

# WAYZATA PUBLIC SCHOOLS

Independent School District 284  
Wayzata, Minnesota

## **BOARD OF EDUCATION**

Regular Meeting - December 10, 2018 - 7:00 PM  
Wayzata City Hall, 600 Rice Street, Wayzata

### **AGENDA**

<b>1. CALL TO ORDER/ROLL CALL</b>	4
<b>2. APPROVAL OF AGENDA AND CONSENT AGENDA ITEMS</b>	5
Consent Agenda items are considered to be routine in nature and will be enacted by one motion. There will be no separate discussion of these items unless a Board member or citizen so requests, in which event the item will be removed as a Consent Agenda item and addressed. Consent Agenda items are as follows:	
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This section of the agenda provides an opportunity for those who have called and placed their names on the list and for members of the audience to address the School Board.	



# WAYZATA PUBLIC SCHOOLS

Independent School District 284

Wayzata, Minnesota

## MISSION

### **Our Core Purpose:**

The mission of Wayzata Public Schools is to ensure a world-class education that prepares each and every student to thrive today and excel tomorrow in an ever-changing global society.

## VISION

### **What We Intend to Create and Experience:**

The vision of Wayzata Public Schools is to be a model of excellence where all students discover their unique talents, develop a love and tenacity for learning and demonstrate confidence and capacity for success through:

### **Exceptional Student Learning, Experiences and Relationships:**

- High achievement by each and every student—no exceptions, no excuses;
- Content-rich, rigorous and personalized education;
- Meaningful relationships with teachers, staff, mentors and peers in a welcoming, nurturing and safe environment where all are valued for who they are and the contributions they make.

### **Community Trust, Confidence and Partnership:**

- Comprehensive learning opportunities meeting diverse learner needs and community aspirations;
- Committed to being the first choice for students and families;
- Maintaining the highest levels of satisfaction and pride by staff, parents and community.

### **Operational Excellence:**

- Attraction, development and retention of exemplary, creative and engaged employees;
- Accountability by all staff for individual and collective performance;
- Effective and efficient use of time and human, financial and physical resources;
- Culture of continuous improvement and responsive innovation;
- High performing district governance, management and partnerships.

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**  
Regular Meeting – December 10, 2018

**AGENDA SECTION:** 1. Call to Order

**ITEM:** Call to Order/Roll Call Attendance

**COMMENTS BY:** Sarah Johansen, Board Chair

School Board Chair, Sarah Johansen, will call the meeting to order. School Board Clerk Cheryl Polzin will call the roll.

	<u>Present</u>	<u>Absent</u>
Erik Brown	_____	_____
Linda Cohen	_____	_____
Andrea Cuene	_____	_____
Bonita Lucky	_____	_____
Chris McCullough	_____	_____
Cheryl Polzin	_____	_____
Sarah Johansen	_____	_____
Dr. Chace B. Anderson, Ex Officio	_____	_____

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**  
Regular Meeting – December 10, 2018

**AGENDA SECTION:**   2. Approval of Agenda and Consent Agenda Items  

**ITEM:**   Approval of Agenda and Consent Agenda Items  

**COMMENTS BY:**   Sarah Johansen, Board Chair  

Consent Agenda items are considered to be routine in nature and will be enacted by one motion. There will be no separate discussion of these items unless a Board member or citizen so requests, in which event, the item will be removed as a Consent Agenda item and addressed. Consent Agenda items are as follows:

- A. Approval of Minutes**
- B. Finance and Business Recommendations**
  - 1. Monthly Reports
  - 2. OPEB Investment Policy Statement
- C. Human Resource Recommendations**
  - 1. Monthly Recommendations
- D. Student Teaching Agreement with Purdue**

**RECOMMENDED ACTION:** Approve the agenda as presented and the Consent Agenda items.

Motion by: \_\_\_\_\_ ROLL CALL Passed \_\_\_\_\_

Second by: \_\_\_\_\_ VOTE Failed \_\_\_\_\_

Abstentions: \_\_\_\_\_

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**  
Regular Meeting – December 10, 2018

**AGENDA SECTION:** 2. Approval of Agenda and Consent Agenda Items

**ITEM:** A. Approval of Minutes

**COMMENTS BY:** Sarah Johansen, Board Chair

Approve the minutes of the following meetings:

November 19, 2018 Regular Board Meeting Minutes

**RECOMMENDED ACTION:** Approve the minutes of the Board Meetings

Motion by: \_\_\_\_\_ Yes \_\_\_\_\_ Passed \_\_\_\_\_

Second by: \_\_\_\_\_ No \_\_\_\_\_ Failed \_\_\_\_\_

Abstentions: \_\_\_\_\_

# Minutes of Regular Meeting

## The Board of Education Wayzata Public Schools

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A Regular Meeting of the Board of Education of Wayzata Public Schools was held Monday, November 19, 2018, beginning at 6:00 PM in the Wayzata High School.

### 1. **CALL TO ORDER/ROLL CALL**

*Board Chair Sarah Johansen called the meeting to order; Board Clerk Cheryl Polzin called the roll. All board members were present: Sarah Johansen, Cheryl Polzin, Erik Brown, Andrea Cuene, Linda Cohen, Bonita Lucky, Chris McCullough, and ex-officio member Superintendent Chace B. Anderson.*

### 2. **APPROVAL OF AGENDA AND CONSENT AGENDA ITEMS**

*Andrea Cuene moved to approve the agenda and the consent agenda items. Linda Cohen seconded the motion, and it carried unanimously with a roll call vote.*

- A. Approval of Minutes
- B. Finance and Business Recommendations
  - 1. Monthly Reports
  - 2. P-Card Approval
- C. Human Resource Recommendations
  - 1. Monthly Recommendations
  - 2. Resignation Agreement
- D. 503-R Compulsory Attendance Regulations
- E. Student Teaching Agreement with Bethel University
- F. Student Teaching Agreement with University of Minnesota

### 3. **REPORTS FROM ORGANIZATIONS**

- A. Wayzata High School Student Council Representative - Ruchika Kamojjala

### 4. **RECOGNITIONS**

*Superintendent Chace B. Anderson honored the following for their contributions to the district:*

- A. Retiree Recognition
- B. October Employee of the Month
- C. November Employee of the Month
- D. Perfect ACT Students
- E. Outstanding Unified Champion School – Wayzata High School
- F. Central Middle School Blue Ribbon School

**5. STUDENT CURRICULUM PRESENTATION**

A. Greenwood Elementary

**6. SUPERINTENDENT'S REPORTS AND RECOMMENDATIONS**

A. Superintendent

B. Teaching and Learning

C. Finance and Business Services

1. Monthly Financial Reports

2. Early Learning School Addition at Oakwood Elementary

*Cheryl Polzin moved to approve the elementary school construction projects at the Oakwood Elementary School site. Bonita Lucky seconded the motion and it carried unanimously via a roll call vote.*

D. Human Resource Services

**7. OTHER BOARD ACTION**

**8. BOARD REPORTS**

**9. AUDIENCE OPPORTUNITY TO ADDRESS SCHOOL BOARD**

*No citizens wished to address the Board.*

**10. ADJOURN**

*Andrea Cuene motioned to adjourn the meeting. Linda Cohen seconded the motion and it carried unanimously. The meeting was adjourned at 7:09 pm.*

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**  
Regular Meeting – December 10, 2018

**AGENDA SECTION: APPROVAL OF AGENDA AND CONSENT AGENDA ITEMS**

**ITEM: Finance & Business Recommendations**

**COMMENTS BY: Jim Westrum, Executive Director of Finance and Business**

**Finance and Business Recommendations**

These routine items are presented for Board of Education review and approval through a single consent motion.

**Monthly Bills**

The attached lists itemize claims for which the Board of Education is requested to authorize payment.

General Checking Account for November 2018	\$4,914,591
Wire Transfer for October 2018	\$12,189,098

**Acknowledgement Of Contributions**

Minn. Stat. 465.03 - GIFTS TO MUNICIPALITIES

“Any city, county, school district or town may accept a grant or devise of real or personal property and maintain such property for the benefit of its citizens in accordance with the terms prescribed by the donor. Nothing herein shall authorize such acceptance or use for religious or sectarian purposes. Every such acceptance shall be by resolution of the governing body adopted by a two-thirds majority of its members, expressing such terms in full.”

**Monthly Donations**

The Board of Education is requested to accept the attached lists donations received in November 2018.

Cash Donations	\$41,284.02
In-Kind Donations	\$4,182.00

## Monthly Donations

Cash Donations:

<b>AMOUNT</b>	<b>DONATED BY</b>	<b>PURPOSE</b>
10,000.00	Kimberly Lane PTA	KL- Field Trip Buses
5,000.00	MN Mineral Resource Education Foundation	WHS - Geology Field Trip Support
4,000.00	Steven Fox	WHS - Choir Festival with Conspirare
2,780.00	East Middle School	EMS - Student Support & Activities
2,000.00	Thomas & Jeanne Fansler	WHS - Choir Festival with Conspirare
2,000.00	Tom Paul	WHS - Choir Festival with Conspirare
1,375.00	Gerald & Mary Fadden	WHS - Choir Festival with Conspirare
1,000.00	John Cullen	WHS - Choir Festival with Conspirare
1,000.00	Roshan N. Rajkumar	WHS - Choir Festival with Conspirare
1,000.00	Teri Larson Krubsack	WHS - Choir Festival with Conspirare
1,000.00	Catherine Stepanek	WHS - Choir Festival with Conspirare
1,000.00	Michael Ile & Andrea Boado	WHS - Choir Festival with Conspirare
1,000.00	Johns Sullivan	WHS - Choir Festival with Conspirare
700.00	Sunset Hill PTSA	SH - Social Worker Support
599.76	Sunset Hill PTSA	SH - Kindergarten Supplies
534.00	Sunset Hill PTSA	SH - 3rd Grade Supplies
500.00	Michael Dennis Browne	WHS - Choir Festival with Conspirare
500.00	L.D. or Frances A. Collman	WHS - Choir Festival with Conspirare
500.00	William H. Halverson	WHS - Choir Festival with Conspirare
500.00	Timothy & Carol Hearn	WHS - Choir Festival with Conspirare
460.00	Wells Fargo Foundation Educational Matching Gifts	SH - Student Activities
360.00	Wells Fargo Community Support Campaign	SH - Student Activities
284.00	Beth Joselyn	GW - Purchase Art Mural
250.00	Nancy Hanily-Dolan	WHS - Choir Festival with Conspirare
250.00	Nancy L. Evert	WHS - Choir Festival with Conspirare
250.00	Mark S. Johnson	WHS - Choir Festival with Conspirare
216.28	Greenwood PTA	GW - Classroom Supplies
209.98	Sunset Hill PTSA	SH - Kindergarten Classroom Supplies
200.00	LouAnn Larson	WHS - Choir Festival with Conspirare
175.00	Craig & Liz Robley	WHS - Choir Festival with Conspirare
165.00	Martha Anderson	WHS - Choir Festival with Conspirare
100.00	Steven & Wendy Grosser	WHS - Choir Festival with Conspirare
100.00	Karin Werdahl	WHS - Choir Festival with Conspirare
100.00	Mark P. Davis	WHS - Choir Festival with Conspirare
100.00	Dean Eyler	WHS - Choir Festival with Conspirare

100.00	Ann Marie Grocholski	WHS - Choir Festival with Conspirare
100.00	Amy Pak	WHS - Choir Festival with Conspirare
100.00	Michelle Gehrz	WHS - Choir Festival with Conspirare
100.00	John & Clare Miller	WHS - Choir Festival with Conspirare
70.00	Elizabeth Julien	WHS - Choir Festival with Conspirare
65.00	Paula J. Holmberg	WHS - Choir Festival with Conspirare
50.00	Nathan & Cheri Almquist	WHS - Choir Festival with Conspirare
50.00	Chad & Kendra Schmidt	WHS - Choir Festival with Conspirare
50.00	Mark Gitch	WHS - Choir Festival with Conspirare
50.00	Bruce Silver	WHS - Choir Festival with Conspirare
50.00	Lisa C. Lozito	WHS - Choir Festival with Conspirare
50.00	Patrick & Kathy Romey	WHS - Choir Festival with Conspirare
50.00	Anindya & Arpita Pasgupta	WHS - Choir Festival with Conspirare
35.00	Lydia H. Holsten	WHS - Choir Festival with Conspirare
30.00	Peter & Katherine Nycklemoe	WHS - Choir Festival with Conspirare
30.00	Connie Lewis	WHS - Choir Festival with Conspirare
30.00	Rebecca A. Halvorson	WHS - Choir Festival with Conspirare
20.00	Scott & Monica Healy	WHS - Choir Festival with Conspirare
15.00	Jennifer Gallagher	WHS - Choir Festival with Conspirare
15.00	Ashley Cardona	WHS - Choir Festival with Conspirare
15.00	Jay Hurd	WHS - Choir Festival with Conspirare

In-Kind Donations:

\$2,182.00	Tiller Corporation & Ziegler CAT	WHS Geology Class – Safety Vests, Glasses, Hard Hats
≈\$2,000.00	Jennifer Thao	Special Education - Adapted Equipment

**RECOMMENDED ACTION:** That the School Board approves the following checking account and wire transfer payments and accepts with appreciation the following gifts, which are in compliance with current District policy and guidelines:

Motion by: \_\_\_\_\_ Yes \_\_\_\_\_ Passed \_\_\_\_\_

Second by: \_\_\_\_\_ No \_\_\_\_\_ Failed \_\_\_\_\_

Abstentions: \_\_\_\_\_

WAYZATA PUBLIC SCHOOLS				
MONTHLY CHECK SUMMARY				
NOVEMBER 2018				
CHECK	VENDOR	DESCRIPTION	DATE	AMOUNT
707037	INNOVATIVE OFFICE SOLUTIONS	WHS RETROFIT FURNITURE	11/29/2018	491,727.74
421424	BRIESE IRON WORKS INC	9th - 05A Structural Steel	11/27/2018	475,023.75
421533	TARCON PRECAST LLC	9th - 03B Precast Concrete Hollow Core Plank	11/27/2018	406,539.63
421507	NORTHLAND CONCRETE & MASONRY LLP	9th - 04A Masonry	11/27/2018	203,453.90
421508	NORTHWEST ASPHALT INC	9th - 32A Asphalt Paving	11/27/2018	170,983.85
421406	WOLD ARCHITECTS AND ENGINEERS	CMS - Site Safety Bond	11/20/2018	164,302.17
421222	XCEL ENERGY	ENERGY BILL	11/13/2018	146,116.47
421554	TRUST POINT INC.	Payroll accrual	11/30/2018	122,430.00
421467	INTERMEDIATE DIST 287	DECEMBER	11/27/2018	114,699.00
421410	A J MOORE ELECTRIC INC	9th - 26A Electrical	11/27/2018	110,774.75
421310	INTERMEDIATE DIST 287	C&T FY17-18	11/20/2018	90,324.19
421214	UPPER LAKE FOODS	HS - PRIME VENDOR	11/13/2018	86,899.35
421443	EBERT CONSTRUCTION	9th - 03A Concrete	11/27/2018	84,107.84
421454	GENERAL SHEET METAL	GW - 23A Mechanical	11/27/2018	69,741.57
707034	HILLYARD INC MINNEAPOLIS	SUPPLIES	11/29/2018	68,713.86
421555	WAYZATA EDUCATION ASSN	Payroll accrual	11/30/2018	67,101.13
421229	WAYZATA EDUCATION ASSN	Payroll accrual	11/15/2018	66,194.16
421446	FEHN COMPANIES INC	9th - 31A Site Clearing, Earthwork, and Site Utilities	11/27/2018	65,188.80
421355	NORTH HENNEPIN COMMUNITY COLLEGE	PSEO FALL 2018	11/20/2018	59,850.00
421537	TITANIUM PARTNERS LLC	rent for WELS DECEMBER	11/27/2018	55,482.56
706938	HILLYARD INC MINNEAPOLIS	UNIVERSITY RENEWAL FEE	11/9/2018	46,368.96
421545	WENZEL-PLYMOUTH PLUMBING LLC	9th - 22A Plumbing	11/27/2018	45,125.00
421178	PHASOR ELECTRIC CO	WHS - Light Conversion	11/13/2018	41,924.00
421073	APPLE FORD LINCOLN APPLE VALLEY	CSF - New Automobiles	11/13/2018	41,877.18
421530	SPARTAN STEEL ERECTORS INC	9th - 05B Structural Steel	11/27/2018	36,447.70
421327	MCKINSTRY ESSENTION LLC	QTRLY BILLING SERVICES THROUGH 1/31/19	11/20/2018	33,750.00
421369	PRO-TEC DESIGN	District - Camera system	11/20/2018	33,136.40
421144	INTERMEDIATE DIST 287	ALC/ALC VOL. CONTRACT	11/13/2018	32,453.21
707013	INSTITUTE FOR ENVIRONMENTAL ASSESSMENT	GW ASBESTOS REMVL	11/21/2018	31,120.85
421534	TEKTON CONSTRUCTION CO	9th - 06A Carpentry	11/27/2018	30,070.46
421155	MAVO SYSTEMS, INC	CLOSET/RSTRM MOLD REMEDIATION	11/13/2018	29,354.12
421176	PAMS LUNCHROOM LLC	CSF - CREDIT CARD FEES	11/13/2018	28,260.62
706925	BRAUN INTEREC CORP	MR ADDITION SERVICES THROUGH 10/19/18	11/9/2018	27,609.63
420958	DLF MASONRY RESTORATION	GL - Through Wall Flashing repair	11/5/2018	26,649.00
421361	PARALLEL TECHNOLOGIES INC	IDF FIBER UPGRADE	11/20/2018	26,537.12
421132	FIRST STUDENT, INC	WHS - ARDEN HILLS	11/13/2018	24,954.82
421503	NAC (NORTHERN AIR CORP)	WMS - Make up Air Unit Replacemant	11/27/2018	19,361.92
421317	K12 TRANSPORTATION MANAGEMENT SVCS INC	TRANSPORTATION	11/20/2018	19,247.40
421099	CITY OF PLYMOUTH	WATER/SEWER	11/13/2018	18,975.54
421226	LIFE INSURANCE CO OF NORTH AMERICA	Payroll accrual	11/15/2018	18,021.49
421281	E-CONOLIGHT LLC	WHS - LED light upgrade	11/20/2018	17,996.00
421472	KROMER CO LLC	PAINTER TRACTOR/LINE PAINTER SYSTEM	11/27/2018	17,899.00
420942	CDW GOVERNMENT, INC	BV Mic, Outdoor AP's	11/5/2018	17,791.97
707064	STAPLES BUSINESS ADVANTAGE	TECH OFFICE TABLE	11/29/2018	17,383.02
421191	RUPP, ANDERSON, SQUIRES & WALDSPURGER PA	LEGAL SERVICES JULY	11/13/2018	17,376.08
421060	MADISON NATIONAL LIFE INSURANCE CO	Ins. Tracking Billing	11/7/2018	17,230.25
421425	BULLIS INSURANCE AGENCY LLC	RENEW POLICY 12/1/18 - 12/1/21	11/27/2018	17,180.00
706986	PUSH PEDAL PULL	CMS EXER ROOM / PE CAP BUDGET	11/16/2018	17,165.00
421548	XCEL ENERGY	ENERGY 149 BARRY AVE 3/22/18 - 10/18/18	11/27/2018	16,953.76
706895	COMMAND CENTER INC	SUBS CMS	11/2/2018	16,525.99
706918	STAPLES BUSINESS ADVANTAGE	SH HB OCT ACTIVITY SUPPLIES	11/2/2018	15,821.80
421075	BENEFITFOCUS.COM, INC.	MRKTPLACE IMPLEMENTATION	11/13/2018	14,400.00
421549	ZOLTAR INVESTMENT GROUP LLC	16th ave rent ESC DECEMBER RENT	11/27/2018	14,343.85
706985	PRAIRIE RIVER HOME CARE INC	MA NURSING	11/16/2018	13,983.75
421114	DIVERSIFIED SNACK DISTRIBUTION INC	WMS - SNACKS	11/13/2018	12,627.11

421385	SFM MUTUAL INSURANCE CO	WORKERS COMP	11/20/2018	12,621.47
420982	LANO EQUIPMENT INC	EBY EB14-2 YR: 2018/LICENSE FEES/SALES TAX	11/5/2018	12,349.00
421011	PALMER WEST CONSTRUCTION CO INC	SH - Partial Roof Rehab	11/5/2018	12,125.00
421228	SCHOOL SERVICE EMPLOYEES	Payroll accrual	11/15/2018	12,104.79
421264	BREDEMUS HARDWARE CO, INC	SUPPLIES	11/20/2018	11,940.00
421553	SCHOOL SERVICE EMPLOYEES	Payroll accrual	11/30/2018	11,929.90
707068	TRIO SUPPLY CO	CSF - PAPER SUPPLIES	11/29/2018	11,722.76
421319	KARGES-FAULCONBRIDGE, INC	GL - Boiler Replacement	11/20/2018	11,570.00
421320	KRAUS-ANDERSON CONSTRUCTION CO	MR ADDITION GCs & REIMBURSABLES	11/20/2018	11,554.05
421468	IOCP	comm ed rent DECEMBER	11/27/2018	11,168.89
421392	SUNDE LAND SURVEYING, LLC	EMS LAND SURVEY	11/20/2018	11,050.00
421484	MCDOWALL COMPANY	9th - 23A HVAC	11/27/2018	10,834.56
421485	MCGRAW HILL SCHOOL ED HOLDINGS LLC	HUMAN GENETICS-REPLACING 13 YR OLD TEXTS	11/27/2018	10,546.38
421407	WORKS COMPUTING/PARAGON DVLP SYSTEMS	Renewal of server support	11/20/2018	10,319.00
421422	BENCHMARK EDUCATION CO	SPED skill building sets	11/27/2018	10,131.00
421379	REPUBLIC SERVICES #894	DIST REFUSE	11/20/2018	9,895.01
421298	HILL CO, ROBERT B.	SUPPLIES	11/20/2018	9,875.00
707009	XEROX CORPORATION	WHS ADMIN OFFICE COPIER LEASE & MAINTENANCE	11/16/2018	9,863.86
706897	GOPHER SPORT	WE FIT (WEF GRANT)	11/2/2018	9,011.00
421058	ZMD ENGINEERED SOLUTIONS LLC	District Roof Survey	11/5/2018	9,000.00
421462	HANUS ENTERPRISES,LLP	bus garage rent DECEMBER RENT	11/27/2018	8,962.05
421436	CONSTRUCTION SYSTEMS INC	GW - 05-A Steel Package	11/27/2018	8,687.75
420993	MN ROADWAYS COMPANY	MILL PATCH REPAIRS	11/5/2018	8,639.30
706974	INNOVATIVE OFFICE SOLUTIONS	EMS STUDENT STOOLS	11/16/2018	8,199.00
421479	MALLOY MONTAGUE KARNOWSKI & CO PA	FY 18 AUDIT SERVICES	11/27/2018	8,000.00
420971	HILDI INC	ACTUARIAL DISCLOSURES WORK THROUGH 10/11/18	11/5/2018	7,775.00
421257	BERGIN FRUIT AND NUT COMPANY	HS - PRODUCE	11/20/2018	7,527.06
421488	MIDWEST SPECIAL INSTRUMENTS CORP	SPED audiometer	11/27/2018	7,470.00
421363	PHASOR ELECTRIC CO	WHS REPAIR	11/20/2018	7,324.00
421452	FUN ENGINEERZ LLC	JR STEM CLASSES KL	11/27/2018	7,192.00
421036	THREE RIVERS PARK DISTRICT	FT PC 5/2/19	11/5/2018	7,030.55
421090	CENTER FOR ACADEMIC EXCELLENCE	CLASSES	11/13/2018	6,974.21
420979	KINECT ENERGY INC	ENERGY BILL SEPTEMBER 2018	11/5/2018	6,917.01
706964	TRIO SUPPLY CO	HS - PAPER SUPPLIES	11/9/2018	6,892.13
421455	GEORGE COOK CONSTRUCTION CO	MR 06-A Carpentry	11/27/2018	6,490.80
706923	AUTOMATED LOGIC CONTRACTING SVCS INC	GL - Dehumidification project	11/9/2018	6,341.50
421431	CD TILE & STONE INC	GW - 09B Tile	11/27/2018	6,086.34
421169	NEXUS HOLIDAYS	CHINESE TRIP	11/13/2018	6,000.00
421112	DENNY'S 5TH AVENUE BAKERY	HS - BREAD	11/13/2018	5,953.95
420921	AIRPORT TAXI, INC	TRANSPORTATION	11/5/2018	5,598.00
421499	MULCAHY NICKOLAUS INC	MR - Framing and Drywall	11/27/2018	5,530.90
706987	RELATE COUNSELING CTR	MENTAL HEALTH SERVICES	11/16/2018	5,441.25
420977	KAMIDA	JOB #1485 CONCRETE SIDEWALK	11/5/2018	5,400.00
421074	ARVIG	MONTHLY INTERNET	11/13/2018	5,384.72
706892	ANCHOR PAPER COMPANY	INVENTORY COLOR PAPER FOR WAREHOUSE	11/2/2018	5,226.00
706940	INNOVATIVE OFFICE SOLUTIONS	PC K TABLE & CHAIRS	11/9/2018	5,224.22
420965	FUN ENGINEERZ LLC	KL JR STEM 9/24/18 - 10/15/18	11/5/2018	5,028.00
421543	W L HALL CO	GW - Door/Storefront	11/27/2018	4,943.05
706981	MOTG (MN OFFICE TECHNOLOGY GRP)	QTRLY MAINT.	11/16/2018	4,937.44
421552	PLANSOURCE BENEFITS ADMINISTRATION INC	Payroll accrual	11/30/2018	4,864.05
707069	WRIGHT-HENNEPIN COOP ELECTRIC ASSN	ENERGY BILL MR OCTOBER	11/29/2018	4,852.43
421483	MAXX STEEL ERECTORS INC	MR - 05B Structural Steel	11/27/2018	4,846.18
421387	SPECIAL SCHOOL DISTRICT #1	C&T TUITION	11/20/2018	4,809.84
706951	RETROFIT COMPANIES INC	SUPPLIES FOR RECYCLE	11/9/2018	4,766.40
421429	CARCIOFINI COMPANY INC	GW - 07A Sealants	11/27/2018	4,750.00
707001	STAPLES BUSINESS ADVANTAGE	fine tip markers file folders packing tape	11/16/2018	4,631.91
421057	Z SYSTEMS INC	AUDITORIUM TECHNOLOGY	11/5/2018	4,536.55
421093	CENTURY LINK BUSINESS SERVICES	MONTHLY INTERNET	11/13/2018	4,500.00
421190	R J MECHANICAL INC	SERVICED EYEWASH STATIONS	11/13/2018	4,483.35
421274	CPI - CRISIS PREVENTION INSTITUTE	SPED NCI Cert	11/20/2018	4,448.00
421243	AIR SYSTEMS ENGINEERING INC	MR - Test & Balance	11/20/2018	4,420.00

421059	LIFE INSURANCE CO OF NORTH AMERICA	Ins. Tracking Billing	11/7/2018	4,365.91
420939	BRIGGS & MORGAN	PROF SERVICES 9/5/18	11/5/2018	4,267.00
421492	MILLER 32ND AVE, LLC	Bus Driver lot DECEMBER RENT	11/27/2018	4,224.01
421374	PROFESSIONAL INTERPRETING	LANG INTERPRETING	11/20/2018	4,129.90
421381	R J MECHANICAL INC	WMS DRINKING FNTN INSTALL	11/20/2018	4,071.35
421068	AGROPUR INC DIVISION OF NATREL USA	SSH - MILK PRODUCTS	11/13/2018	4,033.08
420976	JULEE QUARVE-PETERSON, INC	PLYGRND INSPECTION	11/5/2018	4,000.00
421005	NOMAD SOUND INC.	AUDIO RENTAL	11/5/2018	4,000.00
421547	WOOD, MOLLY FEENEY	11/8/18 ELEM PD	11/27/2018	3,993.13
421461	HANNAH SCHNEEWIND, LLC	11/8/18 ELEM PD	11/27/2018	3,913.56
421023	RIFTON EQUIPMENT	SPED equipment	11/5/2018	3,857.25
421525	SERIGRAPHICS SIGN SYSTEMS, INC	MR ADD SIGNAGE	11/27/2018	3,783.00
707020	COMMERCIAL KITCHEN SERVICES	EQUIP REPAIR/SUPPLIES	11/29/2018	3,643.91
707022	CUSTOM WATER WORKS	ALL - (EXCEPT HS) - ALA CARTE	11/29/2018	3,581.25
421135	GROUP HEALTH INC-WORKSITE	WORKER'S COMP SEPTEMBER	11/13/2018	3,572.80
421294	HAMEL BUILDING CTR	LUMBER	11/20/2018	3,558.25
421045	WAYZATA ORCHESTRA BOOSTERS	BOOSTER KRISPY KREME	11/5/2018	3,548.55
706927	CUSTOM WATER WORKS	ALL - (EXCEPT HS) - ALA CARTE	11/9/2018	3,465.00
421277	DMJ ASPHALT INC	GL ASPHALT	11/20/2018	3,461.00
420969	H & B SPECIALIZED PRODUCTS	GL REPAIR	11/5/2018	3,427.04
421026	SCHMITTY & SONS / GRAY LINE MPLS	DEBATE TEAM TRANSP.	11/5/2018	3,407.25
421267	CHILED A INSTITUTE INC	OUT OF STATE C&T	11/20/2018	3,361.48
421380	RIFTON EQUIPMENT	SPED - BETH STRUVE	11/20/2018	3,322.50
421287	FIRST STUDENT, INC	WHS - MTKA	11/20/2018	3,243.18
421497	MOST DEPENDABLE FOUNTAINS INC.	CMS FOUNTAIN	11/27/2018	3,235.00
706967	COMMERCIAL KITCHEN SERVICES	REFRIG EQUIP REPAIRS	11/16/2018	3,200.00
421069	ALL STRINGS ATTACHED	CMS 2 CELLOS	11/13/2018	3,100.00
421218	WASTE MANAGEMENT	WHS	11/13/2018	3,076.25
421184	PROFESSIONAL INTERPRETING	INTERPRETER	11/13/2018	3,067.40
421179	PLANSOURCE BENEFITS ADMINISTRATION INC	COBRA/FSA OCTOBER 2018	11/13/2018	3,011.51
421248	AMAZON CAPITAL SERVICES, INC.	CE ABE IPAD CASES	11/20/2018	3,010.23
421339	MOVEFWD INC (FORMERLY TEENS ALONE)	CED COUNSELING 18-19	11/20/2018	3,000.00
706975	INSPEC, INC.	District Professional Services	11/16/2018	3,000.00
421389	SPIRITWEAR USA	UNIFORMS ALL SCHOOLS (NOT WHS)	11/20/2018	2,973.45
421009	ON SITE SANITATION	WHS HOME SIDE STADIUM	11/5/2018	2,936.00
421418	AMAZON CAPITAL SERVICES, INC.	OW BINS	11/27/2018	2,929.09
421481	MARS CO, W. P. & R.S.	SUPPLIES	11/27/2018	2,822.23
421238	AFFINITECH	CMS DIGITAL SIGNAGE	11/20/2018	2,810.00
420951	CONSPIRARE INC	PROGRAMS	11/5/2018	2,800.00
421173	NOW MICRO	Laptops and docks for business office	11/13/2018	2,791.00
421328	MEDINA ENTERTAINMENT CTR	GSW EVENT 10/19/18	11/20/2018	2,786.88
421323	LARSON CO, J. H.	SUPPLIES	11/20/2018	2,759.00
421078	BERGIN FRUIT AND NUT COMPANY	HS - PRODUCE	11/13/2018	2,758.58
421329	MESSERLI & KRAMER, PA	GARNISHMENTS	11/20/2018	2,743.84
421230	1ST CHOICE PEDIATRIC HOME CARE	MA Nursing	11/20/2018	2,640.00
421242	AGROPUR INC DIVISION OF NATREL USA	WMS - MILK PRODUCTS	11/20/2018	2,633.55
421092	CENTURY LINK	MONTHLY PHONE	11/13/2018	2,614.32
421138	HARMONY BRIDGE LLC	BAND GRANT BALANCE	11/13/2018	2,500.00
421448	FIRST STUDENT, INC	WHS - MTKA	11/27/2018	2,499.53
421398	TURFWERKS	WHS SNOWBLOWER REPAIR	11/20/2018	2,485.45
707012	HI-TECH REFRIGERATION	GWHB FREEZER INSTALL	11/21/2018	2,446.25
707002	TEAM SPORTING GOODS, INC	TRACK PROTECTOR	11/16/2018	2,435.66
706948	PRO-TEC DESIGN	DIST CONTRACT	11/9/2018	2,392.50
421275	CRYSTEEL TRUCK EQUIPMENT	TR #5	11/20/2018	2,386.69
707027	FLINN SCIENTIFIC, INC.	LADEN CHEMICALS	11/29/2018	2,378.14
421086	BRUEGGER'S ENTERPRISES INC	CMS - BREAD PRODUCTS - ALA CARTE	11/13/2018	2,369.56
421306	HOME DEPOT/GEFC	SUPPLIES	11/20/2018	2,284.87
707016	RELATE COUNSELING CTR	COUNSELING	11/21/2018	2,280.00
421353	NORMAN DALE COMMUNITY COLLEGE	INTERNSHIP EDUCATION	11/20/2018	2,250.00
420994	MN TEACH OF ENG TO SPEAKERS OF OTHER LANG.	SPED	11/5/2018	2,228.00
706972	HILLYARD INC MINNEAPOLIS	SUPPLIES	11/16/2018	2,220.83

421438	DISCOVER YOURSELF, INC.	INSIGHTS 19 PARTICIPANTS	11/27/2018	2,215.01
421029	SPIRITWEAR USA	YES SHIRTS	11/5/2018	2,196.40
421332	MINT ROOFING INC	PC ROOF REPAIR	11/20/2018	2,190.00
421364	PLYMOUTH ICE CTR	WHS GIRLS HOCKEY	11/20/2018	2,180.00
706947	PIONEER MANUFACTURING CO	DIST USE	11/9/2018	2,163.00
421427	BUSINESS PROFESSIONALS OF AMERICA	BPA MMBRSHIP	11/27/2018	2,156.00
421177	PARALLEL TECHNOLOGIES INC	CMS MONITOR WIRING	11/13/2018	2,097.05
420948	CITY OF PLYMOUTH	FIELD HOUSE RENTAL	11/5/2018	2,077.50
421460	GRAZZINI BROTHERS & CO	MR - 09D Flooring	11/27/2018	2,062.00
421401	US FOODS CULINARY E & S	GW - SERVING SUPPLIES	11/20/2018	2,033.09
421072	AMAZON CAPITAL SERVICES, INC.	PC/HB SUPPLIES FOR HOME BASE	11/13/2018	2,017.28
421197	TOP 20 TRAINING, LLC	CMS TOP 20 TRAINING SEMINAR FEE NOV 8TH 2018	11/13/2018	2,000.00
421476	LORENZ BUS CO	DEBATE 11/2/18	11/27/2018	1,995.00
421346	NAPA AUTO PARTS OF CORCORAN	SUPPLIES	11/20/2018	1,986.39
706970	GOODIN CO	EMS	11/16/2018	1,984.27
421188	RAV TECHNOLOGIES, INC	INSTALL @WHS C402	11/13/2018	1,979.35
421311	INTEREUM	WMS SPED HOKKIS & SWAGR BAGS	11/20/2018	1,973.51
420928	AMAZON CAPITAL SERVICES, INC.	SH BRIGHT START GAMES	11/5/2018	1,959.07
421170	NICROS INC.	BELAY BARS INSPECTION	11/13/2018	1,950.85
181900524	OLSEN, ALEX	REIMBURSE	11/7/2018	1,945.93
421079	BLB CONSULTING LLC	SCHOOL DUDE	11/13/2018	1,910.00
421536	THERAPY SHOPPE INC	OW FIDGETS	11/27/2018	1,894.20
421018	PROFESSIONAL INTERPRETING	INTERPRETER	11/5/2018	1,891.50
706963	STAPLES BUSINESS ADVANTAGE	Office Supplies	11/9/2018	1,891.44
421265	CDW GOVERNMENT, INC	WHS Tv's and mounts	11/20/2018	1,889.07
420990	MINT ROOFING INC	GL REPAIR	11/5/2018	1,851.94
421404	DR DOROTHY WELCH	CONTRACTED SERVICES	11/20/2018	1,837.50
421049	WESTMARK PRODUCTIONS	COMPILATION CD'S	11/5/2018	1,821.06
421312	JAYTECH INC	CMS	11/20/2018	1,776.02
707010	COMMAND CENTER INC	CUST SUBS CMS/GW	11/21/2018	1,762.18
181900680	SWIGGUM, LESLIE	REIMBURSE	11/28/2018	1,722.00
707005	TRUSTED EMPLOYEES	BACKGROUND CHECKS	11/16/2018	1,699.70
421080	BOLLOM, TODD	SUPERVISE MNTN BIKE TEAM 8/1/18 - 11/1/18	11/13/2018	1,683.10
706978	MEI - MINNESOTA ELEVATOR INC	NOVEMBER CHARGE	11/16/2018	1,658.90
421382	RUSH CREEK GOLF CLUB	GTE BANQUEST 10/28/18	11/20/2018	1,656.42
706973	HORIZON COMMERCIAL POOL SUPPLY	WMS POOL SUPPLIES	11/16/2018	1,636.00
421428	CANON FINANCIAL SERVICES INC	WHS COPY CENTER COPIERS LEASE	11/27/2018	1,627.36
706919	TEAM SPORTING GOODS, INC	TRACK TANKS-BOYS	11/2/2018	1,624.38
181900584	LUNETTA, CARRIE	REIMBURSE	11/14/2018	1,613.85
420930	ANTHOLOGIE, LLC	Stock Photos for Communications Department	11/5/2018	1,600.00
421288	FUN ENGINEERZ LLC	GW JR STEM 10/15/18 - 11/5/18	11/20/2018	1,600.00
421518	PROMOWEAR	BASEBALL SHIRTS	11/27/2018	1,594.00
421019	PROMOWEAR	POWDER PUFF JERSEYS	11/5/2018	1,572.00
706977	LOFFLER COMPANIES, INC.	WHS COPY CENTER IONS SOFTWARE MAINTENANCE	11/16/2018	1,563.00
421397	TRIARCO ARTS & CRAFTS, INC.	Art class supplies	11/20/2018	1,546.71
706920	US GAMES	FITNESS GRAMS RENEWAL 18-19	11/2/2018	1,536.96
421271	COMMERCIAL DOOR SYSTEMS, INC	OW STORAGE CLOSET	11/20/2018	1,530.00
421100	CITY OF WAYZATA	WATER/SEWER DAB	11/13/2018	1,513.91
421509	NW GRAPHIC SUPPLY CO.	WEF Grant Screen Print LED Exposure	11/27/2018	1,507.50
421300	HODNE, PETER	HODNE RESTITUTION TRAINING	11/20/2018	1,500.00
421199	TROPICANA CHILLED DSD	HS - SNACKS	11/13/2018	1,484.84
421235	ACTION FLEET INC	TR #3 DUMP TRUCK	11/20/2018	1,470.71
421101	COLLEGE TOWN PIZZA INC #1966	HS - PIZZA - ALA CARTE	11/13/2018	1,470.00
706929	E-CONOLIGHT LLC	CMS LIGHT POLES	11/9/2018	1,469.97
421486	MEDINA GOLF & COUNTRY CLUB	GIRLS SOCCER BANQUET 11/11/18	11/27/2018	1,454.44
421152	MAIN LINE TRANSPORTATION INC (MTI)	OW SUMMER HB SPED	11/13/2018	1,448.63
420964	FIRST STUDENT, INC	IOCP BUS TOUR #2 OF 2	11/5/2018	1,435.88
421376	RAV TECHNOLOGIES, INC	GLK Projector Stabilizer	11/20/2018	1,435.22
420985	LEVEL8CREATIVE LLC	MY TIME ENHANCEMENTS	11/5/2018	1,400.00
706982	PEARSON EDUCATION	ECO AND ENVIRON & GR 5 INTERACTIVE SCIENCE WORKBOOKS	11/16/2018	1,374.88
421383	SALTA	SPANISH	11/20/2018	1,347.36

706965	ALLEGRA PRINT & IMAGING	DAB - HR ENVELOPES	11/16/2018	1,343.24
421535	THEATRICAL COSTUME COMPANY	SECRET GARDEN COSTUME RENTAL	11/27/2018	1,330.00
706902	SCHOOL SPECIALTY	GW BUDDY BENCH	11/2/2018	1,314.60
421284	FIRST	CMS Lego League Tournament	11/20/2018	1,311.95
707003	TIERNEY BROTHERS, INC.	PROJECTOR BULBS	11/16/2018	1,295.70
421021	REGION 5AA	VOLLEYBALL TOURN.	11/5/2018	1,240.00
421522	RTL CONSTRUCTION INC	GW - 09A Drywall	11/27/2018	1,237.66
421143	INGRAM LIBRARY SERVICES	MEDIA CENTER CMS 2018-19	11/13/2018	1,233.66
421441	DOUGHTY, JEFFREY	SWEATSHIRTS	11/27/2018	1,225.00
707038	LAKESHORE LEARNING MATERIALS	MRHB-DRAMATIC PLAY	11/29/2018	1,216.44
421270	COLLABORATIVE STUDENT TRANSPORTATION	TRANSPORTATION SEPTEMBER	11/20/2018	1,204.81
420943	CENTER FOR THE COLLABORATIVE CLASSROOM	CCC TO PC 5TH GR	11/5/2018	1,204.20
421087	BUREAU OF LECTURES & CONCERT ARTISTS INC	ASSEMBLY	11/13/2018	1,200.00
421482	MASON, MARSA	PARENT LIASON FOR PEAK	11/27/2018	1,200.00
421161	MN IT SERVICES	MONTHLY ALARMS	11/13/2018	1,197.82
707024	EDUCATIONAL DESIGN, LLC-THE 2 SISTERS	OW WEBSITE MEMBERSHIP	11/29/2018	1,188.00
421279	DS ERICKSON & ASSOCIATES, PLLC	GARNISHMENTS	11/20/2018	1,183.78
420946	CITY OF MEDINA	KENNEDY 8/18 WSB 8/18 STAFF HRS AUG/SEPT 2018	11/5/2018	1,173.25
421102	COLLEGE TOWN PIZZA INC #1937	EMS - PIZZA - ALA CARTE	11/13/2018	1,170.00
421359	ON SITE SANITATION	WHS HOME SIDE STAD	11/20/2018	1,164.25
707041	NCS PEARSON INC	SPED	11/29/2018	1,161.52
421269	CITY OF PLYMOUTH	FOOTBALL SECURITY	11/20/2018	1,150.69
421054	WINDSONG FARM GOLF CLUB LLC	WHS GOLF BALLS	11/5/2018	1,114.00
421325	LVC (LOW VOLTAGE CONTRACTORS)	SERVICE	11/20/2018	1,106.18
421495	MN STATE BAR ASSN	MOCK TRIAL REG 4 TEAMS	11/27/2018	1,100.00
421475	LIFETIME FITNESS, INC.	OCTOBER 2018 ROCKWALL	11/27/2018	1,098.00
421262	BRD OF TRUSTEES LELAND STANFORD JR UNIV	MATH. MINDSETS ONLINE COURSE	11/20/2018	1,089.00
706893	ANCOM COMMUNICATIONS	Ancom Radios For Meadow Ridge	11/2/2018	1,084.00
421015	PRINT MEDIA	PULLOVERS	11/5/2018	1,079.42
420983	LARKIN AUTO REPAIR	TR #1 REPAIR	11/5/2018	1,077.14
421259	BLAKE SCHOOL	HOLIDAY REG / 12/14-16/18	11/20/2018	1,070.00
421295	HARDWARE DISTRIBUTORS, LTD	CLASS ADHESIVE SCREWS	11/20/2018	1,067.91
421134	GIBBS FARM	BV 2ND GR FT 10/26/18	11/13/2018	1,038.00
421388	SPIRIT MONKEY LLC	PTO school spirit supplies for students	11/20/2018	1,005.00
421322	LANGUAGE LINE SERVICES	LANGUAGE LINE	11/20/2018	1,003.80
421487	MIDWEST BLINDS	BV STAFF ROOM SHADES	11/27/2018	1,002.00
420962	EDUCATOR IN SERVICE LLC	SPANISH NOV 8 PD	11/5/2018	1,000.00
420995	MN DEPT OF HUMAN SERVICES	SFY 2018 IEP ADMIN FEE	11/5/2018	1,000.00
421149	LANGLAND, VERDEEN	SUPERVISE MNTN BIKE TEAM	11/13/2018	1,000.00
421061	ACDA OF MINNESOTA	REGISTRATION FOR ALL STATE HONOR CHOIR	11/13/2018	992.00
706968	ECM PUBLISHERS, INC	TROJAN TRIBUNE PRINTING	11/16/2018	975.24
421046	WAYZATA RESULTS, INC	MS CROSS COUNTRY MEET	11/5/2018	967.75
420938	BREADSMITH	HS - BREAD PRODUCTS	11/5/2018	952.80
707018	SCHMITT MUSIC CO	BAND CLASS SUPPLIES	11/21/2018	945.15
421116	DVM PIZZA, INC	WMS - PIZZA - ALA CARTE	11/13/2018	930.00
421396	TIGERFIT LLC	TIGER FIT YOGA CLASSES	11/20/2018	930.00
707026	FERGUSON ENTERPRISES, INC #1657	CMS FACS RANGE/OVENS	11/29/2018	930.00
421324	LIFETOUCH NSS	CANVAS WRAP	11/20/2018	927.68
421297	HIGHWAY 55 RENTAL & SALES INC	DOME UP	11/20/2018	925.00
421038	TRIARCO ARTS & CRAFTS, INC.	SUPPLIES, PENCIL SHARPENERS	11/5/2018	919.90
420989	METRO ECSU-REGION 11 IDS #920	REG FOR CONF	11/5/2018	900.00
421523	SAMUEL SIMMONS CONSULTING, LLC	WORKSHOP ON 11/9/18	11/27/2018	900.00
707014	LOFFLER COMPANIES, INC.	TONER	11/21/2018	893.00
420947	CITY OF PLYMOUTH	FOOTBALL SECURITY	11/5/2018	892.79
181900677	SOWDEN, GREG	REIMBURSE	11/28/2018	879.00
421024	R J MECHANICAL INC	SH REPAIR	11/5/2018	870.43
706931	GOODIN CO	PC	11/9/2018	865.45
421250	APPLE JACK ORCHARDS	HB BS FIELD TRIP 2018-10-24	11/20/2018	858.50
421521	ROAD MACHINERY & SUPPLIES CO.	DOME UP	11/27/2018	858.00
181900620	ZHANG, SHEEN	REIMBURSE	11/14/2018	853.53
421004	NOLLETTE, MA, LP, INC, CINDY	SPECIAL PUPIL AG	11/5/2018	850.00

421051	WESTSIDE WHOLESALE TIRE, INC	KL JD TIRE REPAIR	11/5/2018	832.16
421466	INGRAM LIBRARY SERVICES	BOOKS	11/27/2018	825.13
421390	STEP SAVER INC	WHS SALT	11/20/2018	810.26
421330	METRO ECSU-REGION 11 IDS #920	PD	11/20/2018	800.00
421432	CHARLES H. STEWART CO LTD.	CMS MUSICAL RENTAL OF BACK DROPS	11/27/2018	800.00
421252	BAUER, ELLE	DANCE TEAM ALTERATIONS	11/20/2018	780.00
421103	COMLINK MIDWEST LLC	FIBER WORK	11/13/2018	776.00
421315	JIMMY'S JOHNNYS INC	CMS 8/17/18 - 9/13/18	11/20/2018	766.10
181900572	JACKLITCH, MICHELLE	REIMBURSE	11/14/2018	759.05
707065	TIERNEY BROTHERS, INC.	Projector for CMS	11/29/2018	753.62
421501	MUSIC THEATRE INTL	CMS Musical production Sleeping Beauty	11/27/2018	750.50
420998	MODERN WELL	RENTAL SPACE FOR TEAM BLDG	11/5/2018	750.00
421136	HAHN, R.N.,PHN, MICHELLE	NOVEMBER NURSE CONSULT FEE	11/13/2018	749.00
707025	EMI AUDIO	MICROPHONES FOR 6TH GR PLAY	11/29/2018	742.50
420935	BAYFIELD FRUIT CO LLC	ALL - PRODUCE	11/5/2018	740.05
421296	HERC-U-LIFT, INC	DOME UP	11/20/2018	727.58
420950	COMPUTER EXPLORERS	CLASS 10/13/18	11/5/2018	720.00
421276	DAVIS MECHANICAL SYSTEMS INC	BLOWER REPAIR	11/20/2018	715.18
421278	DOWLING CATHOLIC HIGH SCHOOL	PARADIGM @ DOWLING REG 12/7-9/18	11/20/2018	710.00
421253	BAYFIELD FRUIT CO LLC	ALL - PRODUCE	11/20/2018	701.10
421158	MINNESOTA QUIZ BOWL ALLIANCE	RATRACE CHANHASSEN HS	11/13/2018	700.00
421321	LAKES FLOORING LLC	CMS EX RM FLOOR TEAR OUT	11/20/2018	700.00
421025	RUTH MOVERS INC.	RUTH MOVERS 2	11/5/2018	696.00
707042	PEPPER & SON INC., J. W.	CMS MUSIC BAND	11/29/2018	689.74
421217	WARNER TECH-CARE PRODUCTS LLC	DHH EQUIPMENT	11/13/2018	675.47
421164	MN STATE HIGH SCHOOL LEAGUE	GSW 27 TICKETS	11/13/2018	670.00
421237	ADVISORS MARKETING GROUP	Esteemed Teachers Frames	11/20/2018	669.88
421273	CONTINENTAL CLAY CO	CMS ARTS SUPPLIES	11/20/2018	663.20
420973	INGRAM LIBRARY SERVICES	BOOKS	11/5/2018	660.30
421458	GRAINGER INC., W. W.	WHS - Pallett Jack	11/27/2018	616.50
421291	GREEN CARD VOICES	EMS CLASSROOM BOOKS	11/20/2018	616.00
420984	LETTERMEN SPORTS	KICK CANCER TSHIRTS	11/5/2018	605.00
421308	INGRAM LIBRARY SERVICES	BOOKS	11/20/2018	598.52
421261	BRAINERD HIGH SCHOOL	LONG SLEEVE JERSEY TEES	11/20/2018	594.00
421195	SPRAYING SYSTEMS CO	SUPPLIES	11/13/2018	592.00
421334	MN DEPT OF LABOR AND INDUSTRY	BOILER LICENSE GL	11/20/2018	590.00
181900636	MANS, BRANDI	REIMBURSE	11/21/2018	585.80
421292	GROTH MUSIC CO	XYLOPHONE WESTGARD	11/20/2018	585.00
421351	NICKEL, HEIDI	SUBS	11/20/2018	580.64
421316	JOHNSTONE SUPPLY	16TH AVE NEW T STAT	11/20/2018	577.21
421367	POULIOT, JOY	BANNERS/BREAKFAST/CHURCH RENTAL	11/20/2018	575.34
420920	ABLENET	SPED	11/5/2018	572.00
421162	MN SAFETY COUNCIL	MMBRSHD DUES	11/13/2018	565.00
421166	MULTI-HEALTH SYSTEMS, INC.	SPED	11/13/2018	562.50
421221	WILDLIFE SCIENCE CTR	SCIENCE FT WILDLIFE	11/13/2018	550.00
420966	GOPHER STAGE LIGHTING	GAFF TAPE	11/5/2018	546.51
421172	NOKOMIS SHOE SHOP INC	SHOES	11/13/2018	544.85
421035	THOUR, JULIE	OFFICIAL	11/5/2018	540.00
421167	MY TOWN FITNESS LLC	CROSSFIT WHS KIDS	11/13/2018	540.00
421145	IRON MOUNTAIN	STORAGE	11/13/2018	536.64
181900609	SONSTEGARD, LAURIE	REIMBURSE	11/14/2018	535.14
421186	PURSUIT MARTIAL ARTS ACADEMY	FITNESS CLASSES 10/23 & 10/25/18	11/13/2018	530.00
421160	MN FUTURE PROBLEM SOLVING PROGRAM	4 teams registrations	11/13/2018	520.00
706946	PEPPER & SON INC., J. W.	BAND CLASS SUPPLIES	11/9/2018	514.47
707023	DISCOUNT SCHOOL SUPPLY	General Supplies	11/29/2018	512.22
420932	ARROWHEAD FORENSICS	CAMPBELL FORENSICS	11/5/2018	510.19
420949	CITY OF WAYZATA	FEES FOR SWIMMING POOL LICENSES	11/5/2018	510.00
421030	STEP SAVER INC	WHS SALT	11/5/2018	509.94
420954	CPI - CRISIS PREVENTION INSTITUTE	SPED	11/5/2018	507.50
421180	PLYMOUTH ICE CTR	BROOMBALL PIC	11/13/2018	500.00
706976	JOSTENS, INC	ATHLETIC PINS	11/16/2018	495.50

421153	MALIN, JACOB	OFFICIAL	11/13/2018	495.00
421082	BROWN'S ICE CREAM CO	HS - ALA CARTE ICE CREAM	11/13/2018	489.98
707015	NORCOSTCO INC	HAZER	11/21/2018	489.00
421266	CENTER FOR THE COLLABORATIVE CLASSROOM	SETS 6 & 7 FOR KL KINDERGARTEN	11/20/2018	486.00
706942	MINVALCO	CMS JOB #25243	11/9/2018	480.23
181900675	RUDOLF, ZACHARY	REIMBURSE	11/28/2018	471.68
421546	WESTONE LABORATORIES INC	SPED	11/27/2018	471.50
421052	WESTWOOD HILLS NATURE CTR	ELS 4TH GR FT 10/5/18	11/5/2018	470.00
421519	PROP IT UP NOW	SECRET GARDEN PROPS	11/27/2018	470.00
421365	POPP COMMUNICATIONS	Blanket PO for long distance calls	11/20/2018	452.32
420999	MORICE, PIERRE	OFFICIAL	11/5/2018	450.00
421159	MN ACADEMY OF SCIENCE	CMS SCIENCE BOWL TOURN REG FOR 3 COMPETITION	11/13/2018	450.00
421399	UNLIMITED SUPPLIES	DOME UP	11/20/2018	437.40
420991	MN BPA REGION 1 (BUS PROF OF AMER)	FALL LDRSHP CONF 10/28-29/18	11/5/2018	435.00
421088	CARLSON'S PIANO WORLD	KEYBOARD CASTERS	11/13/2018	435.00
421147	K4 APPLICATION INC DBA DUNN BROS COFFEE	HS - SNACKS	11/13/2018	430.50
421471	KOMAREK, JOSEPH	OFFICIAL	11/27/2018	425.55
420960	EBC (EDUCATORS BENEFIT CONSULTANTS)	admin and compliance service NOVEMBER 2018	11/5/2018	421.98
707045	SCHMITT MUSIC CO	OPEN PO BAND INSTRUMENT REPAIRS	11/29/2018	421.90
706939	HOUGHTON MIFFLIN CO LLC	M180 42 LICENSES	11/9/2018	420.00
420988	MEDINA GOLF & COUNTRY CLUB	BANQUET ROOM 9/8/18	11/5/2018	419.78
421234	ACME TOOLS - PLYMOUTH	TR #10 TOOLS	11/20/2018	412.28
421040	VIKING ELECTRIC SUPPLY, INC	MR PARKING LOT LIGHTS	11/5/2018	402.88
706966	COMMAND CENTER INC	CUST SUBS KL/GW	11/16/2018	402.53
421033	TEACHER'S DISCOVERY	CHINESE, FRENCH, SPANISH INSTRUCTIONAL MATERIALS	11/5/2018	401.61
181900631	IORIO, ALYSE	REIMBURSE	11/21/2018	400.00
420955	CREATING ART INC	CLASSES 10/9/18 & 10/10/18	11/5/2018	398.00
420931	APPLEBEES LLC	PANCAKE FAMILY EVENT	11/5/2018	395.00
421309	INNERACTIVE PLAYGROUND	SH NSD FIELD TRIP 2018-11-08	11/20/2018	390.00
706969	ECOLAB PEST ELIMINATION DIV	WHS PEST CONTROL	11/16/2018	387.56
421437	CREATING ART INC	CLASSES 11/7 11/14 11/15	11/27/2018	385.00
421378	REHABMART LLC	SPED - Sheryl Butler and Beth Struve	11/20/2018	382.69
421006	NORTHEY, MICHELE	SWIM B&G EDIVE TEAM LIC.RENWL	11/5/2018	382.45
421331	MIDWEST MECHANICAL SOLUTIONS, INC	CMS	11/20/2018	381.72
421393	THE GOOD ACRE	All Elementary Schools - Non-DOD Produce	11/20/2018	378.00
421044	WAYZATA HIGH SCHOOL SENIOR CLASS PARTY	HS - PARENT TABLEWASHERS	11/5/2018	375.00
421041	WALBRAN, SHARON	CLASS 10/12/18	11/5/2018	367.50
421336	MN ELEM SCH PRINCIPAL'S ASSN	MESPA INSTITUTE R.WILLIAMS 11/15/18	11/20/2018	365.00
421411	ABC OFFICE	Class room supplies	11/27/2018	364.54
420923	ALL STRINGS ATTACHED	STRINGS	11/5/2018	363.54
421003	NICKLASSON ATHLETIC COMPANY	GTE APPAREL	11/5/2018	362.50
421459	GRAND SLAM SPORTS	GW HB NSD FIELD TRIP 2018-11-08	11/27/2018	361.00
706926	COMMERCIAL KITCHEN SERVICES	REPAIR MILK COOLERS	11/9/2018	356.00
421362	PEREIRA DIAZ, CLAUDIA	ZUMBA CLASS	11/20/2018	355.50
421391	STOVER, TC	LCKRM DECORATIONS/PIZZA DINNER	11/20/2018	353.88
421219	WAYZATA HIGH SCHOOL SENIOR CLASS PARTY	HS - PARENT TABLEWASHERS	11/13/2018	350.00
421096	CITI-CARGO & STORAGE	CMS CNTNR	11/13/2018	348.00
421047	WAYZATA ROTARY	DUES/FOOD	11/5/2018	347.50
706900	PEPPER & SON INC., J. W.	CMS MUSIC DEPARTMENT	11/2/2018	339.99
421081	BRAINERD HIGH SCHOOL	BRAINERD HS DANCE INVITAT.	11/13/2018	335.00
707021	CONTINENTAL CLAY CO	EMS ART SUPPLIES	11/29/2018	333.63
706921	WENGER	WHS ORCHESTRA CHAIRS	11/2/2018	333.00
421542	VERTICAL ENDEAVORS MPLS	KL NSD FIELD TRIP 2018-11-08	11/27/2018	332.00
420975	JAYTECH INC	WHS TESTING	11/5/2018	330.00
181900548	ANDERSEN, JULIE	REIMBURSE	11/14/2018	325.03
421117	EASTVIEW LDT BOOSTER CLUB	LIGHTENING DANCE INVIT. 2018	11/13/2018	320.00
181900641	PARSONS, JEAN	REIMBURSE	11/21/2018	320.00
181900648	WILSON, MELISSA	REIMBURSE	11/21/2018	320.00
421272	CONTEMPORARY IMAGES	GSW MEMORY BOOKS	11/20/2018	319.90
181900616	WALLGREN, SLOAN	REIMBURSE	11/14/2018	319.90
421227	PHEAA	Payroll accrual	11/15/2018	319.56

421551	PHEAA	Payroll accrual	11/30/2018	319.56
421034	THE GOOD ACRE	All Elementary Schools - Non-DOD Produce	11/5/2018	315.00
421150	LVC (LOW VOLTAGE CONTRACTORS)	SERVICE	11/13/2018	312.50
421156	MIDWEST AUDIO VISUAL	REPAIRS PCS EQUIP	11/13/2018	310.00
420937	BOOTH LAW GROUP LLC	SPEC ED LEGAL SERVICES	11/5/2018	308.00
181900656	CHASE, MICHELLE	REIMBURSE	11/28/2018	304.42
420961	ECOLAB FOOD SAFETY SPECIALITES	DAY DOT LABELS	11/5/2018	304.28
181900613	TASLER, ANDREA	REIMBURSE	11/14/2018	303.00
181900635	LECY, SHANNA	REIMBURSE	11/21/2018	302.30
421139	HILL CO, ROBERT B.	CMS SALT	11/13/2018	300.40
420934	BAKER SKEET AND TRAP	FALL CLAY TRGT SKILLS 9/18/18 - 10/23/18	11/5/2018	300.00
420970	HARTT SCHOOL	ASPIRE DUES #3	11/5/2018	300.00
420996	MN ELEM SCH PRINCIPAL'S ASSN	REG CLASS 12/6/18	11/5/2018	300.00
421282	EASTER, MARK	PIANO SERVICING MUSIC DEPT	11/20/2018	300.00
421375	QUALITY PROPANE OF MN	CABLE RAMPS FOR STADIUM	11/20/2018	300.00
421434	CITY OF EDINA - PARK & REC	KL HB NSD FIELD TRIP 2018-11-08	11/27/2018	300.00
421506	NIU, JINGHAI	CLASS 11/17/18	11/27/2018	300.00
421120	FIRST TECHNOLOGIES, INC	CMS TECHNOLOGY EDUCATION Components for printer	11/13/2018	299.00
421146	IXL LEARNING	SPED	11/13/2018	299.00
706922	ALLEGRA PRINT & IMAGING	SH ENVELOPES	11/9/2018	296.95
421377	REGENTS OF THE UNIV OF MN	RAPTOR EDUCATION PROGRAM	11/20/2018	295.00
421263	BREADSMITH	HS - BREAD PRODUCTS	11/20/2018	293.78
421192	SHAMROCK GROUP	CMS - SNACKS	11/13/2018	289.90
421115	DULEVICIUS, MIGLE	OFFICIAL	11/13/2018	285.00
181900649	ANDERSON, CHACE	REIMBURSE	11/28/2018	283.40
421326	MARS CO, W. P. & R.S.	SUPPLIES	11/20/2018	279.13
421500	MULTI-HEALTH SYSTEMS, INC.	SPED	11/27/2018	276.00
707004	TRANE U.S. INC.	OW AHU #3	11/16/2018	275.81
707019	BREAKOUT INC	GT-V21_FY19_CMS_BreakoutEDU Class Pack	11/29/2018	275.00
421474	LETSCHER, JENNIFER	WATER/PIZZA SWIM & DIVE	11/27/2018	271.79
420978	KARLSBURGER FOODS, INC	CSF - GROCERIES	11/5/2018	270.60
421137	HANNEMANN, ALEXANDER	OFFICIAL	11/13/2018	270.00
421540	TRIARCO ARTS & CRAFTS, INC.	ART SUPPLIES ORDER	11/27/2018	268.09
707070	XEROX CORPORATION	MR COPIER LEASE & MAINTENANCE	11/29/2018	264.81
421268	CITI-CARGO & STORAGE	DOMESTIC STORAGE	11/20/2018	261.00
421335	MN FUTURE PROBLEM SOLVING PROGRAM	FPS REG	11/20/2018	260.00
421091	CENTERPOINT ENERGY	GAS MR	11/13/2018	256.14
421175	ORTLIP, GAYLE	REFUND	11/13/2018	254.80
181900558	FIELDSETH, JOANNE	REIMBURSE	11/14/2018	254.73
181900625	DOTEN, CLARK	REIMBURSE	11/21/2018	251.91
421457	GM FINANCIAL LEASING	WHS Parking Lot Car Lease	11/27/2018	250.34
420953	COUNTRYSIDE CATERING	OW STAFF MEETINGS 9/17/18	11/5/2018	250.00
421477	LVC (LOW VOLTAGE CONTRACTORS)	SERVICE CALL	11/27/2018	250.00
421538	TOTAL ENTERTAINMENT/KIDSDANCE	OW SY FIELD TRIP ONSITE 2018-10-18	11/27/2018	250.00
706979	MINVALCO	WHS AIR DAMPER ACTUATOR	11/16/2018	250.00
707006	UNITED RENTALS	DOMESTIC STORAGE	11/16/2018	250.00
421439	DOOHER, ANTHONY	OFFICIAL	11/27/2018	249.00
421031	STEWART, PETER	OFFICIAL	11/5/2018	247.90
706898	INNOVATIVE OFFICE SOLUTIONS	GW OCTAGON SIGNS	11/2/2018	245.60
421349	NEITZ, DANIEL	COR PUBLIC SPKNG FOR KIDS 10/1-29/18	11/20/2018	243.00
181900639	MARTINETTI, OLIVIA	REIMBURSE	11/21/2018	242.47
421337	MNSHAPE(MN SOC HLTH AND PHY ED)	MMBRSHPS	11/20/2018	240.00
421356	NOVAK, JANICE	ACUPRESSURE FACE LIFT	11/20/2018	240.00
421541	UNEXPECTED TRANSFORMATIONS	SNOWMAN PALLET WRKSH	11/27/2018	240.00
421251	ASSN FOR SUPERVISION & CURR. DEV.(ASCD)	ASCD MEMBERSHIP	11/20/2018	239.00
420997	MN SAFETY COUNCIL	DDC CLASS 10/1/18	11/5/2018	234.00
420929	AMERICAN BOTTLING CO	DRINKS/PLSTC BTTL	11/5/2018	228.36
421037	TIMM, RONALD	CUT THE CORD CLASS 10/11/18	11/5/2018	225.00
421366	POSTMASTER	USPS MRKTING MAIL PERMIT #43	11/20/2018	225.00
421498	MTEEA SUPER MILEAGE	ENTR FEE COMPET IN MAY	11/27/2018	225.00
181900498	ADAMS, VIRGINIA	REIMBURSE	11/7/2018	225.00

181900532	RUDOLF, ZACHARY	REIMBURSE	11/7/2018	221.36
421444	ETA HAND2MIND	OW STEM BINS KIT	11/27/2018	220.92
421419	AMERICAN BOTTLING CO	LBN 11/13/18	11/27/2018	218.04
181900570	HOLDEN, CARLY	REIMBURSE	11/14/2018	215.04
420992	MN CHILD CARE HEALTH CONSULTANTS INC	REVIEW HLTH POLICIES DHS	11/5/2018	215.00
181900585	LUTZ, DAVID	REIMBURSE	11/14/2018	208.46
421154	MARS CO, W. P. & R.S.	SUPPLIES	11/13/2018	207.59
421118	EDINA HIGH SCHOOL	EDINA HS DANCE INVITAT.	11/13/2018	205.00
421526	SKATEVILLE INC.	OW HB NSD FIELD TRIP 2018-11-08	11/27/2018	204.00
421283	EICKHOFF, JILL	TEAM BONDING SLIDE PARTY	11/20/2018	203.38
421148	KOERIS, VICKIE	CAR RENTAL YOUNG SCIENTIST RNDTBL SPEAKER	11/13/2018	199.82
421478	MALECHA, DEBBIE	VARSITY BANQUET PROGRAM/ALL STAR GAME PROGRAM	11/27/2018	198.05
421119	FANSCHOOL INC.	CMS 8TH GRADE SOCIAL STUDIES	11/13/2018	198.00
181900502	BRISLEY, SUSAN	REIMBURSE	11/7/2018	195.87
421187	RAMETTE, JAMES	CLASS 10/4/18	11/13/2018	195.00
706896	DISCOUNT SCHOOL SUPPLY	OAKWOOD PF CLASSROOM	11/2/2018	194.25
421007	NOVAK, JANICE	POSTURE CLASS	11/5/2018	192.00
181900633	KLEIN, JERI	REIMBURSE	11/21/2018	190.75
421414	ALLINA HEALTH SYSTEM	PRE EMPLOY SCREEN	11/27/2018	190.00
181900624	CHRISTOPHERSON, ALLAN	REIMBURSE	11/21/2018	189.39
420919	A BRIGHTER IMAGE INC	AWNING CLEANING CMS	11/5/2018	189.00
181900530	RICHARDSON, LAUREN	REIMBURSE	11/7/2018	182.95
181900668	MILBERT, ANNE-MARIE	REIMBURSE	11/28/2018	182.00
421384	SERIGRAPHICS SIGN SYSTEMS, INC	MR ADD TOILET SIGN	11/20/2018	180.00
421245	ALL STRINGS ATTACHED	ORCHESTRA CLASS SUPPLIES	11/20/2018	179.88
421463	HEALY AWARDS INC	HELMET DECALS	11/27/2018	177.00
181900576	KIMLINGER, DEBRA	REIMBURSE	11/14/2018	175.93
421028	SHERMAN, JULIE	MAKEUP BOOT CAMP	11/5/2018	175.50
421445	FAIRVIEW	TRAINER @ GHO TOURN	11/27/2018	175.00
420967	GRAINGER INC., W. W.	CSF SHOP STOCK	11/5/2018	174.10
421193	SMARTFIX LLC	IPAD REPAIRS	11/13/2018	171.00
707046	SCHOLASTIC INC	CMS READING INTERVENTION FULL YEAR SUBSCRIPTION	11/29/2018	170.28
421289	GLENBROOKS DEBATE	TOURN 11/17-19/18 BALANCE	11/20/2018	170.00
181900597	ROBERTS, LAURIE	REIMBURSE	11/14/2018	169.12
181900676	SCHNEIDER, JULIE	REIMBURSE	11/28/2018	168.31
181900525	PARSONS, JEAN	REIMBURSE	11/7/2018	167.64
421236	ADAPTIVEMALL.COM, LLC	SPED - GW	11/20/2018	166.95
181900599	ROGERS, JUDY	REIMBURSE	11/14/2018	166.88
421440	DOOHER, ZACHARY	OFFICIAL	11/27/2018	166.00
421260	BLUE TARP FINANCIAL INC	CSF SHOP SUPPLIES	11/20/2018	165.46
421224	FLORIDA STATE DISBURSEMENT UNIT	Payroll accrual	11/15/2018	165.30
421550	FLORIDA STATE DISBURSEMENT UNIT	Payroll accrual	11/30/2018	165.30
181900619	WILLIAMS, JESSICA	REIMBURSE	11/14/2018	165.19
181900630	HOLM-EBERLING, KERRI	REIMBURSE	11/21/2018	165.00
421531	SPAUDE, PAMELA	REFUND	11/27/2018	164.55
181900598	RODEKUHNR, JOSEPH	REIMBURSE	11/14/2018	164.05
181900536	STINSON, SUSAN	REIMBURSE	11/7/2018	163.50
181900581	LAROCHE, COURTNEY	REIMBURSE	11/14/2018	161.81
421168	NATL SPEECH & DEBATE ASSN/FORENSIC LEAGUE	HS LIFETIME MMBRSHIP	11/13/2018	160.00
421189	REASONER, MIKE	OFFICIAL	11/13/2018	160.00
421194	SMIGLEWSKI, ADAM	OFFICIAL	11/13/2018	160.00
421216	WALT, BRYCE	OFFICIAL	11/13/2018	160.00
421244	ALI, MIR	REFUND	11/20/2018	160.00
706953	SCHOLASTIC INC	SPED	11/9/2018	156.59
421022	RHOMBS, CRAIG	CLASS 10/13/18	11/5/2018	156.00
181900542	WILLSON, DAWN	REIMBURSE	11/7/2018	154.27
181900666	MCGINTY, JEAN	REIMBURSE	11/28/2018	154.00
707047	SCHOOL SPECIALTY	HB INCLUSION SUPPLIES	11/29/2018	153.87
706899	MOTG (MN OFFICE TECHNOLOGY GRP)	CE PRINTER STAPLES	11/2/2018	151.00
181900505	DISCH, HILARY	REIMBURSE	11/7/2018	150.91
421354	NORTH LIGHT COLOR	BHO DECALS	11/20/2018	150.00

421395	THOUR, JULIE	YOGA CLASSES	11/20/2018	150.00
421493	MN BOARD OF SCHOOL ADMINISTRATORS	BOSA REG	11/27/2018	150.00
421496	MN STRING & ORCHESTRA TEACHERS ASSN	CMS ORCHESTRA FESTIVAL REG FOR 8TH GRADE STUDENTS	11/27/2018	150.00
181900583	LEVIN, LINDA	REIMBURSE	11/14/2018	149.98
421456	GEROLD, NICHOLAS	OFFICIAL	11/27/2018	149.00
421491	MILLETTE, JOSEPH	OFFICIAL	11/27/2018	149.00
181900560	GALE, CHRISTA	REIMBURSE	11/14/2018	146.44
181900539	WATKINS, CARY	REIMBURSE	11/7/2018	146.00
421043	WATERS, BETH	REFUND	11/5/2018	145.00
181900514	KLEIN, JERI	REIMBURSE	11/7/2018	143.82
181900544	ZEMPLIN, LYNN	REIMBURSE	11/7/2018	142.25
181900623	ANDERSON, MARY	REIMBURSE	11/21/2018	142.03
421490	MILLER, JEREMIAH	OFFICIAL	11/27/2018	142.00
421140	HIRSHFIELD'S PAINT	PC PLAYGROUND	11/13/2018	141.98
421348	NATL SPEECH & DEBATE ASSN/FORENSIC LEAGUE	WHS LIFETIME MMBRSHIP	11/20/2018	140.00
706944	MOORE MEDICAL LLC	MEDICAL SUPPLIES	11/9/2018	138.71
181900652	BADGER, BRENDA	REIMBURSE	11/28/2018	138.32
421215	US FOODS CULINARY E & S	HS - SERVING SUPPLIES	11/13/2018	138.24
181900574	JIRELE, JESSICA	REIMBURSE	11/14/2018	135.60
181900593	RANDALL, LIZABETH	REIMBURSE	11/14/2018	135.00
421394	THE MATH LEARNING CTR	BRIDGES 2ND ORDER	11/20/2018	134.82
181900554	DVORAK, MARGARET	REIMBURSE	11/14/2018	133.03
181900617	WESTRUM, JAMES	REIMBURSE	11/14/2018	132.22
420972	HOLDAHL CO	CSF DIST USE	11/5/2018	131.34
421409	ZIEGLER INC	WHS CAT BATTERY	11/20/2018	130.83
421231	ABLENET	SPED	11/20/2018	129.50
421532	STORCK, RICHARD	OFFICIAL	11/27/2018	129.00
181900579	LACKNER, STACEY	REIMBURSE	11/14/2018	127.58
706901	SCHOLASTIC INC	GL BS 20 COPIES SCHOL.	11/2/2018	126.50
421426	BURCH, MARK	OFFICIAL	11/27/2018	126.00
421449	FLANAGIN, JACOB	OFFICIAL	11/27/2018	126.00
421489	MIKKELSON, STEPHEN	OFFICIAL	11/27/2018	126.00
421504	NELSON, PAUL	OFFICIAL	11/27/2018	126.00
421511	OLSON, TERENCE	OFFICIAL	11/27/2018	126.00
420941	BURGESON, NANCY	TRUFFLES CLASS 10/22/18	11/5/2018	125.00
421360	OXFORD UNIVERSITY PRESS	SPED	11/20/2018	124.54
420957	DAVID SHERMAN PHOTOGRAPHY	CLASS	11/5/2018	120.00
421157	MILLETTE, JOSEPH	OFFICIAL	11/13/2018	120.00
421163	MN STATE COLLEGES & UNIVERSITIES	CPR CARDS	11/13/2018	120.00
421165	MORAN, KRISTIN	OFFICIAL	11/13/2018	120.00
421171	NIELSEN, ERIC	OFFICIAL	11/13/2018	120.00
421174	O'BRIAN, TOM	OFFICIAL	11/13/2018	120.00
421200	TUFT, JAMES	OFFICIAL	11/13/2018	120.00
421223	ZYCH, DAN	OFFICIAL	11/13/2018	120.00
181900595	RIDLEY, SARA	REIMBURSE	11/14/2018	119.90
421529	SOUTHPAW ENTERPRISES	SPED - Sheryl Butler	11/27/2018	116.28
706930	ECOLAB PEST ELIMINATION DIV	CLUBHOUSE	11/9/2018	115.72
181900657	DVORAK, MARGARET	REIMBURSE	11/28/2018	115.68
420987	MALECHA, DEBBIE	GIRLS STATE HOCKEY BANQUET	11/5/2018	115.00
181900575	JORDAN, LYNN	REIMBURSE	11/14/2018	114.47
421368	PREMIUM WATERS, INC	DAB WATER SERVICE	11/20/2018	113.70
181900563	GERBER, SALLY	REIMBURSE	11/14/2018	112.38
181900602	RYNNANEN, MICHELLE	REIMBURSE	11/14/2018	110.20
421000	MUELLER, MICHELLE	GIRLS VARS SOCCER SR DAY SUPPLIES	11/5/2018	108.38
181900644	SCHUMACHER, MICHAEL	REIMBURSE	11/21/2018	105.99
181900557	FEHRENBACH, ANN	REIMBURSE	11/14/2018	104.20
181900500	BOGGS, REBECCA	REIMBURSE	11/7/2018	101.80
421340	MTI DISTRIBUTING INC	WHS TORO TOOL BOX	11/20/2018	100.88
420959	EASTER, MARK	PIANO TUNING	11/5/2018	100.00
421001	NAGARGOJE, UMESH	REFUND RENTAL FEE	11/5/2018	100.00
421012	PESZNEKER, C	OFFICIAL	11/5/2018	100.00

421442	EASTER, MARK	PIANO TUNING	11/27/2018	100.00
421453	GASCH, BOB	OW - SECOND GRADE DONATION	11/27/2018	100.00
421464	IKI INC.	INSTANT GUITAR	11/27/2018	100.00
421516	PLYMOUTH HISTORICAL SOCIETY	OW - SECOND GRADE FIELD TRIP DONATION	11/27/2018	100.00
421527	SONOVA USA INC	EQUIP REPLACE	11/27/2018	100.00
420944	CENTERPOINT ENERGY	16TH AVE. 9/21/18 - 10/23/18	11/5/2018	99.36
181900516	LI, LAURIE	REIMBURSE	11/7/2018	99.00
181900506	FUZZEY, JENNIFER	REIMBURSE	11/7/2018	97.88
181900586	MANULIK, SVETLANA	REIMBURSE	11/14/2018	95.37
420922	ALLINA HEALTH SYSTEM	PRE EMPLOY SCREEN	11/5/2018	95.00
421502	MY LAUNDRY SQUAD	APRON LAUNDERING	11/27/2018	95.00
181900594	REINKE, MICHELLE	REIMBURSE	11/14/2018	94.39
181900550	BEUGEN, MARA	REIMBURSE	11/14/2018	94.29
181900519	MILBERT, ANNE-MARIE	REIMBURSE	11/7/2018	94.15
421318	KAPLAN EARLY LEARNING CO	GL OUTDOOR EQUIPMENT	11/20/2018	93.95
181900515	LAHR, MELISSA	REIMBURSE	11/7/2018	91.45
421050	WESTONE LABORATORIES INC	DHH EQUIP	11/5/2018	91.00
181900632	JOHNSON, JERI	REIMBURSE	11/21/2018	90.96
707039	LEARNING A-Z	SPED	11/29/2018	90.70
421048	WENDELL'S	VERIFICATION STAMPER	11/5/2018	90.46
421510	OGREN, RICHARD	CLASS 11/14/18	11/27/2018	90.00
181900610	STEWART, JULIE	REIMBURSE	11/14/2018	89.99
181900622	ANDERSON, CHACE	REIMBURSE	11/21/2018	86.90
181900642	RINGATE, NICOLE	REIMBURSE	11/21/2018	86.51
181900508	HAGEN, ANDREW	REIMBURSE	11/7/2018	85.78
181900606	SHERMAN, LEAH	REIMBURSE	11/14/2018	85.24
421517	PREMIUM WATERS, INC	GWHB OCT WATER	11/27/2018	85.11
421341	MULTILINGUAL WORD, INC	INTERPRETER	11/20/2018	85.00
181900661	JOHNSON, JERI	REIMBURSE	11/28/2018	83.93
181900526	PEARSON, JANNA	REIMBURSE	11/7/2018	83.58
181900592	PETERSON, LAURI	REIMBURSE	11/14/2018	82.40
420940	BRUEGGER'S ENTERPRISES INC	HS - BREAD PRODUCTS	11/5/2018	82.26
706983	PITSCO, INC	OW STEM	11/16/2018	80.25
421220	WEBER, BRADLEY	OFFICIAL	11/13/2018	80.00
421347	NAT'L ARCHERY IN THE SCHOOLS PROGRAM INC	REPAIR BOWS	11/20/2018	80.00
421450	FRIEDRICHS, JOSHUA	OFFICIAL	11/27/2018	80.00
181900511	HENRY, ANGELA	REIMBURSE	11/7/2018	79.98
420956	CRICKET MEDIA INC	CLICK SUBSCRIPTION	11/5/2018	79.90
181900662	KLEIN, JERI	REIMBURSE	11/28/2018	79.90
181900596	RIES, CAROLE	REIMBURSE	11/14/2018	79.52
181900503	BUTLER, SHERYL	REIMBURSE	11/7/2018	78.64
181900518	MENK, JULIE	REIMBURSE	11/7/2018	78.59
421520	RHOMBS, CRAIG	GENEALOGY INTRO 11/3/18 11/10/18	11/27/2018	78.00
181900527	PETERSON, JOELLE	REIMBURSE	11/7/2018	77.88
421403	WEEKS, SCOTT	REIMBURSE	11/20/2018	77.72
181900591	PERRIZO, STEPHANIE	REIMBURSE	11/14/2018	77.34
181900520	MILLER, JANET	REIMBURSE	11/7/2018	77.12
420936	BERRY COFFEE CO	DAB COFFEE SERVICE	11/5/2018	75.60
421014	PLYMOUTH ROTARY	CE QTRLY DUES	11/5/2018	75.00
706955	SHRED-N-GO	DAB SHREDDING SERVICE	11/9/2018	75.00
706990	SHRED-N-GO	WELS/ELS SHREDDING	11/16/2018	75.00
181900608	SOLHEID, CAROL	REIMBURSE	11/14/2018	74.83
421232	ACCUCUT LLC	DIE CUT ROLLER/TRAY KIT	11/20/2018	74.00
181900580	LANKFORD, LYNDA	REIMBURSE	11/14/2018	73.74
706943	MINNESOTA EQUIPMENT	KL JD BELT	11/9/2018	72.01
421002	NAT'L ARCHERY IN THE SCHOOLS PROGRAM INC	JONES ARCHERY	11/5/2018	72.00
181900670	NARVESON, CAROLYN	REIMBURSE	11/28/2018	71.00
421299	HIRSHFIELD'S PAINT	TR #3 DUMP TRUCK	11/20/2018	70.91
421133	FUTURE PROBLEM SOLVING PROGRAM INT'L	CMS VISION 21 PROBLEM SOLVERS RESOURCE MANUAL	11/13/2018	70.00
421494	MN FUTURE PROBLEM SOLVING PROGRAM	TRAINING MATERIALS FOR COACH	11/27/2018	70.00
421524	SCHOOL NUTRITION ASSOCIATION	SNA DUES	11/27/2018	70.00

706928	DISCOUNT SCHOOL SUPPLY	Dot Paint-ECFE/OUTREACH	11/9/2018	69.96
181900509	HANSEN, JULIE	REIMBURSE	11/7/2018	69.94
181900559	FOLTZ-RINGSTROM, SHARON	REIMBURSE	11/14/2018	69.81
181900615	WAITE, WILLIAM	REIMBURSE	11/14/2018	69.47
421515	PHANSE, KEDAR	REFUND	11/27/2018	69.35
421055	XEROX FINANCIAL SERVICES	WHS HEALTH OFFICE COPIER LEASE	11/5/2018	68.98
421408	XEROX FINANCIAL SERVICES	WHS HEALTH OFFICE COPIER LEASE	11/20/2018	68.98
420952	CONTEMPORARY IMAGES	TAR & FEATHER POSTERS	11/5/2018	68.55
181900547	ALLISON, KRISTA	REIMBURSE	11/14/2018	68.46
181900540	WHITWORTH, JENNIFFER	REIMBURSE	11/7/2018	67.09
421013	PETERSON, AMY	OFFICIAL	11/5/2018	67.00
421027	SEEGER, JEFFREY	OFFICIAL	11/5/2018	67.00
421032	SUNBEEB, SUBEL	OFFICIAL	11/5/2018	67.00
421350	NEOPOST USA INC	DAB POSTAGE TAPE STRIPS FOR NEOPOST MAILING MACHINE	11/20/2018	66.00
421185	PUBLIC EMPLOYEES RETIREMENT ASSN	INTEREST DUE	11/13/2018	64.12
181900658	EDEH, AKOELE	REIMBURSE	11/28/2018	64.00
181900605	SHANNON-ANDERSON, KARI	REIMBURSE	11/14/2018	63.87
181900604	SCHUMACHER, MICHAEL	REIMBURSE	11/14/2018	63.50
181900538	VOS, STACIE	REIMBURSE	11/7/2018	63.45
181900614	THOMAS, MICHELE	REIMBURSE	11/14/2018	63.38
181900660	HUYNH, MAI	REIMBURSE	11/28/2018	63.31
181900573	JAHN, ERIC	REIMBURSE	11/14/2018	63.25
181900504	DAHLMAN, JESSICA	REIMBURSE	11/7/2018	62.22
181900545	ALLEN, STEPHANIE	REIMBURSE	11/14/2018	62.18
421141	HUANG, YAN	REFUND	11/13/2018	60.85
181900582	LARSON, JENNIFER	REIMBURSE	11/14/2018	60.44
181900640	MEISTER, TARI	REIMBURSE	11/21/2018	60.26
181900647	STUTZMAN, BELINDA	REIMBURSE	11/21/2018	60.22
421056	YEAGER, KRISTIN	OFFICIAL	11/5/2018	60.00
421104	CONTEMPORARY IMAGES	District Fact Sheet	11/13/2018	60.00
421469	KJORSTAD, BRIAN	CLASS 10/11/18	11/27/2018	60.00
181900654	BERG, CARRIE	REIMBURSE	11/28/2018	59.02
420933	ASSN FOR SUPERVISION & CURR. DEV.(ASCD)	DUES	11/5/2018	59.00
421470	KOLTES, TROY	OFFICIAL	11/27/2018	59.00
181900543	WILSON, MELISSA	REIMBURSE	11/7/2018	58.48
421042	WANG, HONGBO	REFUND	11/5/2018	57.95
181900561	GALLAGHER, KELLY	REIMBURSE	11/14/2018	57.65
421433	CHRISTIANSEN, CATHERINE	REFUND	11/27/2018	57.45
421196	T-MOBILE USA, INC	MONTHLY HOTSPOTS	11/13/2018	57.40
181900569	HOGAN, NICOLE	REIMBURSE	11/14/2018	57.33
181900517	MARQUARDT, ADAM	REIMBURSE	11/7/2018	57.14
181900651	ASCHER, ALLISON	REIMBURSE	11/28/2018	56.24
420986	LICHTENWALTER, KIMBERLY	OFFICIAL	11/5/2018	56.00
181900546	ALLEN, SUSAN	REIMBURSE	11/14/2018	55.43
181900655	CARGILL, KRISTIN	REIMBURSE	11/28/2018	55.20
181900643	SCHOLLA, JESSICA	REIMBURSE	11/21/2018	55.05
181900566	HANSEN, LAUREN	REIMBURSE	11/14/2018	54.99
181900534	SOMERS, CATHY	REIMBURSE	11/7/2018	54.72
181900672	ROBERTS, DANIEL	REIMBURSE	11/28/2018	53.94
181900646	STOESZ, JESACA	REIMBURSE	11/21/2018	53.66
181900587	MAUEL, LAUREN	REIMBURSE	11/14/2018	53.50
181900667	MCKIM, KYLE	REIMBURSE	11/28/2018	53.50
707040	MOTG (MN OFFICE TECHNOLOGY GRP)	WHS HEALTH OFFICE COPIER MAINTENANCE	11/29/2018	53.34
181900607	SKALLAND, AMANDA	REIMBURSE	11/14/2018	53.25
181900507	GILKAY, MICHELLE	REIMBURSE	11/7/2018	53.00
181900529	RAWSKI, ANNETTE	REIMBURSE	11/7/2018	53.00
181900673	ROCCA, LISA	REIMBURSE	11/28/2018	52.98
421528	SOOS, DAVID	REFUND	11/27/2018	52.90
181900637	MARIETTI, CHRISTINA	REIMBURSE	11/21/2018	51.39
181900528	PHILLIPS, WADE	REIMBURSE	11/7/2018	51.34
181900671	PICHE-PALONY, RISA	REIMBURSE	11/28/2018	51.23

181900571	HULL, MICHELE	REIMBURSE	11/14/2018	51.14
421539	TOUCAN ED INC	EMS HEALTH SUPPLIES	11/27/2018	50.74
181900552	BOBEK, STACY	REIMBURSE	11/14/2018	50.74
421505	NELSON, SCOTT	REFUND	11/27/2018	50.50
181900521	MUSCOPLAT, DAVID	REIMBURSE	11/7/2018	50.45
181900678	SPEERS, STEPHANIE	REIMBURSE	11/28/2018	50.14
420981	KRETCHMAN, LORRAINE	CLASS US PRESIDENTS 10/11/18	11/5/2018	50.00
421094	CHASE, CALVIN	OFFICIAL	11/13/2018	50.00
706952	SCHMITT MUSIC CO	OPEN PO SUPPLIES BAND	11/9/2018	50.00
181900627	GILKAY, MICHELLE	REIMBURSE	11/21/2018	50.00
706989	SCHOOL OUTFITTERS	HEADSETS	11/16/2018	49.40
420945	CHEN, ALICIA	REFUND	11/5/2018	49.30
181900513	HUMES, FILESTEA	REIMBURSE	11/7/2018	48.97
181900556	EICHENLAUB, LINDSEY	REIMBURSE	11/14/2018	48.18
421039	TURNER, JEN	GIRLS VARS SOCCER SR DAY SUPPLIES	11/5/2018	48.15
181900629	HERZOG, JORDAN	REIMBURSE	11/21/2018	48.00
421352	NICROS INC.	CARABINERS & ROPE	11/20/2018	47.63
421258	BERRY COFFEE CO	DAB COFFEE SERVICE	11/20/2018	47.25
181900645	SCOTT, CATHERINE	REIMBURSE	11/21/2018	46.83
181900565	GRISMER, SYLVIA	REIMBURSE	11/14/2018	45.40
181900650	ARBOGAST, PAULINE	REIMBURSE	11/28/2018	44.99
181900499	BERG, CARRIE	REIMBURSE	11/7/2018	44.93
181900551	BIRKHOFFER, JENNIFER	REIMBURSE	11/14/2018	44.80
181900531	RUCHTI, JULIE	REIMBURSE	11/7/2018	44.64
421089	CDW GOVERNMENT, INC	CONSULTING	11/13/2018	43.75
181900663	LELAND, TONI	REIMBURSE	11/28/2018	42.40
181900589	MEDIN, MICHELLE	REIMBURSE	11/14/2018	42.07
181900533	SEELAND, ELIZABETH	REIMBURSE	11/7/2018	41.97
421421	BARNARD, FRANCOIS	REFUND	11/27/2018	40.30
421338	MOHN, MONICA	SWING DANCE CLASS	11/20/2018	40.00
181900628	HAGEN, ANDREW	REIMBURSE	11/21/2018	39.30
181900522	NELSON, KRISTYN	REIMBURSE	11/7/2018	38.71
181900612	SYMINGTON, GINGER	REIMBURSE	11/14/2018	38.15
181900549	BERG, CARRIE	REIMBURSE	11/14/2018	37.64
706954	SCHOOL SPECIALTY	OW KINDERGARTEN PAINT	11/9/2018	37.43
181900512	HODENA, MELISSA	REIMBURSE	11/7/2018	36.95
421435	CONLIN, JOHN	REFUND	11/27/2018	36.06
420968	GUARDIAN COUNSEL, LLC	CLASS 10/11/18	11/5/2018	36.00
421280	DUGAN, JENNIFER	REFUND	11/20/2018	35.95
421473	KUHN, AL	REFUND	11/27/2018	35.70
181900541	WILLISON, CALEB	REIMBURSE	11/7/2018	35.43
421402	VERIZON WIRELESS	monthly Data Plan - Welcome Center	11/20/2018	35.08
181900567	HERRSCHER, ERIC	REIMBURSE	11/14/2018	35.00
181900537	SWANLUND, MAGGIE	REIMBURSE	11/7/2018	34.44
181900682	WILLAR, DAWN	REIMBURSE	11/28/2018	33.24
421430	CARON, BRADLY	REFUND	11/27/2018	33.05
181900535	ST. GERMAIN, MATTHEW	REIMBURSE	11/7/2018	32.26
181900634	LANKFORD, LYNDA	REIMBURSE	11/21/2018	32.23
181900679	STAHL, MARLA	REIMBURSE	11/28/2018	31.06
181900603	SANFORD, ANNA	REIMBURSE	11/14/2018	31.00
181900590	MUELLER, KATHRYN	REIMBURSE	11/14/2018	29.99
181900523	O'REILLY, CATHERINE	REIMBURSE	11/7/2018	29.98
421544	WANG, LING	REFUND	11/27/2018	29.90
420980	KRAUSERT, CHARLES	MILEAGE	11/5/2018	29.43
181900553	CARR, CHARLES	REIMBURSE	11/14/2018	28.98
421423	BERNSTEIN, OLYA	REFUND	11/27/2018	28.90
181900611	SUND, CAROLYN	REIMBURSE	11/14/2018	28.88
706941	LAKESHORE LEARNING MATERIALS	Regular Dot Art Painters	11/9/2018	28.48
181900577	KNABENSHUE, ALYCIA	REIMBURSE	11/14/2018	27.46
706891	ACCO BRANDS CORPORATION	LAMINATING ROLL FOR MEDIA CENTER	11/2/2018	27.00
181900674	RUCHTI, JULIE	REIMBURSE	11/28/2018	26.95



**WAYZATA PUBLIC SCHOOLS**  
**WIRE TRANSFER, EFT AND ACH ACTIVITY**  
**October 2018**

<u>FROM</u>	<u>TO</u>	<u>DATE</u>	<u>AMOUNT</u>
Wells Fargo-Checking	Wells Fargo-Payroll	Multiple	\$5,563,103
Wells Fargo-Checking	IRS		
	- Federal P/R Taxes	10/1/2018	\$964,165
	- Federal P/R Taxes	10/16/2018	\$951,218
Wells Fargo-Checking	MN Department of Revenue		
	- State P/R Taxes etc. (MN)	10/1/2018	\$169,232
	- State P/R Taxes etc. (MN)	10/16/2018	\$166,174
Wells Fargo-Checking	Delta Dental		
	- Dental Claims	Multiple	\$114,068
Wells Fargo-Checking	Preferred One		
	- Health Claims	Multiple	\$1,123,284
Wells Fargo-Checking	Wells Fargo Commercial Card		
	- Purchase Card Program	10/3/2018	\$149,662
Wells Fargo-Checking	PlanSource (Corporate Health Systems)		
	- Flex Benefits	Multiple	\$120,785
Wells Fargo-Checking	Preferred One		
	- Broker/Reinsurance Fees	10/11/2018	\$84,468
Wells Fargo-Checking	Payroll Vendors (TRA, EBC, MSRS, etc.)		
	- Electronic Payments	Multiple	\$1,809,245
Wells Fargo-Checking	District Employees		
	- Expense Reimbursement	Multiple	\$27,553
Wells Fargo-Checking	Commerce Bank/Control Pay		
	- Electronic A/P	Multiple	\$933,702
Wells Fargo-Checking	MN Department of Revenue		
	- Sales & Use Tax Payment	10/16/2018	\$2,439
Wells Fargo-Checking	Neopost Advance		
	- Replenish Postage Meter	10/15/2018	\$10,000
<b>TOTAL ACTIVITY</b>			<b>\$12,189,098</b>

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**  
Regular Meeting – December 10, 2018

**AGENDA SECTION: SUPERINTENDENT’S REPORTS AND RECOMMENDATIONS**

**ITEM: OPEB Investment Policy Statement and appoint OPEB committee members**

**COMMENTS BY: Jim Westrum, Exec. Director of Finance and Business Services**

The Other Post-Employment Benefits (OPEB) Committee utilizes an investment policy statement to guide their investment strategies. The OPEB committee, along with the assistance of an investment advisor, invests the dollars placed in the irrevocable trust for post-employment pension obligations. On an annual basis, the School Board is requested to review the policy statement and reaffirm their guidance to this committee.

The OPEB committee is comprised of:

- Members of the Finance subcommittee of the School Board – presently Sarah Johansen and Erik Brown
- 2 members of the Citizen Financial Advisory Council (CFAC) - presently Jerry Trenda and Ted Victor
- WEA president Adam Tillotson
- District representatives: Chace Anderson, Jim Westrum, Jill Schwint, Melissa Lahr, and Seth Mader

Also in attendance at committee meetings are representatives from the School Board appointed investment advisory firm of PFM Asset Management, LLC.

**RECOMMENDED ACTION:** Appoint the OPEB committee members noted above and reaffirm the attached investment policy statement to be used as guidance in investment OPEB strategies.

Motion by: \_\_\_\_\_ Yes \_\_\_\_\_ Passed \_\_\_\_\_

Second by: \_\_\_\_\_ No \_\_\_\_\_ Failed \_\_\_\_\_

Abstentions: \_\_\_\_\_

**INVESTMENT POLICY STATEMENT**  
**FOR**  
**INDEPENDENT SCHOOL DISTRICT 284**  
**OTHER POST EMPLOYMENT BENEFITS TRUST**

Revision Dated December 14, 2015

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The Independent School District 284 (Wayzata Public Schools) (“the District”) has established the Independent School District 284 (Wayzata Public Schools) Other Post-Employment Benefits Trust (the “Trust”). This Trust is intended to provide funding of non-pension post-employment health care, dental and life benefits (“OPEB”) for those employees who meet the age and service requirements outlined in the plan document. The Trustees of the Trust hereby adopt this Investment Policy Statement (“Policy Statement”) for the following purposes:

### **PURPOSE**

The main investment objective of the Trust is to achieve long-term growth of Trust assets by maximizing long-term rate of return on investments and minimizing risk of loss to fulfill Wayzata Public Schools’ current and long-term OPEB obligations.

The purpose of the Policy Statement is to achieve the following:

1. Document investment objectives, performance expectations, and investment guidelines for Trust assets.
2. Establish an appropriate investment strategy for managing all Trust assets, including an investment time horizon, risk tolerance ranges, and asset allocation to provide sufficient diversification and overall return over the long-term time horizon of the Trust.
3. Establish investment guidelines to control overall risk and liquidity.
4. Establish periodic performance reporting requirements to monitor investment results and confirm that the investment policy is being followed.
5. Comply with fiduciary, prudence, due diligence and legal requirements for Trust assets.

### **INVESTMENT AUTHORITY**

The District's School Board has appointed an OPEB Oversight Board (the "Trust Board") to oversee certain policies and procedures related to the operation and administration of the Trust pursuant to Minnesota State Statute 356A. The Board will have authority to implement the investment policy and guidelines in the best interest and purpose of the Trust.

In implementing this Policy Statement, the Board believes it may delegate certain functions to:

1. An investment advisor (“Advisor”) to assist the Trust Board in the investment process and to maintain compliance with this Policy Statement. The Advisor may assist the Trust Board in establishing investment policy objectives and guidelines. The Advisor will adjust asset allocation for the Trust subject to the guidelines and

limitations set forth in this Policy Statement. The Advisor will also select investment managers (“Managers”) and strategies consistent with its role as a fiduciary for the Trust. The investment vehicles allowed may include mutual funds, commingled trusts, separate accounts, limited partnerships and other investment vehicles deemed to be appropriate by the Advisor. The Advisor is also responsible for monitoring and reviewing investment managers; measuring and evaluating performance; and other tasks as deemed appropriate in its role as Advisor for Trust assets. The Advisor may also select investments with discretion to purchase, sell, or hold specific securities, that will be used to meet the Trust’s investment objectives. The Advisor shall never take possession of securities, cash or other assets of the Trust, all of which shall be held by the custodian. The Advisor must be registered with the Securities and Exchange Commission.

2. A custodian selected by the Trust to maintain possession of physical securities and records of street name securities owned by the Trust, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The regular custodian will perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Trust.
3. A trustee appointed by the Trust, such as a bank trust department, if the Trust does not have its own Trustees, to assume fiduciary responsibility for the administration of Trust assets; provided, however, that if the School Board shall have appointed an investment advisor, then any trustee appointed under this paragraph shall have no authority with respect to selection of investments.
4. Specialists such as attorneys, auditors, actuaries, and retirement plan consultants to assist the Trust Board in meeting its responsibilities and obligations to administer Trust assets prudently.

#### STATEMENT OF INVESTMENT OBJECTIVES

The investment objectives of the Trust are as follows:

1. To invest assets of the Trust in a manner consistent with the following fiduciary standards: (a) all transactions undertaken must be for the sole interest of Trust beneficiaries, and (b) assets are to be diversified in order to minimize the impact of large losses from individual investments.
2. To provide for funding and/or anticipated withdrawals on a continuing basis for payment of benefits and reasonable or related expenses of operation of the Trust.
3. To conserve and enhance the value of Trust assets in real terms over the long-term through asset appreciation and income generation, while maintaining an investment risk profile as approved by the School Board.

4. To minimize principal fluctuations over the Time Horizon (as defined below).
5. To achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in this Policy Statement under the section labeled "Performance Expectations".

### INVESTMENT GUIDELINES

Within this section of the Policy Statement, several terms will be used to articulate various investment concepts. The descriptions are meant to be general and may share investments otherwise considered to be in the same asset class. They are:

"Growth Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on capital appreciation. Investments within the Growth Assets category can include income and risk mitigating characteristics, so long as the predominant investment risk and return characteristic is capital appreciation. Examples of such investments or asset classes are: domestic and international equities or equity funds, private or leveraged equity, and certain real estate investments.

"Income Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on income generation. Investments within the Income Assets category can include capital appreciation and risk mitigating characteristics, so long as the primary investment risk and return characteristic is income generation. Examples of such investments or asset classes are: fixed income securities, guaranteed investment contracts, and certain real estate investments.

"Real Return Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on real returns after inflation. Investments within the Real Return category can include inflation protected securities, commodities, and certain real estate investments.

#### **Time Horizon**

The Trust's investment objectives are based on a long-term investment horizon ("Time Horizon") of five years or longer. Interim fluctuations should be viewed with appropriate perspective. The Board has adopted a long-term investment horizon such that the risks and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets.

#### **Liquidity and Diversification**

In general, the Trust may hold some cash, cash equivalent, and/or money market funds for near-term Trust benefits and expenses (the "Trust Distributions") as directed by and in coordination with the Trust Board. Remaining assets will be invested in longer-term investments and shall be diversified with the intent to minimize the risk of long-term investment losses. Consequently, the total portfolio will be constructed and maintained to provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments, or industries.

## Asset Allocation

The School Board believes that to achieve the greatest likelihood of meeting the Trust's investment objectives and the best balance between risk and return for optimal diversification, assets will be invested in accordance with the targets for each asset class as follows to achieve an average total annual rate of return that is equal to or greater than the Trust's target rate of return over the long-term, as described in the section titled, "Performance Expectations".

<u>Asset Classes</u>	<u>Asset Weightings</u>	
	<u>Range</u>	<u>Target</u>
<b>Growth Assets</b>	<b>Range 50 - 70%</b>	
Domestic Equity	19% - 59%	39%
International Equity	1% - 41%	21%
Other	0% - 20%	0%
<b>Income Assets</b>	<b>Range 30 - 50%</b>	
Fixed Income	20% - 60%	36%
Other	0% - 20%	0%
<b>Real Return Assets</b>	0% - 20%	0%
<b>Cash Equivalents</b>	0% - 20%	4%

The Advisor and each Manager will be evaluated against their peers on the performance of the total funds under their direct management.

## Rebalancing Philosophy

The asset allocation range established by this Policy Statement represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside Policy Statement ranges. When allocations breach the specified ranges, the Advisor will rebalance the assets within the specified ranges. The advisor may also rebalance based on market conditions.

## **Risk Tolerance**

Subject to investment objectives and performance expectations, the Trust will be managed in a style that seeks to minimize principal fluctuations over the established Time Horizon.

## **Performance Expectations**

Over the long-term, five years or longer, the performance objective for the Trust will be to achieve an average total annual rate of return that is equal to or greater than the Trust's actuarial discount rate. Additionally, it is expected that the annual rate of return on Trust assets will be commensurate with the then prevailing investment environment. Measurement of this return expectation will be judged by reviewing returns in the context of industry standard benchmarks, peer universe comparisons for individual Trust investments and blended benchmark comparisons for the Trust in its entirety.

## **SELECTION OF INVESTMENT MANAGERS**

The Advisor shall prudently select appropriate Managers to invest the assets of the Trust. Managers must meet the following criteria:

- The Manager must provide historical quarterly performance data compliant with Global Investment Performance Standards (GIPS®), Securities & Exchange Commission (“SEC”), Financial Industry Regulatory Agency (“FINRA”) or industry recognized standards, as appropriate.
- The Manager must provide detailed information on the history of the firm, key personnel, support personnel, key clients, and fee schedule (including most-favored-nation clauses). This information can be a copy of a recent Request for Proposal (“RFP”) completed by the Manager or regulatory disclosure.
- The Manager must clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.
- The investment professionals making the investment decisions must have a minimum of three (3) years of experience managing similar strategies either at their current firm or at previous firms.
- Where other than common funds such as mutual funds or commingled trusts are utilized, the Manager must confirm receipt, understanding and adherence to this Policy Statement and any investment specific policies by signing a consent form provided to the Manager prior to investment of Trust assets.

## GUIDELINES FOR PORTFOLIO HOLDINGS

### **Direct Investments by Advisor**

Every effort shall be made, to the extent practical, prudent and appropriate, to select investments that have investment objectives and policies that are consistent with this Policy Statement (as outlined in the following sub-sections of the “Guidelines for Portfolio Holdings”). However, given the nature of the investments, it is recognized that there may be deviations between this Policy Statement and the objectives of these investments. As soon as the deviation comes to the attention of the Advisors, the Advisor will take corrective action and make appropriate changes as soon as possible.

### **Limitations on Managers’ Portfolios**

#### Equities:

No more than the greater of 5% or weighting in the relevant index (Russell 3000 Index for U.S. issues and MSCI ACWI ex-U.S. for non-U.S. issues) of the total equity portfolio valued at market may be invested in the common equity of any one corporation; ownership of the shares of one company shall not exceed 5% of those outstanding; and not more than 40% of equity valued at market may be held in any one sector, as defined by the Global Industry Classification Standard (GICS).

*Domestic Equities:* Other than the above constraints, there are no quantitative guidelines as to issues, industry or individual security diversification. However, prudent diversification standards should be developed and maintained by the Manager.

*International Equities:* The overall non-U.S. equity allocation should include a diverse global mix that is comprised of the equity of companies from multiple countries, regions and sectors.

#### Fixed Income:

Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. The overall rating of the fixed income assets as calculated by the Advisor shall be investment grade, based on the rating of one Nationally Recognized Statistical Rating Organization (“NRSRO”). In accordance with Minnesota State Statute 356A total fixed income assets rated below investment grade will be limited to 5% of the total portfolio. Additionally, any below investment grade strategies will be brought to the Trust Board to review prior to implementation.

### Other Assets (Alternatives):

Alternatives may consist of non-traditional asset classes such as hedge funds, private equity, real estate and commodities, when deemed appropriate. Any illiquid or non-publically traded investments, such as hedge funds or private funds, must have prior notification and explicit approval from the Trust Board before asset acquisitions. The Trust Board may defer to the School Board for additional prior approval. The total allocation to this category may not exceed 20% of the overall portfolio.

*Hedge Funds:* Primary objective shall be to enhance the risk-return profile of the overall portfolio. This can be accomplished by using a combination of hedge fund strategies that may enhance returns at a reasonable level of risk or reduce volatility while providing a reasonable level of return. These asset classes may differ from traditional public market asset classes due to the use of certain strategies including short-selling, leverage, and derivatives. Hedge funds may also invest across asset classes. The use of direct hedge funds and fund-of-hedge funds are allowed. For purposes of asset allocation targets and limitations, single strategy hedge funds will be categorized under the specific asset class of the fund. For example, a long/short U.S. equity fund will be categorized as “Other” in the Growth Assets category while a long/short credit fund will be categorized as “Other” in the Income Assets category. Multi-strategy hedge funds that cannot be easily categorized under one asset class will be included in “Other” under either the Growth Assets or Income Assets category depending on the risk-return profile of the strategy.

*Private Equity:* Private equity is less liquid than publicly traded equity securities and can provide returns that are greater than what is available in publicly traded markets. The private equity portfolio may include investments in a variety of commingled/partnership and direct investment vehicles including, but not limited to, venture capital, buyout, turnaround, mezzanine, distressed security, and special situation funds. The private equity portfolio is recognized to be long-term in nature and highly illiquid. Due to their higher risk, private equity investments are expected to provide higher returns than publicly traded equity securities. For purposes of asset allocation targets and limitations, these funds will be categorized as “Other” under the Growth Assets category.

*Real Estate:* Consists of publicly traded Real Estate Investment Trust (“REIT”) securities and/or non-publicly traded private real estate and shall be diversified across a broad array of property types and geographic locations. Investments of this type are designed to provide a stable level of income combined with potential for price appreciation, particularly in periods of unexpected inflation. For private real estate, the illiquid, long-term nature should be considered. For purposes of asset allocation targets and limitations, publicly traded REITs will be categorized as “Other” under the Growth Assets category. Depending on the investment characteristics of a private real estate fund, the fund will be categorized as “Other” under either the Income Assets category, for example, a core real estate fund, or under the Growth Assets category, for example, an opportunistic real estate fund where capital gains are expected to make up a significant portion of the total return.

*Inflation Hedge:* Shall consist of pooled vehicles holding among other assets: Treasury Inflation Protected Securities (“TIPS”), commodities or commodity contracts, index-linked derivative contracts, certain real estate or real property funds and the equity of companies in businesses thought to hedge inflation. Inflation hedge assets will be reported in the Real Return Assets category.

Cash Equivalents:

Cash equivalents shall be held in funds complying with Rule 2(a)-7 of the Investment Company Act of 1940.

**Portfolio Risk Hedging**

Portfolio investments designed to hedge various risks including volatility risk, interest rate risk, etc. are allowed to the extent that the investments are not used for the sole purpose of leveraging Trust assets. One example of a hedge vehicle is an exchange traded fund (“ETF”) which takes short positions. Any “ETF” or hedge vehicle acquisitions must have prior notification and explicit approval from the Trust Board.

**Prohibited Investments**

Except for purchase within authorized investments, securities having the following characteristics are not authorized and shall not be purchased: letter stock and other unregistered securities, direct commodities or commodity contracts, or private placements (with the exception of Rule 144A securities). Further, derivatives, options, or futures for the sole purpose of direct portfolio leveraging are prohibited. Direct ownership of real estate, natural resource properties such as oil, gas or timber and the purchase of collectibles is also prohibited.

**Safekeeping**

All assets of the Trust shall be held by a custodian approved by the School Board for safekeeping of Trust assets. The custodian shall produce statements on a monthly basis, listing the name and value of all assets held, and the dates and nature of all transactions in accordance with the terms in the Trust Agreement. Investments of the Trust not held as liquidity or investment reserves shall, at all times, be invested in interest-bearing accounts. Investments and portfolio securities may not be loaned.

## CONTROL PROCEDURES

### **Review of Investment Objectives**

The Advisor shall review annually and report to the School Board the appropriateness of this Policy Statement for achieving the Trust's stated objectives. It is not expected that this Policy Statement will change frequently. In particular, short-term changes in the financial markets should not require an adjustment in this Policy Statement.

### **Review of Investment Performance**

The Advisor shall report on a quarterly basis to the Trust Board to review the investment performance of the Trust. In addition, the Advisor will be responsible for keeping the Trust Board advised of any material change in investment strategy, Managers, and other pertinent information potentially affecting performance of the Trust.

The Advisor shall compare the investment results on a quarterly basis to appropriate benchmarks, as well as market indices in both equity and debt markets. Examples of benchmarks and indexes that will be used include the Russell 3,000 Index for broad U.S. equity strategies; S&P 500 Index for large cap U.S. equities, Russell 2000 Index for small cap equities, MSCI ACWI ex-U.S. Index for broad based non-U.S. equity strategies; MSCI Europe, Australia, and Far East Index (EAFE) Index for developed markets, international equities, Barclays Capital Aggregate Bond Index for fixed income securities, and the U.S. 91 Day T-bill for cash equivalents. The Russell 3000 Index will be used to benchmark the U.S. equities portfolio; the MSCI ACWI ex-U.S. Index will be used to benchmark the non-U.S. equities portfolio; the Barclays U.S. Aggregate Bond Index will be used to benchmark the fixed income portfolio. The categories "Other" will be benchmarked against appropriate indices depending on the specific characteristics of the strategies and funds used.

### **Voting of Proxies**

The Trust Board recognizes that proxies are a significant and valuable tool in corporate governance. The voting rights of individual stocks held in separate accounts or collective, common, or pooled funds will be exercised by the investment managers in accordance with their own proxy voting policies. The voting rights of funds will be exercised by the Advisor.

ADOPTION OF INVESTMENT POLICY STATEMENT

Any changes and exceptions to this Policy Statement will be made in writing and adopted by the School Board. Once adopted, changes and exceptions will be delivered to each Manager, as appropriate, by the Advisor.

Approved by the Wayzata Public Schools School Board.

Resolved by:

  
\_\_\_\_\_  
Member

12-14-15  
\_\_\_\_\_  
Date

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**  
Regular Meeting – December 10, 2018

**AGENDA SECTION:** 2. APPROVAL OF AGENDA AND CONSENT AGENDA ITEMS

**ITEM:** C. Human Resource Recommendations

**COMMENTS BY:** Ms. Stacie Vos

Attached is the recommendation regarding personnel actions, including: employment, separations and leaves of absence.

**RECOMMENDED ACTION:** Approve the Human Resource Actions as recommended.

Motion by: \_\_\_\_\_ Yes \_\_\_\_\_ Passed \_\_\_\_\_

Second by: \_\_\_\_\_ No \_\_\_\_\_ Failed \_\_\_\_\_

Abstentions \_\_\_\_\_

**HUMAN RESOURCES RECOMMENDATIONS - Consent Agenda - December 10, 2018**

**EMPLOYMENT**

<b>Name</b>	<b>Position</b>	<b>Location</b>	<b>Reason</b>	<b>Start Date</b>
Kristina Monson	Paraprofessional	Central Middle	Transfer	11/29/2018
Nolen Huffman	Custodian	Central Services	Transfer	12/3/2018
Traci Christensen	Paraprofessional	Early Learning School	Transfer	12/4/2018
Gwendolyn Vargas	Teacher - Math	East Middle	Resignation	10/22/2018
Nathaniel Walters	Paraprofessional	East Middle	Resignation	12/6/2018
Corey Cellurale	Teacher - Music	East Middle	Resignation	11/1/2018
Maria Marietti	Paraprofessional	Greenwood	Retirement	11/20/2018
Julie Briant	Paraprofessional	High School	Resignation	12/5/2018
Kelli Coughenour	Paraprofessional	Kimberly Lane	Transfer	12/19/2018

**CONTRACT MODIFICATION**

<b>Name</b>	<b>Position</b>	<b>Location</b>	<b>Modification</b>	<b>Date</b>
Mahad Shafi	Paraprofessional	Oakwood	Contract Ended	12/4/2018
Rebecca Lauer	Teacher - Special Services	West Middle	Moved from Para to Teacher	11/5/2018

**LEAVE OF ABSENCE**

<b>Name</b>	<b>Position</b>	<b>Location</b>	<b>Leave Date</b>
Amy Vollendorf	Teacher - Special Services	High School	1/24/2019 - 2/1/2019
Scott Sykes	Teacher - 4th Grade	Birchview	5/3/2019 - 5/31/2019
Kim Sharp	Teacher - Kindergarten	Oakwood	1/28/2019 - 4/26/2019
Jennifer Britz	Teacher - Student Support Specialist	Gleason Lake	11/26/2018 - 12/6/2018
Kate Lamb	Teacher - Special Services	Gleason Lake	2/3/2019 - 6/10/2019

**RESIGNATION**

<b>Name</b>	<b>Position</b>	<b>Location</b>	<b>Resign Date</b>
Christa Gorman	Home Base Assistant	Birchview	11/19/2018
Filestea Humes	Culinary Express	Greenwood	11/30/2018
Mike Doyle	Teacher - Special Services	High School	1/25/2019
Samer Kader	Adult Basic Ed Instructor	JOCP	10/3/2018

RETIREMENT				
Name	Position	Location	Retirement Date	
David Bodine	Teacher - Peer Coach	High School	6/10/2019	
EXTRA ASSIGNMENTS				
Name	Position	Location	Assignment	Date
Corey L Cellurale	Teacher	East Middle	Vocal Music Concert	12/17/2018
Joseph J Hannon	Teacher	East Middle	Geography Bee	12/18/2018
Justin L Jones	Teacher	East Middle	Girls Basketball, 7Th Gr	10/29/2018
Jacy D Lawrence	Teacher	East Middle	Spelling Bee	12/11/2018
Michael L Richards	Teacher	East Middle	Boys Wrestling, 7Th & 8Th Gr	10/29/2018
Emily Takekawa	Teacher	East Middle	Girls Basketball, 8Th Gr	10/29/2018
Joseph M Vrudny	Teacher	Greenwood	Makerspace Club	3/1/2019
Christopher Elrod	Teacher	High School	ALC	11/12/2018
Colleen Regnier	Teacher	High School	ALC	11/12/2018
Amy M.G. Mayer	Coach	High School	Adapted Floor Hockey, Coord	11/19/2018
Eric R Birkholz	Coach	High School	Boys & Girls Alpine Ski, Asst	11/12/2018
Lucas B Dean	Coach	High School	Boys & Girls Alpine Ski, Asst	11/12/2018
Brandon C Dorn	Coach	High School	Boys & Girls Alpine Ski, Asst	11/12/2018
Mark Charles Poppendeck	Coach	High School	Boys & Girls Alpine Ski, Asst	11/12/2018
Peter J Ziemer	Coach	High School	Boys & Girls Alpine Ski, Asst	11/12/2018
Mike W Dzubay	Coach	High School	Boys & Girls Alpine Ski, Head	11/12/2018
Gregory Joseph Engel	Coach	High School	Boys & Girls Nordic Ski, Asst	11/12/2018
Bradley J Erickson	Coach	High School	Boys & Girls Nordic Ski, Asst	11/12/2018
Kate Geary	Teacher	High School	Boys & Girls Nordic Ski, Asst	11/12/2018
Andrew Walker Hansen	Teacher	High School	Boys & Girls Nordic Ski, Asst	11/12/2018
Larry J Myers	Coach	High School	Boys & Girls Nordic Ski, Head	11/12/2018
Samuel M Blank	Teacher	High School	Boys Basketball, 9Th Gr	11/19/2018
Alexander Ryan Culver	Teacher	High School	Boys Basketball, 9Th Gr	11/19/2018
Zachary A Kuseske	Teacher	High School	Boys Basketball, Varsity Asst	11/19/2018

Jon Matzke	Coach	High School	Boys Basketball, Varsity Asst	11/19/2018
Bryan Joseph Schnettler	Teacher	High School	Boys Basketball, Varsity Head	11/19/2018
David Henry Brown	Coach	High School	Boys Hockey, Varsity Asst	11/12/2018
Derek Leonard Olson	Coach	High School	Boys Hockey, Varsity Asst	11/12/2018
William D Rooney li	Coach	High School	Boys Hockey, Varsity Asst	11/12/2018
Peter Samargia	Coach	High School	Boys Hockey, Varsity Asst	11/12/2018
Patrick Aaron O'Leary	Coach	High School	Boys Hockey, Varsity Head	11/12/2018
Lawrence John Formasa Jr	Coach	High School	Boys Swim/Dive, Varsity Asst	11/26/2018
Melissa Kay Paakh	Coach	High School	Boys Swim/Dive, Varsity Asst	11/26/2018
Michael P Yasis	Coach	High School	Boys Swim/Dive, Varsity Asst	11/26/2018
Graham Earl Charlton	Coach	High School	Boys Swim/Dive, Varsity Head	11/26/2018
David W Droegemueller	Teacher	High School	Boys Wrestling, Varsity Asst	11/19/2018
Rudy Michael Galarza	Coach	High School	Boys Wrestling, Varsity Asst	11/19/2018
Adam Michael Woods	Teacher	High School	Boys Wrestling, Varsity Asst	11/19/2018
Eric R Swensen	Teacher	High School	Boys Wrestling, Varsity Head	11/19/2018
Jacqueline M Brown	Coach	High School	Dance Team Varsity, Asst Wtr	10/22/2018
Mariah Kay Champ	Coach	High School	Dance Team Varsity, Asst Wtr	10/22/2018
Jillian Czura	Coach	High School	Dance Team Varsity, Asst Wtr	10/22/2018
Amanda Ellene Eklund	Coach	High School	Dance Team Varsity, Asst Wtr	10/22/2018
Samantha Kaine	Teacher	High School	Dance Team Varsity, Asst Wtr	10/22/2018
Leslie A Swiggum	Coach	High School	Dance Team Varsity, Asst Wtr	10/22/2018
Karla M Taylor	Coach	High School	Dance Team Varsity, Asst Wtr	10/22/2018
Alyse Anne Iorio	Coach	High School	Dance Team Varsity, Head Wtr	10/22/2018
Allison M Martin	Teacher	High School	Girls Basketball, 9B	11/12/2018
Sarah K Bingea	Teacher	High School	Girls Basketball, Varsity Asst	11/12/2018
Christine S Easton	Para	High School	Girls Basketball, Varsity Asst	11/12/2018
Julie A Stewart	Coach	High School	Girls Basketball, Varsity Asst	11/12/2018
Teresa Kay Thour	Teacher	High School	Girls Basketball, Varsity Asst	11/12/2018
Michael P Schumacher	Teacher	High School	Girls Basketball, Varsity Head	11/12/2018
Charles Michael Aydt	Coach	High School	Girls Gymnastics, Varsity Asst	11/12/2018
Abby Joy Christensen	Coach	High School	Girls Gymnastics, Varsity Asst	11/12/2018
Georgianne Crummer	Coach	High School	Girls Gymnastics, Varsity Asst	11/12/2018
Carly Beth Holden	Coach	High School	Girls Gymnastics, Varsity Head	11/12/2018
Rachael Camille Bona	Coach	High School	Girls Hockey, Varsity Asst	10/29/2018
Adam Lang Gronlund	Coach	High School	Girls Hockey, Varsity Asst	10/29/2018
Mira K Jalosuo	Coach	High School	Girls Hockey, Varsity Asst	10/29/2018
Paige N Johnson	Coach	High School	Girls Hockey, Varsity Asst	10/29/2018
Anne S Mcneill	Coach	High School	Girls Hockey, Varsity Asst	10/29/2018

Jessica Ann Christopherson	Coach	High School	Girls Hockey, Varsity Head	10/29/2018
Jack M Sueker	Coach	High School	Project Score Coordinator	8/12/2018
Ethan W Lane	Para	High School	Quiz Bowl Coach	9/6/2018
Karen A Nickel	Teacher	High School	World Language Club - German	8/9/2018
Nicole A Kincius	Teacher	High School	Quiz Bowl Asst Coach	9/6/2018
Adam Michael Woods	Teacher	High School	Ted Talk	8/12/2018
Bradley S Podiak	Coach	High School	Boys Hockey, Varsity Asst	11/12/2018
Brianna L Dietz	Coach	High School	Boys Swim/Dive, Varsity Asst	11/26/2019
Joan Ann Campbell-Pyzdrowski	Teacher	Oakwood	Bus Supervision	9/4/2018
Carrie Lynn Carlson	Teacher	Oakwood	Book Club	10/10/2018
Ananda Kelley Lemon	Teacher	Oakwood	Student Council Advisor	9/19/2018
Amy Jo Lien	Teacher	Oakwood	School Patrol	9/4/2018
Laura Y Peterson	Teacher	Oakwood	Running Club	10/2/2018
Laura Y Peterson	Teacher	Oakwood	Student Council Advisor	9/19/2018
Amy G Ringquist	Teacher	Oakwood	Student Council Advisor	9/19/2018
Amy G Ringquist	Teacher	Oakwood	School Patrol	9/4/2018
Peter A Sycks	Teacher	Oakwood	Running Club	10/2/2018





**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**  
Regular Meeting – December 10, 2018

**AGENDA SECTION:** 2. Consent Agenda

**ITEM:** G. Student Teaching Partnership Agreement

**COMMENTS BY:** Jill Johnson, Exec. Dir of Teaching and Learning

Wayzata Public Schools annually accepts student teachers from a number of colleges and universities. Wayzata Public Schools is entering into a student teaching affiliation agreement with Purdue University; the agreement is attached for your review.

**RECOMMENDED ACTION:** Approve the Student Teaching Agreement with Purdue University as presented.

Motion by: \_\_\_\_\_ Yes \_\_\_\_\_ Passed \_\_\_\_\_

Second by: \_\_\_\_\_ No \_\_\_\_\_ Failed \_\_\_\_\_

Abstentions: \_\_\_\_\_

## **AFFILIATION AGREEMENT CONCERNING PLACEMENT OF PURDUE UNIVERSITY/COLLEGE OF EDUCATION STUDENTS**

This Agreement is entered into in accordance with I.C. § 20-26-5-23 by and between - **Wayzata Public Schools**, a school corporation ("School Corporation") and Purdue University an institution of higher education accredited by the Indiana Department of Education ("University"), and sets out the respective rights and responsibilities of the School Corporation and the University with regard to any University student who is assigned as a Teacher Candidate, Practicum Student, as those terms are defined below, in the School Corporation.

### **1. DEFINITIONS**

"Cooperating Teacher" shall mean a teacher in the School Corporation to whom the Teacher Candidate is assigned and who directs the work or the activity of the candidate while is in the School Corporation. Only teachers who hold the Professional or Proficient License or its equivalent, and who have had at least three years' successful teaching experience and/or the recommendation of a building level administrator are eligible to serve as Cooperating Teachers.

"Mentor Teacher" shall mean a teacher in the School Corporation to whom a Practicum Student of group of Practicum Students is assigned for pre Co-Teaching or pre-Student Teaching experiences. The School Corporation and the University may mutually agree that a teacher who does not hold the Professional or Proficient License or its equivalent may serve as a Mentor Teacher.

"Practicum Student" shall mean a student enrolled at and assigned by the University to teach for a practicum assignment in the School Corporation as part of the pre-clinical practice requirements.

"Teacher Candidate" shall mean a student enrolled at and assigned by the University to teach in the School Corporation, as part of preparation for entering the teaching profession.

"University Supervisor" or "Special Area Supervisor" or "Course Instructor" shall mean the University person who is in charge of the course of study or specific experience for which the student is assigned to the School Corporation.

### **2. REPRESENTATIVES**

- a. The University shall, with regard to placement, assignment, and change or termination of assignment of Teacher Candidates and Practicum Students be represented by a coordinator from the Office of Field Experiences.
- b. The University shall, with respect to conduct of Teacher Candidates, and Practicum Students, be represented by a University Supervisor, Special Area Supervisor, or Course Instructor.

- c. The School Corporation shall be represented by its Superintendent or by such other administrative personnel, as he/she shall designate.
- d. Each party shall provide timely notice to the other party as to the name, mailing and email address, and telephone number of the contacts referenced above.

### **3. PLACEMENT OF TEACHER CANDIDATES AND PRACTICUM STUDENTS**

- a. The placement process shall be a cooperative venture involving both the University and the School Corporation.
- b. The University shall initiate the placement of a Teacher Candidate by filing an application for each proposed assignment setting out the background of the student and the type of assignment appropriate. The request may be accompanied by suggested names of teachers of the School Corporation, who would be recommended by the University as a Cooperating Teacher. The final assignment of Teacher Candidates shall be made by the School Corporation after consultation with the Cooperating Teacher and Principal under whom the assignment will be completed.
- c. The University may request placement of Practicum Students for either an individual student or a group of students. The request will identify the particular student, or a composite description of the group of students to be placed in terms of background, the type of assignment requested, objectives of the assignment, and activities suggested as appropriate to the requested assignment.

### **4. CALENDAR**

Teacher Candidates and/or Practicum Students will follow the calendar of the School Corporation and the daily schedule of the individual school in which the experience is taking place. Any proposed deviation must be approved in advance by the Cooperating Teacher, the Principal (if applicable), and the University.

### **5. PROFESSIONAL STANDARDS**

- a. Teacher Candidates and Practicum Students will be advised that they are required to conform to standards of professional decorum that are consonant with prevailing standards in the school community and the education profession as a condition of the placement and its continuation.
- b. Teacher Candidates and Practicum Students specifically agree that, during the time they are placed in the School Corporation, they will:
  - 1. Maintain professional, legal and ethical conduct at all times;
  - 2. Respect the privacy of children, families and school personnel and protect the confidentiality of academic or personal information that they encounter;

3. Maintain professional demeanor and appearance in accordance with the standards of the School Corporation and site where they are placed;
4. Be on site when and where they are expected and/or follow proper notification procedures to inform appropriate individuals in advance if they cannot attend or will be late;
5. Complete their assigned tasks, duties and responsibilities on time;
6. Interact and communicate in a positive and professional manner with students, peers, school and university personnel and others;
7. Avoid bias, prejudice or lack of fairness toward individuals or groups of people;
8. Act in a safe and responsible manner and avoid action that might put students, peers, or any school or university personnel at physical or emotional risk;
9. Remain committed to student learning at all times;
10. Refrain from making offensive or demeaning comments about students or their abilities to learn or about teachers or their abilities to teach;

**6. CRIMINAL BACKGROUND CHECKS AND COMPLIANCE WITH ZACHARY'S LAW**

Nothing in this Agreement is intended to or shall be construed to relieve the School Corporation of its statutory responsibility to obtain criminal background checks or to comply with the requirements of Zachary's Law. However, University shall assist the School Corporation as follows:

*a. Criminal Background Check*

1. University requires Teacher Candidates and Practicum Students to obtain and submit a full criminal history check prior to beginning their placement.
2. University provides students the appropriate forms for the criminal background check.
3. University advises its students that persons who have been convicted of a felony that does not result in their inclusion on the Indiana Sex and Violent Offenders Registry may not, in the long term, be eligible for a license to teach in the State of Indiana or, in the immediate term, be accepted for placement in any school corporation.

*b. Zachary's Law*

1. University will advise its students that persons who have been convicted of a felony that results in their inclusion on the Indiana Sex and Violent Offenders Registry shall not, in the long term, be eligible for a license to teach or to hold a teaching position in the State of Indiana and, in the immediate term, be accepted for placement in any school corporation.

2. University will immediately notify the School Corporation and shall terminate its activities with regard to placing a prospective Teacher Candidate or Practicum Student or shall offer its assistance in removing a currently placed Teacher Candidate or Practicum from the placement if a coordinator from the Office of Field Experience learns that a Teacher Candidate or Practicum Student is on the Indiana Sex and Violent Offenders Registry.

## **7. NON-DISCRIMINATION**

Neither party shall discriminate in the choice of schools, Cooperating or Mentor Teachers, or Teacher Candidates and Practicum Students, on the basis of race, religion, color, sex, age, national origin or ancestry, genetic information, marital status, parental status, sexual orientation, gender identity and expression, disability, or status as a veteran.

## **8. TEACHER CANDIDATE AND PRACTICUM STUDENT SUPERVISION**

Students shall be subject to the rules and regulations of the School Corporation and under the direction and control of the Cooperating or Mentor Teacher, Principal, and other administrative personnel while they are on the premises of the School Corporation or acting in behalf of the School Corporation in locations other than the premises. The following points have specific reference to the various types of supervisory responsibility:

- a. The Cooperating Teacher may leave the classroom with the Teacher Candidate in charge of the class, but the Cooperating Teacher shall, at all times, retain the responsibility for control of the class and the program of instruction.
- b. The Mentor Teacher shall not leave the classroom with the Practicum Student in charge of the class.
- c. University students who are not licensed shall not be used as a substitute for their Cooperating or Mentor Teacher or for any other licensed personnel. Planned exceptions to this item may be considered and authorized by the respective designated administrative personnel of the School Corporation and the University.
- d. University Students, with the exception of certain licensed interns, may not be compensated for any responsibilities that constitute all or a part of the required field experiences program.
- e. Cooperating and Mentor Teachers shall file such reports as are prescribed by the University.
- f. The University Supervisor or other designated representative of the University shall have access, at all reasonable times, to visit the classroom(s) to which the student is assigned for the purpose of observation and supervision.

- g. In the event that the school to which a student is assigned is subject to jurisdictional dispute between a teacher association and the School Corporation, the student will occupy a position of neutrality which means:
1. The student will immediately report any such dispute to his/her University Supervisor of Course Instructor and be guided by his/her instructions.
  2. The student will not report to the assigned school until such time as directed by the University Supervisor or Course Instructor.
  3. The student will not by any overt action render support to either party to the dispute.

## **9. TERMINATION OR CHANGE OF ASSIGNMENTS AND PROJECTS**

Either the School Corporation or the University may, at any time, change or terminate the assignment of any Teacher Candidate or Practicum Student or any cooperatively developed project which involves field experience students. However, before either change or termination, all parties shall make reasonable efforts to consult with each other.

## **10. STATUS OF TEACHER CANDIDATES, PRACTICUM STUDENTS, AND PARTICIPANTS**

- a. The School Corporation shall provide Teacher Candidates and Practicum Students the same protection against liability arising in connection with their assignments in the School Corporation as is provided for members of the School Corporation's permanent faculty. The parties acknowledge and agree that students are not the employees or agents of either the University or the School Corporation.
- b. School Corporation retains primary responsibility for the educational experience of its pupils and for the orderly conduct of its school. Teacher Candidates and Practicum Students shall be under the direction and control of the School Corporation as represented by the Cooperating or Mentor Teacher, Principal, and other administrative personnel while they are on the premises of the School Corporation or acting in behalf of the School Corporation in locations other than the premises.

## **11. HONORARIUM/RECOGNITION**

The University shall pay an honorarium for consulting service directly to the Cooperating Teacher for participating in the program. If the sum paid by the University should ever be lawfully determined to be a wage rather than an honorarium by an instrumentality of the United States, then the University, for purposes of Social Security and tax withholding only, shall be deemed to have been the Cooperating Teacher's part-time employer.

## **12. TERMINATION**

This Agreement may be terminated either by the School Corporation or the University by giving the other party thirty (30) days prior written notice. Any student already placed shall be allowed to finish.

**13. NOTICES**

All notices shall be properly given if they are sent by first-class mail, as to the School Corporation, to the Superintendent or that person's designated representative and, as to the University, to the Coordinator of Field Experiences.

**14. TECHNOLOGY**

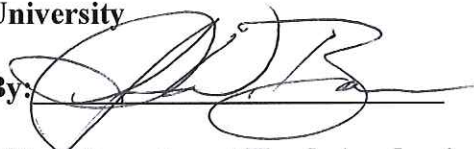
Purdue University faculty, Teacher Candidates, and Practicum Students may use certain technologies in the classroom. These will included technologies that capture or communicate the image, voice, handwriting, and/or coursework of P-12 students, but should not capture or communicate education records involving personally identifiable student information without the written consent of the student or parent as appropriate.

**15. SUSPENSIONS OF PLACEMENTS DUE TO EMERGENCY**

In the event of an unforeseen emergency (e.g. pandemic influenza) the School Corporation or University will be notified of the suspension of the placement contract. The effective date would be when the emergency was declared by either the School Corporation or University. Both parties will collaborate to reinstate the placement contract at the appropriate time.

**University**

By:



Title: Department Head, Academic Services

Date:

11/28/18

**School Corporation**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**  
Regular Meeting – December 10, 2018

**AGENDA SECTION:** 1. HUMAN RESOURCE RECOMMENDATIONS

**ITEM:** B. Wayzata Public Schools 2018-2019 Retirees

**COMMENTS BY:** Superintendent Chace B. Anderson

Tonight we would like to recognize the following employees who announced their retirement in 2018. We would like to thank them for their years of service to Wayzata Public Schools and wish them well in their future endeavors.

<u>Name</u>	<u>Position</u>	<u>Years of Service</u>
David Bodine	Teacher	11 Years

**WAYZATA PUBLIC SCHOOLS**  
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Wayzata, Minnesota

**BOARD OF EDUCATION**  
Regular Meeting – December 10, 2018

**AGENDA SECTION: 4. RECOGNITIONS**

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**ITEM: Class AA Girls' Swim and Dive 100 Yard Freestyle champion**

**COMMENTS BY: Superintendent Chace B. Anderson**

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Congratulations to Jordan McGinty, Class AA Girls' Swim and Dive 100 Yard Freestyle champion. Jordan swam the 100 yard freestyle in 50.54 seconds, just 0.27 seconds faster than the second-place finisher. The State Girls' Swimming and Diving Meet was held November 14-16 at the University of Minnesota Jean K. Freeman Aquatic Center.

**WAYZATA PUBLIC SCHOOLS**  
**Independent School District 284**  
**Wayzata, Minnesota**

**BOARD OF EDUCATION**  
**Regular Meeting – December 10, 2018**

**AGENDA SECTION: 4. RECOGNITIONS**

**ITEM: AP<sup>®</sup> District Honor Roll**

**COMMENTS BY: Superintendent Chace B. Anderson**

Wayzata Public Schools was recently named as one of only 373 school districts in the U.S. and Canada honored by the College Board with placement on the 9th Annual AP<sup>®</sup> District Honor Roll. This is the second year in a row the district has received this prestigious honor.

Since 2015, Wayzata Public Schools has increased the number of students participating in Advanced Placement (AP), while also increasing or maintaining the percentage of students earning AP Exam scores of 3 or higher – both requirements for inclusion on the 9th Annual Honor Roll. Reaching these goals shows that the district is successfully identifying motivated, academically-prepared students who are ready for AP.

Wayzata Public Schools is committed to expanding the availability of AP courses among prepared and motivated students of all backgrounds. Wayzata High School currently offers 32 AP courses, including arts, government, language, mathematics and sciences. In 2018, over 970 students took nearly 2,000 AP tests.

Helping more students learn at a higher level *and* earn higher AP scores is an objective of all members of the AP community, from AP teachers to district and school administrators to college professors. Many districts are experimenting with initiatives and strategies to see how they can expand access and improve student performance at the same time.

Inclusion in the 9th Annual AP District Honor Roll is based on a review of three years of AP data, from 2016 to 2018, looking across 38 AP exams, including world language and culture.

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**  
Regular Meeting – November 19, 2018

**AGENDA SECTION: Superintendent's Reports and Recommendations**

**ITEM: POLICIES**

**COMMENTS BY: Chace B. Anderson, Superintendent**

Attached for review is recommended Policy 632: Extra Curricular: Non-School Sponsored Independent Provider and School Sponsored Community Education Clubs/Teams/Activities. This policy has undergone review with the Policy Committee and legal counsel, as well as district stakeholders including the Community Education department leadership.

**RECOMMENDED ACTION:** Approve Policy 632 and 632-R as presented.

Motion by: \_\_\_\_\_ Yes \_\_\_\_\_ Passed \_\_\_\_\_

Second by: \_\_\_\_\_ No \_\_\_\_\_ Failed \_\_\_\_\_

Abstentions: \_\_\_\_\_

**WAYZATA PUBLIC SCHOOLS**

**Independent School District 284**

**Wayzata, Minnesota**

**632 Extra Curricular: Non-School Sponsored Independent Provider and School Sponsored Community Education Clubs/Teams/Activities**

**PURPOSE**

The purpose of this policy is to provide criteria and rationale for the school district’s Community Education Youth Enrichment Program to recognize designated student activities and approve eligibility to award lettering through the use of a non-school sponsored independent provider and school-sponsored Community Education teams/clubs.

A non-school sponsored independent provider is an individual, group, or organization that provides an opportunity for district students to participate in a community or local area extracurricular program that is not offered and/or sponsored currently by the district.

**GENERAL STATEMENT OF POLICY**

The school district recognizes that situations occur when, although students demonstrate an interest in an activity, it is not possible for the district to sponsor the activity due to staffing, facilities, budget, or other reasons. On an annual basis, the Enrichment Programs Manager (Community Education), working in cooperation with the Wayzata High School Activities Director/Designee, will review and approve or disapprove of requested Independent Provider status and associated eligibility to award letters. Additionally, they will review and approve or disapprove requests to award letters for Community Education clubs/teams/activities. Guidance from school district policies that may be of assistance to independent providers include Interscholastic Athletics (Policy 621/621R) and Student Organizations (policy 622/622R).

**WAYZATA PUBLIC SCHOOLS**

**Independent School District 284**

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**632-R Extra Curricular: Non-School Sponsored Independent Provider and School Sponsored Community Education Clubs/Teams/Activities**

**I. CRITERIA FOR INDEPENDENT PROVIDERS (NON-SCHOOL SPONSORED)**

1. The independent provider activity may not duplicate an existing school district activity and must follow all district policies, specifically including but not limited to Policy 510/510R (Student Sex Nondiscrimination).
2. To be recognized as a Wayzata Public Schools Independent Provider, participants in the program must be fully enrolled students in grades 9-12. Students below grade 9 are not eligible to letter through this program. Non-public and homeschool students may participate in approved independent provider activities to the same extent they would be allowed to participate in District sponsored activities in accordance with Policies 626 and 630/630R.
3. There must be a team component and public competition involved for an activity to qualify under this policy. In order for members to be recognized, they must be full-time students in grades 9-12 in the District or as described in District Policy 630/630R: Home Schooling.
4. The independent provider will assume full responsibility for and control of the club/team/activity and its operational activities both organizationally and financially.

**II. PROCEDURES AND REQUIREMENTS FOR INDEPENDENT PROVIDERS**

1. An individual, group or organization interested in applying for independent provider status must obtain an application packet from the Enrichment Programs Manager, complete the application packet, submit additional background information, and return it by the stated deadline. Renewal applications and compliance information must be annually completed and submitted to the Enrichment Programs Manager by the stated deadline. The independent provider status and benefits will terminate unless the renewal is approved annually by the Enrichment Programs Manager.
2. The application and relevant materials must be completed and submitted to the Enrichment Programs Manager for review by the designated date as determined by the Enrichment Programs Manager. The Enrichment Programs Manager, working with the appropriate parties, will review the application, decide whether an independent provider status will be granted, and ensure the school board is informed of new independent providers. The Enrichment Programs Manager will notify the provider of the District's decision. The Enrichment Programs Manager may request additional information and/or an in-person follow-up meeting.
3. It is the responsibility of the independent provider to collect and submit all materials outlined in the application including, but not limited to: registration forms, administrative fees (if applicable), and other program-related information. Guidance relating to fees can be found in [Policy 620/620R](#), Student Activity Fees.
4. All students participating in the approved activity are responsible for knowing and following school district rules and policies concerning student activities including, but not limited to: attendance, conduct, academic eligibility, and all other district eligibility requirements (see Policy 502/[502R](#), Policy

513/[513R](#), Policy 524/[524R](#), Policy [528](#), and Policy 621/[621R](#)). Students will be disciplined for infractions consistent with those applicable to school sponsored events. Enforcement of District policy is delegated to the independent provider. There is no appeal process to the activities department; it is the responsibility of the independent provider to create its own appeal process. If District policies are not enforced, the club/team/activity may not be eligible for independent provider renewal.

In the event of a Minnesota State High School League (MSHSL) by-law violation, the student's participation in an independent provider program does not satisfy MSHSL consequence obligations. It is possible a participant could serve a consequence for independent provider activity and future school-sponsored and/or MSHSL activity for any given MSHSL by-law violation.

5. The independent provider is expected to review each policy noted on the final page of this policy. All District policies can be found on the District's website under "School Board." Further, the independent provider is expected to ensure understanding of the District's hazing, sexual, racial, religious, harassment, and violence prohibition policies by all personnel who will be working with the students.
6. The independent provider will provide to the district a certificate of liability insurance in amounts no less than those stated in Chapter 466 of Minnesota Statutes, naming the district as an additional insured party.
7. The independent provider will provide proof of adequate workers' compensation coverage to the district for any employee it has who provides services associated with the approved activity.
8. The independent provider will provide the district with completed background checks and certificate of concussion training for all coaches, advisors, employees, or volunteers with the independent provider. Such background checks will be of a type acceptable to the District. The independent provider will cover the costs and any related incidental expenses to the background checks.
9. All costs for the independent provider will be covered by the independent provider and/or participants. Dependent upon availability and through following District facility use policies, the independent provider may rent District facilities for practices and/or games/contests as outlined in Policy 920.
10. Independent Providers will be allowed to use the Wayzata Public Schools official logo, nickname, mascot, and school colors for their activities, but may not in any way suggest and/or represent the activity or program as school or district endorsed. All written or recorded communications (regardless of form) must include the following statement:

*"This activity is not sponsored by Independent School District No. 284. Wayzata Public Schools has no responsibility or liability for this program or activity."*

Independent providers who do not use the disclaimer may be subject to legal action and may be denied continued use of District facilities or immediately lose their status as an independent provider. The independent provider must immediately cease using the official logo, nickname, mascot, and school colors upon the termination of independent provider status.

11. In order for participants in an independent provider activity to qualify for a Wayzata High School letter “W,” the independent provider must (1) have written lettering criteria meeting the requirements of this policy, (2) that are approved by the Enrichment Programs Manager and Activities Director/Designee, and (3) are in place prior to the start of the season applicable to that particular activity. The independent provider’s coaches or advisors will determine, subject to District approval, specific lettering policies for their activity. The independent provider’s coaches or advisors will develop and communicate to the participants and their parents’ baseline expectations that incorporate, but are not limited to, the following components: academics, behavior, participation, and citizenship/community service. The minimum requirements for lettering are:
  - a. The individual participants must have a time commitment of at least 150 hours, similar to other district activities in which a letter may be earned.
  - b. The participation must be at a level that is considered comparable to high school varsity competition.
  - c. The independent provider club/team/activity must have a competition component, some part of which must be held in Minnesota, must be against other high school programs or clubs, and must be organized in such a way that the general public is aware of and may attend if they choose. The competitions must use a set of standardized rules or guidelines for play/participation, teams must be able to compete against other teams of similar age, and there must be officials or judges who apply a standard set of judging criteria.
12. An approved independent provider will be recognized by the District as a club/team/activity eligible for lettering. That approval does not sanction the club/team/activity as District sponsored and does not provide access to the following, but not limited to: yearbook, pep fest, recognition at School Board meetings, etc.
13. At the conclusion of the season, the independent provider will provide the Enrichment Programs Manager and the Activities Director/Designee with its awards list. Purchase of the chenille letters (“W”) are the responsibility of the independent provider. It is the responsibility of the independent provider to distribute letters to students.
14. Approval as an independent provider will be effective for one calendar year or one season as determined by the Enrichment Programs Manager and the Activities Director/Designee.

### **III. CRITERIA FOR COMMUNITY EDUCATION CLUBS/TEAMS/ACTIVITIES (SCHOOL SPONSORED)**

1. Community Education clubs/teams/activities are considered school sponsored and eligible for lettering provided they meet the following criteria:
  - a. Organized by Community Education’s Youth Enrichment Programs staff
  - b. Sponsored by Community Education
  - c. Does not duplicate existing District activity
  - d. Composed of current student body members
  - e. Meet the interests of the school or community
  - f. Follows all District policies

g. Meet the lettering requirements listed in item #11 above

2. All students will be responsible for knowing and following school district rules and policies concerning student activities including, but not necessarily limited to: attendance, conduct, academic eligibility and all other district eligibility requirements (see Policy 502/[502R](#), Policy 513/[513R](#), Policy 524/[524R](#), Policy [528](#), and Policy 621/[621R](#)). Students will be disciplined for infractions consistent with those involved with other district sponsored events.

In the event of a Minnesota State High School League (MSHSL) by-law violation, participation in a Community Education team/club/activity does not satisfy MSHSL consequence obligations. It is possible a participant could serve a consequence for the Community Education activity and future school-sponsored and/or MSHSL activity for any given single MSHSL by-law violation.

Cross References: (The policies noted below can be found on the school district website under “School Board.”)

Policy 502/502R:	Student Discipline
Policy 513/513R:	Hazing Prohibition
Policy 524/524R:	Extracurricular and Co-Curricular Student Behavior Policy
Policy 528:	Bullying Prohibition
Policy 620/620R:	Student Activity Fees
Policy 621/621R:	Interscholastic Athletics
Policy 622:	Student Organizations
Policy 626:	Non-Public Student Participation
Policy 630/630R:	Home Schooling
Policy 920:	Use of District Facilities and Equipment

**ADOPTED: TBD**

**WAYZATA PUBLIC SCHOOLS**  
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**BOARD OF EDUCATION**  
Regular Meeting – November 19, 2018

**AGENDA SECTION: Superintendent's Reports and Recommendations**

**ITEM: POLICIES**

**COMMENTS BY: Chace B. Anderson, Superintendent**

Attached for review are the following policies, which have been reviewed by the Policy Committee as part of the regular review cycle:

Policy 301 School District Administration

Policy 302 School Superintendent

Policy 303 Superintendent Selection and Contract

Policy 305 Superintendent Consulting Activities

Policy 306 Policy Implementation

Policy 307 Administrator Code of Ethics

Policy 308 Administrative Organizational Plan

Policy 310 Administrative Personnel Professional Development Opportunities

**RECOMMENDED ACTION:** Approve the above policies as presented.

Motion by: \_\_\_\_\_ Yes \_\_\_\_\_ Passed \_\_\_\_\_

Second by: \_\_\_\_\_ No \_\_\_\_\_ Failed \_\_\_\_\_

Abstentions: \_\_\_\_\_

**No Changes Recommended**

**301 SCHOOL DISTRICT ADMINISTRATION**

**I. PURPOSE**

The purpose of this policy is to clarify the role of the school district administration and its relationship with the School Board.

**II. GENERAL STATEMENT OF POLICY**

- A. Effective administration and sound management practices are essential to realizing educational excellence. It is the responsibility of the school district administration to develop a school environment that recognizes the dignity of each student and employee, and the right of each student to access educational programs and services.
- B. The School Board expects all activities related to the operation of the school district to be administered in a well-planned manner, conducted in an orderly fashion, and to be consistent with the policies of the School Board.
- C. The School Board shall seek specific recommendations, background information and professional advice from the school district administration, and will hold the administration accountable for sound management of the schools.
- D. Although the School Board holds the superintendent ultimately responsible for administration of the school district, the School Board also recognizes the direct responsibility of principals for educational results and effective leadership at the school building level.
- E. The School Board and school administration shall work together to share information and decisions that best serve the needs of school district students within financial and facility constraints that may exist.

**ADOPTED:** May 9, 2005

**AMENDED:** July 14, 2014

**LAST REVIEWED:** July 14, 2014

**No Changes Recommended**

**302 SCHOOL SUPERINTENDENT**

**I. PURPOSE**

The purpose of this policy is to specify the responsibility of the superintendent position within the school district.

**II. GENERAL STATEMENT OF POLICY**

- A. The School Board shall employ a superintendent who shall serve as an ex officio, nonvoting member of the School Board and as chief executive officer of the school system.
- B. The superintendent is responsible for the management of the schools, the administration of all school district policies, and is directly accountable to the School Board.
- C. The superintendent may delegate responsibilities to other school district personnel, but shall continue to be accountable for actions taken under such delegation.
- D. Where responsibilities are not specifically prescribed, nor School Board policy applicable, the superintendent shall use personal and professional judgment, subject to review by the School Board.

**ADOPTED:** March 9, 1970

**AMENDED:** November 11, 1985

**AMENDED:** May 9, 2005

**AMENDED:** July 14, 2014

**LAST REVIEWED:** July 14, 2014

**No Changes Recommended**

**303 SUPERINTENDENT SELECTION AND CONTRACT**

**I. PURPOSE**

The purpose of this policy defines the authority vested in the School Board to select and employ a superintendent of schools.

**II. GENERAL STATEMENT OF POLICY**

- A. The School Board shall employ a superintendent to serve as the chief executive officer of the district and to conduct the daily operations of the school district.
- B. The School Board shall consider applicants who meet or exceed the licensing standards set by the Minnesota Board of School Administrators and qualifications established in the job description for the superintendent position. State and federal equal employment and nondiscrimination requirements shall be observed throughout the recruitment and selection process.
- C. The School Board will consider professional preparation, experience, skill and demonstrated competence of qualified applicants in making a final decision.
- D. A process for recruitment, screening, and interviewing of candidates shall be developed by the School Board.
- E. The School Board may contract for assistance in the search for a superintendent.
- F. The superintendent's contract will be used to formalize the employment relationship and to specifically identify and clarify all conditions of employment with the superintendent. The School Board will observe all requirements of state and federal law and school district policy.
- G. The specific duties for which the superintendent is accountable are set forth in his or her job description and are measured by a performance appraisal process approved by the School Board, in consultation with the superintendent. The School Board will use this process to annually evaluate the performance of the superintendent. The process will include the joint development of annual goals by the superintendent and the School Board for review and approval by the School Board.

**ADOPTED:** November 11, 1985  
**AMENDED:** May 9, 2005  
**AMENDED:** July 14, 2014  
**LAST REVIEWED:** July 14, 2014



## **305 SUPERINTENDENT'S CONSULTING ACTIVITIES**

### **I. PURPOSE**

The purpose of this policy specifies the ability of the superintendent to engage in outside business not directly related to his/her school district duties.

### **II. GENERAL STATEMENT OF POLICY**

- A. The superintendent will devote his or her time, skill, labor, and attention to the direction and supervision of the school system, and will not, during the term of employment, be engaged in any other business.
- B. However, by agreement with the School Board, the superintendent may undertake for remuneration consultative work, speaking engagements, membership on higher education, non-profit, small business and/or corporate boards and committees, writing, lecturing, membership and office in educational organizations, or other professional duties and obligations.

**ADOPTED:** December 9, 1985

**AMENDED:** May 9, 2005

**AMENDED:** July 14, 2014

**LAST REVIEWED:** July 14, 2014

**306 POLICY IMPLEMENTATION**

**I. PURPOSE**

The purpose of this policy is to clarify the responsibility of the school administration for implementation of School Board policy.

**II. GENERAL STATEMENT OF POLICY**

- A. The superintendent is responsible to implement School Board policy and to recommend additions or modifications. Policy implementation includes dissemination and education regarding policy and changes to policy.
- B. The administration is authorized to develop guidelines and directives to implement School Board policies. These guidelines and directives shall be consistent with said policies and constitute the regulations governing the district. These written regulations shall be presented to the School Board along with ~~these~~their associated policies during the ~~policy four-year~~ review cycle. ~~(???)~~
- C. In the development of regulations, the superintendent will involve at the planning stage those who would be primarily affected by ~~them~~ the regulations. The superintendent will ~~weigh with care~~ fully consider the input and counsel given by representatives of staff, student, and community organizations.

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**ADOPTED:** April 14, 1986  
**AMENDED:** May 9, 2005  
**AMENDED:** July 14, 2014  
**LAST REVIEWED:** July 14, 2014

## 307 ADMINISTRATOR CODE OF ETHICS

### I. PURPOSE

This policy establishes the requirement of the School Board that school administrators adhere to the standards of ethics and professional conduct in this policy and Minnesota law (Policy Language Consistent with MN Statute: 3512.5200).

### II. GENERAL STATEMENT OF POLICY

An educational administrator's professional behavior must conform to an ethical code. The code must be idealistic and at the same time practical, so that it can apply reasonably to all educational administrators. The administrator acknowledges that the schools belong to the public they serve for the purpose of providing educational opportunities to all. However, the administrator assumes responsibility for providing professional leadership in the school and community. This responsibility requires the administrator to maintain standards of exemplary professional conduct. It must be recognized that the administrator's actions will be viewed and appraised by the community, professional associates, and students. To these ends, school administrators: the administrator must subscribe to the following standards.

The educational administrator:

1. Makes the well being of students the fundamental value of all decision making and actions.
2. Fulfills professional responsibilities with honesty and integrity.
3. Supports the principle of due process and protects the civil and human rights of all individuals.
4. Obeys local, state, and national laws and does not knowingly join or support organizations that advocate, directly or indirectly, the overthrow of the government.
5. Implements the School Board's policies.
6. Pursues appropriate measures to correct those laws, policies, and regulations that are not consistent with sound educational goals.
7. Avoids using positions for personal gain through political, social, religious, economic, or other influence.
8. Accepts academic degrees or professional certification only from duly accredited institutions.
9. Maintains the standards and seeks to improve the effectiveness of the profession through research and continuing professional development.
10. Honors all contracts until fulfillment, release, or dissolution is mutually agreed upon by all parties to the contract.
11. Adheres to the code of ethics for administrators in Minnesota law.

1. Shall provide professional educational services in a nondiscriminatory manner.
2. Shall take reasonable action to protect students and staff from conditions harmful to health and safety.
3. Shall take reasonable action to provide an atmosphere conducive to learning.
4. Shall respect all relationships with students, parents and caregivers, staff, and colleagues while ensuring no personal advantage.
5. Shall disclose confidential information about individuals only when a compelling professional purpose is served in accordance with state and federal laws, and school district policies.

**WAYZATA PUBLIC SCHOOLS**

**Independent School District 284**

**Wayzata, Minnesota**

6. Shall provide records and report facts with accuracy and integrity relating to the administrator's qualifications and to the qualifications of other staff or personnel.
7. Shall not knowingly make false or malicious statements about students, students' families, staff, or colleagues.
8. Shall not accept gratuities, gifts, or favors that impair professional judgment, nor offer any favor, service, or item of value to obtain special advantage.
9. Shall only accept a contract for a position when licensed for the position or when a school district is granted a variance or letter of approval by the board.
10. In filling positions requiring licensure, shall employ, recommend for employment, and assign only appropriately licensed personnel, or persons for whom the school district has been granted a variance by the appropriate state board or agency, unless, after making reasonable efforts to obtain a variance, an appropriately licensed person cannot be assigned and the position must be filled to meet a legitimate emergency educational need.
11. Shall not engage in conduct involving dishonesty, fraud, or misrepresentation in the performance of professional duties.

**ADOPTED:** May 9, 2005

**AMENDED:** July 14, 2014

**LAST REVIEWED:** July 14, 2014

**No Changes Recommended**

**308 ADMINISTRATIVE ORGANIZATIONAL PLAN**

**I. PURPOSE**

This policy establishes the legal authority of the superintendent to establish the administrative organization within the district.

**II. GENERAL STATEMENT OF POLICY**

- A. The legal authority of the School Board is transmitted to the superintendent to establish an administrative organization within the budgetary limitations established by the School Board. The superintendent may reorganize lines of authority, revise the organizational chart, and eliminate or create administrative positions within such limitations.
- B. The superintendent will review the administrative organization with the School Board before major changes or revisions are instituted.

**ADOPTED:** January 13, 1986

**AMENDED:** May 9, 2005

**AMENDED:** July 14, 2014

**LAST REVIEWED:** July 14, 2014

**No Changes Recommended**

**310 ADMINISTRATIVE PERSONNEL PROFESSIONAL DEVELOPMENT OPPORTUNITIES**

**I. PURPOSE**

This policy establishes the authority of the superintendent to approve professional growth activities for administrative personnel.

**II. GENERAL STATEMENT OF POLICY**

- A. The School Board recognizes the value of ~~in-service~~ professional growth activity for its administrators including attendance at seminars, conference and conventions.
- B. Authorization to participate in such professional activities will be provided by the superintendent or designee. The superintendent shall be guided in this authorization decision by the appropriateness of the activity and the availability of funds for such purpose.

**ADOPTED:** October 8, 1973  
**AMENDED:** February 10, 1986  
**AMENDED:** May 9, 2005  
**AMENDED:** July 14, 2014  
**LAST REVIEWED:** July 14, 2014

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**  
Regular Meeting – December 10, 2018

**AGENDA SECTION: SUPERINTENDENT'S REPORTS AND RECOMMENDATIONS**

**ITEM: Finance and Business Services**

**COMMENTS BY: Jim Westrum, Exec. Director of Finance and Business Services**

**Monthly Financial Reports**

Enclosed for School Board review and information are the following financial reports as of October 2018:

- Student Activity Fund Report
- Investment Summary
- Analysis of Financial Reports
- Statement of Revenues
- Statement of Expenditures

No School Board action is required.



## ANALYSIS OF FINANCIAL REPORTS For the month ended October 31, 2018

### **LTFM and Tech Fund:**

General fund revenues and expenditures also includes the technology levy and a significant portion of the long-term facilities maintenance (LTFM) program. In prior years, the revenue and expenditures were recorded in the LTFM and Tech Fund. This change, required by the Minnesota Department of Education, took effect during Fiscal 2018 for the technology levy and during Fiscal 2017 for long-term facilities maintenance program. Beginning in Fiscal 2019, both are reported in the Capital Expenditures Fund with the exception of long-term facilities maintenance projects greater than \$2.0 million which are still reported in the LTFM and Tech Fund.

### **Statement of Revenues:**

This report reflects revenue received by the month end noted above. Overall revenues are reasonable and consistent with prior years with the exception of the following item:

- LTFM and Tech Fund in fiscal 2017 reflects one-time revenue received from a Bond Surety related to the completion of a construction project.

### **Statement of Expenses:**

This report reflects actual expenditures paid and does not include outstanding encumbrance balances. Overall expenditures are in line with prior years with the exception of the following:

- General Fund benefits are higher in fiscal 2019 than prior years due to a lump sum onetime irrevocable election as the result of the sunseting of retirement insurance benefits in the Unaffiliated and Principal contracts beginning July 1<sup>st</sup>, 2018. Supplies and materials are higher in fiscal 2019 due to technology levy expenditures being recorded in the General Fund and higher in fiscal 2017 due to additional supplies & materials needed to open Meadow Ridge Elementary and the High School addition. Capital expenditures fluctuate from year to year based on a project's timing of work completion and the District's capital equipment needs.
- The LTFM and Tech Fund expenditures are higher in fiscal 2019 due to the timing of long-term facilities maintenance projects. In prior years, as noted above, the fund also included the technology levy activity.
- Debt Service Fund reflects interest payments on debt that are due the first of August. The payment in August is for interest only and principal and interest payments are due the first of February each year.
- The Building Construction Fund accounts for all activity related to the \$109.6 million bond issuance in May 2014 and the \$66.9 million bond issuance in February 2018. Current expenses are mainly construction costs for the new elementary school. Since construction projects span over multiple fiscal years a multi-year comparison is not presented.

**WAYZATA PUBLIC SCHOOLS  
INVESTMENT SUMMARY  
As of October 31, 2018**

**GENERAL FUND**

<u>Investment Held At</u>	<u>Type of Investment</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Investment Cost</u>	<u>Maturity Amount</u>	<u>Interest Earned</u>	<u>Yield</u>
PMA/MN Trust	Money Market	N/A	NOW	N/A	\$13,485,391	N/A	2.07%
MSDLAF+	Money Market	N/A	NOW	N/A	\$4,207,433	N/A	1.99%
MSDMAX	Money Market	N/A	NOW	N/A	\$621,843	N/A	2.13%
Morgan Stanley	Money Market	N/A	NOW	N/A	\$3,594,564	N/A	1.68%
<b>Total General Fund</b>				<b>\$0</b>	<b>\$21,909,232</b>	<b>\$0</b>	

**FUND 06 (ALT FACILITIES BONDS)**

<u>Investment Held At</u>	<u>Type of Investment</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Investment Cost</u>	<u>Maturity Amount</u>	<u>Interest Earned</u>	<u>Yield</u>
MSDLAF+	Money Market	N/A	NOW	N/A	\$2	N/A	1.99%
<b>Total Alt. Facilities Bonds Fund</b>				<b>\$0</b>	<b>\$2</b>	<b>\$0</b>	

**FUND 82 (2014 BUILDING BONDS)**

<u>Investment Held At</u>	<u>Type of Investment</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Investment Cost</u>	<u>Maturity Amount</u>	<u>Interest Earned</u>	<u>Yield</u>
MSDLAF+	Money Market	N/A	NOW	N/A	\$637,120	N/A	1.99%
MSDMAX	Money Market	N/A	NOW	N/A	\$401,186	N/A	2.13%
MSDLAF+ TERM	see Note (1) below	9/7/2018	12/19/2018	\$8,900,000	\$8,953,746	\$53,746	2.14%
<b>Total Building Bonds Fund</b>				<b>\$9,938,306</b>	<b>\$9,992,053</b>	<b>\$53,746</b>	

**FUND 86 (2018 BUILDING BONDS)**

<u>Investment Held At</u>	<u>Type of Investment</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Investment Cost</u>	<u>Maturity Amount</u>	<u>Interest Earned</u>	<u>Yield</u>
MSDLAF+	Money Market	N/A	NOW	N/A	\$12,671,677	N/A	1.99%
MSDLAF+ TERM	see Note (1) below	2/28/2018	11/15/2018	\$4,100,000	\$4,164,252	\$64,252	2.20%
MSDLAF+ TERM	see Note (1) below	2/28/2018	12/26/2018	\$4,100,000	\$4,174,384	\$74,384	2.20%
MSDLAF+ TERM	see Note (1) below	2/28/2018	1/24/2019	\$4,100,000	\$4,182,292	\$82,292	2.22%
MSDLAF+ TERM	see Note (1) below	2/28/2018	2/28/2019	\$10,000,000	\$10,223,000	\$223,000	2.23%
Total MSDLAF+ TERM				<b>\$22,300,000</b>	<b>\$22,743,928</b>	<b>\$443,928</b>	
Canadian Imperial Holding	Commercial Paper	3/1/2018	11/15/2018	\$2,065,704	\$2,100,000	\$34,296	2.31%
JP Morgan Securities LLC	Commercial Paper	3/1/2018	11/21/2018	\$2,063,673	\$2,100,000	\$36,327	2.39%
Bank of Tokyo Mitsu UFJ Ltd	Commercial Paper	3/1/2018	11/23/2018	\$2,063,243	\$2,100,000	\$36,757	2.40%
BNP Paribas NY Branch	Commercial Paper	3/1/2018	11/23/2018	\$2,064,489	\$2,100,000	\$35,511	2.32%
Cooperatieve Rabobank U.A.	Commercial Paper	3/1/2018	11/23/2018	\$2,065,735	\$2,100,000	\$34,265	2.24%
Total Commercial Paper				<b>\$10,322,844</b>	<b>\$10,500,000</b>	<b>\$177,156</b>	
Federal Home Loan Bank	Bank Note	3/1/2018	1/15/2020	\$1,481,625	\$1,500,000	\$18,375	2.27%
Federal Home Loan Bank	Bank Note	3/1/2018	2/11/2020	\$1,991,960	\$2,000,000	\$8,040	2.34%
Total Federal Agency Bond/Note				<b>\$3,473,585</b>	<b>\$3,500,000</b>	<b>\$26,415</b>	
U.S. Treasury Notes	912828V31	3/1/2018	1/15/2020	\$1,967,578	\$2,000,000	\$32,422	2.26%
U.S. Treasury Notes	912828W63	3/1/2018	3/15/2020	\$1,973,047	\$2,000,000	\$26,953	2.31%
U.S. Treasury Notes	912828X21	3/1/2018	4/15/2020	\$1,966,563	\$2,000,000	\$33,438	2.31%
U.S. Treasury Notes	912828X96	3/1/2018	5/15/2020	\$1,964,531	\$2,000,000	\$35,469	2.33%
U.S. Treasury Notes	912828XU9	3/1/2018	6/15/2020	\$1,177,453	\$1,200,000	\$22,547	2.35%
Total U.S. Treasury Notes				<b>\$9,049,172</b>	<b>\$9,200,000</b>	<b>\$150,828</b>	
<b>Total Building Bonds Fund</b>				<b>\$57,817,278</b>	<b>\$58,615,605</b>	<b>\$798,327</b>	

Note (1): Term Series investment consists of investments in certificates of deposit, obligations of the U.S. Government, it's agencies and instrumentalities, municipal obligations, commercial paper, or any other instruments permitted under Minnesota law.

**Wayzata Public Schools**  
**Student Activity Fund Summary**  
**October 2018**

**PROGRAM/LOCATION : MISCELLANEOUS**

<i>Fd</i>	<i>Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as of 06/30/18</b>	<b>FY'2018/19 Revenue</b>	<b>FY'2018/19 Expend</b>	<b>Balance as of 10/31/18</b>
21	E/R	018	000	000	000	899/XXX	AD BUILDING	2,203.49	-	118.30	2,085.19
<b>TOTAL MISCELLANEOUS</b>								<b>2,203.49</b>	<b>-</b>	<b>118.30</b>	<b>2,085.19</b>

**PROGRAM/LOCATION : WAZATA HIGH SCHOOL**

<i>Fd</i>	<i>Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as of 06/30/18</b>	<b>FY'2018/19 Revenue</b>	<b>FY'2018/19 Expend</b>	<b>Balance as of 10/31/18</b>
21	E/R	251	280	001	000	899/099	WAYZATA PLAYERS	44,661.29	13,792.29	22,114.33	36,339.25
21	E/R	251	280	003	000	899/099	YEARBOOK	29,839.90	16,977.49	4,047.81	42,769.58
21	E/R	251	280	005	000	899/099	CERAMICS	447.21	-	-	447.21
21	E/R	251	280	007	000	899/099	CHEERLEADERS	843.69	890.00	1,359.09	374.60
21	E/R	251	280	008	000	899/099	CHOIR	1,808.59	42,727.35	22,531.87	22,004.07
21	E/R	251	280	009	000	899/099	DANCE TEAM	14,686.43	6,841.00	13,406.25	8,121.18
21	E/R	251	280	016	000	899/099	ACTIVITY SUPPORT	126,800.82	22,024.69	1,693.32	147,132.19
21	E/R	251	280	017	000	899/099	DECA	9,618.41	18,752.67	2,106.19	26,264.89
21	E/R	251	280	019	000	899/099	FRENCH	444.12	263.35	38.60	668.87
21	E/R	251	280	020	000	899/099	GERMAN	19,626.24	-	-	19,626.24
21	E/R	251	280	021	000	899/099	LETTERMAN	76,295.71	2,042.19	19,002.74	59,335.16
21	E/R	251	280	022	000	899/099	FINE ARTS	4,872.57	-	171.62	4,700.95
21	E/R	251	280	024	000	899/099	BAND	1,576.88	13,101.08	7,179.74	7,498.22
21	E/R	251	280	026	000	899/099	NATIONAL HONOR	10,981.62	6,839.34	13,919.62	3,901.34
21	E/R	251	280	027	000	899/099	STUDENT SERVICES	-	-	73.92	(73.92)
21	E/R	251	280	028	000	899/099	ORCHESTRA	11,903.97	11,704.50	20,970.75	2,637.72
21	E/R	251	280	030	000	899/099	STUDENT COUNCIL	22,289.05	26,317.43	21,561.01	27,045.47
21	E/R	251	280	031	000	899/099	SPANISH	622.69	710.62	148.39	1,184.92
21	E/R	251	280	039	000	899/099	DRAMA CLUB	1,253.95	3,885.32	3,795.14	1,344.13
21	E/R	251	280	040	000	899/099	BPA	6,083.05	6,416.61	1,479.02	11,020.64
21	E/R	251	280	042	000	899/099	SKILLS USA	173.41	165.00	356.00	(17.59)
21	E/R	251	280	044	000	899/099	LINK	10,639.46	(212.90)	6,230.79	4,195.77
21	E/R	251	280	047	000	899/099	SUPER MILEAGE TEAM	2,012.76	591.14	-	2,603.90
21	E/R	251	280	048	000	899/099	Y.E.S.	2,190.90	2,505.10	406.17	4,289.83
21	E/R	251	280	049	000	899/099	CREATIVE WRITING	1,741.52	-	-	1,741.52
21	E/R	251	280	050	000	899/099	TROJAN LOCK ROOM (DECA)	15,583.00	7,485.72	8,493.83	14,574.89
21	E/R	251	280	051	000	899/099	V21 - ACTIVITY SUPPORT	-	1,801.13	555.30	1,245.83
21	E/R	251	280	052	000	899/099	ROBOTICS TEAM	6,277.53	180.00	200.00	6,257.53
21	E/R	251	280	053	000	899/099	SHOW STOPPERS	7,648.76	13,445.00	14,607.77	6,485.99
21	E/R	251	280	055	000	899/099	CHINESE CLUB	765.02	273.92	-	1,038.94
21	E/R	251	280	056	000	899/099	LAKER'S BKST NOOK	15,094.50	3,331.00	5,179.46	13,246.04
21	E/R	251	280	057	000	899/099	WHS INTERNATIONAL FESTIVAL	-	-	207.78	(207.78)
21	E/R	251	280	058	000	899/099	FRESHMAN RETREAT	8,001.31	4,208.04	-	12,209.35
21	E/R	251	280	059	000	899/099	TRAP & SKEET	6,740.98	-	4,190.26	2,550.72
21	E/R	251	280	060	000	899/099	JR STATESMAN	228.77	1,370.68	-	1,599.45
21	E/R	251	280	061	000	899/099	QUIZ BOWL	-	1,282.61	618.49	664.12
<b>TOTAL WAZATA HIGH SCHOOL</b>								<b>461,754.11</b>	<b>229,712.37</b>	<b>196,645.26</b>	<b>494,821.22</b>

**Wayzata Public Schools  
Student Activity Fund Summary  
October 2018**

**PROGRAM/LOCATION : WAZATA HIGH SCHOOL ATHLETICS**

<i>Fd</i>	<i>Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as of 06/30/18</b>	<b>FY'2018/19 Revenue</b>	<b>FY'2018/19 Expend</b>	<b>Balance as of 10/31/18</b>
21	E/R	251	280	070	000	899/099	BASEBALL	14,207.49	234.00	3,780.00	10,661.49
21	E/R	251	280	071	000	899/099	BASKETBALL - BOYS	-	-	4,386.70	(4,386.70)
21	E/R	251	280	072	000	899/099	BASKETBALL - GIRLS	20,108.53	283.00	4,923.10	15,468.43
21	E/R	251	280	073	000	899/099	CROSS COUNTRY - BOYS	11,142.79	600.00	8,057.12	3,685.67
21	E/R	251	280	074	000	899/099	CROSS COUNTRY - GIRLS	7,744.95	-	40.44	7,704.51
21	E/R	251	280	075	000	899/099	FOOTBALL	13,655.17	-	21,637.00	(7,981.83)
21	E/R	251	280	076	000	899/099	GYMNASTICS	4,495.39	-	-	4,495.39
21	E/R	251	280	077	000	899/099	GOLF - BOYS	901.68	1,429.00	100.00	2,230.68
21	E/R	251	280	078	000	899/099	GOLF - GIRLS	3,764.05	-	1,974.46	1,789.59
21	E/R	251	280	079	000	899/099	HOCKEY - BOYS	-	14,069.25	9,430.60	4,638.65
21	E/R	251	280	080	000	899/099	HOCKEY - GIRLS	-	3,108.31	3,213.12	(104.81)
21	E/R	251	280	081	000	899/099	SKIING - ALPINE	7,020.87	-	539.76	6,481.11
21	E/R	251	280	082	000	899/099	SKIING - NORDIC	-	-	2,473.06	(2,473.06)
21	E/R	251	280	083	000	899/099	SOFTBALL	8,211.94	675.00	118.35	8,768.59
21	E/R	251	280	084	000	899/099	SWIMMING/DIVING - BOYS	5,265.81	-	246.75	5,019.06
21	E/R	251	280	085	000	899/099	SWIMMING/DIVING - GIRLS	13,091.14	1,420.00	3,730.40	10,780.74
21	E/R	251	280	086	000	899/099	SOCCER - BOYS	5,876.51	2,477.00	6,729.16	1,624.35
21	E/R	251	280	087	000	899/099	SOCCER - GIRLS	8,086.87	3,149.00	10,530.17	705.70
21	E/R	251	280	088	000	899/099	SYNCHRONIZED SWIMMING	11,593.82	-	894.95	10,698.87
21	E/R	251	280	089	000	899/099	TENNIS - BOYS	9,391.53	-	702.84	8,688.69
21	E/R	251	280	090	000	899/099	TENNIS - GIRLS	2,392.62	3,789.50	5,549.14	632.98
21	E/R	251	280	091	000	899/099	TRACK/FIELD - BOYS	1,328.07	-	422.37	905.70
21	E/R	251	280	092	000	899/099	TRACK/FIELD - GIRLS	7,994.54	-	474.72	7,519.82
21	E/R	251	280	093	000	899/099	VOLLEYBALL	11,609.56	4,249.00	4,471.83	11,386.73
21	E/R	251	280	094	000	899/099	WRESTLING	3,206.42	-	-	3,206.42
21	E/R	251	280	095	000	899/099	ADAPTIVE ATHLETICS	3,981.12	-	-	3,981.12
21	E/R	251	280	096	000	899/099	BOYS LACROSSE	8,216.65	4,710.00	1,360.16	11,566.49
21	E/R	251	280	097	000	899/099	GIRLS LACROSSE	6,229.87	-	279.72	5,950.15
<b>TOTAL HIGH SCHOOL ATHLETICS</b>								<b>189,517.39</b>	<b>40,193.06</b>	<b>96,065.92</b>	<b>133,644.53</b>

**PROGRAM/LOCATION : CENTRAL MIDDLE SCHOOL**

<i>Fd</i>	<i>Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as of 06/30/18</b>	<b>FY'2018/19 Revenue</b>	<b>FY'2018/19 Expend</b>	<b>Balance as of 10/31/18</b>
21	E/R	253	280	152	000	899/099	MUSICAL	6,238.68	-	(684.13)	6,922.81
21	E/R	253	280	156	000	899/099	STUDENT COUNCIL	1,833.72	-	-	1,833.72
21	E/R	253	280	157	000	899/099	BAND	-	4,430.28	729.13	3,701.15
21	E/R	253	280	161	000	899/099	YEARBOOKS	4,176.67	-	-	4,176.67
21	E/R	253	280	165	000	899/099	STUDENT SERVICES	2,739.15	4,572.90	5,724.75	1,587.30
<b>TOTAL CENTRAL MIDDLE SCHOOL</b>								<b>14,988.22</b>	<b>9,003.18</b>	<b>5,769.75</b>	<b>18,221.65</b>

**Wayzata Public Schools  
Student Activity Fund Summary  
October 2018**

**PROGRAM/LOCATION : WEST MIDDLE SCHOOL**

<i>Fd</i>	<i>Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as of 06/30/18</b>	<b>FY'2018/19 Revenue</b>	<b>FY'2018/19 Expend</b>	<b>Balance as of 10/31/18</b>
21	E/R	351	280	202	000	899/099	CHOIR	230.89	-	-	230.89
21	E/R	351	280	203	000	899/099	STUDENT SERVICES	642.61	330.00	1,235.43	(262.82)
21	E/R	351	280	209	000	899/099	STUDENT COUNCIL	1,512.96	-	-	1,512.96
21	E/R	351	280	212	000	899/099	YEARBOOK	12,776.28	30.00	5,548.47	7,257.81
21	E/R	351	280	213	000	899/099	THEATER	15,852.86	-	490.50	15,362.36
21	E/R	351	280	215	000	899/099	DAY ONE	200.00	30.00	197.00	33.00
<b>TOTAL WEST MIDDLE SCHOOL</b>								<b>31,215.60</b>	<b>390.00</b>	<b>7,471.40</b>	<b>24,134.20</b>

**PROGRAM/LOCATION : EAST MIDDLE SCHOOL**

<i>Fd</i>	<i>Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as of 06/30/18</b>	<b>FY'2018/19 Revenue</b>	<b>FY'2018/19 Expend</b>	<b>Balance as of 10/31/18</b>
21	E/R	352	280	100	000	899/099	STUDENT SERVICES	19,780.79	4,114.26	8,584.37	15,310.68
21	E/R	352	280	104	000	899/099	BAND	968.65	80.00	-	1,048.65
21	E/R	352	280	105	000	899/099	STUDENT COUNCIL	22,185.26	1,000.00	7,628.92	15,556.34
21	E/R	352	280	107	000	899/099	VARIETY FUND	17,033.82	-	536.04	16,497.78
<b>TOTAL EAST MIDDLE SCHOOL</b>								<b>59,968.52</b>	<b>5,194.26</b>	<b>16,749.33</b>	<b>48,413.45</b>

**PROGRAM/LOCATION : MEADOW RIDGE**

<i>Fd</i>	<i>Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as of 06/30/18</b>	<b>FY'2018/19 Revenue</b>	<b>FY'2018/19 Expend</b>	<b>Balance as of 10/31/18</b>
21	E/R	403	280	572	000	899/099	STUDENT SERVICES	2,840.47	3,105.47	3,781.94	2,164.00
<b>TOTAL MEADOW RIDGE</b>								<b>2,840.47</b>	<b>3,105.47</b>	<b>3,781.94</b>	<b>2,164.00</b>

**PROGRAM/LOCATION : BIRCHVIEW**

<i>Fd</i>	<i>Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as of 06/30/18</b>	<b>FY'2018/19 Revenue</b>	<b>FY'2018/19 Expend</b>	<b>Balance as of 10/31/18</b>
21	E/R	404	280	259	000	899/099	STUDENT COUNCIL	697.67	-	-	697.67
21	E/R	404	280	260	000	899/099	STUDENT SERV - GENERAL	973.78	-	958.00	15.78
21	E/R	404	280	261	000	899/099	MEDIA	202.07	1,065.00	275.40	991.67
<b>TOTAL BIRCHVIEW</b>								<b>1,873.52</b>	<b>1,065.00</b>	<b>1,233.40</b>	<b>1,705.12</b>

**Wayzata Public Schools  
Student Activity Fund Summary  
October 2018**

**PROGRAM/LOCATION : GREENWOOD**

<i>Fd</i>	<i>Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as of 06/30/18</b>	<b>FY'2018/19 Revenue</b>	<b>FY'2018/19 Expend</b>	<b>Balance as of 10/31/18</b>
21	E/R	406	280	307	000	899/099	KINDERGARTEN	207.80	1,049.35	138.67	1,118.48
21	E/R	406	280	311	000	899/099	MEDIA	-	-	-	-
21	E/R	406	280	312	000	899/099	STUDENT SERVICES	64.33	92.30	138.24	18.39
<b>TOTAL GREENWOOD</b>								<b>272.13</b>	<b>1,141.65</b>	<b>276.91</b>	<b>1,136.87</b>

**PROGRAM/LOCATION : OAKWOOD**

<i>Fd</i>	<i>Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as of 06/30/18</b>	<b>FY'2018/19 Revenue</b>	<b>FY'2018/19 Expend</b>	<b>Balance as of 10/31/18</b>
21	E/R	407	280	469	000	899/099	STUDENT COUNCIL	1,880.82	-	-	1,880.82
21	E/R	407	280	474	000	899/099	STUDENT SERV - GENERAL	7,138.12	-	226.71	6,911.41
21	E/R	407	280	476	000	899/099	CHESS CLUB	314.00	1,540.00	-	1,854.00
<b>TOTAL OAKWOOD</b>								<b>9,332.94</b>	<b>1,540.00</b>	<b>226.71</b>	<b>10,646.23</b>

**PROGRAM/LOCATION : SUNSET HILL**

<i>Fd</i>	<i>Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as of 06/30/18</b>	<b>FY'2018/19 Revenue</b>	<b>FY'2018/19 Expend</b>	<b>Balance as of 10/31/18</b>
21	E/R	408	280	572	000	899/099	STUDENT SERVICES	4,068.56	-	2,528.66	1,539.90
21	E/R	408	280	574	000	899/099	PENCIL MACHINE/STORE	1,820.54	-	1,060.00	760.54
<b>TOTAL SUNSET HILL</b>								<b>5,889.10</b>	<b>-</b>	<b>3,588.66</b>	<b>2,300.44</b>

**PROGRAM/LOCATION : PLYMOUTH CREEK**

<i>Fd</i>	<i>Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as of 06/30/18</b>	<b>FY'2018/19 Revenue</b>	<b>FY'2018/19 Expend</b>	<b>Balance as of 10/31/18</b>
21	E/R	410	280	533	000	899/099	STUDENT SERVICES	929.51	-	-	929.51
<b>TOTAL PLYMOUTH CREEK</b>								<b>929.51</b>	<b>-</b>	<b>-</b>	<b>929.51</b>

**PROGRAM/LOCATION : GLEASON LAKE**

<i>Fd</i>	<i>Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as of 06/30/18</b>	<b>FY'2018/19 Revenue</b>	<b>FY'2018/19 Expend</b>	<b>Balance as of 10/31/18</b>
21	E/R	411	280	352	000	899/099	STUDENT SERVICES	22,816.32	-	2,423.97	20,392.35
<b>TOTAL GLEASON LAKE</b>								<b>22,816.32</b>	<b>-</b>	<b>2,423.97</b>	<b>20,392.35</b>

**Wayzata Public Schools  
Student Activity Fund Summary  
October 2018**

**PROGRAM/LOCATION : KIMBERLY LANE**

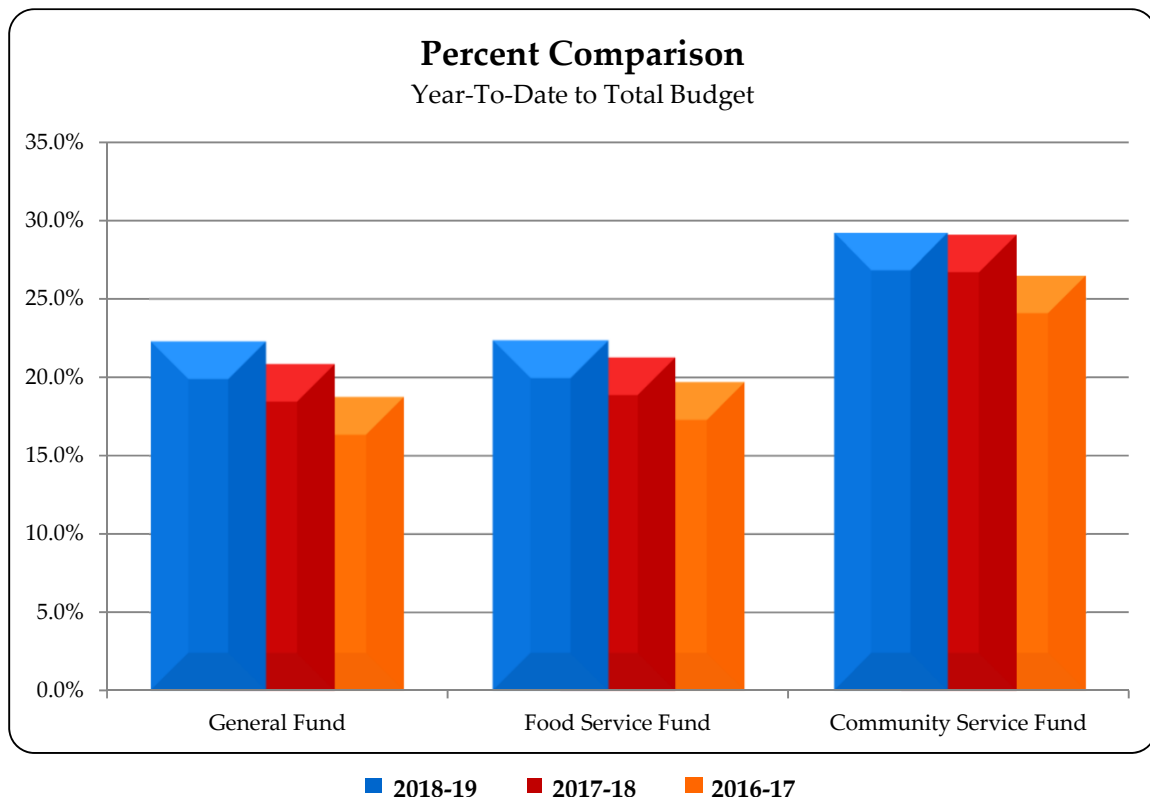
<i>Fd</i>	<i>Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as of 06/30/18</b>	<b>FY'2018/19 Revenue</b>	<b>FY'2018/19 Expend</b>	<b>Balance as of 10/31/18</b>
21	E/R	412	280	403	000	899/099	KINDERGARTEN ACTIVITY	3,060.00	-	-	3,060.00
21	E/R	412	280	430	000	899/099	MEDIA	345.91	-	-	345.91
21	E/R	412	280	431	000	899/099	STUDENT SERVICES	59,164.01	602.50	-	59,766.51
<b>TOTAL KIMBERLY LANE</b>								<b>62,569.92</b>	<b>602.50</b>	<b>-</b>	<b>63,172.42</b>
<b>GRAND TOTAL</b>								<b>866,171.24</b>	<b>291,947.49</b>	<b>334,351.55</b>	<b>823,767.18</b>



## STATEMENT OF EXPENDITURES

For the month ended October 31, 2018

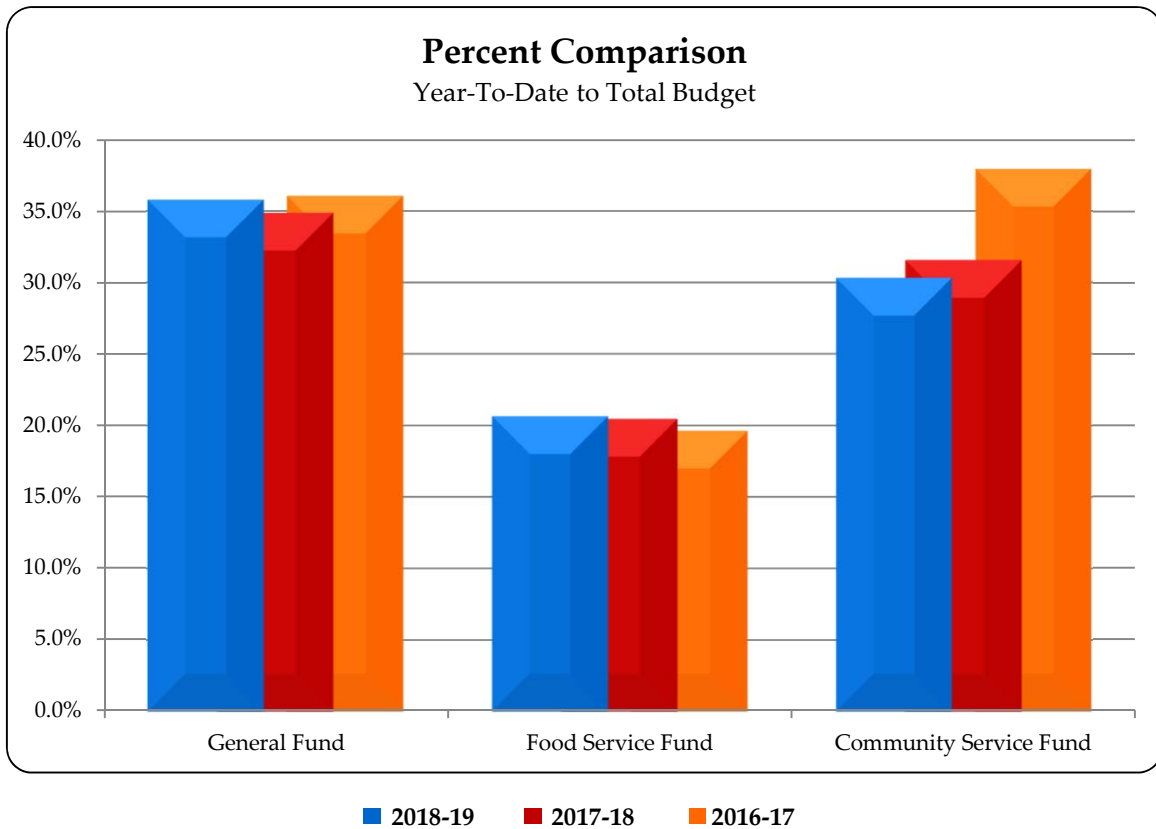
Fund	Year- To-Date	Budget	YTD as % of Budget		
			2018-19	2017-18	2016-17
<b>General Fund</b>					
Salaries	\$ 19,034,207	\$ 93,029,761	20.5%	20.1%	18.9%
Benefits	6,874,174	26,846,541	25.6%	20.6%	20.7%
Purchased Services	3,830,786	23,933,449	16.0%	15.7%	14.7%
Supplies & Materials	2,332,296	4,679,454	49.8%	37.0%	49.7%
Capital Expenditures	4,221,956	12,446,012	33.9%	63.0%	52.6%
Other Expenses	156,352	2,567,107	6.1%	1.5%	1.8%
<b>Total General Fund</b>	<b>\$ 36,449,771</b>	<b>\$ 163,502,324</b>	<b>22.3%</b>	<b>20.8%</b>	<b>18.8%</b>
Food Service Fund	\$ 1,470,251	\$ 6,577,726	22.4%	21.3%	19.7%
Community Service Fund	3,122,815	10,685,902	29.2%	29.1%	26.5%
LTFM and Tech Fund	1,941,413	2,042,900	95.0%	53.6%	55.9%
Debt Service Fund	3,749,261	11,878,716	31.6%	32.1%	19.6%
Building Construction Fund	4,239,142	28,330,000	-	-	-
<b>Total All Funds</b>	<b>\$ 50,972,653</b>	<b>\$ 223,017,568</b>	<b>22.9%</b>	<b>26.2%</b>	<b>29.8%</b>





**STATEMENT OF REVENUES**  
For the month ended October 31, 2018

Fund	Year-To-Date	Budget	YTD as % of Budget		
			2018-19	2017-18	2016-17
General Fund	\$ 58,292,430	\$ 159,447,330	36.6%	37.8%	36.9%
Federal Programs Fund	32,118	3,510,726	0.9%	0.0%	0.9%
<b>Total</b>	<b>\$ 58,324,548</b>	<b>\$ 162,958,056</b>	<b>35.8%</b>	<b>34.9%</b>	<b>36.1%</b>
Food Service Fund	\$ 1,359,487	\$ 6,593,090	20.6%	20.5%	19.6%
Community Service Fund	3,204,860	10,574,565	30.3%	31.6%	37.9%
LTFM and Tech Fund	-	2,042,900	0.0%	0.2%	5.1%
Debt Service Fund	8,956,310	12,127,123	73.9%	72.4%	73.6%
Building Construction Fund	-	-	-	-	-
<b>Total All Funds</b>	<b>\$ 71,845,205</b>	<b>\$ 194,295,734</b>	<b>37.0%</b>	<b>34.0%</b>	<b>37.2%</b>



**WAYZATA PUBLIC SCHOOLS**  
 Independent School District 284  
 Wayzata, Minnesota

**BOARD OF EDUCATION**  
 Regular Meeting – December 10, 2018

**AGENDA SECTION: SUPERINTENDENT’S REPORTS AND RECOMMENDATIONS**

**ITEM: Certification and Levy**

**COMMENTS BY: Jim Westrum, Exec. Director of Finance and Business Services**

**Certification of 2018 Payable 2019 Tax Levy**

The Administration recommends certification of the 2018 Payable 2019 Property Tax Levy in the amount of \$72,641,788.64. This amount represents a \$4.036 million, or 5.88% increase from the Payable 2018 levy while the District’s property tax base has grown by approximately 7%.

General Fund – Referendum Market Value – Voter Approved	\$27,327,720.90
General Fund – Referendum Market Value – Other	6,662,073.36
General Fund – Net Tax Capacity – Voter Approved	7,343,634.87
General Fund – Net Tax Capacity – Other	17,341,155.92
Community Service Fund	1,536,446.05
Debt Service Fund – Net Tax Capacity – Voter Approved	9,319,278.86
Debt Service Fund – Net Tax Capacity - Other	<u>3,111,478.68</u>
<b>Total Certified Levy</b>	<b><u>\$72,641,788.64</u></b>

**RECOMMENDED ACTION:** Approve and authorize the Board Clerk to sign the attached final 2018 Payable 2019 Levy for Independent School District 284.

Motion by: \_\_\_\_\_ Yes \_\_\_\_\_ Passed \_\_\_\_\_

Second by: \_\_\_\_\_ No \_\_\_\_\_ Failed \_\_\_\_\_

Abstentions: \_\_\_\_\_



Jim Westrum, Executive Director of Finance & Business Services  
210 County Road 101 North, P.O. Box 660 | Wayzata, MN 55391-0660  
763.745.5023 | Fax: 763.745.5091 | www.wayzata.k12.mn.us

TO: Members of the Board of Education  
Dr. Chace Anderson, Superintendent of Schools

FROM: Jim Westrum, Finance and Business

DATE: December 10, 2018

SUBJ: **Recommendation of the Payable 2019 Final Tax Levy Certification to Finance a portion of the 2019-2020 School Year Operations**

We have received the final “Levy Limitation and Certification” document from the State Department of Education. Based on this state authorization, we have enclosed several exhibits summarizing the district’s final levy for your consideration.

The school district’s payable 2019 preliminary tax levy needed to be certified by our school board by September 30, 2018. Therefore, it was necessary that the board certify a preliminary tax levy at the school board meeting that was held on Monday, September 17, 2018. Typically once a district has submitted its preliminary tax levy certification to the county auditor, it can be increased only with authorization from the Minnesota Department of Education. However, individual items may be decreased prior to final approval which occurs in December 2018. It is the administration’s recommendation to approve the levy as presented herein as no material changes have occurred from the preliminary levy approved by the board on Monday, September 17, 2018.

The district’s property tax levy is allocated to individual parcels of property in the district using formulas based upon Hennepin County’s assessed market value. Hennepin County’s preliminary estimate of the district’s total assessed market value has increased nearly another \$800 million from \$12.1 billion to almost \$12.9 billion. This represents almost a seven percent increase in market value and includes existing as well as new properties. It is important to note that there continues to be significant variations in changes associated with individual parcels of properties within the District’s eight cities. Thus, individual taxpayers may see differing changes in their individual property’s market value and that directly translates into the variability of their school district property tax amounts. Preliminary review of a sample selection of properties has shown assessed valuations fluctuating from a minimal decreases to double digit percent increases. We have included a sample of individual parcel estimates in our truth in taxation presentation for your information.

As in prior years, the legislature often passes statutes that impact school districts and the formulas that drive a school district’s local property tax levy. These legislative changes combined with revenue formulas, student enrollment growth and individual taxpayer’s market value fluctuations add complexity to a school district’s local property tax levy. The purpose of this document will be to discuss the significant changes that have occurred in the Payable 2019 Preliminary Tax Levy and provide clarity to the school board and to the community.

## PROPOSED SCHOOL TAX LEVY

The total preliminary levy for taxes payable in 2019 is \$72.6 million. This total levy amount represents an overall increase of \$4.036 million or 5.88% from the previous year, and includes principal and interest payments on the \$70 million of building bonds approved by voters in November of 2018.

We are pleased to report that the tax impact of issuing the 2017 voter approved bonds are less than the impact communicated to our public due to the robust residential development in the footprint of the Wayzata Public schools. The additional tax base will continue to benefit existing taxpayers for years to come as the district's overall property tax is spread to all tax parcels in the district.

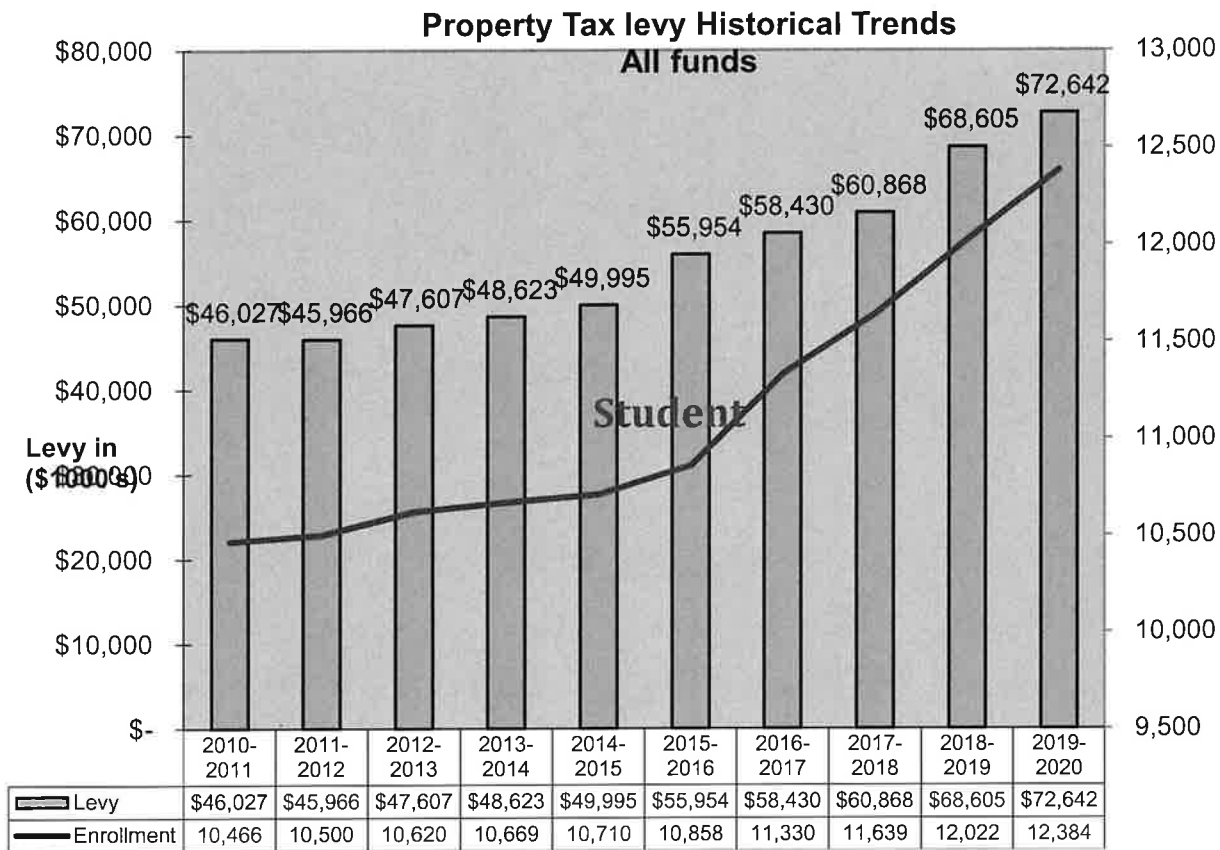
The table below shows a comparison of the administration's recommended preliminary levy payable in 2019 with the District's final levy payable in 2018. While the levy detail is presented by fund, it is important to focus on the district's **total** Payable 2019 levy when comparing to the **total** Payable 2018 levy.

<u>FUND</u>	<u>PRELIMINARY 2019 LEVY</u>	<u>PAYABLE 2018 LEVY</u>	<u>CHANGE</u>	<u>PERCENT CHANGE</u>
General	\$ 58,674,585	\$ 55,253,713	\$ 3,420,872	6.19%
Community Service	\$ 1,536,446	\$ 1,225,989	\$ 310,457	25.32%
Debt Service	\$ 12,430,758	\$ 12,125,522	\$ 305,236	2.52%
Total	<u>\$ 72,641,789</u>	<u>\$ 68,605,224</u>	<u>\$ 4,036,564</u>	<u>5.88%</u>

Much of the change in the District's **total** Payable 2019 levy when compared to the prior year is due to legislative changes and growth in the District's student enrollment. Voter approved operating referendum authority is calculated based upon the number of students times the per pupil authority. Resident student enrollment growth of 3.0% translates directly into an increase in the total operating referendum authority component of our property tax levy. As mentioned earlier in this document, the robust residential development occurring in the District helps to minimize the impact this increase may have on an individual taxpayer's proportionate share of this increase.

It is also important to note that the District's preliminary levy amount not only includes referendum authority for the 2019-2020 school year, but levy adjustments for changes in final 2016-2017 resident enrollment as well as changes in revised 2018-2019 resident student enrollment. Thus, it is helpful to look at each of the funds for a detailed analysis of the components that make up each of the totals for each of the funds presented above. Discussion of those components will occur within this document.

The following chart shows the district's total levy and enrollment history over the last decade.



It is important to note that many of the formulas that drive the state's levy revenue calculations are directly correlated to student enrollment, a district's overall population, and a district's total property market value. As you can see from the chart above, the District has seen recent robust student enrollment growth of 3.0% and the overall population of the District has grown as well. Over the last five years, the District's total levy increase (excluding the voter approved bonds in 2014 and 2017) has averaged in the 4% growth rate... similar to the student enrollment growth rate. With the district's robust residential construction growth in the northern part of the district, the corresponding tax capacity growth has served to minimize the individual taxpayer impact of most of the increases in levy components. While adding additional homes and properties within the district continue to reduce the tax burden of existing taxpayers, recent legislative changes on how local property taxes are allocated and variations in assessed valuations often make it difficult to quantify a direct correlation between the district's property tax levy and the amount of taxes that an individual property owner will pay.

The following pages provide a detailed analysis of the levy by fund.

## GENERAL FUND

**Exhibit I** is a detailed analysis of the proposed levy recommendation for the General fund. Overall, the General fund levy increased by \$3.42 million or 6.19% and is largely attributed to an increase of 3.0% in student enrollment.

The largest component that increased in the District's general fund levy is the voter approved operating referendum revenue authority. \$1,519,721 of the increase is due to referendum authority attributed to growth in our student enrollment. In 2017, local voters approved an operating referendum that provides revenue to be used for class size reductions and other educational purposes. This voter approved operating referendum authority is calculated based upon the number of students and enrollment growth translates directly into an increase in the total operating referendum authority component of our property tax levy.

The District voters have also authorized an annual technology levy that has increased by \$458,292 to fund approximately \$7.4 million in annual technology expenses such as IPADS and technology access and support. This levy uses the tax capacity of the district to determine the annual levy amount.

The General fund levy also includes several other components that are primarily formula driven and have changed either due to changes in estimates, changes in enrollment or changes in the district's tax capacity.

For instance, voter approved operating referendum authority is calculated based upon the number of students times the per pupil authority. Projected student enrollment growth translates directly into an increase in the total operating referendum authority component of our property tax levy. It is also important to note that the district's preliminary levy amount not only includes referendum authority for the 2019-2020 school year, but levy adjustments for changes in final 2016-2017 resident enrollment as well as changes in revised 2018-2019 resident student enrollment. Thus, the negative \$500,578 in the General fund levy from the prior year increases this year's levy percent as the authority from prior years' was adjusted to actual due to changes between estimated and actual student enrollment. Similar adjustments occur with other levy components as can be seen with the prior year adjustments amounts included in this analysis.

The District's administration pays close attention to the adjustments as large swings can have a large impact on the District's total levy. For instance, the large change in other adjustments means that the Pay 2019 property taxes will decrease by \$704,579 without a corresponding change in the District's financial position. In addition, tax abatements will be recognized in the accounting records of the District when they are collected.

Overall, each individual component of the general fund levy has been reviewed for reasonableness and accuracy with the corresponding formula that drives its calculation. Nothing unusual was noted.

## **COMMUNITY SERVICES FUND**

**Exhibit II** is a detailed analysis of the proposed levy recommendation for the Community Services fund.

These levies are based on statewide tax rates applied to all property in the State. Statewide revenue formulas continue to generate slight increases in revenue due to current and prior district population growth. While the addition of all-day kindergarten programming reduced the need and cost of providing school age care for students with disabilities in recent years, the District will be opening a 9<sup>th</sup> elementary school in the 2019-2020 school year. Thus, the school age care levy amount is estimated to be \$600,000 and accounts for the majority of the \$310,457 increase. The remaining levy increase can be attributed to a reduction in negative adjustments in the Pay 2019 levy compared to the prior year.

The school board passed a resolution at its June 2017 school board meeting that revised the District's total population estimate and the state demographer has recommended using that population estimate in the Pay 2019 levy. The Community Services fund levy includes the updated population in its calculations.

## **DEBT SERVICE FUND**

**Exhibit III** is a detailed analysis of the proposed levy recommendation for the Debt Service fund.

The district is required to levy 105% of scheduled principal and interest payments. The required levy includes the **current** required debt service amount.

Overall, while the Debt Service fund increased by 2.52%, the District's tax capacity increased by nearly 7%. This should minimize any tax impact of existing debt on current and future taxpayers.

## **SUMMARY**

The proposed school tax levy represents the combined total impact, across all funds, of the legislated property tax program combined with the educational programming needs of the Wayzata Public Schools as they relate to our particular levy authority/capacity. The board retains the option to reduce the amount subsequently adopted at the December 12, 2018 meeting. It is the administration's recommendation to approve the Pay 2019 Property Tax Levy as presented.

## **TRUTH IN TAXATION LAW**

Legislative Session Laws 2009 repealed the requirement to hold a separate meeting for a district's truth in taxation hearing. The public will have the opportunity to speak to the board at the regular school board meeting December 10, 2018 at 7:00 p.m.

If you have questions regarding the enclosed materials or desire additional information, please give me a call at any time at 763-745-5023.

Wayzata Public Schools  
 Pay 2019 Analysis as 11-14-18  
 General Fund Levy -Proposed

Exhibit I

	PRELIMINARY			
	Payable 2019 Amount	Payable 2018 Amount	Dollar Change	Percent Change
Referendum Levy Authority	\$ 27,294,535	\$ 25,774,814	\$ 1,519,721	5.90%
--- Prior year adjustments	33,186	(500,578)	533,764	
Local Optional (Location Equity)	5,721,541	5,561,438	160,102	2.88%
--- Prior year adjustments	(35,425)	(105,966)	70,541	
Equity Revenue	967,703	655,830	311,873	47.55%
--- Prior year adjustments	(7,570)	75,934	(83,504)	
Transition Revenue	15,923	15,478	446	2.88%
--- Prior year adjustments	(99)	(295)	196	
Technology Levy	7,343,635	6,885,343	458,292	6.66%
	-	-	-	
Operating Capital	1,523,546	1,351,354	172,192	12.74%
Alt Teacher Compensation (Q-comp)	1,124,650	1,063,396	61,254	5.76%
Achievement & Integration (new formula)	647,224	484,828	162,397	33.50%
Reemployment (state unemployment)	25,000	25,000	-	0.00%
Safe Schools/Crime Levy	485,791	472,198	13,594	2.88%
-- Safe schools Intermediate 287	202,413	196,749	5,664	2.88%
Ice Arena	255,000	260,673	(5,673)	-2.18%
Career Technical	554,230	506,890	47,341	9.34%
Other Post-Employment Benefits(OPEB)	50,000	-	50,000	
Long Term Facility Maintenance	9,109,987	9,108,382	1,605	0.02%
Health and Safety	700,000	700,000	-	
Capital Facility Bonds	(600,233)	(601,493)	1,260	-0.21%
Lease Levy	3,525,337	3,404,810	120,527	3.54%
Abatements	442,787	424,423	18,364	4.33%
Other adjustments	(704,578)	(505,494)	(199,084)	39.38%
<b>GENERAL FUND TOTALS</b>	<b>\$ 58,674,585</b>	<b>\$ 55,253,713</b>	<b>\$ 3,420,872</b>	<b>6.19%</b>

\* These levy components represent voter approved revenue sources indexed for inflation or student growth.

\*\* See corresponding addition in the Debt Service fund for capital facilities bonds

\*\*\* Includes many prior levy adjustments due to more current and accurate information.

Wayzata Public Schools  
 Pay 2019 Analysis as 11-14-18  
 Community Service Fd - Proposed

Exhibit II

	Proposed Payable 2019 Amount	Payable 2018 Amount	Dollar Change	Percent Change
Basic Levy	\$ 469,841	\$ 469,841	\$ -	0.0%
Early Childhood Levy	457,839	461,267	(3,429)	-0.7%
Home Visitation Levy	8,640	7,182	1,458	20.3%
Adults with Disabilities	7,500	7,500	-	0.0%
School Age Care (before and after school for students w/disabilities Abatements and Prior year adjustments	600,000 (7,374)	380,000 (99,802)	220,000 92,428	57.9%
<b>COMMUNITY SERVICE FUND TOTALS</b>	<b>\$ 1,536,446</b>	<b>\$ 1,225,989</b>	<b>\$ 310,457</b>	<b>25.32%</b>

Wayzata Public Schools  
 Pay 2019 Analysis as 11-14-18  
 Debt Service Fd Levy - Proposed

Exhibit III

	Proposed Payable 2019 Amount	Payable 2018 Amount	Dollar Change	Percent Change
Levy of 105% of Principal and Interest Debt Excess (Refund to taxpayers)	\$ 10,098,132 (924,906)	\$ 8,752,565 (212,439)	\$ 1,345,567 (712,467)	
Capital and Alternative Facilities Bonds Debt Excess (Refund to taxpayers)	3,425,200 (313,720)	3,562,959 (133,475)	(137,759) (180,245)	
Abatements and Prior year adjustments	146,052	155,912	(9,860)	
<b>DEBT SERVICE FUND TOTALS</b>	<b>12,430,758</b>	<b>12,125,522</b>	<b>305,236</b>	<b>2.52%</b>

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**  
Regular Meeting – December 10, 2018

**AGENDA SECTION: SUPERINTENDENT’S REPORTS AND RECOMMENDATIONS**

**ITEM: Establishing Combined Polling Places and Designating Hours**

**COMMENTS BY: Jim Westrum, Exec. Director of Finance and Business Services**

Minnesota Statutes, Section 205A.11, requires the establishment of polling places for the next year be adopted by December 31<sup>st</sup>. The law requires each combined polling place must be a polling place designated by a county or municipality.

On Tuesday, November 5, 2019 Wayzata Public Schools is scheduled to hold an election for the purpose of electing four school board members for four year terms.

The School Board is establishing five combined polling places for multiple precincts for the calendar year 2019 for School District elections not held on the same day as a statewide election. The precincts are detailed in the attached resolution. The Board reaffirms that the polling places will remain open for voting between the hours of 7:00 o’clock a.m. and 8:00 o’clock p.m. All polling places chosen have been designated by a county or municipality, as required by law.

School district residents that reside within the City of Minnetonka will vote at polling places and hours established by the City of Minnetonka.

**RECOMMENDED ACTION:** Adopt the resolution establishing combined polling places for the calendar year 2019 for School District elections not held on the same day as a statewide election and designating hours during which the polling places will remain open.

Motion by: \_\_\_\_\_ Yes \_\_\_\_\_ Passed \_\_\_\_\_

Second by: \_\_\_\_\_ No \_\_\_\_\_ Failed \_\_\_\_\_

Abstentions: \_\_\_\_\_

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**  
Regular Meeting – December 10, 2018

**RESOLUTION ESTABLISHING COMBINED POLLING PLACES  
FOR MULTIPLE PRECINCTS AND DESIGNATING  
HOURS DURING WHICH THE POLLING PLACES  
WILL REMAIN OPEN FOR VOTING FOR SCHOOL DISTRICT ELECTIONS  
NOT HELD ON THE DAY OF A STATEWIDE ELECTION**

**BE IT RESOLVED** by the School Board of Independent School District No. 284, State of Minnesota, as follows:

1. Pursuant to Minnesota Statutes, Section 205A.11, the precincts and polling places for school district elections are those precincts or parts of precincts located within the boundaries of the school district which have been established by the cities or towns located in whole or in part within the school district. The Board hereby confirms those precincts and polling places so established by those municipalities.
2. Pursuant to Minnesota Statutes, Section 205A.11, the Board has established combined polling places for several precincts for school elections not held on the day of a statewide election. Each combined polling place must be a polling place that has been designated by a county or municipality. The following combined polling places have been established to serve the precincts specified for all school district special and general elections not held on the same day as a statewide election:

**District 284 Polling Place #1**

Wayzata City Hall, 600 Rice Street East, Wayzata

*Includes:*

- Orono Precinct Number 4A
- Plymouth Precinct Numbers 8, 10, and 11
- City of Wayzata Precinct Number 1

**District 284 Polling Place #2**

Peace Lutheran Church of Plymouth, 3695 County Road 101 N, Plymouth

*Includes:*

- Plymouth Precinct Numbers 6, 7, and 9

**District 284 Polling Place #3**

Fourth Baptist Church, 900 Forestview Lane North, Plymouth

*Includes:*

- City of Medicine Lake Precinct 1
- Plymouth Precinct Numbers 12, 14, 15, 16, and 17

**District 284 Polling Place #4**

Wayzata High School, 4955 Peony Lane, Plymouth

*Includes:*

- City of Corcoran Precinct Number 2
- City of Medina Precinct Number 1B
- City of Plymouth Precinct Numbers 1 and 2
- City of Maple Grove Precinct Numbers 11, 18, 21, and 23

**District 284 Polling Place #5**

Plymouth Creek Center, 14800 34<sup>th</sup>. Ave. N., Plymouth

*Includes:*

- City of Plymouth Precinct Numbers 3, 4, 5, and 13

**City of Minnetonka-** District 284 residents of the City of Minnetonka will vote in conjunction with the City elections at their respective precincts sites – Precincts W-2 P-A, W-3 P-A, W-3 P-B, and W-3 P-D. If combined, the polling place will be at one of the precinct sites noted above as determined by the City of Minnetonka.

3. Pursuant to Minnesota Statutes, Section 205A.09, the polling places will remain open for voting for school district elections not held on the same day as a statewide election between the hours of 7:00 o'clock a.m. and 8:00 o'clock p.m.
4. The clerk is directed to file a certified copy of this resolution with the county auditors of each of the counties in which the school district is located in whole or in part within 30 days after adoption.
5. As required by Minnesota Statutes, Section 204B.16, Subdivision 1a, the clerk is hereby authorized and directed to give written notice of new polling place locations to each affected household with at least one registered voter in the school district whose school district polling place location has been changed. The notice must be a nonforwardable notice mailed at least twenty-five (25) days before the date of the first election to which it will apply. A notice that is returned as undeliverable must be forwarded immediately to the appropriate County Auditor, who shall change the registrant's status to "challenged" in the statewide registration system.

Dated: December 10, 2018

BY ORDER OF THE SCHOOL BOARD

Cheryl Polzin  
School Board Clerk

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**  
Regular Meeting – December 10, 2018

**AGENDA SECTION: SUPERINTENDENT’S REPORTS AND RECOMMENDATIONS**

**ITEM: Finance and Business Recommendations**

**COMMENTS BY: Jim Westrum, Exec. Director of Finance and Business Services**

**Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2018**

The annual audit has been completed by the auditing firm of Malloy, Montague, Karnowski, Radosevich, & Co., P.A. The following reports will be highlighted:

- 1) Comprehensive Annual Financial Report for Fiscal Year Ending - June 30, 2018
- 2) Management Report - June 30, 2018
- 3) Extracurricular Student Activity Accounts Financial Report - June 30, 2018
- 4) Special Purpose Audit Reports on Single Audit, Internal Controls, and Compliance with Laws and Regulations – June 30, 2018

A portion of the fund balance is assigned for specific purposes and is ratified on an annual basis. The assigned fund balance as of June 30, 2018 is as follows:

Local Collaborative Time Study	\$272,227
Reemployment Insurance	\$36,830
Site Carryover	\$1,036,415
Q-Compensation	\$85,605
School Opening Costs	\$945,305
Workers’ Compensation Escrow	\$635,457
Post-Employment Obligations	\$2,156,636
Subsequent Year Budget	\$544,268

**RECOMMENDED ACTION:** Approve the reports for the fiscal year ending June 30, 2018. Further, ratify the assigned fund balance in the amount of \$5,712,743 as of June 30, 2018, to be used for the specific purposes noted above.

Motion by: \_\_\_\_\_ Yes \_\_\_\_\_ Passed \_\_\_\_\_

Second by: \_\_\_\_\_ No \_\_\_\_\_ Failed \_\_\_\_\_

Abstentions: \_\_\_\_\_

**Independent School District No. 284  
Wayzata Public Schools  
Wayzata, Minnesota**

Comprehensive Annual Financial Report  
For the Fiscal Year Ended  
June 30, 2018

Prepared by the

Department of Finance and Business Services



**Excellence. For each and every student.**



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended June 30, 2018

INDEPENDENT SCHOOL DISTRICT NO. 284  
WAYZATA, MINNESOTA

210 County Road 101 North  
P.O. Box 660  
Wayzata, MN 55391

Prepared by the  
Department of Finance and Business Services

Jim Westrum • Executive Director of Finance and Business Services  
Jill Schwint • Controller  
Melissa Lahr • Finance Supervisor

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INDEPENDENT SCHOOL DISTRICT NO. 284

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INDEPENDENT SCHOOL DISTRICT NO. 284

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SECTION I

INTRODUCTORY SECTION





District Administrative Offices  
210 County Road 101 North, P.O. Box 660 | Wayzata, MN 55391-0660  
763.745.5000 | Fax: 763.745.5091 | [www.wayzata.k12.mn.us](http://www.wayzata.k12.mn.us)

December 3, 2018

To: Citizens of the District  
Board of Education  
Dr. Chace B. Anderson, Superintendent of Schools

## INTRODUCTION

We respectfully submit the Comprehensive Annual Financial Report (CAFR) of Independent School District No. 284, Wayzata, Minnesota (the District) for the fiscal year ended June 30, 2018. Responsibility for the entire financial report rests with district management. The report contains all of the funds of the District in conformity with accounting principles generally accepted in the United States of America for defining the reporting entity.

As required, as a part of required supplementary information by the Governmental Accounting Standards Board Statement No. 34 is a management's discussion and analysis (MD&A), which allows the District to explain, in layman's terms, its financial position and results of operations of the past fiscal year.

The CAFR is presented in three primary sections as follows:

- Introductory Section
- Financial Section
- Statistical Section

The introductory section includes a list of principal officials, an organizational chart, a certificate of excellence in financial reporting, and this transmittal letter. The financial section includes the basic financial statements, individual fund statements and related schedules, and required supplementary information. The Independent Auditor's Report is also included in the financial section. Notes to the financial section are provided to enhance the reader's understanding of the District's accounting policies and procedures. The statistical section includes selected financial and general information presented on a multiyear comparative basis.

## ECONOMIC CONDITION AND OUTLOOK

The District is a public educational system serving a 38 square-mile area located in the western portion of Hennepin County. District boundaries encompass either the entire geographic area or portions of the communities of Wayzata, Plymouth, Minnetonka, Medicine Lake, Orono, Medina, Maple Grove, and Corcoran.

For 2017–2018, district facilities included eight elementary schools, three middle schools, a senior high school, a district administration center, an educational services center, an early learning center, and a central service facility.

Enrollment for the 2017–2018 school year was 11,640 pupils in adjusted average daily membership, which represents an increase of 310 students from the prior year. Demographic forecasts project an increase in enrollment for the next several years. Projected enrollments for the near future per an independent demographer hired by the District are:

<u>Fiscal Year</u>	<u>Enrollment</u>
2019	12,000
2020	12,283
2021	12,621

The tax base of the District increased 7.36 percent during the past year. The market value of all taxable property in the District in fiscal year 2018 was \$12,249,671,471, compared to \$11,410,014,227 in fiscal year 2017.

The net tax capacity of the District for fiscal year 2018 was \$137,065,114, an increase of 7.17 percent over the prior year value of \$127,889,211.

The state fiscal disparities law provides for the pooling of 40 percent of all new commercial/industrial property valuation added since 1971 in the seven-county Minneapolis-Saint Paul metropolitan area. The pooled valuation is redistributed among the taxing jurisdictions according to population and a ratio measuring relative fiscal capacity. Local tax rates reflect the net contribution/distribution of fiscal disparities valuation. The District has been a net contributor to the fiscal disparities pool in recent years. The District contributed \$2,549,421 in fiscal year 2017 and \$2,683,980 in fiscal year 2018.

## **FINANCIAL INFORMATION**

In developing and evaluating the District’s accounting system, consideration is given to the adequacy of internal accounting controls. These controls are designed to provide reasonable assurance regarding: (1) the safeguarding of assets and (2) the reliability of financial records used in the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The concept of reasonable assurance recognizes that the costs of internal control should not exceed the benefits likely to be derived and that the value of costs and benefits requires estimates and judgments by management.

The legal level of budgetary control is demonstrated through an annual budget adopted by the Board of Education (the School Board) for the General, Special Revenue, Capital Projects – Building Construction, and Debt Service Funds. The Department of Finance and Business Services maintains budgetary control. Management and the School Board review monthly reports. The original budget is adopted by the School Board prior to the fiscal year beginning July 1. The administration presents midyear budget revisions based upon audited results of the prior year, enrollment changes, effects of negotiated employee contracts, or other new information impacting revenues or expenses. The revised budget is also adopted by the School Board.

The reader is directed to the MD&A report for a more in depth look at the General Fund and other major fund highlights.

## **DISTRICT FACILITIES**

District educational facilities consist of 12 education buildings originally constructed from 1949 to 2016. Each building, with the exception of the new elementary school, Meadow Ridge, has had numerous additions over the years. In spite of the age of the facilities, all school buildings are maintained in a state of good repair, with building components modernized and updated on a systematic basis through the District's long-term facilities maintenance plan. Because of the continual improvement, all educational facilities should be able to effectively service the District for many years. The total District square footage for educational facilities is 1,942,664. In addition, the District owns two buildings and leases space for administrative purposes.

## **LOOKING FORWARD**

The District's commitment to fiscal responsibility has enabled the District to maintain positive fund balance reserves in recent years. Currently, the General Fund has an unassigned fund balance of approximately \$8.3 million, which represents 5.6 percent of expenditures, in line with the School Board policy minimum fund balance of 5.0–7.0 percent of expenditures. The School Board has assigned an additional \$5.7 million of fund balance for specific purposes.

On November 7, 2017, district voters approved the renewal of two referenda to increase annual operating revenues. Question One requested an increase in the operating referendum dollars that are authorized under state statutes from \$1,524 per pupil to \$2,000 per pupil. This authority includes an inflationary increase based upon the consumer price index and will generate an additional \$5.5 million beginning in fiscal year 2019. The operating referendum levy is for approximately \$25 million in fiscal year 2019 and will be adjusted for inflation (estimated at 3 percent) for future years. Question Two requested approval for a capital projects levy to cover technology costs for existing and new services and equipment. The capital projects levy is based upon tax rates and will raise approximately \$4 million in fiscal year 2019. Both renewed authorizations are for 10 years. On February 25, 2014, voters approved a renewal of the portion of the capital projects levy that was set to expire after taxes payable in 2015. The authority raises approximately \$3.5 million per year and is authorized for 10 years.

An indicator of continued financial health is the tremendous level of new private investment within the District. The City of Plymouth is the largest municipality within the District. The City's levy payable 2017 total estimated market value was \$10,790,272,500, an increase of \$749,319,400 from 2016. The increase in total market value between payable 2016 and payable 2017 was 7.5 percent. The City of Plymouth's population increased 29.0 percent from 1990 to 2000; 7.0 percent from 2000 to 2010; and 7.0 percent from 2010 to 2017. As of 2017, the population is 75,791.

The state support in the current economic environment, combined with the additional support approved by the voters, means the District's financial picture is stable. The District was in a position to maintain existing staff ratios and programs in fiscal year 2019, and has adequate reserves.

Below are some facts about the 2018–2019 budget:

- Student enrollment is expected to increase.
- The General Fund unassigned balance at year-end is projected to remain stable at \$19.7 million.

Revenues:

- General Fund revenue will increase to almost \$163 million.
- Basic formula is \$6,312 for fiscal year 2019.
- The referendum levy is \$1,928.58 per pupil unit.
- State special education funding formula has changed effective for fiscal year 2016. The District continues to use its general resources to finance a great portion of special education services as the state and federal government reimbursement rates are insufficient to fully fund these costs.

Expenditures:

- General Fund expenditures will increase to \$163 million.
- Capital projects (technology) levy will increase to \$6.9 million.
- Alternative Compensation Plan spending is \$3.0 million for staff development, peer coaching, and performance bonuses for teachers.
- Health insurance premiums increased by 6.75 percent and dental insurance premiums increased 3.00 percent.

Construction Projects:

- In November 2017, voters approved a bond issue of \$70 million to construct a ninth elementary school, modifications to seven elementary schools and three middle schools, and district-wide infrastructure improvements. The elementary school is anticipated to open in Fall 2019.
- The District continues to access long-term facilities maintenance pay-as-you-go district levy dollars to make improvements in the areas of deferred maintenance and health and safety. The project costs of approximately \$8–\$12 million per year are utilized for roof repairs, paving projects, boiler and chiller replacements, windows, doors, painting, flooring, and a variety of other deferred maintenance items.

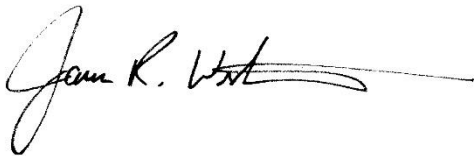
## OTHER INFORMATION

State law requires an annual audit by independent certified public accountants. The accounting firm of Malloy, Montague, Karnowski, Radosevich & Co. P.A. was selected by the School Board to conduct the annual audit. In addition to meeting the requirements set forth in state law, the audit also was designed to meet the requirements of the federal Single Audit Act as amended in 1996, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The auditor's report on the financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are issued as a separate report which is available from the District upon request.

This report has been prepared following guidelines recommended by the Association of School Business Officials (ASBO) International for its Certificate of Excellence in Financial Reporting program. Achieving recognition by this program is a clear indication of the District's establishment of high standards for financial reporting. The District was awarded the ASBO International Certificate of Excellence in Financial Reporting for its 2017 CAFR. We believe our current report continues to conform to ASBO International's Certificate of Excellence program requirements.

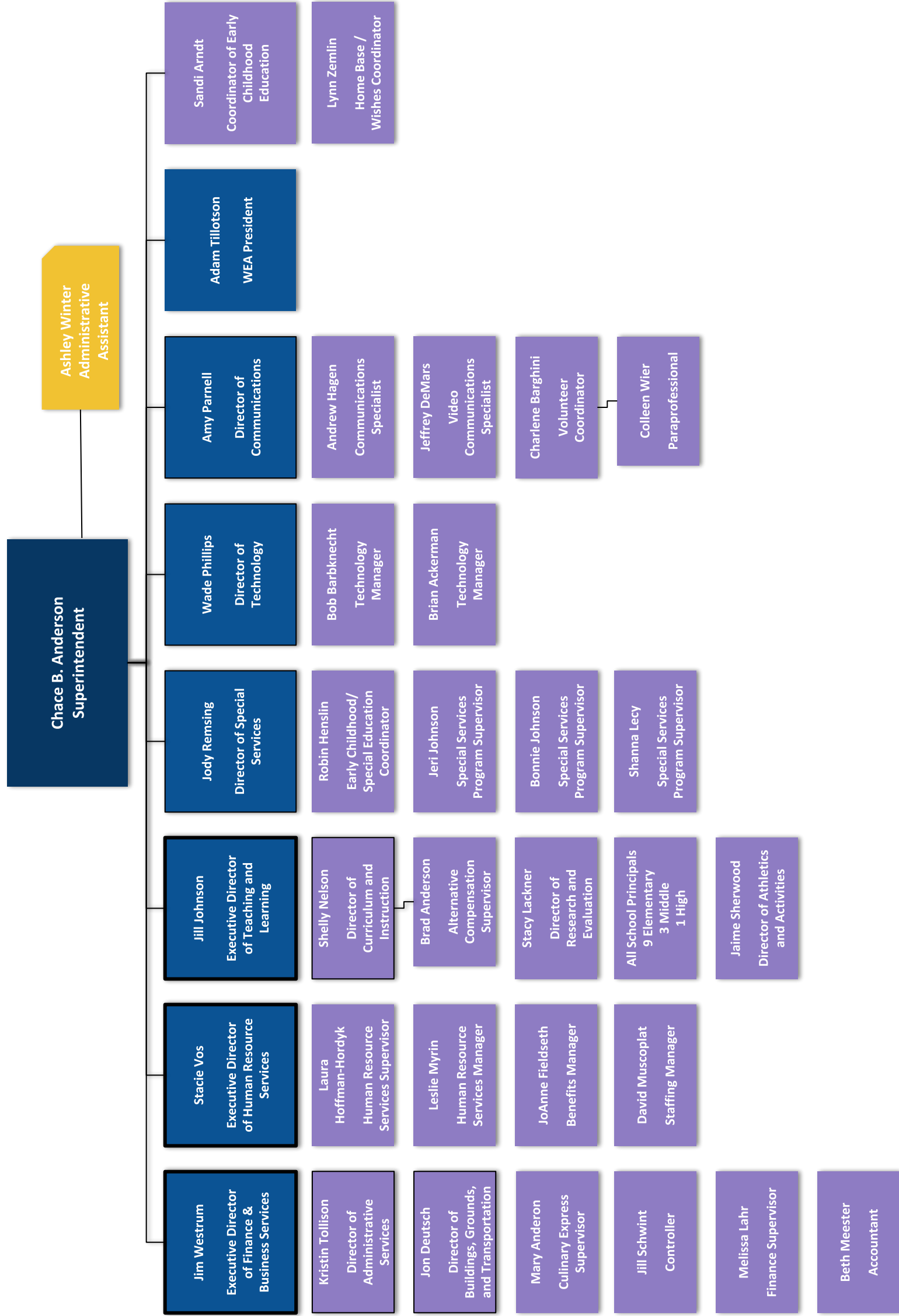
We acknowledge the efforts of the entire accounting staff in providing complete and accurate data for fiscal year 2018 CAFR. Credit is also due to the School Board for its unfailing support for maintaining the highest standards of professionalism in the management of the District's finances.

Respectfully submitted,



James R. Westrum  
Executive Director,  
Finance and Business Services

# District Administration Organizational Chart 2017-2018



INDEPENDENT SCHOOL DISTRICT NO. 284

School Board and Administration  
Year Ended June 30, 2018

**SCHOOL BOARD**

	<u>Board Position</u>
Ms. Sarah Johansen	Chairperson
Ms. Andrea Cuene	Vice Chairperson
Mr. Erik Brown	Treasurer
Ms. Cheryl Polzin	Clerk
Ms. Linda A. Cohen	Director
Ms. Bonita Lucky	Director
Mr. Chris McCullough	Director

**ADMINISTRATION**

Dr. Chace B. Anderson	Superintendent
Dr. Jill Johnson	Executive Director of Teaching and Learning
Ms. Stacie Vos	Executive Director of Human Resource Services
Mr. Jim Westrum	Executive Director of Finance and Business Services
Ms. Annie Doughty	Interim Director of Community Education Operations
Ms. Jill Schwint	Controller



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Independent School District 284**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2017.**

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.' The signature is written in a cursive style and is positioned above a horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA  
President

A handwritten signature in black ink, reading 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE  
Executive Director

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SECTION II  
FINANCIAL SECTION





PRINCIPALS

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

INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of  
Independent School District No. 284  
Wayzata, 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. 284 (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

**AUDITOR'S RESPONSIBILITY**

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

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

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

(continued)

## **OPINIONS**

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **OTHER MATTERS**

### **Required Supplementary Information**

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

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, supplemental information, and statistical section, 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 and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Prior Year Comparative Information**

We have previously audited the District's 2017 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 November 30, 2017. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

(continued)

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2018 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 3, 2018

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## INDEPENDENT SCHOOL DISTRICT NO. 284

### Management's Discussion and Analysis Year Ended June 30, 2018

This section of Independent School District No. 284's (the District) Comprehensive Annual Financial Report (CAFR) presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2018. Please read it in conjunction with the other components of the District's CAFR.

#### **FINANCIAL HIGHLIGHTS**

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2018 by \$110,079,093 (net position). The District's total net position decreased by \$35,755,027 during the fiscal year ended June 30, 2018.
- Government-wide revenues totaled \$182,684,304 and were \$35,755,027 less than expenses of \$218,439,331.
- The General Fund's total fund balance increased \$3,926,082 to end the year at \$20,075,186, compared to a \$2,694,667 increase projected in the budget.

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

The financial section of the CAFR 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 financial 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, except for the fiduciary funds. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

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

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

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

## FUND FINANCIAL STATEMENTS

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

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

The District maintains the following kinds of funds:

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

**Proprietary Funds** – The District maintains one type of proprietary fund. The internal service funds are used as an accounting device to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for the self-insurance activities of the District employees' medical and dental claims, various early retirement benefit packages for employee groups, and post-retirement health care benefits. 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.

**Fiduciary Funds** – The District is the trustee, or fiduciary, for assets that belong to other organizations. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Current and other assets	\$ 181,025,714	\$ 111,193,365
Capital assets, net of depreciation	<u>211,998,074</u>	<u>203,262,643</u>
Total assets	<u><u>\$ 393,023,788</u></u>	<u><u>\$ 314,456,008</u></u>
<b>Deferred outflows of resources</b>		
Pension plan deferments	<u>\$ 141,515,877</u>	<u>\$ 189,200,658</u>
<b>Liabilities</b>		
Current and other liabilities	\$ 14,082,521	\$ 14,147,284
Long-term liabilities, including due within one year	<u>520,133,335</u>	<u>500,443,848</u>
Total liabilities	<u><u>\$ 534,215,856</u></u>	<u><u>\$ 514,591,132</u></u>
<b>Deferred inflows of resources</b>		
Property taxes levied for subsequent year	\$ 64,563,643	\$ 57,535,954
Pension plan deferments	42,972,117	4,527,573
OPEB plan deferments	<u>2,867,142</u>	<u>1,326,073</u>
Total deferred inflows of resources	<u><u>\$ 110,402,902</u></u>	<u><u>\$ 63,389,600</u></u>
<b>Net position</b>		
Net investment in capital assets	\$ 37,679,712	\$ 40,112,576
Restricted	10,695,169	7,822,506
Unrestricted	<u>(158,453,974)</u>	<u>(122,259,148)</u>
Total net position	<u><u>\$ (110,079,093)</u></u>	<u><u>\$ (74,324,066)</u></u>

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 and capitalization policies. Net position also includes long-term liabilities for pension, other post-employment benefits (OPEB), and severance benefits, which are not reported in the governmental funds.

The District's decrease in net investment in capital assets is due mostly to 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 District's increase in net position restricted for capital asset acquisition, food service, and other state funding restrictions, contributed to the increase in the restricted portion of net position. The change in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans also contributed to the change in deferred outflows, long-term liabilities, deferred inflows, and unrestricted net position.

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

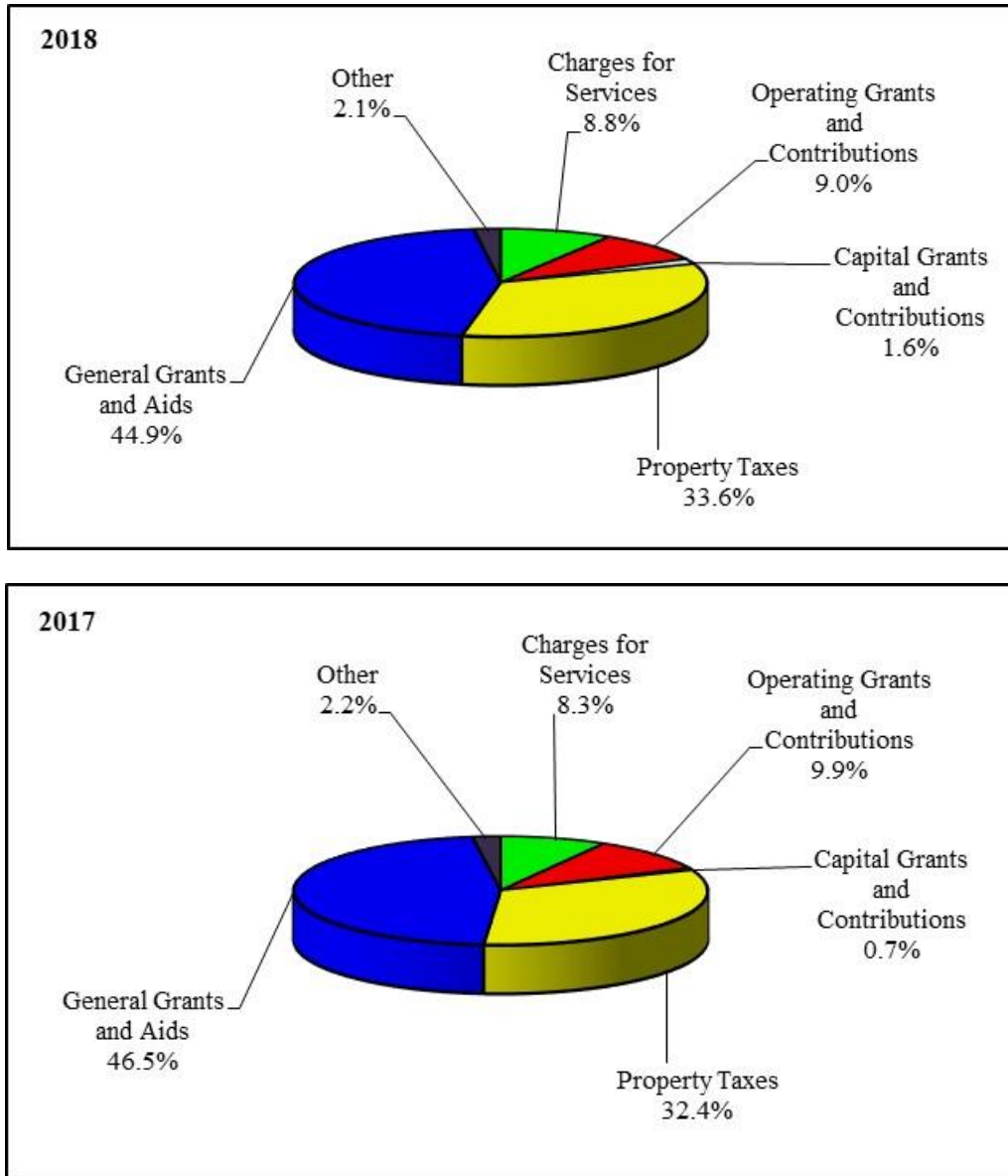
	<u>2018</u>	<u>2017</u>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 16,180,291	\$ 14,761,888
Operating grants and contributions	16,357,459	17,625,350
Capital grants and contributions	2,870,495	1,351,039
General revenues		
Property taxes	61,465,090	57,923,735
General grants and aids	81,977,981	83,119,553
Investment earnings	2,160,675	1,886,224
Other	1,672,313	2,001,619
Total revenues	<u>182,684,304</u>	<u>178,669,408</u>
<b>Expenses</b>		
Administration	6,052,169	6,700,296
District support services	5,347,446	6,114,326
Elementary and secondary regular instruction	98,324,381	97,927,589
Vocational education instruction	3,782,104	3,737,593
Special education instruction	23,646,291	23,736,177
Instructional support services	18,777,288	13,276,121
Pupil support services	14,370,024	14,566,050
Sites and buildings	23,723,765	35,215,528
Fiscal and other fixed cost programs	281,446	566,951
Food service	6,469,883	6,484,275
Community service	10,971,816	9,811,345
Interest and fiscal charges on debt	6,692,718	5,326,192
Total expenses	<u>218,439,331</u>	<u>223,462,443</u>
Change in net position	(35,755,027)	(44,793,035)
Net position – beginning	<u>(74,324,066)</u>	<u>(29,531,031)</u>
Net position – ending	<u>\$ (110,079,093)</u>	<u>\$ (74,324,066)</u>

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

Governmental activities revenues increased \$4,014,896 (2.2 percent) from the previous year. A significantly higher number of students served, an increase in the tax levy for long-term facilities maintenance, and improved state funding for general education contributed to the overall revenue increase. Governmental activities expenses were \$5,023,112 (2.2 percent) less than last year, mainly due to the timing and completion of bond projects.

Figure A shows further analysis of these revenue sources:

**Figure A – Sources of Revenues for Fiscal Years 2018 and 2017**

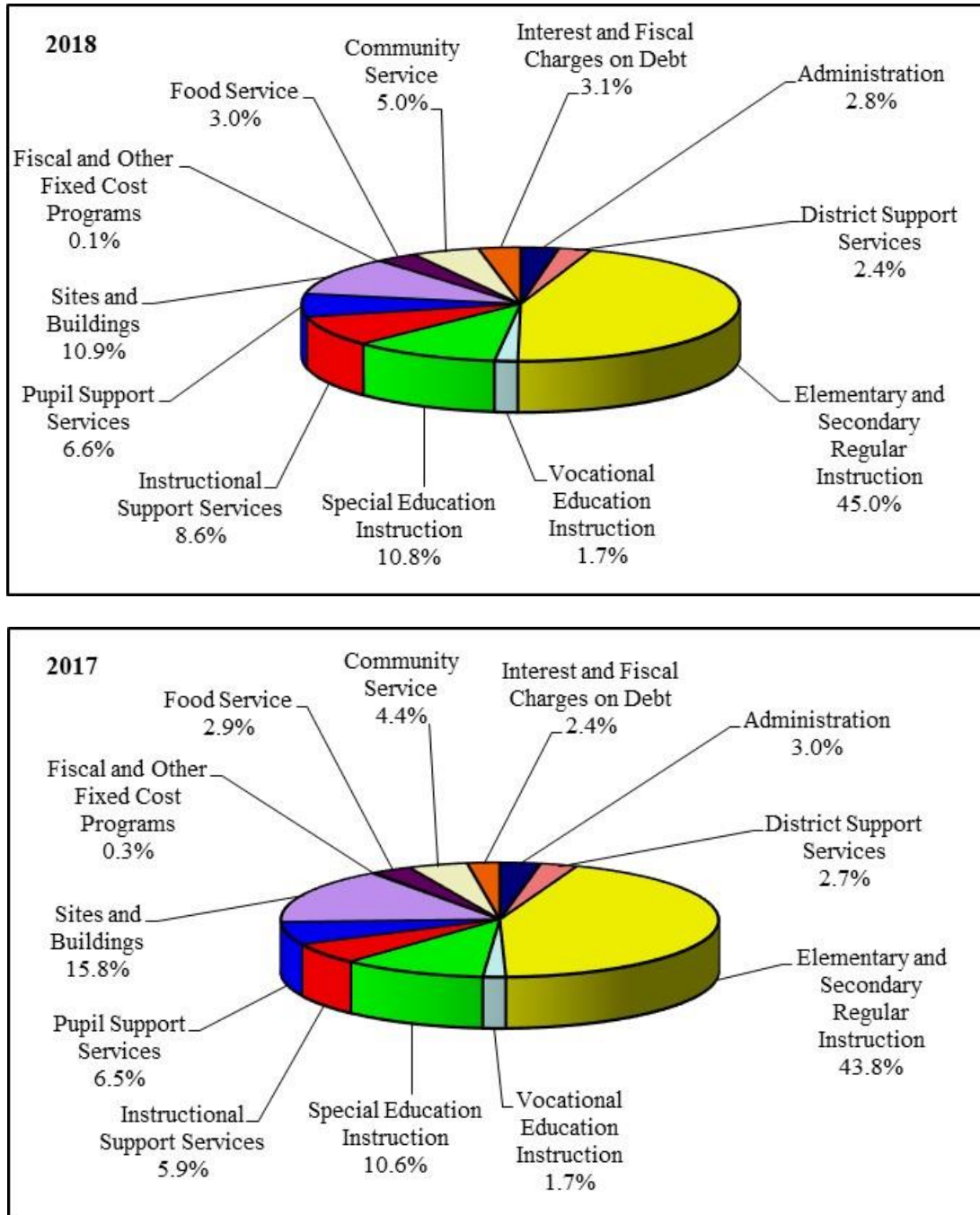


The largest share of the District’s revenue is received from the state, including the general education aid formula and most of the operating grants.

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

Figure B shows further analysis of these expense functions:

**Figure B – Expenses for Fiscal Years 2018 and 2017**



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.

The increase in instructional support services and decrease in sites and buildings are due to a change in accounting for expenditures related to the capital projects technology levy in the current year.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>
Major funds			
General	\$ 20,075,186	\$ 16,149,104	\$ 3,926,082
Capital Projects – Building Construction	69,272,501	8,511,858	60,760,643
Debt Service	2,606,958	2,475,932	131,026
Nonmajor funds			
Food Service Special Revenue	816,264	655,901	160,363
Community Service Special Revenue	<u>2,116,569</u>	<u>2,576,375</u>	<u>(459,806)</u>
 Total governmental funds	 <u>\$ 94,887,478</u>	 <u>\$ 30,369,170</u>	 <u>\$ 64,518,308</u>

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

At June 30, 2018, the District's governmental funds reported combined fund balances of \$94,887,478, an increase of \$64,518,308 from the prior year. Approximately 8.8 percent of this amount (\$8,304,664) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either 1) not in spendable form (\$753,792), 2) restricted for particular purposes (\$80,116,279), or 3) assigned for particular purposes (\$5,712,743).

**ANALYSIS OF THE GENERAL FUND**

Table 4 summarizes the amendments to the General Fund budget:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Revenues and other financing sources	<u>\$ 159,107,524</u>	<u>\$ 159,510,541</u>	<u>\$ 403,017</u>	<u>0.3%</u>
Expenditures and other financing uses	<u>\$ 153,952,823</u>	<u>\$ 156,815,874</u>	<u>\$ 2,863,051</u>	<u>1.9%</u>

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

Table 5 summarizes the operating results of the General Fund:

	<u>2018 Actual</u>	<u>Over (Under) Final Budget</u>		<u>Over (Under) Prior Year</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenue and other financing sources	\$ 158,672,115	\$ (838,426)	(0.5%)	\$ 15,699,839	11.0%
Expenditures and other financing uses	<u>154,746,033</u>	<u>(2,069,841)</u>	(1.3%)	<u>4,167,831</u>	2.8%
Net change in fund balances	<u>\$ 3,926,082</u>	<u>\$ 1,231,415</u>		<u>\$ 11,532,008</u>	

The fund balance of the General Fund increased \$3,926,082, compared to a planned increase of \$2,694,667 approved in the final budget.

General Fund revenues and other financing sources for 2018 increased \$15,699,839, or 11.0 percent, compared to the prior year. This was \$838,426, or 0.5 percent, less than budget. The largest variance to budget was in investment earnings, which were \$2,750,904 less than budget due to the District allocating more investment earnings to other funds than anticipated. This was offset by favorable variances in other local sources and other financing sources. The overall revenue increase from the prior year was mainly due to an increase in the tax levy combined with increases in students served and state funding for general education.

Total General Fund expenditures and other financing uses for 2018 increased \$4,167,831, or 2.8 percent, over the prior year, and were \$2,069,841, or 1.3 percent, under budget. The budget variance was spread across several programs and object categories of the General Fund. Instructional support services experienced the largest program variance, with expenditures coming in under budget by \$2,367,840, due mostly to the timing of technology needs and replacement of equipment. Pupil support service expenditures were \$1,497,340 under budget, mainly in transportation costs. The increase from the prior year was mainly due to contractual increases in salaries and benefits.

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

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

The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities. This fund also received a transfer of \$5,350,500 of long-term facilities maintenance levy proceeds from the General Fund to finance various capital projects. Fund balance increased \$60,760,643, due to the District's issuance of the 2018A General Obligation School Building Bonds. At June 30, 2018, the District had a fund balance of \$69,272,501, the majority of which is restricted for various capital projects.

### **Debt Service Fund**

The Debt Service Fund revenues exceeded expenditures by \$131,026 in the current year. The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. The remaining fund balance of \$2,606,958 at June 30, 2018 is available for meeting future debt service obligations.

### **Other Governmental Funds**

The Food Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing equity by \$160,363, compared to a break-even budget. This variance was caused by the combination of higher than anticipated revenues from meal sales and federal reimbursements, and favorable variances in personnel costs.

The Community Service Special Revenue Fund ended the year with expenditures exceeding revenues and other financing sources, decreasing equity by \$459,806, compared to a planned fund balance increase of \$508,291. This variance was primarily due to additional services added throughout the year as facilities and staff became available.

## Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District currently maintains two internal service funds. These funds are used to account for the District's self-insured medical and dental insurance activity, various early retirement benefit packages for employee groups, and post-retirement health care benefits.

Operating revenues for the internal service funds, consisting of charges to the District's governmental funds, for fiscal 2018 totaled \$17,015,685, an increase from the fiscal year 2017 operating revenue level of \$16,168,168. Operating expenses, consisting of health claims, dental claims, and other employee benefits totaled \$19,154,041, which represents an increase from fiscal year 2017 operating expenses of \$19,097,404. Nonoperating revenues, consisting of investment earnings, totaled \$1,322,214, which is a slight decrease from the fiscal year 2017 amount of \$1,348,033. The net position balance for all internal service funds as of June 30, 2018 was \$37,890, which is a decrease of \$816,142 from the prior year.

## CAPITAL ASSETS AND LONG-TERM LIABILITIES

### Capital Assets

Table 6 shows the District's capital assets, together with changes from the previous year. The table also shows the total depreciation expense for fiscal years ending June 30, 2018 and 2017:

	2018	2017	Change
Land	\$ 30,962,910	\$ 24,938,301	\$ 6,024,609
Construction in progress	5,429,746	358,731	5,071,015
Land improvements	9,687,055	9,687,055	-
Buildings and improvements	270,212,175	265,230,681	4,981,494
Equipment and transportation vehicles	12,752,552	12,870,174	(117,622)
Food service equipment	1,140,612	1,312,063	(171,451)
Less accumulated depreciation	<u>(118,186,976)</u>	<u>(111,134,362)</u>	<u>(7,052,614)</u>
<b>Total</b>	<u>\$ 211,998,074</u>	<u>\$ 203,262,643</u>	<u>\$ 8,735,431</u>
Depreciation expense	<u>\$ 7,829,966</u>	<u>\$ 6,982,148</u>	<u>\$ 847,818</u>

By the end of 2018, the District had invested in a broad range of capital assets, including school buildings, athletic facilities, and other equipment for various instructional programs (see Table 6).

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2018, consistent with the activity of the Capital Projects – Building Construction Fund discussed on the previous page.

The District defines capital assets as those with an initial, individual cost of \$5,000 or more for equipment and \$20,000 or more for construction and improvements, which benefit more than one fiscal year.

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

## Long-Term Liabilities

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

	<u>2018</u>	<u>2017</u>	<u>Change</u>
General obligation bonds payable	\$ 220,160,000	\$ 156,210,000	\$ 63,950,000
Certificates of participation payable	7,000,000	7,755,000	(755,000)
Unamortized premium	6,208,464	3,120,929	3,087,535
Capital leases payable	9,174,643	5,092,079	4,082,564
Net pension liability	264,059,876	313,987,291	(49,927,415)
Net OPEB liability	8,752,144	9,635,916	(883,772)
Severance benefits payable	4,085,996	4,022,330	63,666
Compensated absences payable	692,212	620,303	71,909
<b>Total</b>	<b><u>\$ 520,133,335</u></b>	<b><u>\$ 500,443,848</u></b>	<b><u>\$ 19,689,487</u></b>

The increase in general obligation bonds payable, unamortized premium, and capital leases payable is due to the issuance of school building bonds with a premium, as previously discussed, and due to \$6,172,455 of new capital leases entered into during fiscal year 2018.

The difference in the net pension liability reflects the change in the District's proportionate share of the PERA and the TRA state-wide pension obligations.

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). The District's outstanding net general obligation debt was \$223,761,506 at June 30, 2018, or about 12.2 percent of the limit.

District's market value	\$ 12,249,671,471
Limit rate	<u>15.0%</u>
Legal debt limit	<u>\$ 1,837,450,721</u>

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

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

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

The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. For the 2019 fiscal year, the Legislature added \$124, or 2 percent, per pupil to the basic general education funding formula.

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

This CAFR is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Independent School District No. 284, District Administrative Office, P.O. Box 660, Wayzata, Minnesota 55391-0660.

BASIC FINANCIAL STATEMENTS

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INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Net Position  
as of June 30, 2018  
(With Partial Comparative Information as of June 30, 2017)

	Governmental Activities	
	2018	2017
<b>Assets</b>		
Cash and temporary investments	\$ 136,629,231	\$ 67,448,380
Cash and investments held by trustee	763,144	1,060,270
Receivables		
Current taxes	30,211,850	30,287,193
Delinquent taxes	199,412	318,690
Accounts and interest receivable	681,049	945,087
Due from other governmental units	11,283,736	10,306,679
Due from post-employment benefits trust	500,000	—
Inventory	234,170	225,342
Prepaid items	523,122	601,724
Capital assets		
Not depreciated	36,392,656	25,297,032
Depreciated, net of accumulated depreciation	175,605,418	177,965,611
Total capital assets, net of accumulated depreciation	<u>211,998,074</u>	<u>203,262,643</u>
Total assets	<u>393,023,788</u>	<u>314,456,008</u>
Deferred outflows of resources		
Pension plan deferments	<u>141,515,877</u>	<u>189,200,658</u>
Total assets and deferred outflows of resources	<u>\$ 534,539,665</u>	<u>\$ 503,656,666</u>
<b>Liabilities</b>		
Salaries payable	\$ 583,728	\$ 473,595
Accounts and contracts payable	7,269,021	8,346,660
Accrued interest payable	3,193,302	2,263,601
Due to other governmental units	641,022	495,147
Unearned revenue	631,668	804,501
Claims incurred, but not reported	1,763,780	1,763,780
Long-term liabilities		
Due within one year	7,375,514	6,220,450
Due in more than one year	512,757,821	494,223,398
Total long-term liabilities	<u>520,133,335</u>	<u>500,443,848</u>
Total liabilities	<u>534,215,856</u>	<u>514,591,132</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	64,563,643	57,535,954
Pension plan deferments	42,972,117	4,527,573
OPEB plan deferments	2,867,142	1,326,073
Total deferred inflows of resources	<u>110,402,902</u>	<u>63,389,600</u>
<b>Net position</b>		
Net investment in capital assets	37,679,712	40,112,576
Restricted for		
Capital asset acquisition	6,967,169	3,549,192
Debt service	—	374,267
Food service	796,767	635,461
Community service	2,068,184	2,547,008
Other purposes (state funding restrictions)	863,049	716,578
Unrestricted	(158,453,974)	(122,259,148)
Total net position	<u>(110,079,093)</u>	<u>(74,324,066)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 534,539,665</u>	<u>\$ 503,656,666</u>

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Activities  
 Year Ended June 30, 2018  
 (With Partial Comparative Information for the Year Ended June 30, 2017)

		2018		
Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Administration	\$ 6,052,169	\$ 39,922	\$ -	\$ -
District support services	5,347,446	-	-	524,865
Elementary and secondary regular instruction	98,324,381	1,323,071	2,383,726	1,127,461
Vocational education instruction	3,782,104	-	468,592	-
Special education instruction	23,646,291	498,813	10,576,597	5,986
Instructional support services	18,777,288	15,338	-	117,057
Pupil support services	14,370,024	152,731	968,055	-
Sites and buildings	23,723,765	628,772	-	1,095,126
Fiscal and other fixed cost programs	281,446	-	-	-
Food service	6,469,883	5,357,091	1,212,440	-
Community service	10,971,816	8,164,553	748,049	-
Interest and fiscal charges	6,692,718	-	-	-
Total governmental activities	<u>\$ 218,439,331</u>	<u>\$ 16,180,291</u>	<u>\$ 16,357,459</u>	<u>\$ 2,870,495</u>
General revenue				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for community service				
Property taxes, levied for debt service				
General grants and aids				
Other general revenues				
Investment earnings				
Total general revenues				
Change in net position				
Net position – beginning				
Net position – ending				

	2017
Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Governmental Activities	Governmental Activities
\$ (6,012,247)	\$ (6,642,874)
(4,822,581)	(6,084,003)
(93,490,123)	(94,587,776)
(3,313,512)	(3,270,901)
(12,564,895)	(11,326,582)
(18,644,893)	(13,262,067)
(13,249,238)	(13,409,198)
(21,999,867)	(33,441,658)
(281,446)	(566,951)
99,648	(232,726)
(2,059,214)	(1,573,238)
<u>(6,692,718)</u>	<u>(5,326,192)</u>
(183,031,086)	(189,724,166)
52,196,919	42,239,180
993,672	1,096,913
8,274,499	14,587,642
81,977,981	83,119,553
1,672,313	2,001,619
2,160,675	1,886,224
<u>147,276,059</u>	<u>144,931,131</u>
(35,755,027)	(44,793,035)
<u>(74,324,066)</u>	<u>(29,531,031)</u>
<u>\$ (110,079,093)</u>	<u>\$ (74,324,066)</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Balance Sheet  
 Governmental Funds  
 as of June 30, 2018  
 (With Partial Comparative Information as of June 30, 2017)

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
<b>Assets</b>			
Cash and temporary investments	\$ 23,697,735	\$ 71,220,721	\$ 9,432,157
Cash and investments held by trustee	647,457	115,687	–
Receivables			
Current taxes	24,332,223	–	5,339,736
Delinquent taxes	147,210	–	47,980
Accounts and interest	164,385	352,703	–
Due from other governmental units	11,159,077	–	36
Due from other funds	17,792,359	–	–
Inventory	157,337	–	–
Prepaid items	129,748	357,895	–
	<u>78,227,531</u>	<u>72,047,006</u>	<u>14,819,909</u>
<b>Total assets</b>	<b>\$ 78,227,531</b>	<b>\$ 72,047,006</b>	<b>\$ 14,819,909</b>
<b>Liabilities</b>			
Salaries payable	\$ 251,151	\$ –	\$ –
Accounts and contracts payable	4,489,795	2,620,745	–
Due to other governmental units	486,939	153,760	–
Due to other funds	1,312,211	–	–
Unearned revenue	104,161	–	–
<b>Total liabilities</b>	<b>6,644,257</b>	<b>2,774,505</b>	<b>–</b>
<b>Deferred inflows of resources</b>			
Property taxes levied for subsequent year	51,211,252	–	12,126,321
Unavailable revenue – delinquent taxes	296,836	–	86,630
<b>Total deferred inflows of resources</b>	<b>51,508,088</b>	<b>–</b>	<b>12,212,951</b>
<b>Fund balances</b>			
Nonspendable	287,085	357,895	–
Restricted	5,770,694	68,914,606	2,606,958
Assigned	5,712,743	–	–
Unassigned	8,304,664	–	–
<b>Total fund balances</b>	<b>20,075,186</b>	<b>69,272,501</b>	<b>2,606,958</b>
	<u>78,227,531</u>	<u>72,047,006</u>	<u>14,819,909</u>
<b>Total liabilities, deferred inflows of resources,     and fund balances</b>	<b>\$ 78,227,531</b>	<b>\$ 72,047,006</b>	<b>\$ 14,819,909</b>

Nonmajor Funds	Total Governmental Funds	
	2018	2017
\$ 4,237,192	\$ 108,587,805	\$ 40,729,168
–	763,144	1,060,270
539,891	30,211,850	30,287,193
4,222	199,412	318,690
163,961	681,049	945,087
124,623	11,283,736	10,306,679
–	17,792,359	14,018,251
76,833	234,170	225,342
31,979	519,622	601,724
<u>\$ 5,178,701</u>	<u>\$ 170,273,147</u>	<u>\$ 98,492,404</u>
\$ 332,577	\$ 583,728	\$ 473,595
151,330	7,261,870	8,340,000
323	641,022	495,147
–	1,312,211	–
527,507	631,668	804,501
<u>1,011,737</u>	<u>10,430,499</u>	<u>10,113,243</u>
1,226,070	64,563,643	57,535,954
8,061	391,527	474,037
<u>1,234,131</u>	<u>64,955,170</u>	<u>58,009,991</u>
108,812	753,792	827,066
2,824,021	80,116,279	17,101,194
–	5,712,743	4,918,059
–	8,304,664	7,522,851
<u>2,932,833</u>	<u>94,887,478</u>	<u>30,369,170</u>
<u>\$ 5,178,701</u>	<u>\$ 170,273,147</u>	<u>\$ 98,492,404</u>

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INDEPENDENT SCHOOL DISTRICT NO. 284

Reconciliation of the Balance Sheet to the  
Statement of Net Position  
Governmental Funds  
as of June 30, 2018  
(With Partial Comparative Information as of June 30, 2017)

	<u>2018</u>	<u>2017</u>
Total fund balances – governmental funds	\$ 94,887,478	\$ 30,369,170
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	330,185,050	314,397,005
Accumulated depreciation	(118,186,976)	(111,134,362)
Long-term liabilities are included in net position, but excluded from fund balances until due and payable. Debt premiums and discounts are excluded from net position until amortized, but included in fund balances upon issuance.		
General obligation bonds payable	(220,160,000)	(156,210,000)
Certificates of participation payable	(7,000,000)	(7,755,000)
Unamortized premium	(6,208,464)	(3,120,929)
Capital leases payable	(9,174,643)	(5,092,079)
Net pension liability	(257,990,690)	(307,933,132)
Net OPEB liability	(8,752,144)	(9,635,916)
Compensated absences payable	(692,212)	(620,303)
Internal service funds are used to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	37,890	854,032
Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.	(3,193,302)	(2,263,601)
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 – pension plan deferments	141,515,877	189,200,658
Deferred inflows – pension plan deferments	(42,871,342)	(4,527,573)
Deferred inflows – OPEB plan deferments	(2,867,142)	(1,326,073)
Deferred inflows – delinquent property taxes	391,527	474,037
Total net position – governmental activities	<u>\$ (110,079,093)</u>	<u>\$ (74,324,066)</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2018  
 (With Partial Comparative Information for the Year Ended June 30, 2017)

	<u>General Fund</u>	<u>Capital Projects – Building Construction Fund</u>	<u>Debt Service Fund</u>
<b>Revenue</b>			
Local sources			
Property taxes	\$ 52,199,508	\$ –	\$ 8,349,805
Investment earnings	299,096	539,365	–
Other	4,334,482	–	–
State sources	96,007,968	–	310
Federal sources	3,271,185	–	–
Total revenue	<u>156,112,239</u>	<u>539,365</u>	<u>8,350,115</u>
<b>Expenditures</b>			
Current			
Administration	4,380,862	–	–
District support services	4,807,590	–	–
Elementary and secondary regular instruction	68,352,055	–	–
Vocational education instruction	2,953,500	–	–
Special education instruction	18,658,389	–	–
Instructional support services	15,992,693	–	–
Pupil support services	13,098,157	–	–
Sites and buildings	17,692,885	–	–
Fiscal and other fixed cost programs	281,446	–	–
Food service	–	–	–
Community service	–	–	–
Capital outlay	–	18,557,095	–
Debt service			
Principal	2,844,891	–	2,945,000
Interest and fiscal charges	321,687	482,556	5,277,544
Total expenditures	<u>149,384,155</u>	<u>19,039,651</u>	<u>8,222,544</u>
Excess (deficiency) of revenue over expenditures	6,728,084	(18,500,286)	127,571
<b>Other financing sources (uses)</b>			
Debt issued	–	66,891,545	3,455
Premium on debt issued	–	3,406,305	–
Capital lease issued	1,142,455	5,030,000	–
Sale of capital assets	–	–	–
Transfers in	1,417,421	5,350,500	–
Transfers (out)	(5,361,878)	(1,417,421)	–
Total other financing sources (uses)	<u>(2,802,002)</u>	<u>79,260,929</u>	<u>3,455</u>
Net change in fund balances	3,926,082	60,760,643	131,026
<b>Fund balances</b>			
Beginning of year	<u>16,149,104</u>	<u>8,511,858</u>	<u>2,475,932</u>
End of year	<u>\$ 20,075,186</u>	<u>\$ 69,272,501</u>	<u>\$ 2,606,958</u>

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds	
	2018	2017
\$ 998,287	\$ 61,547,600	\$ 57,642,494
–	838,461	538,191
13,521,644	17,856,126	17,174,010
902,180	96,910,458	93,888,892
1,058,309	4,329,494	4,239,619
<u>16,480,420</u>	<u>181,482,139</u>	<u>173,483,206</u>
–	4,380,862	4,307,817
–	4,807,590	4,856,373
–	68,352,055	64,754,485
–	2,953,500	2,782,707
–	18,658,389	17,738,153
–	15,992,693	9,841,449
–	13,098,157	13,117,743
–	17,692,885	18,089,426
–	281,446	566,951
6,403,380	6,403,380	6,173,350
10,298,600	10,298,600	8,912,116
89,261	18,646,356	26,537,306
–	5,789,891	11,554,610
–	6,081,787	6,023,460
<u>16,791,241</u>	<u>193,437,591</u>	<u>195,255,946</u>
(310,821)	(11,955,452)	(21,772,740)
–	66,895,000	–
–	3,406,305	–
–	6,172,455	767,400
–	–	21,653
11,378	6,779,299	13,006,244
–	(6,779,299)	(13,117,868)
<u>11,378</u>	<u>76,473,760</u>	<u>677,429</u>
(299,443)	64,518,308	(21,095,311)
<u>3,232,276</u>	<u>30,369,170</u>	<u>51,464,481</u>
<u>\$ 2,932,833</u>	<u>\$ 94,887,478</u>	<u>\$ 30,369,170</u>

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INDEPENDENT SCHOOL DISTRICT NO. 284

Reconciliation of the Statement of  
Revenue, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
Governmental Funds  
Year Ended June 30, 2018  
(With Partial Comparative Information for the Year Ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Total net change in fund balances – governmental funds	\$ 64,518,308	\$ (21,095,311)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	16,599,672	13,607,316
Depreciation expense	(7,829,966)	(6,982,148)
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.		
	(34,275)	(872,364)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
General obligation bonds payable	(66,895,000)	–
Capital leases payable	(6,172,455)	(767,400)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.		
	(816,142)	(1,469,579)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	2,945,000	8,900,000
Certificates of participation payable	755,000	740,000
Capital leases payable	2,089,891	1,914,610
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.		
	(929,701)	192,707
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.		
	(3,087,535)	504,561
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Net pension liability	49,942,442	(216,155,196)
Net OPEB liability	883,772	(688,124)
Compensated absences payable	(71,909)	(79,782)
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 – pension plan deferments	(47,684,781)	171,796,594
Deferred inflows – pension plan deferments	(38,343,769)	6,705,913
Deferred inflows – OPEB plan deferments	(1,541,069)	(1,326,073)
Deferred inflows – delinquent property taxes	(82,510)	281,241
Change in net position – governmental activities	<u>\$ (35,755,027)</u>	<u>\$ (44,793,035)</u>

See notes to basic financial statements

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INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 General Fund  
 Year Ended June 30, 2018

	Budgeted Amounts		Actual	Over (Under)
	Original	Final		Final Budget
<b>Revenue</b>				
Local sources				
Property taxes	\$ 52,582,810	\$ 52,582,810	\$ 52,199,508	\$ (383,302)
Investment earnings	3,050,000	3,050,000	299,096	(2,750,904)
Other	3,262,391	3,262,391	4,334,482	1,072,091
State sources	96,874,484	95,874,484	96,007,968	133,484
Federal sources	3,336,839	3,597,401	3,271,185	(326,216)
Total revenue	<u>159,106,524</u>	<u>158,367,086</u>	<u>156,112,239</u>	<u>(2,254,847)</u>
<b>Expenditures</b>				
Current				
Administration	4,403,322	4,403,322	4,380,862	(22,460)
District support services	4,640,398	4,640,398	4,807,590	167,192
Elementary and secondary regular instruction	67,526,159	67,584,583	68,352,055	767,472
Vocational education instruction	2,945,456	2,988,216	2,953,500	(34,716)
Special education instruction	19,401,018	19,551,018	18,658,389	(892,629)
Instructional support services	10,437,431	18,360,533	15,992,693	(2,367,840)
Pupil support services	14,540,914	14,595,497	13,098,157	(1,497,340)
Sites and buildings	17,771,006	16,341,006	17,692,885	1,351,879
Fiscal and other fixed cost programs	426,658	425,000	281,446	(143,554)
Debt service				
Principal	1,142,178	2,315,766	2,844,891	529,125
Interest and fiscal charges	243,380	260,035	321,687	61,652
Total expenditures	<u>143,477,920</u>	<u>151,465,374</u>	<u>149,384,155</u>	<u>(2,081,219)</u>
Excess of revenue over expenditures	15,628,604	6,901,712	6,728,084	(173,628)
<b>Other financing sources (uses)</b>				
Sale of capital assets	1,000	1,000	-	(1,000)
Capital lease issued	-	1,142,455	1,142,455	-
Transfers in	-	-	1,417,421	1,417,421
Transfers (out)	(10,474,903)	(5,350,500)	(5,361,878)	(11,378)
Total other financing sources (uses)	<u>(10,473,903)</u>	<u>(4,207,045)</u>	<u>(2,802,002)</u>	<u>1,405,043</u>
Net change in fund balances	<u>\$ 5,154,701</u>	<u>\$ 2,694,667</u>	3,926,082	<u>\$ 1,231,415</u>
<b>Fund balances</b>				
Beginning of year			<u>16,149,104</u>	
End of year			<u>\$ 20,075,186</u>	

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Net Position  
 Internal Service Funds  
 as of June 30, 2018  
 (With Partial Comparative Information as of June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Current assets		
Investments	\$ 28,041,426	\$ 26,719,212
Due from other funds	1,312,211	-
Prepaid items	3,500	-
Total current assets	<u>29,357,137</u>	<u>26,719,212</u>
Liabilities		
Current liabilities		
Accounts and contracts payable	7,151	6,660
Due to other funds	17,292,359	14,018,251
Claims incurred, but not reported	1,763,780	1,763,780
Severance benefits payable	318,797	339,381
Total current liabilities	<u>19,382,087</u>	<u>16,128,072</u>
Long-term liabilities		
Severance benefits payable	3,767,199	3,682,949
Retirement benefits payable	6,069,186	6,054,159
Total long-term liabilities	<u>9,836,385</u>	<u>9,737,108</u>
Total liabilities	29,218,472	25,865,180
Deferred inflows of resources		
Pension plan deferments	<u>100,775</u>	<u>-</u>
Net position		
Unrestricted	<u>\$ 37,890</u>	<u>\$ 854,032</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Revenue, Expenses, and Changes in Net Position  
 Internal Service Funds  
 Year Ended June 30, 2018  
 (With Partial Comparative Information for the Year Ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Operating revenue		
Charges for services	\$ 17,015,685	\$ 16,168,168
Operating expenses		
Dental benefit claims	1,379,610	1,293,546
Health benefit claims	16,516,897	16,111,586
Early retirement incentive and sick leave benefits	1,257,534	1,692,272
Total operating expenses	<u>19,154,041</u>	<u>19,097,404</u>
Operating income (loss)	(2,138,356)	(2,929,236)
Nonoperating revenue		
Investment earnings	<u>1,322,214</u>	<u>1,348,033</u>
Income (loss) before transfers	(816,142)	(1,581,203)
Transfers in	<u>—</u>	<u>111,624</u>
Change in net position	(816,142)	(1,469,579)
Net position		
Beginning of year	<u>854,032</u>	<u>2,323,611</u>
End of year	<u>\$ 37,890</u>	<u>\$ 854,032</u>

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INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Cash Flows  
Internal Service Funds  
Year Ended June 30, 2018

(With Partial Comparative Information for the Year Ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Charges for services	\$ 15,703,474	\$ 17,325,164
Payments for health and dental claims	(17,899,516)	(17,161,022)
Payments for retirement benefits	<u>(1,078,066)</u>	<u>(2,569,818)</u>
Net cash flows from operating activities	(3,274,108)	(2,405,676)
Cash flows from noncapital financing activities		
Cash advance from other funds	<u>3,274,108</u>	<u>1,851,281</u>
Net change in cash and cash equivalents	–	(554,395)
Cash and cash equivalents		
Beginning of year	<u>–</u>	<u>554,395</u>
End of year	<u><u>\$ –</u></u>	<u><u>\$ –</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$ (2,138,356)	\$ (2,929,236)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities		
Changes in assets		
Due from other funds	(1,312,211)	1,156,996
Prepaid items	(3,500)	–
Changes in liabilities and deferred inflows		
Accounts and contracts payable	491	430
Claims incurred, but not reported	–	243,680
Severance benefits payable	63,666	(794,943)
Retirement benefits payable	15,027	(82,603)
Deferred inflows – pension deferments	<u>100,775</u>	<u>–</u>
Net cash flows from operating activities	<u><u>\$ (3,274,108)</u></u>	<u><u>\$ (2,405,676)</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Fiduciary Net Position  
as of June 30, 2018

	Post-Employment Benefits Trust Fund	Private-Purpose Trust Fund
	<u>                    </u>	<u>                    </u>
Assets		
Cash and temporary investments	\$           –	\$       284,203
Investments held by trustee, at fair value		
Mutual funds	33,028,705	–
Total assets	<u>33,028,705</u>	<u>284,203</u>
Liabilities		
Current liabilities		
Due to other funds	<u>500,000</u>	<u>–</u>
Net position		
Held in trust for employee benefits and other purposes	<u>\$   32,528,705</u>	<u>\$       284,203</u>

Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2018

	Post-Employment Benefits Trust Fund	Private-Purpose Trust Fund
	<u>                    </u>	<u>                    </u>
Additions		
Contributions		
Private donations	\$           –	\$       14,325
Investment earnings		
Total investment earnings	2,571,867	579
Less investment expense	113,171	–
Net investment earnings	<u>2,458,696</u>	<u>579</u>
Total additions	2,458,696	14,904
Deductions		
Other private-purpose deductions	–	29,100
Benefits to plan members	<u>2,300,000</u>	<u>–</u>
Total deductions	<u>2,300,000</u>	<u>29,100</u>
Change in net position	158,696	(14,196)
Net position		
Beginning of year	<u>32,370,009</u>	<u>298,399</u>
End of year	<u>\$   32,528,705</u>	<u>\$       284,203</u>

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

Notes to Basic Financial Statements  
Year Ended June 30, 2018

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

**A. Organization**

Independent School District No. 284 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. A School Board 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** – 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 control extracurricular student activities. The District's School Board has elected not to control or be otherwise financially accountable with respect to the underlying extracurricular activities. Accordingly, the extracurricular student activity accounts are not included in the District's basic financial statements.

**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, except for the fiduciary funds. 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.

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

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

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

- 1. Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues, including property taxes, to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to funding formulas established by Minnesota Statutes. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.
- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

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

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

Fiduciary funds are presented in the fiduciary fund financial statements by type: pension (or other benefit) trust and private-purpose trust. Since, by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the government-wide financial statements.

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

Proprietary and fiduciary 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 used to account for all financial resources except those required to be accounted for in another fund.

**Capital Projects – Building Construction Fund** – The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities authorized by bond issue or under the long-term facilities maintenance program.

**Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources for, and payment of general obligation debt principal, interest, and related costs. The debt service account is used for all general obligation bond debt service.

#### Nonmajor Governmental Funds

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

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

#### Proprietary Funds

**Internal Service Funds** – Internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District has established two internal service funds to account for the District's liabilities for self-insured benefits and early retirement benefits.

#### Fiduciary Funds

**Post-Employment Benefits Trust Fund** – The Post-Employment Benefits Trust Fund is used to administer resources received and held by the District as the trustee for others. The Post-Employment Benefits Trust Fund includes assets held in an irrevocable trust to fund other post-employment benefits (OPEB) for eligible employees.

**Private-Purpose Trust Fund** – The Private-Purpose Trust Fund is used to account for resources held in trust to be used by various other third parties.

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

### **E. Budgetary Information**

The School Board 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. Expenditures in the Food Service Special Revenue Fund and the Community Service Special Revenue Fund exceeded budget appropriations by \$26,938 and \$999,397, respectively, during the year. Revenues in excess of budget, along with available fund balance, financed these variances.

### **F. Use of Estimates**

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

### **G. Cash and Temporary Investments**

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

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes. In the General Fund and Capital Projects – Building Construction Fund, this represents assets held in escrow for specific purposes. In the Post-Employment Benefits Trust Fund, this represents assets contributed to an irrevocable trust established to finance the District's liability for post-employment insurance benefits. 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, and investments in life insurance contracts, which are reported at the cash surrender value. Short-term, highly liquid debt instruments (including commercial paper, bankers' acceptance, and U.S. treasury and agency obligations) purchased with a remaining maturity of one year or less are also reported at amortized cost. Investment income is accrued at the Balance Sheet date.

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

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

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

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

### H. 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.

At June 30, 2018, the District reported the following receivables due from other governmental units:

Due from the MDE	\$ 11,089,182
Due from other Minnesota school districts	80,691
Due from Hennepin County	<u>113,863</u>
Total due from other governmental units	<u>\$ 11,283,736</u>

### I. Inventories

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

### J. 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.

### K. 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 \$4,048,207 of the property tax levy collectible in 2018 as revenue to the District in fiscal year 2017–2018. The remaining portion of the taxes collectible in 2018 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

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

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

### L. 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 for equipment and \$20,000 or more for construction and improvements, 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. Useful lives vary from 20 to 50 years for land improvements and buildings and improvements and 5 to 15 years for equipment and vehicles. 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.

### M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. 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.

### N. Employee Benefits

- 1. Compensated Absences** – Under the terms of collectively bargained contracts, eligible employees accrue vacation and sick leave at varying rates, portions of which may be carried over to future years. Employees are reimbursed for unused, accrued vacation to the limit specified in their labor contract or School Board policy upon termination. Unused sick leave enters into the calculation of severance benefits for some employees upon termination. Compensated absences are accrued in the governmental fund financial statements only to the extent they have been used or otherwise matured prior to year-end. Unused vacation is accrued as it is earned in the government-wide financial statements.
- 2. Severance Benefits** – The District provides lump sum severance benefits to eligible employees in accordance with provisions in certain collectively bargained contracts. Eligibility for these benefits is based on years of service and/or minimum age requirements. Severance benefits are calculated by converting a portion of an eligible employee's unused accumulated sick leave. No individual can receive severance benefits in excess of one year's salary.

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

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

3. **Early Retirement Incentive** – The District provides early retirement incentive benefits to eligible employee groups in accordance with provisions in certain collectively bargained contracts based on years of service and/or minimum age requirements. No individual can receive benefits in excess of one year’s salary. See the Defined Benefit Pension Plan – District note for further information.
4. **Other Post-Employment Benefits (OPEB) Plan** – For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources, and OPEB expense, information about the fiduciary net position of the District’s OPEB plan and additions to/deductions from the District’s fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and certain investments that have a maturity at the time of purchase of one year or less, which may be reported at amortized cost. See the Other Post-Employment Benefits (OPEB) Plan note for further information.
5. **State-Wide Pension Plans** – District employees participate in cost-sharing, multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA), to which the District contributes. See the Defined Benefit Pension Plans – State-Wide note for further information.

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 TRA and additions to/deductions from the PERA’s and the TRA’s fiduciary net positions have been determined on the same basis as they are reported by the PERA and the TRA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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.

### O. Risk Management and Self-Insurance

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers’ compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District’s insurance coverage during the current year.
2. **Self-Insurance** – The District has established an Internal Service Fund to account for and finance its self-insured risk of loss for respective employee dental and health insurance plans. Under these plans, the Internal Service Fund provides coverage to participating employees and their dependents for various dental and healthcare costs as described in the plans.

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

The District makes premium payments that include both employer and employee contributions to the Internal Service Fund on behalf of program participants based on rates determined by insurance company estimates of monthly claims paid for each coverage class, plus the stop-loss health insurance premium costs and administrative service charges.

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

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

	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2017	\$ 1,520,100	\$ 16,239,502	\$ 15,995,822	\$ 1,763,780
2018	\$ 1,763,780	\$ 16,805,452	\$ 16,805,452	\$ 1,763,780

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

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

The District reports deferred outflows and inflows of resources related to pensions and OPEB 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 on pension and OPEB plan investments, changes in proportion, and contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension and OPEB standards.

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

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

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

### Q. Net Position

In the government-wide and 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 School Board. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to School Board policy, the District’s superintendent and executive director of finance and business services 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. 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, 2017, 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	\$ 1,420,599
Investments	<u>169,284,684</u>
Total	<u><u>\$ 170,705,283</u></u>

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

Statement of Net Position	
Cash and temporary investments	\$ 136,629,231
Cash and investments held by trustee	763,144
Statement of Fiduciary Net Position	
Cash and temporary investments	
Private-Purpose Trust Fund	284,203
Investments held by trustee	
Post-Employment Benefits Trust Fund	<u>33,028,705</u>
Total	<u><u>\$ 170,705,283</u></u>

**B. Deposits**

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

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

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

At year-end, the carrying amount of the District’s deposits was \$1,420,599, while the balance on the bank records was \$6,085,215. At June 30, 2018, all deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the District’s agent in the District’s name.

### C. Investments

The District has the following investments at year-end:

Investment Type	Credit Risk		Fair Value	Interest Risk –	Total
	Rating	Agency	Measurements Using	Maturity Duration	
U.S. treasury securities	AA	S&P	Level 1	1 to 5 years	\$ 9,049,172
U.S. agency securities	AA	S&P	Level 2	1 to 5 years	3,473,585
Commercial paper	A-1	S&P	Level 2	Less than 1 year	10,322,844
Life insurance contracts	Not Rated		N/A	N/A	30,198,062
Investment pools/mutual funds					
First American Government Obligation Fund	AAA	S&P	Level 2	N/A	810,404
Western Asset Institutional Government Reserves Fund	AAA	S&P	NAV	N/A	3,571,957
Mutual funds – fixed income	Not Rated		Level 2	N/A	11,998,838
Mutual funds – equities	Not Rated		Level 2	N/A	20,219,463
MNTrust Investment Shares Portfolio	AAA	S&P	N/A	N/A	28,710,694
Minnesota School District Liquid Asset Fund	AAA	S&P	N/A	N/A	19,129,665
Minnesota School District Liquid Asset Fund Term Series	AAA	S&P	N/A	Less than 1 year	31,800,000
Total investments					<u>\$ 169,284,684</u>

N/A – Not Applicable

NAV – Net Asset Value

Investments in life insurance contracts are reported at cash surrender value, and are not subject to fair value reporting standards.

For the Western Asset Institutional Government Reserves Fund, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice period required.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

The MNTrust Investment Shares Portfolio, Minnesota School District Liquid Asset Fund (MSDLAF), and MSDLAF Term Series are external investment pools not registered with the Securities and Exchange Commission regulated by Minnesota Statutes. The District's investments in these investment pools are measured at the net asset value per share provided by the pools, which are based on an amortized cost method that approximates fair value. For these investment pools, there are no unfunded commitments, redemption frequency is daily, there is no redemption notice for the MNTrust investments, MSDLAF Term Series, or the MSDLAF Liquid Class, and the redemption notice period is 14 days for the MSDLAF MAX Class.

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 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 address interest rate risk; however, when purchasing investments, the District considers such things as interest rates and cash flow needs.

### NOTE 3 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2018 is as follows:

	Balance – Beginning of Year	Additions	Deletions	Balance – End of Year
Capital assets, not depreciated				
Land	\$ 24,938,301	\$ 6,024,609	\$ –	\$ 30,962,910
Construction in progress	358,731	5,071,015	–	5,429,746
Total capital assets, not depreciated	<u>25,297,032</u>	<u>11,095,624</u>	<u>–</u>	<u>36,392,656</u>
Capital assets, depreciated				
Land improvements	9,687,055	–	–	9,687,055
Buildings and improvements	265,230,681	5,030,000	(48,506)	270,212,175
Equipment and transportation vehicles	12,870,174	386,716	(504,338)	12,752,552
Food service equipment	1,312,063	87,332	(258,783)	1,140,612
Total capital assets, depreciated	<u>289,099,973</u>	<u>5,504,048</u>	<u>(811,627)</u>	<u>293,792,394</u>
Less accumulated depreciation for				
Land improvements	(7,291,968)	(303,961)	–	(7,595,929)
Buildings and improvements	(91,282,320)	(7,193,079)	46,303	(98,429,096)
Equipment and transportation vehicles	(11,633,251)	(275,143)	472,266	(11,436,128)
Food service equipment	(926,823)	(57,783)	258,783	(725,823)
Total accumulated depreciation	<u>(111,134,362)</u>	<u>(7,829,966)</u>	<u>777,352</u>	<u>(118,186,976)</u>
Net capital assets, depreciated	<u>177,965,611</u>	<u>(2,325,918)</u>	<u>(34,275)</u>	<u>175,605,418</u>
Total capital assets, net	<u>\$ 203,262,643</u>	<u>\$ 8,769,706</u>	<u>\$ (34,275)</u>	<u>\$ 211,998,074</u>

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

Administration	\$ 16,359
Elementary and secondary regular instruction	4,392,799
Instructional support services	3,443
Sites and buildings	3,364,559
Food service	<u>52,806</u>
Total depreciation expense	<u>\$ 7,829,966</u>

## NOTE 4 – LONG-TERM LIABILITIES

### A. General Obligation Bonds Payable

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

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
General obligation bonds payable					
School building refunding bonds	12/15/2007	4.00–5.50%	\$ 4,725,000	02/01/2019	\$ 535,000
Capital facilities bonds	04/15/2010	2.00–3.00%	\$ 5,000,000	02/01/2020	1,095,000
Alternative facilities bonds	05/02/2012	2.00–3.00%	\$ 15,800,000	02/01/2024	13,925,000
School building bonds	05/22/2014	1.50–4.00%	\$ 109,645,000	02/01/2035	109,345,000
Alternative facilities bonds	05/22/2014	3.00–4.00%	\$ 27,160,000	02/01/2036	27,160,000
School building refunding bonds	11/17/2015	2.00%	\$ 1,820,000	02/01/2020	1,205,000
School building bonds	02/15/2018	3.00–5.00%	\$ 66,895,000	02/01/2038	66,895,000
Total general obligation bonds payable					<u>\$ 220,160,000</u>

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 percent of the principal and interest due each year. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

### B. Certificates of Participation Payable

The District currently has the following certificates of participation payable outstanding:

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
2010B Refunding Certificates of Participation	04/15/2010	3.00–3.05%	\$ 1,250,000	10/01/2018	\$ 155,000
2013A Certificates of Participation	02/27/2013	2.00–2.60%	\$ 9,980,000	10/01/2027	6,845,000
Total certificates of participation payable					<u>\$ 7,000,000</u>

These certificates of participation were issued to finance construction of capital facilities and to finance the retirement (refunding) of prior certificate issues. Scheduled future ad valorem lease obligation tax levies will be made to finance the retirement of principal and interest payments on the certificates. These certificates of participation are being paid by the General Fund.

### C. Capital Leases Payable

On October 26, 2012, the District entered into a master lease purchase agreement with Apple, Inc. for iPads. 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. The lease schedules have an interest rate of 1.49 percent and mature in fiscal year 2020. Upon payment in full of all scheduled lease payments, the lessor's (Apple, Inc.'s) interest in the equipment is transferred to the District, free and clear of any right or interest of Apple, Inc. The assets acquired through this capital lease were not capitalized as individual asset amounts do not meet the capitalization threshold requirements. The General Fund will be used to liquidate this liability.

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

The District entered into a capital lease agreement for a dump truck. This lease has an effective interest rate of 3.9 percent, and called for annual principal and interest payments through November 1, 2017. The leased assets were recorded in equipment and transportation vehicles at \$136,787, and total accumulated depreciation on these assets at June 30, 2018 was \$95,751. The lease is being paid through the General Fund.

The District entered into a capital lease agreement to finance the construction of a turf field. The lease has an effective interest rate of 2.28 percent, and calls for annual principal and interest payments through February 1, 2026. The leased assets were recorded in buildings and improvements at \$3,986,000 and total accumulated depreciation on these assets at June 30, 2018 was \$298,950. The lease is being paid through the General Fund.

The District entered into a capital lease agreement to finance the construction of a building addition to Meadow Ridge Elementary School. The lease has an effective interest rate of 2.24 percent, and calls for semiannual principal and interest payments through April 1, 2032. The leased assets were recorded in buildings and improvements at \$5,030,000 and total accumulated depreciation on these assets at June 30, 2018 was \$50,300. The lease is being paid through the General Fund.

**D. Other Long-Term Liabilities**

The District offers a number of benefits to its employees, including: compensated absences, severance benefits, pension benefits, and OPEB. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are paid primarily from the General Fund.

District employees participate in several pension plans described later in these notes, including two state-wide, cost-sharing, multiple-employer defined benefit plans administered by the PERA and the TRA, one single-employer defined benefit plan administered by the District, and one single-employer defined contribution plan administered by the District. 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, 2018:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Defined benefit plans				
State-wide, multiple-employer – PERA	\$ 23,499,261	\$ 6,610,229	\$ 5,379,196	\$ 2,607,960
State-wide, multiple-employer – TRA	234,491,429	134,905,648	37,492,146	41,000,963
Single-employer – District	6,069,186	–	100,775	399,702
Defined contribution plan				
Single-employer – District	–	–	–	286,406
Total	\$ 264,059,876	\$ 141,515,877	\$ 42,972,117	\$ 44,295,031

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

**E. Minimum Debt Payments**

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

Year Ending June 30,	General Obligation Bonds		Certificates of Participation		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 4,280,000	\$ 7,593,716	\$ 775,000	\$ 145,184	\$ 1,309,505	\$ 195,418
2020	5,315,000	7,564,363	635,000	130,270	1,074,751	170,580
2021	6,110,000	7,443,113	645,000	117,470	709,748	149,118
2022	7,155,000	7,231,863	660,000	104,420	725,895	132,971
2023	8,235,000	6,966,463	675,000	91,070	742,410	116,456
2024–2028	56,210,000	29,764,863	3,610,000	223,700	3,057,229	336,621
2029–2033	69,585,000	18,369,163	–	–	1,555,105	79,396
2034–2038	63,270,000	5,783,706	–	–	–	–
	<u>\$ 220,160,000</u>	<u>\$ 90,717,250</u>	<u>\$ 7,000,000</u>	<u>\$ 812,114</u>	<u>\$ 9,174,643</u>	<u>\$ 1,180,560</u>

**F. Changes in Long-Term Liabilities**

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
General obligation bonds payable	\$ 156,210,000	\$ 66,895,000	\$ 2,945,000	\$ 220,160,000	\$ 4,280,000
Certificates of participation payable	7,755,000	–	755,000	7,000,000	775,000
Unamortized premium	3,120,929	3,406,305	318,770	6,208,464	–
Total bonds payable	<u>167,085,929</u>	<u>70,301,305</u>	<u>4,018,770</u>	<u>233,368,464</u>	<u>5,055,000</u>
Capital leases payable	5,092,079	6,172,455	2,089,891	9,174,643	1,309,505
Net pension liability	313,987,291	6,069,565	55,996,980	264,059,876	–
Net OPEB liability	9,635,916	684,328	1,568,100	8,752,144	–
Severance benefits payable	4,022,330	547,025	483,359	4,085,996	318,797
Compensated absences payable	620,303	1,481,933	1,410,024	692,212	692,212
	<u>\$ 500,443,848</u>	<u>\$ 85,256,611</u>	<u>\$ 65,567,124</u>	<u>\$ 520,133,335</u>	<u>\$ 7,375,514</u>

**NOTE 5 – FUND BALANCES**

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

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

**A. Classifications**

At June 30, 2018, a summary of the District’s governmental fund balance classifications are as follows:

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds	Total
<b>Nonspendable</b>					
Inventory	\$ 157,337	\$ –	\$ –	\$ 76,833	\$ 234,170
Prepaid items	129,748	357,895	–	31,979	519,622
Total nonspendable	<u>287,085</u>	<u>357,895</u>	<u>–</u>	<u>108,812</u>	<u>753,792</u>
<b>Restricted</b>					
Staff development	406,318	–	–	–	406,318
Capital projects levy	1,473,848	–	–	–	1,473,848
Operating capital	3,433,797	–	–	–	3,433,797
Medical Assistance	456,731	–	–	–	456,731
Long-term facilities maintenance	–	425,506	–	–	425,506
Capital projects	–	68,489,100	–	–	68,489,100
Debt service	–	–	2,606,958	–	2,606,958
Food service	–	–	–	724,034	724,034
Community education programs	–	–	–	950,646	950,646
Early childhood family education programs	–	–	–	382,100	382,100
School readiness	–	–	–	26,143	26,143
Community service	–	–	–	741,098	741,098
Total restricted	<u>5,770,694</u>	<u>68,914,606</u>	<u>2,606,958</u>	<u>2,824,021</u>	<u>80,116,279</u>
<b>Assigned</b>					
Local collaborative time study	272,227	–	–	–	272,227
Reemployment insurance	36,830	–	–	–	36,830
Site carryover	1,036,415	–	–	–	1,036,415
Q Comp	85,605	–	–	–	85,605
School opening costs	945,305	–	–	–	945,305
Workers’ compensation escrow	635,457	–	–	–	635,457
Post-employment obligations	2,156,636	–	–	–	2,156,636
Subsequent year budget	544,268	–	–	–	544,268
Total assigned	<u>5,712,743</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>5,712,743</u>
<b>Unassigned</b>					
Long-term facilities maintenance restricted account deficit	(3,790,816)	–	–	–	(3,790,816)
Unassigned	12,095,480	–	–	–	12,095,480
Total unassigned	<u>8,304,664</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>8,304,664</u>
Total	<u>\$ 20,075,186</u>	<u>\$ 69,272,501</u>	<u>\$ 2,606,958</u>	<u>\$ 2,932,833</u>	<u>\$ 94,887,478</u>

**B. Minimum Unassigned Fund Balance Policy**

The District’s adopted fund balance policy for the General Fund establishes a year-end minimum unassigned fund balance of 5.0–7.0 percent of the previous year’s expenditures, increased to compensate for any negative balances in the Food Service Special Revenue Fund and/or Community Service Special Revenue Fund. If the unassigned fund balance for the General Fund falls below the projected minimum balance of 7.0 percent, the District’s administration will notify the School Board and present a plan to restore the fund balance to the acceptable level. At June 30, 2018, the unassigned fund balance of the General Fund, excluding restricted account deficits, was 8.1 percent of fiscal 2018 expenditures.

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

### A. Plan Descriptions

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

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

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

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

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

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

Teachers employed in Minnesota's public elementary and secondary schools, charter schools, and certain educational institutions maintained by the state (except those teachers employed by the City of St. Paul and by the University of Minnesota system) are required to be TRA members. State university, community college, and technical college teachers first employed by Minnesota State Colleges and Universities (MnSCU) may elect TRA coverage within one year of eligible employment. Alternatively, these teachers may elect coverage through the Defined Contribution Retirement Plan administered by MnSCU.

### B. Benefits Provided

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

- **PERA** – Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90.0 percent funded for two consecutive years are given 2.5 percent increases. Members in plans that have not exceeded 90.0 percent funded, or have fallen below 80.0 percent, are given 1.0 percent increases.
- **TRA** – Post-retirement benefit increases are provided to eligible benefit recipients each January and are assumed to remain level at 2.0 percent annually through 2018, and 1.0 percent thereafter.

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.

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

**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. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 1.7 percent of average salary for Coordinated Plan members for each year 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.

**2. TRA Benefits**

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

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

**Tier I Benefits**

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

With these provisions:

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

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

**Tier II Benefits**

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

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

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

**C. Contributions**

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 2018; 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, 2018, were \$1,874,024. The District’s contributions were equal to the required contributions as set by state statutes.

**2. TRA Contributions**

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

	Year Ended June 30,			
	2017		2018	
	Employee	Employer	Employee	Employer
<b>Basic Plan</b>	11.0 %	11.5 %	11.0 %	11.5 %
<b>Coordinated Plan</b>	7.5 %	7.5 %	7.5 %	7.5 %

The District’s contributions to the TRA for the plan’s fiscal year ended June 30, 2018, were \$5,026,531. The District’s contributions were equal to the required contributions for each year as set by state statutes.

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

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

	<i>in thousands</i>
Employer contributions reported in the TRA’s CAFR Statement of Changes in Fiduciary Net Position	\$ 367,791
Add employer contributions not related to future contribution efforts	810
Deduct the TRA’s contributions not included in allocation	<u>(456)</u>
Total employer contributions	368,145
Total nonemployer contributions	<u>35,588</u>
Total contributions reported in the Schedule of Employer and Nonemployer Pension Allocations	<u>\$ 403,733</u>

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

**D. Pension Costs**

**1. GERF Pension Costs**

At June 30, 2018, the District reported a liability of \$23,499,261 for its proportionate share of the GERF’s net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2016, through June 30, 2017, relative to the total employer contributions received from all of the PERA’s participating employers. The District’s proportionate share was 0.3681 percent at the end of the measurement period and 0.3669 percent for the beginning of the period.

The District’s net pension liability reflected a reduction due to the state of Minnesota’s contribution of \$6 million to the fund. The state of Minnesota is considered a nonemployer contributing entity and the state’s contribution meets the definition of a special funding situation. The amount recognized by the District as its proportionate share of the net pension liability, the direct aid, and total portion of the net pension liability that was associated with the District were as follows:

District’s proportionate share of the net pension liability	\$ 23,499,261
State’s proportionate share of the net pension liability associated with the District	\$ 295,505

For the year ended June 30, 2018, the District recognized pension expense of \$2,599,427 for its proportionate share of the GERF’s pension expense. In addition, the District recognized an additional \$8,533 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota’s contribution of \$6 million to the GERF.

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

At June 30, 2018, 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	\$ 774,464	\$ 1,508,664
Changes in actuarial assumptions	3,888,665	2,355,803
Differences between projected and actual investment earnings	–	1,027,469
Changes in proportion	73,076	487,260
District’s contributions to the GERF subsequent to the measurement date	<u>1,874,024</u>	<u>–</u>
Total	<u>\$ 6,610,229</u>	<u>\$ 5,379,196</u>

A total of \$1,874,024 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, 2019. 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
2019	\$ (573,222)
2020	\$ 1,351,897
2021	\$ (424,169)
2022	\$ (997,497)

**2. TRA Pension Costs**

At June 30, 2018, the District reported a liability of \$234,491,429 for its proportionate share of the TRA’s net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Special School District No. 1, Minneapolis Public Schools. The District’s proportionate share was 1.1747 percent at the end of the measurement period and 1.1661 percent for the beginning of the period.

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

District’s proportionate share of the net pension liability	\$ 234,491,429
State’s proportionate share of the net pension liability associated with the District	\$ 22,668,335

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

For the year ended June 30, 2018, the District recognized pension expense of \$40,566,202. It also recognized \$434,761 as an increase to pension expense for the support provided by direct aid.

At June 30, 2018, the District reported its proportionate share of the TRA’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	\$ 1,862,589	\$ 1,646,589
Changes in actuarial assumptions	126,180,315	32,848,547
Difference between projected and actual investment earnings	–	2,173,397
Changes in proportion	1,836,213	823,613
District’s contributions to the TRA subsequent to the measurement date	<u>5,026,531</u>	<u>–</u>
Total	<u>\$ 134,905,648</u>	<u>\$ 37,492,146</u>

A total of \$5,026,531 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to the TRA pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2019	\$ 24,392,185
2020	\$ 28,668,978
2021	\$ 24,830,176
2022	\$ 21,051,528
2023	\$ (6,555,896)

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.50% per year	
Price inflation		2.50%
Wage growth rate		2.85% for 10 years, and 3.25% thereafter
Active member payroll	3.25% per year	2.85% to 8.85% for 10 years, and 3.25 to 9.25% thereafter
Investment rate of return	7.50%	5.12%

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 1.0 percent per year for the GERF through 2044, and then 2.5 percent thereafter, and 2.0 percent per year for all future years for the TRA.

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

Actuarial assumptions used in the June 30, 2017 valuation for the GERF were based on the results of actuarial experience studies. The most recent four-year experience study in the GERF was completed in 2015.

The following changes in actuarial assumptions occurred in 2017:

### **1. GERF**

- 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.

### **2. TRA**

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

The long-term expected rate of return on pension plan investments is 7.50 percent for the GERF and 5.12 percent for the TRA. The Minnesota State Board of Investment, which manages the investments of the PERA and the TRA, prepares 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.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic stocks	39 %	5.10 %
International stocks	19	5.30 %
Bonds	20	0.75 %
Alternative assets	20	5.90 %
Cash	<u>2</u>	– %
Total	<u><u>100 %</u></u>	

**F. Discount Rate****1. GERF**

The discount rate used to measure the total pension liability in 2017 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions 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. TRA**

The discount rate used to measure the total pension liability was 5.12 percent. This is an increase from the discount rate at the prior measurement date of 4.66 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2017 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be depleted in 2053 and, as a result, the Municipal Bond Index Rate was used in the determination of the Single Equivalent Interest Rate (SEIR). The long-term expected rate of return (7.50 percent) was applied to periods before 2053 and the Municipal Bond Index Rate of 3.56 percent was applied to periods on and after 2053, resulting in a SEIR of 5.12 percent. There was a change in the Municipal Bond Index Rate from the prior year measurement date (3.01 percent).

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

### G. Pension Liability Sensitivity

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	6.50%	7.50%	8.50%
District’s proportionate share of the GERF net pension liability	\$ 36,449,100	\$ 23,499,261	\$ 12,897,466
TRA discount rate	4.12%	5.12%	6.12%
District’s proportionate share of the TRA net pension liability	\$ 309,483,502	\$ 234,491,429	\$ 171,263,989

### H. Pension Plan Fiduciary Net Position

Pension Benefit Reforms – The 2018 pension bill included a number of reforms to the various defined benefit pension plans across the state, including the plans administered by the PERA and the TRA. The reforms include several changes, including modifications in future COLA and contribution rates.

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](http://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 TRA’s fiduciary net position is available in a separately issued TRA financial report. That report can be obtained at the TRA website at [www.MinnesotaTRA.org](http://www.MinnesotaTRA.org); by writing to the TRA at 60 Empire Drive, Suite 400, St. Paul, Minnesota 55103; or by calling (651) 296-2409 or (800) 657-3669.

## NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT

### A. Plan Description

The District provides pension benefits to certain eligible individuals and contract groups through its Defined Benefit Pension Plan, a single-employer defined benefit plan administered by the District. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing district employees and are renegotiated each two-year bargaining period. 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.

These benefits are summarized as follows:

**Teacher Pension Benefits** – For eligible full-time teachers with at least 20 years of in-district service (or 15 years with the District and 25 years of teaching in the state of Minnesota), hired before July 1, 1998, and at least 55 years of age, the District pays a pension benefit equal to 80 days' pay.

**Specialists Pension Benefits** – For eligible specialists with at least 20 years of in-district service (or 10 years in-district specialist capacity with a total of 20 years of in-district service, or 25 years of directly related service with 15 of the years in the District), hired before July 1, 2003, and at least 55 years of age, the District pays a benefit equal to 75 days' pay.

**Secretaries and Paraprofessionals Pension Benefits** – For eligible secretaries and paraprofessionals with at least 20 years of in-district service (or 15 years for secretaries and paraprofessionals that retire by June 30, 2018) and at least 55 years of age, the District pays a pension benefit equal to 100 days' pay (or 80 days' pay for secretaries and paraprofessionals that retire by June 30, 2018).

**Support Staff and Food Service Pension Benefits** – For eligible support staff and food service employees with at least 20 years of in-district service and at least 55 years of age, the District pays a pension benefit equal to 75 days' pay for support staff and 100 days' pay for food service workers.

**Custodians and Home Base Site Manager Pension Benefits** – For eligible custodians with at least 15 years of service, hired before July 1, 2004, and at least 55 years of age; and eligible Home Base Site Managers with at least 20 years of service (or 10 years in-district Home Base Site Manager capacity with a total of 20 years of in-district service, or 25 years of directly related service with 15 of the years in-district), the District pays a pension benefit equal to 80 days' pay.

### B. Contributions and Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. There are no invested plan assets accumulated for payment of future benefits. The operating funds are used for the funding of all pension/retirement benefits, which are accounted for in an Internal Service Fund. The District has not established a trust fund to finance these pension benefits.

### C. Membership

Membership in the plan consisted of 601 active plan members as of the latest actuarial valuation.

**NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)**

**D. Actuarial Methods and Assumptions**

The total pension liability was determined by an actuarial valuation date of July 1, 2016 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	3.50%
20-year municipal bond yield	3.50%
Inflation rate	2.50%
Salary increases	3.00%

Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale. The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

**E. Discount Rate**

The discount rate used to measure the total pension liability was 3.50 percent. The projection of cash flows used to determine the discount rate was determined by estimating the long-term investment yield on the employer funds that will be used to pay benefits as they come due. The District discount rate used in the prior measurement date was 2.90 percent.

**F. Changes in the Total Pension Liability**

	<u>Total Pension Liability</u>
Beginning balance – July 1, 2017	\$ 6,054,159
Changes for the year	
Service cost	235,778
Interest	178,321
Assumption changes	(115,172)
Benefit payments	(283,900)
Total net changes	<u>15,027</u>
Ending balance – June 30, 2018	<u>\$ 6,069,186</u>

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 2.90 percent to 3.50 percent.

**NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)**

**G. Total Pension Liability Sensitivity to Discount Rate Changes**

The following presents the total pension liability of the District, as well as what the District’s total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Pension discount rate	2.50%	3.50%	4.50%
Total pension liability	\$ 6,302,143	\$ 6,069,186	\$ 5,836,518

**H. Pension Expense and Related Deferred Outflows and Deferred Inflows of Resources**

For the current year ended, the District recognized pension expense of \$399,702. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to this pension plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in actuarial assumptions	<u>\$ –</u>	<u>\$ 100,775</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to this pension plan will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2019	\$ (14,397)
2020	\$ (14,397)
2021	\$ (14,397)
2022	\$ (14,397)
2023	\$ (14,397)
Thereafter	\$ (28,790)

## **NOTE 8 – DEFINED CONTRIBUTION PENSION PLAN – DISTRICT**

On July 1, 2015, the District established a single-employer defined contribution pension plan administered by the District. The plan is offered to all administrators, executive directors, principals, and the superintendent. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing district employees and are renegotiated each bargaining period. Eligibility for these benefits is based on years of service and/or minimum age requirements. Annual employer contributions are equal to five percent of the eligible employees' annual salary as of June 30th of each year, paid annually for the 10 fiscal years prior to the employee reaching the eligibility requirements for retirement pay benefits as set forth in their respective contracts.

Employer contributions are payable within 60 days following June 30th of each of the 10 years the employee is eligible to receive the benefits, and are deposited into the Minnesota State Retirement System Healthcare Savings Plan and an IRC § 403(b) retirement account. All employer contributions are tax deferred until the time of withdrawal. At June 30, 2018, there were 47 active plan participants. The District has not established a trust fund to finance these pension benefits.

Total contributions made by the District during the fiscal year ended June 30, 2018 were \$286,406, which is equal to the required contributions and has been recognized as pension expense in the Early Retirement Accounts Internal Service Fund.

## **NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN**

### **A. Plan Description**

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

The District has established the Post-Employment Benefits Trust Fund to account for the assets of the plan and finance these obligations. The plan assets may be used only for the payment of benefits of the plan, in accordance with the terms of the plan. The plan does not issue a publicly available financial report.

### **B. Benefits Provided**

All retirees of the District upon retirement have the option under state law to continue their medical insurance coverage through the District. For members of certain employee groups, the District pays for all or part of the eligible retiree's premiums for medical and/or dental insurance from the time of retirement until the employee reaches the age of eligibility for Medicare. Benefits paid by the District differ by bargaining unit 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.

**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

**C. Contributions**

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District.

**D. Membership**

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

Retirees and beneficiaries receiving benefits	234
Active plan members	<u>1,499</u>
Total members	<u><u>1,733</u></u>

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

The District’s net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability of the District at year-end were as follows:

Total OPEB liability	\$ 41,280,849
Plan fiduciary net position	<u>(32,528,705)</u>
District’s net OPEB liability	<u><u>\$ 8,752,144</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>78.8%</u></u>

**F. Actuarial Methods and Assumptions**

The total OPEB liability was determined by an actuarial valuation 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	3.90%
Expected long-term investment return	4.50% (net of investment expenses)
20-year municipal bond yield	3.50%
Inflation rate	2.50%
Salary increases	3.00%
Medical trend rate	6.50% in 2017, grading to 5.00% over 6 years
Dental trend rate	4.00%

Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.

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

## NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

The District’s policy in regard to the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes allowable under state statutes. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	39.00 %	5.20 %
International equity	21.00	5.20 %
Fixed income	36.00	3.80 %
Cash	4.00	0.80 %
Total	100.00 %	4.50 %

### G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 7.6 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### H. Discount Rate

The discount rate used to measure the total OPEB liability was 3.90 percent. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy, have also been taken into account. The District discount rate used in the prior measurement date was 3.50 percent.

## NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

### I. Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Beginning balance – July 1, 2017	\$ 42,005,925	\$ 32,370,009	\$ 9,635,916
Changes for the year			
Service cost	2,390,402	–	2,390,402
Interest	1,513,499	–	1,513,499
Assumption changes	(1,204,821)	–	(1,204,821)
Plan changes	(1,097,125)	–	(1,097,125)
Contributions – paid through operating funds	–	27,031	(27,031)
Projected investment return	–	1,456,650	(1,456,650)
Difference between expected and actual experience	–	1,002,046	(1,002,046)
Benefit payments – paid through trust	(2,300,000)	(2,300,000)	–
Benefit payments – paid through operating funds	(27,031)	(27,031)	–
Total net changes	<u>(725,076)</u>	<u>158,696</u>	<u>(883,772)</u>
Ending balance – June 30, 2018	<u>\$ 41,280,849</u>	<u>\$ 32,528,705</u>	<u>\$ 8,752,144</u>

Assumption and other plan changes since the prior measurement date include the following:

- A hire by date of July 30, 2018 was added in order to be eligible for post-employment medical, dental, and life insurance subsidies for administrators, executive directors, and principals.
- For administrators, executive directors, and principals, the District’s post-employment medical contributions were changed to equal \$1,000 per month payable from retirement until age 65. The District’s post-employment dental contributions were changed to equal the full employee and spouse premiums, but limited to \$120 per month. These subsidies will be calculated at retirement and will be paid as lump sums to a healthcare savings plan within 60 days of retirement.
- The post-employment life insurance premium subsidies were updated to equal full salary at retirement payable until age 70, and \$25,000 thereafter for the administrators, executive directors, and principals.
- The expected long-term investment return was changes from 4.40 percent to 4.50 percent.
- The discount rate was changed from 3.50 percent to 3.90 percent.

### J. Net OPEB Liability Sensitivity to Discount and Healthcare Cost Trend Rate Changes

The following presents the net OPEB liability of the District, as well as what the District’s net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB discount rate	2.90%	3.90%	4.90%
Net OPEB liability	\$ 11,816,288	\$ 8,752,144	\$ 5,868,870

**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

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

	<u>1% Decrease in Healthcare Cost Trend Rate</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
OPEB medical trend rate	5.50% decreasing to 4.00% over 6 years	6.50% decreasing to 5.00% over 6 years	7.50% decreasing to 6.00% over 6 years
OPEB dental trend rate	3.00%	4.00%	5.00%
Net OPEB liability	\$ 5,845,336	\$ 8,752,144	\$ 12,107,240

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

For the current year ended, the District recognized OPEB expense of \$684,328. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in actuarial assumptions	\$ –	\$ 1,070,952
Differences between projected and actual investment earnings	–	1,796,190
Total	<u>\$ –</u>	<u>\$ 2,867,142</u>

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

<u>Year Ending June 30,</u>	<u>OPEB Expense Amount</u>
2019	\$ (665,798)
2020	\$ (665,798)
2021	\$ (665,795)
2022	\$ (334,275)
2023	\$ (133,869)
Thereafter	\$ (401,607)

## NOTE 10 – FLEXIBLE BENEFIT PLAN

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

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

All assets of the Plan are held in the District's general checking account and are administered by an employee of the District. Payments of insurance premiums (health, dental, life, and disability) are made by the District directly to the designated service providers. These payments are made on a timely basis and are accounted for primarily in the District's Self-Insurance Accounts Internal Service Fund. The medical reimbursement and dependent care activity in the financial statements is accounted for in the General Fund.

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

## NOTE 11 – INTERFUND BALANCES AND TRANSACTIONS

### A. Interfund Receivables and Payables

The District had the following interfund receivables and payables at June 30, 2018:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 17,792,359	\$ 1,312,211
Internal Service Fund	1,312,211	17,292,359
Post-Employment Benefits Trust Fund	<u>–</u>	<u>500,000</u>
	<u>\$ 19,104,570</u>	<u>\$ 19,104,570</u>

As of June 30, 2018, the District had an interfund receivable in the General Fund of \$17,792,359. Of that amount, \$17,292,359 is due from the Internal Service Fund to eliminate a temporary cash deficit and \$500,000 is due from the Post-Employment Benefits Trust Fund to reimburse post-employment benefit costs.

As of June 30, 2018, the District's Internal Service Fund had an interfund receivable of \$1,312,211 due from the General Fund for medical and dental insurance premiums.

Such interfund balances are reported in the fund financial statements, but are eliminated as necessary in the government-wide financial statements.

**NOTE 11 – INTERFUND BALANCES AND TRANSACTIONS (CONTINUED)**

**B. Interfund Transfers**

Transfers Out	Transfers In			Total
	Governmental Funds			
	General Fund	Capital Projects – Building Construction Fund	Nonmajor Funds	
Governmental funds				
General Fund	\$ –	\$ 5,350,500	\$ 11,378	\$ 5,361,878
Capital Projects – Building Construction Fund	1,417,421	–	–	1,417,421
Total	<u>\$ 1,417,421</u>	<u>\$ 5,350,500</u>	<u>\$ 11,378</u>	<u>\$ 6,779,299</u>

The General Fund transferred \$5,350,500 to the Capital Projects – Building Construction Fund to allocate revenues levied by the General Fund required to be expended by the Capital Projects – Building Construction Fund.

The General Fund transferred \$11,378 to the Community Service Special Revenue Fund to finance community service program costs.

The Capital Projects – Building Construction Fund transferred \$1,417,421 to the General Fund to allocate resources to the fund from which they will be expended.

Such interfund transfers are reported in the fund financial statements, but are eliminated in the government-wide financial statements.

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

**A. Operating Leases**

The District is obligated under several operating leases for buildings and office and other equipment. Annual minimum lease payments for the operating leases are as follows:

Year Ending June 30,	Amount
2019	\$ 1,188,338
2020	969,641
2021	978,941
2022	107,258
2023	32,148
	<u>\$ 3,276,326</u>

Expenditures under the operating leases for the year ended June 30, 2018 were \$1,202,670.

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

### **B. Legal Claims**

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

### **C. 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.

### **D. Construction Contracts**

At June 30, 2018, the District had commitments totaling \$17,035,019 under various construction contracts for which the work was not yet completed.

## **NOTE 13 – SUBSEQUENT EVENTS**

### **A. Capital Leases**

In July 2018, the District entered into a capital lease for technology equipment totaling \$393,950 with an interest rate of 1.69 percent and payments over three years. The lease matures in July 2020.

In July 2018, the District entered into a capital lease for technology equipment totaling \$143,550 with an interest rate of 4.09 percent and payments over three years. The lease matures in July 2020.

### **B. Land Acquisition**

On July 9, 2018, the School Board approved the purchase of certain real property at a purchase price of \$8,500,000.

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REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 284

Public Employees Retirement Association Pension Benefits Plan  
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability  
 Year Ended June 30, 2018

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	0.4010%	\$ 18,836,971	\$ -	\$ 18,836,971	\$ 21,580,149	87.29%	78.70%
06/30/2016	06/30/2015	0.3690%	\$ 19,123,495	\$ -	\$ 19,123,495	\$ 21,662,426	88.28%	78.20%
06/30/2017	06/30/2016	0.3669%	\$ 29,790,460	\$ 388,978	\$ 30,179,438	\$ 22,576,588	131.95%	68.90%
06/30/2018	06/30/2017	0.3681%	\$ 23,499,261	\$ 295,505	\$ 23,794,766	\$ 23,723,555	99.05%	75.90%

Public Employees Retirement Association Pension Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2018

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 1,591,536	\$ 1,591,536	\$ -	\$ 21,662,426	7.35%
06/30/2016	\$ 1,693,427	\$ 1,693,427	\$ -	\$ 22,576,588	7.50%
06/30/2017	\$ 1,778,667	\$ 1,778,667	\$ -	\$ 23,723,555	7.50%
06/30/2018	\$ 1,874,024	\$ 1,874,024	\$ -	\$ 24,982,890	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. 284

Teachers Retirement Association Pension Benefits Plan  
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability  
 Year Ended June 30, 2018

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the 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	1.2442%	\$ 57,331,835	\$ 4,033,134	\$ 61,364,969	\$ 59,468,413	96.41%	81.50%
06/30/2016	06/30/2015	1.1745%	\$ 72,654,441	\$ 8,912,006	\$ 81,566,447	\$ 59,480,901	122.15%	76.80%
06/30/2017	06/30/2016	1.1661%	\$ 278,142,672	\$ 27,917,266	\$ 306,059,938	\$ 60,632,426	458.74%	44.88%
06/30/2018	06/30/2017	1.1747%	\$ 234,491,429	\$ 22,668,335	\$ 257,159,764	\$ 63,155,618	371.29%	51.57%

Teachers Retirement Association Pension Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2018

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	\$ 4,460,131	\$ 4,460,131	\$ -	\$ 59,480,901	7.50%
06/30/2016	\$ 4,549,049	\$ 4,549,049	\$ -	\$ 60,632,426	7.50%
06/30/2017	\$ 4,742,705	\$ 4,742,705	\$ -	\$ 63,155,618	7.51%
06/30/2018	\$ 5,026,531	\$ 5,026,531	\$ -	\$ 66,998,054	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. 284

Defined Benefit Pension Plan  
 Schedule of Changes in the District's Net  
 Pension Liability and Related Ratios  
 Year Ended June 30, 2018

	<u>2018</u>	<u>2017</u>
Total pension liability		
Service cost	\$ 235,778	\$ 252,269
Interest	178,321	177,900
Assumption changes	(115,172)	-
Benefit payments	<u>(283,900)</u>	<u>(512,772)</u>
Net change in total pension liability	15,027	(82,603)
Total pension liability – beginning of year	<u>6,054,159</u>	<u>6,136,762</u>
Total pension liability – end of year	<u>\$ 6,069,186</u>	<u>\$ 6,054,159</u>
Covered-employee payroll	<u>\$ 28,844,944</u>	<u>\$ 28,004,800</u>
Total pension liability as a percentage of covered-employee payroll	<u>21.04%</u>	<u>21.62%</u>

Note 1: The District has not established a trust fund to finance GASB Statement No. 73 related benefits.

Note 2: The District implemented GASB Statement No. 73 in fiscal 2017. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 284

Other Post-Employment Benefits Plan  
 Schedule of Changes in the District's Net  
 OPEB Liability and Related Ratios  
 Year Ended June 30, 2018

	<u>2018</u>	<u>2017</u>
Total OPEB liability		
Service cost	\$ 2,390,402	\$ 2,551,063
Interest	1,513,499	1,454,492
Assumption changes	(1,204,821)	-
Plan changes	(1,097,125)	-
Benefit payments	<u>(2,327,031)</u>	<u>(1,993,798)</u>
Net change in total OPEB liability	(725,076)	2,011,757
Total OPEB liability – beginning of year	<u>42,005,925</u>	<u>39,994,168</u>
Total OPEB liability – end of year	41,280,849	42,005,925
Plan fiduciary net position		
Contributions – employer	27,031	293,798
Projected investment earnings	1,456,650	1,366,041
Differences between expected and actual experience	1,002,046	1,657,592
Benefit payments	<u>(2,327,031)</u>	<u>(1,993,798)</u>
Net change in plan fiduciary net position	158,696	1,323,633
Plan fiduciary net position – beginning of year	<u>32,370,009</u>	<u>31,046,376</u>
Plan fiduciary net position – end of year	<u>32,528,705</u>	<u>32,370,009</u>
Net OPEB liability	<u>\$ 8,752,144</u>	<u>\$ 9,635,916</u>
Fiduciary net position as a percentage of the total OPEB liability	<u>78.80%</u>	<u>77.06%</u>
Covered-employee payroll	<u>\$ 84,803,404</u>	<u>\$ 82,333,402</u>
Net OPEB liability as a percentage of covered-employee payroll	<u>10.32%</u>	<u>11.70%</u>

Note: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2017. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 284

Other Post-Employment Benefits Plan  
Schedule of Investment Returns  
Year Ended June 30, 2018

<u>Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2017	9.7%
2018	7.6%

Note: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2017. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

**PERA – GENERAL EMPLOYEES RETIREMENT FUND**

**2017 CHANGES IN ACTUARIAL ASSUMPTIONS:**

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

**2016 CHANGES IN ACTUARIAL ASSUMPTIONS:**

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

**2015 CHANGES IN PLAN PROVISIONS:**

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Retirement Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 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.

INDEPENDENT SCHOOL DISTRICT NO. 284

Notes to Required Supplementary Information (continued)  
June 30, 2018

**TRA**

**2017 CHANGES IN ACTUARIAL ASSUMPTIONS:**

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

**2016 CHANGES IN ACTUARIAL ASSUMPTIONS:**

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

**2015 CHANGES IN PLAN PROVISIONS:**

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

**2015 CHANGES IN ACTUARIAL ASSUMPTIONS:**

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

**PENSION BENEFITS PLAN**

**2018 CHANGES IN ACTUARIAL ASSUMPTIONS:**

- The discount rate was changed from 2.90 percent to 3.50 percent.

**2017 CHANGES IN ACTUARIAL ASSUMPTIONS:**

- The mortality table was updated from RP-2000 projected to 2014 with Scale BB, to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and retirement table for only employees eligible to retire with Rule of 90 also were updated.
- The discount rate was changed from 4.00 percent to 2.90 percent.

**OTHER POST-EMPLOYMENT BENEFITS PLAN**

**2018 CHANGES IN ACTUARIAL ASSUMPTIONS:**

- The expected long-term investment return was changed from 4.40 percent to 4.50 percent.
- The discount rate was changed from 3.50 percent to 3.90 percent.

**2018 CHANGES IN PLAN PROVISIONS:**

- A hire by date of July 30, 2018 was added in order to be eligible for post-employment medical, dental, and life insurance subsidies for administrators, executive directors, and principals.
- For administrators, executive directors, and principals, the District's post-employment medical contributions were changed to equal \$1,000 per month payable from retirement until age 65. The District's post-employment dental contributions were changed to equal the full employee and spouse premiums but limited to \$120 per month. These subsidies will be calculated at retirement and will be paid as lump sums to a Health Care Savings Plan within 60 days of retirement.
- The post-employment life insurance premium subsidies were updated to equal full salary at retirement payable until age 70 and \$25,000 thereafter for the administrators, executive directors, and principals.

INDEPENDENT SCHOOL DISTRICT NO. 284

Notes to Required Supplementary Information (continued)  
June 30, 2018

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

**2017 CHANGES IN ACTUARIAL ASSUMPTIONS:**

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from RP-2000 projected to 2014 with Scale BB to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and the retirement table for only employees eligible to retire with Rule of 90 also were updated.
- The discount rate was changed from 6.00 percent to 3.50 percent.
- The percentage of future retirees who are assumed to continue on one of the District's medical plans post-employment was reduced from 50 percent to 10 percent for part-time custodians, food service employees, and paraprofessionals.

SUPPLEMENTAL INFORMATION

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## **GOVERNMENTAL FUNDS**

Governmental fund reporting focuses primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. The governmental fund category for the District includes the General Fund, Capital Projects – Building Construction Fund, Debt Service Fund, Food Service Special Revenue Fund, and Community Service Special Revenue Fund.

The statements and schedules that follow are to provide further detail and support additional analysis for the District’s major and nonmajor governmental funds.

INDEPENDENT SCHOOL DISTRICT NO. 284

Nonmajor Governmental Funds  
 Combining Balance Sheet  
 as of June 30, 2018

	Special Revenue Funds		Total
	Food Service	Community Service	
<b>Assets</b>			
Cash and temporary investments	\$ 1,002,416	\$ 3,234,776	\$ 4,237,192
Receivables			
Current taxes	–	539,891	539,891
Delinquent taxes	–	4,222	4,222
Accounts and interest	65,757	98,204	163,961
Due from other governmental units	7,586	117,037	124,623
Inventory	76,833	–	76,833
Prepaid items	15,397	16,582	31,979
<b>Total assets</b>	<b>\$ 1,167,989</b>	<b>\$ 4,010,712</b>	<b>\$ 5,178,701</b>
<b>Liabilities</b>			
Salaries payable	\$ 13,749	\$ 318,828	\$ 332,577
Accounts and contracts payable	58,102	93,228	151,330
Due to other governmental units	–	323	323
Unearned revenue	279,874	247,633	527,507
<b>Total liabilities</b>	<b>351,725</b>	<b>660,012</b>	<b>1,011,737</b>
<b>Deferred inflows of resources</b>			
Property taxes levied for subsequent year	–	1,226,070	1,226,070
Unavailable revenue	–	8,061	8,061
<b>Total deferred inflows of resources</b>	<b>–</b>	<b>1,234,131</b>	<b>1,234,131</b>
<b>Fund balances</b>			
Nonspendable for inventory	76,833	–	76,833
Nonspendable for prepaid items	15,397	16,582	31,979
Restricted	724,034	2,099,987	2,824,021
<b>Total fund balances</b>	<b>816,264</b>	<b>2,116,569</b>	<b>2,932,833</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,167,989</b>	<b>\$ 4,010,712</b>	<b>\$ 5,178,701</b>

INDEPENDENT SCHOOL DISTRICT NO. 284

Nonmajor Governmental Funds  
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Year Ended June 30, 2018

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>Food Service</u>	<u>Community Service</u>	
Revenue			
Local sources			
Property taxes	\$           –	\$   998,287	\$   998,287
Other	5,357,091	8,164,553	13,521,644
State sources	154,131	748,049	902,180
Federal sources	1,058,309	–	1,058,309
Total revenue	<u>6,569,531</u>	<u>9,910,889</u>	<u>16,480,420</u>
Expenditures			
Current			
Food service	6,403,380	–	6,403,380
Community service	–	10,298,600	10,298,600
Capital outlay	5,788	83,473	89,261
Total expenditures	<u>6,409,168</u>	<u>10,382,073</u>	<u>16,791,241</u>
Excess (deficiency) of revenue over expenditures	160,363	(471,184)	(310,821)
Other financing sources			
Transfers in	–	11,378	11,378
Net change in fund balances	160,363	(459,806)	(299,443)
Fund balances			
Beginning of year	<u>655,901</u>	<u>2,576,375</u>	<u>3,232,276</u>
End of year	<u>\$   816,264</u>	<u>\$  2,116,569</u>	<u>\$  2,932,833</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund  
Comparative Balance Sheet  
as of June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Cash and temporary investments	\$ 23,697,735	\$ 18,253,701
Cash and investments held by trustee	647,457	868,019
<b>Receivables</b>		
Current taxes	24,332,223	25,610,094
Delinquent taxes	147,210	232,567
Accounts and interest	164,385	801,846
Due from other governmental units	11,159,077	10,147,786
Due from other funds	17,792,359	14,018,251
Inventory	157,337	148,126
Prepaid items	<u>129,748</u>	<u>207,585</u>
Total assets	<u>\$ 78,227,531</u>	<u>\$ 70,287,975</u>
<b>Liabilities</b>		
Salaries payable	\$ 251,151	\$ 224,860
Accounts and contracts payable	4,489,795	4,878,634
Due to other governmental units	486,939	494,550
Due to other funds	1,312,211	-
Unearned revenue	<u>104,161</u>	<u>106,037</u>
Total liabilities	6,644,257	5,704,081
<b>Deferred inflows of resources</b>		
Property taxes levied for subsequent year	51,211,252	48,135,365
Unavailable revenue – delinquent taxes	<u>296,836</u>	<u>299,425</u>
Total deferred inflows of resources	51,508,088	48,434,790
<b>Fund balances (deficits)</b>		
Nonspendable for inventory	157,337	148,126
Nonspendable for prepaid items	129,748	207,585
Restricted for staff development	406,318	428,365
Restricted for capital projects levy	1,473,848	-
Restricted for health and safety	-	49,256
Restricted for operating capital	3,433,797	2,058,521
Restricted for safe schools	-	95,008
Restricted for Medical Assistance	456,731	193,205
Assigned for local collaborative time study	272,227	-
Assigned for reemployment insurance	36,830	59,278
Assigned for site carryover	1,036,415	1,039,527
Assigned for Q compensation	85,605	83,546
Assigned for school opening costs	945,305	945,305
Assigned for workers' compensation escrow	635,457	735,457
Assigned for post-employment obligations	2,156,636	2,054,946
Assigned for subsequent year budget	544,268	-
Unassigned – long-term facilities maintenance restricted account deficit	(3,790,816)	(4,941,891)
Unassigned	<u>12,095,480</u>	<u>12,992,870</u>
Total fund balances	<u>20,075,186</u>	<u>16,149,104</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 78,227,531</u>	<u>\$ 70,287,975</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2018  
 (With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018		2017	
	Budget	Actual	Over (Under) Budget	Actual
<b>Revenue</b>				
Local sources				
Property taxes	\$ 52,582,810	\$ 52,199,508	\$ (383,302)	\$ 42,083,524
Investment earnings	3,050,000	299,096	(2,750,904)	459,399
Other	3,262,391	4,334,482	1,072,091	4,290,971
State sources	95,874,484	96,007,968	133,484	92,911,879
Federal sources	3,597,401	3,271,185	(326,216)	3,204,850
Total revenue	<u>158,367,086</u>	<u>156,112,239</u>	<u>(2,254,847)</u>	<u>142,950,623</u>
<b>Expenditures</b>				
Current				
Administration				
Salaries	3,129,487	3,181,073	51,586	3,100,067
Employee benefits	1,020,331	986,698	(33,633)	959,887
Purchased services	144,966	119,213	(25,753)	149,874
Supplies and materials	48,478	43,005	(5,473)	42,672
Capital expenditures	7,775	8,476	701	9,100
Other expenditures	52,285	42,397	(9,888)	46,217
Total administration	<u>4,403,322</u>	<u>4,380,862</u>	<u>(22,460)</u>	<u>4,307,817</u>
District support services				
Salaries	2,695,631	2,725,278	29,647	2,674,119
Employee benefits	413,340	485,143	71,803	701,010
Purchased services	1,234,414	1,334,976	100,562	1,286,146
Supplies and materials	207,602	235,646	28,044	182,411
Capital expenditures	81,116	17,379	(63,737)	6,017
Other expenditures	8,295	9,168	873	6,670
Total district support services	<u>4,640,398</u>	<u>4,807,590</u>	<u>167,192</u>	<u>4,856,373</u>
Elementary and secondary regular instruction				
Salaries	48,164,391	48,762,088	597,697	45,398,541
Employee benefits	13,524,116	14,030,876	506,760	13,501,927
Purchased services	2,524,760	2,988,381	463,621	2,998,482
Supplies and materials	2,403,471	1,613,605	(789,866)	1,703,994
Capital expenditures	341,970	431,250	89,280	628,636
Other expenditures	625,875	525,855	(100,020)	522,905
Total elementary and secondary regular instruction	<u>67,584,583</u>	<u>68,352,055</u>	<u>767,472</u>	<u>64,754,485</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual (continued)  
 Year Ended June 30, 2018  
 (With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018		2017	
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	1,606,677	1,680,372	73,695	1,597,557
Employee benefits	574,651	537,467	(37,184)	501,100
Purchased services	745,582	678,692	(66,890)	624,107
Supplies and materials	23,506	23,831	325	28,710
Capital expenditures	11,000	13,017	2,017	11,229
Other expenditures	26,800	20,121	(6,679)	20,004
Total vocational education instruction	2,988,216	2,953,500	(34,716)	2,782,707
Special education instruction				
Salaries	13,004,929	12,853,353	(151,576)	12,183,353
Employee benefits	4,720,654	4,512,955	(207,699)	4,325,562
Purchased services	1,482,905	1,047,596	(435,309)	985,514
Supplies and materials	97,790	90,978	(6,812)	83,813
Capital expenditures	106,540	6,182	(100,358)	16,560
Other expenditures	138,200	147,325	9,125	143,351
Total special education instruction	19,551,018	18,658,389	(892,629)	17,738,153
Instructional support services				
Salaries	8,393,908	8,500,917	107,009	6,640,755
Employee benefits	3,109,940	3,337,356	227,416	2,494,784
Purchased services	1,707,921	820,499	(887,422)	502,173
Supplies and materials	2,161,901	1,415,102	(746,799)	179,571
Capital expenditures	2,966,213	1,890,923	(1,075,290)	556
Other expenditures	20,650	27,896	7,246	23,610
Total instructional support services	18,360,533	15,992,693	(2,367,840)	9,841,449
Pupil support services				
Salaries	3,060,043	2,863,576	(196,467)	2,828,646
Employee benefits	1,097,800	995,401	(102,399)	867,747
Purchased services	10,042,692	8,921,342	(1,121,350)	9,051,602
Supplies and materials	331,462	306,912	(24,550)	287,141
Capital expenditures	63,000	9,997	(53,003)	82,077
Other expenditures	500	929	429	530
Total pupil support services	14,595,497	13,098,157	(1,497,340)	13,117,743

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual (continued)  
 Year Ended June 30, 2018  
 (With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018		2017	
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	5,059,389	4,965,542	(93,847)	4,560,778
Employee benefits	1,930,947	1,721,448	(209,499)	1,627,780
Purchased services	3,771,256	3,769,835	(1,421)	4,304,003
Supplies and materials	873,385	1,029,339	155,954	1,008,756
Capital expenditures	4,688,204	6,190,185	1,501,981	6,583,034
Other expenditures	17,825	16,536	(1,289)	5,075
Total sites and buildings	<u>16,341,006</u>	<u>17,692,885</u>	<u>1,351,879</u>	<u>18,089,426</u>
Fiscal and other fixed cost programs				
Purchased services	425,000	281,446	(143,554)	566,951
Debt service				
Principal	2,315,766	2,844,891	529,125	1,116,106
Interest and fiscal charges	260,035	321,687	61,652	289,124
Total debt service	<u>2,575,801</u>	<u>3,166,578</u>	<u>590,777</u>	<u>1,405,230</u>
Total expenditures	<u>151,465,374</u>	<u>149,384,155</u>	<u>(2,081,219)</u>	<u>137,460,334</u>
Excess of revenue over expenditures	6,901,712	6,728,084	(173,628)	5,490,289
Other financing sources (uses)				
Sale of capital assets	1,000	–	(1,000)	21,653
Capital lease issued	1,142,455	1,142,455	–	–
Transfers in	–	1,417,421	1,417,421	–
Transfers (out)	(5,350,500)	(5,361,878)	(11,378)	(13,117,868)
Total other financing sources (uses)	<u>(4,207,045)</u>	<u>(2,802,002)</u>	<u>1,405,043</u>	<u>(13,096,215)</u>
Net change in fund balances	<u>\$ 2,694,667</u>	3,926,082	<u>\$ 1,231,415</u>	(7,605,926)
Fund balances				
Beginning of year		<u>16,149,104</u>		<u>23,755,030</u>
End of year		<u>\$ 20,075,186</u>		<u>\$ 16,149,104</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Food Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Cash and temporary investments	\$ 1,002,416	\$ 883,387
Receivables		
Accounts and interest	65,757	6,629
Due from other governmental units	7,586	-
Inventory	76,833	77,216
Prepaid items	<u>15,397</u>	<u>4,871</u>
Total assets	<u>\$ 1,167,989</u>	<u>\$ 972,103</u>
<b>Liabilities</b>		
Salaries payable	\$ 13,749	\$ 250
Accounts and contracts payable	58,102	44,559
Unearned revenue	<u>279,874</u>	<u>271,393</u>
Total liabilities	351,725	316,202
<b>Fund balances</b>		
Nonspendable for inventory	76,833	77,216
Nonspendable for prepaid items	15,397	4,871
Restricted for food service	<u>724,034</u>	<u>573,814</u>
Total fund balances	<u>816,264</u>	<u>655,901</u>
Total liabilities and fund balances	<u>\$ 1,167,989</u>	<u>\$ 972,103</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Food Service Special Revenue Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2018  
 (With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018		2017	
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other – primarily meal sales	\$ 5,216,230	\$ 5,357,091	\$ 140,861	\$ 5,067,696
State sources	149,000	154,131	5,131	149,084
Federal sources	1,017,000	1,058,309	41,309	1,034,769
Total revenue	<u>6,382,230</u>	<u>6,569,531</u>	<u>187,301</u>	<u>6,251,549</u>
Expenditures				
Current				
Salaries	2,101,552	1,938,398	(163,154)	1,978,719
Employee benefits	801,816	759,772	(42,044)	760,637
Purchased services	581,900	747,718	165,818	572,055
Supplies and materials	2,837,762	2,927,484	89,722	2,838,741
Other expenditures	29,200	30,008	808	23,198
Capital outlay	30,000	5,788	(24,212)	67,115
Total expenditures	<u>6,382,230</u>	<u>6,409,168</u>	<u>26,938</u>	<u>6,240,465</u>
Net change in fund balances	<u>\$ –</u>	<u>160,363</u>	<u>\$ 160,363</u>	<u>11,084</u>
Fund balances				
Beginning of year		<u>655,901</u>		<u>644,817</u>
End of year		<u>\$ 816,264</u>		<u>\$ 655,901</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Community Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Cash and temporary investments	\$ 3,234,776	\$ 3,620,371
Receivables		
Current taxes	539,891	499,926
Delinquent taxes	4,222	7,134
Accounts and interest	98,204	136,601
Due from other governmental units	117,037	158,768
Prepaid items	<u>16,582</u>	<u>18,580</u>
Total assets	<u><u>\$ 4,010,712</u></u>	<u><u>\$ 4,441,380</u></u>
<b>Liabilities</b>		
Salaries payable	\$ 318,828	\$ 239,691
Accounts and contracts payable	93,228	180,159
Due to other governmental units	323	597
Unearned revenue	<u>247,633</u>	<u>427,071</u>
Total liabilities	660,012	847,518
<b>Deferred inflows of resources</b>		
Property taxes levied for subsequent year	1,226,070	1,004,811
Unavailable revenue – delinquent taxes	<u>8,061</u>	<u>12,676</u>
Total deferred inflows of resources	1,234,131	1,017,487
<b>Fund balances</b>		
Nonspendable for prepaid items	16,582	18,580
Restricted for community education programs	950,646	964,580
Restricted for early childhood family education programs	382,100	449,914
Restricted for school readiness	26,143	378,740
Restricted for community service	<u>741,098</u>	<u>764,561</u>
Total fund balances	<u><u>2,116,569</u></u>	<u><u>2,576,375</u></u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 4,010,712</u></u>	<u><u>\$ 4,441,380</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Community Service Special Revenue Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2018  
 (With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018		Over (Under) Budget	2017
	Budget	Actual		Actual
Revenue				
Local sources				
Property taxes	\$ 1,004,744	\$ 998,287	\$ (6,457)	\$ 1,088,942
Other – primarily tuition and fees	8,157,750	8,164,553	6,803	7,410,890
State sources	713,473	748,049	34,576	827,217
Total revenue	<u>9,875,967</u>	<u>9,910,889</u>	<u>34,922</u>	<u>9,327,049</u>
Expenditures				
Current				
Salaries	5,842,213	6,503,911	661,698	5,537,318
Employee benefits	1,939,133	1,958,585	19,452	1,741,207
Purchased services	865,280	1,359,603	494,323	1,148,000
Supplies and materials	678,650	466,400	(212,250)	468,974
Other expenditures	9,900	10,101	201	16,617
Capital outlay	47,500	83,473	35,973	66,187
Total expenditures	<u>9,382,676</u>	<u>10,382,073</u>	<u>999,397</u>	<u>8,978,303</u>
Excess (deficiency) of revenue over expenditures	493,291	(471,184)	(964,475)	348,746
Other financing sources				
Transfers in	<u>15,000</u>	<u>11,378</u>	<u>(3,622)</u>	<u>–</u>
Net change in fund balances	<u>\$ 508,291</u>	<u>(459,806)</u>	<u>\$ (968,097)</u>	<u>348,746</u>
Fund balances				
Beginning of year		<u>2,576,375</u>		<u>2,227,629</u>
End of year		<u>\$ 2,116,569</u>		<u>\$ 2,576,375</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Capital Projects – Building Construction Fund  
 Comparative Balance Sheet  
 as of June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Cash and temporary investments	\$ 71,220,721	\$ 11,194,350
Cash and investments held by trustee	115,687	192,251
Receivables		
Accounts and interest	352,703	11
Prepaid items	<u>357,895</u>	<u>370,688</u>
Total assets	<u>\$ 72,047,006</u>	<u>\$ 11,757,300</u>
<b>Liabilities</b>		
Salaries payable	\$ –	\$ 8,794
Due to other governmental units	153,760	–
Accounts and contracts payable	<u>2,620,745</u>	<u>3,236,648</u>
Total liabilities	<u>2,774,505</u>	<u>3,245,442</u>
<b>Fund balances (deficits)</b>		
Nonspendable for prepaid items	357,895	370,688
Restricted for capital projects levy	–	1,070,727
Restricted for long-term facilities maintenance	425,506	–
Restricted for capital projects	68,489,100	7,598,571
Unassigned – long-term facilities maintenance restricted account deficit	<u>–</u>	<u>(528,128)</u>
Total fund balances	<u>69,272,501</u>	<u>8,511,858</u>
Total liabilities and fund balances	<u>\$ 72,047,006</u>	<u>\$ 11,757,300</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Capital Projects – Building Construction Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2018  
 (With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018		Over (Under) Budget	2017
	Budget	Actual		Actual
Revenue				
Local sources				
Investment earnings	\$ –	\$ 539,365	\$ 539,365	\$ 78,792
Other	–	–	–	404,453
Total revenue	–	539,365	539,365	483,245
Expenditures				
Capital outlay				
Salaries	–	32,375	32,375	1,893,278
Employee benefits	–	4,773	4,773	572,738
Purchased services	1,325,500	2,032,780	707,280	2,592,827
Supplies and materials	–	–	–	810,612
Capital expenditures	21,055,000	16,487,167	(4,567,833)	20,534,305
Other expenditures	–	–	–	244
Debt service				
Principal	–	–	–	1,538,504
Interest	482,556	482,556	–	21,385
Total expenditures	22,863,056	19,039,651	(3,823,405)	27,963,893
Excess (deficiency) of revenue over expenditures	(22,863,056)	(18,500,286)	4,362,770	(27,480,648)
Other financing sources (uses)				
Debt issued	66,895,000	66,891,545	(3,455)	–
Premium on debt issued	3,406,305	3,406,305	–	–
Capital lease issued	5,030,000	5,030,000	–	767,400
Transfers in	5,350,500	5,350,500	–	13,006,244
Transfers (out)	–	(1,417,421)	(1,417,421)	–
Total other financing sources (uses)	80,681,805	79,260,929	(1,420,876)	13,773,644
Net change in fund balances	\$ 57,818,749	60,760,643	\$ 2,941,894	(13,707,004)
Fund balances				
Beginning of year		8,511,858		22,218,862
End of year		\$ 69,272,501		\$ 8,511,858

INDEPENDENT SCHOOL DISTRICT NO. 284

Debt Service Fund  
Comparative Balance Sheet  
as of June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and temporary investments	\$ 9,432,157	\$ 6,777,359
Receivables		
Current taxes	5,339,736	4,177,173
Delinquent taxes	47,980	78,989
Due from other governmental units	<u>36</u>	<u>125</u>
Total assets	<u>\$ 14,819,909</u>	<u>\$ 11,033,646</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 12,126,321	\$ 8,395,778
Unavailable revenue – delinquent taxes	<u>86,630</u>	<u>161,936</u>
Total deferred inflows of resources	12,212,951	8,557,714
Fund balances		
Restricted for debt service	<u>2,606,958</u>	<u>2,475,932</u>
Total deferred inflows of resources and fund balances	<u>\$ 14,819,909</u>	<u>\$ 11,033,646</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Debt Service Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2018  
 (With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018		2017	
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 8,395,227	\$ 8,349,805	\$ (45,422)	\$ 14,470,028
State sources	500	310	(190)	712
Total revenue	<u>8,395,727</u>	<u>8,350,115</u>	<u>(45,612)</u>	<u>14,470,740</u>
Expenditures				
Debt service				
Principal	2,945,000	2,945,000	–	8,900,000
Interest	5,274,744	5,274,744	–	5,710,026
Fiscal charges and other	5,000	2,800	(2,200)	2,925
Total expenditures	<u>8,224,744</u>	<u>8,222,544</u>	<u>(2,200)</u>	<u>14,612,951</u>
Excess (deficiency) of revenue over expenditures	170,983	127,571	(43,412)	(142,211)
Other financing sources				
Debt issued	<u>–</u>	<u>3,455</u>	<u>3,455</u>	<u>–</u>
Net change in fund balances	<u>\$ 170,983</u>	131,026	<u>\$ (39,957)</u>	(142,211)
Fund balances				
Beginning of year		<u>2,475,932</u>		<u>2,618,143</u>
End of year		<u>\$ 2,606,958</u>		<u>\$ 2,475,932</u>

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## **INTERNAL SERVICE FUNDS**

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District maintains two internal service funds. These funds are used to account for the District's self-insured benefits and early retirement benefits.

The statements that follow are to provide further detail and support additional analysis for the District's internal service funds.

INDEPENDENT SCHOOL DISTRICT NO. 284

Internal Service Funds  
 Combining Statement of Net Position  
 as of June 30, 2018

(With Comparative Totals as of June 30, 2017)

	Self-Insurance Accounts	Early Retirement Accounts	Totals	
			2018	2017
<b>Assets</b>				
Current assets				
Investments	\$ 18,020,780	\$ 10,020,646	\$ 28,041,426	\$ 26,719,212
Due from other funds	1,312,211	–	1,312,211	–
Prepaid items	3,500	–	3,500	–
Total current assets	19,336,491	10,020,646	29,357,137	26,719,212
<b>Liabilities</b>				
Current liabilities				
Accounts and contracts payable	7,151	–	7,151	6,660
Due to other funds	14,198,870	3,093,489	17,292,359	14,018,251
Claims incurred, but not reported	1,763,780	–	1,763,780	1,763,780
Severance benefits payable	–	318,797	318,797	339,381
Total current liabilities	15,969,801	3,412,286	19,382,087	16,128,072
Long-term liabilities				
Severance benefits payable	–	3,767,199	3,767,199	3,682,949
Retirement benefits payable	–	6,069,186	6,069,186	6,054,159
Total long-term liabilities	–	9,836,385	9,836,385	9,737,108
Total liabilities	15,969,801	13,248,671	29,218,472	25,865,180
Deferred inflows of resources				
Pension plan deferments	–	100,775	100,775	–
<b>Net position</b>				
Unrestricted	\$ 3,366,690	\$ (3,328,800)	\$ 37,890	\$ 854,032

INDEPENDENT SCHOOL DISTRICT NO. 284

Internal Service Funds  
 Combining Statement of Revenue, Expenses, and Changes in Net Position  
 Year Ended June 30, 2018  
 (With Comparative Totals for the Year Ended June 30, 2017)

	Self-Insurance Accounts	Early Retirement Accounts	Totals	
			2018	2017
Operating revenue				
Charges for services	\$ 17,015,685	\$ -	\$ 17,015,685	\$ 16,168,168
Operating expenses				
Dental benefit claims	1,379,610	-	1,379,610	1,293,546
Health benefit claims	16,516,897	-	16,516,897	16,111,586
Early retirement incentive and sick leave benefits	-	1,257,534	1,257,534	1,692,272
Total operating expenses	<u>17,896,507</u>	<u>1,257,534</u>	<u>19,154,041</u>	<u>19,097,404</u>
Operating income (loss)	(880,822)	(1,257,534)	(2,138,356)	(2,929,236)
Nonoperating revenue				
Investment earnings	<u>849,719</u>	<u>472,495</u>	<u>1,322,214</u>	<u>1,348,033</u>
Income (loss) before transfers	(31,103)	(785,039)	(816,142)	(1,581,203)
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,624</u>
Change in net position	(31,103)	(785,039)	(816,142)	(1,469,579)
Net position				
Beginning of year	<u>3,397,793</u>	<u>(2,543,761)</u>	<u>854,032</u>	<u>2,323,611</u>
End of year	<u>\$ 3,366,690</u>	<u>\$ (3,328,800)</u>	<u>\$ 37,890</u>	<u>\$ 854,032</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Internal Service Funds  
 Combining Statement of Cash Flows  
 Year Ended June 30, 2018  
 (With Comparative Totals for the Year Ended June 30, 2017)

	Self-Insurance Accounts	Early Retirement Accounts	Totals	
			2018	2017
Cash flows from operating activities				
Charges for services	\$ 15,703,474	\$ -	\$ 15,703,474	\$ 17,325,164
Payments for health and dental claims	(17,899,516)	-	(17,899,516)	(17,161,022)
Payments for retirement benefits	-	(1,078,066)	(1,078,066)	(2,569,818)
Net cash flows from operating activities	(2,196,042)	(1,078,066)	(3,274,108)	(2,405,676)
Cash flows from noncapital financing activities				
Cash advance from other funds	2,196,042	1,078,066	3,274,108	1,851,281
Net change in cash and cash equivalents	-	-	-	(554,395)
Cash and cash equivalents				
Beginning of year	-	-	-	554,395
End of year	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	\$ (880,822)	\$ (1,257,534)	\$ (2,138,356)	\$ (2,929,236)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Changes in assets				
Due from other funds	(1,312,211)	-	(1,312,211)	1,156,996
Prepaid items	(3,500)	-	(3,500)	-
Changes in liabilities and deferred inflows				
Accounts and contracts payable	491	-	491	430
Claims incurred, but not reported	-	-	-	243,680
Severance benefits payable	-	63,666	63,666	(794,943)
Retirement benefits payable	-	15,027	15,027	(82,603)
Deferred inflows – pension deferments	-	100,775	100,775	-
Net cash flows from operating activities	\$ (2,196,042)	\$ (1,078,066)	\$ (3,274,108)	\$ (2,405,676)

SECTION III  
STATISTICAL SECTION  
(UNAUDITED)



## STATISTICAL SECTION (UNAUDITED)

This section of Independent School District No. 284's (the District) Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

### **Contents**

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

#### **Operating Indicators**

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

Source: Unless otherwise noted, the information in these schedules is derived from the District's CAFR for the relevant year.

INDEPENDENT SCHOOL DISTRICT NO. 284

Net Position by Component  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

	Fiscal Year			
	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	\$ 32,025,036	\$ 39,131,007	\$ 46,774,439	\$ 41,301,936
Restricted	10,005,749	10,578,725	14,051,983	26,816,481
Unrestricted	<u>55,548,928</u>	<u>47,147,457</u>	<u>43,582,774</u>	<u>44,210,849</u>
Total governmental activities net position	<u>\$ 97,579,713</u>	<u>\$ 96,857,189</u>	<u>\$ 104,409,196</u>	<u>\$ 112,329,266</u>

Note 1: The District implemented GASB Statement No. 68 in fiscal 2015. The District reported a change in accounting principle as a result of implementing this standard that decreased net position by approximately \$87.5 million. Prior year amounts have not been restated.

Note 2: The District implemented GASB Statement Nos. 73, 74, and 75 in fiscal 2017. The District reported a change in accounting principle as a result of implementing these standards that decreased net position by approximately \$29.9 million. Prior year amounts have not been restated.

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 46,152,372	\$ 60,689,911	\$ 65,253,780	\$ 31,901,934	\$ 40,112,576	\$ 37,679,712
27,560,100	12,624,943	13,091,641	13,662,842	7,822,506	10,695,169
<u>45,130,907</u>	<u>40,787,379</u>	<u>(50,117,797)</u>	<u>(46,927,869)</u>	<u>(122,259,148)</u>	<u>(158,453,974)</u>
<u>\$ 118,843,379</u>	<u>\$ 114,102,233</u>	<u>\$ 28,227,624</u>	<u>\$ (1,363,093)</u>	<u>\$ (74,324,066)</u>	<u>\$(110,079,093)</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Changes in Net Position  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year			
	2009	2010	2011	2012
Governmental activities				
Expenses				
Administration	\$ 3,681,537	\$ 3,899,459	\$ 3,818,998	\$ 3,903,810
District support services	(2,757,790)	5,589,021	4,241,347	3,889,519
Elementary and secondary regular instruction	28,743,335	61,534,331	58,588,094	61,370,368
Vocational education instruction	1,432,049	2,508,024	2,456,472	2,244,616
Special education instruction	9,526,178	16,275,461	15,742,242	15,647,448
Instructional support services	7,519,905	8,390,114	9,018,954	9,285,367
Pupil support services	8,619,361	10,325,723	10,860,440	10,890,255
Sites and buildings	16,069,340	11,072,137	12,226,696	12,087,843
Fiscal and other fixed cost programs	356,785	259,189	313,591	296,088
Food service	4,635,568	4,814,452	4,978,695	5,140,315
Community service	6,846,110	7,955,136	7,945,819	7,960,867
Interest and fiscal charges	3,631,315	2,424,106	2,166,878	2,170,792
Unallocated depreciation	312,890	519,485	765,710	936,783
Total governmental activities expenses	<u>88,616,583</u>	<u>135,566,638</u>	<u>133,123,936</u>	<u>135,824,071</u>
Program revenues				
Charges for services				
Administration	53,339	164,606	194,753	151,210
Elementary and secondary regular instruction	1,073,360	930,553	1,002,420	1,002,847
Vocational education instruction	-	211	3,969	-
Special education instruction	-	552	6,606	9,404
Instructional support services	243	98	120	316
Pupil support services	39,046	70,359	89,244	88,946
Sites and buildings	464,982	436,390	487,538	471,737
Food service	3,863,351	3,797,912	3,747,616	3,860,359
Community service	5,257,945	5,737,747	6,034,944	5,865,887
Operating grants and contributions	13,267,583	20,286,746	14,898,308	17,204,917
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>24,019,849</u>	<u>31,425,174</u>	<u>26,465,518</u>	<u>28,655,623</u>
Net (expense) revenue	(64,596,734)	(104,141,464)	(106,658,418)	(107,168,448)
General revenues and other changes in net position				
Taxes				
Property taxes, levied for general purposes	30,249,790	32,471,599	48,100,101	34,707,170
Property taxes, levied for community service	1,084,553	1,182,981	2,051,929	1,420,146
Property taxes, levied for debt service	9,327,038	9,539,122	10,086,556	10,416,814
General grants and aids	64,742,972	58,622,111	51,844,745	66,145,035
Other general revenues	1,640,676	1,259,027	1,434,200	1,544,009
Investment earnings	1,574,398	344,100	692,894	855,344
Total general revenues and other changes in net position	<u>108,619,427</u>	<u>103,418,940</u>	<u>114,210,425</u>	<u>115,088,518</u>
Change in net position	<u>\$ 44,022,693</u>	<u>\$ (722,524)</u>	<u>\$ 7,552,007</u>	<u>\$ 7,920,070</u>

Note: The District implemented GASB Statement No. 68 in fiscal 2015 and GASB Statement Nos. 73, 74, and 75 in fiscal 2017.

2013	2014	2015	2016	2017	2018
\$ 3,995,998	\$ 3,833,741	\$ 3,839,848	\$ 4,817,133	\$ 6,700,296	\$ 6,052,169
4,154,320	4,924,827	4,577,951	5,033,300	6,114,326	5,347,446
59,732,311	64,030,267	67,230,737	68,238,658	97,927,589	98,324,381
2,629,151	2,376,614	2,922,503	2,804,948	3,737,593	3,782,104
16,037,522	16,664,813	16,695,866	17,678,829	23,736,177	23,646,291
8,464,618	9,446,640	9,267,077	10,313,332	13,276,121	18,777,288
11,528,889	11,606,924	11,997,753	12,363,815	14,566,050	14,370,024
19,492,550	23,108,226	16,373,431	31,109,967	35,215,528	23,723,765
318,578	355,757	385,547	417,879	566,951	281,446
5,193,226	5,367,185	5,619,154	5,896,122	6,484,275	6,469,883
7,913,272	8,343,413	7,512,257	8,207,904	9,811,345	10,971,816
2,059,956	4,117,943	5,748,064	5,134,248	5,326,192	6,692,718
–	–	–	–	–	–
141,520,391	154,176,350	152,170,188	172,016,135	223,462,443	218,439,331
275,959	202,982	166,265	215,357	57,422	39,922
1,080,264	1,021,619	1,159,389	1,262,298	1,287,405	1,323,071
2,270	1,324	–	–	–	–
4,441	560	247,585	322,586	350,928	498,813
2,485	18,905	9,493	7,808	6,703	15,338
14,543	28,369	28,178	25,773	22,018	152,731
461,493	662,870	512,766	575,910	558,826	628,772
3,884,424	3,806,157	4,222,938	4,447,648	5,067,696	5,357,091
6,137,955	6,529,492	5,556,600	6,382,167	7,410,890	8,164,553
15,850,856	15,171,555	15,216,756	16,140,494	17,625,350	16,357,459
252,929	346,713	910,167	911,502	1,351,039	2,870,495
27,967,619	27,790,546	28,030,137	30,291,543	33,738,277	35,408,245
(113,552,772)	(126,385,804)	(124,140,051)	(141,724,592)	(189,724,166)	(183,031,086)
35,975,717	22,503,184	38,153,378	38,434,705	42,239,180	52,196,919
1,458,919	781,857	1,524,385	1,244,109	1,096,913	993,672
10,992,579	11,203,441	11,401,371	15,673,366	14,587,642	8,274,499
67,408,720	84,572,800	72,170,101	74,485,371	83,119,553	81,977,981
3,459,844	1,413,287	1,376,993	1,240,454	2,001,619	1,672,313
771,106	1,170,089	1,185,644	1,162,703	1,886,224	2,160,675
120,066,885	121,644,658	125,811,872	132,240,708	144,931,131	147,276,059
\$ 6,514,113	\$ (4,741,146)	\$ 1,671,821	\$ (9,483,884)	\$ (44,793,035)	\$ (35,755,027)

INDEPENDENT SCHOOL DISTRICT NO. 284

Fund Balances of Governmental Funds  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2009	2010	2011	2012
General Fund				
Reserved	\$ 7,788,448	\$ -	\$ -	\$ -
Unreserved	13,507,742	-	-	-
Nonspendable	-	1,063,623	1,129,123	599,557
Restricted	-	6,551,165	7,103,320	7,276,447
Committed	-	-	-	-
Assigned	-	3,583,266	1,983,458	2,270,381
Unassigned	-	11,572,351	11,525,345	12,213,903
Total General Fund	<u>\$ 21,296,190</u>	<u>\$ 22,770,405</u>	<u>\$ 21,741,246</u>	<u>\$ 22,360,288</u>
All other governmental funds				
Reserved				
Special revenue funds	\$ 618,249	\$ -	\$ -	\$ -
Capital Projects –				
Building Construction Fund	318,188	-	-	-
Unreserved				
Special revenue funds	1,567,777	-	-	-
Capital Projects –				
Building Construction Fund	(616,143)	-	-	-
Debt Service Fund	2,067,838	-	-	-
Nonspendable				
Special revenue funds	-	87,725	61,896	83,637
Capital Projects –				
Building Construction Fund	-	361,452	777,347	114,560
Restricted				
Special revenue funds	-	2,378,056	2,590,875	2,589,169
Capital Projects –				
Building Construction Fund	-	5,756,834	2,540,916	15,319,262
Debt Service Fund	-	1,853,801	2,003,402	2,373,561
Unassigned				
Capital Projects –				
Building Construction Fund	-	-	(29,889)	-
Total all other governmental funds	<u>\$ 3,955,909</u>	<u>\$ 10,437,868</u>	<u>\$ 7,944,547</u>	<u>\$ 20,480,189</u>
Total all governmental funds	<u>\$ 25,252,099</u>	<u>\$ 33,208,273</u>	<u>\$ 29,685,793</u>	<u>\$ 42,840,477</u>

Note: The District implemented GASB Statement No. 54 in fiscal 2011, only 2010 amounts were restated.

2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
153,963	139,900	170,070	196,566	355,711	287,085
9,081,101	6,474,793	6,549,824	5,838,351	2,824,355	5,770,694
2,889,790	2,889,790	2,889,790	2,889,790	-	-
1,859,114	1,766,330	2,508,237	5,482,867	4,918,059	5,712,743
11,476,097	10,926,181	9,306,757	9,347,456	8,050,979	8,304,664
<u>\$ 25,460,065</u>	<u>\$ 22,196,994</u>	<u>\$ 21,424,678</u>	<u>\$ 23,755,030</u>	<u>\$ 16,149,104</u>	<u>\$ 20,075,186</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
81,947	82,038	90,176	94,839	100,667	108,812
195,050	103,151	29,382	3,795	370,688	357,895
2,963,665	3,157,131	2,763,831	2,777,607	3,131,609	2,824,021
14,174,369	124,613,839	94,734,895	25,480,370	8,669,298	68,914,606
1,948,293	4,904,822	2,044,497	2,618,143	2,475,932	2,606,958
-	-	-	-	(528,128)	-
<u>\$ 19,363,324</u>	<u>\$ 132,860,981</u>	<u>\$ 99,662,781</u>	<u>\$ 30,974,754</u>	<u>\$ 14,220,066</u>	<u>\$ 74,812,292</u>
<u>\$ 44,823,389</u>	<u>\$ 155,057,975</u>	<u>\$ 121,087,459</u>	<u>\$ 54,729,784</u>	<u>\$ 30,369,170</u>	<u>\$ 94,887,478</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2009	2010	2011	2012
<b>Revenues</b>				
Local sources				
Taxes	\$ 40,487,682	\$ 43,114,189	\$ 60,312,279	\$ 46,494,356
Investment earnings	798,831	111,659	37,490	18,459
Other	12,327,794	12,394,109	13,008,028	12,893,963
State sources	74,289,718	67,557,932	60,586,004	78,173,924
Federal sources	3,777,782	11,350,924	6,150,431	5,170,995
Total revenues	<u>131,681,807</u>	<u>134,528,813</u>	<u>140,094,232</u>	<u>142,751,697</u>
<b>Expenditures</b>				
Current				
Administration	3,577,748	3,810,046	3,792,268	3,882,175
District support services	4,178,363	3,406,672	3,725,315	3,725,817
Elementary and secondary regular instruction	50,863,997	49,261,911	50,484,858	54,146,054
Vocational education instruction	1,988,651	2,312,353	2,400,776	2,224,383
Special education instruction	13,844,731	14,855,969	15,382,312	15,542,974
Instructional support services	8,048,957	8,170,600	8,953,839	9,253,668
Pupil support services	9,663,416	10,004,783	10,779,639	10,753,896
Sites and buildings	8,719,673	9,179,456	9,050,432	9,023,841
Fiscal and other fixed cost programs	356,785	259,189	313,591	296,088
Food service	4,513,548	4,694,729	4,835,626	5,073,799
Community service	7,559,453	7,700,868	7,865,844	7,863,889
Capital outlay	10,317,570	9,425,093	15,193,084	12,957,206
Debt service				
Principal	6,395,000	6,790,000	8,165,000	8,695,000
Interest and fiscal charges	3,609,618	3,104,257	2,683,970	2,582,338
Total expenditures	<u>133,637,510</u>	<u>132,975,926</u>	<u>143,626,554</u>	<u>146,021,128</u>
Excess of revenues over (under) expenditures	(1,955,703)	1,552,887	(3,532,322)	(3,269,431)
<b>Other financing sources (uses)</b>				
Sale of equipment	-	2,997	9,842	5,370
Sale of real property	-	-	-	-
Insurance recovery proceeds	12,979	349	-	105,785
Bonds issued	37,998,895	5,000,000	-	16,312,660
Capital leases issued	-	-	-	-
Bond premium	-	110,123	-	-
Certificates of participation issued	-	1,289,818	-	-
Payment to refunded bond escrow agent	(32,740,000)	-	-	-
Transfers in	7,250,201	7,109,370	9,228,572	7,264,007
Transfers out	(7,250,201)	(7,109,370)	(9,228,572)	(7,264,007)
Total other financing sources (uses)	<u>5,271,874</u>	<u>6,403,287</u>	<u>9,842</u>	<u>16,423,815</u>
Net change in fund balances	<u>\$ 3,316,171</u>	<u>\$ 7,956,174</u>	<u>\$ (3,522,480)</u>	<u>\$ 13,154,384</u>
Debt service as a percentage of noncapital expenditures	<u>8.1%</u>	<u>8.0%</u>	<u>8.4%</u>	<u>8.5%</u>

2013	2014	2015	2016	2017	2018
\$ 48,582,021	\$ 34,451,771	\$ 51,053,987	\$ 55,577,523	\$ 57,642,494	\$ 61,547,600
29,798	37,847	144,163	135,329	538,191	838,461
13,621,129	13,441,482	13,280,276	14,480,001	17,174,010	17,856,126
79,118,659	95,680,683	84,196,712	87,767,205	93,888,892	96,910,458
4,393,844	4,402,856	4,100,243	3,770,162	4,239,619	4,329,494
<u>145,745,451</u>	<u>148,014,639</u>	<u>152,775,381</u>	<u>161,730,220</u>	<u>173,483,206</u>	<u>181,482,139</u>
3,942,490	3,809,563	3,882,636	3,960,854	4,307,817	4,380,862
3,966,678	3,812,160	3,831,038	4,214,722	4,856,373	4,807,590
55,749,366	57,161,164	61,261,179	61,793,156	64,754,485	68,352,055
2,596,694	2,282,764	2,898,253	2,775,891	2,782,707	2,953,500
15,890,551	16,143,749	16,675,799	17,390,283	17,738,153	18,658,389
8,432,986	9,359,060	9,518,374	10,107,948	9,841,449	15,992,693
11,487,282	11,181,875	12,151,446	12,289,246	13,117,743	13,098,157
9,429,780	9,618,077	10,212,586	10,577,248	18,089,426	17,692,885
318,578	355,757	385,547	417,879	566,951	281,446
5,085,281	5,226,866	5,574,751	5,705,994	6,173,350	6,403,380
7,841,272	8,491,628	7,537,839	8,008,491	8,912,116	10,298,600
21,516,463	38,000,191	37,044,922	82,087,300	26,537,306	18,646,356
9,580,000	10,130,000	11,526,756	11,364,273	11,554,610	5,789,891
2,405,085	3,522,846	5,410,994	6,467,926	6,023,460	6,081,787
<u>158,242,506</u>	<u>179,095,700</u>	<u>187,912,120</u>	<u>237,161,211</u>	<u>195,255,946</u>	<u>193,437,591</u>
(12,497,055)	(31,081,061)	(35,136,739)	(75,430,991)	(21,772,740)	(11,955,452)
2,900	—	—	—	21,653	—
2,889,790	—	—	—	—	—
9,861	251,612	—	—	—	—
—	136,805,000	10,255,000	1,820,000	—	66,895,000
1,383,350	1,235,860	1,099,078	6,750,775	767,400	6,172,455
214,066	3,023,175	867,145	57,459	—	3,406,305
9,980,000	—	—	—	—	—
—	—	(11,055,000)	(1,835,000)	—	—
7,673,940	7,253,826	6,901,900	9,709,564	13,006,244	6,779,299
(7,673,940)	(7,253,826)	(6,901,900)	(7,429,482)	(13,117,868)	(6,779,299)
<u>14,479,967</u>	<u>141,315,647</u>	<u>1,166,223</u>	<u>9,073,316</u>	<u>677,429</u>	<u>76,473,760</u>
<u>\$ 1,982,912</u>	<u>\$ 110,234,586</u>	<u>\$ (33,970,516)</u>	<u>\$ (66,357,675)</u>	<u>\$ (21,095,311)</u>	<u>\$ 64,518,308</u>
<u>8.8%</u>	<u>9.7%</u>	<u>11.2%</u>	<u>10.3%</u>	<u>9.7%</u>	<u>6.7%</u>

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INDEPENDENT SCHOOL DISTRICT NO. 284

Tax Capacities and Market Values  
Last Ten Fiscal Years

Fiscal Year	Net Tax Capacity	Taxable Market Value	Percent Tax Capacity of Estimated Market Value
2009	\$ 121,330,023	\$ 10,802,607,580	1.1 %
2010	123,328,768	11,023,202,400	1.1
2011	118,450,131	10,679,667,300	1.1
2012	111,127,795	9,963,416,806	1.1
2013	109,891,883	9,821,945,763	1.1
2014	109,307,508	9,628,799,946	1.1
2015	111,197,389	9,846,198,999	1.1
2016	119,387,105	10,688,657,739	1.1
2017	127,889,211	11,410,014,227	1.1
2018	137,065,114	12,249,671,471	1.1

Note: Per discussions with Hennepin County Taxpayer Services Division, reliable information for the breakdown of assessed and actual residential, commercial, and industrial property values is not available.

Source: Hennepin County Taxpayer Services Division

INDEPENDENT SCHOOL DISTRICT NO. 284

Property Tax Rates – Direct and Overlapping Governments  
Last Ten Fiscal Years

Fiscal Year	ISD No. 284	Corcoran	Maple Grove	Medicine Lake	Medina
2009	19.668%	30.213%	29.483%	30.580%	15.434%
2010	20.406%	30.677%	31.422%	33.835%	16.363%
2011	23.311%	32.995%	33.845%	34.945%	17.241%
2012	24.034%	37.041%	36.890%	38.677%	18.977%
2013	25.325%	39.617%	39.640%	36.548%	21.342%
2014	25.236%	46.111%	42.342%	40.691%	24.639%
2015	24.571%	49.743%	42.463%	37.508%	25.501%
2016	26.252%	45.311%	39.831%	34.127%	23.577%
2017	26.106%	45.691%	39.196%	40.413%	23.301%
2018	26.290%	45.994%	38.245%	35.525%	22.270%

**County Auditor's Gross Spread Levies**

2009	\$ 40,503,428	\$ 121,517	\$ 1,620,222	\$ 324,044	\$ 2,632,860
2010	44,487,353	133,471	1,913,091	355,924	2,936,372
2011	46,026,906	138,081	2,117,238	414,242	3,083,803
2012	45,966,048	138,081	2,255,318	368,215	3,037,776
2013	47,606,841	142,834	2,523,404	380,891	3,047,129
2014	48,622,654	97,245	2,577,001	340,359	2,965,982
2015	49,995,136	100,000	2,699,999	350,000	3,149,999
2016	55,954,344	167,872	3,189,576	391,702	3,749,151
2017	58,429,819	233,740	3,272,362	409,045	4,090,453
2018	68,605,225	304,340	3,226,004	426,076	4,199,892

Note: Above tax rates are used to levy city, county, and school district taxes.

Source: Hennepin County Taxpayer Services Division

<u>Minnetonka</u>	<u>Orono</u>	<u>Plymouth</u>	<u>Wayzata</u>	<u>Hennepin County</u>	<u>Special Districts</u>
27.567%	13.580%	23.344%	20.308%	38.571%	8.801%
29.247%	13.183%	24.854%	19.415%	40.413%	7.154%
30.686%	13.677%	25.495%	20.358%	42.640%	8.138%
33.705%	14.991%	27.490%	23.032%	45.840%	9.172%
35.595%	16.283%	28.716%	24.274%	48.231%	9.523%
37.567%	17.667%	29.309%	26.020%	49.461%	8.400%
38.194%	17.815%	30.114%	26.311%	49.959%	8.858%
37.089%	17.387%	28.374%	25.705%	46.398%	9.785%
35.674%	17.325%	27.330%	24.673%	45.356%	9.530%
36.378%	16.759%	26.482%	23.352%	44.087%	9.319%
\$ 6,521,392	\$ 526,572	\$ 23,493,214	\$ 5,265,720	\$ 602,274,631	\$ 104,571,196
7,207,459	622,867	25,137,125	6,184,178	644,324,515	99,640,161
7,364,305	598,350	25,636,986	6,673,901	676,166,665	112,216,451
7,548,413	598,350	25,544,933	6,535,821	669,404,998	117,993,952
7,951,103	571,337	26,138,655	6,856,041	668,415,787	116,862,928
8,168,606	534,849	26,839,705	7,098,907	670,175,143	132,283,063
8,399,998	550,000	27,499,994	7,249,998	681,253,275	127,112,287
9,177,027	615,532	30,832,572	7,834,047	695,586,226	129,960,888
9,641,782	584,350	32,022,403	8,180,906	726,763,726	135,429,950
9,556,277	608,680	33,903,780	8,643,257	759,408,857	142,541,391

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INDEPENDENT SCHOOL DISTRICT NO. 284

Principal Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	Type of Property	2018			2009		
		Net Tax Capacity	Rank	Percentage of Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
Ridgedale Center, LLC	Commercial	\$ 2,119,250	1	1.55 %	\$ 2,199,250	2	1.81 %
Medica Health Plans	Commercial	1,388,930	2	1.01	-	-	-
AX 601 Tower, LP	Commercial	1,219,250	3	0.89	-	-	-
TFO REVA Wildamere PPC, LLC	Commercial	1,067,210	4	0.78	-	-	-
WHQ, LLC	Commercial	979,250	5	0.71	-	-	-
IRET Properties	Apartment	975,163	6	0.71	-	-	-
Talcott III Atria LLC	Commercial	917,250	7	0.67	849,250	4	0.70
RREEFAmerica Reit II Corp.	Apartment	900,963	8	0.66	575,000	6	0.47
CVIII Vicksburg Village, LLC	Apartment	640,513	9	0.47	-	-	-
Bobby Wade	Apartment	519,838	10	0.38	-	-	-
Carlson Real Estate Co., Inc.	Commercial	-	-	-	2,591,950	1	2.14
Teachers Insurance & Annuity Assoc.	Commercial	-	-	-	893,550	3	0.74
Invesco Real Estate	Apartment	-	-	-	592,500	5	0.49
Bay Holdings, LLC	Commercial	-	-	-	553,970	7	0.46
Plymouth Corporation Center DE, LLC	Industrial	-	-	-	479,130	8	0.39
Vicksburg Village	Apartment	-	-	-	467,600	9	0.39
US Retail Partners, LLC	Commercial	-	-	-	391,430	10	0.32
Total		<u>\$ 10,727,617</u>		<u>7.83 %</u>	<u>\$ 9,593,630</u>		<u>7.91 %</u>

Source: Hennepin County Department of Property Tax and Public Records

INDEPENDENT SCHOOL DISTRICT NO. 284

Property Tax Levies, Collections, and Receivables  
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year			Collections	
	Operating Tax Levy	Debt Tax Levy	Total	First Year Levy Recognized Amount	Percentage of Levy
2009	\$ 31,062,404	\$ 9,441,024	\$ 40,503,428	\$ 40,000,965	98.8 %
2010	34,816,228	9,671,125	44,487,353	43,915,814	98.7
2011	35,773,599	10,253,307	46,026,906	45,566,841	99.0
2012	35,363,239	10,602,809	45,966,048	45,528,016	99.0
2013	36,564,682	11,042,159	47,606,841	47,324,720	99.4
2014	37,383,176	11,239,478	48,622,654	48,401,803	99.5
2015	38,442,757	11,552,379	49,995,136	49,855,092	99.7
2016	40,225,448	15,728,896	55,954,344	55,775,065	99.7
2017	43,779,692	14,650,127	58,429,819	58,223,020	99.6
2018	56,479,703	12,125,522	68,605,225	68,580,763	100.0

Source: Minnesota Department of Education School Tax Reports and Hennepin County Tax Settlement Reports

Received in Subsequent Years	Total to Date		Delinquent	
	Amount	Percentage of Levy	Amount	Percent
\$ 502,463	\$ 40,503,428	100.0 %	\$ -	- %
571,539	44,487,353	100.0	-	-
460,065	46,026,906	100.0	-	-
438,032	45,966,048	100.0	-	-
282,121	47,606,841	100.0	-	-
220,851	48,622,654	100.0	-	-
111,397	49,966,489	99.9	28,647	0.1
135,830	55,910,895	99.9	43,449	0.1
103,945	58,326,965	99.8	102,854	0.2
-	68,580,763	99.9	24,462	0.1
			<u>\$ 199,412</u>	

INDEPENDENT SCHOOL DISTRICT NO. 284

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Premium (Discount) on Bonds	Certificates of Participation	Capital Leases	Total Primary Government		
2009	\$ 67,325,000	\$ 2,951,772	\$ 2,320,000	\$ 1,493,832	\$ 74,090,604	2.1 %	\$ 1,270
2010	65,535,000	2,704,201	3,215,000	1,358,800	72,813,001	2.0	1,225
2011	57,525,000	2,264,028	2,695,000	38,568	62,522,596	1.8	1,052
2012	65,135,000	2,349,744	2,190,000	9,019	69,683,763	2.0	1,161
2013	56,070,000	2,095,615	11,655,000	918,096	70,738,711	2.0	1,169
2014	184,045,000	4,628,582	10,355,000	1,300,465	200,329,047	5.3	3,246
2015	174,070,000	4,359,617	9,220,000	1,182,787	188,832,404	4.9	2,982
2016	165,110,000	3,625,490	8,495,000	6,239,289	183,469,779	4.5	2,826
2017	156,210,000	3,120,929	7,755,000	5,092,079	172,178,008	N/A	2,588
2018	220,160,000	6,208,464	7,000,000	9,174,643	242,543,107	N/A	3,646

N/A – Not Available

(1) See Demographic and Economic Statistics table for population and personal income.

Source: The District’s outstanding debt can be found in the notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

Ratio of Net General Obligation Bonded Debt  
to Tax Capacity and Net General Obligation Bonded Debt  
per Capita  
Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand	Net Bonded Debt	Net Tax Capacity	Percent of Net Debt to Net Tax Capacity	Estimated Population (1)	Net Bonded Debt per Capita
2009	\$ 65,365,601	\$ 2,067,838	\$ 63,297,763	\$ 121,330,023	52.17 %	58,355	\$ 1,085
2010	63,683,257	1,853,801	61,829,456	123,328,768	50.13	59,417	1,041
2011	55,537,890	2,003,402	53,534,488	118,450,131	45.20	59,417	901
2012	62,801,663	2,373,561	60,428,102	111,127,795	54.38	60,017	1,007
2013	54,201,743	1,948,293	52,253,450	109,891,883	47.55	60,517	863
2014	179,273,752	4,904,822	174,368,930	109,307,508	159.52	61,717	2,825
2015	172,218,764	2,044,497	170,174,267	111,197,389	153.04	63,317	2,688
2016	168,735,490	2,618,143	166,117,347	119,387,105	139.14	64,917	2,559
2017	159,330,929	2,475,932	156,854,997	127,889,211	122.65	66,517	2,358
2018	226,368,464	2,606,958	223,761,506	137,065,114	163.25	66,517	3,364

(1) See Demographic and Economic Statistics table for population.

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INDEPENDENT SCHOOL DISTRICT NO. 284

Direct and Overlapping Debt  
as of June 30, 2018

Governmental Unit	Tax Collection Calendar Year – 2018 Taxable Net Tax Capacity	Bonded Debt (1)	Debt Applicable to Tax Capacity in ISD No. 284 (2)	
			Percent	Amount
<b>Direct debt</b>				
Independent School District No. 284	\$ 139,731,174	\$ 220,160,000	100.00 %	\$ 220,160,000
<b>Overlapping debt</b>				
Hennepin County	1,685,924,784	925,550,000	8.29	76,728,095
<b>Cities</b>				
Corcoran	8,298,646	4,831,000	11.24	543,004
Maple Grove	90,580,831	55,280,000	7.95	4,394,760
Medicine Lake	979,611	–	100.00	–
Medina	17,824,467	5,925,000	54.82	3,248,085
Minnetonka	95,091,802	6,220,000	23.09	1,436,198
Orono	32,584,716	7,660,000	4.17	319,422
Plymouth	118,988,204	10,320,000	64.94	6,701,808
Wayzata	20,381,425	9,015,000	99.45	8,965,418
<b>Other</b>				
Metropolitan Council	3,295,889,335	188,620,614	4.24	7,997,514
Three Rivers Park District	1,207,240,792	60,560,000	11.57	7,006,792
Total overlapping debt				<u>117,341,096</u>
Total direct and overlapping debt				<u>\$ 337,501,096</u>

(1) Only those taxing jurisdictions with general obligation debt outstanding are included in this section. Does not include nongeneral obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness. Does not include the Hennepin County Regional Railroad Authority's \$42,595,000 Limited Tax Refunding Bonds, Series 2010A, dated March 17, 2010, currently outstanding in the principal amount of \$31,535,000.

(2) The percent overlap is based on the percentage of tax capacity of the individual entities in the District.

Source: Hennepin County Department of General Services – Taxpayer Services Division

INDEPENDENT SCHOOL DISTRICT NO. 284

Legal Debt Margin Information  
Last Ten Fiscal Years

	Fiscal Year			
	2009	2010	2011	2012
Debt limit	\$ 1,765,131,957	\$ 1,718,794,553	\$ 1,668,698,016	\$ 1,523,458,227
Total net debt applicable to the limit	<u>63,297,763</u>	<u>61,829,456</u>	<u>53,534,488</u>	<u>60,428,102</u>
Legal debt margin	<u>\$ 1,701,834,194</u>	<u>\$ 1,656,965,097</u>	<u>\$ 1,615,163,528</u>	<u>\$ 1,463,030,125</u>
Total net debt applicable to the limit as a percentage of debt limit	3.59%	3.60%	3.21%	3.97%

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

Source: State of Minnesota School Tax Report

2013	2014	2015	2016	2017	2018
\$ 1,468,885,209	\$ 1,470,794,289	\$ 1,504,001,884	\$ 1,603,298,661	\$ 1,711,502,134	\$ 1,837,450,721
52,253,450	174,368,930	170,174,267	166,117,347	156,854,997	223,761,506
<u>\$ 1,416,631,759</u>	<u>\$ 1,296,425,359</u>	<u>\$ 1,333,827,617</u>	<u>\$ 1,437,181,314</u>	<u>\$ 1,554,647,137</u>	<u>\$ 1,613,689,215</u>
3.56%	11.86%	11.31%	10.36%	9.16%	12.18%

Legal Debt Margin Calculation for Fiscal Year 2018

Market value	\$ 12,249,671,471
Debt limit (15% of market value)	1,837,450,721
Debt applicable to the limit	
General obligation bonds	226,368,464
Less amount set aside for repayment of general obligation debt	<u>(2,606,958)</u>
Total net debt applicable to the limit	<u>223,761,506</u>
Legal debt margin	<u>\$ 1,613,689,215</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Demographic and Economic Statistics  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2009	58,355	\$3,597,644,105	\$ 61,651	10,196	8.3 %
2010	59,417	3,643,925,776	61,328	10,377	6.7
2011	59,417	3,474,468,492	58,476	10,511	7.0
2012	60,017	3,548,565,142	59,126	10,544	5.7
2013	60,517	3,621,095,212	59,836	10,657	5.1
2014	61,717	3,754,121,676	60,828	10,708	4.5
2015	63,317	3,893,488,964	61,492	10,747	3.7
2016	64,917	4,103,857,989	63,217	10,858	3.7
2017	66,517	N/A	N/A	11,330	3.5
2018	66,517	N/A	N/A	11,640	2.8

N/A – Not Available

Sources: Population data based on information from property developers and cities; methodology approved by the State Demographer's Office

Per capita personal income data is for the state of Minnesota and is obtained from the United States Census Bureau

Enrollment information from district records

Unemployment rate is for Hennepin County as of June and is obtained from the Minnesota Department of Employment and Economic Development

INDEPENDENT SCHOOL DISTRICT NO. 284

Principal Employers  
Current Year and Nine Years Ago

Employer	Fiscal Year			
	2018		2009	
	Employees	Rank	Employees	Rank
Carlson Companies (1)	4,500	1	2,700	2
Independent School District No. 284	1,660	2	1,270	4
Medica Health	1,300	3	980	9
Aimia	1,000	4	–	–
TCF National Bank	1,000	4	–	–
Abbott Laboratories	800	6	–	–
US Foods	500	7	–	–
Nilfisk-Advance, Inc.	450	8	–	–
Wagner Spray Tech Corp.	400	9	–	–
Deltak, LLC	300	10	–	–
Cargill, Inc.	–	–	3,000	1
DataCard Corporation	–	–	1,400	3
Metris	–	–	1,215	5
Advance Circuits, Inc.	–	–	1,200	6
United Health Group	–	–	1,200	6
Independent School District No. 276	–	–	1,050	8
Opportunity Partners	–	–	600	10
<b>Total</b>	<b>11,910</b>		<b>14,615</b>	
Total ISD No. 284 population (see the Schedule of Demographic and Economic Statistics)	<b>66,517</b>		<b>58,355</b>	
Percent of principal employers to total ISD No. 284 population	<b>17.9%</b>		<b>25.0%</b>	

(1) Includes entire metropolitan area. Carlson Marketing Travel Group is included in Carlson Companies.

Source: Fiscal 2018 information: obtained from the Official Statement associated with the District's 2018A General Obligation School Building Bonds (prepared by Ehlers)

Fiscal 2009 information: Hennepin County and Northland Securities Official Statement for ISD 284 Series 2009 OPEB Bonds

INDEPENDENT SCHOOL DISTRICT NO. 284

Employees by Classification  
Last Ten Fiscal Years

Employees	Fiscal Year			
	2009	2010	2011	2012
<b>Administration</b>				
Principals	11.0	11.0	11.0	11.0
Associate principals	8.0	8.0	8.0	8.0
Unaffiliated	37.0	37.0	38.8	36.1
Total administration	56.0	56.0	57.8	55.1
<b>Instructional administrators</b>				
High school classroom teachers	155.1	155.4	153.5	158.8
Middle school classroom teachers	124.9	124.9	131.2	126.3
Elementary classroom teachers	176.5	178.0	185.0	189.7
High school – area learning center	8.2	8.0	9.0	8.0
Middle school – area learning center	2.5	2.0	2.0	2.0
Community education – extended day kindergarten	6.5	8.0	5.5	6.0
Community education – early childhood family education	4.0	3.8	4.4	3.1
Special services	79.3	77.1	77.6	79.4
Elementary specialists and intervention	53.2	53.6	57.3	65.2
Total instructional administrators	610.2	610.8	625.5	638.5
<b>Student services</b>				
Curriculum and instruction – resource, peer, alt comp	19.0	19.0	19.8	19.5
Media centers – elementary	7.0	7.0	7.0	7.0
High school – professional development	0.3	0.3	0.3	0.3
High school – counselors, media, Vision 21, intervention	11.0	10.5	11.7	13.0
Middle schools – counselors, media, Vision 21, intervention	9.2	9.3	9.8	10.5
Technology	2.5	2.5	3.0	3.0
Special services – social workers, psychologists, nurses, etc.	41.7	45.5	45.3	43.6
Total student services	90.7	94.1	96.9	96.9
<b>Support services</b>				
Clerical/secretarial	46.7	44.9	45.9	46.0
Custodial	75.9	75.9	74.4	74.4
Food service	42.9	42.9	42.4	42.4
Paraprofessionals	241.5	257.1	260.5	256.8
Unaffiliated specialists	18.0	17.0	20.2	19.5
Unaffiliated support staff	10.0	10.0	7.0	6.0
Total support services	435.0	447.8	450.4	445.1
District-wide totals	1,191.9	1,208.7	1,230.6	1,235.6

N/A – Not Available

Note: All full-time equivalents are based on an 8-hour day.

Source: The District's Human Resources Department

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
11.0	11.0	12.0	12.0	12.0	12.0
8.0	8.0	8.0	6.0	6.0	6.0
<u>37.2</u>	<u>35.4</u>	<u>37.2</u>	<u>36.1</u>	<u>38.2</u>	<u>39.1</u>
56.2	54.4	57.2	54.1	56.2	57.1
153.4	154.3	157.5	153.0	155.7	155.4
132.5	132.3	134.6	131.7	133.4	137.2
191.0	183.0	213.0	203.0	219.0	230.0
8.7	8.0	8.0	6.3	7.7	6.7
2.0	2.0	2.0	1.5	1.5	1.0
8.0	16.0	N/A	N/A	N/A	N/A
3.7	4.2	3.8	5.5	3.5	3.5
80.6	77.1	77.0	66.0	68.6	96.6
<u>63.3</u>	<u>66.4</u>	<u>65.6</u>	<u>64.7</u>	<u>72.2</u>	<u>82.7</u>
643.2	643.3	661.5	631.7	661.5	713.1
20.5	20.0	20.0	21.0	15.5	16.5
7.1	7.0	7.0	7.0	8.0	7.9
0.3	0.3	0.3	0.3	0.3	0.3
13.0	13.0	13.0	17.0	18.7	18.5
15.5	15.0	14.0	15.5	18.2	19.3
3.0	3.0	3.0	3.0	3.0	3.0
<u>44.9</u>	<u>45.4</u>	<u>46.2</u>	<u>59.2</u>	<u>54.9</u>	<u>38.3</u>
104.3	103.7	103.5	123.0	118.6	103.8
48.0	48.0	49.9	50.9	50.9	49.9
73.0	73.0	73.0	75.0	83.5	85.5
43.8	43.8	44.9	46.2	48.8	49.4
254.2	254.2	244.6	246.9	238.6	239.7
20.8	22.5	22.8	22.8	20.9	21.9
<u>5.0</u>	<u>5.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.8</u>	<u>5.7</u>
444.8	446.5	439.2	445.8	447.5	452.1
<u><u>1,248.5</u></u>	<u><u>1,247.9</u></u>	<u><u>1,261.4</u></u>	<u><u>1,254.6</u></u>	<u><u>1,283.8</u></u>	<u><u>1,326.1</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Operating Statistics  
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Percentage of Students Receiving Free or Reduced-Priced Meals
2009	10,196	\$ 113,315,322	\$ 11,114	4.0 %	457	22.3	13.0 %
2010	10,377	113,656,576	10,953	(1.4)	458	22.7	12.5
2011	10,511	117,584,500	11,187	2.1	469	22.4	13.2
2012	10,544	121,786,584	11,550	3.2	475	22.2	14.4
2013	10,657	124,740,958	11,705	1.3	477	22.3	14.6
2014	10,708	132,892,192	12,411	6.0	470	22.8	12.9
2015	10,747	133,929,448	12,462	0.4	505	21.3	13.0
2016	10,858	136,420,224	12,564	0.8	488	22.3	13.9
2017	11,330	143,803,361	12,692	1.0	508	22.3	14.0
2018	11,640	154,352,148	13,260	4.5	523	22.3	12.0

Note: Operating expenditures are total expenditures less debt service and capital outlays.

Source: Nonfinancial information from district records

INDEPENDENT SCHOOL DISTRICT NO. 284

Building Information  
Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Elementary schools</b>										
Birchview (1969)										
Square feet	59,720	59,720	59,720	59,720	59,720	59,720	59,720	59,720	59,720	59,720
Capacity	530	530	592	592	592	592	592	592	550	550
Enrollment	621	646	671	651	653	647	622	586	481	499
Gleason Lake (1988)										
Square feet	80,710	80,710	80,710	80,710	80,710	80,710	80,710	80,710	80,710	80,710
Capacity	630	630	690	690	690	690	690	690	690	690
Enrollment	666	652	692	663	655	663	636	622	571	568
Greenwood (1964)										
Square feet	72,007	72,007	72,007	72,007	72,007	88,016	88,016	88,016	88,016	88,016
Capacity	680	680	690	690	690	820	820	820	780	780
Enrollment	632	647	608	685	726	821	863	856	747	794
Kimberly Lane (1991)										
Square feet	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000
Capacity	680	680	690	690	690	690	690	690	710	710
Enrollment	697	768	806	757	717	744	764	718	649	760
Meadow Ridge (2016)										
Square feet	-	-	-	-	-	-	-	-	85,208	102,508
Capacity	-	-	-	-	-	-	-	-	710	828
Enrollment	-	-	-	-	-	-	-	-	758	853
Oakwood (1957)										
Square feet	85,490	85,490	85,490	85,490	85,490	95,476	95,476	95,476	95,476	95,476
Capacity	475	475	475	475	475	690	690	690	640	640
Enrollment	480	498	511	538	504	527	576	675	475	515
Plymouth Creek (1988)										
Square feet	81,000	81,000	81,000	81,000	81,000	81,000	81,000	81,000	81,000	81,000
Capacity	680	680	690	690	690	690	690	690	710	710
Enrollment	719	738	765	772	866	746	747	762	669	690
Sunset Hill (1963)										
Square feet	64,983	64,983	64,983	64,983	64,983	73,598	73,598	73,598	73,598	73,598
Capacity	575	575	592	592	592	690	690	690	660	660
Enrollment	571	586	579	577	563	560	581	596	664	681
<b>Middle schools</b>										
East (1967)										
Square feet	145,711	146,111	146,111	146,111	146,111	146,111	146,111	146,111	146,111	146,111
Capacity	800	800	800	800	800	800	800	800	850	850
Enrollment	747	777	763	777	821	772	771	743	780	733
West (1949)										
Square feet	167,000	167,000	167,000	167,000	167,000	167,000	167,000	167,525	167,525	167,525
Capacity	900	900	900	900	900	900	900	900	850	850
Enrollment	737	729	719	736	744	736	745	772	791	771
Central (1961)										
Square feet	308,568	308,568	308,568	308,568	308,568	308,568	308,568	308,568	308,568	308,568
Capacity (1)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,600	1,600
Enrollment	903	887	942	987	1,034	1,066	1,036	1,118	1,209	1,268
<b>High school</b>										
Peony (1997)										
Square feet	487,000	487,432	487,432	487,432	487,432	487,432	487,432	487,432	656,432	656,432
Capacity	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,900	3,900
Enrollment	3,237	3,281	3,235	3,266	3,265	3,257	3,305	3,334	3,410	3,453

(1) Through fiscal 2016, Central Middle School capacity includes space for 1,400 middle school students and 300 birth-to-kindergarten students.

Source: Information was obtained from district records. Enrollment data is as of October 1 of fiscal year.

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Management Report  
for  
Independent School District No. 284  
Wayzata, Minnesota  
June 30, 2018

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To the School Board and Management of  
Independent School District No. 284  
Wayzata, Minnesota

We have prepared this management report in conjunction with our audit of Independent School District No. 284's (the District) financial statements for the year ended June 30, 2018. We have organized this report into the following sections:

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

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

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

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

Minneapolis, Minnesota  
December 3, 2018

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## AUDIT SUMMARY

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

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

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

### **AUDIT OPINION AND FINDINGS**

Based on our audit of the District's financial statements for the year ended June 30, 2018:

- We have issued an unmodified opinion on the District's basic financial statements.
- We reported no deficiencies in the District's internal control over financial reporting that we considered to be material weaknesses. It should be understood that internal controls are never perfected, and those controls which protect the District's funds from such things as fraud and accounting errors need to be continually reviewed by your management and modified as necessary.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our testing indicate that the District has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported one matter involving the internal controls over compliance and its operation that we consider to be a significant deficiency in our testing of major federal programs:
  1. For the child nutrition cluster, the District's controls were not adequate to assure that it was not contracting for goods or services with parties that are suspended or debarred, or whose principals are suspended or debarred.
- We reported no findings based on our testing of the District's compliance with Minnesota laws and regulations.

## **EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS**

In accordance with Minnesota Statutes, the District's School Board has elected not to exercise control over the transactions of the extracurricular student activity accounts maintained at various district sites. Consequently, the cash receipts and disbursements of the District's extracurricular student activity accounts are reported in a separate set of financial statements, rather than being reported within the District's General Fund. We have issued an opinion on these separate financial statements, stating that they fairly present the cash balances and cash receipts and disbursements of these accounts as of and for the year ended June 30, 2018, in accordance with the financial reporting provisions of the Minnesota Department of Education (MDE) (regulatory basis of accounting). Our opinion was qualified for a limitation related to the completeness of cash receipts reported.

We reported one deficiency involving internal control over financial reporting for the District's extracurricular student activities that we consider to be a material weakness. The District reports student activities on a cash basis, and has not established procedures to assure that all cash collections are recorded in the accounting records. Procedures such as the use and reconciliation of prenumbered receipts, prenumbered admission tickets for events, and inventory controls over items sold for fundraisers would help strengthen the controls in this area.

We also issued a report on compliance with the MDE's *Manual for Activity Fund Accounting (MAFA)*, in which we reported four findings:

1. Certain groups and activities accounted for by the District as student activities during the year ended June 30, 2018, do not meet the definition of an extracurricular activity as defined by the standards in the *MAFA*. In addition, all student activity disbursements are processed through the District's general checking account and signed by the School Board rather than a separate account signed by the student, advisor, and site administrator.
2. Activity purpose forms, stating the purpose of each activity and signed by both the activity advisor and the principal of the respective school, were not completed and kept on file for 2 of 98 student activity accounts tested as required by the *MAFA*.
3. Seven of twenty-five student activity account cash receipts tested were not deposited into the bank in a timely manner as defined by the *MAFA*.
4. Twenty-five of twenty-five disbursement transactions tested within the student activity accounts lacked having all three approvals on the check requests as required by the *MAFA*.

## **SIGNIFICANT ACCOUNTING POLICIES**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 of the notes to basic financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2018. However, the District implemented the following governmental accounting standard during the fiscal year ended June 30, 2018:

- Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, which addresses issues that have been identified during implementation and application of certain GASB statements.

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

## **ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS**

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

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

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

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

The District has recorded activity for other post-employment benefits (OPEB) and pension benefits. These obligations are calculated using actuarial methodologies primarily described in GASB Statement Nos. 68, 73, 74, and 75. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, proportionate share, and employee turnover.

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

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

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

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

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

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

## **CORRECTED AND UNCORRECTED MISSTATEMENTS**

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

## **DISAGREEMENTS WITH MANAGEMENT**

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

## **MANAGEMENT REPRESENTATIONS**

We have requested certain representations from management that are included in the management representation letter dated December 3, 2018.

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

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

## **OTHER AUDIT FINDINGS OR ISSUES**

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

## **OTHER MATTERS**

We applied certain limited procedures to the management's discussion and analysis and the pension and OPEB-related required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

We were not engaged to report on the introductory section and statistical section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

## FUNDING PUBLIC EDUCATION IN MINNESOTA

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

### BASIC GENERAL EDUCATION REVENUE

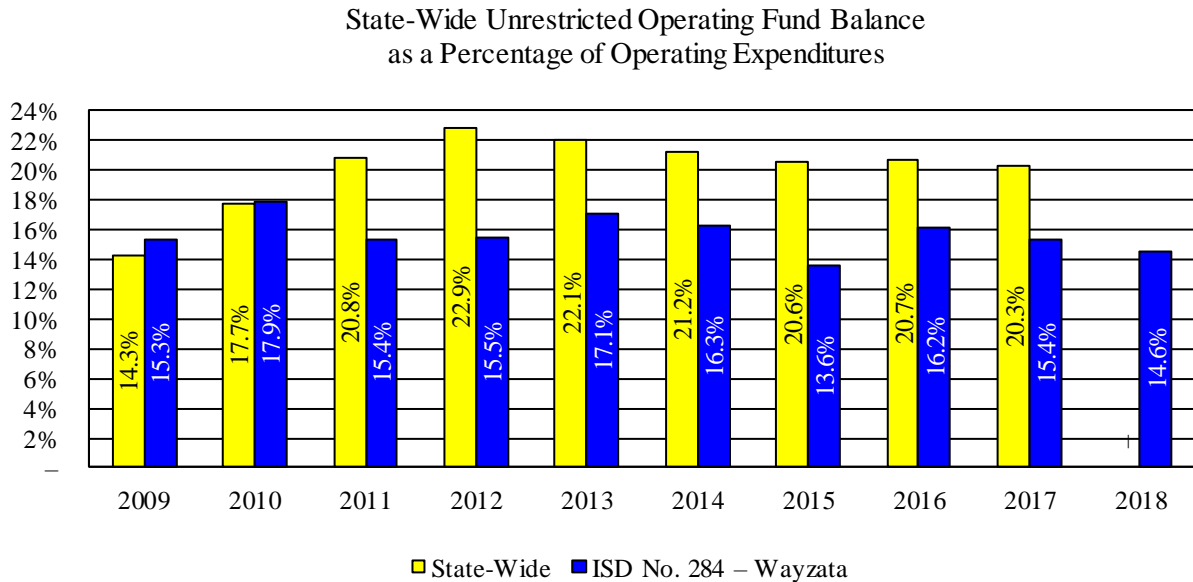
The largest single funding source for Minnesota school districts is basic general education aid. Each year, the Legislature sets a basic formula allowance. Total basic general education revenue is calculated by multiplying the formula allowance by the number of pupil units for which a district is entitled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

The table below presents a summary of the formula allowance for the past decade and as approved for the 2019 fiscal year. The amount of the formula allowance and the percentage change from year-to-year excludes temporary funding changes, the “roll-in” of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts. The \$529 increase in 2015 was offset by changes to pupil weightings and the general education aid formula that resulted in an increase equivalent to approximately \$105, or 2.0 percent, state-wide.

Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
2009	\$ 5,124	1.0 %
2010	\$ 5,124	– %
2011	\$ 5,124	– %
2012	\$ 5,174	1.0 %
2013	\$ 5,224	1.0 %
2014	\$ 5,302	1.5 %
2015	\$ 5,831	2.0 %
2016	\$ 5,948	2.0 %
2017	\$ 6,067	2.0 %
2018	\$ 6,188	2.0 %
2019	\$ 6,312	2.0 %

## STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

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



Note: State-wide information is not available for fiscal 2018.

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

During the economic downturn that began in 2008, the average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts increased, peaking at 22.9 percent at the end of fiscal 2012. This trend reflected districts' efforts to limit budget cuts, retain educational programs, and maintain adequate operating cash flow during a period of uncertain funding. As the state's economic condition improved in subsequent years, this ratio has gradually decreased, stabilizing at 20.3 percent at the end of fiscal 2017.

As of June 30, 2018, this ratio was 14.6 percent for the District, as compared to 15.4 percent at the end of the previous year.

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

<b>Governmental Funds Revenue per Student (ADM) Served</b>								
	State-Wide		Seven-County Metro Area		ISD No. 284 – Wayzata			
	2016	2017	2016	2017	2016	2017	2018	
<b>General Fund</b>								
Property taxes	\$ 1,777	\$ 1,933	\$ 2,342	\$ 2,516	\$ 3,532	\$ 3,698	\$ 4,468	
Other local sources	495	515	392	423	334	417	397	
State	9,271	9,386	9,357	9,387	7,955	8,164	8,218	
Federal	432	450	447	480	255	282	280	
Total General Fund	<u>11,975</u>	<u>12,284</u>	<u>12,538</u>	<u>12,806</u>	<u>12,076</u>	<u>12,561</u>	<u>13,363</u>	
<b>Special revenue funds</b>								
Food Service	548	561	545	557	510	549	562	
Community Service	591	628	692	733	762	820	848	
Debt Service Fund	<u>1,053</u>	<u>1,119</u>	<u>1,084</u>	<u>1,118</u>	<u>1,285</u>	<u>1,272</u>	<u>715</u>	
Total revenue	<u>\$ 14,167</u>	<u>\$ 14,592</u>	<u>\$ 14,859</u>	<u>\$ 15,214</u>	<u>\$ 14,633</u>	<u>\$ 15,202</u>	<u>\$ 15,488</u>	
ADM served per MDE School District Profiles Report (current year estimated)					<u>10,928</u>	<u>11,380</u>	<u>11,683</u>	
Note: Excludes the Capital Projects – Building Construction Fund.								
Source of state-wide and seven-county metro area data: School District Profiles Report published by the MDE								

ADM used in the table above and on the next page are based on enrollments consistent with those used in the MDE School District Profiles Report, which include extended time ADM, and may differ from ADM reported in other tables.

The mix of local and state revenues vary from year to year primarily based on funding formulas and the state’s financial condition. The mix of revenue components from district to district varies due to factors such as the strength of property values, mix of property types, operating and bond referendums, enrollment trends, density of population, types of programs offered, and countless other criteria. Changes in enrollment also impact comparisons in the table above and on the next page when revenue and expenditures are based on fixed costs, such as debt levies and principal and interest on outstanding indebtedness.

The District earned \$180,942,774 in the governmental funds reflected above in fiscal 2018, an increase of \$7,942,813 (4.6 percent) from the prior year, or \$286 per ADM. Total General Fund revenue increased \$802 per ADM from the previous year. General Fund property tax revenue was \$770 per ADM higher than last year, primarily due to increases in the levy for long-term facilities maintenance (LTFM). Revenue from state sources also increased \$54 per ADM, mainly due to an increase in students served and funding improvements to the general education aid formula. Debt Service Fund revenue decreased \$557 per ADM, mainly due to decreases in the tax levy.

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

<b>Governmental Funds Expenditures per Student (ADM) Served</b>							
	State-Wide		Seven-County Metro Area		ISD No. 284 – Wayzata		
	2016	2017	2016	2017	2016	2017	2018
<b>General Fund</b>							
Administration and district support	\$ 960	\$ 991	\$ 958	\$ 996	\$ 747	\$ 804	\$ 784
Elementary and secondary regular instruction	5,466	5,539	5,849	5,887	5,628	5,635	5,814
Vocational education instruction	158	166	146	153	253	244	252
Special education instruction	2,182	2,225	2,330	2,334	1,591	1,557	1,597
Instructional support services	622	660	725	765	925	865	1,207
Pupil support services	1,019	1,074	1,104	1,165	1,124	1,145	1,120
Sites and buildings and other	890	906	847	870	1,048	1,184	1,280
Total General Fund – noncapital	11,297	11,561	11,959	12,170	11,316	11,434	12,054
General Fund capital expenditures	600	627	532	592	75	645	733
Total General Fund	11,897	12,188	12,491	12,762	11,391	12,079	12,787
<b>Special revenue funds</b>							
Food Service	542	550	539	545	530	548	549
Community Service	577	611	676	713	742	789	889
Debt Service Fund	1,522	1,359	1,453	1,323	1,245	1,284	704
Total expenditures	<u>\$ 14,538</u>	<u>\$ 14,708</u>	<u>\$ 15,159</u>	<u>\$ 15,343</u>	<u>\$ 13,908</u>	<u>\$ 14,700</u>	<u>\$ 14,929</u>
ADM served per MDE School District Profiles Report (current year estimated)					<u>10,928</u>	<u>11,380</u>	<u>11,683</u>
Note: Excludes the Capital Projects – Building Construction Fund.							
Source of state-wide and seven-county metro area data: School District Profiles Report published by the MDE							

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

The District spent \$174,397,940 in the governmental funds reflected above in fiscal 2018, an increase of \$7,105,887 (4.3 percent) from the prior year, which represents an increase of \$229 per ADM. General Fund expenditures increased \$708 per ADM, mainly in instructional support services (\$342 per ADM), due to the capital projects levy being accounted for in the General Fund in the current year. Elementary and secondary regular instruction expenditures increased (\$179 per ADM), due to contractual salary and benefit increases. Community service program costs increased \$100 per ADM as a result of increased staffing for various community education programs. Debt Service Fund expenditures decreased \$580 per ADM, due to the timing of scheduled payments for general debt service.

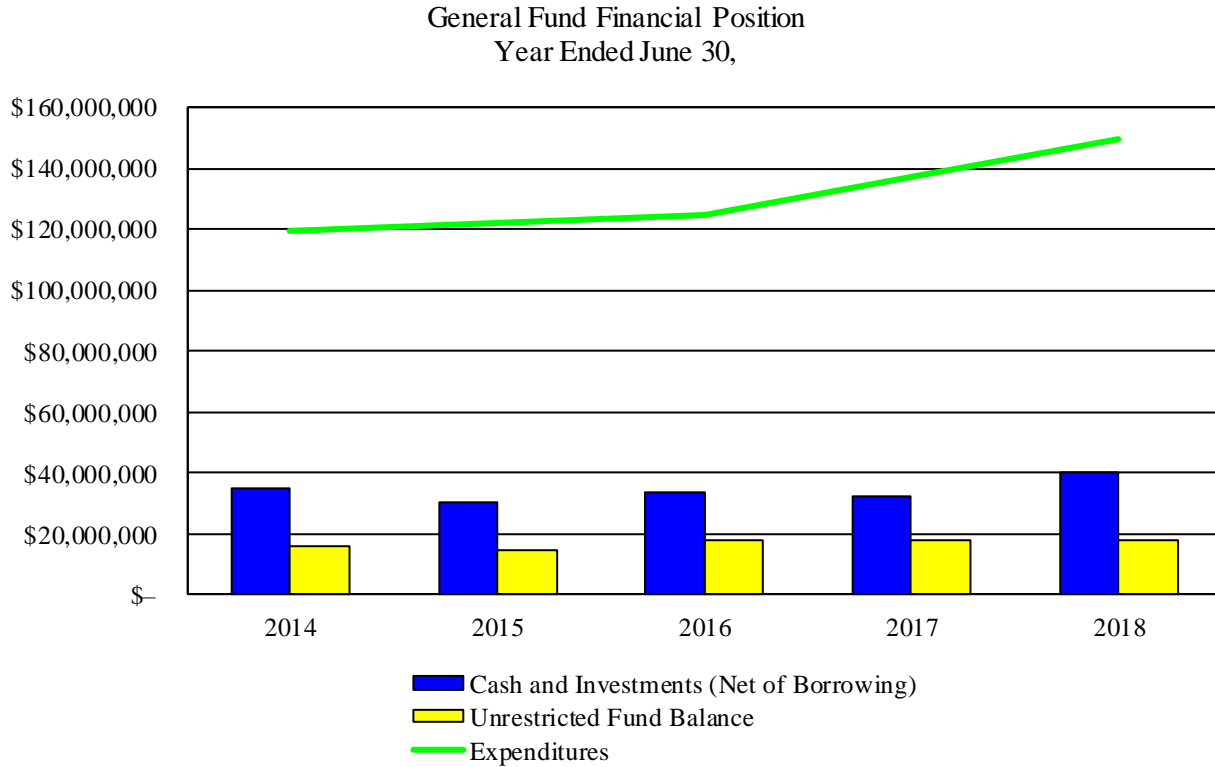
## SUMMARY

Funding for Minnesota school districts generally has not kept pace with inflation, despite recent enhancements to the basic general education state aid formula. This has often increased districts reliance on local revenue sources like voter-approved operating referenda and user fees to maintain programs. Many districts are also beginning to experience delays in collecting property tax revenues due to higher abatements, as more commercial property taxpayers are appealing the assessed values of brick-and-mortar facilities in light of the rapid evolution of e-commerce. School boards and district administrators continue to face many challenges in providing the best education within the limits of the resources available.

## FINANCIAL TRENDS OF YOUR DISTRICT

### GENERAL FUND FINANCIAL POSITION

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



The District ended fiscal year 2018 with a General Fund cash balance (net of interfund borrowing and excluding cash and investments held with trustee) of \$40,177,883, an increase of \$7,905,931 from the prior year. Total fund balance at year-end was \$20,075,186, an increase of \$3,926,082, as compared to a budgeted increase of \$2,694,667. General Fund cash and investments increased more than fund balances this year due to the spike in prepaid property taxes collected from taxpayers hoping to maximize itemized deductions in light of recent changes to federal income tax regulations.

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

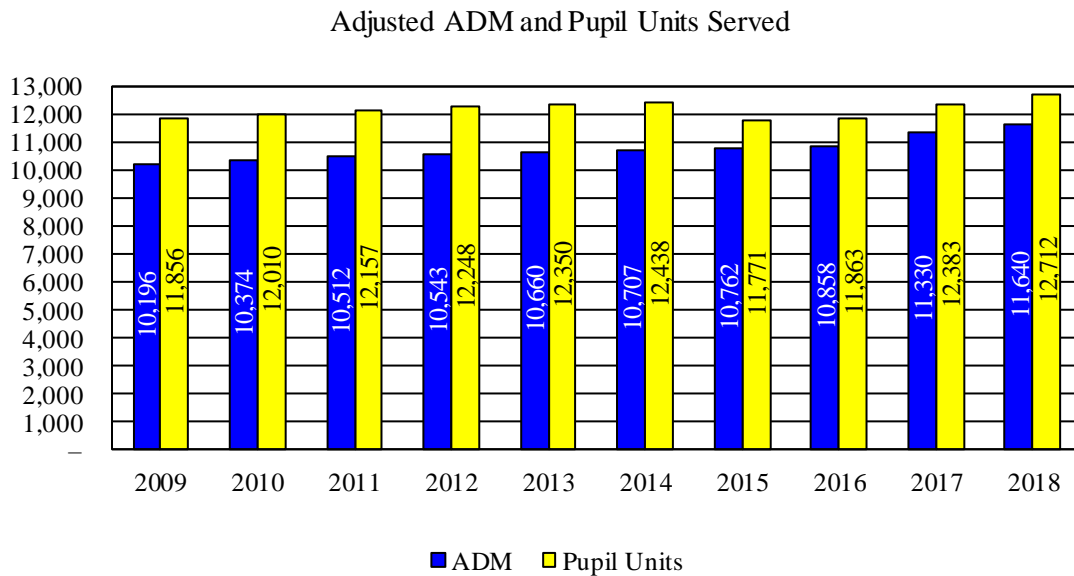
	June 30,				
	2014	2015	2016	2017	2018
Nonspendable fund balances	\$ 139,900	\$ 170,070	\$ 196,566	\$ 355,711	\$ 287,085
Restricted fund balances (1)	6,474,793	6,549,824	5,838,351	(2,117,536)	1,979,878
Unrestricted fund balances					
Committed	2,889,790	2,889,790	2,889,790	-	-
Assigned	1,766,330	2,508,237	5,482,867	4,918,059	5,712,743
Unassigned	10,926,181	9,306,757	9,347,456	12,992,870	12,095,480
<b>Total fund balance</b>	<b>\$ 22,196,994</b>	<b>\$ 21,424,678</b>	<b>\$ 23,755,030</b>	<b>\$ 16,149,104</b>	<b>\$ 20,075,186</b>
<b>Total expenditures</b>	<b>\$ 119,160,361</b>	<b>\$ 122,215,198</b>	<b>\$ 124,483,267</b>	<b>\$ 137,460,334</b>	<b>\$ 149,384,155</b>
Unrestricted fund balances as a percentage of expenditures	13.1%	12.0%	14.2%	13.0%	11.9%
Unassigned fund balances as a percentage of expenditures	9.2%	7.6%	7.5%	9.5%	8.1%
(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.					

The table above reflects the total General Fund unrestricted fund balance and percentages, which differs from those used in the previous discussion of state-wide fund balances, which are based on a state formula. The resources represented by this fund balance are critical to a district's ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion against the impact of unexpected costs or funding shortfalls.

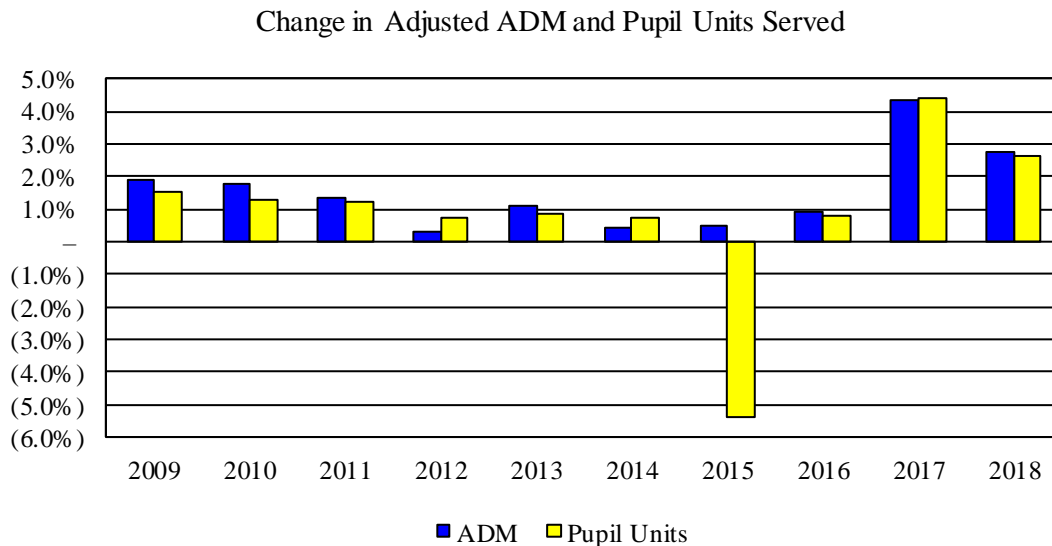
At June 30, 2018, unassigned fund balance in the General Fund (excluding restricted fund balance deficits) represented 8.1 percent of annual expenditures, or about four weeks of operations assuming level spending throughout the year.

## AVERAGE DAILY MEMBERSHIP AND PUPIL UNITS

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



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



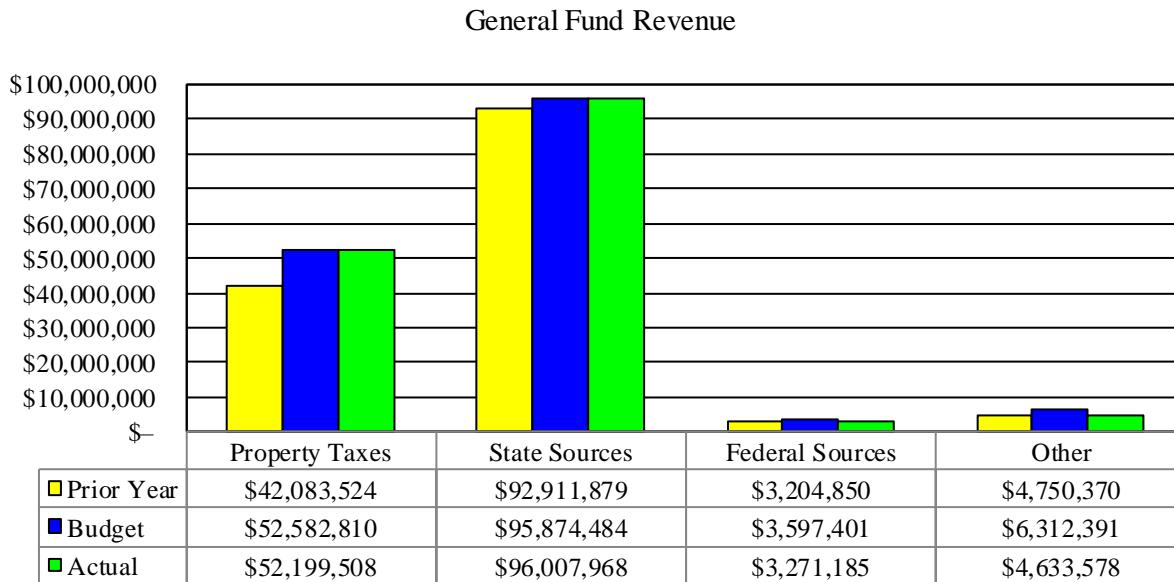
The change in pupil units for 2015 includes the effect of legislative reductions to pupil units.

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

The District served an estimated ADM of 11,640 in 2018, an increase of 310 ADM (2.7 percent) from the prior year. The resulting pupil units served by the District increased by 329 (2.7 percent) to 12,712.

## GENERAL FUND REVENUES

The following graph presents the District's General Fund revenues for 2018:



Total General Fund revenues were \$156,112,239 for the year ended June 30, 2018, which was an increase of \$13,161,616 (9.2 percent) from the prior year, but \$2,254,847 (1.4 percent) less than projected in the final budget.

The variance to budget was mainly in revenues from other local sources. Revenues from other local sources, including investment income, gifts, bequests, and tuition, were \$1,678,813 under budget, primarily due to the District budgeting for all investment income in the General Fund, but allocating investment income to other District funds.

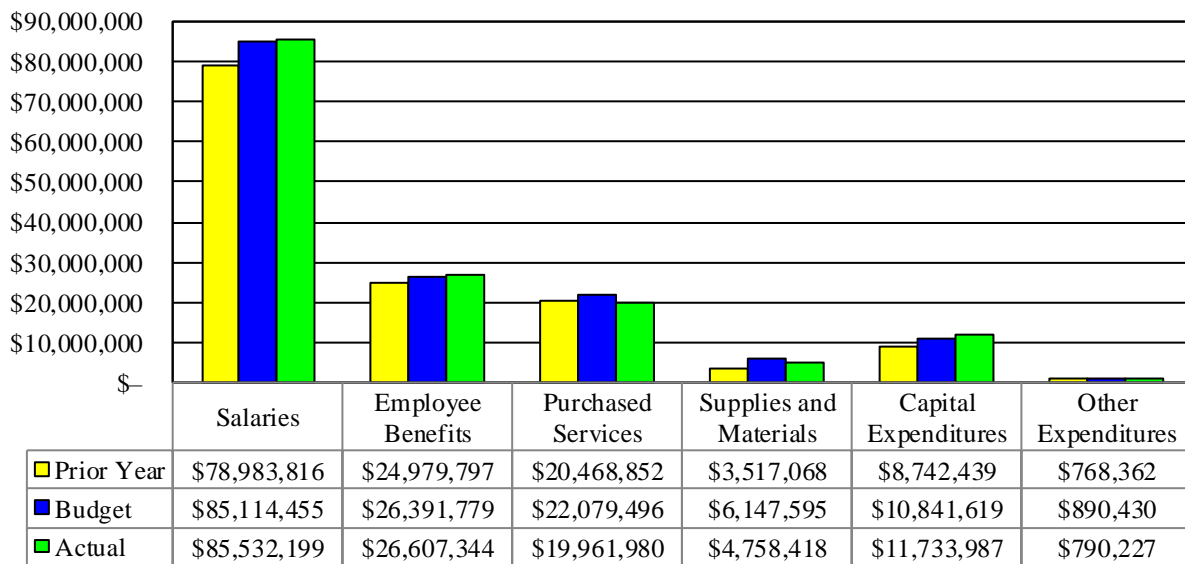
The increase from the prior year was mainly in state sources and property taxes. State sources increased \$3,096,089, primarily as a result of increases in both the number of students served and the basic general education formula allowance. Property taxes increased \$10,115,984 as a result of the increased LTFM pay-as-you-go levy in fiscal 2018.

The graph above reflects the concentration of state sources (61.5 percent) followed by property taxes (33.4 percent) received to finance General Fund operations.

## GENERAL FUND EXPENDITURES

The following graph presents the District's General Fund expenditures for 2018:

General Fund Expenditures



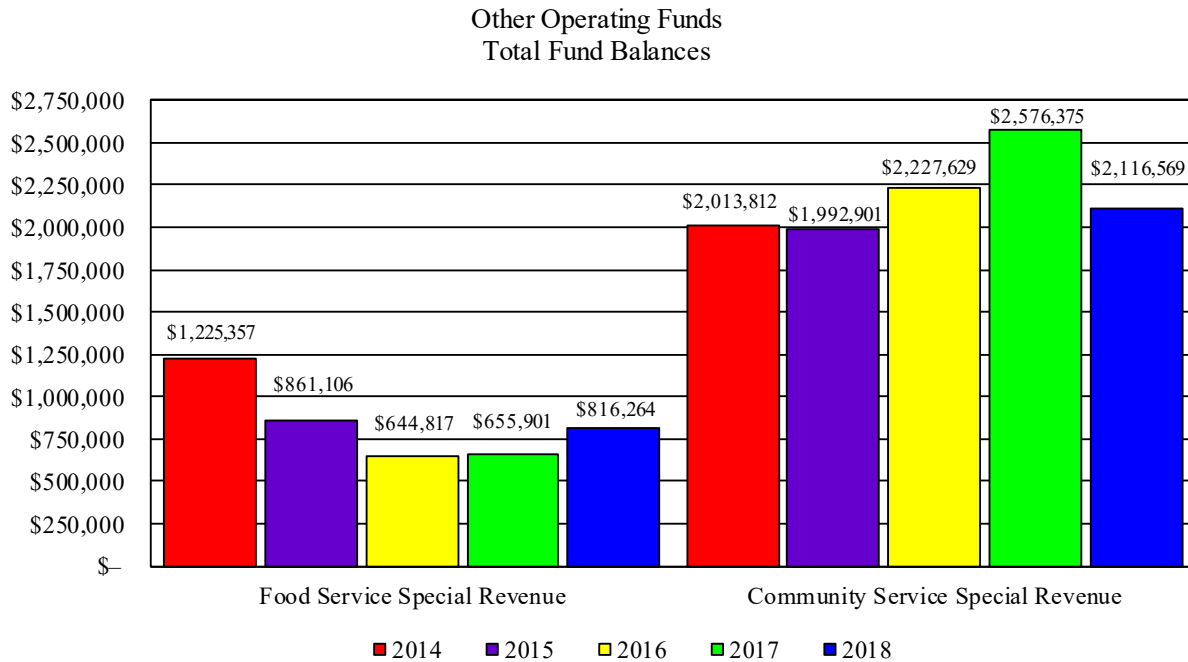
Total General Fund expenditures were \$149,384,155 for the year ended June 30, 2018, which was an increase of \$11,923,821 (8.7 percent) from the prior year, but \$2,081,219 (1.4 percent) under the final budget.

The variance to budget was primarily in purchased services and supplies and materials. Purchased services were \$2,117,516 under budget, mainly in transportation costs and unspent budget carryover for professional development. Supplies and materials were \$1,389,177 under budget, due to site budgets being carried over from fiscal 2017. Capital expenditures were \$892,368 over budget as a result of the timing of construction projects occurring in fiscal 2018, compared to expectations.

Expenditure increases occurred in most categories, due in part to the capital projects levy being accounted for in the General Fund in the current year. Salaries and employee benefits increased \$8,175,930, mostly due to contractual increases. Capital expenditures increased \$2,991,548, due to more construction for LTFM projects being paid out of the General Fund during fiscal 2018.

## OTHER FUNDS OF THE DISTRICT

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



### Food Service Special Revenue Fund

The District's Food Service Special Revenue Fund ended fiscal 2018 with a fund balance increase of \$160,363, compared to a break-even budget. Food service revenue was \$6,569,531, which was over budget by \$187,301, due to higher lunch sales and federal reimbursements than anticipated. Expenditures of \$6,409,168 were over budget by \$26,938, as higher than expected costs for purchased services and supplies were offset by cost savings in salaries and benefits. The Food Service Special Revenue Fund had a year-end fund balance of \$816,264, representing 12.7 percent of current year expenditures.

### Community Service Special Revenue Fund

The District's Community Service Special Revenue Fund ended fiscal 2018 with a fund balance decrease of \$459,806, compared to a budgeted increase of \$508,291. Revenues of \$9,910,889 were over budget by \$34,922. Expenditures totaling \$10,382,073 were over budget by \$999,397, mainly in salaries and purchased services, due to a higher demand for Home Base than anticipated and restructuring of the community education department. This operation closed the year with a fund balance of \$2,116,569, equal to 20.4 percent of its annual expenditures.

Over the years, we have emphasized to our clients that food service and community service operations should be self-sustaining, and should not become an additional burden on general education funds.

## Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund ended the year with a fund balance increase of \$60,760,643, due to the District issuing \$66,895,000 in school building bonds, consistent with a \$57,818,749 increase anticipated in the budget. The year-end fund balance of \$69,272,501 includes: \$357,895 of nonspendable fund balance for prepaids, \$425,506 restricted for LTFM, and \$68,489,100 restricted for capital projects.

## Debt Service Fund

The funding of debt service is controlled in accordance with each outstanding debt issue’s financing plan. It is important to remember that resources of the Debt Service Fund are restricted to the payment of outstanding debt obligations of the District. As of June 30, 2018, the District has \$2,606,958 available for general debt service.

## Proprietary Funds – Internal Service Funds

The District uses internal service funds to account for the District’s liabilities for self-insured benefits and early retirement benefits. The following table presents the combined activity reported for the past two fiscal years for the internal service funds:

	June 30,	
	2017	2018
Operating revenue		
Charges for services	\$ 16,168,168	\$ 17,015,685
Operating expenses		
Dental benefit claims	1,293,546	1,379,610
Health benefit claims	16,111,586	16,516,897
Early retirement incentive and sick leave benefits	1,692,272	1,257,534
Total operating expenses	<u>19,097,404</u>	<u>19,154,041</u>
Operating income (loss)	(2,929,236)	(2,138,356)
Nonoperating revenue		
Investment earnings	<u>1,348,033</u>	<u>1,322,214</u>
Income (loss) before transfers	(1,581,203)	(816,142)
Transfers in	<u>111,624</u>	<u>–</u>
Change in net position	(1,469,579)	(816,142)
Net position		
Beginning of year	<u>2,323,611</u>	<u>854,032</u>
End of year	<u>\$ 854,032</u>	<u>\$ 37,890</u>

## Post-Employment Benefits Trust Fund

The District has established a Post-Employment Benefits Trust Fund to account for an irrevocable trust account established to finance the District’s liability for post-employment healthcare benefits. At year-end, trust net position of \$32,528,705 is available for future OPEB payments.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

	June 30,		Change
	2018	2017	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 94,887,478	\$ 30,369,170	\$ 64,518,308
Total capital assets, net of depreciation	211,998,074	203,262,643	8,735,431
Bonds, certificates, and leases, net of premiums	(242,543,107)	(172,178,008)	(70,365,099)
Pensions, net of deferred outflows and inflows	(159,346,155)	(123,260,047)	(36,086,108)
OPEB, net of deferred outflows and inflows	(11,619,286)	(10,961,989)	(657,297)
Other adjustments	<u>(3,456,097)</u>	<u>(1,555,835)</u>	<u>(1,900,262)</u>
Total net position – governmental activities	<u>\$ (110,079,093)</u>	<u>\$ (74,324,066)</u>	<u>\$ (35,755,027)</u>
Net position			
Net investment in capital assets	\$ 37,679,712	\$ 40,112,576	\$ (2,432,864)
Restricted	10,695,169	7,822,506	2,872,663
Unrestricted	<u>(158,453,974)</u>	<u>(122,259,148)</u>	<u>(36,194,826)</u>
Total net position	<u>\$ (110,079,093)</u>	<u>\$ (74,324,066)</u>	<u>\$ (35,755,027)</u>

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

Total net position decreased by \$35,755,027 during fiscal 2018. As presented in the table above, this change was primarily in unrestricted net position due to changes in the District's proportionate share of the Public Employees Retirement Association and the Teachers Retirement Association pension plan liabilities and related deferments.

The District's net investment in capital assets decreased \$2,432,864 this year. The change in this category of net position typically depends on the relationship between the rate at which the District is depreciating capital assets and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets. The increase in restricted net position reflects the change in amounts restricted for capital projects.

## LEGISLATIVE SUMMARY

The 2018 legislative session, falling in the second half of the state's fiscal biennium, was a short session in which only two major finance-related bills were passed, an omnibus bonding bill and an omnibus pensions bill. The following is a brief summary of specific legislative changes from the 2018 session or previous legislative sessions impacting Minnesota school districts in future years.

**Basic General Education Revenue** – The Legislature approved annual increases of 2 percent to the basic general education formula allowance for the 2018–2019 biennium. The per pupil allowance will increase \$124 to \$6,312 for fiscal year (FY) 2019.

**Compensatory Revenue** – The \$5 million previously allocated for compensatory pilot grants was permanently added to the allocation for regular compensatory revenue beginning in FY 2018. The portion of compensatory revenue required to be used for extended time activities will increase from 1.7 percent of total compensatory revenue for FY 2018 to 3.5 percent in FY 2019, and 3.5 percent plus the percentage change in the basic formula for FY 2020 and beyond.

**Early Learning** – The Legislature made a number of changes to early learning programs, including appropriating funding of \$71.75 million for the 2018–2019 biennium. Other changes include:

- The creation of a new School Readiness Plus (SR+) program for FY 2018 and FY 2019 only, with the following student eligibility requirements:
  - A child who is four years of age as of September 1, and who demonstrates one or more risk factors is eligible to participate in the program free of charge,
  - A child who is four years of age as of September 1, and who does not demonstrate any risk factors is eligible to participate on a fee-for-service basis, and
  - A district must adopt a sliding fee schedule for students not demonstrating risk factors, but must waive the fee for students unable to pay.
- Changing the Voluntary Pre-Kindergarten (VPK) cap from a limit on the total state aid entitlement to a limit on the number of participants, as follows:
  - A combined cap of 7,160 participants for VPK and SR+ for FY 2019, and
  - A cap of 3,160 participants for VPK for FY 2020 and later (SR+ program sunsets).
- All applications submitted in January to renew an existing VPK program will be funded first (3,160 slots). Applications for expanded VPK programs, and new VPK or SR+ programs will be ranked and approved based on various criteria. The number of new participants allowed in each new or expanded program will depend on how the programs are ranked.

**Long-Term Facilities Maintenance Revenue** – Long-term facilities maintenance revenue will increase from \$292 to \$380 per adjusted pupil unit (APU); multiplied by the lessor of one, or the ratio of the district's average building age to 35 years for FY 2019 and thereafter.

**School Building Bond Agricultural Tax Credit** – Effective for taxes beginning with the payable 2018 levy (FY 2019), a tax credit on all property classified as agricultural (excluding the house, garage, and one acre of an agricultural homestead) is provided equal to 40 percent of the tax on the property attributable to school district building bond levies. The legislative appropriation for this tax credit is \$34.8 million for FY 2019, \$45.2 million for FY 2020, and \$52.5 million for FY 2021.

**School Safety Grants** – The 2018 bonding bill included an appropriation of \$25 million for school safety grants to be funded from the state's General Fund for FY 2019. These grants may be used to design, construct, furnish, or equip school facilities, including renovating or expanding existing facilities. Grants will be awarded by the MDE on a first come – first served basis, up to a limit of \$500,000 for each qualifying school building. At least half the grants must be awarded to school districts outside of the metro area.

**Pension Benefit Reforms** – The 2018 pension bill included a number of reforms to the various defined benefit pension plans across the state, including the plans administered by the Teachers Retirement Association (TRA), St. Paul Teachers Retirement Fund Association (SPTRFA), and the Public Employees Retirement Association (PERA). The reforms include:

- Elimination of augmentation (annual percentage increases to pension benefits accrued by individuals leaving public service prior to retirement). For the TRA plan, augmentation is eliminated for all members after December 31, 2017, but does not eliminate augmentation previously credited to member accounts.
- Early retirement subsidies (augmentation an early retiree would have received had they waited until the normal retirement age to begin receiving the pension) are phased out.
- Post-retirement cost of living adjustments (COLAs) are reduced. For the TRA plan, the COLA was reduced from 2.0 percent to 1.0 percent for five years, with the rate increasing by 0.1 percent annually thereafter, to a maximum of 1.5 percent. For the SPTRFA plan, there will be no COLA increase for two years, and a 1.0 percent annual COLA thereafter. For the PERA plans, the COLA will be equal to 50.0 percent of the annual increase for Social Security, but not less than 0.5 percent and not more than 1.5 percent.
- For early retirees that retire on or after January 1, 2024, COLAs are deferred until the retiree reaches the normal retirement age.
- The rate of interest paid on refunds of employee contributions to former public employees was reduced from an annual rate of 4 percent to 3 percent.
- The actuarial assumption for investment rate of return was reduced to 7.5 percent for all plans.
- Employer contribution rates were increased for the TRA plan (a total increase of 1.25 percent phased in over a 6-year period beginning in FY 2019) and the SPTRFA plan (a total increase of 2.50 percent phased in over a 6-year period beginning in FY 2019). Employee contribution rates were also increased by 0.25 percent beginning in FY 2024 for the TRA plan and beginning in FY 2023 for the SPTRFA plan. The pension adjustment component of the general education aid formula was increased by an amount equal to the product of the salaries paid to members of these two plans times the district's pension adjustment rate for the fiscal year to help offset the cost of the employer contribution increases.

**Competitive Bidding Threshold** – Effective for contracts awarded on or after August 1, 2018, the dollar threshold at which Minnesota Statutes require the use of a sealed bidding process was raised from \$100,000 to \$175,000. This extends the dollar range for which contracts may be awarded using direct negotiation (obtaining two quotations) contracts between \$25,000 and \$175,000. By reference, this change also increased the dollar threshold at which public contractors' performance and payment bonds are required for contracts over \$175,000.

## ACCOUNTING AND AUDITING UPDATES

### **GASB Statement No. 83, *Certain Asset Retirement Obligations***

At times, state and local governments are required to take specific actions to retire certain tangible capital assets, such as the decommissioning of nuclear reactors, removal and disposal of wind turbines in wind farms, dismantling and removal of sewage treatment plants, and removal and disposal of x-ray machines. Obligations to retire certain tangible capital assets also arise from contracts or court judgments. Accounting and financial reporting standards exist for costs of the closure and post-closure care of municipal solid waste landfills, but those standards do not address retirement obligations associated with other types of tangible capital assets.

This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs) that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

### **GASB Statement No. 84, *Fiduciary Activities***

This statement is intended to enhance consistency and comparability of fiduciary activity reporting by state and local governments. It is also meant to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries.

This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The requirements of this statement are effective for reporting periods beginning after December 15, 2018.

### **GASB Statement No. 87, *Leases***

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

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

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

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

To reduce the cost of implementation, this statement includes an exception for short-term leases, defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

***GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements***

The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

The requirements of this statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms associated with debt will be disclosed. As a result, users will have better information to understand the effects of debt on a government's future resource flows.

This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. It also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

**Uniform Guidance, Micro-Purchase Threshold**

Under the Uniform Guidance for federal programs, a micro-purchase is one for goods or services that, due to its relatively low value, does not require the government to abide by many of its ordinary competitive procedures, including small business set-asides. Because the contract is theoretically, such a low amount, the contracting officer can pick virtually whatever company and product he or she wants to satisfy the procurement, so long as the price is reasonable. The standard micro-purchase threshold has been amended to increase the threshold to \$10,000, effective June 20, 2018. Entities are not required to increase the micro-purchase and simplified acquisition thresholds but, if they wish to do so, they must update their procurement policies and procedures to reflect the change in thresholds. They cannot retroactively make these changes effective prior to June 20, 2018.

INDEPENDENT SCHOOL DISTRICT NO. 284  
WAYZATA, MINNESOTA

Special Purpose Audit Reports

Year Ended  
June 30, 2018

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INDEPENDENT SCHOOL DISTRICT NO. 284

Special Purpose Audit Reports  
Year Ended June 30, 2018

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INDEPENDENT SCHOOL DISTRICT NO. 284

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures	Passed Through to Subrecipients	Noncash Assistance
<b>U.S. Department of Agriculture</b>				
Passed through Minnesota Department of Education				
Child nutrition cluster				
School Breakfast Program	10.553	\$ 85,661		
National School Lunch Program	10.555	<u>972,648</u>		\$ 257,065
Total child nutrition cluster			\$ 1,058,309	
<b>U.S. Department of Education</b>				
Passed through Minnesota Department of Education				
Special education cluster				
Special Education Grants to States	84.027	1,728,750		
Special Education Preschool Grants	84.173	<u>51,583</u>		
Total special education cluster			1,780,333	
Title I Grants to Local Educational Agencies	84.010	643,036		
Career and Technical Education – Basic Grants to States	84.048	458,592	\$ 332,354	
Special Education – Grants for Infants and Families	84.181	26,373		
English Language Acquisition State Grants	84.365	35,558		
Supporting Effective Instruction State Grants	84.367	190,067		
<b>U.S. Department of Health and Human Services</b>				
Direct				
Drug-Free Communities Support Program Grants	93.276			
			<u>127,226</u>	
Total federal awards				<u>\$ 4,319,494</u>

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

Note 2: All pass-through entities listed above use the same CFDA numbers as the federal grantors to identify these grants, and have not assigned any additional identifying numbers.

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

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

To the School Board and Management of  
Independent School District No. 284  
Wayzata, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 3, 2018.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

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

(continued)

## COMPLIANCE AND OTHER MATTERS

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

## PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota  
December 3, 2018



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

To the School Board and Management of  
Independent School District No. 284  
Wayzata, Minnesota

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

We have audited Independent School District No. 284’s (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2018. The District’s major federal programs are identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

**MANAGEMENT’S RESPONSIBILITY**

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

**AUDITOR’S RESPONSIBILITY**

Our responsibility is to express an opinion on compliance for each of the District’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

(continued)

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to on the previous page that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001, that we consider to be a significant deficiency.

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

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

## **PURPOSE OF THIS REPORT**

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

(continued)

**REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 3, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Minneapolis, Minnesota

December 3, 2018

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INDEPENDENT AUDITOR'S REPORT  
ON MINNESOTA LEGAL COMPLIANCE

To the School Board and Management of  
Independent School District No. 284  
Wayzata, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 3, 2018.

**MINNESOTA LEGAL COMPLIANCE**

The *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards for school districts. Our audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for School Districts*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions.

**PURPOSE OF THIS REPORT**

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

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

Minneapolis, Minnesota  
December 3, 2018

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INDEPENDENT SCHOOL DISTRICT NO. 284

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2018

**A. SUMMARY OF AUDIT RESULTS**

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

**Financial Statements**

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

Internal control over financial reporting:

Material weakness(es) identified?        Yes   X   No  
 Significant deficiency(ies) identified?        Yes   X   None reported  
 Noncompliance material to the financial statements noted?        Yes   X   No

**Federal Awards**

Internal controls over major federal award programs:

Material weakness(es) identified?        Yes   X   No  
 Significant deficiency(ies) identified?   X   Yes        None reported

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

U.S. Department of Agriculture – child nutrition cluster Unmodified  
 U.S. Department of Education – special education cluster Unmodified

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

Programs tested as major programs:

<u>Program or Cluster(s)</u>	<u>CFDA No.</u>
The U.S. Department of Agriculture – child nutrition cluster consisting of:	
– National School Lunch Program	10.555
– School Breakfast Program	10.553
The U.S. Department of Education – special education cluster consisting of:	
– Special Education Grants to States	84.027
– Special Education Preschool Grants	84.173

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

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

INDEPENDENT SCHOOL DISTRICT NO. 284

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2018

**B. FINANCIAL STATEMENT FINDINGS**

None.

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

**SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE – U.S. DEPARTMENT OF AGRICULTURE, PASSED THROUGH MINNESOTA DEPARTMENT OF EDUCATION, CHILD NUTRITION CLUSTER – CFDA NOS. 10.553 AND 10.555**

**2018-001 Internal Control Over Compliance With Federal Suspension and Debarment Requirements**

**Criteria** – 2 CFR § 180. Management is responsible for establishing and maintaining effective internal control over compliance with requirements applicable to federal programs expenditures, including suspension and debarment requirements applicable to the child nutrition cluster federal program.

**Condition** – During our audit, we noted that Independent School District No. 284 (the District) did not have sufficient controls in place within its child nutrition cluster federal program to assure that it was not contracting goods for services with parties that are suspended or debarred, or whose principals are suspended or debarred from participating in contracts involving the expenditures of federal program funds.

**Questioned Costs** – None. Our testing did not indicate any instances of noncompliance with these requirements.

**Context** – The District did not obtain the appropriate documentation for three of four vendors tested to ensure the vendor was not suspended or debarred from participation in federal program contracts.

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

**Cause** – This was an oversight by district personnel.

**Effect** – Noncompliance with the suspension and debarment requirements could result in the District expending federal funds with vendors that are not eligible to be parties to such transactions, which could be viewed as a violation of the award agreement.

**Recommendation** – We recommend that the District review its internal control procedures relating to suspension and debarment for the child nutrition cluster federal program. Internal controls over compliance for this area should include verification that any vendor with which the District contracts for goods and services exceeding \$25,000 is not listed as suspended or debarred on the federal Excluded Parties List System website.

INDEPENDENT SCHOOL DISTRICT NO. 284

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2018

**C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE – U.S. DEPARTMENT OF AGRICULTURE, PASSED THROUGH MINNESOTA DEPARTMENT OF EDUCATION, CHILD NUTRITION CLUSTER – CFDA NOS. 10.553 AND 10.555 (CONTINUED)**

**2018-001 Internal Control Over Compliance With Federal Suspension and Debarment Requirements (continued)**

**View of Responsible Official and Planned Corrective Actions** – The District agrees with the finding. The District will review and update its policies and procedures relating to suspension and debarment for its federal programs to ensure compliance with the Uniform Guidance in the future. The District has separately issued a Corrective Action Plan related to this finding.

**D. MINNESOTA LEGAL COMPLIANCE FINDINGS**

None.

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INDEPENDENT AUDITOR'S REPORT ON UNIFORM FINANCIAL  
ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE

To the School Board and Management of  
Independent School District No. 284  
Wayzata, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 3, 2018.

Auditing standards referred to in the previous paragraph 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table is presented for purposes of additional analysis as required by the Minnesota Department of Education (MDE), and is not a required part of the basic financial statements of the District. The UFARS Compliance Table 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. The 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 UFARS Compliance Table is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(continued)

The purpose of this report on the UFARS Compliance Table required by the MDE is solely to describe the scope of our testing of the UFARS Compliance Table and the results of that testing based on our audit. Accordingly, this report is not suitable for any other purpose.

Minneapolis, Minnesota  
December 3, 2018

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INDEPENDENT SCHOOL DISTRICT NO. 284

Uniform Financial Accounting and Reporting Standards  
Compliance Table  
June 30, 2018

		Audit	UFARS	Audit – UFARS
<b>General Fund</b>				
Total revenue		\$ 156,112,239	\$ 156,112,237	\$ 2
Total expenditures		\$ 149,384,155	\$ 149,384,155	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ 287,085	\$ 287,085	\$ –
Restricted				
403	Staff development	\$ 406,318	\$ 406,318	\$ –
406	Health and safety	\$ –	\$ –	\$ –
407	Capital projects levy	\$ 1,473,848	\$ 1,473,848	\$ –
408	Cooperative revenue	\$ –	\$ –	\$ –
413	Project funded by COP	\$ –	\$ –	\$ –
414	Operating debt	\$ –	\$ –	\$ –
416	Levy reduction	\$ –	\$ –	\$ –
417	Taconite building maintenance	\$ –	\$ –	\$ –
423	Certain teacher programs	\$ –	\$ –	\$ –
424	Operating capital	\$ 3,433,797	\$ 3,433,797	\$ –
426	\$25 taconite	\$ –	\$ –	\$ –
427	Disabled accessibility	\$ –	\$ –	\$ –
428	Learning and development	\$ –	\$ –	\$ –
434	Area learning center	\$ –	\$ –	\$ –
435	Contracted alternative programs	\$ –	\$ –	\$ –
436	State approved alternative program	\$ –	\$ –	\$ –
438	Gifted and talented	\$ –	\$ –	\$ –
440	Teacher development and evaluation	\$ –	\$ –	\$ –
441	Basic skills programs	\$ –	\$ –	\$ –
445	Career and technical programs	\$ –	\$ –	\$ –
448	Achievement and integration	\$ –	\$ –	\$ –
449	Safe schools levy	\$ –	\$ –	\$ –
450	Pre-Kindergarten	\$ –	\$ –	\$ –
451	QZAB payments	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
453	Unfunded severance and retirement levy	\$ –	\$ –	\$ –
459	Basic skills extended time	\$ –	\$ –	\$ –
467	Long-term facilities maintenance	\$ (3,790,816)	\$ (3,790,816)	\$ –
472	Medical Assistance	\$ 456,731	\$ 456,731	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
475	Title VII – Impact Aid	\$ –	\$ –	\$ –
476	PILT	\$ –	\$ –	\$ –
Committed				
418	Committed for separation	\$ –	\$ –	\$ –
461	Committed fund balance	\$ –	\$ –	\$ –
Assigned				
462	Assigned fund balance	\$ 5,712,743	\$ 5,712,743	\$ –
Unassigned				
422	Unassigned fund balance	\$ 12,095,480	\$ 12,095,480	\$ –
<b>Food Service</b>				
Total revenue		\$ 6,569,531	\$ 6,569,531	\$ –
Total expenditures		\$ 6,409,168	\$ 6,409,168	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ 92,230	\$ 92,230	\$ –
Restricted				
452	OPEB liability not in trust	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ 724,034	\$ 724,034	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
<b>Community Service</b>				
Total revenue		\$ 9,910,889	\$ 9,910,889	\$ –
Total expenditures		\$ 10,382,073	\$ 10,382,072	\$ 1
Nonspendable				
460	Nonspendable fund balance	\$ 16,582	\$ 16,582	\$ –
Restricted				
426	\$25 taconite	\$ –	\$ –	\$ –
431	Community education	\$ 950,646	\$ 950,646	\$ –
432	ECFE	\$ 382,100	\$ 382,100	\$ –
440	Teacher development and evaluation	\$ –	\$ –	\$ –
444	School readiness	\$ 26,143	\$ 26,143	\$ –
447	Adult basic education	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ 741,098	\$ 741,098	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –

INDEPENDENT SCHOOL DISTRICT NO. 284

Uniform Financial Accounting and Reporting Standards  
Compliance Table (continued)  
June 30, 2018

	Audit	UFARS	Audit – UFARS
<b>Building Construction</b>			
Total revenue	\$ 539,365	\$ 539,365	\$ –
Total expenditures	\$ 19,039,651	\$ 19,039,650	\$ 1
Nonspendable			
460 Nonspendable fund balance	\$ 357,895	\$ 357,895	\$ –
Restricted			
407 Capital projects levy	\$ –	\$ –	\$ –
413 Project funded by COP	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ 425,506	\$ 425,506	\$ –
464 Restricted fund balance	\$ 68,489,100	\$ 68,489,100	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
<b>Debt Service</b>			
Total revenue	\$ 8,350,115	\$ 8,350,115	\$ –
Total expenditures	\$ 8,222,544	\$ 8,222,544	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
433 Max effort loan	\$ –	\$ –	\$ –
451 QZAB payments	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 2,606,958	\$ 2,606,958	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
<b>Trust</b>			
Total revenue	\$ 14,904	\$ 14,904	\$ –
Total expenditures	\$ 29,100	\$ 29,100	\$ –
422 Net position	\$ 284,203	\$ 284,203	\$ –
<b>Internal Service</b>			
Total revenue	\$ 18,337,899	\$ 18,337,899	\$ –
Total expenditures	\$ 19,154,041	\$ 19,154,041	\$ –
422 Net position	\$ 37,890	\$ 37,890	\$ –
<b>OPEB Revocable Trust Fund</b>			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
<b>OPEB Irrevocable Trust Fund</b>			
Total revenue	\$ 2,571,867	\$ 2,571,867	\$ –
Total expenditures	\$ 2,413,171	\$ 2,413,171	\$ –
422 Net position	\$ 32,528,705	\$ 32,528,705	\$ –
<b>OPEB Debt Service Fund</b>			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –

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

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INDEPENDENT SCHOOL DISTRICT NO. 284  
WAYZATA, MINNESOTA

Extracurricular Student Activity Accounts  
Financial Report

Year Ended  
June 30, 2018

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**PRINCIPALS**

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**INDEPENDENT AUDITOR'S REPORT**

To the School Board and Management of  
Independent School District No. 284  
Wayzata, Minnesota

**REPORT ON THE FINANCIAL STATEMENT**

We have audited the accompanying financial statement of Independent School District No. 284 (the District), which comprises the statement of cash receipts and disbursements of the extracurricular student activity accounts as of and for the year ended June 30, 2018, and the related notes to the extracurricular student activity accounts financial statement.

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

The District's extracurricular student activities management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Minnesota Department of Education (MDE), as described in Note 1 of the notes to extracurricular student activity accounts financial statement; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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

(continued)

## **BASIS FOR QUALIFIED OPINION**

The District has not established procedures to provide assurance that all cash collections are recorded in the accounting records. Accordingly, it was not practicable for us to extend our audit of such cash collections beyond the amounts recorded.

## **QUALIFIED OPINION**

In our opinion, except for the possible effects of the matter discussed in the “Basis for Qualified Opinion” paragraph, the financial statement referred to on the previous page presents fairly, in all material respects, the cash balances of the District’s extracurricular student activity accounts as of June 30, 2018, and the cash receipts and disbursements for the year then ended, in accordance with the financial reporting provisions of the MDE described in Note 1 of the notes to extracurricular student activity accounts financial statement.

## **BASIS OF ACCOUNTING**

We draw attention to Note 1 of the notes to extracurricular student activity accounts financial statement, which describes the basis of accounting. The financial statement is prepared on the basis of the financial reporting provisions of the MDE, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the MDE. Our opinion is not modified with respect to this matter.

## **RESTRICTION ON USE**

This report is intended solely for the information and use of those charged with governance, management of the District, the MDE, and the state of Minnesota and is not intended to be, and should not be, used by anyone other than these specified parties.

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

Minneapolis, Minnesota  
December 3, 2018

INDEPENDENT SCHOOL DISTRICT NO. 284

Extracurricular Student Activity Accounts  
Statement of Cash Receipts and Disbursements  
Year Ended June 30, 2018

	Balance – June 30, 2017	Receipts	Disbursements	Balance – June 30, 2018
Miscellaneous				
AD building	\$ 2,278	\$ 559	\$ 634	\$ 2,203
Wayzata High School				
Drama	32,199	68,668	56,206	44,661
Yearbook (Wayako)	23,113	30,554	23,827	29,840
Ceramics	3,425	1,675	4,653	447
Cheerleaders	510	18,552	18,218	844
Choir	6,882	30,285	35,358	1,809
Danceline	23,427	58,249	66,989	14,687
Activity support	136,090	37,212	46,502	126,800
DECA	9,334	65,436	65,152	9,618
French	229	803	588	444
German	28,272	3,714	12,359	19,627
Letterman	51,783	68,174	43,661	76,296
Fine Arts	4,587	1,212	927	4,872
Band	105,347	66,777	170,547	1,577
National Honor Society	4,322	11,648	4,988	10,982
Student Services	–	1,487	1,487	–
Orchestra	11,261	13,578	12,936	11,903
Student Council	21,116	75,839	74,666	22,289
Spanish	–	1,926	1,303	623
Theatre Arts	2,592	5,974	7,312	1,254
Business Professionals of America	8,497	59,822	62,236	6,083
Skills USA	42	3,420	3,288	174
Link	11,239	9,900	10,500	10,639
Super Mileage Team	–	4,227	2,214	2,013
Y.E.S.	4,753	6,582	9,144	2,191
Creative Writing	2,131	–	390	1,741
DECA – Spiritware	22,033	26,666	33,116	15,583
Vision 21	68	2,068	2,136	–
Robotics Team	4,993	17,412	16,128	6,277
Showstoppers	12,605	4,925	9,881	7,649
Chinese Club	1,009	28,795	29,038	766
Lakers Breakfast Nook	14,081	20,681	19,668	15,094
Our Way	1,391	–	1,391	–
Freshman Retreat	3,879	15,649	11,527	8,001
Trap and Skeet	8,966	25,106	27,332	6,740
Model UN	267	1,041	1,079	229
Quiz Bowl	8,718	18,710	27,428	–
Total Wayzata High School	569,161	806,767	914,175	461,753

See notes to extracurricular student activity accounts financial statement

(continued)

INDEPENDENT SCHOOL DISTRICT NO. 284

Extracurricular Student Activity Accounts  
Statement of Cash Receipts and Disbursements (continued)  
Year Ended June 30, 2018

	Balance – June 30, 2017	Receipts	Disbursements	Balance – June 30, 2018
<b>Wayzata High School Athletics</b>				
Baseball	–	28,546	14,339	14,207
Basketball – Boys	–	11,188	11,188	–
Basketball – Girls	10,788	20,493	11,173	20,108
Cross Country – Boys	5,456	8,999	3,312	11,143
Cross Country – Girls	4,301	4,049	605	7,745
Football	24,488	25,074	35,907	13,655
Gymnastics	4,917	4,128	4,550	4,495
Golf – Boys	–	13,119	12,217	902
Golf – Girls	1,113	7,267	4,616	3,764
Hockey – Boys	6,114	39,257	45,371	–
Hockey – Girls	13,077	11,649	24,726	–
Skiing – Alpine	4,912	17,440	15,331	7,021
Skiing – Nordic	6,565	10,378	16,943	–
Softball	5,211	5,925	2,924	8,212
Swimming/Diving – Boys	6,829	10,086	11,649	5,266
Swimming/Diving – Girls	9,816	13,774	10,499	13,091
Soccer – Boys	5,820	8,962	8,906	5,876
Soccer – Girls	10,640	13,787	16,340	8,087
Synchronized Swimming	7,955	19,276	15,637	11,594
Tennis – Boys	12,488	11,740	14,836	9,392
Tennis – Girls	1,341	18,173	17,121	2,393
Track/Field – Boys	918	6,168	5,758	1,328
Track/Field – Girls	4,035	5,513	1,553	7,995
Volleyball	11,173	13,251	12,814	11,610
Wrestling	2,344	3,463	2,601	3,206
Adaptive Athletics	3,981	–	–	3,981
Lacrosse – Boys	5,990	12,659	10,432	8,217
Lacrosse – Girls	4,201	4,394	2,365	6,230
Total Wayzata High School Athletics	174,473	348,758	333,713	189,518
<b>Central Middle School</b>				
Musical	10,344	12,853	16,959	6,238
Student Council	1,890	40	96	1,834
Band	–	4,823	4,823	–
Yearbook	1,887	19,167	16,877	4,177
Student Services	4,421	7,811	9,493	2,739
Total Central Middle School	18,542	44,694	48,248	14,988
<b>West Middle School</b>				
Choir	231	–	–	231
Student Services	1,646	2,779	3,782	643
Student Council	1,522	–	9	1,513
Yearbook	8,849	4,049	122	12,776
Theatre	13,806	8,055	6,008	15,853
Day One	170	140	110	200
Total West Middle School	26,224	15,023	10,031	31,216

See notes to extracurricular student activity accounts financial statement

(continued)

INDEPENDENT SCHOOL DISTRICT NO. 284

Extracurricular Student Activity Accounts  
Statement of Cash Receipts and Disbursements (continued)  
Year Ended June 30, 2018

	Balance – June 30, 2017	Receipts	Disbursements	Balance – June 30, 2018
East Middle School				
Student Services	15,040	9,048	4,307	19,781
Band	890	3,062	2,983	969
Student Council	17,235	12,813	7,863	22,185
Variety Fund	15,692	8,089	6,747	17,034
Total East Middle School	<u>48,857</u>	<u>33,012</u>	<u>21,900</u>	<u>59,969</u>
Meadow Ridge Elementary				
Student Services	5,150	9,320	11,629	2,841
Birchview Elementary				
Student Council	732	–	34	698
Student Services	2,331	287	1,644	974
Media	–	2,063	1,861	202
Total Birchview Elementary	<u>3,063</u>	<u>2,350</u>	<u>3,539</u>	<u>1,874</u>
Greenwood Elementary				
Kindergarten	655	1,310	1,757	208
Media	47	–	47	–
Student Services	1,283	4,316	5,535	64
Total Greenwood Elementary	<u>1,985</u>	<u>5,626</u>	<u>7,339</u>	<u>272</u>
Oakwood Elementary				
Student Council	1,882	542	543	1,881
Student Services	7,154	–	16	7,138
Chess Club	464	95	245	314
Total Oakwood Elementary	<u>9,500</u>	<u>637</u>	<u>804</u>	<u>9,333</u>
Sunset Hill Elementary				
Student Services	7,295	674	3,901	4,068
Pencil machine/store	1,817	4	–	1,821
Total Sunset Hill Elementary	<u>9,112</u>	<u>678</u>	<u>3,901</u>	<u>5,889</u>
Plymouth Creek Elementary				
Student Services	257	1,459	787	929
Gleason Lake Elementary				
Student Services	27,626	50	4,860	22,816
Kimberly Lane Elementary				
Student Council	49	7	56	–
Kindergarten	3,060	–	–	3,060
Media	389	47	90	346
Student Services	59,383	–	219	59,164
Total Kimberly Lane Elementary	<u>62,881</u>	<u>54</u>	<u>365</u>	<u>62,570</u>
Total District	<u>\$ 959,109</u>	<u>\$ 1,268,987</u>	<u>\$ 1,361,925</u>	<u>\$ 866,171</u>

See notes to extracurricular student activity accounts financial statement

INDEPENDENT SCHOOL DISTRICT NO. 284

Notes to Extracurricular Student Activity Accounts Financial Statement  
June 30, 2018

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

Extracurricular student activity fund transactions are defined as extracurricular programs conducted for the motivation and enjoyment of students. These programs and activities are not offered for school credits nor required for graduation. Activities are generally conducted outside of school hours. The content of the activities is determined primarily by the students, under the guidance of a staff member or other adult.

Extracurricular student activities are to be self-sustaining with all expenses paid by dues, admissions, or other student fundraising events. These funds are not included in the basic financial statements of Independent School District No. 284 (the District), and are intended for student activity uses, as established.

The accounts of the District's extracurricular student activity accounts are maintained, and the accompanying financial statement has been prepared, in accordance with financial reporting provisions of the Minnesota Department of Education, which constitutes a regulatory basis of accounting that differs from accounting principles generally accepted in the United States of America. Under this regulatory basis of accounting, receipts are recorded when received rather than when earned, and disbursements are recognized when paid rather than when the obligations are incurred.

**NOTE 2 – CASH AND INVESTMENTS**

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the School Board for extracurricular student activity 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 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, extracurricular student activity account deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the District's agent in the District's name.

OTHER REQUIRED REPORTS

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INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING

To the School Board and Management of  
Independent School District No. 284  
Wayzata, Minnesota

In planning and performing our audit of the statement of cash receipts and disbursements of the extracurricular student activity accounts of Independent School District No. 284 (the District) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified a deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Corrective Action as item 2018-001 to be a material weakness.

The District's response to the finding identified in our audit has been included in the Schedule of Findings and Corrective Action. The District's response was not subject to the auditing procedures applied in our audit of the financial statement and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of those charged with governance, management of the District, the Minnesota Department of Education, and the state of Minnesota and is not intended to be, and should not be, used by anyone other than these specified parties.

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

Minneapolis, Minnesota  
December 3, 2018

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PRINCIPALS

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

To the School Board and Management of  
Independent School District No. 284  
Wayzata, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statement of cash receipts and disbursements of the extracurricular student activity accounts of Independent School District No. 284 (the District) as of and for the year ended June 30, 2018, and the related notes to the extracurricular student activity accounts financial statement, and have issued our report thereon dated December 3, 2018. The financial statement is prepared in a manner that demonstrates compliance with the regulatory basis of accounting prescribed by the Minnesota Department of Education (MDE), which differs from accounting principles generally accepted in the United States of America. Our report on the regulatory basis of accounting is qualified for a restriction on the scope of our audit resulting from the accounting system relating to cash receipts, which allows us only to audit cash collections that are recorded.

The provisions of the *Manual for Activity Fund Accounting* (MAFA), issued by the MDE, provides uniform financial accounting and reporting standards for student activities. Compliance with student activity laws and regulations is the responsibility of the District's extracurricular student activity accounts management. We have performed auditing procedures to test compliance with the provisions of this manual. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the *MAFA*, except as described in the Schedule of Findings and Corrective Action as findings 2018-002, 2018-003, 2018-004, and 2018-005. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions.

The District's responses to the findings identified in our audit have been included in the Schedule of Findings and Corrective Action. The District's responses were not subject to the auditing procedures applied in our audit of the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of those charged with governance, management of the District, the MDE, and the state of Minnesota and is not intended to be, and should not be, used by anyone other than these specified parties.

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

Minneapolis, Minnesota  
December 3, 2018

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INDEPENDENT SCHOOL DISTRICT NO. 284

Extracurricular Student Activity Accounts  
Schedule of Findings and Corrective Action  
June 30, 2018

**FINDINGS AND CORRECTIVE ACTION**

**2018-001 MATERIAL WEAKNESS IN INTERNAL CONTROLS – CASH RECEIPTS**

**Condition** – Independent School District No. 284 (the District) reports the cash receipts and disbursements of its extracurricular student activity accounts in accordance with the regulatory basis of accounting prescribed by the Minnesota Department of Education. The internal controls at the various district school sites are not sufficient to assure that all cash receipts have been recorded.

**Type of Finding** – Current year and prior year finding.

**Criteria** – Management is responsible for establishing and maintaining a system of internal controls sufficient to reduce to an acceptable level, the possibility that a material misstatement of the District’s financial statement will not be prevented, or detected and corrected, on a timely basis.

**Recommendation** – We recommend that the District continue to review the internal controls over extracurricular student activity accounts at its various school sites, and consider adding procedures to strengthen the controls over the recording of cash receipts, such as the use and reconciliation of prenumbered receipts, the use and reconciliation of prenumbered admission tickets for events, and inventory controls over items sold for fundraisers. As is the case with all internal controls, the potential benefit of any contemplated procedural modifications in this area should be weighed against the cost.

**Corrective Action Plan**

**Actions Planned** – The District’s Finance Department personnel regularly reviews internal controls over extracurricular student activity account transactions along with the personnel at the various district school sites that maintain such accounts. The District will continue this process, and will evaluate whether implementing additional control procedures over the recording of cash receipts is cost beneficial and practical within the limitations of the staffing available at the school sites.

**Official Responsible** – The District’s Controller.

**Planned Completion Date** – June 30, 2019.

**Disagreement With or Explanation of Finding** – The District is in agreement with this finding.

**Plan to Monitor** – The District’s Controller will oversee the continued review and evaluation of internal controls over the recording of extracurricular student activity account receipts at the District’s various school sites, and the implementation of any control procedure modifications.

INDEPENDENT SCHOOL DISTRICT NO. 284

Extracurricular Student Activity Accounts  
Schedule of Findings and Corrective Action (continued)  
June 30, 2018

**FINDINGS AND CORRECTIVE ACTION (CONTINUED)**

**2018-002 IMPROPER ACCOUNTS AND ACTIVITY**

**Condition** – Certain groups and activities accounted for by the District as student activities during the year ended June 30, 2018 do not meet the definition of an extracurricular activity as defined by the standards in the *Manual for Activity Fund Accounting (MAFA)*. In addition, all student activity disbursements are processed through the District’s general checking account and signed by the School Board rather than a separate account signed by the student, advisor, and site administrator.

**Type of Finding** – Current year and prior year finding.

**Criteria** – *MAFA*.

**Recommendation** – We recommend that the District assure all student activity accounts and related activity meet the definition of an extracurricular activity as defined by the standards of the *MAFA*. We also recommend that the District review its student activity disbursement process to assure all activity includes a signature by the student, advisor, and site administrator of the account.

**Corrective Action Plan**

**Actions Planned** – The District’s Finance Department personnel will review all accounts currently accounted for as student activities and will evaluate whether each is in compliance with *MAFA* standards. In addition, Finance Department personnel will review the student activity disbursement process and make changes as needed to be in compliance.

**Official Responsible** – The District’s Controller.

**Planned Completion Date** – June 30, 2019.

**Disagreement With or Explanation of Finding** – The District is in agreement with this finding.

**Plan to Monitor** – The District’s Controller will oversee the continued review and evaluation of extracurricular student activity accounts at the District’s various school sites, and ensure all activities are properly classified under the *MAFA*.

INDEPENDENT SCHOOL DISTRICT NO. 284

Extracurricular Student Activity Accounts  
Schedule of Findings and Corrective Action (continued)  
June 30, 2018

**FINDINGS AND CORRECTIVE ACTION (CONTINUED)**

**2018-003 ACTIVITY PURPOSE FORMS**

**Condition** – Activity purpose forms, which state the purpose of each individual activity account, were not available for 2 of 98 accounts tested for the year ended June 30, 2018. Per the *MAFA*, these forms are necessary for all student activity accounts and should be signed by both the activity advisor and the principal of the respective school.

**Type of Finding** – Current year and prior year finding.

**Criteria** – *MAFA*.

**Recommendation** – We recommend that the District maintains activity purpose forms on file for each student activity account within the District.

**Corrective Action Plan**

**Actions Planned** – The District’s Finance Department personnel will work with the individuals responsible for overseeing student activities to verify these forms are completed for each activity account.

**Official Responsible** – The District’s Controller.

**Planned Completion Date** – June 30, 2019.

**Disagreement With or Explanation of Finding** – The District is in agreement with this finding.

**Plan to Monitor** – The District’s Controller will ensure that activity purpose forms are obtained for all student activity accounts in accordance with the *MAFA* guidelines.

INDEPENDENT SCHOOL DISTRICT NO. 284

Extracurricular Student Activity Accounts  
Schedule of Findings and Corrective Action (continued)  
June 30, 2018

**FINDINGS AND CORRECTIVE ACTION (CONTINUED)**

**2018-004 TIMELY DEPOSIT OF CASH RECEIPTS**

**Condition** – We noted that 7 of 25 student activity cash receipts tested for the year ended June 30, 2018 were deposited into the bank in an untimely manner as defined by the *MAFA*.

**Type of Finding** – Current year finding.

**Criteria** – *MAFA*.

**Recommendation** – We recommend that the District reviews its procedures for receipts and deposits as defined by the standards of the *MAFA* to allow for future compliance with timely deposit of receipts.

**Corrective Action Plan**

**Actions Planned** – The District’s Finance Department personnel will work with the individuals responsible for overseeing student activities to improve controls and correct findings identified during the audit.

**Official Responsible** – The District’s Controller.

**Planned Completion Date** – June 30, 2019.

**Disagreement With or Explanation of Finding** – The District is in agreement with this finding.

**Plan to Monitor** – The District’s Controller will review the procedures and internal controls over student activity fund deposits with the responsible individuals at each site where student activity accounts are maintained in order to comply with the *MAFA* guidelines.

INDEPENDENT SCHOOL DISTRICT NO. 284

Extracurricular Student Activity Accounts  
Schedule of Findings and Corrective Action (continued)  
June 30, 2018

**FINDINGS AND CORRECTIVE ACTION (CONTINUED)**

**2018-005 CHECK REQUEST AUTHORIZATION**

**Condition** – The *MAFA* requires check requests to be approved by the student representative, the advisor and the building principal (or his/her designee). We noted 25 of 25 student activity disbursement transactions we tested lacked all three required approvals.

**Type of Finding** – Current year finding.

**Criteria** – *MAFA*.

**Recommendation** – It is our recommendation that the District communicate the results of the student activity audit with student activity personnel. We also recommend that management circulate the *MAFA*, to verify all student activity account personnel understand the requirements for approval of check requests to ensure this finding is eliminated in the future.

**Corrective Action Plan**

**Actions Planned** – The District’s Finance Department personnel will review the requirements for proper approval, documentation, and check signing for student activity disbursements per *MAFA* with individuals responsible for overseeing student activity accounts, and will continue to monitor these transactions for compliance.

**Official Responsible** – The District’s Controller.

**Planned Completion Date** – June 30, 2019.

**Disagreement With or Explanation of Finding** – The District agrees with this finding.

**Plan to Monitor** – The District’s Controller will assure that the responsible individuals are aware of the requirements for student activity disbursements per the *MAFA* to ensure compliance in the future.

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**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**  
Regular Meeting – December 10, 2018

**AGENDA SECTION: 6. SUPERINTENDENT'S REPORTS AND RECOMMENDATIONS**

**ITEM: C. Finance and Business Services**  
**5. Truth in Taxation**

**COMMENTS BY: Jim Westrum, Exec. Director of Finance and Business Services**

**Truth in Taxation**

School districts are required to meet the Truth in Taxation requirements for levy year 2018 taxes payable 2019. While school districts are no longer required to hold a separate Truth in Taxation hearing, they are required to discuss the payable 2018 levy and the current year budget at a regularly scheduled board meeting.

Truth in Taxation requirements are as follows:

- On or before September 30, 2019, each school district must adopt a proposed 2018 payable 2019 property tax levy and certify and submit it to the county auditor.
- The county auditor mails parcel specific tax notices to each property owner in the district.
- The school district is required to discuss the payable 2019 levy and current year budget.
- The public is given time to speak.
- The school board must adopt a final levy by December 31, 2018.

It is important to note that the parcel specific tax notices that were mailed to each property owner in the district included amounts prior to the additional amounts related to the voter approved increase in operating referendum authority and the facility bond authority,

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**  
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**AGENDA SECTION: 7. OTHER BOARD ACTION**

**ITEM: A. Legislative Action Committee (LAC) Platform**

**COMMENTS BY: Sarah Johansen, Board Chair**

The Legislative Action Committee has prepared their 2019 Legislative Platform for School Board review. Please see attached platform.

**RECOMMENDED ACTION:** Approve the Legislative Action Committee Platform as attached.

Motion by: \_\_\_\_\_ Yes \_\_\_\_\_ Passed \_\_\_\_\_

Second by: \_\_\_\_\_ No \_\_\_\_\_ Failed \_\_\_\_\_

Abstentions: \_\_\_\_\_

**Wayzata Public Schools thanks our legislators for their important work completed in prior legislative sessions. We depend upon our legislators to continue to make funding and policy decisions that support our mission.**

During the 2019 Legislative Session, we look to the Governor and the Legislature to provide leadership and support the following priorities:

## Provide Adequate & Sustainable Funding

Increase the basic education formula a minimum of 3% in each year of the biennium and increase investments in special education funding. Predictable, adequate and sustainable funding is essential for school districts to deliver on the Legislature's vision of the World's Best Workforce.

- **Per Pupil Funding Formula**

The vast majority of increased state general education spending during the last two bienniums does not represent new operating revenue for school districts and does not negate the need for investments in the basic education formula allowance. Over the past decade, our district's expenses increased by approximately 3% every year. We ask the Legislature to show their commitment to our students, to the World's Best Workforce and to closing the achievement gap by providing predictable, adequate and sustainable funding. Providing a consistent increase on the formula that accounts for cost increases and inflation will help Wayzata Public Schools meet its obligations to provide the best possible education for each and every student.

- **Special Education Funding**

When the state and federal government do not adequately fund special education, the district's general education fund must subsidize expenditures (cross subsidy). Last year, 6.7% of our general education budget (\$9.2 million) was used to cover mandated, underfunded special education expenditures. We ask legislators to use a phased in approach to increase special education funding to reduce this cross subsidy by 50% over the next four years. We also recommend the Legislature work with school districts and others to identify and address policy areas within special education statutes and rules where long-term costs can be contained, while maintaining quality programs.

- **Student Supports**

Students increasingly need additional services so they can succeed academically. Schools need the resources to meet those needs and ensure a safe and healthy environment for learning. We ask the Legislature to increase the Safe Schools Levy to support counselors, social workers, mental health specialists and other student support staff in our schools that address student mental and chemical health challenges, as well as school resource officers that enhance school safety.

## Support Innovation & Enhanced Student Performance

Contemporary education faces new challenges and opportunities in this ever-changing global society. In Wayzata, we understand how great teaching, personalized learning and technological advancements come together to create a dynamic learning environment. We ask the Legislature to help us achieve this goal by:

- Increasing access and providing predictable funding for high-quality early learning programs;
- Supporting stable funding for access to educational technology; and
- Supporting programs that ensure college and career readiness, along with essential life skills for all students.

## Support Local Control

- Oppose new unfunded mandates.
- Oppose a mandatory, statewide health insurance pool for school district employees.
- Oppose taxpayer subsidies of private education through vouchers, tax credits or opportunity scholarships.
- Support critical partnerships between Wayzata Public Schools and community organizations, local businesses and civic organizations to encourage successful educational outcomes for each and every student. Collaborative endeavors such as Great Expectations, Caring for Kids, Interfaith Outreach's Neighborhood Programs, Reimagine Minnesota and TwinWest Chamber of Commerce are highly effective at reducing barriers and addressing challenges facing our students and their families with the goal of improving academic outcomes.

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**  
Regular Meeting – December 10, 2018

**AGENDA SECTION:** 8. Board Reports

**ITEM:** Board Reports

**COMMENTS BY:** Sarah Johansen, Board Chair

This section of the agenda provides an opportunity for Board members to update school board members on school board-related work or to make announcements of interest to the public.

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**  
Regular Meeting – December 10, 2018

**AGENDA SECTION: 9. Audience Opportunity to Address the Board**

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**ITEM: Audience Opportunity to Address the Board**

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**COMMENTS BY: Sarah Johansen, Board Chair**

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This section of the agenda provides an opportunity for members of the audience to address the School Board. Speakers will be allotted approximately three minutes. Please note that this time is provided for citizens to address the Board; this is not an appropriate venue for a discussion or debate. If the speaker would like follow-up contact from the Board of Education, they may leave their contact information with the administrative assistant.

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**  
Regular Meeting – December 10, 2018

**AGENDA SECTION: 10. Adjourn**

**ITEM: Adjourn**

**COMMENTS BY: Sarah Johansen, Board Chair**

This agenda item brings closure to the school board meeting.

**RECOMMENDED ACTION:** Call the meeting to a close.

Motion by: \_\_\_\_\_ Yes \_\_\_\_\_ Passed \_\_\_\_\_

Second by: \_\_\_\_\_ No \_\_\_\_\_ Failed \_\_\_\_\_

Abstentions: \_\_\_\_\_

Time: \_\_\_\_\_