



Excellence. For each and every student.

BOARD OF EDUCATION

Regular Meeting - December 9, 2019 - 7:00 PM
Wayzata City Hall, 600 Rice Street, Wayzata

AGENDA

1. CALL TO ORDER/ROLL CALL	2
2. APPROVAL OF AGENDA AND CONSENT AGENDA ITEMS	3
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.	
10. ADJOURN	339



Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: Call to Order

ITEM: Roll Call Attendance

COMMENTS BY: Sarah Johansen, Board Chair

	PRESENT	ABSENT
Erik Brown	_____	_____
Linda Cohen	_____	_____
Andrea Cuene	_____	_____
Bonita Lucky	_____	_____
Cheryl Polzin	_____	_____
Chris McCullough	_____	_____
Sarah Johansen	_____	_____
Chace Anderson, ex-officio	_____	_____



Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: 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 and Appointment of OPEB Committee Members
 - 3. Combined Polling Places
 - 4. Expense Reimbursement for Germany Exchange Trip
 - 5. PCard Approvals
- C. Human Resource Recommendations
 - 1. Monthly Recommendations
- D. City of Wayzata Summer Recreation Contract
- E. Lease Agreement with Substance Church

Recommended Action: Approve the full agenda as presented, and the consent agenda items.

Motion by: _____

ROLL CALL

Passed: _____

Second by: _____

Failed: _____

Abstentions: _____



Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: Approval of Agenda and Consent Agenda Items

ITEM: Approval of Board Minutes

COMMENTS BY: Chris McCullough, Board Clerk

Approve the minutes of the following meetings:

- November 12, 2019 Regular Meeting

Recommended Action: Approve the minutes of the Board meetings.

Motion by: _____ **Yes:** _____ **Passed:** _____

Second by: _____ **No:** _____ **Failed:** _____

Abstentions: _____



BOARD OF EDUCATION

Regular Meeting - November 12, 2019 - 7:00 PM
Wayzata High School, 4955 Peony Lane N Plymouth, MN

Excellence. For each and every student.

Minutes of Regular Meeting

A Regular Meeting of the Board of Education of Wayzata Public Schools was held Tuesday, November 12, 2019, beginning at 7:00 PM in the Wayzata High School, 4955 Peony Lane N Plymouth, MN.

1. CALL TO ORDER/ROLL CALL

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

2. APPROVAL OF AGENDA AND CONSENT AGENDA ITEMS

Board Chair Sarah Johansen asked for a motion to approve the agenda and consent agenda. Linda Cohen moved to approve the agenda and the consent agenda items and Erik Brown seconded the motion. It passed unanimously with a roll call vote.

- A. Approval of Minutes
- B. Finance and Business Services
 - 1. Monthly Reports
- C. Human Resource Services
 - 1. Monthly Recommendations
- D. Student Teaching Agreements

3. REPORTS FROM ORGANIZATIONS

4. RECOGNITIONS

Superintendent Chace B. Anderson honored the following for their achievements and contributions to the District:

- A. October Employee of the Month - Oakwood
- B. November Employees of the Month - WHS
- C. National Merit Scholar Semifinalists/Esteemed Teachers

5. STUDENT CURRICULUM PRESENTATION

- A. Wayzata High School
Wayzata Student Council Senior Vice President Matt Lawrence provided an update on events and athletics at WHS.

6. ADMINISTRATIVE REPORTS AND RECOMMENDATIONS

- A. Superintendent
- B. Teaching and Learning
 - 1. Policies for Approval
Andrea Cuene motioned to approve policy 502 for first reading, and policies 503, 504, 507, and 510 through the readings and final approval. Cheryl Polzin seconded the motion and it carried. Policy 502 will be returned to a future Board meeting for approval.
 - a. 502 – Student Discipline
 - 503 – Compulsory Attendance
 - 504 – Student Release from School
 - 505 – Entrance Age
 - 507 – Student Attendance Areas
 - 510 – Student Sex Nondiscrimination
 - 2. Approve the 2020-2021 School Days Calendar
Andrea Cuene moved to approve the 2020-2021 School Days Calendar. Linda Cohen seconded the motion. The following voted yes: Sarah Johansen, Andrea Cuene, Chris McCullough, Cheryl Polzin, Bonita Lucky, Linda Cohen. The following voted no: Erik Brown. The motion carried with a 6-1 vote.
- C. Finance and Business Services
 - 1. Monthly Financial Reports
No Board action required.

2. Resolution Canvassing Returns of Votes of School District General Election
Chris McCullough motioned to waive the reading of the resolution and to approve. Erik Brown seconded the motion and it carried unanimously. The following four people were elected to begin four year terms on the School Board, effective on the first Monday in January, 2020: Cheryl Polzin, Linda Cohen, Bonita Lucky, Seanne Falconer.

3. Resolution Authorizing Issuance of Certificates of Election and Directing School District Clerk to Perform Other Election Related Duties
Andrea Cuene motioned to waive the reading of the resolution and to approve. Erik Brown seconded the motion and it carried unanimously.

D. Human Resource Services

7. OTHER BOARD ACTION

8. BOARD REPORTS

A. Superintendent's Review Committee

Bonita Lucky presented the work of the Superintendent's Review Committee.

9. AUDIENCE OPPORTUNITY TO ADDRESS SCHOOL BOARD

No citizens wished to address the Board.

10. ADJOURN

Linda Cohen motioned to adjourn the meeting and Cheryl Polzin seconded the motion. It carried unanimously and the meeting adjourned at 8:30 pm



Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: Approval of Agenda and Consent Agenda Items

ITEM: Finance and Business Services Recommendations

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

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 2019	\$6,750,438
Wire Transfer, EFT & ACH for October 2019	\$12,808,500

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.”

The Board of Education is requested to accept the attached list of donations received in November 2019.

Cash Donations	\$51,055
In-Kind Donations	\$200

Recommended Action: Approve the checking account and wire transfer payments and accept with appreciation the donations, which are in compliance with current district policy and guidelines.

Motion by: _____ **ROLL CALL** **Passed:** _____

Second by: _____ **Failed:** _____

Abstentions: _____

WAYZATA PUBLIC SCHOOLS
MONTHLY CHECK DISBURSEMENT SUMMARY
NOVEMBER 2019

CHECK#	VENDOR	DESCRIPTION	DATE	AMOUNT
5272	HUNT ELECTRIC CORPORATION	CMS - 26C Electrical	11/26/2019	\$527,486.70
5248	EBERT CONSTRUCTION	Demolition and Carpentry	11/26/2019	\$401,704.08
5288	MAERTENS-BRENNY CONSTRUCTION	CMS - 03A Concrete and Masonry	11/26/2019	\$373,131.61
5335	SCHWAB VOLLHABER LUBRATT INC	EMS - Packaged Roof top unit	11/26/2019	\$301,860.00
5285	KRAUS-ANDERSON CONSTRUCTION CO	CMS AUDITORIUM ELECTRIC TRENCH	11/26/2019	\$275,509.92
5307	MODERN PIPING INC	CMS - 22A Plumbing	11/26/2019	\$257,074.32
5369	WOLD ARCHITECTS AND ENGINEERS	CONSTRUCTION	11/26/2019	\$255,842.35
5306	MN ROADWAYS COMPANY	CMS - 32A Asphalt paving	11/26/2019	\$227,845.55
5251	FEHN COMPANIES INC	CMS - 31A Site Demolition	11/26/2019	\$216,674.05
5116	KENDELL DOORS & HARDWARE INC	CMS - 08A Doors, Frames & HW	11/18/2019	\$206,340.87
5330	RICKWAY CARPET	CMS - 09D Resilient & Carpet Flooring	11/26/2019	\$200,065.25
708822	NORCOSTCO INC	CMS - 11J Theatre, Stage, and Curtains	11/26/2019	\$158,329.61
4827	UPPER LAKE FOODS	PRIME VENDOR	11/05/2019	\$149,482.06
5041	XCEL ENERGY	MONTHLY SERVICE	11/12/2019	\$134,839.62
5279	JOHN A DALSIN & SON INC	GL - Metal Panel Replacement	11/26/2019	\$134,780.00
5275	INTERMEDIATE DIST 287	MONTHLY PAYMENT	11/26/2019	\$129,915.00
5242	CUSTOM DRYWALL INC	CMS - 09a Drywall	11/26/2019	\$119,297.11
5317	NORTH COUNTRY CONCRETE INC	CMS - 32B Curb and Gutters	11/26/2019	\$118,531.50
5316	NORTHWEST ASPHALT INC	9th - 32A Asphalt Paving	11/26/2019	\$104,042.88
5050	WAYZATA EDUCATION ASSN	Payroll accrual	11/15/2019	\$72,781.56
5354	TOTAL FIRE PROTECTION INC	CMS - 21A Fire Suppression	11/26/2019	\$68,740.21
5361	VEIT & COMPANY INC	EMS - 31A Site Clearing	11/26/2019	\$62,351.13
5031	UPPER LAKE FOODS	PRIME VENDOR	11/12/2019	\$59,785.57
708762	HILLYARD INC MINNEAPOLIS	SUPPLIES	11/15/2019	\$54,243.70
5351	THOMPSON CONSTRUCTION OF PRINCETON, INC.	OW/ELS - 03A Precast concrete	11/26/2019	\$52,516.00
5270	HOLLENBACK & NELSON INC	EMS - 03A Carpentry & Masonry	11/26/2019	\$43,510.00
5318	NORTHERN GLASS & GLAZING INC	EMS Entrance, Storefront & Curtain-wall	11/26/2019	\$40,375.00
4758	MCKINSTRY ESSENTION LLC	9th - Professional services	11/05/2019	\$39,800.00
5234	CDW GOVERNMENT LLC	Printers for NW	11/26/2019	\$39,435.53
5148	NETWORK DESIGN INC	NW INSTALL ACCESS CONTROL	11/18/2019	\$38,835.00
5044	ZMD ENGINEERED SOLUTIONS LLC	PROF SERV	11/12/2019	\$37,450.00
708747	TEAM SPORTING GOODS, INC	SUPPLIES	11/08/2019	\$36,510.05
5188	ACOUSTICS ASSOCIATES	Acoustical Ceilings	11/26/2019	\$35,342.92
5212	BLACKHAWK TILE AND STONE INC	CMS - 9B Tile	11/26/2019	\$33,250.00
5324	PRIME CONSTRUCTION SOLUTIONS	NW ELEMENTARY	11/26/2019	\$31,604.69
5352	TITANIUM PARTNERS LLC	rent for WELS	11/26/2019	\$30,315.94
5192	A J MOORE ELECTRIC INC	CMS - 26B Electrical Sight Lighting	11/26/2019	\$30,177.70
5112	INTERVIEW2HIRE,LLC	CAREER GUIDE	11/18/2019	\$30,000.00
4985	PAMS LUNCHROOM LLC	CSF - CREDIT CARD FEES	11/12/2019	\$29,589.25
5216	BRAUN INTEREC CORP	PROF SERV	11/26/2019	\$28,366.50
5337	SFM MUTUAL INSURANCE CO	SFM WORK COMP CLAIMS	11/26/2019	\$28,141.43
708727	MINNESOTA EQUIPMENT	CSF TRACTOR PARTS	11/08/2019	\$26,700.12
4712	DIVERSIFIED SNACK DISTRIBUTION INC	SNACKS	11/05/2019	\$26,659.15
5191	AIR SYSTEMS ENGINEERING INC	9th - Test & Balance	11/26/2019	\$25,400.00
5274	INNOVATIVE BUILDING CONCEPTS LLC	9th - 07F Metal Panels	11/26/2019	\$24,693.75
4761	MINNEAPOLIS PUBLIC SCHOOLS	C & T TUITION FY19	11/05/2019	\$23,355.20
5231	CARCIOFINI COMPANY INC	CMS - 07K Sealants and Caulking	11/26/2019	\$22,771.50
5362	VINCO INC	OW/ELS - 26A Electrical	11/26/2019	\$22,657.50
5353	TOP LITE CONTRACT GLAZING INC	CMS - 10E Glass operable manual wall	11/26/2019	\$22,543.50
5184	WORKS INTERNATIONAL INC	ANNUAL LICENSE, STAFF TRAINING	11/18/2019	\$20,648.90
4877	CITY OF PLYMOUTH	WATER	11/12/2019	\$19,952.03
5115	K12 TRANSPORTATION MANAGEMENT SVCS INC	TRANSPORTATION	11/18/2019	\$19,631.73
708821	HALDEMAN-HOMME, INC	CMS - 09F Wood Flooring	11/26/2019	\$19,000.00
5254	FRANSEN DECORATING INC	EMS Painting and the Wall covering	11/26/2019	\$18,674.34
5002	REGION 6AA	10/25/19\$10,020.00 11/01/19 \$8,630.00	11/12/2019	\$18,650.00
5183	WORKS COMPUTING/PARAGON DEVELOPMENT SYSTEMS	Annual server renewals	11/18/2019	\$18,454.56
5329	RICE LAKE CONSTRUCTION GROUP	MR 04-A Masonry	11/26/2019	\$18,413.25
4997	PROMOWEAR	CMS MUSICAL WEAR 2019-20	11/12/2019	\$18,082.54
4629	MADISON NATIONAL LIFE INSURANCE COMPANY	Ins. Tracking Billing	11/05/2019	\$17,991.70
4734	H BROOKS AND COMPANY LLC	Non-DOD Produce	11/05/2019	\$17,958.72
5321	PHASOR ELECTRIC CO	RELOCATE PROJECTORS	11/26/2019	\$17,105.00

5046	LIFE INSURANCE CO OF NORTH AMERICA	Payroll accrual	11/15/2019	\$17,048.40
5080	CENTER FOR THE COLLABORATIVE CLASSROOM	SIPPS CHALLENGE 3 SETS	11/18/2019	\$17,020.00
5336	SENTRA-SOTA SHEET METAL INC	OW/ELS - 23A HVAC	11/26/2019	\$16,957.50
4794	RUPP, ANDERSON, SQUIRES & WALDSPURGER PA	PROF SERV	11/05/2019	\$15,280.75
5309	MULCAHY NICKOLAUS INC	MR - Framing and Drywall	11/26/2019	\$14,847.79
5180	WASTE MANAGEMENT	DISTRICT REFUSE	11/18/2019	\$14,261.90
5189	ADMIRAL COATINGS INC	CMS - 09K Wallcovering & Paint	11/26/2019	\$14,250.00
5249	ERICKSON ELECTRIC CO	CMS - 26A Electrical Site Lighting	11/26/2019	\$14,082.80
5295	MINT ROOFING INC	CMS - 7H Roof Patching	11/26/2019	\$14,033.16
708785	BRAUN INTEREC CORP	PROF SERV	11/21/2019	\$13,635.50
5334	RUPP, ANDERSON, SQUIRES & WALDSPURGER PA	PROF SERV	11/26/2019	\$13,460.70
5049	SCHOOL SERVICE EMPLOYEES	Payroll accrual	11/15/2019	\$13,050.83
5061	ARCHITECTURAL RESOURCES INC	PROF SERV	11/18/2019	\$13,040.00
4650	AGROPUR INC DIVISION OF NATREL USA	MILK PRODUCTS	11/05/2019	\$12,788.92
4774	NEXUS HOLIDAYS	CHINA CLUB	11/05/2019	\$12,000.00
4885	COMMERCIAL KITCHEN SERVICES	SERVICE & SUPPLIES	11/12/2019	\$11,794.80
5277	IOCP	comm ed rent	11/26/2019	\$11,613.32
5319	NORTH HENNEPIN COMMUNITY COLLEGE	ENROLLMENT	11/26/2019	\$11,250.00
5264	GRAZZINI BROTHERS & CO	WHS - 2018 Flooring Replacement	11/26/2019	\$11,061.80
4907	GARVEY COMMUNICATIONS	PROF SERV	11/12/2019	\$10,950.00
4856	ARVIG	DUE 10/25/19 MONTHLY INTERNET	11/12/2019	\$10,687.45
5163	REGENTS OF THE UNIV OF MN	ENROLLMENT FEES	11/18/2019	\$10,500.00
5043	ZIEGLER INC	REPAIR	11/12/2019	\$10,326.34
4905	FIRST STUDENT INC	TRANS	11/12/2019	\$9,606.61
5095	FRSECURE LLC	QUARTERLY BILL	11/18/2019	\$9,476.25
5350	SUMMIT COMPANIES	EMS - 21A Fire Suppression	11/26/2019	\$9,352.75
708706	TRIO SUPPLY CO	PAPER SUPPLIES	11/01/2019	\$9,347.30
708790	JOSTENS, INC	CMS YEARBOOK 2019-20	11/21/2019	\$9,103.61
708736	RETROFIT COMPANIES INC	MR SUPPLIES	11/08/2019	\$9,024.25
5047	LIFE INSURANCE CO OF NORTH AMERICA	Payroll accrual	11/15/2019	\$9,017.84
5094	FINISHING TOUCH PLUS	PAINTING	11/18/2019	\$8,695.00
5286	LANCE SERVICE INC	CMS - 12D Wood Laboratory Casework	11/26/2019	\$8,512.00
4692	CONTEMPORARY IMAGES INC	PROF SERV	11/05/2019	\$8,466.94
4694	CENTER FOR ACADEMIC EXCELLENCE	PROF SERV	11/05/2019	\$8,450.93
4708	DENNY'S 5TH AVENUE BAKERY	BREAD	11/05/2019	\$8,063.26
4863	BRIGGS & MORGAN PA	LEGAL SERVICE	11/12/2019	\$8,006.40
708682	JOHNSON CONTROLS	WMS REPAIR	11/01/2019	\$7,972.18
708817	COMMERCIAL KITCHEN SERVICES	CMS INSTALLATION & SUPPLIES	11/26/2019	\$7,671.49
4806	TRANSPORTATION PLUS INC	ACTIVITY SUPPORT	11/05/2019	\$7,644.00
708778	TRIO SUPPLY CO	CSF - PAPER SUPPLIES	11/15/2019	\$7,603.18
4879	COGENT COMMUNICATIONS INC	MONTHLY INTERNET	11/12/2019	\$7,200.00
708748	TIERNEY BROTHERS, INC.	PROJECTOR BULB	11/08/2019	\$7,040.05
4750	INTERMEDIATE DIST 287	16-20 ESY FURCHAS OF SERVICES	11/05/2019	\$7,009.34
4673	BRAUN INTEREC CORP	PROF SERV	11/05/2019	\$6,617.00
5289	MALLOY MONTAGUE KARNOWSKI RADOSEVICH & CO PA	PROF SERV	11/26/2019	\$6,500.00
4835	AFFINITECH INC	LABOR AND INSTALLATION	11/12/2019	\$6,172.00
5055	ALPHA VIDEO & AUDIO INC	IPTV ENCODERS	11/18/2019	\$6,145.00
708753	XEROX CORPORATION	COPIER LEASE & MAINTENANCE	11/08/2019	\$6,083.39
4982	OSP INC/OUT SOURCE PROJECTS	UPDATE AGREEMENTS	11/12/2019	\$6,000.00
708693	RELATE COUNSELING CTR	AUG 19 WHS RELATE	11/01/2019	\$5,989.58
708734	RELATE COUNSELING CTR	SEPT19 WHS RELATE	11/08/2019	\$5,989.58
5348	ST PAUL BEVERAGE SOLUTIONS, LLC	MILK	11/26/2019	\$5,953.43
708769	RELATE COUNSELING CTR	WHS & OW SERVICES	11/15/2019	\$5,900.00
4871	CENTURYLINK	PHONES AT NW 09/28/19	11/12/2019	\$5,652.57
5179	VISION SERVICE PLAN INS CO	MONTHLY VISION PLAN	11/18/2019	\$5,627.73
4628	LIFE INSURANCE CO OF NORTH AMERICA	Ins. Tracking Billing	11/05/2019	\$5,483.83
708800	RELATE COUNSELING CTR	RELATE MH FOR OCTOBER 2019	11/21/2019	\$5,463.33
4894	DIVERSIFIED SNACK DISTRIBUTION INC	SNACKS	11/12/2019	\$5,409.20
5079	CREATIVE DEVELOPMENT GROUP	AUTHOR VISITOR FEE	11/18/2019	\$5,378.56
4940	KINDEM DESIGN INC.	PROF SERV	11/12/2019	\$5,295.00
5233	CD TILE & STONE INC	9th - 09B Tile	11/26/2019	\$5,258.25
4993	PREMIUM WATERS INC	WATER - HS ONLY	11/12/2019	\$5,242.50
708729	MOTG (MN OFFICE TECHNOLOGY GRP)	QUARTERLY MAINT & SUPPLIES	11/08/2019	\$5,223.96
708824	RELATE COUNSELING CTR	SERVICES FOR OCT Relate MH services	11/26/2019	\$5,086.25
5256	FUN ENGINEERZ LLC	PROF SERV	11/26/2019	\$5,064.00
708812	TEAM SPORTING GOODS, INC	VOLLEYBALL EQUIP	11/21/2019	\$4,993.34

4900 FERNDALE MARKET, LLC	Turkey Roasts	11/12/2019	\$4,961.77
5203 AMAZON CAPITAL SERVICES INC	OFFICE AND CLASSROOM SUPPLIES	11/26/2019	\$4,890.77
4831 XCEL ENERGY	MONTHLY USAGE	11/05/2019	\$4,845.87
5281 KENDELL DOORS & HARDWARE INC	CMS - 08A Doors, Frames & HW	11/26/2019	\$4,713.98
5194 ALL FURNITURE INC	PROF SERV	11/26/2019	\$4,671.44
4735 HILDI INC	PROF SERV	11/05/2019	\$4,585.00
5162 REFLECTION SCIENCES, INC.	TRAINING, LICENSES & SUPPLIES	11/18/2019	\$4,575.00
5357 TWIN CITY ACOUSTICS INC	OW/ELS Ceiling/Acoustical Treatment	11/26/2019	\$4,500.34
4680 BRUEGGER'S ENTERPRISES INC	BREAD PRODUCTS	11/05/2019	\$4,407.69
4717 FUN ENGINEERZ LLC	PROF SERV	11/05/2019	\$4,400.00
5102 H BROOKS AND COMPANY LLC	Non-DOD Produce	11/18/2019	\$4,395.58
4714 EGAN COMPANY	GW, WMS BV, PC REPAIR	11/05/2019	\$4,355.00
5086 DIVERSIFIED SNACK DISTRIBUTION INC	HS - SNACKS	11/18/2019	\$4,310.13
5165 RUM RIVER SPECIAL EDUCATION COOPERATIVE	NON MEM FEE	11/18/2019	\$4,281.71
5265 GROUP HEALTH INC-WORKSITE	WORKERS COMP	11/26/2019	\$4,241.60
5260 GOLF SQUAD LLC	FALL 19 CLASSES	11/26/2019	\$4,207.50
5018 THOUSAND HILLS CATTLE CO LLC	BEEF PRODUCTS	11/12/2019	\$4,202.40
5012 STATE OF MN	FIRE INSPECTIONS	11/12/2019	\$4,183.59
5059 AMAZON CAPITAL SERVICES INC	OFFICE AND CLASSROOM SUPPLIES	11/18/2019	\$4,172.64
5158 PROMOWEAR	CLUB YES	11/18/2019	\$4,129.05
5252 FINISHING TOUCH PLUS	INTERIOR PAINTING	11/26/2019	\$4,075.00
4951 MARS CO, W. P. & R.S.	SUPPLIES	11/12/2019	\$4,011.99
708777 STAPLES BUSINESS ADVANTAGE	Supplies	11/15/2019	\$4,002.02
4841 AGROPUR INC DIVISION OF NATREL USA	MILK PRODUCTS	11/12/2019	\$3,936.28
5051 1ST CHOICE PEDIATRIC HOME CARE	Nursing	11/18/2019	\$3,895.50
5060 ANTHOLOGIE LLC	PROF SERV	11/18/2019	\$3,865.00
4660 AMAZON CAPITAL SERVICES INC	OFFICE AND CLASSROOM SUPPLIES	11/05/2019	\$3,859.87
5340 SPARTAN STEEL ERECTORS INC	CMS - 05B Structural Steel	11/26/2019	\$3,847.50
4842 ALL STRINGS ATTACHED	BASS FOR CMS & EMS	11/12/2019	\$3,781.00
708746 STAPLES BUSINESS ADVANTAGE	Classroom supplies	11/08/2019	\$3,751.85
708798 PROJECT LEAD THE WAY, INC	PARTICIPATION 19/20	11/21/2019	\$3,750.00
4967 MN COMMUNITY ED ASSN	CE MCEA CONVENTION	11/12/2019	\$3,735.00
4981 OPG-3 INC	SCANNING	11/12/2019	\$3,700.00
708739 SCHOOL SPECIALTY	HB INCLUSION SUPPLIES	11/08/2019	\$3,675.58
708709 WRIGHT-HENNEPIN COOP	MONTHLY USAGE	11/01/2019	\$3,620.00
4849 AMAZON CAPITAL SERVICES INC	OFFICE AND CLASSROOM SUPPLIES	11/12/2019	\$3,513.78
5009 SMARTFIX LLC	IPAD REPAIRS SEPT19	11/12/2019	\$3,501.00
5230 CANON FINANCIAL SERVICES INC	WHS COPY CENTER COPIERS LEASE	11/26/2019	\$3,452.20
5320 NOW MICRO	TECH SUPPLIES	11/26/2019	\$3,450.00
5010 SONOVA USA INC	SPED	11/12/2019	\$3,432.99
708815 XEROX CORPORATION	COPIER LEASE & MAINTENANCE	11/21/2019	\$3,349.18
708704 STAPLES BUSINESS ADVANTAGE	CLASSROOM AND OFFICE SUPPLIES	11/01/2019	\$3,282.71
708691 PRO-TEC DESIGN	CMS KITCHEN	11/01/2019	\$3,250.14
5196 ALL STRINGS ATTACHED	CELLO BOW CASES	11/26/2019	\$3,250.00
4808 TYSON FOODS INC	COMMODITY BEEF PRODUCTS	11/05/2019	\$3,249.00
4789 PROMOWEAR	DECA SUPPLIES	11/05/2019	\$3,227.15
5247 DENNY'S 5TH AVENUE BAKERY	BREAD	11/26/2019	\$3,218.42
708720 HILLYARD INC MINNEAPOLIS	CUSTODIAL SUPPLIES	11/08/2019	\$3,209.67
4689 COLLEGE TOWN PIZZA INC	PIZZA - ALA CARTE	11/05/2019	\$3,182.50
4946 LIFETIME FITNESS, INC.	Lifetime fitness locker room rental	11/12/2019	\$3,181.76
5360 US FOODS CULINARY E & S	SERVING SUPPLIES	11/26/2019	\$3,163.03
4804 SUN CONTROL OF MINNESOTA	SERVICE	11/05/2019	\$3,107.00
708782 ANCHOR PAPER COMPANY	PAPER ORDER	11/21/2019	\$3,052.30
4855 ARTS US	CIVIL RIGHTS RESEARCH EXPERIENCE	11/12/2019	\$3,000.00
4859 BLB CONSULTING LLC	OW MAP CHANGES	11/12/2019	\$2,850.00
5224 BRUEGGER'S ENTERPRISES INC	BREAD PRODUCTS	11/26/2019	\$2,834.31
4674 BREADSMITH	HS - BREAD PRODUCTS	11/05/2019	\$2,825.94
5069 BOLLLOM, TODD	MOUNTAIN BIKE TEAM	11/18/2019	\$2,776.50
5338 SKOLD SPECIALTY CONTRACTING LLC	MR - 10A Operable Wall system	11/26/2019	\$2,768.00
5190 AFFINITECH INC	OW PROJECT	11/26/2019	\$2,765.00
708809 STAPLES BUSINESS ADVANTAGE	Office supplies	11/21/2019	\$2,707.41
5235 CENTURYLINK	Lines into NW	11/26/2019	\$2,674.37
4977 NHA HEATING & AIR CONDITIONING INC	WHS AHU SERVICE	11/12/2019	\$2,614.50
5003 RELIABLE MEDICAL SUPPLY LLC	SPED -WELS	11/12/2019	\$2,580.00
4749 INGRAM LIBRARY SERVICES	BOOKS	11/05/2019	\$2,557.29
4914 H BROOKS AND COMPANY LLC	Non-DOD Produce	11/12/2019	\$2,524.09

4915 H & B SPECIALIZED PRODUCTS	MR REPAIR	11/12/2019	\$2,501.08
708718 GOPHER SPORT	SPORT SUPPLY	11/08/2019	\$2,497.65
708687 MINVALCO	WHS HEAT PLANT PRIMARY SYSTEM	11/01/2019	\$2,460.92
5004 R J MECHANICAL INC	CMS SUMP REPAIR	11/12/2019	\$2,307.92
4911 GREGOR FARM & GREENHOUSE, INC	CONCERT CHOIR FUND	11/12/2019	\$2,285.35
4770 MPS	AP GOV	11/05/2019	\$2,271.34
5237 COLLEGE TOWN PIZZA INC	PIZZA - ALA CARTE	11/26/2019	\$2,263.50
4959 MN TEACHERS OF ENG TO SPEAKERS OF OTHER LANG.	SPED - CONFERENCE REGISTRATION	11/12/2019	\$2,260.00
4988 PHASOR ELECTRIC CO	GW REPAIR	11/12/2019	\$2,241.00
5131 METRO HARDWOODS	WOODS	11/18/2019	\$2,223.92
708766 PEARSON EDUCATION	SPED- NORTH WOODS	11/15/2019	\$2,135.17
4787 PROFESSIONAL INTERPRETING	2019-20 Blanket EL interpreting	11/05/2019	\$2,119.30
4721 GRAINGER INC., W. W.	Warehouse supplies AND PARTS	11/05/2019	\$2,117.57
5205 APPLE INC	TEACHER WAYZA ED FOUNDATION GRANT	11/26/2019	\$2,098.00
708686 MACKIN EDUCATIONAL RESOURCES	NW MEDIA COLLECTION	11/01/2019	\$2,093.72
5228 BUSINESS PROFESSIONALS OF AMERICA	DUES	11/26/2019	\$2,090.00
5327 PSYCHOLOGICAL ASSESSMENT RESOURCES INC	SPED PROTOCOLS	11/26/2019	\$2,085.36
4697 DAIKIN APPLIED	CMS SERVICE	11/05/2019	\$2,079.05
4932 INTEREUM	CES TASK CHAIRS	11/12/2019	\$2,066.62
5139 MN DECA	DECA CONFERENCE	11/18/2019	\$2,020.00
4675 BROWN'S ICE CREAM CO	HS - ICE CREAM	11/05/2019	\$1,998.66
5154 PLYMOUTH ICE CTR	GHO ICE TIME	11/18/2019	\$1,980.00
708820 GOPHER SPORT	PHY ED CLASSROOM SUPPLIES	11/26/2019	\$1,965.25
4778 ON SITE SANITATION	SERVICE	11/05/2019	\$1,952.00
5085 DENNY'S 5TH AVENUE BAKERY	BREAD	11/18/2019	\$1,949.54
4892 DENNY'S 5TH AVENUE BAKERY	BREAD	11/12/2019	\$1,940.95
4996 PROFESSIONAL INTERPRETING	2019-20 Blanket EL interpreting	11/12/2019	\$1,912.50
4956 MINT ROOFING INC	CMS REPAIR	11/12/2019	\$1,911.50
4983 OSTVIG TREE INC	CMS TREE REMOVAL	11/12/2019	\$1,904.00
5328 RENNEBERG HARDWOODS INC	WOODS	11/26/2019	\$1,901.98
4931 INGRAM LIBRARY SERVICES	MEDIA BOOKS	11/12/2019	\$1,884.92
4669 BAYFIELD FRUIT CO LLC	ALL SCHOOLS - PRODUCE	11/05/2019	\$1,869.60
4782 PEPSI BEVERAGES COMPANY	HS ALA CARTE	11/05/2019	\$1,867.70
708770 SCHMITT MUSIC CO	REPAIR	11/15/2019	\$1,857.70
5063 ASL INTERPRETING SERVICES	EDUC int	11/18/2019	\$1,856.00
5075 CITY OF WAYZATA	WATER & SEWER	11/18/2019	\$1,845.21
5267 H & B SPECIALIZED PRODUCTS	OW/ELS - 11K Gym Equipment	11/26/2019	\$1,805.00
4690 COMPUTER EXPLORERS	PROF SERV	11/05/2019	\$1,800.00
708722 INTERSTATE POWER SYSTEMS	CMS SERVICE	11/08/2019	\$1,752.00
708717 GOODIN CO	DIST DRINKING FOUNTAIN FILTERS	11/08/2019	\$1,728.90
708726 MEI - MINNESOTA ELEVATOR INC	MONTHLY SERVICE	11/08/2019	\$1,725.27
4665 APPLE JACK ORCHARDS LLC	FIELD TRIP	11/05/2019	\$1,680.50
4791 RBI SPORTSWEAR	GHO PRACTICE JERSEYS	11/05/2019	\$1,674.00
4961 MN CENTER FOR BOOK ARTS	FIELD TRIP	11/12/2019	\$1,656.50
192000510 WESTRUM, JAMES	REIMBURSEMENT	11/06/2019	\$1,652.08
5271 HOUSE OF NOTE	ORCHESTRA CLASSROOM SUPPLIES	11/26/2019	\$1,605.00
5054 AGROPUR INC DIVISION OF NATREL USA	MILK	11/18/2019	\$1,596.51
4802 STATE TOURNAMENT BANQUET	(A)STATE BANQUET 53 TICKETS X \$30	11/05/2019	\$1,590.00
708679 FERGUSON ENTERPRISES, INC #1657	NW DCD WASHER DRYER	11/01/2019	\$1,575.00
4834 ACTION FLEET INC	CSF PLOW LIGHTS	11/12/2019	\$1,566.26
4881 COLLEGE TOWN PIZZA INC	PIZZA - ALA CARTE	11/12/2019	\$1,541.50
708765 MAKEMUSIC INC	FINALE UPGRADES FOR 22	11/15/2019	\$1,540.00
5077 COLLEGE TOWN PIZZA INC	PIZZA - ALA CARTE	11/18/2019	\$1,504.00
5068 BLUE VALLEY UNIFIED SCHOOL DIST #229	PROF SERV ANNUAL NETWORK FEE	11/18/2019	\$1,500.00
5011 SPARKPOINT INNOVATIONS	SCHOOL ASSEMBLY	11/12/2019	\$1,500.00
4797 SCIENCE EXPLORERS	PROF SERV	11/05/2019	\$1,485.50
5016 THE BAKKEN	WORKSHOP 11/15/19	11/12/2019	\$1,476.00
192000624 WELK, JENNIFER	REIMBURSEMENT	11/20/2019	\$1,469.43
708802 SCHMITT MUSIC CO	BAND ROOM SUPPLIES	11/21/2019	\$1,401.74
5207 AUTUMN RIDGE LANDSCAPING INC	MR - 32A Irrigation and Landscape	11/26/2019	\$1,385.85
4930 HOME DEPOT/GEFC	SHOP SUPPLIES	11/12/2019	\$1,383.26
708780 XEROX CORPORATION	COPIER LEASE & MAINTENANCE	11/15/2019	\$1,369.77
5040 WINSOR LEARNING INC.	SPED - TRAINING	11/12/2019	\$1,350.00
4764 MN ASSN FOR THE ED OF YOUNG CHILDREN	HB ANNUAL STATE CONF	11/05/2019	\$1,332.00
708712 BLICK ART MATERIALS	CMS ART CLASSROOM SUPPLIES	11/08/2019	\$1,328.67
5105 HIREQUEST	PROF SERV	11/18/2019	\$1,322.25

708813	TRIO SUPPLY CO	PAPER SUPPLIES	11/21/2019	\$1,311.39
5074	CHILDREN'S THEATRE COMPANY AND SCHOOL	FIELD TRIP	11/18/2019	\$1,305.00
708789	FERGUSON ENTERPRISES, INC #1657	WHS LBN APPLIANCES	11/21/2019	\$1,303.00
5326	PROFESSIONAL INTERPRETING	PROF SERV	11/26/2019	\$1,270.80
5110	INGRAM LIBRARY SERVICES	BOOKS	11/18/2019	\$1,266.97
5107	HUDL	(A)GIRLS VARSITY ICE HOCKEY	11/18/2019	\$1,200.00
4872	CHILDREN'S THEATRE COMPANY AND SCHOOL	CUST #72766 FIELD TRIP	11/12/2019	\$1,200.00
4851	ANTHOLOGIE LLC	PROF SERV	11/12/2019	\$1,200.00
708721	HORIZON COMMERCIAL POOL SUPPLY	POOL SERVICES	11/08/2019	\$1,193.33
708723	INTL BOOK IMPORT SERVICE INC	GERMAN 2 TEXT BOOKS	11/08/2019	\$1,192.46
4753	K20, INC	YOUNG SCIENTIST ROUNDTABLE SPEAKER	11/05/2019	\$1,152.71
5017	THELEN HEATING AND ROOFING INC	WHS SERVICE	11/12/2019	\$1,152.00
4652	ALLINA HEALTH	ACT #70009265 HIST & PX	11/05/2019	\$1,140.00
5147	NATIONAL KARATE ACADEMY	PHYS ED	11/18/2019	\$1,140.00
192000623	STUTZMAN, BELINDA	REIMBURSEMENT	11/20/2019	\$1,110.80
4968	MN HIGH SCHOOL QUIZ BOWL	REGISTRATION	11/12/2019	\$1,100.00
4693	CREATING ART INC	PROF SERV	11/05/2019	\$1,099.00
5052	AFFINITECH INC	PROF SERV CMS CAFETERIA	11/18/2019	\$1,095.00
708680	GOODIN CO	WMS PARTS	11/01/2019	\$1,091.20
4958	MN IT SERVICES	VOICE SERVICES SEPT19	11/12/2019	\$1,088.59
4943	LANGUAGE LINE SERVICES	LANGUAGE LINE	11/12/2019	\$1,080.67
4923	HIREQUEST	PROF SERV	11/12/2019	\$1,042.75
5123	LIFETIME FITNESS, INC.	CLIMBING INVOICE FOR OCT 2019	11/18/2019	\$1,030.00
5076	COGENT COMMUNICATIONS INC	MONTHLY INTERNET	11/18/2019	\$1,027.42
4989	PIRTEK PLYMOUTH	CSF SNOWPLOWES	11/12/2019	\$1,022.36
708797	PEPPER & SON INC., J. W.	Band Classroom supplies	11/21/2019	\$1,004.65
5119	LANGLAND, VERDEEN	MOUNTAIN BIKE TEAM	11/18/2019	\$1,000.00
4970	MN STATE HIGH SCHOOL LEAGUE	(A)STATE SWIM/DIVE	11/12/2019	\$990.00
4686	CITY OF WAYZATA	APPLICATION FOOD SERVICE LICENSE	11/05/2019	\$970.00
4858	BAYFIELD FRUIT CO LLC	ALL SCHOOLS - PRODUCE	11/12/2019	\$934.80
5208	BAYFIELD FRUIT CO LLC	ALL SCHOOLS - PRODUCE	11/26/2019	\$934.80
4886	COSPACES EDU	CMS 6TH GRADE TEACHERS	11/12/2019	\$932.49
4986	PARALLEL TECHNOLOGIES INC	SH INSTALL	11/12/2019	\$913.07
708731	PITSCO, INC	CMS ETD CLASSROOM SUPPLIES	11/08/2019	\$907.45
4779	OXHERD PIZZA INC.	Ala Carte Pizza	11/05/2019	\$900.00
5106	HORIZON EQUIPMENT	Combi Cleaner	11/18/2019	\$900.00
5164	RENNEBERG HARDWOODS INC	WOODS	11/18/2019	\$893.75
4631	3P LEARNING INC	Math Seeds Subscription	11/05/2019	\$883.50
5293	MIDWEST BLINDS	PC BLINDS	11/26/2019	\$874.00
192000644	KAPHERS, ANGELA	REIMBURSEMENT	11/26/2019	\$871.60
4663	AMERICAN CHORAL DIRECTORS ASSN OF MN	CMS ASDA REGISTRATION	11/05/2019	\$868.00
5291	MCDOWALL COMPANY	9th - 23A HVAC	11/26/2019	\$864.50
708783	BIO CORPORATION	LADEN CATS	11/21/2019	\$848.47
708710	XEROX CORPORATION	PC XEROX D110 COPIER BLANKET	11/01/2019	\$841.47
4882	COMMERCIAL DOOR SYSTEMS INC	CSF SHOP STOCK	11/12/2019	\$834.00
5159	PUBLIC STORAGE 08316	DEC 19 OFFSITE STORAGE 1524	11/18/2019	\$816.00
5355	TRANS-MISSISSIPPI BIOLOGICAL	Live Materials	11/26/2019	\$813.44
5103	HAHN, R.N.,PHN, MICHELLE	NURSE CONSULT SUPPORT	11/18/2019	\$810.00
4737	HILL CO, ROBERT B.	SALT	11/05/2019	\$807.73
4741	HUDL	(A)GBB VIDEO SERVICE	11/05/2019	\$800.00
5305	MN LANDSCAPE ARBORETUM	FIELD TRIP	11/26/2019	\$799.50
4971	MOBYMAX LLC	LICENSES	11/12/2019	\$796.00
5283	KOMAREK, JOSEPH	FALL SPORTS SEASON FB & SOCCER	11/26/2019	\$788.40
4941	KINECT ENERGY INC	MONTHLY MGMT FEE NOV 19	11/12/2019	\$788.00
5232	CAULKERS COMPANY INC, THE	MR - 07-C Sealants	11/26/2019	\$787.25
5181	WESTMARK PRODUCTIONS	BAND ACTIVITY	11/18/2019	\$785.00
4788	PROMOTION SELECT	NHS APPAREL	11/05/2019	\$779.31
4962	MN CLAY USA - MIDWEST	ART/CERAMICS	11/12/2019	\$772.11
5070	BREADSMITH	BREAD PRODUCTS	11/18/2019	\$764.46
5217	BREADSMITH	BREAD PRODUCTS	11/26/2019	\$764.46
4865	BRUEGGER'S ENTERPRISES INC	BREAD PRODUCTS	11/12/2019	\$762.41
5259	GOETZ & ECKLAND P.A.	PROF SERV	11/26/2019	\$750.00
4832	YOUTH FRONTIERS, INC	RETREAT DEPOSIT	11/05/2019	\$750.00
4954	MEDINA GOLF & COUNTRY CLUB	RETIREMENT LUNCHEON	11/12/2019	\$732.42
5142	MN LANDSCAPE ARBORETUM	FIELD TRIP	11/18/2019	\$727.50
708825	STAPLES BUSINESS ADVANTAGE	AP OFFICE SUPPLIES	11/26/2019	\$725.61

4777 OLSON, ANNIKA	SAFE KIDS TRAINING INSTRUCTION	11/05/2019	\$725.00
5134 MINNESOTA QUIZ BOWL ALLIANCE	QUIZ BOWL TEAM REGISTRATION	11/18/2019	\$720.00
4739 HOLLYDALE GOLF COURSE	INTRAMURAL GOLF	11/05/2019	\$697.00
4934 JIMMY'S JOHNNYS INC	BIFFYS	11/12/2019	\$692.20
708805 SHIFFLER EQUIPMENT SALES, INC	CMS - Chair glides	11/21/2019	\$674.73
708792 LOFFLER COMPANIES INC	IONS SOFTWARE MAINTENANCE	11/21/2019	\$670.00
5067 THE BLAKE SCHOOL-NORTHROP CAMPUS	DEBATE	11/18/2019	\$650.00
708689 NCS PEARSON INC	PROTOCOLS - ESC	11/01/2019	\$649.41
708779 US GAMES	PE supplies	11/15/2019	\$646.40
5118 KUDOS AWARDS, INC	(A)GSO PLAQUES	11/18/2019	\$640.08
4662 AMERICAN RED CROSS	BABYSITTERS TRAINING	11/05/2019	\$637.00
5150 NORTH LIGHT COLOR	(A)ITEMS FOR BHO	11/18/2019	\$636.00
5253 FIRST STUDENT INC	TRANSPORTATION	11/26/2019	\$635.55
4936 K4 APPLICATION INC	HS - Coffee - Ala Carte	11/12/2019	\$634.53
5113 IRON MOUNTAIN	MONTHLY SERVICE	11/18/2019	\$628.04
192000581 WESTRUM, JAMES	REIMBURSEMENT	11/13/2019	\$620.49
5151 NORTHEY, MICHELE	EDIVE 1 YR LICENSE RENEWAL	11/18/2019	\$617.28
5257 GIBBS FARM	FIELD TRIP	11/26/2019	\$612.00
5143 MN STATE HIGH SCHOOL LEAGUE	STATE QUARTERFINAL GAME	11/18/2019	\$609.00
5239 CONTEMPORARY IMAGES INC	CMS PROFESSIONAL SERVICES	11/26/2019	\$603.39
5088 EASTER, MARK	CHOIR REPAIR	11/18/2019	\$600.00
4632 ACEREADER, INC.	ENGLISH SUPPLIES	11/05/2019	\$600.00
4906 FUN ENGINEERZ LLC	PROF SERV	11/12/2019	\$600.00
5141 MN HISTORICAL SOCIETY	FIELD TRIP	11/18/2019	\$594.00
5072 BRUEGGER'S ENTERPRISES INC	BREAD PRODUCTS	11/18/2019	\$557.28
708730 PEPPER & SON INC., J. W.	BAND SUPPLIES	11/08/2019	\$548.41
4976 NEW ENGLAND SECURITY LOCK CO	HALLWAY LOCKER LOCKS	11/12/2019	\$546.38
4772 MY TOWN FITNESS LLC	PHY ED	11/05/2019	\$540.00
708755 BLICK ART MATERIALS	ART DRAWING SUPPLIES	11/15/2019	\$535.46
5133 MIDWEST SPECIAL INSTRUMENTS CORP	DHH SUPPORT	11/18/2019	\$530.83
192000554 LUTZ, DAVID	REIMBURSEMENT	11/13/2019	\$525.47
4878 CITY OF WAYZATA	POOL LICENSE	11/12/2019	\$525.00
5273 INGRAM LIBRARY SERVICES	BOOKS	11/26/2019	\$523.62
4984 OXHERD PIZZA INC.	Ala Carte Pizza	11/12/2019	\$517.50
4738 HIREQUEST	PROF SERV	11/05/2019	\$516.00
4754 K4 APPLICATION INC	HS - Coffee - Ala Carte	11/05/2019	\$514.45
5167 SCHRADER, THOMAS	OFFICIAL-CONTRACT & REGION PAY	11/18/2019	\$514.00
4854 APPLE JACK ORCHARDS LLC	FIELD TRIP	11/12/2019	\$510.00
5160 PURSUIT MARTIAL ARTS ACADEMY	PHYS ED	11/18/2019	\$510.00
5111 INTERMEDIATE DIST 287	DI TEAM MANAGER TRAINING	11/18/2019	\$500.00
4888 CREATIVE LANGUAGE CLASS LLC	NOV 7 PD HALF DAY WORLD LANG	11/12/2019	\$500.00
5087 DRAHOS, CYNTHIA	PROF SERV	11/18/2019	\$500.00
708732 RAPTOR TECHNOLOGIES LLC	RAPTOR SCANNER	11/08/2019	\$495.00
4922 HILLYARD INC MINNEAPOLIS	UNIVERSITY RENEWAL	11/12/2019	\$480.00
708705 TRI-DIM FILTER CORP	ARENA SUPPLIES	11/01/2019	\$479.52
4781 PAPWORTH, MARDI	CUL REFUND	11/05/2019	\$475.90
4862 BREADSMITH	HS - BREAD PRODUCTS	11/12/2019	\$475.06
4987 PEPSI BEVERAGES COMPANY	ALA CARTE	11/12/2019	\$473.22
5166 SALITA, WENDY	PROF SERV MAH JONGG CLASS	11/18/2019	\$471.00
5038 WESTWOOD HILLS NATURE CTR	FIELD TRIP	11/12/2019	\$470.00
5206 ASL INTERPRETING SERVICES	INTERP SERVCIES	11/26/2019	\$464.00
4809 UPADRASHTA, PRASHANTH	CUL REFUND	11/05/2019	\$460.75
4944 LANO EQUIPMENT INC	CSF STOCK	11/12/2019	\$457.91
5322 PILATES MN	PILATES CLASS SEPT - OCT	11/26/2019	\$456.00
4969 MN JUNIOR HIGH SCHOOL MATH LEAGUE	JUNIOR HIGH MATH LEAGUE REGISTRATION	11/12/2019	\$450.00
4768 MN SAFETY COUNCIL	PROF SERV	11/05/2019	\$450.00
192000500 O'DOWD, KATIE	REIMBURSEMENT	11/06/2019	\$445.80
192000577 TOLLISON, KRISTIN	REIMBURSEMENT	11/13/2019	\$444.78
5021 TYSON FOODS INC	COMMODITY BEEF PRODUCTS	11/12/2019	\$432.00
5220 BROWN'S ICE CREAM CO	HS - ICE CREAM	11/26/2019	\$431.71
5089 EBC (EDUCATORS BENEFIT CONSULTANTS)	admin and compliance service	11/18/2019	\$431.69
5071 BROWN'S ICE CREAM CO	ICE CREAM	11/18/2019	\$431.32
4955 MIDWEST AUDIO VISUAL	PCS EQUIPMENT REPAIRS	11/12/2019	\$430.00
708810 SUPER DUPER SCHOOL CO	SPED - EMS/CMS	11/21/2019	\$425.20
5037 WAYZATA HIGH SCHOOL SENIOR CLASS PARTY	HS - PARENT TABLEWASHERS	11/12/2019	\$425.00
708795 MN MUSIC EDUCATORS ASSN	PROFESSIONAL DEVELOPMENT	11/21/2019	\$420.00

708763 HUBERT CO	SERVING SUPPLIES	11/15/2019	\$413.71
4776 NOW MICRO	Add'l Mgmt Console Licenses	11/05/2019	\$411.99
5092 ELITE AV LLC	PROF SERV	11/18/2019	\$404.95
708787 COLLEGE BOARD AP EXAMS	MEMBERSHIP FEE	11/21/2019	\$400.00
5304 MN ELEM SCH PRINCIPALS' ASSN	MESPA INSTITUTE 2020	11/26/2019	\$400.00
4800 SHAMROCK GROUP	CMS - SNACKS	11/05/2019	\$398.60
708738 SCHOOL HEALTH CORP	HEALTH OFFICE SUPPLIES	11/08/2019	\$396.05
5331 RIVERSIDE INSIGHTS	SPED -PROTOCOLS	11/26/2019	\$395.14
4792 REGENTS OF THE UNIV OF MN	RAPTOR ED PROG	11/05/2019	\$395.00
4685 CITY OF PLYMOUTH	FOOTBALL SECURITY	11/05/2019	\$392.86
5226 BULLIS INSURANCE AGENCY LLC	GENERAL LIABILITY	11/26/2019	\$392.00
4767 MN CLAY USA - MIDWEST	ART/CERAMICS SUPPLIES	11/05/2019	\$383.84
708786 CAROLINA BIOLOGICAL SUPPLY CO	FORENSICS LAB SUPPLIES	11/21/2019	\$382.38
5311 NATIONAL AFTERSCHOOL ASSOCIATION	BAL DUE HB NAA CONVENTION 3/15/20	11/26/2019	\$380.00
4908 GIBBS FARM	FIELD TRIP	11/12/2019	\$380.00
5096 FUN AND FUNCTION	SPED -ESC SPED -	11/18/2019	\$372.87
192000591 ANDERSON, CHACE	REIMBURSEMENT	11/20/2019	\$371.04
5048 PHEAA	Payroll accrual	11/15/2019	\$366.01
5238 COMPUTER EXPLORERS	PROF SERV	11/26/2019	\$360.00
4990 PRAIRIE RESTORATIONS, INC	SH - Prairie Restoration	11/12/2019	\$360.00
708818 GENERAL PARTS LLC	POPCORN MACHINE	11/26/2019	\$352.00
4850 AMERICAN CHORAL DIRECTORS ASSN OF MN	CMS PROF.DEV CHOIR-ACDA OF MN	11/12/2019	\$350.00
4919 HEALTH RISK STRATEGIES, LLC	SUBDIVISION FILING	11/12/2019	\$350.00
708794 MECA SPORTSWEAR	LAKE CONF BANNERS	11/21/2019	\$340.48
5313 NOLLETTE, MA, LP, INC, CINDY	CONT SERV	11/26/2019	\$340.00
4893 DISCOVER YOURSELF INC	INSIGHT DISCOVERY PDF PROFILE	11/12/2019	\$339.42
192000655 ZHANG, SHEEN	REIMBURSEMENT	11/26/2019	\$337.17
4921 HILL CO, ROBERT B.	SALT	11/12/2019	\$334.95
4653 ALPHA VIDEO & AUDIO INC	Aminos	11/05/2019	\$332.75
4651 ALLINA HEALTH SYSTEM	PRE EMP SCREEN	11/05/2019	\$330.00
4751 JAH SCHEDULING	PROF SERV	11/05/2019	\$324.00
5065 BAUER, ELLE	(A) MATERIALS FOR JAZZ UNIFORMS	11/18/2019	\$321.96
192000549 LACKNER, STACEY	REIMBURSEMENT	11/13/2019	\$321.72
192000573 SKALLAND, AMANDA	REIMBURSEMENT	11/13/2019	\$321.66
708788 ECM PUBLISHERS, INC	SEPT SPECIAL MINUTES	11/21/2019	\$321.30
192000486 BEVARIS, ROBERT	REIMBURSEMENT	11/06/2019	\$316.33
4793 ROBERTS BUSINESS FORMS	POSTERS	11/05/2019	\$313.50
5145 MONKEYSPORTS, INC.	CMS PHY.ED CLASSROOM SUPPLIES	11/18/2019	\$311.96
192000616 PENNING, JILL	REIMBURSEMENT	11/20/2019	\$311.17
5276 INTEREUM	CMS SPED HOKKIS	11/26/2019	\$309.75
5170 THE MATH LEARNING CTR	Bridges Math Books -- Second order	11/18/2019	\$308.16
708799 REALLY GOOD STUFF	1st Grade Book Buddy Bags	11/21/2019	\$305.79
5097 GIKIRI, MONICA	(A)CHEER TEAM DOUBLE PMT	11/18/2019	\$300.00
4953 MATHCOUNTS	CMS MATHCOUNTS REGISTRATION	11/12/2019	\$300.00
4766 MN ASSN OF SCHOOL BUSINESS OFFICIALS	FALL CONF REG	11/05/2019	\$300.00
5349 STEVE RUCHTI OUTDOOR SERVICES	KILN SHELVES	11/26/2019	\$300.00
5172 THOUR, JULIE	PHYS ED	11/18/2019	\$300.00
4745 IN TUNE CONNECTIONS, LLC	PROF SERV	11/05/2019	\$300.00
4973 MTEEA SUPER MILEAGE	SUPER MILEAGE CHALLENGE	11/12/2019	\$300.00
708804 SCHOLASTIC BOOK FAIRS	SOCIAL STUDIES INSTRUCTION MATERIAL	11/21/2019	\$298.85
5365 WALKER, MICHAEL	2019 ELECTION JUDGE	11/26/2019	\$290.36
5303 MN DEPT OF HUMAN SERVICES	ADMIN FEE	11/26/2019	\$289.00
192000548 KLEIN, JERI	REIMBURSEMENT	11/13/2019	\$285.36
5229 CAMPBELL, JANET	2019 ELECTION JUDGE	11/26/2019	\$284.75
4718 GENGLER, LYDIA	PICTURE FRAMES FOR SENIOR NIGHT	11/05/2019	\$283.69
192000593 BISTODEAU, HOLLY	REIMBURSEMENT	11/20/2019	\$283.00
5168 SPIRITWEAR USA	SHIRTS	11/18/2019	\$281.75
5032 US FOODS CULINARY E & S	SERVING SUPPLIES	11/12/2019	\$281.67
5227 BUREAU OF EDUCATION & RESEARCH	CMS ELL ONE DAY PD SEMINAR AT BER	11/26/2019	\$279.00
5157 PROFESSIONAL INTERPRETING	INTERPRETING SERV	11/18/2019	\$278.80
4682 CDW GOVERNMENT LLC	Printer for SH	11/05/2019	\$278.07
5268 HEYING, MARGARET	2019 ELECTION JUDGE	11/26/2019	\$276.25
5034 VIKING ELECTRIC SUPPLY, INC	DOME	11/12/2019	\$272.57
4807 TSBL DISTRIBUTING/TAYLOR SALES	HS - SNACKS	11/05/2019	\$270.00
5090 EDINA HIGH SCHOOL	TOURNAMENT DATES 11/16/19	11/18/2019	\$270.00
5363 VOYAGER SOPRIS LEARNING INC	SPED -CMS	11/26/2019	\$269.50

5312 NELSON, TERRI	2019 ELECTION JUDGE	11/26/2019	\$264.58
5356 TUPA, KRISTIN	2019 ELECTION JUDGE	11/26/2019	\$263.50
5258 GM FINANCIAL LEASING	DEC19 WHS Parking Lot Car Lease	11/26/2019	\$262.86
5019 TRANS-MISSISSIPPI BIOLOGICAL	Live Materials	11/12/2019	\$262.00
5169 STEVE WEISS MUSIC INC	BAND ACTIVITIES	11/18/2019	\$261.22
708814 US GAMES	PE MATS	11/21/2019	\$259.98
5129 MCGRAW HILL SCHOOL EDUCATION HOLDINGS LLC	START UP MATERIALS	11/18/2019	\$258.90
192000557 MILBERT, ANNE-MARIE	REIMBURSEMENT	11/13/2019	\$257.50
5255 FREDERICK BETHKE VIOLINS LLC	DISTRICT ORCHESTRA	11/26/2019	\$255.00
5308 MINNETONKA COMMUNITY EDUC & SERVICES	SWING & BALLROOM DANCE	11/26/2019	\$254.40
4897 ECOLAB FOOD SAFETY SPECIALITES	SUPPLIES	11/12/2019	\$250.42
4720 GM FINANCIAL LEASING	WHS Parking Lot Car Lease	11/05/2019	\$250.34
4887 COW TIPPING PRESS	ENGLISH	11/12/2019	\$250.00
5121 LEVEL8CREATIVE LLC	PROF SERV	11/18/2019	\$250.00
4950 LVC (LOW VOLTAGE CONTRACTORS)	SERVICE	11/12/2019	\$250.00
192000511 WINDSOR, CYNTHIA	REIMBURSEMENT	11/06/2019	\$247.77
4864 BROWN'S ICE CREAM CO	HS - ICE CREAM	11/12/2019	\$246.52
4681 CATS KIDS YOGA	KIDS YOGA	11/05/2019	\$240.00
4799 SERBER, MICHAEL	MUSIC LESSON	11/05/2019	\$240.00
5137 MN SECRETARY OF STATE	NOTARY APPLICATIONS	11/18/2019	\$240.00
5156 PREMIUM WATERS INC	WATER MACHINE	11/18/2019	\$237.90
5241 COUNTRYSIDE CATERING	FOOD FOR EVENT 11/5/19	11/26/2019	\$237.50
5013 STEP SAVER INC	WHS SALT	11/12/2019	\$231.65
5310 MURPHY, LISA	PROF SERV	11/26/2019	\$230.00
192000519 BLOOM, PATRICIA	REIMBURSEMENT	11/13/2019	\$225.00
5120 LETTERMEN SPORTS	SUPPLES	11/18/2019	\$225.00
5182 WILLIAMSON, TAYLOR	COACHES COURSE & ASSOC FEE	11/18/2019	\$223.50
5078 CONTEMPORARY IMAGES INC	STUDENT MAILING	11/18/2019	\$221.00
708713 BSN SPORTS	(A)EMBROIDERY ON BASEBALL APPAREL	11/08/2019	\$219.39
192000647 LARSON, KIMBERLY	REIMBURSEMENT	11/26/2019	\$216.60
5297 MN CHILD CARE HEALTH CONSULTANTS INC	HEALTH REVIEW	11/26/2019	\$215.00
192000534 GERBER, SALLY	REIMBURSEMENT	11/13/2019	\$214.18
4924 HIRSHFIELD'S INC	DIST USE	11/12/2019	\$212.00
708696 SCHOOL SPECIALTY	CE INCLUSION SUPPLIES	11/01/2019	\$208.58
708784 BLICK ART MATERIALS	DRAWING	11/21/2019	\$204.71
708767 PEPPER & SON INC., J. W.	BAND SUPPLIES	11/15/2019	\$201.55
192000494 HAGEN, ANDREW	REIMBURSEMENT	11/06/2019	\$200.21
708823 REALLY GOOD STUFF	OW Kindergarten name plates and maker boards	11/26/2019	\$199.19
5093 FANSCHOOL INC.	SOCIAL STUDIES TEAMS SUPPLIES	11/18/2019	\$198.00
4683 CENTERPOINT ENERGY	MONTHLY SERVICE	11/05/2019	\$194.55
5225 BUCHMEIER, JEROME	2019 ELECTION JUDGE	11/26/2019	\$189.00
5287 LJUNG, PAUL	2019 ELECTION JUDGE	11/26/2019	\$189.00
192000586 WINTERHALTER, JANET	REIMBURSEMENT	11/13/2019	\$188.50
5177 VEBEROD GEM GALLERY	ART 3/D DESIGN	11/18/2019	\$188.45
192000613 LUTZ, DAVID	REIMBURSEMENT	11/20/2019	\$188.41
5209 BEACHLER, TRUDY	2019 ELECTION JUDGE	11/26/2019	\$186.00
5210 BEYER, ROGER	2019 ELECTION JUDGE	11/26/2019	\$186.00
5262 GOODEN, JEANNE	2019 ELECTION JUDGE	11/26/2019	\$186.00
192000641 HARRIDAY, SOLVEIG	REIMBURSEMENT	11/26/2019	\$185.25
5023 UNLIMITED SUPPLIES	CSF PLOW HARDWARE	11/12/2019	\$185.23
5339 SLACTER, DEBRA	2019 ELECTION JUDGE	11/26/2019	\$183.96
5214 BOTHOF, ARVIN	2019 ELECTION JUDGE	11/26/2019	\$183.00
5280 JOHNSON, BARBARA	2019 ELECTION JUDGE	11/26/2019	\$183.00
5282 KOEP, KRAIG	2019 ELECTION JUDGE	11/26/2019	\$183.00
5007 SCHOOL NUTRITION ASSOCIATION	RENEWAL	11/12/2019	\$182.50
5193 ALBRECHT, PETER	2019 ELECTION JUDGE	11/26/2019	\$180.00
5219 BROWER-JOHNSON, DIANE	2019 ELECTION JUDGE	11/26/2019	\$180.00
5314 NORBY, PATRICIA	2019 ELECTION JUDGE	11/26/2019	\$180.00
4801 SPAR DYMIT, MARIE	WAYZATA PLAYERS	11/05/2019	\$180.00
5176 UPPER LAKE FOODS	BPA	11/18/2019	\$179.43
5371 WOOLSEY, DARLENE	2019 ELECTION JUDGE	11/26/2019	\$179.04
5015 THE GOOD ACRE	HS - Produce	11/12/2019	\$178.38
5250 EYRES, MARLENE	2019 ELECTION JUDGE	11/26/2019	\$177.96
5333 ROOT, KENNETH	2019 ELECTION JUDGE	11/26/2019	\$177.96
5187 ABE, MATTHEW	2019 ELECTION JUDGE	11/26/2019	\$177.00
5218 BROMAGE, CHRISTOPHER	2019 ELECTION JUDGE	11/26/2019	\$177.00

5290 MCCORMICK-BUCHMEIER, CAROL	2019 ELECTION JUDGE	11/26/2019	\$177.00
5359 UNTERSEHER, JAMES	2019 ELECTION JUDGE	11/26/2019	\$177.00
4910 GRAINGER INC., W. W.	DOMES SUPPLIES	11/12/2019	\$176.92
192000493 GROSS, KALIE	REIMBURSEMENT	11/06/2019	\$176.20
708688 MINNESOTA EQUIPMENT	MR-JD PARTS	11/01/2019	\$175.18
5062 ARETELABS	2019 MATH MADNESS	11/18/2019	\$175.00
4957 MN EMPLOYEE RESOURCES SERVICE COMPANY	MEMBERSHIP 19-20	11/12/2019	\$175.00
192000556 MEISTER, TARI	REIMBURSEMENT	11/13/2019	\$175.00
192000570 SCHIRO, TERRY	REIMBURSEMENT	11/13/2019	\$175.00
192000618 RIES, CAROLE	REIMBURSEMENT	11/20/2019	\$174.41
4833 A-1 OUTDOOR POWER INC	CSF CHAINSAW PARTS	11/12/2019	\$173.47
708678 ECM PUBLISHERS, INC	ELECTION BALLOT COUNTING	11/01/2019	\$172.55
192000619 ROGERS, JUDY	REIMBURSEMENT	11/20/2019	\$172.20
5294 MIDWEST MUSICAL IMPORTS	BAND SUPPLIES	11/26/2019	\$172.00
192000546 KIMBLER, RODNEY	REIMBURSEMENT	11/13/2019	\$171.47
5144 MN SWIM COACHES ASSN	GIRLS SWIM AWARDS	11/18/2019	\$170.00
192000627 WILLSON, DAWN	REIMBURSEMENT	11/20/2019	\$170.00
192000553 LEVIN, LINDA	REIMBURSEMENT	11/13/2019	\$169.77
192000523 CHAMBS, COLLEEN	REIMBURSEMENT	11/13/2019	\$168.90
708781 ALLEGRA PRINT & IMAGING	WHS BUSINESS CARDS	11/21/2019	\$168.60
5138 MN SOUTHWEST TUTOR LLC	CONT SERVICE	11/18/2019	\$168.00
5045 FLORIDA STATE DISBURSEMENT UNIT	Payroll accrual	11/15/2019	\$165.30
192000488 BOGGS, REBECCA	REIMBURSEMENT	11/06/2019	\$163.39
192000563 PAAVOLA, SHERRY	REIMBURSEMENT	11/13/2019	\$163.14
4698 DEBATE ACCESS INITIATIVE	WHS ENTRY FEES	11/05/2019	\$162.50
192000638 GENGLER, SCOTT	REIMBURSEMENT	11/26/2019	\$161.89
192000633 BOSTROM, THERESA	REIMBURSEMENT	11/26/2019	\$160.75
4861 BOSTROM, ALLYSON	CUL REFUND	11/12/2019	\$160.50
192000543 JACOBS, DONNA	REIMBURSEMENT	11/13/2019	\$160.48
5364 WALBRAN, SHARON	PROF SERV	11/26/2019	\$157.50
4691 CONCORDIA COLLEGE - DEBATE	ENTRY FEES	11/05/2019	\$155.00
192000566 RIDLEY, SARA	REIMBURSEMENT	11/13/2019	\$151.38
192000550 LANKFORD, LYNDA	REIMBURSEMENT	11/13/2019	\$150.92
4722 GROTH MUSIC CO	ALTO GLOCKENSPIEL	11/05/2019	\$150.00
5296 MN ACADEMY OF SCIENCE	CMS SCIENCE BOWL TOURNAMENT	11/26/2019	\$150.00
5136 MN ACADEMY OF SCIENCE	MN REGIONAL SCIENCE BOWL	11/18/2019	\$150.00
4978 NOKOMIS SHOE SHOP INC	SHOES	11/12/2019	\$150.00
192000502 RICE, MARLA	REIMBURSEMENT	11/06/2019	\$149.41
192000482 ABRAHAM, SUSAN	REIMBURSEMENT	11/06/2019	\$149.00
192000496 LARSON, JENNIFER	REIMBURSEMENT	11/06/2019	\$148.72
192000525 DIERKS, SUSAN	REIMBURSEMENT	11/13/2019	\$144.00
192000533 GALE, CHRISTA	REIMBURSEMENT	11/13/2019	\$140.19
5298 MN TEACHERS OF ENG TO SPEAKERS OF OTHER LANG.	SPED - Membership Dues	11/26/2019	\$140.00
4783 PEREIRA DIAZ, CLAUDIA	ZUMBA CLASS 9/16/19 - 10/6/19	11/05/2019	\$140.00
5261 GOOD-LITE COMPANY	SPED -	11/26/2019	\$138.67
5081 CUB FOODS	SPED FOOD	11/18/2019	\$136.02
4896 DOYLE SECURITY PRODUCTS	CSF LOCK SUPPLIES	11/12/2019	\$134.39
192000490 CHRISTOPHERSON, ALLAN	REIMBURSEMENT	11/06/2019	\$131.96
4829 VAN DE MEERENDONK, MARIA	CUL REFUND	11/05/2019	\$131.05
4661 AMERICAN BOTTLING CO	LAKERS BREAKFAST NOOK	11/05/2019	\$129.60
708749 US GAMES	PE EQUIPMENT	11/08/2019	\$129.57
5300 MN ASSN OF SCHOOL ADMINISTRATORS	MEMBERSHIP	11/26/2019	\$128.00
4870 CENTERPOINT ENERGY	OCT 19 GAS	11/12/2019	\$127.12
708803 SCHOLASTIC INC	HB SH 20 COPIES	11/21/2019	\$126.50
5332 ROBBINSDALE COOPER HIGH SCHOOL	DEBATE ENTRY	11/26/2019	\$125.00
4762 MN BPA REGION 1 (BUS PROF OF AMER)	FALL LEADERSHIP CONF	11/05/2019	\$125.00
192000610 LANE, ETHAN	REIMBURSEMENT	11/20/2019	\$123.47
5278 JANELLE PUBLICATIONS, INC.	SPED - ESC	11/26/2019	\$121.00
5240 COREMARK METALS	SUPER MILEAGE SUPPLIES	11/26/2019	\$120.05
5091 ELDORADO, MITCH	(A) OFFICIAL	11/18/2019	\$120.00
4775 NORTH LIGHT COLOR	(A)BHO DECALS	11/05/2019	\$120.00
5073 BURCH, MARK	(A)OFFICIAL	11/18/2019	\$120.00
5104 HEIDEBRINK, ZACHARY	(A)OFFICIAL	11/18/2019	\$120.00
5117 KRITZ, KEVIN	(A)OFFICIAL	11/18/2019	\$120.00
5124 LINNA, JEFFREY	(A)OFFICIAL	11/18/2019	\$120.00
5149 NIELSEN, ERIC	(A)OFFICIAL	11/18/2019	\$120.00

5186 ZYCH, DAN	(A)OFFICIAL	11/18/2019	\$120.00
4920 HIGHLAND PK SR HIGH SPEECH & DEBATE BOOSTERS	DEBATE ENTRY FEE	11/12/2019	\$120.00
4713 DUCKLOW, ETHAN	OFFICIAL	11/05/2019	\$120.00
5152 OLSON, TERENCE	OFFICIAL	11/18/2019	\$120.00
5132 MICHELLE LEONARD LLC	PROF SERV	11/18/2019	\$120.00
4857 AST SPORTS INC	ORDER	11/12/2019	\$115.70
708750 VERNIER SOFTWARE & TECHNOLOGY	Science classroom supplies	11/08/2019	\$115.49
708692 REALLY GOOD STUFF	OW FIRST GRADE PLASTIC FOLDERS	11/01/2019	\$114.95
5014 T-MOBILE USA, INC	10/11/19 MONTHLY DATA HOT SPOTS	11/12/2019	\$114.80
708733 REALLY GOOD STUFF	TLS BASKETS	11/08/2019	\$113.97
192000601 FREDRICKSON, SAM	REIMBURSEMENT	11/20/2019	\$113.48
4667 AYUB, MASROOR	CUL REFUND	11/05/2019	\$113.25
4630 3D MOLECULAR DESIGNS	SCIENCE OLYMPIAD	11/05/2019	\$111.35
5301 MN ASSN OF SCHOOL BUSINESS OFFICIALS	MEMBERSHIP	11/26/2019	\$110.00
708764 LEARNING A-Z	Reading A-Z subsription	11/15/2019	\$109.95
192000587 WONG, DIANA	REIMBURSEMENT	11/13/2019	\$109.95
708685 LEARNING A-Z	SPED	11/01/2019	\$109.95
708707 US GAMES	BAL DUE PLUS LATE FEE	11/01/2019	\$109.59
5146 MULTILINGUAL WORD, INC	INT FEE	11/18/2019	\$109.50
708677 DISCOUNT SCHOOL SUPPLY	NW HB SUPPLIES	11/01/2019	\$109.07
192000617 PERRIZO, STEPHANIE	REIMBURSEMENT	11/20/2019	\$108.87
5370 WOLLAN, THOMAS	OFFICIAL	11/26/2019	\$108.00
4980 ON SITE SANITATION	SERVICE CREDIT	11/12/2019	\$108.00
192000484 BALLARD, ALETHEA	REIMBURSEMENT	11/06/2019	\$107.18
192000558 MILLER, JANET	REIMBURSEMENT	11/13/2019	\$106.31
708698 SITE ONE LANDSCAPE SUPPLY LLC	CMS IRRIGATION	11/01/2019	\$104.96
192000559 MOULIK, HAIMANTI	REIMBURSEMENT	11/13/2019	\$103.93
192000522 BYRNE, HEATHER	REIMBURSEMENT	11/13/2019	\$103.39
192000630 WITTNEBEL, CAITLIN	REIMBURSEMENT	11/20/2019	\$103.24
192000628 WILSON, MELISSA	REIMBURSEMENT	11/20/2019	\$102.54
5066 BERRY COFFEE COMPANY	DAB COFFEE SERVICE	11/18/2019	\$100.18
192000524 CROW, MELINDA	REIMBURSEMENT	11/13/2019	\$100.13
5358 UNIVERSITY OF WI-RIVERFALLS	SCIENCE OLYMPIAD BORDER BATTLE	11/26/2019	\$100.00
5292 METRO COMMUNITY ED DIRECTORS ASSN	ASSOC DUES	11/26/2019	\$100.00
5315 NORTH SHORE GYMNASTICS ASSN	ELEMENTARY PE CURRICULUM	11/26/2019	\$100.00
4760 MINI HOPS GYMNASTICS ASSOC	PE TEACHER ED TRAINING-GYMNASTICS	11/05/2019	\$100.00
5022 UNIVERSITY OF WI-RIVERFALLS	SCIENCE OLYMPIAD BORDER BATTLE	11/12/2019	\$100.00
4743 IFRIT TECHNOLOGIES LLC	SPEECH	11/05/2019	\$100.00
708826 SUPER DUPER SCHOOL CO	SPED MR/NW	11/26/2019	\$99.00
192000607 JUNG, SAMANTHA	REIMBURSEMENT	11/20/2019	\$97.96
5213 BORGERT, CHRISTOPHER	OFFICIAL	11/26/2019	\$96.00
5195 ALLINA HEALTH SYSTEM	PRE EMPLOY SCREENING	11/26/2019	\$95.00
192000654 VANDUNK, AMY	REIMBURSEMENT	11/26/2019	\$94.54
192000643 JUNKO, ELLEN	REIMBURSEMENT	11/26/2019	\$92.81
5033 VADLA, MADHAVI	CUL REFUND	11/12/2019	\$92.05
192000487 BLANKENSHIP, PENNY	REIMBURSEMENT	11/06/2019	\$91.64
4803 STOKKA, CHARISSA	CUL REFUND	11/05/2019	\$90.25
4670 BERRY COFFEE COMPANY	DAB COFFEE SERVICE	11/05/2019	\$90.16
708676 ADI	CMS MEDIA	11/01/2019	\$90.09
192000645 KARCH, JOANNE	REIMBURSEMENT	11/26/2019	\$90.07
192000567 RUCHTI, JULIE	REIMBURSEMENT	11/13/2019	\$90.03
4773 NATIONAL GEOGRAPHIC SOCIETY	Registration 2019-20 NatGEOBee CMS.	11/05/2019	\$90.00
4889 CUB FOODS	HS - GROCERIES	11/12/2019	\$89.11
192000598 EUGENE, SAMARA	REIMBURSEMENT	11/20/2019	\$88.74
4744 IKI INC.	PROF SERV	11/05/2019	\$88.00
192000485 BECK, MARIE	REIMBURSEMENT	11/06/2019	\$87.93
192000592 BASSUENER, ALLISON	REIMBURSEMENT	11/20/2019	\$87.87
5155 POVOLNY, KATHY	PROF SERV	11/18/2019	\$87.50
4873 CITI-CARGO & STORAGE	DIST STORAGE	11/12/2019	\$87.00
708724 LAKESHORE LEARNING MATERIALS	SPED WMS	11/08/2019	\$85.47
5125 MAHONEY, JOSHUA	(A)OFFICIAL	11/18/2019	\$85.00
5130 MCINTOSH, ALAN	(A)OFFICIAL	11/18/2019	\$85.00
5173 THREE RIVERS PARK DISTRICT	FIELD TRIP	11/18/2019	\$85.00
192000545 KARCH, JOANNE	REIMBURSEMENT	11/13/2019	\$84.62
708711 ALLEGRA PRINT & IMAGING	WHS-CE-BUSINESS CARDS	11/08/2019	\$84.30
708754 ALLEGRA PRINT & IMAGING	WHS-CE-BUSINESS CARDS	11/15/2019	\$84.30

192000605	HIEBERT, JULIE	REIMBURSEMENT	11/20/2019	\$83.69
192000653	TOLLISON, KRISTIN	REIMBURSEMENT	11/26/2019	\$83.69
708816	ANCOM COMMUNICATIONS	2 Swivel earpieces	11/26/2019	\$83.50
192000582	WHITE, KRISTINA	REIMBURSEMENT	11/13/2019	\$82.82
708725	LOFFLER COMPANIES INC	CSF PLOTTER	11/08/2019	\$81.00
4780	PACHIPULUSU, AJAY	CUL REFUND	11/05/2019	\$80.75
192000614	NELSON, KRISTOPHER	REIMBURSEMENT	11/20/2019	\$80.74
5263	GRAINGER INC., W. W.	Arena - Supplies	11/26/2019	\$80.22
5122	LEVIN, AARON	(A)OFFICIAL	11/18/2019	\$80.00
5174	TOWNSEND, KEITH	(A)OFFICIAL	11/18/2019	\$80.00
4755	KLOBUCHAR, SUSAN	CUL REFUND	11/05/2019	\$79.15
4752	JOHNSTON, ADAM	OFFICIAL	11/05/2019	\$79.00
4756	KOVACH, JAMES	OFFICIAL	11/05/2019	\$79.00
4757	LOVAS, MICHAEL	OFFICIAL	11/05/2019	\$79.00
192000569	RYNNANEN, MICHELLE	REIMBURSEMENT	11/13/2019	\$78.65
192000597	DUNNIGAN, KAT	REIMBURSEMENT	11/20/2019	\$76.64
192000565	RASMUSSEN, STEPHANIE	REIMBURSEMENT	11/13/2019	\$76.62
192000585	WILLIAMS, MARY	REIMBURSEMENT	11/13/2019	\$76.33
5175	TURNER, JEN	(A) CAKES FOR BANQUET	11/18/2019	\$75.96
4765	MN ASSN FOR CHIDREN'S MENTAL HEALTH	HB NW WEBINAR	11/05/2019	\$75.95
4759	METRO ECSU-REGION 11 ISD #920	SPED	11/05/2019	\$75.00
5127	MARQUETTE, JON	OFFICIAL	11/18/2019	\$74.66
192000495	KARCH, JOANNE	REIMBURSEMENT	11/06/2019	\$74.30
192000622	SPEERS, STEPHANIE	REIMBURSEMENT	11/20/2019	\$73.82
4771	MINNETONKA HIGH SCHOOL	DISTRICT FOOTBALL AWARDS	11/05/2019	\$72.22
192000544	JOHNSON, JERI	REIMBURSEMENT	11/13/2019	\$72.04
192000650	PADJEN, AMANDA	REIMBURSEMENT	11/26/2019	\$71.86
192000600	FEIA, KARI	REIMBURSEMENT	11/20/2019	\$70.30
192000489	BROWN, ROGER	REIMBURSEMENT	11/06/2019	\$69.75
192000646	LAGERQUIST, SARAH	REIMBURSEMENT	11/26/2019	\$69.30
192000604	HERZOG, JORDAN	REIMBURSEMENT	11/20/2019	\$67.44
192000621	SHERMAN, LEAH	REIMBURSEMENT	11/20/2019	\$66.93
192000517	BERLIN, KYLE	REIMBURSEMENT	11/13/2019	\$66.35
192000529	ERHART, JACQUELINE	REIMBURSEMENT	11/13/2019	\$66.23
5302	MN CLAY USA - MIDWEST	CMS ART CLASSROOM SUPPLIES	11/26/2019	\$65.71
708793	MACKIN EDUCATIONAL RESOURCES	MEDIA CENTER SUPPLIES	11/21/2019	\$65.56
192000528	EDEH, AKOELE	REIMBURSEMENT	11/13/2019	\$65.50
4664	ANIMAL HUMANE SOCIETY OF MN	HB OW TOUR 11/7/19	11/05/2019	\$65.00
192000483	ALLEN, MICHELLE	REIMBURSEMENT	11/06/2019	\$64.03
192000508	TOMBERS, TOBINA	REIMBURSEMENT	11/06/2019	\$62.76
4998	PRUCHA, SUSANNE	CUL REFUND	11/12/2019	\$60.90
192000541	HOGAN, NICOLE	REIMBURSEMENT	11/13/2019	\$60.32
192000574	SNIDARICH, SAMANTHA	REIMBURSEMENT	11/13/2019	\$60.32
5299	MN URBAN DEBATE LEAGUE	DEBATE ENTRIES	11/26/2019	\$60.00
708772	SHRED-N-GO	SHREDDING SERVICE	11/15/2019	\$60.00
5064	BARNES & NOBLE BOOKSELLERS INC	ENGLISH BOOKS	11/18/2019	\$59.60
192000612	LINDAHL, KRISTIN	REIMBURSEMENT	11/20/2019	\$59.22
4666	ASSN FOR SUPERVISION & CURRICULUM DEVELOPMENT	MEMBERSHIP DUES	11/05/2019	\$59.00
192000603	HAUGLID, REBECCA	REIMBURSEMENT	11/20/2019	\$58.84
192000561	NELSON, SHELLY	REIMBURSEMENT	11/13/2019	\$58.35
192000562	O'REILLY, CATHERINE	REIMBURSEMENT	11/13/2019	\$58.17
4925	HOGUE, LORI	CUL REFUND	11/12/2019	\$57.90
192000509	WEDDE, MEGAN	REIMBURSEMENT	11/06/2019	\$57.61
192000634	BRISLEY, ANDREW	REIMBURSEMENT	11/26/2019	\$57.54
4695	CENTER FOR THE COLLABORATIVE CLASSROOM	Reading Recovery	11/05/2019	\$57.00
708715	DISCOUNT SCHOOL SUPPLY	Discount School Supply	11/08/2019	\$56.21
192000499	NICKEL, KAREN	REIMBURSEMENT	11/06/2019	\$55.79
192000501	PETERSON, LAURI	REIMBURSEMENT	11/06/2019	\$55.74
4740	HOLM-MILLER, SHANNON	CUL REFUND	11/05/2019	\$55.50
708791	LAKESHORE LEARNING MATERIALS	Kindergarten Supplies	11/21/2019	\$55.09
5035	VUYYURU, VENKATA	DECA PARTICIPATION FEE	11/12/2019	\$55.00
192000588	WONG, MARGARET	REIMBURSEMENT	11/13/2019	\$55.00
4742	HUDSON, CINDY	CUL REFUND	11/05/2019	\$54.85
192000575	STATEMA, KATHY	REIMBURSEMENT	11/13/2019	\$53.94
192000596	CAMPBELL, OLGA	REIMBURSEMENT	11/20/2019	\$53.88
192000536	GILKAY, MICHELLE	REIMBURSEMENT	11/13/2019	\$53.50

192000542	HOLM-EBERLING, KERRI	REIMBURSEMENT	11/13/2019	\$53.50
192000576	SURAKANTI, NIVEDITHA REDDY	REIMBURSEMENT	11/13/2019	\$53.50
192000595	BROFFORD, ROBERT	REIMBURSEMENT	11/20/2019	\$53.39
192000552	LEJONVARN, MIRIAM	REIMBURSEMENT	11/13/2019	\$52.19
192000594	BOBEK, STACY	REIMBURSEMENT	11/20/2019	\$51.97
192000491	DISCH, HILARY	REIMBURSEMENT	11/06/2019	\$51.91
708690	PIONEER VALLEY BOOKS	1ST	11/01/2019	\$51.70
192000611	LANGLAS, MARY	REIMBURSEMENT	11/20/2019	\$51.24
192000518	BEUGEN, MARA	REIMBURSEMENT	11/13/2019	\$51.16
192000538	HAMBLET, STELLA	REIMBURSEMENT	11/13/2019	\$51.10
4937	KAPLA, JUSTIN	CUL REFUND	11/12/2019	\$50.80
4795	SCHEFFE, KAREN	ACT REIMBURSEMENT	11/05/2019	\$50.50
5135	MJAANES, SHERRY	ACT TEST	11/18/2019	\$50.50
5178	VIJAY, MANASA	CUL REFUND	11/18/2019	\$50.00
5098	GORDON, BRANEN	OFFICIAL	11/18/2019	\$50.00
5114	JOHNSON, THOMAS	OFFICIAL	11/18/2019	\$50.00
5269	HILDI INC	PROF SERV	11/26/2019	\$50.00
4763	MN ADMINISTATOR FOR SPECIAL EDUCATION	SPED	11/05/2019	\$50.00
192000506	STINE, MEGAN	REIMBURSEMENT	11/06/2019	\$49.96
4715	FOUSEK, SUSAN	CUL REFUND	11/05/2019	\$49.70
192000571	SCOTT, CATHERINE	REIMBURSEMENT	11/13/2019	\$48.78
4926	HOLDAHL CO	CLUBHOUSE OFFICE	11/12/2019	\$47.09
192000580	WEITZ, BRIAN	REIMBURSEMENT	11/13/2019	\$47.08
4935	JOSE, SANJU	CUL REFUND	11/12/2019	\$46.45
192000515	ALLEN, STEPHANIE	REIMBURSEMENT	11/13/2019	\$46.17
4672	BOLDEN, SARA	CUL REFUND	11/05/2019	\$45.40
4899	FEINER SUPPLY	NW - Eichenlaub	11/12/2019	\$44.90
192000532	FOLTZ-RINGSTROM, SHARON	REIMBURSEMENT	11/13/2019	\$43.33
708708	WEST MUSIC CO	ORDER FOR MUSIC	11/01/2019	\$43.24
192000507	STUTZMAN, BELINDA	REIMBURSEMENT	11/06/2019	\$43.09
192000504	SEELAND, ELIZABETH	REIMBURSEMENT	11/06/2019	\$42.63
192000599	FARISS, JACK	REIMBURSEMENT	11/20/2019	\$42.45
4796	SCHMITT MUSIC CO	BAND ACTIVITY	11/05/2019	\$41.90
5005	SANDBERG, SHANNON	CUL REFUND	11/12/2019	\$41.85
4945	LI, BO	CUL REFUND	11/12/2019	\$41.30
192000629	WILVERS, LAUREN	REIMBURSEMENT	11/20/2019	\$40.98
4853	APPLE INC	Apple blanket PO for replacement parts	11/12/2019	\$40.95
192000564	PERYAM, KELLY	REIMBURSEMENT	11/13/2019	\$40.89
192000649	MUELLER, ALYSSA	REIMBURSEMENT	11/26/2019	\$40.60
5006	SAURAV, KUMAR	CUL REFUND	11/12/2019	\$40.40
5171	THOMAS, MARGARET	ORDER #4932 CHOIR	11/18/2019	\$40.00
5128	MASSP-DIV OF STUDENT ACTIVITIES	STUDENT COUNCIL	11/18/2019	\$40.00
4716	FRANGIPANE, JOY	CUL REFUND	11/05/2019	\$39.85
192000589	YARBROUGH, LASHAWN	REIMBURSEMENT	11/13/2019	\$39.00
4869	CDW GOVERNMENT LLC	CONSULTING	11/12/2019	\$38.75
708683	KARLSBURGER FOODS, INC	HS - GROCERIES	11/01/2019	\$38.40
4696	CUB FOODS	SPED FOODS	11/05/2019	\$37.24
5126	MARQUETTE, JENNA	(A)FLOWERS FOR SENIOR NIGHT	11/18/2019	\$36.82
4939	KEOMYSY, DUSTIN	CUL REFUND	11/12/2019	\$36.35
708695	SCHOOL HEALTH CORP	NW HEALTH OFFICE EQUIPMENT	11/01/2019	\$36.35
4866	CAMPBELL, CHRISTINA	CUL REFUND	11/12/2019	\$35.95
192000608	LADEN, AMANDA	REIMBURSEMENT	11/20/2019	\$35.95
192000635	CALLAWAY, ASHLI	REIMBURSEMENT	11/26/2019	\$35.91
192000560	NEIL, KAREN	REIMBURSEMENT	11/13/2019	\$35.00
192000648	MOE, KATHRYN	REIMBURSEMENT	11/26/2019	\$35.00
4668	BARKLEY-MOHWINKL, JESSICA	CUL REFUND	11/05/2019	\$34.90
4868	CARVER, JULIE	CUL REFUND	11/12/2019	\$34.55
4948	LIU, HSING-KUEN	CUL REFUND	11/12/2019	\$34.45
192000555	MASHADI, ERAM	REIMBURSEMENT	11/13/2019	\$34.16
192000583	WHITLOCK, REBECCA	REIMBURSEMENT	11/13/2019	\$34.11
4917	HALFAL, GHAZANFAR	CUL REFUND	11/12/2019	\$33.75
4684	CHRIST, DAWN	CUL REFUND	11/05/2019	\$33.30
192000503	SANFORD, ANNA	REIMBURSEMENT	11/06/2019	\$33.24
4798	SEHGAL, PRAVIN	CUL REFUND	11/05/2019	\$32.70
192000530	ERICKSON, MARK	REIMBURSEMENT	11/13/2019	\$32.54
4991	PRCHAL, KYLE	CUL REFUND	11/12/2019	\$32.50

192000516	BERG, CARRIE	REIMBURSEMENT	11/13/2019	\$32.37
708684	LAKESHORE LEARNING MATERIALS	NW HB SUPPLIES	11/01/2019	\$32.28
192000535	GHENT, MARSHA	REIMBURSEMENT	11/13/2019	\$32.00
192000492	FINANGER, ERIKA	REIMBURSEMENT	11/06/2019	\$30.92
4671	BLOCH, ROMAN	CUL REFUND	11/05/2019	\$30.75
192000640	HALL, NATE	REIMBURSEMENT	11/26/2019	\$30.62
4769	MNTOPSS	CONFERENCE 05/15/20	11/05/2019	\$30.00
708740	SHRED-N-GO	MONTHLY SERV BV	11/08/2019	\$30.00
192000512	YASIS, MICHAEL	REIMBURSEMENT	11/06/2019	\$29.87
4979	OLIMB, KARLA	CUL REFUND	11/12/2019	\$29.15
4952	MARTINSON, LISA	CUL REFUND	11/12/2019	\$29.05
5108	HUFFMAN, CARISSA	CUL REFUND	11/18/2019	\$29.05
192000609	LAHR, MELISSA	REIMBURSEMENT	11/20/2019	\$28.80
708771	SCHOOL SPECIALTY	HB INCLUSION SUPPLIES	11/15/2019	\$28.59
708768	REALLY GOOD STUFF	PRIMARY PROJECT BINS	11/15/2019	\$28.49
4938	KATANGOOR, SWADEEP	CUL REFUND	11/12/2019	\$28.25
192000540	HODENA, MELISSA	REIMBURSEMENT	11/13/2019	\$28.25
4828	US FOODS CULINARY E & S	SERVING SUPPLIES	11/05/2019	\$28.25
708741	SITE ONE LANDSCAPE SUPPLY LLC	DIST IRRIGATION PARTS	11/08/2019	\$28.04
4909	GOBRECHT, DUANE	CUL REFUND	11/12/2019	\$28.00
4830	WOLF, LAUREN	(A)GIRLS SWIM & DIVE	11/05/2019	\$27.37
5039	WIGHT, KIMBERLY	CUL REFUND	11/12/2019	\$27.30
4972	MOORE, ALLYSON	CUL REFUND	11/12/2019	\$27.25
5323	POKORNY, SARAH	CUL REFUND	11/26/2019	\$26.70
4860	BONNER, KAITLIN	CUL REFUND	11/12/2019	\$26.55
192000584	WHITWORTH, JENNIFFER	REIMBURSEMENT	11/13/2019	\$26.51
708714	CONTINENTAL CLAY CO	ART/CERAMICS	11/08/2019	\$26.49
192000505	SHOLL, MARY	REIMBURSEMENT	11/06/2019	\$26.10
4975	NAIK, JIGNA	CUL REFUND	11/12/2019	\$26.05
4942	KURLANDER, REBECCA	CUL REFUND	11/12/2019	\$25.55
192000498	NELSON, SHELLY	REIMBURSEMENT	11/06/2019	\$25.47
4895	DOHENY, KATHY	CUL REFUND	11/12/2019	\$25.35
192000620	SELINGER, JUDITH	REIMBURSEMENT	11/20/2019	\$25.17
5140	MN ELEM SCH PRINCIPALS' ASSN	SCHOOL OFFICE WORKSHOP	11/18/2019	\$25.00
4852	APPLE AUTOMATIC FOOD SERVICE	WATER COOLER MONTHLY RENTAL	11/12/2019	\$24.95
5204	APPLE AUTOMATIC FOOD SERVICE	WATER COOLER MONTHLY RENTAL	11/26/2019	\$24.95
192000626	WILLISON, CALEB	REIMBURSEMENT	11/20/2019	\$24.48
192000636	CROW, MELINDA	REIMBURSEMENT	11/26/2019	\$24.42
4867	CANNON, TODD	CUL REFUND	11/12/2019	\$24.15
5082	DEJUTE, PAUL	PROF SERV	11/18/2019	\$24.00
192000539	HENDRIKSE, AMY	REIMBURSEMENT	11/13/2019	\$23.98
5008	SIMON, NATALIE	CUL REFUND	11/12/2019	\$23.55
192000579	WALL, KARI	REIMBURSEMENT	11/13/2019	\$23.28
192000625	WETTERLIN, AMY	REIMBURSEMENT	11/20/2019	\$22.62
5001	RAMADAS, NEELH	CUL REFUND	11/12/2019	\$22.50
708694	SCHOLASTIC INC	HB MR BOOKS	11/01/2019	\$22.24
5036	WARNER, DAVID	CUL REFUND	11/12/2019	\$21.85
5185	ZHAO, WENLI	CUL REFUND	11/18/2019	\$21.50
4916	HAGEDORN, GINA	CUL REFUND	11/12/2019	\$21.35
192000527	EBERHARDT, JAMES	REIMBURSEMENT	11/13/2019	\$21.25
192000521	BRUCE, MARY	REIMBURSEMENT	11/13/2019	\$20.94
4947	LINGAPPA, MALATHESH	REFUND FOR ITEM NOT PICKED UP	11/12/2019	\$20.00
192000572	SEIBENICK, JESSICA	REIMBURSEMENT	11/13/2019	\$20.00
4949	LOVELL, ALEXANDRIA	CUL REFUND	11/12/2019	\$19.60
5153	PENNY, DAINA	CUL REFUND	11/18/2019	\$19.25
192000578	TOMBERS, LYNN	REIMBURSEMENT	11/13/2019	\$19.08
192000568	RUNGE, AMY	REIMBURSEMENT	11/13/2019	\$18.50
4974	MUKHERJEE, ANINDYA	CUL REFUND	11/12/2019	\$18.35
192000531	FARISS, JACK	REIMBURSEMENT	11/13/2019	\$17.48
192000637	EUERLE, BRITTANY	REIMBURSEMENT	11/26/2019	\$17.06
5211	BIERHAUS, PAUL	2019 ELECTION JUDGE	11/26/2019	\$17.00
4999	R & R SPECIALTIES, INC.	ARENA SUPPLIES	11/12/2019	\$16.75
4918	HANSON, MARIA	CUL REFUND	11/12/2019	\$16.75
5020	TRELLA, JAMES	CUL REFUND	11/12/2019	\$15.90
192000514	ALLEN, MICHELLE	REIMBURSEMENT	11/13/2019	\$15.90
192000520	BOWMAN, DEBORAH	REIMBURSEMENT	11/13/2019	\$15.02

192000551 LAUER, REBECCA	REIMBURSEMENT	11/13/2019	\$15.02
5266 GUARDIAN COUNSEL, LLC	PROF SERV	11/26/2019	\$15.00
4790 RAEHSLER, LISA	CUL REFUND	11/05/2019	\$14.70
192000547 KITTELSON, REBECCA	REIMBURSEMENT	11/13/2019	\$13.92
192000651 RIEKE, ANGELA	REIMBURSEMENT	11/26/2019	\$13.83
4719 GLASER, JODI	CUL REFUND	11/05/2019	\$12.70
192000590 ABRAHAM, SUSAN	REIMBURSEMENT	11/20/2019	\$12.24
192000642 JORENBY, CLARICE	REIMBURSEMENT	11/26/2019	\$12.22
5042 XIAO, DAN	CUL REFUND	11/12/2019	\$12.00
192000497 NELSON, KRISTYN	REIMBURSEMENT	11/06/2019	\$11.80
5000 RADEMACHER, LESLIE	CUL REFUND	11/12/2019	\$11.30
708737 SCHMITT MUSIC CO	BAND SUPPLIES	11/08/2019	\$11.19
192000606 JORENBY, CLARICE	REIMBURSEMENT	11/20/2019	\$10.54
192000632 ACKERMAN, BRIAN	REIMBURSEMENT	11/26/2019	\$10.50
192000639 GHANBARZADEH, BROOKE	REIMBURSEMENT	11/26/2019	\$10.44
192000615 PAUL, IAN	REIMBURSEMENT	11/20/2019	\$10.00
192000631 ZRUST, DAN	REIMBURSEMENT	11/20/2019	\$10.00
192000537 HAGEN, ANDREW	REIMBURSEMENT	11/13/2019	\$9.98
192000526 DUFFNEY, LAURA	REIMBURSEMENT	11/13/2019	\$9.69
192000652 RUCHTI, STEVEN	REIMBURSEMENT	11/26/2019	\$9.45
192000602 HAGEN, ANDREW	REIMBURSEMENT	11/20/2019	\$7.00
708716 FERGUSON ENTERPRISES, INC #1657	CSF SUPPLIES	11/08/2019	\$6.25
4898 FASTENAL COMPANY	CMS RTU #30 SUPPLIES	11/12/2019	\$1.44
192000513 YARBROUGH, LASHAWN	REIMBURSEMENT	11/12/2019	\$0.00
4805 THE MATH LEARNING CTR	VOID	11/05/2019	\$0.00
4960 MN ASSN OF SCHOOL BUSINESS OFFICIALS	VOID	11/21/2019	\$0.00
708675 3P LEARNING INC	VOID	11/01/2019	\$0.00
708681 GROTH MUSIC CO	VOID	11/01/2019	\$0.00
708697 SCHOOL SPECIALTY EDUCATION ESSENTIALS	VOID	11/01/2019	\$0.00
3759 BORGERT, CHRISTOPHER	VOID	11/20/2019	-\$77.00
3705 WOLLAN, THOMAS	VOID	11/20/2019	-\$89.00
4399 PLYMOUTH ICE CTR	VOID	11/11/2019	-\$400.00
4015 PUSH DESIGN SOLUTIONS INC	VOID	11/11/2019	-\$2,198.70
708639 BRAUN INTEREC CORP	VOID	10/30/2019	-\$6,617.00
			\$6,750,437.68

APPROVED BY: JILL SCHWINT
CONTROLLER ISD 284

CHERYL POLZIN, TREASURER
BOARD OF EDUCATION - ISD 284

WAYZATA PUBLIC SCHOOLS
WIRE TRANSFER, EFT AND ACH ACTIVITY
October 2019

<u>FROM</u>	<u>TO</u>	<u>DATE</u>	<u>AMOUNT</u>
US Bank-Checking	US Bank-Payroll	Multiple	\$5,970,438
US Bank-Checking	IRS		
	- Federal P/R Taxes	10/01/2019	\$1,028,294
	- Federal P/R Taxes	10/16/2019	\$1,063,603
US Bank-Checking	MN Department of Revenue		
	- State P/R Taxes etc. (MN)	10/01/2019	\$170,006
	- State P/R Taxes etc. (MN)	10/16/2019	\$177,153
US Bank-Checking	Delta Dental		
	- Dental Claims	Multiple	\$133,611
US Bank-Checking	Preferred One		
	- Health Claims	Multiple	\$1,263,412
US Bank-Checking	Wells Fargo Commercial Card		
	- Purchase Card Program	10/04/2019	\$102,271
US Bank-Checking	Further		
	- Flex Benefits	Multiple	\$483,272
US Bank-Checking	Preferred One		
	- Broker/Reinsurance Fees	10/10/2019	\$127,697
US Bank-Checking	Payroll Vendors (TRA, EBC, MSRS, etc.)		
	- Electronic Payments	Multiple	\$1,350,398
US Bank-Checking	District Employees		
	- Expense Reimbursement	Multiple	\$22,684
US Bank-Checking	Commerce Bank/Control Pay		
	- Electronic A/P	Multiple	\$889,756
US Bank-Checking	MN Department of Revenue		
	- Sales & Use Tax Payment	10/22/2019	\$2,614
US Bank-Checking	Edutrack		
	- Electronic payment fees	10/10/2019	\$14,438
US Bank-Checking	MN UI Fund		
	-Unemployment	10/24/2019	\$8,856
TOTAL ACTIVITY			<u><u>\$12,808,500</u></u>

**WAYZATA PUBLIC SCHOOLS
MONTHLY DONATION SUMMARY
November 2019**

<u>DONATED BY</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Gleason Lake PTO	GL - 6 Grants to GL Teachers	\$39,111.64
North Woods PTO	NW - Field Trip Support	\$4,125.00
Oakwood PTA	OW - Orbit Earth Expo	\$1,500.00
Kimberly Lane PTA	KL - Learning A-Z Subscription	\$989.55
Oakwood PTA	OW - Taiko Drum Assembly for Students	\$850.00
Sunset Hill PTSA	SH - Equipment Support	\$832.14
Wells Fargo Matching Gifts	SH - Student Activities	\$830.00
Sunset Hill PTSA	SH - National Geographic Subscription	\$618.78
Kimberly Lane PTA	KL - Fence Decorating Kit	\$449.97
Kimberly Lane PTA	KL - 300 Green Screen App Downloads	\$447.00
Plymouth Creek PTO	PC - Student in need for Lunches	\$400.00
Kimberly Lane PTA	WHS - Club Y.E.S.	\$250.00
North Woods PTO	NW - Teacher Conference Dinner	\$240.00
Oakwood PTA	OW - Classroom Support	\$159.99
Oakwood PTA	OW - Classroom Support	\$146.16
Target Cybergrants	KL - Student Support	\$60.00
Your Cause	KL - Student Support	\$45.00
TOTAL CASH DONATIONS		<u><u>\$51,055.23</u></u>
Amy Rademacher	Wayzata Transition - Three-wheeled Bike	200.00
TOTAL IN-KIND DONATIONS		<u><u>\$200.00</u></u>



Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: Approval of Agenda and Consent Agenda Items

ITEM: Finance and Business Services Recommendations

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

OPEB Investment Policy Statement and Appoint OPEB Committee Members

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 Cheryl Polzin, Bonita Lucky, and Chris McCullough
- 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, and Melissa Lahr

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: _____

ROLL CALL

Passed: _____

Second by: _____

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>
Growth Assets	Range 50 - 70%	
Domestic Equity	19% - 59%	39%
International Equity	1% - 41%	21%
Other	0% - 20%	0%
Income Assets	Range 30 - 50%	
Fixed Income	20% - 60%	36%
Other	0% - 20%	0%
Real Return Assets	0% - 20%	0%
Cash Equivalents	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



Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: Approval of Agenda and Consent Agenda Items

ITEM: Finance and Business Services Recommendations

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

Establishing Combined Polling Places and Designating Hours

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

Although Wayzata Public Schools is not scheduled to hold an election in calendar year 2020, it is highly recommended by the Minnesota School Board Association to establish polling places annually in the event of a special election. For example, a special election may need to be held if a school board member is unable to serve the remainder of their term.

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 2020 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: _____

ROLL CALL

Passed: _____

Second by: _____

Failed: _____

Abstentions: _____

WAYZATA PUBLIC SCHOOLS
Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION
Regular Meeting – December 9, 2019

**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 3
- 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 34th. 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 9, 2019

BY ORDER OF THE SCHOOL BOARD

Chris McCullough
School Board Clerk



Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: Approval of Agenda and Consent Agenda Items

ITEM: Finance and Business Services Recommendations

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

Approve Reimbursable Expenses Incurred in June 2019 related to WHS Student Exchange Trip

In June 2019, Wayzata High School students traveled to Germany on an exchange trip. Student lodging was in a youth hostel and the chaperones required alternative lodging. District policy and practice has been to seek lodging in a hotel. The chaperones selected lodging in an AirBNB. See attached documentation.

After discussion with the high school principal, staff chaperone, and school board treasurer, it was determined that this reimbursement for lodging while in Germany with WHS students on the Exchange trip is reasonable in amount, serves a public purpose and should be reimbursed. Direction was given to staff to use hotels with published rates in the future.

Recommended Action: Approve reimbursable expenses related to the June 2019 WHS student exchange trip and direct the business office to process the reimbursement.

Motion by: _____

ROLL CALL

Passed: _____

Second by: _____

Failed: _____

Abstentions: _____

Your receipt from Airbnb



Receipt ID: RC92NMJM95 · Jan 30, 2019

Düsseldorf

7 nights in Düsseldorf

Sat, Jun 22, 2019 → Sat, Jun 29, 2019

Entire home/apt · 1 bed · 2 guests



Joachimstraße 50 2. Etage mit Aufzug + Pkw-Stellplatz
Düsseldorf, Nordrhein-Westfalen 40547
Germany

Hosted by Hans Kühn

Confirmation code: HMA8ATN8HX

[Go to itinerary](#) · [Go to listing](#)

Traveler: Karen Nickel

Cancellation policy: Flexible

Cancel up to 24 hours before check in and get a full refund (minus service fees). Cancel within 24 hours of check in and the first night is non-refundable. Service fees are refunded if cancellation happens before check in and within 48 hours of booking.

Price breakdown

\$86.39 x 7 nights \$604.71

Service fee \$78.01

Total (USD) \$682.72

Will process in 2 payments

Payment 1 of 2 (USD) \$341.36

Payment

VISA **** 8836 \$341.36

Jan 30, 2019 · 10:21AM CST

Amount paid (USD) \$341.36

Have a question?

[Visit the Help Center](#)

Airbnb Payments, Inc.

Airbnb Payments is a limited payment collection agent of your Host. It means that upon your payment of the Total Fees to Airbnb Payments, your payment obligation to your Host is satisfied: (i) the Host's cancellation policy (available on the listing); or (ii) Airbnb's Guest Refund Policy Terms, available at www.airbnb.com/terms. Questions or complaints: contact Airbnb Payments, Inc. at 855-4-AIRBNB (855-424-7262).

Payment processed by:

Airbnb Payments, Inc.
888 Brannan St, San Francisco, CA 94103

Airbnb, Inc.
888 Brannan St, San Francisco, CA 94103
www.airbnb.com



Your receipt from Airbnb



Receipt ID: RC84HWYNCT · Jan 30, 2019

Düsseldorf

7 nights in Düsseldorf

Sat, Jun 22, 2019 → Sat, Jun 29, 2019

Entire home/apt · 1 bed · 2 guests



Joachimstraße 50 2. Etage mit Aufzug + Pkw-Stellplatz
Düsseldorf, Nordrhein-Westfalen 40547
Germany

Hosted by Hans Kühn

Confirmation code: HMA8ATN8HX

[Go to itinerary](#) · [Go to listing](#)

Traveler: Karen Nickel

Cancellation policy: Flexible

Cancel up to 24 hours before check in and get a full refund (minus service fees). Cancel within 24 hours of check in and the first night is non-refundable. Service fees are refunded if cancellation happens before check in and within 48 hours of booking.

Price breakdown

\$86.39 x 7 nights \$604.71

Service fee \$78.01

Total (USD) \$682.72

Will process in 2 payments

Payment 2 of 2 (USD) \$341.36

Payment

VISA **** 8836 \$341.36

Jun 04, 2019 · 08:23PM CDT

Amount paid (USD) \$341.36

Have a question?

[Visit the Help Center](#)

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Payment processed by:

Airbnb Payments, Inc.
888 Brannan St, San Francisco, CA 94103

Airbnb, Inc.
888 Brannan St, San Francisco, CA 94103
www.airbnb.com





Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: Approval of Agenda and Consent Agenda Items

ITEM: Finance and Business Services Recommendations

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

Authorization of Issuance of Individual Procurement Card (P-Card)

The administration recommends the issuance of a procurement card to the following employees:

Deborah Slomkowski, Enrichment Manager, Community Ed.

Recommended Action: Approve and authorize the issuance of an individual procurement card (P-Card).

Motion by: _____

ROLL CALL

Passed: _____

Second by: _____

Failed: _____

Abstentions: _____



Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: Approval of Agenda and Consent Agenda Items

ITEM: Human Resource Recommendations

COMMENTS BY: Stacie Vos, Executive Director of Human Resource Services

Attached are the recommendations regarding personnel actions including: employment, separations and leaves of absence.

Recommended Action: Approve the Human Resource actions as recommended in the attachment.

Motion by: _____ **Yes:** _____ **Passed:** _____

Second by: _____ **No:** _____ **Failed:** _____

Abstentions: _____

HUMAN RESOURCES RECOMMENDATIONS - Consent Agenda - December 9, 2019

EMPLOYMENT

Name	Position	Location	Reason	Start Date
Samuel Lepa	Teacher	High School	Resignation	1/27/2019
Jack Sueker	Custodian	Central Services Facility	Transfer	11/20/2019
David Draskovich	Accountant	District Administration Office	Resignation	12/5/2019
Jennifer Ishaug	Paraprofessional	Oakwood	New Position	12/2/2019
Jill Voltin	Paraprofessional	Transition	Contract Ended	12/5/2019
Abigial Vetse	Home Base Assistant	Kimberly Lane	New Position	12/5/2019
Shikha Awasthi	Home Base Assistant	Kimberly Lane	New Position	12/5/2019

CONTRACT MODIFICATION

Name	Position	Location	Modification	Date
Nathan Weis	Home Base Instructor	Plymouth Creek	Contract Ended	11/20/2019

LEAVE OF ABSENCE

Name	Position	Location	Leave Date
Jamie Tewksbury	Teacher - 3rd Grade	Greenwood	2/24/20 - 2/25/2020
Jose Parra Staves	Teacher - Spanish	High School	approximately 1/23/20 - 2/5/2020
Jose Parra Staves	Teacher - Spanish	High School	approximately 4/20/20 - 6/5/2020
Lisa Parra Staves	Teacher - Spanish	High School	approximately 1/23/20 - 4/17/2020
Daniel Roberts	Teacher - Science	West Middle	11/21/19 - 12/5/2019
Eleanor Stefan	Teacher - Student Support Specialist	Greenwood	1/17/2020 & 1/21/2020
Nicole Chaffee	Teacher - 4th Grade	Oakwood	11/25/19 - 2/24/2020
Sara Lee	Teacher - 5th Grade	North Woods	approximately 4/27/20 - 6/8/2020

RESIGNATION

Name	Position	Location	Resign Date
Carter Blankenship	Home Base Assistant	Meadow Ridge	11/27/2019
Kelly Schug	Culinary Express	Kimberly Lane	12/2/2019
Catherine Christiansen	Unaffiliated - CICC Coordinator	Education Services Center	12/13/2019
Viridiana Martinez	Home Base Assistant	North Woods	12/6/2019

RETIREMENT				
Name	Position	Location	Retirement Date	
Tom Roehl	Custodian	West Middle	12/31/2019	
Carol Talus	Paraprofessional	Kimberly Lane	3/31/2020	
EXTRA ASSIGNMENTS				
Name	Position	Location	Assignment	Date



Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: Approval of Agenda and Consent Agenda Items

ITEM: Lease Agreement

COMMENTS BY: Sarah Johansen, Board Chair

Approval of Summer 2020 Recreation Programming between Wayzata Community Ed and the City of Wayzata

Wayzata Public Schools Community Ed presents the Summer 2020 Recreation Programming Agreement with the City of Wayzata. Details are included in the attached agreement.

Recommended Action: Authorize the Executive Director of Business and Finance and/or the Superintendent to enter into a programming agreement on behalf of Wayzata Community Ed.

Motion by: _____ **Yes** _____ **Passed:** _____

Second by: _____ **No** _____ **Failed:** _____

Abstentions: _____

Recreation Programming Agreement

This Service Agreement is made and will be effective on November 19, 2019

BETWEEN

Wayzata Public Schools
Community Ed Department
1455 County Road 101 North
Plymouth, MN 55447

AND

City of Wayzata
600 Rice Street East
Wayzata, MN 55391

Wayzata Community Ed & the City of Wayzata Summer 2020 Recreation Programming Agreement

These two organizations will work together to offer recreational programming in the City of Wayzata Parks & City buildings from June through August of 2020.

A.) Services provided by City of Wayzata:

- Use of city parks and buildings.
- Staff support to make indoor classrooms and outdoor spaces available and safe for student participation.
- Promotion through the city outlets using materials designed by Wayzata Community Ed.
- GIS Map of the City of Wayzata to assist in targeting participation.

B.) Services provided by Wayzata Community Ed:

- Online registration software management system
 - o 24/7 registration access for customers and instructors
 - o Email confirmation when registration is completed
 - o Email to confirm class start in advance of class date
- Customer service support
 - o Office hours are Monday-Friday from 7:30am-4:00pm
 - o Answering questions and assisting customers with online registration process
 - o Assistance in completing registrations over the phone and in person
 - o Processing paper registrations
 - o Customer convenience
 - Customers searching for offerings within the City of Wayzata will also see offerings outside of the City of Wayzata

- Customers searching for offerings outside of the City of Wayzata will also see offerings within the City of Wayzata
 - Evaluation of classes through electronic surveys after each class is completed. Evaluations to be shared with the Wayzata Parks and Trails Board.
- Specialists, Program Manager, Coordinator, and Director - staff time and expertise
 - Creating, planning and executing class offerings
 - Recruiting, training, hiring staff and handling payment of employees
 - Student communication
 - Weather cancellation management as needed
 - On-site staff support
 - Meeting/greeting participants and families
 - Orienting and managing instructors

- Marketing support

Preliminary Timeline

- December 15 - January 31 - catalog developed including new summer program in Wayzata
- March 10 - Community Ed catalog mailed to all households in the district
- March 1-20 -- targeted email campaign to City of Wayzata residents
- March 1-20 -- targeted social media campaign to City of Wayzata residents
- May 1 -- print material (postcard, flyer TBD) mailed to City of Wayzata residents
- June - August -- targeted email campaign to City of Wayzata residents
- June - August -- targeted social media campaign to City of Wayzata residents

Additional opportunities for partnerships and cross-promotion through Wazata Public Schools (WPS) district materials as well as through collaborations with community partners.

- Budget and Finance

- Human Resources support
- Payroll and benefits
- Payment of credit card company fees
- Handle cancellation refunds: issuing checks or overhead expense from credit card company fees
- Bad debt associated with credit card cancellations, bounced checks, etc.
- Mileage reimbursement for staff
- Invoice and receivables processing

- All class fees go to Wayzata Community Ed to cover the cost of instructor fees as well as the balance of costs listed in the attached proposal.

C.) Compensation:

1.) The City of Wayzata agrees to pay WCE \$12,655 to offer classes and programs similar to those listed on the attached proposal, for the summer of 2020.

➤ \$12,655 on or by (DATE TBD)

2.) An initial outlay of up to \$5,500 will also be requested to provide equipment for programs such as archery, pickleball, bocce ball, etc. This amount would be a one-time start-up cost. Equipment purchased with these funds would be owned by the City of Wayzata. Ongoing conversations could be had on equipment needs and priorities beyond start-up.

D.) Indemnification and Insurance

The City of Wayzata shall, to the fullest extent permitted by law, indemnify, hold harmless and defend Wayzata Public Schools for all claims, including third party claims, for bodily injury, sickness or death, property damage or destruction, and other loss or damages arising out of or related to the services to be provided under this agreement.

The City of Wayzata shall purchase and maintain insurance coverage as required to protect the City of Wayzata and Wayzata Public Schools from claims or damage set forth below which may arise out of, result from, or are in any manner connected with, the services to be provided under this agreement. Such insurance shall include, without limitation, coverage and endorsements as will insure the City of Wayzata's indemnification obligations set forth above. The required coverages and minimum limits of liability are as follows:

- A commercial liability insurance policy with limits of \$500,000 per occurrence and \$1.5 million aggregate;
- Worker's compensation insurance meeting all statutory requirements; and
- A comprehensive automotive bodily injury and property damage insurance policy for business use covering all vehicles operated by WCE in connection with this agreement, with a combined single limit of not less than \$2 million dollars.

The City of Wayzata shall cause Wayzata Public Schools to be named as an additional insured on all policies obtained pursuant to this section. All insurance shall contain (1) a provision which precludes subrogation claims against Wayzata Public Schools; and (2) a provision that coverages, afforded under any of the aforesaid insurance policies, shall not be canceled or materially changed without at least thirty (30) calendar days (or such shorter period required by applicable law, if any, for giving notice to the primary policyholder) prior written notice to Wayzata Public Schools as an additional insured. The City of Wayzata will provide Wayzata Public Schools with a certificate of insurance for any and all coverage required to be obtained under this section by April 1, 2020.

E.) Modifications to Agreement

Any amendment or modification in any clause of this agreement or additional heading can be added to the agreement by either party in connection to this agreement but with consent of the other party and they must get the new clause or amended clause signed and approved by the other party.

F.) Entire Agreement

It is agreed by both parties that there is no representation, warranty, collateral agreement or condition affecting this agreement except what is expressed in this agreement.

G.) Governing Law

It is the intention of the parties that this agreement and the performance under this agreement all special proceedings under this agreement shall be construed in accordance with and under the laws of Minnesota without regard to the jurisdiction in which any action or special proceeding may be instituted.

H.) Engagement of Contract

IN WITNESS WHEREOF the parties have duly executed this Service Agreement on the nineteenth (19th) day of November, 2019.

James Westrum
Executive Director of Finance and Business

Date

Sarah Johansen
Wayzata School Board, Chair

Date



Kenneth Willcox
Mayor, Wayzata

12/2/19
Date



Jeffrey Dahl
City Manager, Wayzata

12/2/19
Date



Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: Approval of Agenda and Consent Agenda Items

ITEM: Lease Agreement

COMMENTS BY: Sarah Johansen, Board Chair

Approval of Lease Agreement

Wayzata Public Schools Community Ed presents a Lease Agreement with Substance Church Inc. of Fridley, Minnesota (“Tenant”) for the use of the Wayzata Central Middle School.

The space in this agreement includes areas known as the auditorium, lobby, certain classrooms, restrooms, limited outside storage and parking areas.

This agreement will commence on January 26, 2020 and extend to January 22, 2022 unless sooner terminated pursuant to the provisions of this Lease.

Recommended Action: Authorize the Executive Director of Business and Finance and/or the Superintendent to enter into a lease agreement with Substance Church Inc. on behalf of Wayzata Community Ed.

Motion by: _____ **Yes** _____ **Passed:** _____

Second by: _____ **No** _____ **Failed:** _____

Abstentions: _____

LEASE

THIS LEASE is made and entered into as of _____, by and between Wayzata Independent School District 284, a Minnesota Independent School District (“School District”) and Substance Church, Inc., a Minnesota nonprofit corporation (“Tenant”).

School District is the owner of certain real property located at 305 Vicksburg Lane N., Plymouth, Minnesota (the “**Property**”), including the building and related improvements used and known as the Wayzata Central Middle School (the “**School**”). Tenant wishes to lease access to the Property and a portion of the School (including, but not limited to, areas known as the auditorium, lobby, certain classrooms, restrooms, concessions, limited outside storage, and designated parking areas), all as depicted and described in the diagram and detailed list set forth on the attached Exhibit “A” (the “**Leased Premises**”) for limited times on Sundays as set forth in this Lease, for use by Tenant in connection with its church mission.

For valuable consideration, including the rest to be paid and the parties’ mutual covenants and agreements as set forth in this Lease, the receipt and sufficiency of which are acknowledged, School District and Tenant agree as follows:

1. Lease; Leased Premises. The School District leases to Tenant, and Tenant leases from the School District, the Leased Premises for the times and pursuant to the terms, conditions and provisions of this Lease. Any portions of the Property considered to be part of the Leased Premises for this Lease will be deemed to be Leased Premises only during the times identified on Exhibit “A” of this Lease. Tenant’s lease of the Leased Premises includes the nonexclusive use, in common with other users of the Property, of those portions of the Property’s common areas (entrances, drives, parking areas, restrooms) reasonably necessary for Tenant’s use of the Leased Premises. Tenant will use the Leased Premises only for its church services, worship, church ministries, and educational programs. Tenant will comply with all laws and regulations applicable to its use and will comply with all reasonable rules and regulations established by the School District and provided to Tenant in writing. Notwithstanding anything to the contrary, Tenant may modify, from time to time, the specific areas and schedule outlined in Exhibit “A”. Tenant must provide prior written notice of Exhibit “A” changes to the School District for approval, of which will not be unreasonably withheld.

2. Term. The term of this Lease shall commence on February 23, 2020 (the “Commencement Date”) and shall extend two (2) years until February 20, 2022 (the “Term”), unless sooner terminated pursuant to the provisions of this Lease. Tenant, its employees, and contractors will have access to the Leased Premises, without payment of rent, prior to the Commencement Date, for purposes of readying the Leased Premises for its use.

3. Renewal Terms. Tenant is granted successive rights and options to extend the Term of this Lease for two (2) renewal periods of one (1) year each (each a “Renewal Term”). Each option must be exercised, if at all, by written notice from Tenant to School District given not later 60 days prior to the end of the initial Term, or then expiring Renewal Term, as the case may be. Upon exercise of any such option, the “Term” will be extended accordingly for purposes of this Lease. Rent during a Renewal Term shall be subject to change as provided in Section 5. Upon request from time to time by Tenant, School District will provide Tenant with a list detailing the charges that will be applicable to the space contained in the Leased Premises and the personnel services described on Exhibit “A” of this Lease in advance of any Renewal Term.

4. Early Termination. Tenant, at its option, may terminate this Lease prior to the expiration of the Term (or prior to the expiration of any Renewal Term) upon at least ninety (90) days' prior written notice to School District if (i) Tenant has decided that the Leased Premises are not necessary or adequate to serve Tenant's needs, or (ii) Tenant otherwise elects to terminate this Lease, all as determined by Tenant in its sole discretion. The Term will expire on the date specified in any such notice.

5. Rent. Commencing upon the Commencement Date, and each subsequent monthly anniversary thereof during the entire Term of this Lease, Tenant shall pay School District rental based upon the schedule of rest and personnel costs set forth on Exhibit "A" (the monthly "Rent") based upon four (4) Sundays per month. Monthly Rent shall be payable to Wayzata Public Schools and shall be mailed or delivered to P.O. Box 47334, Plymouth, MN 55441. An invoice will be sent to Tenant from school district at month end with payments terms due in 30 days.

The rates set forth in Exhibit "A" and, consequently, the monthly Rent shall be subject to adjustment, effective during the initial Term and any Renewal Term, to the then standard amounts and rates approved by the School District (applicable to all users, including Tenant) for utilization of the School's facilities. However, the amount of any change in rates effective as of February 23, 2020 will not exceed 25% of the rates specified in Exhibit "A." The Rent is a "gross" rent and includes all charges for Tenant's use of the Leased Premises, including utilities, building services, any applicable real estate taxes, the School District's insurance expenses, and other expenses of the School and Property.

6. Security Deposit. After the full execution of this Lease, Tenant shall deposit with the School District the sum of Ten Thousand Dollars (\$10,000) (the "Security Deposit"). The Security Deposit shall be held and used for necessary repairs or damage due to Tenant's, its employees', and the invitees' use of the Leased Premises, if not remedied by Tenant. Any amount not so used will be promptly returned to Tenant by the School District within thirty (30) days after the termination or expiration of this Lease.

7. Improvements by Tenant.

7.1 Future Improvements. Tenant shall not at any time construct, install or make any other improvements, additions, modifications or alterations to the Leased Premises without prior written consent of School District, of which will not be unreasonable withheld. In the event Tenant proposes to construct any such other improvement, addition, modification or alteration to the Leased Premises, Tenant shall submit to School District conceptual plans and specifications for such proposed improvements, additions, modifications or alterations (the "Future Improvements") and whether the same may be removed by Tenant at the expiration of this Lease or will remain at the Leased Premises. If the School District approves such Future Improvements, Tenant shall prepare and submit to School District for approval detailed plans relating to the Future Improvements and their installation.

7.2 Standards and Compliance with Laws. All work performed or installations made by Tenant pursuant to this Lease (Future Improvements) shall be performed by Tenant at Tenant's sole expense, and as required by duly licensed contractors in a good and workmanlike manner and shall be diligently prosecuted to completion substantially in accordance with plans approved by the School District, and all applicable laws and regulations. Tenant, its contractors, subcontractors, suppliers and professionals shall exercise reasonable care and caution in the installation, construction, maintenance, and repair of any such work, in order to avoid damage to the School and School District's improvements. In the event of such damage, Tenant shall promptly repair said damage using materials of like kind and quality, restoring it to

its condition prior to damage by Tenant, at Tenant's sole cost and expense. Tenant shall ensure that all persons or entities performing work or providing materials relating to such Tenant improvements including, without limitation, all contractors, subcontractors, sub-subcontractors, laborers, suppliers and professionals, are paid in full for such services and materials.

7.3 Training and Use of Specialty Equipment. Any audio/visual/lighting equipment to be installed by Tenant as part of Tenant's Future Improvements will be state of the art. School District personnel may not have the expertise to use such equipment. Upon School District's request, Tenant will exercise reasonable efforts to provide training on the use of such equipment on a mutually agreeable schedule.

7.4 Surrender. Upon the expiration or any earlier termination of this Lease, Tenant shall vacate and surrender the Leased Premises to the School District and the parties shall be relieved of all further obligations arising subsequent to the date of such termination or expiration. If any Future Improvements are mutually agreed upon in writing and made to the facility, Tenant agrees to remove all improvements, at its sole expense, unless otherwise mutually agreed upon in writing. In addition, School District agrees and acknowledges that all of the personal property of Tenant stored within the Leased Premises shall remain the personal property of Tenant, and, upon expiration or earlier termination of this Lease, shall be removed by Tenant.

8. Maintenance and Repairs. School District, at its sole expense throughout the Term of this lease, will maintain, repair, and replace in good working order and condition the Leased Premises (including, without limitation, structural portions, the roof, foundations, and all nonstructural portions of the Leased Premises), all common areas of the Property, and all other equipment, parts, components, utilities, HVAC, plumbing, mechanical, and other systems and equipment therein. School District, at its sole expense, will clean the Leased Premises and common areas to keep them in excellent condition and will remove all refuse, trash and debris from the Premises and common areas. School District, at its sole expense, will provide electricity, hot and cold water, air conditioning, heating, and all other existing utilities for the Premises and common areas.

If the premises is damaged beyond normal wear and tear by the Tenant, its employees, volunteers or agents, Tenant will at Tenant's sole discretion 1.) Repair any such damage at Tenant's sole expense, or 2.) request that School District perform such repairs and reimburse School District) within 30 days of invoicing

As described on Exhibit "A," School District will provide staff building supervisors and custodians, at Tenant's sole expense, to clean bathrooms and hallways and remove trash as needed during Tenant's use of the Leased Premises, as well as perform the other duties described on Exhibit "A."

9. Snow Plowing. School District manages snowplowing, shoveling, and sanding/salting for the parking lot areas, drives, and sidewalks at the Property. School District, at its sole expense, will snowplow, shovel, and sand/salt the parking lot areas, drives, and sidewalks at the Property. Tenant understands that any additional plowing will be at Tenant's expense and Tenant agrees to use the School District's snow plowing service/contractor.

10. Insurance.

10.1 Policies. Tenant shall, at its sole expense, maintain in full force and effect insurance coverage with the following limits and endorsements (but nothing in this Lease is intended to limit or qualify the liabilities and obligations assumed by Tenant under this Lease): (i) Commercial General Liability – not less than \$1,000,000 per occurrence, \$5,000,000 aggregate; (ii) Business Automobile Liability – not less than \$1,000,000 per occurrence, for all owned, non-owned and hired automobiles (or, if Tenant does not own any automobiles, the Business Auto Liability requirement shall be amended to allow Tenant to maintain only Hired & Non-Owned Auto Liability) (this requirement may be satisfied by way of endorsement to the Commercial General Liability, or separate Business Auto coverage form); and (iii) Worker’s Compensation Insurance & Employers Liability. Tenant shall include School District as– “Additional Insured – Lessor of Premises” or equivalent. Tenant shall also purchase and maintain during the Term of this Lease “all risk” property insurance covering the replacement cost, less any deductible, of Tenant’s personal property within the Leased Premises. School District will purchase and maintain during the term of the Lease “all risk” property insurance covering the replacement cost of the Property or such reasonably equivalent coverage as the School District elects to procure in its discretion. Tenant will, from time to time, provide School District with certificates of insurance evidencing the required coverages.

10.2 Mutual Release/Waiver of Subrogation. School District and Tenant each hereby release the other from any and all liability or responsibility for any loss, injury or damage to each other’s real and/or personal property (including, without limitation, the Property, its contents, and any other property owned by School District and any property owned by Tenant) caused by fire or any other casualty during the Term of this Lease or any extension, even if such fire or casualty may have been caused by the negligence of the other party or one for whom such party may be responsible. Inasmuch as the above mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation (or otherwise) to an insurance company (or any other person), School District and Tenant agree if required by said policies to give to each insurance company which has issued to it policies of all risk or fire and extended coverage insurance, written notice of the terms of said mutual waivers, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waivers.

10.3 Indemnification. Tenant shall indemnify and hold School District, its agents, employees, and contractors harmless from and against any and all liabilities, claims and/or losses of any kind arising, directly or indirectly, entirely or in part, out of any injury to any person occurring (1) within the Leased Premises during Tenant’s use regardless of the cause, except to the extent caused by the negligence or intentional misconduct of School District, School District’s agents, employees, invitees or contractors, and (2) within the common areas during Tenant’s use to the extent caused by the negligence or intentional misconduct of Tenant, Tenant’s agents, employees, invitees or contractors. Tenant further agrees to indemnify and hold harmless School District from all liability arising out of the filing of any mechanic’s or materialman’s lien against the Leased Premises by reason of any act or omission of Tenant, its agents and contractors. School District shall indemnify and hold Tenant, its agents, employees, invitees, and contractors harmless from and against any and all liabilities, claims and/or losses of any kind arising, directly or indirectly, entirely or in part, out of any injury to any person within the Leased Premises to the extent caused by the negligence or intentional misconduct of School District, School District’s agents, employees, invitees, or contractors.

11. Damage or Destruction. If the Leased Premises are destroyed or so damaged or injured by fire or other casualty during the Term of this Lease as to be untenable, in whole or in part, School District may, at its sole option, elect not to restore or repair the Leased Premises but to terminate this Lease. In addition, in the event of damage by fire or other casualty that cannot reasonably be expected to be repaired

within thirty (30) days following same or, if the Leased Premises is damaged by fire or other casualty so that such damage may reasonably be expected to disrupt Tenant's operations for more than thirty (30) days, then Tenant may at any time following such fire or other casualty terminate this Lease upon fifteen (15) days written notice to School District. In the event either School District or Tenant elects to terminate this Lease, Tenant shall vacate and surrender the Leased Premises as required hereby, whereupon the parties shall be relieved of all further obligations hereunder arising after the date of such termination. The termination herein mentioned shall be evidenced in writing. Rent shall be prorated to the date the Leased Premises becomes untenable and School District shall refund any balance owing to Tenant, within 30 days after written notice to the School District. Termination of this Lease shall not affect the parties' obligations under this Lease arising prior to such termination.

12. Signage. Tenant, at its expense, may post temporary directional signage both inside and outside of the Leased Premises during its time for access and use. School District agrees that Tenant may use temporary outdoor "sandwich board" and flutter signage to direct people to the parking areas at the Property. Tenant, at its sole expense, may also use temporary trade show style signage indoors to direct people. All signage shall be removed not later than 2:00 p.m. Sunday each week. When stored on the Property, Tenant's trailer (see Exhibit "A") shall not display visible signage.

13. Access. Tenant shall comply with any reasonable security procedures established by School District to prevent unauthorized access to the Leased Premises and School property generally. School District retains the right to reasonably enter into and inspect the Leased Premises during Tenant's use. Tenant and School District shall each designate in writing emergency contact personnel to notify in case of an emergency requiring access to the Leased Premises. School District will grant guest WIFI access to Tenant at no additional charge. Tenant understands this access is subject to school Internet access policies. Tenant has the option to install and operate, at its sole expense, and subject to approval by School District, of which will not be unreasonably withheld, an Internet access line separate from the School District network. Tenant, or its agents, may access the Leased Premises, from time to time and as mutually agreed upon, to perform maintenance, repairs and installation of onsite equipment outside of rental times outlined in Exhibit "A" for no additional charge.

14. Default/Remedies.

14.1 Default by Tenant. The occurrence of any one or more of the following shall constitute an Event of Default by Tenant under this Lease: (i) Tenant's failure to pay any sum due hereunder within fifteen (15) days after the due date for said payment; (ii) Tenant's failure to perform or observe any other term, covenant, or condition of this Lease on Tenant's part to be performed hereunder and such failure continues for a period of more than thirty (30) days after the date Tenant receives written notice from School District notifying Tenant of the specific failure, provided, however, Tenant shall have such extended period as may be required beyond the thirty (30) days if the nature of the cure is such that it reasonably requires more than thirty (30) days and Tenant commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion within sixty (60) days; or (iii) Tenant's leasehold estate being taken by execution, attachment or process of law or being subjected to any bankruptcy proceeding. If any Event of Default occurs, then at any time thereafter while the Event of Default continues, School District shall have the right to pursue such remedies as may be available to School District under the law, including, without limitation, the right to give Tenant notice that School District intends to terminate this Lease upon a specified date not less than three (3) days after the date notice is received by Tenant, in which event this Lease shall then expire on the date specified as if that date had been originally

fixed as the expiration date of the Term of this Lease. If, however, the default is cured within the three (3) day period and the School District is so notified, this Lease will continue.

14.2 Default by School District. School District shall not be in default unless School District fails to perform obligations required of School District within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to School District, specifying wherein School District has failed to perform such obligations; provided, however, that if the nature of School District's obligations is such that more than thirty (30) days are required for performance then School District shall not be in default if School District commences performance within such thirty (30) day period and thereafter diligently pursues the same to completion.

15. Notices. All notices, consents, approvals, and elections (collectively, "notices") to be given or delivered by or to any party under this Lease will be in writing and will be (as elected by the party giving such notice) hand delivered by messenger, courier service, or national overnight delivery service (provided in each case a receipt is obtained), or alternatively shall be sent by United States Certified Mail, with Return-Receipt Requested, to the address set forth below. Notwithstanding anything to the contrary, for the purposes of modifying Exhibit "A", valid written notice and any subsequent approval shall include email. The effective date of any notice shall be the date of delivery of the notice if by personal delivery, courier services, email or national overnight delivery service, or if mailed, upon the date which the return receipt is signed or delivery is refused or the notice designated by the postal authorities as non-deliverable, as the case may be:

- (a) If to Tenant:
Substance Church, Inc.
Attention: Nathan Buss
P.O. Box 32830
Fridley, MN 55432

- (b) If to School District:
Wayzata School District #284
Attention: Chace B. Anderson or Jim Westrum
210 County Road. 101 North
P.O. Box 660
Wayzata, MN 55391-0660

Any party may from time to time change the address to which notice under this Lease shall be given such party, upon three (3) days prior written notice to the other parties.

16. Successors. This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legatees, representatives, successors, and assigns.

17. Governing Law. This Lease shall be construed and interpreted in accordance with the laws of the State of Minnesota.

18. No Waiver. No failure on the part of a party to this Lease to exercise, and no delay in exercising, any rights contained in the Lease shall operate as a waiver of such rights, nor shall

any single or partial exercise of any rights hereunder preclude any other or further exercise of such rights or the exercise of any other right.

19. **Exhibits.** Any exhibits to this Lease are a part of this Lease.

20. **Separable Provisions.** All of the provisions of this Lease are separable, so if any provision of this Lease is held to be ineffective by a court of competent jurisdiction, the remaining provisions of this Lease shall remain in full force and effect unless the invalidated provision is so fundamental to this Lease that the remaining provisions do not reflect the parties' intent.

21. **Entire Agreement.** This Lease contains the entire agreement of the parties with respect to the subject matter of this Lease and supersedes any and all prior Leases, and understanding between the parties with respect to the same.

(REMAINDER OF PAGE INTENTIONALLY BLANK; SIGNATURES FOLLOW)

[Signature Page to Lease]

SUBSTANCE CHURCH, INC.

By: _____

Print name: _____

Its: _____

By: _____

Print name: _____

Its: _____

**WAYZATA INDEPENDENT SCHOOL
DISTRICT 284**

By: _____

Print name: _____

Its: _____

SCHEDULE OF EXHIBITS

EXHIBIT "A"---Leased Premises, Rent, and Personnel

Exhibit - Leased Premises Areas

Requested Rental Time	Sunday Hours
6:00AM - 2:00PM	8

(Sundays Only, except for additional days in connection with Christmas and Easter as requested, subject to availability)

Rooms	Rent/HR	Rent Estimate
Auditorium	\$ 60.00	\$ 480.00
Foyer	\$9.00	\$ 72.00
A109 (conference room)	\$ 9.00	\$ 72.00
A111	\$ 9.00	\$ 72.00
A201	\$ 9.00	\$ 72.00
E102	\$ 9.00	\$ 72.00
E114	\$ 9.00	\$ 72.00
E115	\$ 9.00	\$ 72.00
Cafeteria	\$ 16.00	\$ 128.00
Restrooms	\$ 9.00	\$ 72.00
Parking Lots	\$ 10.00	\$ 80.00
Rental		\$ 1,264.00

Personel Costs		Estimated Cost	
Custodial	40/hr	Rental	\$ 1,264.00
Building Supervisor	20/hr	Personnel	\$ 510.00
Hourly Personnel Cost	<u>\$ 60.00</u>		<u>\$ 1,774.00</u>

**5:30am-2pm
 Hours align="right">8.5
 (Assumes 30 Min of additional time to unlock and open buidling)

Lease also includes Tenant's right to park (1) of Tenant's trailers (no visible storage) on the property without charge, for storage purposes.



Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: Recognitions

ITEM: Retiree Recognitions

COMMENTS BY: Chace B. Anderson, Superintendent

Tonight we would like to recognize the following employees who announced their retirement in 2019-2020. 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>
Tom Roehl	Custodian, West Middle	17 Years
Carol Talus	Paraprofessional, Kimberly Lane	21 Years



Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: Recognitions

ITEM: Recognitions

COMMENTS BY: Chace B. Anderson, Superintendent

Wayzata Football Class 6A State Championship

Congratulations to the Wayzata Football Team on their Class 6A State Tournament Championship November 29 against Champlin Park at U.S. Bank Stadium. The 2019 State Championship is the culmination of an undefeated season. This was the team's first State Championship appearance since 2015.

In addition, congratulations to Coach Lambert Brown who was named Coach of the Year by WCCO-TV.

- Beau Alber
- Jake Aylward
- Blake Bergmann
- Drew Berkland
- Carson Bitzer
- Joe Blom
- Gabe Colnoe
- Julian Diedrich
- Nate Graham
- Tommy Hamann
- Ryan Harvey
- Tim Hess
- Tyler Johnson
- Blake Justesen
- Brett Kelzenberg
- Fox Knutson
- Konnor Kraft
- Peter Melquist
- Jaxon Nelson
- Mason Osberg
- Nick Ramler
- Peter Scherschligt
- Takoda Schwalm
- Andrew Streeter
- Eddie Beeninga
- Benjamin Ackerly
- Austin Andrada
- Jacob Anonen
- Austin Berthiaume
- Hunter Berthiaume
- Luke Bodine
- Cole Brown
- Joshua Burette
- Daniel Carlson
- Sahil Chugani
- Jack Clausen
- Hayden Davison
- Sean Diedrich
- Adam El Damir
- James Engelberth
- Johntae Evans
- Brian Glomstad
- Andrew Hancock
- Aaron Harrington
- Ty Hoagland
- Ryan Horst
- Kristian Kaesviharn
- Bohdan Kyrychuk
- Steven Magnuson
- Tyler Magnuson
- Naga Marella
- Cato Melander
- Lucas Ojeda
- Joseph Pickerill
- Alec Rasmussen
- Anthony Richmond

- Daniel Sandall
- Charlie Simon
- Alex Thompson
- Parker Wolff
- Anthony Ukofia
- Malaki Jackson
- Tarek Al-Khalel
- Daeshawn Bush
- Jac Carver
- Marcus Culp
- Luke Deselich
- Zaid Elbaroudi
- Daniel Giron
- Max Grabowski
- Jalon Jones
- Gage Knutson
- Mac Kukowski
- Ryan Lathrobe
- Jack Martinson
- Bryce Nault
- Devon Novy
- Sam Robertson
- Joe Salonek
- Thomas Schmidt
- Matthew Schmidt
- Zach Thomsen
- Carter Tibbits

- Graham Viggers
- Jacob Wildermuth
- Casey Winterer

Captains

- Christian Vasser
- Loshiaka Roques
- Joe Demro
- Jonas Waskosky

Coaches

- Lambert Brown
- Paul Dotter
- Gordy Engel
- Jordan Halverson
- Rich Iversen
- Zak Kuseske
- Sam Lepa
- Jimmy Mireri
- Ian Murray
- Sean Peterson
- Nathan Thompson
- Latorence Williams
- D.J. Zalweski



Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: Recognitions

ITEM: Recognitions

COMMENTS BY: Chace B. Anderson, Superintendent

Girls' Volleyball Class AAA State Championship

Congratulations to the Wayzata High School Girls' Volleyball Team on their State Tournament Championship November 9 against Eagan High School at Xcel Energy Center. This was the team's first State Championship appearance since 2010.

- Avery Seesz
- Ella Voegele
- Molly Soderlund
- Kate Long
- McKenna Leier
- Gabby Tollander
- Sophie Jesewitz
- Jaden Morrison
- Sierra Moore
- Emma Goerger
- Katy Riviere
- Katelyn Empkey



Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: Recognitions

ITEM: Employee of the Month

COMMENTS BY: Chace B. Anderson, Superintendent

Gleason Lake Elementary is proud to recommend Jenny Daniels as the December Employee of the Month. Jenny has been with the district for the past 8 years as a special education paraprofessional and also works in our after-school home base program. She brings compassion, dedication and expertise to her positions.

Jenny has the innate ability to empower students. She continually sets high expectations and carefully provides guidance and support to ensure students are seamlessly integrated into daily learning experiences. She takes the necessary time to get to know students and is able to build and maintain strong relationships. She uses positive and proactive practices, encouraging and challenging students with her calm and caring nature. She helps create and foster a learning environment and community in which students feel engaged, connected and supported.

Teachers love having Jenny in their classrooms because she is a natural leader with excellent problem-solving strategies. She approaches all situations with confidence and determination that she is making a difference in the lives of our children. The entire Gleason Lake community benefits from her team-player approach, charismatic personality and infectious smile as she provides a sense of optimism in everything she does. Jenny is very deserving of this recognition and we congratulate her as the Wayzata December Employee of the Month.



Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: Administrative Reports and Recommendations

ITEM: Finance and Business Services Recommendations

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

Monthly Financial Reports

Enclosed for School Board review and information are the following financial reports as of October 2019.

- 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, 2019

Beginning in Fiscal 2019, the technology levy and long-term facilities maintenance program are reported in the General Fund with the exception of long-term facilities maintenance projects greater than \$2.0 million which continue to be reported in the LTFM and Construction Fund.

Statement of Revenues:

This report reflects revenue received by the month end noted above. Overall revenues received to date as a percent of the budget are consistent with prior years.

Statement of Expenses:

This report reflects actual expenditures paid and does not include outstanding encumbrances. Overall expenditures are comparable with prior years with the exception of the following:

- General Fund benefits were higher in fiscal 2019 than other 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 1st, 2018. Supplies & Materials were lower in Fiscal 2018 mainly due to the technology levy change as noted above. Capital Expenditures have fluctuated the last three years, due to the technology levy change previously noted, the timing and completion of construction projects, and the District's equipment needs.
- LTFM and Construction Fund fluctuation is due to the timing of projects and the change in accounting previously mentioned.
- 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. Since construction projects span over multiple fiscal years a multi-year comparison is not presented.

**WAYZATA PUBLIC SCHOOLS
INVESTMENT SUMMARY
As of October 31, 2019**

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	\$3,922,574	N/A	1.81%
MSDLAF+	Money Market	N/A	NOW	N/A	\$22,382,464	N/A	1.89%
MSDMAX	Money Market	N/A	NOW	N/A	\$8,050,475	N/A	1.99%
Total General Fund				\$0	\$34,355,514	\$0	

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	1.89%
Total Alt. Facilities Bonds Fund				\$0	\$2	\$0	

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	\$293,443	N/A	1.89%
MSDMAX	Money Market	N/A	NOW	N/A	\$5,998,972	N/A	1.99%
Total Building Bonds Fund				\$0	\$6,292,415	\$0	

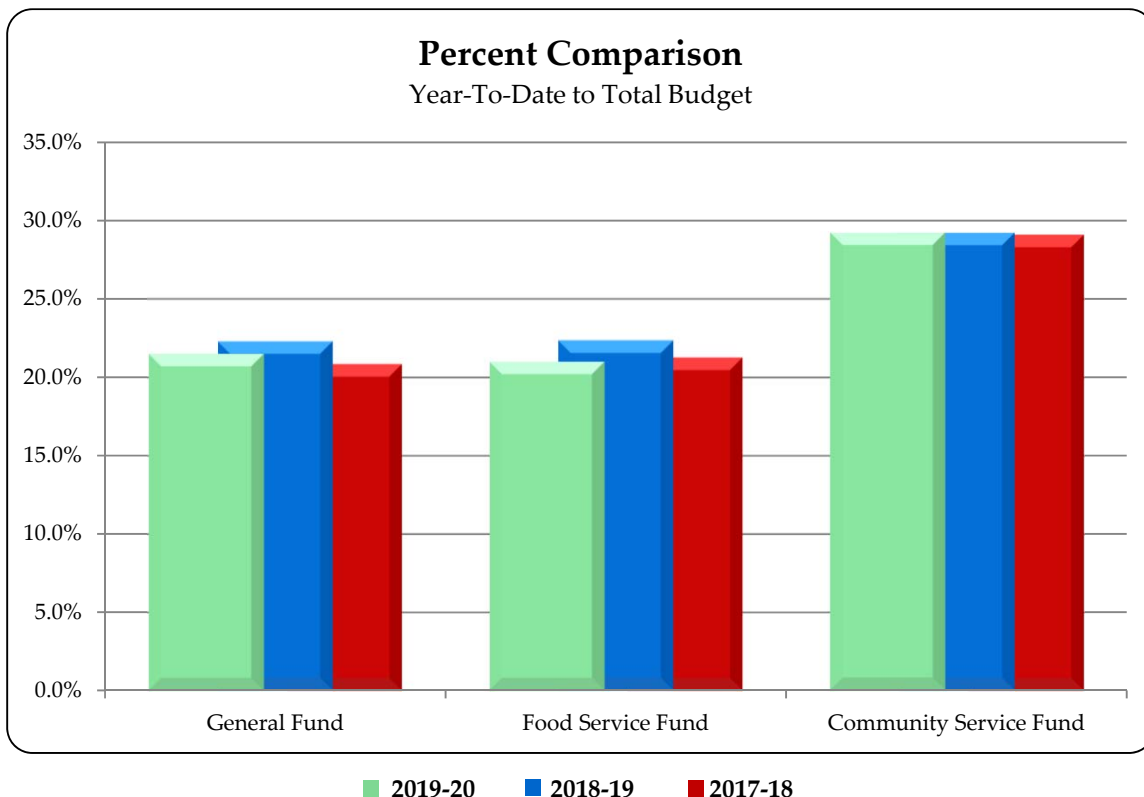
FUND 86 (2018 BUILDING BONDS)

<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	\$69,846	N/A	1.89%
MSDMAX	Money Market	N/A	NOW	N/A	\$8,938,349	N/A	1.99%
Federal Home Loan Bank	Bank Note	03/01/2018	02/11/2020	\$1,991,960	\$2,000,000	\$8,040	2.34%
Total Federal Agency Bond/Note				\$1,991,960	\$2,000,000	\$8,040	
U.S. Treasury Notes	912828V31	03/01/2018	01/15/2020	\$1,967,578	\$2,000,000	\$32,422	2.26%
U.S. Treasury Notes	912828W63	03/01/2018	03/15/2020	\$1,973,047	\$2,000,000	\$26,953	2.31%
U.S. Treasury Notes	912828X21	03/01/2018	04/15/2020	\$1,966,563	\$2,000,000	\$33,438	2.31%
U.S. Treasury Notes	912828X96	03/01/2018	05/15/2020	\$1,964,531	\$2,000,000	\$35,469	2.33%
U.S. Treasury Notes	912828XU9	03/01/2018	06/15/2020	\$1,177,453	\$1,200,000	\$22,547	2.35%
Total U.S. Treasury Notes				\$9,049,172	\$9,200,000	\$150,828	
Total Building Bonds Fund				\$20,049,326	\$20,208,194	\$158,868	



STATEMENT OF EXPENDITURES
For the month ended October 31, 2019

Fund	Year-To-Date	Budget	YTD as % of Budget		
			2019-20	2018-19	2017-18
General Fund					
Salaries	\$ 20,358,375	\$ 98,854,227	20.6%	20.5%	20.1%
Benefits	6,835,928	30,991,738	22.1%	25.6%	20.6%
Purchased Services	3,412,784	24,369,673	14.0%	16.0%	15.7%
Supplies & Materials	2,635,417	5,464,739	48.2%	49.8%	37.0%
Capital Expenditures	3,888,888	5,402,965	72.0%	33.9%	63.0%
Other Expenses	170,515	8,480,751	2.0%	6.1%	1.5%
Total General Fund	\$ 37,301,907	\$ 173,564,093	21.5%	22.3%	20.8%
Food Service Fund	\$ 1,504,882	\$ 7,170,015	21.0%	22.4%	21.3%
Community Service Fund	3,377,246	11,550,078	29.2%	29.2%	29.1%
LTFM and Tech Fund	4,661,418	8,102,000	57.5%	95.0%	53.6%
Debt Service Fund	3,782,894	12,884,363	29.4%	31.6%	32.1%
Building Construction Fund	9,731,853	21,859,222	-	-	-
Total All Funds	\$ 60,360,200	\$ 235,129,771	25.7%	22.9%	26.2%

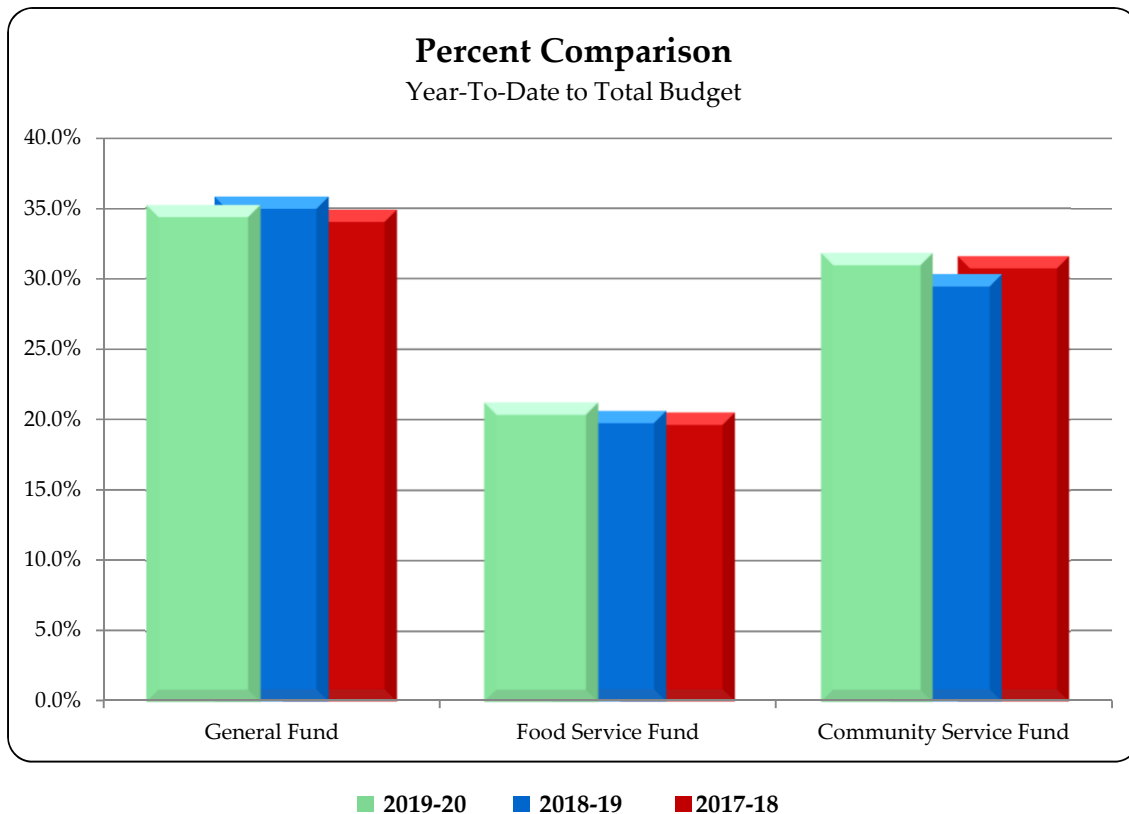




STATEMENT OF REVENUES

For the month ended October 31, 2019

Fund	Year- To-Date	Budget	YTD as % of Budget		
			2019-20	2018-19	2017-18
General Fund	(1) \$ 60,794,161	\$ 168,855,544	36.0%	36.6%	37.8%
Federal Programs Fund	1,000	3,844,456	0.0%	0.9%	0.0%
Total	\$ 60,795,161	\$ 172,700,000	35.2%	35.8%	34.9%
Food Service Fund	\$ 1,460,002	\$ 6,873,510	21.2%	20.6%	20.5%
Community Service Fund	3,740,122	11,763,841	31.8%	30.3%	31.6%
LTFM and Tech Fund	-	8,102,000	0.0%	0.0%	0.2%
Debt Service Fund	8,799,833	12,432,358	70.8%	73.9%	72.4%
Building Construction Fund	137,792	-	-	-	-
Total All Funds	\$ 74,932,910	\$ 211,871,709	35.4%	37.0%	34.0%



(1) The onetime sale of land for \$6.25 million has been excluded for presentation purposes; the sale was anticipated but not included in the original budget and will be updated as part of the budget revision process.



Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: Administrative Reports and Recommendations

ITEM: Finance and Business Services Recommendations

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

Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

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, 2019
- 2) Management Report - June 30, 2019
- 3) Extracurricular Student Activity Accounts Financial Report - June 30, 2019
- 4) Special Purpose Audit Reports on Single Audit, Internal Controls, and Compliance with Laws and Regulations – June 30, 2019

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, 2019 is as follows:

Local Collaborative Time Study	\$207,392
Reemployment Insurance	\$29,280
Site Carryover	\$1,007,252
Q-Compensation	\$65,290
School Opening Costs	\$695,305
Workers' Compensation Escrow	\$344,046
Post-Employment Obligations	\$2,156,636
Subsequent Year Budget	\$864,093

Recommended Action: Approve the reports for the fiscal year ending June 30, 2019. Further, ratify the assigned fund balance in the amount of \$5,369,294 as of June 30, 2019, to be used for the specific purposes noted above.

Motion by: _____ **Yes:** _____ **Passed:** _____

Second by: _____ **No:** _____ **Failed:** _____

Abstentions: _____

INDEPENDENT SCHOOL DISTRICT NO. 284 WAYZATA, MINNESOTA

Audit Report
Year Ended June 30, 2019





AUDITOR'S ROLE

- **Opinions on Financial Statements**
 - **District Audit**
 - **Schedule of Expenditures of Federal Awards**
 - **Extracurricular Student Activities Accounts**
- **Internal Controls and Compliance**
 - **Financial Statement Audit**
 - **Federal "Single Audit"**
 - **State Laws and Regulations**
 - **Manual for Activity Fund Accounting**



AUDIT RESULTS – FINANCIAL STATEMENT AUDIT

- **Unmodified Opinion on Basic Financial Statements**

- **Internal Control and Compliance – Financial Statement Audit**
 - No Internal Control Findings Reported
 - No Compliance Findings Reported

- **Minnesota Legal Compliance Audit**
 - No Compliance Findings Reported



AUDIT RESULTS – FEDERAL SINGLE AUDIT

- **SEFA Fairly Stated in Relation to Basic Financial Statements**

- **Internal Controls Over Compliance**
 - No Internal Control Findings Reported

- **Compliance with Federal Single Audit**
 - No Compliance Findings Reported

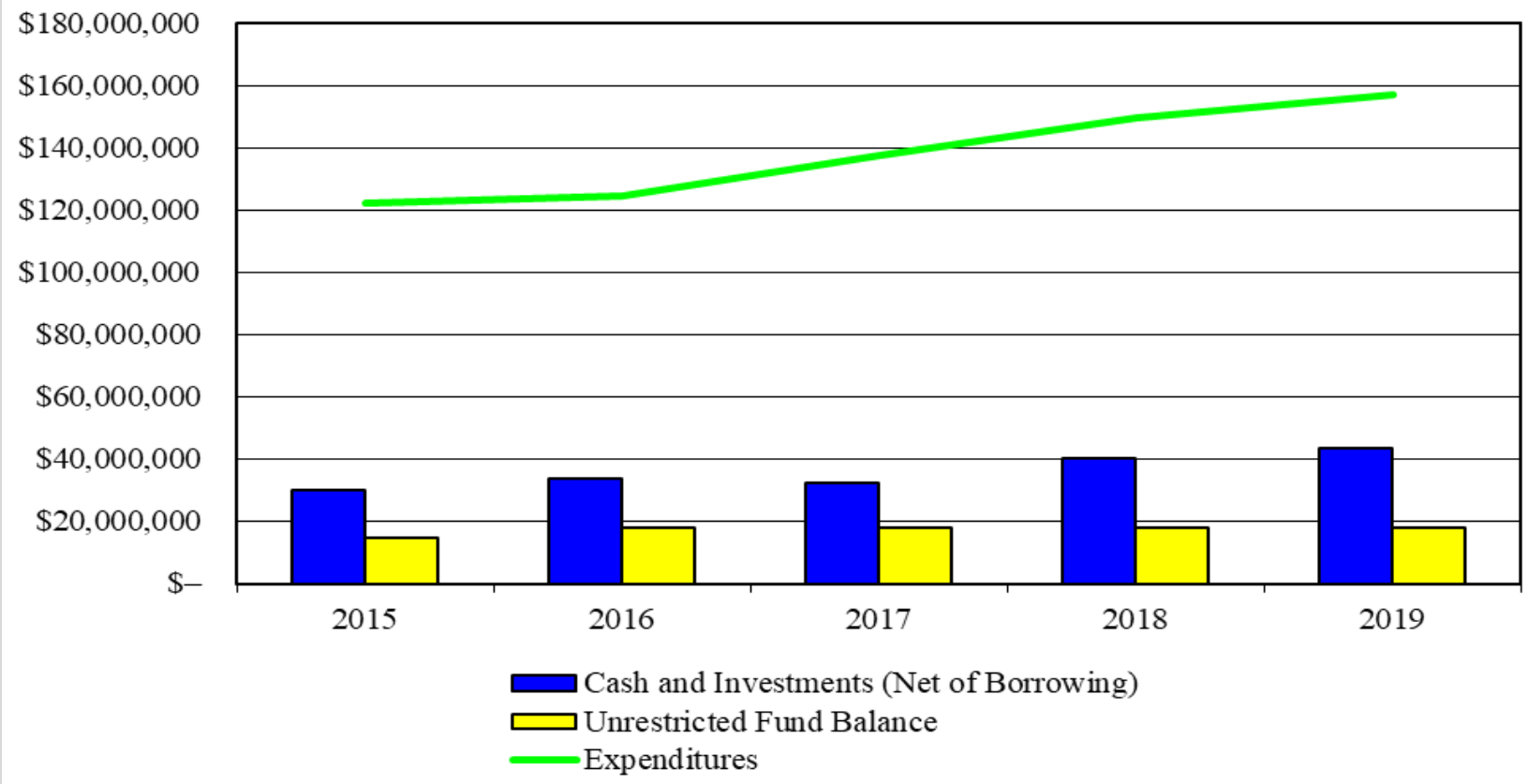


AUDIT RESULTS – STUDENT ACTIVITY AUDIT

- **Reported cash balances, receipts, and disbursements are fairly presented**
 - Opinion is qualified for a limitation related to the completeness of cash receipts reported
- **Internal Controls**
 - The District reports student activities on a cash basis and internal controls are not sufficient to assure that all cash receipts have been recorded
- **Compliance with *Manual for Activity Fund Accounting***
 - Improper accounts and activity
 - Activity purpose forms not completed
 - Untimely deposits
 - Disbursements did not have proper approvals
 - Inactive accounts

GENERAL FUND FINANCIAL POSITION

General Fund Financial Position
Year Ended June 30,



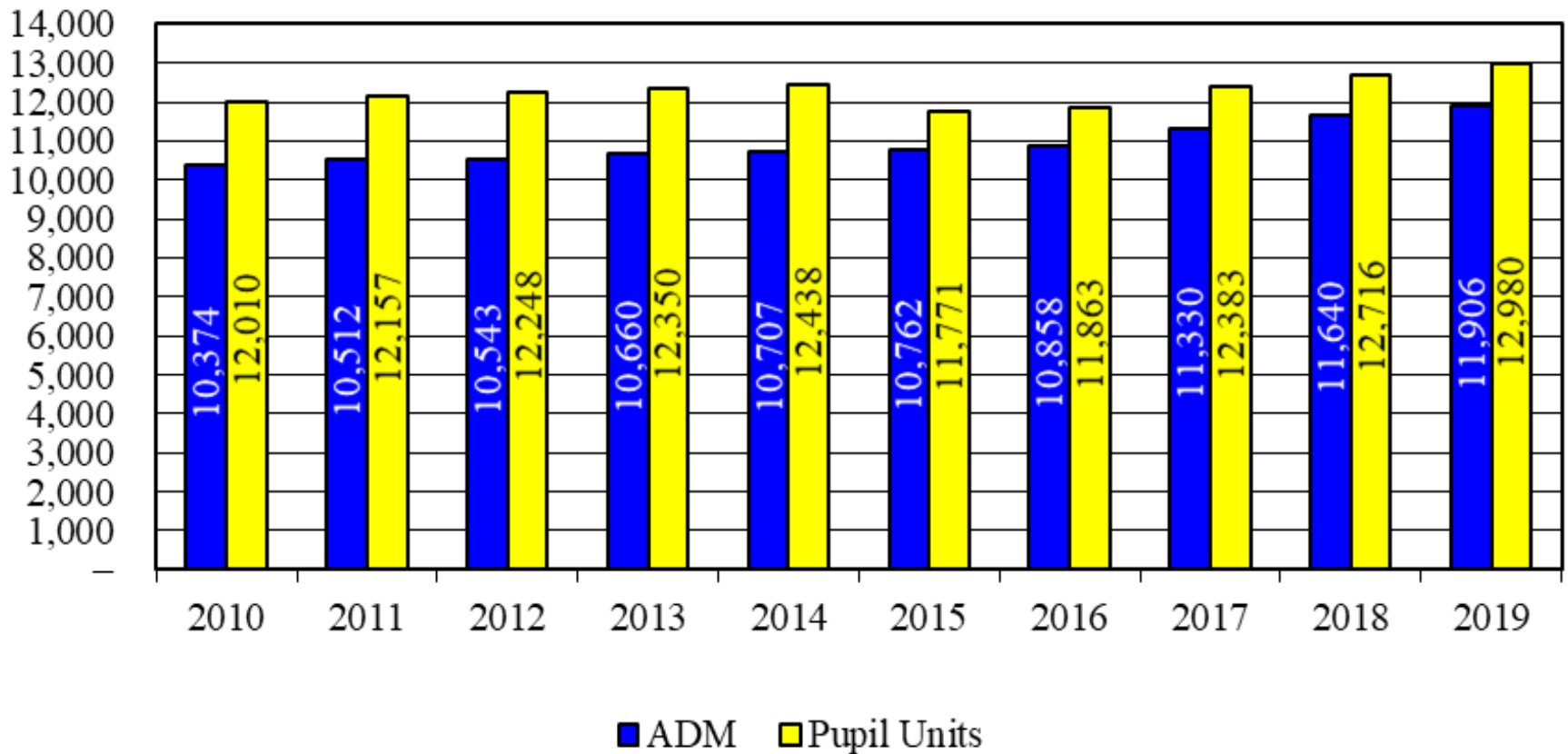
GENERAL FUND FINANCIAL POSITION

	June 30,				
	2015	2016	2017	2018	2019
Nonspendable fund balances	\$ 170,070	\$ 196,566	\$ 355,711	\$ 287,085	\$ 316,399
Restricted fund balances (1)	6,549,824	5,838,351	(2,117,536)	1,979,878	7,600,701
Unrestricted fund balances					
Committed	2,889,790	2,889,790			
Assigned	2,508,237	5,482,867	4,918,059	5,712,743	5,369,294
Unassigned	9,306,757	9,347,456	12,992,870	12,095,480	12,681,756
Total fund balance	\$ 21,424,678	\$ 23,755,030	\$ 16,149,104	\$ 20,075,186	\$ 25,968,150
Total expenditures	\$ 122,215,198	\$ 124,483,267	\$ 137,460,334	\$ 149,384,155	\$ 157,201,516
Unrestricted fund balances as a percentage of expenditures	<u>12.0%</u>	<u>14.2%</u>	<u>13.0%</u>	<u>11.9%</u>	<u>11.5%</u>
Unassigned fund balances as a percentage of expenditures	<u>7.6%</u>	<u>7.5%</u>	<u>9.5%</u>	<u>8.1%</u>	<u>8.1%</u>

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

ADJUSTED ADM AND PUPIL UNITS SERVED

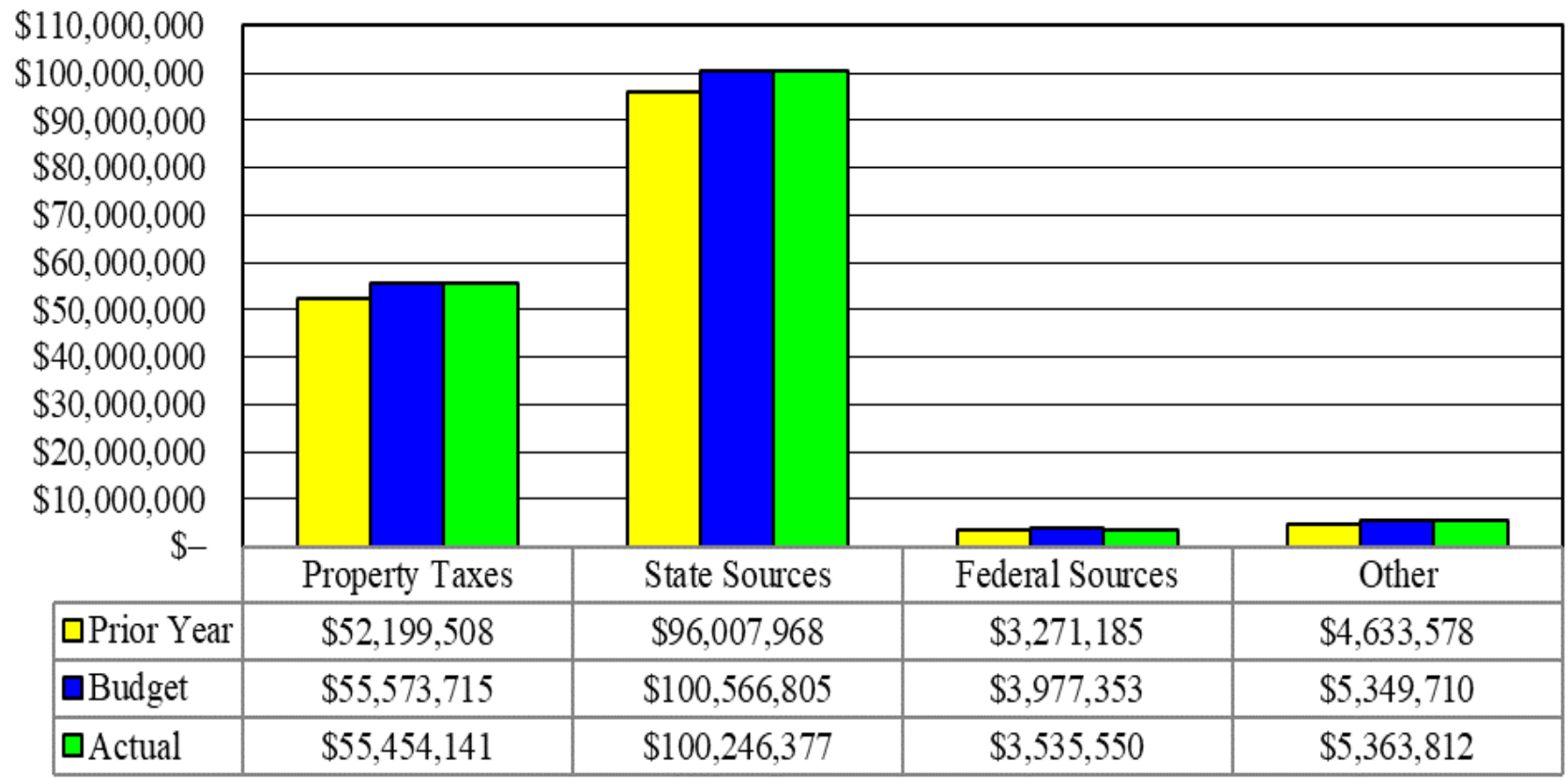
Adjusted ADM and Pupil Units Served





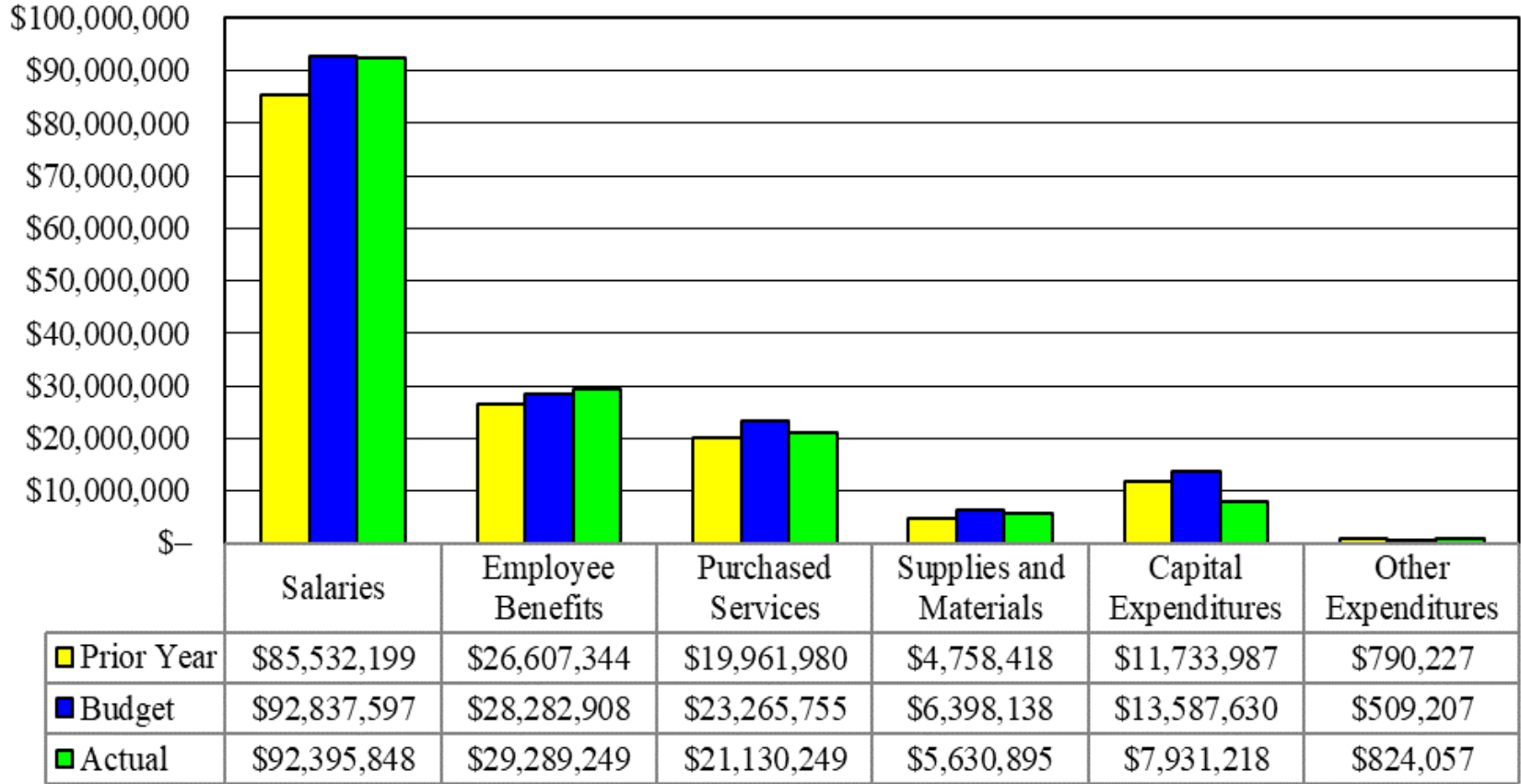
GENERAL FUND REVENUE

General Fund Revenue



GENERAL FUND EXPENDITURES

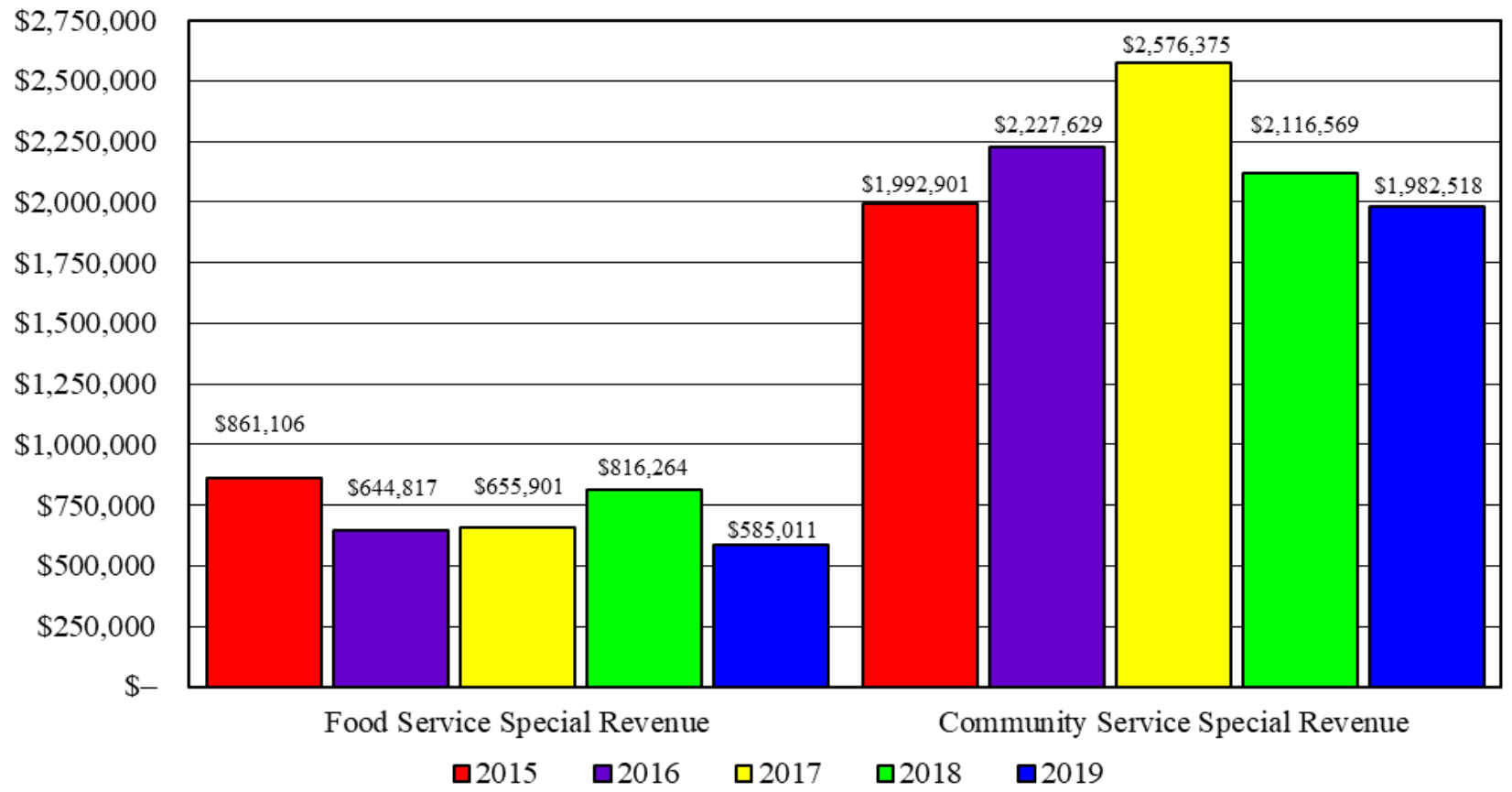
General Fund Expenditures





OTHER OPERATING FUNDS – YEAR-END FUND BALANCES

Other Operating Funds
Total Fund Balances



INTERNAL SERVICE FUNDS

	Self- Insurance Accounts	Early Retirement Accounts
	<u> </u>	<u> </u>
Change in net position		
Operating revenue – charges for services	\$ 18,633,367	\$ –
Operating expenses – benefits	19,653,535	2,037,115
Operating income (loss)	<u>(1,020,168)</u>	<u>(2,037,115)</u>
Nonoperating revenue	201,672	219,340
Income (loss) before transfers and special item	<u>(818,496)</u>	<u>(1,817,775)</u>
Transfers in	–	908,207
Transfers (out)	(908,207)	–
Special item	–	3,035,310
Change in net position	<u>(1,726,703)</u>	<u>2,125,742</u>
Net position		
Beginning of year	<u>3,366,690</u>	<u>(3,328,800)</u>
End of year	<u>\$ 1,639,987</u>	<u>\$ (1,203,058)</u>



DISTRICT-WIDE STATEMENT OF NET POSITION

	June 30,		Change
	2019	2018	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 63,918,628	\$ 94,887,478	\$ (30,968,850)
Total capital assets, net of depreciation	240,433,942	211,998,074	28,435,868
Bonds, certificates, and leases, net of premiums	(236,114,659)	(242,543,107)	6,428,448
Pensions, net of deferred outflows and inflows	(125,939,381)	(159,346,155)	33,406,774
OPEB, net of deferred outflows and inflows	(14,469,615)	(11,619,286)	(2,850,329)
Other adjustments	(3,097,221)	(3,456,097)	358,876
Total net position – governmental activities	\$ (75,268,306)	\$ (110,079,093)	\$ 34,810,787
Net position			
Net investment in capital assets	\$ 37,050,317	\$ 37,679,712	\$ (629,395)
Restricted	10,648,975	10,695,169	(46,194)
Unrestricted	(122,967,598)	(158,453,974)	35,486,376
Total net position	\$ (75,268,306)	\$ (110,079,093)	\$ 34,810,787

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

Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2019

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, 2019

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

November 20, 2019

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, 2019. 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, 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 2018–2019, 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 2018–2019 school year was 11,906 pupils in adjusted average daily membership, which represents an increase of 266 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>
2020	12,222
2021	12,591
2022	12,900

The tax base of the District increased 6.36 percent during the past year. The market value of all taxable property in the District in fiscal year 2019 was \$13,028,383,691, compared to \$12,249,671,471 in fiscal year 2018.

The net tax capacity of the District for fiscal year 2019 was \$146,188,244, an increase of 6.66 percent over the prior year value of \$137,065,114.

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 \$2,756,885 in fiscal year 2018 and \$2,864,107 in fiscal year 2019.

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 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 \$12.7 million, which represents 8.1 percent of total 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 \$5.4 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 generated \$5.5 million in fiscal year 2019. The operating referendum levy was 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 2018 total estimated market value was \$11,349,673,000, an increase of \$559,401,000 from 2017. The increase in total market value between payable 2017 and payable 2018 was 5.2 percent. The City of Plymouth's population increased 29.0 percent from 1990 to 2000; 7.0 percent from 2000 to 2010; and 11.0 percent from 2010 to 2018. As of 2018, 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 2020, and has adequate reserves.

Below are some facts about the 2019–2020 budget:

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

Revenues:

- General Fund revenue will increase to almost \$172.7 million.
- Basic general education funding formula is \$6,438 per pupil for fiscal year 2020.
- The referendum levy is \$2,024.89 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 \$173.6 million.
- Capital projects (technology) levy will increase to \$7.3 million.
- Alternative Compensation Plan spending is \$3.0 million for staff development, peer coaching, and performance bonuses for teachers.
- Health insurance premiums increased by 2.0 percent and dental insurance premiums increased 3.0 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 new elementary school, North Woods, opened 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.

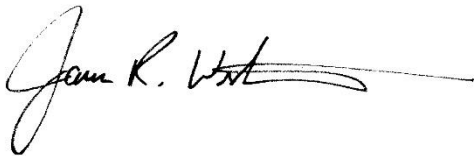
OTHER INFORMATION

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 2018 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 the fiscal year 2019 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



Excellence. For each and every student.

Superintendent of Schools

Administrative Assistant



INDEPENDENT SCHOOL DISTRICT NO. 284

School Board and Administration
Year Ended June 30, 2019

SCHOOL BOARD

	<u>Board Position</u>
Ms. Sarah Johansen	Chairperson
Ms. Andrea Cuene	Vice Chairperson
Ms. Cheryl Polzin	Treasurer
Mr. Chris McCullough	Clerk
Mr. Erik Brown	Director
Ms. Linda A. Cohen	Director
Ms. Bonita Lucky	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. Jenni Ebert	Director of Community Education
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, 2018.

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



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operating Officer

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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
Kalen T. Karnowski, 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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

(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, 2019, 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 2018 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 3, 2018. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
November 20, 2019

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INDEPENDENT SCHOOL DISTRICT NO. 284

Management's Discussion and Analysis Year Ended June 30, 2019

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, 2019. 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, 2019 by \$75,268,306 (net position deficit). The District's total net position increased by \$34,810,787 during the fiscal year ended June 30, 2019.
- Government-wide revenues totaled \$190,683,612 and were \$31,775,477 more than expenses of \$158,908,135. The District also reported a special item, which increased net position by \$3,035,310. The special item represents the decrease in the District's severance and pension liability, due to the elimination of certain benefits through contract negotiations.
- The General Fund's total fund balance increased \$5,892,964 to end the year at \$25,968,150, compared to a \$1,471,552 decrease 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:

	2019	2018
Assets		
Current and other assets	\$ 153,179,454	\$ 181,025,714
Capital assets, net of depreciation	240,433,942	211,998,074
Total assets	\$ 393,613,396	\$ 393,023,788
Deferred outflows of resources		
Pension plan deferments	\$ 113,196,634	\$ 141,515,877
OPEB plan deferments	757,171	-
Total deferred outflows of resources	\$ 113,953,805	\$ 141,515,877
Liabilities		
Current and other liabilities	\$ 15,823,988	\$ 14,082,521
Long-term liabilities, including due within one year	353,018,396	520,133,335
Total liabilities	\$ 368,842,384	\$ 534,215,856
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 68,520,635	\$ 64,563,643
Pension plan deferments	142,134,784	42,972,117
OPEB plan deferments	3,337,704	2,867,142
Total deferred inflows of resources	\$ 213,993,123	\$ 110,402,902
Net position		
Net investment in capital assets	\$ 37,050,317	\$ 37,679,712
Restricted	10,648,975	10,695,169
Unrestricted	(122,967,598)	(158,453,974)
Total net position	\$ (75,268,306)	\$ (110,079,093)

The District's financial position is the product of many factors. For example, the determination of the District's net investment in capital assets involves many assumptions and estimates, such as current and accumulated depreciation amounts. A conservative versus liberal approach to depreciation estimates, as well as capitalization policies, will produce a significant difference in the calculated amounts. Another major factor in determining net position as compared to fund balances are the 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 decrease in net position restricted for food service and community service contributed to the decrease in the restricted portion of net position. The change in the District's share of the state-wide Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans also contributed to the change in deferred outflows of resources, long-term liabilities, deferred inflows of resources, and unrestricted net position. The District's net pension liability declined in 2019, due to recent state legislation that modifies benefits and modestly increases contributions to the TRA.

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

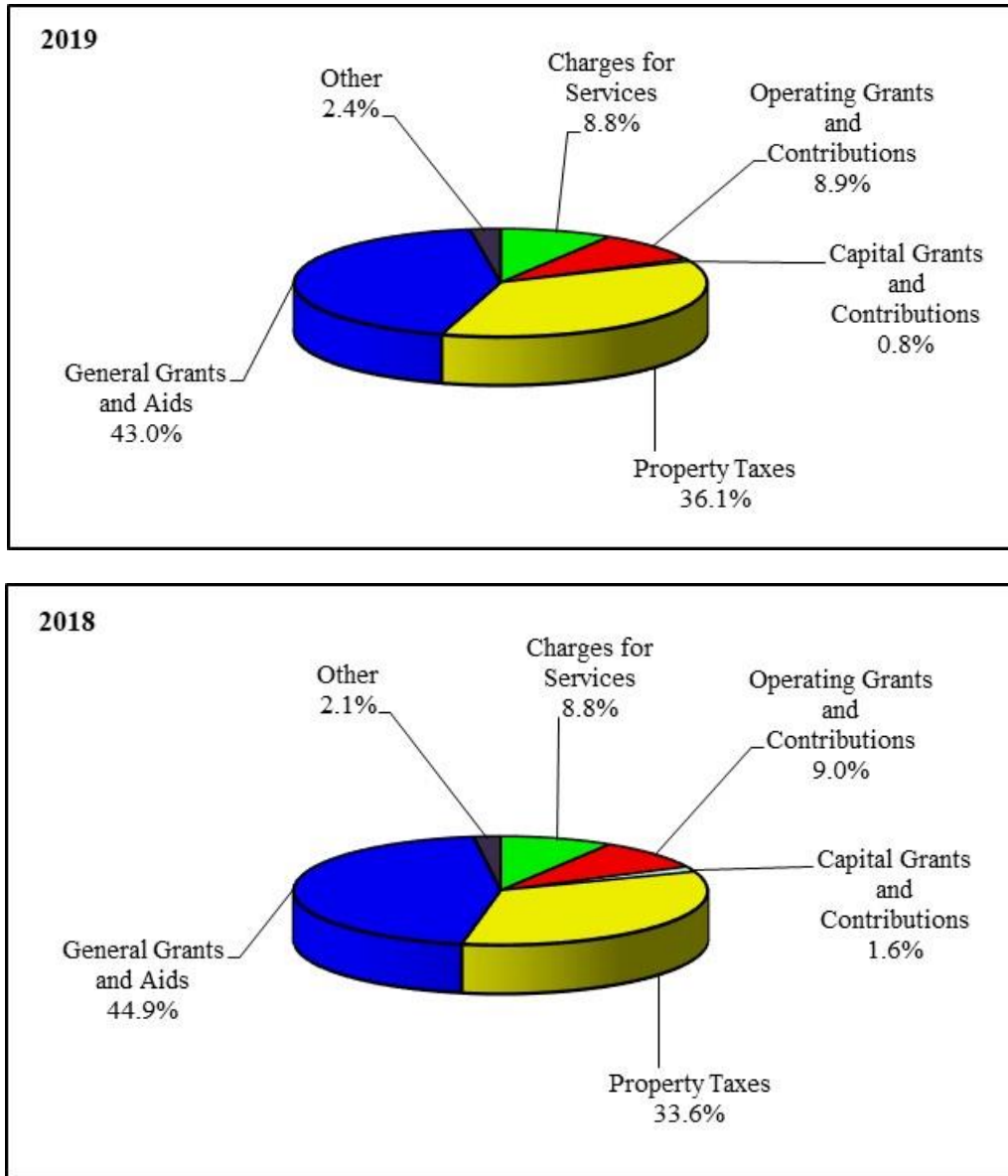
	<u>2019</u>	<u>2018</u>
Revenues		
Program revenues		
Charges for services	\$ 16,770,456	\$ 16,180,291
Operating grants and contributions	16,952,023	16,357,459
Capital grants and contributions	1,534,850	2,870,495
General revenues		
Property taxes	68,768,868	61,465,090
General grants and aids	82,036,235	81,977,981
Investment earnings	3,191,342	2,160,675
Other	1,429,838	1,672,313
Total revenues	<u>190,683,612</u>	<u>182,684,304</u>
Expenses		
Administration	4,265,884	6,052,169
District support services	5,961,373	5,347,446
Elementary and secondary regular instruction	57,568,978	98,324,381
Vocational education instruction	2,163,529	3,782,104
Special education instruction	15,166,922	23,646,291
Instructional support services	13,281,310	18,777,288
Pupil support services	12,799,455	14,370,024
Sites and buildings	21,884,093	23,723,765
Fiscal and other fixed cost programs	541,321	281,446
Food service	6,943,797	6,469,883
Community service	10,774,854	10,971,816
Interest and fiscal charges on debt	7,556,619	6,692,718
Total expenses	<u>158,908,135</u>	<u>218,439,331</u>
Change in net position before special item	31,775,477	(35,755,027)
Special item	<u>3,035,310</u>	<u>—</u>
Change in net position	34,810,787	(35,755,027)
Net position – beginning	<u>(110,079,093)</u>	<u>(74,324,066)</u>
Net position – ending	<u>\$ (75,268,306)</u>	<u>\$ (110,079,093)</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 \$7,999,308 (4.4 percent) from the previous year. Increases in the general tax levy and debt service tax levy contributed to the overall revenue increase. Governmental activities expenses were \$59,531,196 (27.3 percent) less than last year, mainly due to the changes in the PERA and TRA multiple-employer defined benefit pension plans mentioned earlier.

Figure A shows further analysis of these revenue sources:

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

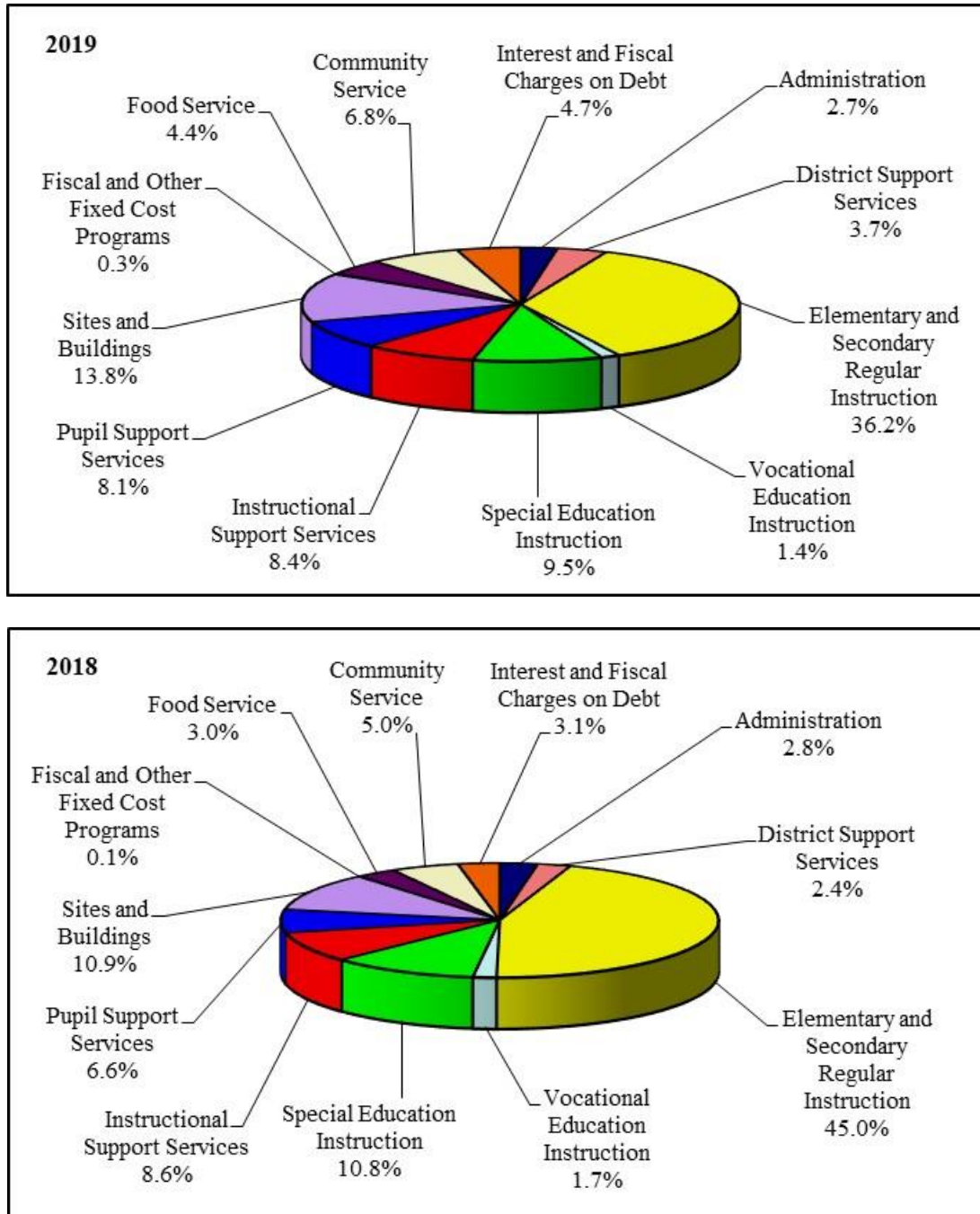


The largest share of the District's revenue is received from the state, including the general education aid formula and most of the operating grants.

Property taxes are generally the next largest source of funding. The level of 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 2019 and 2018



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

The significant year-to-year change in the percentage of expenses incurred in several program areas shown above was attributable to the change in expenses related to the two state-wide pension plans, which caused greater fluctuations in program areas with a higher proportion of salaries.

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>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>
Major funds			
General	\$ 25,968,150	\$ 20,075,186	\$ 5,892,964
Capital Projects – Building Construction	32,549,669	69,272,501	(36,722,832)
Debt Service	2,833,280	2,606,958	226,322
Nonmajor funds			
Food Service Special Revenue	585,011	816,264	(231,253)
Community Service Special Revenue	<u>1,982,518</u>	<u>2,116,569</u>	<u>(134,051)</u>
 Total governmental funds	 <u>\$ 63,918,628</u>	 <u>\$ 94,887,478</u>	 <u>\$ (30,968,850)</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, 2019, the District's governmental funds reported combined fund balances of \$63,918,628, a decrease of \$30,968,850 from the prior year. Approximately 17.9 percent of this amount (\$11,462,415) 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 (\$423,398), 2) restricted for particular purposes (\$46,663,521), or 3) assigned for particular purposes (\$5,369,294).

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>\$ 162,958,056</u>	<u>\$ 165,467,583</u>	<u>\$ 2,509,527</u>	<u>1.5%</u>
Expenditures and other financing uses	<u>\$ 163,502,324</u>	<u>\$ 166,939,135</u>	<u>\$ 3,436,811</u>	<u>2.1%</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>2019 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	\$ 165,137,380	\$ (330,203)	(0.2%)	\$ 6,465,265	4.1%
Expenditures and other financing uses	<u>159,244,416</u>	<u>(7,694,719)</u>	(4.6%)	<u>4,498,383</u>	2.9%
Net change in fund balances	<u>\$ 5,892,964</u>	<u>\$ 7,364,516</u>		<u>\$ 1,966,882</u>	

The fund balance of the General Fund increased \$5,892,964, compared to a planned decrease of \$1,471,552 approved in the final budget.

General Fund revenues and other financing sources for 2019 increased \$6,465,265, or 4.1 percent, compared to the prior year. This was \$330,203, or 0.2 percent, less than budget. The largest variances to budget were in federal sources and state sources, which were \$441,803 and \$320,428 less than budget, respectively. This was offset by the capital lease issued for \$537,500, which was not included in the budget. 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 2019 increased \$4,498,383, or 2.9 percent, over the prior year, and were \$7,694,719, or 4.6 percent, under budget. The budget variance was spread across several programs and object categories of the General Fund. Sites and buildings experienced the largest program variance, with expenditures coming in under budget by \$4,821,945, mainly in long-term facilities maintenance. Instructional support service expenditures were \$1,790,970 under budget, due mostly to the timing of technology needs and replacement of equipment and in professional development. 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 \$2,042,900 of long-term facilities maintenance levy proceeds from the General Fund to finance various capital projects. Fund balance decreased \$36,722,832, as the District spent down proceeds from bonds issued in previous years. At June 30, 2019, the District had a fund balance of \$32,549,669, the majority of which is restricted for various capital projects.

Debt Service Fund

The Debt Service Fund revenues exceeded expenditures by \$226,322 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 \$2,833,280 at June 30, 2019 is available for meeting future debt service obligations.

Other Governmental Funds

The Food Service Special Revenue Fund ended the year with expenditures exceeding revenues, decreasing equity by \$231,253, compared to a planned fund balance decrease of \$198,385. This decrease was primarily caused by lower than anticipated revenues from meal sales.

The Community Service Special Revenue Fund ended the year with expenditures exceeding revenues and other financing sources, decreasing equity by \$134,051, compared to a planned fund balance decrease of \$256,795. This variance was due to program participation revenue being more than anticipated in the budget.

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 healthcare benefits.

Operating revenues for the internal service funds, consisting of charges to the District's governmental funds, for fiscal 2019 totaled \$18,633,367, an increase from the fiscal year 2018 operating revenue level of \$17,015,685. Operating expenses, consisting of health claims, dental claims, and other employee benefits totaled \$21,690,650, which represents an increase from fiscal year 2018 operating expenses of \$19,154,041. Nonoperating revenues, consisting of investment earnings, totaled \$421,012, which is a decrease from the fiscal year 2018 amount of \$1,322,214. The District also reported a special item in the current year, which increased net position by \$3,035,310. The net position balance for all internal service funds as of June 30, 2019 was \$436,929, which is an increase of \$399,039 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 ended June 30, 2019 and 2018:

	2019	2018	Change
Land	\$ 39,471,187	\$ 30,962,910	\$ 8,508,277
Construction in progress	29,423,450	5,429,746	23,993,704
Land improvements	9,687,055	9,687,055	-
Buildings and improvements	273,395,252	270,212,175	3,183,077
Equipment and transportation vehicles	13,265,288	12,752,552	512,736
Food service equipment	1,140,612	1,140,612	-
Less accumulated depreciation	(125,948,902)	(118,186,976)	(7,761,926)
Total	\$ 240,433,942	\$ 211,998,074	\$ 28,435,868
Depreciation expense	\$ 7,900,803	\$ 7,829,966	\$ 70,837

By the end of 2019, 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 2019, consistent with the activity of the Capital Projects – Building Construction Fund discussed on the previous page, including construction of a new elementary school that opened in the Fall of 2019.

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>2019</u>	<u>2018</u>	<u>Change</u>
General obligation bonds payable	\$ 215,880,000	\$ 220,160,000	\$ (4,280,000)
Certificates of participation payable	6,225,000	7,000,000	(775,000)
Unamortized premium	5,790,352	6,208,464	(418,112)
Capital leases payable	8,219,307	9,174,643	(955,336)
Net pension liability	101,396,725	264,059,876	(162,663,151)
Net OPEB liability	11,889,082	8,752,144	3,136,938
Severance benefits payable	2,924,240	4,085,996	(1,161,756)
Compensated absences payable	693,690	692,212	1,478
Total	<u>\$ 353,018,396</u>	<u>\$ 520,133,335</u>	<u>\$ (167,114,939)</u>

The decreases in general obligation bonds payable, certificates of participation payable, and capital leases payable are primarily due to the scheduled principal payments made during fiscal year 2019.

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 \$218,837,072 at June 30, 2019, or about 11.2 percent of the limit.

District's market value	\$ 13,028,383,691
Limit rate	<u>15.0%</u>
Legal debt limit	<u>\$ 1,954,257,554</u>

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. The Legislature has added \$126, or 2 percent, per pupil to the basic general education funding formula for fiscal year 2020, and an additional \$129, or 2 percent, per pupil to the formula for fiscal year 2021.

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

	Governmental Activities	
	2019	2018
Assets		
Cash and temporary investments	\$ 103,447,101	\$ 136,629,231
Cash and investments held by trustee	386,473	763,144
Receivables		
Current taxes	35,948,864	30,211,850
Delinquent taxes	366,674	199,412
Accounts and interest receivable	228,803	681,049
Due from other governmental units	12,022,141	11,283,736
Due from post-employment benefits trust	356,000	500,000
Inventory	219,662	234,170
Prepaid items	203,736	523,122
Capital assets		
Not depreciated	68,894,637	36,392,656
Depreciated, net of accumulated depreciation	171,539,305	175,605,418
Total capital assets, net of accumulated depreciation	<u>240,433,942</u>	<u>211,998,074</u>
Total assets	<u>393,613,396</u>	<u>393,023,788</u>
Deferred outflows of resources		
Pension plan deferments	113,196,634	141,515,877
OPEB plan deferments	757,171	—
Total deferred outflows of resources	<u>113,953,805</u>	<u>141,515,877</u>
Total assets and deferred outflows of resources	<u>\$ 507,567,201</u>	<u>\$ 534,539,665</u>
Liabilities		
Salaries payable	\$ 625,200	\$ 583,728
Accounts and contracts payable	8,495,053	7,269,021
Accrued interest payable	3,230,839	3,193,302
Due to other governmental units	840,864	641,022
Unearned revenue	628,253	631,668
Claims incurred, but not reported	2,003,779	1,763,780
Long-term liabilities		
Due within one year	8,203,801	7,375,514
Due in more than one year	344,814,595	512,757,821
Total long-term liabilities	<u>353,018,396</u>	<u>520,133,335</u>
Total liabilities	<u>368,842,384</u>	<u>534,215,856</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	68,520,635	64,563,643
Pension plan deferments	142,134,784	42,972,117
OPEB plan deferments	3,337,704	2,867,142
Total deferred inflows of resources	<u>213,993,123</u>	<u>110,402,902</u>
Net position		
Net investment in capital assets	37,050,317	37,679,712
Restricted for		
Capital asset acquisition	7,253,450	6,967,169
Food service	562,902	796,767
Community service	1,931,782	2,068,184
Other purposes (state funding restrictions)	900,841	863,049
Unrestricted	(122,967,598)	(158,453,974)
Total net position	<u>(75,268,306)</u>	<u>(110,079,093)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 507,567,201</u>	<u>\$ 534,539,665</u>

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

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

		2019		
Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Administration	\$ 4,265,884	\$ 117,202	\$ -	\$ -
District support services	5,961,373	-	-	152,665
Elementary and secondary regular instruction	57,568,978	1,339,296	2,424,287	1,100,162
Vocational education instruction	2,163,529	-	469,638	-
Special education instruction	15,166,922	307,962	11,104,300	5,077
Instructional support services	13,281,310	14,469	-	-
Pupil support services	12,799,455	148,244	851,893	-
Sites and buildings	21,884,093	591,360	-	276,946
Fiscal and other fixed cost programs	541,321	-	-	-
Food service	6,943,797	5,318,392	1,224,053	-
Community service	10,774,854	8,933,531	877,852	-
Interest and fiscal charges	7,556,619	-	-	-
Total governmental activities	\$ 158,908,135	\$ 16,770,456	\$ 16,952,023	\$ 1,534,850
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				
Special item				
Total general revenues and special item				
Change in net position				
Net position – beginning				
Net position – ending				

	2018
Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Governmental Activities	Governmental Activities
\$ (4,148,682)	\$ (6,012,247)
(5,808,708)	(4,822,581)
(52,705,233)	(93,490,123)
(1,693,891)	(3,313,512)
(3,749,583)	(12,564,895)
(13,266,841)	(18,644,893)
(11,799,318)	(13,249,238)
(21,015,787)	(21,999,867)
(541,321)	(281,446)
(401,352)	99,648
(963,471)	(2,059,214)
<u>(7,556,619)</u>	<u>(6,692,718)</u>
(123,650,806)	(183,031,086)
55,461,620	52,196,919
1,222,047	993,672
12,085,201	8,274,499
82,036,235	81,977,981
1,429,838	1,672,313
3,191,342	2,160,675
3,035,310	—
<u>158,461,593</u>	<u>147,276,059</u>
34,810,787	(35,755,027)
<u>(110,079,093)</u>	<u>(74,324,066)</u>
<u>\$ (75,268,306)</u>	<u>\$ (110,079,093)</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
Assets			
Cash and temporary investments	\$ 44,448,547	\$ 37,753,065	\$ 9,117,949
Cash and investments held by trustee	356,046	30,427	–
Receivables			
Current taxes	29,036,938	–	6,151,588
Delinquent taxes	286,940	–	73,076
Accounts and interest	117,396	53,400	–
Due from other governmental units	11,772,392	–	840
Due from other funds	356,000	–	–
Inventory	155,912	–	–
Prepaid items	160,487	19,169	–
	<u>86,690,658</u>	<u>37,856,061</u>	<u>15,343,453</u>
Total assets	\$ 86,690,658	\$ 37,856,061	\$ 15,343,453
Liabilities			
Salaries payable	\$ 346,205	\$ 3,047	\$ –
Accounts and contracts payable	3,117,689	5,302,021	–
Due to other governmental units	839,540	1,324	–
Due to other funds	1,458,699	–	–
Unearned revenue	103,420	–	–
Total liabilities	5,865,553	5,306,392	–
Deferred inflows of resources			
Property taxes levied for subsequent year	54,552,640	–	12,431,462
Unavailable revenue – delinquent taxes	304,315	–	78,711
Total deferred inflows of resources	54,856,955	–	12,510,173
Fund balances (deficits)			
Nonspendable	316,399	19,169	–
Restricted	7,600,701	33,749,841	2,833,280
Assigned	5,369,294	–	–
Unassigned	12,681,756	(1,219,341)	–
Total fund balances	25,968,150	32,549,669	2,833,280
	<u>86,690,658</u>	<u>37,856,061</u>	<u>15,343,453</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 86,690,658	\$ 37,856,061	\$ 15,343,453

Nonmajor Funds	Total Governmental Funds	
	2019	2018
\$ 3,818,078	\$ 95,137,639	\$ 108,587,805
–	386,473	763,144
760,338	35,948,864	30,211,850
6,658	366,674	199,412
58,007	228,803	681,049
248,909	12,022,141	11,283,736
–	356,000	17,792,359
63,750	219,662	234,170
24,080	203,736	519,622
<u>\$ 4,979,820</u>	<u>\$ 144,869,992</u>	<u>\$ 170,273,147</u>
\$ 275,948	\$ 625,200	\$ 583,728
67,624	8,487,334	7,261,870
–	840,864	641,022
–	1,458,699	1,312,211
524,833	628,253	631,668
<u>868,405</u>	<u>12,040,350</u>	<u>10,430,499</u>
1,536,533	68,520,635	64,563,643
7,353	390,379	391,527
<u>1,543,886</u>	<u>68,911,014</u>	<u>64,955,170</u>
87,830	423,398	753,792
2,479,699	46,663,521	80,116,279
–	5,369,294	5,712,743
–	11,462,415	8,304,664
<u>2,567,529</u>	<u>63,918,628</u>	<u>94,887,478</u>
<u>\$ 4,979,820</u>	<u>\$ 144,869,992</u>	<u>\$ 170,273,147</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, 2019
(With Partial Comparative Information as of June 30, 2018)

	<u>2019</u>	<u>2018</u>
Total fund balances – governmental funds	\$ 63,918,628	\$ 94,887,478
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	366,382,844	330,185,050
Accumulated depreciation	(125,948,902)	(118,186,976)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance.		
General obligation bonds payable	(215,880,000)	(220,160,000)
Certificates of participation payable	(6,225,000)	(7,000,000)
Unamortized premium	(5,790,352)	(6,208,464)
Capital leases payable	(8,219,307)	(9,174,643)
Net pension liability	(96,814,428)	(257,990,690)
Net OPEB liability	(11,889,082)	(8,752,144)
Compensated absences payable	(693,690)	(692,212)
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.		
	436,929	37,890
Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.		
	(3,230,839)	(3,193,302)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	112,923,453	141,515,877
Deferred outflows of resources – OPEB plan deferments	757,171	–
Deferred inflows of resources – pension plan deferments	(142,048,406)	(42,871,342)
Deferred inflows of resources – OPEB plan deferments	(3,337,704)	(2,867,142)
Deferred inflows of resources – delinquent property taxes	390,379	391,527
Total net position – governmental activities	<u>\$ (75,268,306)</u>	<u>\$ (110,079,093)</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	<u>General Fund</u>	<u>Capital Projects – Building Construction Fund</u>	<u>Debt Service Fund</u>
Revenue			
Local sources			
Property taxes	\$ 55,454,141	\$ –	\$ 12,093,120
Investment earnings	1,413,625	1,356,705	–
Other	3,950,187	–	–
State sources	100,246,377	–	9,794
Federal sources	3,535,550	–	–
Total revenue	<u>164,599,880</u>	<u>1,356,705</u>	<u>12,102,914</u>
Expenditures			
Current			
Administration	4,785,410	–	–
District support services	5,445,961	–	–
Elementary and secondary regular instruction	76,186,117	–	–
Vocational education instruction	3,043,470	–	–
Special education instruction	20,099,837	–	–
Instructional support services	16,158,133	–	–
Pupil support services	14,067,489	–	–
Sites and buildings	14,265,340	–	–
Fiscal and other fixed cost programs	541,321	–	–
Food service	–	–	–
Community service	–	–	–
Capital outlay	–	40,122,437	–
Debt service			
Principal	2,267,836	–	4,280,000
Interest and fiscal charges	340,602	–	7,596,592
Total expenditures	<u>157,201,516</u>	<u>40,122,437</u>	<u>11,876,592</u>
Excess (deficiency) of revenue over expenditures	7,398,364	(38,765,732)	226,322
Other financing sources (uses)			
Debt issued	–	–	–
Premium on debt issued	–	–	–
Capital lease issued	537,500	–	–
Transfers in	–	2,042,900	–
Transfers (out)	(2,042,900)	–	–
Total other financing sources (uses)	<u>(1,505,400)</u>	<u>2,042,900</u>	<u>–</u>
Net change in fund balances	5,892,964	(36,722,832)	226,322
Fund balances			
Beginning of year	<u>20,075,186</u>	<u>69,272,501</u>	<u>2,606,958</u>
End of year	<u>\$ 25,968,150</u>	<u>\$ 32,549,669</u>	<u>\$ 2,833,280</u>

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds	
	2019	2018
\$ 1,222,755	\$ 68,770,016	\$ 61,547,600
–	2,770,330	838,461
14,251,923	18,202,110	17,856,126
1,027,662	101,283,833	96,910,458
1,074,243	4,609,793	4,329,494
<u>17,576,583</u>	<u>195,636,082</u>	<u>181,482,139</u>
–	4,785,410	4,380,862
–	5,445,961	4,807,590
–	76,186,117	68,352,055
–	3,043,470	2,953,500
–	20,099,837	18,658,389
–	16,158,133	15,992,693
–	14,067,489	13,098,157
–	14,265,340	17,692,885
–	541,321	281,446
6,737,168	6,737,168	6,403,380
11,073,210	11,073,210	10,298,600
131,509	40,253,946	18,646,356
–	6,547,836	5,789,891
–	7,937,194	6,081,787
<u>17,941,887</u>	<u>227,142,432</u>	<u>193,437,591</u>
(365,304)	(31,506,350)	(11,955,452)
–	–	66,895,000
–	–	3,406,305
–	537,500	6,172,455
–	2,042,900	6,779,299
–	(2,042,900)	(6,779,299)
<u>–</u>	<u>537,500</u>	<u>76,473,760</u>
(365,304)	(30,968,850)	64,518,308
<u>2,932,833</u>	<u>94,887,478</u>	<u>30,369,170</u>
<u>\$ 2,567,529</u>	<u>\$ 63,918,628</u>	<u>\$ 94,887,478</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, 2019

(With Partial Comparative Information for the Year Ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Total net change in fund balances – governmental funds	\$ (30,968,850)	\$ 64,518,308
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	36,337,427	16,599,672
Depreciation expense	(7,900,803)	(7,829,966)
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.		
	(756)	(34,275)
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	(537,500)	(6,172,455)
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.		
	399,039	(816,142)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	4,280,000	2,945,000
Certificates of participation payable	775,000	755,000
Capital leases payable	1,492,836	2,089,891
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.		
	(37,537)	(929,701)
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.		
	418,112	(3,087,535)
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	161,176,262	49,942,442
Net OPEB liability	(3,136,938)	883,772
Compensated absences payable	(1,478)	(71,909)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	(28,592,424)	(47,684,781)
Deferred outflows of resources – OPEB plan deferments	757,171	–
Deferred inflows of resources – pension plan deferments	(99,177,064)	(38,343,769)
Deferred inflows of resources – OPEB plan deferments	(470,562)	(1,541,069)
Deferred inflows of resources – delinquent property taxes	(1,148)	(82,510)

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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, 2019

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Property taxes	\$ 53,530,815	\$ 55,573,715	\$ 55,454,141	\$ (119,574)
Investment earnings	1,500,000	1,500,000	1,413,625	(86,375)
Other	3,849,710	3,849,710	3,950,187	100,477
State sources	100,566,805	100,566,805	100,246,377	(320,428)
Federal sources	3,510,726	3,977,353	3,535,550	(441,803)
Total revenue	<u>162,958,056</u>	<u>165,467,583</u>	<u>164,599,880</u>	<u>(867,703)</u>
Expenditures				
Current				
Administration	4,570,993	4,670,993	4,785,410	114,417
District support services	5,123,383	5,395,610	5,445,961	50,351
Elementary and secondary regular instruction	72,913,099	76,085,785	76,186,117	100,332
Vocational education instruction	3,105,558	3,123,349	3,043,470	(79,879)
Special education instruction	21,103,874	20,379,060	20,099,837	(279,223)
Instructional support services	17,475,925	17,949,103	16,158,133	(1,790,970)
Pupil support services	14,892,073	14,935,478	14,067,489	(867,989)
Sites and buildings	19,006,285	19,087,285	14,265,340	(4,821,945)
Fiscal and other fixed cost programs	423,662	425,000	541,321	116,321
Debt service				
Principal	2,477,706	2,477,706	2,267,836	(209,870)
Interest and fiscal charges	351,866	351,866	340,602	(11,264)
Total expenditures	<u>161,444,424</u>	<u>164,881,235</u>	<u>157,201,516</u>	<u>(7,679,719)</u>
Excess of revenue over expenditures	1,513,632	586,348	7,398,364	6,812,016
Other financing sources (uses)				
Capital lease issued	—	—	537,500	537,500
Transfers (out)	(2,057,900)	(2,057,900)	(2,042,900)	15,000
Total other financing sources (uses)	<u>(2,057,900)</u>	<u>(2,057,900)</u>	<u>(1,505,400)</u>	<u>552,500</u>
Net change in fund balances	<u>\$ (544,268)</u>	<u>\$ (1,471,552)</u>	<u>5,892,964</u>	<u>\$ 7,364,516</u>
Fund balances				
Beginning of year			<u>20,075,186</u>	
End of year			<u>\$ 25,968,150</u>	

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	<u>2019</u>	<u>2018</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 3,837	\$ -
Investments	8,305,625	28,041,426
Due from other funds	1,458,699	1,312,211
Prepaid items	-	3,500
Total current assets	<u>9,768,161</u>	<u>29,357,137</u>
Deferred outflows of resources		
Pension plan deferments	273,181	-
Liabilities		
Current liabilities		
Accounts and contracts payable	7,719	7,151
Due to other funds	-	17,292,359
Claims incurred, but not reported	2,003,779	1,763,780
Severance benefits payable	310,261	318,797
Total current liabilities	<u>2,321,759</u>	<u>19,382,087</u>
Long-term liabilities		
Severance benefits payable	2,613,979	3,767,199
Total pension liability	4,582,297	6,069,186
Total long-term liabilities	<u>7,196,276</u>	<u>9,836,385</u>
Total liabilities	9,518,035	29,218,472
Deferred inflows of resources		
Pension plan deferments	86,378	100,775
Net position		
Unrestricted	<u>\$ 436,929</u>	<u>\$ 37,890</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Revenue, Expenses, and Changes in Net Position
 Internal Service Funds
 Year Ended June 30, 2019
 (With Partial Comparative Information for the Year Ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Operating revenue		
Charges for services	\$ 18,633,367	\$ 17,015,685
Operating expenses		
Dental benefit claims	1,432,895	1,379,610
Health benefit claims	18,220,640	16,516,897
Early retirement incentive and sick leave benefits	2,037,115	1,257,534
Total operating expenses	<u>21,690,650</u>	<u>19,154,041</u>
Operating income (loss)	(3,057,283)	(2,138,356)
Nonoperating revenue		
Investment earnings	<u>421,012</u>	<u>1,322,214</u>
Income (loss) before transfers and special item	(2,636,271)	(816,142)
Transfers in	908,207	-
Transfers (out)	(908,207)	-
Special item	<u>3,035,310</u>	<u>-</u>
Change in net position	399,039	(816,142)
Net position		
Beginning of year	<u>37,890</u>	<u>854,032</u>
End of year	<u>\$ 436,929</u>	<u>\$ 37,890</u>

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INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2019

(With Partial Comparative Information for the Year Ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Charges for services	\$ 18,486,879	\$ 15,703,474
Payments for health and dental claims	(19,409,468)	(17,899,516)
Payments for retirement benefits	<u>(1,938,028)</u>	<u>(1,078,066)</u>
Net cash flows from operating activities	(2,860,617)	(3,274,108)
Cash flows from noncapital financing activities		
Cash paid to other funds	(17,292,359)	3,274,108
Sale of investments	20,156,813	-
Transfers in	908,207	-
Transfers (out)	<u>(908,207)</u>	<u>-</u>
Net cash flows from noncapital financing activities	<u>2,864,454</u>	<u>3,274,108</u>
Net change in cash and cash equivalents	3,837	-
Cash and cash equivalents		
Beginning of year	<u>-</u>	<u>-</u>
End of year	<u>\$ 3,837</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$ (3,057,283)	\$ (2,138,356)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities		
Changes in assets		
Due from other funds	(146,488)	(1,312,211)
Prepaid items	3,500	(3,500)
Deferred outflows – pension deferments	(273,181)	-
Changes in liabilities and deferred inflows		
Accounts and contracts payable	568	491
Claims incurred, but not reported	239,999	-
Severance benefits payable	147,013	63,666
Total pension liability	239,652	15,027
Deferred inflows – pension deferments	<u>(14,397)</u>	<u>100,775</u>
Net cash flows from operating activities	<u>\$ (2,860,617)</u>	<u>\$ (3,274,108)</u>
Noncash from operating activities		
Special item	\$ 3,035,310	\$ -

See notes to basic financial statements

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INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Fiduciary Net Position
as of June 30, 2019

	Post-Employment Benefits Trust Fund	Private-Purpose Trust Fund
	<u> </u>	<u> </u>
Assets		
Cash and temporary investments	\$ –	\$ 289,283
Investments held by trustee, at fair value		
Mutual funds	32,877,738	–
Total assets	<u>32,877,738</u>	<u>289,283</u>
Liabilities		
Current liabilities		
Accounts and contracts payable	–	499
Due to other funds	356,000	–
Total liabilities	<u>356,000</u>	<u>499</u>
Net position		
Held in trust for employee benefits and other purposes	<u>\$ 32,521,738</u>	<u>\$ 288,784</u>

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2019

	Post-Employment Benefits Trust Fund	Private-Purpose Trust Fund
	<u> </u>	<u> </u>
Additions		
Contributions		
Private donations	\$ –	\$ 44,750
Investment earnings		
Total investment earnings	2,059,666	5,031
Less investment expense	110,633	–
Net investment earnings	<u>1,949,033</u>	<u>5,031</u>
Total additions	1,949,033	49,781
Deductions		
Other private-purpose deductions	–	45,200
Benefits to plan members	1,956,000	–
Total deductions	<u>1,956,000</u>	<u>45,200</u>
Change in net position	(6,967)	4,581
Net position		
Beginning of year	<u>32,528,705</u>	<u>284,203</u>
End of year	<u>\$ 32,521,738</u>	<u>\$ 288,784</u>

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

Notes to Basic Financial Statements
Year Ended June 30, 2019

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 Community Service Special Revenue Fund and the Capital Projects – Building Construction Fund exceeded budget appropriations by \$393,678 and \$9,749,537, 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, 2019, the District reported the following receivables due from other governmental units:

Due from the MDE	\$ 11,716,102
Due from other Minnesota school districts	206,070
Due from Hennepin County	<u>99,969</u>
Total due from other governmental units	<u><u>\$ 12,022,141</u></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 \$4,128,229 of the property tax levy collectible in 2019 as revenue to the District in fiscal year 2018–2019. The remaining portion of the taxes collectible in 2019 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

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

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
2018	\$ 1,763,780	\$ 16,805,452	\$ 16,805,452	\$ 1,763,780
2019	\$ 1,763,780	\$ 18,032,283	\$ 17,792,284	\$ 2,003,779

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, 2018, from which the summarized information was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

T. Special Item

During the year ended June 30, 2019, the District reported a special item for the elimination of certain severance and pension benefits through negotiations between the District and various unions representing district employees. The special item reported in these financial statements represents the decrease in the District's severance and pension liability reported in the Internal Service Fund.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

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

Deposits	\$ 683,455
Investments	136,317,140
	<hr/>
Total	\$ 137,000,595
	<hr/> <hr/>

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

Statement of Net Position	
Cash and temporary investments	\$ 103,447,101
Cash and investments held by trustee	386,473
Statement of Fiduciary Net Position	
Cash and temporary investments	
Private-Purpose Trust Fund	289,283
Investments held by trustee	
Post-Employment Benefits Trust Fund	32,877,738
	<hr/>
Total	\$ 137,000,595
	<hr/> <hr/>

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 \$683,455, while the balance on the bank records was \$620,833. At June 30, 2019, 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	Less than 1 year	\$ 9,164,077
U.S. agency securities	AA	S&P	Level 2	Less than 1 year	3,497,593
Life insurance contracts	Not Rated		N/A	N/A	31,551,622
Investment pools/mutual funds					
First American Government Obligation Fund	AAA	S&P	Level 2	N/A	657,907
Mutual funds – fixed income	Not Rated		Level 2	N/A	12,676,100
Mutual funds – equities	Not Rated		Level 2	N/A	19,543,731
MNTrust Investment Shares Portfolio	AAA	S&P	N/A	N/A	22,266,633
Minnesota School District Liquid Asset Fund	AAA	S&P	N/A	N/A	36,959,477
Total investments					<u>\$ 136,317,140</u>

N/A – Not Applicable

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

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

The MNTrust Investment Shares Portfolio and Minnesota School District Liquid Asset Fund (MSDLAF) 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 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, 2019 is as follows:

	Balance – Beginning of Year	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated					
Land	\$ 30,962,910	\$ 8,508,277	\$ –	\$ –	\$ 39,471,187
Construction in progress	5,429,746	27,157,793	–	(3,164,089)	29,423,450
Total capital assets, not depreciated	<u>36,392,656</u>	<u>35,666,070</u>	<u>–</u>	<u>(3,164,089)</u>	<u>68,894,637</u>
Capital assets, depreciated					
Land improvements	9,687,055	–	–	–	9,687,055
Buildings and improvements	270,212,175	18,988	–	3,164,089	273,395,252
Equipment and transportation vehicles	12,752,552	652,369	(139,633)	–	13,265,288
Food service equipment	1,140,612	–	–	–	1,140,612
Total capital assets, depreciated	<u>293,792,394</u>	<u>671,357</u>	<u>(139,633)</u>	<u>3,164,089</u>	<u>297,488,207</u>
Less accumulated depreciation for					
Land improvements	(7,595,929)	(303,960)	–	–	(7,899,889)
Buildings and improvements	(98,429,096)	(7,283,493)	–	–	(105,712,589)
Equipment and transportation vehicles	(11,436,128)	(256,768)	138,877	–	(11,554,019)
Food service equipment	(725,823)	(56,582)	–	–	(782,405)
Total accumulated depreciation	<u>(118,186,976)</u>	<u>(7,900,803)</u>	<u>138,877</u>	<u>–</u>	<u>(125,948,902)</u>
Net capital assets, depreciated	<u>175,605,418</u>	<u>(7,229,446)</u>	<u>(756)</u>	<u>3,164,089</u>	<u>171,539,305</u>
Total capital assets, net	<u>\$ 211,998,074</u>	<u>\$ 28,436,624</u>	<u>\$ (756)</u>	<u>\$ –</u>	<u>\$ 240,433,942</u>

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

Administration	\$ 16,359
Elementary and secondary regular instruction	4,349,163
Instructional support services	46,552
Sites and buildings	3,437,125
Food service	<u>51,604</u>
Total depreciation expense	<u>\$ 7,900,803</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					
Capital facilities bonds	04/15/2010	2.00–3.00%	\$ 5,000,000	02/01/2020	\$ 555,000
Alternative facilities bonds	05/02/2012	2.00–3.00%	\$ 15,800,000	02/01/2024	12,425,000
School building bonds	05/22/2014	1.50–4.00%	\$ 109,645,000	02/01/2035	108,610,000
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	915,000
School building bonds	02/15/2018	3.00–5.00%	\$ 66,895,000	02/01/2038	66,215,000
Total general obligation bonds payable					<u>\$ 215,880,000</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
2013A Certificates of Participation	02/27/2013	2.00–2.60%	\$ 9,980,000	10/01/2027	\$ 6,225,000

This certificate of participation was issued to finance construction of capital facilities. Scheduled future ad valorem lease obligation tax levies will be made to finance the retirement of principal and interest payments on the certificate. This certificate of participation is 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 ranging from 1.49–1.69 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 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, 2019 was \$498,250. 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, 2019 was \$150,900. The lease is being paid through the General Fund.

The District entered into a capital lease agreement to finance the purchase of a web filter. This lease has an effective interest rate of 4.27 percent, and calls for annual principal and interest payments through July 15, 2020. The leased assets were recorded in equipment at \$143,550, and total accumulated depreciation on these assets at June 30, 2019 was \$23,925. 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, 2019:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Defined benefit plans				
State-wide, multiple-employer – PERA	\$ 20,620,393	\$ 4,663,233	\$ 5,031,686	\$ 837,820
State-wide, multiple-employer – TRA	76,194,035	108,260,220	137,016,720	(31,442,152)
Single-employer – District	4,582,297	273,181	86,378	(1,279,011)
Defined contribution plan				
Single-employer – District	–	–	–	259,264
Total	<u>\$ 101,396,725</u>	<u>\$ 113,196,634</u>	<u>\$ 142,134,784</u>	<u>\$ (31,624,079)</u>

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
2020	\$ 5,315,000	\$ 7,564,363	\$ 635,000	\$ 130,270	\$ 1,249,850	\$ 178,812
2021	6,110,000	7,443,113	645,000	117,470	888,818	153,380
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	9,375,000	6,673,413	690,000	77,075	759,300	99,566
2025–2029	59,740,000	27,772,913	2,920,000	146,625	2,673,814	269,796
2030–2034	72,130,000	15,830,200	–	–	1,179,220	46,655
2035–2038	47,820,000	3,641,206	–	–	–	–
	<u>\$ 215,880,000</u>	<u>\$ 83,123,534</u>	<u>\$ 6,225,000</u>	<u>\$ 666,930</u>	<u>\$ 8,219,307</u>	<u>\$ 997,636</u>

F. Changes in Long-Term Liabilities

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
General obligation bonds payable	\$ 220,160,000	\$ –	\$ 4,280,000	\$ 215,880,000	\$ 5,315,000
Certificates of participation payable	7,000,000	–	775,000	6,225,000	635,000
Unamortized premium	6,208,464	–	418,112	5,790,352	–
Total bonds payable	<u>233,368,464</u>	<u>–</u>	<u>5,473,112</u>	<u>227,895,352</u>	<u>5,950,000</u>
Capital leases payable	9,174,643	537,500	1,492,836	8,219,307	1,249,850
Net pension liability	264,059,876	9,789,497	172,452,648	101,396,725	–
Net OPEB liability	8,752,144	3,136,938	–	11,889,082	–
Severance benefits payable	4,085,996	668,497	1,830,253	2,924,240	310,261
Compensated absences payable	692,212	1,345,386	1,343,908	693,690	693,690
	<u>\$ 520,133,335</u>	<u>\$ 15,477,818</u>	<u>\$ 182,592,757</u>	<u>\$ 353,018,396</u>	<u>\$ 8,203,801</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, 2019, 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
Nonspendable					
Inventory	\$ 155,912	\$ –	\$ –	\$ 63,750	\$ 219,662
Prepaid items	160,487	19,169	–	24,080	203,736
Total nonspendable	<u>316,399</u>	<u>19,169</u>	<u>–</u>	<u>87,830</u>	<u>423,398</u>
Restricted					
Staff development	601,110	–	–	–	601,110
Capital projects levy	2,123,511	–	–	–	2,123,511
Operating capital	3,654,931	–	–	–	3,654,931
Long-term facilities maintenance	921,418	–	–	–	921,418
Medical Assistance	299,731	–	–	–	299,731
Capital projects	–	33,749,841	–	–	33,749,841
Debt service	–	–	2,833,280	–	2,833,280
Food service	–	–	–	515,836	515,836
Community education programs	–	–	–	919,607	919,607
Early childhood family education programs	–	–	–	344,805	344,805
School readiness	–	–	–	13,469	13,469
Community service	–	–	–	685,982	685,982
Total restricted	<u>7,600,701</u>	<u>33,749,841</u>	<u>2,833,280</u>	<u>2,479,699</u>	<u>46,663,521</u>
Assigned					
Local collaborative time study	207,392	–	–	–	207,392
Reemployment insurance	29,280	–	–	–	29,280
Site carryover	1,007,252	–	–	–	1,007,252
Q compensation	65,290	–	–	–	65,290
School opening costs	695,305	–	–	–	695,305
Workers’ compensation escrow	344,046	–	–	–	344,046
Post-employment obligations	2,156,636	–	–	–	2,156,636
Subsequent year budget	864,093	–	–	–	864,093
Total assigned	<u>5,369,294</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>5,369,294</u>
Unassigned					
Long-term facilities maintenance restricted account deficit	–	(1,219,341)	–	–	(1,219,341)
Unassigned	12,681,756	–	–	–	12,681,756
Total unassigned	<u>12,681,756</u>	<u>(1,219,341)</u>	<u>–</u>	<u>–</u>	<u>11,462,415</u>
Total	<u>\$ 25,968,150</u>	<u>\$ 32,549,669</u>	<u>\$ 2,833,280</u>	<u>\$ 2,567,529</u>	<u>\$ 63,918,628</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, 2019, the unassigned fund balance of the General Fund, excluding restricted account deficits, was 8.1 percent of fiscal 2019 expenditures.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

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

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

2. Teachers Retirement Association (TRA)

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

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those employed by St. Paul Public Schools or Minnesota State Colleges and Universities (MnSCU)). Educators first hired by MnSCU may elect either TRA coverage or coverage through Minnesota State's Individual Retirement Account Plan within one year of eligible employment.

B. Benefits Provided

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

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

1. GERF Benefits

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

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

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

2. 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
Basic Plan	
First 10 years of service	2.2 %
All years after	2.7 %
Coordinated Plan	
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 benefit calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed age 66.

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

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2019 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District’s contributions to the GERF for the year ended June 30, 2019, were \$1,957,080. 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		2019	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic Plan	11.00 %	11.50 %	11.00 %	11.50 %	11.00 %	11.71 %
Coordinated Plan	7.50 %	7.50 %	7.50 %	7.50 %	7.50 %	7.71 %

The District’s contributions to the TRA for the plan’s fiscal year ended June 30, 2019, were \$5,687,795. 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	\$ 378,728
Add employer contributions not related to future contribution efforts	522
Deduct the TRA’s contributions not included in allocation	<u>(471)</u>
Total employer contributions	378,779
Total nonemployer contributions	<u>35,588</u>
Total contributions reported in the Schedule of Employer and Nonemployer Pension Allocations	<u>\$ 414,367</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, 2019, the District reported a liability of \$20,620,393 for its proportionate share of the GERF’s net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of the PERA’s participating employers. The District’s proportionate share was 0.3717 percent at the end of the measurement period and 0.3681 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 \$16 million. The state of Minnesota is considered a nonemployer contributing entity and the state’s contribution meets the definition of a special funding situation. The amounts recognized by the District as its proportionate share of the net pension liability, the direct aid, and total portion of the net pension liability that was associated with the District were as follows:

District’s proportionate share of the net pension liability	\$ 20,620,393
State’s proportionate share of the net pension liability associated with the District	\$ 676,399

For the year ended June 30, 2019, the District recognized pension expense of \$680,085 for its proportionate share of the GERF’s pension expense. In addition, the District recognized an additional \$157,735 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota’s contribution of \$16 million to the GERF.

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 540,738	\$ 593,642
Changes in actuarial assumptions	1,944,332	2,301,559
Differences between projected and actual investment earnings	–	2,109,277
Changes in proportion	221,083	27,208
District’s contributions to the GERF subsequent to the measurement date	<u>1,957,080</u>	<u>–</u>
Total	<u>\$ 4,663,233</u>	<u>\$ 5,031,686</u>

A total of \$1,957,080 reported as deferred outflows of resources related to pensions resulting from district contributions to the GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to the GERF pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2020	\$ 743,436
2021	\$ (1,032,629)
2022	\$ (1,605,959)
2023	\$ (430,381)

2. TRA Pension Costs

At June 30, 2019, the District reported a liability of \$76,194,035 for its proportionate share of the TRA’s net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions to the 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 1.2131 percent at the end of the measurement period and 1.1747 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	\$ 76,194,035
State’s proportionate share of the net pension liability associated with the District	\$ 7,158,801

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

For the year ended June 30, 2019, the District recognized negative pension expense of \$26,445,787. It also recognized \$4,996,365 as a decrease to pension expense (and grant revenue) for the support provided by direct aid.

At June 30, 2019, 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	\$ 824,057	\$ 1,493,480
Changes in actuarial assumptions	93,937,092	129,061,244
Difference between projected and actual investment earnings	–	5,963,585
Changes in proportion	7,811,276	498,411
District’s contributions to the TRA subsequent to the measurement date	<u>5,687,795</u>	<u>–</u>
Total	<u><u>\$ 108,260,220</u></u>	<u><u>\$ 137,016,720</u></u>

A total of \$5,687,795 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, 2020. 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
2020	\$ 7,887,765
2021	\$ 4,048,963
2022	\$ 270,315
2023	\$ (27,337,116)
2024	\$ (19,314,222)

E. Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

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

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP-2014 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for the GERP and 1.00 percent for January 2019 through January 2023, then increasing by 0.10 percent each year up to 1.50 percent annually for the TRA.

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

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

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

1. GERF

CHANGES IN ACTUARIAL ASSUMPTIONS

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

CHANGES IN PLAN PROVISIONS

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

2. TRA

CHANGES IN ACTUARIAL ASSUMPTIONS

- The cost of living adjustment (COLA) was reduced from 2.00 percent each January 1 to 1.00 percent, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.10 percent each year until reaching the ultimate rate of 1.50 percent in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.

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

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

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

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

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

F. Discount Rate

1. GERF

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the 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.

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

2. TRA

The discount rate used to measure the total pension liability was 7.50 percent. This is an increase from the discount rate at the prior measurement date of 5.12 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2018 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate.

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	\$ 33,510,777	\$ 20,620,393	\$ 9,979,747
TRA discount rate	6.50%	7.50%	8.50%
District’s proportionate share of the TRA net pension liability	\$ 120,919,624	\$ 76,194,035	\$ 39,295,718

H. Pension Plan Fiduciary Net Position

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

Detailed information about the TRA’s fiduciary net position is available in a separately issued TRA financial report. That report can be obtained on the TRA website 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 Step 5, 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 15 years of service, hired before June 30, 2018, and at least 55 years of age, the District pays a pension benefit equal to 80 days' pay (or 100 days' pay for secretaries and paraprofessionals with 20 years of service).

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 June 30, 2018, 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), hired before July 1, 2004, 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 488 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, 2018 and measurement date as of June 30, 2019, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.10%
20-year municipal bond yield	3.10%
Inflation rate	2.50%
Salary increases	3.00%

Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale. The actuarial assumptions used in the 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 3.10 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 3.50 percent.

F. Changes in the Total Pension Liability

	<u>Total Pension Liability</u>
Beginning balance – July 1, 2018	\$ 6,069,186
Changes for the year	
Service cost	211,666
Interest	211,234
Assumption changes	56,141
Plan changes	(1,726,541)
Differences between expected and actual experience	256,067
Benefit payments	(495,456)
Total net changes	<u>(1,486,889)</u>
Ending balance – June 30, 2019	<u>\$ 4,582,297</u>

Assumption changes since the prior measurement date include the following:

- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The discount rate was changed from 3.50 percent to 3.10 percent.

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

Plan changes since the prior measurement date include the following:

- A sunset date of June 30, 2018 was added for custodians, food service employees, paraprofessionals, secretaries, and support staff. Only employees hired before this date are eligible for GASB 73 benefits.
- Secretaries and paraprofessionals with 15 years of service no longer need to retire by June 30, 2018 in order to receive a GASB 73 benefit.
- GASB 73 benefits were only valued for teachers who attained Step 5 or greater by July 1, 1998. Previously all teachers hired by July 1, 1998 were assumed to receive a GASB 73 benefit.

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	2.10%	3.10%	4.10%
Total pension liability	\$ 4,742,458	\$ 4,582,297	\$ 4,422,818

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

For the current year ended, the District recognized negative pension expense of \$1,279,011. 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>
Differences between expected and actual economic experience	\$ 224,058	\$ –
Changes in actuarial assumptions	<u>49,123</u>	<u>86,378</u>
Total	<u>\$ 273,181</u>	<u>\$ 86,378</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>
2020	\$ 24,630
2021	\$ 24,630
2022	\$ 24,630
2023	\$ 24,630
2024	\$ 24,630
Thereafter	\$ 63,653

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. 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, 2019, there were 26 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, 2019 were \$259,264, 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	227
Active plan members	<u>1,468</u>
Total members	<u><u>1,695</u></u>

E. Net OPEB Liability of the District

The District’s net OPEB liability was measured as of June 30, 2019, 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	\$ 44,410,820
Plan fiduciary net position	<u>(32,521,738)</u>
District’s net OPEB liability	<u><u>\$ 11,889,082</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>73.2%</u></u>

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.70%
Expected long-term investment return	5.10% (net of investment expenses)
20-year municipal bond yield	3.10%
Inflation rate	2.50%
Salary increases	3.00%
Medical trend rate	6.50% in 2018, 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-2017 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 %	6.30 %
International equity	21.00	6.50 %
Fixed income	36.00	3.40 %
Cash	<u>4.00</u>	1.00 %
Total	<u>100.00 %</u>	5.10 %

G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 6.0 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 3.70 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 3.90 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, 2018	\$ 41,280,849	\$ 32,528,705	\$ 8,752,144
Changes for the year			
Service cost	2,693,689	–	2,693,689
Interest	1,677,230	–	1,677,230
Assumption changes	851,818	–	851,818
Plan changes	871,345	–	871,345
Projected investment return	–	1,648,705	(1,648,705)
Difference between expected and actual experience	(1,008,111)	300,328	(1,308,439)
Benefit payments – paid through trust	(1,956,000)	(1,956,000)	–
Total net changes	<u>3,129,971</u>	<u>(6,967)</u>	<u>3,136,938</u>
Ending balance – June 30, 2019	<u>\$ 44,410,820</u>	<u>\$ 32,521,738</u>	<u>\$ 11,889,082</u>

Assumption changes since the prior measurement date include the following:

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The expected long-term investment return was changed from 4.50 percent to 5.10 percent.
- The discount rate was changed from 3.90 percent to 3.70 percent.

Plan changes since the prior measurement date include the following:

- A sunset date of June 30, 2018 was added for custodians, food service employees, Home Base site managers, paraprofessionals, secretaries, specialists, and support staff. Only employees hired before this date are eligible for GASB 75 post-employment subsidies.
- The teachers’ limits on post-employment medical subsidies were increased from \$920 to \$980 per month for employees and an additional increase of \$490 to \$540 per month for spouses.
- Post-employment subsidies were changed for Home Base site managers, specialists, and support staff. They now receive \$1,000 per month toward medical insurance and up to \$120 per month toward dental insurance (with the exception of Home Base site managers who will receive full single dental premiums while retired) payable from retirement until age 65, but calculated at retirement and paid as a lump sum to a Healthcare Savings Plan.

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	2.70%	3.70%	4.70%
Net OPEB liability	\$ 15,186,802	\$ 11,889,082	\$ 8,775,874

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:

	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
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	\$ 8,953,364	\$ 11,889,082	\$ 15,250,987

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 \$2,850,438. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ –	\$ 896,098
Changes in actuarial assumptions	757,171	937,083
Differences between projected and actual investment earnings	–	1,504,523
Total	<u>\$ 757,171</u>	<u>\$ 3,337,704</u>

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

Year Ending June 30,	OPEB Expense Amount
2020	\$ (743,230)
2021	\$ (743,227)
2022	\$ (411,707)
2023	\$ (211,299)
2024	\$ (151,235)
Thereafter	\$ (319,835)

NOTE 10 – DEFINED CONTRIBUTION OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

On July 1, 2018, the District established a single-employer defined contribution OPEB plan administered by the District. The plan is offered to all administrators. 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 three 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.

NOTE 10 – DEFINED CONTRIBUTION OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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. All employer contributions are tax deferred until the time of withdrawal. At June 30, 2019, there were 21 active plan participants. The District has not established a trust fund to finance these OPEB benefits.

Total contributions made by the District during the fiscal year ended June 30, 2019 were \$709,857, which is equal to the required contributions and has been recognized as OPEB expense in the Early Retirement Accounts Internal Service Fund.

NOTE 11 – 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 12 – INTERFUND BALANCES AND TRANSACTIONS

A. Interfund Receivables and Payables

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

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 356,000	\$ 1,458,699
Internal Service Fund	1,458,699	–
Post-Employment Benefits Trust Fund	<u>–</u>	<u>356,000</u>
	<u>\$ 1,814,699</u>	<u>\$ 1,814,699</u>

As of June 30, 2019, the District had an interfund receivable in the General Fund of \$356,000 due from the Post-Employment Benefits Trust Fund to reimburse post-employment benefit costs.

NOTE 12 – INTERFUND BALANCES AND TRANSACTIONS (CONTINUED)

As of June 30, 2019, the District's Internal Service Fund had an interfund receivable of \$1,458,699 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.

B. Interfund Transfers

The General Fund transferred \$2,042,900 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 Self-Insurance Internal Service Fund transferred \$908,207 to the Early Retirement Internal Service Fund to allocate District contributions to the appropriate fund.

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

NOTE 13 – 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
2020	\$ 1,144,113
2021	1,156,197
2022	1,062,164
2023	967,832
2024	954,938
2025–2028	1,370,103
	<u>\$ 6,655,347</u>

Expenditures under the operating leases for the year ended June 30, 2019 were \$932,231.

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, 2019, the District had commitments totaling \$18,929,034 under various construction contracts for which the work was not yet completed.

NOTE 14 – SUBSEQUENT EVENTS

A. General Obligation Bonds

In November 2019, the District issued \$7,455,000 of General Obligation Tax Abatement Bonds, Series 2019A. The bonds bear a true interest cost of 1.99 percent.

B. Certificates of Participation

In November 2019, the District issued \$17,000,000 of Certificates of Participation, Series 2019B. The certificates bear a true interest cost of 2.47 percent.

C. Capital Leases

In July 2019, the District entered into a capital lease for technology equipment totaling \$1,824,796 with an interest rate of 0.89 percent and payments over three years. The lease matures in July 2021.

D. Land Sale

In August 2019, the District sold certain real property at a sales price of \$6,251,000.

NOTE 15 – GASB STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 84, *Fiduciary Activities*, 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 MDE has also issued guidance for implementing this standard, which will impact the reporting of extracurricular student activity accounts previously not under School Board control, beginning in the 2019–2020 fiscal year. This new guidance provided by the MDE will require the activities currently presented separately in this financial statement to be operated under School Board control and reported as part of the District’s General Fund for the year ending June 30, 2020.

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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, 2019

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	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%
06/30/2019	06/30/2018	0.3717%	\$ 20,620,393	\$ 676,399	\$ 21,296,792	\$ 24,982,890	82.54%	79.50%

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

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 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%
06/30/2019	\$ 1,957,080	\$ 1,957,080	\$ -	\$ 26,067,142	7.51%

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, 2019

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%
06/30/2019	06/30/2018	1.2131%	\$ 76,194,035	\$ 7,158,801	\$ 83,352,836	\$ 66,998,054	113.73%	78.07%

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

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 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%
06/30/2019	\$ 5,687,795	\$ 5,687,795	\$ -	\$ 73,710,617	7.72%

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 Total
 Pension Liability and Related Ratios
 Year Ended June 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability			
Service cost	\$ 211,666	\$ 235,778	\$ 252,269
Interest	211,234	178,321	177,900
Assumption changes	56,141	(115,172)	-
Plan changes	(1,726,541)	-	-
Difference between expected and actual experience	256,067	-	-
Benefit payments	<u>(495,456)</u>	<u>(283,900)</u>	<u>(512,772)</u>
Net change in total pension liability	(1,486,889)	15,027	(82,603)
Total pension liability – beginning of year	<u>6,069,186</u>	<u>6,054,159</u>	<u>6,136,762</u>
Total pension liability – end of year	<u>\$ 4,582,297</u>	<u>\$ 6,069,186</u>	<u>\$ 6,054,159</u>
Covered-employee payroll	<u>\$ 19,728,311</u>	<u>\$ 28,844,944</u>	<u>\$ 28,004,800</u>
Total pension liability as a percentage of covered-employee payroll	<u>23.23%</u>	<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, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability			
Service cost	\$ 2,693,689	\$ 2,390,402	\$ 2,551,063
Interest	1,677,230	1,513,499	1,454,492
Assumption changes	851,818	(1,204,821)	-
Plan changes	871,345	(1,097,125)	-
Difference between expected and actual experience	(1,008,111)	-	-
Benefit payments	<u>(1,956,000)</u>	<u>(2,327,031)</u>	<u>(1,993,798)</u>
Net change in total OPEB liability	3,129,971	(725,076)	2,011,757
Total OPEB liability – beginning of year	<u>41,280,849</u>	<u>42,005,925</u>	<u>39,994,168</u>
Total OPEB liability – end of year	44,410,820	41,280,849	42,005,925
Plan fiduciary net position			
Contributions – employer	-	27,031	293,798
Projected investment earnings	1,648,705	1,456,650	1,366,041
Differences between expected and actual experience	300,328	1,002,046	1,657,592
Benefit payments	<u>(1,956,000)</u>	<u>(2,327,031)</u>	<u>(1,993,798)</u>
Net change in plan fiduciary net position	(6,967)	158,696	1,323,633
Plan fiduciary net position – beginning of year	<u>32,528,705</u>	<u>32,370,009</u>	<u>31,046,376</u>
Plan fiduciary net position – end of year	<u>32,521,738</u>	<u>32,528,705</u>	<u>32,370,009</u>
Net OPEB liability	<u>\$ 11,889,082</u>	<u>\$ 8,752,144</u>	<u>\$ 9,635,916</u>
Fiduciary net position as a percentage of the total OPEB liability	<u>73.23%</u>	<u>78.80%</u>	<u>77.06%</u>
Covered-employee payroll	<u>\$ 91,067,372</u>	<u>\$ 84,803,404</u>	<u>\$ 82,333,402</u>
Net OPEB liability as a percentage of covered-employee payroll	<u>13.06%</u>	<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, 2019

<u>Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2017	9.7%
2018	7.6%
2019	6.0%

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

Notes to Required Supplementary Information
June 30, 2019

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN PLAN PROVISIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA)

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The COLA was assumed to increase from 2.00 percent annually to 2.50 percent annually on July 1, 2045.
- The COLA was not assumed to increase to 2.50 percent, but remain at 2.00 percent for all future years.
- Adjustments were made to the CSA loads. The active load was reduced from 1.40 percent to zero percent, the vested inactive load increased from 4.00 percent to 7.00 percent, and the nonvested inactive load increased from 4.00 percent to 9.00 percent.
- The investment return assumption was changed from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 2.75 percent to 2.50 percent.
- The payroll growth assumption was lowered from 3.50 percent to 3.00 percent.

INDEPENDENT SCHOOL DISTRICT NO. 284

Notes to Required Supplementary Information (continued)
June 30, 2019

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

- 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.

INDEPENDENT SCHOOL DISTRICT NO. 284

Notes to Required Supplementary Information (continued)
June 30, 2019

PENSION BENEFITS PLAN

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality tables were updated from RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The discount rate was changed from 3.50 percent to 3.10 percent.

2019 CHANGES IN PLAN PROVISIONS

- A sunset date of June 30, 2018 was added for custodians, food service employees, paraprofessionals, secretaries, and support staff. Only employees hired before this date are eligible for GASB 73 benefits.
- Secretaries and paraprofessionals with 15 years of service no longer need to retire by June 30, 2018 in order to receive a GASB 73 benefit.
- GASB 73 benefits were only valued for teachers who attained Step 5 or greater by July 1, 1998. Previously, all teachers hired by July 1, 1998 were assumed to receive a GASB 73 benefit.

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The expected long-term investment return was changed from 4.50 percent to 5.10 percent.
- The discount rate was changed from 3.90 percent to 3.70 percent.

2019 CHANGES IN PLAN PROVISIONS

- A sunset date of June 30, 2018 was added for custodians, food service employees, Home Base site managers, paraprofessionals, secretaries, specialists, and support staff. Only employees hired before this date are eligible for GASB 75 post-employment subsidies.
- The teachers' limits on post-employment medical subsidies were increased from \$920 to \$980 per month for employees and an additional increase of \$490 to \$540 per month for spouses.
- Post-employment subsidies were changed for Home Base site managers, specialists, and support staff. They now receive \$1,000 per month toward medical insurance and up to \$120 per month toward dental insurance (with the exception of Home Base site managers who will receive full single dental premiums while retired) payable from retirement until age 65, but calculated at retirement and paid as a lump sum to a Healthcare Savings 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 Healthcare Savings Plan within 60 days of retirement.

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

2018 CHANGES IN PLAN PROVISIONS (CONTINUED)

- 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.

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 50.00 percent to 10.00 percent for part-time custodians, food service employees, and paraprofessionals.

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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, 2019

	Special Revenue Funds		Total
	Food Service	Community Service	
Assets			
Cash and temporary investments	\$ 812,933	\$ 3,005,145	\$ 3,818,078
Receivables			
Current taxes	–	760,338	760,338
Delinquent taxes	–	6,658	6,658
Accounts and interest	–	58,007	58,007
Due from other governmental units	6,566	242,343	248,909
Inventory	63,750	–	63,750
Prepaid items	5,425	18,655	24,080
Total assets	\$ 888,674	\$ 4,091,146	\$ 4,979,820
Liabilities			
Salaries payable	\$ 14,001	\$ 261,947	\$ 275,948
Accounts and contracts payable	6,255	61,369	67,624
Unearned revenue	283,407	241,426	524,833
Total liabilities	303,663	564,742	868,405
Deferred inflows of resources			
Property taxes levied for subsequent year	–	1,536,533	1,536,533
Unavailable revenue – delinquent taxes	–	7,353	7,353
Total deferred inflows of resources	–	1,543,886	1,543,886
Fund balances			
Nonspendable for inventory	63,750	–	63,750
Nonspendable for prepaid items	5,425	18,655	24,080
Restricted	515,836	1,963,863	2,479,699
Total fund balances	585,011	1,982,518	2,567,529
Total liabilities, deferred inflows of resources, and fund balances	\$ 888,674	\$ 4,091,146	\$ 4,979,820

INDEPENDENT SCHOOL DISTRICT NO. 284

Nonmajor Governmental Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended June 30, 2019

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>Food Service</u>	<u>Community Service</u>	
Revenue			
Local sources			
Property taxes	\$ -	\$ 1,222,755	\$ 1,222,755
Other	5,318,392	8,933,531	14,251,923
State sources	149,810	877,852	1,027,662
Federal sources	1,074,243	-	1,074,243
Total revenue	<u>6,542,445</u>	<u>11,034,138</u>	<u>17,576,583</u>
Expenditures			
Current			
Food service	6,737,168	-	6,737,168
Community service	-	11,073,210	11,073,210
Capital outlay	36,530	94,979	131,509
Total expenditures	<u>6,773,698</u>	<u>11,168,189</u>	<u>17,941,887</u>
Net change in fund balances	(231,253)	(134,051)	(365,304)
Fund balances			
Beginning of year	<u>816,264</u>	<u>2,116,569</u>	<u>2,932,833</u>
End of year	<u>\$ 585,011</u>	<u>\$ 1,982,518</u>	<u>\$ 2,567,529</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund
Comparative Balance Sheet
as of June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and temporary investments	\$ 44,448,547	\$ 23,697,735
Cash and investments held by trustee	356,046	647,457
Receivables		
Current taxes	29,036,938	24,332,223
Delinquent taxes	286,940	147,210
Accounts and interest	117,396	164,385
Due from other governmental units	11,772,392	11,159,077
Due from other funds	356,000	17,792,359
Inventory	155,912	157,337
Prepaid items	160,487	129,748
	<u> </u>	<u> </u>
Total assets	<u>\$ 86,690,658</u>	<u>\$ 78,227,531</u>
Liabilities		
Salaries payable	\$ 346,205	\$ 251,151
Accounts and contracts payable	3,117,689	4,489,795
Due to other governmental units	839,540	486,939
Due to other funds	1,458,699	1,312,211
Unearned revenue	103,420	104,161
	<u> </u>	<u> </u>
Total liabilities	5,865,553	6,644,257
Deferred inflows of resources		
Property taxes levied for subsequent year	54,552,640	51,211,252
Unavailable revenue – delinquent taxes	304,315	296,836
	<u> </u>	<u> </u>
Total deferred inflows of resources	54,856,955	51,508,088
Fund balances (deficits)		
Nonspendable for inventory	155,912	157,337
Nonspendable for prepaid items	160,487	129,748
Restricted for staff development	601,110	406,318
Restricted for capital projects levy	2,123,511	1,473,848
Restricted for operating capital	3,654,931	3,433,797
Restricted for long-term facilities maintenance	921,418	–
Restricted for Medical Assistance	299,731	456,731
Assigned for local collaborative time study	207,392	272,227
Assigned for reemployment insurance	29,280	36,830
Assigned for site carryover	1,007,252	1,036,415
Assigned for Q compensation	65,290	85,605
Assigned for school opening costs	695,305	945,305
Assigned for workers' compensation escrow	344,046	635,457
Assigned for post-employment obligations	2,156,636	2,156,636
Assigned for subsequent year budget	864,093	544,268
Unassigned – long-term facilities maintenance restricted account deficit	–	(3,790,816)
Unassigned	12,681,756	12,095,480
	<u> </u>	<u> </u>
Total fund balances	25,968,150	20,075,186
	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 86,690,658</u>	<u>\$ 78,227,531</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2019
 (With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019		Over (Under) Budget	2018
	Budget	Actual		Actual
Revenue				
Local sources				
Property taxes	\$ 55,573,715	\$ 55,454,141	\$ (119,574)	\$ 52,199,508
Investment earnings	1,500,000	1,413,625	(86,375)	299,096
Other	3,849,710	3,950,187	100,477	4,334,482
State sources	100,566,805	100,246,377	(320,428)	96,007,968
Federal sources	3,977,353	3,535,550	(441,803)	3,271,185
Total revenue	165,467,583	164,599,880	(867,703)	156,112,239
Expenditures				
Current				
Administration				
Salaries	3,345,278	3,417,483	72,205	3,181,073
Employee benefits	1,069,986	1,125,136	55,150	986,698
Purchased services	150,767	131,918	(18,849)	119,213
Supplies and materials	43,427	49,298	5,871	43,005
Capital expenditures	10,775	20,386	9,611	8,476
Other expenditures	50,760	41,189	(9,571)	42,397
Total administration	4,670,993	4,785,410	114,417	4,380,862
District support services				
Salaries	2,939,718	3,052,169	112,451	2,725,278
Employee benefits	469,708	808,899	339,191	485,143
Purchased services	1,309,414	1,286,790	(22,624)	1,334,976
Supplies and materials	550,164	274,147	(276,017)	235,646
Capital expenditures	116,656	9,684	(106,972)	17,379
Other expenditures	9,950	14,272	4,322	9,168
Total district support services	5,395,610	5,445,961	50,351	4,807,590
Elementary and secondary regular instruction				
Salaries	53,530,298	53,070,033	(460,265)	48,762,088
Employee benefits	15,639,706	16,074,932	435,226	14,030,876
Purchased services	2,596,653	3,009,425	412,772	2,988,381
Supplies and materials	2,618,620	2,148,252	(470,368)	1,613,605
Capital expenditures	1,619,777	1,374,328	(245,449)	431,250
Other expenditures	80,731	509,147	428,416	525,855
Total elementary and secondary regular instruction	76,085,785	76,186,117	100,332	68,352,055

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual (continued)
 Year Ended June 30, 2019
 (With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019		Over (Under) Budget	2018
	Budget	Actual		Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	1,695,398	1,719,211	23,813	1,680,372
Employee benefits	600,571	580,554	(20,017)	537,467
Purchased services	764,966	696,094	(68,872)	678,692
Supplies and materials	23,914	25,904	1,990	23,831
Capital expenditures	12,000	1,394	(10,606)	13,017
Other expenditures	26,500	20,313	(6,187)	20,121
Total vocational education instruction	3,123,349	3,043,470	(79,879)	2,953,500
Special education instruction				
Salaries	14,383,004	14,187,504	(195,500)	12,853,353
Employee benefits	4,947,900	4,915,777	(32,123)	4,512,955
Purchased services	776,917	623,531	(153,386)	1,047,596
Supplies and materials	106,039	209,576	103,537	90,978
Capital expenditures	27,000	12,449	(14,551)	6,182
Other expenditures	138,200	151,000	12,800	147,325
Total special education instruction	20,379,060	20,099,837	(279,223)	18,658,389
Instructional support services				
Salaries	9,187,737	9,269,886	82,149	8,500,917
Employee benefits	2,857,430	2,789,929	(67,501)	3,337,356
Purchased services	2,034,281	976,187	(1,058,094)	820,499
Supplies and materials	1,867,111	1,515,766	(351,345)	1,415,102
Capital expenditures	1,984,478	1,579,533	(404,945)	1,890,923
Other expenditures	18,066	26,832	8,766	27,896
Total instructional support services	17,949,103	16,158,133	(1,790,970)	15,992,693
Pupil support services				
Salaries	2,597,213	2,628,776	31,563	2,863,576
Employee benefits	659,434	987,366	327,932	995,401
Purchased services	11,300,653	10,108,356	(1,192,297)	8,921,342
Supplies and materials	343,328	324,142	(19,186)	306,912
Capital expenditures	33,850	17,555	(16,295)	9,997
Other expenditures	1,000	1,294	294	929
Total pupil support services	14,935,478	14,067,489	(867,989)	13,098,157

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual (continued)
 Year Ended June 30, 2019
 (With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019		2018	
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	5,158,951	5,050,786	(108,165)	4,965,542
Employee benefits	2,038,173	2,006,656	(31,517)	1,721,448
Purchased services	3,907,104	3,756,627	(150,477)	3,769,835
Supplies and materials	845,535	1,083,810	238,275	1,029,339
Capital expenditures	6,953,522	2,307,451	(4,646,071)	6,190,185
Other expenditures	184,000	60,010	(123,990)	16,536
Total sites and buildings	19,087,285	14,265,340	(4,821,945)	17,692,885
Fiscal and other fixed cost programs				
Purchased services	425,000	541,321	116,321	281,446
Debt service				
Principal	2,477,706	2,267,836	(209,870)	2,844,891
Interest and fiscal charges	351,866	340,602	(11,264)	321,687
Total debt service	2,829,572	2,608,438	(221,134)	3,166,578
Total expenditures	164,881,235	157,201,516	(7,679,719)	149,384,155
Excess of revenue over expenditures	586,348	7,398,364	6,812,016	6,728,084
Other financing sources (uses)				
Capital lease issued	—	537,500	537,500	1,142,455
Transfers in	—	—	—	1,417,421
Transfers (out)	(2,057,900)	(2,042,900)	15,000	(5,361,878)
Total other financing sources (uses)	(2,057,900)	(1,505,400)	552,500	(2,802,002)
Net change in fund balances	\$ (1,471,552)	5,892,964	\$ 7,364,516	3,926,082
Fund balances				
Beginning of year		20,075,186		16,149,104
End of year		\$ 25,968,150		\$ 20,075,186

INDEPENDENT SCHOOL DISTRICT NO. 284

Food Service Special Revenue Fund
 Comparative Balance Sheet
 as of June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and temporary investments	\$ 812,933	\$ 1,002,416
Receivables		
Accounts and interest	-	65,757
Due from other governmental units	6,566	7,586
Inventory	63,750	76,833
Prepaid items	<u>5,425</u>	<u>15,397</u>
Total assets	<u>\$ 888,674</u>	<u>\$ 1,167,989</u>
Liabilities		
Salaries payable	\$ 14,001	\$ 13,749
Accounts and contracts payable	6,255	58,102
Unearned revenue	<u>283,407</u>	<u>279,874</u>
Total liabilities	303,663	351,725
Fund balances		
Nonspendable for inventory	63,750	76,833
Nonspendable for prepaid items	5,425	15,397
Restricted for food service	<u>515,836</u>	<u>724,034</u>
Total fund balances	<u>585,011</u>	<u>816,264</u>
Total liabilities and fund balances	<u>\$ 888,674</u>	<u>\$ 1,167,989</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, 2019
 (With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019		Over (Under) Budget	2018
	Budget	Actual		Actual
Revenue				
Local sources				
Other – primarily meal sales	\$ 5,436,090	\$ 5,318,392	\$ (117,698)	\$ 5,357,091
State sources	154,100	149,810	(4,290)	154,131
Federal sources	1,021,000	1,074,243	53,243	1,058,309
Total revenue	<u>6,611,190</u>	<u>6,542,445</u>	<u>(68,745)</u>	<u>6,569,531</u>
Expenditures				
Current				
Salaries	2,190,917	2,180,498	(10,419)	1,938,398
Employee benefits	998,558	835,734	(162,824)	759,772
Purchased services	586,800	770,598	183,798	747,718
Supplies and materials	2,937,550	2,935,099	(2,451)	2,927,484
Other expenditures	32,750	15,239	(17,511)	30,008
Capital outlay	63,000	36,530	(26,470)	5,788
Total expenditures	<u>6,809,575</u>	<u>6,773,698</u>	<u>(35,877)</u>	<u>6,409,168</u>
Net change in fund balances	<u>\$ (198,385)</u>	<u>(231,253)</u>	<u>\$ (32,868)</u>	<u>160,363</u>
Fund balances				
Beginning of year		<u>816,264</u>		<u>655,901</u>
End of year		<u>\$ 585,011</u>		<u>\$ 816,264</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Community Service Special Revenue Fund
 Comparative Balance Sheet
 as of June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and temporary investments	\$ 3,005,145	\$ 3,234,776
Receivables		
Current taxes	760,338	539,891
Delinquent taxes	6,658	4,222
Accounts and interest	58,007	98,204
Due from other governmental units	242,343	117,037
Prepaid items	<u>18,655</u>	<u>16,582</u>
Total assets	<u><u>\$ 4,091,146</u></u>	<u><u>\$ 4,010,712</u></u>
Liabilities		
Salaries payable	\$ 261,947	\$ 318,828
Accounts and contracts payable	61,369	93,228
Due to other governmental units	-	323
Unearned revenue	<u>241,426</u>	<u>247,633</u>
Total liabilities	<u>564,742</u>	<u>660,012</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	1,536,533	1,226,070
Unavailable revenue – delinquent taxes	<u>7,353</u>	<u>8,061</u>
Total deferred inflows of resources	<u>1,543,886</u>	<u>1,234,131</u>
Fund balances		
Nonspendable for prepaid items	18,655	16,582
Restricted for community education programs	919,607	950,646
Restricted for early childhood family education programs	344,805	382,100
Restricted for school readiness	13,469	26,143
Restricted for community service	<u>685,982</u>	<u>741,098</u>
Total fund balances	<u>1,982,518</u>	<u>2,116,569</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u><u>\$ 4,091,146</u></u>	 <u><u>\$ 4,010,712</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, 2019
 (With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019		Over (Under) Budget	2018
	Budget	Actual		Actual
Revenue				
Local sources				
Property taxes	\$ 1,220,228	\$ 1,222,755	\$ 2,527	\$ 998,287
Other – primarily tuition and fees	8,458,976	8,933,531	474,555	8,164,553
State sources	823,512	877,852	54,340	748,049
Total revenue	<u>10,502,716</u>	<u>11,034,138</u>	<u>531,422</u>	<u>9,910,889</u>
Expenditures				
Current				
Salaries	6,665,251	6,872,149	206,898	6,503,911
Employee benefits	2,080,035	2,203,173	123,138	1,958,585
Purchased services	1,244,515	1,433,027	188,512	1,359,603
Supplies and materials	697,300	549,439	(147,861)	466,400
Other expenditures	13,900	15,422	1,522	10,101
Capital outlay	73,510	94,979	21,469	83,473
Total expenditures	<u>10,774,511</u>	<u>11,168,189</u>	<u>393,678</u>	<u>10,382,073</u>
Excess (deficiency) of revenue over expenditures	(271,795)	(134,051)	137,744	(471,184)
Other financing sources				
Transfers in	<u>15,000</u>	<u>–</u>	<u>(15,000)</u>	<u>11,378</u>
Net change in fund balances	<u>\$ (256,795)</u>	<u>(134,051)</u>	<u>\$ 122,744</u>	<u>(459,806)</u>
Fund balances				
Beginning of year		<u>2,116,569</u>		<u>2,576,375</u>
End of year		<u>\$ 1,982,518</u>		<u>\$ 2,116,569</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Capital Projects – Building Construction Fund
 Comparative Balance Sheet
 as of June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and temporary investments	\$ 37,753,065	\$ 71,220,721
Cash and investments held by trustee	30,427	115,687
Receivables		
Accounts and interest	53,400	352,703
Prepaid items	<u>19,169</u>	<u>357,895</u>
Total assets	<u>\$ 37,856,061</u>	<u>\$ 72,047,006</u>
Liabilities		
Salaries payable	\$ 3,047	\$ –
Accounts and contracts payable	5,302,021	2,620,745
Due to other governmental units	<u>1,324</u>	<u>153,760</u>
Total liabilities	5,306,392	2,774,505
Fund balances (deficits)		
Nonspendable for prepaid items	19,169	357,895
Restricted for long-term facilities maintenance	–	425,506
Restricted for capital projects	33,749,841	68,489,100
Unassigned – long-term facilities maintenance restricted account deficit	<u>(1,219,341)</u>	<u>–</u>
Total fund balances	<u>32,549,669</u>	<u>69,272,501</u>
Total liabilities and fund balances	<u>\$ 37,856,061</u>	<u>\$ 72,047,006</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, 2019
 (With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019			2018
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	\$ –	\$ 1,356,705	\$ 1,356,705	\$ 539,365
Expenditures				
Capital outlay				
Salaries	–	67,250	67,250	32,375
Employee benefits	–	9,734	9,734	4,773
Purchased services	235,000	6,704,940	6,469,940	2,032,780
Supplies and materials	–	302,615	302,615	–
Capital expenditures	30,137,900	33,037,898	2,899,998	16,487,167
Debt service				
Interest	–	–	–	482,556
Total expenditures	<u>30,372,900</u>	<u>40,122,437</u>	<u>9,749,537</u>	<u>19,039,651</u>
Excess (deficiency) of revenue over expenditures	(30,372,900)	(38,765,732)	(8,392,832)	(18,500,286)
Other financing sources (uses)				
Debt issued	–	–	–	66,891,545
Premium on debt issued	–	–	–	3,406,305
Capital lease issued	–	–	–	5,030,000
Transfers in	2,042,900	2,042,900	–	5,350,500
Transfers (out)	–	–	–	(1,417,421)
Total other financing sources (uses)	<u>2,042,900</u>	<u>2,042,900</u>	<u>–</u>	<u>79,260,929</u>
Net change in fund balances	<u>\$ (28,330,000)</u>	(36,722,832)	<u>\$ (8,392,832)</u>	60,760,643
Fund balances				
Beginning of year		<u>69,272,501</u>		<u>8,511,858</u>
End of year		<u>\$ 32,549,669</u>		<u>\$ 69,272,501</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Debt Service Fund
Comparative Balance Sheet
as of June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and temporary investments	\$ 9,117,949	\$ 9,432,157
Receivables		
Current taxes	6,151,588	5,339,736
Delinquent taxes	73,076	47,980
Due from other governmental units	<u>840</u>	<u>36</u>
Total assets	<u>\$ 15,343,453</u>	<u>\$ 14,819,909</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 12,431,462	\$ 12,126,321
Unavailable revenue – delinquent taxes	<u>78,711</u>	<u>86,630</u>
Total deferred inflows of resources	12,510,173	12,212,951
Fund balances		
Restricted for debt service	<u>2,833,280</u>	<u>2,606,958</u>
Total deferred inflows of resources and fund balances	<u>\$ 15,343,453</u>	<u>\$ 14,819,909</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, 2019
 (With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019		Over (Under) Budget	2018
	Budget	Actual		Actual
Revenue				
Local sources				
Property taxes	\$ 12,125,523	\$ 12,093,120	\$ (32,403)	\$ 8,349,805
State sources	1,600	9,794	8,194	310
Total revenue	<u>12,127,123</u>	<u>12,102,914</u>	<u>(24,209)</u>	<u>8,350,115</u>
Expenditures				
Debt service				
Principal	4,280,000	4,280,000	–	2,945,000
Interest	7,593,716	7,593,716	–	5,274,744
Fiscal charges and other	5,000	2,876	(2,124)	2,800
Total expenditures	<u>11,878,716</u>	<u>11,876,592</u>	<u>(2,124)</u>	<u>8,222,544</u>
Excess (deficiency) of revenue over expenditures	248,407	226,322	(22,085)	127,571
Other financing sources				
Debt issued	<u>–</u>	<u>–</u>	<u>–</u>	<u>3,455</u>
Net change in fund balances	<u>\$ 248,407</u>	226,322	<u>\$ (22,085)</u>	131,026
Fund balances				
Beginning of year		<u>2,606,958</u>		<u>2,475,932</u>
End of year		<u>\$ 2,833,280</u>		<u>\$ 2,606,958</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, 2019

(With Comparative Totals as of June 30, 2018)

	Self-Insurance Accounts	Early Retirement Accounts	Totals	
			2019	2018
Assets				
Current assets				
Cash and cash equivalents	\$ -	\$ 3,837	\$ 3,837	\$ -
Investments	2,192,786	6,112,839	8,305,625	28,041,426
Due from other funds	1,458,699	-	1,458,699	1,312,211
Prepaid items	-	-	-	3,500
Total current assets	3,651,485	6,116,676	9,768,161	29,357,137
Deferred outflows of resources				
Pension plan deferments	-	273,181	273,181	-
Liabilities				
Current liabilities				
Accounts and contracts payable	7,719	-	7,719	7,151
Due to other funds	-	-	-	17,292,359
Claims incurred, but not reported	2,003,779	-	2,003,779	1,763,780
Severance benefits payable	-	310,261	310,261	318,797
Total current liabilities	2,011,498	310,261	2,321,759	19,382,087
Long-term liabilities				
Severance benefits payable	-	2,613,979	2,613,979	3,767,199
Total pension liability	-	4,582,297	4,582,297	6,069,186
Total long-term liabilities	-	7,196,276	7,196,276	9,836,385
Total liabilities	2,011,498	7,506,537	9,518,035	29,218,472
Deferred inflows of resources				
Pension plan deferments	-	86,378	86,378	100,775
Net position				
Unrestricted	\$ 1,639,987	\$ (1,203,058)	\$ 436,929	\$ 37,890

INDEPENDENT SCHOOL DISTRICT NO. 284

Internal Service Funds
 Combining Statement of Revenue, Expenses, and Changes in Net Position
 Year Ended June 30, 2019
 (With Comparative Totals for the Year Ended June 30, 2018)

	Self-Insurance	Early Retirement	Totals	
	Accounts	Accounts	2019	2018
Operating revenue				
Charges for services	\$ 18,633,367	\$ –	\$ 18,633,367	\$ 17,015,685
Operating expenses				
Dental benefit claims	1,432,895	–	1,432,895	1,379,610
Health benefit claims	18,220,640	–	18,220,640	16,516,897
Early retirement incentive and sick leave benefits	–	2,037,115	2,037,115	1,257,534
Total operating expenses	<u>19,653,535</u>	<u>2,037,115</u>	<u>21,690,650</u>	<u>19,154,041</u>
Operating income (loss)	(1,020,168)	(2,037,115)	(3,057,283)	(2,138,356)
Nonoperating revenue				
Investment earnings	<u>201,672</u>	<u>219,340</u>	<u>421,012</u>	<u>1,322,214</u>
Income (loss) before transfers and special item	(818,496)	(1,817,775)	(2,636,271)	(816,142)
Transfers in	–	908,207	908,207	–
Transfers (out)	(908,207)	–	(908,207)	–
Special item	–	<u>3,035,310</u>	<u>3,035,310</u>	–
Change in net position	(1,726,703)	2,125,742	399,039	(816,142)
Net position				
Beginning of year	<u>3,366,690</u>	<u>(3,328,800)</u>	<u>37,890</u>	<u>854,032</u>
End of year	<u>\$ 1,639,987</u>	<u>\$ (1,203,058)</u>	<u>\$ 436,929</u>	<u>\$ 37,890</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Internal Service Funds
 Combining Statement of Cash Flows
 Year Ended June 30, 2019
 (With Comparative Totals for the Year Ended June 30, 2018)

	Self-Insurance Accounts	Early Retirement Accounts	Totals	
			2019	2018
Cash flows from operating activities				
Charges for services	\$ 18,486,879	\$ -	\$ 18,486,879	\$ 15,703,474
Payments for health and dental claims	(19,409,468)	-	(19,409,468)	(17,899,516)
Payments for retirement benefits	-	(1,938,028)	(1,938,028)	(1,078,066)
Net cash flows from operating activities	(922,589)	(1,938,028)	(2,860,617)	(3,274,108)
Cash flows from noncapital financing activities				
Cash paid to other funds	(14,198,870)	(3,093,489)	(17,292,359)	3,274,108
Sale of investments	16,029,666	4,127,147	20,156,813	-
Transfers in	-	908,207	908,207	-
Transfers (out)	(908,207)	-	(908,207)	-
Net cash flows from noncapital financing activities	922,589	1,941,865	2,864,454	3,274,108
Net change in cash and cash equivalents	-	3,837	3,837	-
Cash and cash equivalents				
Beginning of year	-	-	-	-
End of year	\$ -	\$ 3,837	\$ 3,837	\$ -
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	\$ (1,020,168)	\$ (2,037,115)	\$ (3,057,283)	\$ (2,138,356)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Changes in assets				
Due from other funds	(146,488)	-	(146,488)	(1,312,211)
Prepaid items	3,500	-	3,500	(3,500)
Deferred outflows – pension deferments	-	(273,181)	(273,181)	-
Changes in liabilities and deferred inflows				
Accounts and contracts payable	568	-	568	491
Claims incurred, but not reported	239,999	-	239,999	-
Severance benefits payable	-	147,013	147,013	63,666
Total pension liability	-	239,652	239,652	15,027
Deferred inflows – pension deferments	-	(14,397)	(14,397)	100,775
Net cash flows from operating activities	\$ (922,589)	\$ (1,938,028)	\$ (2,860,617)	\$ (3,274,108)
Noncash from operating activities				
Special item	\$ -	\$ 3,035,310	\$ 3,035,310	\$ -

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)

	2010	2011	2012	Fiscal Year 2013
Governmental activities				
Net investment in capital assets	\$ 39,131,007	\$ 46,774,439	\$ 41,301,936	\$ 46,152,372
Restricted	10,578,725	14,051,983	26,816,481	27,560,100
Unrestricted	47,147,457	43,582,774	44,210,849	45,130,907
Total governmental activities net position	\$ 96,857,189	\$ 104,409,196	\$ 112,329,266	\$ 118,843,379

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 60,689,911	\$ 65,253,780	\$ 31,901,934	\$ 40,112,576	\$ 37,679,712	\$ 37,050,317
12,624,943	13,091,641	13,662,842	7,822,506	10,695,169	10,648,975
<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>(122,967,598)</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>	<u>\$ (75,268,306)</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2010	2011	2012	2013
Governmental activities				
Expenses				
Administration	\$ 3,899,459	\$ 3,818,998	\$ 3,903,810	\$ 3,995,998
District support services	5,589,021	4,241,347	3,889,519	4,154,320
Elementary and secondary regular instruction	61,534,331	58,588,094	61,370,368	59,732,311
Vocational education instruction	2,508,024	2,456,472	2,244,616	2,629,151
Special education instruction	16,275,461	15,742,242	15,647,448	16,037,522
Instructional support services	8,390,114	9,018,954	9,285,367	8,464,618
Pupil support services	10,325,723	10,860,440	10,890,255	11,528,889
Sites and buildings	11,072,137	12,226,696	12,087,843	19,492,550
Fiscal and other fixed cost programs	259,189	313,591	296,088	318,578
Food service	4,814,452	4,978,695	5,140,315	5,193,226
Community service	7,955,136	7,945,819	7,960,867	7,913,272
Interest and fiscal charges	2,424,106	2,166,878	2,170,792	2,059,956
Unallocated depreciation	519,485	765,710	936,783	-
Total governmental activities expenses	<u>135,566,638</u>	<u>133,123,936</u>	<u>135,824,071</u>	<u>141,520,391</u>
Program revenues				
Charges for services				
Administration	164,606	194,753	151,210	275,959
Elementary and secondary regular instruction	930,553	1,002,420	1,002,847	1,080,264
Vocational education instruction	211	3,969	-	2,270
Special education instruction	552	6,606	9,404	4,441
Instructional support services	98	120	316	2,485
Pupil support services	70,359	89,244	88,946	14,543
Sites and buildings	436,390	487,538	471,737	461,493
Food service	3,797,912	3,747,616	3,860,359	3,884,424
Community service	5,737,747	6,034,944	5,865,887	6,137,955
Operating grants and contributions	20,286,746	14,898,308	17,204,917	15,850,856
Capital grants and contributions	-	-	-	252,929
Total governmental activities program revenues	<u>31,425,174</u>	<u>26,465,518</u>	<u>28,655,623</u>	<u>27,967,619</u>
Net (expense) revenue	(104,141,464)	(106,658,418)	(107,168,448)	(113,552,772)
General revenues and other changes in net position				
Taxes				
Property taxes, levied for general purposes	32,471,599	48,100,101	34,707,170	35,975,717
Property taxes, levied for community service	1,182,981	2,051,929	1,420,146	1,458,919
Property taxes, levied for debt service	9,539,122	10,086,556	10,416,814	10,992,579
General grants and aids	58,622,111	51,844,745	66,145,035	67,408,720
Other general revenues	1,259,027	1,434,200	1,544,009	3,459,844
Investment earnings	344,100	692,894	855,344	771,106
Special item	-	-	-	-
Total general revenues and other changes in net position	<u>103,418,940</u>	<u>114,210,425</u>	<u>115,088,518</u>	<u>120,066,885</u>
Change in net position	<u>\$ (722,524)</u>	<u>\$ 7,552,007</u>	<u>\$ 7,920,070</u>	<u>\$ 6,514,113</u>

Note: The District implemented GASB Statement No. 68 in fiscal 2015 and GASB Statement Nos. 73, 74, and 75 in fiscal 2017.

2014	2015	2016	2017	2018	2019
\$ 3,833,741	\$ 3,839,848	\$ 4,817,133	\$ 6,700,296	\$ 6,052,169	\$ 4,265,884
4,924,827	4,577,951	5,033,300	6,114,326	5,347,446	5,961,373
64,030,267	67,230,737	68,238,658	97,927,589	98,324,381	57,568,978
2,376,614	2,922,503	2,804,948	3,737,593	3,782,104	2,163,529
16,664,813	16,695,866	17,678,829	23,736,177	23,646,291	15,166,922
9,446,640	9,267,077	10,313,332	13,276,121	18,777,288	13,281,310
11,606,924	11,997,753	12,363,815	14,566,050	14,370,024	12,799,455
23,108,226	16,373,431	31,109,967	35,215,528	23,723,765	21,884,093
355,757	385,547	417,879	566,951	281,446	541,321
5,367,185	5,619,154	5,896,122	6,484,275	6,469,883	6,943,797
8,343,413	7,512,257	8,207,904	9,811,345	10,971,816	10,774,854
4,117,943	5,748,064	5,134,248	5,326,192	6,692,718	7,556,619
–	–	–	–	–	–
154,176,350	152,170,188	172,016,135	223,462,443	218,439,331	158,908,135
202,982	166,265	215,357	57,422	39,922	117,202
1,021,619	1,159,389	1,262,298	1,287,405	1,323,071	1,339,296
1,324	–	–	–	–	–
560	247,585	322,586	350,928	498,813	307,962
18,905	9,493	7,808	6,703	15,338	14,469
28,369	28,178	25,773	22,018	152,731	148,244
662,870	512,766	575,910	558,826	628,772	591,360
3,806,157	4,222,938	4,447,648	5,067,696	5,357,091	5,318,392
6,529,492	5,556,600	6,382,167	7,410,890	8,164,553	8,933,531
15,171,555	15,216,756	16,140,494	17,625,350	16,357,459	16,952,023
346,713	910,167	911,502	1,351,039	2,870,495	1,534,850
27,790,546	28,030,137	30,291,543	33,738,277	35,408,245	35,257,329
(126,385,804)	(124,140,051)	(141,724,592)	(189,724,166)	(183,031,086)	(123,650,806)
22,503,184	38,153,378	38,434,705	42,239,180	52,196,919	55,461,620
781,857	1,524,385	1,244,109	1,096,913	993,672	1,222,047
11,203,441	11,401,371	15,673,366	14,587,642	8,274,499	12,085,201
84,572,800	72,170,101	74,485,371	83,119,553	81,977,981	82,036,235
1,413,287	1,376,993	1,240,454	2,001,619	1,672,313	1,429,838
1,170,089	1,185,644	1,162,703	1,886,224	2,160,675	3,191,342
–	–	–	–	–	3,035,310
121,644,658	125,811,872	132,240,708	144,931,131	147,276,059	158,461,593
\$ (4,741,146)	\$ 1,671,821	\$ (9,483,884)	\$ (44,793,035)	\$ (35,755,027)	\$ 34,810,787

INDEPENDENT SCHOOL DISTRICT NO. 284

Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	2010	2011	2012	Fiscal Year 2013
General Fund				
Nondspendable	\$ 1,063,623	\$ 1,129,123	\$ 599,557	\$ 153,963
Restricted	6,551,165	7,103,320	7,276,447	9,081,101
Committed	-	-	-	2,889,790
Assigned	3,583,266	1,983,458	2,270,381	1,859,114
Unassigned	11,572,351	11,525,345	12,213,903	11,476,097
Total General Fund	<u>\$ 22,770,405</u>	<u>\$ 21,741,246</u>	<u>\$ 22,360,288</u>	<u>\$ 25,460,065</u>
All other governmental funds				
Nondspendable				
Special revenue funds	\$ 87,725	\$ 61,896	\$ 83,637	\$ 81,947
Capital Projects –				
Building Construction Fund	361,452	777,347	114,560	195,050
Restricted				
Special revenue funds	2,378,056	2,590,875	2,589,169	2,963,665
Capital Projects –				
Building Construction Fund	5,756,834	2,540,916	15,319,262	14,174,369
Debt Service Fund	1,853,801	2,003,402	2,373,561	1,948,293
Unassigned				
Capital Projects –				
Building Construction Fund	-	(29,889)	-	-
Total all other governmental funds	<u>\$ 10,437,868</u>	<u>\$ 7,944,547</u>	<u>\$ 20,480,189</u>	<u>\$ 19,363,324</u>
Total all governmental funds	<u>\$ 33,208,273</u>	<u>\$ 29,685,793</u>	<u>\$ 42,840,477</u>	<u>\$ 44,823,389</u>

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 139,900	\$ 170,070	\$ 196,566	\$ 355,711	\$ 287,085	\$ 316,399
6,474,793	6,549,824	5,838,351	2,824,355	5,770,694	7,600,701
2,889,790	2,889,790	2,889,790	—	—	—
1,766,330	2,508,237	5,482,867	4,918,059	5,712,743	5,369,294
<u>10,926,181</u>	<u>9,306,757</u>	<u>9,347,456</u>	<u>8,050,979</u>	<u>8,304,664</u>	<u>12,681,756</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>	<u>\$ 25,968,150</u>
\$ 82,038	\$ 90,176	\$ 94,839	\$ 100,667	\$ 108,812	\$ 87,830
103,151	29,382	3,795	370,688	357,895	19,169
3,157,131	2,763,831	2,777,607	3,131,609	2,824,021	2,479,699
124,613,839	94,734,895	25,480,370	8,669,298	68,914,606	33,749,841
4,904,822	2,044,497	2,618,143	2,475,932	2,606,958	2,833,280
<u>—</u>	<u>—</u>	<u>—</u>	<u>(528,128)</u>	<u>—</u>	<u>(1,219,341)</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>\$ 37,950,478</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>	<u>\$ 63,918,628</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2010	2011	2012	Fiscal Year 2013
Revenues				
Local sources				
Taxes	\$ 43,114,189	\$ 60,312,279	\$ 46,494,356	\$ 48,582,021
Investment earnings	111,659	37,490	18,459	29,798
Other	12,394,109	13,008,028	12,893,963	13,621,129
State sources	67,557,932	60,586,004	78,173,924	79,118,659
Federal sources	11,350,924	6,150,431	5,170,995	4,393,844
Total revenues	<u>134,528,813</u>	<u>140,094,232</u>	<u>142,751,697</u>	<u>145,745,451</u>
Expenditures				
Current				
Administration	3,810,046	3,792,268	3,882,175	3,942,490
District support services	3,406,672	3,725,315	3,725,817	3,966,678
Elementary and secondary regular instruction	49,261,911	50,484,858	54,146,054	55,749,366
Vocational education instruction	2,312,353	2,400,776	2,224,383	2,596,694
Special education instruction	14,855,969	15,382,312	15,542,974	15,890,551
Instructional support services	8,170,600	8,953,839	9,253,668	8,432,986
Pupil support services	10,004,783	10,779,639	10,753,896	11,487,282
Sites and buildings	9,179,456	9,050,432	9,023,841	9,429,780
Fiscal and other fixed cost programs	259,189	313,591	296,088	318,578
Food service	4,694,729	4,835,626	5,073,799	5,085,281
Community service	7,700,868	7,865,844	7,863,889	7,841,272
Capital outlay	9,425,093	15,193,084	12,957,206	21,516,463
Debt service				
Principal	6,790,000	8,165,000	8,695,000	9,580,000
Interest and fiscal charges	3,104,257	2,683,970	2,582,338	2,405,085
Total expenditures	<u>132,975,926</u>	<u>143,626,554</u>	<u>146,021,128</u>	<u>158,242,506</u>
Excess of revenues over (under) expenditures	1,552,887	(3,532,322)	(3,269,431)	(12,497,055)
Other financing sources (uses)				
Sale of equipment	2,997	9,842	5,370	2,900
Sale of real property	-	-	-	2,889,790
Insurance recovery proceeds	349	-	105,785	9,861
Bonds issued	5,000,000	-	16,312,660	-
Capital leases issued	-	-	-	1,383,350
Bond premium	110,123	-	-	214,066
Certificates of participation issued	1,289,818	-	-	9,980,000
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	7,109,370	9,228,572	7,264,007	7,673,940
Transfers out	(7,109,370)	(9,228,572)	(7,264,007)	(7,673,940)
Total other financing sources (uses)	<u>6,403,287</u>	<u>9,842</u>	<u>16,423,815</u>	<u>14,479,967</u>
Net change in fund balances	<u>\$ 7,956,174</u>	<u>\$ (3,522,480)</u>	<u>\$ 13,154,384</u>	<u>\$ 1,982,912</u>
Debt service as a percentage of noncapital expenditures	<u>8.0%</u>	<u>8.4%</u>	<u>8.5%</u>	<u>8.8%</u>

2014	2015	2016	2017	2018	2019
\$ 34,451,771	\$ 51,053,987	\$ 55,577,523	\$ 57,642,494	\$ 61,547,600	\$ 68,770,016
37,847	144,163	135,329	538,191	838,461	2,770,330
13,441,482	13,280,276	14,480,001	17,174,010	17,856,126	18,202,110
95,680,683	84,196,712	87,767,205	93,888,892	96,910,458	101,283,833
4,402,856	4,100,243	3,770,162	4,239,619	4,329,494	4,609,793
<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>	<u>195,636,082</u>
3,809,563	3,882,636	3,960,854	4,307,817	4,380,862	4,785,410
3,812,160	3,831,038	4,214,722	4,856,373	4,807,590	5,445,961
57,161,164	61,261,179	61,793,156	64,754,485	68,352,055	76,186,117
2,282,764	2,898,253	2,775,891	2,782,707	2,953,500	3,043,470
16,143,749	16,675,799	17,390,283	17,738,153	18,658,389	20,099,837
9,359,060	9,518,374	10,107,948	9,841,449	15,992,693	16,158,133
11,181,875	12,151,446	12,289,246	13,117,743	13,098,157	14,067,489
9,618,077	10,212,586	10,577,248	18,089,426	17,692,885	14,265,340
355,757	385,547	417,879	566,951	281,446	541,321
5,226,866	5,574,751	5,705,994	6,173,350	6,403,380	6,737,168
8,491,628	7,537,839	8,008,491	8,912,116	10,298,600	11,073,210
38,000,191	37,044,922	82,087,300	26,537,306	18,646,356	40,253,946
10,130,000	11,526,756	11,364,273	11,554,610	5,789,891	6,547,836
3,522,846	5,410,994	6,467,926	6,023,460	6,081,787	7,937,194
<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>	<u>227,142,432</u>
(31,081,061)	(35,136,739)	(75,430,991)	(21,772,740)	(11,955,452)	(31,506,350)
–	–	–	21,653	–	–
–	–	–	–	–	–
251,612	–	–	–	–	–
136,805,000	10,255,000	1,820,000	–	66,895,000	–
1,235,860	1,099,078	6,750,775	767,400	6,172,455	537,500
3,023,175	867,145	57,459	–	3,406,305	–
–	–	–	–	–	–
–	(11,055,000)	(1,835,000)	–	–	–
7,253,826	6,901,900	9,709,564	13,006,244	6,779,299	2,042,900
(7,253,826)	(6,901,900)	(7,429,482)	(13,117,868)	(6,779,299)	(2,042,900)
<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>537,500</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>\$ (30,968,850)</u>
<u>9.7%</u>	<u>11.2%</u>	<u>10.3%</u>	<u>9.7%</u>	<u>6.7%</u>	<u>7.6%</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
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
2019	146,188,244	13,028,383,691	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
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%
2019	25.464%	45.357%	36.709%	45.247%	21.521%

County Auditor's Gross Spread Levies

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
2019	72,641,789	480,237	3,567,472	480,237	4,802,366

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>
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%
35.710%	16.555%	26.344%	21.749%	42.808%	8.973%
\$ 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
10,771,020	686,052	37,870,083	9,947,758	788,559,712	147,240,760

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INDEPENDENT SCHOOL DISTRICT NO. 284

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Property	2019			2010		
		Net Tax Capacity	Rank	Percentage of Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
Ridgedale Center, LLC	Commercial	\$ 2,105,354	1	1.44 %	\$ 2,199,250	2	1.78 %
Medica Health Plans	Commercial	1,388,930	2	0.95	-	-	-
AX 601 Tower, LP	Commercial	1,219,250	3	0.83	-	-	-
IRET Properties	Apartment	1,112,500	4	0.76	-	-	-
TFO REVA Wildamerica PPC, LLC	Commercial	1,091,070	5	0.75	-	-	-
WHQ, LLC	Commercial	979,250	6	0.67	-	-	-
Pembroke TCM Atria LLC	Commercial	975,850	7	0.67	749,250	4	0.61
RREEFAmerica Reit II Corp.	Apartment	914,338	8	0.63	575,000	6	0.47
CVIII Vicksburg Village, LLC	Apartment	682,825	9	0.47	-	-	-
CenterPoint Energy	Utility	578,666	10	0.40	-	-	-
Carlson Real Estate Co., Inc.	Commercial	-	-	-	3,071,080	1	2.49
Teachers Insurance & Annuity Assoc.	Commercial	-	-	-	893,550	3	0.72
Invesco Real Estate	Apartment	-	-	-	592,500	5	0.48
Bay Holdings, LLC	Commercial	-	-	-	553,970	7	0.45
Pinnacle/Vicksburg Village	Apartment	-	-	-	467,600	8	0.38
US Retail Partners, LLC	Commercial	-	-	-	391,430	9	0.32
CCMB Serving	Commercial	-	-	-	359,250	10	0.29
Total		<u>\$ 11,048,033</u>		<u>7.56 %</u>	<u>\$ 9,852,880</u>		<u>7.99 %</u>

Source: Fiscal 2019 information: obtained from the Official Statement associated with the District's 2019A General Obligation Tax Abatement Bonds (prepared by Ehlers)

Fiscal 2010 information: 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
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
2019	60,211,031	12,430,758	72,641,789	72,441,691	99.7

Note: Collections received in subsequent years includes adjustments and abatements.

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
\$ 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	-	-
140,044	49,995,136	100.0	-	-
144,375	55,919,440	99.9	34,904	0.1
122,961	58,345,981	99.8	83,838	0.1
(23,372)	68,557,391	99.9	47,834	0.1
-	72,441,691	99.7	<u>200,098</u>	0.3
			<u>\$ 366,674</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		
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
2019	215,880,000	5,790,352	6,225,000	8,219,307	236,114,659	N/A	3,421

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
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
2019	221,670,352	2,833,280	218,837,072	146,188,244	149.70	69,017	3,171

(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, 2019

Governmental Unit	Tax Collection Calendar Year – 2019 Taxable Net Tax Capacity	Bonded Debt (1)	Debt Applicable to Tax Capacity in ISD No. 284 (2)	
			Percent	Amount
Direct debt				
Independent School District No. 284	\$ 148,463,470	\$ 215,880,000	100.00 %	\$ 215,880,000
Overlapping debt				
Hennepin County	1,979,015,644	1,058,135,000	7.86	83,196,923
Cities				
Corcoran	9,437,675	7,644,000	13.52	1,033,606
Maple Grove	104,877,827	75,145,000	7.88	5,923,154
Medina	18,594,152	9,880,000	54.51	5,385,232
Minnetonka	106,379,896	3,810,000	22.52	858,195
Orono	34,349,674	6,110,000	4.21	257,176
Plymouth	135,579,210	8,270,000	65.10	5,384,084
Wayzata	21,311,085	14,330,000	99.43	14,248,634
Other				
Metropolitan Council	4,268,355,428	263,285,000	3.65	9,598,055
Three Rivers Park District	1,392,585,502	53,385,000	11.17	5,965,026
Total overlapping debt				<u>131,850,085</u>
Total direct and overlapping debt				<u><u>\$ 347,730,085</u></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 \$29,865,000.

(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			
	2010	2011	2012	2013
Debt limit	\$ 1,718,794,553	\$ 1,668,698,016	\$ 1,523,458,227	\$ 1,468,885,209
Total net debt applicable to the limit	<u>61,829,456</u>	<u>53,534,488</u>	<u>60,428,102</u>	<u>52,253,450</u>
Legal debt margin	<u>\$ 1,656,965,097</u>	<u>\$ 1,615,163,528</u>	<u>\$ 1,463,030,125</u>	<u>\$ 1,416,631,759</u>
Total net debt applicable to the limit as a percentage of debt limit	3.60%	3.21%	3.97%	3.56%

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

2014	2015	2016	2017	2018	2019
\$ 1,470,794,289	\$ 1,504,001,884	\$ 1,603,298,661	\$ 1,711,502,134	\$ 1,837,450,721	\$ 1,954,257,554
174,368,930	170,174,267	166,117,347	156,854,997	223,761,506	218,837,072
<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>	<u>\$ 1,735,420,482</u>
11.86%	11.31%	10.36%	9.16%	12.18%	11.20%

Legal Debt Margin Calculation for Fiscal Year 2019

Market value	\$ 13,028,383,691
Debt limit (15% of market value)	1,954,257,554
Debt applicable to the limit	
General obligation bonds	221,670,352
Less amount set aside for repayment of general obligation debt	<u>(2,833,280)</u>
Total net debt applicable to the limit	<u>218,837,072</u>
Legal debt margin	<u>\$ 1,735,420,482</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>
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
2019	69,017	N/A	N/A	11,906	3.2

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			
	2019		2010	
	Employees	Rank	Employees	Rank
Carlson Companies (1)	4,500	1	3,118	1
Medica Health	1,800	2	–	–
Independent School District No. 284	1,554	3	1,434	3
Aimia	1,000	4	–	–
TCF National Bank	1,000	4	–	–
Abbott Laboratories	800	6	–	–
US Foods	500	7	–	–
Nilfisk-Advance, Inc.	450	8	547	9
Wagner Spray Tech Corp.	300	9	–	–
Deltak, LLC	300	9	–	–
Cargill, Inc.	–	–	2,200	2
Polaris	–	–	1,400	4
United Health Group	–	–	1,400	4
Independent School District No. 276	–	–	1,050	6
Ev3, LLC	–	–	700	7
Uniprise, Inc.	–	–	600	8
Mar Co Purification, Inc.	–	–	500	10
Total	<u>12,204</u>		<u>12,949</u>	
Total ISD No. 284 population (see the Schedule of Demographic and Economic Statistics)	<u>69,017</u>		<u>59,417</u>	
Percent of principal employers to total ISD No. 284 population	<u>17.7%</u>		<u>21.8%</u>	

(1) Includes entire metropolitan area. Carlson Marketing Travel Group is included in Carlson Companies.

Source: Fiscal 2019 information: obtained from the Official Statement associated with the District's 2019A General Obligation Tax Abatement Bonds (prepared by Ehlers)

Fiscal 2010 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			
	2010	2011	2012	2013
Administration				
Principals	11.0	11.0	11.0	11.0
Associate principals	8.0	8.0	8.0	8.0
Unaffiliated	37.0	38.8	36.1	37.2
Total administration	56.0	57.8	55.1	56.2
Instructional administrators				
High school classroom teachers	155.4	153.5	158.8	153.4
Middle school classroom teachers	124.9	131.2	126.3	132.5
Elementary classroom teachers	178.0	185.0	189.7	191.0
High school – area learning center	8.0	9.0	8.0	8.7
Middle school – area learning center	2.0	2.0	2.0	2.0
Community education – extended day kindergarten	8.0	5.5	6.0	8.0
Community education – early childhood family education	3.8	4.4	3.1	3.7
Special services	77.1	77.6	79.4	80.6
Elementary specialists and intervention	53.6	57.3	65.2	63.3
Total instructional administrators	610.8	625.5	638.5	643.2
Student services				
Curriculum and instruction – resource, peer, alt comp	19.0	19.8	19.5	20.5
Media centers – elementary	7.0	7.0	7.0	7.1
High school – professional development	0.3	0.3	0.3	0.3
High school – counselors, media, Vision 21, intervention	10.5	11.7	13.0	13.0
Middle schools – counselors, media, Vision 21, intervention	9.3	9.8	10.5	15.5
Technology	2.5	3.0	3.0	3.0
Special services – social workers, psychologists, nurses, etc.	45.5	45.3	43.6	44.9
Total student services	94.1	96.9	96.9	104.3
Support services				
Clerical/secretarial	44.9	45.9	46.0	48.0
Custodial	75.9	74.4	74.4	73.0
Food service	42.9	42.4	42.4	43.8
Paraprofessionals	257.1	260.5	256.8	254.2
Unaffiliated specialists	17.0	20.2	19.5	20.8
Unaffiliated support staff	10.0	7.0	6.0	5.0
Total support services	447.8	450.4	445.1	444.8
District-wide totals	1,208.7	1,230.6	1,235.6	1,248.5

N/A – Not Available

Note: All full-time equivalents are based on an 8-hour day.

Source: The District's Human Resources Department

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
11.0	12.0	12.0	12.0	12.0	13.0
8.0	8.0	6.0	6.0	6.0	7.0
<u>35.4</u>	<u>37.2</u>	<u>36.1</u>	<u>38.2</u>	<u>39.1</u>	<u>43.1</u>
54.4	57.2	54.1	56.2	57.1	63.1
154.3	157.5	153.0	155.7	155.4	157.8
132.3	134.6	131.7	133.4	137.2	139.5
183.0	213.0	203.0	219.0	230.0	241.0
8.0	8.0	6.3	7.7	6.7	6.7
2.0	2.0	1.5	1.5	1.0	3.0
16.0	N/A	N/A	N/A	N/A	N/A
4.2	3.8	5.5	3.5	3.5	3.5
77.1	77.0	66.0	68.6	96.6	92.3
<u>66.4</u>	<u>65.6</u>	<u>64.7</u>	<u>72.2</u>	<u>82.7</u>	<u>87.9</u>
643.3	661.5	631.7	661.5	713.1	731.7
20.0	20.0	21.0	15.5	16.5	23.0
7.0	7.0	7.0	8.0	7.9	8.0
0.3	0.3	0.3	0.3	0.3	0.3
13.0	13.0	17.0	18.7	18.5	20.4
15.0	14.0	15.5	18.2	19.3	20.0
3.0	3.0	3.0	3.0	3.0	3.0
<u>45.4</u>	<u>46.2</u>	<u>59.2</u>	<u>54.9</u>	<u>38.3</u>	<u>58.6</u>
103.7	103.5	123.0	118.6	103.8	133.3
48.0	49.9	50.9	50.9	49.9	47.9
73.0	73.0	75.0	83.5	85.5	86.0
43.8	44.9	46.2	48.8	49.4	57.0
254.2	244.6	246.9	238.6	239.7	228.2
22.5	22.8	22.8	20.9	21.9	20.5
5.0	4.0	4.0	4.8	5.7	6.7
<u>446.5</u>	<u>439.2</u>	<u>445.8</u>	<u>447.5</u>	<u>452.1</u>	<u>446.3</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>	<u><u>1,374.4</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
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
2019	11,906	167,080,676	14,033	5.8	538	22.1	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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Elementary schools										
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	592	592	592	592	592	592	550	550	550
Enrollment	646	671	651	653	647	622	586	481	499	474
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	690	690	690	690	690	690	690	690	690
Enrollment	652	692	663	655	663	636	622	571	568	586
Greenwood (1964)										
Square feet	72,007	72,007	72,007	72,007	88,016	88,016	88,016	88,016	88,016	88,016
Capacity	680	690	690	690	820	820	820	780	780	780
Enrollment	647	608	685	726	821	863	856	747	794	813
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	690	690	690	690	690	690	710	710	710
Enrollment	768	806	757	717	744	764	718	649	760	778
Meadow Ridge (2016)										
Square feet	–	–	–	–	–	–	–	85,208	102,508	102,508
Capacity	–	–	–	–	–	–	–	710	828	828
Enrollment	–	–	–	–	–	–	–	758	853	869
Oakwood (1957)										
Square feet	85,490	85,490	85,490	85,490	95,476	95,476	95,476	95,476	95,476	95,476
Capacity	475	475	475	475	690	690	690	640	640	640
Enrollment	498	511	538	504	527	576	675	475	515	562
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	690	690	690	690	690	690	710	710	710
Enrollment	738	765	772	866	746	747	762	669	690	714
Sunset Hill (1963)										
Square feet	64,983	64,983	64,983	64,983	73,598	73,598	73,598	73,598	73,598	73,598
Capacity	575	592	592	592	690	690	690	660	660	660
Enrollment	586	579	577	563	560	581	596	664	681	681
Middle schools										
East (1967)										
Square feet	146,111	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	850	850	850
Enrollment	777	763	777	821	772	771	743	780	733	747
West (1949)										
Square feet	167,000	167,000	167,000	167,000	167,000	167,000	167,525	167,525	167,525	167,525
Capacity	900	900	900	900	900	900	900	850	850	850
Enrollment	729	719	736	744	736	745	772	791	771	758
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	1,600	1,600	1,600
Enrollment	887	942	987	1,034	1,066	1,036	1,118	1,209	1,268	1,320
High school										
Peony (1997)										
Square feet	487,432	487,432	487,432	487,432	487,432	487,432	487,432	656,432	656,432	656,432
Capacity	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,900	3,900	3,900
Enrollment	3,281	3,235	3,266	3,265	3,257	3,305	3,334	3,410	3,453	3,558

(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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INDEPENDENT SCHOOL DISTRICT NO. 284
WAYZATA, MINNESOTA

Extracurricular Student Activity Accounts
Financial Report

Year Ended
June 30, 2019

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PRINCIPALS

Thomas A. Karnowski, CPA
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Victoria L. Holinka, CPA/CMA
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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, 2019, and the related notes to the extracurricular student activity accounts financial statement.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENT

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, 2019, 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.

EMPHASIS OF MATTER

As described in Note 3 of the notes to extracurricular student activity accounts financial statement, the District is required to implement Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, during the year ending June 30, 2020. The implementation of this standard will require the District’s extracurricular student activity accounts to be operated under School Board control. As a result, the account balances and transactions included in this financial statement must instead be reported within the District’s financial statements going forward. Our opinion is not modified with respect to this matter.

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
November 20, 2019

INDEPENDENT SCHOOL DISTRICT NO. 284

Extracurricular Student Activity Accounts
Statement of Cash Receipts and Disbursements
Year Ended June 30, 2019

	Balance – June 30, 2018	Receipts	Disbursements	Balance – June 30, 2019
Miscellaneous				
AD building	\$ 2,203	\$ 402	\$ 1,003	\$ 1,602
Wayzata High School				
Wayzata Players	44,661	56,579	60,523	40,717
Yearbook (Wayako)	29,840	26,099	9,693	46,246
Ceramics	447	–	447	–
Cheerleaders	844	12,572	11,257	2,159
Choir	1,809	82,571	71,256	13,124
Dance Team	14,687	61,529	67,174	9,042
Activity support	126,800	70,058	52,377	144,481
DECA	9,618	78,973	85,657	2,934
French	444	993	1,191	246
German	19,627	19,761	17,145	22,243
Letterman	76,296	3,804	40,779	39,321
Fine Arts	4,872	235	341	4,766
Band	1,577	162,507	49,427	114,657
National Honor Society	10,982	22,139	23,444	9,677
Orchestra	11,903	46,761	50,256	8,408
Student Council	22,289	65,779	76,589	11,479
Spanish	623	761	1,245	139
Drama Club	1,254	6,087	6,574	767
Business Professionals of America	6,083	45,353	48,607	2,829
Skills USA	174	4,094	4,268	–
Link	10,639	9,803	9,819	10,623
Super Mileage Team	2,013	3,317	3,518	1,812
Y.E.S.	2,191	7,225	8,326	1,090
Creative Writing	1,741	–	400	1,341
Trojan Lock Room (DECA)	15,583	28,595	26,779	17,399
Vision 21	–	1,858	1,654	204
Robotics Team	6,277	17,629	22,426	1,480
Showstoppers	7,649	13,550	14,608	6,591
Chinese Club	766	7,215	7,578	403
Lakers Breakfast Nook	15,094	24,836	24,877	15,053
Our Way	–	447	208	239
Freshman Retreat	8,001	17,636	8,030	17,607
Trap and Skeet	6,740	42,004	42,071	6,673
Model UN	229	2,148	2,160	217
Quiz Bowl	–	21,589	19,411	2,178
Total Wayzata High School	461,753	964,507	870,115	556,145

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, 2019

	Balance – June 30, 2018	Receipts	Disbursements	Balance – June 30, 2019
Wayzata High School Athletics				
Baseball	14,207	18,872	16,812	16,267
Basketball – Boys	–	12,396	10,039	2,357
Basketball – Girls	20,108	13,252	22,169	11,191
Cross Country – Boys	11,143	8,767	8,712	11,198
Cross Country – Girls	7,745	5,123	678	12,190
Football	13,655	19,483	33,029	109
Gymnastics	4,495	4,563	4,648	4,410
Golf – Boys	902	10,482	8,786	2,598
Golf – Girls	3,764	6,174	4,911	5,027
Hockey – Boys	–	32,066	32,066	–
Hockey – Girls	–	16,208	11,606	4,602
Skiing – Alpine	7,021	13,624	11,874	8,771
Skiing – Nordic	–	9,401	9,401	–
Softball	8,212	4,614	3,940	8,886
Swimming/Diving – Boys	5,266	11,174	11,722	4,718
Swimming/Diving – Girls	13,091	12,235	14,183	11,143
Soccer – Boys	5,876	10,131	8,084	7,923
Soccer – Girls	8,087	12,556	13,340	7,303
Synchronized Swimming	11,594	10,572	12,091	10,075
Tennis – Boys	9,392	12,147	13,401	8,138
Tennis – Girls	2,393	7,622	7,865	2,150
Track/Field – Boys	1,328	2,346	3,674	–
Track/Field – Girls	7,995	2,308	1,626	8,677
Volleyball	11,610	14,050	9,307	16,353
Wrestling	3,206	3,415	2,483	4,138
Adaptive Athletics	3,981	–	780	3,201
Lacrosse – Boys	8,217	20,004	14,610	13,611
Lacrosse – Girls	6,230	6,546	5,593	7,183
Total Wayzata High School Athletics	189,518	300,131	297,430	192,219
Central Middle School				
Musical	6,238	6,628	9,753	3,113
Student Council	1,834	415	444	1,805
Band	–	5,881	5,881	–
Yearbook	4,177	14,027	13,440	4,764
Student Services	2,739	6,274	7,063	1,950
Total Central Middle School	14,988	33,225	36,581	11,632
West Middle School				
Choir	231	–	–	231
Student Services	643	2,894	3,537	–
Student Council	1,513	849	–	2,362
Yearbook	12,776	3,486	14,180	2,082
Theatre	15,853	6,878	4,514	18,217
Day One	200	30	197	33
Total West Middle School	31,216	14,137	22,428	22,925

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, 2019

	Balance – June 30, 2018	Receipts	Disbursements	Balance – June 30, 2019
East Middle School				
Student Services	19,781	6,922	11,522	15,181
Band	969	2,231	2,116	1,084
Student Council	22,185	10,560	12,223	20,522
Variety Fund	17,034	6,662	7,685	16,011
Total East Middle School	<u>59,969</u>	<u>26,375</u>	<u>33,546</u>	<u>52,798</u>
Meadow Ridge Elementary				
Student Services	2,841	6,882	6,832	2,891
Birchview Elementary				
Student Council	698	–	29	669
Student Services	974	–	974	–
Media	202	1,203	948	457
Total Birchview Elementary	<u>1,874</u>	<u>1,203</u>	<u>1,951</u>	<u>1,126</u>
Greenwood Elementary				
Kindergarten	208	1,049	1,198	59
Student Services	64	538	533	69
Total Greenwood Elementary	<u>272</u>	<u>1,587</u>	<u>1,731</u>	<u>128</u>
Oakwood Elementary				
Student Council	1,881	441	339	1,983
Student Services	7,138	–	227	6,911
Chess Club	314	265	209	370
Total Oakwood Elementary	<u>9,333</u>	<u>706</u>	<u>775</u>	<u>9,264</u>
Sunset Hill Elementary				
Student Services	4,068	–	4,068	–
Pencil machine/store	1,821	–	1,060	761
Total Sunset Hill Elementary	<u>5,889</u>	<u>–</u>	<u>5,128</u>	<u>761</u>
Plymouth Creek Elementary				
Student Services	929	–	847	82
Gleason Lake Elementary				
Student Services	22,816	991	7,419	16,388
Kimberly Lane Elementary				
Kindergarten	3,060	–	–	3,060
Media	346	–	–	346
Student Services	59,164	–	31,355	27,809
Total Kimberly Lane Elementary	<u>62,570</u>	<u>–</u>	<u>31,355</u>	<u>31,215</u>
Total District	<u>\$ 866,171</u>	<u>\$ 1,350,146</u>	<u>\$ 1,317,141</u>	<u>\$ 899,176</u>

See notes to extracurricular student activity accounts financial statement

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INDEPENDENT SCHOOL DISTRICT NO. 284

Notes to Extracurricular Student Activity Accounts Financial Statement June 30, 2019

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 (MDE), 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.

NOTE 3 – GASB STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 84, *Fiduciary Activities*, 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 MDE has also issued guidance for implementing this standard, which will impact the reporting of extracurricular student activity accounts previously not under School Board control, beginning in the 2019–2020 fiscal year. This new guidance provided by the MDE will require the activities currently presented separately in this financial statement to be operated under School Board control and reported as part of the District’s General Fund for the year ending June 30, 2020.

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, 2019, 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 2019-001 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 (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
November 20, 2019

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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, 2019, and the related notes to the extracurricular student activity accounts financial statement, and have issued our report thereon dated November 20, 2019. 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 items 2019-002, 2019-003, 2019-004, 2019-005, and 2019-006. 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
November 20, 2019

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INDEPENDENT SCHOOL DISTRICT NO. 284

Extracurricular Student Activity Accounts
Schedule of Findings and Corrective Action
June 30, 2019

FINDINGS AND CORRECTIVE ACTION

2019-001 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 (MDE). 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 be implementing these changes to be consistent and compliant with other General Fund receipts with the required transition to account for student activities within the General Fund for the year ending June 30, 2020.

Official Responsible – The District’s Controller.

Planned Completion Date – June 30, 2020.

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, 2019

FINDINGS AND CORRECTIVE ACTION (CONTINUED)

2019-002 IMPROPER ACCOUNTS AND ACTIVITY

Condition – Certain groups and activities accounted for by the District as student activities during the year ended June 30, 2019 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 will work with the individuals responsible for overseeing student activities to improve controls and correct findings identified during the audit. The District will be implementing these changes to be consistent and compliant with other General Fund activity with the required transition to account for student activities within the General Fund for the year ending June 30, 2020.

Official Responsible – The District’s Controller.

Planned Completion Date – June 30, 2020.

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, 2019

FINDINGS AND CORRECTIVE ACTION (CONTINUED)

2019-003 ACTIVITY PURPOSE FORMS

Condition – Activity purpose forms, which state the purpose of each individual activity account, were not available for 34 of 95 accounts tested for the year ended June 30, 2019. 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 with the required transition to account for student activities within the General Fund for the year ending June 30, 2020.

Official Responsible – The District’s Controller.

Planned Completion Date – June 30, 2020.

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, 2019

FINDINGS AND CORRECTIVE ACTION (CONTINUED)

2019-004 TIMELY DEPOSIT OF CASH RECEIPTS

Condition – We noted that 7 of 25 student activity cash receipts tested for the year ended June 30, 2019 were deposited into the bank in an untimely manner as defined by the MAFA.

Type of Finding – Current year and prior 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. The District will be implementing these changes to be consistent and compliant with other General Fund receipts with the required transition to account for student activities within the General Fund for the year ending June 30, 2020.

Official Responsible – The District’s Controller.

Planned Completion Date – June 30, 2020.

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.

Extracurricular Student Activity Accounts
Schedule of Findings and Corrective Action (continued)
June 30, 2019

FINDINGS AND CORRECTIVE ACTION (CONTINUED)

2019-005 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 and prior 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. The District will be implementing these changes to be consistent and compliant with other General Fund disbursements with the required transition to account for student activities within the General Fund for the year ending June 30, 2020.

Official Responsible – The District’s Controller.

Planned Completion Date – June 30, 2020.

Disagreement With or Explanation of Finding – The District is in agreement 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.

INDEPENDENT SCHOOL DISTRICT NO. 284

Extracurricular Student Activity Accounts
Schedule of Findings and Corrective Action (continued)
June 30, 2019

FINDINGS AND CORRECTIVE ACTION (CONTINUED)

2019-006 INACTIVE ACCOUNTS

Condition – We noted 3 of the 95 activities accounted for by the District as student activities during the year ended June 30, 2019, were inactive for the year and should be closed.

Type of Finding – Current year finding.

Criteria – MAFA.

Recommendation – It is our recommendation that the District close all inactive accounts and transfer any residual balances to other active student activity accounts.

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. The District will be implementing these changes to be consistent and compliant with other General Fund activity with the required transition to account for student activities within the General Fund for the year ending June 30, 2020.

Official Responsible – The District’s Controller.

Planned Completion Date – June 30, 2020.

Disagreement With or Explanation of Finding – The District is in agreement with this finding.

Plan to Monitor – The District’s Controller will assure that the responsible individuals are aware of the requirements for student activity accounts to ensure compliance in the future.

Management Report
for
Independent School District No. 284
Wayzata, Minnesota
June 30, 2019

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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, 2019. 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
November 20, 2019

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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, 2019. 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, 2019:

- 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 no deficiencies in the District's internal controls over compliance that we considered to be material weaknesses with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no findings based on our testing of the District's compliance with Minnesota laws and regulations.

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, 2019, 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 five findings:

1. Certain groups and activities accounted for by the District as student activities during the year ended June 30, 2019, 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 thirty-four of ninety-five 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 (student representative, advisor, and building principal) on the check requests as required by the MAFA.
5. We identified three of ninety-five student activity accounts that were inactive during the year ended June 30, 2019, and should be closed.

FOLLOW-UP ON PRIOR YEAR FINDINGS AND RECOMMENDATIONS

As a part of our audit of the District's financial statements for the year ended June 30, 2019, we performed procedures to follow-up on any findings and recommendations that resulted from our prior year audit. We reported the following finding that was corrected by the District in the current year:

- During our audit of the year ended June 30, 2018, we noted that the District did not have sufficient controls in place within its child nutrition cluster federal program to assure that it was not contracting for goods and 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. Based on our testing in the current year, the District implemented adequate procedures to correct this prior year finding.

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, 2019. However, the District implemented the following governmental accounting standard during the fiscal year ended June 30, 2019:

- Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, which improved the information disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarified which liabilities governments should include when disclosing information related to debt.

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 and on the previous page in determining that they are reasonable in relation to the financial statements taken as a whole.

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

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

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

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

CORRECTED AND UNCORRECTED MISSTATEMENTS

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

DISAGREEMENTS WITH MANAGEMENT

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

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated November 20, 2019.

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.

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FUNDING PUBLIC EDUCATION IN MINNESOTA

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

BASIC GENERAL EDUCATION REVENUE

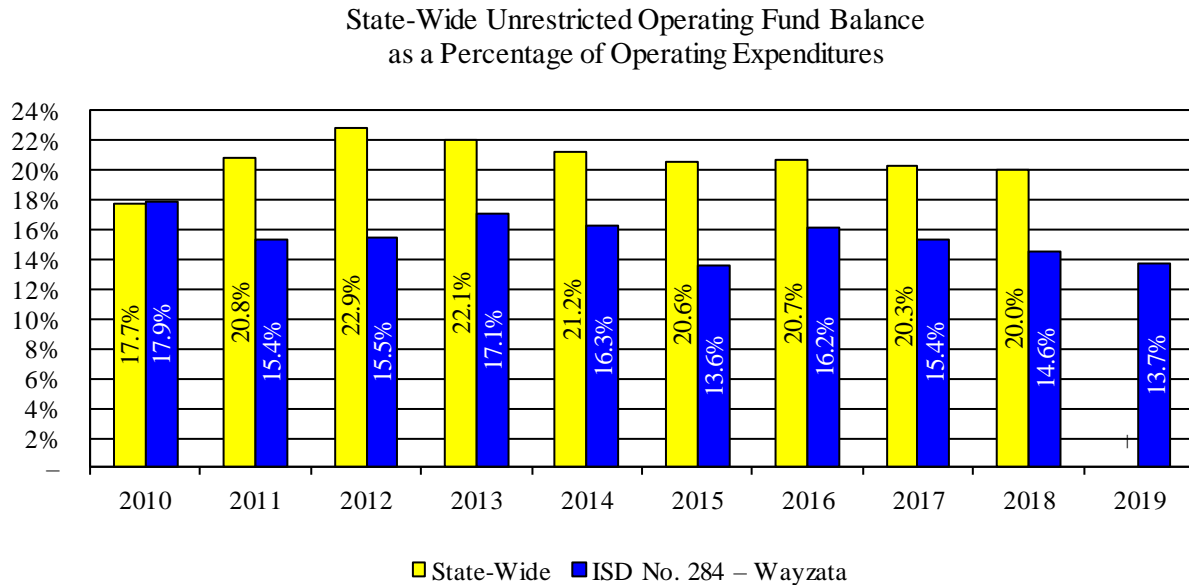
The largest single funding source for Minnesota school districts is basic general education aid. Each year, the Legislature sets a basic formula allowance. Total basic general education revenue is calculated by multiplying the formula allowance by the number of pupil units for which a district is entitled 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 next two fiscal years. 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
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 %
2020	\$ 6,438	2.0 %
2021	\$ 6,567	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 2019.

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 to 20.0 percent at the end of fiscal 2018.

As of June 30, 2019, this ratio was 13.7 percent for the District, as compared to 14.6 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.

Governmental Funds Revenue per Student (ADM) Served								
	State-Wide		Metro Area		ISD No. 284 – Wayzata			
	2017	2018	2017	2018	2017	2018	2019	
General Fund								
Property taxes	\$ 1,933	\$ 2,024	\$ 2,516	\$ 2,638	\$ 3,698	\$ 4,468	\$ 4,624	
Other local sources	515	520	423	433	417	397	447	
State	9,386	9,614	9,387	9,625	8,164	8,217	8,359	
Federal	450	450	480	474	282	280	295	
Total General Fund	<u>12,284</u>	<u>12,608</u>	<u>12,806</u>	<u>13,170</u>	<u>12,561</u>	<u>13,362</u>	<u>13,725</u>	
Special revenue funds								
Food Service	561	559	557	554	549	562	546	
Community Service	628	642	733	752	820	848	920	
Debt Service Fund	<u>1,119</u>	<u>1,128</u>	<u>1,118</u>	<u>1,120</u>	<u>1,272</u>	<u>715</u>	<u>1,009</u>	
Total revenue	<u>\$ 14,592</u>	<u>\$ 14,937</u>	<u>\$ 15,214</u>	<u>\$ 15,596</u>	<u>\$ 15,202</u>	<u>\$ 15,487</u>	<u>\$ 16,200</u>	
ADM served per MDE School District Profiles Report (current year estimated)					<u>11,380</u>	<u>11,684</u>	<u>11,992</u>	
Note: Excludes the Capital Projects – Building Construction Fund.								
Source of state-wide and 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 \$194,279,377 in the governmental funds reflected above in fiscal 2019, an increase of \$13,336,603 (7.4 percent) from the prior year, or \$713 per ADM. Total General Fund revenue increased \$363 per ADM from the previous year. General Fund property tax revenue was \$156 per ADM higher than last year, primarily due to increases in the tax levy. Revenue from state sources also increased \$142 per ADM, mainly due to an increase in students served and funding improvements to the general education aid formula. Debt Service Fund revenue increased \$294 per ADM, mainly due to increases in the tax levy related to building bonds issued in fiscal 2018.

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.

Governmental Funds Expenditures per Student (ADM) Served								
	State-Wide		Metro Area		ISD No. 284 – Wayzata			
	2017	2018	2017	2018	2017	2018	2019	
General Fund								
Administration and district support	\$ 991	\$ 1,031	\$ 996	\$ 1,045	\$ 804	\$ 784	\$ 851	
Elementary and secondary regular instruction	5,539	5,646	5,887	5,976	5,635	5,813	6,238	
Vocational education instruction	166	170	153	154	244	252	254	
Special education instruction	2,225	2,298	2,334	2,418	1,557	1,596	1,675	
Instructional support services	660	658	765	748	865	1,207	1,216	
Pupil support services	1,074	1,118	1,165	1,209	1,145	1,120	1,172	
Sites and buildings and other	906	936	870	896	1,184	1,280	1,260	
Total General Fund – noncapital	11,561	11,857	12,170	12,446	11,434	12,052	12,666	
General Fund capital expenditures	627	658	592	636	645	733	444	
Total General Fund	12,188	12,515	12,762	13,082	12,079	12,785	13,110	
Special revenue funds								
Food Service	550	553	545	545	548	549	565	
Community Service	611	640	713	750	789	889	931	
Debt Service Fund	1,359	1,308	1,323	1,230	1,284	704	990	
Total expenditures	<u>\$ 14,708</u>	<u>\$ 15,016</u>	<u>\$ 15,343</u>	<u>\$ 15,607</u>	<u>\$ 14,700</u>	<u>\$ 14,927</u>	<u>\$ 15,596</u>	
ADM served per MDE School District Profiles Report (current year estimated)					<u>11,380</u>	<u>11,684</u>	<u>11,992</u>	
Note: Excludes the Capital Projects – Building Construction Fund.								
Source of state-wide and metro area data: School District Profiles Report published by the MDE								

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

The District spent \$187,019,995 in the governmental funds reflected above in fiscal 2019, an increase of \$12,622,055 (7.2 percent) from the prior year, which represents an increase of \$669 per ADM. General Fund expenditures increased \$325 per ADM, mainly in elementary and secondary regular instruction (\$425 per ADM) and special education instruction (\$79 per ADM), due to contractual salary and benefit increases and additional staffing. This increase was partially offset by a \$289 per ADM decrease in General Fund capital expenditures, due to the timing of long-term facilities maintenance projects. Debt Service Fund expenditures increased \$286 per ADM, due to principal and interest on building bonds issued in the prior year.

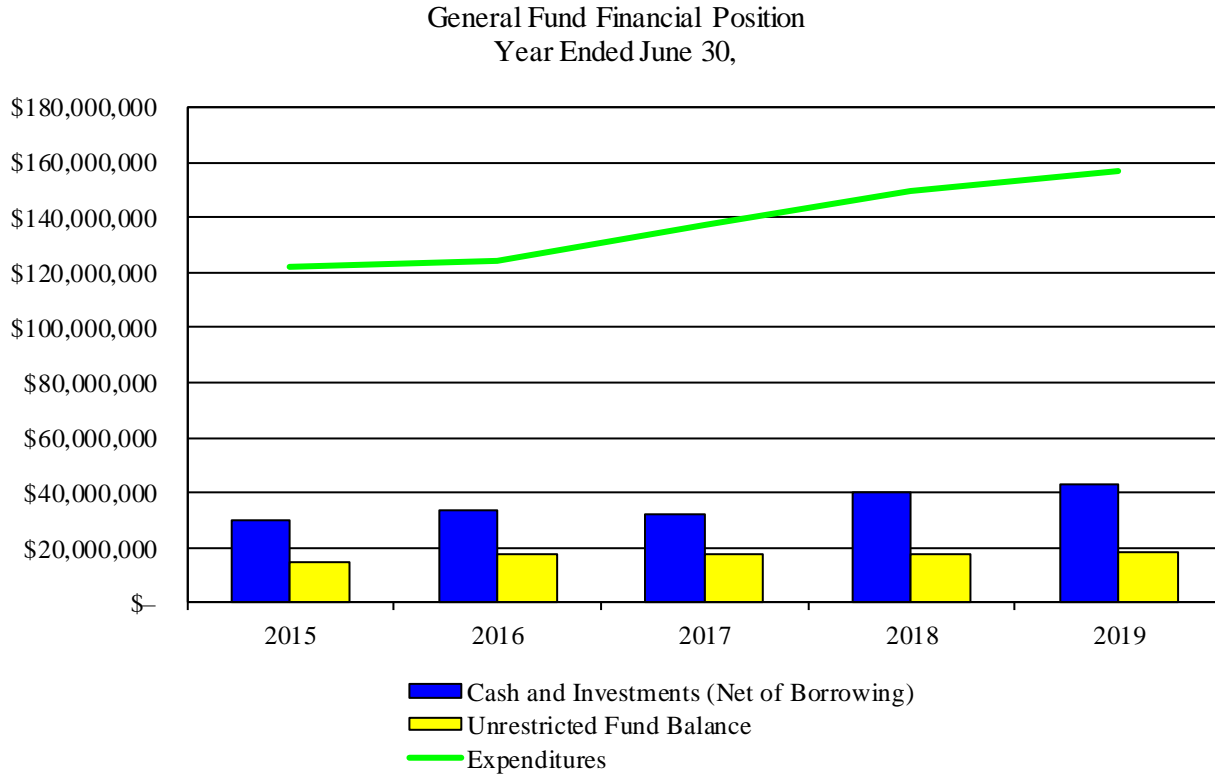
SUMMARY

Funding for Minnesota school districts generally has not kept pace with inflation and an increasing need for services, despite recent enhancements to the basic general education state aid formula and other categorical aids. 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, due to rapid expansion 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 2019 with a General Fund cash balance (net of interfund borrowing and excluding cash and investments held with trustee) of \$43,345,848, an increase of \$3,167,965 from the prior year. Total fund balance at year-end was \$25,968,150, an increase of \$5,892,964, as compared to a budgeted decrease of \$1,471,552.

GENERAL FUND COMPONENTS OF FUND BALANCE

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

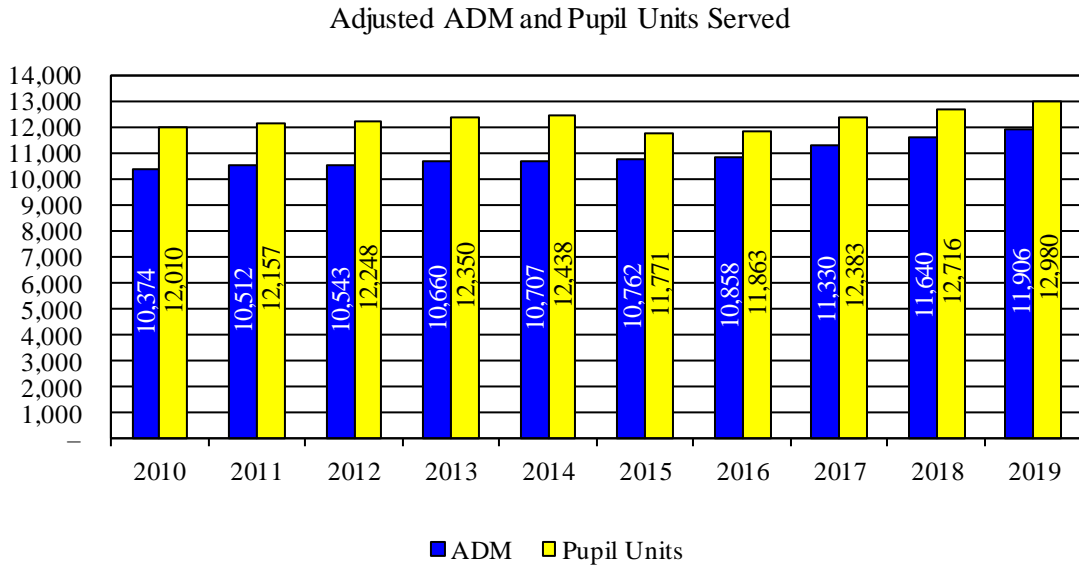
	June 30,				
	2015	2016	2017	2018	2019
Nonspendable fund balances	\$ 170,070	\$ 196,566	\$ 355,711	\$ 287,085	\$ 316,399
Restricted fund balances (1)	6,549,824	5,838,351	(2,117,536)	1,979,878	7,600,701
Unrestricted fund balances					
Committed	2,889,790	2,889,790	-	-	-
Assigned	2,508,237	5,482,867	4,918,059	5,712,743	5,369,294
Unassigned	9,306,757	9,347,456	12,992,870	12,095,480	12,681,756
Total fund balance	\$ 21,424,678	\$ 23,755,030	\$ 16,149,104	\$ 20,075,186	\$ 25,968,150
Total expenditures	\$ 122,215,198	\$ 124,483,267	\$ 137,460,334	\$ 149,384,155	\$ 157,201,516
Unrestricted fund balances as a percentage of expenditures	<u>12.0%</u>	<u>14.2%</u>	<u>13.0%</u>	<u>11.9%</u>	<u>11.5%</u>
Unassigned fund balances as a percentage of expenditures	<u>7.6%</u>	<u>7.5%</u>	<u>9.5%</u>	<u>8.1%</u>	<u>8.1%</u>
(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.					

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.

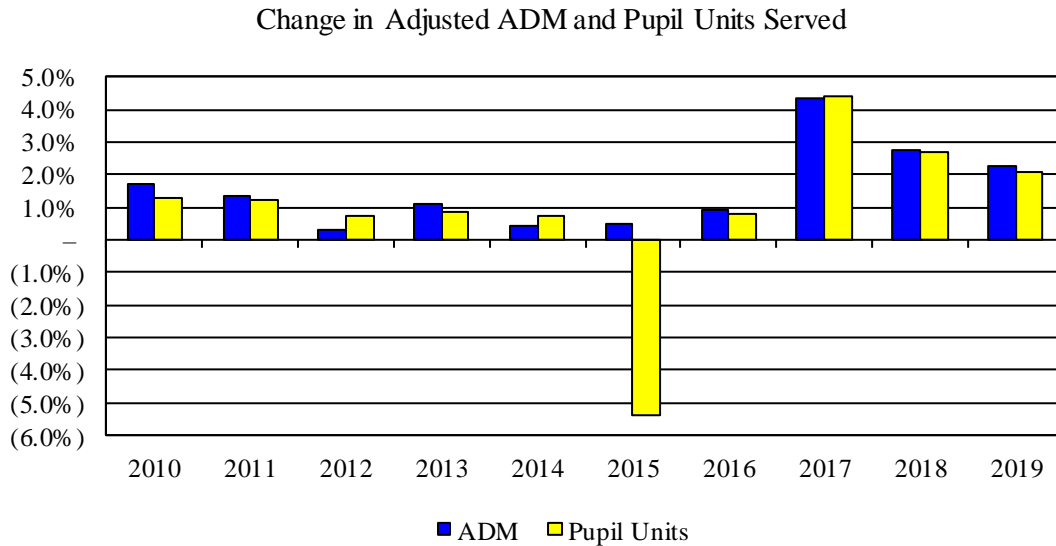
At June 30, 2019, unassigned fund balance in the General Fund (excluding restricted fund balance deficits) represented 8.1 percent of annual expenditures, or about four weeks of operations assuming level spending throughout the year.

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:



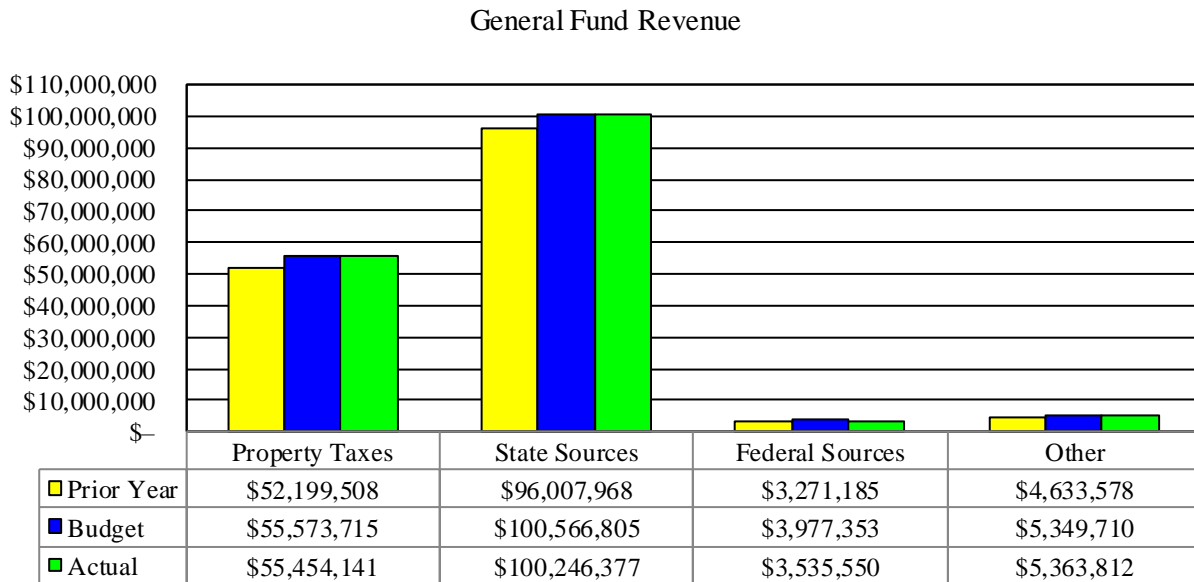
The change in pupil units for 2015 includes the effect of legislative reductions to pupil units.

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 11,906 in 2019, an increase of 266 ADM (2.3 percent) from the prior year. The resulting pupil units served by the District increased by 264 (2.1 percent) to 12,980.

GENERAL FUND REVENUES

The following graph presents the District's General Fund revenues for 2019:



Total General Fund revenues were \$164,599,880 for the year ended June 30, 2019, which was an increase of \$8,487,641 (5.4 percent) from the prior year, but \$867,703 (0.5 percent) less than projected in the final budget.

The variance to budget was in federal sources and state sources, which were \$441,803 and \$320,428 less than budget, respectively.

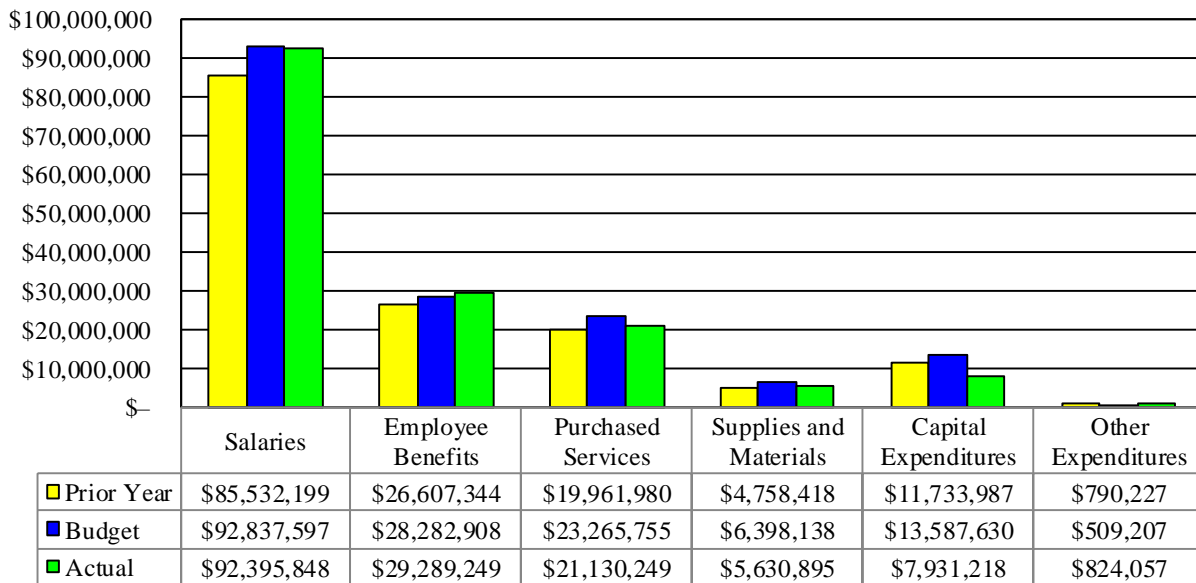
The increase from the prior year was mainly in state sources and property taxes. State sources increased \$4,238,409, primarily as a result of increases in both the number of students served and the basic general education formula allowance. Property taxes increased \$3,254,633, as a result of the increased levy in fiscal 2019.

The graph above reflects the concentration of state sources (60.9 percent) followed by property taxes (33.7 percent) received to finance General Fund operations.

GENERAL FUND EXPENDITURES

The following graph presents the District's General Fund expenditures for 2019:

General Fund Expenditures



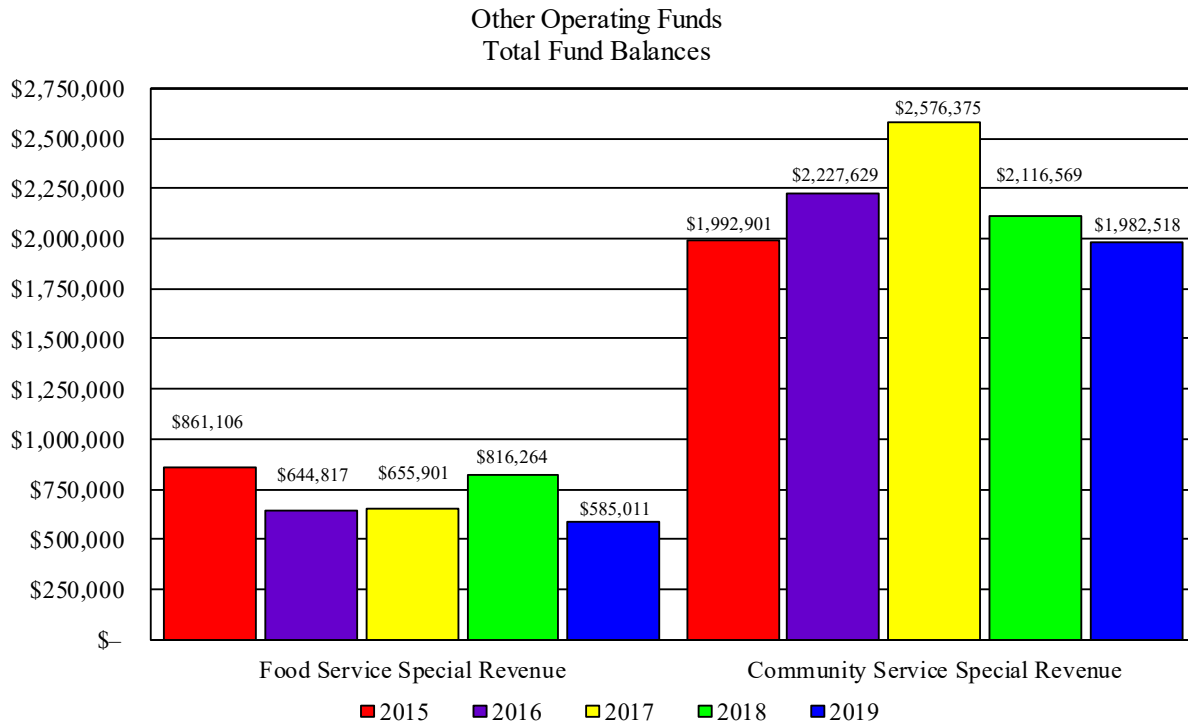
Total General Fund expenditures were \$157,201,516 for the year ended June 30, 2019, which was an increase of \$7,817,361 (5.2 percent) from the prior year, but \$7,679,719 (4.7 percent) under the final budget.

The variance to budget was primarily in capital expenditures and purchased services. Capital expenditures were \$5,656,412 under budget as a result of the timing of construction projects occurring in fiscal 2019, compared to expectations. Purchased services were \$2,135,506 under budget, mainly due to the timing of technology needs and replacement of equipment and in professional development.

Expenditure increases were mainly in salaries and benefits, partially offset by a decrease in capital expenditures. The increase in salaries and benefits is mostly due to contractual increases and additional staffing in the current year. The decrease in capital expenditures is due to the timing of long-term facilities maintenance projects.

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 2019 with a fund balance decrease of \$231,253, compared to a budgeted decrease of \$198,385. Food service revenue was \$6,542,445, which was under budget by \$68,745, due to lower meal sales than anticipated. Expenditures of \$6,773,698 were under budget by \$35,877, as cost savings in salaries and benefits were offset by higher than expected costs for purchased services. The Food Service Special Revenue Fund had a year-end fund balance of \$585,011, representing 8.6 percent of current year expenditures.

Community Service Special Revenue Fund

The District's Community Service Special Revenue Fund ended fiscal 2019 with a fund balance decrease of \$134,051, compared to a budgeted decrease of \$256,795. Revenues of \$11,034,138 were over budget by \$531,422, due to higher tuition and fees than anticipated. Expenditures totaling \$11,168,189 were over budget by \$393,678, mainly in salaries and benefits. This operation closed the year with a fund balance of \$1,982,518, equal to 17.8 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 decrease of \$36,722,832, due to the spend down of prior years’ bond proceeds, consistent with a \$28,330,000 decrease anticipated in the budget. The year-end fund balance of \$32,549,669 includes: \$19,169 of nonspendable fund balance for prepaids, \$33,749,841 restricted for capital projects, and a deficit \$1,219,341 for long-term facilities maintenance.

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, 2019, the District has \$2,833,280 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. In the current year, the District reported a special item, which represents the decrease in the District’s severance and pension benefit liability, due to the elimination of certain benefits through contract negotiations. The following table presents the combined activity reported for the past two fiscal years for the internal service funds:

	June 30,	
	2018	2019
Operating revenue		
Charges for services	\$ 17,015,685	\$ 18,633,367
Operating expenses		
Dental benefit claims	1,379,610	1,432,895
Health benefit claims	16,516,897	18,220,640
Early retirement incentive and sick leave benefits	1,257,534	2,037,115
Total operating expenses	<u>19,154,041</u>	<u>21,690,650</u>
Operating income (loss)	(2,138,356)	(3,057,283)
Nonoperating revenue		
Investment earnings	<u>1,322,214</u>	<u>421,012</u>
Income (loss) before special item	(816,142)	(2,636,271)
Special item	<u>–</u>	<u>3,035,310</u>
Change in net position	(816,142)	399,039
Net position		
Beginning of year	<u>854,032</u>	<u>37,890</u>
End of year	<u>\$ 37,890</u>	<u>\$ 436,929</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 \$32,521,738 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
	2019	2018	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 63,918,628	\$ 94,887,478	\$ (30,968,850)
Total capital assets, net of depreciation	240,433,942	211,998,074	28,435,868
Bonds, certificates, and leases, net of premiums	(236,114,659)	(242,543,107)	6,428,448
Pensions, net of deferred outflows and inflows	(125,939,381)	(159,346,155)	33,406,774
OPEB, net of deferred outflows and inflows	(14,469,615)	(11,619,286)	(2,850,329)
Other adjustments	<u>(3,097,221)</u>	<u>(3,456,097)</u>	<u>358,876</u>
Total net position – governmental activities	<u>\$ (75,268,306)</u>	<u>\$ (110,079,093)</u>	<u>\$ 34,810,787</u>
Net position			
Net investment in capital assets	\$ 37,050,317	\$ 37,679,712	\$ (629,395)
Restricted	10,648,975	10,695,169	(46,194)
Unrestricted	<u>(122,967,598)</u>	<u>(158,453,974)</u>	<u>35,486,376</u>
Total net position	<u>\$ (75,268,306)</u>	<u>\$ (110,079,093)</u>	<u>\$ 34,810,787</u>

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

Total net position increased by \$34,810,787 during fiscal 2019. 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 \$629,395 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.

LEGISLATIVE SUMMARY

The 2019 Legislature passed education and tax bills that included appropriation increases of between \$563 million and \$593 million for K–12 education over the fiscal year (FY) 2020–2021 biennium, with the majority of the additional appropriations being added to the general education and special education funding formulas. The following is a brief summary of specific legislative changes from the 2019 session or previous legislative sessions impacting Minnesota school districts in future years.

General Education Revenue – The Legislature approved annual increases of 2 percent to the basic general education formula allowance for the FY 2020–2021 biennium. The per pupil allowance will increase \$126 to \$6,438 for FY 2020, and another \$129 to \$6,567 for FY 2021. Other small additions to general education funding were approved to: provide permanent funding for early middle college programs serving students under the age of 22; extend the opportunity to participate in post-secondary enrollment options – career and technical education programs to nonpublic students in the 10th grade; and provide transportation for pregnant teens and teen moms attending established programs that provide parent training and quality on-site child care.

Compensatory Revenue – The portion of compensatory revenue required to be used for extended time activities increased from 1.7 percent of total compensatory revenue for FY 2018 to 3.5 percent in FY 2019, and will increase to 3.5 percent plus the annual percentage change in the basic general education thereafter.

Early Learning – The Legislature appropriated funding to maintain the 4,000 Voluntary Pre-Kindergarten (VPK) and School Readiness Plus program seats currently set to expire after FY 2019, through FY 2020 and FY 2021. Students in these programs will not be used in declining enrollment revenue calculations for FY 2022, and will not be used to drive FY 2022 compensatory revenue for sites where VPK funding is discontinued after FY 2021, due to the reduction in the number of funded seats.

Special Education Revenue – The 2019 education bill included a number of enhancements to special education funding designed to hold the state average cross subsidy per pupil constant at the FY 2019 level of \$820 per average daily membership (ADM) for FY 2020 and FY 2021. The changes included:

- Establishing a new component of the state special education funding formula, known as cross subsidy reduction aid, beginning in FY 2020. Cross subsidy reduction aid will equal a percentage of each district’s “initial cross subsidy” for the prior fiscal year, with the percentages set at 2.60 percent for FY 2020 and 6.43 percent for FY 2021. Initial cross subsidy is defined as the district’s nonfederal special education costs including transportation, less state special education aid after tuition adjustments and general education aid attributable to students receiving special education services outside of the regular classroom for at least 60.00 percent of the school day. Charter schools are not eligible for cross subsidy reduction aid.
- Updating the pupil-driven portion of the initial special education aid formula to use FY 2018 data beginning in FY 2021, rather than continuing to use 2011 data adjusted for inflation.
- Phasing out the special education aid cap over two years, with the cap eliminated for FY 2021 and beyond. For FY 2020, the cap increases to the greater of the FY 2019 cap, or the sum of 56 percent of FY 2019 program costs plus 100 percent of FY 2019 special education transportation costs and the tuition adjustment.
- Reducing the tuition rate paid by the resident school district for open enrolled special education students served by another district or charter school from 90 percent of unfunded costs to 85 percent for FY 2020, and 80 percent for FY 2021 and later. Charter schools will be eligible for additional special education aid from the state to fully offset the impact of the tuition rate change.

- Reducing the hold harmless guarantee by changing the formula to reduce reliance on the FY 2016 base year so that districts where special education expenditures have fallen or grown slowly since FY 2016 do not benefit disproportionately from the hold harmless guarantee compared to other districts. The hold harmless (minimum aid) guarantee for FY 2020 will be limited to 90.0 percent of FY 2019 regular program costs, plus 100.0 percent of special education transportation costs, plus the tuition adjustment. The percentage of FY 2019 regular program costs used to calculate the hold harmless will decrease to 85.0 percent for FY 2021, 80.0 percent for FY 2022, and 75.0 percent for FY 2023. In addition, the annual inflation adjustment used to calculate the hold harmless will be reduced by 0.2 percent annually from the 4.6 percent factor used in FY 2019 until the adjustment reaches 2.0 percent.

Safe Schools Supplemental Aid – A one-time appropriation of \$30 million was made for Safe Schools Supplemental Aid in FY 2020, contingent upon the closing balance of the state’s General Fund for FY 2019 exceeding the balance projected at the end of the 2019 legislative session. If the balance exceeds the projection by \$63 million, the entire \$30 million will be appropriated. If the balance exceeds the projection by between \$33 and \$63 million, the amount over \$33 million will be appropriated. The aid would be allocated among school districts and charter schools based on their respective share of state-wide adjusted ADM for FY 2018. Districts would be required to restrict the use of the funding for the same purposes as the safe schools levy. Charter schools would be required to restrict the use for the same purposes as the safe schools levy or for building lease costs not covered by charter school lease aid.

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) was provided equal to 40 percent of the tax on the property attributable to school district building bond levies. The 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. The 2019 Legislature increased the credit percentage to 50 percent for the levy payable in 2020, 55 percent for payable in 2021, 60 percent for payable in 2022, and 70 percent for payable in 2023 and thereafter.

Forecast Adjustments – Forecast article adjustments to FY 2019 appropriations (including final payments from FY 2018 and current payments for FY 2019) were approved to match the February 2019 forecast amount for each affected program. This eliminated the potential proration of forecasted program aids, including special education aid, for FY 2018 and FY 2019, due to the veto of the 2018 omnibus budget bill.

Operating Referendum / Local Optional Revenue – Effective for the tax levy payable in FY 2021, the operating referendum and local operational revenue (LOR) levies were simplified by transferring \$300 per pupil unit (PU) of referendum revenue to LOR, thereby eliminating the board-approved referendum levy and increasing the LOR levy authority to \$724 per PU. The referendum cap is reduced by the \$300 per PU transferred to LOR. The annual recalculation of referendum allowances approved prior to FY 2014 based on the amount of LOR a district opts to receive is also eliminated. Inflation adjusted referendum authority transferred to LOR will continue to be adjusted for the life of the referendum. This change is revenue neutral for all districts.

Operating Referendum Equalization – Effective for the tax levy payable in FY 2021, the equalizing factor for Tier 2 of the referendum (New Tier 1) is increased from \$510,000 to \$567,000. This is expected to provide \$9.4 million of property tax relief to taxpayers, and result in \$600,000 of additional referendum state aid for charter schools.

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. 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.

Board Control of Extracurricular Student Activities – In order to align the Uniform Financial Accounting and Reporting Standards with the new requirements of Governmental Accounting Standards Board Statement No. 84, effective for FY 2020 school boards are required to take charge of and control the financial transactions related to all extracurricular student activity accounts. This eliminates the previously available alternative for school boards to allow these accounts to operate outside of board control, and thereby be accounted for and reported outside of the district’s funds.

Disposal of Surplus Computers – Authorizes a school district to sell or give a surplus computer to a charitable organization for educational use, or to currently enrolled district students who intend to enroll the following year.

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ACCOUNTING AND AUDITING UPDATES

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 Minnesota Department of Education has also issued guidance for implementing this standard, which will impact the reporting of extracurricular student activity accounts previously not under board control, and potentially other fiduciary funds, beginning in the 2019–2020 fiscal year.

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. 90, MAJORITY EQUITY INTEREST—AN AMENDMENT OF GASB STATEMENTS
NO. 14 AND NO. 61**

The primary objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

It specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. It further specifies that such investments should generally be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund, in which case the majority equity interest should be measured at fair value.

All other holdings of a majority equity interest in a legally separate organization that do not meet the definition of an investment result in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit, and should report an asset related to the majority equity interest using the equity method.

This statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to reporting a majority equity interest in a component unit and reporting a component unit if the government acquires a 100 percent equity interest, which should be applied prospectively.

GASB STATEMENT NO. 91, CONDUIT DEBT OBLIGATIONS

The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

This statement also addresses arrangements, often characterized as leases, that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third party obligors in the course of their activities.

This statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

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INDEPENDENT SCHOOL DISTRICT NO. 284
WAYZATA, MINNESOTA

Special Purpose Audit Reports

Year Ended
June 30, 2019

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INDEPENDENT SCHOOL DISTRICT NO. 284

Special Purpose Audit Reports
Year Ended June 30, 2019

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INDEPENDENT SCHOOL DISTRICT NO. 284

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures	Passed Through to Subrecipients	Noncash Assistance
U.S. Department of Agriculture				
Passed through Minnesota Department of Education				
Child nutrition cluster				
School Breakfast Program	10.553	\$ 80,536		
National School Lunch Program	10.555	<u>993,708</u>		\$ 299,056
Total child nutrition cluster			\$ 1,074,244	
U.S. Department of Education				
Passed through Minnesota Department of Education				
Special education cluster				
Special Education Grants to States	84.027	1,894,542		
Special Education Preschool Grants	84.173	<u>52,211</u>		
Total special education cluster			1,946,753	
Title I Grants to Local Educational Agencies	84.010	696,063		
Career and Technical Education – Basic Grants to States	84.048	469,638	\$ 293,865	
Special Education – Grants for Infants and Families	84.181	52,055		
English Language Acquisition State Grants	84.365	40,501		
Supporting Effective Instruction State Grants	84.367	204,399		
U.S. Department of Health and Human Services				
Direct				
Drug-Free Communities Support Program Grants	93.276	<u>126,769</u>		
Total federal awards				<u>\$ 4,610,422</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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 20, 2019.

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
November 20, 2019



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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, 2019. 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, 2019.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

PURPOSE OF THIS REPORT

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

(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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 20, 2019, 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
November 20, 2019

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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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 20, 2019.

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
November 20, 2019

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INDEPENDENT SCHOOL DISTRICT NO. 284

Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

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? Yes X None reported

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

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)? Yes X No

Programs tested as major programs:

Program or Cluster(s)	CFDA No.
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, 2019

B. FINANCIAL STATEMENT FINDINGS

None.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

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, 2019, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated November 20, 2019.

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.

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

Minneapolis, Minnesota

November 20, 2019

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INDEPENDENT SCHOOL DISTRICT NO. 284

Uniform Financial Accounting and Reporting Standards
Compliance Table
June 30, 2019

		Audit	UFARS	Audit – UFARS
General Fund				
Total revenue		\$ 164,599,880	\$ 164,599,880	\$ –
Total expenditures		\$ 157,201,516	\$ 157,201,517	\$ (1)
Nonspendable				
460	Nonspendable fund balance	\$ 316,399	\$ 316,399	\$ –
Restricted				
403	Staff development	\$ 601,110	\$ 601,110	\$ –
406	Health and safety	\$ –	\$ –	\$ –
407	Capital projects levy	\$ 2,123,511	\$ 2,123,511	\$ –
408	Cooperative revenue	\$ –	\$ –	\$ –
413	Projects funded by COP	\$ –	\$ –	\$ –
414	Operating debt	\$ –	\$ –	\$ –
416	Levy reduction	\$ –	\$ –	\$ –
417	Taconite building maintenance	\$ –	\$ –	\$ –
423	Certain teacher programs	\$ –	\$ –	\$ –
424	Operating capital	\$ 3,654,931	\$ 3,654,931	\$ –
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	\$ –	\$ –	\$ –
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	\$ 921,418	\$ 921,418	\$ –
472	Medical Assistance	\$ 299,731	\$ 299,731	\$ –
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	\$ 5,369,294	\$ 5,369,294	\$ –
Unassigned				
422	Unassigned fund balance	\$ 12,681,756	\$ 12,681,756	\$ –
Food Service				
Total revenue		\$ 6,542,445	\$ 6,542,445	\$ –
Total expenditures		\$ 6,773,698	\$ 6,773,698	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ 69,175	\$ 69,175	\$ –
Restricted				
452	OPEB liability not in trust	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ 515,836	\$ 515,836	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
Community Service				
Total revenue		\$ 11,034,138	\$ 11,034,138	\$ –
Total expenditures		\$ 11,168,189	\$ 11,168,189	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ 18,655	\$ 18,655	\$ –
Restricted				
426	\$25 taconite	\$ –	\$ –	\$ –
431	Community education	\$ 919,607	\$ 919,607	\$ –
432	ECFE	\$ 344,805	\$ 344,805	\$ –
440	Teacher development and evaluation	\$ –	\$ –	\$ –
444	School readiness	\$ 13,469	\$ 13,469	\$ –
447	Adult basic education	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ 685,982	\$ 685,982	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –

INDEPENDENT SCHOOL DISTRICT NO. 284

Uniform Financial Accounting and Reporting Standards
Compliance Table (continued)
June 30, 2019

	Audit	UFARS	Audit – UFARS
Building Construction			
Total revenue	\$ 1,356,705	\$ 1,356,705	\$ –
Total expenditures	\$ 40,122,437	\$ 40,122,437	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ 19,169	\$ 19,169	\$ –
Restricted			
407 Capital projects levy	\$ –	\$ –	\$ –
413 Projects funded by COP	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ (1,219,341)	\$ (1,219,341)	\$ –
464 Restricted fund balance	\$ 33,749,841	\$ 33,749,841	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
Debt Service			
Total revenue	\$ 12,102,914	\$ 12,102,913	\$ 1
Total expenditures	\$ 11,876,592	\$ 11,876,592	\$ –
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	\$ 2,833,280	\$ 2,833,280	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
Trust			
Total revenue	\$ 49,781	\$ 49,780	\$ 1
Total expenditures	\$ 45,200	\$ 45,200	\$ –
422 Net position	\$ 288,784	\$ 288,784	\$ –
Internal Service			
Total revenue	\$ 19,054,379	\$ 19,054,379	\$ –
Total expenditures	\$ 18,655,340	\$ 18,655,341	\$ (1)
422 Net position	\$ 436,929	\$ 436,929	\$ –
OPEB Revocable Trust Fund			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
OPEB Irrevocable Trust Fund			
Total revenue	\$ 2,059,666	\$ 2,059,666	\$ –
Total expenditures	\$ 2,066,633	\$ 2,066,633	\$ –
422 Net position	\$ 32,521,738	\$ 32,521,738	\$ –
OPEB Debt Service Fund			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –

Note 1: 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.

Note 2: Internal Service Fund expenditures above include the special item reported on the Internal Service Funds Statement of Revenue, Expenses, and Changes in Net Position.

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Truth-in-Taxation Presentation for Taxes Payable in 2020

December 9, 2019

School Board Regular Meeting

7:00 p.m.



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Notice of
Proposed Property Taxes
Independent School District 284

The Wayzata Independent School District 284 will include in its regularly scheduled meeting a presentation on its current budget and on the amount of property taxes it is proposing to collect in 2020 to pay for a portion of the costs of the district for the 2020-2021 school year.

Attend the Regularly Scheduled School Board Meeting
All residents of the school district are invited to attend the Board Meeting to express their opinions on the current budget and on the proposed amount of 2020 property taxes.

The meeting and presentation will be held on:

Monday, December 9, 2019 at 7:00 p.m.

Wayzata City Hall

600 Rice Street

Wayzata

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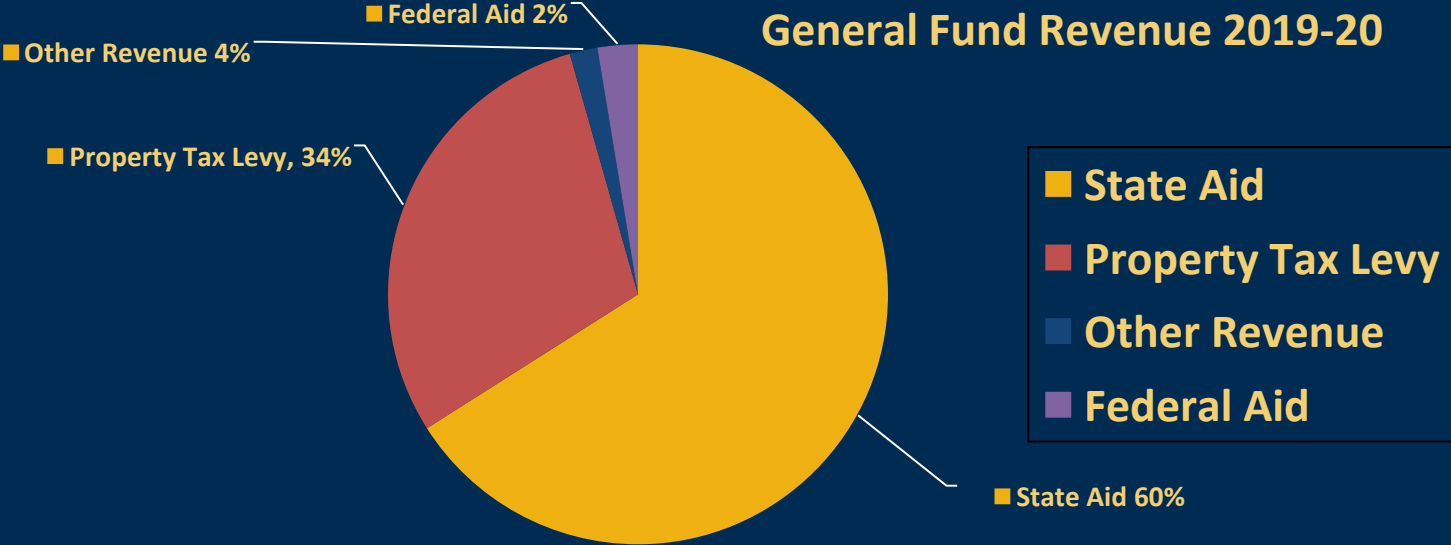
2019-2020 Budget

FUND	REVENUE	EXPENDITURES
General Fund	\$172,700,000	173,564,093
Food Service	6,873,510	7,170,015
Community Svc.	11,763,841	11,550,078
Construction	8,102,000	29,961,222
Debt Service	12,432,358	12,884,363
TOTAL	211,871,709	235,129,771



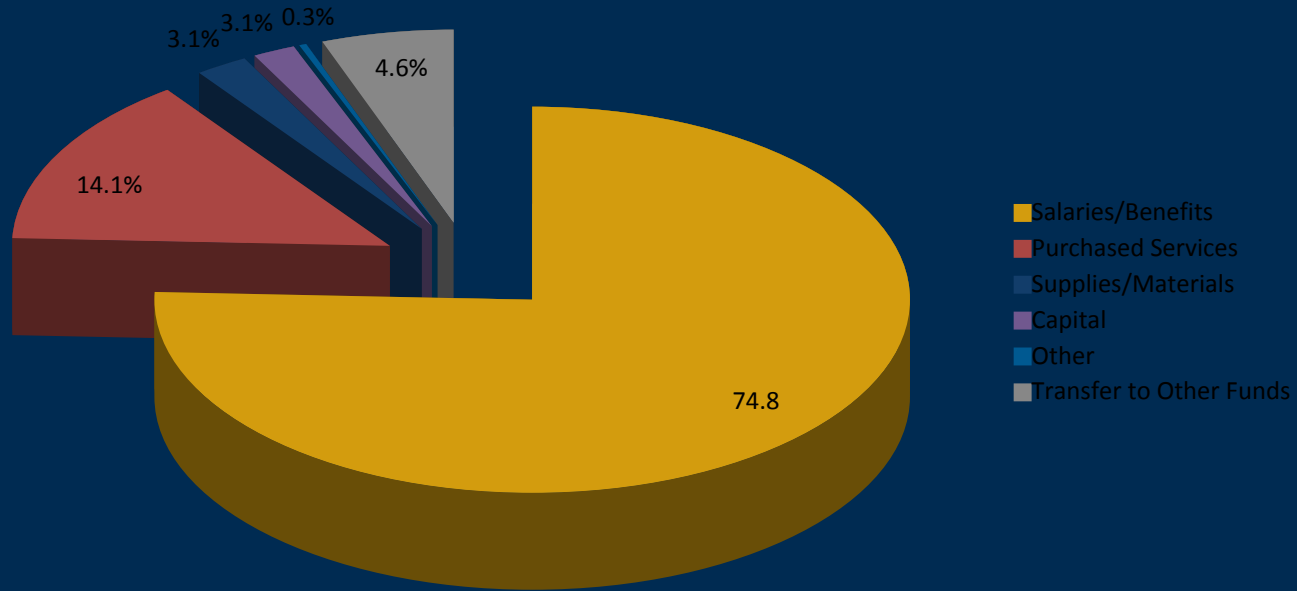
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Budget Basics – Revenue Sources



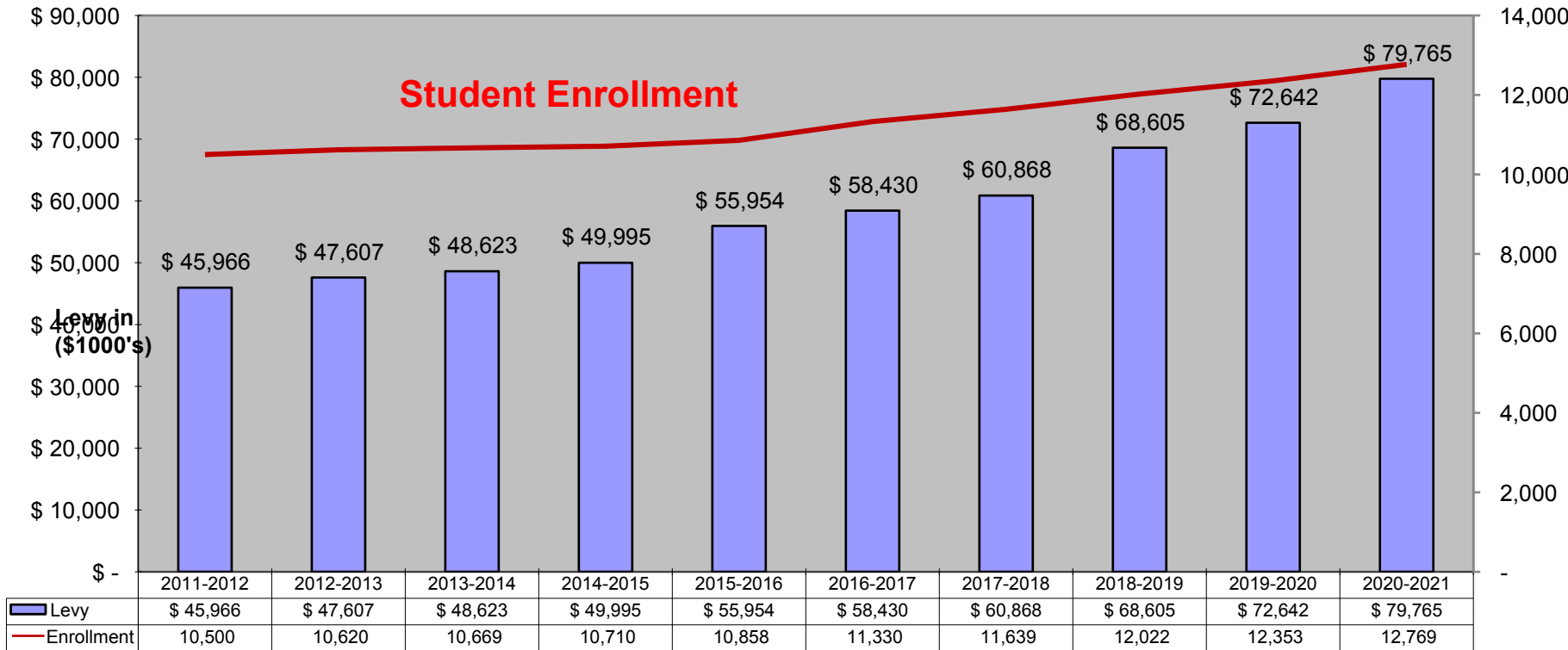
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Budget Basics – Expenditures Categories 2018-19 Object Amount



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Property Tax Levy History



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Final Proposed Pay 2020 Levy

- 2020 Proposed Levy: \$79,764,941.22
- 2019 Certified Levy: \$72,641,788.64
- Change: \$7,123,152.58, or 9.81% while District's property tax base increased 7%



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Total Levy All Funds - Proposed

<u>FUND</u>	Proposed <u>2020 LEVY</u>	PAYABLE <u>2019 LEVY</u>	<u>CHANGE</u>	PERCENT <u>CHANGE</u>
General	\$ 63,266,971	\$ 58,674,585	\$ 4,592,386	7.83%
Community Service	\$ 1,888,453	\$ 1,536,446	\$ 352,007	22.91%
Debt Service	\$ 14,609,517	\$ 12,430,758	\$ 2,178,760	17.53%
Total	\$ 79,764,942	\$ 72,641,789	\$ 7,123,153	9.81%



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Final Proposed Pay 2020 Levy

The School Board approved a 9.81% increase in its property tax levy in 2020 while the property tax base grew by 7%

These amounts reflect the items approved by voters in November 2017:

- Voters approved to increase the District's operating referendum beginning in 2018
- Voters approved issuing \$70 million in bond funding for District facilities
- Voters approved the renewal of technology funding beginning in 2018
- The Board reduced its Long-Term Facilities Maintenance Revenue by \$3 million



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Effect on Taxpayers

- The District's tax levy is spread to property owners based upon taxable market value
- There is not a direct correlation between the District's total levy change and what individual property owners will pay
- The District's tax base increased by nearly **\$900 million** in market value from the prior year
- The District's tax base has increased by more than 41.3% over the last 5 years which has served to soften the impact of any increase in the District's total levy



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Effect on Taxpayers

					\$ Chg	% Chg	\$ Chg	% Chg
	<u>2019 Value</u>	<u>2020 Value</u>	<u>2019 taxes</u>	<u>2020 Taxes</u>	<u>2020 taxes</u>	<u>2020 taxes</u>	<u>2020 MV</u>	<u>2019 MV</u>
Corcoran	432,000.00	432,000.00	\$ 2,091.21	\$ 2,149.18	\$ 57.97	2.79%	-	0.00%
Maple Grove	542,300.00	532,000.00	\$ 2,651.47	\$ 2,668.00	\$ 16.53	0.64%	(10,300)	-1.90%
Maple Grove	475,500.00	473,500.00	\$ 2,301.79	\$ 2,355.64	\$ 53.85	2.35%	(2,000)	-0.42%
Medicine Lake	578,000.00	560,000.00	\$ 2,846.39	\$ 2,825.96	\$ (20.43)	-0.72%	(18,000)	-3.11%
Medina	740,000.00	721,000.00	\$ 3,731.17	\$ 3,734.36	\$ 3.19	0.08%	(19,000)	-2.57%
Medina	509,000.00	527,000.00	\$ 2,469.66	\$ 2,639.93	\$ 170.27	6.66%	18,000	3.54%
Minnetonka	463,900.00	483,900.00	\$ 2,245.62	\$ 2,407.39	\$ 161.77	7.47%	20,000	4.31%
Minnetonka	226,758.00	229,047.00	\$ 1,134.16	\$ 1,174.58	\$ 40.42	3.68%	2,289	1.01%
Plymouth	351,000.00	372,000.00	\$ 1,699.09	\$ 1,850.68	\$ 151.59	9.37%	21,000	5.98%
Plymouth	376,960.00	391,130.00	\$ 1,832.03	\$ 1,950.09	\$ 118.06	6.02%	14,170	3.76%
Plymouth	439,000.00	484,000.00	\$ 2,125.08	\$ 2,407.88	\$ 282.80	13.18%	45,000	10.25%
Plymouth	450,000.00	453,000.00	\$ 2,178.33	\$ 2,253.66	\$ 75.33	3.53%	3,000	0.67%
Plymouth	724,000.00	719,000.00	\$ 3,643.77	\$ 3,723.07	\$ 79.30	2.14%	(5,000)	-0.69%
Wayzata	901,000.00	907,000.00	\$ 4,610.60	\$ 4,783.64	\$ 173.04	3.88%	6,000	0.67%
Wayzata	960,000.00	966,000.00	\$ 4,932.72	\$ 5,116.34	\$ 183.62	3.74%	6,000	0.63%



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Changes from Last Year

- Largest changes in the General fund levy is voter approved referendum authority and technology levies approved by voters in November 2017
- Largest change in the Debt Service fund levy is payments on \$70 million in voter approved bond authority approved by voters in November 2017



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Truth-in-Taxation Presentation for Taxes Payable in 2020

Discussion and Opportunity
for the Public to comment.



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Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: Administrative Reports and Recommendations

ITEM: Finance and Business Services Recommendations

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

Certification of 2019 Payable 2020 Tax Levy

The Administration recommends certification of the 2019 Payable 2020 Property Tax Levy in the amount of \$79,764,941.22 This amount represents a \$7.123 million, or 9.81% increase from the Payable 2020 levy while the District’s property tax base has grown by approximately 7%. This amount is also \$46,594 less than the preliminary levy amount used in notices sent to taxpayers for individual parcels of property within the district. The recommended levy does not appropriate money for the Wayzata Early Learning School leased facilities at 1461 County Road 101 Plymouth, MN beyond June 30, 2020 as the program will be utilizing District-owned facilities in all subsequent fiscal years.

General Fund – Referendum Market Value – Voter Approved	\$24,470,790.42
General Fund – Referendum Market Value – Other	10,938,393.42
General Fund – Net Tax Capacity – Voter Approved	7,839,549.67
General Fund – Net Tax Capacity – Other	20,018,237.56
Community Service Fund	1,888,452.84
Debt Service Fund – Net Tax Capacity – Voter Approved	10,785,012.87
Debt Service Fund – Net Tax Capacity - Other	3,824,504.44
Total Certified Levy	<u>\$79,764,941.22</u>

Recommended Action: Approve the levy amount of \$79,764,941,22 and authorize the Board Clerk to sign the attached final 2019 Payable 2020 Levy for Independent School District 284.

Motion by: _____ **Yes:** _____ **Passed:** _____

Second by: _____ **No:** _____ **Failed:** _____

Abstentions: _____



Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: 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.



Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: Audience Opportunity to Address the Board

ITEM: Audience Opportunity to Address the Board

COMMENTS BY: Sarah Johansen, Board Chair

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.



Board of Education
Regular Meeting – December 9, 2019

AGENDA SECTION: 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:** _____

Time of Adjournment: _____