lee has also received numerous awards at the regional, state, and national levels.

### WORK HISTORY

- Greenway Public Schools: Interim Superintendent
- RTR (Russell-Tyler-Ruthton) Schools: Interim Superintendent
- Association of Educational Service Agencies: Executive Director
- MN Rural Education Association: Executive Director
- Lake Benton School: Interim Superintendent
- SW/WC Service Cooperative: Executive Director
- West Central Area Schools: Superintendent
- Norman County West: High School Principal
- Halstad Public School: High School Principal

### RELEVANT WORK EXPERIENCE

- Facilitated numerous superintendent searches and school district strategic planning sessions
- Provided assistance to school boards and superintendents in various aspects of leadership and training



# SEARCH TEAM — MSBA SERVICE PROVIDERS

## ▪ GARY KUPHAL

Gary has 42 years of experience in education, all but four years in Minnesota. He has served as a high school principal in Henderson, assistant high school principal and middle school principal in La Crescent, and superintendent in Southland, LeRoy-Ostrander, Plainview-Elgin-Millville, and Mabel-Canton.

### WORK HISTORY

- Southland School District: Superintendent
- LeRoy-Ostrander School District: Superintendent
- Plainview-Elgin-Millville Community Schools: Superintendent
- Mabel-Canton Schools: Superintendent
- La Crescent-Hokah Public Schools: Middle School Principal
- Henderson School District: High School Principal
- Henderson School District: Counselor
- Cleveland School District: Counselor
- Union-Whitten School District (Iowa): Teacher

### RELEVANT WORK EXPERIENCE

- Facilitated superintendent searches, board development, and school district strategic planning sessions
- Facilitated community task force on facilities planning

## ▪ STEVE NIKLAUS

Steve Niklaus brings 43 years of experience in education including serving as superintendent (Annandale Public Schools, 1992-2017) and principal (Annandale High School, 1986-1992, and Atwater-Grove City High Schools, 1980-1986). Steve has served on several state and regional professional boards and committees. Steve has worked in both Minnesota and North Dakota school districts.

### WORK HISTORY

- Annandale Public Schools: Superintendent
- Annandale Public Schools: Principal
- Atwater-Grove City High Schools: Principal
- Welcome High School: Principal
- Oakes High School, Oakes, North Dakota: High School Teacher

### RELEVANT WORK EXPERIENCE

- Led six successful operating levy elections and four successful building bond elections
- Experience facilitating with superintendent searches



# SEARCH TEAM — MSBA SERVICE PROVIDERS

## ▪ SANDI NOVAK, Ed. S.

Sandi has 40 years of experience as a teacher, principal, curriculum director, assistant superintendent, acting superintendent, education consultant, and author. Specifically, she served as the acting superintendent in Butterfield-Odin School District (February-June 2016), as assistant superintendent in the Burnsville-Eagan-Savage Schools (2004-2010), and has served on the Board of Minnesota ASCD.

### WORK HISTORY

- Butterfield-Odin Schools: Acting Superintendent
- Burnsville-Eagan-Savage Schools: Assistant Superintendent
- Burnsville-Eagan-Savage Schools: Curriculum/Professional Development Director
- Burnsville-Eagan-Savage Schools: Principal
- Owatonna Schools: Interim Principal
- Burnsville-Eagan-Savage Schools: Teacher/Coach
- Mazeppa Elementary School: Teacher

### RELEVANT WORK EXPERIENCE

- Presenter at NSBA, MSBA, ASCD and other national conferences
- Coached leadership teams across the country on effective literacy instructional practices

## ▪ TERRY QUIST, Ph.D.

Terry has more than 40 years of experience in education including serving as superintendent (Alexandria Public Schools, 2006-2012), assistant superintendent (Alexandria Public Schools, 1999-2006), director of teaching and learning (Alexandria Public Schools, 1987-1999), and administrative assistant (Apple Valley High School, 1983-1987).

### WORK HISTORY

- Alexandria Public Schools: Superintendent
- Alexandria Public Schools: Assistant Superintendent
- Alexandria Public Schools: Director of Teaching and Learning
- Apple Valley High School: Administrative Assistant
- Hastings High School: Teacher/Coach
- Dodge Center Public Schools: Teacher/Coach

### RELEVANT WORK EXPERIENCE

- Facilitated strategic planning processes in several Minnesota school districts
- Led and implemented district's long-range facility plan, including the construction of a new elementary school, a new high school, and several building renovations and air quality upgrades



# SEARCH TEAM — MSBA SERVICE PROVIDERS

## ▪ **BILL TOMHAVE, Ph.D.**

Bill has more than 45 years of extensive experience in education starting as a high school mathematics teacher and including 40 years in higher education involved with teacher preparation. Bill was elected to the Moorhead Area Schools Board of Directors in 2001, serving through 2018.

### **WORK HISTORY**

- Concordia College, Moorhead, Minnesota: Assistant/Associate/Professor, Mathematics
- University of Minnesota, Morris, Minnesota: Assistant Professor, Mathematics
- Iowa State University, Ames, Iowa: Instructor, Mathematics
- Oregon Consolidated Schools, Oregon: Teacher, High School Mathematics

### **RELEVANT WORK EXPERIENCE**

- Director of Moorhead Area School Board 2002-2018, held positions of Chair, Vice-Chair, and Treasurer
- Board of Directors for Lakes Country Service Cooperative 2007-2018
- Experience assisting with community discussions and candidate screenings and interviews
- Ambassador, Minnesota School Boards Association (MSBA), 2006—2009
- Region 1 Joint Powers Board, 2010—2018; Vice Chair 2012—2018

## ▪ **DAVE THOMPSON, Ed.D.**

Dave has more than 40 years of experience in education including serving as superintendent (Stewartville Public Schools, 2000-2017), director of secondary education and middle school principal (Farmington Public Schools, 1993-2000), high school principal (Stewartville Public Schools, 1986-1993), high school principal (Goodhue Public Schools, 1984-1986), athletic director, teacher, and coach (Elgin-Millville Public Schools, 1977-1984). Dave has served on several local and regional organization committees.

### **WORK HISTORY**

- Stewartville Public Schools: Superintendent
- Farmington Public Schools: Director of Secondary Education & Middle School Principal
- Stewartville Public Schools: High School Principal
- Goodhue Public Schools: High School Principal
- Elgin-Millville Public Schools: Athletic Director/ Teacher / Coach

### **RELEVANT WORK EXPERIENCE**

- Led four successful operating levy campaigns and two successful bond levy campaigns.
- Led and implemented district's long-range facility plan
- Coordinated and participated as a mentor in the SEMASA Superintendent's Mentor/Mentee program



# SEARCH TEAM — MSBA SERVICE PROVIDERS

## WENDY SCHOOLMEESTER, Ed.D.

Wendy has 35 years of experience in education including as an elementary teacher, elementary principal, professor of education, and school board member.

### WORK HISTORY

- Southwest Minnesota State University (SMSU): Professor of Education (20 years )
- Minnesota Rural Education Association: Board Member representing Higher Education (2-year appointment)
- Pipestone Area Schools (PAS): School Board Member (5.5 years)/School Board Chair (3 years)
- Russell-Tyler-Ruthton Schools: Elementary School Principal
- Pipestone/Jasper Schools: Elementary Teacher

### RELEVANT WORK EXPERIENCE

- Served on and chaired several search committees for SMSU
- Guided PAS Superintendent search as board chair
- Presented numerous educational keynotes and sessions locally, state-wide, and internationally
- Collaborated with PAS to begin an Educators Rising Club to address teacher shortage in Minnesota



# NATIONAL AFFILIATE OF SUPERINTENDENT SEARCHERS



August 2020

Dear School Board Members:

You are preparing to start a process that will culminate in your board making one of the most significant decisions of your school board tenure – selecting a superintendent. No other staff member is likely to have more long-term impact in your district. Choosing, not only the most highly qualified individual, but one who also represents the ideal fit in your community will be critical. For this and many other reasons, we believe your state school board association’s superintendent search service is best qualified to facilitate your superintendent search.

The members of the National Affiliation of Superintendent Searchers (NASS) – which includes the search consultant(s) from your state school board association – stand ready, as the most experienced network of search professionals in the United States, to execute a national campaign to find your district’s next superintendent. NASS consultants are located in 39 states and include more than 100 professional superintendent search consultants who exclusively represent the best interests of school boards throughout the country. Supported by the National School Boards Association (NSBA), NASS harnesses the skills and experiences of many search professionals with proven track records of accomplishment, characterized by integrity, passion, and focus. Your state school board association’s search professional and NASS member *knows your state and local laws, knows your district, and understands* that each search is unique. They know your school board wants a customized search to meet your community’s specific needs. They also understand the importance of maintaining a successful, long-term relationship between your board and your state school board association.

NASS members serve school boards every day. As chairperson of NASS, I can promise you will receive individual, customized attention and a commitment from your NASS professionals to assist in a dedicated and confidential manner, as state laws permit. The successful executive search begins with a strong team of professional search consultants and ends with a solid, long-term relationship between the school district and its top administrative leaders. The NASS mission is *finding top executive leadership for school districts throughout the United States through our core values – ethics, integrity, leadership, and teamwork*. If retaining a successful, long-term leader is a priority for your district, relying on a member of your local NASS team is your first step toward realizing that goal!

Sincerely,

*Michael Adamson*

Michael T. Adamson, Ed.D. (IN)  
NASS Chairperson





## **National Affiliation of Superintendent Searchers (NASS)**

<b>Alabama</b>	<b>Nebraska</b>
<b>Alaska</b>	<b>New Hampshire</b>
<b>Arizona</b>	<b>New Jersey</b>
<b>Colorado</b>	<b>New Mexico</b>
<b>Connecticut</b>	<b>North Carolina</b>
<b>Florida</b>	<b>North Dakota</b>
<b>Georgia</b>	<b>Ohio</b>
<b>Idaho</b>	<b>Oklahoma</b>
<b>Illinois</b>	<b>Oregon</b>
<b>Indiana</b>	<b>Pennsylvania</b>
<b>Kansas</b>	<b>South Carolina</b>
<b>Kentucky</b>	<b>Tennessee</b>
<b>Maine</b>	<b>Texas</b>
<b>Maryland</b>	<b>Utah</b>
<b>Massachusetts</b>	<b>Vermont</b>
<b>Michigan</b>	<b>Virginia</b>
<b>Minnesota</b>	<b>West Virginia</b>
<b>Mississippi</b>	<b>Wisconsin</b>
<b>Missouri</b>	<b>Wyoming</b>
<b>Montana</b>	



## Search Proposal

**South St. Paul**  
*Public Schools*



**Superintendent**  
**South St. Paul Public Schools**  
**South St. Paul, MN**  
**November 6, 2021**

### **Contents:**

<b>Introductory Letter .....</b>	<b>2</b>
<b>Executive Summary .....</b>	<b>3</b>
<b>Management Summary .....</b>	<b>4</b>
<b>Company Profile .....</b>	<b>5</b>
<b>Reference Districts.....</b>	<b>8</b>
<b>Proposed Search Plan.....</b>	<b>9</b>
<b>Work Schedule/Plan .....</b>	<b>13</b>
<b>Fee Structure.....</b>	<b>14</b>
<b>Our Guarantees.....</b>	<b>15</b>

November 6, 2021

Ms. Lisa Brandecker

Dear Ms. Brandecker and Members of the School Board:

Thank you for the opportunity to present an overview of **SCHOOL EXEC CONNECT** and the services we can provide for your superintendent search. Our firm prides itself on delivering a quality search process that will result in a great leader for South St. Paul Public Schools.

**SCHOOL EXEC CONNECT**, founded in 2004, is in its seventeenth year. Our diverse firm is comprised of more than 60 men and women who have been leaders in quality school districts throughout the country. We have an unusually high degree of success, which we attribute to the quality of our associates, the excellence of our protocols, and our ability to find the best educational leaders who match the needs of our clients.

We define our success by the longevity of the leaders we place, our repeat services to client districts, and the positive and long-lasting relationships we establish with the boards with whom we work. We will understand your strengths and needs through conversations with the members of the Board, staff, and your entire constituency. Our recruitment and interview process aligned to this understanding will result in well-vetted, highly qualified candidates from which to make your selection of a new superintendent.

Thank you for considering our proposal for your superintendent search. We would enjoy working with you to achieve the mutual goal of finding outstanding leadership for the students at South St. Paul Public Schools.

Sincerely,

Kevin O'Mara Ed.D, President  
**SCHOOL EXEC CONNECT**

kevin.omara@schoolexecconnect.com  
708.516.0793

## **Consultants (see page 7)**

- Dr. Kenneth Dragseth, Senior Partner, [ken.dragseth@schoolsexconnect.com](mailto:ken.dragseth@schoolsexconnect.com) 952-210-2790
- Ms. Lisa Anderson, Associate, [lisa.anderson@schoolsexconnect.com](mailto:lisa.anderson@schoolsexconnect.com) 952-210-9865
- Dr. Aldo Sicoli

## **Proposed Timeline (see page 10)**

- Phase A: November 2021
- Phase B: November-December 2021
- Phase C: November 2021-January 2022
- Phase D: January-February 2022

## **Costs (see page 14)**

- Consulting Fee: \$15,900
- Expenses not to exceed: \$1,500

## **Our Guarantees (see page 15)**

Our understanding of the search services required and an overview of how **SCHOOL EXEC CONNECT** will provide these services:

- Mutually planning and tailoring your search process and timelines with the Board
- Working closely with your District staff members who assist the Board
- Preparing and providing written materials needed for the search process
- Assisting the Board in establishing criteria for a New Superintendent Profile including desired qualifications and leadership attributes
- Accepting applications on the **SCHOOL EXEC CONNECT** website with links to your District's website
- Using our national network to recruit candidates meeting the qualifications established by your Board
- Presenting a slate of qualified and well-vetted candidates to the Board
- Preparing the Board for first and second interviews
- Facilitating Board interviews at the Board's request
- Preparing Interview Committees for interviews
- Assisting the Board with contract negotiation and compensation recommendations
- Communicating diligently with the Board and staff throughout the search
- Assisting with news releases announcing the new Superintendent

Why is **SCHOOL EXEC CONNECT** so successful? We are one of the leading private search firms because we give school districts the personalized and individualized services each search deserves. Our firm is diverse, comprised of consultants who are knowledgeable and work closely together. We are large enough to have a robust network, but are small enough to give your District the focus and attention your search needs.

**SCHOOL EXEC CONNECT** was founded 17 years ago, and since its inception, **SCHOOL EXEC CONNECT** has become one of the leading educational search firms in the Midwest with 60 consultants, more than 500 searches completed throughout the United States, and a 97% placement success rate.

**SCHOOL EXEC CONNECT** specializes only in executive searches for school districts, private schools, charter schools, and consortium schools.

**Dr. Kevin O'Mara**, President, **SCHOOL EXEC CONNECT**, is the retired Superintendent of Argo (IL) Public Schools and currently serves as Associate Professor in the Department of Leadership at Concordia University Chicago. Dr. O'Mara has led more than 30 searches in the United States.

**SCHOOL EXEC CONNECT** is a two-proprietor corporation founded in 2004 in Highland Park, Illinois. The corporation has never operated under another name and has been in continuous operation since 2004.

### **SCHOOL EXEC CONNECT's background and qualifications**

- School Exec Connect has two senior Partners, twelve Partners, seven Senior Associates, and forty-one Associates working out of eight states.
- Partners, Senior Associates, and Associates working for our firm include retired superintendents, sitting superintendents, college professors, human resource directors, special education superintendents, and regional superintendents.
- Since 2004, we have successfully completed more than 400 superintendent searches for educational institutions.
- Our entire team of 60 consultants works closely together, supporting each search to find qualified candidates from across the country that match each District's needs.
- A hallmark of School Exec Connect is our Annual Training Conference, where we train new associates, review our past year, improve our practices, and get to know each other better to assure ongoing support and communication for our work together.
- We stay informed on legislative changes that affect school districts.
- All searches conducted by School Exec Connect have been completed on time and within budget.
- Our survey gives substantive information to School Boards about the various stakeholders' thinking. Given a large enough response, we can even report various subgroups' reactions to a variety of topics important to your District.
- We have never been sued or refused any portion of payment by a district; nor have we ever had a search terminated.
- We provide complete written materials to support the needs of the District staff when preparing materials.

## FINANCIAL

- We provide exceptional training and written materials for Boards and constituents who are involved in candidate interviews.
- The thoroughness of our community engagement gives a Board valuable information throughout the process while leaving the search decisions in the hands of the Board.
- **Our record of success is outstanding. More than 97% of our superintendent placements have been in good standing with their Boards after the first contract.**

**SCHOOL EXEC CONNECT** has had a steady record of profit since its inception in 2004. We have never filed for bankruptcy, been sued, or involved in any litigation with a client, school district, consultant, or candidate, had any search terminated, nor been refused payment.

The consultants who will assist you with your search:

- **Dr. Kenneth Dragseth, Senior Partner, SCHOOL EXEC CONNECT** would serve as the lead consultant with the Board and District designee. He is the retired Superintendent of the Edina Public Schools and recently retired Director of Administrative Licensure at the University of Minnesota. Dr. Dragseth has led over 65 successful searches in Minnesota and in the Midwest and co-owned the company School Exec Connect until recently. He has extensive connections in Minnesota and nationally based on his work experiences as well as his leadership roles in various educational organizations. He was National Superintendent of the Year and Minnesota Superintendent of the Year among his numerous awards and honors. He has been a consultant and presenter nationwide on a variety of educational issues including Board and Superintendent relationships, district leadership training and achieving academic excellence in schools. As Superintendent he was the first in the nation to alter school start times for high school students due to the research on adolescent sleep patterns and needs. He led a district that is recognized for excellence and high performing students. He has been a Principal, Director of Curriculum and Instruction and Assistant Superintendent. He received his B.A. from Gustavus Adolphus College and his M.A. and Ph.D. from the University of Minnesota.
- **Ms. Lisa Anderson, Associate, SCHOOL EXEC CONNECT** is a long-term member of the Eastern Carver County School board and client of School Exec Connect. She was integral in successfully hiring three Superintendents and has the unique perspective of a school board member. As a leadership coach Lisa will guide you through the process of selecting a Superintendent that begins and ends with the strategic needs of the district. Lisa is an expert facilitator that will engage the community, district employees and school board to establish the goals of the future Superintendent and to identify the best candidate to accomplish those objectives. As a 30-year leadership development professional, Lisa is passionate about growing the next generation of school leaders. She runs a leadership development firm that designs customized, large-scale leadership programs that are both forthright and collaborative. Lisa leads sessions on Leadership, Succession Planning and Strategic Planning. Lisa has a Bachelor's Degree in Business from University South Dakota and Master's Degree in Human Resource Development/Training from Saint Cloud State University in Minnesota. She has Leadership Coaching Certifications and sits on the Eastern Carver County School Board for over eleven years, the Southwest Metro Intermediate board for the past year, the Minnesota School Board Association Board for 2 years and Association of Metropolitan School Board for four years and executive and legislative board since 2019.

Complete resumes of the consultants will be sent upon request

**West St. Paul-Mendota Heights-Eagan Area Schools**

**Search Years: 2011-12 & 2016-17**

**4,600 students**

Mendota Heights, MN  
Mr. Mark Spurr, Board Chair (11-12)  
651-450-9779  
Joanne Mansur, Board Chair (16-17)  
[Joanne.mansur@isd197.org](mailto:Joanne.mansur@isd197.org) (16-17)  
651-452-3895

**South Washington County Schools**

**Search Years: 2008-09 & 2011-12**

**17,600 students**

Cottage Grove, MN  
Leslee Boyd, Board Chair  
651-436-3328  
[lboyd@sowashco.k12.mn.us](mailto:lboyd@sowashco.k12.mn.us)

**St. Louis Park Public Schools**

**Search Years: 2012-13 & 2016-17**

**4,000 students**

St. Louis Park, MN  
Bruce Richardson, Board Chair (12-13)  
952-928-6040  
Jim Yarosh, Board Chair (16-17)  
[jimyarosh@sbgdf.com](mailto:jimyarosh@sbgdf.com)

**Robbinsdale Area School District 281**

**Search Years: 2009, 2015-16, 2020-21**

**12,000 students**

New Hope, MN  
David Boone,, Board Chair 763-504-7993  
[David\\_boone@rdale.org](mailto:David_boone@rdale.org)

**Burnsville-Eagan-Savage School District 191**

**Search Years: 2012-13 & 2018-19**

**10,000 students**

Burnsville, MN  
Sandy Sweep, Board Chair 2012  
952-250-7097  
Abigail Alt, Board Chair 2018

**Richfield Public Schools**

**Search Years: 2007-08 & 2013-14**

**4,400 students**

Richfield, MN  
Todd Nollenberger, Board Chair  
(W) 612-869-8049

**Edina Public Schools**

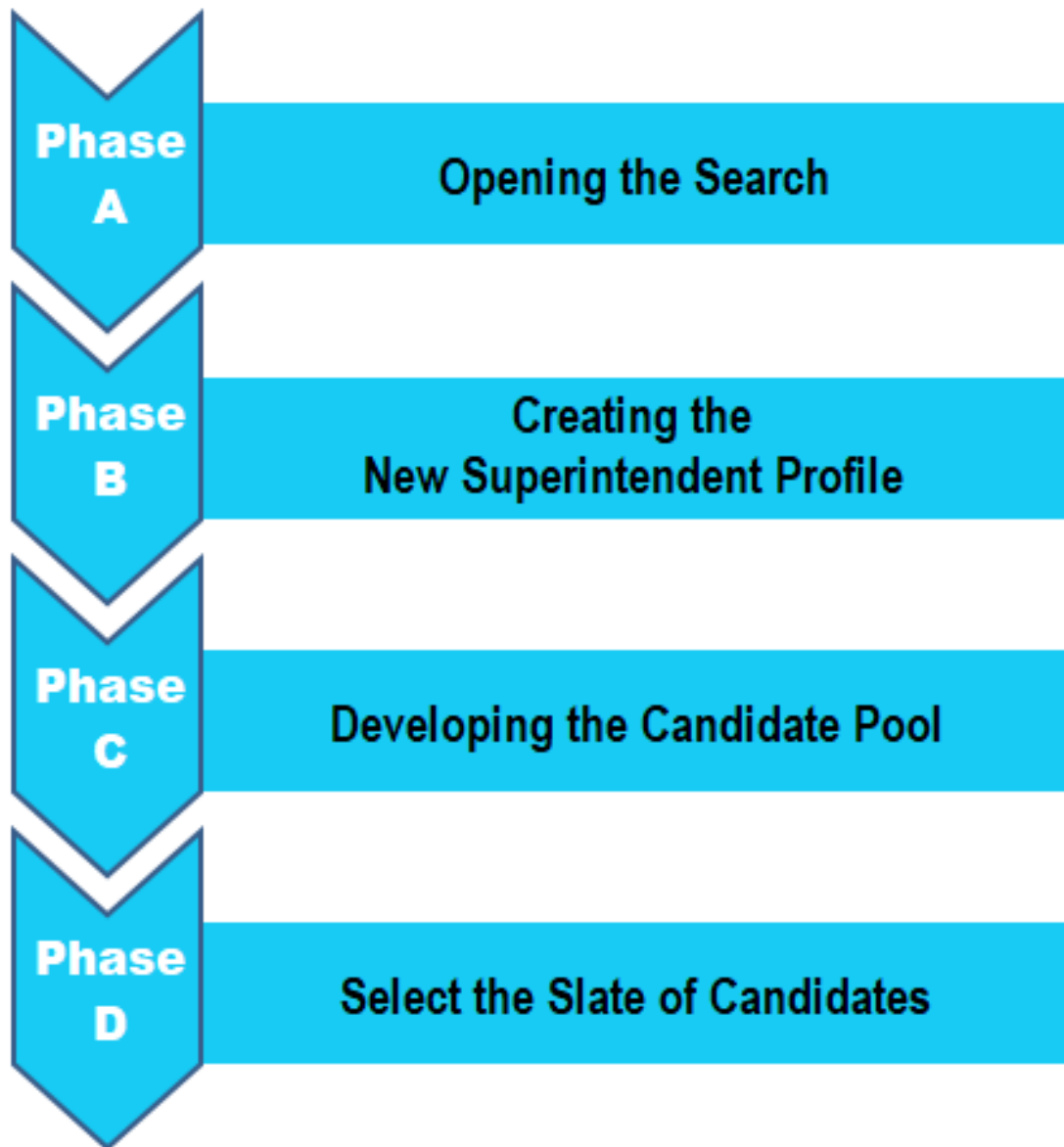
**Search Year 2020-21**

**8,500 students**

Edina, MN  
Erica Allenburg, Chair, 952-847-3612  
[Erica.allenburg@edinaschools.org](mailto:Erica.allenburg@edinaschools.org)



# PROPOSED SEARCH PLAN



## **Phase A: Opening the Search (November 2021)**

- The search process begins with the signing of the Letter of Agreement.
- An initial Planning Meeting is held with the Board to establish the scope and timeline of services.

## **Phase B: Creating the New Superintendent Profile (November-December 2021)**

- Board members are interviewed to understand the qualities, skills, and experiences they seek in a new superintendent.
- Focus Groups are held with selected groups approved by the Board.

- A District-wide On-line Survey, tailored for your District, is designed to allow staff and community members to give input to the search process. This is available in multiple languages.

### **Phase C: Developing the Candidate Pool (November 2021-January 2022)**

- The search process and calendar are posted on your District's website.
- The vacancy is advertised nationally and statewide and posted on the **SCHOOL EXEC CONNECT** website.
- The Consultants accept applications and recruit candidates who match your District's New Superintendent Profile.
- The Consultants screen and interview selected candidates face-to-face using The New Superintendent Profile.
- Internal candidates follow the same process as external candidates.
- References and Internet checks are conducted on potential candidates.
- Highly qualified candidates (typically five to seven) are presented to the Board and the Board decides whom to interview.

### **Phase D: Selecting the Candidates (January-February 2022)**

- The Consultants hold a Board Interviewing Workshop prior to the first interviews.
- The Consultants facilitate Board interviews of the slate of candidates and the Board narrows the field to three semi-finalists.
- Interview Committee(s) comprised of staff, parents and community members interview the semi-finalists in a structured process and each member writes individual feedback.
- The Board may have the semi-final candidates give a short Formal Presentation to observe the candidates' presentation skills.
- The Board conducts a second set of interviews using feedback from the Interview Committees in a formal and informal setting.
- The Board negotiates and takes action on the new Superintendent's contract.

## **Methods to communicate with the School Board**

We have found the best method to communicate with a School Board is through a Board Liaison and District Staff Liaison. We use phone, email, scanning and texting. However, we will communicate in the way best for all Board members in your District. Our consultants are available to meet with the Board in person as often as requested. During the search, we provide updates and formal reports as needed and present the *Slate of Candidates*. We will recommend that the Search Process, Search Timeline, and original Profile Report be displayed on your District's website for all constituents, staff members, Board members and candidates to see.

## Timelines, pre-qualifications, and final recommendation processes

Our suggested timeline is listed with a detailed search description. We find that bringing a slate of five (5) to seven (7) pre-qualified candidates to the Board works the best. We then provide training for the Board to interview and reduce the slate to three (3) finalists in first interviews. We also recommend interview committees to make non-ranked, individual recommendations to the Board before their final candidate interviews. The Consultants will facilitate these interviews.

## Our role in assisting the Board with candidate selection

We will provide the Board with detailed written interview guidelines, including questions for the candidates. We will also provide training for the Board in interviewing techniques. We also provide all written materials for the *Interview Committees* and may facilitate the interviews.

## Recommendations for community participation

We recommend that the Board involve both citizens and staff in the interviewing of final candidates.

## Information needed from Board and staff

In every search, there are specific duties and actions that can be performed only by District Board and staff liaisons. We recommend one designated Board member as the liaison for the overall communication purposes of the search and one staff member assigned to the search for logistical purposes.

Designated staff member(s) will be asked to do the following tasks:

- Send the survey link to community and post on District website
- Provide logistical support for Focus Groups
- Duplicate copy ready materials for the interview committees
- Oversee arrangements for the interview places and equipment needed for them
- Assist in making dinner arrangements for the Board and the finalist candidates. (Optional)
- Duplicate the Committee feedback for each board member after the finalist interviews.
- Assist the Board liaison and Consultants as search issues arise

## Methods to identify and recruit candidates

To identify prospective candidates, we use a variety of methods. The most efficient way is through our *Colleague Network*. We have 60 consultants in **SCHOOL EXEC CONNECT** who work very closely together to identify candidates. Our national network has been effective in identifying candidates from out-of-state. We will use regional and state venues to advertise the position and will work with your Board to design your complete advertising approach for the position. Because candidates know and trust our firm, they will check our website and your District's website for information about your position.

# Superintendent Search Work/Task Plan

BOARD	JOINT	CONSULTANT
<p style="text-align: center;"><b>Planning meeting</b> Timeline, process, advertising</p>		
<p style="text-align: center;"><b>Community engagement</b></p> <ul style="list-style-type: none"> <li>- Focus groups</li> <li>- On-line survey</li> <li>- New superintendent profile</li> </ul>		
<p style="text-align: center;"><b>Board approval</b> New superintendent profile</p>		
<p style="text-align: center;"><b>Candidate search</b></p> <ul style="list-style-type: none"> <li>- Advertise</li> <li>- Network &amp; recruit prospects</li> <li>- Interview selected applicants</li> </ul>		
<p style="text-align: center;"><b>Board workshop</b> Interview Strategies</p>		
<p style="text-align: center;"><b>Board first interviews</b></p> <ul style="list-style-type: none"> <li>- Five to six candidates</li> <li>- Select three to move forward</li> </ul>		
<p style="text-align: center;"><b>Final preparations</b></p> <ul style="list-style-type: none"> <li>- Prepare committee(s) for interviews                             <ul style="list-style-type: none"> <li>- Salary research</li> </ul> </li> </ul>		
<p style="text-align: center;"><b>Board second interviews</b></p> <ul style="list-style-type: none"> <li>- Candidate presentations                             <ul style="list-style-type: none"> <li>- Committee feedback</li> </ul> </li> <li>- Board dinner/final interview</li> <li>- Final candidate selected</li> </ul>		
<p style="text-align: center;"><b>Final decision</b></p> <ul style="list-style-type: none"> <li>- Background check                             <ul style="list-style-type: none"> <li>- Contract offer</li> </ul> </li> </ul>		
<p style="text-align: center;"><b>Name the new Superintendent</b></p> <ul style="list-style-type: none"> <li>- Board action</li> <li>- News release</li> <li>- Introduction to community</li> </ul>		
<p style="text-align: center;"><b>Close search</b></p> <ul style="list-style-type: none"> <li>- Inform all candidates of Board's decision                             <ul style="list-style-type: none"> <li>- Assist Board if needed</li> </ul> </li> </ul>		
<p style="text-align: center;"><b>New Superintendent begins duties</b></p>		

# CONSULTING FEE

The consulting fee for your search will be \$15,900. It is inclusive, and no hourly fees will be charged in addition. The consulting fee may be reduced and negotiated if the level of search services is reduced.

## **Expenses:**

Regular expenses will not exceed \$1,500. These include, but are not limited to, copying, secretarial support, consultant travel expense, supplies, and interview costs.

## **Advertising:**

Advertising costs are determined and paid by the District. Options include:

- Print and online advertising in *Education Week* and the Minnesota School Boards Association
- LinkedIn targeted posting/promotion
- Connections to the American Association of School Administrators (AASA) and MASA websites
- Posting on the **SCHOOL EXEC CONNECT** website
- E-mail blasts to selected superintendents and contacts throughout the country

## **Other Expense Information:**

- **SCHOOL EXEC CONNECT** will invoice your District twice. First, after signing the *Letter of Agreement* and, second, upon the Board's approval of your new Superintendent's contract.
- After the candidate pool has been presented to the Board, the District incurs the costs of the search. This may include mileage, meals, lodging, etc.
- It is recommended that the finalist undergoes a criminal background check before a contract is signed; this option is a \$750 expense.

# OUR GUARANTEES

## **GUARANTEE #1**

In the event that the first slate of candidates does not include a superintendent the Board wishes to hire, the Consultants will continue to bring candidates forward for actual expenses only until the Board has found a superintendent to whom they wish to offer a contract. No additional consulting fees will be charged.

## **GUARANTEE #2**

If the Superintendent leaves for any reason within twenty-four months of the starting date, the Consultants will conduct a new search for no additional Consulting Fee. The Board will pay only the actual expenses of the search as listed above under Expenses.

## **GUARANTEE #3**

**SCHOOL EXEC CONNECT** guarantees that our consultants will not recruit your new Superintendent for the duration of his/her first two contracts.

## **Superintendent Searches Conducted by SCHOOL EXEC CONNECT, 2011–2021**

The information presented here is based on the individual contact working with the firm during the search, and who offered to be a reference. Phone numbers and titles as well as presence on the Boards may have changed.

### **INDIANA**

#### **Porter Township Schools**

**Search Year: 2011-12**

**1,470 students**

Valparaiso, IN

Johanna Williams, Board President

219-477-4933

### **ILLINOIS**

#### **Antioch Community School District**

**Search Years: 2009-10 & 2013-14**

**3,407 students**

Antioch, IL

Tamara Neumann, Board President

847-372-4838

#### **Aptakisic-Tripp Community Consolidated School District 102**

**Search Year: 2015-16**

**2,100 students**

Buffalo Grove, IL

Ellyn Ross, Board President

847-732-2304

[erossd102@gmail.com](mailto:erossd102@gmail.com)

#### **Argo Community High School District 217**

**Search Year: 2016-17**

**1,860 students**

Summit, IL

Terry Pappas, Board President

708-458-1178

[tpappas@argohs.net](mailto:tpappas@argohs.net)

#### **Ball-Chatham School District 5**

**Search Year: 2014-15**

**4,500 students**

Chatham, IL

Steve Copp, Board President

217-652-2388

[scopp@chathamschools.org](mailto:scopp@chathamschools.org)

#### **Barrington School District**

**Search Year: 2013-14 and 20-21**

**9,000 students**

Barrington, IL

Ms. Penny Kazmier, Board President

847-337-4498

[pkazmier@barrington220.org](mailto:pkazmier@barrington220.org)

#### **Batavia Public School District 101**

**Search Year: 2012-13**

**6,293 students**

Batavia, IL

Ron Link, Board President

630-800-6600

[ronald.link@bps101.net](mailto:ronald.link@bps101.net)

#### **Beecher School District 200-U**

**Search Year: 2013-14**

**1,107 students**

Beecher, IL

Daniel Strick, Board President

708-334-0465

[dstrick1@comcast.net](mailto:dstrick1@comcast.net)

#### **Big Hollow Grade School District 38**

**Search Years: 2011-12 & 2014-15**

**1,100 students**

Ingleside, IL

Heather Janquart, Board President

815-403-2199

[hjanquart1117@gmail.com](mailto:hjanquart1117@gmail.com)

#### **Byron School District 226**

**Search Year: 2017-18**

**1,482 students**

Byron, IL

Carol Nauman,

815-979-6467

[naumancj@comcast.net](mailto:naumancj@comcast.net)

#### **Carlinville CUSD #1**

**Search Year: 2016-17**

**1,468 students**

Carlinville, IL

Bobbi Bates, Board President

217-556-5722

[Bobbi1562@yahoo.com](mailto:Bobbi1562@yahoo.com)

**Champaign C.U.S.D. 4****Search Year: 2011-12****9,948 students**

Champaign, IL  
Stig Lanesskog, Board Chair  
217-819-8945

**Channahon School District 17****Search Year: 2015-16****1,400 students**

Channahon, IL  
George McCoy, Board President  
815-467-6660  
[gmccoy@csd17.org](mailto:gmccoy@csd17.org)

**Community Consolidated School District 59****Search Year: 2012-13 and 2020-21****6,700 students**

Arlington Heights, IL  
Janice Krinsky, Board President  
847-640-7501  
[Krinsky.janice@ccsd59.org](mailto:Krinsky.janice@ccsd59.org)

**Community High School District 99****Search Year: 2015-16****5,055 students**

Downers Grove, IL  
Nancy Kupka, Board President  
630-663-9227 (H), 847-964-6059 (W)  
[nkupka@csd99.org](mailto:nkupka@csd99.org)

**Danville School District No. 118****Search Year: 2014-15****6,200 students**

Danville, IL  
William J. Dobbles, Board President  
217-443-3421, or 217-260-5858  
[bdobbles@comcast.net](mailto:bdobbles@comcast.net)

**Deerfield Public Schools District 109****Search Year: 2020-21****2,815 students**

Deerfield, IL  
Mr. Nick Begley, Board President  
[nick.begley@dps109.org](mailto:nick.begley@dps109.org)

**Downers Grove Grade School District 58****Search Year: 2011-12****5,000 students**

Downers Grove, IL  
Sallie Lupescu, Board Liaison  
630-724-9566

**Dunlap Community Unit School District 323****Search Years: 2008-09 & 2013-14****4,100 students**

Peoria, IL

Joe Eberle, Board President  
309-657-4852  
[joe.72@netzero.net](mailto:joe.72@netzero.net)

**East Peoria Community High School District #309****Search Year: 2016-17****1,112 students**

East Peoria, IL  
Steve Matheny, Board President  
309-208-2215  
[smatheny@ep309.org](mailto:smatheny@ep309.org)

**Elmhurst Community School District 205****Search Year: 2020-21****8,500 students**

Elmhurst, IL  
Kara Coforio, Board President  
[kcarorio@elmhurst205.org](mailto:kcarorio@elmhurst205.org)

**Emmons School District 33****Search Year: 2018-19****330 students**

Antioch, IL  
Laurie Christophersen  
847-395-6484  
[lchristophersen@emmons33.org](mailto:lchristophersen@emmons33.org)

**Evergreen Park School District 124****Search Year: 2011-12****868 students**

Evergreen Park, IL  
Kathy Rohan, Board President  
708-309-747

**Forest Park School District 91****Search Year: 2020-21****750 students**

Forest Park, IL  
Mary Connor, Board President  
[mconnor@fpsd91.org](mailto:mconnor@fpsd91.org)

**Glenbard High School District 87****Search Year: 2011-12****8,600 students**

Glen Ellyn, IL  
Richard Heim, Board President  
[Richard.heim@advocatehealth.com](mailto:Richard.heim@advocatehealth.com)

**Glenview School District 34****Search Year: 2016-17****5,000 students**

Glenview, IL  
Sam Ach, Board President  
847-341-3021  
[swach@resagus.com](mailto:swach@resagus.com)

**Grayslake Community High School District 127**

**Search Year: 2016-17**

**3,000 students**

Grayslake, IL  
Ann Dingman, Board Chair  
847-651-4954  
[adingman@d127.org](mailto:adingman@d127.org)

**Gurnee School District 56**

**Search Year: 2017-18**

**2,141 students**

Gurnee, IL  
Dr. James Blockinger, Board President  
847-44-6510  
[blockltd@comcast.net](mailto:blockltd@comcast.net)

**Hawthorn School District 73**

**Search Year: 2011-12**

Vernon Hills, IL  
Timothy Shanahan, Board Chair  
773-406-1507  
[shanahant@hawthorn73.org](mailto:shanahant@hawthorn73.org)

**Hinkley-Big Rock CUSD**

**Search Year: 2012-13**

**694 students**

Hinkley, IL  
Deb Winkle, Board President  
815-286-7865

**Homer School District 33C**

**Search Year: 2013-14**

**3,680 students**

Homer Glen, IL  
Angela Adolph, Board President  
312-919-5004  
[aadolf2@homerschools.org](mailto:aadolf2@homerschools.org)

**Iroquois County CUSD 9**

**Search Year: 2015-16 & 2017-18**

**1,165 students**

Watseka, IL  
James Bruns, Board President  
815-429-3337  
[James@iroqbank.com](mailto:James@iroqbank.com)

**Joseph Academy**

**Search Year: 2019-20**

**85 students**

Des Plaines, IL  
Maureen Espinoza  
720-987-8617

[moschack@gmail.com](mailto:moschack@gmail.com)

**La Grange School District 102**

**Search Year: 2014-15**

**3,100 students**

LaGrange Park, IL  
David May, Board President  
708-579-3107  
[dmay@walshgroup.com](mailto:dmay@walshgroup.com)

**LaGrange School District 105**

**Search Year: 2019-20**

**1,350 students**

LaGrange, IL  
David Herndon  
[dherndon@d105.net](mailto:dherndon@d105.net)

**Lake County HS Technology Campus**

**Search Year: 2012-13**

Grayslake, IL  
Dr. George Fornero, Board President  
224-765-1001

**Lake Forest Districts 67 & 115  
(Shared Superintendent)**

**Search Year: 2011-12**

**3,670 students**

Lake Forest, IL  
Julia Wold, District 67, Board Chair  
847-209-0605  
Ms. Sharon Golan, District 115, Board Chair  
847-234-1414

**Lake Park High School District 108**

**Search Year: 2019-20**

**2,600 students**

Roselle, IL  
Barbara Layer, Board President  
[blayer@lphs.org](mailto:blayer@lphs.org)

**Lake Villa School District 41**

**Search Year: 2013-14**

**3,000 students**

Lake Villa, IL  
Michael Conway, Board President  
847-528-8820  
[mjconwaylaw@ameritech.net](mailto:mjconwaylaw@ameritech.net)

**Lake Zurich CUSD 95**

**Search Year: 2015-16**

**5,668 students**

Lake Zurich, IL  
Doug Goldberg, Board President

224-625-4725  
[Doug.goldberg@lz.org](mailto:Doug.goldberg@lz.org)

**Lake Zurich CUSD 95**  
**Search Year: 2018-19**  
**6,668 students**

Lake Zurich, IL  
Doug Goldberg, Board President  
224-625-4725  
[Doug.goldberg@lz.org](mailto:Doug.goldberg@lz.org)

**Lansing School District 158**  
**Search Year: 2017-18**  
**2,596 students**

Lansing, IL  
Robert Bonifazi, Board President  
312-316-8729  
[Robert.bonifazi@158.net](mailto:Robert.bonifazi@158.net)

**Laraway CCSD 70C**  
**Search Year: 2013-14**  
**400 Students**

Joliet, IL  
Gary Knight, Board President  
815-641-6284

**Lemont-Bromberek CSD 113A**  
**Search Year: 2013-14**  
**2,224 students**

Lemont, IL  
Cindy Kelly, Board President  
630-243-8627  
[ckelly@sd113a.org](mailto:ckelly@sd113a.org)

**Lemont THSD 210**  
**Search Year: 2012-13**  
**1,500 students**

Lemont, IL  
Beverly Marzec, Board Chair  
(C) 630-252-6600

**Libertyville HS District 128**  
**Search Year: 2020-21**  
**3,200 students**

Vernon Hills, IL  
Patrick Groody, Board President  
224-213-5846  
[patgroody@aol.com](mailto:patgroody@aol.com)

**Libertyville District 70**  
**Search Year: 2018-19**  
**2,500 students**

Libertyville, IL  
Tom Vickers

312-224-1503  
[tvickers@dd70schools.org](mailto:tvickers@dd70schools.org)

**Maywood-Melrose Park-Broadview District**  
**Search Year: 2014-15**  
**5,500 students**

Melrose Park, IL  
Veronica Bonilla-Lopez, Board President  
708-522-5002  
[vblopez@Maywood89.org](mailto:vblopez@Maywood89.org)

**McLean County Unit District 5**  
**Search Years: 2007-08 & 2013-14 & 2019-20**  
**13,600 students**

Normal, IL  
Mr. Barry Hitchins, Board President  
309-242-5942  
[hitchinsb@unit5.org](mailto:hitchinsb@unit5.org)

**Meredosia-Chambersburg School District #11**  
**Search Year: 2015-16**  
**238 students**

Meredosia, IL  
Jeff Schmitz, Board President  
217-257-0463  
[jschmitz@DOTFOODS.com](mailto:jschmitz@DOTFOODS.com)

**Mokena School District 159**  
**Search Year: 2017-18 & 2019-20**  
**1,550 students**

Mokena, IL  
Michael Everett, Board President  
708-359-2652  
[everettm@mokena159.org](mailto:everettm@mokena159.org)

**Moline-Coal Valley School District #40**  
**Search Year: 2018-19**  
**7,300 students**

Moline, IL  
Kate Schaefer, Board President  
309-762-0363  
[kschaefer@molineschools.org](mailto:kschaefer@molineschools.org)

**Morrison Community Unit District 6**  
**Search Years: 2008-09 & 2013-14**  
**1,107 students**

Morrison, IL  
Jim Prombo, Board President  
815-772-4210

**Morton Grove School District 70**  
**Search Years: 2011-12 & 2015-16**  
**880 students**

Morton Grove, IL  
Tony Hofeld, Board President 2011

847-966-0909  
Paul McGivern  
847-370-8505  
[pmcgivern@mgsd70.org](mailto:pmcgivern@mgsd70.org)

**Mount Prospect School District 57**  
**Search Year: 2020-21**  
**2,319 students**  
Mount Prospect, IL  
Eileen Kowalczyk, Board President  
847-846-7373  
[ekowalczyk@d57.org](mailto:ekowalczyk@d57.org)

**Mundelein Elementary School District 75**  
**Search Year: 2013-14**  
**1,650 students**  
Mundelein, IL  
Dr. Tim Johnson, Board President  
847-370-6549  
[tjohnson@d75.org](mailto:tjohnson@d75.org)

**Mundelein High School District 120**  
**Search Years: 2007-08 & 2013-14**  
**2,200 students**  
Mundelein, IL  
Karen Havlik, Board President  
847-361-2125  
[Khavlik@d120.org](mailto:Khavlik@d120.org)

**Brown County School District #317**  
**Search Year: 2020-21**  
**735 students**  
Nashville, IL  
Philip Krupps, Board President  
217-257-5083  
[Philip.krupps@bcsb.com](mailto:Philip.krupps@bcsb.com)

**New Trier Township High School District 203**  
**Search Year: 2016-17**  
**4,000 students**  
Winnetka, IL  
Gregory Robitaille, Board President  
312-239-7126  
[Greg.Robitaille@waterstreet.com](mailto:Greg.Robitaille@waterstreet.com)

**Niles Elementary District 71**  
**Search Year: 2014-15**  
**550 students**

Niles, IL  
Matt Glancy, Board President  
312-560-9779  
[mglancy@culver71.net](mailto:mglancy@culver71.net)

**North Chicago School District 187**  
**Search Year: 2016-17**  
**3,500 students**  
North Chicago, IL  
Dora King, Chair. Independent Authority  
847-689-8150  
[dking@board.d187.org](mailto:dking@board.d187.org)

**North Shore District 112**  
**Search Years: 2005-06 & 2013-14**  
**4,000 students**  
Highland Park, IL  
Dr. Bruce Hyman, Board President  
847-732-6496  
[bhyman@nssd112.org](mailto:bhyman@nssd112.org)

**Northern Suburban Special Education District**  
**Search Year: 2015-16 & 2019-20**  
Highland Park, IL  
Eddie Chez, Board President  
312-583-7035

**Northwest Suburban Special Education Organization**  
Mount Prospect, IL  
Robert Zimmanck, Board President  
[bobzimmanck@d214.org](mailto:bobzimmanck@d214.org)

**Park Ridge-Niles District 64**  
**Search Year: 2018-19**  
**4,700 students**  
Park Ridge-Niles, IL  
Anthony Borrelli, Board President  
847-318-4300  
[aborelli@d64.org](mailto:aborelli@d64.org)

**Pewaukee School District**  
**Search Year: 2016-17**  
**3,000 students**  
Pewaukee, IL  
Brian Kammers, Board President  
262-490-522  
[Boe-bkammers@pewaukeeschools.org](mailto:Boe-bkammers@pewaukeeschools.org)

**Plainfield CCSD 202**  
**Search Year: 2012-13**  
**28,500 students**

Plainfield, IL  
Roger Bonuchi, President  
815-861-9376

**Pleasantdale School District**

**Search Year: 2014-15**

**800 students**

Burr Ridge, IL  
Mark Mirabile, Board President  
630-248-0914  
[board@d107.org](mailto:board@d107.org)

**Prairie Grove CSD 46**

**Search Year: 2013-14**

**888 students**

Crystal Lake, IL  
Margaret Ponga, Board President  
847-875-9218  
[mponga@dist46.org](mailto:mponga@dist46.org)

**Quincy Public Schools 172**

**Search Year: 2012-13**

**6,500 Students**

Quincy, IL  
Bill Daniels, Board President  
217-228-9090

**Ridgewood Community High School District 234**

**Search Year: 2013-14**

**800 students**

Norridge, IL  
Michael Glaub, Board President  
312-327-0151  
[mglaub@hennesseyroach.com](mailto:mglaub@hennesseyroach.com)

**River Forest School District 90**

**Search Years: 2007-08 & 2011-12**

**1,371 students**

River Forest, IL  
Juli Geldner, Board Member  
312-401-5225

**River Grove School District 85.5**

**Search Year: 2014-15**

**700 students**

River Grove, IL  
Marlene Flahven, Board President  
708-456-4413  
[caw4mar@gmail.com](mailto:caw4mar@gmail.com)

**River Trails School District 26**

**Search Year: 2016-17**

**1,500 students**

Mount Prospect, IL  
Donna Johnson, Board President  
[djohnson@rtsd26.org](mailto:djohnson@rtsd26.org)

**Rochester CUSD 3A**

**Search Year: 2017-18**

**2,300 students**

Rochester, IL  
Randy Hawkins, Board President  
217-691-6328  
[rockthawk@comcast.net](mailto:rockthawk@comcast.net)

**Schuyler-Industry CUSD #5**

**Search Year: 2015-16**

**1,212 students**

Rushville, IL  
Eric Jones, Board President  
217-322-8677  
[Eric.jones@advanceddisposal.com](mailto:Eric.jones@advanceddisposal.com)

**Skokie School District 68**

**Search Year: 2013-14**

**1,800 students**

Skokie, IL  
Una McGeough, Board President  
847-501-0191  
[mcgeoughu@gmail.com](mailto:mcgeoughu@gmail.com)

**Special Education District of Lake County (SEDOL)**

**Search Year: 2017-18**

**Students from 31 districts**

Gages Lake, IL  
Joanne Osmond, President, Governing Board  
847-833-2546  
[Joanne.osmond@district41.org](mailto:Joanne.osmond@district41.org)

**Special Education District of McHenry County (SEDOM)**

**Search Year: 2016-17**

**1,700 students served in Cooperative**

Woodstock, IL  
Lea Damisch  
815-568-8323  
[ldamisch@marengo165.org](mailto:ldamisch@marengo165.org)

**Springfield School District 186**

**Search Year: 2013-14**

**15,000 students**

Springfield, IL  
Charles Flamini, Board President  
217-622-9916  
[flamini@sps186.org](mailto:flamini@sps186.org)

**Taft School District 90**

**Search Year: 2015-16**

**350 students**

Lockport, IL  
Tony Peloso, Board President  
708-925-3857  
[Taft90.president@gmail.com](mailto:Taft90.president@gmail.com)

**Technology Center of DuPage****Search Year: 2012-13**

Addison, IL  
Dr. Robert Rammer, Board President  
630-682-2015

**Thornton Township High School District 205****Search Year: 2017-18****5,227 students**

South Holland, IL  
Nina Graham, Board President  
708-207-0601  
[Sci205@aol.com](mailto:Sci205@aol.com)

**Township High School District 113****Search Year: 2018-19****3,700 students**

Highland Park, IL  
Elizabeth Garlovsky, Board Member  
312-388-1005  
[egarlovsky@dist113.org](mailto:egarlovsky@dist113.org)

**Township High School District 211****Search Year: 2013-14****12,500 students**

Palatine, IL  
Bill Robertson, Board President  
847-755-6600  
[brobertson@d211.org](mailto:brobertson@d211.org)

**Urbana School District #116****Search Year: 2018-19****4,590 students**

Urbana, IL  
John Dimit, Board President  
217-367-5362  
[jdimit@usd116.org](mailto:jdimit@usd116.org)

**Warren Township High School District****Search Year: 2014-15****4,350 students**

Gurnee, IL  
John Anderson, Board President  
847-778-8199  
[john@tpasales.com](mailto:john@tpasales.com)

**Warrensburg-Latham Community Unit School****District #11****Search Year: 2019-20****1,000 students**

Warrensburg, IL  
David Munson, Board President  
217-454-3511  
[Dmunson.wl@gmail.com](mailto:Dmunson.wl@gmail.com)

**West Aurora School District 129****Search Year: 2013-14****12,500 students**

Aurora, IL  
Neal Ormond, Board Chair  
630-859-3292  
[Normond3@yahoo.com](mailto:Normond3@yahoo.com)

**West Central CUSD 235****Search Year: 2014-15****875 students**

Biggsville, IL  
Dr. Lonnie Brent, Board Chair  
319-572-7030  
[lonniebrent@hotmail.com](mailto:lonniebrent@hotmail.com)

**Will County School District 92****Search Year: 2018-19****1,521 students**

Lockport, IL  
Michael Messina, Board President  
708-525-4145  
[mmessina@d92.org](mailto:mmessina@d92.org)

**Wilmette Public School District 39****Search Year: 2018-19****3,700 students**

Wilmette, IL  
Lisa Schneider Fabes  
773-612-8487  
[lsfabes@gmail.com](mailto:lsfabes@gmail.com)

**Winfield School District 34****Search Year: 2016-17****360 students**

Winfield, IL  
Bob Brown, Board President  
630-909-4900  
[Bbrown314@comcast.net](mailto:Bbrown314@comcast.net)

**Zion-Benton Township HS District 126****Search Year: 2019-20****2,600 students**

Zion, IL  
Jerry Nordstrom, Board President  
847-732-9146  
[membernordstrom@zbths.org](mailto:membernordstrom@zbths.org)

## MICHIGAN

### **Birmingham Public Schools**

**Search Year: 2011-12**

**10,000 students**

Birmingham, MI

Susan Hill, Board President

248-225-1399

### **Farmington Public Schools**

**Search Year: 2013-14**

**11,000 students**

Farmington, MI

Howard Wallach, Board President

248-444-1508

[hwallach@foleymansfield.com](mailto:hwallach@foleymansfield.com)

### **Farmington Public Schools**

**Search Year: 2020-21**

**9,151 students**

Farmington, MI

Zach Rich, Board Reference

734-853-3040

[zach.rich@fpsk12-net](mailto:zach.rich@fpsk12-net)

### **Grosse Pointe Public School System**

**Search Year: 2014-15**

**8,300 students**

Grosse Pointe, MI

Judy Gafa, Board President

313-580-0503

[gafa@gpschools.com](mailto:gafa@gpschools.com)

Dan Roeske, Board Vice President

[roesked@gpschools.com](mailto:roesked@gpschools.com)

### **Grosse Pointe Public School System**

**Search Year: 2020-21**

**7,500 students**

Grosse Pointe, MI

Joe Herd, Board Reference

[j.b.herd@att.net](mailto:j.b.herd@att.net)

### **Macomb Academy**

**Search Year: 2016-17**

**Clinton Township, MI**

Kurt Limburg, Board President

586-219-0910

### **Midland Public School**

**Search Year: 2012-13**

**8,200 students**

Midland, MI

Jerry Wasserman, Board President

989-492-6079

### **Rochester Community School District**

**Search Year: 2012-13**

**15,000 students**

Rochester, MI

Elizabeth Talbert, Board President

248-766-8695

### **Saginaw Township Community Schools**

**Search Year: 2017-18**

**4,780 students**

Saginaw, MI

Mike Colucci, Goard president

9890295-6473

[mjcolucc@stcs.org](mailto:mjcolucc@stcs.org)

## MINNESOTA

### **Aitkin Public Schools**

**Search Year: 2018-19**

**900 students**

Aitkin, MN

Cindy Hills, Board Chair

[chills@isd1.org](mailto:chills@isd1.org)

### **Anoka-Hennepin School District**

**Search Years: 2008-09 & 2013-14**

**39,000 students**

Coon Rapids, MN

Tom Heidemann, Board President

763-506-4795

[Tom.Heidemann@Anoka.k12.mn.us](mailto:Tom.Heidemann@Anoka.k12.mn.us)

### **Bemidji Area Schools**

**Search Year: 2017-18**

**5,100 students**

Bemidji, MN

Carol Johnson,

[Carol\\_johnson@isd31.net](mailto:Carol_johnson@isd31.net)

### **Brainerd Public Schools**

**Search Years: 2013-14 & 2015-16**

**6,800 students**

Brainerd, MN

Ruth Nelson, Board President

218-821-9168

[ruth.nelson@isd181.org](mailto:ruth.nelson@isd181.org)

### **Burnsville-Eagan-Savage School District 191**

**Search Years: 2012-13 & 2018-19**

**10,000 students**

Burnsville, MN

Sandy Sweep, Board Chair 2012

952-250-7097

Abigail Alt, Board Chair 2018

[aalt@isd191.org](mailto:aalt@isd191.org)

**Byron Public Schools**

**Search Year: 2016-17**

**5,000 students**

Byron, MN

Peggy Harris, Board Chair

507-251-9086

[Peggy.harris@byron.k12.mn.us](mailto:Peggy.harris@byron.k12.mn.us)

**Cambridge-Isanti Public Schools**

**Search Year: 2012-13**

**5,000 students**

Cambridge, MN

Tim Hitchings, Board Chair

[thitchings@cambridge.k12.mn.us](mailto:thitchings@cambridge.k12.mn.us)

**Chisholm Public Schools**

**Search Year: 2016-17**

**780 students**

Chisholm, MN

Robert Rahja, Board Chair

218-290-4317

[bohr@questenginc.org](mailto:bohr@questenginc.org)

**Dassel-Cokato School District 466**

**Search Year: 2020-21**

**2,100 students**

Cokato, MN

Bill Aho, Board Chair

[Bill.aho@dc.k12.mn.us](mailto:Bill.aho@dc.k12.mn.us)

**Duluth Public Schools ISD 709**

**Search Year: 2010-11**

**8,100 students**

Duluth, MN

Seliga Punyko, Board Chair

**Edina Public Schools**

**Search Year 2020-21**

**8,500 students**

Edina, MN

Erica Allenburg, Chair, 952-847-3612

[Erica.allenburg@edinaschools.org](mailto:Erica.allenburg@edinaschools.org)

**Eastern Carver County School District 112**

**Search Year: 2016-17 & 2019-20**

**9,620 students**

Chaska, MN

Dr. Jeffrey Ross

763-458-8801

[ross.jeffrey@district112.org](mailto:ross.jeffrey@district112.org)

**Eden Prairie Independent School District 272**

**Search Year: 2011-12**

**9,202 students**

Eden Prairie, MN

Renee Jacobus, Board Chair

612-750-1522, 952-934-5480

**Grand Rapids (Independent School District 318)**

**Search Year: 2019-20**

**4,000 students**

Grand Rapids, MN

Tom Peltier, Board Chair

218-327-0951

[tpeltier@isd318.org](mailto:tpeltier@isd318.org)

**Hayfield Public Schools**

**Search Year: 2013-14**

**800 students**

Hayfield, MN

Kathleen Jegna-Zelinski, Board President

507-251-8420

[zelinski.kathleen@mayo.org](mailto:zelinski.kathleen@mayo.org)

**Hibbing Public Schools**

**Search Year: 2014-15**

**2,400 students**

Hibbing, MN

Jeff Polcher, Chair Pro-Tem

218-969-7791

[jpolcher@gmail.com](mailto:jpolcher@gmail.com)

**Hopkins Public Schools**

**Search Year: 2016-17**

**10,500 Students**

Hopkins, MN

Wendy Donovan, Board President

[Wendy.donovan@hopkinsschools.org](mailto:Wendy.donovan@hopkinsschools.org)

**Independent School District 2711**

**Search Year: 2020-21**

**933 Students**

Aurora, MN

Cyndi Worshek, Chair

218-229-2981

[cworshek@isd2711.org](mailto:cworshek@isd2711.org)

**ISD 728 (Elk River)**

**Search Year: 2016-17**

**13,000 Students**

Elk River, MN

Shane Steinbrecher, Board Chair

[Shane.steinbrecher@isd728.org](mailto:Shane.steinbrecher@isd728.org)

**ISD 317 (Deer River)**

**Search Year: 2019-20**

**878 Students**

Deer River, MN

Travis Anttila, Board Chair  
218-246-8052  
[tanttila@isd317.org](mailto:tanttila@isd317.org)

**Lakeville Area Public Schools**

**Search Year: 2010-11**

**11,000 students**

Lakeville, MN  
Judy Keliher, Board Chair  
952-898-9747

**Little Falls Community Schools**

**Search Years: 2005-06 & 2011-12**

**2,800 students**

Little Falls, MN  
Jay Spillum, Board Chair  
320-632-8514  
[jspillum@gmail.com](mailto:jspillum@gmail.com)

**Mankato Area School District**

**8,900 students**

Mankato, MN  
Darren Wacker, Board Chair  
[Dwacke1@isd77.org](mailto:Dwacke1@isd77.org)

**Mesabi East Schools**

**933 students**

Aurora, MN  
Cyndi Worshek, Board Chair  
[cworshek@isd2711.org](mailto:cworshek@isd2711.org)

**Milaca Public Schools**

**Search Year: 2014-15**

**1,900 students**

Milaca, MN  
Jeff Larson, Board President  
612-251-8206  
[larsonjd99@gmail.com](mailto:larsonjd99@gmail.com)

**North St. Paul/Maplewood/Oakdale Public Schools**

**Search Year: 2014-15**

**10,700 students**

North St. Paul, MN  
Amy Coborn, Board Chair  
651-247-2881  
[Coborn4@comcast.net](mailto:Coborn4@comcast.net) or  
[amycoborne@isd622.org](mailto:amycoborne@isd622.org)

**Northwest Suburban Integration School District**

**Search Year: 2014-15**

**Integration Cooperative of 8 School Districts**

**100,000 students**

Brooklyn Park, MN  
Jon Tynjala, Board Chair  
651-621-6081  
[john.tynjala@moundsvIEWSchools.org](mailto:john.tynjala@moundsvIEWSchools.org)

**Onamia**

**Search Year: 2014-15**

**600 Students**

Onamia, MN  
William Hill III, Board Chair  
[whill@onamia.k12.mn.us](mailto:whill@onamia.k12.mn.us)

**Osseo Area Schools**

**Search Year: 2018-19**

**21,100 students**

Osseo, MN  
Mike Ostaffe, Board Member  
763-361-7000  
[ostaffe@district279.org](mailto:ostaffe@district279.org)

**Paynesville Area Schools**

**Search Year: 2020-21**

**1,000 students**

Paynesville, MN  
Tom Pierson, Board Chair  
320-492-8491  
[tpierson@isd741.org](mailto:tpierson@isd741.org)

**Pipestone Area Schools**

**Search Year: 2015-16**

**1,153 students**

Pipestone, MN  
Dr. Wendy Schoolmeester  
507-215-1632  
[Wendy.schoolmeester@pas.k12.mn.us](mailto:Wendy.schoolmeester@pas.k12.mn.us)

**Richfield Public Schools**

**Search Years: 2007-08 & 2013-14**

**4,400 students**

Richfield, MN  
Todd Nollenberger, Board Chair  
(W) 612-869-8049

**Robbinsdale Area School District 281**

**Search Years: 2009, 2015-16, 2020-21**

**12,000 students**

New Hope, MN  
David Boone,, Board Chair 763-504-7993  
[David\\_boone@rdale.org](mailto:David_boone@rdale.org)

**ROCORI School District**

**Search Year: 2017-18**

**2,100 students**

Cold Spring, MN

Kara Habbren, Board Chair  
[habbenk@rocori.k12.mn.us](mailto:habbenk@rocori.k12.mn.us)

**Rochester Public Schools**

**Search Year: 2010-11**

**15,000 students**

Rochester, MN  
Dan O'Neil, Board Chair  
507-398-8887  
[danoneil@mac.com](mailto:danoneil@mac.com)

**Rockford Area Schools**

**Search Year 2019-20**

**1,640 students**

Rockford, MN  
Eric Gordee  
612-251-1557  
[rsbgordee@rockford.k12.mn.us](mailto:rsbgordee@rockford.k12.mn.us)

**Roseville Area Schools**

**Search Year: 2014-15 & 2020-21**

**7,500 students**

Roseville, MN  
Mike Boguszewski, Board Chair  
612-963-2431  
[Michael.boguszewski@isd623.org](mailto:Michael.boguszewski@isd623.org)

**Rush City School District 139**

**Search Year: 2017-18**

**900 students**

Rush City, MN  
Stefanie Folkema, Chairperson  
[sfolkema@rushcity.k12.mn.us](mailto:sfolkema@rushcity.k12.mn.us)

**St. Anthony-New Brighton Public Schools**

**Search Year: 2011-12 & 2017-18**

**1,700 students**

St. Anthony, MN  
Barry Kinsey, Board Chair  
612-789-1493  
[Barrykinsey@comcast.net](mailto:Barrykinsey@comcast.net)

**St. Cloud Area School District 742**

**Search Year: 2012-13**

**10,200 students**

St. Cloud, MN  
Bruce Mohs, Board Chair  
320-259-4489

**St. Francis Area Schools**

**Search Year: 2018-19**

**4,100 students**

St. Francis, MN

Mike Starr, Board President  
[Michael.starr@isd15.org](mailto:Michael.starr@isd15.org)

**St. Louis Park Public Schools**

**Search Years: 2012-13 & 2016-17**

**4,000 students**

St. Louis Park, MN  
Bruce Richardson, Board Chair (12-13)  
952-928-6040  
Jim Yarosh, Board Chair (16-17)  
[jimyarosh@sbgdf.com](mailto:jimyarosh@sbgdf.com)

**Sartell-St. Stephens School District 748**

**Search Year: 2013-14 & 2020-21**

**4,200 students**

Sartell, MN  
Jason Nies  
612-695-0782

**Sauk Rapids-Rice Public Schools**

**Search Year: 2019-20**

**4,500 students**

Sauk Rapids, MN  
Ryan Butkowski, Board Chair  
702-235-2026

**South Washington County Schools**

**Search Years: 2008-09 & 2011-12**

**17,600 students**

Cottage Grove, MN  
Leslee Boyd, Board Chair  
651-436-3328  
[lboyd@sowashco.k12.mn.us](mailto:lboyd@sowashco.k12.mn.us)

**Staples-Motley Public Schools**

**Search Year: 2014-15**

**1,200 students**

Staples, MN  
Mary Freeman, Board President  
218-575-2309  
[mary.freeman@isd2170.k12.mn.us](mailto:mary.freeman@isd2170.k12.mn.us)

**Triton School District**

**Search Year: 2013-14**

**1,200 students**

Dodge Center, MN  
John Streiff, Board Chair  
507-374-2192  
[jonstreiff@gmail.com](mailto:jonstreiff@gmail.com)

**Twin Cities German Immersion School**

**Search Year: 2020-21**

**650 students**

St. Paul, MN  
Julie Alkatout  
[jalkatout@tcgis.org](mailto:jalkatout@tcgis.org)

**Virginia Public Schools ISD 170****Search Year: 2015-16****1,580 students**

Virginia, MN

Stacey Sundquist, Board President

218-741-2877

[ssundquist@vmmps.org](mailto:ssundquist@vmmps.org)**Waconia Public Schools****Search Years: 2007-08 & 2013-14****3,700 students**

Waconia, MN

Dr. Scott Moats, Search Chairman

(W) 952-446-9012, (H) 952-446-4210

**Walker-Hackensack-Akeley School District****Search Years: 2013-14, 2015-16, & 2020-21****740 students**

Walker, MN

Barbara Sherman, Board Chair

218-831-5715

[barbsherman@whaschools.org](mailto:barbsherman@whaschools.org)**Watertown-Mayer Public Schools****Search Year: 2014-15****1,500 students**

Watertown, MN

Jennifer Janicula, Board Chair

[jjanicula@wm.k12.mn.us](mailto:jjanicula@wm.k12.mn.us)**West St. Paul-Mendota Heights-Eagan Area Schools****Search Years: 2011-12 & 2016-17****4,600 students**

Mendota Heights, MN

Mr. Mark Spurr, Board Chair (11-12)

651-450-9779

Joanne Mansur, Board Chair (16-17)

[Joanne.mansur@isd197.org](mailto:Joanne.mansur@isd197.org) (16-17)

651-452-3895

**Zumbrota-Mazeppa Public Schools****Search Year: 2014-15****1,135 students**

Mazeppa, MN

Pete Hinrichs, Board Chair

507-529-2014

507-951-0826

[pete.hinrichs@agstar.com](mailto:pete.hinrichs@agstar.com)**MISSOURI****Park Hill School District****Search Year: 2015-16****11,000 students**

Kansas City, MO

Boon Lee, Board President

816-210-7369

[leeb@parkhill.k12.mo.us](mailto:leeb@parkhill.k12.mo.us)**Parkway School District****Search Year: 2011-12****17,500 students**

Chesterfield, MO

Beth Feldman, Board President

314-495-1293

[bfeldman@parkwayschools.net](mailto:bfeldman@parkwayschools.net)**Ritenour School District****Search Year: 2012-13****6,000 students**

St. Louis, MO

Tom Drennan, Board President

314-493-6010

**Rockwood School District****Search Year: 2013-14****23,000 students**

Eureka, MO

Bill Brown, Board President

314-750-8491

[wbrown0151@gmail.com](mailto:wbrown0151@gmail.com)**St. Joseph School District****Search Year: 2017-18****11,493 students**

St. Joseph, MO

Martin Rucker, Board President

[Marti.rucker@sjsd.k12.mo.us](mailto:Marti.rucker@sjsd.k12.mo.us)**Special School District of St. Louis County****Search Year: 2018-19****56,000 students served within partner districts**

St. Louis, MO

Jan Goodman, Board President

[Jangoodman67@hotmail.com](mailto:Jangoodman67@hotmail.com)**The School District of University City****Search Year: 2015-16****3,000 students**

University City, MO

Dr. Lisa Brenner, Board President

314-210-8035

[lbrenner@ucityschools.org](mailto:lbrenner@ucityschools.org)

## NEW JERSEY

### Princeton Public Schools

**Search Year: 2020-21**

**3,800 students**

Princeton, NJ

Ms. Beth Behrend, Board President

609-468-0727

[bethbehrend@princetonk12.org](mailto:bethbehrend@princetonk12.org)

## NORTH DAKOTA

### Grand Forks Public School District No. 1

**And Grand Forks Air Force Base #140**

**Search Year: 2017-18**

**7,400 students**

Grand Forks, ND

Doug Carpenter, board President

701-775-6720

[Dcarpenter279@mygfschools.org](mailto:Dcarpenter279@mygfschools.org)

## PENNSYLVANIA

### Central Bucks School District

**Search Year: 2011-12**

**18,400 students**

Doylestown, PA

Paul Faulkner, Board Chair

267-784-2275

## SOUTH DAKOTA

### Brandon Valley School District

**Search Year: 2015-16**

**5,005 Students**

Brandon, SD

Nancy Kupka, Board President

630-663-9227

[nkupka@csd99.org](mailto:nkupka@csd99.org)

## WISCONSIN

### Appleton Area School District

**Search Year: 2016-17**

**16,281 students**

Appleton, WI

Kay Eggert, Board President

[KAYSEGGERT@aasd.k12.wi.us](mailto:KAYSEGGERT@aasd.k12.wi.us)

### Barron Area School District

**Search Year: 2016-17**

**1,400 students**

Barron, WI

Rod Nordby, Board Chair

[nordbyr@barron.k12.wi.us](mailto:nordbyr@barron.k12.wi.us)

### Big Foot Union School District

**Search Year: 2016-17**

**500 students**

Walworth, WI

Ed Hayden, Board President

815-494-9831

[ehayden@charter.net](mailto:ehayden@charter.net)

### Brown Deer School District

**Search Year 2019-20**

**1,545 Students**

Brown Deer, WI

Mr. Kevin Klimek, Board President

414-704-1680

[kklimek@browndeerschools.com](mailto:kklimek@browndeerschools.com)

### Cochrane-Fountain City School District

**Search Year: 2018-19**

**900 students**

Fountain City, WI

Kalene Engel

[kengel@cfc.k12.wi.us](mailto:kengel@cfc.k12.wi.us)

### Crandon School District

**Search Year: 2014-15**

**850 students**

Crandon, WI

Jeff Ackley, Board President

715-889-0541

### Eau Claire Area School District

**Search Year: 2011-12**

**11,000 students**

Eau Claire, WI

Dr. Carol Craig, Board President

715-577-9994

### Fox Point-Bayside School District

**Search Year: 2015-16**

**900 Students**

Fox Point, WI

David Smulyan, Board Chair

414-379-4996  
[dsmulyan@foxbay.org](mailto:dsmulyan@foxbay.org)

**Germantown School District**  
**Search Year: 2012-13 & 2019-20**  
**3,800 students**  
Germantown, WI  
Robert Soderberg, Board President  
414-469-9950  
[bsoderberg@gsdwi.org](mailto:bsoderberg@gsdwi.org)

**Gibraltar Area Schools**  
**Search Year: 2011-12**  
**594 students**  
Fish Creek, WI  
Sally Pfeifer, Board President  
(W) 920-854-2387

**Greendale School District**  
**Search Year: 2015-16**  
**2,700 students**  
Greendale, WI  
Joe Crapitto, Board President  
414-748-7132  
[Joe.crapitto@greendale.k12.wi.us](mailto:Joe.crapitto@greendale.k12.wi.us)

**Hartford Union High School**  
**Search Year: 2018-19**  
**1,250 students**  
Hartford, Wisconsin  
Tracy Hennes, Board President  
414-416-1897  
[Tracy.hennes@huhs.org](mailto:Tracy.hennes@huhs.org)

**Janesville School District**  
**Search Year: 2016-17**  
**10,308 Students**  
Janesville, WI  
Steve Huth, Board Chair  
[smhuth@janesville.k12.wi.us](mailto:smhuth@janesville.k12.wi.us)

**Kenosha Unified School District**  
**Search Year: 2013-14**  
**22,000 students**  
Kenosha, WI  
Tamarra Coleman, Board President  
262-945-8618  
[tcoleman@kUSD.edu](mailto:tcoleman@kUSD.edu)

**Marshall School District**  
**Search Year: 2017-18**  
**1,050 students**  
Marshall, WI

John Lutz, Board President  
608-669-4607  
[jlutz@marshallschools.org](mailto:jlutz@marshallschools.org)

**Mequon-Thiensville School District**  
**Search Year: 2016-17**  
**3,540 students**  
Mequon, WI  
Kathryn Houpt, Board President  
262-377-7752  
[khaupt@mtsd.k12.wi.us](mailto:khaupt@mtsd.k12.wi.us)

**Monroe School District**  
**Search Year: 2016-17**  
**2,381 students**  
Monroe, WI  
Robert Erb, Board Chair  
608-558-7987  
[erb@imsdm.com](mailto:erb@imsdm.com)

**Mukwonago Area School District**  
**Search Year: 2012-13**  
**4,688 students**  
Mukwonago, WI  
Loren Tieman, Board President  
262-957-6281

**Nicolet High School District**  
**Search Year: 2018-19**  
**1,200 students**  
Glendale, WI  
Libby Gutterman, Board President  
414-228-9424  
[Libby.gutterman@nicolet.us](mailto:Libby.gutterman@nicolet.us)

**Oconto Falls School District**  
**Search Year: 2014-15**  
**1,500 students**  
Oconto Falls, WI  
Ron Leja, Board President  
920-826-5404

**Open Sky Education**  
**Search Year: 2020-21**  
**3,500 students**  
Waukesha, WI  
David Karst, Board Reference  
262-825-2537  
[david.karst@openskyeducation.org](mailto:david.karst@openskyeducation.org)

**Port Washington-Sauville School District**  
**Search Year 2020-21**  
**2,659 students**  
Port Washington, WI

Brenda Fritsch, Board President  
262-483-4048  
[Brenda.fritsch@pwsd.k12.wi.us](mailto:Brenda.fritsch@pwsd.k12.wi.us)

**Randall Consolidated School District**  
**Search Year 2020-21**  
**672 students**  
Burlington, WI  
Kelly James-Piccolo, Board President  
262-325-3072  
[kpiccolo@randall.k12.wi.us](mailto:kpiccolo@randall.k12.wi.us)

**Richmond School District**  
**Search Year: 2012-13**  
**507 students**  
Sussex, WI  
Laura Bradin, Board Liaison  
262-538-0481  
Eric Christianson, Board President  
262-369-0725

**School District of Altoona**  
**Search Year: 2018-19**  
**1,600 students**  
Altoona, WI  
Robin Elvig, Board Chair  
715-828-8069  
[relvig@altoona.k12.wi.us](mailto:relvig@altoona.k12.wi.us)

**School District of Prescott**  
**Search Year: 2014-15**  
**1,300 students**  
Prescott, WI  
Mark Helmer, Board Chair  
[mark@helmerprinting.com](mailto:mark@helmerprinting.com)

**School District of Random Lake**  
**Search Year: 2016-17**  
**830 students**  
Random Lake, WI  
Jena Schneider, Board President  
262-804-0307  
[jls@seekcareers.com](mailto:jls@seekcareers.com)

**Sharon Joint School District #11**  
**Search Year: 2016-17**  
**280 Students**  
Sharon, WI  
Darrell Frederick, Board President  
414-217-2615  
[darrell@austinpierservice.com](mailto:darrell@austinpierservice.com)

**Shorewood School District**  
**Search Year: 2015-16 & 2020-21**  
**2,100 students**  
Shorewood, WI  
Paru Shah, Board President  
651-324-8797  
[pshar@shorewood.k12.wi.us](mailto:pshar@shorewood.k12.wi.us)

**Somerset School District**  
**Search Year: 2015-16**  
**1,600 students**  
Somerset, Wisconsin  
Bob Gunther, Board President  
[r.gunther@somerset.k12.wi.us](mailto:r.gunther@somerset.k12.wi.us)

**St. Francis School District (Interim)**  
**Search Year: 2021-22**  
**1,150 students**  
St. Francis, WI  
Mr. Chris Finch, Board President  
414-559-3857  
[rcfinch@outlook.com](mailto:rcfinch@outlook.com)

**Sturgeon Bay School District**  
**Search Year: 2013-14**  
**1,200 students**  
Sturgeon Bay, WI  
Joel Kitchens, Board President  
920-746-5730  
[jkitchens@charter.net](mailto:jkitchens@charter.net)

**The School District of Wabeno Area**  
**Search Year: 2014-15**  
**422 students**  
Wabeno, WI  
Janet Opiela, Board President  
715-850-1010  
[jopiela@wabeno.k12.wi.us](mailto:jopiela@wabeno.k12.wi.us)

**Waukesha School District**  
**Search Year: 2019-20**  
**12,401 students**  
Waukesha, WI  
Joe Como, Board President  
414-416-4104  
[jcomo@waukesha.k12.wi.us](mailto:jcomo@waukesha.k12.wi.us)

**Waupun Area School District**  
**Search Year: 2017-18**  
**1,919 students**  
Waupun, WI  
Jennie Patrykus, Board Chair  
[jbpatrykus@waupun.k12.wi.us](mailto:jbpatrykus@waupun.k12.wi.us)

**Wausau School District**

**Search Year: 2017-18**

**8,200 students**

Wausau, WI

Lance Trollop, Board President

715-849-3200

[ltrollop@wausauschools.org](mailto:ltrollop@wausauschools.org)

**Wauwatosa School District**

**Search Year: 2020-21**

**7,000 students**

Wauwatosa, WI

Dr. Eric Jessup-Anger, President

(303) 547-2924

[jessuper@wauwatosa.k12.wi.us](mailto:jessuper@wauwatosa.k12.wi.us)

**West Bend School District**

**Search Year: 2015-16**

**7,049 students**

West Bend, WI

Rick Parks, Board Chair

920-266-3948

[rparks@west-bend.k12.wi.us](mailto:rparks@west-bend.k12.wi.us)

**Whitnall School District**

**Search Year: 2015-16**

**2,500 students**

Greenfield, WI

LuAnn Bird, Board President

920-203-2692

[lbird@whitnall.com](mailto:lbird@whitnall.com)

**Whitewater Unified School District**

**Search Year: 2015-16**

**1,950 students**

Whitewater, WI

Casey Judd, Board President

920-723-3035

[caseyjudd@wwusd.org](mailto:caseyjudd@wwusd.org) or

[cejudd@idcnet.com](mailto:cejudd@idcnet.com)