PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 8, 2020

NEW ISSUES
NOT BANK QUALIFIED

Moody's MNSDCEP Ratings: Requested
Moody's Underlying Ratings: Requested
S&P MNSDCEP Ratings: Requested
S&P Underlying Ratings: Requested

In the opinion of Taft Stettinius & Hollister LLP, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings and decisions, at the time of their issuance and delivery to the original purchaser, interest on the Bonds is excluded from gross income for federal income tax purposes and is excluded, to the same extent, from both gross income and taxable net income for State of Minnesota income tax purpose (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions). Interest on the Bonds is not an item for tax preference for purposes of the federal alternative minimum tax or for the purposes of the Minnesota alternative minimum tax applicable to individuals, estates, or trusts. The opinions are subject to the condition that the District complies with all applicable federal tax requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income retroactive to their date of issuance. No opinion will be expressed by Bond Counsel regarding other state or federal tax consequences. See "TAX EXEMPTION" herein.

Independent School District No. 625
Saint Paul, Minnesota

$15,000,000*
General Obligation School Building Bonds, Series 2020A
(the "Series 2020A Bonds")

$9,025,000*
General Obligation Refunding Bonds, Series 2020B
(the "Series 2020B Bonds")

(Minnesota School District Credit Enhancement Program)
(Book Entry Only)

Dated Date: Date of Delivery

Interest Due: Each February 1 and August 1, commencing August 1, 2020

The Bonds (as defined herein) will mature as shown on the inside front cover of this Official Statement.

Proposals for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above.

The District may elect on February 1, 2028 and on any day thereafter, to redeem Bonds due on or after February 1, 2029 at a price of par plus accrued interest.

The Bonds will be general obligations of the District for which the District will pledge its full faith and credit and power to levy direct general ad valorem taxes. The District has also covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 and to use the provisions of that statute pursuant to which the State of Minnesota will appropriate money to the payment of the principal and interest on the Bonds when due if the District is unable to make a principal or interest payment. The proceeds of the Series 2020A Bonds will be used to finance various capital improvements to existing District facilities and grounds. The proceeds of the Series 2020B Bonds will be used to refund the (i) February 1, 2021 through February 1, 2031 maturities of the District's Taxable General Obligation School Building Bonds, Series 2010B (Build America Bonds - Direct Pay), dated November 7, 2010; and (ii) February 1, 2021 through February 1, 2023 maturities of the District's General Obligation School Building Refunding Bonds, Series 2011C, dated August 15, 2011.

A separate proposal must be submitted for each issue subject to the minimum bid amounts shown below, plus accrued interest, if any. Proposals shall specify rates in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal of each issue must be 98.0% or greater. Following receipt of proposals, a good faith deposit for each issue will be required to be delivered to the District by the lowest bidder as described in the "Terms of Proposal" herein. Award of the Bonds will be made on the basis of True Interest Cost (TIC).

	Minimum Bid
The Series 2020A Bonds	$15,000,000
The Series 2020B Bonds	9,025,000

The District will not designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, and the Bonds will not be subject to the federal alternative minimum tax.

The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book entry form only, in the principal amount of $5,000 and integral multiples thereof. Investors will not receive physical certificates representing their interest in the Bonds purchased. (See "Book Entry System" herein.) U.S. Bank National Association, Saint Paul, Minnesota will serve as registrar (the "Registrar") for the Bonds. The Bonds will be available for delivery at DTC on or about February 20, 2020.

PROPOSALS RECEIVED: Tuesday, January 21, 2020 until 10:30 A.M., Central Time
CONSIDERATION of AWARD: Board meeting commencing at 6:00 P.M. Central time on Tuesday, January 21, 2020

bakertilly
MUNICIPAL ADVISORS
now joined with Springsted and Umbaugh

Further information may be obtained from Baker Tilly Municipal Advisors, LLC, Municipal Advisor to the District, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101-2887 (651) 223-3000.

* *Preliminary; subject to change.*

INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA

$15,000,000* General Obligation School Building Bonds, Series 2020A

The Series 2020A Bonds will mature February 1 in the years and amounts* as follows:

2021	$425,000	2025	$590,000	2029	$715,000	2033	$830,000	2037	$ 935,000
2022	$510,000	2026	$620,000	2030	$750,000	2034	$855,000	2038	$ 960,000
2023	$535,000	2027	$650,000	2031	$785,000	2035	$880,000	2039	$ 990,000
2024	$560,000	2028	$685,000	2032	$805,000	2036	$905,000	2040	$1,015,000

$9,025,000* General Obligation Refunding Bonds, Series 2020B

The Series 2020B Bonds will mature February 1 in the years and amounts* as follows:

2021	$1,830,000	2024	$340,000	2026	$375,000	2028	$415,000	2030	$460,000
2022	$1,920,000	2025	$355,000	2027	$395,000	2029	$435,000	2031	$475,000
2023	$2,025,000								

* *Preliminary; subject to change.*

INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA

SCHOOL BOARD MEMBERS

Marny Xiong	Chair
Jeanelle Foster	Vice Chair
Zuki Ellis	Clerk
John Brodrick	Treasurer
Chauntyll Allen	Director
Jessica Kopp	Director
Steve Marchese	Director

SUPERINTENDENT

Dr. Joe Gothard

CHIEF FINANCIAL OFFICER

Marie Schrul

MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC
Saint Paul, Minnesota

BOND COUNSEL

Taft Stettinius & Hollister LLP
Minneapolis, Minnesota

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the District from time to time, may be treated as a Preliminary Official Statement with respect to the Bonds described herein that is deemed final as of the date hereof (or of any such supplement or correction) by the District.

By awarding the Bonds to any underwriter or underwriting syndicate submitting a Proposal therefor, the District agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded copies of the Final Official Statement in the amount specified in each of the Terms of Proposal.

No dealer, broker, salesman or other person has been authorized by the District to give any information or to make any representations with respect to the Bonds, other than as contained in the Preliminary Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the District.

Certain information contained in the Preliminary Official Statement or the Final Official Statement may have been obtained from sources other than records of the District and, while believed to be reliable, is not guaranteed as to completeness or accuracy. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE PRELIMINARY OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE PRELIMINARY OFFICIAL STATEMENT NOR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT SINCE THE RESPECTIVE DATE THEREOF.

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

Any CUSIP numbers for the Bonds included in the Final Official Statement are provided for convenience of the owners and prospective investors. The CUSIP numbers for the Bonds are assigned by an organization unaffiliated with the District. The District is not responsible for the selection of the CUSIP numbers and makes no representation as to the accuracy thereof as printed on the Bonds or as set forth in the Final Official Statement. No assurance can be given by the District that the CUSIP numbers for the Bonds will remain the same after the delivery of the Final Official Statement or the date of issuance and delivery of the Bonds.

TABLE OF CONTENTS

THE DISTRICT HAS AUTHORIZED BAKER TILLY MUNICIPAL ADVISORS, LLC TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:

TERMS OF PROPOSAL

$15,000,000*

INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA

GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2020A

(MINNESOTA SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM)

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the "Series 2020A Bonds") will be received by Independent School District No. 625, Saint Paul, Minnesota (the "District") on Tuesday, January 21, 2020 (the "Sale Date") until 10:30 A.M., Central Time at the offices of Baker Tilly Municipal Advisors, LLC ("Baker Tilly MA"), 380 Jackson Street, Suite 300, Saint Paul, Minnesota, 55101, after which time proposals will be opened and tabulated. Consideration for award of the Series 2020A Bonds will be by the School Board at its meeting commencing at 6:00 P.M., Central Time, of the same day.

SUBMISSION OF PROPOSALS

Baker Tilly MA will assume no liability for the inability of a bidder to reach Baker Tilly MA prior to the time of sale specified above. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the District to purchase the Series 2020A Bonds regardless of the manner in which the proposal is submitted.

(a) ***Sealed Bidding.*** Proposals may be submitted in a sealed envelope or by fax (651) 223-3046 to Baker Tilly MA. Signed proposals, without final price or coupons, may be submitted to Baker Tilly MA prior to the time of sale. The bidder shall be responsible for submitting to Baker Tilly MA the final proposal price and coupons, by telephone (651) 223-3000 or fax (651) 223-3046 for inclusion in the submitted proposal.

OR

(b) ***Electronic Bidding.*** Notice is hereby given that electronic proposals will be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all proposals submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Terms of Proposal*. Neither the District, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the District, its agents, nor PARITY® shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The District is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Series 2020A Bonds, and PARITY® is not an agent of the District.

If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

> PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018
> Customer Support: (212) 849-5000

* *Preliminary; subject to change.*

DETAILS OF THE SERIES 2020A BONDS

The Series 2020A Bonds will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing August 1, 2020. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2020A Bonds will mature February 1 in the years and amounts* as follows:

2021	$425,000	2025	$590,000	2029	$715,000	2033	$830,000	2037	$ 935,000
2022	$510,000	2026	$620,000	2030	$750,000	2034	$855,000	2038	$ 960,000
2023	$535,000	2027	$650,000	2031	$785,000	2035	$880,000	2039	$ 990,000
2024	$560,000	2028	$685,000	2032	$805,000	2036	$905,000	2040	$1,015,000

* *The District reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Series 2020A Bonds or the amount of any maturity or maturities in multiples of $5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per $1,000 of Series 2020A Bonds as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the District for the new issue and the prices at which the proposal indicates the securities will be initially offered to the investing public.*

Proposals for the Series 2020A Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above. In order to designate term bonds, the proposal must specify “Years of Term Maturities” in the spaces provided on the proposal form.

BOOK ENTRY SYSTEM

The Series 2020A Bonds will be issued by means of a book entry system with no physical distribution of Series 2020A Bonds made to the public. The Series 2020A Bonds will be issued in fully registered form and one Series 2020A Bond, representing the aggregate principal amount of the Series 2020A Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the Series 2020A Bonds. Individual purchases of the Series 2020A Bonds may be made in the principal amount of $5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Series 2020A Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the “Purchaser”), as a condition of delivery of the Series 2020A Bonds, will be required to deposit the Series 2020A Bonds with DTC.

REGISTRAR

The District will name the registrar which shall be subject to applicable regulations of the Securities and Exchange Commission. The District will pay for the services of the registrar.

OPTIONAL REDEMPTION

The District may elect on February 1, 2028, and on any day thereafter, to redeem Series 2020A Bonds due on or after February 1, 2029. Redemption may be in whole or in part and if in part at the option of the District and in such manner as the District shall determine. If less than all Series 2020A Bonds of a maturity are called for redemption, the District will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

SECURITY AND PURPOSE

The Series 2020A Bonds will be general obligations of the District for which the District will pledge its full faith and credit and power to levy direct general ad valorem taxes. The District has also covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 and to use the provisions of that statute pursuant to which the State of Minnesota will appropriate money to the payment of the principal and interest on the Series 2020A Bonds when due if the District is unable to make a principal or interest payment. The proceeds of the Series 2020A Bonds will be used to finance various capital improvements to existing District facilities and grounds.

BIDDING PARAMETERS

Proposals shall be for not less than $15,000,000 (Par) plus accrued interest, if any, on the total principal amount of the Series 2020A Bonds. No proposal can be withdrawn or amended after the time set for receiving proposals on the Sale Date unless the meeting of the District scheduled for award of the Series 2020A Bonds is adjourned, recessed, or continued to another date without award of the Series 2020A Bonds having been made. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater. Series 2020A Bonds of the same maturity shall bear a single rate from the date of the Series 2020A Bonds to the date of maturity. No conditional proposals will be accepted.

ESTABLISHMENT OF ISSUE PRICE

In order to provide the District with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "Code"), the Purchaser will be required to assist the District in establishing the issue price of the Series 2020A Bonds and shall complete, execute, and deliver to the District prior to the closing date, a written certification in a form acceptable to the Purchaser, the District, and Bond Counsel (the "Issue Price Certificate") containing the following for each maturity of the Series 2020A Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (i) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) pricing wires or equivalent communications supporting such offering or sale price. Any action to be taken or documentation to be received by the District pursuant hereto may be taken or received on behalf of the District by Baker Tilly MA.

The District intends that the sale of the Series 2020A Bonds pursuant to this Terms of Proposal shall constitute a "competitive sale" as defined in the Regulation based on the following:

- (i) the District shall cause this Terms of Proposal to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (ii) all bidders shall have an equal opportunity to submit a bid;
- (iii) the District reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Series 2020A Bonds; and
- (iv) the District anticipates awarding the sale of the Series 2020A Bonds to the bidder who provides a proposal with the lowest true interest cost, as set forth in this Terms of Proposal (See "AWARD" herein).

Any bid submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Series 2020A Bonds, as specified in the proposal. The Purchaser shall constitute an "underwriter" as said term is defined in the Regulation. By submitting its proposal, the Purchaser confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Series 2020A Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Series 2020A Bonds.

If all of the requirements of a "competitive sale" are not satisfied, the District shall advise the Purchaser of such fact prior to the time of award of the sale of the Series 2020A Bonds to the Purchaser. **In such event, any proposal submitted will not be subject to cancellation or withdrawal.** Within twenty-four (24) hours of the notice of award of the sale of the Series 2020A Bonds, the Purchaser shall advise the District and Baker Tilly MA if 10% of any maturity of the Series 2020A Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which it was sold. The District will treat such sale price as the "issue price" for such maturity, applied on a maturity-by-maturity basis. The District will not require the Purchaser to comply with that portion of the Regulation commonly described as the "hold-the-offering-price" requirement for the remaining maturities, but the Purchaser may elect such option. If the Purchaser exercises such option, the District will apply the initial offering price to the public provided in the proposal as the issue price for such maturities. If the Purchaser does not exercise that option, it shall thereafter promptly provide the District and Baker Tilly MA the prices at which 10% of such maturities are sold to the public; provided such determination shall be made and the District and Baker Tilly MA notified of such prices whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Series 2020A Bonds or until all of the Series 2020A Bonds of a maturity have been sold.

GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit to the District in the amount of $150,000 (the "Deposit") no later than 1:30 P.M., Central Time on the Sale Date. The Deposit may be delivered as described herein in the form of either (i) a certified or cashier's check payable to the District; or (ii) a wire transfer. The Purchaser shall be solely responsible for the timely delivery of its Deposit whether by check or wire transfer. Neither the District nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the District may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

Certified or Cashier's Check. A Deposit made by certified or cashier's check will be considered timely delivered to the District if it is made payable to the District and delivered to Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101 by the time specified above.

Wire Transfer. A Deposit made by wire will be considered timely delivered to the District upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the District and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted proposal, said amount will be retained by the District.

AWARD

The Series 2020A Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the District. The District's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The District will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Series 2020A Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the District determines to have failed to comply with the terms herein.

BOND INSURANCE AT PURCHASER'S OPTION

The District has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Series 2020A Bonds. If the Series 2020A Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's proposal. The District specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the District. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the District) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Series 2020A Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 2020A Bonds.

CUSIP NUMBERS

If the Series 2020A Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Series 2020A Bonds; however, neither the failure to print such numbers on any Series 2020A Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 2020A Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

SETTLEMENT

On or about February 20, 2020, the Series 2020A Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Briggs and Morgan, Professional Association*, of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Series 2020A Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the District or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Series 2020A Bonds has been made impossible by action of the District, or its agents, the Purchaser shall be liable to the District for any loss suffered by the District by reason of the Purchaser's non-compliance with said terms for payment.

* *Effective January 1, 2020, Briggs and Morgan, Professional Association has combined with the law firm of Taft Stettinius & Hollister LLP under that name.*

CONTINUING DISCLOSURE

On the date of the actual issuance and delivery of the Series 2020A Bonds, the District will execute and deliver a Continuing Disclosure Undertaking (the "Undertaking") whereunder the District will covenant to provide, or cause to be provided, annual financial information, including audited financial statements of the District, and notices of certain material events, as specified in and required by SEC Rule 15c2-12(b)(5).

OFFICIAL STATEMENT

The District has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2020A Bonds, and said Preliminary Official Statement has been deemed final by the District as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For copies of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the District, Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101, telephone (651) 223-3000.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Series 2020A Bonds, together with any other information required by law. By awarding the Series 2020A Bonds to the Purchaser, the District agrees that, no more than seven business days after the date of such award, it shall provide without cost to the Purchaser up to 25 copies of the Final Official Statement. The District designates the Purchaser as its agent for purposes of distributing copies of the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the District, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated December 17, 2019 BY ORDER OF THE SCHOOL BOARD

/s/ Jeanelle Foster
Clerk

THE DISTRICT HAS AUTHORIZED BAKER TILLY MUNICIPAL ADVISORS, LLC TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:

TERMS OF PROPOSAL

$9,025,000*

INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020B

(MINNESOTA SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM)

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the "Series 2020B Bonds") will be received by Independent School District No. 625, Saint Paul, Minnesota (the "District") on Tuesday, January 21, 2020 (the "Sale Date") until 10:30 A.M., Central Time at the offices of Baker Tilly Municipal Advisors, LLC ("Baker Tilly MA"), 380 Jackson Street, Suite 300, Saint Paul, Minnesota, 55101, after which time proposals will be opened and tabulated. Consideration for award of the Series 2020B Bonds will be by the School Board at its meeting commencing at 6:00 P.M., Central Time, of the same day.

SUBMISSION OF PROPOSALS

Baker Tilly MA will assume no liability for the inability of a bidder to reach Baker Tilly MA prior to the time of sale specified above. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the District to purchase the Series 2020B Bonds regardless of the manner in which the proposal is submitted.

(a) ***Sealed Bidding.*** Proposals may be submitted in a sealed envelope or by fax (651) 223-3046 to Baker Tilly MA. Signed proposals, without final price or coupons, may be submitted to Baker Tilly MA prior to the time of sale. The bidder shall be responsible for submitting to Baker Tilly MA the final proposal price and coupons, by telephone (651) 223-3000 or fax (651) 223-3046 for inclusion in the submitted proposal.

OR

(b) ***Electronic Bidding.*** Notice is hereby given that electronic proposals will be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all proposals submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Terms of Proposal*. Neither the District, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the District, its agents, nor PARITY® shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The District is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Series 2020B Bonds, and PARITY® is not an agent of the District.

If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018
Customer Support: (212) 849-5000

* *Preliminary; subject to change.*

DETAILS OF THE SERIES 2020B BONDS

The Series 2020B Bonds will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing August 1, 2020. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2020B Bonds will mature February 1 in the years and amounts* as follows:

2021	$1,830,000	2024	$340,000	2026	$375,000	2028	$415,000	2030	$460,000
2022	$1,920,000	2025	$355,000	2027	$395,000	2029	$435,000	2031	$475,000
2023	$2,025,000								

* *The District reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Series 2020B Bonds or the amount of any maturity or maturities in multiples of $5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per $1,000 of Series 2020B Bonds as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the District for the new issue and the prices at which the proposal indicates the securities will be initially offered to the investing public.*

Proposals for the Series 2020B Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above. In order to designate term bonds, the proposal must specify “Years of Term Maturities” in the spaces provided on the proposal form.

BOOK ENTRY SYSTEM

The Series 2020B Bonds will be issued by means of a book entry system with no physical distribution of Series 2020B Bonds made to the public. The Series 2020B Bonds will be issued in fully registered form and one Series 2020B Bond, representing the aggregate principal amount of the Series 2020B Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the Series 2020B Bonds. Individual purchases of the Series 2020B Bonds may be made in the principal amount of $5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Series 2020B Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the “Purchaser”), as a condition of delivery of the Series 2020B Bonds, will be required to deposit the Series 2020B Bonds with DTC.

REGISTRAR

The District will name the registrar which shall be subject to applicable regulations of the Securities and Exchange Commission. The District will pay for the services of the registrar.

OPTIONAL REDEMPTION

The District may elect on February 1, 2028, and on any day thereafter, to redeem Series 2020B Bonds due on or after February 1, 2029. Redemption may be in whole or in part and if in part at the option of the District and in such manner as the District shall determine. If less than all Series 2020B Bonds of a maturity are called for redemption, the District will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

SECURITY AND PURPOSE

The Series 2020B Bonds will be general obligations of the District for which the District will pledge its full faith and credit and power to levy direct general ad valorem taxes. The District has also covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 and to use the provisions of that statute pursuant to which the State of Minnesota will appropriate money to the payment of the principal and interest on the Series 2020B Bonds when due if the District is unable to make a principal or interest payment. The proceeds of the Series 2020B Bonds will be used to refund the (i) February 1, 2021 through February 1, 2031 maturities of the District's Taxable General Obligation School Building Bonds, Series 2010B (Build America Bonds - Direct Pay), dated November 7, 2010; and (ii) February 1, 2021 through February 1, 2023 maturities of the District's General Obligation School Building Refunding Bonds, Series 2011C, dated August 15, 2011.

BIDDING PARAMETERS

Proposals shall be for not less than $9,025,000 (Par) plus accrued interest, if any, on the total principal amount of the Series 2020B Bonds. No proposal can be withdrawn or amended after the time set for receiving proposals on the Sale Date unless the meeting of the District scheduled for award of the Series 2020B Bonds is adjourned, recessed, or continued to another date without award of the Series 2020B Bonds having been made. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater. Series 2020B Bonds of the same maturity shall bear a single rate from the date of the Series 2020B Bonds to the date of maturity. No conditional proposals will be accepted.

ESTABLISHMENT OF ISSUE PRICE

In order to provide the District with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "Code"), the Purchaser will be required to assist the District in establishing the issue price of the Series 2020B Bonds and shall complete, execute, and deliver to the District prior to the closing date, a written certification in a form acceptable to the Purchaser, the District, and Bond Counsel (the "Issue Price Certificate") containing the following for each maturity of the Series 2020B Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (i) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) pricing wires or equivalent communications supporting such offering or sale price. Any action to be taken or documentation to be received by the District pursuant hereto may be taken or received on behalf of the District by Baker Tilly MA.

The District intends that the sale of the Series 2020B Bonds pursuant to this Terms of Proposal shall constitute a "competitive sale" as defined in the Regulation based on the following:

(i) the District shall cause this Terms of Proposal to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
(ii) all bidders shall have an equal opportunity to submit a bid;
(iii) the District reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Series 2020B Bonds; and
(iv) the District anticipates awarding the sale of the Series 2020B Bonds to the bidder who provides a proposal with the lowest true interest cost, as set forth in this Terms of Proposal (See "AWARD" herein).

Any bid submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Series 2020B Bonds, as specified in the proposal. The Purchaser shall constitute an "underwriter" as said term is defined in the Regulation. By submitting its proposal, the Purchaser confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Series 2020B Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Series 2020B Bonds.

If all of the requirements of a “competitive sale” are not satisfied, the District shall advise the Purchaser of such fact prior to the time of award of the sale of the Series 2020B Bonds to the Purchaser. **In such event, any proposal submitted will not be subject to cancellation or withdrawal.** Within twenty-four (24) hours of the notice of award of the sale of the Series 2020B Bonds, the Purchaser shall advise the District and Baker Tilly MA if 10% of any maturity of the Series 2020B Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which it was sold. The District will treat such sale price as the “issue price” for such maturity, applied on a maturity-by-maturity basis. The District will not require the Purchaser to comply with that portion of the Regulation commonly described as the “hold-the-offering-price” requirement for the remaining maturities, but the Purchaser may elect such option. If the Purchaser exercises such option, the District will apply the initial offering price to the public provided in the proposal as the issue price for such maturities. If the Purchaser does not exercise that option, it shall thereafter promptly provide the District and Baker Tilly MA the prices at which 10% of such maturities are sold to the public; provided such determination shall be made and the District and Baker Tilly MA notified of such prices whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Series 2020B Bonds or until all of the Series 2020B Bonds of a maturity have been sold.

GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit to the District in the amount of $90,250 (the “Deposit”) no later than 1:30 P.M., Central Time on the Sale Date. The Deposit may be delivered as described herein in the form of either (i) a certified or cashier’s check payable to the District; or (ii) a wire transfer. The Purchaser shall be solely responsible for the timely delivery of its Deposit whether by check or wire transfer. Neither the District nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the District may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

Certified or Cashier’s Check. A Deposit made by certified or cashier’s check will be considered timely delivered to the District if it is made payable to the District and delivered to Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101 by the time specified above.

Wire Transfer. A Deposit made by wire will be considered timely delivered to the District upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the District and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted proposal, said amount will be retained by the District.

AWARD

The Series 2020B Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the District. The District's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The District will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Series 2020B Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the District determines to have failed to comply with the terms herein.

BOND INSURANCE AT PURCHASER'S OPTION

The District has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Series 2020B Bonds. If the Series 2020B Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's proposal. The District specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the District. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the District) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Series 2020B Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 2020B Bonds.

CUSIP NUMBERS

If the Series 2020B Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Series 2020B Bonds; however, neither the failure to print such numbers on any Series 2020B Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 2020B Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

SETTLEMENT

On or about February 20, 2020, the Series 2020B Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Briggs and Morgan, Professional Association*, of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Series 2020B Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the District or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Series 2020B Bonds has been made impossible by action of the District, or its agents, the Purchaser shall be liable to the District for any loss suffered by the District by reason of the Purchaser's non-compliance with said terms for payment.

* *Effective January 1, 2020, Briggs and Morgan, Professional Association has combined with the law firm of Taft Stettinius & Hollister LLP under that name.*

CONTINUING DISCLOSURE

On the date of the actual issuance and delivery of the Series 2020B Bonds, the District will execute and deliver a Continuing Disclosure Undertaking (the "Undertaking") whereunder the District will covenant to provide, or cause to be provided, annual financial information, including audited financial statements of the District, and notices of certain material events, as specified in and required by SEC Rule 15c2-12(b)(5).

OFFICIAL STATEMENT

The District has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2020B Bonds, and said Preliminary Official Statement has been deemed final by the District as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For copies of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the District, Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101, telephone (651) 223-3000.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Series 2020B Bonds, together with any other information required by law. By awarding the Series 2020B Bonds to the Purchaser, the District agrees that, no more than seven business days after the date of such award, it shall provide without cost to the Purchaser up to 25 copies of the Final Official Statement. The District designates the Purchaser as its agent for purposes of distributing copies of the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the District, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated December 17, 2019 BY ORDER OF THE SCHOOL BOARD

/s/ Jeanelle Foster
Clerk

OFFICIAL STATEMENT

INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA

$15,000,000*
GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2020A

$9,025,000*
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020B

(MINNESOTA SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM)

(BOOK ENTRY ONLY)

INTRODUCTORY STATEMENT

This Official Statement contains certain information relating to Independent School District No. 625, Saint Paul, Minnesota (the "District") and its issuance of $15,000,000* General Obligation School Building Bonds, Series 2020A (the "Series 2020A Bonds") and its $9,025,000* General Obligation Refunding Bonds, Series 2020B (the "Series 2020B Bonds" and, together with the Series 2020A Bonds, the "Bonds"). The Bonds are general obligations of the District for which it pledges its full faith and credit and power to levy direct general ad valorem taxes. The District has also covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 and to use the provisions of that statute pursuant to which the State of Minnesota will appropriate money to the payment of the principal and interest on the Bonds when due if the District is unable to make a principal or interest payment.

Inquiries may be directed to Ms. Marie Schrul, Chief Financial Officer, Independent School District No. 625, 360 Colborne Street, Saint Paul, Minnesota 55102, by telephoning (651) 767-8275, or by e-mailing marie.schrul@spps.org. Inquiries may also be made to Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101-2887, by telephoning (651) 223-3000, or by e-mailing bond_services@bakertilly.com. If information of a specific legal nature is desired, requests may be directed to Ms. Catherine Courtney, Taft Stettinius & Hollister LLP, 2200 IDS Center, 80 South 8th Street, Minneapolis, Minnesota 55402-2157, Bond Counsel, by telephoning (612) 977-8765, or by e-mailing ccourtney@taftlaw.com.

CONCURRENT FINANCING

By means of a separate Official Statement dated January 8, 2020, the District is offering for sale its $65,880,000* Certificates of Participation, Series 2020C (the "Certificates") on Tuesday, January 21, 2020. The proceeds of the Certificates will be used to finance the cost of renovating, expanding, and equipping for continued use, the District's existing facilities known as American Indian Magnet School, Como District Service Facility, Cherokee Heights Elementary School, Como Park Senior High School, and Ramsey Middle School.

The Certificates will be special obligations of the District payable solely from rental payments to be made by the District pursuant to a Lease-Purchase Agreement entered into between the District and Trustee. The Certificates are not a general obligation of the District and the full faith and credit and ad valorem taxing powers of the District are not pledged for the payment of the Certificates. The District's obligation to make

* *Preliminary; subject to change.*

the rental payments is unconditional and is not subject to annual appropriation. The District has also covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 and to use the provisions of that statute pursuant to which the State of Minnesota will appropriate money to the payment of the principal and interest on the Certificates when due if the District is unable to make a principal or interest payment. Settlement of the Certificates is expected to take place concurrently with the settlement of the Bonds. The Bonds and the Certificates are collectively referred to herein as the "Obligations."

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with SEC Rule 15c2-12 (the "Rule"), pursuant to the Award Resolutions and Continuing Disclosure Undertakings to be executed on behalf of the District on or before closing, the District has and will covenant (the "Undertakings") for the benefit of holders or beneficial owners of the Bonds to provide certain financial information and operating data relating to the District annually, and notices of the occurrence of certain events enumerated in the Rule to the Municipal Securities Rulemaking Board. Such information is available at http://emma.msrb.org. The specific nature of the Undertakings, as well as the information to be contained in the annual report or the notices of certain events, is set forth in the Undertakings in substantially the forms attached hereto as Appendix II, subject to such modifications thereof or additions thereto as: (i) consistent with requirements under the Rule, (ii) required by the purchaser of the Bonds from the District, and (iii) acceptable to the Chair and Clerk of the District.

The District believes it has complied for the past five years in accordance with the terms of its previous continuing disclosure undertakings entered into pursuant to the Rule, except to the extent the following are deemed to be material. In reviewing its past disclosure practices, the District notes the following:

- Prior continuing disclosure undertakings entered into by the District included language stating that the District's audited financial statements would be filed "as soon as available." Although not always filed "as soon as available," the audited financial statements were timely filed within the required twelve (12) month timeframe as provided for in each undertaking.

A failure by the District to comply with the Undertakings will not constitute an event of default on the Bonds (although holders or other beneficial owners of the Bonds will have the sole remedy of bringing an action for specific performance). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

THE BONDS

General Description

The Bonds are dated as of the date of delivery and will mature annually on February 1 as set forth on the inside front cover of this Official Statement. The Bonds are issued in book entry form. Interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2020. Interest will be payable to the holder (initially Cede & Co.) registered on the books of the Registrar as of the fifteenth day of the calendar month next preceding such interest payment date. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Principal of and interest on the Bonds will be paid as described in the section herein entitled "Book Entry System." U.S. Bank National Association, Saint Paul, Minnesota, will serve as Registrar for the Bonds, and the District will pay for registrar services.

Redemption Provisions

Thirty days' written notice of redemption shall be given to the registered owner(s) of the Bonds. Failure to give such written notice to any registered owner of the Bonds or any defect therein shall not affect the validity of any proceedings for the redemption of the Bonds. All Bonds or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment.

<u>Optional Redemption</u>

The District may elect on February 1, 2028, and on any day thereafter, to redeem Bonds due on or after February 1, 2029. Redemption may be in whole or in part and if in part at the option of the District and in such manner as the District shall determine. If less than all the Bonds of a maturity are called for redemption, the District will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

Book Entry System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of each series of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

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

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

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

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

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

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

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

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

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

THE SERIES 2020A BONDS

Authority and Purpose

The Series 2020A Bonds are being issued pursuant to Minnesota Statutes, Chapter 475 and Laws of Minnesota 2007, Regular Session, Chapter 146, Article 4, Sections 12 and 13, as amended by Laws of Minnesota 2013, Regular Session, Chapter 116, Article 6, Section 8, which authorize the District to issue up to $15,000,000 annually. The proceeds of the Series 2020A Bonds will be used to finance various capital improvements to existing District facilities and grounds.

Sources and Uses of Funds*

The composition of the Series 2020A Bonds is estimated to be as follows:

Sources of Funds:	
Principal Amount	$15,000,000
Reoffering Premium	1,230,751
Total Sources of Funds	$16,230,751
Uses of Funds:	
Deposit to Project Fund	$15,998,601
Underwriter's Compensation	142,500
Costs of Issuance	89,650
Total Uses of Funds	$16,230,751

* *Preliminary; subject to change.*

Security and Financing

The Series 2020A Bonds will be general obligations of the District for which the District will pledge its full faith and credit and power to levy direct general ad valorem taxes. The District has also covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 and to use the provisions of that statute pursuant to which the State of Minnesota will appropriate money to the payment of the principal and interest on the Series 2020A Bonds when due if the District is unable to make a principal or interest payment. The District made its first levy in 2019 for collection in 2020. Each year's collection of taxes, if collected in full, will be sufficient to pay 105% of the interest payment due August 1 of the collection year and the principal and interest payment.

THE SERIES 2020B BONDS

Authority and Purpose

The Series 2020B Bonds are being issued pursuant to Minnesota Statutes, Chapter 475. The Series 2020B Bonds have been structured as a current refunding and are being issued to achieve debt service savings. The proceeds of the Series 2020B Bonds will be used to redeem the:

(i) February 1, 2021 through February 1, 2031 maturities (the "Series 2010B Refunded Maturities") of the District's Taxable General Obligation School Building Bonds, Series 2010B (Build America Bonds – Direct Pay), dated November 7, 2010 (the "Series 2010B Bonds"); and

(ii) February 1, 2021 through February 1, 2023 maturities (the "Series 2011C Refunded Maturities") of the District's General Obligation School Building Refunding Bonds, Series 2011C, dated August 15, 2011 (the "Series 2011C Bonds").

The Series 2010B Refunded Maturities and the Series 2011C Refunded Maturities are collectively referred to as the "Refunded Maturities." It is anticipated that the Refunded Maturities will be called and prepaid at a price of par plus accrued interest on April 1, 2020, which is within 90 days of settlement of the Series 2020B Bonds.

Sources and Uses of Funds*

The composition of the Series 2020B Bonds is estimated to be as follows:

Sources of Funds:	
Principal Amount	$ 9,025,000
Reoffering Premium	976,513
Total Sources of Funds	$10,001,513
Uses of Funds:	
Deposit for Refunding Purposes	$ 9,864,487
Costs of Issuance	82,876
Underwriter's Compensation	54,150
Total Uses of Funds	$10,001,513

* *Preliminary; subject to change.*

Security and Financing

The Series 2020B Bonds will be general obligations of the District for which the District will pledge its full faith and credit and power to levy direct general ad valorem taxes. The District has also covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 and to use the provisions of that statute pursuant to which the State of Minnesota will appropriate money to the payment of the principal and interest on the Series 2020B Bonds when due if the District is unable to make a principal or interest payment. The District will make its first levy in 2020 for collection in 2021. Each year's collection of taxes, if collected in full, will be sufficient to pay 105% of the interest payment due August 1 of the collection year and the principal and interest payment.

MINNESOTA SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM

By resolutions adopted for these issues on December 17, 2019 (the "Resolutions"), the District has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55, which provides for payment by the State in the event of a potential default of a school district obligation (herein referred to as the "State Payment Law" or the "Law"). The provisions of the State Payment Law shall be binding on the District as long as any obligations of the issue remain outstanding.

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

The Law also requires the Registrar for these issues to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal and interest on these obligations, or if, on the day two business days prior to the payment date, there are insufficient funds to make the payment or deposit with the Registrar. The Law also requires, after receipt of a notice which requests a payment pursuant to the Law, after consultation with the Registrar and the District, and after verifying the accuracy of the information provided, the Commissioner of Education shall notify the Commissioner of Management and Budget of the potential default. The State Payment Law provides that "upon receipt of this notice . . . the Commissioner of Management and Budget shall issue a warrant and authorize the Commissioner of Education to pay to the Registrar for the debt obligation the specified amount on or before the date due. The amounts needed for purposes of subdivision are annually appropriated to the Department of Education from the state general fund."

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

In its Final Official Statement dated August 6, 2019 related to its 2019 General Obligation State Bonds, the State disclosed the following information about the State Credit Enhancement Program for school districts:

> "Minnesota Statutes, Section 126C.55, establishes a school district credit enhancement program. The law authorizes and directs the Commissioner of Management and Budget, under certain circumstances and subject to the availability of funds, to issue a warrant and authorize the Commissioner of Education to pay debt service due on school district and intermediate school district certificates of indebtedness issued under Minnesota Statutes, Section 126D.52, certificates of indebtedness and capital notes for equipment, certificates of participation issued under Minnesota Statutes, Section 126D.40, subdivision 6, and school district and intermediate school district general obligation bonds, in the event that the school district or intermediate school district notifies the Commissioner of Education that it does not have sufficient money in its debt service fund for this purpose, or the paying agent informs the Commissioner of Education that it has not received from the school district timely payment of moneys to be used to pay debt service. The legislation appropriates annually form the General Fund to the Commissioner of Education the amounts needed to pay any warrants which are issued.
>
> …As of the date of this Official Statement, the total amount of principal on certificates of indebtedness and capital notes issued for equipment, certificates of participation and bonds, plus the interest on these obligations, through the year 2046, is approximately $15.1 billion. Based upon these currently outstanding balances now enrolled in the program, during the Current Biennium the total amount of principal and interest outstanding as of the date of this Official Statement is currently estimated at $2.3 billion, with the maximum amount of principal and interest payable in

any one month being $889.3 million. However, more certificates of indebtedness, capital notes, certificates of participation and bonds are expected to be enrolled in the program and these amounts are expected to increase.

…The State has not had to make any debt service payments on behalf of school districts or intermediate school districts under this program and does not expect to make any payments in the future. If such payments are made the State expects to recover all or substantially all of the amounts so paid pursuant to contractual agreements with the school districts and intermediate school districts."

FUTURE FINANCING

In addition to the issue discussed in the "CONCURRENT FINANCING" section herein, the District does anticipate issuing additional certificates of participation in the spring of 2021.

LITIGATION

The District is not aware of any threatened or pending litigation affecting the validity of the Bonds or the District's ability to meet its financial obligations.

LEGALITY

The Bonds are subject to approval as to certain matters by Taft Stettinius & Hollister LLP, of Minneapolis, Minnesota, as Bond Counsel. Bond Counsel has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto. Legal opinions in substantially the forms set out in Appendix I herein will be delivered at closing.

TAX EXEMPTION

On the date of issuance of the Bonds, Taft Stettinius & Hollister LLP, Bond Counsel, will render an opinion, that based on present federal and Minnesota laws, regulations, rulings, and decisions, at the time of the issuance of the Bonds, the interest on the Bonds is excluded from gross income for federal income tax purposes and is excluded, to the same extent, from both gross income and taxable net income for State of Minnesota income tax purposes (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax or for purposes of the Minnesota alternative minimum tax applicable to individuals, estates or trusts. The opinions are subject to the condition that the District complies with all applicable federal tax requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income and taxable net income, retroactive to their date of issuance. No opinion will be expressed by Bond Counsel regarding other state or federal tax consequences.

Though excluded from gross income, interest on the Bonds is subject to federal income taxation for certain types of taxpayers and certain income taxes, including without implied limitation, taxation to the extent it is included as part of (a) effectively connected earnings and profits of a foreign corporation for purposes of the branch profits tax on dividend equivalent amounts, (b) excess net passive income of an S Corporation which has Subchapter C earnings and profits, or (c) minimum effectively connected net investment income of a foreign insurance company. Interest on the Bonds is also taken into account in other ways for federal income tax purposes, including without implied limitation, (a) reducing loss reserve deductions of property and casualty insurance companies, (b) reducing interest expense deductions of financial institutions, and (c) causing certain taxpayers to include in gross income a portion of social security benefits and railroad retirement benefits. Ownership of the Bonds may result in other collateral federal income tax consequences to certain taxpayers. Bond Counsel expresses no opinion as to any of such consequences, and prospective purchasers of the Bonds who may be subject to such collateral consequences should consult their tax advisors.

There are many events which could affect the value and liquidity or marketability of the Bonds after their issuance, including but not limited to public knowledge of an audit of the Bonds or other bonds of the District by the Internal Revenue Service, a general change in interest rates for comparable securities, a change in federal or state income tax rates, legislative or regulatory proposals affecting state and local government securities and changes in judicial interpretation of existing law. Prospective purchasers should consult their tax advisors with respect to the consequences of such events.

In rendering its opinion, Bond Counsel has assumed compliance by the District with its covenants and representations that are intended to comply with the provisions of the Code relating to actions to be taken in respect of the Bonds after the issuance thereof to the extent necessary to effect or maintain the exclusion of interest on the Bonds from federal gross income. Such covenants, representations and requirements relate to, inter alia, the use of and investment of proceeds of the Bonds and the rebate to the United States Treasury of specified arbitrage earnings, if any. Failure to comply with such covenants, representations or requirements could result in the interest on the Bonds becoming includable in gross income for federal income tax purposes from the date of issuance of the Bonds. See Appendix I "PROPOSED FORM OF LEGAL OPINION" hereto.

Original Issue Discount

Some of the Bonds ("OID Bonds") may be sold at initial public offering prices which are less than the principal amounts payable at maturity. For each maturity of OID Bonds, original issue discount is the excess of the stated redemption price at maturity of such Bonds over the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of such Bonds were sold. The appropriate portion of such original issue discount allocable to the original and each subsequent holder will be treated as interest and excluded from gross income for federal income tax purposes and will increase a holder's tax basis in such Bonds for purposes of determining gain or loss upon sale, exchange, redemption, or payment at maturity. Owners of such Bonds should consult their own tax advisors with respect to the computation and determination of the portion of original issue discount which will be treated as interest and added to a holder's tax basis during the period such Bonds are held.

Original Issue Premium

Some of the Bonds may be sold at initial public offering prices which are greater than the principal amounts payable at maturity. Bondholders who acquire Bonds at a premium should consult their tax advisors concerning the calculation of bond premium and the timing and rate of premium amortization, as well as the federal, state and local tax consequences of owning and selling Bonds acquired at a premium.

NOT BANK-QUALIFIED TAX-EXEMPT OBLIGATIONS

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

RATINGS

Application for ratings of the Bonds have been made to Moody's Investors Service ("Moody's"), 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York and S&P Global Ratings ("S&P"), 55 Water Street, New York, New York. In addition, the District expects the Bonds to be rated by Moody's and S&P based on the Minnesota School District Credit Enhancement Program. If ratings are assigned, they will reflect only the opinion of Moody's or S&P. Any explanation of the significance of the ratings may be obtained only from Moody's and S&P.

There is no assurance that a rating, if assigned, will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of Moody's or S&P, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

MUNICIPAL ADVISOR

The District has retained Baker Tilly Municipal Advisors, LLC, of Saint Paul, Minnesota as municipal advisor in connection with certain aspects of the issuance of the Bonds. In preparing this Official Statement, Baker Tilly Municipal Advisors, LLC has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for this Official Statement. Baker Tilly Municipal Advisors, LLC has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. Baker Tilly Municipal Advisors, LLC is an independent advisory firm, registered as a municipal advisor, and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

CERTIFICATION

The District has authorized the distribution of the Preliminary Official Statement for use in connection with the initial sale of the Bonds and a Final Official Statement following award of the Bonds. The Purchaser(s) will be furnished with a certificate signed by the appropriate officers of the District stating that the District examined each document and that, as of the respective date of each and the date of such certificate, each document did not and does not contain any untrue statement of material fact or omit to state a material fact necessary, in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

DISTRICT PROPERTY VALUES

Trend of Values[(a)]

Assessment/ Collection Year	Assessor's Estimated Market Value	Sales Ratio[(b)]	Economic Market Value[(c)]	Market Value Homestead Exclusion	Taxable Market Value	Adjusted Taxable Net Tax Capacity
2018/19	$25,848,226,300	94.3%	$27,349,420,557	$ 962,523,900	$24,813,956,200	$310,878,014
2017/18	24,079,909,300	95.1	25,335,332,105	1,008,034,700	22,990,434,100	292,144,786
2016/17	22,064,446,000	94.3	23,290,112,943	1,051,539,300	20,935,107,700	267,412,461
2015/16	20,536,926,000	94.3	21,678,144,093	1,077,026,100	19,383,844,400	246,524,292
2014/15	19,684,802,300	96.2	20,359,181,731	1,101,865,300	18,505,895,900	233,905,974

(a) *For a description of the Minnesota property tax system, see Appendix III.*

(b) *Sales Ratio Study for the year of assessment as posted by the Minnesota Department of Revenue, http://www.revenue.state.mn.us/propertytax/Pages/statistics-emv.aspx.*

(c) *Economic market values for the year of assessment as posted by the Minnesota Department of Revenue, http://www.revenue.state.mn.us/propertytax/Pages/statistics-emv.aspx.*

Source: Ramsey County, Minnesota, April 2019, except as otherwise noted.

2018/19 Adjusted Taxable Net Tax Capacity: $310,878,014

Real Estate:		
Residential Homestead	$127,906,431	41.84%
Commercial/Industrial, Railroad, and Public Utility	90,118,845	29.48
Residential Non-Homestead	80,232,464	26.24
Agricultural and Seasonal Recreational	88,926	0.03
Personal Property	7,361,802	2.41
2018/19 Net Tax Capacity	$305,708,468	100.00%
Less: Captured Tax Increment	(26,379,672)	
Contribution to Fiscal Disparities	(29,904,769)	
Plus: Distribution from Fiscal Disparities	61,453,987	
2018/19 Adjusted Taxable Net Tax Capacity	$310,878,014	

Ten of the Largest Taxpayers in the District

Taxpayer	Type of Property	2018/19 Net Tax Capacity
Xcel Energy	Utility	$ 7,445,112
BNSF Railway Co.	Railroad	1,857,471
Saint Paul Tower LP	Office Building (World Trade Center)	1,607,676
Minnesota Life Insurance Company	Commercial	1,439,169
U.S. Bank, N.A.	Office Building (U.S. Bank Trust Center)	1,198,962
Group Health Plan, Inc.	Commercial	1,084,934
1944 Rice Street LLC	Commercial	1,016,590
Ecolab USA Inc.	Commercial	964,786
CSM Investors	Commercial	920,146
Victoria Park Communities LLC	Apartments	885,032
Total		$18,419,878*

* *Xcel Energy represents 2.4% of the District's 2018/19 adjusted taxable net tax capacity. The remaining nine taxpayers represent 3.5% of the District's 2018/19 adjusted taxable net tax capacity.*

DISTRICT INDEBTEDNESS

Legal Debt Limit and Debt Margin*

Legal Debt Limit (15% of 2018/19 Economic Market Value)	$4,102,413,084
Less: Outstanding General Obligation Debt (Including the Bonds and Excluding the Refunded Maturities)	(223,685,000)
Qualified School Construction Bonds	(34,365,000)
Certificates of Participation	(22,575,000)
Legal Debt Margin as of February 20, 2020	$3,821,788,084

* *The legal debt margin is referred to statutorily as the "Net Debt Limit" and may be increased by debt service funds and current revenues which are applicable to the payment of debt in the current fiscal year.*

NOTES: Certain types of debt are not subject to the legal debt limit. See Appendix III – Debt Limitations.

Minnesota Statutes limits the "net debt" of a school district to 15% of its actual market value. Actual market value is either the District's Estimated Market Value or Economic Market Value, whichever is higher.

General Obligation Debt Supported Solely by Taxes[(a)(b)]

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 2-20-20
10-1-10	$10,355,000	Refunding, Series 2010A	2-1-2021	$ 1,295,000
6-1-11	26,000,000	School Building, Series 2011A	2-1-2021	1,170,000[(c)]
6-1-12	24,980,000	School Building, Series 2012A	2-1-2033	17,855,000
6-1-12	28,355,000	Refunding, Series 2012B	2-1-2025	14,140,000
6-25-13	24,485,000	School Building, Series 2013A	2-1-2034	18,450,000
6-25-13	28,635,000	Refunding, Series 2013B	2-1-2027	19,995,000
6-12-14	14,845,000	School Building, Series 2014A	2-1-2035	11,910,000
6-11-15	15,000,000	School Building and Refunding, Series 2015A	2-1-2036	12,665,000
6-11-15	18,665,000	Tax Refunding, Series 2015B	2-1-2021	1,840,000
7-27-16	15,000,000	School Building, Series 2016A	2-1-2036	12,405,000
7-27-16	34,955,000	School Building Refunding, Series 2016B	2-1-2030	30,960,000
6-15-17	15,000,000	School Building, Series 2017A	2-1-2037	13,255,000
12-21-17	15,520,000	Refunding, Series 2017D	2-1-2032	15,520,000
6-21-18	15,000,000	School Building, Series 2018A	2-1-2038	13,890,000
6-20-19	15,000,000	School Building, Series 2019A	2-1-2039	14,310,000
2-20-20	15,000,000	School Building, Series 2020A (the Series 2020A Bonds)	2-1-2040	15,000,000
2-20-20	9,025,000	Refunding, Series 2020B (the Series 2020B Bonds)	2-1-2031	9,025,000
Total				$223,685,000

(a) *These issues are subject to the legal debt limit.*

(b) *Excludes the Refunded Maturities.*

(c) *Excludes the amounts that have been previously crossover refunded and such amounts are currently held in escrow accounts until their respective call dates.*

NOTE: The Series 2009D Bonds and the Series 2010C Bonds (as defined herein) are excluded from the above table. Please see "Qualified School Construction Bonds" in this Official Statement.

Certificates of Participation

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 2-20-20
6-15-17	$24,305,000	Early Childhood Building, Series 2017B	2-1-2037	$ 22,575,000*
12-21-17	56,015,000	Integration/Desegregation, Series 2017C	2-1-2038	52,780,000
6-21-18	52,500,000	COP Desegregation, Series 2018B	2-1-2039	50,830,000
6-21-18	18,060,000	COP Crosswinds, Series 2018C	2-1-2039	17,485,000
7-24-19	22,145,000	COP, Series 2019B	2-1-2039	21,855,000
7-24-19	40,260,000	Taxable COP, Series 2019C	2-1-2039	39,440,000
2-20-20	65,880,000	COP, Series 2020C (the Certificates)	2-1-2040	65,880,000
Total				$270,845,000

* *This issue is subject to the legal debt limit.*

Estimated Calendar Year Debt Service Payments Including the Bonds and the Certificates, and Excludes the Refunded Maturities

	G.O. Debt Supported Solely by Taxes		Certificates of Participation	
Year	Principal	Principal & Interest[(a)]	Principal	Principal & Interest[(b)]
2020 (at 2-20)	(Paid)	$ 4,181,336	(Paid)	$ 4,972,449
2021	$ 20,845,000	28,863,450	$ 8,695,000	18,697,265
2022	18,400,000	25,607,500	10,210,000	19,777,380
2023	19,180,000	25,603,925	10,675,000	19,769,210
2024	18,215,000	23,825,650	11,155,000	19,752,644
2025	17,185,000	22,042,275	11,665,000	19,741,296
2026	16,155,000	20,296,950	12,195,000	19,723,469
2027	15,080,000	18,569,300	12,760,000	19,712,391
2028	13,870,000	16,835,794	13,360,000	19,719,371
2029	12,555,000	15,090,394	13,955,000	19,704,277
2030	11,185,000	13,327,922	14,585,000	19,752,464
2031	10,925,000	12,702,881	15,115,000	19,778,946
2032	10,810,000	12,228,063	15,580,000	19,765,400
2033	9,315,000	10,406,953	16,070,000	19,758,016
2034	7,940,000	8,760,736	16,585,000	19,754,469
2035	6,495,000	7,087,216	17,110,000	19,734,454
2036	5,685,000	6,083,618	17,675,000	19,727,386
2037	3,870,000	4,116,175	18,265,000	19,719,978
2038	2,965,000	3,102,350	17,100,000	17,963,968
2039	1,995,000	2,055,375	13,625,000	13,980,860
2040	1,015,000	1,030,225	4,465,000	4,531,975
Total	$223,685,000[(c)]	$281,818,088	$270,845,000[(d)]	$376,037,668

(a) *Includes the Series 2020A Bonds and the Series 2020B Bonds at assumed average annual interest rates of 3.36% and 4.59%, respectively, and excludes the Refunded Maturities.*

(b) *Includes the Certificates at an assumed average annual interest rate of 3.36%.*

(c) *72.7% of this debt will be retired within ten years.*

(d) *44.0% of this debt will be retired within ten years.*

Other Debt Obligations

Qualified School Construction Bonds

The District has $16,115,000 in Taxable General Obligation Bonds, Series 2009D (Qualified School Construction Bonds – Tax Credit) (the "Series 2009D Bonds"). The principal of the Series 2009D Bonds will be due in full on December 15, 2025. Supplemental interest will be payable on February 1 and August 1 of each year, and commenced August 1, 2010. The District will make annual payments of $701,209 into a sinking fund which will accrue interest and be sufficient to pay the principal of the Series 2009D Bonds when it becomes due. The Series 2009D Bonds are subject to the legal debt limit.

The District also has $18,250,000 in Taxable General Obligation School Building Bonds, Series 2010C (Qualified School Construction Bonds – Direct Pay) (the "Series 2010C Bonds"). The principal amount of the Series 2010C Bonds will be due in full on February 1, 2029. The District will make annual payments of $730,972 into a sinking fund which will accrue interest and be sufficient to pay the principal of the Series 2010C Bonds when it becomes due. The Series 2010C Bonds are subject to the legal debt limit.

Capital Lease

The District entered into a master lease purchase agreement ("Agreement") with Apple, Inc. on May 20, 2015, for technology equipment. The District acquires equipment from time to time under this Agreement as needed. Each lease schedule added under this Agreement adds equipment to the lease and carries its own lease term and payment schedule. Upon payment in full of all scheduled lease payments, Apple, Inc.'s interest in the equipment is transferred to the District clear of any right or interest of Apple Inc. The General Fund is used to liquidate this liability.

During fiscal year 2017, the District amended this master lease purchase agreement (the "Amended Agreement") and entered into an additional lease schedule with total future minimum lease payments of $23,510,709 with an interest rate of 2.015% and the final maturity of August 1, 2020. The assets acquired through the Amended Agreement have not been capitalized as individual asset amounts and do not meet the capitalization threshold requirements.

During fiscal year 2018, the District entered into an additional lease schedule with total future minimum lease payments of $3,857,775, interest rate of 2.160% and a final maturity of August 15, 2021. The assets acquired through this capital lease have not be capitalized as individual asset amounts do not meet the capitalization threshold requirements.

Overlapping Debt

Taxing Unit[(a)]	2018/19 Adjusted Taxable Net Tax Capacity	Est. G.O. Debt As of 2-20-20[(b)]	Debt Applicable to Tax Capacity in District: Percent	Debt Applicable to Tax Capacity in District: Amount
Ramsey County	$ 625,979,268	$135,325,000	49.7%	$ 67,256,525
City of Saint Paul	310,878,014	250,756,131	100.0	250,756,131
Saint Paul Port Authority	310,878,014	56,390,000	100.0	56,390,000
Metropolitan Council	4,281,620,797	5,735,000[(c)]	7.3	418,655
Metropolitan Transit	3,433,535,041	255,485,000	9.1	23,249,135
Total				$398,070,446

(a) *Only those units with outstanding general obligation debt are shown here.*

(b) *Excludes revenue-supported debt.*

(c) *Excludes general obligation debt supported by wastewater revenues and housing rental payments. Includes certificates of participation.*

Debt Ratios*

	G.O. Direct Debt	G.O. Direct & Overlapping Debt
To 2018/19 Estimated Market Value ($25,848,226,300)	2.05%	3.59%
Per Capita - (307,672 - 2019 District Estimate)	$1,719	$3,013

* *Includes qualified school construction bonds and certificates of participation.*

DISTRICT TAX RATES, LEVIES AND COLLECTIONS

Tax Capacity Rates for a Resident in the City of Saint Paul

					2018/19	
	2014/15	2015/16	2016/17	2017/18	Total	For Debt Only
Ramsey County	54.323%	53.880%	51.034%	49.327%	48.462%	3.446%
City of Saint Paul	43.827	42.575	42.641	49.818	50.266	4.907
Saint Paul Port Authority	1.171	1.359	1.160	1.089	1.003	1.089
Housing and Redevelopment Authority of Saint Paul	1.386	1.311	1.327	1.304	1.354	0.000
ISD No. 625 (Saint Paul)(a)	42.996	42.583	40.684	39.066	37.265	13.070
Metropolitan Council	2.524	2.379	2.243	2.153	2.098	1.464
Special Districts(b)	6.122	6.610	6.426	6.933	6.883	0.000
Total	152.349%	150.697%	145.515%	149.690%	147.331%	23.976%

(a) *In addition, the District has a 2018/19 market value tax rate of 0.20754% spread across the market value of property in support of an excess operating levy.*

(b) *Special districts include Mosquito Control, Capitol Region Watershed, and Light Rail Authority.*

NOTE: This table includes only net tax capacity-based rates. Certain other tax rates are based on market value. See Appendix III.

Tax Levies and Collections*

		Collected During Collection Year		Collected and/or Abated as of 12-31-18	
Levy/Collect	Net Levy*	Amount	Percent	Amount	Percent
2018/19	$178,694,997	(In Process of Collection)			
2017/18	157,105,914	$155,768,643	99.1%	$155,768,643	99.1%
2016/17	148,912,330	147,625,065	99.1	148,585,508	99.8
2015/16	140,529,396	139,306,271	99.1	140,353,189	99.9
2014/15	136,075,856	134,466,898	98.8	135,927,678	99.9

* *The net levy excludes state aid for property tax relief and fiscal disparities, if applicable. The net levy is the basis for computing tax capacity rates. See Appendix III.*

FUNDS ON HAND
As of November 30, 2019

Fund	Cash and Investments
General	$ 46,795,345
Food Service	53,616
Community Service	4,365,033
Construction	133,391,628
Debt Service	33,533,871
OPEB Revocable Trust	40,589,478
Total	$258,728,921

INVESTMENTS

District investments are made in accordance with Minnesota Statute 118A. A portion of the District's funds are held in the District's Minnesota School District Liquid Asset Fund (MSDLAF) account. As of November 30, 2019, the District's portion of the MSDLAF portfolio's Liquid Class had assets of $65,504 and the District's portion of the MSDLAF portfolio's MAX Class had assets of $48,978,498.

The MSDLAF was established in 1984 under Minnesota laws to permit school districts to pool their investment funds to obtain the highest possible yield and maintain the preservation of capital and liquidity. Investments are made in instruments permitted by Minnesota law. In addition, it is the MSDLAF's policy regarding commercial paper to permit investing only in "A1"-"P1" commercial paper, although State statutes allow for a lower rating. The Liquid Class, made up of only permitted investments, is 100% liquid at all times and allows for unlimited check writing services.

The MAX Class is invested in the same types of investments as other MSDLAF portfolios, but requires investment in this Portfolio to be deposited for a minimum of 14 days with one banking day notice required for withdrawals, except for State aid payments which are scheduled for payment on the 15th and the 30th of each month. Funds from these deposits are 100% liquid at any time and not subject to the previously mentioned withdrawal requirements for the MAX Class.

The remaining portions of the District's funds are held in a U.S. Bank account in certificate of deposits and fixed income securities with maturities of one to five years. Investments are made in instruments permitted by Minnesota law; currently the securities are comprised of US government securities and corporate obligations. As of November 30, 2019, the account had assets of $1,019,552.

GENERAL INFORMATION CONCERNING THE DISTRICT

The District is located wholly within the City of Saint Paul in Ramsey County and encompasses an area of approximately 56.2 square miles (35,963 acres). The District estimates the current population to be 307,672.

School Board and Administration

The District's governing and policy-setting body is the School Board, comprised of seven members. Board members are elected at large to serve overlapping four-year terms of office. Current Board members are listed below.

		Expiration of Term
Marny Xiong	Chair	December 31, 2021
Jeanelle Foster	Vice Chair	December 31, 2021
Zuki Ellis	Clerk	December 31, 2023
John Brodrick	Treasurer	December 31, 2021
Chauntyll Allen	Director	December 31, 2023
Jessica Kopp	Director	December 31, 2023
Steve Marchese	Director	December 31, 2023

The Superintendent is hired by the Board and serves at its discretion. Dr. Joe Gothard became superintendent of Saint Paul Public Schools on July 1, 2017. In this role, he serves as the educational leader of the District, which serves more than 36,000 PreK-12 students and employs more than 5,000 full-time staff. Dr. Gothard has been passionate about public education his entire career. He is a member of the National Superintendents Roundtable, and of the Executive Committee of the Association of Metropolitan School Districts, which is comprised of more than 40 school districts in the Twin Cities metro area. Dr. Gothard also serves on the Legislative Committee of the organization. Dr. Gothard is the only school superintendent serving on the Greater Twin Cities United Way Board of Directors. Ms. Marie Schrul has been the District's Chief Financial Officer since July 2010.

Enrollment

Following is the trend of enrollments for the past five years:

School	Grades			Total
Year	Pre-K	K-6 + ECSE	7-12	Enrollment
2019/20	1,412	19,971	15,615	36,998
2018/19	1,620	20,635	15,810	38,065
2017/18	1,540	21,059	15,856	38,455
2016/17	1,577	21,240	15,271	38,088
2015/16	1,481	21,639	15,966	39,086

The District is one of Minnesota's largest school districts with more than 36,000 students.

Source: *Independent School District No. 625, Saint Paul as of October 31 of each year, http://datacenter.spps.org/student_enrollment.html.*

Employment

Following is the District's employment trend for the past five years:

School Year	Certified Employees	Uncertified Employees	Total Employees
2019/20	3,522	2,618	6,140
2018/19	3,434	2,645	6,079
2017/18	3,374	2,513	5,887
2016/17	3,456	2,582	6,038
2015/16	3,499	2,564	6,063

Highly trained and deeply dedicated staff, cutting-edge academic programs, and strong community support are among the District's hallmarks.

Labor Contracts

Pursuant to State law, all school districts in the State negotiate teacher contracts every two years. The status of labor contracts in the District is as follows:

Bargaining Unit	No. of Employees	Expiration Date of Current Contract
Teachers	3,341	June 30, 2019*
Teaching Assistants	841	June 30, 2019*
Educational Assistants	447	June 30, 2019*
Clerical and Technical -- AFSCME	271	June 30, 2020*
Nutrition Services	281	June 30, 2019*
Custodians	227	June 30, 2020
School and Community Service Professionals	162	June 30, 2019*
Principals	129	June 30, 2019*
Professional Employees Association	107	December 31, 2019*
Trades	73	Dates vary by Trade
Association of Supervisory and Administrative Personnel	88	June 30, 2019*
Bus Drivers	40	June 30, 2020
Saint Paul Supervisors Association	57	December 31, 2019*
Superintendency	24	N/A
Manual and Maintenance Supervisors	13	December 31, 2019*
Classified Confidential Employees Association	12	June 30, 2020
Machinists	3	June 30, 2019*
ROTC Instructors	9	N/A
Tri-Council	15	June 30, 2020
Total employees	6,140	

***** *In negotiations.*

Physical Plant

The District consists of 73 facilities, 7.5 million square feet of space, and 523 acres of land.

Facility	Original Construction	Estimated Student Capacity
Elementary Schools:		
Adams Spanish Immersion School	1923	729
American Indian Magnet School at Mound Park	1924	829
Barack & Michelle Obama Elementary at Webster	1925	963
Battle Creek	1964	579
Bruce Vento Elementary School	1970	766
Chelsea Heights Elementary School	1932	604
Cherokee Heights Elementary School	1925	543
Como Park Elementary School	1924	790
Crossroads Montessori	1999	716
Dayton's Bluff Achievement Plus Elementary	1973	543
Eastern Heights Elementary School	1929	494
EXPO for Excellence Elementary at Harriet Bishop	1961	716
Farnsworth Aerospace Lower	1922	543
Four Seasons A+ Elementary at Longfellow	1974	618
Frost Lake Elementary	1964	705
Galtier Community School	1973	469
Groveland Park Elementary School	1921	529
Hamline Elementary at Hancock	1953	705
Hazel Park Preparatory Academy	1956	690
The Heights Community at Hayden	1924	618
Highland Park Elementary School	1952	504
Highwood Hills Elementary School	1974	642
Horace Mann School	1930	444
J. J. Hill Montessori Magnet School	1974	505
Jackson Elementary – Hmong Studies/Dual Immersion	1923	519
Jie Ming Elementary*	1921	450
John A. Johnson Achievement Plus Elementary	2000	445
L'Etoile du Nord French Immersion Lower at Prosperity	1952	194
L'Etoile du Nord French Immersion Upper at Ames	1916	462
Linwood Monroe Arts Plus Lower	1922	423
Maxfield Elementary School	1954	593
Mississippi Creative Arts School	1952	755
Nokomis Montessori North Campus	1958	420
Nokomis Montessori South Campus at Sheridan	1956	378
Paul & Sheila Wellstone Elementary at Washington	1926	741
Phalen Lake Hmong Studies Magnet	1930	914
Randolph Heights Elementary School	1915	420
Riverview West Side School of Excellence	1923	730
Rondo Education Center	1978	2,448
Saint Paul Music Academy	1970	766
Saint Anthony Park Elementary School	1953	592
Middle Schools:		
Battle Creek Middle School	1971	854
Farnsworth Aerospace Upper	1925	707
Highland Park Middle School	1957	837
Linwood Monroe Arts Plus Upper	1926	632
Murray Middle School	1925	788
Parkway Middle School	1925	484
Ramsey Middle School	1924	679

* *Formerly Rivereast Program at Homecroft.*

Physical Plant (Continued)

Facility	Original Construction	Estimated Student Capacity
High Schools:		
AGAPE Teen Parent	1936	126
Central High School	1977	1,987
Como Park Senior High School	1954	1,436
Creative Arts High School	1890	585
Gordon Parks High School	2007	251
Harding Senior High School	1963	1,918
Highland Park Senior High School	1963	1,196
Humboldt Secondary School	1976	1,235
Johnson Aerospace & Engineering High School	1963	1,451
LEAP High School at Wilson	1924	603
Open World Learning	1909	450
Washington Technology Magnet School	1996	2,129
Alternative:		
Bridge View Special Education	1973	N/A
Community Education	1965	N/A
Focus Beyond Special Education	1973	N/A
Hubbs Center for Lifelong Learning	1966	N/A
Journeys Secondary School	1922	N/A
RiverEast	2018	N/A
Riverside	1924	N/A
Riverview	1953	N/A
Wheelock Early Learning Center	1962	N/A
Other Sites:		
Administration	1971	N/A
District Service Facility	1954	N/A
Student Placement	1936	N/A
Bus Garage	1988	N/A
Crosswinds Estem (future Eastside Middle School)	2001	600

NOTE: Special Education, Alternative Learning and Administrative spaces are not subject to the same capacity calculations.

Other District Education Opportunities

Students of color make up more than three-fourths of the student population (79%), and they hail from countries throughout the world. Students speak more than 100 languages and dialects; 31% receive English Learner services, and others receive support through immersion programs and language interpreters. Nearly two out of three District students (65%) are eligible for free or reduced-price lunches and 18% receive special education services.

In 2010, the District launched a Racial Equity plan to eliminate institutional practices that result in predictably lower academic achievement for students of color. The evidence of this work can be seen at all levels of the organization: the school board, cabinet, licensed and non-licensed staff, and at school sites.

The 2018 four-year graduation rate for the District 74.9%. Graduation rates in nearly all District high schools exceed the State's average for student groups of color, English language learners and students receiving free or reduced-price meals. The District continues to reduce the racial disparity between white students and students of color.

Like many districts across the nation, the District has had to respond to a challenging financial environment. Even with $13 million and $2.9 million shortfalls projected for fiscal years 2019 and 2020, respectively, the District has tried to mitigate fiscal impact to sites by making structural adjustments related to enrollment, administrative programs, and one-time only expenditures.

In November 2012, District voters took a long-term view of investment in their community by supporting the District request for a renewed levy of $39 million to support pre-kindergarten, all-day kindergarten, math and reading support, reduced class sizes, special education, English language learners, and personalized learning through technology. In November 2018, District voters approved a renewal of the 2012 levy and increased the levy by an additional $17.1 million.

The District's mission is to Inspire students to think critically, pursue their dreams, and change the world.

The Community Education Department of Saint Paul Public Schools offers a broad spectrum of lifelong learning opportunities for youth, adults, families, and senior citizens. Community Education is an efficient, effective way for all community members to stay connected to the District.

- Adult Basic Education (ABE) provides classes to learn English, get ready for work, get a GED or adult diploma or prepare for post-secondary education and family literacy programs in collaboration with ECFE. Classes are available at several schools, community sites, and businesses, as well as the Ronald M. Hubbs Center for Lifelong Learning. In 2017/18, ABE served 4,640 enrollees.

- Adults with Disabilities programs include SEED classes that provide an opportunity for adults who have experienced mental illness to develop creative, social and practical skills. CLEAR and Community Culture Club classes address the needs of adults with physical and cognitive disabilities. Programs take place at several sites including 1780 West 7th Street. In 2017/18, 1,364 people participated in these programs.

- Community Programs offer educational, recreational, cultural and leisure activities throughout the city for adults of all ages. Programs are offered at several sites throughout the district, often in collaboration with organizations or business partners. Also available are driver's education, aquatics, senior citizen programs, as well as trips and tours and presentations at the Como Planetarium. In 2017/18, adult enrichment programs served 10,343 participants. A catalog with course offerings is published three times a year.

- Discovery Club provides fee-based school age childcare at 12 sites in a safe, fun, caring environment that supports children's social, emotional learning and development. During 2017/18, 1,678 students enrolled in Discovery Club.

- Early Childhood Family Education (ECFE) provides quality classes and family activities that support parents as their children's first and most important teachers. These classes are held mornings, afternoons, and evenings throughout Saint Paul at ten sites and transportation can be provided. Parents and children learn together with emphasis on language, reading and math skills. Saint Paul ECFE customizes classes for multilingual, adoptive, LGBTQ and culturally specific parents taught in the home languages of participants. 3,687 parent/guardians and 3,853 children participated in ECFE in 2017/18.

- Youth Development and Enrichment Programs work with parents, District staff, principals and community organizations to support academics, teach civic responsibility and provide enrichment opportunities. Programs include: Flipside, funded through a U.S. Department of Education 21st Century Community Learning Centers Grant, which provides out of school time programs at 10 middle schools; Community Service Learning Program works with schools to develop projects that integrate academics with a community need; Youth Enrichment Programs provide engaging after school and summer experiences-ranging from music lessons to world languages and silly science to gymnastics, clay sculpting and engineering and the Student Engagement and Advancement Board (SEAB) is a team of District students who develop and implement strategies that amplify student voice in decision making at the Board and Administration level. 16,744 youth participated in programs in 2017/18.

Construction and Bond Projects

In order to fund facility and technology needs, the District has had a capital bond program since 1990 and a deferred maintenance program since 1994. During that time, the District has also financed the acquisition and construction of a number of new schools through the sale of certificates of participation and lease purchase authorizations. These financing programs allowed the District to acquire and construct new facilities, building additions and improvements to meet ongoing needs of changing student populations and educational programs, and complete major repairs and maintenance on aging district buildings to prevent further deterioration and extend their useful life.

With the changing demographics in the District and the changing needs of the students coming into the schools, the District has faced a need to remodel space and create smaller learning environments to accommodate the needs of these students. Other student need issues facing the District are changes in technology use in schools, and the growth of early education programs.

As part of its Strategic Plan, the District has launched a 10-year Facilities Master Plan (FMP) to ensure school buildings and grounds are able to meet the 21st century learning needs of students. Whereas in previous paradigms facilities improvements were decided upon in an annual process, the ability to make long range commitments to communities is key for managing expectations and ensuring each project is properly resourced. To that end, the Board of Education created a structure to have a highly detailed, highly communicated rolling five-year plan. Also, in order to see the greatest efficiencies in contracting structures, funding source coordination, and construction cost effectiveness, many individual projects are comprehensive in nature, dealing with modernization of existing building systems (i.e. capital renewal) as well as alignment of the learning environment to current educational needs. Therefore, many of the District's projects are holistic in their scope, creating long term value for the District by investing in our existing infrastructure, making the buildings relevant for the coming generations of learners, and ensuring conditions and opportunities strive for equity across the District.

Student Transportation

The District provides bussing and also contracts with Centerline Charter Corporation, First Student Transportation Service, Monarch Bus Service, and Safe-way Bus Company.

The District owns a fleet of 10 buses with an original investment amount of $852,764 and leases 24 buses valued at $2,284,668. A total of 350 regular and special education routes are operated, with 82% of the student population bused.

Budget Summary

The budget process for the 2019/20 fiscal year began in November 2018 when the School Board certified the payable 2019 property tax levies. The City of Saint Paul, Ramsey County, and the District met jointly to coordinate their tax levies and the overall impact on property owners.

The School Board adopted the 2019/20 budget after several public meetings. The following is a summary of the 2019/20 budget.

Fund	June 30, 2019 Audited Fund Balance	2019-20 Projected Revenues and Transfers In	2019-20 Projected Expenditures and Transfers Out	June 30, 2020 Projected Fund Balance
General	$ 95,808,252	$624,328,329	$624,328,329	$ 95,808,252
Food Service	5,853,583	29,245,500	29,245,500	5,853,583
Community Service	3,546,186	29,160,893	29,231,461	3,475,618
Building Construction	(24,285,406)	150,000,000	67,006,426	58,708,168
Debt Service	64,023,434	43,579,599	44,146,984	63,456,049
Total All Funds	$144,946,049	$876,314,321	$793,958,700	$227,301,670

Major General Fund Revenue Sources

Revenue	2015	2016	2017	2018	2019
State Sources	$425,144,939	$440,042,071	$440,192,069	$446,238,457	$450,852,968
Property Taxes	94,138,565	101,230,092	104,153,522	109,238,056	117,114,826
Federal Sources	42,552,856	41,020,038	46,615,814	42,442,009	49,039,002
County and Other	10,966,997	11,192,611	13,287,231	14,001,527	12,170,085
Earnings on Investments	99,403	946,775	3,505,883	2,650,700	3,266,489
Sales and Conversions of Assets	387,624	373,140	496,770	378,155	391,370

Sources: District's Annual Financial Statements.

Post-Secondary and Nonpublic Education

Post-Secondary Education

College/University	Fall 2017 Enrollment[(a)] (Head Count)
University of Minnesota (metro campuses)	58,106
University of St. Thomas[(b)]	9,807
Metropolitan State University	8,142
Saint Paul College	6,923
St. Catherine University[(b)]	4,706
Concordia University	4,815
Hamline University	3,738
Macalester College	2,134
Mitchell/Hamline School of Law	1,087
Luther Seminary	500

(a) Includes full- and part-time students. Latest information available.

(b) Includes both Minneapolis and Saint Paul campuses. The main campuses for both the University of St. Thomas and St. Catherine University are located in Saint Paul.

Sources: Basic Data Series 2017 (posted September 2018) by the Minnesota Office of Higher Education, http://www.ohe.state.mn.us; and Luther Seminary, http://www.luthersem.edu.

Nonpublic Education

Non-public schools located within the District include:

School	Grades	2018/19* Enrollment
Cathedral Hill Montessori School	K	5
Chesterton Academy Securities, Inc.	9-12	21
Christ's Household of Faith	K-12	152
Cretin-Derham Hall	9-12	1,031
Friends School of Minnesota	K-8	149
Highland Catholic	K-8	411
Holy Spirit School	K-8	288
Jean Lyle's Childrens Center	K	15
Joy Academy	K-8	17
Lubavitch Cheder Day School	K-8	69
Maternity of Mary/St. Andrew	K-8	135
Nativity	K-8	721
Saint Agnes	K-12	754
Saint Mark	K-8	105
Saint Pascal	K-8	121
Saint Paul Academy – Summit (Lower)	K-5	275
Saint Paul Academy – Summit (Middle)	6-8	234
Saint Paul Academy – Summit (Upper)	9-12	419
Saint Peter Claver Catholic School	K-8	79
Saint Thomas More Catholic School	K-8	184
Sunny Hallow Montessori	K-6	106
Talmud Torah	K-2	12

* *2019/20 enrollment figures are not yet available.*

Source: Minnesota Department of Education, www.education.state.mn.us.

Employee Pensions

Licensed employees of the District are covered by the Saint Paul Teachers' Retirement Fund Association ("SPTRFA"). Licensed employees 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. Benefits are established by State statute and the association bylaws.

All other full-time and certain part-time employees are covered by the Public Employees Retirement Association ("PERA"). PERA administers the General Employees Retirement Fund ("GERF"), which is a cost-sharing, multiple-employer retirement plan. 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. The District provides the employer's share for these plans. Contribution rates are determined on a state-wide basis and include provisions for prior service costs.

The District's contributions to the SPTRFA and the PERA for the past five years are as follows:

	SPTRFA	GERF
2019	$30,011,767	$7,903,892
2018	28,105,466	7,891,239
2017	27,036,260	7,803,247
2016	26,184,079	7,593,273
2015	24,994,020	7,618,169

Both SPTRFA and PERA are managed by the State of Minnesota; the District, therefore, has no responsibility for the administration of either program.

GASB 68

The Government Accounting Standards Board (GASB) has issued Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68) and related GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment to GASB 68, which revised existing standards for measuring and reporting pension liabilities for pension plans provided to District employees and require recognition of a liability equal to the District's proportionate share of net pension liability, which is measured as the total pension liability less the amount of the pension plan's fiduciary net position.

The District's proportionate shares of the pension costs and the District's net pension liability for GERF and SPTRFA for the past five years are as follows:

	GERF		SPTRFA	
	Proportionate Share of Pension Costs	Net Pension Liability	Proportionate Share of Pension Costs	Net Pension Liability
2019	1.5668%	$ 86,919,640	72.415%	$438,560,447
2018	1.6165	103,196,293	71.848	415,970,462
2017	1.6440	133,484,646	71.037	449,596,014
2016	1.7578	91,098,319	70.237	408,639,568
2015	1.8895	88,759,244	69.346	371,550,320

For more information regarding the liability of the District with respect to its employees, please reference "Note 6, Defined Benefit Pension Plans" of the District's Financial Statements for fiscal year ended June 30, 2019, an excerpt of which is included as Appendix IV of this Official Statement.

Additional and detailed information about GERF's net position is available in a separately-issued PERA financial report, which may be obtained at www.mnpera.org; by writing to PERA at 60 Empire Drive #200, Saint Paul, Minnesota, 55103-2088; or by calling 1-800-652-9026. Additional and detailed information about TRA's net position is available in a separately-issued TRA financial report, which may be obtained at www.MinnesotaTRA.org; by writing to TRA at 60 Empire Drive #400, Saint Paul, Minnesota, 55103-2088; or by calling 1-800-652-9026.

Sources: District's Annual Financial Statements.

Other Postemployment Benefits

The Government Accounting Standards Board (GASB) has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75), establishing new accounting and financial reporting requirements related to post-employment healthcare and other non-pension benefits (referred to as Other Post Employment Benefits or "OPEB"). The implementation of GASB 75 required the restatement of the District's beginning net position for the fiscal year ended June 30, 2018. Please see "Note 7, Other Post-Employment Benefits (OPEB) Plan" in the District's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018 for this calculation.

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

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

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

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

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined annually by the District. The District's contributions in the current year totaled $22,534,370 as required on a pay-as-you-go basis to finance current year benefits as described in the previous section. The District has established an OPEB Revocable Trust to fund these obligations.

The following employees were covered by the benefit terms as of June 30, 2019:

Retirees and beneficiaries currently receiving benefit payments	3,175
Active employees	5,703
Total	8,878

The Schedule of Changes in the District's Total OPEB Liability and Related Ratios are as follows:

	June 30, 2018	June 30, 2019
Service cost	$ 8,294,600	$ 7,818,493
Interest	10,228,440	11,700,816
Change of assumptions	(19,488,077)	(10,867,697)
Benefit payments	(20,305,375)	(20,041,157)
Net change in total OPEB liability	$ (21,270,412)	$ (11,389,545)
Total OPEB liability – beginning of year	$352,147,115	$330,876,703
Total OPEB liability – end of year	$330,876,703	$319,487,158
Covered-employee payroll	$325,787,955	$308,543,117
Total OPEB liability as a percentage of covered-employee payroll	101.56%	103.55%

NOTE: This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

For more information regarding the District's OPEB plan, please reference "Note 7, Other Post-Employment Benefits (OPEB) Plan" and "Required Supplementary Information" of the District's Financial Statements for fiscal year ended June 30, 2019, an excerpt of which is included as Appendix IV of this Official Statement.

Sources: District's Annual Financial Statements.

AREA ECONOMY

Labor Force Data

	Annual Average				November
	2015	2016	2017	2018	2019
Labor Force:					
City of Saint Paul	152,287	153,928	157,111	159,675	161,265
Ramsey County	277,469	280,628	286,523	291,077	293,857
Minneapolis/Saint Paul MSA	1,916,011	1,938,642	1,979,780	2,016,208	2,032,283
State of Minnesota	2,997,748	3,033,406	3,057,014	3,070,223	3,129,485
Unemployment Rate:					
City of Saint Paul	3.7%	3.7%	3.4%	2.8%	2.8%
Ramsey County	3.6	3.6	3.3	2.7	2.7
Minneapolis/Saint Paul MSA	3.5	3.6	3.3	2.7	2.7
State of Minnesota	3.7	3.9	3.4	2.9	2.9

Source: Minnesota Department of Employment and Economic Development, http://apps.deed.state.mn/lmi/laus/. 2019 data are preliminary.

Covered Employment and Wages

	Average Annual Covered Employment			Average Annual Wage		
Year	Saint Paul	Metro[(a)]	Minnesota	Saint Paul	Metro[(a)]	Minnesota
2019[(b)]	181,969	1,744,368	2,841,259	$67,912	$71,240	$62,504
2018	183,542	1,761,988	2,881,140	60,580	64,740	58,032
2017	182,359	1,737,627	2,853,730	58,864	62,920	56,160
2016	180,113	1,704,605	2,813,648	57,496	60,865	54,314
2015	180,320	1,673,843	2,774,765	57,096	60,268	53,560
2014	176,931	1,642,624	2,726,513	55,536	58,136	51,584
2013	174,501	1,616,958	2,688,900	53,612	56,316	49,972
2012	173,816	1,588,495	2,644,895	52,832	55,952	49,348
2011	173,755	1,563,548	2,604,121	51,844	54,340	47,840

(a) *Seven-county Minneapolis/Saint Paul metropolitan area.*

(b) *Data through second quarter of 2019; most recent information available.*

Source: Minnesota Department of Employment and Economic Development, http://www.apps.deed.state.mn.us.

"Covered Employment and Wages" data refer to employers located in particular geographic areas—in this case, Saint Paul, the seven-county Minneapolis/Saint Paul metropolitan area and the State of Minnesota. The data listed are totals for all ownerships and industries. Since 2000, the State of Minnesota has based its reporting of these data on the North American Industry Classification System ("NAICS").

Retail Sales and Effective Buying Income (EBI)

City of Saint Paul

Data Year/ Report Year	Total Retail Sales ($000)	Total EBI ($000)	Median Household EBI
2019/20	N/A	$8,329,758	$50,170
2018/19	$4,707,745	7,946,315	48,857
2017/18	3,357,584	7,428,744	46,256
2016/17	3,313,880	6,977,070	43,105
2015/16	3,052,822	6,760,522	43,247

Ramsey County

Data Year/ Report Year	Total Retail Sales ($000)	Total EBI ($000)	Median Household EBI
2019/20	N/A	$16,863,445	$56,152
2018/19	$9,698,389	16,093,608	54,792
2017/18	8,506,068	15,151,416	52,490
2016/17	8,465,024	14,307,887	48,976
2015/16	7,675,759	13,866,362	49,318

The 2019/20 Median Household EBI for the State of Minnesota was $60,916. The 2019/20 Median Household EBI for the United States was $54,686.

Sources: Environics Analytics, Claritas, Inc. and The Nielsen Company.

Major Employers

The following lists provide major employers in the City of Saint Paul ranked by the number of full-time employees in the City.

Private Employers in the City of Saint Paul

Employer	Product/Service	Approximate Number of Employees
3M Company	Industrial and consumer products	16,500
Securian Financial Group	Insurance and annuities	2,750*(a)*
Ecolab Inc.	Chemical products and cleaning systems	2,500*(a)*
The Traveler's Companies, Inc.	Insurance	2,100*(a)*
U.S. Bancorp	Financial services	2,000*(a)*
Abbey Care Inc.	Home health care services	1,300
Marsden	Janitorial services	1,100*(a)*
People Incorporated	Mental health services	716
Ditech Mortgage Group (formerly Green Tree Servicing LLC)	Mortgage lending services	700*(a)*
Merrill Corp.	Management consulting	691
Infor, formerly Lawson Software	Computer consulting/software development	575*(a)*
Hubbard Broadcasting	Television station	550
Canadian Pacific Railway	Transportation	499
West Rock Recycling (formerly RockTenn Recycling)	Recycled paper product	366*(a)*

Non-Profit and Government Employers in the City of Saint Paul

Employer	Product/Service	Approximate Number of Employees
University of Minnesota	Post-secondary education	18,000[(b)]
State of Minnesota	State government	14,122[(b)]
HealthEast	Health care	7,500[(a)(b)(c)]
Independent School District No. 625	Public education	6,140
Regions Hospital	Health care	5,593[(b)]
Ramsey County	County government	4,427[(a)(b)]
United Hospital	Health care	3,600[(a)]
City of Saint Paul	City government	2,995[(b)(c)]
University of St. Thomas	Post-secondary education	1,712[(a)(b)]
Children's Hospital and Clinics of Minnesota	Health care	1,376[(a)]
Science Museum of Minnesota	Museum	591[(a)]

(a) *As of February 2018; most recent information available.*

(b) *Includes full- and part-time employees.*

(c) *Includes all home care clinics in its network.*

(d) *Includes 1,070 sworn police and fire employees.*

Source: This does not purport to be a comprehensive list and is based on an April 2019 best efforts telephone survey of individual employers. Some employers do not respond to inquiries.

Financial Institutions

A wide variety of financial institutions are available throughout the metropolitan area to meet the needs of District residents.

Source: Federal Deposit Insurance Corporation, https://www.fdic.gov/.

Health Care Services

The following is a summary of health care facilities located in the District:

Facility	Location	No. of Beds
Nursing Homes		
Capital View Transitional Care	City of Saint Paul	32 Nursing Home Beds
Carondelet Village Care Center	City of Saint Paul	45 Nursing Home Beds
Cerenity Care Center on Humboldt	City of Saint Paul	117 Nursing Home Beds
Cerenity Marian St Paul LLC	City of Saint Paul	90 Nursing Home Beds
Cerenity Residence on Humboldt	City of Saint Paul	30 Nursing Home Beds
Episcopal Church Home Gardens	City of Saint Paul	60 Nursing Home Beds
Episcopal Church Home of MN	City of Saint Paul	81 Nursing Home Beds
Galtier A Villa Center	City of Saint Paul	107 Nursing Home Beds
Highland Chateau HCC	City of Saint Paul	64 Nursing Home Beds
Little Sisters of the Poor	City of Saint Paul	40 Nursing Home Beds
Lyngblomsten Care Center	City of Saint Paul	225 Nursing Home Beds
New Harmony Care Center	City of Saint Paul	76 Nursing Home Beds
Shirley Chapman Sholom HM East	City of Saint Paul	118 Nursing Home Beds
St. Anthony Park Home	City of Saint Paul	84 Nursing Home Beds
The Emeralds at St. Paul LLC	City of Saint Paul	116 Nursing Home Beds
The Estates at Lynnhurst LLC	City of Saint Paul	70 Nursing Home Beds

Hospitals		
Gillette Children's Specialty Hospital	City of Saint Paul	60 Hospital Beds
Healtheast Bethesda Hospital	City of Saint Paul	254 Hospital Beds
Regions Hospital	City of Saint Paul	454 Hospital Beds 26 Infant Bassinets
St. Joseph's Hospital	City of Saint Paul	401 Hospital Beds 40 Infant Bassinets
United Hospital	City of Saint Paul	546 Hospital Beds 40 Infant Bassinets

Source: Minnesota Department of Health, http://www.health.state.mn.us/.

Annual Building Permits Issued by the City of Saint Paul

	Total Building Permits	
Year	Number	Value
2018*	8,036	$807,610,328
2017	7,873	952,649,958
2016	7,799	483,280,867
2015	7,847	759,679,412
2014	7,950	717,883,411
2013	7,738	453,448,341
2012	8,582	474,073,321
2011	11,647	521,087,066
2010	9,887	366,589,782
2009	8,159	339,024,358
2008	8,498	335,663,606

* *Audited financial data as of December 31, 2018.*

Source: City of Saint Paul.

New Residential Construction in the City of Saint Paul

	Single Family		Duplex and Multiple Unit		Mixed Use[(a)]		Total Residential		
	No. of Permits	Value	No. of Permits	Value	No. of Permits	Value	No. of Units	No. of Permits	Value
2018[(b)]	67	$ 16,537,615	11	$138,107,417	8	$54,037,737	1,452	86	$208,682,769
2017	79	18,647,047	9	70,086,404	1	800,000	773	89	89,533,451
2016	87	122,500,301	9	30,092,171	7	51,882,491	1,593	103	204,474,963
2015	64	18,789,112	13	179,035,784	n/a	n/a	1,273[(c)]	77	197,824,896
2014	73	16,587,706	10	95,319,706	n/a	n/a	676[(c)]	83	111,907,412
2013	45	11,187,018	7	32,340,805	n/a	n/a	486[(c)]	52	43,527,823
2012	35	6,155,545	11	103,861,509	n/a	n/a	755[(c)]	48	110,017,054[(d)]
2011	29	4,400,805	2	7,773,602	n/a	n/a	46[(c)]	31	12,174,407
2010	18	3,902,040	2	296,350	n/a	n/a	4[(c)]	20	4,198,390
2009	14	3,268,000	8	25,360,000	n/a	n/a	177[(c)]	22	28,628,000
2008	17	3,377,674	5	13,320,000	n/a	n/a	146[(c)]	22	16,697,674

(a) *The City began separately reporting mixed use permit data in 2016.*

(b) *Audited financial data as of December 31, 2018.*

(c) *Value does not include the number of mixed use units.*

(d) *2012 figures including building permits that convert commercial properties to residential properties.*

Source: City of Saint Paul.

PROPOSED FORMS OF LEGAL OPINIONS

$15,000,000*
GENERAL OBLIGATION SCHOOL BUILDING
BONDS, SERIES 2020A
INDEPENDENT SCHOOL DISTRICT NUMBER 625,
SAINT PAUL, MINNESOTA

We have acted as bond counsel in connection with the issuance by Independent School District Number 625, Saint Paul, Minnesota (the "Issuer"), of its $15,000,000* General Obligation School Building Bonds, Series 2020A, bearing a date of original issue of February 20, 2020* (the "Bonds"). We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion.

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

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon such examinations, and assuming the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such documents, and the accuracy of the statements of fact contained in such documents, and based upon present Minnesota and federal laws (which excludes any pending legislation which may have a retroactive effect on or before the date hereof), regulations, rulings, and decisions, it is our opinion, as of the date hereof, that:

(1) The proceedings show lawful authority for the issuance of the Bonds according to their terms under the Constitution and laws of the State of Minnesota now in force.

(2) The Bonds are valid and binding general obligations of the Issuer and all of the taxable property within the Issuer's jurisdiction is subject to the levy of an ad valorem tax to pay the same without limitation as to rate or amount; provided that the enforceability (but not the validity) of the Bonds and the pledge of taxes for the payment of the principal and interest thereon is subject to the exercise of judicial discretion in accordance with general principles of equity, to the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

(3) The interest on the Bonds is excluded from gross income for United States income tax purposes and is excluded, to the same extent, from both gross income and taxable net income for State of Minnesota income tax purposes (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions), and is not an item of tax preference for purposes of the federal alternative minimum tax or the Minnesota alternative minimum tax

* *Preliminary; subject to change*

applicable to individuals, estates or trusts. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes and from both gross income and taxable net income for State of Minnesota income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income and taxable net income retroactive to the date of issuance of the Bonds.

The School Board of the Issuer adopted a resolution on January 21, 2020 (the "Resolution") which obligates the District to be bound by the provisions of Minnesota Statutes, Section 126C.55. We express no opinion as to the enforceability of the provisions of such law against the State of Minnesota in the absence of legally appropriated and available funds to pay the obligations of the State thereunder.

We express no opinion regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds.

Dated at Minneapolis, Minnesota the ___ day of _________, 2020.

$9,025,000*
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020B
INDEPENDENT SCHOOL DISTRICT NUMBER 625,
SAINT PAUL, MINNESOTA

We have acted as bond counsel in connection with the issuance by Independent School District Number 625, Saint Paul, Minnesota (the "Issuer"), of its $9,025,000* General Obligation Refunding Bonds, Series 2020B, bearing a date of original issue of February 20, 2020* (the "Bonds"). We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion.

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

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon such examinations, and assuming the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such documents, and the accuracy of the statements of fact contained in such documents, and based upon present Minnesota and federal laws (which excludes any pending legislation which may have a retroactive effect on or before the date hereof), regulations, rulings, and decisions, it is our opinion, as of the date hereof, that:

(1) The proceedings show lawful authority for the issuance of the Bonds according to their terms under the Constitution and laws of the State of Minnesota now in force.

(2) The Bonds are valid and binding general obligations of the Issuer and all of the taxable property within the Issuer's jurisdiction is subject to the levy of an ad valorem tax to pay the same without limitation as to rate or amount; provided that the enforceability (but not the validity) of the Bonds and the pledge of taxes for the payment of the principal and interest thereon is subject to the exercise of judicial discretion in accordance with general principles of equity, to the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

(3) The interest on the Bonds is excluded from gross income for United States income tax purposes and is excluded, to the same extent, from both gross income and taxable net income for State of Minnesota income tax purposes (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations or the Minnesota alternative minimum tax applicable to individuals, estates or trusts; it should be noted, however, that for the purpose of computing the federal alternative minimum tax imposed on corporations, such interest is taken into account in determining adjusted current earnings. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with

* *Preliminary; subject to change*

all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes and from both gross income and taxable net income for State of Minnesota income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income and taxable net income retroactive to the date of issuance of the Bonds.

The School Board of the Issuer adopted a resolution on January 21, 2020 (the "Resolution") which obligates the District to be bound by the provisions of Minnesota Statutes, Section 126C.55. We express no opinion as to the enforceability of the provisions of such law against the State of Minnesota in the absence of legally appropriated and available funds to pay the obligations of the State thereunder.

We express no opinion regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds.

Dated at Minneapolis, Minnesota the ___ day of _________, 2020.

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKINGS

Series 2020A Bonds

This Continuing Disclosure Undertaking (the "Disclosure Undertaking") is executed and delivered by Independent School District Number 625, Saint Paul, Minnesota (the "Issuer"), in connection with the issuance of $15,000,000* General Obligation School Building Bonds, Series 2020A (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted on January 21, 2020* (the "Resolution"). Pursuant to the Resolution and this Undertaking, the Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Issuer for the benefit of the Owners and in order to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5).

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

"Annual Report" shall mean any annual financial information provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

"Audited Financial Statements" shall mean the financial statements of the Issuer audited annually by an independent certified public accounting firm, prepared pursuant to generally accepted accounting principles promulgated by the Financial Accounting Standards Board, modified by governmental accounting standards promulgated by the Government Accounting Standards Board.

"Dissemination Agent" shall mean such party from time to time designated in writing by the Issuer to act as information dissemination agent and which has filed with the Issuer a written acceptance of such designation.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). This term shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall be the fiscal year of the Issuer.

"Governing Body" shall, with respect to the Bonds, have the meaning given that term in Minnesota Statutes, Section 475.51, Subdivision 9.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Occurrence(s)" shall mean any of the events listed in Section 5 of this Disclosure Undertaking.

---

* *Preliminary; subject to change*

"Official Statement" shall be the Official Statement dated __________, 2020, prepared in connection with the Bonds.

"Owners" shall mean the registered holders and, if not the same, the beneficial owners of any Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Resolution" shall mean the resolution or resolutions adopted by the Governing Body of the Issuer providing for, and authorizing the issuance of, the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time or interpreted by the Securities and Exchange Commission.

SECTION 3. Provision of Annual Reports.

A. Beginning in connection with the Fiscal Year ending on June 30, 2020, the Issuer shall, or shall cause the Dissemination Agent to, as soon as available, but in any event not later than June 30, 2021, and by June 30 of each year thereafter, provide to the MSRB by filing at www.emma.msrb.org, together with such identifying information as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking.

B. If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection A, the Issuer shall send a notice of such delay and estimated date of delivery to the MSRB.

SECTION 4. Content and Format of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the financial information and operating data pertaining to the Issuer listed below as of the end of the preceding Fiscal Year. The Annual Report may be submitted to the MSRB as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Disclosure Undertaking.

The following financial information and operating data shall be supplied:

A. An update of the operating and financial data of the type of information contained in the Official Statement under the caption "DISTRICT PROPERTY VALUES; DISTRICT INDEBTEDNESS; AND DISTRICT TAX RATES, LEVIES AND COLLECTIONS", and under the subheadings "Enrollment" and "Employment" under the caption "GENERAL INFORMATION CONCERNING THE DISTRICT".

B. Audited Financial Statements of the Issuer. The Audited Financial Statements of the Issuer may be submitted to the MSRB separately from the balance of the Annual Report. In the event Audited Financial Statements of the Issuer are not available on or before the date for filing the Annual Report with the MSRB as set forth in Section 3.A. above, unaudited financial statements shall be provided as part of the Annual Report. The accounting principles pursuant to which the financial statements will be prepared will be pursuant to generally accepted accounting principles promulgated by the Financial Accounting Standards Board, as such principles are modified by the governmental accounting standards promulgated by the Government Accounting Standards Board, as in effect from time to time. If Audited Financial Statements are not provided because they are not available on or before the date for filing the Annual Report, the Issuer shall promptly provide them to the MSRB when available.

SECTION 5. Reporting of Significant Events. This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

(1) Principal and interest payment delinquencies;
(2) Non-payment related defaults, if material;
(3) Unscheduled draws on debt service reserves reflecting financial difficulties;
(4) Unscheduled draws on credit enhancements reflecting financial difficulties;
(5) Substitution of credit or liquidity providers, or their failure to perform;
(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) Modifications to rights of security holders, if material;
(8) Bond calls, if material, and tender offers;
(9) Defeasances;
(10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
(11) Rating changes;
(12) Bankruptcy, insolvency, receivership or similar event of the Issuer;
(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and,
(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

Whenever an event listed above has occurred, the Issuer shall promptly, which may not be in excess of ten (10) business days after the Occurrence, file a notice of such Occurrence with the MSRB, by filing at www.emma.msrb.org, together with such identifying information as prescribed by the MSRB.

The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of a failure by the Issuer to provide the Annual Reports described in Section 4.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Issuer may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if (a) a change in law or change in the ordinary business or operation of the Issuer has occurred, (b) such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule, and (c) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially impair the interests of Owners.

SECTION 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of an Occurrence, in addition to that which is required by this Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of an Occurrence in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of an Occurrence.

SECTION 10. Default. In the event of a failure of the Issuer to provide information required by this Disclosure Undertaking, any Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations to provide information under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriters and Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 12. Reserved Rights. The Issuer reserves the right to discontinue providing any information required under the Rule if a final determination should be made by a court of competent jurisdiction that the Rule is invalid or otherwise unlawful or, subject to the provisions of Section 8 hereof, to modify the undertaking under this Disclosure Undertaking if the Issuer determines that such modification is required by the Rule or by a court of competent jurisdiction.

Date: _______________, 2020.

INDEPENDENT SCHOOL DISTRICT NUMBER 625, SAINT PAUL, MINNESOTA

By ______________________________________
Its Chair

By ______________________________________
Its Clerk

Series 2020B Bonds

This Continuing Disclosure Undertaking (the "Disclosure Undertaking") is executed and delivered by Independent School District Number 625, Saint Paul, Minnesota (the "Issuer"), in connection with the issuance of $9,025,000* General Obligation Refunding Bonds, Series 2020B (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted on January 21, 2020* (collectively, the "Resolution"). Pursuant to the Resolution and this Undertaking, the Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Issuer for the benefit of the Owners and in order to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5).

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

"Annual Report" shall mean any annual financial information provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

"Audited Financial Statements" shall mean the financial statements of the Issuer audited annually by an independent certified public accounting firm, prepared pursuant to generally accepted accounting principles promulgated by the Financial Accounting Standards Board, modified by governmental accounting standards promulgated by the Government Accounting Standards Board.

"Dissemination Agent" shall mean such party from time to time designated in writing by the Issuer to act as information dissemination agent and which has filed with the Issuer a written acceptance of such designation.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). This term shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall be the fiscal year of the Issuer.

"Governing Body" shall, with respect to the Bonds, have the meaning given that term in Minnesota Statutes, Section 475.51, Subdivision 9.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Occurrence(s)" shall mean any of the events listed in Section 5 of this Disclosure Undertaking.

"Official Statement" shall be the Official Statement dated __________, 2020, prepared in connection with the Bonds.

---

* *Preliminary; subject to change*

"Owners" shall mean the registered holders and, if not the same, the beneficial owners of any Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Resolution" shall mean the resolution or resolutions adopted by the Governing Body of the Issuer providing for, and authorizing the issuance of, the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time or interpreted by the Securities and Exchange Commission.

SECTION 3. Provision of Annual Reports.

A. Beginning in connection with the Fiscal Year ending on June 30, 2020, the Issuer shall, or shall cause the Dissemination Agent to, as soon as available, but in any event not later than June 30, 2021, and by June 30 of each year thereafter, provide to the MSRB by filing at www.emma.msrb.org, together with such identifying information as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking.

B. If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection A, the Issuer shall send a notice of such delay and estimated date of delivery to the MSRB.

SECTION 4. Content and Format of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the financial information and operating data pertaining to the Issuer listed below as of the end of the preceding Fiscal Year. The Annual Report may be submitted to the MSRB as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Disclosure Undertaking.

The following financial information and operating data shall be supplied:

A. An update of the operating and financial data of the type of information contained in the Official Statement under the caption "DISTRICT PROPERTY VALUES; DISTRICT INDEBTEDNESS; AND DISTRICT TAX RATES, LEVIES AND COLLECTIONS", and under the subheadings "Enrollment" and "Employment" under the caption "GENERAL INFORMATION CONCERNING THE DISTRICT".

B. Audited Financial Statements of the Issuer. The Audited Financial Statements of the Issuer may be submitted to the MSRB separately from the balance of the Annual Report. In the event Audited Financial Statements of the Issuer are not available on or before the date for filing the Annual Report with the MSRB as set forth in Section 3.A. above, unaudited financial statements shall be provided as part of the Annual Report. The accounting principles pursuant to which the financial statements will be prepared will be pursuant to generally accepted accounting principles promulgated by the Financial Accounting Standards Board, as such principles are modified by the governmental accounting standards promulgated by the Government Accounting Standards Board, as in effect from time to time. If Audited Financial Statements are not provided because they are not available on or before the date for filing the Annual Report, the Issuer shall promptly provide them to the MSRB when available.

SECTION 5. Reporting of Significant Events. This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

(1) Principal and interest payment delinquencies;
(2) Non-payment related defaults, if material;
(3) Unscheduled draws on debt service reserves reflecting financial difficulties;
(4) Unscheduled draws on credit enhancements reflecting financial difficulties;
(5) Substitution of credit or liquidity providers, or their failure to perform;
(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) Modifications to rights of security holders, if material;
(8) Bond calls, if material, and tender offers;
(9) Defeasances;
(10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
(11) Rating changes;
(12) Bankruptcy, insolvency, receivership or similar event of the Issuer;
(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

Whenever an event listed above has occurred, the Issuer shall promptly, which may not be in excess of ten (10) business days after the Occurrence, file a notice of such Occurrence with the MSRB, by filing at www.emma.msrb.org, together with such identifying information as prescribed by the MSRB.

The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of a failure by the Issuer to provide the Annual Reports described in Section 4.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Issuer may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if (a) a change in law or change in the ordinary business or operation of the Issuer has occurred, (b) such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule, and (c) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially impair the interests of Owners.

SECTION 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of an Occurrence, in addition to that which is required by this Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of an Occurrence in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of an Occurrence.

SECTION 10. Default. In the event of a failure of the Issuer to provide information required by this Disclosure Undertaking, any Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations to provide information under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriters and Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 12. Reserved Rights. The Issuer reserves the right to discontinue providing any information required under the Rule if a final determination should be made by a court of competent jurisdiction that the Rule is invalid or otherwise unlawful or, subject to the provisions of Section 8 hereof, to modify the undertaking under this Disclosure Undertaking if the Issuer determines that such modification is required by the Rule or by a court of competent jurisdiction.

Date: _____________, 2020.

INDEPENDENT SCHOOL DISTRICT
NUMBER 625, SAINT PAUL, MINNESOTA

By ________________________________
Its Chair

By ________________________________
Its Clerk

SUMMARY OF TAX LEVIES, PAYMENT PROVISIONS, AND MINNESOTA REAL PROPERTY VALUATION

Following is a summary of certain statutory provisions relative to tax levy procedures, tax payment and credit procedures, and the mechanics of real property valuation. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed, and is qualified by reference to the complete text of applicable statutes, rules and regulations of the State of Minnesota.

Property Valuations (Chapter 273, Minnesota Statutes)

Assessor's Estimated Market Value. Each parcel of real property subject to taxation must, by statute, be appraised at least once every five years as of January 2 of the year of appraisal. With certain exceptions, all property is valued at its market value, which is the value the assessor determines to be the price the property to be fairly worth, and which is referred to as the "Estimated Market Value." The 2013 Minnesota Legislature established the Estimated Market Value as the value used to calculate a municipality's legal debt limit.

Economic Market Value. The Economic Market Value is the value of locally assessed real property (Assessor's Estimated Market Value) divided by the sales ratio as provided by the State of Minnesota Department of Revenue plus the estimated market value of personal property, utilities, railroad, and minerals.

Taxable Market Value. The Taxable Market Value is the value that Net Tax Capacity is based on, after all reductions, limitations, exemptions and deferrals.

Net Tax Capacity. The Net Tax Capacity is the value upon which net taxes are levied, extended and collected. The Net Tax Capacity is computed by applying the class rate percentages specific to each type of property classification against the Taxable Market Value. Class rate percentages vary depending on the type of property as shown on the last page of this Appendix. The formulas and class rates for converting Taxable Market Value to Net Tax Capacity represent a basic element of the State's property tax relief system and are subject to annual revisions by the State Legislature. Property taxes are the sum of the amounts determined by (i) multiplying the Net Tax Capacity by the tax capacity rate, and (ii) multiplying the referendum market value by the market value rate.

Market Value Homestead Exclusion. In 2011, the Market Value Homestead Exclusion Program (MVHE) was implemented to offset the elimination of the Market Value Homestead Credit Program that provided relief to certain homesteads. The MVHE reduces the taxable market value of a homestead with an Assessor's Estimated Market Value up to $413,800 in an attempt to result in a property tax similar to the effective property tax prior to the elimination of the homestead credit. The MVHE applies to property classified as Class 1a or 1b and Class 2a, and causes a decrease in the District's aggregate Taxable Market Value, even if the Assessor's Estimated Market Value on the same properties did not decline.

Property Tax Payments and Delinquencies (Chapters 275, 276, 277, 279-282 and 549, Minnesota Statutes)

Ad valorem property taxes levied by local governments in Minnesota are extended and collected by the various counties within the State. Each taxing jurisdiction is required to certify the annual tax levy to the county auditor within five (5) working days after December 20 of the year preceding the collection year. A listing of property taxes due is prepared by the county auditor and turned over to the county treasurer on or before the first business day in March.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements are mailed out by March 31. One-half (1/2) of the taxes on real property is due on or before May 15. The remainder is due on or before October 15. Real property taxes not paid by their due date are assessed a penalty on homestead property of 2% until May 31 and increased to 4% on June 1. The penalty on nonhomestead property is assessed at a rate of 4% until May 31 and increased to 8% on June 1. Thereafter, an additional 1% penalty shall accrue each month through October 1 of the collection year for unpaid real property taxes. In the case of the second installment of real property taxes due October 15, a penalty of 2% on homestead property and 4% on nonhomestead property is assessed. The penalty for homestead property increases to 6% on November 1 and again to 8% on December 1. The penalty for nonhomestead property increases to 8% on November 1 and again to 12% on December 1. Personal property taxes remaining unpaid on May 16 are deemed to be delinquent and a penalty of 8% attaches to the unpaid tax. However, personal property that is owned by a tax-exempt entity, but is treated as taxable by virtue of a lease agreement, is subject to the same delinquent property tax penalties as real property.

On the first business day of January of the year following collection all delinquencies are subject to an additional 2% penalty, and those delinquencies outstanding as of February 15 are filed for a tax lien judgment with the district court. By March 20 the county auditor files a publication of legal action and a mailing of notice of action to delinquent parties. Those property interests not responding to this notice have judgment entered for the amount of the delinquency and associated penalties. The amount of the judgment is subject to a variable interest determined annually by the Department of Revenue, and equal to the adjusted prime rate charged by banks but in no event is the rate less than 10% or more than 14%.

Property owners subject to a tax lien judgment generally have three years (3) to redeem the property. After expiration of the redemption period, unredeemed properties are declared tax forfeit with title held in trust by the State of Minnesota for the respective taxing districts. The county auditor, or equivalent thereof, then sells those properties not claimed for a public purpose at auction. The net proceeds of the sale are first dedicated to the satisfaction of outstanding special assessments on the parcel, with any remaining balance in most cases being divided on the following basis: county - 40%; town or city - 20%; and school district - 40%.

Property Tax Credits (Chapter 273, Minnesota Statutes)

In addition to adjusting the taxable value for various property types, primary elements of Minnesota's property tax relief system are: property tax levy reduction aids; the homestead credit refund and the renter’s property tax refund, which relate property taxes to income and provide relief on a sliding income scale; and targeted tax relief, which is aimed primarily at easing the effect of significant tax increases. The homestead credit refund, the renter’s property tax refund, and targeted credits are reimbursed to the taxpayer upon application by the taxpayer. Property tax levy reduction aid includes educational aids, local governmental aid, equalization aid, county program aid and disparity reduction aid.

Debt Limitations

All Minnesota municipalities (counties, cities, towns and school districts) are subject to statutory “net debt” limitations under the provisions of Minnesota Statutes, Section 475.53. Net debt is defined as the amount remaining after deducting from gross debt the amount of current revenues that are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:

1. Bonds issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.

2. Warrants or orders having no definite or fixed maturity.

3. Bonds payable wholly from the income from revenue producing conveniences.

4. Bonds issued to create or maintain a permanent improvement revolving fund.

5. Bonds issued for the acquisition, and betterment of public waterworks systems, and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.

6. Debt service loans and capital loans made to a school district under the provisions of Minnesota Statutes, Sections 126C.68 and 126C.69.

7. Amount of all money and the face value of all securities held as a debt service fund for the extinguishment of obligations other than those deductible under this subdivision.

8. Bonds to repay loans made under Minnesota Statutes, Section 216C.37.

9. Bonds to repay loans made from money received from litigation or settlement of alleged violations of federal petroleum pricing regulations.

10. Bonds issued to pay pension fund or other postemployment benefit liabilities under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.

11. Bonds issued to pay judgments against the municipality under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.

12. All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.

Levies for General Obligation Debt
(Sections 475.61 and 475.74, Minnesota Statutes)

Any municipality that issues general obligation debt must, at the time of issuance, certify levies to the county auditor of the county(ies) within which the municipality is situated. Such levies shall be in an amount that if collected in full will, together with estimates of other revenues pledged for payment of the obligations, produce at least five percent in excess of the amount needed to pay principal and interest when due. Notwithstanding any other limitations upon the ability of a taxing unit to levy taxes, its ability to levy taxes for a deficiency in prior levies for payment of general obligation indebtedness is without limitation as to rate or amount.

Metropolitan Revenue Distribution (Chapter 473F, Minnesota Statutes)
"Fiscal Disparities Law"

The Charles R. Weaver Metropolitan Revenue Distribution Act, more commonly known as "Fiscal Disparities," was first implemented for taxes payable in 1975. Forty percent of the increase in commercial-industrial (including public utility and railroad) net tax capacity valuation since 1971 in each assessment district in the Minneapolis/Saint Paul seven-county metropolitan area (Anoka, Carver, Dakota, excluding the City of Northfield, Hennepin, Ramsey, Scott, excluding the City of New Prague, and Washington Counties) is contributed to an area-wide tax base. A distribution index, based on the factors of population and real property market value per capita, is employed in determining what proportion of the net tax capacity value in the area-wide tax base shall be distributed back to each assessment district.

STATUTORY FORMULAE: CONVERSION OF TAXABLE MARKET VALUE (TMV) TO NET TAX CAPACITY FOR MAJOR PROPERTY CLASSIFICATIONS

Property Type	Local Tax Payable 2015-2019
Residential Homestead (1a)	
Up to $500,000	1.00%
Over $500,000	1.25%
Residential Non-homestead	
Single Unit (4bb)	
Up to $500,000	1.00%
Over $500,000	1.25%
1-3 unit and undeveloped land (4b1)	1.25%
Market Rate Apartments	
Regular (4a)	1.25%
Low-Income (4d)	
Up to $139,000[c]	0.75%
Over $139,000[c]	0.25%
Commercial/Industrial/Public Utility (3a)	
Up to $150,000	1.50%[a]
Over $150,000	2.00%[a]
Electric Generation Machinery	2.00%
Commercial Seasonal Residential	
Homestead Resorts (1c)	
Up to $600,000	0.50%
$600,000 - $2,300,000	1.00%
Over $2,300,000	1.25%[a]
Seasonal Resorts (4c)	
Up to $500,000	1.00%[a]
Over $500,000	1.25%[a]
Non-Commercial (4c12)	
Up to $500,000	1.00%[a][b]
Over $500,000	1.25%[a][b]
Disabled Homestead (1b)	
Up to $50,000	0.45%
Agricultural Land & Buildings	
Homestead (2a)	
Up to $500,000	1.00%
Over $500,000	1.25%
Remainder of Farm	
Up to $1,900,000[d]	0.50%[b]
Over $1,900,000[d]	1.00%[b]
Non-homestead (2b)	1.00%[b]

[a] *State tax is applicable to these classifications.*

[b] *Exempt from referendum market value based taxes.*

[c] *Legislative increases, payable 2019. Historical valuations are: Payable 2018 - $121,000; Payable 2017 - $115,000; Payable 2016 - $106,000; and Payable 2015 - $100,000.*

[d] *Legislative increases, payable 2019. Historical valuations are: Payable 2018 - $1,940,000; Payable 2017 - $2,050,000; Payable 2016 - $2,140,000; and Payable 2015 - $1,900,000.*

NOTE: For purposes of the State general property tax only, the net tax capacity of non-commercial class 4c(1) seasonal residential recreational property has the following class rate structure: First $76,000 – 0.40%; $76,000 to $500,000 – 1.00%; and over $500,000 – 1.25%. In addition to the State tax base exemptions referenced by property classification, airport property exempt from city and school district property taxes under M.S. 473.625 is exempt from the State general property tax (MSP International Airport and Holman Field in Saint Paul are exempt under this provision).

EXCERPT OF 2019 FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

The District is audited annually by an independent certified public accounting firm. The District's fiscal year is July 1 through June 30. The financial statements which follow are excerpts of the District's audited financial statements for the year ended June 30, 2019. The reader should be aware that the complete audits may contain additional information relating to the data presented here which may interpret, explain or modify it.

The accounting policies of the District conform to the State of Minnesota Uniform Financial Accounting and Reporting Standards (UFARS).

The modified accrual basis of accounting is followed by the District. Under this method of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are recorded when liabilities are incurred, if measurable. Interest on long-term debt is recorded when paid.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. For the first type, monies must be expended on the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures recorded. In the other type, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Education and Management of
Independent School District No. 625
Saint Paul, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 625 (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINIONS

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2019, 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.

OTHER MATTERS

Required Supplementary Information

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

Other Information

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

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

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

Prior Year Comparative Information

We have previously audited the District's 2018 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 31, 2018. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
December 30, 2019

INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA

Management's Discussion and Analysis
June 30, 2019

This section of Independent School District No. 625's (the District) annual financial statements presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2019. Please read it in conjunction with the other components of the District's annual financial statements.

FINANCIAL HIGHLIGHTS

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2019 by $520,969,134 (deficit net position). The District's total net position increased by $65,025,152 during the fiscal year ended June 30, 2019.

- Government-wide revenues totaled $735,840,900 and were $65,025,152 more than expenses of $670,815,748.

- The General Fund's total fund balance (under the governmental fund presentation) increased $4,530,747 from the prior year, compared to a $8,511,783 decrease planned in the budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- Independent Auditor's Report;

- Management's discussion and analysis;

- Basic financial statements, including the government-wide financial statements, fund financial statements, and the notes to basic financial statements;

- Required supplementary information; and

- Supplemental information consisting of combining and individual fund statements and schedules.

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major funds," rather than the District as a whole. The District reports all governmental funds as major funds.

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

The District maintains the following kinds of funds:

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1
Summary Statement of Net Position
as of June 30, 2019 and 2018

	2019	2018
Assets		
Current and other assets	$ 383,217,695	$ 447,305,755
Capital assets, net of depreciation	615,575,002	562,732,058
Total assets	$ 998,792,697	$ 1,010,037,813
Deferred outflows of resources		
Pension plan deferments	$ 123,909,277	$ 78,902,253
OPEB plan deferments	22,534,370	20,041,157
Bond refunding deferments	3,859,881	4,497,498
Total deferred outflows of resources	$ 150,303,528	$ 103,440,908
Liabilities		
Current and other liabilities	$ 108,785,861	$ 111,121,569
Long-term liabilities, including due within one year	1,333,296,267	1,380,387,979
Total liabilities	$ 1,442,082,128	$ 1,491,509,548
Deferred inflows of resources		
Property taxes levied for subsequent year	$ 150,142,102	$ 128,420,612
Pension plan deferments	53,941,812	62,579,132
OPEB plan deferments	23,899,317	16,963,715
Total deferred inflows of resources	$ 227,983,231	$ 207,963,459
Net position		
Net investment in capital assets	$ 179,772,064	$ 184,959,613
Restricted	30,240,471	29,144,770
Unrestricted	(730,981,669)	(800,098,669)
Total net position	$ (520,969,134)	$ (585,994,286)

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

The District's net investment in capital assets decreased from the prior year. The change in this category of net position typically depends on the relationship between the rate at which the District's capital assets are being depreciated, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets. The change in the District's share of the Public Employees Retirement Association (PERA) and the Saint Paul Teachers Retirement Fund Association (SPTRFA) pension plans and the District's single-employer other post-employment benefit plan contributed to the change in deferred outflows of resources, long-term liabilities, deferred inflows of resources, and unrestricted net position.

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

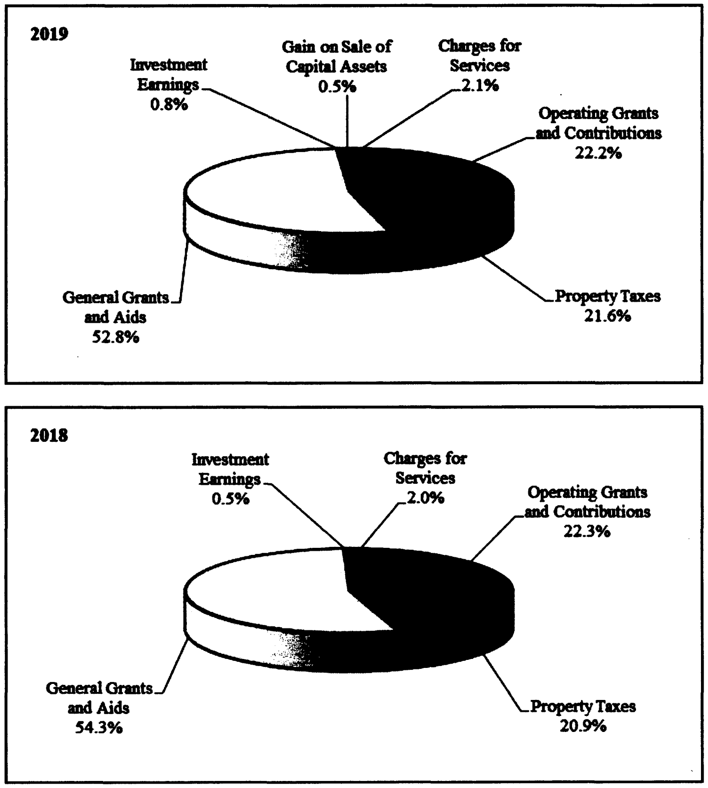
Table 2
Summary Statement of Activities
for the Years Ended June 30, 2019 and 2018

	2019	2018
Revenues		
Program revenues		
Charges for services	$ 15,483,578	$ 14,510,411
Operating grants and contributions	163,673,167	158,887,256
General revenues		
Property taxes	159,014,459	149,058,654
General grants and aids	388,396,475	387,212,733
Investment earnings	6,031,661	3,854,673
Gain on sale of capital assets	3,241,560	–
Total revenues	735,840,900	713,523,727
Expenses		
Administration	22,370,677	23,951,078
District support services	15,445,545	17,574,859
Elementary and secondary regular instruction	274,072,156	289,310,608
Vocational education instruction	5,740,047	2,861,332
Special education instruction	108,816,470	115,593,775
Instructional support services	32,663,532	40,776,605
Pupil support services	63,082,464	60,664,820
Sites and buildings	69,072,573	60,729,439
Fiscal and other fixed cost programs	1,848,299	1,690,791
Food service	26,603,854	26,980,230
Community service	35,404,084	36,461,947
Interest and fiscal charges on debt	15,696,047	13,515,846
Total expenses	670,815,748	690,111,330
Change in net position	65,025,152	23,412,397
Net position – beginning of year	(585,994,286)	(609,406,683)
Net position – end of year	$ (520,969,134)	$ (585,994,286)

This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal. Revenues increased with funding improvements in the general education funding formula, increased spending in title grants, improved investment earnings, the gain on sale of capital assets in the current year, and with the approved property tax levy. The reduction in expenses includes a decrease in the current year for the District's pension and OPEB obligations. These decreases more than offset the natural inflationary increases in the current year.

Figure A shows further analysis of these revenue sources:

Figure A – Sources of Revenues for Fiscal Years 2019 and 2018

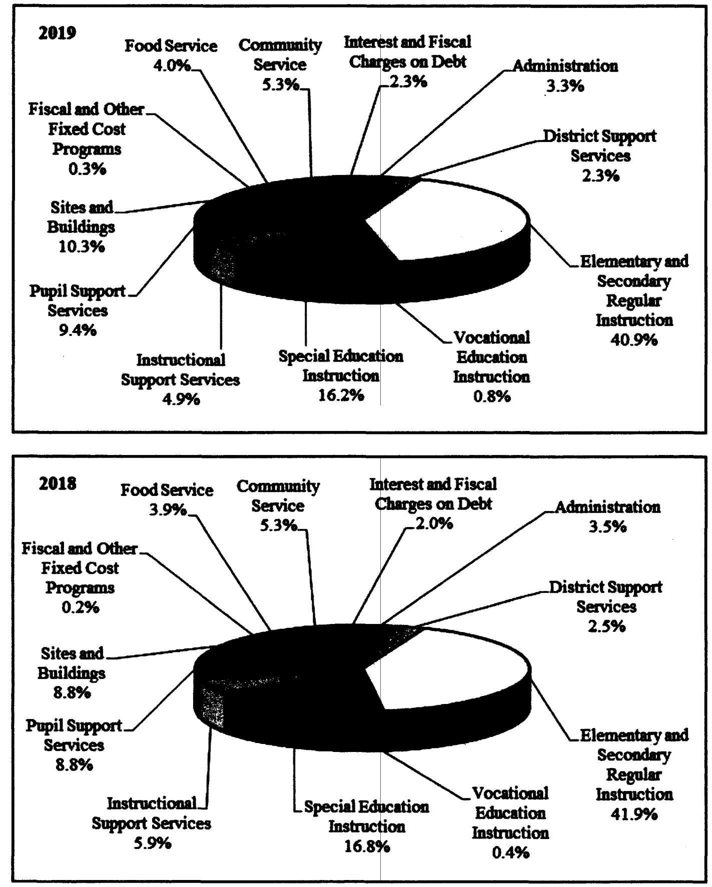


The largest share of the District's revenue is received from the state, including the general education aid formula and most of the operating grants.

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

Figure B shows further analysis of these expense functions:

Figure B – Expenses for Fiscal Years 2019 and 2018



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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Table 3
Governmental Fund Balances
as of June 30, 2019 and 2018

	2019	2018	Increase (Decrease)
Major funds			
General	$ 98,513,254	$ 93,982,507	$ 4,530,747
Food Service	5,853,583	6,638,718	(785,135)
Community Service	3,546,185	3,673,851	(127,666)
Capital Projects	(24,285,406)	41,506,704	(65,792,110)
Debt Service	43,182,230	64,023,434	(20,841,204)
Total governmental funds	$ 126,809,846	$ 209,825,214	$ (83,015,368)

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

At June 30, 2019, the District's governmental funds reported combined fund balances of $126,809,846, a decrease of $83,015,368 in comparison with the prior year. Approximately 4.1 percent of this amount, $5,257,536, constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is: 1) not in spendable form, $3,155,058, 2) restricted for particular purposes, $92,562,257, 3) committed for particular purposes, $3,038,018, or 4) assigned for particular purposes, $22,796,977.

Analysis of the General Fund

At year-end, the fund balance of the General Fund was $98,513,254. The increase from the prior year was mainly due to increases in restricted (OPEB revocable trust and area learning center), committed (severance pay), assigned (site-based operations), and unassigned fund balances. These increases were offset by a decrease in nonspendable fund balance, due to a decrease in prepaid items in the current year.

Analysis of the Food Service Special Revenue Fund

The Food Service Special Revenue Fund is used to record the activity of the District's child nutrition program. This fund ended the year with expenditures exceeding revenues by $785,135, compared to a balanced budget. At year-end, the total equity balance in this fund was $5,853,583.

Analysis of the Community Service Special Revenue Fund

The Community Service Special Revenue Fund ended the year with expenditures exceeding revenues, decreasing equity by $127,666, compared to a planned fund balance decrease of $151,481. At year-end, the total equity balance in this fund was $3,546,185.

Analysis of the Capital Projects Fund

The Capital Projects Fund ended the year with a deficit fund balance of $24,285,406, a decrease from the prior year due to the spend down of debt proceeds issued in previous years. The year-end deficit fund balance will be eliminated in 2019–2020 with the sale of certificates of participation in July 2019 as disclosed in the subsequent event footnote.

Analysis of the Debt Service Fund

The Debt Service Fund is used to record the financial activity of the District's outstanding bonded indebtedness, whether for building construction or for refunding bonds. The $20,841,204 decrease in fund balance is due to $22,085,000 of payments on refunded bonds. At June 30, 2019, the District has $43,182,230 of restricted fund balance available for future debt service payments.

Analysis of the General Fund Budgetary Highlights

Table 4 summarizes the amendments to the General Fund budget:

Table 4
General Fund Budget
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Increase (Decrease)	Percent Change
Revenues	$ 601,213,687	$ 624,168,097	$ 22,954,410	3.8%
Expenditures	$ 601,213,687	$ 632,679,880	$ 31,466,193	5.2%

The District is required to adopt an operating budget prior to the beginning of its fiscal year, referred to above as the original budget. During the year, the District amended that budget for known changes in circumstances such as updated enrollment levels, legislative funding, additional funding received from grants or other local sources, staffing changes, insurance premium changes, special education tuition changes, employee contract settlements, and for fiscal 2018 assigned fund balance for encumbrances and site and program carryover into fiscal 2019.

Table 5 summarizes the operating results of the General Fund:

Table 5
General Fund
Operating Results

	2019 Actual	Over (Under) Final Budget Amount	Over (Under) Final Budget Percent	Over (Under) Prior Year Amount	Over (Under) Prior Year Percent
Revenue and other financing sources	$ 636,152,965	$ 11,984,868	1.9%	$ 15,808,763	2.5%
Expenditures and other financing uses	631,622,218	$ (1,057,662)	(0.2%)	$ 12,610,659	2.0%
Net change in fund balances	$ 4,530,747				

Revenue and other financing sources for fiscal year 2019 were 1.9 percent, or $11,984,868, more than budgeted. The largest revenue variances were primarily in state sources and investment earnings, which were $5,100,424 and $3,166,489 more than projected in the budget, respectively. Conservative budgeting for special education state aid and investment earnings, along with the pass-through of state funding for pensions contributed to both state sources and investment earnings exceeding budget. These variances were partially offset by federal revenues being $5,905,333 under budget, primarily in the Fully Financed General Fund Account. The District budgeted for full federal entitlements and only receives revenue on a reimbursement basis. Significant federal entitlement funding was carried over to fiscal year 2020.

Current year revenue and other financing sources were 2.5 percent, or $15,808,763, more than fiscal year 2018. Revenues increased with funding improvements in the general education funding formula, increased spending in title grants, and with the approved property tax levy.

Expenditures were close to budget for fiscal year 2019. Expenditures were 0.2 percent, or $1,057,662, less than budgeted, spread across several program categories.

Current year expenditures and other financing uses for fiscal year 2019 were 2.0 percent, or $12,610,659, more than fiscal year 2018. This increase is mainly due to natural inflationary increases, planned special education program expenditures, furniture purchased for sites (utilizing proceeds from the sale of the Albion property), along with additional spending in fully financed grants.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

Table 6 shows the District's capital assets, together with the changes from the previous year. The table also shows the total depreciation expense for fiscal years ended June 30, 2019 and 2018:

Table 6
Capital Assets

	2019	2018	Change
Land	$ 30,959,067	$ 30,968,817	$ (9,750)
Construction in progress	73,428,176	155,768,906	(82,340,730)
Land improvements	29,487,238	28,691,316	795,922
Buildings	377,926,667	355,293,623	22,633,044
Building improvements	512,773,932	376,612,161	136,161,771
Equipment	22,954,070	22,611,761	342,309
Less accumulated depreciation	(431,954,148)	(407,214,526)	(24,739,622)
Total	$ 615,575,002	$ 562,732,058	$ 52,842,944
Depreciation expense	$ 26,120,982	$ 22,351,304	$ 3,769,678

By the end of fiscal 2019, the District had invested in a broad range of capital assets, including school buildings, athletic facilities, and technology and equipment.

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2019, consistent with the activity of the Capital Projects Fund discussed earlier.

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

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

Long-Term Liabilities

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

Table 7
Outstanding Long-Term Liabilities

	2019	2018	Change
Total OPEB liability	$ 319,487,158	$ 330,876,703	$ (11,389,545)
Net pension liability	525,480,087	519,166,755	6,313,332
General obligation bonds payable	281,720,000	310,935,000	(29,215,000)
Certificates of participation payable	148,655,000	151,915,000	(3,260,000)
Unamortized premium/discount	27,174,377	28,542,059	(1,367,682)
Capital lease payable	15,295,408	22,344,554	(7,049,146)
Severance benefits payable	9,998,285	10,909,340	(911,055)
Vacation payable	5,485,952	5,698,568	(212,616)
Total	$ 1,333,296,267	$ 1,380,387,979	$ (47,091,712)

The decrease in general obligation bonds payable is due to the issuance of $15,000,000 in school building bonds, offset by principal payments and payments on refunded debt during fiscal year 2019.

The decrease in certificates of participation payable and capital lease payable are due to scheduled principal payments on the certificates and capital lease in the current year.

The differences in the PERA and the SPTRFA net pension liabilities reflects the change in the District's proportionate share of these pension obligations.

The change in the total OPEB liability reflects the current year activity of the District's single-employer plan.

The state limits the amount of general obligation debt the District can issue to 15.0 percent of the market value of all taxable property within the District's corporate limits (see Table 8):

Table 8
Limitations on Debt

District's market value	$25,520,403,100
Limit rate	15%
Legal debt limit	$ 3,828,060,465

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. The Legislature has added $126, or 2.0 percent, per pupil to the basic general education funding formula for fiscal year 2020, and an additional $129, or 2.0 percent, per pupil to the formula for fiscal year 2021.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

These financial statements are designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about these financial statements or need additional financial information, contact the Business Office, Saint Paul Public Schools, 360 Colborne Street, Saint Paul, Minnesota 55102.

BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 625

Statement of Net Position
as of June 30, 2019
(With Partial Comparative Information as of June 30, 2018)

	Governmental Activities 2019	Governmental Activities 2018
Assets		
Current assets		
Cash and investments	$ 84,005,252	$ 71,983,708
Restricted cash and investments for capital projects	45,296,316	119,820,839
Restricted cash and investments for debt service	–	22,525,826
Current taxes receivable	105,453,637	92,303,701
Delinquent taxes receivable	2,230,858	2,270,555
Due from other governmental units	69,952,485	64,263,263
Other receivables	985,976	1,463,611
Inventories	2,127,672	2,285,246
Prepaid items	1,027,386	2,642,038
Total current assets	311,079,582	379,558,787
Noncurrent assets		
Restricted cash and investments in revocable trust for OPEB obligations	40,348,041	37,797,046
Restricted cash and investments for debt service	31,790,072	29,949,922
Capital assets, not depreciated	104,387,243	186,737,723
Capital assets, depreciated, net of accumulated depreciation	511,187,759	375,994,335
Total noncurrent assets	687,713,115	630,479,026
Total assets	998,792,697	1,010,037,813
Deferred outflows of resources		
Pension plan deferments	123,909,277	78,902,253
OPEB plan deferments	22,534,370	20,041,157
Bond refunding deferments	3,859,881	4,497,498
Total deferred outflows of resources	150,303,528	103,440,908
Total assets and deferred outflows of resources	$ 1,149,096,225	$ 1,113,478,721
Liabilities		
Current liabilities		
Accounts payable	$ 28,026,097	$ 40,440,835
Accrued expenses	71,831,811	61,689,432
Accrued interest payable	6,179,611	5,874,530
Due to other governmental units	322,297	454,946
Unearned revenue	2,426,045	2,661,826
Long-term obligations due within one year	40,944,658	62,261,254
Total current liabilities	149,730,519	173,382,823
Noncurrent liabilities		
Total OPEB liability	319,487,158	330,876,703
Net pension liabilities	525,480,087	519,166,755
Long-term obligations	447,384,364	468,083,267
Total noncurrent liabilities	1,292,351,609	1,318,126,725
Total liabilities	1,442,082,128	1,491,509,548
Deferred inflows of resources		
Property taxes levied for subsequent year	150,142,102	128,420,612
Pension plan deferments	53,941,812	62,579,132
OPEB plan deferments	23,899,317	16,963,715
Total deferred inflows of resources	227,983,231	207,963,459
Net position		
Net investment in capital assets	179,772,064	184,959,613
Restricted for		
Debt service	19,957,333	18,439,408
Capital projects	–	310,433
Community service	3,587,563	3,719,134
Food service	5,853,583	6,638,718
Other purposes (state and other funding restrictions)	841,992	37,077
Unrestricted	(730,981,669)	(800,098,669)
Total net position	(520,969,134)	(585,994,286)
Total liabilities, deferred inflows of resources, and net position	$ 1,149,096,225	$ 1,113,478,721

See accompanying notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 625

Statement of Activities
Year Ended June 30, 2019
(With Partial Comparative Information for the Year Ended June 30, 2018)

	2019				2018
		Program Revenues		Net (Expenses) Revenue and Changes in Net Position	Net (Expenses) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Governmental Activities
Governmental activities					
Administration	$ 22,370,677	$ –	$ –	$ (22,370,677)	$ (23,951,078)
District support services	15,445,545	–	–	(15,445,545)	(17,574,859)
Elementary and secondary regular instruction	274,072,156	1,534,070	46,517,702	(226,020,384)	(249,150,671)
Vocational education instruction	5,740,047	–	677,334	(5,062,713)	(2,075,535)
Special education instruction	108,816,470	4,680,939	67,409,722	(36,725,809)	(41,562,940)
Instructional support services	32,663,532	–	1,335,203	(31,328,329)	(39,354,591)
Pupil support services	63,082,464	–	2,729,120	(60,353,344)	(59,070,674)
Sites and buildings	69,072,573	900,172	1,147,058	(67,025,343)	(58,183,858)
Fiscal and other fixed cost programs	1,848,299	–	–	(1,848,299)	(1,690,791)
Food service	26,603,854	1,822,072	25,058,155	276,373	855,047
Community service	35,404,084	6,546,325	18,798,873	(10,058,886)	(11,437,867)
Interest and fiscal charges on debt	15,696,047	–	–	(15,696,047)	(13,515,846)
Total governmental activities	$ 670,815,748	$ 15,483,578	$ 163,673,167	(491,659,003)	(516,713,663)
	General revenues				
	Taxes				
	Property taxes levied for general purposes			116,904,810	109,408,146
	Property taxes levied for community services			3,606,427	3,358,121
	Property taxes levied for debt services			38,503,222	36,292,387
	General grants and aids			388,396,475	387,212,733
	Investment earnings			6,031,661	3,854,673
	Gain on sale of capital assets			3,241,560	–
	Total general revenues			556,684,155	540,126,060
	Changes in net position			65,025,152	23,412,397
	Net position – beginning of year			(585,994,286)	(609,406,683)
	Net position – end of year			$ (520,969,134)	$ (585,994,286)

See accompanying notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 625

Balance Sheet
as of June 30, 2019
(With Partial Comparative Information as of June 30, 2018)

	General	Food Service	Community Service	Capital Projects	Debt Service	Total Governmental Funds	
						2019	2018
Assets							
Cash and investments	$ 31,547,407	$ 4,525,578	$ 4,585,597	$ –	$ 27,816,629	$ 68,475,211	$ 56,093,768
Restricted cash and investments in revocable trust for OPEB obligations	40,348,041	–	–	–	–	40,348,041	37,797,046
Restricted cash and investments for debt service	–	–	–	–	31,790,072	31,790,072	52,475,748
Restricted cash and investments for capital projects	–	–	–	45,296,316	–	45,296,316	119,820,839
Receivables							
Current taxes	78,975,244	–	2,228,035	–	24,250,358	105,453,637	92,303,701
Delinquent taxes	1,601,117	–	52,738	–	577,003	2,230,858	2,270,555
Due from other governmental units	65,773,476	932,663	3,235,024	–	11,322	69,952,485	64,263,263
Other	614,199	1,800	81,352	73,465	215,160	985,976	1,463,611
Due from other fund	54,388,914	–	–	–	–	54,388,914	48,467,962
Inventories	540,368	1,587,304	–	–	–	2,127,672	2,285,246
Prepaid items	1,017,014	8,157	2,215	–	–	1,027,386	2,642,038
Total assets	$ 274,805,780	$ 7,055,502	$ 10,184,961	$ 45,369,781	$ 84,660,544	$ 422,076,568	$ 479,883,777
Liabilities							
Accounts payable	$ 11,770,135	$ 305,378	$ 735,092	$ 15,208,492	$ 7,000	$ 28,026,097	$ 40,440,835
Accrued expenditures	55,602,468	896,541	1,653,610	57,781	–	58,210,400	47,586,195
Due to other governmental units	322,297	–	–	–	–	322,297	454,946
Due to other fund	–	–	–	54,388,914	–	54,388,914	48,467,962
Unearned revenue	1,984,295	–	440,254	–	1,496	2,426,045	2,661,826
Total liabilities	69,679,195	1,201,919	2,828,956	69,655,187	8,496	143,373,753	139,611,764
Deferred inflows of resources							
Property taxes levied for subsequent year	105,357,212	–	3,768,442	–	41,016,448	150,142,102	128,420,612
Unavailable revenue – delinquent taxes	1,256,119	–	41,378	–	453,370	1,750,867	2,026,187
Total deferred inflows of resources	106,613,331	–	3,809,820	–	41,469,818	151,892,969	130,446,799
Fund balances (deficit)							
Nonspendable							
Inventories	540,368	1,587,304	–	–	–	2,127,672	2,285,246
Prepaid items	1,017,014	8,157	2,215	–	–	1,027,386	2,642,038
Restricted for							
Health and safety	–	–	–	–	–	–	310,433
Area learning center	841,992	–	–	–	–	841,992	37,077
Adult basic education	–	–	560,605	–	–	560,605	406,085
Projects funded by COP	–	–	–	387,902	–	387,902	68,897,851
School readiness	–	–	1,774,569	–	–	1,774,569	1,373,228
Community education	–	–	633,867	–	–	633,867	560,362
ECFE	–	–	295,667	–	–	295,667	352,680
Community service	–	–	279,262	–	–	279,262	981,496
Bond refunding	–	–	–	–	17,498,656	17,498,656	40,224,265
QSCB payments	–	–	–	–	14,505,751	14,505,751	12,534,425
Debt service	–	–	–	–	11,177,823	11,177,823	11,264,744
Food service	–	4,258,122	–	–	–	4,258,122	4,884,462
OPEB revocable trust	40,348,041	–	–	–	–	40,348,041	37,797,046
Committed to							
Severance pay	3,038,018	–	–	–	–	3,038,018	2,538,018
Assigned to							
Contractual obligations	2,390,428	–	–	–	–	2,390,428	4,489,816
Strategic plan initiative	5,260,999	–	–	–	–	5,260,999	6,068,461
Site-based operations	12,103,395	–	–	–	–	12,103,395	7,314,767
Intraschool activities	3,042,155	–	–	–	–	3,042,155	3,207,872
Unassigned							
Long-term facilities maintenance restricted account deficit	(7,412,279)	–	–	–	–	(7,412,279)	(9,696,173)
Unassigned	37,343,123	–	–	(24,673,308)	–	12,669,815	11,351,015
Total fund balances (deficit)	98,513,254	5,853,583	3,546,185	(24,285,406)	43,182,230	126,809,846	209,825,214
Total liabilities, deferred inflows of resources, and fund balances	$ 274,805,780	$ 7,055,502	$ 10,184,961	$ 45,369,781	$ 84,660,544	$ 422,076,568	$ 479,883,777

See accompanying notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 625

Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
as of June 30, 2019
(With Partial Comparative Information as of June 30, 2018)

	2019	2018
Total fund balances – governmental funds	$ 126,809,846	$ 209,825,214
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:		
Capital assets	1,047,529,150	969,946,584
Accumulated depreciation	(431,954,148)	(407,214,526)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	123,909,277	78,902,253
Deferred outflows of resources – OPEB plan deferments	22,534,370	20,041,157
Deferred outflows of resources – bond refunding deferments	3,859,881	4,497,498
Deferred inflows of resources – pension plan deferments	(53,941,812)	(62,579,132)
Deferred inflows of resources – OPEB plan deferments	(23,899,317)	(16,963,715)
Deferred inflows of resources – unavailable revenue – delinquent taxes	1,750,867	2,026,187
Debt issuance premiums and discounts are reported as other financing sources and uses in the governmental funds, but as assets or adjustments to the carrying value of long-term obligations in the Statement of Net Position.	(27,174,377)	(28,542,059)
An Internal Service Fund is used by management to charge the costs of the workers' compensation insurance program to the individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the Statement of Net Position.	1,908,630	1,786,703
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable.		
General obligation bonds payable	(281,720,000)	(310,935,000)
Certificates of participation payable	(148,655,000)	(151,915,000)
Capital lease payable	(15,295,408)	(22,344,554)
Accrued interest on long-term debt	(6,179,611)	(5,874,530)
Severance benefits payable	(9,998,285)	(10,909,340)
Vacation payable	(5,485,952)	(5,698,568)
Net pension liability	(525,480,087)	(519,166,755)
Total OPEB liability	(319,487,158)	(330,876,703)
Net position – governmental activities	$ (520,969,134)	$ (585,994,286)

See accompanying notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 625

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2019
(With Partial Comparative Information for the Year Ended June 30, 2018)

	General	Food Service	Community Service	Capital Projects	Debt Service	Total Governmental Funds 2019	Total Governmental Funds 2018
Revenues							
Local sources							
Property taxes	$ 117,114,826	$ –	$ 3,610,332	$ –	$ 38,564,621	$ 159,289,779	$ 148,902,119
County and other	12,170,085	194,857	6,317,160	206,476	513,066	19,401,644	21,494,182
State	450,852,968	996,438	16,845,904	–	113,221	468,808,531	464,679,708
Federal	49,039,002	24,061,718	2,679,352	–	940,484	76,720,556	70,799,260
Investment earnings	3,266,489	58,149	58,149	1,001,043	1,525,904	5,909,734	3,765,660
Sales and conversion of assets	391,370	1,822,072	3,081	–	–	2,216,523	2,160,458
Total revenues	632,834,740	27,133,234	29,513,978	1,207,519	41,657,296	732,346,767	711,801,387
Expenditures							
Current							
Administration	24,537,667	–	–	–	–	24,537,667	23,854,360
District support services	16,285,155	–	–	–	–	16,285,155	16,938,836
Elementary and secondary regular instruction	279,467,164	–	–	–	–	279,467,164	269,413,767
Vocational education instruction	5,972,344	–	–	–	–	5,972,344	2,847,300
Special education instruction	119,596,282	–	–	–	–	119,596,282	115,418,197
Instructional support services	35,213,420	–	–	–	–	35,213,420	40,780,667
Pupil support services	64,980,833	–	1,123,730	–	–	66,104,563	60,495,513
Sites and buildings	66,252,806	–	–	–	–	66,252,806	54,387,609
Fiscal and other fixed cost programs	1,848,299	–	–	–	–	1,848,299	1,690,791
Food service	–	27,918,369	–	–	–	27,918,369	26,967,864
Community service	8,390,698	–	28,517,914	–	–	36,908,612	36,189,484
Capital outlay	–	–	–	82,930,502	–	82,930,502	156,372,961
Debt service							
Principal payments	7,894,146	–	–	–	24,545,000	32,439,146	32,378,880
Interest	1,183,404	–	–	–	15,842,999	17,026,403	12,048,613
Other debt	–	–	–	225,175	25,501	250,676	1,579,029
Total expenditures	631,622,218	27,918,369	29,641,644	83,155,677	40,413,500	812,751,408	851,363,871
Excess (deficiency) of revenues over expenditures	1,212,522	(785,135)	(127,666)	(81,948,158)	1,243,796	(80,404,641)	(139,562,484)
Other financing sources (uses)							
Refunding debt issued	–	–	–	–	–	–	15,520,000
Building bonds issued	–	–	–	15,000,000	–	15,000,000	15,000,000
Certificates of participation issued	–	–	–	–	–	–	126,575,000
Premium on debt issued	–	–	–	1,156,048	–	1,156,048	10,827,698
Principal payments by refunded bond escrow agent	–	–	–	–	(22,085,000)	(22,085,000)	(15,765,000)
Capital lease issued	–	–	–	–	–	–	3,857,775
Sale of capital assets	3,318,225	–	–	–	–	3,318,225	1,537,523
Transfers in	–	–	–	–	–	–	18,369,027
Transfers (out)	–	–	–	–	–	–	(18,369,027)
Total other financing sources (uses)	3,318,225	–	–	16,156,048	(22,085,000)	(2,610,727)	157,552,996
Net change in fund balances	4,530,747	(785,135)	(127,666)	(65,792,110)	(20,841,204)	(83,015,368)	17,990,512
Fund balances at beginning of year	93,982,507	6,638,718	3,673,851	41,506,704	64,023,434	209,825,214	191,834,702
Fund balances (deficit) at end of year	$ 98,513,254	$ 5,853,583	$ 3,546,185	$ (24,285,406)	$ 43,182,230	$ 126,809,846	$ 209,825,214

See accompanying notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 625

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
Governmental Funds
Year Ended June 30, 2019
(With Partial Comparative Information for the Year Ended June 30, 2018)

	2019	2018
Total net change in fund balances – governmental funds	$ (83,015,368)	$ 17,990,512
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, in the Statement of Activities, those costs are allocated over their estimated useful lives as annual depreciation expense. Capital outlays exceeded depreciation expense as follows in the current period:		
Capital outlays	79,040,591	151,004,706
Depreciation expense	(26,120,982)	(22,351,304)
A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balances.	(76,665)	(864,033)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	45,007,024	(58,067,326)
Deferred outflows of resources – OPEB plan deferments	2,493,213	(264,218)
Deferred inflows of resources – pension plan deferments	8,637,320	(9,095,344)
Deferred inflows of resources – OPEB plan deferments	(6,935,602)	(16,963,715)
Deferred inflows of resources – unavailable revenue – delinquent taxes	(275,320)	156,535
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
General obligation bonds payable	22,130,000	21,890,000
Certificates of participation payable	3,260,000	2,035,000
Capital lease payable	7,049,146	8,453,880
Payments by refunded bond escrow agent	22,085,000	15,765,000
Debt issued provides current financial resources to the governmental funds but increases long-term liabilities in the Statement of Net Position:		
Refunding bonds issued	–	(15,520,000)
Certificates of participation issued	–	(126,575,000)
Building bonds issued	(15,000,000)	(15,000,000)
Capital lease issued	–	(3,857,775)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Change in accrued interest payable and bond refunding deferments	(942,698)	(2,163,394)
Change in severance benefits payable	911,055	(636,901)
Change in vacation payable	212,616	754,952
Change in net pension liability	(6,313,332)	63,913,905
Change in OPEB liability	11,389,545	21,270,412
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.	1,367,682	(8,552,508)
An Internal Service Fund is used by the District's management to charge the costs of the workers' compensation insurance program to the individual funds. The change in net position of the Internal Service Fund is reported within governmental activities.	121,927	89,013
Change in net position – governmental activities	$ 65,025,152	$ 23,412,397

See accompanying notes to basic financial statements

Statement of Net Position
Proprietary Fund
as of June 30, 2019
(With Partial Comparative Information as of June 30, 2018)

	2019	2018
Assets		
Current assets		
Cash and investments	$ 15,530,041	$ 15,889,940
Liabilities		
Current liabilities		
Accrued expenses		
Workers' compensation payable	13,621,411	14,103,237
Net position		
Unrestricted	$ 1,908,630	$ 1,786,703

See accompanying notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 625

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
Year Ended June 30, 2019
(With Partial Comparative Information for the Year Ended June 30, 2018)

	2019	2018
Operating revenues		
Insurance service fees	$ 2,892,139	$ 3,282,120
Operating expenses		
Claims expense	2,892,139	3,282,120
Operating income	–	–
Nonoperating revenues		
Investment earnings	121,927	89,013
Change in net position	121,927	89,013
Net position at beginning of year	1,786,703	1,697,690
Net position at end of year	$ 1,908,630	$ 1,786,703

See accompanying notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 625

Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2019
(With Partial Comparative Information for the Year Ended June 30, 2018)

	2019	2018
Cash flows from operating activities		
Assessments from other funds	$ 2,892,139	$ 3,282,120
Workers' compensation payments	(3,373,965)	(3,415,487)
Net cash flows from operating activities	(481,826)	(133,367)
Cash flows from investing activities		
Investment income received	121,927	89,013
Net change in cash and investments	(359,899)	(44,354)
Cash at beginning of year	15,889,940	15,934,294
Cash at end of year	$ 15,530,041	$ 15,889,940
Reconciliation of operating income to net cash flows from operating activities		
Operating income	$ –	$ –
Adjustment to reconcile operating income to net cash flows from operating activities		
Changes in assets and liabilities		
Workers' compensation payable	(481,826)	(133,367)
Net cash flows from operating activities	$ (481,826)	$ (133,367)

See accompanying notes to basic financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Independent School District No. 625 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. A Board of Education elected by the voters of the District governs the District. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

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

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

Extracurricular student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside of school hours. In accordance with Minnesota Statutes, district school boards can elect to either control or not to control extracurricular student activities. The District's Board of Education has elected to control extracurricular activities; therefore, the extracurricular student activity accounts are included in the District's General Fund.

C. Government-Wide Financial Statement Presentation

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

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

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

Depreciation expense is included as a direct expense in the functional areas that utilize the related capital assets. Interest on debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

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

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 Internal Service Fund is consolidated into the governmental activities column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Description of Funds

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

Major Governmental Funds

General Fund – The General Fund is the government's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. In the financial statements, the General Fund includes the General Fund Account and the Fully Financed General Fund Account.

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

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

Capital Projects Fund – The Capital Projects 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 obligation debt principal, interest, and related costs.

Proprietary Fund

Internal Service Fund – The Internal Service Fund accounts for the financing of goods or services provided by one department to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District's Internal Service Fund is used to account for the activities of the District's workers' compensation self-insurance program.

E. Budgetary Information

The Board of Education adopts an annual budget for all governmental funds prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end. However, for certain programs, unspent appropriations are assigned for carryover and may be reappropriated in the subsequent year.

F. Cash and Investments

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

Restricted cash and investments include balances held in segregated accounts that are established for specific purposes. In the General Fund, restricted cash and investments represent assets contributed to a revocable trust established to finance the District's liability for post-employment insurance benefits. In the Capital Projects Fund, this represents assets held for building construction. In the Debt Service Fund, the refunding bond escrow accounts held by trustee are used only to retire refunded bond issues and to pay interest on refunding bond issues until the crossover refunding dates. Interest earned on these investments is allocated directly to the escrow accounts.

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

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

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

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

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

G. Receivables

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

H. Inventories

Inventories are recorded using the consumption method of accounting and consist of textbooks; facilities repair supplies; 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. Surplus commodities are stated at standardized costs, as determined by the U.S. Department of Agriculture.

I. Prepaid Items

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

J. Property Taxes

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes $28,219,535 of the property tax levy collectible in 2019 as revenue to the District in fiscal year 2018–2019. The remaining portion of the taxes collectible in 2019 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

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

K. Capital Assets

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

Capital assets are recorded in the government-wide financial statements, but are not reported in the governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are generally sold for an immaterial amount or scrapped when declared as no longer fit or needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Estimated useful lives are 20 years for land improvements, 50 years for buildings, 25 years for building improvements, and 5 years for equipment. Land and construction in progress are not depreciated.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Long-Term Obligations

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

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

M. Compensated Absences

Under the terms of union contracts, civil service employees are granted vacation and sick leave in varying amounts, portions of which can be carried over to future years. In the event of termination, civil service employees are reimbursed for any vacation earned and unused for the current and prior years. All vacation pay is accrued when incurred in the government-wide financial statements. Vacation pay is accrued in governmental fund financial statements only to the extent it has been used or otherwise matured prior to year-end.

Unused sick leave for eligible employees is recorded as severance pay to the extent it is probable that the District will compensate employees for unused sick leave through cash payments upon termination or retirement. Employees must be 55 years of age or older and must be eligible for a pension under provisions of the Saint Paul Teachers Retirement Fund Association (SPTRFA) or the Public Employees Retirement Association (PERA) of Minnesota. Severance pay is calculated at a rate ranging from $65 to $270, depending on the bargaining group, for each day of unused sick leave. The maximum amount of money that any employee may obtain through the severance program is $33,000.

Funding for severance pay is partially funded through a special levy. All severance pay is accrued in the government-wide financial statements as it is earned and it becomes probable that it will vest at some point in the future. Severance pay is accrued in governmental fund financial statements when the liability matures due to employee termination.

N. Deferred Outflows/Inflows of Resources

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

O. Pension Plans

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

The SPTRFA has a special funding situation created by direct aid contributions made by the state of Minnesota pursuant to Minnesota Statutes § 354A.12 and § 423A.02.

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

P. Risk Management and Self-Insurance

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage in fiscal year 2019.

2. **Self-Insurance** – The District has established an internal service fund to account for and finance its self-insured risk of loss for workers' compensation. Workers' compensation claim liabilities are based on open claims and estimates. They are also based on actuarial analysis to determine potential or unknown claims. Determining actual claim liabilities depends on complex factors, such as changes in Minnesota Statutes, legal determinations, injury assessments, and awards; therefore, the process used in computing a claim liability does not necessarily result in an exact amount.

   Changes in workers' compensation claim liabilities for the last two years were as follows:

Fiscal Year Ended June 30,	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2018	$ 14,236,604	$ 3,282,120	$ 3,415,487	$ 14,103,237
2019	$ 14,103,237	$ 2,892,139	$ 3,373,965	$ 13,621,411

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Net Position

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

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

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

R. Fund Balance Classifications

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Minimum Fund Balance Policy

The District's fund balance policy states:

1. The administration shall plan and manage annual revenue and expenditure budgets that provide an unassigned General Fund balance of at least 5.0 percent of annual General Fund expenditures.

2. If the unassigned General Fund balance should fall below 5.0 percent of annual General Fund expenditures within a given year or the following year, the superintendent shall alert the Board of Education to the circumstances and recommend appropriate short-term actions to maintain the desired balance.

T. Use of Estimates

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

U. Prior Period Comparative Financial Information/Reclassification

The basic financial statements include certain prior year partial comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2018, from which the summarized information was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

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

Deposits	$ 17,586,390
Investments	183,853,291
Total	$ 201,439,681

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

Statement of Net Position – current assets	
Cash and investments	$ 84,005,252
Restricted cash and investments for capital projects	45,296,316
Statement of Net Position – noncurrent assets	
Restricted cash and investments in revocable trust for OPEB obligations	40,348,041
Restricted cash and investments for debt service	31,790,072
Total	$ 201,439,681

B. Deposits

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

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

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

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110.0 percent of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The District's deposit policies do not further limit depository choices.

At year-end, the carrying amount of the District's deposits was $17,586,390, while the balance on the bank records was $17,577,373. At June 30, 2019, all deposits for the District were insured or collateralized by securities held by the District's agent in the District's name.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments

The District has the following investments at year-end:

	Credit Risk		Fair Value Measurements	Concentration Risk	Interest Rate Risk – Maturity Duration in Years			Carrying
	Rating	Agency	Using	Over 5% of Portfolio	Less Than 1	1 to 5	Greater Than 5	Value
U.S. treasury note	Aaa	Moody's	Level 1	– %	$ 589,678	$ 4,043,233	$ –	$ 4,632,911
Federal National Mortgage Association	AA	S&P	Level 2	– %	$ 346,659	$ –	$ –	346,659
Federal Home Loan Banks	AA	S&P	Level 1	9.2 %	$ –	$ 252,760	$ –	252,760
Federal Home Loan Banks	AA	S&P	Level 2	9.2 %	$ –	$ 16,743,013	$ –	16,743,013
Federal Farm Credit Banks	AA	S&P	Level 2	– %	$ –	$ 999,585	$ –	999,585
Mortgage-backed securities	AAA	S&P	Level 1	– %	$ –	$ 279,641	$ –	279,641
Mortgage-backed securities	Aaa	Moody's	Level 1	– %	$ –	$ 149,984	$ –	149,984
Guaranteed investment contract	N/A	N/A	N/A	– %	$ –	$ –	$ 6,700,025	6,700,025
Repurchase agreement (U.S. agency underlying securities)	AAA	S&P	N/A	– %	$ –	$ –	$ 7,721,657	7,721,657
U.S. Bank commercial paper	A1	S&P	Level 2	– %	$ 2,443,467	$ –	$ –	2,443,467
Corporate obligations	AAA	S&P	Level 1	– %	$ –	$ 421,738	$ –	421,738
Corporate obligations	AA	S&P	Level 1	– %	$ 102,165	$ 540,312	$ –	642,477
Corporate obligations	A	S&P	Level 1	– %	$ 99,983	$ 3,835,425	$ –	3,935,408
Corporate obligations	A	Moody's	Level 1	– %	$ –	$ 199,826	$ –	199,826
Corporate obligations	BAA	Moody's	Level 1	– %	$ –	$ 523,893	$ –	523,893
Corporate obligations	BBB	S&P	Level 1	– %	$ –	$ 1,074,848	$ 311,745	1,386,593
International obligations	N/R	N/R	Level 1	– %	$ 13,476	$ –	$ –	13,476
Equities	N/R	N/R	Level 1	– %	$ –	$ –	$ –	20,555,935
Investment pools/mutual funds								
MSDLAF	AAA	S&P	N/A					59,619,426
Mutual funds	AAA	S&P	Level 1					1,535,687
Mutual funds	N/R	N/R	Level 1					4,019,683
Mutual funds	AAA	S&P	Level 2					48,716,695
Mutual funds	N/R	N/R	Level 2					2,012,752
Total investments								$ 183,853,291

N/R – Not Rated
N/A – Not Applicable

The Minnesota School District Liquid Asset Fund (MSDLAF) is regulated by Minnesota Statutes and is an external investment pool which is not registered with the Securities and Exchange Commission. The District's investment in this trust is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. For MSDLAF investments, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required except for the MSDLAF – MAX Class, which requires a redemption notice of 14 days with the exception of direct investments of funds distributed by the State of Minnesota. Withdrawals prior to the 14-day restriction period may be subject to a penalty and there is a 24-hour hold on all requests for redemptions.

Repurchase agreement investments and guaranteed investment contracts are valued on a cost-basis measure and, therefore, are not subject to the fair value disclosure.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

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

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

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

NOTE 3 – RECEIVABLES

At June 30, 2019, the District reported the following receivables due from other governmental units:

	General	Food Service	Community Service	Debt Service	Total
Due from MDE	$ 45,052,029	$ 26,671	$ 1,895,307	$ 11,322	$ 46,985,329
Due from MDE, principally pass-through federal assistance	16,260,235	889,592	1,302,400	–	18,452,227
Due from federal government, direct assistance	2,912,445	–	–	–	2,912,445
Due from other governmental units	1,145,526	16,400	37,317	–	1,199,243
Due from other Minnesota school districts	403,241	–	–	–	403,241
Total due from other governmental units	$ 65,773,476	$ 932,663	$ 3,235,024	$ 11,322	$ 69,952,485

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019 is as follows:

	Balance – Beginning of Year	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated					
Land	$ 30,968,817	$ –	$ (9,750)	$ –	$ 30,959,067
Construction in progress	155,768,906	77,339,022	–	(159,679,752)	73,428,176
Total capital assets, not depreciated	186,737,723	77,339,022	(9,750)	(159,679,752)	104,387,243
Capital assets, depreciated					
Land improvements	28,691,316	–	–	795,922	29,487,238
Buildings	355,293,623	–	(89,015)	22,722,059	377,926,667
Building improvements	376,612,161	–	–	136,161,771	512,773,932
Equipment	22,611,761	1,701,569	(1,359,260)	–	22,954,070
Total capital assets, depreciated	783,208,861	1,701,569	(1,448,275)	159,679,752	943,141,907
Less accumulated depreciation for					
Land improvements	(16,038,821)	(1,122,398)	–	–	(17,161,219)
Buildings	(190,507,160)	(6,621,600)	89,015	–	(197,039,745)
Building improvements	(179,937,115)	(16,364,979)	–	–	(196,302,094)
Equipment	(20,731,430)	(2,012,005)	1,292,345	–	(21,451,090)
Total accumulated depreciation	(407,214,526)	(26,120,982)	1,381,360	–	(431,954,148)
Net capital assets, depreciated	375,994,335	(24,419,413)	(66,915)	159,679,752	511,187,759
Total capital assets, net	$ 562,732,058	$ 52,919,609	$ (76,665)	$ –	$ 615,575,002

Depreciation expense for the year was charged to the following governmental functions:

Administration	$ 229,081
District support services	830,908
Elementary and secondary regular instruction	24,330,649
Special education instruction	328,341
Instructional support services	71,833
Pupil support services	87,767
Community service	242,403
Total depreciation expense	$ 26,120,982

NOTE 5 – LONG-TERM LIABILITIES

A. General Obligation Bonds Payable

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

Date of Issue	Issue	Date of Final Maturity	Coupon Rate Percentage	Amount of Original Issue	Outstanding at June 30, 2019
12/23/2009	2009D Taxable School Building Bonds	12/15/2025	1.585%	$ 16,115,000	$ 16,115,000
10/01/2010	2010A School Building Refunding Bonds	02/01/2021	3.0–4.0%	10,355,000	2,535,000
11/17/2010	2010B Taxable School Building Bonds	02/01/2031	0.9–4.9%	7,750,000	5,070,000
11/17/2010	2010C Taxable School Building Bonds	02/01/2029	5.075%	18,250,000	18,250,000
06/11/2011	2011A School Building Bonds	02/01/2032	2.0–4.0%	26,000,000	18,965,000
08/15/2011	2011C School Building Refunding Bonds	02/01/2023	3.0–4.0%	16,010,000	6,805,000
06/15/2012	2012A School Building Bonds	02/01/2033	3.0–4.0%	24,980,000	18,990,000
06/15/2012	2012B School Building Refunding Bonds	02/01/2025	4.0–5.0%	28,355,000	17,005,000
06/25/2013	2013A School Building Bonds	02/01/2034	2.0–4.0%	24,485,000	19,445,000
06/25/2013	2013B School Building Refunding Bonds	02/01/2027	4.0–5.0%	28,635,000	22,575,000
06/12/2014	2014A School Building Bonds	02/01/2035	2.0–4.0%	14,845,000	12,530,000
06/11/2015	2015A School Building Bonds	02/01/2036	2.0–5.0%	15,000,000	13,265,000
06/11/2015	2015B Taxable Refunding Bonds	02/01/2021	1.0–2.5%	18,665,000	4,640,000
07/27/2016	2016A School Building Bonds	02/01/2036	2.0–4.0%	15,000,000	13,025,000
07/27/2016	2016B School Building Refunding Bonds	02/01/2030	2.0–5.0%	34,955,000	33,790,000
06/15/2017	2017A School Building Bonds	02/01/2037	3.0–4.0%	15,000,000	13,810,000
12/21/2017	2017D School Building Refunding Bonds	02/01/2032	3.0–5.0%	15,520,000	15,520,000
06/21/2018	2018A School Building Bonds	02/01/2038	3.0–5.0%	15,000,000	14,385,000
06/20/2019	2019A School Building Bonds	02/01/2039	3.0–5.0%	15,000,000	15,000,000
Total general obligation bonds payable				$ 359,920,000	$ 281,720,000

These bonds were issued to finance acquisition, construction, and/or improvements of capital facilities, or to finance the retirement (refunding) of prior bond issues. Assets of the Debt Service Fund, together with scheduled future ad valorem tax levies, are dedicated for the retirement of these bonds. The annual future debt service levies authorized equal 105.0 percent of the principal and interest due each year. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

The District's Taxable School Building Bonds, Series 2009D were issued as Qualified School Construction Bonds – Tax Credit Bonds. The 1.585 percent interest rate on this bond represents the supplemental coupon interest rate for which the District is responsible. Investors who hold these bonds are also eligible for a tax credit from the federal government, allowing the bonds to be issued at a lower rate of interest and cost to the District.

The District's Taxable School Building Bonds, Series 2010B were issued as Build America Bonds – Direct Pay, for which the District will receive a federal reimbursement for a portion of the interest payments on this debt issue.

The District's Taxable School Building Bonds, Series 2010C were issued as Qualified School Construction Bonds – Direct Pay, for which the District will receive a federal reimbursement for a portion of the interest payments on this debt issue.

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

During fiscal year 2017, the District issued $34,955,000 of General Obligation School Building Refunding Bonds, Series 2016B. The proceeds were used to finance a crossover refunding of the General Obligation Bonds, Series 2007A, Series 2008A, and Series 2009B. The crossover of the 2007A issue occurred on February 1, 2018, and the crossover of the 2008A and 2009B issues occurred on February 1, 2019. The proceeds of the 2016B issue were placed in an escrow account pending the call dates of the refunded issues. Until the call dates, the District made all debt service payments on the 2007A, 2008A, and 2009B issues, and all debt service on the 2016B issue were paid from the escrow account. The 2016B issue was undertaken to reduce the total future debt service payments by $5,384,819 and resulted in present value savings of $4,772,433.

During fiscal year 2018, the District issued $15,520,000 of General Obligation School Building Refunding Bonds, Series 2017D. The proceeds were used to finance a crossover refunding of the General Obligation Bonds, Series 2011A. The crossover of the 2011A issue will occur on February 1, 2021. The proceeds of the 2017D issue were placed in an escrow account pending the call date of the refunded issue. Until the call date, the District will make all debt service payments on the 2011A issue, and all debt service on the 2017D issue will be paid from the escrow account. The 2017D issue was undertaken to reduce the total future debt service payments by $1,109,900 and resulted in present value savings of $974,980.

B. Certificates of Participation Payable

The District has entered into installment purchase contracts to acquire and renovate facilities for instructional purposes through certificates of participation issued by independent vendors in the District's name. These certificates are full faith and credit obligations of the District and have been recorded as long-term obligations issued for capital projects in the financial statements. The certificates of participation are paid by the Debt Service Fund, except for 2017B Certificates of Participation, which are paid by the General Fund. Certificates of participation outstanding at June 30, 2019 include:

Date of Issue	Date of Final Maturity	Coupon Rate Percentage	Amount of Original Issue	Certificates of Participation Outstanding
06/15/2017	02/01/2037	3.00–5.00%	$ 24,305,000	$ 23,460,000
12/21/2017	02/01/2038	3.00–5.00%	56,015,000	54,635,000
06/21/2018	02/01/2039	3.00–5.00%	52,500,000	52,500,000
06/21/2018	02/01/2039	3.00–5.00%	18,060,000	18,060,000
			$ 150,880,000	$ 148,655,000

C. Capital Lease Payable

On May 20, 2015, the District entered into a master lease purchase agreement with Apple, Inc. for technology equipment. The District acquires equipment from time to time under this master agreement as needed. Each lease "schedule" added under this master lease agreement adds equipment to the lease and carries its own lease term and payment schedule. Upon payment in full of all scheduled lease payments, the lessor's (Apple, Inc.) interest in the equipment is transferred to the District, free and clear of any right or interest of Apple, Inc. The General Fund will be used to liquidate this liability.

During fiscal year 2017, the District amended this master lease purchase agreement and entered into an additional lease schedule with total future minimum lease payments of $23,510,709, interest rate of 2.015 percent, and a final maturity of August 1, 2020. The assets acquired through this capital lease have not been capitalized as individual asset amounts do not meet the capitalization threshold requirements.

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

During fiscal year 2018, the District entered into an additional lease schedule with total future minimum lease payments of $3,857,775, interest rate of 2.160 percent, and a final maturity of August 15, 2021. The assets acquired through this capital lease have not been capitalized as individual asset amounts do not meet the capitalization threshold requirements.

If the District does not pay the lease payments on the date which payments are due, the District shall pay lessor a charge at the rate of 12.0 percent per annum or the highest lawful rate, whichever is less, from such due date until paid. If the District breaches any term of this agreement, the lessor may require that the District return the equipment and pay any and all amounts which may then be due and payable under the lease, plus all lease payments remaining through the end of the then current fiscal period.

D. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including severance benefits, pensions, vacation benefits, and OPEB. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are primarily liquidated by the fund incurring the liability (General Fund, Food Service Special Revenue Fund, and Community Service Special Revenue Fund).

District employees participate in two cost-sharing, multiple-employer defined benefit pension plans administered by the PERA and the SPTRFA. The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the year ended June 30, 2019:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERA	$ 86,919,640	$ 18,986,356	$ 26,207,592	$ 324,201
SPTRFA	438,560,447	104,922,921	27,734,220	2,517,588
Total	$ 525,480,087	$ 123,909,277	$ 53,941,812	$ 2,841,789

E. Minimum Debt Payments

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

Year Ending June 30,	General Obligation Bonds Payable		Certificates of Participation Payable		Capital Lease Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	$ 21,220,000	$ 10,273,946	$ 4,985,000	$ 5,910,063	$ 7,116,466	$ 188,635
2021	37,265,000	9,662,576	5,235,000	5,660,813	7,205,404	99,696
2022	18,055,000	8,157,239	5,495,000	5,399,063	973,538	9,638
2023	18,775,000	7,490,899	5,770,000	5,124,313	–	–
2024	17,715,000	6,703,633	6,055,000	4,835,813	–	–
2025–2029	106,160,000	22,611,071	35,120,000	19,349,013	–	–
2030–2034	46,190,000	6,862,793	43,120,000	11,360,181	–	–
2035–2039	16,340,000	1,186,283	42,875,000	4,002,663	–	–
	$ 281,720,000	$ 72,948,440	$ 148,655,000	$ 61,641,922	$ 15,295,408	$ 297,968

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

F. Changes in Long-Term Liabilities

	Balance – Beginning of Year	Additions	Retirements	Balance – End of Year	Due Within One Year
General obligation bonds payable	$ 310,935,000	$ 15,000,000	$ (44,215,000)	$ 281,720,000	$ 21,220,000
Certificates of participation payable	151,915,000	–	(3,260,000)	148,655,000	4,985,000
Unamortized premium/discount	28,542,059	1,156,048	(2,523,730)	27,174,377	–
Total bonds and certificates payable	491,392,059	16,156,048	(49,998,730)	457,549,377	26,205,000
Capital lease payable	22,344,554	–	(7,049,146)	15,295,408	7,116,466
Compensated absences					
Severance benefits payable	10,909,340	1,520,426	(2,431,481)	9,998,285	2,137,240
Vacation payable	5,698,568	5,224,582	(5,437,198)	5,485,952	5,485,952
	$ 530,344,521	$ 22,901,056	$ (64,916,555)	$ 488,329,022	$ 40,944,658

NOTE 6 – DEFINED BENEFIT PENSION PLANS

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

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

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

2. Saint Paul Teachers Retirement Fund Association (SPTRFA)

District teachers are covered by the SPTRFA. The SPTRFA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota Statutes, Chapters 354A, 356, and 356A as well as the SPTRFA's bylaws. The SPTRFA is a separate statutory entity, administered by a Board of Trustees. The Board of Trustees consists of nine trustees elected by the SPTRFA's membership and the District appoints one trustee who serves as an ex-officio member of the Board of Trustees.

NOTE 6 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided

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

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

1. GERF Benefits

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

Benefit increases are provided to benefit recipients each January. GERF benefit recipients receive a future annual increase equal to 50.0 percent of the Social Security Cost of Living Adjustment, not less than 1.0 percent and not more than 1.5 percent. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age (not applicable to Rule of 90 retirees, disability benefit recipients, or survivors). A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30, will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30, will receive a pro rata increase.

2. SPTRFA Benefits

The SPTRFA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by Minnesota Statutes and vest after three years of service credit for Coordinated Plan members and five years of service credit for Basic Plan members. The defined retirement benefits for the Basic Plan members are based on the highest five years of salary in the last 10 years.

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

NOTE 6 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Tier I Benefits

	Coordinated Plan Member	Basic Plan Member
For services rendered prior to July 1, 2015		
Each year of service during the first 10 years	1.2 percent per year	2.0 percent per year
Each year of service thereafter (up to a maximum of 40 years)	1.7 percent per year	2.0 percent per year
For services rendered after July 1, 2015		
Each year of service during the first 10 years	1.4 percent per year	2.0 percent per year
Each year of service thereafter (up to a maximum of 40 years)	1.9 percent per year	2.0 percent per year

With these provisions:

(a) Normal retirement age is 65.

(b) One quarter of a percent per month early retirement reduction factor for all months under normal retirement age.

(c) If a Basic Plan member has 25 years of service, the reduction is applied only if the member is less than 60 years old. If a Coordinated Plan member has 30 years of service, the reduction is applied only if the member is less than 62 years old.

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

Tier II Benefits

	Coordinated Plan Member	Basic Plan Member
For services rendered prior to July 1, 2015		
All years of service (up to a maximum of 40 years)	1.7 percent per year	2.5 percent per year
For services rendered after July 1, 2015		
All years of service (up to a maximum of 40 years)	1.9 percent per year	2.5 percent per year

With these provisions:

(a) Normal retirement age is 65.

(b) Early retirement reduction factor for all months under normal retirement age using the statutorily determined early retirement reduction tables.

NOTE 6 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2019 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District's contributions to the GERF for the year ended June 30, 2019, were $7,903,892. The District's contributions were equal to the required contributions as set by state statutes.

2. SPTRFA Contributions

Per Minnesota Statutes, Chapter 354A.12 sets the rates for employer and employee contributions. Rates approved for the current fiscal year are:

	Percentage of Covered Payroll			
	Basic Plan		Coordinated Plan	
Year Ended June 30,	Employee	Employer	Employee	Employer
2019	10.00 %	14.48 %	7.50 %	11.18 %

The District's contributions to the SPTRFA for the plan's fiscal year ended June 30, 2019, were $30,011,767. The District's contributions were equal to the required contributions for each year as set by state statutes.

Additionally, pursuant to Minnesota Statutes 423A.02, the District contributed $800,000 to the Saint Paul Teachers Retirement Fund in the current year.

D. Pension Costs

1. GERF Pension Costs

At June 30, 2019, the District reported a liability of $86,919,640 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of the PERA's participating employers. The District's proportionate share was 1.5668 percent at the end of the measurement period and 1.6165 percent for the beginning of the period.

NOTE 6 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

District's proportionate share of the net pension liability	$ 86,919,640
State's proportionate share of the net pension liability associated with the District	$ 2,851,130

For the year ended June 30, 2019, the District recognized negative pension expense of $340,677 for its proportionate share of the GERF's pension expense. In addition, the District recognized an additional $664,878 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of $16 million to the GERF.

At June 30, 2019, the District reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 2,370,327	$ 2,659,981
Changes in actuarial assumptions	8,712,137	9,978,400
Differences between projected and actual investment earnings	–	8,598,741
Changes in proportion	–	4,970,470
District's contributions to the GERF subsequent to the measurement date	7,903,892	–
Total	$ 18,986,356	$ 26,207,592

A total of $7,903,892 reported as deferred outflows of resources related to pensions resulting from district contributions to the GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to the GERF pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2020	$ 701,701
2021	$ (6,031,992)
2022	$ (7,980,675)
2023	$ (1,814,162)

NOTE 6 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

2. SPTRFA Pension Costs

At June 30, 2019, the District reported a liability of $438,560,447 for its proportionate share of the SPTRFA's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the SPTRFA in relation to total system contributions, including direct aid from the state of Minnesota. The District's proportionate share was 72.415 percent at the end of the measurement period and 71.848 percent for the beginning of the period.

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

District's proportionate share of the net pension liability	$ 438,560,447
State's proportionate share of the net pension liability associated with the District	$ 166,192,028

For the year ended June 30, 2019, the District recognized negative pension expense of $8,131,728. It also recognized $10,649,316 as an increase to pension expense for the support provided by direct aid.

At June 30, 2019, the District reported its proportionate share of the SPTRFA's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 2,572,181	$ 17,438,980
Changes in actuarial assumptions	64,392,142	8,198,102
Differences between projected and actual investment earnings	–	2,097,138
Changes in proportion	7,146,831	–
District's contributions to the SPTRFA subsequent to the measurement date	30,811,767	–
Total	$ 104,922,921	$ 27,734,220

A total of $30,811,767 reported as deferred outflows of resources related to pensions resulting from district contributions to the SPTRFA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to the SPTRFA will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2020	$ 19,313,956
2021	$ 19,299,161
2022	$ 9,802,931
2023	$ (2,039,114)

E. Actuarial Assumptions

The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions:

Assumptions	GERF	SPTRFA
Inflation	2.50%	2.50%
Active member payroll growth	3.25%	3.00–9.00%
Investment rate of return	7.50%	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP-2014 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1.25 percent per year for the GERF and 1.00 percent per year through 2041, 2.00 percent beginning 2042, and 2.50 percent beginning 2052 for the SPTRFA.

Actuarial assumptions used in the June 30, 2018 valuation for the GERF were based on the results of actuarial experience studies. The most recent experience study in the GERF was completed in 2015. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions and plan provisions for the GERF occurred in 2018:

CHANGES IN ACTUARIAL ASSUMPTIONS

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

CHANGES IN PLAN PROVISIONS

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio, to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.

NOTE 6 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age. Does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

The actuarial assumptions used in the June 30, 2018 valuation for the SPTRFA were based on the results of an actuarial experience study for the period July 1, 2006 to June 30, 2011.

The following changes in actuarial assumptions and plan provisions for the SPTRFA occurred in 2018:

CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed investment return was lowered from 8.00 percent to 7.50 percent.
- The assumed wage inflation decreased from 4.00 percent to 3.00 percent.
- Salary increase rates were updated from an age-based table with a service-based component during the first 15 years, to a service-based table of rates.
- Retirement, withdrawal, and disability rates were adjusted to better fit observed experience.
- The mortality table was updated from the RP-2000 Mortality Table (with adjustments) projected with Scale AA to 2020, to the RP-2014 Mortality Table, with white collar adjustment, set back two years for females, projected with Scale MP-2017 from 2006.

CHANGES IN PLAN PROVISIONS

- The annuity benefit increases changed zero percent for January 1, 2019 and 2020, with 1.00 percent payable thereafter. In addition, for retirements on or after July 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age (not applicable to Rule of 90 retirees, Rule of 62/30 retirees, disability benefit recipients, or survivors).
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent prospectively, beginning July 1, 2018.
- Lower early retirement factors will be phased in over a 60-month period starting July 1, 2019.
- Deferred augmentation was changed to zero percent prospectively, effective July 1, 2019.

NOTE 6 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

- Statutory contribution rates for members and their employers are shown as a percent of pay below:

	Plan Contribution Rates: Basic/Coordinated		
Contributions After June 30	Member (%)	Employer Regular (%)	Employer Additional (%)
2018	10.000/7.500	10.835/7.335	3.640/3.840
2019	10.000/7.500	11.670/8.170	3.640/3.840
2020	10.000/7.500	11.880/8.380	3.640/3.840
2021	10.000/7.500	12.090/8.590	3.640/3.840
2022	10.250/7.750	12.300/8.800	3.640/3.840
2023	10.250/7.750	12.500/9.000	3.640/3.840

- Additional supplemental contributions of $5,000,000 will be made by the state of Minnesota annually beginning October 1, 2018.

- The plan's statutory amortization period was changed from June 30, 2042, to June 30, 2048.

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

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

Asset Class	Target Allocation	Long-Term Rate of Return
Domestic stocks	36 %	5.10 %
International stocks	17	5.30 %
Bonds (fixed income)	20	0.75 %
Alternative assets (private markets)	25	5.90 %
Cash	2	– %
Total	100 %	

NOTE 6 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Asset Class	Target Allocation	Long-Term Rate of Return
Domestic stocks	35 %	6.55 %
International stocks	20	6.98 %
Fixed income	20	3.45 %
Real assets	11	3.90 %
Private equity and alternatives	9	7.47 %
Opportunistic	5	6.08 %
Total	100 %	

F. Discount Rate

1. GERF

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

2. SPTRFA

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that plan members, employer, and state of Minnesota contributions will be made in accordance with rates set by Minnesota Statutes. Based on these assumptions, SPTRFA's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 6 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

G. Pension Liability Sensitivity

The following table presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed on the preceding page, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1.0 percentage point lower or 1.0 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
GERF discount rate	6.50%	7.50%	8.50%
District's proportionate share of the GERF net pension liability	$ 141,255,543	$ 86,919,640	$ 42,066,904
SPTRFA discount rate	6.50%	7.50%	8.50%
District's proportionate share of the SPTRFA net pension liability	$ 583,021,855	$ 438,560,447	$ 318,901,177

H. Pension Plan Fiduciary Net Position

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

Detailed information about the SPTRFA's fiduciary net position is available in a separately issued SPTRFA financial report. That report can be obtained at the SPTRFA website at www.sptrfa.org; by writing to the SPTRFA at 1619 Dayton Avenue, Room 309, St. Paul, Minnesota 55104; or by calling (651) 642-2550.

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

A. Plan Description

The District provides post-employment benefits to certain eligible employees through the Independent School District No. 625 OPEB Plan, a single-employer defined benefit plan administered by the District. Management of the plan is vested with the Board of Education of the District. All post-employment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report.

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

B. Benefits Provided

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

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

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined annually by the District. The District's contributions in the current year totaled $22,534,370 as required on a pay-as-you-go basis to finance current year benefits as described in the previous section. The District has established an OPEB Revocable Trust to fund these obligations.

D. Membership

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

Retirees and beneficiaries receiving benefits	3,175
Active plan members	5,703
Total members	8,878

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

E. Total OPEB Liability of the District

The District's total OPEB liability of $319,487,158 as of year-end was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial study with a valuation date and measurement date as of June 30, 2018, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.62%
20-year municipal bond yield	3.62%
Inflation rate	2.75%
Healthcare trend rate	6.90% initially, gradually decreasing over several decades to an ultimate rate of 4.40% in fiscal year 2075 and later years

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

Mortality rates were based on the RP-2014 Mortality Tables with projected mortality improvements based on Scale MP-2015, and other adjustments. The rates used are recent tables developed and recommended by the Society of Actuaries.

The retirement and withdrawal assumptions used to value GASB Statement No. 75 liabilities are similar to those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information, as well as for consistency with the other economic assumptions.

G. Changes in the Total OPEB Liability

	Total OPEB Liability
Beginning balance	$ 330,876,703
Changes for the year	
Service cost	7,818,493
Interest	11,700,816
Change of assumptions	(10,867,697)
Benefit payments	(20,041,157)
Total net changes	(11,389,545)
Ending balance	$ 319,487,158

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 3.56 percent to 3.62 percent.

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

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

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB discount rate	2.62%	3.62%	4.62%
Total OPEB liability	$ 348,950,628	$ 319,487,158	$ 293,642,338

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1.0 percentage point lower or 1.0 percentage point higher than the current healthcare cost trend rates:

	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB healthcare trend rate	5.90% decreasing to 3.40% after 56 years	6.90% decreasing to 4.40% after 56 years	7.90% decreasing to 5.40% after 56 years
Total OPEB liability	$ 305,468,542	$ 319,487,158	$ 335,591,184

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

For the current year ended, the District recognized OPEB expense of $15,587,214. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	$ –	$ 23,899,317
District's contributions subsequent to the measurement date	22,534,370	–
Total	$ 22,534,370	$ 23,899,317

A total of $22,534,370 reported as deferred outflows of resources related to OPEB contributions, subsequent to the measure date, will be recognized as a reduction of total OPEB liability in the year ending June 30, 2020.

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

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

Year Ending June 30,	Pension Expense Amount
2020	$ (3,932,095)
2021	$ (3,932,095)
2022	$ (3,932,095)
2023	$ (3,932,095)
2024	$ (3,932,095)
Thereafter	$ (4,238,842)

NOTE 8 – INTERFUND BALANCES AND TRANSACTIONS

Interfund Receivables and Payables

The District had the following interfund receivables and payables at June 30, 2019:

	Due From Other Fund	Due to Other Fund
General Fund	$ 54,388,914	$ –
Capital Projects Fund	–	54,388,914
Total	$ 54,388,914	$ 54,388,914

The District's General Fund has an interfund receivable from the Capital Projects Fund for expenditures made prior to the reimbursement of debt proceeds. Such interfund balances are reported in the fund financial statements, but are eliminated as necessary in the government-wide financial statements.

NOTE 9 – STEWARDSHIP AND ACCOUNTABILITY

At June 30, 2019, the District had a deficit net position total in the Capital Projects Fund of $24,285,406.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

A. Legal Contingencies

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

NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

B. Federal and State Revenues

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

C. Construction Contracts

At June 30, 2019, the District had commitments totaling $24,300,902 under various construction contracts for which the work was not yet completed.

NOTE 11 – SUBSEQUENT EVENTS

In July 2019, the District issued $22,145,000 of Certificates of Participation, Series 2019B. The certificates bear interest rates ranging from 3.0–5.0 percent and mature in 2039.

In July 2019, the District issued $40,260,000 of Taxable Certificates of Participation, Series 2019C. The certificates bear interest rates ranging from 2.025–3.383 percent and mature in 2039.

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 625

Public Employees Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2019

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	1.8895%	$ 88,759,244	$ –	$ 88,759,244	$ 99,090,499	89.57%	78.70%
06/30/2016	06/30/2015	1.7578%	$ 91,098,319	$ –	$ 91,098,319	$ 99,908,024	91.18%	78.20%
06/30/2017	06/30/2016	1.6440%	$ 133,484,646	$ 1,743,390	$ 135,228,036	$ 101,243,640	131.84%	68.90%
06/30/2018	06/30/2017	1.6165%	$ 103,196,293	$ 1,297,601	$ 104,493,894	$ 104,043,297	99.19%	75.90%
06/30/2019	06/30/2018	1.5668%	$ 86,919,640	$ 2,851,130	$ 89,770,770	$ 105,660,491	82.26%	79.50%

Public Employees Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2019

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	$ 7,618,169	$ 7,618,169	$ –	$ 99,908,024	7.63%
06/30/2016	$ 7,593,273	$ 7,593,273	$ –	$ 101,243,640	7.50%
06/30/2017	$ 7,803,247	$ 7,803,247	$ –	$ 104,043,297	7.50%
06/30/2018	$ 7,891,239	$ 7,891,239	$ –	$ 105,660,491	7.47%
06/30/2019	$ 7,903,892	$ 7,903,892	$ –	$ 105,371,739	7.50%

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

INDEPENDENT SCHOOL DISTRICT NO. 625

Saint Paul Teachers Retirement Fund Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2019

District Fiscal Year-End Date	SPTRFA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	69.3460%	$ 371,550,320	$ 161,849,511	$ 533,399,831	$ 259,740,000	143.05%	66.12%
06/30/2016	06/30/2015	70.2370%	$ 408,639,568	$ 171,196,640	$ 579,836,208	$ 262,952,558	155.40%	63.56%
06/30/2017	06/30/2016	71.0370%	$ 449,596,014	$ 181,788,120	$ 631,384,134	$ 257,470,816	174.62%	60.26%
06/30/2018	06/30/2017	71.8480%	$ 415,970,462	$ 161,573,776	$ 577,544,238	$ 260,269,125	159.82%	64.07%
06/30/2019	06/30/2018	72.4150%	$ 438,560,447	$ 166,192,028	$ 604,752,475	$ 258,918,482	169.38%	63.87%

Saint Paul Teachers Retirement Fund Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2019

District Fiscal Year-End Date	Statutorily Required Contributions *	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	$ 24,994,020	$ 24,994,020	$ –	$ 262,952,558	9.51%
06/30/2016	$ 25,384,079	$ 25,384,079	$ –	$ 257,470,816	9.86%
06/30/2017	$ 26,236,260	$ 26,236,260	$ –	$ 260,269,125	10.08%
06/30/2018	$ 27,305,466	$ 27,305,466	$ –	$ 258,918,482	10.55%
06/30/2019	$ 30,011,767	$ 30,011,767	$ –	$ 264,319,067	11.35%

* In addition to the above contributions based on covered payroll, for each period presented above, the District also contributed $800,000 annually as required by state statutes.

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

INDEPENDENT SCHOOL DISTRICT NO. 625

Other Post-Employment Benefits Plan
Schedule of Changes in the District's Total
OPEB Liability and Related Ratios
Year Ended June 30, 2019

	District Fiscal Year-End Date 2018	2019
Total OPEB liability		
Service cost	$ 8,294,600	$ 7,818,493
Interest	10,228,440	11,700,816
Change of assumptions	(19,488,077)	(10,867,697)
Benefit payments	(20,305,375)	(20,041,157)
Net change in total OPEB liability	(21,270,412)	(11,389,545)
Total OPEB liability – beginning of year	352,147,115	330,876,703
Total OPEB liability – end of year	$ 330,876,703	$ 319,487,158
Covered-employee payroll	$ 325,787,955	$ 308,543,117
Total OPEB liability as a percentage of covered-employee payroll	101.56%	103.55%

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

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

INDEPENDENT SCHOOL DISTRICT NO. 625

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
General Fund and Major Special Revenue Funds
Year Ended June 30, 2019

	General			
	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Local sources				
Property taxes	$114,276,858	$114,276,858	$117,114,826	$ 2,837,968
County and other	8,100,000	9,094,360	12,170,085	3,075,725
State	433,836,839	445,752,544	450,852,968	5,100,424
Federal	44,899,990	54,944,335	49,039,002	(5,905,333)
Investment earnings	100,000	100,000	3,266,489	3,166,489
Sales and conversion of assets	–	–	391,370	391,370
Total revenues	601,213,687	624,168,097	632,834,740	8,666,643
Expenditures				
Current				
Administration	23,377,777	24,372,433	24,537,667	165,234
District support services	27,084,711	21,310,927	16,285,155	(5,025,772)
Elementary and secondary regular instruction	254,903,973	283,037,826	279,467,164	(3,570,662)
Vocational education instruction	3,335,928	3,036,296	5,972,344	2,936,048
Special education instruction	107,815,220	117,573,705	119,596,282	2,022,577
Instructional support services	31,339,193	35,156,315	35,213,420	57,105
Pupil support services	54,951,893	63,196,452	64,980,833	1,784,381
Sites and buildings	56,524,251	63,597,512	66,252,806	2,655,294
Fiscal and other fixed cost programs	25,449,431	3,892,934	1,848,299	(2,044,635)
Food service	–	–	–	–
Community service	7,353,760	8,427,930	8,390,698	(37,232)
Debt service				
Principal payments	7,894,146	7,894,146	7,894,146	–
Interest	1,183,404	1,183,404	1,183,404	–
Total expenditures	601,213,687	632,679,880	631,622,218	(1,057,662)
Excess (deficiency) of revenues over expenditures	–	(8,511,783)	1,212,522	9,724,305
Other financing sources				
Sale of capital assets	–	–	3,318,225	3,318,225
Net change in fund balances	$ –	$ (8,511,783)	4,530,747	$ 13,042,530
Fund balances at beginning of year			93,982,507	
Fund balances at end of year			$ 98,513,254	

	Food Service				Community Service			
	Budgeted Amounts				Budgeted Amounts			
	Original	Final	Actual	Variance	Original	Final	Actual	Variance
Revenues								
Local sources								
Property taxes	$ –	$ –	$ –	$ –	$ 3,300,382	$ 3,294,382	$ 3,610,332	$ 315,950
County and other	–	20,575	194,857	174,282	7,843,768	7,413,366	6,317,160	(1,096,206)
State	1,279,308	1,283,808	996,438	(287,370)	16,280,686	16,832,124	16,845,904	13,780
Federal	25,794,316	25,794,316	24,061,718	(1,732,598)	4,423,828	2,905,447	2,679,352	(226,095)
Investment earnings	–	–	58,149	58,149	10,000	10,000	58,149	48,149
Sales and conversion of assets	1,865,265	1,865,265	1,822,072	(43,193)	575	75	3,081	3,006
Total revenues	28,938,889	28,963,964	27,133,234	(1,830,730)	31,859,239	30,455,394	29,513,978	(941,416)
Expenditures								
Current								
Administration	–	–	–	–	–	–	–	–
District support services	–	–	–	–	–	–	–	–
Elementary and secondary regular instruction	–	–	–	–	–	–	–	–
Vocational education instruction	–	–	–	–	–	–	–	–
Special education instruction	–	–	–	–	–	–	–	–
Instructional support services	–	–	–	–	–	–	–	–
Pupil support services	–	–	–	–	739,547	1,161,828	1,123,730	(38,098)
Sites and buildings	–	–	–	–	–	–	–	–
Fiscal and other fixed cost programs	–	–	–	–	–	–	–	–
Food service	28,938,889	28,963,964	27,918,369	(1,045,595)	–	–	–	–
Community service	–	–	–	–	31,265,172	29,445,047	28,517,914	(927,133)
Debt service								
Principal payments	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–
Total expenditures	28,938,889	28,963,964	27,918,369	(1,045,595)	32,004,719	30,606,875	29,641,644	(965,231)
Excess (deficiency) of revenues over expenditures	–	–	(785,135)	(785,135)	(145,480)	(151,481)	(127,666)	23,815
Other financing sources								
Sale of capital assets	–	–	–	–	–	–	–	–
Net change in fund balances	$ –	$ –	(785,135)	$ (785,135)	$ (145,480)	$ (151,481)	(127,666)	$ 23,815
Fund balances at beginning of year			6,638,718				3,673,851	
Fund balances at end of year			$ 5,853,583				$ 3,546,185	

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN PLAN PROVISIONS

- The state's special funding contribution increased from $6 million to $16 million.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Retirement Fund, which increased the total pension liability by $1.1 billion and increased the fiduciary plan net position by $892 million. Upon consolidation, state and employer contributions were revised.

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

SPTRFA

2018 CHANGES IN PLAN PROVISIONS

- The annuity benefit increases changed to zero percent for January 1, 2019 and 2020, with 1.00 percent payable thereafter. In addition, for retirements on or after July 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age (not applicable to Rule of 90 retirees, Rule of 62/30 retirees, disability benefit recipients, or survivors).
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent prospectively, beginning July 1, 2018.
- Lower early retirement factors will be phased in over a 60-month period starting July 1, 2019.
- Deferred augmentation was changed to zero percent prospectively, effective July 1, 2019.
- Statutory contribution rates for members and their employers are shown as a percent of pay below:

	Plan Contribution Rates: Basic/Coordinated		
Contributions After June 30	Member (%)	Employer Regular (%)	Employer Additional (%)
2018	10.000/7.500	10.835/7.335	3.640/3.840
2019	10.000/7.500	11.670/8.170	3.640/3.840
2020	10.000/7.500	11.880/8.380	3.640/3.840
2021	10.000/7.500	12.090/8.590	3.640/3.840
2022	10.250/7.750	12.300/8.800	3.640/3.840
2023	10.250/7.750	12.500/9.000	3.640/3.840

- Additional supplemental contributions of $5,000,000 will be made by the State of Minnesota annually beginning October 1, 2018.
- The plan's statutory amortization period was changed from June 30, 2042, to June 30, 2048.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed investment return was lowered from 8.00 percent to 7.50 percent.
- The assumed wage inflation decreased from 4.00 percent to 3.00 percent.
- Salary increase rates were updated from an age-based table with a service-based component during the first 15 years, to a service-based table of rates.
- Retirement, withdrawal, and disability rates were adjusted to better fit observed experience.

SPTRFA (CONTINUED)

2018 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

- The mortality table was updated from the RP-2000 Mortality Table (with adjustments) projected with Scale AA to 2020, to the RP-2014 Mortality Table, with white collar adjustment, set back two years for females, projected with Scale MP-2017 from 2006.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The Combined Service Annuity loads on liabilities were changed as follows:

	Active Pre-89	Active Post-89	Vested Terminated	Nonvested Terminated
Prior	7.00 %	2.00 %	30.00 %	30.00 %
Current	– %	– %	20.00 %	9.00 %

- The assumed cost of living adjustments were changed from 1.00 percent per year through 2054, 2.00 percent beginning 2055, 2.50 percent beginning 2066 to 1.00 percent per year through 2041, 2.00 percent beginning 2042, and 2.50 percent beginning 2052.

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

- The plan is assumed to pay a 2.0 percent post-retirement benefit increase beginning January 1, 2055 and a 2.5 percent post-retirement benefit increase beginning January 1, 2066.

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

- The plan is assumed to pay a 2.0 percent post-retirement benefit increase beginning January 1, 2041 and a 2.5 percent post-retirement benefit increase beginning January 1, 2051.

OTHER POST-EMPLOYMENT BENEFITS PLAN

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.56 percent to 3.62 percent.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.92 percent to 3.56 percent.

BUDGETARY INFORMATION

The budgets for the General Fund, Food Service Special Revenue Fund, and Community Service Special Revenue Fund are prepared on the same basis of accounting as the financial statements and lapse at year-end.

The Saint Paul Public Schools Budget & Finance Advisory Committee meets to provide input to administration and to the Board of Education on budget planning recommendations that support the strategic goals and policies of the District. The committee is co-chaired by the Board treasurer and the chief financial officer and members include staff, parents, residents, local business representatives and the community.

These procedures are followed in establishing the budgetary data reflected in the required supplementary information:

- The Board of Education adopts the guidelines and the budget calendar.
- From February through April, the administration and schools prepare the budget.
- The Board of Education's Committee of the Board reviews budget recommendations from administration.
- The Board of Education's Committee of the Board reports at a June regular board meeting regarding the budget recommendations and adopts the budget, which is detailed in a separate budgetary report.
- The superintendent and the chief financial officer are authorized to transfer budgeted amounts within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Final budgeted amounts include two budget amendments. Unencumbered expenditure appropriations lapse at year-end. Encumbrances outstanding at year-end are reported in the applicable component of fund balance (restricted, committed, or assigned) since they do not represent expenditures or liabilities. Encumbrances outstanding at year-end are reappropriated in the ensuing year's budget, and the related expenditures are recorded in the ensuing year.

PROPOSAL SALE DATE: January 21, 2020

Independent School District No. 625
Saint Paul, Minnesota
$15,000,000* General Obligation School Building Bonds, Series 2020A

For the Series 2020A Bonds of this Issue which shall mature and bear interest at the respective annual rates, as follow, we offer a price of $_________________ (which may not be less than $15,000,000 (Par)) plus accrued interest, if any, to the date of delivery.

Year	Interest Rate (%)	Yield (%)	Dollar Price	Year	Interest Rate (%)	Yield (%)	Dollar Price
2021	_______%	_______%	_______%	2031	_______%	_______%	_______%
2022	_______%	_______%	_______%	2032	_______%	_______%	_______%
2023	_______%	_______%	_______%	2033	_______%	_______%	_______%
2024	_______%	_______%	_______%	2034	_______%	_______%	_______%
2025	_______%	_______%	_______%	2035	_______%	_______%	_______%
2026	_______%	_______%	_______%	2036	_______%	_______%	_______%
2027	_______%	_______%	_______%	2037	_______%	_______%	_______%
2028	_______%	_______%	_______%	2038	_______%	_______%	_______%
2029	_______%	_______%	_______%	2039	_______%	_______%	_______%
2030	_______%	_______%	_______%	2040	_______%	_______%	_______%

Designation of Term Maturities

Years of Term Maturities ______________ ______________
______________ ______________

In making this offer on the sale date of January 21, 2020 we accept all of the terms and conditions of the Terms of Proposal published in the Preliminary Official Statement dated January 8, 2020 including the District's right to modify the principal amount of the Series 2020A Bonds. (See "Terms of Proposal" herein.) In the event of failure to deliver these Series 2020A Bonds in accordance with said Terms of Proposal, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

By submitting this proposal, we confirm that we have an established industry reputation for underwriting municipal bonds such as the Series 2020A Bonds.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: $______________________________

TRUE INTEREST RATE: _______________ %

The Bidder ☐ will not ☐ will purchase municipal bond insurance from _________________.

Account Members

____
Account Manager
By: _____________________________
Phone: __________________________

The foregoing proposal has been accepted by the District.

Attest: __________________________________ Date: ___________________________________

* *Preliminary; subject to change.*

Phone: 651-223-3000
Fax: 651-223-3046
Email: bond_services@bakertilly.com

PROPOSAL SALE DATE: January 21, 2020

Independent School District No. 625
Saint Paul, Minnesota
$9,025,000* General Obligation Refunding Bonds, Series 2020B

For the Series 2020B Bonds of this Issue which shall mature and bear interest at the respective annual rates, as follow, we offer a price of $_________________ (which may not be less than $9,025,000 (Par)) plus accrued interest, if any, to the date of delivery.

Year	Interest Rate (%)	Yield (%)	Dollar Price	Year	Interest Rate (%)	Yield (%)	Dollar Price
2021	______%	______%	______%	2027	______%	______%	______%
2022	______%	______%	______%	2028	______%	______%	______%
2023	______%	______%	______%	2029	______%	______%	______%
2024	______%	______%	______%	2030	______%	______%	______%
2025	______%	______%	______%	2031	______%	______%	______%
2026	______%	______%	______%				

Designation of Term Maturities

Years of Term Maturities ______________ ______________
______________ ______________

In making this offer on the sale date of January 21, 2020 we accept all of the terms and conditions of the Terms of Proposal published in the Preliminary Official Statement dated January 8, 2020 including the District's right to modify the principal amount of the Series 2020B Bonds. (See "Terms of Proposal" herein.) In the event of failure to deliver these Series 2020B Bonds in accordance with said Terms of Proposal, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

By submitting this proposal, we confirm that we have an established industry reputation for underwriting municipal bonds such as the Series 2020B Bonds.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: $______________________________

TRUE INTEREST RATE: _______________ %

The Bidder ☐ will not ☐ will purchase municipal bond insurance from __________________.

Account Members

____
Account Manager

By: ____________________________
Phone: __________________________

The foregoing proposal has been accepted by the District.

Attest: __________________________________ Date: ___________________________________

* *Preliminary; subject to change.*

Phone: 651-223-3000
Fax: 651-223-3046
Email: bond_services@bakertilly.com