

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013



## **INDEPENDENT SCHOOL DISTRICT 270 HOPKINS PUBLIC SCHOOLS**

Serving Eden Prairie, Edina, Golden Valley, Hopkins,  
Minnetonka, Plymouth, and St. Louis Park

### **Educational Services Center**

1001 Highway 7  
Hopkins, Minnesota 55305

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT OF  
  
HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
HOPKINS, MINNESOTA  
  
YEAR ENDED JUNE 30, 2013**

**PREPARED BY THE  
FINANCE DEPARTMENT  
  
JOHN TOOP  
DIRECTOR OF BUSINESS SERVICES**

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INDEPENDENT SCHOOL DISTRICT NO. 270  
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## **INTRODUCTORY SECTION**

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

Date: December 6, 2013

## **INTRODUCTION**

The Comprehensive Annual Financial Report (CAFR) of Independent School District No. 270, Hopkins, Minnesota (the District) for the fiscal year ended June 30, 2013 is presented for your information and review. The CAFR is intended to fully disclose the financial position of the District and the results of operations for the fiscal year. The District administration accepts total responsibility for the accuracy, completeness, and fairness in presentation of the enclosed financial reports. Questions and comments are solicited and welcome.

## **REPORT FORMAT**

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

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

## **DISTRICT ORGANIZATION**

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

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

The District enrolled 7,038 students from a population of over 61,813 citizens residing in a 29.5 square mile area. During 2012-13 the District operated 12 buildings, 1 high school, 2 junior high schools, 6 elementary schools, 2 special services buildings and a bus depot. The District is organized by grade level with elementary schools serving students in kindergarten through Grade 6, junior highs serving Grades 7- 9, and the high school serving Grades 10-12.

Serving the communities of: Eden Prairie · Edina · Golden Valley · Hopkins · Minnetonka · Plymouth · St. Louis Park

*An equal opportunity/affirmative action educator and employer.*

## **REPORTING ENTITY**

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

The District's financial statements include all funds, departments, agencies, boards, commissions, and other component units for which the District is considered to be financially accountable. Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit included whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

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

## **DISTRICT FISCAL FRAMEWORK**

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

- Slightly declining enrollment;
- Insufficient increases in state funding;
- Inflationary pressures on key expenditure areas.

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

- It is facing a continuing, short and mid-term enrollment decline;
- Present and future outlook for revenue increases is pessimistic;
- District's cost structure is tied roughly 80% to people, with building operating costs coming next.

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

## **FINANCIAL STATEMENTS**

The financial statements contained in this report disclose the financial position of the District as of June 30, 2013, and the financial operations for the fiscal year then ended. The District's financial records and reports are maintained and prepared on a modified or full accrual basis of accounting in accordance with the Uniform Financial Accounting and Reporting System for Minnesota School Districts as well as the standards of the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. These records are audited annually by an independent certified public accountant as required by Minnesota law. The accounting firm of CliftonLarsonAllen LLP performed the audit for the 2012-13 fiscal year. Their report is included in the financial section of this report. The auditor has given an unmodified opinion on the District's financial statements. An unmodified opinion means that, in the judgment of the auditor, the financial statements present fairly, in all material respects, the financial position of the District and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

## **FEDERAL SINGLE AUDIT AND STATE COMPLIANCE AUDIT**

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

## **ACCOUNTING AND BUDGETING**

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

Budgetary control is maintained through an annual budget adopted by the School Board for all funds as required by state statutes and School Board policy. The adopted budget serves as the authorizing document for all expenditures, although the School Board approves all checks issued on a monthly basis. The superintendent and director of business services are authorized to make financial commitments within budgetary guidelines up to \$50,000. Additional expenditure controls are maintained by the Business Office in accordance with state statutes, i.e., the District cannot incur a negative unassigned balance in the General Fund in excess of 2.5% of the preceding year's expenditures. The budget is published annually in the District's legal newspaper to inform residents of the District's financial position and operating

plan for the fiscal year. The School Board receives a monthly report showing the budget to actual balances for revenues and expenditures of the current year and prior year. Program managers receive monthly budget reports via email, which indicate the approved budget on a line item basis; the year-to-date expenditures assigned to those line items; and the percent expended to date. Monthly monitoring of revenues and expenditures by the School Board as well as ongoing monitoring by program managers helps to ensure budget integrity and provides an opportunity to detect material budget variances before the end of the fiscal year.

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

### **FINANCIAL PROSPECTS FOR FUTURE YEARS**

The District's finances are largely dependent on student enrollment. Revenue increases to the per pupil formula allowance are then offset by the fewer numbers of students attending, resulting in even smaller actual gross revenue increases. Hopkins has been experiencing declining enrollment from FY04 to FY13 to the magnitude of 1,344 students or about a 16.03% decrease over this 10-year period. State funding on average is equal to about \$6,000 per student. When enrollment declines, revenue is reduced by the loss of students from the previous year times \$6,000 per student.

The District's expenditures, excluding capital expenditures and transfers, have actually declined from 2004-05 through 2011-12. This time period reflects a need by the Hopkins School Board to rebuild the unassigned fund balance of the General Fund from its FY05 low point of - \$4.2 million, or -5.34% to its current level at June 30, 2013 of \$8.1 million, or 10.0% of its General Fund Unassigned expenses. This is a turnaround of \$12.3 million, or about 15.34%, reflecting tough decisions that the School Board and administration have had to make to bring the District back to fiscal health.

### **ECONOMIC FACTORS**

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

The taxable market value of property within the District continued to grow until 2009. Previous growth was due to new construction and valuation increases for existing property. Market values decreased from \$9,721,507,300 in 2010 to \$8,373,617,227 in 2013. While the District is essentially fully developed residentially, commercial development and redevelopment is clearly evident throughout the community.

In recent years, the State of Minnesota's education funding has been very unpredictable. The Governor and Legislature enacted a number of measures to decrease spending to balance the State budget through FY13. The impact to K-12 education included delaying State aid payments to school districts and a property tax shift. Due to improved State budget fiscal health all but a small part of the property tax shift has now been repaid.

The fund balance of the General Fund for Hopkins has been healthy enough to withstand both the State aid payment delay and property tax shift; consequently the District has not had to borrow money through the entirety of these payment delays and tax shifts, avoiding short-term interest and issuance costs.

## MAJOR INITIATIVES

XinXing Academy, Hopkins Public Schools' Chinese Immersion program, opened at Eisenhower Elementary School in 2007. XinXing attracts students from all parts of the Hopkins School District, as well as from other school districts in the Twin Cities area through open enrollment.

We currently have two sections each of full-day kindergarten and grades 1-5. We have continued to add a grade level every year, and as of the 2013-2014 year our program will be through the 6<sup>th</sup> grade and be fully implemented.

XinXing classrooms have been designated Confucius Classrooms by the Confucius Institute at the University of Minnesota. As part of this designation, XinXing has received grants for the past four years to support Chinese cultural experiences such as dance, art, and Gong Fu.

XinXing Academy students are leading the way in Minnesota. For the fourth consecutive year, every second-grade student passed the Youth Chinese Test (YCT3), an international standardized Chinese proficiency test.

Hopkins has received a Cargill Foundation grant to implement STEM (Science, Technology, Engineering, and Math) curriculum starting in all grade 3 classrooms in 2009, adding a grade level each year up through elementary. The program is now fully implemented as of the 2012-2013 year. With a large number of medical, technical and engineering companies in Minnesota doing business with China, Taiwan and Singapore, the connection between STEM and Chinese immersion is easy to see. Our curriculum will make interdisciplinary connections to language arts, social studies and the arts, giving our students a broad educational experience that will prepare them well to become global citizens.

Juntos Spanish Immersion program began in the 2011-2012 year at our North Junior High School in the seventh grade. The immersion program will grow each year until it reaches the ninth-grade level. Unlike other advanced Spanish classes, this one is designed for native Spanish speakers and students who have completed an elementary immersion program. The rich combination of native speakers and immersion students is what brings a wealth of information and experience to the classroom. When students enter the high school, they can continue to take an array of advanced Spanish classes, all of which can earn them college credit.

Hopkins Junior High students shifted from alternating days to alternating terms starting the fall of 2011. After years of extensive research, strategizing, and planning, the students are offered an impressive array of course electives – including *Forensics*, *Culinary Arts*, and *Technology of Electricity and Electronics*. The schedule will strengthen teacher-student connections, increase expectations, and deepen academic rigor.



## INDEPENDENT AUDIT AND CERTIFICATE OF EXCELLENCE

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

This report has been prepared following the guidelines provided by the Association of School Business Officials International (ASBO) for their Certificate of Excellence in Financial Reporting Program. In 2012, the District received recognition from this program by receiving the Certificate of Excellence. Continuing to achieve recognition is a goal of the District's Business Office and provides a clear indication of the District's high standards for financial reporting. The District intends to submit this Comprehensive Annual Financial Report to the ASBO Certificate Program for consideration.

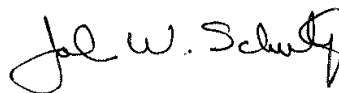
## ACKNOWLEDGMENTS

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

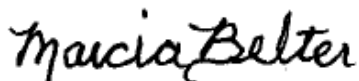
Sincerely,



John Toop  
Director of Business Services



John Schultz  
Superintendent



Marcia Belter  
Controller



Suzanne Johnson  
Controller

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
SCHOOL BOARD AND ADMINISTRATION  
JUNE 30, 2013**

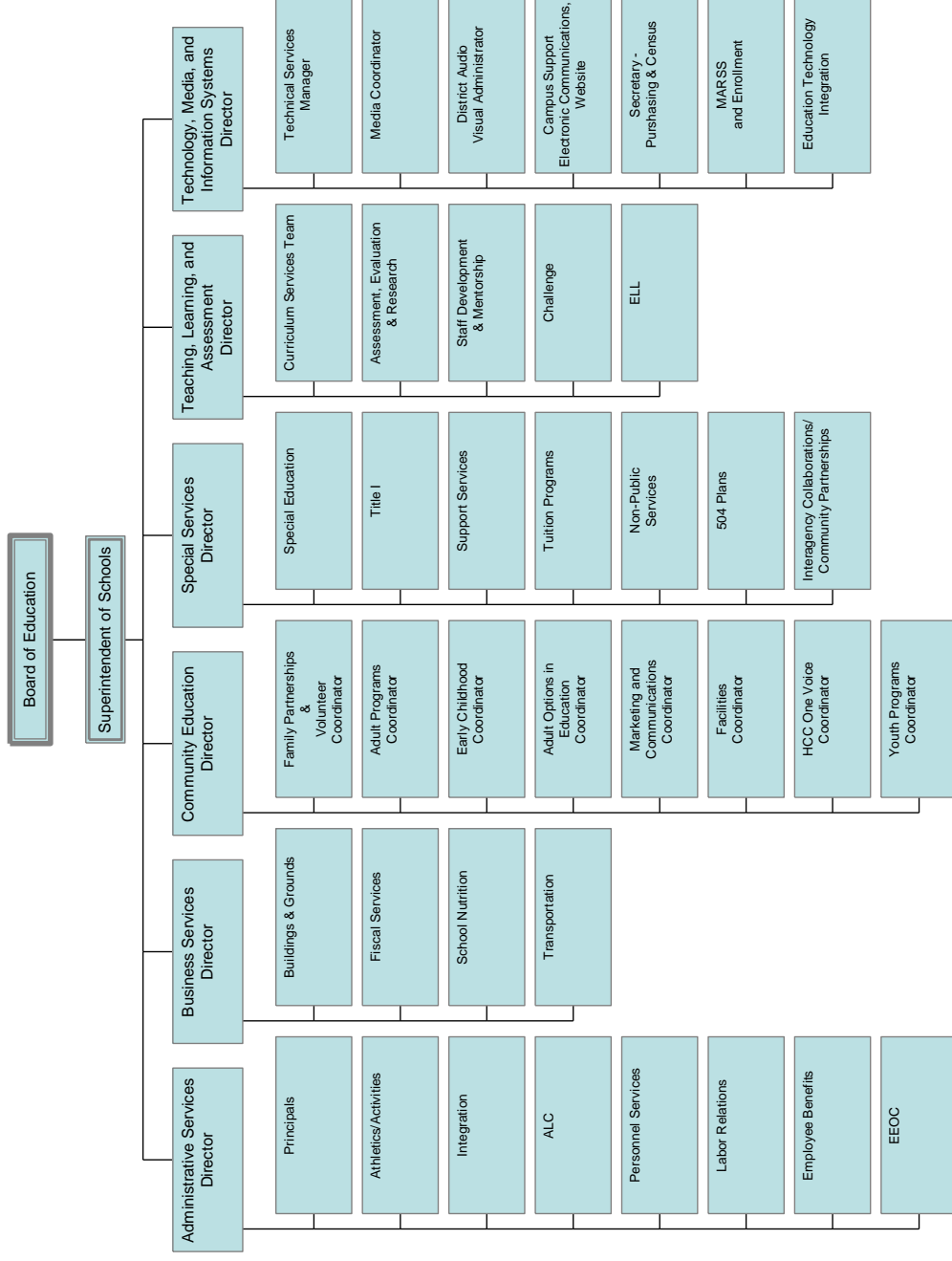
**SCHOOL BOARD**

<b>NAME</b>	<b>TERM ON BOARD EXPIRES</b>	<b>BOARD POSITION</b>
Susan Wootten	January 1, 2014	Chair
Irma McIntosh Coleman	January 1, 2016	Vice Chair
Kris Newcomer	January 1, 2016	Treasurer
Steven Adams	January 1, 2016	Director
Betsy Anderson	January 1, 2014	Director
Wendy Donovan	January 1, 2016	Director
Warren Goodroad	January 1, 2014	Director

**ADMINISTRATION**

John Schultz	Superintendent
John Toop	Director of Business Services
District Offices:	Independent School District No. 270 Hopkins Public Schools 1001 Highway 7 Hopkins, MN 55305-4722 (952) 988-4000

# HOPKINS PUBLIC SCHOOLS INDEPENDENT SCHOOL DISTRICT NO. 270 ORGANIZATIONAL STRUCTURE JUNE 30, 2013



HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING  
JUNE 30, 2013

# Association of School Business Officials International



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

**Hopkins Public Schools**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2012*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



Ron McCulley, CPPB, RSBO  
President

John D. Musso, CAE, RSBA  
Executive Director

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Members of the Board of Education  
Independent School District No. 270  
Hopkins Public Schools  
Hopkins, Minnesota

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Hopkins Public Schools, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

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

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

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

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

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

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



### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Hopkins Public Schools as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Report on Summarized Prior Year Information***

We have previously audited Hopkins Public Schools' 2012 financial statements of the governmental activities, each major fund and the aggregate remaining fund information, and we expressed an unmodified opinion on those audited financial statements in our report dated December 6, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hopkins Public Schools' basic financial statements. The combining and individual fund financial statements and the uniform financial accounting and reporting standards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

**Other Matters (Continued)**

*Other Information (Continued)*

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2013, on our consideration of Hopkins Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hopkins Public Schools' internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
November 25, 2013

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## **REQUIRED SUPPLEMENTARY INFORMATION**

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2013**

This section of Hopkins Public Schools – Independent School District No. 270's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2013. Please read it in conjunction with the District's basic financial statements, which immediately follows this section. The Management's Discussion and Analysis (MD&A) is a required element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current year (2012-2013) and the prior year (2011-2012) is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2012-13 fiscal year include the following:

- Net position increased by \$4,336,580 over June 30, 2012.
- Overall General Fund revenues were \$83.9 million as compared to \$81 million of expenditures.
- Total fund balance of the General Fund increased by \$2,068,533 from the prior year resulting from revenues increasing by \$1,448,463 as compared to a \$906,681 decrease in expenditures.
- The District increased its net outstanding general obligation bonds by \$21,160,000 or 14.1%, due to the issuance of over \$35 million in alternative facilities and refunding bonds.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2013**

**Government-Wide Statements**

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

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

**Fund Financial Statements**

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

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

The District has three kinds of funds:

- *Governmental Funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements to explain the relationship (or differences) between them.
- The District uses *internal service funds* to report activities that provide supplies and services for the District's other programs and activities. The District currently has an internal service fund for self-insurance of health and dental benefits, for its OPEB Revocable Trust and for a Retiree Severance Fund.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2013**

**Fund Financial Statements (Continued)**

- *Fiduciary Funds* – The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship funds and the flexible benefit plan. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

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

**Net Position**

The District's *combined* net position was \$31,327,271 on June 30, 2013.

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

	Governmental Activities as of June 30,		Percentage Change
	2013	2012	
Current and Other Assets	\$ 114,104,186	\$ 86,914,715	31.28 %
Capital and Non-Current Assets	137,770,479	138,751,689	(0.71)
<b>Total Assets</b>	<b>251,874,665</b>	<b>225,666,404</b>	<b>11.61</b>
Current Liabilities	43,708,681	46,247,812	(5.49)
Long-Term Liabilities	176,838,713	152,427,901	16.01
<b>Total Liabilities</b>	<b>220,547,394</b>	<b>198,675,713</b>	<b>11.01</b>
Net Position:			
Net Investment in Capital Assets	11,711,667	9,944,518	17.77
Restricted	4,217,295	2,647,538	59.29
Unrestricted	15,398,309	14,398,635	6.94
<b>Total Net Position</b>	<b>\$ 31,327,271</b>	<b>\$ 26,990,691</b>	<b>16.07</b>

The change in the District's financial position is the product of many factors. Total Net Position of the District changed by the \$4,336,580 that governmental activity net revenues exceeded expenses. In addition, total liabilities increased by \$21,871,681, while assets increased by \$26,208,261. The largest decrease in current liabilities occurred in deferred property tax revenues, which decreased by \$2.9 million. Long-term liabilities increased by \$25.0 million, due mainly to the issuance of over \$35 million in alternative facilities and refunding bonds. Long-term debt associated with lease purchase agreements decreased by a net of \$516,706, and the estimated liability for severance and health benefits payable increased by a net of \$2.0 million.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2013**

**Changes in Net Position**

The District's total revenues were \$119 million for the year ended June 30, 2013. Property taxes and state formula aid accounted for 74% of total revenue for the year (see Figure A-1). Another 1% came from other general revenues combined with investment earnings and the remaining 25% from program revenues.

	Governmental Activities for the Fiscal Year Ended June 30,		Total % Change
	2013	2012	
<b>Revenues</b>			
<u>Program Revenues</u>			
Charges for Services	\$ 11,277,130	\$ 10,570,843	6.68 %
Operating Grants and Contributions	16,474,776	15,711,241	4.86
Capital Grants and Contributions	1,744,474	2,843,901	(38.66)
<u>General Revenues</u>			
Property Taxes	42,386,043	39,825,231	6.43
Unrestricted State Aid	45,886,955	44,893,616	2.21
Investment Earnings	(102,744)	2,243,690	(104.58)
Other	1,356,712	1,789,333	(24.18)
Total Revenues	119,023,346	117,877,855	0.97
<b>Expenses</b>			
Administration	3,909,891	4,234,800	(7.67)
District Support Services	1,884,001	1,876,871	0.38
Regular Instruction	42,600,108	34,553,785	23.29
Vocational Education Instruction	1,097,780	1,030,780	6.50
Special Education Instruction	14,648,982	14,713,589	(0.44)
Instructional Support Services	3,901,694	3,949,700	(1.22)
Pupil Support Services	7,346,843	7,520,723	(2.31)
Sites and Buildings	19,153,416	30,964,522	(38.14)
Fiscal and Other Fixed Cost Programs	237,032	224,935	5.38
Food Service	4,167,355	4,067,566	2.45
Community Service	9,944,797	9,307,748	6.84
Interest and Fiscal Charges on Long-Term Liabilities	5,794,867	6,279,986	(7.72)
Total Expenses	114,686,766	118,725,005	(3.40)
<b>Change in Net Position</b>	4,336,580	(847,150)	
Beginning Net Position, as Reported	26,990,691	27,837,841	
Ending Net Position	\$ 31,327,271	\$ 26,990,691	

The total cost of all programs and services was \$114.7 million. Total revenues exceeded expenses increasing net position by \$4,336,580 from the prior year.

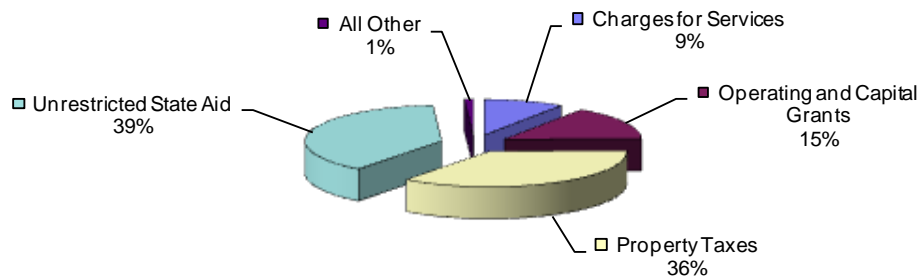


**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2013**

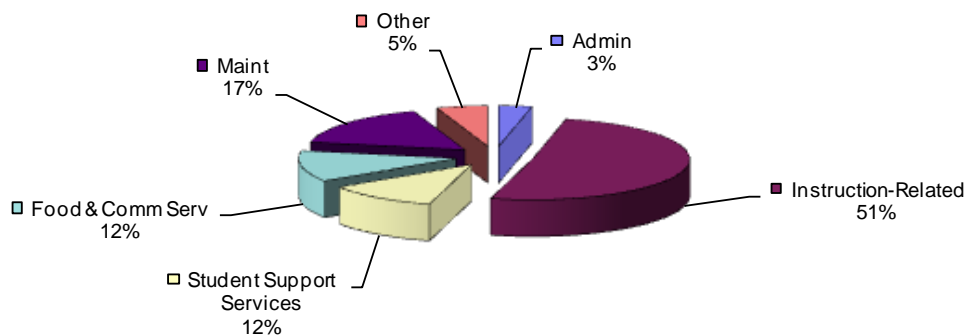
The total revenues of all *governmental* activities this year was \$119 million.

- Some of the cost was paid by the users of the District's programs (\$11,277,130).
- The federal and state governments subsidized certain programs with grants and contributions (\$18,219,250).
- Most of the District's costs (\$88,272,998), however, were paid for by District taxpayers and the taxpayers of our state. This portion of governmental activities was paid for with \$42,386,043 in property taxes, and \$45,886,955 of unrestricted state aid based on the statewide education aid formula.

**Figure A-1  
Sources of District's Revenues for Fiscal 2013**



**Figure A-2  
District Expenses for Fiscal 2013**



**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2013**

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

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

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2013	2012		2013	2012	
Administration	\$ 3,909,891	\$ 4,234,800	(7.67)%	\$ 3,868,171	\$ 4,145,184	(6.68)%
District Support Services	1,884,001	1,876,871	0.38	1,816,464	1,607,026	13.03
Regular Instruction	42,600,108	34,553,785	23.29	39,757,895	30,851,335	28.87
Vocational Education Instruction	1,097,780	1,030,780	6.50	1,097,780	1,030,780	6.50
Special Education Instruction	14,648,982	14,713,589	(0.44)	4,957,599	6,230,521	(20.43)
Instructional Support Services	3,901,694	3,949,700	(1.22)	3,020,788	2,976,186	1.50
Pupil Support Services	7,346,843	7,520,723	(2.31)	6,208,460	6,413,677	(3.20)
Sites and Buildings	19,153,416	30,964,522	(38.14)	17,121,579	28,489,867	(39.90)
Fiscal and Other Fixed Cost Programs	237,032	224,935	5.38	(29,293)	224,935	(113.02)
Food Service	4,167,355	4,067,566	2.45	(54,281)	32,221	(268.46)
Community Service	9,944,797	9,307,748	6.84	1,630,357	1,317,302	23.76
Interest and Fiscal Charges on Long-Term Liabilities	5,794,867	6,279,986	(7.72)	5,794,867	6,279,986	(7.72)
Total	<u>\$ 114,686,766</u>	<u>\$ 118,725,005</u>	(3.40)	<u>\$ 85,190,386</u>	<u>\$ 89,599,020</u>	(4.92)

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$54,983,386, or \$30,369,727 more than last year's ending fund balance of \$24,613,659.

Total revenues and other financing sources for the District's governmental funds were \$157,081,632 while total expenditures and other financing uses were \$126,711,905. This large difference is primarily the result of bond proceeds which were received during the year from alternative facilities and refunding bonds issued but which were not yet fully spent on capital projects.

## GENERAL FUND

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

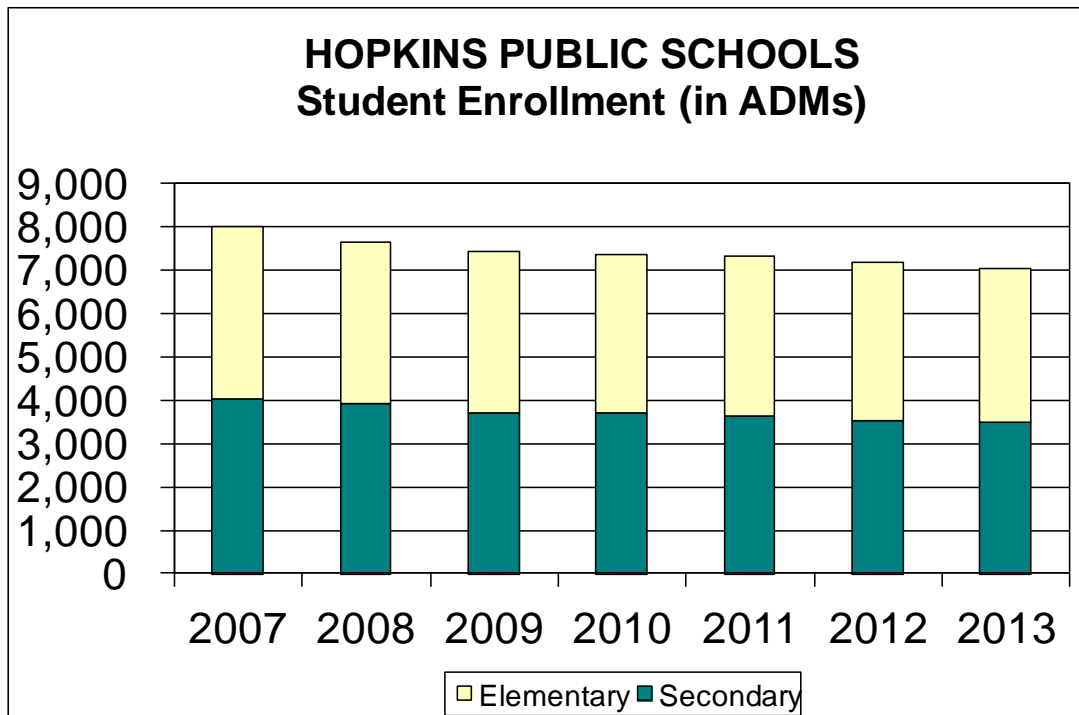
Approximately 72% of General Fund operational revenue is controlled by a complex set of state funding formulas resulting in the local school board having no meaningful authority to determine the level of resources. This includes special education state aid that is based upon a cost reimbursement model providing approximately 68% of personnel expenditures. Other state formulas then determine what portion of the revenue will be provided by property taxes and what portion will come from state aid.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2013**

**ENROLLMENT**

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

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



	2007	2008	2009	2010	2011	2012	2013
Pre-K & KH	82.15	80.59	84.03	78.36	91.45	72.74	67.10
Reg K	484.28	446.51	454.08	470.15	458.84	452.81	450.86
Elementary	3,428.74	3,227.71	3,167.60	3,114.15	3,149.87	3,149.38	3,032.91
Secondary	4,018.34	3,907.90	3,720.19	3,711.71	3,625.53	3,517.28	3,486.71
Total Students for Aid	<u>8,013.51</u>	<u>7,662.71</u>	<u>7,425.90</u>	<u>7,374.37</u>	<u>7,325.69</u>	<u>7,192.21</u>	<u>7,037.58</u>
Percent Change	-0.58%	-4.38%	-3.09%	-0.69%	-0.66%	-1.82%	-2.15%

Over the last seven years, the District has experienced a decline in average daily membership by 976 students or 12.2%. It is anticipated the trend will continue for the near term but flatten out in future years, as the District's pre-school population settles at about 500 kindergarten students per year as compared to approximately 610 students graduating annually for the next three years. The District continues to accept open enrollment students to mitigate some of this natural decline.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2013**

The following schedule presents a summary of General Fund Revenues.

**Table A-5  
General Fund Revenues**

Fund	Year Ended		Change	
	June 30, 2013	June 30, 2012	Increase (Decrease)	Percent
Local Sources:				
Property Taxes	\$ 19,804,169	\$ 19,076,163	\$ 728,006	3.8 %
Earnings on Investments	4,191	4,109	82	2.0
Other	3,753,447	3,550,219	203,228	5.7
State Sources	57,434,006	56,189,264	1,244,742	2.2
Federal Sources	2,863,130	3,590,725	(727,595)	(20.3)
Total General Fund Revenue	<u>\$ 83,858,943</u>	<u>\$ 82,410,480</u>	<u>\$ 1,448,463</u>	1.8

Total General Fund Revenue increased by \$1,448,463 or 1.8% from the previous year. Basic general education revenue is determined by multiple state formulas, largely enrollment driven, and consists of an equalized mix of property tax and state aid revenue. Other state-authorized revenue may also involve an equalized mix of property tax and state aid revenue. Therefore, the mix of property tax and state aid can change significantly from year to year without any net change on total revenue.

For 2012-13 local property tax revenue increased by \$728,006, or 3.8%, primarily due to the property tax shift remaining the same at an early recognition percentage of 48.6%. Earnings on investments increased by \$82 as interest rates on District earnings remained low and the District's cash flow decreased due to an additional state aid payment delay.

State Sources increased by \$1,244,742 while Federal Sources decreased by \$727,595. This is primarily due to State Special Education Aid increasing by \$1,219,006, while Federal Special Education Aid and Title I, II, III and IV funding decreased by \$621,395 and a direct Federal grant came to a close.

Other revenue sources increased by \$203,228, or 2.2%, mainly from more revenue received from rent from school facilities and from an increase of \$200,000 in a gift for a playground.

For fiscal year 12-13 there was a 1% increase in the General Education per student allowance.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2013**

The following schedule presents a summary of General Fund Expenditures.

**Table A-6  
General Fund Expenditures**

	Year Ended		Amount of Increase (Decrease)	Percent Increase (Decrease)
	June 30, 2013	June 30, 2012		
Salaries	\$ 50,757,365	\$ 50,229,389	\$ 527,976	1.1 %
Employee Benefits	14,038,265	13,360,109	678,156	5.1
Purchased Services	12,125,886	12,433,325	(307,439)	(2.5)
Supplies and Materials	2,027,801	1,873,515	154,286	8.2
Capital Expenditures	1,547,125	1,963,479	(416,354)	(21.2)
Other Expenditures	460,328	190,272	270,056	141.9
Total Expenditures	<u>\$ 80,956,770</u>	<u>\$ 80,050,089</u>	<u>\$ 906,681</u>	1.1

Total General Fund Expenditures increased \$906,681 or 1.1% from the previous year. The major factors driving this increase for 2012-13 were an increase in Salaries and Employee Benefits from the previous year. One category of expense increased slightly, one category decreased slightly, one decreased significantly (over 5%) and three increased significantly (over 5%).

Salaries increased by \$527,976, while Employee Benefits increased by \$678,156, or 5.1%. Purchased Services decreased by \$307,439 or 2.5%, and Capital Expenditures decreased by \$416,354, or 21.2%.

In fiscal 2012-13, General Fund revenues were greater than expenditures by \$2,068,533, including other financing sources and uses. Therefore, total fund balance increased from \$15,527,843 in the prior year to \$17,596,376 as of June 30, 2013. After deducting statutory categories of fund balance and District commitments and assignments, the General Fund Unassigned fund balance decreased from \$12,750,788 at June 30, 2012, to \$8,088,001 at June 30, 2013. This represents about 10.0% of fiscal year 12-13 total expenditures. The School Board fund balance policy states that the administration shall plan and manage annual revenue and expenditure budgets that provide a General Fund unassigned fund balance of no less than 6% of annual expenditures and treats any excess above 6% as a contingency reserve to be utilized for non-recurring costs.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2013**

**General Fund Budgetary Highlights**

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

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

Actual revenues were \$1,103,231 or 1.3% more than budgeted, while expenditures were \$2,645,909 million or 3.3% less than budgeted.

While the District's final budget for the General Fund anticipated that fund balance would decrease by \$1,703,807, the actual results for the year show that fund balance increased by \$2,068,533.

**CAPITAL PROJECTS AND DEBT SERVICE FUNDS**

The Building Construction Fund has two major components, the Capital Projects Levy (Technology Levy) component, and the Alternative Facilities Bonding and Levy component. These are ongoing restricted revenue and expenditure programs. A third component, the Construction Bond component, closed out this year as the dollars the voters approved in 2010 of \$3 million for safety and security issues at various district buildings was completely spent out.

In the Debt Service Fund, revenues and other financing sources exceeded expenditures and other financing uses by \$15,902,503 in 2012-13. The ending Debt Service fund balance at June 30, 2013, of \$23,677,796 includes a reserve of \$21,354,334 set aside for paying off refunded bonds, with \$2,281,003 available for meeting future regular debt service obligations and \$42,459 available for meeting future OPEB debt service obligations.

**OTHER MAJOR FUNDS**

Revenues exceeded expenditures in the Food Service Fund by \$149,822 for 2012-13. The Food Service Fund increased its fund balance to \$206,656. In the Community Service Fund expenditures exceeded revenues by \$104,438, but a transfer in of \$356,840 resulted in the fund balance of the Community Service Fund ending at \$1,266,620, with \$996,151 restricted for community education programs.

From the standpoint of maintaining current operating expenditures within the range of annual revenue and maintaining a sound fund balance, the Food Service and Community Service funds have respective budgets for 2013-14 that allow them to continue to operate on a sound financial basis.

**INTERNAL SERVICE FUND**

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2013**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

By the end of 2013, the District had invested approximately \$224 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). More detailed information about capital assets can be found in Note 3 to the financial statements. Total depreciation expense for the year exceeded \$7 million.

**Table A-7  
The District's Capital Assets**

	2013	2012	Percentage Change
Land	\$ 2,867,600	\$ 2,867,600	-
Construction in Progress	1,685,085	7,101,589	(76.3)
Land Improvements	15,143,152	14,642,724	3.4
Buildings and Improvements	184,613,286	174,672,089	5.7
Equipment	19,649,659	18,858,818	4.2
Less: Accumulated Depreciation	(86,188,303)	(79,391,131)	8.6
Total	<u>\$ 137,770,479</u>	<u>\$ 138,751,689</u>	(0.7)

**Construction – Next Five Years**

In fiscal 2013, the District began its ninth year (eighth construction year) of a rolling ten-year program to address in excess of \$80 million in deferred maintenance needs, with an emphasis on improving indoor air quality and roof and window replacement. The revised ten-year facilities management plan identified \$16 million in projects for Phase IV. The district bonded for \$16 million and approved the sale of these bonds in April, 2013. The district also has purchased the building next to Meadowbrook Elementary to help increase enrollment in this area of the district. Further, the district is in the final stages of planning for the building of a new gymnasium at Tanglen Elementary in the spring of 2014, while concurrently using the old gym space in the school to upgrade the kitchen area.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2013**

**Long-Term Liabilities**

At year-end, the District had \$152,070,000 in general obligation bonds outstanding – an increase of 16.2% from last year – as shown in Note 4 to the financial statements. This includes \$19,435,000 of general obligation OPEB bonds. The District increased its postemployment severance and health benefits payable at June 30, 2013, by a net of \$2.0 million.

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

	2013	2012	Percentage Change
General Obligation Bonds	\$ 152,070,000	\$ 130,910,000	16.2 %
OPEB Bonds	19,435,000	19,435,000	-
Net Bond Premium and Discount	4,265,520	1,844,699	131.2
Capital Improvement Loan Payable	1,424,521	1,892,834	(24.7)
Obligations Under Capital Leases	154,590	202,983	(23.8)
Other Pension Benefits Payable	2,105,071	1,667,314	26.3
Other Postemployment Benefits Payable	6,387,373	4,861,777	31.4
Total	<u>\$ 185,842,075</u>	<u>\$ 160,814,607</u>	15.6
Long-Term Liabilities:			
Due Within One Year	\$ 9,003,362	\$ 8,386,706	7.4 %
Due in More Than One Year	176,838,713	152,427,901	16.0
Total	<u>\$ 185,842,075</u>	<u>\$ 160,814,607</u>	15.6

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

Hopkins Public Schools remained financially stable as of June 30, 2013. The District approved a preliminary budget for the 2013-14 school year with a slight deficit that shows its General Fund Unassigned fund balance being slightly below the level as of June 30, 2013. Audited results for 2012-13 will result in a revised General Fund budget that will keep its General Fund Unassigned fund balance as of June 30, 2014 at or above the same level as June 30, 2013. This will keep Hopkins Public Schools fund balance in the range of 10-20%, an amount that will keep it in line with financially strong neighboring districts. For 2013-14 the District made reductions for declining enrollment, while investing in an Elementary School World Language program. The State budget for the biennium increased education spending by \$485 million. The majority of the increase comes in 2014-15, including funding for All-Day Kindergarten.



**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2013**

**FACTORS BEARING ON THE DISTRICT'S FUTURE (CONTINUED)**

On November 5<sup>th</sup>, 2013 voters of the Hopkins School district approved two questions increasing revenue for Hopkins Public Schools. The first question revoked the previous operating referendum and replaced it with an operating referendum that increased revenue by \$418.23 per student, effective for 10 years beginning in 2014-15. The second question approved a second Capital Projects Levy that will recover revenue lost from the first Capital Projects Levy passed in 2010 due to declining tax capacity, allow for kitchen renovations at three schools, allow for additional safety and security enhancements including staffing at all schools, and allow the district to build a new gymnasium at Tanglen Elementary school. Hopkins Public Schools still will need to continue to look at possible ways to increase other non-state revenue and continue to identify efficiencies to control expenses for fiscal year 2013-14 and beyond. Expenses begin to exceed revenues in 2015-16 in the long-term financial planning model even with the operating referendum increase per student.

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

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

## **BASIC FINANCIAL STATEMENTS**

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF NET POSITION  
JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2012)**

	Governmental Activities	
	2013	2012
<b>ASSETS</b>		
Cash and Investments	\$ 59,382,338	\$ 35,026,107
Cash and Investments Held by Trustee	21,354,334	6,043,345
Receivables:		
Property Taxes	19,404,700	21,627,007
Other Governments	11,802,269	22,714,160
Other	914,371	569,887
Prepaid Items	532,869	362,788
Inventories	86,336	70,765
Deferred Charges	626,969	500,656
Capital Assets:		
Land and Construction in Progress	4,552,685	9,969,189
Other Capital Assets, Net of Depreciation	133,217,794	128,782,500
Total Assets	251,874,665	225,666,404
<b>LIABILITIES</b>		
Salaries and Compensated Absences Payable	557,591	571,283
Accounts and Contracts Payable	3,299,726	3,549,338
Accrued Interest	2,384,062	2,599,173
Due to Other Governmental Units	754,258	516,897
Property Tax Shift Adjustment	505	176
Unearned Revenue:		
Property Taxes	26,111,447	28,887,952
Local Sources	1,597,730	1,736,287
Long-Term Liabilities:		
Portion Due Within One Year	9,003,362	8,386,706
Portion Due in More Than One Year	176,838,713	152,427,901
Total Liabilities	220,547,394	198,675,713
<b>NET POSITION</b>		
Net Investment in Capital Assets	11,711,667	9,944,518
Restricted for:		
General Fund Operating Capital Purposes	446,607	516,096
General Fund State-Mandated Reserves	330,485	425,786
Food Service	206,656	56,834
Community Service	1,291,944	1,030,651
Debt Service	207,150	-
Capital Projects - Building Construction	1,734,453	618,171
Unrestricted	15,398,309	14,398,635
Total Net Position	\$ 31,327,271	\$ 26,990,691

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2012)**

	2013				2012	
					Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
			Program Revenues		Total	Total
Functions	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Governmental Activities
<b>Governmental Activities</b>						
Administration	\$ 3,909,891	\$ -	\$ -	\$ 41,720	\$ (3,868,171)	\$ (4,145,184)
District Support Services	1,884,001	-	-	67,537	(1,816,464)	(1,607,026)
Regular Instruction	42,600,108	1,190,669	1,301,156	350,388	(39,757,895)	(30,851,335)
Vocational Education Instruction	1,097,780	-	-	-	(1,097,780)	(1,030,780)
Special Education Instruction	14,648,982	249,875	9,425,716	15,792	(4,957,599)	(6,230,521)
Instructional Support Services	3,901,694	19,716	857,105	4,085	(3,020,788)	(2,976,186)
Pupil Support Services	7,346,843	28,341	1,110,042	-	(6,208,460)	(6,413,677)
Sites and Buildings	19,153,416	1,033,210	-	998,627	(17,121,579)	(28,489,867)
Fiscal and Other Fixed Cost Programs	237,032	-	-	266,325	29,293	(224,935)
Food Service	4,167,355	2,412,791	1,808,845	-	54,281	(32,221)
Community Service	9,944,797	6,342,528	1,971,912	-	(1,630,357)	(1,317,302)
Interest and Fiscal Charges on Long-Term Liabilities	5,794,867	-	-	-	(5,794,867)	(6,279,986)
Total School District	<u>\$ 114,686,766</u>	<u>\$ 11,277,130</u>	<u>\$ 16,474,776</u>	<u>\$ 1,744,474</u>	<u>(85,190,386)</u>	<u>(89,599,020)</u>
<b>General Revenues</b>						
Property Taxes Levied for:						
General Purposes					19,938,887	19,088,953
Community Service					1,361,145	1,301,537
Debt Service					14,571,791	12,780,282
Capital Projects					6,514,220	6,654,459
State Aid Not Restricted to Specific Purposes					45,886,955	44,893,616
Earnings on Investments					(102,744)	2,243,690
Miscellaneous					1,356,712	1,789,333
Total General Revenues					<u>89,526,966</u>	<u>88,751,870</u>
Change in Net Position					4,336,580	(847,150)
Net Position - Beginning of Year					<u>26,990,691</u>	<u>27,837,841</u>
Net Position - Ending					<u>\$ 31,327,271</u>	<u>\$ 26,990,691</u>

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2012)**

	Major Funds					Total Governmental	
	General	Food Service	Community Service	Capital Projects	Debt Service	Funds	
						2013	2012
<b>ASSETS</b>							
Cash and Investments	\$ 6,840,760	\$ 56,812	\$ 1,243,676	\$ 13,757,718	\$ 9,571,527	\$ 31,470,493	\$ 6,495,286
Cash and Investments Held by Trustee	-	-	-	-	21,354,334	21,354,334	6,043,345
Receivables:							
Current Property Taxes	11,609,276	-	630,684	-	6,397,813	18,637,773	21,146,464
Delinquent Property Taxes	479,211	-	25,324	-	262,392	766,927	480,543
Due from Other Minnesota School Districts	324,268	-	26,123	-	-	350,391	773,160
Due from Minnesota Department of Education	9,028,124	3,502	139,209	-	99	9,170,934	20,293,347
Due from Federal through Minnesota Department of Education	1,683,829	77,563	137,214	-	-	1,898,606	1,178,197
Due from Federal Government Received Directly	1,409	-	-	-	-	1,409	55,300
Due from Other Governmental Units	336,160	5,758	38,204	807	-	380,929	414,156
Other Receivables	279,920	39,236	240,438	1,297	2,605	563,496	431,539
Due from Other Funds	1,091,843	17,413	38,923	-	-	1,148,179	5,485,386
Prepaid Items	216,852	1,457	10,461	304,099	-	532,869	362,788
Inventory	30,132	56,204	-	-	-	86,336	70,765
<b>Total Assets</b>	<b>\$ 31,921,784</b>	<b>\$ 257,945</b>	<b>\$ 2,530,256</b>	<b>\$ 14,063,921</b>	<b>\$ 37,588,770</b>	<b>\$ 86,362,676</b>	<b>\$ 63,230,276</b>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Salaries and Compensated Absences Payable	\$ 186,219	\$ 11,434	\$ 83,759	\$ 4,860	\$ -	\$ 286,272	\$ 287,401
Payroll Deductions and Employer Contributions Payable	207,956	8,713	49,688	4,962	-	271,319	283,882
Accounts and Contracts Payable	725,187	31,142	73,121	1,818,116	-	2,647,566	2,657,444
Due to Other Governmental Units	383,292	-	370,921	45	-	754,258	516,897
Due to Other Funds	-	-	-	-	-	-	4,985,386
Property Tax Shift Adjustment	505	-	-	-	-	505	176
Unearned Revenue:							
Property Taxes Levied for Subsequent Year	11,812,820	-	650,045	-	13,648,582	26,111,447	28,887,952
Delinquent Property Taxes	479,211	-	25,324	-	262,392	766,927	480,543
Local Sources	530,218	-	10,778	-	-	540,996	516,936
<b>Total Liabilities</b>	<b>14,325,408</b>	<b>51,289</b>	<b>1,263,636</b>	<b>1,827,983</b>	<b>13,910,974</b>	<b>31,379,290</b>	<b>38,616,617</b>
Fund Balance:							
Nonspendable:							
Prepaid Items	216,852	1,457	10,461	304,099	-	532,869	362,788
Inventory	30,132	56,204	-	-	-	86,336	70,765
Restricted for:							
Staff Development	330,485	-	-	-	-	330,485	425,786
Down Payment Levy	-	-	-	1,430,354	-	1,430,354	618,171
Alternative Facilities Program	-	-	-	10,501,485	-	10,501,485	-
Operating Capital	446,607	-	-	-	-	446,607	516,096
Community Education Programs	-	-	996,151	-	-	996,151	733,977
Early Childhood and Family Educations Programs	-	-	56,153	-	-	56,153	68,737
School Readiness	-	-	3,566	-	-	3,566	15,667
Adult Basic Education	-	-	112,459	-	-	112,459	115,370
Bond Refundings	-	-	-	-	21,354,334	21,354,334	6,043,345
Other Purposes	-	148,995	87,830	-	2,323,462	2,560,287	1,811,405
Committed for:							
Elementary School World Language	6,041,951	-	-	-	-	6,041,951	-
Assigned for:							
Secondary Study	-	-	-	-	-	-	69,450
Elementary Study	-	-	-	-	-	-	242,930
PBIS	12,291	-	-	-	-	12,291	-
High School Strategic Plan	6,944	-	-	-	-	6,944	-
Elementary AVID	-	-	-	-	-	-	18,000
HEA Settlement	1,223,113	-	-	-	-	1,223,113	1,223,113
Facilities Study	-	-	-	-	-	-	38,778
Phone System Lease Early Payoff	1,200,000	-	-	-	-	1,200,000	-
Unassigned	8,088,001	-	-	-	-	8,088,001	12,239,281
<b>Total Fund Balance</b>	<b>17,596,376</b>	<b>206,656</b>	<b>1,266,620</b>	<b>12,235,938</b>	<b>23,677,796</b>	<b>54,983,386</b>	<b>24,613,659</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 31,921,784</b>	<b>\$ 257,945</b>	<b>\$ 2,530,256</b>	<b>\$ 14,063,921</b>	<b>\$ 37,588,770</b>	<b>\$ 86,362,676</b>	<b>\$ 63,230,276</b>

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2012)**

	<u>2013</u>	<u>2012</u>
<b>Total Fund Balance for Governmental Funds</b>	\$ 54,983,386	\$ 24,613,659
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	2,867,600	2,867,600
Construction in Progress	1,685,085	7,101,589
Land Improvements, Net of Accumulated Depreciation	7,768,891	7,981,497
Buildings and Improvements, Net of Accumulated Depreciation	118,982,534	114,401,936
Equipment, Net of Accumulated Depreciation	6,466,369	6,399,067
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unearned revenue in the funds.		
	766,927	480,543
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
	(2,384,062)	(2,599,173)
Bond issuance costs are reported as expenditures in the governmental funds.		
	626,969	500,656
Internal service funds are used by management to charge the costs of health and dental insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position at year-end are:		
	25,405,647	26,057,924
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at year-end are:		
Bonds Payable	(171,505,000)	(150,345,000)
Unamortized Premiums	(4,351,501)	(1,951,203)
Unamortized Discounts	85,981	106,504
Improvement Loans Payable	(1,424,521)	(1,892,834)
Capital Lease Payable	(154,590)	(202,983)
Other Postemployment Benefits Payable	(6,387,373)	(4,861,777)
Retirement Incentive Benefits Payable	(2,105,071)	(1,667,314)
<b>Total Net Position of Governmental Activities</b>	<u>\$ 31,327,271</u>	<u>\$ 26,990,691</u>

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2012)**

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2013	2012
<b>REVENUES</b>							
Local Sources:							
Property Taxes	\$ 19,804,169	\$ -	\$ 1,351,948	\$ 6,470,206	\$ 14,473,336	\$ 42,099,659	\$ 39,798,547
Earnings on Investments	4,191	156	993	1,283	7,026	13,649	824,803
Other	3,753,447	2,412,791	6,340,677	117,238	-	12,624,153	11,938,608
State Sources	57,434,006	146,671	1,754,320	-	730	59,335,727	58,469,704
Federal Sources	2,863,130	1,662,174	221,479	-	-	4,746,783	5,383,247
Total Revenues	83,858,943	4,221,792	9,669,417	6,588,727	14,481,092	118,819,971	116,414,909
<b>EXPENDITURES</b>							
Current:							
Administration	3,702,143	-	-	-	-	3,702,143	3,652,025
District Support Services	1,753,551	-	-	-	-	1,753,551	1,648,725
Regular Instruction	39,772,620	-	-	-	-	39,772,620	38,978,437
Vocational Education Instruction	1,061,807	-	-	-	-	1,061,807	1,016,099
Special Education Instruction	14,068,452	-	-	-	-	14,068,452	14,227,674
Instructional Support Services	3,674,819	-	-	-	-	3,674,819	3,777,992
Pupil Support Services	7,030,543	-	-	-	-	7,030,543	7,306,760
Sites and Buildings	8,108,678	-	-	-	-	8,108,678	7,253,963
Fiscal and Other Fixed Cost Programs	237,032	-	-	-	-	237,032	224,935
Food Service	-	4,033,197	-	-	-	4,033,197	4,015,583
Community Service	-	-	9,734,396	-	-	9,734,396	9,208,143
Capital Outlay	1,547,125	38,773	39,459	10,182,745	-	11,808,102	24,779,167
Debt Service:							
Principal	-	-	-	468,313	7,870,000	8,338,313	8,577,199
Interest and Fiscal Charges	-	-	-	51,406	6,480,006	6,531,412	8,204,899
Total Expenditures	80,956,770	4,071,970	9,773,855	10,702,464	14,350,006	119,855,065	132,871,601
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,902,173	149,822	(104,438)	(4,113,737)	131,086	(1,035,094)	(16,456,692)
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from Sale of Equipment	23,200	-	-	20,204	-	43,404	17,375
Refunding Bond Proceeds	-	-	-	-	18,940,000	18,940,000	6,120,000
Bond Proceeds	-	-	-	16,090,000	-	16,090,000	-
Capital Lease Proceeds	-	-	-	-	-	-	257,817
Bond Premium	-	-	-	-	2,831,417	2,831,417	-
Payment to Refunding Bond Escrow Agent	-	-	-	-	(6,000,000)	(6,000,000)	(32,385,000)
Transfers In	-	-	356,840	-	-	356,840	-
Transfers Out	(856,840)	-	-	-	-	(856,840)	(8,688,384)
Total Other Financing Sources (Uses)	(833,640)	-	356,840	16,110,204	15,771,417	31,404,821	(34,678,192)
Net Change in Fund Balances	2,068,533	149,822	252,402	11,996,467	15,902,503	30,369,727	(51,134,884)
Fund Balances - Beginning	15,527,843	56,834	1,014,218	239,471	7,775,293	24,613,659	75,748,543
Fund Balances - Ending	\$ 17,596,376	\$ 206,656	\$ 1,266,620	\$ 12,235,938	\$ 23,677,796	\$ 54,983,386	\$ 24,613,659

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
RECONCILIATION OF THE STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2012)**

	2013	2012
<b>Net Change in Fund Balance - Total Governmental Funds</b>	<b>\$ 30,369,727</b>	<b>\$ (51,134,884)</b>

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlays	6,089,899	13,149,563
Gain (Loss) on Disposal of Capital Assets	33,384	-
Depreciation Expense	(7,061,089)	(6,412,812)

Some capital asset additions are financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability. Repayment of capital lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the statement of net position.

Other Financing Source - Capital Lease	-	(257,817)
Change in Accrued Interest Expense - Capital Leases	1,697	6,224
Principal Payments - Capital Leases	48,393	323,626

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

General Obligation Bond Proceeds	(35,030,000)	(6,120,000)
Payment to Refunding Bond Escrow Agent	6,000,000	32,385,000
Bond Premium	(2,831,417)	-
Bond Issuance Costs	213,726	80,880
Repayment of Improvement Loans Payable	468,313	458,406
Repayment of Bond Principal	7,870,000	7,850,000
Change in Accrued Interest Expense - General Obligation Bonds	213,414	639,481
Amortization of Bond Issuance Costs	(87,413)	(47,259)
Amortization of Bond Premium	431,119	1,257,598
Amortization of Bond Discount	(20,523)	(12,011)

Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

286,384	26,684
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In the statement of activities, certain operating expenses - severance benefits and compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).

(1,963,353)	(1,963,484)
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Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The net revenue of the internal service funds is reported with governmental activities.

(652,277)	8,923,655
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<b>Change in Net Position of Governmental Activities</b>	<b>\$ 4,336,580</b>	<b>\$ (847,150)</b>
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See accompanying Notes to Basic Financial Statements.



**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final	Amounts	
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 19,645,563	\$ 19,551,723	\$ 19,804,169	\$ 252,446
Earnings on Investments	3,691	3,691	4,191	500
Other	3,607,381	3,621,967	3,753,447	131,480
State Sources	57,748,076	56,330,145	57,434,006	1,103,861
Federal Sources	3,481,789	3,248,186	2,863,130	(385,056)
Total Revenues	84,486,500	82,755,712	83,858,943	1,103,231
<b>EXPENDITURES</b>				
Current:				
Administration	3,763,036	3,880,382	3,702,143	(178,239)
District Support Services	1,745,711	1,714,171	1,753,551	39,380
Elementary and Secondary Regular Instruction	41,134,664	40,925,085	39,772,620	(1,152,465)
Vocational Education Instruction	1,145,693	1,075,864	1,061,807	(14,057)
Special Education Instruction	14,095,240	14,695,605	14,068,452	(627,153)
Instructional Support Services	3,499,247	4,133,600	3,674,819	(458,781)
Pupil Support Services	8,134,866	7,120,362	7,030,543	(89,819)
Sites and Buildings	7,725,524	8,069,470	8,108,678	39,208
Fiscal and Other Fixed Cost Programs	267,808	250,599	237,032	(13,567)
Capital Outlay	1,770,395	1,737,541	1,547,125	(190,416)
Total Expenditures	83,282,184	83,602,679	80,956,770	(2,645,909)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,204,316	(846,967)	2,902,173	3,749,140
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Equipment	-	-	23,200	23,200
Transfers Out	(1,607,222)	(856,840)	(856,840)	-
Total Other Financing Sources (Uses)	(1,607,222)	(856,840)	(833,640)	23,200
Net Change in Fund Balance	\$ (402,906)	\$ (1,703,807)	2,068,533	\$ 3,772,340
<b>FUND BALANCE</b>				
Beginning of Year			15,527,843	
End of Year			\$ 17,596,376	

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
MAJOR FOOD SERVICE FUND  
YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Over
	Original	Final	Amounts	(Under) Final Budget
<b>REVENUES</b>				
Local Sources:				
Earnings on Investments	\$ 38,565	\$ 38,565	\$ 156	\$ (38,409)
Other - Primarily Meal Sales	2,334,395	2,334,395	2,412,791	78,396
State Sources	169,071	169,071	146,671	(22,400)
Federal Sources	1,688,193	1,688,193	1,662,174	(26,019)
Total Revenues	4,230,224	4,230,224	4,221,792	(8,432)
<b>EXPENDITURES</b>				
Current:				
Food Service	4,098,035	4,098,035	4,033,197	(64,838)
Capital Outlay	32,642	32,642	38,773	6,131
Total Expenditures	4,130,677	4,130,677	4,071,970	(58,707)
Net Change in Fund Balance	\$ 99,547	\$ 99,547	149,822	\$ 50,275
<b>FUND BALANCE</b>				
Beginning of Year			56,834	
End of Year			\$ 206,656	

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
MAJOR COMMUNITY SERVICE FUND  
YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 1,400,527	\$ 1,400,527	\$ 1,351,948	\$ (48,579)
Earnings on Investments	-	-	993	993
Other - Primarily Tuition and Fees	5,571,105	5,548,105	6,340,677	792,572
State Sources	1,784,099	1,889,967	1,754,320	(135,647)
Federal Sources	267,630	267,630	221,479	(46,151)
Total Revenues	9,023,361	9,106,229	9,669,417	563,188
<b>EXPENDITURES</b>				
Current:				
Community Service	9,145,502	9,285,450	9,734,396	448,946
Capital Outlay	20,450	31,358	39,459	8,101
Total Expenditures	9,165,952	9,316,808	9,773,855	457,047
Excess (Deficiency) of Revenues Over (Under) Expenditures	(142,591)	(210,579)	(104,438)	106,141
<b>OTHER FINANCING SOURCES</b>				
Transfer In	206,840	356,840	356,840	-
Net Change in Fund Balance	\$ 64,249	\$ 146,261	252,402	\$ 106,141
<b>FUND BALANCE</b>				
Beginning of Year			1,014,218	
End of Year			\$ 1,266,620	

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2012)**

	Governmental Activities - Internal Service Funds	
	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 27,911,845	\$ 28,530,821
Accounts Receivable	<u>350,875</u>	<u>138,348</u>
Total Current Assets	28,262,720	28,669,169
<b>LIABILITIES</b>		
Current Liabilities:		
Payroll Deductions	287	17
Accounts Payable	1,478	59,464
Claims Payable for Health and Dental Benefits	650,395	832,413
Due to Other Funds	1,148,179	500,000
Deferred Revenue	<u>1,056,734</u>	<u>1,219,351</u>
Total Current Liabilities	<u>2,857,073</u>	<u>2,611,245</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ 25,405,647</u>	<u>\$ 26,057,924</u>

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2012)**

	Governmental Activities - Internal Service Funds	
	2013	2012
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 9,917,979	\$ 9,003,187
<b>OPERATING EXPENSES</b>		
Health Insurance Claim Payments	8,884,613	8,509,960
OPEB Payments	1,257,362	600,733
Severance Payments	811,888	1,076,110
Total Operating Expenses	<u>10,953,863</u>	<u>10,186,803</u>
Operating Loss	(1,035,884)	(1,183,616)
<b>NONOPERATING INCOME (LOSS)</b>		
Earnings on Investments	<u>(116,393)</u>	<u>1,418,887</u>
Income (Loss) Before Transfers	(1,152,277)	235,271
<b>TRANSFERS</b>		
Transfer in	<u>500,000</u>	<u>8,688,384</u>
Change in Net Position	(652,277)	8,923,655
Total Net Position - Beginning	<u>26,057,924</u>	<u>17,134,269</u>
Total Net Position - Ending	<u><u>\$ 25,405,647</u></u>	<u><u>\$ 26,057,924</u></u>

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2012)**

	Governmental Activities - Internal Service Funds	
	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Interfund Services Provided	\$ 9,566,454	\$ 9,180,028
Payments for Administrative Costs	(58,668)	29,334
Payments for Medical Fees and Insurance Claims	(9,065,679)	(8,190,395)
Payments for OPEB	(609,183)	(1,551,974)
Payments for Retirement Benefits	(811,888)	(1,076,110)
Net Cash Used by Operating Activities	(978,964)	(1,609,117)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers from Other Funds	500,000	8,688,384
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received	107,383	206,185
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(371,581)	7,285,452
Cash and Cash Equivalents - Beginning	14,040,520	6,755,068
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ 13,668,939</u>	<u>\$ 14,040,520</u>
<b>DISPLAYED ON STATEMENT OF FUND NET POSITION AS:</b>		
Cash and Cash Equivalents	\$ 13,668,939	\$ 14,040,520
Investments	14,242,906	14,490,301
Cash and Investments	<u>\$ 27,911,845</u>	<u>\$ 28,530,821</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating Loss	\$ (1,035,884)	\$ (1,183,616)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
(Increase) Decrease in Accounts Receivable	(188,908)	(29,334)
(Increase) Decrease in Prepaid Items	-	36,813
Increase (Decrease) in Accounts Payable	(57,986)	57,033
Increase (Decrease) in Claims Payable	(181,748)	284,387
Increase (Decrease) in Due to Other Funds	648,179	(951,241)
Increase (Decrease) in Deferred Revenue	(162,617)	176,841
Total Adjustments	56,920	(425,501)
Net Cash Used by Operating Activities	<u>\$ (978,964)</u>	<u>\$ (1,609,117)</u>

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2013**

	Private- Purpose Trust
	<hr/>
<b>ASSETS</b>	
Cash and Investments	\$ 137,480
<b>LIABILITIES</b>	
Accounts and Contracts Payable	43,768
Due to Plan Participants	<hr/> 4,385
Total Liabilities	<hr/> 48,153
<b>NET POSITION</b>	
Assets Held In Trust for Other Purposes	<hr/> <hr/> \$ 89,327

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2013**

	Private- Purpose Trust
	<hr/>
<b>ADDITIONS</b>	
Gifts and Donations	\$ 45,872
Earnings on Investments	47
Total Additions	<hr/> 45,919
<b>DEDUCTIONS</b>	
Scholarships Awarded	2,000
Miscellaneous	<hr/> 32,599
Total Deductions	<hr/> 34,599
Net Increase in Net Position	11,320
Net Position - Beginning of Year	<hr/> 78,007
Net Position - End of Year	<hr/> <hr/> \$ 89,327

See accompanying Notes to Basic Financial Statements.

## **NOTES TO BASIC FINANCIAL STATEMENTS**



**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

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

This financial report has been prepared in conformity with GASB Statement No. 34.

**B. Financial Reporting Entity**

Independent School District No. 270 (the District) is an instrumentality of the State of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

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

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

Student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside school hours. The School Board does have a fiduciary responsibility in establishing broad policies and ensuring that appropriate financial records are maintained for student activities. However, in accordance with Minnesota state statutes, the District's School Board has not elected to control or exercise oversight responsibility with respect to the underlying student activities. Accordingly, the student activity accounts are not included in these financial statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

**C. Basic Financial Statement Presentation**

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

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

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

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

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

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

**D. Measurement Focus and Basis of Accounting**

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

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

**1. Revenue Recognition**

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

**2. Recording of Expenditures**

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

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

The District reports unearned revenue on its statement of net position and balance sheet. Unearned revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to incurring the qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the District has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

**Description of Funds**

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

*Major Governmental Funds*

General Fund

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

Food Service Special Revenue Fund

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

Community Service Special Revenue Fund

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

Capital Projects Fund

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

Debt Service Fund

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

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

*Proprietary Fund*

Internal Service Fund

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

*Fiduciary Fund*

Private-Purpose Trust

The Private-Purpose Trust Fund is used to account for money held by the District in the capacity of trustee for others. The fund is used for the activity of the District's scholarship fund.

**E. Budgeting**

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

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

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

**E. Budgeting (Continued)**

Budgeted amounts include mid-year budget amendments as follows:

	Original Budget	Amendments	Amended Budget
<u>Revenues</u>			
General Fund	\$ 84,486,500	\$ (1,730,788)	\$ 82,755,712
Special Revenue Funds:			
Community Service Fund	9,023,361	82,868	9,106,229
<u>Expenditures</u>			
General Fund	\$ 83,282,184	\$ 320,495	\$ 83,602,679
Special Revenue Funds:			
Community Service Fund	9,165,952	150,856	9,316,808
Capital Projects Fund	13,567,326	1,041,228	14,608,554
Debt Service Fund	14,096,083	2,000	14,098,083

Budget provisions for the Debt Service Fund are set by state law governing required debt service levels.

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

**F. Cash and Investments**

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

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

G. Accounts Receivable

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

H. Inventories

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

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are reported using the consumption method and recorded as an expense or expenditure at the time of consumption.

J. Property Taxes

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

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

**J. Property Taxes (Continued)**

In accordance with State law, the current tax shift consists of an amount equal to 31% of the District's 2000 Pay 2001 operating referendum levy (frozen at \$4,134,655) advance recognized as revenue in fiscal 2011 with no corresponding state aid adjustment. Starting in fiscal year 2011, the tax shift was expanded to include all other General and Community Service Fund levies (net of credits). In fiscal year 2013, the net tax shift was \$107,524 for the General Fund and an increase of \$35,023 in the Community Service Fund. Since advance collections of Pay 2013 levy amounts at June 30, 2013, were sufficient to cover the amounts required to be advance recognized as revenue in fiscal 2013, the amount advance recognized is tax revenue. To the extent advance collections would have been insufficient to cover the amount to be advance recognized, state statute requires that fiscal 2014 general education aid be recognized. Certain other portions of the District's 2012 pay 2013 levy, normally revenue for the 2013-2014 fiscal year, are also advance recognized at June 30, 2013, as required by state statute to match revenue with the same fiscal year as the related expenditures.

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is deferred because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material. Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the state which will be recognized as revenue in the next fiscal year beginning July 1, 2013, are included in Property Taxes Levied for Subsequent Year to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

**K. Capital Assets**

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



**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

**K. Capital Assets (Continued)**

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

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

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

**L. Long-Term Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**M. Accrued Employee Benefits**

Sick Pay

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

**M. Accrued Employee Benefits (Continued)**

Pension and Health Benefits

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

**1. Early Retirement Incentive and Convertible Sick Leave**

The District maintains various early retirement incentive payment plans for its employee groups. Each employee group plan contains benefit formulas based on years of service and/or minimum age requirements. No employee can receive early retirement incentive payments exceeding one year's salary. Benefits are not considered vested until actual turnover occurs.

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

At June 30, 2013, the long-term portion of the estimated early retirement incentive and convertible sick leave liability is included as part of non-current liabilities on the statement of net position. See Note 9 for further information.

**2. Postemployment Health Care Benefits**

In addition to retirement benefits, the District provides post retirement medical insurance benefits to teachers, administrators, principals, food service workers, custodians and clerical employees, in accordance with their respective master employment agreements. The eligibility for, amount of, duration of, and District's contribution to the cost of the benefits provided varies by contract and date of retirement. See Note 8 for further information.

**N. Statement of Cash Flows**

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

**O. Fund Balance**

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

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

**O. Fund Balance (Continued)**

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

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

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

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

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

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

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

**P. Risk Management**

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

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

**Q. Net Position**

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

R. Comparative Data

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2012, from which the summarized information was derived.

**NOTE 2 DEPOSITS AND INVESTMENTS**

A. Deposits

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

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does have a deposit policy that will minimize Custodial Credit Risk by obtaining collateral or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law. Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust departments of a commercial bank or other financial institution not owned or controlled by the depository. All of the District's deposits were fully insured during the year ended June 30, 2013.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

**B. Investments**

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

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

At June 30, 2013, the District's investment balances were as follows:

**Minnesota School District Liquid Asset Fund**

	<u>Carrying Value</u>
Minnesota School District Liquid Asset Fund Plus (MSDLAF+)	\$ 43,149,383

The MSDLAF+ is an external investment pool and its investments are valued at amortized cost, which approximates fair value in accordance with Rule 2a-7 of the Investment Company Act of 1940. The amortized cost method of valuation values a security at its cost on the date of purchase and thereafter assumes a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of instruments.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

**B. Investments (Continued)**

**Credit Risk** – The MSDLAF+ pool is rated AAAM by Standard & Poor's.

**Cash Investments Held by Trustee**

United States Treasury Securities	\$ 21,354,334
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The above U.S. Treasury Securities are held by an escrow agent in accordance with escrow agreements established with the sale of the General Obligation Refunding Bonds of 2013B.

**Investments Held in Other Postemployment Benefit Trust**

Type	Total	Maturity Duration in Years			
		Less Than 1	1 to 2	2 to 5	More than 5
Governmental Agencies	\$ 1,653,851	\$ -	\$ -	\$ 939,111	\$ 714,740
Municipal Bonds	9,705,952	-	-	668,070	9,037,882
U.S. Treasury Notes	22,390,504	457,534	20,993,481	404,043	535,446
Corporate Bonds	910,460	-	-	106,458	804,002
Mutual Funds	738,618	738,618	-	-	-
Money Market Funds	2,325,384	2,325,384	-	-	-
Total	<u>\$ 37,724,769</u>	<u>\$ 3,521,536</u>	<u>\$ 20,993,481</u>	<u>\$ 2,117,682</u>	<u>\$ 11,092,070</u>

***Custodial Credit Risk***

For an investment, custodial risk is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The School District will eliminate investment Custodial Credit Risk by permitting brokers that obtained investments for the School District to hold them only to the extent there is SIPC and excess SIPC coverage available. Securities purchased that exceed available SIPC coverage's shall be transferred to the School District's custodian.

***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District's investment policy requires that all brokers used by the District must acknowledge in writing that investments purchased through the broker must comply with Minnesota state statutes governing the investment of public funds. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District requires purchases of securities to be laddered with staggered maturity dates.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

**B. Investments (Continued)**

***Credit Risk***

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

Type	Credit Quality Rating	Amount
Governmental Agencies	AAA - AA	\$ 1,653,851
Municipal Bonds	AAA - AA	9,705,952
U.S. Treasury Notes	AAA	22,390,504
Corporate Bonds	A - BBB-	910,460
Mutual Funds	NR	738,618
Money Market Funds	AAA	2,325,384
Total		<u>\$ 37,724,769</u>

***Concentration of Credit Risk***

The District places no limit on the amount that the District may invest in any one issuer. The following is a list of investments which individually comprise more than 5% of the District's total investments:

Type	Amount	Percentage
United States Treasuries	\$ 22,390,504	27.69%

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

Cash and Investments - Statement of Net Position	\$ 59,382,338
Cash and Investments Held by Trustee - Statement of Net Position	21,354,334
Cash and Investments - Statement of Fiduciary Net Position	137,480
Total Cash and Investments	<u>\$ 80,874,152</u>

**C. Other Postemployment Benefit Trust Account**

Fiduciary Funds held in the District's Other Postemployment Benefit Trust account may be invested as authorized by Minnesota Statutes Chapter 356A. The funds are invested in accordance with the investment policy adopted by the District for the OPEB Revocable Trust. State statute does not limit the allowable investments for OPEB trust assets.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 3 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,867,600	\$ -	\$ -	\$ 2,867,600
Construction in Progress	7,101,589	2,645,136	(8,061,640)	1,685,085
Total Capital Assets, Not Being Depreciated	9,969,189	2,645,136	(8,061,640)	4,552,685
Capital Assets, Being Depreciated:				
Land Improvements	14,642,724	505,549	(5,121)	15,143,152
Buildings and Improvements	174,672,089	9,941,197	-	184,613,286
Equipment	18,858,818	1,059,657	(268,816)	19,649,659
Total Capital Assets, Being Depreciated	208,173,631	11,506,403	(273,937)	219,406,097
Accumulated Depreciation for:				
Land Improvements	(6,661,227)	(718,155)	5,121	(7,374,261)
Buildings and Improvements	(60,270,153)	(5,360,599)	-	(65,630,752)
Equipment	(12,459,751)	(982,335)	258,796	(13,183,290)
Total Accumulated Depreciation	(79,391,131)	(7,061,089)	263,917	(86,188,303)
Total Capital Assets, Being Depreciated, Net	128,782,500	4,445,314	(10,020)	133,217,794
Governmental Activities Capital Assets, Net	\$ 138,751,689	\$ 7,090,450	\$ (8,071,660)	\$ 137,770,479

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

<b>Governmental Activities</b>	
District Support Services	\$ 6,718
Regular Instruction	6,784,288
Vocational Education Instruction	1,562
Instructional Support Services	118,890
Pupil Support Services	129,418
Sites and Buildings	20,213
Total Depreciation Expense, Governmental Activities	<u>\$ 7,061,089</u>



**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 4 LONG-TERM LIABILITIES**

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

Issue Date	Net Interest Rate	Original Issue	Final Maturity	Principal Outstanding	
				Due Within One Year	Total
3-15-2006	3.75% - 5.00%	\$ 30,900,000	2-1-2026	\$ 1,380,000	\$ 23,065,000
12-13-2006	4.00% - 5.00%	32,045,000	2-1-2022	2,640,000	29,515,000
1-15-2009	5.00% - 5.25%	10,100,000	2-1-2018	-	10,100,000
5-19-2009	3.00% - 4.00%	24,300,000	2-1-2027	-	23,165,000
10-20-2009	4.05% - 4.45%	9,335,000	2-1-2020	-	9,335,000
11-10-2010	4.00% - 5.00%	9,850,000	2-1-2014	3,325,000	3,325,000
4-13-2011	4.00% - 5.00%	29,410,000	2-1-2028	-	29,410,000
4-13-2011	2.00% - 3.00%	3,000,000	2-1-2021	280,000	2,440,000
6-27-2012	0.45% - 1.80%	6,120,000	2-1-2022	650,000	6,120,000
5-16-2013	3.00% - 3.25%	16,090,000	2-1-2030	200,000	16,090,000
5-15-2013	1.50% - 4.00%	18,940,000	2-1-2026	-	18,940,000
Total General Obligation Bonds				8,475,000	171,505,000
Bond Premium - Net				-	4,351,501
Bond Discounts - Net				-	(85,981)
Capital Improvement Loan Payable				478,433	1,424,521
Capital Lease Payable				49,929	154,590
Other Pension Benefits Payable				-	2,105,071
Other Postemployment Benefits Payable				-	6,387,373
				<u>\$ 9,003,362</u>	<u>\$ 185,842,075</u>

**B. Minimum Debt Payments**

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

Year Ending June 30,	General Obligation Bonds Payable		Capital Lease Obligations Payable		Capital Improvement Loan Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 8,475,000	\$ 6,563,466	\$ 49,929	\$ 4,906	\$ 237,938	\$ 14,184
2015	8,055,000	6,547,639	51,513	3,321	483,575	20,668
2016	10,215,000	6,207,128	53,148	1,687	494,026	10,218
2017	10,845,000	5,808,565	-	-	208,982	1,119
2018	11,555,000	5,348,596	-	-	-	-
2019 - 2023	53,460,000	19,014,623	-	-	-	-
2024 - 2028	56,900,000	9,621,462	-	-	-	-
2029 - 2030	12,000,000	520,000	-	-	-	-
Total	<u>\$ 171,505,000</u>	<u>\$ 59,631,479</u>	<u>\$ 154,590</u>	<u>\$ 9,914</u>	<u>\$ 1,424,521</u>	<u>\$ 46,189</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

C. Description of Long-Term Debt

General Obligation School Building Bonds

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

On December 13, 2006, the District issued \$32,045,000 of General Obligation School Building Refunding Bonds, Series 2006C, to advance refund on February 1, 2012, the 2013 through 2022 maturities of the District's outstanding \$50,455,000 General Obligation School Building Bonds, Series 2002. This current refunding reduced the District's total future debt service payments by \$1,559,293 and resulted in a present value savings of \$1,038,455.

On November 10, 2010, the District issued \$9,850,000 of General Obligation School Building Refunding Bonds, Series 2010A, to advance refund on February 1, 2011, the 2012 through 2014 maturities of the District's outstanding \$32,805,000 General Obligation School Building Bonds, Series 2002B. This current refunding reduced the District's total future debt service payments by \$767,988 and resulted in a present value savings of \$745,390.

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

On June 27, 2012, the District issued \$6,120,000 General Obligation School Building Refunding Bonds, Series 2012A, to finance an advanced crossover refunding of the 2014 through 2022 maturities of the District's \$9,870,000 General Obligation School Building Bonds, Series 2004A. This refunding reduced the District's total future debt service payments by \$787,312 and resulted in a present value savings of \$736,898.

On May 16, 2013, the District issued \$18,940,000 General Obligation Refunding Bonds, Series 2013B, to finance an advanced crossover refunding of the 2016 through 2026 maturities of the District's \$30,900,000 General Obligation Alternative Facilities Bonds, Series 2006. This refunding reduced the District's total future debt service payments by \$2,391,661 and resulted in a present value savings of \$2,097,810.

General Obligation Alternative Facilities Bonds

On March 23, 2006, the District issued \$30,900,000 of General Obligation Alternative Facilities Bonds, Series 2006. Proceeds from the bonds were used to finance various projects within the District including improvements to indoor air quality, heating and ventilation systems, mechanical and electrical systems and other deferred maintenance.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

C. Description of Long-Term Debt (Continued)

General Obligation Alternative Facilities Bonds (Continued)

On May 19, 2009, the District issued \$24,300,000 of General Obligation Alternative Facilities Bonds, Series 2009B. The proceeds of this issue will be used to finance the acquisition and betterment of projects included in the District's ten-year facility plan.

On April 13, 2011, the District issued \$29,410,000 of General Obligation Alternative Facilities Bonds, Series 2011A. The proceeds of this issue will be used to finance the acquisition and betterment of projects included in the District's ten-year facility plan.

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

General Obligation Taxable OPEB Bonds

The District raised funds for Other Postemployment Benefits through the issuance of General Obligation Taxable Bonds during fiscal years 2009 and 2010.

The Series 2009A issue was in the amount of \$10,100,000 and sold on January 15, 2009. The proceeds from this issue were used to finance the District's Net OPEB Obligations under GASB 45 (see Note 8 for information on the District's OPEB Obligation).

The Series 2009C issue was in the amount of \$9,335,000 and sold on October 20, 2009. The proceeds from this issue were used to finance the District's Net OPEB Obligations under GASB 45 (see Note 8 for information on the District's OPEB Obligation).

Capital Improvement Loans Payable

On May 18, 2011, the District entered into a governmental lease purchase agreement for the acquisition of equipment. Under the terms of the agreement, the Lessor (Banc of America Public Capital Corp.) established an escrow account in the amount of \$2,389,000. Repayment of principal is made in sixty equal monthly payments beginning on June 16, 2011 at 2.14% from the Capital Projects Fund.

Capital Leases Payable

On July 1, 2004, the District entered into a capital lease agreement with Apple Computer Inc. to finance the acquisition of equipment. The total financed was \$1,009,334, with an interest rate of 5.687% and is to be repaid through both the General and Capital Projects Funds. This capital lease was amended on October 25, 2006 for additional equipment and to increase the lease amount by \$738,853.

On August 9, 2011, the District entered into another capital lease agreement with Mercedes-Benz Truck Financial to finance the acquisition of five school buses for special education transportation. The total financed was \$257,817, with an interest rate of 3.08% and requires the District to make annual payments through August 22, 2015.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

D. Description of Long-Term Debt (Continued)

Capital Leases Payable (Continued)

The assets acquired through capital lease are as follows:

Asset:	
Equipment	\$ 2,661,050
Less: Accumulated Depreciation	(444,077)
Total	<u>\$ 2,216,973</u>

Postemployment and Other Pension Benefits Payable

Postemployment and other pension benefits payable consist of early retirement incentive payments, administrator experience benefits and post-employment health insurance benefits payable to employees upon retirement. Severance and health benefits have been paid by the General and Special Revenue Funds. Annual payments to retire the severance and health benefits liability have not been determined and will depend on actual employee turnover. Amounts shown as additions in the table below include changes in amounts recorded due to valuation and assumption changes.

During fiscal 2002, the District initiated a Retirement Enhancement and Benefit Alternatives Program (or REBA) which is intended to operate as a qualified plan under Section 401(a) of the Internal Revenue Code. As part of this plan, the District implemented a Voluntary Employees' Benefit Association (VEBA) as a component of this program whereby the District contributes retirement benefits and other contributions as specified by contract to the VEBA.

D. Changes in Long-Term Debt

	June 30, 2012	Additions	Retirements	June 30, 2013
Bonds Payable	\$ 150,345,000	\$ 35,030,000	\$ 13,870,000	\$ 171,505,000
Bond Premium	1,951,203	2,831,417	431,119	4,351,501
Bond Discounts	(106,504)	-	(20,523)	(85,981)
Capital Improvement Loan Payable	1,892,834	-	468,313	1,424,521
Capital Lease Payable	202,983	-	48,393	154,590
Other Pension Benefits Payable	1,667,314	1,249,644	811,887	2,105,071
Other Postemployment Benefits Payable	4,861,777	3,027,999	1,502,403	6,387,373
	<u>\$ 160,814,607</u>	<u>\$ 42,139,060</u>	<u>\$ 17,111,592</u>	<u>\$ 185,842,075</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 5 FUND BALANCES**

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

**A. Restricted for Staff Development**

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

**B. Restricted for Down Payment Levy**

The District has restricted amounts related to the down payment levy.

**C. Restricted for Alternative Facilities Program**

Represents the resources available for approved expenditures based on a state approved plan for capital projects.

**D. Restricted for Operating Capital**

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

**E. Restricted for Community Education Programs**

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

**F. Restricted for Early Childhood and Family Education Programs**

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

**G. Restricted for School Readiness**

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

**H. Restricted for Adult Basic Education Programs**

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

**I. Restricted for Bond Refundings**

Restricted for amounts held in escrow for the future refunding of callable bonds of the District.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 5 FUND BALANCES (CONTINUED)**

J. Restricted for Other Purposes

Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

K. Committed for Elementary School World Language

Represents resources segregated from the Unassigned Fund Balance committed to fund the Spanish language at the District's elementary schools for the next ten years.

L. Assigned for Secondary Study

Represents amounts assigned for continuing evaluation and changes in the District's secondary programming. A study was done in 2010 that evaluated the secondary program and recommended changes and additions to the secondary program. Resources are provided by this assignment on a non-recurring basis to enable the identified changes to be implemented.

M. Assigned for Elementary Study

Represents amounts assigned for an ongoing study of elementary programming. This study was begun in 2011 and will conclude in the spring of 2012. Resources assigned for this study will pay for non-recurring implementation costs of changes to the elementary program.

N. Assigned for Positive Behavior Intervention Systems

Represents amounts assigned for the PBIS program in the District's elementary schools. Each elementary school was given \$5,000 for the program in 2013 and any amounts which were not spent were assigned so they can be spent in 2014.

O. Assigned for High School Strategic Plan

Represents amounts assigned for developing a strategic plan for Hopkins High School. The project began in 2013 but was not complete and a portion of the fund balance was assigned to ensure funds are available in 2014 to complete the plan.

P. Assigned for Elementary AVID

Represents amounts assigned for the Elementary AVID pilot program for three years at one elementary school. The projected three-year cost of the pilot program is \$54,000, with \$18,000 budgeted for in the approved 2011-12 budget. This assigned amount represents resources assigned for the subsequent two years.

Q. Assigned for HEA Settlement

Represents amounts assigned for the HEA Settlement.

R. Assigned for Facilities Study

Represents amounts assigned for the District Facilities Study.

S. Assigned for Phone System Lease Early Payoff

Represents amounts assigned for the early payoff of the District's phone system lease.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 6 INTERFUND BALANCES AND TRANSFERS**

The District has the following interfund receivable and payable at June 30, 2013:

	Due from Other Fund	Due to Other Fund
General Fund	\$ 1,091,843	\$ -
Food Service Special Revenue Fund	17,413	-
Community Service Special Revenue Fund	38,923	-
OPEB Revocable Trust Internal Service Fund	-	1,148,179
Total	<u>\$ 1,148,179</u>	<u>\$ 1,148,179</u>

The purpose of these interfund balances was as follows:

The Revocable Trust Fund owes the operating funds a combined \$1,148,179 for OPEB payments which the operating funds had made during fiscal 2013. The balance is expected to be repaid within six months of year-end.

The District had the following interfund transfers during the year ended June 30, 2013:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 856,840
Community Service Special Revenue Fund	356,840	-
Severance Internal Service Fund	500,000	-
	<u>\$ 856,840</u>	<u>\$ 856,840</u>

The purpose of these interfund transfers was as follows:

The General Fund transferred amounts to the Community Service Fund to pay for marketing costs to promote the Fund's programs.

The General Fund transferred \$500,000 into the Severance Fund to fund one additional year of the District's severance liability.

**NOTE 7 RETIREMENT PLANS**

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

**A. Teacher's Retirement Association (TRA)**

**1. Plan Description**

All teachers employed by the School are covered by a cost-sharing, multiple-employer defined benefit pension plan administered by the State of Minnesota Teachers Retirement Association (TRA). TRA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security and Basic members are not.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 7 RETIREMENT PLANS (CONTINUED)**

**A. Teacher's Retirement Association (TRA) (Continued)**

**1. Plan Description (Continued)**

All Basic members were first hired prior to July 1, 1989. All new members must participate in the Coordinated Plan. These plans are established and administered in accordance with Minnesota Statutes, Chapters 354 and 356.

TRA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute and vest after three years of credited service. 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.

TRA publicly issues a Comprehensive Annual Financial Report (CAFR) presenting financial statements, supplemental information on funding levels, investment performance, and further information on benefits provisions. The report may be accessed at the TRA website at [www.tra.state.mn.us](http://www.tra.state.mn.us). Alternatively, a copy of the report may be obtained by writing TRA at Teachers Retirement Association, 60 Empire Drive Suite 400, St. Paul, MN 55103-1855 or by calling (651) 296-6449 or 1-800-657-3853.

**2. Funding Policy**

Minnesota Statutes Chapter 354 sets the rates for the employee and employer contributions. These statutes are established and amended by the state legislature. Coordinated and Basic Plan members are required to contribute 6.5% and 10.0%, respectively, of their annual covered salary as employee contributions.

The District is required to contribute the following percentages of annual covered payroll: 6.5% for Coordinated Plan members and 10.5% for Basic Plan members.

The District contributions for the years ended June 30, 2013, 2012 and 2011 were \$2,755,111, \$2,503,637 and \$2,309,227, respectively, equal to the required contributions for each year as set by state statute.

**B. Public Employees' Retirement Association (PERA)**

**1. Plan Description**

All full-time and certain part-time employees of the School (other than teachers) are covered by a defined benefit plan administered by the Public Employees' Retirement Association of Minnesota (PERA). PERA administers the General Employees' Retirement Fund (GERF) which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan.



**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 7 RETIREMENT PLANS (CONTINUED)**

**B. Public Employees' Retirement Association (PERA) (Continued)**

**1. Plan Description (Continued)**

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute and vest after three years of credited service. The defined retirement 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. PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERP. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org), by writing to PERA at 60 Empire Drive #200, St. Paul, MN 55103-2088, or by calling (651) 296-7460 or 1-800-652-9026.

**2. Funding Policy**

Minnesota Statutes Chapter 353 sets the rates for the employer and employee contributions. These statutes are established and amended by the state legislature. The District makes annual contributions to the pension plans equal to the amount required by state statutes. GERP Basic Plan members and Coordinated Plan members were required to contribute 9.10% and 6.25%, respectively, of their annual covered salary in 2013.

The District is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan GERP members and 7.25% for Coordinated Plan members.

The District's contributions for the years ended June 30, 2013, 2012 and 2011 were \$1,224,265, \$1,198,448 and \$1,171,214, respectively, equal to the contractually required contributions for each year as set by state statute.

**C. Defined Contribution Plan**

The District provides eligible employees future retirement benefits through the District's 403(b) Plan (the Plan). All employees of the District are eligible to participate in the Plan commencing on the date of their employment. Eligible employees may elect to have a percentage of their pay contributed to the Plan. Contributions are invested in tax deferred annuities selected and owned by Plan participants. The District and employee contributions for the year ended June 30, 2013 are \$70,620 and \$1,985,953, respectively.

**HOPKINS PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS PAYABLE**

At June 30, 2009, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The District engaged an actuary to determine the District's liability for postemployment healthcare benefits other than pensions as of July 1, 2012.

**A. Plan Description**

The District operates a single-employer retiree benefit plan (the Plan) that provides health and dental insurance to eligible employees and their spouses through the District's health insurance plan. There are 1,053 active participants, 106 retired participants and 21 spouses. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period. The Plan does not issue a publicly available financial report.

**B. Funding Policy**

Contribution requirements are also negotiated between the District and union representatives. The eligibility for, amount of, duration of, and District's contribution to the cost of the benefits provided varies by contract and date of retirement. For fiscal year 2013, the District contributed \$1,502,403 to the plan.

**C. Annual OPEB Cost and Net OPEB Obligation**

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any un-funded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually paid from the plan, and changes in the District's net OPEB obligation.

Annual Required Contribution	\$ 3,189,663
Interest on Net OPEB Obligation	218,780
Adjustment to Annual Required Contribution	<u>(380,444)</u>
Annual OPEB Cost	3,027,999
Contributions Made	<u>(1,502,403)</u>
Increase in Net OPEB Obligation	1,525,596
Net OPEB Obligation - Beginning of Year	4,861,777
Net OPEB Obligation - End of Year	<u><u>\$ 6,387,373</u></u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)**

**C. Annual OPEB Cost and Net OPEB Obligation (Continued)**

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013, 2012, and 2011 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 3,027,999	49.6%	\$ 6,387,373
6/30/2012	3,040,668	50.2%	4,861,777
6/30/2011	3,094,542	46.9%	3,347,688

**D. Funded Status and Funding Progress**

As of July 1, 2012, the most recent actuarial valuation date, the District's unfunded actuarial accrued liability (UAAL) was \$17,732,318. The annual payroll for active employees covered by the plan in the actuarial valuation was \$52,424,937 for a ratio of UAAL to covered payroll of 33.8%. As indicated in Note 4, the District has issued taxable OPEB bonds and placed the proceeds of the bonds in a revocable trust with the intention of funding the OPEB liability each year on a pay as you go basis from the revocable trust fund. As of June 30, 2013, the value of assets in the revocable trust totaled \$15,354,890, which is 84.1% of the actuarially accrued liability.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**E. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**HOPKINS PUBLIC SCHOOLS  
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JUNE 30, 2013**

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)**

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

In the July 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5% discount rate which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The initial healthcare trend rate was 8.0%, reduced by decrements to an ultimate rate of 5% after six years. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2013 was not to exceed 30 years.

**NOTE 9 OTHER PENSION BENEFITS PAYABLE**

The District engaged an actuary to determine the District's liability for its supplemental pension plan in accordance with Governmental Accounting Standards Board (GASB) Statement No. 27, as of July 1, 2012.

**A. Plan Description**

The District provides a defined contribution supplemental pension benefit to certain individuals and contract groups. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period.

Currently, there are 723 active employees who are fully eligible to receive benefits under the plan as of June 30, 2012. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period. The Plan does not issue a publicly available financial report.

**B. Funding Policy**

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 9 OTHER PENSION BENEFITS PAYABLE (CONTINUED)**

**C. Annual Pension Cost and Net Pension Obligation**

The District's annual pension cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 27. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any un-funded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the District's annual pension cost for the year, the amount actually paid from the plan, and changes in the District's net pension obligation.

Annual Required Contribution	\$ 1,305,436
Interest on Net Pension Obligation	75,029
Adjustment to Annual Required Contribution	<u>(130,821)</u>
Annual Pension Cost	1,249,644
Contributions Made	<u>(811,887)</u>
Increase in Net Pension Obligation	437,757
Net Pension Obligation - Beginning of Year	<u>1,667,314</u>
Net Pension Obligation - End of Year	<u><u>\$ 2,105,071</u></u>

The District's annual pension cost, the percentage of the annual pension cost contributed to the plan, and the net pension obligation for 2013, 2012 and 2011 was:

Fiscal Year Ended	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
6/30/2013	\$ 1,249,644	65.0%	\$ 2,105,071
6/30/2012	1,101,311	59.2%	1,667,314

**D. Funded Status and Funding Progress**

As of July 1, 2012, the most recent actuarial valuation date, the District's unfunded actuarial accrued liability (UAAL) was \$9,354,733. The annual payroll for active employees covered by the plan in the actuarial valuation was \$43,155,339 for a ratio of UAAL to covered payroll of 21.7%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 9 OTHER PENSION BENEFITS PAYABLE (CONTINUED)**

**E. Actuarial Methods and Assumptions**

The annual required contribution for the current year was determined as part of the July 1, 2012 actuarial valuation using the projected unit actuarial cost method. The actuarial assumptions included a 4.5% discount rate, which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date and projected salary increases at 3%.

The actuarial methods and assumptions include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The unfunded actuarial accrued liability is being amortized as a level dollar amount of projected payroll. The remaining amortization period at June 30, 2013 is not to exceed 30 years.

**NOTE 10 FLEXIBLE BENEFIT PLAN**

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

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

All assets of the plan are held in a separate bank account, administered by a third-party administrator. Payments are made by the District to participating employees upon submitting a request for reimbursement of eligible expenses incurred by the participant. 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 all plan activity is included in the financial statements as a Private-Purpose Trust Fund.

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 11 HEALTH AND DENTAL SELF-INSURANCE PLAN**

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

Participants in the program make premium payments to the fund based on the insurance premium. The excess amount received above current year claims is used to establish a reserve for future claims. At June 30, 2013, there is a reserve of \$2,746,747.

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

There were no liabilities in excess of claims paid at June 30, 2013. There is a possibility for loss if claims are in excess of the premiums collected. The District does not believe this occurrence would have a material financial effect on the District. The District held \$4,237,399 in cash and investments at June 30, 2013, for payment of claims.

Changes in the balances of claim liabilities during fiscal years 2013 and 2012 were as follows:

	2013	2012
Beginning of Fiscal Year Liability - July 1,	\$ 832,413	\$ 548,043
Current Year Claims, Changes in Estimates and Other Charges	8,884,613	8,509,960
Current Year Claims Paid	<u>(9,066,631)</u>	<u>(8,225,590)</u>
End of Fiscal Year Liability - June 30,	<u>\$ 650,395</u>	<u>\$ 832,413</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 12 COMMITMENTS AND CONTINGENCIES**

**A. Federal and State Programs**

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

**B. Operating Lease**

In November 1997, the District entered into a lease agreement with the Housing and Redevelopment Authority in and for the City of Hopkins. The District is leasing a building owned by the City to be used for the Hopkins Center for the Arts. The lease had an initial term of ten years with a ten-year renewal period at the District's discretion. The District renewed the lease for an additional ten years extending through October 2017. The rent is \$100,000 per year.

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 100,000
2015	100,000
2016	100,000
2017	100,000
2018	33,333
Total Future Minimum Lease Payments	<u><u>\$ 433,333</u></u>

**C. Joint Powers Agreement**

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

Operating results of the Lindbergh Center for fiscal 2012-2013 are as follows:

	<u>School District</u>	<u>City</u>
Total Expenditures	\$ 334,460	\$ 136,610
Total Revenue	(47,232)	(19,292)
Final Operating Costs to Respective Governmental Unit	<u><u>\$ 287,228</u></u>	<u><u>\$ 117,318</u></u>



**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 12 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

D. Construction Commitments

At June 30, 2013, the District is committed to approximately \$4,208,335 of contracts in progress.

**NOTE 13 STEWARDSHIP AND ACCOUNTABILITY**

Excess of Expenditures Over Budget

Expenditures exceeded budgeted amounts in the following funds at June 30, 2013:

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Special Revenue Funds:			
Community Service Fund	\$ 9,316,808	\$ 9,773,855	\$ 457,047
Debt Service Fund	14,098,083	14,350,006	251,923

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

**NOTE 14 SUBSEQUENT EVENTS**

On April 25, 2013, the Board approved the purchase of a property in Golden Valley that is adjacent to one of the District's current elementary schools for the purpose of relocating the pre-school and other programs. The purchase was finalized on September 30, 2013 for a purchase price of \$1.75 million

## **REQUIRED SUPPLEMENTARY INFORMATION**

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**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS FOR POSTEMPLOYMENT BENEFITS  
AND OTHER PENSION BENEFITS PAYABLE**

Other Postemployment Benefits Payable						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2012	\$ -	\$ 17,732,318	\$ 17,732,318	-	\$ 52,424,937	33.82%
7/1/2010	-	18,264,836	18,264,836	-	52,807,576	34.59%
7/1/2008	-	19,074,260	19,074,260	-	54,000,000	35.32%

Other Pension Benefits Payable						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2012	\$ -	\$ 9,354,733	\$ 9,354,733	-	\$ 43,155,339	21.68%
7/1/2010	-	8,188,384	8,188,384	-	42,328,967	19.34
7/1/2008	-	8,250,846	8,250,846	-	54,000,000	15.28

Other Postemployment Benefits Schedule of Employer Contributions		
Actuarial Valuation Date	Annual Required Contribution	Contributions
7/1/2012	\$ 3,189,663	47.9%
7/1/2010	3,148,090	60.7%
7/1/2008	1,198,657	162.7%

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## **SUPPLEMENTARY INFORMATION**

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2012)**

	2013	2012
<b>ASSETS</b>		
Cash and Investments	\$ 6,840,760	\$ -
Receivables:		
Current Taxes	11,609,276	13,029,258
Delinquent Taxes	479,211	304,206
Accounts and Interest Receivable	279,920	175,578
Due from Other Funds	1,091,843	455,807
Due from Other Minnesota School Districts	324,268	750,268
Due from Minnesota Department of Education	9,028,124	19,624,394
Due from Federal through the Minnesota Department of Education	1,683,829	1,002,455
Due from Federal Government Received Directly	1,409	55,300
Due from Other Governmental Units	336,160	384,108
Inventories	30,132	24,559
Prepaid Items	216,852	218,343
Total Assets	<u>\$ 31,921,784</u>	<u>\$ 36,024,276</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 186,219	\$ 213,796
Payroll Deductions and Employer Contributions Payable	207,956	230,469
Accounts and Contracts Payable	725,187	699,050
Due to Other Minnesota School Districts	285,519	233,685
Due to Other Funds	-	4,962,880
Due to Other Governmental Units	97,773	68,451
Property Tax Shift Adjustment	505	176
Property Taxes Levied for Subsequent Year	11,812,820	13,278,255
Unearned Revenue - Delinquent Taxes	479,211	304,206
Unearned Revenue - Other	530,218	505,465
Total Liabilities	<u>14,325,408</u>	<u>20,496,433</u>
Fund Balance:		
Nonspendable:		
Prepaid Items	216,852	218,343
Inventory	30,132	24,559
Restricted for:		
Staff Development	330,485	425,786
Operating Capital	446,607	516,096
Committed for:		
Elementary School World Language	6,041,951	-
Assigned for:		
Secondary Study	-	69,450
Elementary Study	-	242,930
Positive Behavior Intervention Systems	12,291	-
High School Strategic Plan	6,944	-
Elementary AVID	-	18,000
HEA Settlement	1,223,113	1,223,113
Facilities Study	-	38,778
Phone System Lease Early Payoff	1,200,000	-
Unassigned	<u>8,088,001</u>	<u>12,750,788</u>
Total Fund Balance	<u>17,596,376</u>	<u>15,527,843</u>
Total Liabilities and Fund Balance	<u>\$ 31,921,784</u>	<u>\$ 36,024,276</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2012)**

	2013			2012
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 19,551,723	\$ 19,804,169	\$ 252,446	\$ 19,076,163
Earnings on Investments	3,691	4,191	500	4,109
Other	3,621,967	3,753,447	131,480	3,550,219
State Sources	56,330,145	57,434,006	1,103,861	56,189,264
Federal Sources	3,248,186	2,863,130	(385,056)	3,590,725
Total Revenues	82,755,712	83,858,943	1,103,231	82,410,480
<b>EXPENDITURES</b>				
Current:				
Administration:				
Salaries	2,741,407	2,598,458	(142,949)	2,588,702
Employee Benefits	660,856	661,155	299	629,722
Purchased Services	312,083	305,552	(6,531)	286,684
Supplies and Materials	103,402	75,007	(28,395)	82,443
Capital Expenditures	111,403	60,099	(51,304)	64,698
Other Expenditures	62,634	61,971	(663)	64,474
Total Administration	3,991,785	3,762,242	(229,543)	3,716,723
District Support Services:				
Salaries	1,011,259	1,051,321	40,062	1,027,872
Employee Benefits	274,381	293,970	19,589	289,692
Purchased Services	289,804	305,074	15,270	292,352
Supplies and Materials	109,289	104,366	(4,923)	75,840
Capital Expenditures	178,040	60,150	(117,890)	196,562
Other Expenditures	29,438	(1,180)	(30,618)	(37,031)
Total District Support Services	1,892,211	1,813,701	(78,510)	1,845,287
Elementary and Secondary Regular Instruction:				
Salaries	29,488,238	28,809,055	(679,183)	28,370,197
Employee Benefits	8,032,670	7,850,700	(181,970)	7,427,975
Purchased Services	2,398,876	2,197,348	(201,528)	2,246,594
Supplies and Materials	926,955	866,537	(60,418)	836,104
Capital Expenditures	422,607	613,615	191,008	472,574
Other Expenditures	78,346	48,980	(29,366)	97,567
Total Elementary and Secondary Regular Instruction	41,347,692	40,386,235	(961,457)	39,451,011



**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2012)**

	2013			2012
	Final	Actual	Over (Under) Final	Actual
	Budget	Amounts	Budget	Amounts
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 589,793	\$ 594,614	\$ 4,821	\$ 591,175
Employee Benefits	144,188	142,824	(1,364)	143,106
Purchased Services	288,579	282,602	(5,977)	239,512
Supplies and Materials	52,834	41,257	(11,577)	41,836
Capital Expenditures	-	155	155	-
Other Expenditures	470	510	40	470
Total Vocational Education Instruction	1,075,864	1,061,962	(13,902)	1,016,099
Special Education Instruction:				
Salaries	10,689,605	10,508,367	(181,238)	10,450,668
Employee Benefits	3,003,584	2,959,278	(44,306)	2,835,633
Purchased Services	897,262	504,022	(393,240)	838,358
Supplies and Materials	74,485	62,366	(12,119)	73,434
Capital Expenditures	66,102	19,900	(46,202)	282,561
Other Expenditures	30,669	34,419	3,750	29,581
Total Special Education Instruction	14,761,707	14,088,352	(673,355)	14,510,235
Instructional Support Services:				
Salaries	2,421,076	2,298,525	(122,551)	2,432,982
Employee Benefits	732,372	604,986	(127,386)	604,352
Purchased Services	685,225	532,121	(153,104)	522,173
Supplies and Materials	292,596	227,750	(64,846)	194,726
Capital Expenditures	259	-	(259)	98
Other Expenditures	2,331	11,437	9,106	23,759
Total Instructional Support Services	4,133,859	3,674,819	(459,040)	3,778,090
Pupil Support Services:				
Salaries	2,032,843	1,976,010	(56,833)	1,977,361
Employee Benefits	529,089	588,034	58,945	557,895
Purchased Services	4,440,421	4,355,753	(84,668)	4,679,275
Supplies and Materials	100,687	109,377	8,690	81,182
Capital Expenditures	76,805	74,788	(2,017)	32,694
Other Expenditures	17,322	1,369	(15,953)	11,047
Total Pupil Support Services	7,197,167	7,105,331	(91,836)	7,339,454

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2012)**

	2013			2012
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Sites and Buildings:				
Salaries	\$ 2,878,152	\$ 2,921,015	\$ 42,863	\$ 2,790,432
Employee Benefits	967,954	937,318	(30,636)	871,734
Purchased Services	3,399,120	3,406,382	7,262	3,103,442
Supplies and Materials	517,367	541,141	23,774	487,950
Capital Expenditures	882,325	718,418	(163,907)	914,292
Other Expenditures	306,877	302,822	(4,055)	405
Total Sites and Buildings	8,951,795	8,827,096	(124,699)	8,168,255
Fiscal and Other Fixed Cost Programs:				
Purchased Services	250,599	237,032	(13,567)	224,935
Total Expenditures	83,602,679	80,956,770	(2,645,909)	80,050,089
Excess (Deficiency) of Revenues Over (Under) Expenditures	(846,967)	2,902,173	3,749,140	2,360,391
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Equipment	-	23,200	23,200	-
Capital Lease Proceeds	-	-	-	257,817
Transfers Out	(856,840)	(856,840)	-	(8,688,384)
Total Other Financing Sources (Uses)	(856,840)	(833,640)	23,200	(8,430,567)
Net Change in Fund Balance	\$ (1,703,807)	2,068,533	\$ 3,772,340	(6,070,176)
<b>FUND BALANCE</b>				
Beginning of Year		15,527,843		21,598,019
End of Year		\$ 17,596,376		\$ 15,527,843

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
FOOD SERVICE SPECIAL REVENUE FUND  
BALANCE SHEET  
JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2012)**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and Investments	\$ 56,812	\$ -
Receivables:		
Accounts and Interest Receivable	39,236	7,182
Due from Other Funds	17,413	16,385
Due from Minnesota Department of Education	3,502	5,199
Due from Federal through the Minnesota Department of Education	77,563	62,381
Due from Other Governmental Units	5,758	-
Inventory	56,204	46,206
Prepaid Items	<u>1,457</u>	<u>2,805</u>
 Total Assets	 <u><u>\$ 257,945</u></u>	 <u><u>\$ 140,158</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 11,434	\$ 10,683
Payroll Deductions and Employer Contributions Payable	8,713	8,487
Accounts and Contracts Payable	31,142	41,648
Due to Other Funds	<u>-</u>	<u>22,506</u>
Total Liabilities	51,289	83,324
 Fund Balance:		
Nonspendable:		
Prepaid Items	1,457	2,805
Inventory	56,204	46,206
Restricted for Other Purposes	<u>148,995</u>	<u>7,823</u>
Total Fund Balance	206,656	56,834
 Total Liabilities and Fund Balance	 <u><u>\$ 257,945</u></u>	 <u><u>\$ 140,158</u></u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
FOOD SERVICE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2012)**

	2013			2012
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Earnings on Investments	\$ 38,565	\$ 156	\$ (38,409)	\$ 60
Other - Primarily Meal Sales	2,334,395	2,412,791	78,396	2,335,055
State Sources	169,071	146,671	(22,400)	154,085
Federal Sources	1,688,193	1,662,174	(26,019)	1,546,205
Total Revenues	4,230,224	4,221,792	(8,432)	4,035,405
<b>EXPENDITURES</b>				
Current:				
Salaries	1,499,999	1,566,493	66,494	1,564,341
Employee Benefits	645,411	574,046	(71,365)	586,951
Purchased Services	317,293	130,423	(186,870)	115,178
Supplies and Materials	1,586,592	1,756,084	169,492	1,741,661
Other Expenditures	48,740	6,151	(42,589)	7,452
Capital Outlay	32,642	38,773	6,131	14,334
Total Expenditures	4,130,677	4,071,970	(58,707)	4,029,917
Net Change in Fund Balance	<u>\$ 99,547</u>	149,822	<u>\$ 50,275</u>	5,488
<b>FUND BALANCE</b>				
Beginning of Year		56,834		51,346
End of Year		<u>\$ 206,656</u>		<u>\$ 56,834</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
COMMUNITY SERVICE SPECIAL REVENUE FUND  
BALANCE SHEET  
JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2012)**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and Investments	\$ 1,243,676	\$ 403,370
Receivables:		
Current Taxes	630,684	677,918
Delinquent Taxes	25,324	16,433
Accounts and Interest Receivable	240,438	244,304
Due from Other Funds	38,923	27,808
Due from Other Minnesota School Districts	26,123	22,892
Due from Minnesota Department of Education	139,209	561,289
Due from Federal Government through the Minnesota Department of Education	137,214	113,361
Due from Other Governmental Units	38,204	29,701
Prepaid Items	<u>10,461</u>	<u>8,833</u>
 Total Assets	 <u><u>\$ 2,530,256</u></u>	 <u><u>\$ 2,105,909</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 83,759	\$ 56,830
Payroll Deductions and Employer Contributions Payable	49,688	39,393
Accounts and Contracts Payable	73,121	54,373
Due to Other School Districts	298,624	160,169
Due to Other Governmental Units	72,297	54,592
Property Taxes Levied for Subsequent Year	650,045	698,430
Unearned Revenue - Delinquent Taxes	25,324	16,433
Unearned Revenue - Other	<u>10,778</u>	<u>11,471</u>
Total Liabilities	1,263,636	1,091,691
Fund Balance:		
Nonspendable:		
Prepaid Items	10,461	8,833
Restricted for:		
Community Education Programs	996,151	733,977
Early Childhood and Family Education Programs	56,153	68,737
School Readiness	3,566	15,667
Adult Basic Education	112,459	115,372
Other Purposes	<u>87,830</u>	<u>71,632</u>
Total Fund Balance	1,266,620	1,014,218
 Total Liabilities and Fund Balance	 <u><u>\$ 2,530,256</u></u>	 <u><u>\$ 2,105,909</u></u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
COMMUNITY SERVICE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2012)**

	2013			2012
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 1,400,527	\$ 1,351,948	\$ (48,579)	\$ 1,300,665
Earnings on Investments	-	993	993	608
Other - Primarily Tuition and Fees	5,548,105	6,340,677	792,572	5,913,048
State Sources	1,889,967	1,754,320	(135,647)	1,839,340
Federal Sources	267,630	221,479	(46,151)	246,317
Total Revenues	9,106,229	9,669,417	563,188	9,299,978
<b>EXPENDITURES</b>				
Current:				
Salaries	5,534,741	5,809,023	274,282	5,531,971
Employee Benefits	1,598,009	1,720,184	122,175	1,616,803
Purchased Services	1,400,343	1,592,048	191,705	1,462,043
Supplies and Materials	732,107	559,613	(172,494)	560,339
Other Expenditures	20,250	53,528	33,278	36,987
Capital Outlay	31,358	39,459	8,101	31,034
Total Expenditures	9,316,808	9,773,855	457,047	9,239,177
Excess (Deficiency) of Revenues Over (Under) Expenditures	(210,579)	(104,438)	106,141	60,801
<b>OTHER FINANCING SOURCES</b>				
Transfer in	356,840	356,840	-	-
Net Change in Fund Balance	<u>\$ 146,261</u>	252,402	<u>\$ 106,141</u>	60,801
<b>FUND BALANCE</b>				
Beginning of Year		1,014,218		953,417
End of Year		<u>\$ 1,266,620</u>		<u>\$ 1,014,218</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
CAPITAL PROJECTS FUND  
BALANCE SHEET  
JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2012)**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and Investments	\$ 13,757,718	\$ 1,980,315
Receivables:		
Accounts and Interest Receivable	1,297	-
Due from Other Governmental Units	807	347
Prepaid Items	<u>304,099</u>	<u>132,807</u>
Total Assets	<u><u>\$ 14,063,921</u></u>	<u><u>\$ 2,113,469</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 4,860	\$ 6,092
Payroll Deductions and Employer Contributions Payable	4,962	5,533
Accounts and Contracts Payable	1,818,116	1,862,373
Due to Other Governmental Units	<u>45</u>	<u>-</u>
Total Liabilities	<u>1,827,983</u>	<u>1,873,998</u>
Fund Balance:		
Nonspendable:		
Prepaid Items	304,099	132,807
Restricted for:		
Down Payment Levy	1,430,354	618,171
Alternative Facility Program	10,501,485	-
Unassigned	<u>-</u>	<u>(511,507)</u>
Total Fund Balance	<u>12,235,938</u>	<u>239,471</u>
Total Liabilities and Fund Balance	<u><u>\$ 14,063,921</u></u>	<u><u>\$ 2,113,469</u></u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2012)**

	2013				2012
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>					
Local Sources:					
Property Taxes	\$ 6,470,206	\$ 6,470,206	\$ 6,470,206	\$ -	\$ 6,650,000
Earnings on Investments	-	-	1,283	1,283	3,384
Other	-	-	117,238	117,238	140,286
Total Revenues	6,470,206	6,470,206	6,588,727	118,521	6,793,670
<b>EXPENDITURES</b>					
Current:					
Salaries	-	2,295,071	2,249,008	(46,063)	1,836,574
Employee Benefits	-	539,891	646,306	106,415	533,071
Purchased Services	-	626,383	620,069	(6,314)	3,352,206
Supplies and Materials	-	458,916	194,565	(264,351)	192,134
Other Expenditures	-	385,700	408,872	23,172	379,286
Debt Service on Capital Leases:					
Principal	-	468,313	468,313	-	727,199
Interest	-	35,931	35,931	-	57,019
Bond Sale Costs	-	(504,244)	15,475	519,719	-
Capital Outlay	13,567,326	10,302,593	6,063,925	(4,238,668)	16,477,049
Total Expenditures	13,567,326	14,608,554	10,702,464	(3,906,090)	23,554,538
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,097,120)	(8,138,348)	(4,113,737)	4,024,611	(16,760,868)
<b>OTHER FINANCING SOURCES</b>					
Proceeds from Sale of Equipment	-	-	20,204	20,204	17,375
Bond Proceeds	15,000,000	16,090,000	16,090,000	-	-
Total Other Financing Sources	15,000,000	16,090,000	16,110,204	20,204	17,375
Net Change in Fund Balance	<u>\$ 7,902,880</u>	<u>\$ 7,951,652</u>	11,996,467	<u>\$ 4,044,815</u>	(16,743,493)
<b>FUND BALANCE</b>					
Beginning of Year			239,471		16,982,964
End of Year			<u>\$ 12,235,938</u>		<u>\$ 239,471</u>



**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2012)**

	Regular Debt Service	OPEB Debt Service	Totals	
			2013	2012
<b>ASSETS</b>				
Cash and Investments	\$ 9,033,480	\$ 538,047	\$ 9,571,527	\$ 4,111,601
Cash and Investments Held by Trustee	21,354,334	-	21,354,334	6,043,345
Receivables:				
Current Taxes	5,960,341	437,472	6,397,813	7,439,288
Delinquent Taxes	245,257	17,135	262,392	159,904
Accounts and Interest Receivable	2,605	-	2,605	4,475
Due from Other Funds	-	-	-	4,985,386
Due from Minnesota Department of Education	93	6	99	102,465
Total Assets	<u>\$ 36,596,110</u>	<u>\$ 992,660</u>	<u>\$ 37,588,770</u>	<u>\$ 22,846,464</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Property Taxes Levied for Subsequent Year	\$ 12,715,516	\$ 933,066	\$ 13,648,582	\$ 14,911,267
Unearned Revenue - Delinquent Taxes	245,257	17,135	262,392	159,904
Total Liabilities	<u>12,960,773</u>	<u>950,201</u>	<u>13,910,974</u>	<u>15,071,171</u>
Fund Balance:				
Restricted for:				
Bond Refunding	21,354,334	-	21,354,334	6,043,345
Regular Debt Service	2,281,003	42,459	2,323,462	1,731,948
Total Fund Balance	<u>23,635,337</u>	<u>42,459</u>	<u>23,677,796</u>	<u>7,775,293</u>
Total Liabilities and Fund Balance	<u>\$ 36,596,110</u>	<u>\$ 992,660</u>	<u>\$ 37,588,770</u>	<u>\$ 22,846,464</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2012)**

	2013					2012	
	Original Budgeted Amounts	Final Budgeted Amounts	Regular Debt Service	Actual OPEB Debt Service	Total Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>							
Local Sources:							
Property Tax	\$ 14,911,267	\$ 14,911,267	\$ 13,534,453	\$ 938,883	\$ 14,473,336	\$ (437,931)	\$ 12,771,719
Earnings on Investments	-	-	6,965	61	7,026	7,026	816,642
State Sources	-	-	683	47	730	730	287,015
Total Revenues	14,911,267	14,911,267	13,542,101	938,991	14,481,092	(430,175)	13,875,376
<b>EXPENDITURES</b>							
Debt Service:							
Bond Principal	7,870,000	7,870,000	7,870,000	-	7,870,000	-	7,850,000
Bond Interest	6,221,083	6,221,083	5,338,456	921,977	6,260,433	39,350	8,024,533
Paying Agent Fees and Other	5,000	7,000	218,673	900	219,573	212,573	123,347
Total Expenditures	14,096,083	14,098,083	13,427,129	922,877	14,350,006	251,923	15,997,880
Excess (Deficiency) of Revenues Over (Under) Expenditures	815,184	813,184	114,972	16,114	131,086	(682,098)	(2,122,504)
<b>OTHER FINANCING SOURCES (USES)</b>							
Bond Proceeds	-	20,250,000	18,940,000	-	18,940,000	(1,310,000)	6,120,000
Bond Premium	-	-	2,831,417	-	2,831,417	2,831,417	-
Payment to Refunding Bond Escrow Agent	-	-	(6,000,000)	-	(6,000,000)	(6,000,000)	(32,385,000)
Total Other Financing Sources (Uses)	-	14,206,655	15,771,417	-	15,771,417	1,564,762	(26,265,000)
Net Change in Fund Balance	\$ 815,184	\$ 15,019,839	15,886,389	16,114	15,902,503	\$ 882,664	(28,387,504)
<b>FUND BALANCE</b>							
Beginning of Year			7,748,948	26,345	7,775,293		36,162,797
End of Year			\$ 23,635,337	\$ 42,459	\$ 23,677,796		\$ 7,775,293

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**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
INTERNAL SERVICE FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION OF JUNE 30, 2012)**

	Self- Insurance Accounts	OPEB Revocable Trust	Severance	Totals	
				2013	2012
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ 4,237,399	\$ 16,370,436	\$ 7,304,010	\$ 27,911,845	\$ 28,530,821
Accounts Receivable	218,242	132,633	-	350,875	138,348
Total Current Assets	<u>\$ 4,455,641</u>	<u>\$ 16,503,069</u>	<u>\$ 7,304,010</u>	<u>\$ 28,262,720</u>	<u>\$ 28,669,169</u>
<b>LIABILITIES AND NET POSITION</b>					
Current Liabilities:					
Salaries and Payroll Deductions	\$ 287	\$ -	\$ -	\$ 287	\$ 17
Claims Payable	650,395	-	-	650,395	832,413
Accounts Payable	1,478	-	-	1,478	59,464
Due to Other Funds	-	1,148,179	-	1,148,179	500,000
Deferred Revenue	1,056,734	-	-	1,056,734	1,219,351
Total Current Liabilities	<u>1,708,894</u>	<u>1,148,179</u>	<u>-</u>	<u>2,857,073</u>	<u>2,611,245</u>
<b>NET POSITION</b>					
Unrestricted	<u>2,746,747</u>	<u>15,354,890</u>	<u>7,304,010</u>	<u>25,405,647</u>	<u>26,057,924</u>
Total Liabilities and Net Position	<u>\$ 4,455,641</u>	<u>\$ 16,503,069</u>	<u>\$ 7,304,010</u>	<u>\$ 28,262,720</u>	<u>\$ 28,669,169</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
INTERNAL SERVICE FUNDS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
YEAR ENDED JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2012)**

	Self- Insurance Accounts	OPEB Revocable Trust	Severance	Totals	
				2013	2012
<b>OPERATING REVENUES</b>					
Charges for Services:					
Health Insurance Premiums	\$ 9,917,979	\$ -	\$ -	\$ 9,917,979	\$ 9,003,187
<b>OPERATING EXPENSES</b>					
Health Insurance Claim Payments	8,884,613	-	-	8,884,613	8,509,960
Severance Payments	-	-	811,888	811,888	1,076,110
OPEB Payments	-	1,257,362	-	1,257,362	600,733
Total Operating Expenses	<u>8,884,613</u>	<u>1,257,362</u>	<u>811,888</u>	<u>10,953,863</u>	<u>10,186,803</u>
Operating Income (Loss)	1,033,366	(1,257,362)	(811,888)	(1,035,884)	(1,183,616)
<b>NONOPERATING INCOME</b>					
Earnings on Investments	<u>1,281</u>	<u>(120,383)</u>	<u>2,709</u>	<u>(116,393)</u>	<u>1,418,887</u>
Net Income (Loss) Before Transfers	<u>1,034,647</u>	<u>(1,377,745)</u>	<u>(809,179)</u>	<u>(1,152,277)</u>	<u>235,271</u>
<b>TRANSFERS</b>					
Transfer In	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>8,688,384</u>
Change in Net Position	1,034,647	(1,377,745)	(309,179)	(652,277)	8,923,655
Net Position - Beginning	<u>1,712,100</u>	<u>16,732,635</u>	<u>7,613,189</u>	<u>26,057,924</u>	<u>17,134,269</u>
Net Position - Ending	<u><u>\$ 2,746,747</u></u>	<u><u>\$ 15,354,890</u></u>	<u><u>\$ 7,304,010</u></u>	<u><u>\$ 25,405,647</u></u>	<u><u>\$ 26,057,924</u></u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
INTERNAL SERVICE FUNDS  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2012)**

	Self- Insurance Accounts	OPEB Revocable Trust	Severance	Totals	
				2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Interfund Services Provided	\$ 9,537,120	\$ -	\$ 29,334	\$ 9,566,454	\$ 9,180,028
Payments for Administrative Costs	-	-	(58,668)	(58,668)	29,334
Payments for Medical Fees and Insurance Claims	(9,065,679)	-	-	(9,065,679)	(8,190,395)
Payments for Other Postemployment Benefits	-	(609,183)	-	(609,183)	(1,551,974)
Payments for Severance Benefits	-	-	(811,888)	(811,888)	(1,076,110)
Net Cash Provided (Used) by Operating Activities	471,441	(609,183)	(841,222)	(978,964)	(1,609,117)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from Other Funds	-	-	500,000	500,000	8,688,384
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Received	1,281	103,393	2,709	107,383	206,185
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	472,722	(505,790)	(338,513)	(371,581)	7,285,452
Cash and Cash Equivalents - Beginning	3,764,677	2,633,320	7,642,523	14,040,520	6,755,068
Cash and Cash Equivalents - Ending	<u>\$ 4,237,399</u>	<u>\$ 2,127,530</u>	<u>\$ 7,304,010</u>	<u>\$ 13,668,939</u>	<u>\$ 14,040,520</u>
<b>AMOUNTS DISPLAYED ON COMBINING STATEMENT OF NET POSITION AS CASH AND INVESTMENTS CONSIST OF:</b>					
Cash and Cash Equivalents	\$ 4,237,399	2,127,530	\$ 7,304,010	\$ 13,668,939	14,040,520
Investments	-	14,242,906	-	14,242,906	14,490,301
Total Cash and Investments	<u>\$ 4,237,399</u>	<u>\$ 16,370,436</u>	<u>\$ 7,304,010</u>	<u>\$ 27,911,845</u>	<u>\$ 28,530,821</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 1,033,366	\$ (1,257,362)	\$ (811,888)	\$ (1,035,884)	\$ (1,183,616)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
(Increase) Decrease in Accounts Receivable	(218,242)	-	29,334	(188,908)	(29,334)
(Increase) Decrease in Prepaid Items	-	-	-	-	36,813
Increase (Decrease) in Accounts Payable	682	-	(58,668)	(57,986)	57,033
Increase (Decrease) in Claims Payable	(181,748)	-	-	(181,748)	284,387
Increase (Decrease) in Due to Other Funds	-	648,179	-	648,179	(951,241)
Increase (Decrease) in Deferred Revenue	(162,617)	-	-	(162,617)	176,841
Total Adjustments	(561,925)	648,179	(29,334)	56,920	(425,501)
Net Cash Provided (Used) by Operating Activities	<u>\$ 471,441</u>	<u>\$ (609,183)</u>	<u>\$ (841,222)</u>	<u>\$ (978,964)</u>	<u>\$ (1,609,117)</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS  
COMPLIANCE TABLE  
JUNE 30, 2013**

	AUDIT	UFARS	AUDIT-UFARS
<b>01 GENERAL FUND</b>			
Total Revenue	\$ 83,858,943	\$ 83,858,946	\$ (3)
Total Expenditures	80,956,770	80,956,781	(11)
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	246,984	246,984	-
<i>Restricted/Reserved:</i>			
403 Staff Development	330,485	330,485	-
405 Deferred Maintenance	-	-	-
406 Health & Safety	(544,274)	(544,274)	-
407 Capital Project Levy	-	-	-
408 Cooperative Programs	-	-	-
411 Severance Pay	-	-	-
413 Project Funded by COP	-	-	-
414 Operating Debt	-	-	-
416 Levy Reduction	-	-	-
417 Taconite Building Maint	-	-	-
423 Certain Teacher Programs	-	-	-
424 Operating Capital	446,607	446,607	-
426 \$25 Taconite	-	-	-
427 Disabled Accessibility	-	-	-
428 Learning & Development	-	-	-
434 Area Learning Center	-	-	-
435 Contracted Alt. Programs	-	-	-
436 State Approved Alt. Program	-	-	-
438 Gifted & Talented	-	-	-
441 Basic Skills Programs	-	-	-
445 Career and Technical Programs	-	-	-
446 First Grade Preparedness	-	-	-
449 Safe Schools Crime	-	-	-
450 Prekindergarten	-	-	-
451 QZAB Payments	-	-	-
452 OPEB Liab Not In Trust	-	-	-
453 Unfunded Sev & Retirement Levy	-	-	-
<i>Restricted:</i>			
464 Restricted Fund Balance	-	-	-
<i>Committed:</i>			
418 Committed for Separation	-	-	-
461 Committed Fund Balance	6,041,951	6,041,951	-
<i>Assigned:</i>			
462 Assigned Fund Balance	2,442,348	2,442,348	-
<i>Unassigned:</i>			
422 Unassigned Fund Balance	8,632,275	8,632,274	1
<b>02 FOOD SERVICE</b>			
Total Revenue	4,221,792	4,221,792	-
Total Expenditures	4,071,970	4,071,970	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	57,661	57,661	-
<i>Restricted:</i>			
452 OPEB Liab Not In Trust	-	-	-
464 Restricted Fund Balance	148,995	148,996	(1)
<i>Unassigned</i>			
463 Unassigned Fund Balance	-	-	-
<b>04 COMMUNITY SERVICE</b>			
Total Revenue	9,669,417	9,669,415	2
Total Expenditures	9,773,855	9,773,852	3
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	10,461	10,461	-
<i>Restricted/Reserved:</i>			
426 \$25 Taconite	-	-	-
431 Community Education	996,151	996,152	(1)
432 E.C.F.E.	56,153	56,153	-
444 School Readiness	3,566	3,566	-
447 Adult Basic Education	112,459	112,459	-
452 OPEB Liab Not In Trust	-	-	-
<i>Restricted:</i>			
464 Restricted Fund Balance	87,830	87,831	(1)
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS  
COMPLIANCE TABLE (CONTINUED)  
JUNE 30, 2013**

	AUDIT	UFARS	AUDIT-UFARS
<b>06 BUILDING CONSTRUCTION</b>			
Total Revenue	\$ 6,588,727	\$ 6,588,727	\$ -
Total Expenditures	10,702,464	10,702,460	4
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	304,099	304,099	-
<i>Restricted/Reserved:</i>			
407 Capital Projects Levy	1,430,354	1,430,355	(1)
409 Alternative Facility Program	10,501,485	10,501,485	-
413 Project Funded by COP	-	-	-
<i>Restricted:</i>			
464 Restricted Fund Balance	-	-	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
<b>07 DEBT SERVICE</b>			
Total Revenue	13,542,101	13,542,101	-
Total Expenditures	13,427,129	13,427,130	(1)
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted/Reserved:</i>			
425 Bond Refundings	21,354,334	21,354,334	-
451 QZAB Payments	-	-	-
<i>Restricted:</i>			
464 Restricted Fund Balance	2,281,003	2,281,002	1
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
<b>08 TRUST</b>			
Total Revenue	45,919	45,918	1
Total Expenditures	34,599	34,598	1
422 Net Assets	89,327	89,326	1
<b>20 INTERNAL SERVICE</b>			
Total Revenue	9,921,969	9,921,968	1
Total Expenditures	9,696,501	9,696,500	1
422 Net Assets	10,050,757	10,050,757	-
<b>25 OPEB REVOCABLE TRUST</b>			
Total Revenue	(120,383)	(120,383)	-
Total Expenditures	1,257,362	1,257,361	1
422 Unreserved/Undesignated	15,354,890	15,354,891	(1)
<b>45 OPEB IRREVOCABLE TRUST</b>			
Total Revenue	-	-	-
Total Expenditures	-	-	-
422 Net Assets	-	-	-
<b>47 OPEB DEBT SERVICE</b>			
Total Revenue	938,991	938,992	(1)
Total Expenditures	922,877	922,878	(1)
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Reserved:</i>			
425 Bond Refundings	-	-	-
464 Restricted Fund Balance	42,459	42,460	(1)
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-



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## **STATISTICAL SECTION (UNAUDITED)**

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

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

	Fiscal Year			
	2004	2005	2006	2007
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 9,564,022	\$ 7,591,976	\$ 9,411,623	\$ 5,485,389
Restricted	740,024	736,815	1,583,175	2,238,949
Unrestricted	<u>(7,821,616)</u>	<u>(7,686,519)</u>	<u>(7,595,268)</u>	<u>(2,876,252)</u>
Total Governmental Activities Net Position	<u>\$ 2,482,430</u>	<u>\$ 642,272</u>	<u>\$ 3,399,530</u>	<u>\$ 4,848,086</u>

**Note:** The District began to report accrual information when it implemented GASB 34 in fiscal year 2003.

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 7,938,102	\$ 9,397,957	\$ 8,937,746	\$ 8,514,533	\$ 9,944,518	\$ 11,711,667
2,789,965	3,264,739	1,160,465	4,662,680	2,268,838	4,217,295
2,842,155	11,482,994	13,083,470	14,987,961	14,777,335	15,398,309
<u>\$ 13,570,222</u>	<u>\$ 24,145,690</u>	<u>\$ 23,181,681</u>	<u>\$ 28,165,174</u>	<u>\$ 26,990,691</u>	<u>\$ 31,327,271</u>

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

	Fiscal Year			
	2004	2005	2006	2007
<b>Expenses</b>				
Governmental Activities:				
Administration	\$ 3,948,804	\$ 4,537,464	\$ 4,838,959	\$ 4,590,182
District Support Services	3,379,730	3,062,482	2,302,529	1,853,225
Regular Instruction	39,173,750	33,309,263	41,303,287	47,207,226
Vocational Education Instruction	1,103,815	1,150,305	1,125,008	1,193,009
Special Education Instruction	14,973,871	17,265,615	16,796,959	15,504,643
Instructional Support Services	6,188,588	7,206,624	6,427,254	5,607,384
Pupil Support Services	8,095,196	7,619,972	7,616,981	7,676,741
Sites and Buildings	6,130,819	16,687,540	9,288,508	11,530,667
Fiscal and Other Fixed Cost Programs	2,530,571	360,450	354,699	329,561
Food Service	4,042,032	4,167,480	5,039,988	4,630,945
Community Service	8,125,971	8,258,439	8,675,314	8,565,057
Interest and Fiscal Charges on Long-Term Debt	3,742,292	4,094,541	4,150,983	6,138,535
Total Governmental Activities Expenses	101,435,439	107,720,175	107,920,469	114,827,175
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
Administration	30,665	-	-	-
District Support Services	23,747	24,630	29,434	24,618
Regular Instruction	1,012,487	835,486	1,184,043	1,188,609
Vocational Education Instruction	-	-	-	-
Special Education Instruction	2,679,665	4,530,914	3,128,178	1,812,597
Instructional Support Services	247,901	48,263	40,704	44,133
Pupil Support Services	107,450	27,210	66,513	42,638
Sites and Buildings	270,690	351,299	221,543	222,976
Food Service	2,500,710	3,154,034	3,390,517	3,355,530
Community Service	3,806,966	4,046,401	4,580,023	4,626,235
Operating Grants and Contributions	18,423,537	17,935,634	18,607,690	19,346,194
Capital Grants and Contributions	1,986,110	1,186,695	1,124,779	4,143
Total Governmental Activities Program Revenues	31,089,928	32,140,566	32,373,424	30,667,673
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes:				
General Purpose	21,930,270	17,698,271	10,653,807	18,797,670
Community Service	1,934,564	1,254,939	632,974	1,373,565
Debt Service	8,176,383	8,117,389	8,077,620	10,991,032
Capital Projects	-	906,235	3,172,904	2,006,583
Unrestricted State Aid	40,026,340	45,059,225	53,897,968	49,388,078
Unrestricted Investment Earnings	1,046,163	559,096	1,220,616	2,616,853
Gain on Sale of Capital Assets	-	-	287,069	-
Miscellaneous	166,173	144,296	361,345	434,277
Total Governmental Activities	73,279,893	73,739,451	78,304,303	85,608,058
<b>Change in Net Position</b>	2,934,382	(1,840,158)	2,757,258	1,448,556
Net Position - Beginning	(451,952)	2,482,430	642,272	3,399,530
Prior Period Adjustment	-	-	-	-
Net Position - Ending	\$ 2,482,430	\$ 642,272	\$ 3,399,530	\$ 4,848,086

**Note:** The District began to report accrual information when it implemented GASB 34 in fiscal year 2003.

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 4,341,553	\$ 3,285,901	\$ 3,648,146	\$ 3,886,290	\$ 4,234,800	\$ 3,909,891
2,948,399	2,308,118	2,828,721	1,996,425	1,876,871	1,884,001
40,924,512	40,520,816	44,637,858	46,526,198	34,553,785	42,600,108
746,094	1,384,804	1,248,106	1,032,431	1,030,780	1,097,780
15,806,446	13,811,596	14,386,953	14,719,711	14,713,589	14,648,982
5,951,619	5,002,242	4,360,704	4,015,309	3,949,700	3,901,694
8,203,016	8,095,048	9,404,028	8,062,714	7,520,723	7,346,843
9,809,866	11,445,683	15,438,221	13,653,836	30,964,522	19,153,416
145,154	191,136	238,698	177,885	224,935	237,032
4,546,070	3,786,269	4,130,632	4,088,968	4,067,566	4,167,355
8,587,611	8,826,182	9,376,157	9,146,023	9,307,748	9,944,797
6,137,727	5,891,676	7,043,733	6,998,109	6,279,986	5,794,867
108,148,067	104,549,471	116,741,957	114,303,899	118,725,005	114,686,766
-	-	-	-	-	-
17,374	-	-	-	-	-
852,040	971,677	946,786	1,244,760	1,179,082	1,190,669
-	-	-	-	-	-
1,319,747	754,187	587,150	435,757	275,136	249,875
248,343	113,784	40,857	36,572	17,633	19,716
23,602	19,286	20,456	34,573	17,523	28,341
234,943	370,069	368,477	415,503	759,659	1,033,210
3,145,598	2,602,123	2,505,302	2,357,230	2,335,055	2,412,791
4,320,685	4,315,869	4,740,723	5,133,172	5,986,755	6,342,528
20,570,485	19,321,499	24,109,333	20,245,196	15,711,241	16,474,776
361,941	492,086	1,821,035	1,812,131	2,843,901	1,744,474
31,094,758	28,960,580	35,140,119	31,714,894	29,125,985	29,496,380
18,468,700	19,398,005	18,633,795	27,414,609	19,088,953	19,938,887
1,477,739	1,303,424	1,239,087	1,943,704	1,301,537	1,361,145
10,666,959	11,589,965	12,391,050	13,200,938	12,780,282	14,571,791
3,200,653	3,364,822	3,509,249	5,021,400	6,654,459	6,514,220
48,787,724	48,284,425	40,733,289	37,146,339	44,893,616	45,886,955
2,868,292	1,434,880	2,949,211	2,035,795	2,243,690	(102,744)
-	-	-	-	-	-
305,378	788,838	1,182,148	809,713	1,789,333	1,356,712
85,775,445	86,164,359	80,637,829	87,572,498	88,751,870	89,526,966
8,722,136	10,575,468	(964,009)	4,983,493	(847,150)	4,336,580
4,848,086	13,570,222	24,145,690	23,181,681	28,165,174	26,990,691
-	-	-	-	(327,333)	-
\$ 13,570,222	\$ 24,145,690	\$ 23,181,681	\$ 28,165,174	\$ 26,990,691	\$ 31,327,271

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

	Fiscal Year			
	2004	2005	2006	2007
<b>General Fund</b>				
Reserved	\$ (893,150)	\$ 1,148,064	\$ 1,570,095	\$ 2,194,004
Unreserved - Designated	-	-	-	-
Unreserved - Undesignated	(1,163,211)	(4,227,720)	(3,873,737)	900,901
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ (2,056,361)</u>	<u>\$ (3,079,656)</u>	<u>\$ (2,303,642)</u>	<u>\$ 3,094,905</u>
<b>All Other Governmental Funds</b>				
Reserved Reported in:				
Community Service Fund	\$ 493,370	\$ 846,369	\$ 772,738	\$ 831,386
Capital Project Funds	14,401,406	9,559,909	32,014,977	15,759,154
Debt Service Funds	-	-	-	33,863,848
Unreserved Reported in:				
Food Service Fund	345,058	(305,043)	(541,333)	131,239
Community Service Fund	(98,404)	(109,554)	(100,180)	24,449
Debt Service Funds	1,104,549	1,510,746	1,127,074	1,792,211
Nonspendable Reported in:				
Food Service Fund	-	-	-	-
Community Service Fund	-	-	-	-
Capital Project Fund	-	-	-	-
Restricted Reported in:				
Food Service Fund	-	-	-	-
Community Service Fund	-	-	-	-
Capital Project Fund	-	-	-	-
Debt Service Funds	-	-	-	-
Unassigned Reported in:				
Capital Project Fund	-	-	-	-
Total All Other Governmental Funds	<u>\$ 16,245,979</u>	<u>\$ 11,502,427</u>	<u>\$ 33,273,276</u>	<u>\$ 52,402,287</u>
Total All Funds	<u>\$ 14,189,618</u>	<u>\$ 8,422,771</u>	<u>\$ 30,969,634</u>	<u>\$ 55,497,192</u>

**Source:** District's financial records.

**Note:** The District began to use new categories when it implemented GASB 54 in fiscal year 2011. 2010 was the only year retroactively reclassified.

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 1,971,290	\$ 1,127,256	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
6,733,858	11,177,041	-	-	-	-
-	-	758,524	943,454	242,902	246,984
-	-	587,906	463,895	941,882	777,092
-	-	5,231,755	8,188,384	-	6,041,951
-	-	-	664,173	1,592,271	2,442,348
-	-	10,474,350	11,338,113	12,750,788	8,088,001
<u>\$ 8,705,148</u>	<u>\$ 12,304,297</u>	<u>\$ 17,052,535</u>	<u>\$ 21,598,019</u>	<u>\$ 15,527,843</u>	<u>\$ 17,596,376</u>
\$ 1,185,069	\$ 1,214,408	\$ -	\$ -	\$ -	\$ -
6,425,726	13,935,097	-	-	-	-
33,677,546	33,491,243	-	-	-	-
131,239	276,390	-	-	-	-
-	24,260	-	-	-	-
1,835,233	2,821,036	-	-	-	-
-	-	42,251	43,336	49,011	57,661
-	-	965	713	8,833	10,461
-	-	54,192	106,947	132,807	304,099
-	-	119,681	8,010	7,823	148,995
-	-	667,113	952,704	1,005,385	1,256,159
-	-	367,660	17,203,350	618,171	11,931,839
-	-	35,923,359	36,162,797	7,775,293	23,677,796
-	-	(509,754)	-	(511,507)	-
<u>\$ 43,254,813</u>	<u>\$ 51,762,434</u>	<u>\$ 36,665,467</u>	<u>\$ 54,477,857</u>	<u>\$ 9,085,816</u>	<u>\$ 37,387,010</u>
<u>\$ 51,959,961</u>	<u>\$ 64,066,731</u>	<u>\$ 53,718,002</u>	<u>\$ 76,075,876</u>	<u>\$ 24,613,659</u>	<u>\$ 54,983,386</u>



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

	Fiscal Year			
	2004	2005	2006	2007
<b>Revenues</b>				
Local Sources:				
Property Taxes	\$ 32,016,658	\$ 27,983,481	\$ 22,616,118	\$ 33,060,038
Earnings on Investments	1,031,799	486,280	1,115,018	2,520,635
Other	12,547,229	14,997,230	14,679,558	13,765,037
State Sources	55,379,016	57,942,361	67,802,813	62,680,885
Federal Sources	3,356,196	4,401,769	4,134,775	3,813,986
Total Revenues	104,330,898	105,811,121	110,348,282	115,840,581
<b>Expenditures</b>				
Current:				
Administration	4,345,978	4,391,730	4,334,259	4,193,980
District Support Services	3,512,999	2,873,168	2,170,904	1,915,185
Regular Instruction	34,707,790	34,341,750	37,440,681	37,645,349
Vocational Education Instruction	1,129,794	1,112,722	1,049,441	1,130,631
Special Education Instruction	15,004,173	17,155,103	16,703,692	15,445,890
Instructional Support Services	6,921,768	6,999,469	5,780,022	5,127,673
Pupil Support Services	8,090,918	7,566,870	7,608,966	7,486,242
Sites and Buildings	6,130,819	6,299,545	6,736,954	5,803,711
Fiscal and Other Fixed Cost Programs	383,107	360,450	354,699	311,164
Food Service	4,042,032	4,746,242	4,879,552	4,566,687
Community Service	7,959,217	8,075,419	8,440,200	8,198,191
Capital Outlay	27,495,982	19,501,132	13,796,826	22,613,793
Debt Service:				
Principal	4,497,858	4,881,137	5,135,175	6,660,423
Interest and Fiscal Charges	3,971,200	4,138,578	4,447,135	5,323,851
Total Expenditures	128,193,635	122,443,315	118,878,506	126,422,770
Deficiency of Revenues				
Under Expenditures	(23,862,737)	(16,632,194)	(8,530,224)	(10,582,189)
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Equipment	-	-	1,192	550
Proceeds from Sale of Real Property	-	-	288,319	98,414
Proceeds from Insurance Recovery	-	2,727	14,399	131,156
Bond Proceeds	-	9,870,000	30,900,000	32,045,000
Bond Premium	-	-	-	1,367,114
Bond Discount	-	(16,714)	(126,823)	-
Capital Lease Proceeds	-	1,009,334	-	1,467,513
Capital Improvement Loan Proceeds	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Transfer In	217,819	266,233	865,054	541,333
Transfer Out	(217,819)	(266,233)	(865,054)	(541,333)
Total Other Financing Sources (Uses)	-	10,865,347	31,077,087	35,109,747
Net Change in Fund Balances	\$ (23,862,737)	\$ (5,766,847)	\$ 22,546,863	\$ 24,527,558
Debt Service as a Percentage of Noncapital Expenditures	8.4%	8.8%	9.1%	11.5%

**Source:** District's financial records

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 33,727,118	\$ 35,387,978	\$ 35,678,900	\$ 47,811,467	\$ 39,798,547	\$ 42,099,659
2,797,655	1,390,036	1,389,261	1,329,918	824,803	13,649
13,106,128	12,435,762	11,577,607	12,010,270	11,938,608	12,624,153
63,195,215	61,507,060	54,954,932	50,209,998	58,469,704	59,335,727
4,294,243	4,084,606	10,522,997	7,301,196	5,383,247	4,746,783
117,120,359	114,805,442	114,123,697	118,662,849	116,414,909	118,819,971
4,043,726	3,816,573	3,908,181	3,666,698	3,652,025	3,702,143
2,191,706	2,501,857	2,462,394	1,861,933	1,648,725	1,753,551
36,638,372	41,762,461	42,362,009	38,667,861	38,978,437	39,772,620
714,890	1,566,591	1,312,537	983,264	1,016,099	1,061,807
15,738,673	15,881,247	15,383,680	14,036,315	14,227,674	14,068,452
5,572,310	5,519,038	4,658,650	3,842,452	3,777,992	3,674,819
8,093,706	8,540,778	9,417,335	7,774,145	7,306,760	7,030,543
5,959,062	7,249,743	7,445,050	7,410,776	7,253,963	8,108,678
145,154	191,136	238,698	177,885	224,935	237,032
4,517,193	4,014,958	4,226,206	3,935,752	4,015,583	4,033,197
8,416,739	9,382,823	9,529,981	8,792,900	9,208,143	9,734,396
15,393,724	23,359,943	19,761,645	25,132,251	24,779,167	11,808,102
6,565,328	6,705,000	7,991,604	8,175,817	8,577,199	8,338,313
6,459,842	6,010,115	6,973,991	7,438,214	8,204,899	6,531,412
120,450,425	136,502,263	135,671,961	131,896,263	132,871,601	119,855,065
(3,330,066)	(21,696,821)	(21,548,264)	(13,233,414)	(16,456,692)	(1,035,094)
5,725	5,878	20	136,635	17,375	43,404
-	-	-	12,925	-	-
500	537	-	-	-	-
-	34,607,115	9,335,000	42,260,000	6,120,000	35,030,000
-	-	-	1,372,728	-	2,831,417
-	-	-	-	-	-
-	1,054,576	-	-	257,817	-
-	-	-	2,389,000	-	-
-	-	-	(10,580,000)	(32,385,000)	(6,000,000)
-	-	1,864,515	228,000	-	356,840
(213,390)	(1,864,515)	-	(228,000)	(8,688,384)	(856,840)
(207,165)	33,803,591	11,199,535	35,591,288	(34,678,192)	31,404,821
\$ (3,537,231)	\$ 12,106,770	\$ (10,348,729)	\$ 22,357,874	\$ (51,134,884)	\$ 30,369,727
12.4%	11.2%	12.9%	14.6%	15.5%	13.8%

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

<u>Payable Year</u>	<u>(1) Residential Property</u>	<u>(2) Commercial Property</u>	<u>Total Assessed Value</u>	<u>Total Direct School Tax Rate</u>
2004	\$ 5,245,354,500	\$ 1,973,911,900	\$ 7,219,266,400	22.203%
2005	5,918,853,800	1,960,166,800	7,879,020,600	19.176%
2006	6,520,982,600	2,103,272,000	8,624,254,600	21.565%
2007	7,094,048,400	2,325,761,300	9,419,809,700	19.019%
2008	7,383,669,800	2,552,488,500	9,936,158,300	19.218%
2009	7,327,683,400	2,684,830,100	10,012,513,500	20.080%
2010	7,040,592,200	2,680,915,100	9,721,507,300	23.050%
2011	6,532,859,500	2,519,158,100	9,052,017,600	26.456%
2012	6,068,959,262	2,486,074,800	8,555,034,062	29.270%
2013	5,852,199,127	2,521,418,100	8,373,617,227	29.730%

**Source:** Hennepin County

**Notes:**

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

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

Fiscal Year Ended June 30,	ISD No. 270 Direct Rate (1)					Overlapping Rates		
	General Fund Basic Rate	Community Service	General Obligation Debt Service	OPEB	Total Direct School Tax Rate	City of Eden Prairie	City of Edina	City of Golden Valley
2004	9.201	1.820	11.182	-	22.203	32.945	25.565	45.445
2005	7.862	1.461	9.853	-	19.176	30.601	24.085	45.302
2006	7.790	1.531	12.244	-	21.565	28.782	22.613	43.308
2007	7.028	1.462	10.529	-	19.019	28.050	21.150	41.282
2008	7.272	1.224	10.722	-	19.218	27.177	21.197	42.990
2009	7.370	1.153	11.142	0.415	20.080	27.271	22.447	45.914
2010	9.034	1.246	11.861	0.910	23.051	28.742	22.972	48.196
2011	11.539	1.377	12.553	0.984	26.453	31.239	24.660	53.060
2012	11.871	1.453	14.910	1.036	29.270	33.250	26.247	55.796
2013	12.423	1.553	14.677	1.077	29.730	34.617	27.216	58.204

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

**Notes:**

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

Overlapping Rates

<u>City of Hopkins</u>	<u>City of Minnetonka</u>	<u>City of Plymouth</u>	<u>City of St. Louis Park</u>	<u>Special Districts</u> (2)	<u>Hennepin County</u>	<u>Hennepin Parks</u>	<u>Other</u>	Total Direct and Overlapping Tax Rate <u>City of Hopkins</u>
56.664	29.878	23.922	40.679	3.502	47.324	2.599	1.091	133.383
48.944	28.810	23.813	38.679	3.304	44.172	2.667	1.411	119.674
48.262	28.597	23.746	37.603	2.924	41.016	2.830	0.685	117.282
45.862	28.668	23.751	36.074	2.671	39.110	3.068	0.700	110.430
45.570	27.567	23.344	36.103	2.562	38.571	3.137	0.719	109.777
47.574	28.978	24.854	38.426	2.579	40.413	3.334	0.771	114.751
49.386	30.887	26.007	38.834	2.620	42.056	3.499	0.778	121.390
56.463	33.705	27.490	43.276	2.949	45.187	3.765	0.815	139.248
59.718	35.595	28.716	45.672	3.084	48.231	3.943	0.799	148.447
63.819	37.567	29.816	48.228	3.242	49.461	4.054	4.562	154.868

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

Taxpayer	2013			2004		
	Tax Capacity	Rank	Percentage of Total Tax Capacity	Tax Capacity	Rank	Percentage of Total Tax Capacity
General Mills, Inc.	\$ 1,359,250	1	1.474%	\$ 1,316,410	1	1.400%
Allianz Life Insurance Co., North America	1,281,790	2	1.390%	919,250	2	1.000%
United Healthcare Srv, Inc.	966,390	3	1.048%	512,124	10	0.50%
DRA Advisors	855,290	4	0.927%			
Thomson Reuters Property Tax Service	830,770	5	0.901%			
Wells Real Estate Funds	795,798	6	0.863%			
CSM West Ridge Inc.	742,430	7	0.805%			
Hines Gobel Reit 9320 Exce	740,770	8	0.803%			
RE Capital Partners	738,510	9	0.801%	-		
Property Reserve, Inc.	719,250	10	0.780%	689,530	4	0.700%
Excelsior Crossings Invest LLC	714,650	11	0.775%			
Cargill Incorporated	621,250	12	0.674%	560,190	7	0.600%
United Center LLC	616,340	13	0.668%	656,530	5	0.700%
FSP 505 Waterford Corp	594,684	14	0.645%			
IRET-Golden Jack LLC	561,990	15	0.609%			
Wells Operating Partnership LP	-		-	758,490	3	0.800%
Teachers Ins. & Annuity Assoc.	-		-	648,490	6	0.700%
Cornerstone R E Advisors	-		-	539,250	9	0.600%
Orix Real Estate				554,270	8	0.600%
Total	<u>\$ 12,139,162</u>		<u>11.060%</u>	<u>\$ 7,154,534</u>		<u>6.400 %</u>



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

Taxes Levied for the Fiscal Year					
Fiscal Year	General Fund Basic Levy	Community Service Levy	Debt Service Fund Levy	OPEB Levy	Total Tax Levy (1)
2004	\$ 19,096,113	\$ 1,391,778	\$ 8,555,077	\$ -	\$ 29,042,967 (2)
2005	18,732,379	1,246,160	8,407,459	-	28,385,998 (2)
2006	20,878,536	1,419,327	11,352,248	-	33,650,111 (2)
2007	21,411,143	1,519,111	10,945,990	-	33,876,244 (2)
2008	22,509,647	1,350,544	11,833,482	-	35,693,674 (2)
2009	21,986,882	1,274,415	12,314,879	458,078	36,034,254 (2)
2010	24,034,244	1,327,635	12,644,025	968,074	38,973,978 (2)
2011	24,011,587	1,272,000	11,596,031	908,406	37,788,024 (2)
2012	24,511,272	1,275,332	13,086,549	908,599	39,781,752 (2)
2013	24,764,374	1,344,996	12,714,884	932,646	39,756,900 (2)

**Notes:**

(1) Beginning with payable year 2003, state credits are included in the operating levy.

(2) Original Gross Levy

Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Percentage of Levy Outstanding
Current Tax Collection	Percentage of Levy		Total Tax Collection	Percentage of Levy		
\$ 14,172,968	48.8%	\$ 14,869,999	\$ 29,042,967	100.0%	\$ -	0.0%
13,837,578	48.7%	14,521,834	28,359,412	99.9%	26,586	0.1%
16,461,646	48.9%	17,191,400	33,653,046	100.0%	(2,935)	0.0%
16,592,776	49.0%	17,295,168	33,887,944	100.0%	(11,700)	0.0%
17,384,254	48.7%	18,260,340	35,644,594	99.9%	49,080	0.1%
17,504,706	48.6%	18,586,696	36,091,402	100.2%	(57,148)	-0.2%
19,099,386	49.0%	19,765,639	38,865,025	99.7%	108,953	0.3%
19,943,659	52.8%	17,615,494	37,559,153	99.4%	228,871	0.6%
21,239,387	53.4%	18,117,146	21,239,387	53.4%	425,219	1.1%
21,122,800	53.1%	-	21,122,800	53.1%	-	0.0%

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

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds	Capital Improvement Loans	Capital Leases Payable	Energy Conservation Loans	Resources Restricted for Repayment			
2004	\$ 79,860,000	\$ -	\$ 321,342	\$ -	\$ (1,104,549)	\$ 79,076,793	\$ -	\$ 1,266
2005	85,395,000	-	784,539	-	(1,510,746)	84,668,793	-	1,355
2006	111,340,000	-	604,364	-	(1,127,074)	110,817,290	-	1,774
2007	137,435,000	-	1,361,454	-	(35,656,060)	103,140,394	-	1,651
2008	131,155,000	-	1,490,077	-	(35,512,780)	97,132,297	-	1,555
2009	158,850,000	-	1,962,308	-	(36,312,279)	124,500,029	-	1,993
2010	160,660,000	-	526,850	-	(35,923,358)	125,263,492	-	2,005
2011	184,460,000	2,351,240	268,792	-	(36,162,797)	150,917,235	-	2,442
2012	150,345,000	1,892,834	202,893	-	(7,775,293)	144,665,434	-	2,336
2013	171,505,000	1,424,521	154,590	-	(23,662,321)	149,421,790	-	2,417

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

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
JUNE 30, 2013  
(UNAUDITED)**

	2012/13 Adjusted Taxable Net Tax Capacity	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Overlapping:</b>				
Hennepin County	\$ 1,369,968,893	\$ 702,040,000	6.7328%	\$ 47,266,716
Cities:				
Eden Prairie	91,248,075	33,925,000	4.0500%	1,373,949
Edina	96,119,519	66,705,000	7.8783%	5,255,214
Golden Valley	29,187,257	65,065,000	48.1488%	31,327,999
Hopkins	16,640,625	26,665,000	98.7857%	26,341,220
Minnetonka	81,048,802	7,920,000	54.4867%	4,315,345
Plymouth	96,382,740	29,200,000	3.4850%	1,017,611
St. Louis Park	53,380,007	19,170,000	5.5398%	1,061,978
Metropolitan Council	2,964,890,691	189,450,000	3.1110%	5,893,729
Three Rivers Park District	996,253,340	55,115,000	9.2584%	5,102,750
Total Overlapping				<u>128,956,512</u>
<b>Direct:</b>				
Hopkins ISD No. 270	92,236,810	151,255,000	100.0000%	<u>151,255,000</u>
Total Direct and Overlapping Bonded Debt:				<u><u>\$ 280,211,512</u></u>

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

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

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

		Fiscal Year				
		2004	2005	2006	2007	2008
Debt Limit	(1)	\$ 1,007,417	\$ 1,081,676	\$ 1,180,557	\$ 1,291,218	\$ 1,410,369
Total Net Debt Applicable to Limit	(2)	<u>79,860</u>	<u>85,395</u>	<u>111,340</u>	<u>137,435</u>	<u>131,155</u>
Legal Debt Margin		<u>\$ 927,557</u>	<u>\$ 996,281</u>	<u>\$ 1,069,217</u>	<u>\$ 1,153,783</u>	<u>\$ 1,279,214</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit		7.93%	7.89%	9.43%	10.64%	9.30%

**Source:**

- (1) Taxable assessed valuations for 2004 through 2013 are from the Hennepin County
- (2) Net debt applicable to limit is based on District records.
- (3) According to the Minnesota Department of Revenue, the Economic Market Value (the "EMV") for Independent School District No. 270 (Hopkins) is about 98.1% of the actual selling prices of property most recently sold in the District. The sales ratio was calculated by comparing the selling prices with the Assessor's Estimated Market Value (the "AEMV"). Dividing the AEMV of real estate by the sales ratio and adding the AEMV of personal property and utility, railroads and minerals, if any, results in an EMV of \$8,989,947,946.

**Legal Debt Margin Calculation for Fiscal Year 2013**

Economic Market Value (3)	\$ 8,989,948
Debt Limit (15% of Assessed Value)	1,348,492
Debt Applicable to Limit	<u>131,820</u>
Legal Debt Margin	<u><u>\$ 1,216,672</u></u>

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 1,487,798	\$ 1,499,102	\$ 1,458,226	\$ 1,283,255	\$ 1,348,492
<u>158,850</u>	<u>160,660</u>	<u>132,640</u>	<u>130,910</u>	<u>131,820</u>
<u><u>\$ 1,328,948</u></u>	<u><u>\$ 1,338,442</u></u>	<u><u>\$ 1,325,586</u></u>	<u><u>\$ 1,152,345</u></u>	<u><u>\$ 1,480,312</u></u>
10.68%	10.72%	9.10%	10.20%	9.78%

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u> (1)	<u>Per Capita Personal Income</u> (1)	<u>Enrollment</u>	<u>City of Hopkins Unemployment Rate</u>
2004	62,483	-	-	8,382	4.3%
2005	62,483	-	-	8,195	3.7%
2006	62,483	-	-	8,181	3.9%
2007	62,483	-	-	8,014	4.5%
2008	62,483	-	-	7,663	6.4%
2009	62,483	-	-	7,426	6.7%
2010	62,483	-	-	7,374	6.5%
2011	61,813	-	-	7,326	5.5%
2012	61,931	-	-	7,192	5.1%
2013	61,813	(2)	-	7,038	(2) N/A (3)

**Source:** Minnesota Department of Education

**Notes:**

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

(2) Estimate

(3) Not available at this time

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

	<u>2013</u>		<u>2004</u>	
	(1)		(2)	
Employer	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
General Mills	5,000	1	3,000	3
United Healthcare	2,800	2	1,100	8
Cargill	2,500	3	3,400	1
Micro-Tech Hearing Instruments	2,000	4	-	-
Polaroid	2,000	5	-	-
I.S.D. No. 270 (Hopkins Public Schools)	1,550	6	-	-
St. Jude Medical	1,500	7	-	-
SuperValu, Inc.	1,495	8	1,540	5
Aimia <sup>3</sup>	1,100	9	-	-
Intrepid USA Health Service	1,000	10	-	-
Carlson Companies, Inc.	-	-	3,100	2
Honeywell	-	-	2,500	4
Advance Circuits	-	-	1,200	6
Allina Health System	-	-	1,200	7
DataCard Corp.	-	-	1,000	9
NAPCO International Inc.	-	-	900	10
	<u>          </u>		<u>          </u>	
Total	<u>20,945</u>		<u>18,940</u>	

**Source:**

(1) 2013 information provided by the District's financial advisor Ehlers.

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

(3) Formerly Carlson Marketing

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



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

	Full-Time-Equivalent Employees as of June 30,				
	2004	2005	2006	2007	2008
<b>Administrative Staff</b>					
Superintendent	1.0	1.0	1.0	1.0	1.0
Principals	10.0	9.0	10.0	10.0	9.0
Administrative Assistants (Asst. Principals and Asst. Superintendent)	6.5	5.8	4.8	3.0	4.0
Supervisory Coordinator	3.0	2.0	2.0	2.0	3.0
<b>Total Administrative Staff</b>	<b>20.5</b>	<b>17.8</b>	<b>17.8</b>	<b>16.0</b>	<b>17.0</b>
<b>Support Service Staff</b>					
Other Non-Instructional Staff					
Counselors	17.0	17.0	16.0	17.0	16.0
Media/Librarian	10.6	10.7	10.5	10.6	10.6
Nurse	10.0	10.0	10.3	10.0	9.1
Social Worker	18.8	15.7	17.3	12.5	12.4
Psychologists	5.5	5.6	4.8	3.3	3.4
<b>Total Support Service Staff</b>	<b>62.0</b>	<b>59.0</b>	<b>58.8</b>	<b>53.4</b>	<b>51.6</b>
<b>Special Education Teachers</b>					
Speech Language	15.7	16.2	16.5	13.6	14.0
Other Special Education Teachers	94.0	97.8	47.9	58.1	69.8
<b>Total Special Education Teachers</b>	<b>109.7</b>	<b>114.0</b>	<b>64.4</b>	<b>71.7</b>	<b>83.8</b>
<b>Classroom Teachers</b>					
K-12 Teacher	411.5	397.4	424.7	405.3	367.9
Vocational Education Teacher	0.0	0.0	1.0	1.3	1.0
Pre-K, ECFE, and Other Teacher	24.2	16.3	20.0	18.6	16.3
<b>Total Classroom Teachers</b>	<b>435.7</b>	<b>413.7</b>	<b>445.7</b>	<b>425.3</b>	<b>385.2</b>
<b>Total</b>	<b>627.8</b>	<b>604.5</b>	<b>586.8</b>	<b>566.4</b>	<b>537.5</b>

Source: Minnesota Department of Education STARS data.

Full-Time-Equivalent Employees as of June 30,

2009	2010	2011	2012	2013
1.0	1.0	1.0	1.0	1.0
9.0	9.2	9.1	9.0	9.0
5.0	5.0	8.0	7.0	7.0
3.8	5.0	4.0	4.0	3.0
<b>18.8</b>	<b>20.2</b>	<b>22.1</b>	<b>21.0</b>	<b>20.0</b>
17.0	17.1	17.0	17.0	17.0
9.0	10.0	9.9	10.0	10.0
9.5	9.6	9.3	9.7	9.8
11.5	10.0	10.5	10.7	9.8
3.9	4.2	4.0	3.9	4.9
<b>50.9</b>	<b>50.8</b>	<b>50.7</b>	<b>51.3</b>	<b>51.5</b>
14.6	15.8	16.6	15.1	13.8
71.8	72.2	67.0	66.7	62.4
<b>86.4</b>	<b>88.0</b>	<b>83.6</b>	<b>81.8</b>	<b>76.2</b>
375.8	375.7	370.0	377.7	398.6
0.0	0.0	0.0	0.0	0.0
16.4	16.7	17.2	17.2	21.8
<b>392.2</b>	<b>392.4</b>	<b>387.2</b>	<b>394.9</b>	<b>420.4</b>
<b>548.2</b>	<b>551.4</b>	<b>543.6</b>	<b>549.0</b>	<b>568.1</b>

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

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Governmental Activities</u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil– Teacher Ratio</u>
2004	8,382	\$ 97,637,610	\$ 11,648	6.83	\$ 128,193,635	\$ 15,294	15.48 %	545.4	15.4
2005	8,195	99,264,573	12,113	3.99	122,443,315	14,941	(2.31)	527.7	15.5
2006	8,181	97,564,441	11,926	(1.54)	118,878,506	14,531	(2.75)	510.1	16.0
2007	8,014	94,031,984	11,733	(1.61)	126,422,770	15,775	8.56	497.0	16.1
2008	7,663	94,579,374	12,342	5.19	120,450,425	15,718	(0.36)	469.0	16.3
2009	7,426	95,060,343	12,801	3.72	127,056,203	17,110	8.85	478.6	15.5
2010	7,374	94,366,609	12,797	(0.03)	126,449,701	17,148	0.22	480.4	15.3
2011	7,326	93,566,557	12,772	(0.20)	131,896,263	18,004	4.99	470.8	15.6
2012	7,192	93,319,183	12,975	1.59	132,871,601	18,475	2.62	476.7	15.1
2013	7,038	94,802,603	13,470	3.81	119,855,065	17,030	(7.82)	496.6	14.2

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

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

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

	Fiscal Year				
	2004	2005	2006	2007	2008
<b><u>School</u></b>					
<b><u>Elementary</u></b>					
Alice Smith (1951)					
Square feet	81,526	81,526	81,526	81,526	81,526
Capacity	592	592	592	592	592
Enrollment (1)	547.00	542.00	537.00	547.00	573.00
Eisenhower (1954)					
Square feet	121,173	121,173	121,173	121,173	121,173
Capacity	792	792	792	792	792
Enrollment (1)	675.00	656.00	675.00	646.00	621.00
Gatewood (1958)					
Square feet	75,039	75,039	75,039	75,039	75,039
Capacity	692	692	692	692	692
Enrollment (1)	648.00	628.00	640.00	617.00	646.00
Glen Lake (1956)					
Square feet	84,916	84,916	84,916	84,916	84,916
Capacity	566	566	566	566	566
Enrollment (1)	519.00	532.00	523.00	498.00	522.00
Tanglen (1966)					
Square feet	74,332	74,332	74,332	74,332	74,332
Capacity	592	592	592	592	592
Enrollment (1)	700.00	692.00	640.00	610.00	611.00
Meadowbrook (1948)					
Square feet	110,580	110,580	110,580	110,580	110,580
Capacity	616	616	616	616	616
Enrollment (1)	563.00	590.00	605.00	622.00	625.00
<b><u>Middle</u></b>					
North Junior High (1958)					
Square feet	192,927	192,927	192,927	192,927	192,927
Capacity	896	896	896	896	896
Enrollment (1)	1,037.00	1,023.00	991.00	948.00	922.00
West Junior High (1959)					
Square feet	202,474	202,474	202,474	202,474	202,474
Capacity	873	873	873	873	873
Enrollment (1)	994.00	932.00	914.00	946.00	906.00
<b><u>High</u></b>					
Hopkins High School (1970)					
Square feet	477,725	477,725	477,725	477,725	477,725
Capacity	2,166	2,166	2,166	2,166	2,166
Enrollment (1)	2,056	2,083	2,062	2,037	1,975
<b><u>Other</u></b>					
Katherine Curren (1948)					
Square feet	65,593	65,593	65,593	65,593	65,593
Capacity	380	380	380	380	380
Enrollment (1)	373	360	369	338	279
Community Center (1954)					
Square feet	160,186	160,186	160,186	160,186	160,186
Capacity	745	745	745	745	745
Enrollment (1)	-	-	-	-	-
Harley Hopkins Family Center (1990)					
Square feet	40,930	40,930	40,930	40,930	40,930
Capacity	360	360	360	360	360
Enrollment (1)	440	440	440	440	440
Bus Depot (1978)					
Square feet	87,040	87,040	87,040	87,040	87,040
<b><u>Total</u></b>					
Square feet	1,774,441	1,774,441	1,774,441	1,774,441	1,774,441
Capacity	9,270	9,270	9,270	9,270	9,270
Enrollment	8,552.00	8,478.00	8,396.00	8,249.00	8,120.00
<b><u>Athletics</u></b>					
Football fields	4	4	4	4	4
Soccer fields	7	7	7	7	7
Running tracks	2	2	2	2	2
Baseball/softball	13	13	13	13	13
Swimming pools	3	3	3	3	3
Playgrounds	6	6	6	6	6

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

**Notes:**

- (1) Enrollment reflects average daily membership served by site. Resident students served under tuition agreements are excluded from this enrollment data.
- (2) Katherine Curren leased to Ubah Academy beginning in 2007-2008 school year through current year.

Fiscal Year				
2009	2010	2011	2012	2013
81,526	81,526	81,526	81,526	81,526
592	592	592	592	592
564.00	564.00	614.00	576.00	553.00
121,173	121,173	121,173	121,173	121,173
792	792	792	792	792
716.00	728.00	743.00	547.00	521.00
75,039	75,039	75,039	75,039	75,759
692	692	692	692	692
624.00	564.00	545.00	536.00	543.00
84,916	84,916	84,916	84,916	84,916
566	566	566	566	566
500.00	530.00	514.00	523.00	488.00
74,332	74,332	74,332	74,332	74,332
592	592	592	592	592
571.00	559.00	572.00	531.00	463.00
110,580	110,580	110,580	111,200	111,200
616	616	616	616	616
610.00	635.00	644.00	637.00	636.00
192,927	192,927	192,927	193,671	193,671
896	896	896	896	896
886.00	924.00	919.00	870.00	896.00
202,474	202,474	202,474	202,474	202,474
873	873	873	873	873
872.00	852.00	802.00	769.00	718.00
477,725	477,725	477,725	478,834	478,834
2,166	2,166	2,166	2,166	2,166
1,887	1,857	1,822	1,794	1,805
65,593	65,593	65,593	65,593	65,593
380	380	380	380	380
245	205	225	265	314
160,186	160,186	160,186	160,311	160,311
745	745	745	745	745
-	-	-	-	-
40,930	40,930	40,930	40,930	40,930
360	360	360	360	360
440	440	440	440	450
87,040	87,040	87,040	87,040	87,040
1,774,441	1,774,441	1,774,441	1,777,039	1,777,759
9,270	9,270	9,270	9,270	9,270
7,915.00	7,858.00	7,840.00	7,488.00	7,387.00
4	4	4	4	4
7	7	7	7	7
2	2	2	2	2
12	12	14	14	16
3	3	3	3	3
6	6	6	9	9

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Standardized Tests										
MCA Reading (See Note 1)										
Grade 3	78.08%	85.86%	90.10%	81.50%	84.50%	80.10%	78.80%	73.40%	78.00%	59.10%
Grade 5	83.34	85.59	84.10	78.60	78.50	73.40	79.80	85.00	82.70	69.50
Grade 7	81.26	89.00	75.90	68.10	73.20	74.90	72.20	73.80	77.80	60.60
Grade 10	85.95	87.10	77.60	75.50	82.70	84.70	75.30	81.70	84.30	68.30
MCA Math (See Note 1)										
Grade 3	74.49	81.80	83.30	82.30	90.60	84.40	85.70	61.50	73.20	68.90
Grade 5	86.12	84.70	66.10	76.70	77.10	72.60	78.50	54.00	64.10	61.90
Grade 7	75.90	86.00	67.50	65.80	64.70	69.10	66.40	43.10	58.70	50.70
Grade 11	82.14	85.60	45.40	46.70	51.70	66.00	59.70	50.50	61.10	56.60
ACT										
Hopkins Average Composite Score	23.90	23.90	23.30	23.80	23.80	24.20	22.90	23.30	23.70	23.80
State Average Composite Score	22.20	22.30	22.30	22.50	22.60	22.70	22.90	22.90	22.80	23.00

N/A - Not Available

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

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

The MCA Math test previously allowed students to take the online test up to three times with the best score being recorded as their result. In 2013, only one test was allowed for recording.

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

<u>Year Ended June 30,</u>	<u>Non- Program Adult Meals</u>	<u>Total Meals Served Students</u>	<u>Regular Price Meals</u>	<u>Free Meals Served</u>	<u>Reduced Price Meals Served</u>
2004	57,396	903,584	616,004	239,110	48,470
2005	44,632	1,037,476	645,423	323,939	68,114
2006	42,131	839,317	540,120	244,995	54,202
2007	36,849	872,889	558,829	250,942	63,118
2008	20,158	851,004	550,374	238,750	61,880
2009	15,250	705,926	431,632	222,480	51,814
2010	26,123	738,477	429,121	254,377	54,979
2011	27,179	720,653	391,151	269,371	60,131
2012	28,945	726,562	373,695	293,117	59,750
2013	24,540	687,771	356,759	274,374	56,637

<u>Year Ended June 30,</u>	<u>Student Regular Lunch Prices</u>			<sup>(1)</sup>
	<u>Elementary</u>	<u>Middle</u>	<u>High School</u>	
2004	\$ 2.05	\$ 2.30	\$ 2.30	
2005	\$ 2.05	\$ 2.50	\$ 2.50	
2006	\$ 2.25	\$ 2.50	\$ 2.75	
2007	\$ 2.35	\$ 2.60	\$ 2.85	
2008	\$ 2.35	\$ 2.60	\$ 2.85	
2009	\$ 2.45	\$ 2.70	\$ 2.95	
2010	\$ 2.45	\$ 2.70	\$ 2.95	
2011	\$ 2.45	\$ 2.70	\$ 2.95	
2012	\$ 2.55	\$ 2.80	\$ 3.05	
2013	\$ 2.65	\$ 2.90	\$ 3.15	

<sup>(1)</sup> Includes New Generation and Ethnic Food Options.

**Source:** District Food Service Department



**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
SCHEDULE OF INSURANCE COVERAGE  
JUNE 30, 2013  
(UNAUDITED)**

Type of Coverage	Amount of Coverage
Property Coverage:	
Real and Personal Property (Blanketed)	\$ 325,591,804
Unscheduled Locations	25,000
Property in Transit	25,000
Blanket Valuable Papers and Records	100,000
Accounts Receivables	100,000
Included in Real and Personal:	
Debris Removal (Additional Limit)	10,000
Fine Arts	50,000
Blanket Computer Hardware	6,500,000
Fiber Optic	5,400,000
Blanket Portable Computer Hardware	25,000
Cameras	921,878
Musical	3,354,903
Extra Expense	3,000,000
Liability Coverages:	
General:	
Each Occurrence	1,500,000
Per Person	500,000
General Aggregate Limit	3,000,000
Premises Medical Payments Each Accident Nonstudent	50,000
Premises Medical Payments Each Person Nonstudent	5,000
Premises Medical Payments Students Annual Agg	50,000
Premises Medical Payments Students Each Accident	5,000
Premises Medical Payments Students Each Person	1,000
Umbrella Liability:	
Each Occurrence	5,000,000
Aggregate	5,000,000
Crime Coverage:	
Employee Dishonesty	250,000
Forgery or Alteration	50,000
Computer Fraud	50,000
Theft, Disappearance, and Destruction	
Inside the Premises	20,000
Outside the Premises	20,000
Business Automobile Coverage:	
	\$1,500,000 Per Accident
Bodily Injury and Property Damage	\$500,000 Per Person Claimant
Personal Injury Protection	40,000
Uninsured Motorists	1,000,000
Underinsured Motorists	1,000,000
Collision	ACV less deductible
Comprehensive	ACV less deductible
School Leaders Errors and Omissions:	
Per Person	500,000
Each Occurrence	1,500,000
Aggregate	3,000,000
Boiler and Machinery Coverage:	combined form with property
Property Damage	325,591,804
Extra Expense	3,000,000
Expediting Expense	Included
Pollutant Cleanup and Removal - Aggregate	100,000
Spoilage	5,000

