

INDEPENDENT SCHOOL DISTRICT #832  
REGULAR MEETING – BOARD OF EDUCATION  
Thursday, November 12, 2009 - 7:00 PM  
Mahtomedi District Education Center - Community Room

The Mission of the Mahtomedi School District No. 832, as a multi-community public school system, is to provide individually challenging, lifelong learning experiences for all people, leading to productive and self-fulfilling roles in a global society, accomplished through partnerships with students, families, staff and communities all committed to excellence.

**- AGENDA -**

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Presenter: Kirsten Bouwens, Carol Stabenow, Kathryn Monroe
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Visitors attending the meeting who wish to address the school board on any issue that is on the agenda may do so at this time. Please refer to the last page for the procedure that has been established for public comments.
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2.	Approval of Contracts and Work Agreements	
a.	Kyle Beckstead - .333 FTE Physical Education Teacher - Mahtomedi High School (11/9/09)	
b.	Dana Berg - Paraprofessional - Early Childhood Special Education (ECSE) (11/6/09)	

**Agenda** - November 12, 2009

- c. Katherine Chapuran - Long-Term Substitute French Teacher - Mahtomedi High School (11/9/09)
- d. Shaun Halland - Long-Term Substitute Music Teacher - Mahtomedi Middle School (10/26/09 to 4/9/10)
- e. Kristel Linn - .5 FTE Special Education Teacher - Mahtomedi Middle School (11/9/09)
- f. Annemarie Niederkorn - Long-Term Substitute Language Arts Teacher - Mahtomedi Middle School (11/10/09 to 4/9/09)

## **PUBLIC PARTICIPATION IN SCHOOL BOARD MEETINGS REGULAR SCHOOL BOARD MEETING**

Thank you for coming. The School Board of Independent School District #832 hopes you will find the meeting informative. By attending, you will better understand how your school district operates. The School Board meeting is a meeting "in public," and not a public meeting. In order to conduct its work in a professional and business-like manner, the school board has established the following rules for conducting the meeting:

- Comments and questions on issues are welcome at the scheduled time on the agenda. The school board is prohibited by law from discussing concerns about individual employees or students in a public meeting. Please forward comments or issues regarding individual employees or students to the superintendent at [mark.wolak@mahtomedi.k12.mn.us](mailto:mark.wolak@mahtomedi.k12.mn.us) or 651-407-2001.
- If you would like to speak to the school board, you will be recognized during Public Comment. The public may comment on any item on the agenda. The school board generally does not take action on any issue that is not on the agenda. Concerns or questions are forwarded to the superintendent for review and recommended action before consideration by the school board. Unless requested by a school board member, items on the consent agenda are not discussed by the school board at the meeting.
- The chairperson will ask citizens in attendance to sign in if they wish to address the school board. If you are late and wish to speak, please give your name, address, and agenda number to the clerk when you arrive.
- Individuals will be recognized in the order received. Since we are videotaping tonight's meeting for delayed broadcast, individuals who wish to address the school board or ask questions need to go to the microphone. Please state your name and address after being recognized and limit your comments to three minutes (approximately 450 written words). Everyone wishing to comment will be recognized and heard before anyone speaks twice.



**ADDENDUM TO AGENDA**  
**BOARD OF EDUCATION**  
**November 12, 2009**

9. DISCUSSION/INFORMATION ITEMS

- B. Report on Community Engagement Process with Mahtomedi Middle School – Mark Larson will provide an update on the Mahtomedi Middle School community engagement process. The community engagement meeting on November 9 was designed to report information and answer questions. About 60 people were in attendance and about 20 were staff members. The next and final meeting is scheduled for Monday, December 7, at which time I will share my recommendation that will be made to the school board on December 10. I will see that you have this in writing from me in advance of December 7.

10. ACTION ITEMS

- B. Approval of 2008-2009 Audit – Denise Sundstrom and staff from Kern, DeWenter, Viere, LTD will seek your approval of the 2008-2009 annual audit. I am pleased with the results of this audit. If you have specific questions about the audit materials in advance of the meeting, please contact Denise Sundstrom.
- C. Approval of Resolution Approving a Long-Range Facilities Plan (“Plan”) and Authorizing Further Proceedings Toward Implementation of the Plan – Steve Wolgamot and Cathy Dalton, in their role on the School Board Facilities Committee, met with the JCI team and district administration on November 10 to review and suggest improvements to the resolution. A revised version of the resolution will be shared with you as soon as I receive it from JCI.

The resolution summarizes the work we have been doing for the past two years, identifies key findings, and frames the overall work that JCI will continue to provide. The resolution gives us general guidance in the weeks and months ahead and is in keeping with the agreement we adopted approximately two years ago. By restating the role of JCI as lead agency, we can direct all vendors to them and not encumber district staff to be making decisions out of alignment. The school board and district administration will continue to be consulted in all key decision areas.

### What is a “therapy dog?”

Therapy means “that which makes whole.” Over 70% of households in the United States have a companion animal; they seem to agree that pets add companionship, acceptance, and enjoyment to our lives. Therapy dogs take the benefits of companion animals one step further, with special training and registration tests that evaluate their ability to work with people in social and therapeutic situations.



*Kim and Emma*

### Why therapy dogs in schools?

Many studies and programs have indicated that students can benefit from working with dogs in various educational programs. There are pet lending libraries, social studies modules, Reading Education Assistance Dogs, and more. The calming presence of animals produces measurable physiological effects, such as lowered blood pressure, that encourage learning and reflective thought. Research has documented increases in self esteem, social interaction, and academic achievement where children have medium- to long- term involvement with the animals. Dogs are perceived as non-threatening, non-judgmental, and forgiving. They operate in present time, not worrying about what has occurred in the past nor about what may happen in the future.



*Joanne and Rufus*

### Who are the St. Andrew’s Animal Angels?

St. Andrew’s church has sponsored this therapy dog team since 2000. Each team member goes through 20 hours of initial training, and continues to participate in monthly in-service training sessions. Each team has passed a national registration test and carries liability insurance. Since 2000, members of the team have visited and/or worked with more than 5,000 people in day care centers (adult and child), veterans and senior residences, hospitals, family and youth events such as the Rainbow Carnival, medical clinics, the St. Andrew’s preschool, the St. Andrew’s Village memory care unit, and libraries in the east metro area.

In the Mahtomedi schools, our teams currently work with the reading specialist and students at OH Anderson as well as with the school psychologist and special education teachers in a social skill development curriculum for children with autism.

### The OH Anderson Team

Members of the St. Andrew’s AA team who work at OHA include two retired K-12 teachers with Masters in Education, one member with a Master’s in Adult Education with a research emphasis on Human Animal Relationships, and several parents who have been actively involved in a variety of school district programs.



*Shelli and Ozzy*

### What can our dogs do?

Working under the teacher's direction, each dog and handler team interacts with the children as living examples of an educational point.

Literacy Dogs: Each student has a weekly reading session, one-on-one with the dog and handler. The emphasis is on the child's comfort and proficiency in reading aloud. The student proceeds at his or her own pace. This program emphasizes reading and language ability as a skill set and demonstration of achievement. Children are also given information on the schedule of a team member who offers "read to the dogs" sessions at the Wildwood library twice monthly.

Social Skill Development: The children exercise targeted skills such as physical movement by working with the dog and its handler using hand signals and clear speech. The children increase self-expression in a non-threatening manner by discussing what the dog's body language is telling them. Seeing how the dogs react to different events helps the students learn respect for the viewpoints of others. Communicating with the dogs requires and enhances focus and communication.



Sally & Lucas

Most of all, we have seen two things: First, the children master the lessons in order to be able to work with the dogs without inhibition about being judged or failing. And second, the children remember what they learn and can verbalize its meaning long after the learning session.

### How does it work? Does it work?

There are over 3,000 dog and handler teams registered with various education assistance dog programs nationwide. Theoretical foundations include John Dewey's call for education that gives "experience in the ordinary conditions and motives of life," Gardner's Naturalist method of learning, and more.

In describing education assistance dogs, children use words that parallel Bruce Foege's list of attributes of a Positive Learning Environment that includes nurturing, verbal and cognitive stimulation, behavioral regulation, and positive social support. As one student from the READ program said, "the dog didn't laugh at my stutter or correct my pronunciation. He was patient while I sounded out the words."

Research on the READ program in Salt Lake City found that READ dogs working with a group of children reading below grade level had clear, positive results: All students had improved at least 2 levels, two had improved 4 levels, and four were on the honor role with all A's in science, math, and reading. In addition, schools and social workers reported decreased absenteeism and higher self esteem. Teachers reported increased involvement in other activities, raising hands, doing homework, increased library use, and improved personal hygiene. These results are similar to other effectiveness studies.

### Are there restrictions on the involvement of therapy dogs?

Like any tool available to teachers, working with therapy dogs may not be appropriate for all students. Specific circumstances in which therapy dogs are not advised include the following:

- Cultural or religious beliefs



Laura and Guido

- Physical conditions (Although many exercises can be adapted for physical limitations, and therapy dogs work in physical therapy regimens, sometimes an alternative is needed. For example, in exercises walking with the dog, our teams train for walking alongside wheelchairs or crutches/braces. If a student is not comfortable doing that, s/he can still participate by acting as the class observer reporting on the activity, keeping track of which student's turn is next, etc.)
- Abusive children. Dogs are lower ranking than humans, and their perceived lower status may provoke abusive behavior in students who have been abused and who are struggling with boundary issues.
- Other circumstances may arise which can be handled on a case-by-case basis in consultation with the teachers. For example, many of our teams have worked with children who were initially afraid of dogs, but who, when allowed to proceed at their own pace, became very competent junior dog handlers.



*Kathryn and Skye*

Scattered throughout this document are pictures of the teams who have trained for the 2009 program at O.H. Anderson. We thank you for the opportunity to support the excellence of our schools through participation in this program.

Sincerely,

Kathryn Monroe  
Team Leader, St. Andrew's Animal Angels

## Minutes of Regular Meeting

### Board of Education Mahtomedi Public Schools

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A Regular meeting of the Board of Education of the Mahtomedi Public Schools was held **October 8, 2009**, beginning at 7:00 PM in the Mahtomedi District Education Center - Community Room.

1. CALL TO ORDER

Meeting called to order at 7:01 p.m. by Chair Steve Wolgamot.

2. ROLL CALL OF ATTENDANCE

Present: John Belisle (arrived at 7:30 p.m.); Cathy Dalton; Mary Jo Deters (arrived at 7:30 p.m.); Kevin Donovan; Judy Schwartz; Steve Wolgamot; Superintendent Mark Wolak, ex officio; and Nicholas Donovan, Student Representative.

3. APPROVAL OF THE AGENDA

Schwartz moved, Dalton seconded, approval of the agenda. Carried.

4. APPROVAL OF THE CONSENT AGENDA - See #14 for Consent Agenda Items

Steve Wolgamot noted gifts totaling \$2,631.49 given generously to the school district by various community members/agencies in the past month. He extended a thank you from the school board. Donovan moved, Schwartz seconded, approval of the actions recommended on the consent agenda. Carried.

5. PRESENTATIONS/RECOGNITION

A. Welcome Dr. Mark Larson - Director of Teaching & Learning/Assistant Superintendent

Superintendent Mark Wolak introduced Dr. Mark Larson, the district's new Director of Teaching & Learning/Assistant Superintendent. Dr. Larson is currently the Executive Director of Teaching and Learning for the Minnetonka Public Schools. Larson is excited to be coming to the Mahtomedi district and will officially start on November 2.

B. Mahtomedi Middle School - Students' Skit on 21st Century Learning

Mahtomedi Middle School Principal Sharon Zweber gave a brief overview of tonight's presentation, *The Middle School Buzz Newscast*, and introduced Chris Carlson and Alisa Phelps. Teachers Julie Brown, Claudine Goodrich, and Linda Niziolek along with students Abby, Matt, Jackie, Tom, Kate, Samantha, Tessa, and Amanda presented on some of the 21<sup>st</sup> century skills integrated into the classrooms at Mahtomedi Middle School. Students are using Scratch, a computer programming language, SmartMusic, an interactive software, VoiceThread, a collaborative media, Google Docs, web-based documents, and Google SketchUp, a three dimensional software, to complete assigned projects.

6. PUBLIC COMMENT

Anna Shelander, representing the Mahtomedi Middle School Parent Association (MMSPA), informed the school board of the MMSPA's involvement in the pending budget deficit situation and keeping Mahtomedi Middle School parents informed.

7. REPORT FROM STUDENT REPRESENTATIVE

A. Nicholas Donovan, Student Representative

Student Representative Nicholas Donovan reported on the following Homecoming events: pep fest, National Merit Scholar Awards, the parade, and the football game. Donovan also reported on the following upcoming events, conferences, Punkinmania, Kieran Winter Benefit, the Halloween Ball, college visits, and testing (Plan, Explorer, PSAT).

8. APPROVAL OF MINUTES

A. September 10, 2009 - Regular Meeting

Schwartz moved, Dalton seconded, approval of the minutes from the September 10, 2009, school board meeting. Carried.

B. September 21, 2009 - Study Session

Schwartz moved, Dalton seconded, approval of the minutes from the September 21, 2009, school board study session. Carried.

9. DISCUSSION/INFORMATION ITEMS

A. Calendar of Events

Chair Steve Wolgamot reviewed the calendar of events.

B. Presentation on Two Middle School Schedule Options

A schedule change at Mahtomedi Middle School is being considered not because the school board is dissatisfied with the current schedule but because of economic reasons. Reductions have been made in the budget every year for the last seven years. About a year ago the school board started looking at what the current middle school and high school schedules cost the school district. Last July the school board approved a six-period day at Mahtomedi High School which will be more cost effective and will go into effect with the 2010-2011 school year. (The current schedule is a four-period day.) Last April a middle school comparison study was presented to the school board, and the board requested that alternative, more cost effective, schedules be considered for the Middle School.

Sharon Zweber, Mahtomedi Middle School Principal, and Molly Hollihan, Mahtomedi Middle School Assistant Principal, presented a cost benefit analysis of middle school schedules. The Middle School Team looked at a variety of schedules and determined that there were two feasible options. The current seven-period schedule with additional open enrollment students and the six-period schedule. If the current schedule was kept, additional revenue would be gained through open enrollment. With the current Middle School enrollment of 787 students, approximately 40 more open enrollment students would be needed to create \$266,440 more dollars in additional revenue. If the schedule was changed to six periods, a savings of \$2500,000 to \$350,000 would be gained through staff reductions.. Four sample schedules were reviewed.

After school board discussion, Superintendent Mark Wolak stated that there will need to be some type of a change to maintain a balanced budget in 2010-2011. There will be two Community Engagement sessions hosted by Community Education on October 26 and December 7. The school board will revisit this again at the study session on October 22. A decision on the schedule change will be made at the December 10 school board meeting.

C. Policies

1. First Reading

a. Policy 501 - School Weapons Policy

No changes recommended.

b. Policy 516 - Student Medication

No changes recommended.

- c. Policy 521 - Student Disability Nondiscrimination

No changes recommended.

2. Second Reading

- a. Policy 506 - Student Discipline

No changes recommended.

- b. Policy 532 - Use of Peace Officers and Crisis Teams to Remove Students with IEPs from School Grounds

No changes recommended.

10. ACTION ITEMS

- A. Approval of School Board Meeting Schedule - 2010

Schwartz moved, Belisle seconded, approval of the 2010 school board meeting schedule. Carried.

- B. Approval to Ratify School Board Personnel Committee Decision Regarding Policy 427-Instructional Assignments

Donovan moved, Schwartz seconded, approval to ratify the School Board Personnel Committee's decision regarding Policy 427-Instructional Assignments. Carried.

- C. Policies

- 1. Approval of Policy 410 - Family & Medical Leave Policy

Belisle moved, Schwartz seconded, approval of Policy 410 - Family & Medical Leave Policy. Carried.

- 2. Approval of Policy 417 - Chemical Use & Abuse

Belisle moved, Schwartz seconded, approval of Policy 417 - Chemical Use & Abuse. Carried.

- 3. Approval of Policy 524 - Internet Acceptable Use and Safety Policy

Belisle moved, Schwartz seconded, approval of Policy 524 - Internet Acceptable Use and Safety Policy. Carried.

4. Approval of Policy 531 - The Pledge of Allegiance

Belisle moved, Schwartz seconded, approval of Policy 531 - The Pledge of Allegiance. Carried.

11. SCHOOL BOARD COMMITTEE REPORTS

- A. Association of Metropolitan School Districts (AMSD) Board

School board chair Steve Wolgamot reported that the Association of Metropolitan School Districts (AMSD) sent out a summary of proposals to change the state standards in ways that would incorporate tests at the end of anchor classes in various performance on ACT's and SAT's as a way to demonstrate student proficiency.

- B. Integration Districts (EMID & NSP-M-O)

No report.

- C. Minnesota School Boards Association (MSBA) Legislative Liaison

School board director Cathy Dalton reminded school board members of the Learn @ Lunch webinar on October 15.

- D. Northeast Metro 916 Board

School board director John Belisle will hand out the 916 report at the next study session.

12. SUPERINTENDENT'S REPORT

- A. School Board and Administrative Leadership Plan 2009-2010

Superintendent Mark Wolak let the school board members know that the Leadership Plan that they received is in draft form and will be a working document through November in order to include improvements made after the Annual Report of District Progress scheduled for October 29. Also, the community survey should be ready to be presented at the October 22 study session.

13. ADJOURNMENT

Donovan moved, Schwartz seconded, adjournment. Meeting adjourned at 9:02 p.m. Carried.

14. CONSENT AGENDA ITEMS (Items Approved Under #4)

- A. Approval to Pay Bills - Check No. 363094 to 363553

- B. Approval of Wire Transfer Transactions
- C. Approval of Assurance of Compliance with State and Federal Law Prohibiting Discrimination
- D. Gifts/Grants - Totaling \$2,631.49
  - 1. Approval of Donation from Target-Take Charge of Education-to Mahtomedi High School - \$2,131.49
  - 2. Approval of Donation from Bradley and Nancy Sauer to Mahtomedi High School Girls' Soccer - \$500
- E. Personnel
  - 1. Approval of Contracts and Work Agreements
    - a. Dana Ashley - Paraprofessional - Mahtomedi Middle School & Mahtomedi High School (9/30/09)
    - b. Mark Larson - Director of Teaching & Learning/Assistant Superintendent - District Wide (11/1/09)
    - c. Mark LeFeber - 1.0 FTE Industrial Technology - Mahtomedi Middle School & Mahtomedi High School (2009-2010)
    - d. Ann Moutrie - Extended Day Program Supervisor - Community Education (9/14/09)
  - 2. Approval of Leaves of Absence
    - a. Lorie Kaehler - Language Arts Teacher - Mahtomedi Middle School (11/10/09 to 2/3/10)
  - 3. Approval of Resignations/Retirements/Terminations
    - a. Jenna Veenis - Special Education Teacher - Mahtomedi Middle School (9/4/09)

KEVIN P. DONOVAN, CLERK

## Minutes of Study Session

### Board of Education Mahtomedi Public Schools

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A Study Session of the Board of Education of the Mahtomedi Public Schools was held **October 22, 2009**, beginning at 7:00 PM in the Mahtomedi District Education Center - Community Room.

1. CALL TO ORDER

Meeting called to order at 7:04 p.m. by Chair Steve Wolgamot

2. ROLL CALL OF ATTENDANCE

Present: John Belisle; Cathy Dalton; Mary Jo Deters; Kevin Donovan; Judy Schwartz; Steve Wolgamot; and Superintendent Mark Wolak.

3. DISCUSSION/INFORMATION ITEMS

A. Enrollment Report

Denise Sundstrom, Director of Business Services, presented the October 1 enrollment report including resident and nonresident enrollment by grade and school. Enrollment projections made in March 2009 were quite accurate with overall district enrollment at 3,249 students and enrollment last year at 3,251. The number of resident students at 2,719 students is slightly higher than expected. Open enrollment students account for 19 percent of the district enrollment for a total of 622 nonresident students now enrolled in our schools.

B. Community Engagement Process for Proposed Mahtomedi Middle School Schedule Change

Representatives of the Mahtomedi Middle School Parent Association (MMSPA) shared ideas and a proposed process for community engagement developed in partnership with Community Education, District and Middle School leaders. Community members are invited to participate in the initial session on Monday, October 26, and two follow-up sessions on Monday, November 9, and Monday, December 7. School board members reviewed a list of guiding principles for effective community engagement.

C. Agenda and Process for October 29 Data Retreat

Superintendent Mark Wolak reviewed the agenda for the Thursday, October 29 Annual Data Retreat. Wolak suggested the day include an opportunity for school board members to observe professional learning communities in action. School board members will visit teams at the high school and elementary schools.

4. ADJOURNMENT

Schwartz moved, Donovan seconded, adjournment. Meeting adjourned at 8:40 p.m. Carried.

KEVIN P. DONOVAN, CLERK

## CALENDAR OF EVENTS

<b>NOVEMBER</b>		
DATE/TIME	MEETING/EVENT	LOCATION
<b><u>Wednesday, November 11</u></b> 11:30 a.m.-12:30 p.m.	MMS Parent Association Meeting <i>(Mary Jo Deters is scheduled to attend)</i>	Mahtomedi Middle School - Room 115
<b><u>Thursday, November 12</u></b> 6:30 p.m.  7:00 p.m.	MahtoREADi – Visit with Author Lorna Landvik, <i>Oh My Stars</i> School Board Meeting	Black Box Theater  District Education Center - Community Room
<b><u>Monday, November 16</u></b> 6:00-8:00 p.m.	Engineering Matters! Exploring the Science of Chemistry	Mahtomedi High School
<b><u>Tuesday, November 17</u></b> 6:30-8:30 p.m.	Community Education Advisory Council Mtg. <i>(Cathy Dalton is scheduled to attend)</i>	District Education Center - Board Room
<b><u>Wednesday, November 18</u></b> 6:00 p.m.	EMID Joint Powers School Board Meeting	Harambee Elementary School, Maplewood
<b><u>Thursday, November 19</u></b> 12:00-1:00 p.m.	MSBA Learn @ Lunch - Lessons and Trends from Referenda Results	District Education Center - Mark's Office
<b><u>Sunday, November 22</u></b> 4:00 p.m.	Wildwood Artist Series - <i>Mahtomedi Music Faculty</i>	Chautauqua Center
<b><u>Wednesday, November 25</u></b>	No School - Parent Teacher Conferences K-5/ Staff Development 6-12	
<b><u>Thursday, November 26</u></b>	No School - Thanksgiving Break	
<b><u>Friday, November 27</u></b>	No School - Thanksgiving Break	

## DECEMBER

DATE/TIME	MEETING/EVENT	LOCATION
<u><b>Tuesday, December 1</b></u> 8:00 a.m.  6:00 p.m.	MHS Parent Information Meeting <i>(John Belisle is scheduled to attend)</i> Northeast Metro 916 School Board Meeting	MHS – Black Box Theater  Bellaire School, White Bear Lake
<u><b>Friday, December 4</b></u> 7:00 a.m. 7:30 a.m.	AMSD Board of Directors Meeting City/School District Leaders Meeting - <i>(Rescheduled from November 14)</i>	TIES Building, St. Paul District Education Center - Board Room
<u><b>Monday, December 7</b></u> 7:00 p.m.	Community Engagement - MMS Schedule	Black Box Theater
<u><b>Wednesday, December 9</b></u> 11:30 a.m.	MMS Parent Association Meeting <i>(Mary Jo Deters is scheduled to attend)</i>	MMS – Room 115
<u><b>Thursday, December 10</b></u> 7:00 p.m.	School Board Meeting	District Education Center - Community Room
<u><b>Monday, December 14</b></u> 7:00 p.m.	MAEF Board of Trustees Meeting	District Education Center - Board Room
<u><b>Wednesday, December 16</b></u> 6:00 p.m.	EMID Joint Powers School Board Meeting	Harambee Elementary School
<u><b>Thursday, December 24- Friday, January 1</b></u>	No School - Winter Break	

**807 - CLOSING OF SCHOOLS**

**I. PURPOSE**

The purpose of this policy is to empower the superintendent, or designee, to suspend school operations due to emergency conditions.

**II. GENERAL STATEMENT OF POLICY**

Unusual emergency conditions may arise when schools are in session requiring the suspension of school operations. These conditions may include weather emergencies, threats to student welfare, hazards, widespread illness, or state and national emergencies. The superintendent has the authority to suspend schools when emergency weather conditions threaten the general welfare of students and employees.

**III. WEATHER EMERGENCY**

The school district's response to a weather emergency is as follows:

1. School is closed for the day. This decision is made by the superintendent prior to 6:00 a.m. and the media is notified, ~~all e.~~ Employees are notified, and parents/guardians are notified by the Instant Alert™ System. ~~School closing information is also put on the main voicemail of each building will obtain this information from radio, television stations,~~ and the home pages of the schools' and district's web sites.
2. School may be cancelled during the day if a developing storm or other emergency warrants early dismissal. This is the most difficult situation for parents/guardians since it is unexpected. The school district will ~~do everything possible to notify parents/guardians so that your child(ren) are safe.~~ Each school has procedures in place to notify parents/ guardians in the event of an early dismissal notify parents/guardians using the Instant Alert™ System.
3. The start of school may be delayed when it appears that weather conditions will improve rapidly and a delay allows safe travel to school. School will dismiss at the regular time when a delayed start occurs. School and community use of schools during the evening hours will occur as scheduled.
4. School facility use, athletic contests, and MAC Program – In the event of school cancellation or early dismissal, families should contact the Community Education weather hot line at 651-407-2020 or the High School activity office at 651-407-2119 for the status of individual activities. Before- and after-school child care (MAC) offered by Community Education has specific school closing procedures that will be followed.

**Draft of Current Policy**  
**Strike Through: Old Language**  
**Underline: New Language**

Mahtomedi School Board Policy 807

**For other types of crisis situations not listed above, see Crisis Management Policy 806.**

*ADOPTED – February 10, 2005*

*FIRST READING - November 12, 2009*

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 501

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2005

## **501 SCHOOL WEAPONS POLICY**

*[Note: School districts are required by statute to have a policy addressing these issues. ATTENTION: This policy incorporates certain provisions of the Minnesota Citizens' Personal Protection Act of 2003. That law was recently struck down by the Minnesota Court of Appeals. However, in the 2005 session, the Minnesota legislature reenacted this law effective retroactively and without interruption from April 28, 2003. The reenacted law is now in effect.]*

### **I. PURPOSE**

The purpose of this policy is to assure a safe school environment for students, staff and the public.

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

No student or nonstudent, including adults and visitors, shall possess, use or distribute a weapon when in a school location except as provided in this policy. The school district will act to enforce this policy and to discipline or take appropriate action against any student, teacher, administrator, school employee, volunteer, or member of the public who violates this policy.

### **III. DEFINITIONS**

#### **A. "Weapon"**

1. A "weapon" means any object, device or instrument designed as a weapon or through its use is capable of threatening or producing bodily harm or which may be used to inflict self-injury including, but not limited to, any firearm, whether loaded or unloaded; airguns; pellet guns; BB guns; all knives; blades; clubs; metal knuckles; numchucks; throwing stars; explosives; fireworks; mace and other propellants; stunguns; ammunition; poisons; chains; arrows; and objects that have been modified to serve as a weapon.
2. No person shall possess, use or distribute any object, device or instrument having the appearance of a weapon and such objects, devices or instruments shall be treated as weapons including, but not limited to, weapons listed above which are broken or non-functional, look-alike guns; toy guns; and any object that is a facsimile of a real weapon.
3. No person shall use articles designed for other purposes (i.e., lasers or laser pointers, belts, combs, pencils, files, scissors, etc.), to inflict bodily harm and/or intimidate and such use will be treated as the possession and use of a weapon.

## Draft of Proposed New Policy

- B. “School Location” includes any school building or grounds, whether leased, rented, owned or controlled by the school, locations of school activities or trips, bus stops, school buses or school vehicles, school-contracted vehicles, the area of entrance or departure from school premises or events, all locations where school-related functions are conducted, and anywhere students are under the jurisdiction of the school district.
- C. “Possession” means having a weapon on one’s person or in an area subject to one’s control in a school location.

### **IV. EXCEPTIONS**

- A. A student who finds a weapon on the way to school or in a school location, or a student who discovers that he or she accidentally has a weapon in his or her possession, and takes the weapon immediately to the principal’s office shall not be considered to possess a weapon. If it would be impractical or dangerous to take the weapon to the principal’s office, a student shall not be considered to possess a weapon if he or she immediately turns the weapon over to an administrator, teacher or head coach or immediately notifies an administrator, teacher or head coach of the weapon’s location.
- B. It shall not be a violation of this policy if a nonstudent (or student where specified) falls within one of the following categories:
  - 1. active licensed peace officers;
  - 2. military personnel, or students or nonstudents participating in military training, who are on duty performing official duties;
  - 3. persons authorized to carry a pistol under Minn. Stat. § 624.714 while in a motor vehicle or outside of a motor vehicle for the purpose of directly placing a firearm in, or retrieving it from, the trunk or rear area of the vehicle;
  - 4. persons who keep or store in a motor vehicle pistols in accordance with Minn. Stat. §§ 624.714 or 624.715 or other firearms in accordance with § 97B.045;
    - a. Section 624.714 specifies procedures and standards for obtaining pistol permits and penalties for the failure to do so. Section 624.715 defines an exception to the pistol permit requirements for “antique firearms which are carried or possessed as curiosities or for their historical significance or value.”
    - b. Section 97B.045 generally provides that a firearm may not be transported in a motor vehicle unless it is (1) unloaded and in a gun case without any portion of the firearm exposed; (2) unloaded and

## Draft of Proposed New Policy

in the closed trunk; or (3) a handgun carried in compliance with §§ 624.714 and 624.715.

5. firearm safety or marksmanship courses or activities for students or nonstudents conducted on school property;
6. possession of dangerous weapons, BB guns, or replica firearms by a ceremonial color guard;
7. a gun or knife show held on school property;
8. possession of dangerous weapons, BB guns, or replica firearms with written permission of the principal or other person having general control and supervision of the school or the director of a child care center; or
9. persons who are on unimproved property owned or leased by a child care center, school or school district unless the person knows that a student is currently present on the land for a school-related activity.

*[Note: Nothing prevents a school district from being more stringent in its weapons policy with respect to students and school district employees than the criminal law, except that the school district may not prohibit the lawful carry or possession of firearms in a parking facility or parking area. Although some school districts may choose to incorporate all of the exceptions to the criminal law, other school districts may choose either not to incorporate some or all of the exceptions or to further limit them. For example, a school district may choose to require written permission from the superintendent, not just a principal, for someone to possess a dangerous weapon in a school location. This would impose a more stringent requirement than exception (7) to Section 609.66, Subdivision 1d. However, a school district may not regulate firearms, ammunition, or their respective components, when possessed or carried by nonstudents or nonemployees, in a manner that is inconsistent with Section 609.66, Subdivision 1d.]*

### C. Policy Application to Instructional Equipment/Tools

While the school district takes a firm “Zero Tolerance” position on the possession, use or distribution of weapons by students, and a similar position with regard to nonstudents, such a position is not meant to interfere with instruction or the use of appropriate equipment and tools by students or nonstudents. Such equipment and tools, when properly possessed, used and stored, shall not be considered in violation of the rule against the possession, use or distribution of weapons. However, when authorized instructional and work equipment and tools are used in a potentially dangerous or threatening manner, such possession and use will be treated as the possession and use of a weapon.

### D. Firearms in School Parking Lots and Parking Facilities

A school district may not prohibit the lawful carry or possession of firearms in a school parking lot or parking facility. For purposes of this policy, the “lawful”

## **Draft of Proposed New Policy**

carry or possession of a firearm in a school parking lot or parking facility is specifically limited to nonstudent permit-holders authorized under Minn. Stat. § 624.714 to carry a pistol in the interior of a vehicle or outside the motor vehicle for the purpose of directly placing a firearm in, or retrieving it from, the trunk or rear area of the vehicle. Any possession or carry of a firearm beyond the immediate vicinity of a permit-holder's vehicle shall constitute a violation of this policy.

### **V. CONSEQUENCES FOR STUDENT WEAPON POSSESSION/ USE/ DISTRIBUTION**

A. The school district takes a position of “Zero Tolerance” in regard to the possession, use or distribution of weapons by students. Consequently, the minimum consequence for students possessing, using or distributing weapons shall include:

1. immediate out-of-school suspension;
2. confiscation of the weapon;
3. immediate notification of police;
4. parent or guardian notification; and
5. recommendation to the superintendent of dismissal for a period of time not to exceed one year.

B. Pursuant to Minnesota law, a student who brings a firearm, as defined by federal law, to school will be expelled for at least one year. The school board may modify this requirement on a case-by-case basis.

#### **C. Administrative Discretion**

While the school district takes a “Zero Tolerance” position on the possession, use or distribution of weapons by students, the superintendent may use discretion in determining whether, under the circumstances, a course of action other than the minimum consequences specified above is warranted. If so, other appropriate action may be taken, including consideration of a recommendation for lesser discipline.

### **VI. CONSEQUENCES FOR WEAPON POSSESSION/USE/DISTRIBUTION BY NONSTUDENTS**

#### **A. Employees**

1. An employee who violates the terms of this policy is subject to disciplinary action, including nonrenewal, suspension, or discharge as deemed appropriate by the school board.

## Draft of Proposed New Policy

2. Sanctions against employees, including nonrenewal, suspension, or discharge shall be pursuant to and in accordance with applicable statutory authority, collective bargaining agreements, and school district policies.
3. When an employee violates the weapons policy, law enforcement may be notified, as appropriate.

*[Note: An employer may establish policies that restrict the carry or possession of firearms by its employees while acting in the course and scope of employment. Employment-related sanctions may be invoked for a violation. Thus, for example, reasonable limitations may be imposed on the method of storing firearms by permit-holding employees while at work or performing employment-related duties. Reasonable limitations may include requiring firearms to have trigger locks and to be stored in a locked container or locked compartment of the vehicle.]*

### B. Other Nonstudents

1. Any member of the public who violates this policy shall be informed of the policy and asked to leave the school location. Depending on the circumstances, the person may be barred from future entry to school locations. In addition, if the person is a student in another school district, that school district may be contacted concerning the policy violation.
2. If appropriate, law enforcement will be notified of the policy violation by the member of the public and may be asked to provide an escort to remove the member of the public from the school location.

**Legal References:** Minn. Stat. §§ 121A.40-121A.56 (Pupil Fair Dismissal Act)  
Minn. Stat. § 121A.44 (Expulsion for Possession of Firearm)  
Minn. Stat. § 121A.05 (Referral to Police)  
Minn. Stat. § 609.66 (Dangerous Weapons)  
Minn. Stat. § 609.605 (Trespass)  
Minn. Stat. § 609.02, Subd. 6 (Definition of Dangerous Weapon)  
Minn. Stat. § 97B.045 (Transportation of Firearms)  
Minn. Stat. § 624.714 (Carrying of Weapons without Permit; Penalties)  
Minn. Stat. § 624.715 (Exemptions; Antiques and Ornaments)  
18 U.S.C. § 921 (Definition of Firearm)  
*In re C.R.M.* 611 N.W.2d 802 (Minn. 2000)

**Cross References:** MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)  
MSBA/MASA Model Policy 506 (Student Discipline)  
MSBA/MASA Model Policy 525 (Violence Prevention)

SECOND READING - BOARD OF EDUCATION  
November 12, 2009

## Draft of Proposed Policy to Replace Current Policy #504

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 521

Orig. 1995

Revised: \_\_\_\_\_

Rev. 2008

### **521 STUDENT DISABILITY NONDISCRIMINATION**

*[Note: School districts are required by statute to have a policy addressing these issues.]*

#### **I. PURPOSE**

The purpose of this policy is to protect disabled students from discrimination on the basis of disability and to identify and evaluate learners who, within the intent of Section 504 of the Rehabilitation Act of 1973 (Section 504), need special services, accommodations, or programs in order that such learners may receive a free appropriate public education.

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

- A. Disabled students who meet the criteria of Paragraph C. below are protected from discrimination on the basis of a disability.
- B. It is the responsibility of the school district to identify and evaluate learners who, within the intent of Section 504, need special services, accommodations, or programs in order that such learners may receive a free appropriate public education.
- C. For this policy, a learner who is protected under Section 504 is one who:
  - 1. has a physical or mental impairment that substantially limits one or more of such person's major life activities; or
  - 2. has a record of such an impairment; or
  - 3. is regarded as having such an impairment.
- D. Learners may be protected from disability discrimination and be eligible for services, accommodations, or programs under the provisions of Section 504 even though they are not eligible for special education pursuant to the Individuals with Disabilities Education Act.

#### **III. COORDINATOR**

Persons who have questions, comments, or complaints should contact Lynne Viker, Director of Special Services, regarding grievances or hearing requests regarding disability issues. This person is the school district's Americans with Disabilities Act/Section 504 Coordinator.

## **Draft of Proposed Policy to Replace Current Policy #504**

***Legal References:*** Pub. L. 110-325, 122 Stat. 3553 (ADA Amendments Act of 2008, § 7)  
29 U.S.C. § 794 *et seq.* (Rehabilitation Act of 1973, § 504)  
34 C.F.R. Part 104 (Implementing Regulations)

***Cross References:*** MSBA/MASA Model Policy 402 (Disability Nondiscrimination)

**Draft of Proposed Policy to Replace Current Policy #504**

INDEPENDENT SCHOOL DISTRICT NO. 832  
STUDENT DISABILITY DISCRIMINATION GRIEVANCE REPORT FORM

General Statement of Policy Prohibiting Disability Discrimination

Independent School District No. 832 maintains a firm policy prohibiting all forms of discrimination on the basis of a disability. All persons are to be treated with respect and dignity. Discrimination on the basis of a disability will not be tolerated under any circumstances.

Complainant: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
Work Address: \_\_\_\_\_  
Home Phone: \_\_\_\_\_ Work Phone: \_\_\_\_\_

I have been discriminated against based on (choose one or more):

[my disability] / [a record of my disability] / [being regarded as having a disability]

because \_\_\_\_\_  
\_\_\_\_\_

Date of alleged incident(s): \_\_\_\_\_

Name of person you believe discriminated against you or another person: \_\_\_\_\_  
\_\_\_\_\_

If the alleged discrimination was toward another person, identify that person: \_\_\_\_\_  
\_\_\_\_\_

Describe the incident(s) as clearly as possible, including such things as: any verbal statements; what, if any, physical contact was involved; etc. (attach additional pages if necessary): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Location of the incident(s): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

List any witnesses that were present: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Draft of Proposed Policy to Replace Current Policy #504**

This complaint is filed based on my honest belief that \_\_\_\_\_ has discriminated against me or another person based on a disability. I hereby certify that the information I have provided in this complaint is true, correct, and complete to the best of my knowledge and belief.

\_\_\_\_\_  
(Complainant Signature)

\_\_\_\_\_  
(Date)

Received by: \_\_\_\_\_

\_\_\_\_\_  
(Date)

**INDEPENDENT SCHOOL DISTRICT NO. 832**  
**Mahtomedi, Minnesota**

*Management Letter*  
*For the Fiscal Year Ended June 30, 2009*

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

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*Expert advice. When you need it.<sup>SM</sup>*

**REPORT ON MATTERS IDENTIFIED AS A RESULT OF  
THE AUDIT OF THE FINANCIAL STATEMENTS**

November 2, 2009

To the School Board  
Independent School District No. 832  
Mahtomedi, Minnesota

In planning and performing our audit of the financial statements of Independent School District No. 832, Mahtomedi, Minnesota, as of and for the year ended June 30, 2009, in accordance with U.S. generally accepted auditing standards, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. The deficiencies in internal control we identified, if any, are stated within this letter.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.



The accompanying memorandum includes financial analysis and recommendations for improvement of accounting procedures and internal control measures that came to our attention as a result of our audit of the financial statements of the District for the year ended June 30, 2009. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated November 2, 2009, on such statements.

This communication is intended solely for the information and use of the School Board, management, others within the District and state oversight agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Kern DeWenter, Vice, Ltd.".

KERN, DEWENTER, VIERE, LTD.  
Minneapolis, Minnesota

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**SIGNIFICANT DEFICIENCY  
June 30, 2009**

**LACK OF SEGREGATION OF ACCOUNTING DUTIES**

During the year ended June 30, 2009, the District had a lack of segregation of accounting duties in the cash disbursements, receipts and payroll processes due to a limited number of office employees. Although this meets the definition of a “significant deficiency”, it may not be practical to correct since the costs of obtaining desirable segregation of accounting duties may exceed benefits that could be derived.

**Cash Disbursement Process**

- The Director of Business Services does not formally sign off on the budget to actual expense comparison, completed quarterly.

**Cash Receipt**

- Building secretaries may receive cash and/or checks and also prepare deposit slips.

**Payroll**

- The Payroll Coordinator verifies hours and coding, has the ability to change rates of pay and hours, processes and inputs payroll, prints checks, has access to blank check stock, posts payroll to the finance system, is authorized to make payroll EFT transactions and reconciles gross to net pay payroll amounts to the general ledger.
- There is no regular review or approval of payroll runs other than the Payroll Coordinator.

Management is aware of this condition and will take certain steps to compensate for the lack of segregation. However, due to the accounting staff needed to handle all of the accounting duties, the cost of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. Because of this, management has determined a complete segregation of accounting duties is impractical to correct.

We recommend management, along with the School Board, remain aware of this situation and continually monitor the accounting system including changes that occur.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**REQUIRED COMMUNICATION  
June 30, 2009**

We have audited the financial statements of the District for the year ended June 30, 2009, and have issued our report dated November 2, 2009. Professional standards require that we provide you with the following information related to our audit.

**OUR RESPONSIBILITY UNDER U.S. GENERALLY ACCEPTED AUDITING STANDARDS, GOVERNMENT AUDITING STANDARDS AND OMB CIRCULAR A-133**

As stated in our audit engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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.

We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with U.S. Office of Management and Budget (OMB) *Circular A-133*.

Also, in accordance with OMB *Circular A-133*, we examined, on a test basis, evidence about the District's compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* applicable to its major federal program for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the District's compliance with those requirements.

**PLANNED SCOPE AND TIMING OF THE AUDIT**

We performed the audit according to the planned scope and timing previously communicated to you.

55

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**REQUIRED COMMUNICATION  
June 30, 2009**

**QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES**

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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:

Depreciation – The District is currently depreciating its capital assets over their estimated useful lives, as determined by management, using the straight-line method.

Expense Allocation – The Organization is currently allocating certain costs among the programs and supporting services benefited. The costs are allocated based on management's estimates.

General Education and Special Education Aid – General education aid is an estimate until average daily membership (ADM) values are final. Since this is normally not done until after the reporting deadlines, this aid is an estimate. Special education aid is also dependent upon ADM values; however, in addition to those, this aid is dependent on the availability of funds and complex formulas that are finalized after reporting deadlines.

Net OPEB Asset – This balance is based on an actuarial study using the estimates of future obligations of the District for post employment benefits.

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

The disclosures in the financial statements are neutral, consistent and clear.

**DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT**

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

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**REQUIRED COMMUNICATION  
June 30, 2009**

**CORRECTED AND UNCORRECTED MISSTATEMENTS**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. A schedule summarizing uncorrected misstatements of the financial statements was given to management. Management has determined the effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

**DISAGREEMENTS WITH MANAGEMENT**

For purposes of this letter, professional standards define a disagreement with management as 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 requested certain representations from management which were provided to us in the management representation letter.

**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. We are not aware of any consultations by the District's management with other accountants during the course of our audit.

**OTHER 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.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**REQUIRED COMMUNICATION  
June 30, 2009**

**OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL  
STATEMENTS**

We have not reviewed, and it is our understanding, that no other published documents exist that contain audited financial statement information, for which we are currently auditing. As stated in our engagement letter, if you publish or reproduce the financial statements or make reference to our Firm name in relation to such documents, you agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2009**

The following pages provide graphic representation of select data pertaining to the financial position and operations of the District for the past five years. Our analysis of each graph is presented to provide a basis for discussion of past performance and how implementing certain changes may enhance future performance. We suggest you view each graph and document if our analysis is consistent with yours. A subsequent discussion of this information should be useful for planning purposes.

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

**AVERAGE DAILY MEMBERSHIP AND PUPIL UNITS**

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 by using a legislatively determined weighting system applied to ADM. Over the years, various modifications have been made to this calculation, including changes in weighting and special consideration for declining enrollment districts.

<u>Fiscal Year</u>	<u>Formula Allowance</u>	
	<u>Amount</u>	<u>Percent Increase</u>
2003	\$ 4,601	-
2004	4,601	0.0%
2005	4,601	0.0%
2006	4,783	4.0%
2007	4,974	4.0%
2008	5,074	2.0%
2009	5,124	1.0%
2010	5,124	0.0%

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2009**

**AVERAGE DAILY MEMBERSHIP**

The following graphs summarize resident ADM and ADM served of the District, over the past five years ending June 30. Resident ADM includes all residents who are enrolled in the District, educated in another district for whom tuition is paid or attending another district under enrollment option legislation. Total ADM served includes residents attending the District, residents at other districts on tuition, nonresident enrollment option students and nonresident tuition students.

<b>Resident ADM</b>	<b>2005*</b>	<b>2006*</b>	<b>2007*</b>	<b>2008*</b>	<b>2009**</b>
Kindergarten and Other	180	177	135	141	147
Elementary	1,208	1,179	1,122	1,059	1,045
Secondary	1,562	1,572	1,559	1,552	1,543
<b>Total Resident ADM</b>	<b>2,950</b>	<b>2,928</b>	<b>2,815</b>	<b>2,752</b>	<b>2,734</b>
<b>Total ADM Served</b>	<b>3,077</b>	<b>3,094</b>	<b>3,052</b>	<b>3,129</b>	<b>3,235</b>

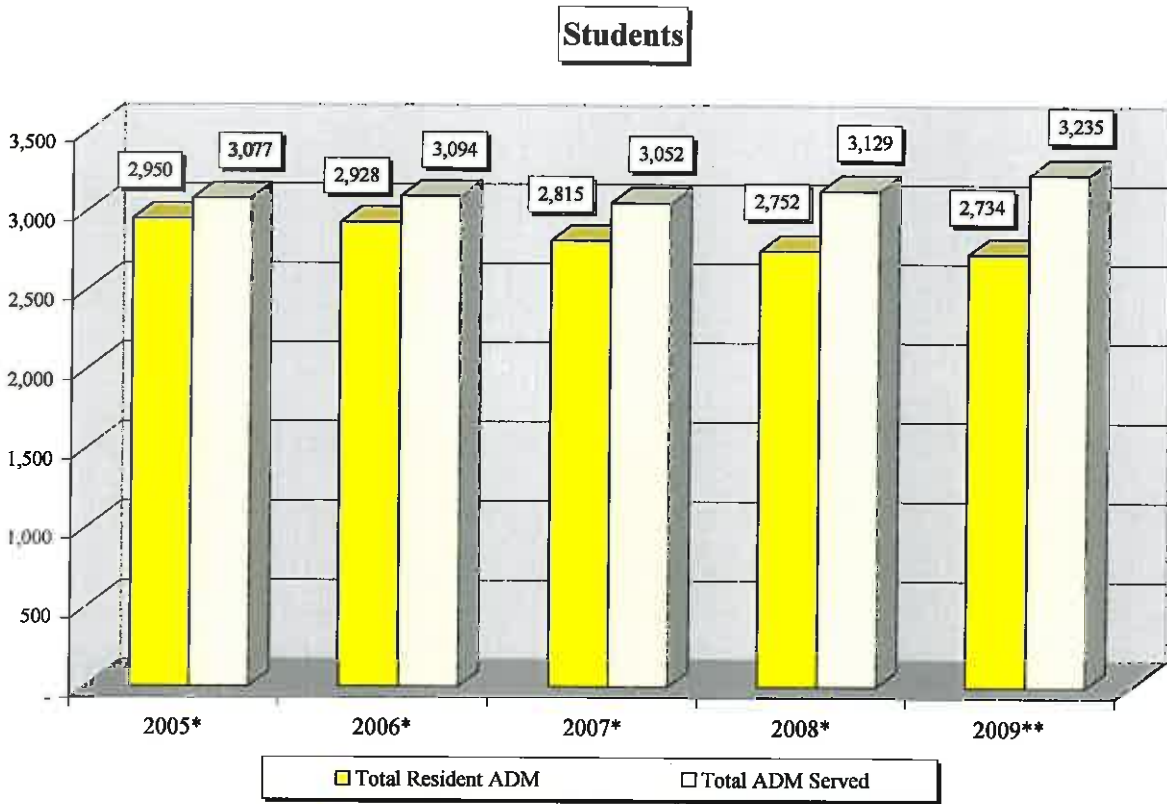
\* Source: *School District Profiles*

\*\* Estimate as of September 23, 2009

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2009**

**AVERAGE DAILY MEMBERSHIP**



\* Source: *School District Profiles*  
 \*\* Estimate as of September 23, 2009

As the chart above and on the previous page illustrate, resident ADM decreased 18, or 0.6%, in fiscal year 2009 compared to fiscal year 2008, while ADM served increased 106, or 3.4%. Over the past five years, resident ADM has steadily decreased while ADM served has increased. In fiscal year 2009, the discretionary enrollment continued to contribute to the increase in students served.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

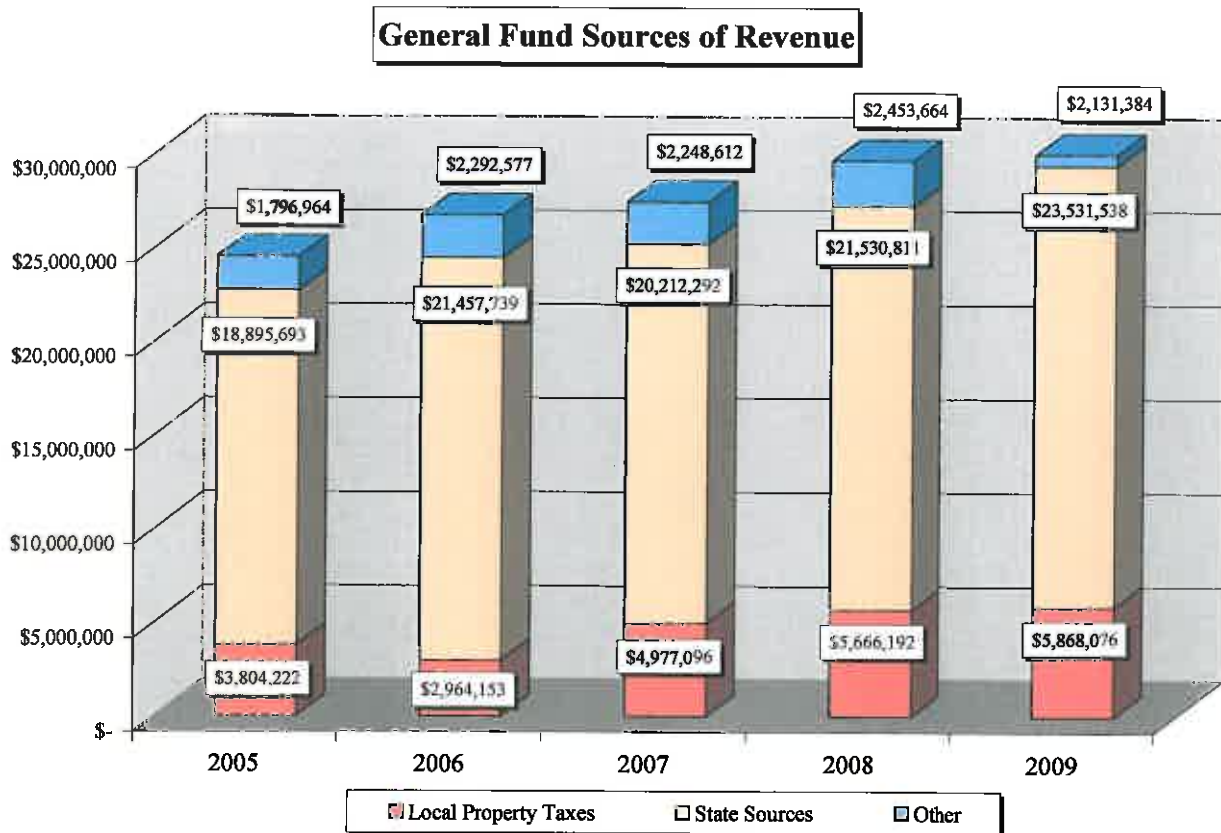
**FINANCIAL ANALYSIS  
June 30, 2009**

**GENERAL FUND SOURCES OF REVENUE**

General Fund sources of revenue are summarized as follows:

For the Year Ended June 30,	2005	2006	2007	2008	2009
Local Property Taxes	\$ 3,804,222	\$ 2,964,153	\$ 4,977,096	\$ 5,666,192	\$ 5,868,076
State Sources	18,895,693	21,457,739	20,212,292	21,530,811	\$ 23,531,538
Other	1,796,964	2,292,577	2,248,612	2,453,664	\$ 2,131,384
<b>Total</b>	<b>\$ 24,496,879</b>	<b>\$ 26,714,469</b>	<b>\$ 27,438,000</b>	<b>\$ 29,650,667</b>	<b>\$ 31,530,998</b>

General Fund revenues increased \$ 1,880,331, or 6.3%, over 2008 levels. State sources experienced the largest increase of \$ 2,000,727 due to the increase in ADM's served and state aid formulas. Local Property Taxes increased \$ 201,884 due to an increase in the tax levy. Other sources, which consist of other local county revenue, revenue from federal sources, and sales and other conversion of assets, decreased over 2008 by \$ 322,280 as a result of a decrease in interest revenue and a decrease in high school activity fundraisers. General Fund revenues over the past five years are portrayed in the following graph.



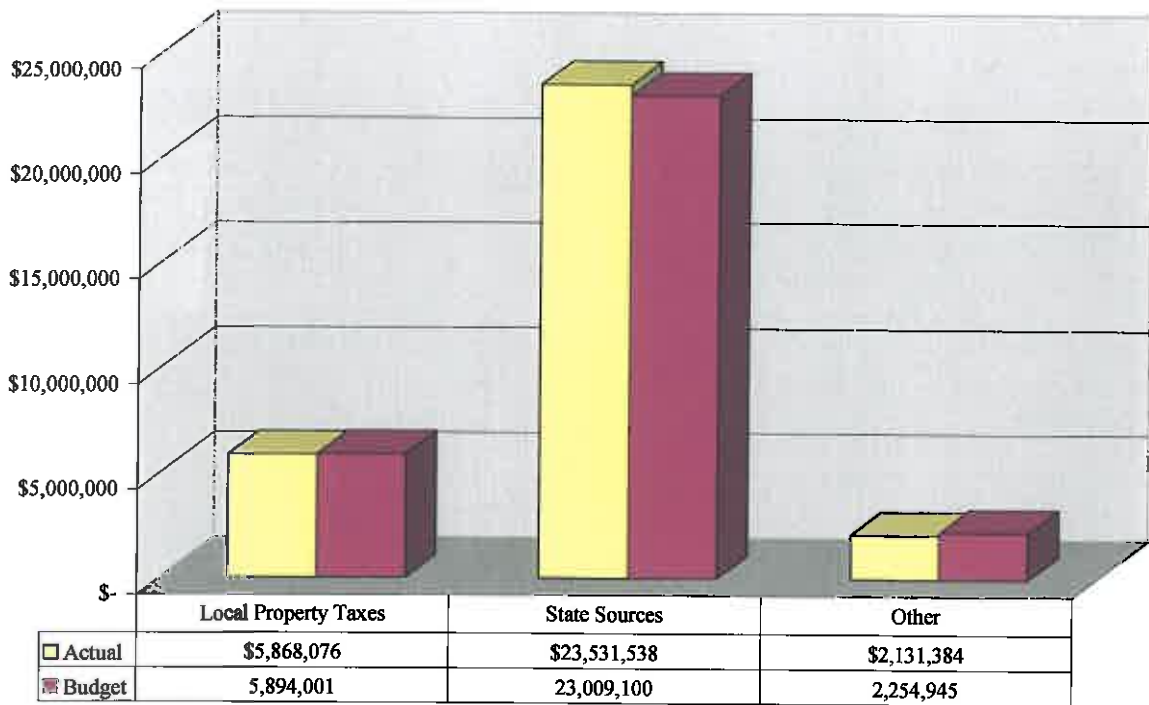
**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2009**

**GENERAL FUND BUDGET AND ACTUAL REVENUES**

The chart below represents the District's actual revenue compared to budgeted revenue. Overall, actual revenues exceeded budgeted amounts by \$ 372,952. The state sources category revenues exceeded the budget by approximately \$ 522,438 as a result of higher than expected state aid amounts. Other revenues were under budget due to interest revenue declines in relation to the economic downturn.

**2009 General Fund Revenues  
Budget and Actual**



**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2009**

**EXPENDITURES PER STUDENT (ADM SERVED)**

Expenditures per student (per ADM served) for all operating programs are summarized as follows:

District*	2005*	2006*	2007*	2008*	2009
General Fund	\$ 7,821	\$ 8,541	\$ 9,063	\$ 9,349	\$ 10,595
Food Service	351	346	365	385	382
Community Service	569	616	632	643	681
<b>Total</b>	<b>\$ 8,741</b>	<b>\$ 9,503</b>	<b>\$ 10,060</b>	<b>\$ 10,377</b>	<b>\$ 11,658</b>

Regional Average**	2005	2006	2007	2008	2009
General Fund	\$ 9,038	\$ 8,854	\$ 9,275	\$ 9,672	N/A
Food Service	366	397	415	431	N/A
Community Service	454	503	521	542	N/A
<b>Total</b>	<b>\$ 9,858</b>	<b>\$ 9,754</b>	<b>\$ 10,211</b>	<b>\$ 10,645</b>	<b>N/A</b>

State Average***	2005	2006	2007	2008	2009
General Fund	\$ 8,681	\$ 9,070	\$ 9,364	\$ 9,797	N/A
Food Service	387	396	415	437	N/A
Community Service	407	427	446	470	N/A
<b>Total</b>	<b>\$ 9,475</b>	<b>\$ 9,893</b>	<b>\$ 10,225</b>	<b>\$ 10,704</b>	<b>N/A</b>

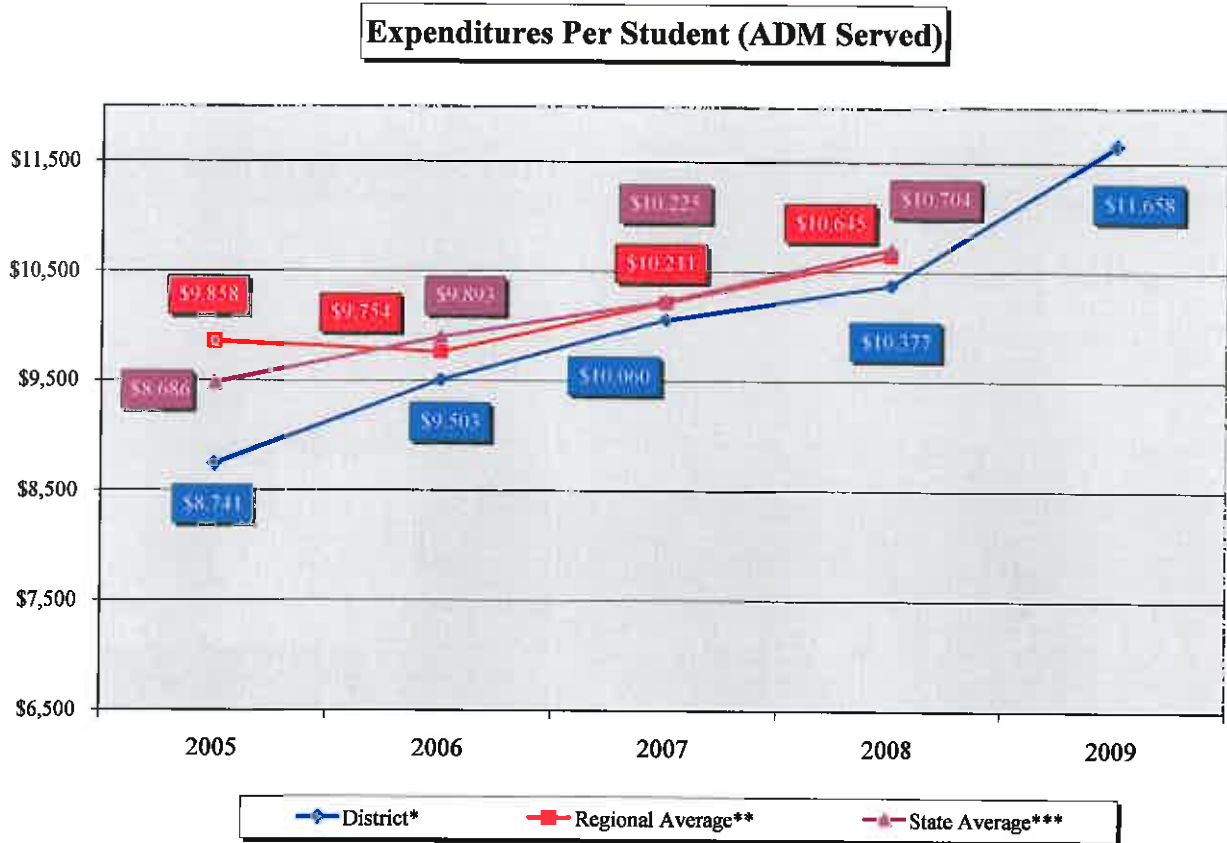
- \* Source: *School District Profiles* – not including Building Construction or Debt Service Funds
- \*\* Source: *School District Profiles* – including Counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington (2006, 2007, 2008 and 2009 excludes Minneapolis and St. Paul Districts)
- \*\*\* Source: *School District Profiles* – State average expenditures per ADM served

Expenditures per ADM increased from fiscal year 2008 to fiscal year 2009 by 13.3% for the General Fund and 12.3% overall for all operating funds (including General, Food Service and Community Service Funds) as a result of contributions of \$ 3,158,774 from the General Fund to the OPEB Trust Fund in relation to the 2009 OPEB Bonds. When these contributions are removed from our analysis, General Fund expenditures per ADM Served fall to \$ 9,619 for 2009. Overall, averages have remained consistent with other districts within the region and throughout the state.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2009**

**EXPENDITURES PER STUDENT (ADM SERVED)**



- \* Source: *School District Profiles* – not including Building Construction or Debt Service Funds
- \*\* Source: *School District Profiles* – including Counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington
- \*\*\* Source: *School District Profiles* – State average expenditures per ADM served

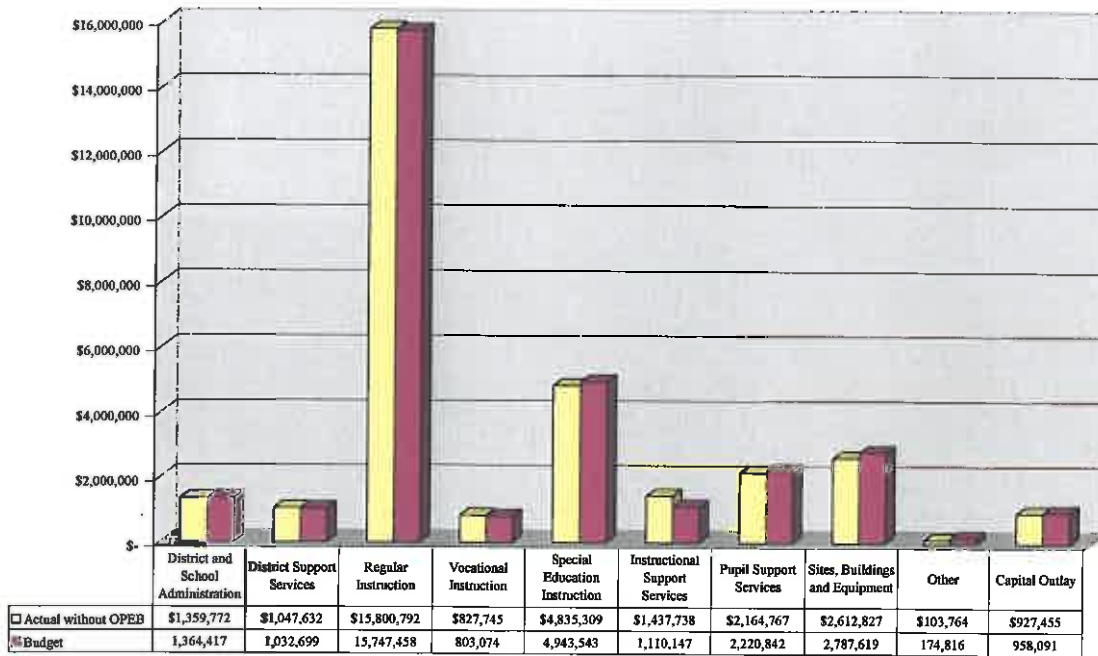
**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2009**

**GENERAL FUND BUDGET AND ACTUAL EXPENDITURES**

The chart below represents actual expenditures, excluding OPEB bond proceed contributions to the irrevocable trust, compared to budgeted expenditures for the District. Overall, not considering the contribution to the Other Post Employment Trust fund the District's General Fund expenditures were \$ 3,117,801 actually under the budgeted amount of \$ 31,142,706 by \$ 24,905. Expenditures exceeded budgeted amounts in instructional support services by \$ 327,591 due to the addition of the Q Comp program. Special education instruction, pupil support services and sites, buildings and equipment actual expenditures were all under budgeted amounts.

**2009 General Fund Expenditures Budget and Actual  
(Excluding OPEB Contributions)**



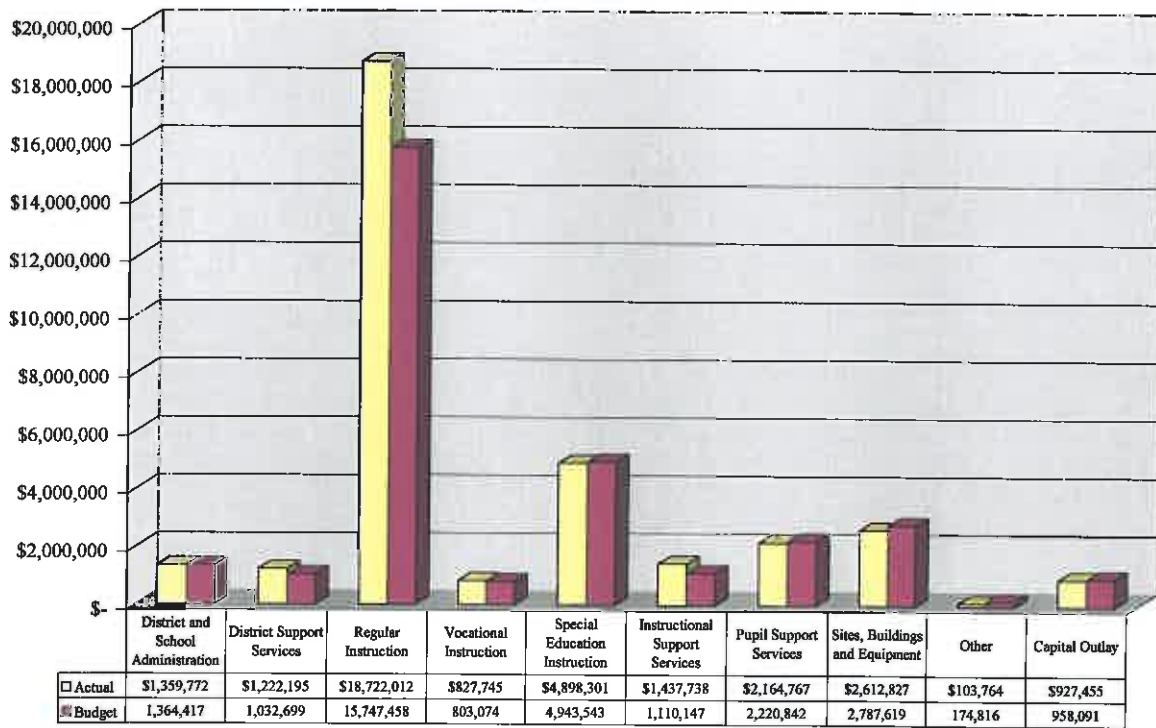
**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2009**

**GENERAL FUND BUDGET AND ACTUAL EXPENDITURES**

The chart below represents actual expenditures compared to budgeted expenditures for the District. Overall, the District's General Fund expenditures exceeded the budget by \$ 3,133,870. Expenditures exceeded budgeted amounts in regular instruction by \$ 2,974,554 as a result of the unbudgeted other post employment contribution to the Trust Fund. Expenditures exceeded budgeted amounts in instructional support services by \$ 327,591, due to an increase in salaries in relation to the addition of the Q comp program.

**2009 General Fund Expenditures Budget and Actual  
(Including OPEB Contributions)**

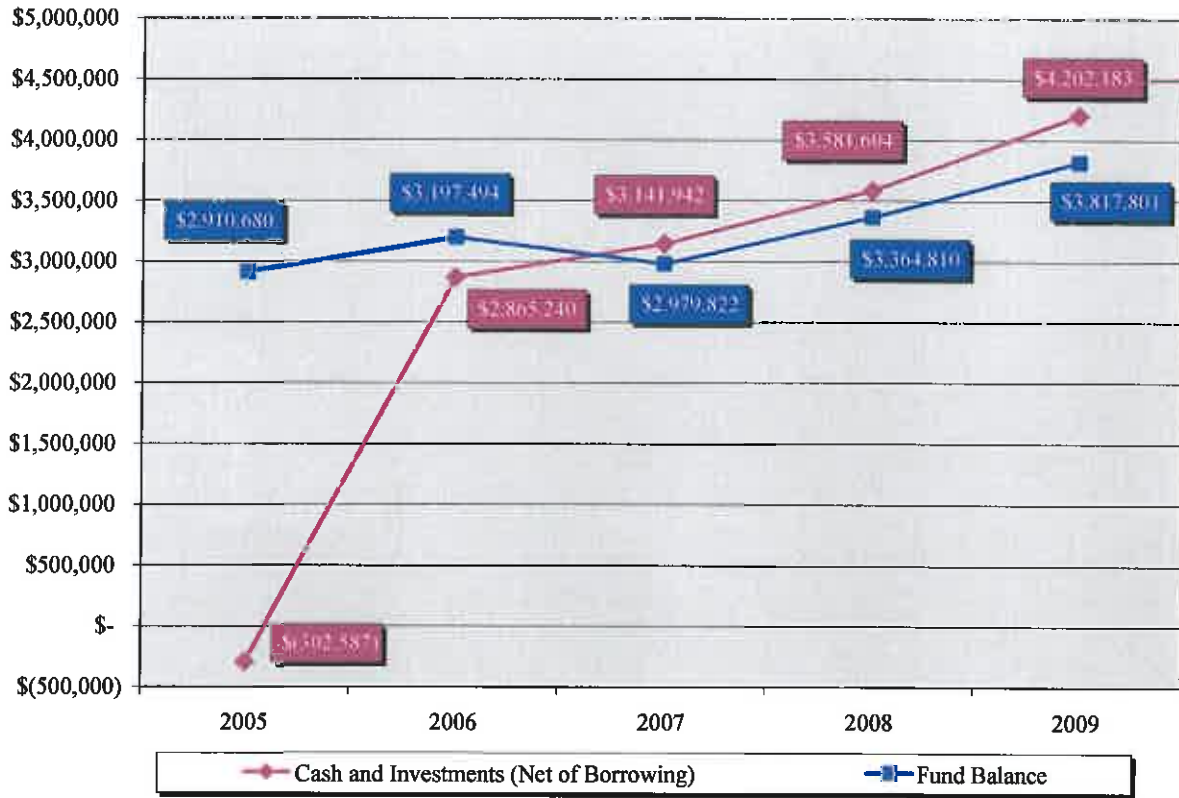


**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2009**

**GENERAL FUND FINANCIAL POSITION**

**General Fund Financial Position**



The District's General Fund cash balance in relation to its fund balance has fluctuated significantly over the course of the last five years, but has grown steadily over the last three. The main factor in these variances is the percentage of aid paid by the State of Minnesota prior to each fiscal year-end. This amount has varied from as low as 83% to as high as 90% over the five year period shown. The percentage has remained stable at 90% for 2007 to 2009, resulting in a cash balance very close to fund balance each of the last three years. In 2007, 2008 and 2009, the District no longer required borrowing Aid Anticipation Certificates for cash flow.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2009**

**GENERAL FUND OPERATIONS**

The following presents five years of comparative operating results for the District's General Fund:

<b>For the Year Ended June 30,</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Revenues	\$24,496,879	\$26,714,469	\$27,438,000	\$29,650,667	\$ 31,530,998
Expenditures	(24,178,281)	(26,427,655)	(27,662,672)	(29,265,679)	(34,276,576)
Excess of Revenues Over (Under) Expenditures	318,598	286,814	(224,672)	384,988	(2,745,578)
Other Financing Sources (Uses), Net	120,256	-	7,000	-	3,198,569
Fund Balance, July 1	2,471,826	2,910,680	3,197,494	2,979,822	3,364,810
<b>Fund Balance, June 30</b>	<b>\$ 2,910,680</b>	<b>\$ 3,197,494</b>	<b>\$ 2,979,822</b>	<b>\$ 3,364,810</b>	<b>\$ 3,817,801</b>

<b>Components of Fund Balance</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Unreserved:					
Undesignated	\$ 1,456,551	\$ 1,546,991	\$ 1,422,687	\$ 1,599,834	\$ 1,904,204
Designated for Student Activities	225,406	216,782	152,806	204,077	198,580
Designated for Building Discretionary	62,850	158,301	275,836	215,332	240,613
Designated for Severance Pay	-	-	-	-	578,955
Reserved for:					
Severance Pay	445,000	414,298	430,914	687,070	-
Deferred Maintenance	-	-	-	5,579	-
Operating Capital	740,022	684,004	616,941	603,541	866,986
Health and Safety	(19,149)	177,118	80,638	49,377	28,463
<b>Fund Balance, June 30</b>	<b>\$ 2,910,680</b>	<b>\$ 3,197,494</b>	<b>\$ 2,979,822</b>	<b>\$ 3,364,810</b>	<b>\$ 3,817,801</b>

For fiscal year 2009, General Fund revenues increased 6.3% and expenditures increased by 17.1%. Net other financing sources amounted to \$ 3,198,569 as a result of the sale of other post employment benefits (OPEB) bonds in the amount of \$ 3,265,000. This resulted in an overall increase to General Fund balance of \$ 452,991.

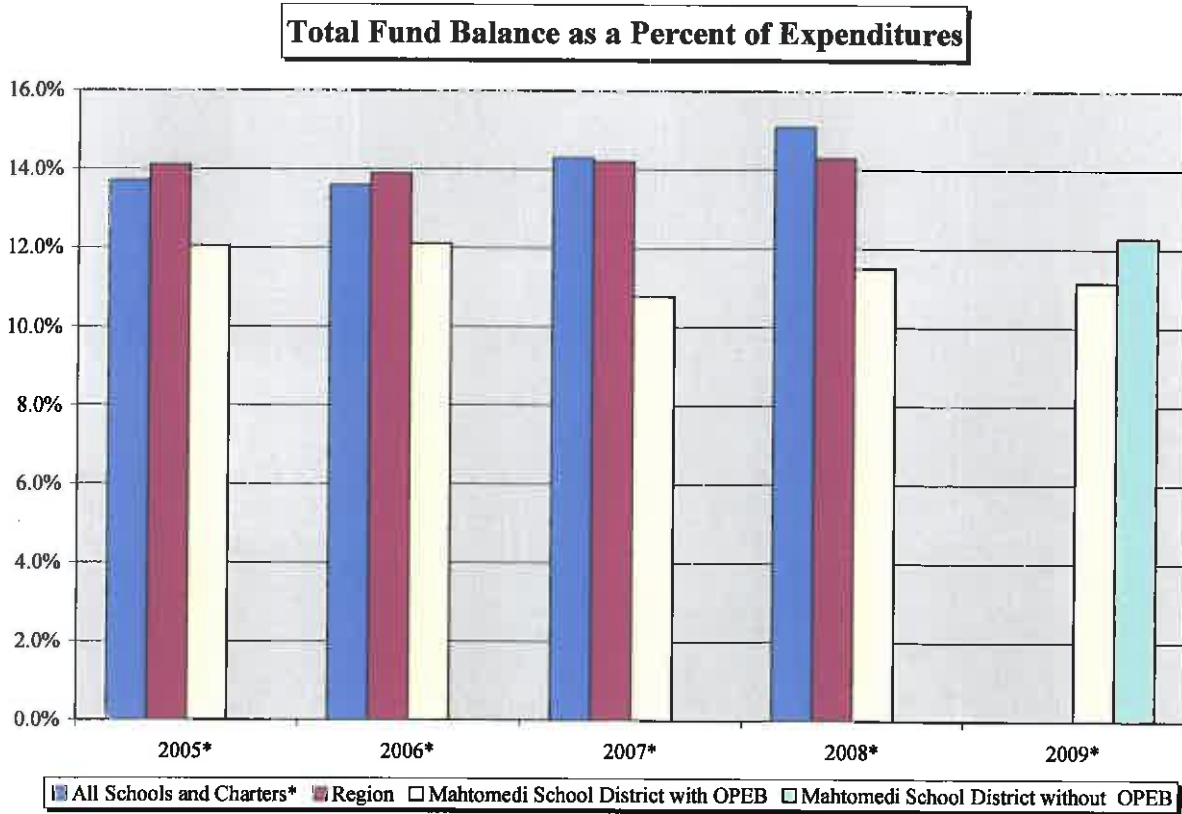
This unreserved, undesignated fund balance represents 5.6% of a year's expenditures at 2009 spending levels.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2009**

**GENERAL FUND FINANCIAL HEALTH**

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



\* Source: *Minnesota School District Financial Trends Report* for 2005 through 2007. Values for 2008 were calculated using the *2008 Expenditure Per ADM* and *2008 Pupil, Staff and Other District Data Reports* obtained from the Minnesota Department of Education.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2009**

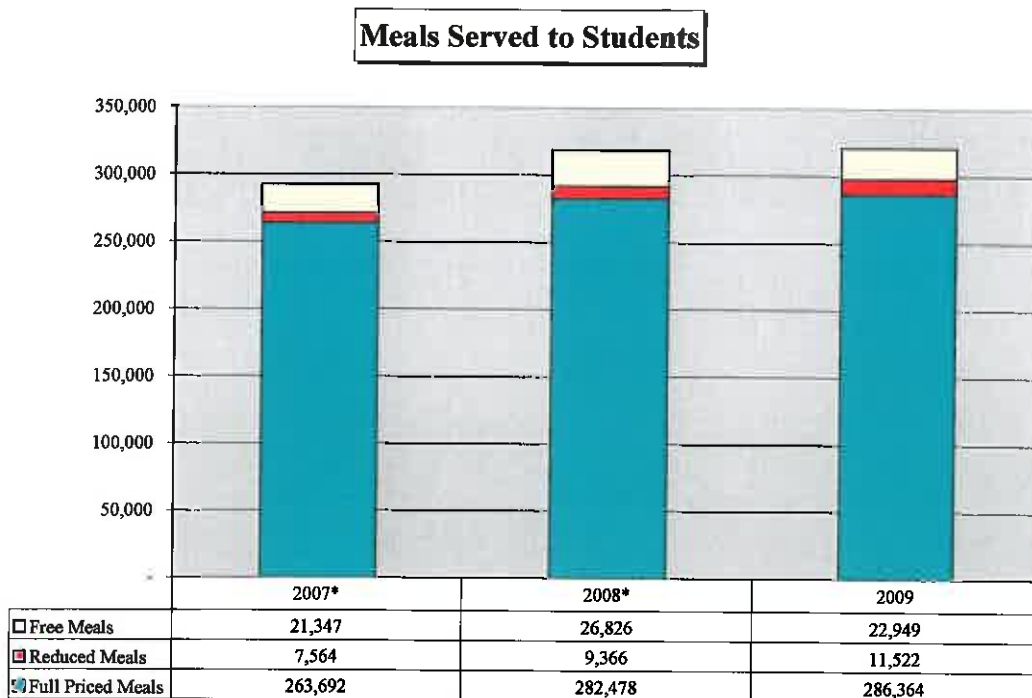
**FOOD SERVICE FUND**

The following table presents five years of comparative operating results for the District's Food Service Fund:

For Year Ended June 30,	2005	2006	2007	2008	2009
Revenues	\$ 1,098,414	\$ 1,134,358	\$ 1,164,080	\$ 1,273,633	\$ 1,383,793
Expenditures	(1,078,463)	(1,071,711)	(1,114,367)	(1,206,470)	(1,236,820)
Excess of Revenues Over Expenditures	19,951	62,647	49,713	67,163	146,973
Fund Balance, July 1	79,102	99,053	161,700	211,413	278,576
<b>Fund Balance, June 30</b>	<b>\$ 99,053</b>	<b>\$ 161,700</b>	<b>\$ 211,413</b>	<b>\$ 278,576</b>	<b>\$ 425,549</b>

Overall, food service revenues increased 8.6% due to higher federal revenue, while expenditures increased 2.5% because of the increased food costs for commodities and milk. The Department of Education recommends districts maintain a fund balance not to exceed 3 months of expenditures, based on a 10 month operating year. Based on this calculation the maximum fund balance at June 30, 2009 would be \$ 371,046. The fund balance position at June 30, 2009, represents just over three month's expenditures.

The following chart reflects the number and type of meals served to students over the three previous years:



\* Source: *Food and Nutrition Services: District Financial Report* by the Minnesota Department of Education

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2009**

**COMMUNITY SERVICE FUND**

The following table presents five years of comparative operating results for the District's Community Service Fund:

For Year Ended June 30.	2005	2006	2007	2008	2009
Revenues	\$ 1,676,834	\$ 1,882,457	\$ 1,916,127	\$ 1,990,763	\$ 2,181,131
Expenditures	(1,749,421)	(1,905,826)	(1,929,455)	(2,013,993)	(2,203,151)
Excess of Revenues					
Under Expenditures	(72,587)	(23,369)	(13,328)	(23,230)	(22,020)
Fund Balance, July 1	340,691	268,104	244,735	231,407	208,177
Fund Balance, June 30	\$ 268,104	\$ 244,735	\$ 231,407	\$ 208,177	\$ 186,157

Both revenues and expenditures increased approximately 9.5% over 2008 levels. Revenue increased due to increases in program and athletic participation. Expenditures increased due to the skating rink now complete and the District hired an additional employee to schedule and operate the rink.

Components of the Community Service Fund balance at June 30, 2009 are as follows: community education \$ 172,914, early childhood and family education \$ 8,193 and school readiness \$ 5,050.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**LEGISLATIVE SUMMARY  
June 30, 2009**

The following is a brief summary of current legislative changes and issues affecting the funding of Minnesota school districts. More detailed and extensive summaries are available from the Minnesota Department of Education.

**GENERAL EDUCATION AID**

The formula allowance for the fiscal year 2010 general education aid remains unchanged from the fiscal year 2009 allowance.

**STATE AID APPROPRIATIONS AND PROPERTY TAX LEVIES**

Total state aid appropriations for E-12 education are reduced by \$ 500 million for the 2010-2011 biennium, and replaced with an equal amount of federal state fiscal stabilization funds under the American Recovery and Reinvestment Act of 2009 (ARRA). There is almost no change in school district property tax levies for taxes payable in 2010 or 2011. The appropriations reflect the state's 73% current, 27% final payment schedule.

**CAPITAL ACCOUNT TRANSFER**

Districts are allowed to transfer \$ 51 per adjusted marginal cost pupil unit from the operating capital account to the unreserved general fund for fiscal year 2009 and fiscal year 2010. This transfer was allowed for the first time in fiscal year 2008 and is approximately a 1% increase in the general education formula.

**Q COMP AID/LEVY BREAKDOWN**

Clarifies the change in the Q Comp formula enacted in 2007 which reduces the basic Q Comp aid from 73.1% to 65% of the revenue is effective for fiscal year 2010 and later. This results in a decrease in the basic aid from \$ 190 to \$ 169 per pupil, with a corresponding increase in the equalized levy revenue from (\$ 70 to \$ 91 per pupil).

**CAREER TECHNICAL LEVY**

Requires a district participating in an agreement for secondary education or interdistrict cooperation to allocate its career technical levy authority among participating districts. This is effective retroactively for taxes payable 2008.

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**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**LEGISLATIVE SUMMARY  
June 30, 2009**

**RESERVED FOR SEVERANCE ACCOUNT**

This reserve account is being eliminated beginning in fiscal year 2010 because it was inconsistent with relevant Governmental Accounting Standards Board (GASB) statements, and was the only reserved fund balance account not authorized in statute. In addition, restrictions on the designated fund balance account 418 were loosed and amounts in the reserved account can be transferred to account 418.

**OTHER POST EMPLOYMENT BENEFITS BONDING AND LEVIES**

Clarifies that districts may only levy costs of employees who retire between July 1, 1992 and July 1, 1998, if the district has a sunset clause in their current bargaining agreement. Also, in order to create a new levy for the district to fund the annual costs associated with OPEB expenses, a district must:

- Create an actuarial liability to pay for the benefits;
- Have a sunset clause in effect for the current collective bargaining agreement; and
- Apply for the levy authority in the form and manner established by the Commissioner.

In addition, there is now a limit on the total amount of the new annual levy of not more than \$ 9.242 million for taxes payable in 2010, \$ 29.863 million for taxes payable in 2011 and an amount equal to the previous year's levy plus \$ 14 million for taxes payable in 2014 and later.

Finally, *Minnesota Statutes* 475.58 was amended to now require voter approval for any bonds levied to pay other post employment benefits issued after October 1, 2009.

**STAFF DEVELOPMENT**

The staff development reserve is temporarily suspended for fiscal year 2010 and 2011. The reserve is equal to 2% of the district's basic general education revenue.

**CONSTRUCTION PROJECTS**

The cap on school construction projects that are subject to review and comment by the Commissioner of Education increased from \$ 500,000 to \$ 1.4 million for all districts except those with outstanding capital loans. Also the consultation level was increased from \$ 250,000 to \$ 500,000.

**TRUTH IN TAXATION HEARING**

A separate truth in taxation hearing is no longer required. Instead, the district is required to discuss the levy and budget at a regularly scheduled board meeting and allow the public to speak. This is effective for taxes payable 2010 and later.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

*Audited Financial Statements  
For the Fiscal Year Ended June 30, 2009*

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

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**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

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**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**BOARD OF EDUCATION AND ADMINISTRATION  
For the Year Ended June 30, 2009**

<u>Board of Education</u>	<u>Position</u>	<u>Term Expires</u>
Steven Wolgamot	Chairperson	January 7, 2013
Kevin Donovan	Clerk	January 3, 2011
Cathy Dalton	Treasurer	January 3, 2011
Mary Jo Deters	Director	January 7, 2013
Judith Schwartz	Director	January 7, 2013
John Belisle	Director	January 3, 2011
<u>Administration</u>		
Mark Wolak	Superintendent	
Denise Sundstrom	Director of Business Services	



*Expert advice. When you need it.<sup>SM</sup>*

## INDEPENDENT AUDITOR'S REPORT

November 2, 2009

To the School Board  
Independent School District No. 832  
Mahtomedi, Minnesota

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. 832, Mahtomedi, Minnesota, as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Independent School District No. 832, Mahtomedi, Minnesota, as of June 30, 2009, and the respective changes in financial position thereof, and the budgetary comparison for the General Fund for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



As discussed in Note 9 to the financial statements, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans* and Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*.

The Management's Discussion and Analysis, which follows this report letter, and the Schedule of Funding Progress – Other Post Employment Benefits and Schedule of Employer Contributions – Other Post Employment Benefits on page 56, are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis, as required by U.S. Office of Management and Budget (OMB) *Circular A-133, Audits of States, Local Governments and Nonprofit Organizations*, and is also not a required part of the basic financial statements. The supplementary information and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KERN, DEWENTER, VIERE, LTD.  
Minneapolis, Minnesota

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**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

This section of Independent School District No. 832 (the "District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2009. Please read it in conjunction with the District's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model required by the GASB Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999.

Comparative information between the current fiscal year and the prior fiscal year is presented in the MD&A.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2008-2009 fiscal year include the following:

- Total government-wide net assets as indicated on the Statement of Net Assets increased \$ 3,934,750 to \$ 8,005,032. This was the result in a change in accounting principle for handling of severance payments to certain employee groups. See Note 10 of the financial statements for details.
- The change in government-wide net assets from the prior year as indicated on the Statement of Activities amounted to \$ 1,519,845.
- Overall enrollment for the District increased from the previous year. Students served for fiscal year 2008-2009 amounted to 3,235, which is an increase of 106 students, or approximately 3.4 %, when compared to the fiscal year 2007-2008 school year.
- General Fund revenues were \$ 31,530,998 and expenditures were \$ 34,276,576 resulting in an operating deficit of (\$ 2,745,578). This is offset by other financing sources of \$ 3,198,569 for the OPEB Bonds that were issued in April 2009.
- OPEB Bonds that were issued in April 2009 and an irrevocable trust was established. See Note 9 of the financial statements.
- The budget to actual comparison for the General Fund resulted in a positive variance of \$ 437,651.
- For the Special Revenue Funds, which include food service and community service, revenues exceeded expenditures by \$ 124,953 based on \$ 3,564,924 in revenues and \$ 3,439,971 in expenditures.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

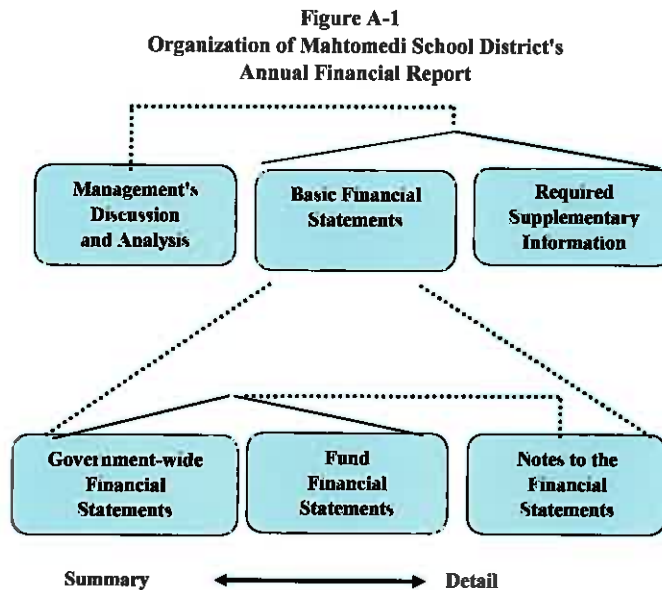
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This financial section of the annual report consists of four parts: Independent Auditor's Report, Required Supplementary Information, which includes the MD&A, the Basic Financial Statements and Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the District:

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.



**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

**Major Features of the Government-wide and Fund Financial Statements**

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

<b>Figure A-2</b>			
<b>Major Features of the Government-wide and Fund Financial Statements</b>			
	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required financial statements	<ul style="list-style-type: none"> <li>•Statement of Net Assets</li> <li>•Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>•Balance Sheet</li> <li>•Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>•Statement of Fiduciary Net Assets</li> <li>•Statement of Changes in Fiduciary Net Assets</li> </ul>
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when good or services have been received and the related liability is due and payable	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

**Government-Wide Statements**

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

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

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

The District's activities are:

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

**Fund Financial Statements**

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

**Fund Financial Statements (Continued)**

The District has two kinds of funds:

- **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- **Fiduciary Fund:** The District is the trustee, or fiduciary, for assets that belong to others such as the scholarship fund. 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. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

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

**Net Assets**

The District's total net assets as of June 30, 2009 were \$ 8,005,032 which is summarized in the Figure A-3 below.

**Figure A-3  
Condensed Statement of Net Assets**

	Governmental Activities 2008-2009	Governmental Activities 2007-2008
Current and Other Assets	\$ 19,802,568	\$ 15,377,361
Capital Assets	28,572,392	29,391,392
Total Assets	48,374,960	44,768,753
Long-Term Liabilities	26,856,887	27,942,353
Other Liabilities	13,513,041	12,756,118
Total Liabilities	40,369,928	40,698,471
Net Assets		
Invested in Capital Assets, Net of Related Debt	8,914,690	8,105,284
Restricted	1,858,252	326,112
Unrestricted	(2,767,910)	(4,361,114)
Total Net Assets	\$ 8,005,032	\$ 4,070,282

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

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

**Net Assets (Continued)**

The net change in assets for 2007-2008 was \$ 1,519,845 based on total revenues of \$ 38,271,843 and total expenses of \$ 36,751,998. Figure A-4 below shows the breakdown into the various revenue and expense categories.

**Figure A-4  
Changes in Net Assets from Operating Results**

	Governmental Activities 2008-09	Governmental Activities 2007-08
<b>REVENUES:</b>		
Program Revenues:		
Charges for Services	\$ 3,217,597	\$ 2,912,878
Operating Grants and Contributions	5,552,272	4,508,770
Capital Grants and Contributions	488,244	428,905
General Revenues:		
Property Taxes	9,181,137	8,925,298
State Formula Aid	18,734,235	17,835,540
Other	1,098,358	1,438,443
Total Revenues	38,271,843	36,049,834
 <b>EXPENSES:</b>		
Administration	1,363,421	1,436,104
District Support Services	1,064,824	970,298
Elementary and Secondary Regular Instruction	15,991,497	14,854,796
Vocational Educational Instruction	827,745	730,571
Special Education Instruction	4,935,202	4,208,089
Instructional Support Services	1,427,094	1,793,288
Pupil Support Services	2,187,579	2,226,061
Sites and Buildings	3,240,217	3,081,750
Fiscal and Other Fixed Cost Programs	103,764	83,302
Food Service	1,237,484	1,191,906
Community Education Services	2,178,859	2,013,232
Unallocated Depreciation	862,444	844,550
Interest and Fiscal Charges on Long-Term Debt	1,331,868	1,321,966
Total Expenses	36,751,998	34,755,913
 Increase in Net Assets	1,519,845	1,293,921
Change in Accounting Principle (Note 9)	2,414,905	-
 Ending Net Assets	\$ 8,005,032	\$ 4,070,282

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

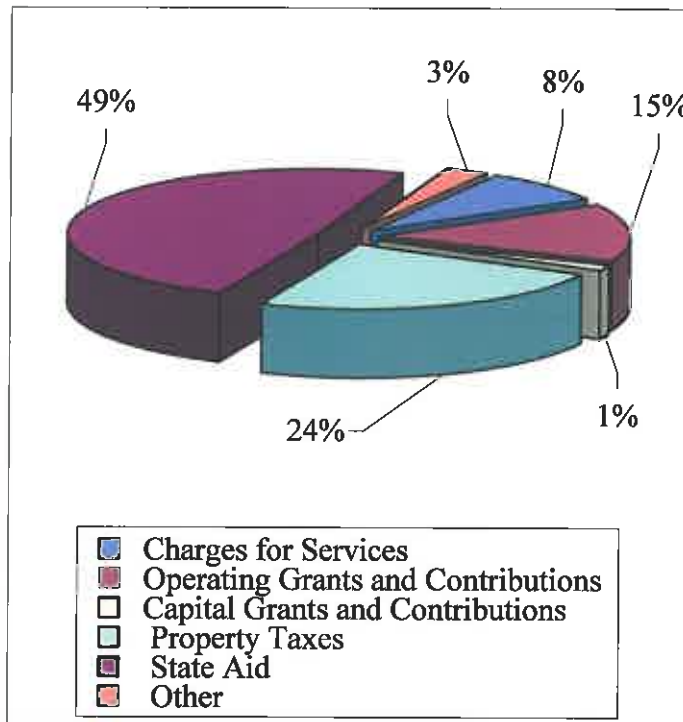
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

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

**Net Assets (Continued)**

As you can see in the chart in Figure A-5, state aid and property taxes accounted for most of the District's revenue, with state aid representing 49% and property tax representing 24% of the total. Another 15% came from state and federal aid for specific programs and the remainder from fees charged for services and miscellaneous sources.

**Figure A-5  
Sources of Revenues for 2008-09**



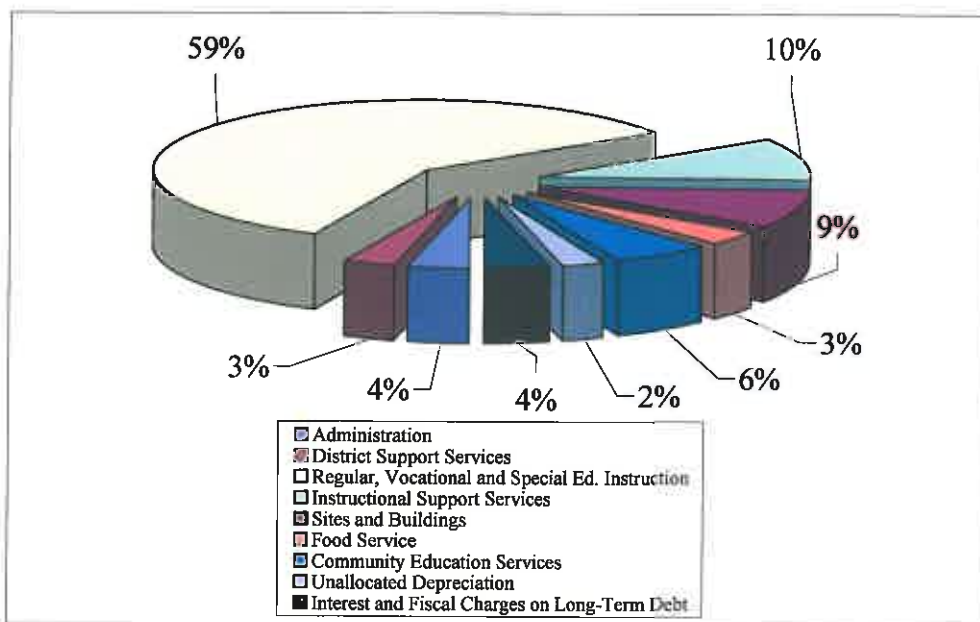
INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota

MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Assets (Continued)

Figure A-6  
Expenses for Fiscal Year 2008-2009



Governmental Activities

The majority of the District's expenses are related to instructing or supporting the instruction of students. Figure A-6 above indicates the breakdown of the total expenses on a percentage basis. The direct instruction categories of expense, which include elementary and secondary, vocational, and special education represent approximately 59% of the total expenses. The indirect categories of instructional and pupil support (which includes student transportation) amount to about 10% and administration and District support services combined represented 7% of the total expenses for the year. Other major categories of expense included food service, community service and principal and interest payments on our outstanding debt.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

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

**Net Assets (Continued)**

Figure A-7 represents the total cost of the District's functions and programs. The table also shows each function and program's net cost which represents the total cost less fees and intergovernmental aid provided for specific programs. The net cost shows the financial burden placed on the state and local taxpayers by each of these functions and programs.

**Figure A-7  
Net Cost of Governmental Activities**

	Total Cost of Services <u>2008-2009</u>	Net Cost of Services <u>2008-2009</u>	Total Cost of Services <u>2007-2008</u>	Net Cost of Services <u>2007-2008</u>
Administration	\$ 1,363,421	\$ 1,363,421	\$ 1,436,104	\$ 1,436,104
District Support Services	1,064,824	1,064,824	1,000,175	1,000,175
Elementary and Secondary Regular Instruction	15,991,497	13,750,610	14,849,767	13,267,109
Vocational Educational Instruction	827,745	817,077	730,571	730,848
Special Education Instruction	4,935,202	2,165,253	4,213,161	1,679,612
Instructional Support Services	1,427,094	1,427,094	1,765,150	1,759,830
Pupil Support Services	2,187,579	1,831,713	2,224,280	1,904,851
Sites and Buildings	3,240,217	2,668,268	3,081,751	2,581,730
Fiscal and Other Fixed Cost Programs	103,764	103,764	83,302	83,302
Food Service	1,237,484	(136,874)	1,191,906	(64,913)
Community Education Services	2,178,859	244,423	2,013,232	360,198
Unallocated Depreciation	862,444	862,444	844,548	844,548
Interest and Fiscal Charges on Long-Term Debt	1,331,868	1,331,868	1,022,035	1,022,035
<b>Total</b>	<u>\$ 36,751,998</u>	<u>\$ 27,493,885</u>	<u>\$ 34,455,982</u>	<u>\$ 26,605,429</u>

The cost of all governmental activities this year was \$ 36,751,998.

- The users of the District's programs through fees and other charges financed \$ 3,217,597, or 9%, of the cost.
- The federal and state governments subsidized specific programs with grants and contributions totaling \$ 5,552,272, or 15%, of the cost.
- State and local taxpayers, however, financed the majority of the costs. State aid and local property taxes as determined by the legislature through the statewide funding formulas, amounted to \$ 18,734,235 and \$ 9,181,137, respectively, for a total of \$ 27,915,372, or 76%, of the District's total costs.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The stable financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of \$ 5,590,430, which is \$ 469,951 more than last year's ending fund balances. This increase in combined fund balances is due to increased enrollment and student activities revenue.

**General Fund Budgetary Highlights**

Over the course of the year, the District adopted the annual operating budget in June 2008. This budget is revised once during the fiscal year. The revised budget was approved by the School Board during March 2009. These budget adjustments fall into two general categories:

- Revisions were made to reflect up-to-date projection of revenues. Revenue formulas were updated to reflect an increase in student enrollments, which are the basis for most state and federal programs. Other revenue adjustments included adjusting special education aid estimates.
- Increases/(decreases) were made to reflect a more up-to-date projection of expenditures as a result of contract settlements with employees. The rest of the budget such utility costs, supply costs, contracted services, capital expenditures and other miscellaneous budget categories were, for the most part, left unchanged from the adopted budget.

The District's final budget for the General Fund anticipated that expenditures would exceed revenues by \$ 15,340. Actual results for the year show an increase in General Fund of \$ 452,991 for the year. This is a positive variance of \$ 437,651 from the final budget that was adopted by the School Board in March 2009.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

By the end of 2009, the District had invested \$ 44,741,554 in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Figure A-8). Depreciation expense for the year was \$ 994,232 with total accumulated depreciation amounting to \$ 16,169,162. (More detailed information on capital assets can be found in Note 4 to the financial statements.)

**Figure A-8  
Capital Assets**

	Governmental Activities		Percentage Change
	2008-2009	2007-2008	
Land	\$ 1,571,466	\$ 1,571,466	0.00%
Construction in Progress	1,195,452	1,177,748	1.50%
Buildings	37,197,609	37,381,541	-0.49%
Improvements Other Than Buildings	3,015,329	2,740,076	10.05%
Equipment and Furniture	1,761,698	1,936,475	-9.03%
<b>Total</b>	<b>\$ 44,741,554</b>	<b>\$ 44,807,306</b>	<b>-0.15%</b>

The District also has a ten-year plan in place to fund the support and replacement of computers, software, phones and other network related equipment. Fiscal year 2008-2009 was the seventh year of the ten-year plan in which the District either replaced or added several new computer labs for students and staff.

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**Long-Term Debt**

At year-end, the District had \$ 28,821,289 in general obligation bonds and other long-term liabilities outstanding as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.)

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Long-Term Debt (Continued)**

**Figure A-9  
Outstanding Long-Term Debt**

	Total School District		Percent Change
	2008-09	2007-08	
General Obligation Bonds	\$ 27,414,469	\$ 25,998,283	5.45%
Certificate of Participation	1,035,000	1,175,000	-11.91%
Capital Leases	-	309	-100.00%
Postemployment Severance and Compensated Absences Payable	371,820	2,785,480	-86.65%
<b>Total</b>	<b>\$ 28,821,289</b>	<b>\$ 29,959,072</b>	<b>-3.80%</b>

- The District issued \$ 3,265,000 G.O. Taxable OPEB Bonds during April 2009 and established an irrevocable trust.

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

At the time these financial statements were prepared and audited, the District was aware of three existing circumstances that could significantly affect its financial health in the future:

- The resident student enrollment continues to decline each year. The district has used open enrollment as a strategy to continue existing programs and services. This is reviewed each year by the School Board.
- The District has completed a long range facility review process with Johnson Controls and The Center for Efficient School Operations. The District is considering a school building bond referendum in 2010 based on the recommendation by the Citizens Committee and the School Board.
- The State of Minnesota as part of the unallotment process, be making a one-time reduction to the District's fiscal year 2011 state aids and each district will be required to recognized revenue tax revenue to replace that reduction. The District will have to borrow to be able to maintain cash flow because of this revenue shift. The District has not had to issue aid anticipation certificates since August 2005.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Business Services (phone: 651-407-2000) at the District Education Center for Mahtomedi Schools located at 1520 Mahtomedi Avenue, Mahtomedi, MN 55115

**BASIC FINANCIAL STATEMENTS**

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**STATEMENT OF NET ASSETS  
June 30, 2009**

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Cash and Investments	\$ 7,873,717
Current Property Taxes Receivable	5,016,620
Delinquent Property Taxes Receivable	218,603
Accounts Receivable	42,830
Interest Receivable	13,048
Due from Department of Education	2,749,514
Due from Federal Government through Department of Education	245,174
Due from Other Minnesota School Districts	214,946
Due from Other Governmental Units	37,730
Lease Receivables	258,053
Inventory	9,220
Prepaid Items	12,756
Net Other Post Employment Benefit Asset	3,110,357
<b>Capital Assets:</b>	
Land	1,571,466
Construction in Progress	1,195,452
Land Improvements	3,015,329
Buildings	37,197,609
Machinery and Equipment	1,761,698
Less Accumulated Depreciation	<u>(16,169,162)</u>
<b>Total Assets</b>	<b><u>\$ 48,374,960</u></b>
<b>LIABILITIES AND NET ASSETS:</b>	
<b>Liabilities:</b>	
Accounts Payable	\$ 351,864
Contracts Payable	30,509
Salaries, Benefits and Severance Payable	837,431
Interest Payable	603,448
Due to Other Minnesota School Districts	157,438
Unearned Revenue	316,495
Property Taxes Levied for Subsequent Year's Expenditures	9,251,454
Bond Principal Payable:	
Payable Within One Year	1,697,440
Payable After One Year	25,717,029
Certificates of Participation:	
Payable Within One Year	140,000
Payable After One Year	895,000
Severance and Vacation Payable:	
Payable Within One Year	126,962
Payable After One Year	244,858
<b>Total Liabilities</b>	<b><u>40,369,928</u></b>
<b>Net Assets:</b>	
Invested in Capital Assets, Net of Related Debt	8,914,690
Restricted for:	
Debt Service	346,581
Other Purposes	1,511,671
Unrestricted	<u>(2,767,910)</u>
<b>Total Net Assets</b>	<b><u>8,005,032</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 48,374,960</u></b>

The Notes to the Financial Statements are an integral part of this statement.

INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2009

Governmental Activities:	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenues and Changes in Net Assets
			Operating Grants and Contributions	Capital Grants and Contributions	
Administration	\$ 1,363,421	\$ -	\$ -	\$ -	\$ (1,363,421)
District Support Services	1,064,824	-	-	-	(1,064,824)
Elementary and Secondary Regular Instruction	15,991,497	249,596	1,991,291	-	(13,750,610)
Vocational Education Instruction	827,745	-	10,668	-	(817,077)
Special Education Instruction	4,935,202	4,360	2,765,589	-	(2,165,253)
Instructional Support Services	1,427,094	-	-	-	(1,427,094)
Pupil Support Services	2,187,579	-	355,866	-	(1,831,713)
Sites and Buildings	3,240,217	83,705	-	488,244	(2,668,268)
Fiscal and Other Fixed Cost Programs	103,764	-	-	-	(103,764)
Food Service	1,237,484	1,094,296	280,062	-	136,874
Community Education and Services	2,178,859	1,785,640	148,796	-	(244,423)
Unallocated Depreciation	862,444	-	-	-	(862,444)
Interest and Fiscal Charges on Long-Term Debt	1,331,868	-	-	-	(1,331,868)
<b>Total Governmental Activities</b>	<b>\$ 36,751,998</b>	<b>\$ 3,217,597</b>	<b>\$ 5,552,272</b>	<b>\$ 488,244</b>	<b>(27,493,885)</b>
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes					5,913,614
Property Taxes, Levied for Community Service					233,267
Property Taxes, Levied for Debt Service					3,034,256
State Aid-Formula Grants					18,734,235
Other General Revenues					955,210
Investment Income					143,148
Total General Revenues					29,013,730
Change in Net Assets					1,519,845
Net Assets - Beginning					4,070,282
Change in Accounting Principle (Note 10)					2,414,905
Net Assets - Beginning, as Restated					6,485,187
Net Assets - Ending					\$ 8,005,032

21 The Notes to the Financial Statements are an integral part of this statement.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2009**

	General	Debt Service	Other Nonmajor Funds	Total Governmental Funds
<b>ASSETS:</b>				
Cash and Investments	\$ 4,202,183	\$ 2,328,888	\$ 1,342,646	\$ 7,873,717
Current Property Taxes Receivable	3,254,752	1,609,740	152,128	5,016,620
Delinquent Property Taxes Receivable	138,345	74,095	6,163	218,603
Accounts Receivable	38,851	-	3,979	42,830
Interest Receivable	13,048	-	-	13,048
Due from Department of Education	2,730,958	5,480	13,076	2,749,514
Due from Federal Government through Department of Education	230,289	-	14,885	245,174
Due from Other Minnesota School Districts	214,946	-	-	214,946
Due from Other Governmental Units	37,730	-	-	37,730
Lease Receivables	258,053	-	-	258,053
Inventory	-	-	9,220	9,220
Prepaid Items	10,056	-	2,700	12,756
	<u>\$ 11,129,211</u>	<u>\$ 4,018,203</u>	<u>\$ 1,544,797</u>	<u>\$ 16,692,211</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 326,602	\$ -	\$ 25,262	\$ 351,864
Contracts Payable	-	-	30,509	30,509
Salaries, Benefits and Severance Payable	730,689	-	106,742	837,431
Due to Other Minnesota School Districts	110,582	-	46,856	157,438
Deferred Revenue	372,556	53,197	47,332	473,085
Property Taxes Levied for Subsequent Year's Expenditures	5,770,981	3,179,051	301,422	9,251,454
<b>Total Liabilities</b>	<u>7,311,410</u>	<u>3,232,248</u>	<u>558,123</u>	<u>11,101,781</u>
<b>Fund Balances:</b>				
Reserved	895,449	-	186,157	1,081,606
Unreserved:				
Major Funds	2,922,352	785,955	-	3,708,307
Nonmajor Special Revenue Funds	-	-	425,549	425,549
Nonmajor Debt Service Funds	-	-	110,876	110,876
Nonmajor Capital Projects Funds	-	-	264,092	264,092
<b>Total Fund Balances</b>	<u>3,817,801</u>	<u>785,955</u>	<u>986,674</u>	<u>5,590,430</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 11,129,211</u>	<u>\$ 4,018,203</u>	<u>\$ 1,544,797</u>	<u>\$ 16,692,211</u>

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**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**RECONCILIATION OF THE BALANCE SHEET TO  
THE STATEMENT OF NET ASSETS - GOVERNMENTAL FUNDS  
June 30, 2009**

Total Fund Balances - Governmental Funds		\$ 5,590,430
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.		
Cost of Capital Assets		44,741,554
Less Accumulated Depreciation		(16,169,162)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of:		
Bond Principal Payable		(27,414,469)
Certificates of Participation		(1,035,000)
Severance and Compensated Absences Payable		(371,820)
Net other post employment benefits (OPEB) asset created through treatment of General Obligation (G.O.) Taxable OPEB Bonds as employer contribution to defined benefit OPEB plan is not recognized in the governmental funds.		
		3,110,357
Delinquent property taxes receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.		
		156,590
Governmental funds do not report a liability for accrued interest on bonds and capital loans until due and payable.		
		<u>(603,448)</u>
Total Net Assets - Governmental Activities		<u>\$ 8,005,032</u>

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**INDEPENDENT SCHOOL DISTRICT NO. 832**  
**Mahtomedi, Minnesota**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2009**

	General	Debt Service	Other Nonmajor Funds	Total Governmental Funds
<b>REVENUES:</b>				
Local Property Taxes	\$ 5,868,076	\$ 3,010,478	\$ 231,745	\$ 9,110,299
Other Local and County Revenues	1,407,002	36,167	1,831,560	3,274,729
Revenue from State Sources	23,531,538	54,797	181,088	23,767,423
Revenue from Federal Sources	723,521	-	229,966	953,487
Sales and Other Conversion of Assets	861	-	1,094,206	1,095,067
Total Revenues	<u>31,530,998</u>	<u>3,101,442</u>	<u>3,568,565</u>	<u>38,201,005</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Administration	1,359,772	-	-	1,359,772
District Support Services	1,222,195	-	-	1,222,195
Elementary and Secondary Regular Instruction	18,722,012	-	-	18,722,012
Vocational Education Instruction	827,745	-	-	827,745
Special Education Instruction	4,898,301	-	-	4,898,301
Instructional Support Services	1,437,738	-	-	1,437,738
Pupil Support Services	2,164,767	-	-	2,164,767
Sites and Buildings	2,612,827	-	95,291	2,708,118
Fiscal and Other Fixed Cost Programs	103,764	-	-	103,764
Food Service	-	-	1,227,760	1,227,760
Community Education and Services	-	-	2,185,690	2,185,690
Capital Outlay	927,455	-	74,734	1,002,189
<b>Debt Service:</b>				
Principal	-	1,627,960	-	1,627,960
Interest and Fiscal Charges	-	1,552,488	-	1,552,488
Total Expenditures	<u>34,276,576</u>	<u>3,180,448</u>	<u>3,583,475</u>	<u>41,040,499</u>
Excess of Revenues Under Expenditures	(2,745,578)	(79,006)	(14,910)	(2,839,494)
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from Sale of Capital Assets	9,500	-	-	9,500
Bond Issuance	3,265,000	-	-	3,265,000
Bond Premium	34,945	-	-	34,945
Transfers In	-	-	110,876	110,876
Transfers Out	(110,876)	-	-	(110,876)
Total Other Financing Sources (Uses)	<u>3,198,569</u>	<u>-</u>	<u>110,876</u>	<u>3,309,445</u>
Net Change in Fund Balances	452,991	(79,006)	95,966	469,951
<b>FUND BALANCES:</b>				
Beginning of Year	<u>3,364,810</u>	<u>864,961</u>	<u>890,708</u>	<u>5,120,479</u>
End of Year	<u>\$ 3,817,801</u>	<u>\$ 785,955</u>	<u>\$ 986,674</u>	<u>\$ 5,590,430</u>

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**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES TO THE  
STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2009**

Net Change in Fund Balances - Total Governmental Funds \$ 469,951

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital Outlays	189,950
Depreciation Expense	(994,232)
Loss on Disposal	(17,218)
Donated Assets	2,500

Severance payments are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities. (1,245)

Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no effect on net assets in the Statement of Activities. 1,768,269

Proceeds of G.O. Taxable OPEB Bonds issued during fiscal year 2009 were contributed to the OPEB plan to retire the unfunded obligation. Governmental funds report such outlays as expenditures. However, the outlay is reported as an asset in the Statement of Net Assets. The impact on the Statement of Activities is the creation of a new net OPEB asset which is a combination of the OPEB bond issue and the amortization of the net OPEB obligation for the current year. 3,110,357

Accreted Interest on Bonds 220,854

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. (35,179)

Proceeds from the sale of bonds are recognized as other financing sources in the governmental funds increasing fund balance but having no effect on net assets in the Statement of Activities. (3,265,000)

Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. 70,838

Change in Net Assets - Governmental Activities \$ 1,519,845

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Local Property Taxes	\$ 5,894,001	\$ 5,894,001	\$ 5,868,076	\$ (25,925)
Other Local and County Revenues	1,005,600	1,499,850	1,407,002	(92,848)
Revenue from State Sources	21,560,311	23,009,100	23,531,538	522,438
Revenue from Federal Sources	770,778	755,095	723,521	(31,574)
Sales and Other Conversion of Assets	-	-	861	861
Total Revenues	<u>29,230,690</u>	<u>31,158,046</u>	<u>31,530,998</u>	<u>372,952</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Administration	1,345,597	1,364,417	1,359,772	(4,645)
District Support Services	923,720	1,032,699	1,222,195	189,496
Elementary and Secondary Regular Instruction	15,031,582	15,747,458	18,722,012	2,974,554
Vocational Education Instruction	746,963	803,074	827,745	24,671
Special Education Instruction	4,298,558	4,943,543	4,898,301	(45,242)
Instructional Support Services	961,476	1,110,147	1,437,738	327,591
Pupil Support Services	2,060,489	2,220,842	2,164,767	(56,075)
Sites and Buildings	2,675,963	2,787,619	2,612,827	(174,792)
Fiscal and Other Fixed Cost Programs	174,195	174,816	103,764	(71,052)
Capital Outlay	974,614	958,091	927,455	(30,636)
Total Expenditures	<u>29,193,157</u>	<u>31,142,706</u>	<u>34,276,576</u>	<u>3,133,870</u>
Excess of Revenues Over (Under) Expenditures	37,533	15,340	(2,745,578)	(2,760,918)
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from Sale of Capital Assets	-	-	9,500	9,500
Bond Issuance	-	-	3,265,000	3,265,000
Bond Premium	-	-	34,945	34,945
Transfers Out	-	-	(110,876)	(110,876)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,198,569</u>	<u>3,198,569</u>
Net Change in Fund Balances	<u>\$ 37,533</u>	<u>\$ 15,340</u>	452,991	<u>\$ 437,651</u>
<b>FUND BALANCES:</b>				
Beginning of Year			<u>3,364,810</u>	
End of Year			<u>\$ 3,817,801</u>	

The Notes to the Financial Statements are an integral part of this statement.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**STATEMENT OF FIDUCIARY NET ASSETS  
June 30, 2009**

	Private Purpose Trust Fund	OPEB Trust Fund
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$ 13,066	\$ -
<b>Investments:</b>		
Certificates of Deposit	-	1,434,000
Government Agency Securities	-	619,950
Money Markets	-	1,105,412
Total Investments	-	3,159,362
Other Receivables	-	3,763
Total Assets	\$ 13,066	\$ 3,163,125
<b>NET ASSETS:</b>		
Held in Trust for Scholarships	\$ 13,066	\$ -
Held in Trust for OPEB	-	3,163,125
Total Assets Held in Trust	\$ 13,066	\$ 3,163,125

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
For the Year Ended June 30, 2009**

	Private Purpose Trust Fund	OPEB Trust Fund
<b>ADDITIONS:</b>		
Contributions	\$ 22,854	\$ 3,158,774
<b>Investment Income:</b>		
Interest	-	3,763
Net Appreciation in Fair Value of Investments	-	588
Net Investment Income	-	4,351
Total Additions	22,854	3,163,125
<b>DEDUCTIONS:</b>		
Scholarships	32,654	-
Change in Net Assets	(9,800)	3,163,125
<b>NET ASSETS:</b>		
Beginning of Year	22,866	-
End of Year	\$ 13,066	\$ 3,163,125

The Notes to the Financial Statements are an integral part of this statement.

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**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

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

The District operates under a school board form of government for the purpose of providing educational services to individuals within the District areas. The governing body consists of a six member board elected by the voters of the District to serve four-year terms.

The accounting policies of the District conform to U.S. generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies.

**A. Reporting Entity**

The financial statements present the District and its component units. The District includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the District are financially accountable and are included within the basic financial statements of the District because of the significance of their operational or financial relationships with the District.

The District is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the District.

As a result of applying the component unit definition criteria above, it has been determined the District has no component units.

The student activity accounts of the District are under the School Board's control; therefore, all activity is included within the District's financial statements.

**B. Basic Financial Statement Information**

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

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

**B. Basic Financial Statement Information (Continued)**

The District applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net assets are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of that function. Depreciation expense relating to assets that serve multiple functions is presented as unallocated depreciation in the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. The effect of interfund activity has been removed from these Statements.

Separate fund financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Trust Funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the District, these Funds are not incorporated into the government-wide statements.

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

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting transactions are recorded in the following manner.

**1. Revenue Recognition**

Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to *Minnesota Statutes* and U.S. generally accepted accounting principles. *Minnesota Statutes* include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Other revenue is considered available if collected within one year.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

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

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

**2. Recording of Expenditures**

Expenditures are generally recorded when a liability is incurred. The exceptions to this general rule are that interest and principal expenditures in the Debt Service Fund, compensated absences and claims and judgments are recognized when payment matures.

**Description of Funds:**

**Major Funds:**

**General Fund** – This Fund is the basic operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

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

**Nonmajor Funds:**

**Food Service Special Revenue Fund** – This Fund is used to account for food service revenues and expenditures.

**Community Service Special Revenue Fund** – This Fund is used to account for services provided to residents in the areas of community education, school readiness, early childhood and family education or other similar services.

**Post Employment Benefits Debt Service Fund** – This Fund is used to account for the financial resources relating to the bond issued for post employment benefits.

**Building Construction Fund – Capital Projects**– This Fund is used to account for financial resources used for the acquisition or construction of major capital facilities authorized by bond issue.

**Fiduciary Funds:**

**Private Purpose Trust Fund** – The Scholarship Trust Fund is used to account for resources received and held by the District in a trustee capacity to be used in making scholarship awards.

**OPEB Irrevocable Trust Fund** – This Fund is used to account for the financial resources relating to OPEB.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

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

**D. Deposits and Investments**

The District's total deposits and investments are comprised of two major components, each with its own set of legal and contractual provisions as described below and on the following page.

**District Governmental Funds and Private Purpose Trust Fund**

Deposits and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. State statutes authorize the government and the District to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool. Earnings from the pooled investments are allocated to the individual funds based on the average of month-end cash and investment balances.

Short-term, highly liquid debt instruments (including commercial paper, banker's acceptances and U.S. Treasury and agency obligations) purchased with a remaining maturity of one year or less are reported at amortized cost. Other investments are reported at fair value.

Deposits and investments at June 30, 2009 were comprised of deposits, treasury bills and notes, brokered certificates of deposit, government securities, money markets and shares in the Minnesota School District Liquid Asset Fund (MSDLAF). The MSDLAF is an external investment pool not registered within the Securities Exchange Commission (SEC) that follows the same regulatory rules of the SEC under Rule 2.a.7. The fair value of the position in the pool is the same as the value of the pool shares.

**Custodial Credit Risk – Deposits:** For deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a deposit policy that requires the District's deposits to be in compliance with *Minnesota Statutes* 118A.

*Minnesota Statutes* require that all deposits be protected by federal deposit insurance, corporate surety bonds or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds.

**Credit Risk:** This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. *Minnesota Statutes* 118A.04 and 118A.05 limit investments that are in the top two ratings issued by nationally recognized statistical rating organizations. The District's investment policy does not address credit risk.

**Concentration of Credit Risk:** The District's investment policy places no limit on the amount the District may invest in any one issuer. However, it does discuss the need to diversify investments.

**Interest Rate Risk:** The District's investment policy includes limits on investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

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

**D. Deposits and Investments (Continued)**

**District Governmental Funds and Private Purpose Trust Fund (Continued)**

**Custodial Credit Risk – Investments:** For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District's investment policy states all investments shall be held in third party safekeeping by an institution designated as custodial agent.

**Other Post Employment Benefit Trust Fund**

These funds represent investments administered by the District's OPEB Trust Fund investment managers. As of June 30, 2009, they were comprised of money markets, certificates of deposit, and government agencies. The District's investment policy, discussed previously, extends to the OPEB Trust Fund investments.

*Minnesota Statutes* authorize the OPEB Trust Fund to invest in obligations of the U.S. Treasury, agencies and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, corporate bonds, common stock and foreign stock of the highest quality, mutual funds, repurchase and reverse agreements, commercial paper of the highest quality with a maturity no longer than 270 days and in the State Board of Investments. Investments are stated at fair value.

The OPEB Trust Agreement indicates permitted investments include one or more series of MN Trust shares relating to a separate portfolio of investments, or from multi-class shares of MN Trust within the same portfolio.

**E. Property Tax Receivable**

Current property taxes receivable are recorded for taxes certified the previous December and collectible in the current calendar year, which have not been received by the District. Delinquent property taxes receivable represent uncollected taxes, for the past six years and are deferred and included in the liability section of the fund financial statements as deferred revenue because they are not available to finance the operations of the District in the current year.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

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

**F. Property Taxes Levied for Subsequent Year's Expenditures**

Property taxes levied for subsequent year's expenditures consist principally of property taxes levied in the current year which will be collected and recognized as revenue in the District's following fiscal year to properly match those revenues with the budgeted expenditures for which they were levied. This amount is equal to the amount levied by the School Board in December 2008, less various components and their related adjustments as mandated by the state. These portions of that levy were recognized as revenue in fiscal year 2009. The remaining portion of the levy will be recognized when measurable and available.

**G. Inventories**

Inventories of commodities donated directly by the U.S. Department of Agriculture are recorded at market value. Other inventories are stated at cost as determined on a first-in, first-out (FIFO) basis. Inventories are recorded as expenditures when consumed rather than when purchased.

**H. Prepaid Items**

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

**I. Property Taxes**

The District is located in Washington County.

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.

A portion of property taxes levied is paid by the State of Minnesota through various tax credits, which are included in revenue from state sources in the financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

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

**J. Capital Assets**

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements.

Capital assets are defined by the District as assets with an initial individual cost of more than \$ 2,500. Such assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purpose. Useful lives vary from 20 to 50 years for land improvements and buildings and 5 to 20 years for equipment.

Capital assets not being depreciated include land and construction in progress. The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

**K. 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.

In the fund financial statements, the face amount of debt issued is reported as other financing sources.

**L. Compensated Absences**

The District compensates administration, clerical and custodial employees upon termination of employment for unused vacation. All vacation must be used within six months after the end of the year in which it was earned.

Employees are not compensated for unused sick leave upon termination of employment, unless taken in conjunction with severance pay as described in Note 1.M. Sick leave pay is shown as an expenditure in the year paid.

**M. Post Employment Severance**

Some District employees are entitled to a percentage of accumulated sick leave balances upon retirement.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

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

**N. Risk Management**

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to employees 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 fiscal year ended June 30, 2009.

**O. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

**P. Net Assets**

Net assets represent the difference between assets and liabilities in the government-wide financial statements. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net assets are reported as restricted in the government-wide financial statement when there are limitations on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**Q. Use of Estimates**

The preparation of financial statement in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the School Superintendent submits to the School Board, a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

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**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information (Continued)**

2. The Superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the School Board.
3. Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue and Debt Service Funds. Budgetary control for Capital Projects Funds is accomplished through the use of project controls.
4. Budgets for the General, Special Revenue and Debt Service Funds are adopted on a basis consistent with U.S. generally accepted accounting principles.
5. Budgets are as originally adopted or as amended by the School Board. Budgeted expenditure appropriations lapse at year-end.

**B. Excess of Expenditures Over Appropriations**

Budgetary control for governmental funds is established by each fund's total appropriations. Expenditures exceeded appropriations in the following Funds for the year ending June 30, 2009.

	<u>Appropriations</u>	<u>Expenditures</u>
Major Funds:		
General	\$ 31,142,706	\$ 34,276,239
Debt Service	3,178,354	3,180,448
Nonmajor Funds:		
Community Service	1,992,559	2,203,151

The OPEB bond activity was not budgeted and resulted in an additional \$ 3,158,438, if not for these expenditures, the General Fund would not have exceeded budget.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**A. Deposits**

**District Governmental Funds**

In accordance with applicable *Minnesota Statutes*, the District maintains deposits at depository banks authorized by the School Board.

As of June 30, 2009, the District's bank balance was not exposed to custodial credit risk because it was insured and fully collateralized with securities held by the pledging financial institution's trust department or agent and in the District's name. At year-end, the District's bank balance and the carrying amount of deposits was \$ 6,576.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**B. Investments**

**District Governmental Funds and Private Purpose Trust Fund**

Investments at June 30, 2009 were comprised of money market accounts, certificates of deposit, government securities and shares in MSDLAF.

Investment	Average Maturities (Days)	Fair Value
Certificates of Deposit	100	\$ 3,490,876
Treasury Bill/Notes	46	2,000
MSDLAF	N/A	466,278
Money Markets	N/A	3,921,053
Total		<u>\$ 7,880,207</u>

**Credit Risk:** As of June 30, 2009, the District's investments were rated in the top two rating tiers. The District's investment in MSDLAF was rated AAAM by S&P.

**Concentration of Credit Risk:** As of June 30, 2009, the District had investments exceeding 5% of the District's total investment portfolio as shown in the table below.

Investment	Fair Value	Type
Cobbler Funding, LLC	\$ 761,200	CD

**OPEB Trust Fund**

As of June 30, 2009, the District's OPEB Trust Fund had the following investments:

Investment	Average Maturities (Days)	Fair Value
Certificates of Deposit	81	\$ 1,434,000
Government Agency Securities	1559	619,950
Money Markets	N/A	1,105,412
Total		<u>\$ 3,159,362</u>

**Credit Risk:** As of June 30, 2009, the District's investments in government agency securities were rated AAA by Standard & Poor's (S&P).

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**B. Investments**

**OPEB Trust Fund (Continued)**

Concentration of Credit Risk: The Trust Fund had investments exceeding 5% of the trust's total investment portfolio as shown in the table below:

<u>Investment</u>	<u>Fair Value</u>	<u>Type</u>
RBS Citizen Bank	\$ 501,500	CD
Leaders Bank	249,979	CD
Independent School District No. 281 - Robbinsdale, Minnesota	200,434	Government Obligation

**C. Deposits and Investments**

Summary of total cash, deposits and investments as of June 30, 2009:

District Governmental Funds and Private Purpose Trust Fund:	
Deposits	\$ 6,576
Investments	7,880,207
OPEB Trust Fund:	
Investments	<u>3,159,362</u>
Total Deposits and Investments	<u><u>\$ 11,046,145</u></u>

Deposits and investments are presented in the June 30, 2009 basic financial statements follows:

Statement of Net Assets:	
Cash and Investments	\$ 7,873,717
Statement of Fiduciary Net Assets:	
Cash and Investments	<u>3,172,428</u>
Total	<u><u>\$ 11,046,145</u></u>

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**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Reclassified Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets not being Depreciated:				
Land	\$ 1,571,466	\$ -	\$ -	\$ 1,571,466
Construction in Progress	<u>1,177,748</u>	<u>17,704</u>	<u>-</u>	<u>1,195,452</u>
Total Capital Assets not being Depreciated	<u>2,749,214</u>	<u>17,704</u>	<u>-</u>	<u>2,766,918</u>
Capital Assets being Depreciated:				
Buildings	37,197,609	-	-	37,197,609
Improvements Other than Buildings	2,924,008	91,321	-	3,015,329
Machinery and Equipment	<u>1,936,475</u>	<u>83,425</u>	<u>(258,202)</u>	<u>1,761,698</u>
Total Capital Assets being Depreciated	<u>42,058,092</u>	<u>174,746</u>	<u>(258,202)</u>	<u>41,974,636</u>
Less Accumulated Depreciation for:				
Buildings	12,142,604	744,435	-	12,887,039
Improvements Other than Buildings	1,836,835	134,276	-	1,971,111
Machinery and Equipment	<u>1,436,475</u>	<u>115,521</u>	<u>(240,984)</u>	<u>1,311,012</u>
Total Accumulated Depreciation	<u>15,415,914</u>	<u>994,232</u>	<u>(240,984)</u>	<u>16,169,162</u>
Total Capital Assets being Depreciated, Net	<u>26,642,178</u>	<u>(819,486)</u>	<u>(17,218)</u>	<u>25,805,474</u>
Governmental Activities Capital Assets, Net	<u>\$ 29,391,392</u>	<u>\$ (801,782)</u>	<u>\$ (17,218)</u>	<u>\$ 28,572,392</u>

The District transferred assets from buildings to improvements other than buildings, which resulted in the reclass of the beginning balances of these two categories.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 4 – CAPITAL ASSETS**

Depreciation expense of \$ 994,232 for the year ended June 30, 2009 was charged to the following governmental functions:

District Support Services	\$ 630
Elementary and Secondary Regular Instruction	27,834
Special Education Instruction	780
Instructional Support Services	28,366
Pupil Support Services	21,231
Sites and Buildings	48,608
Food Service	3,504
Community Education and Services	835
Unallocated	<u>862,444</u>
Total Depreciation Expense	<u><u>\$ 994,232</u></u>

**NOTE 5 – INTERFUND TRANSFERS**

**A. Interfund Transfers**

The composition of interfund transfers as of June 30, 2009 was as follows:

	<u>Transfer In</u>
	OPEB Debt Service Fund
Transfer Out:	
General Fund	<u><u>\$ 110,876</u></u>

This transaction was for the transfer of bond proceeds to the Debt Service Fund for the debt issued on the OPEB liability.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 6 -- LONG-TERM DEBT**

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

	Issue Date	Interest Rate	Original Issue	Final Maturity	Principal Outstanding	Due Within One Year
Long-Term Liabilities:						
G.O. Bonds, Including						
Refunding Bonds:						
2003 School Building						
Refunding Bonds	09/18/03	1.8%-4.1%	\$ 3,175,000	02/01/17	\$ 2,305,000	\$ 250,000
1995B School Building Bonds	06/01/95	5.6%-6.0%	5,194,754	02/01/17	9,704,469	707,440
2002 School Building Bonds	02/01/02	4.0%-5.0%	12,200,000	02/01/18	11,510,000	710,000
2004A Alternative Facility Bonds	03/10/04	2.5%-4.25%	780,000	02/01/24	630,000	30,000
G.O. Taxable OPEB Bonds						
Series 2009A	05/05/09	3.5%-5.4%	3,265,000	02/01/18	3,265,000	-
Total G.O. Bonds					<u>27,414,469</u>	<u>1,697,440</u>
Certificates of Participation					1,035,000	140,000
Severance Payable					244,858	-
Vacation Payable					<u>126,962</u>	<u>126,962</u>
Total all Long-Term Liabilities					<u>\$ 28,821,289</u>	<u>\$ 1,964,402</u>

The long-term bond liabilities listed above were issued to finance acquisition and construction of capital facilities or to refinance (refund) previous bond issues. Other long-term liabilities, such as severance and vacation, are typically liquidated through the General Fund.

**B. Minimum Debt Payments for Bonds and Loans**

Minimum annual principal and interest payments required to retire bond and loan liabilities:

Year Ending June 30,	G.O. Bonds		Certification of Participation	
	Principal	Interest	Principal	Interest
2010	\$ 1,697,440	\$ 1,654,689	\$ 140,000	\$ 55,685
2011	1,959,032	1,698,910	155,000	48,405
2012	2,052,672	1,689,039	165,000	40,190
2013	2,078,344	1,670,161	175,000	31,363
2014	2,107,540	1,638,339	175,000	21,913
2015-2019	10,621,766	4,814,334	225,000	12,375
2020-2024	<u>1,635,000</u>	<u>300,938</u>	<u>-</u>	<u>-</u>
Total	22,151,794	<u>\$ 13,466,410</u>	<u>\$ 1,035,000</u>	<u>\$ 209,931</u>
Accretion on Capital Appreciation Bonds		<u>5,262,675</u>		
Total		<u>\$ 27,414,469</u>		

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 6 – LONG-TERM DEBT (CONTINUED)**

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

	Beginning Balance, Restated	Additions	Reductions	Ending Balance
Long-Term Liabilities:				
G.O. Bonds	\$ 25,998,283	\$ 3,891,186	\$ 2,475,000	\$ 27,414,469
Certificate of Participation	1,175,000	-	140,000	1,035,000
Capital Leases	309	-	309	-
Severance Payable	223,233	21,625	-	244,858
Vacation Payable	147,342	55,829	76,209	126,962
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Long-Term Liabilities	<u>\$ 27,544,167</u>	<u>\$ 3,968,640</u>	<u>\$ 2,691,518</u>	<u>\$ 28,821,289</u>

**NOTE 7 – RESERVED FUND BALANCES/NET ASSETS**

Certain portions of fund balance are reserved based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties.

**Fund Equity**

Fund equity balances are classified below to reflect the limitations and restrictions of the respective funds.

**A. Reserved Fund Balance**

	General Fund	Other Nonmajor Funds	Total
Reserved for:			
Health and Safety	\$ 28,463	\$ -	\$ 28,463
Operating Capital	866,986	-	866,986
Community Education	-	172,914	172,914
Early Childhood and Family Education	-	8,193	8,193
School Readiness	-	5,050	5,050
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Reserved Fund Balance	<u>\$ 895,449</u>	<u>\$ 186,157</u>	<u>\$ 1,081,606</u>

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 7 – RESERVED FUND BALANCES/NET ASSETS**

**Fund Equity (Continued)**

**A. Reserved Fund Balance (Continued)**

Reserved for Health and Safety – This balance represents available resources to be used for health and safety projects in accordance with an approved health and safety plan.

Reserved for Operating Capital – Beginning in fiscal year 1997, this balance represents available resources in the General Fund to be used to purchase equipment and facilities.

Reserved for Community Education – This balance represents the resources available to provide programming such as; nonvocational, recreational and leisure time activities, programs for adults with disabilities, noncredit summer programs, adult basic education programs, youth development and youth service programming, early childhood and family education and extended day programs.

Reserved for Early Childhood and Family Education – This balance represents the resources available to provide for services for early childhood and family education programming.

Reserved for School Readiness – This balance represents available resources available to provide for services for school readiness programs. Related to Finance Code 344, School Readiness *Minnesota Statutes* 124D.16.

Net assets restricted for other purposes are comprised of the total General Fund and other nonmajor funds' reserved fund balance.

**B. Unreserved Fund Balance**

Unreserved fund balance is comprised of the following components:

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
Designated for Student Activities	\$ 198,580	\$ -	\$ -	\$ 198,580
Designated for Building Discretionary	240,613	-	264,092	504,705
Designated for Severance	578,955	-	-	578,955
Undesignated	<u>1,904,204</u>	<u>785,955</u>	<u>536,425</u>	<u>3,226,584</u>
Total Unreserved Fund Balance	<u>\$ 2,922,352</u>	<u>\$ 785,955</u>	<u>\$ 800,517</u>	<u>\$ 4,508,824</u>

Unreserved, Undesignated – This amount represents resources available to meet current and future years' expenditures.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

Substantially all employees of the District are required by state law to belong to pension plans administered by the Teachers’ Retirement Association (TRA) or Public Employees’ Retirement Association (PERA), all of which are administered on a state-wide basis. Disclosures relating to these Plans follow.

**Teachers’ Retirement Association**

**A. Plan Description**

All teachers employed by the District are covered by defined benefit plans administered by the TRA. TRA members belong to either the Coordinated or Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. These Plans are established and administered in accordance with *Minnesota Statutes* Chapter 354 and 356.

TRA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by *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 TRA’s Coordinated and Basic Plan members. Members first employed before July 1, 1989 receive the greater of the Tier I or Tier II as described below and on the following page:

**Tier I:**

Tier I	Step Rate Formula	Percentage
Basic	First 10 years	2.2% per year
	After 10 years	2.7% per year
Coordinated	First 10 years if service years are prior to July 1, 2006	1.2% per year
	First 10 years if service years are July 1, 2006 or after	1.4% per year
	All other years of service if service years are prior to July 1, 2006	1.7% per year
	All other years of service is service years are July 1, 2006 or after	1.9% per year

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Teachers' Retirement Association (Continued)**

**A. Plan Description (Continued)**

**Tier I: (Continued)**

With these provisions:

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

**Tier II:**

For years of service prior to July 1, 2006, a level formula of 1.7% per year for Coordinated Plan members and 2.7% per year for Basic Plan members applies. For years of service July 1, 2006 and after, a level formula of 1.9% per year for Coordinated Plan members and 2.7% for Basic Plan members applies. Actuarially equivalent early retirement reduction factors with augmentation are used for early retirement before the normal age of 65. These reduction factors average approximately 4.0% to 5.5% per year.

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

Six different types of annuities are available to members upon retirement. The No Refund Life Plan is a lifetime annuity that ceases upon the death of the retiree – no survivor annuity is payable. A retiring member may also choose to provide survivor benefits to a designated beneficiary(ies) by selecting one of the five plans which 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 also eligible for a refund of their employee contributions plus interest.

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

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Teachers' Retirement Association (Continued)**

**A. Plan Description (Continued)**

TRA publicly issues a Comprehensive Annual Financial Report (CAFR) presenting financial statements, supplemental information on funding levels, investment performance and further information on benefits provisions. That report may be accessed at the TRA web site [www.tra.state.mn.us](http://www.tra.state.mn.us), by writing TRA at Teachers' Retirement Association, 60 Empire Drive, Suite 400, St. Paul, Minnesota 55103-4000 or by calling (651) 296-6449 or (800) 657-3853.

**B. Funding Policy**

*Minnesota Statutes* Chapter 354 sets the rates for the employee and employer contributions. These Statutes are established and amended by the state legislature. As of July 1, 2006, Coordinated and Basic Plan members were required to contribute 5.5% and 9.0%, respectively, of their annual covered salary as employee contributions. Prior to July 1, 2007, the employer contribution rates were 5.0% for Coordinated Plan members and 9.0% for Basic Plan members. Effective July 1, 2007, the employer contribution rates for Coordinated Plan members rose to 5.5% and 9.5% for Basic Plan members. Total covered payroll salaries for all TRA members state-wide during the fiscal year ended June 30, 2008 was approximately \$ 3.645 billion.

The District's contributions for the years ended June 30, 2009, 2008 and 2007 were \$ 836,980, \$ 748,905 and \$ 644,363, respectively, equal to the required contributions for each year as set by state statute.

**Public Employees' Retirement Association**

**A. Plan Description**

All full-time and certain part-time employees (nonteacher) of the District are covered by defined benefit plans administered by PERA. PERA administers the Public Employees' Retirement Fund (PERF) which is a cost-sharing, multiple-employer retirement plan. This Plan is established and administered in accordance with *Minnesota Statutes* Chapters 353 and 356.

PERF members belong to either the Coordinated Plan or Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan.

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

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

**Public Employees' Retirement Association (Continued)**

**A. Plan Description (Continued)**

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first 10 years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first 10 years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of the average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. For all members hired prior to July 1, 1989, whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 65 for Basic and Coordinated Plan members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated Plan members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree – no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the Fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

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

PERA issues a publicly available financial report that includes financial statements and required supplementary information for PERF. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org), by writing to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088 or by calling (651) 296-7460 or (800) 652-9026.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

**Public Employees' Retirement Association (Continued)**

**B. Funding Policy**

*Minnesota Statutes* Chapter 353 sets the rates for employer and employee contributions. These Statutes are established and amended by the state legislature. The District makes annual contributions to the pension plans equal to the amount required by state statutes. PERF Basic Plan members and Coordinated Plan members were required to contribute 9.10% and 6.0%, respectively, of their annual covered salary in 2008. The District is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members and 6.5% for Coordinated Plan PERF members. Employer contribution rates for the Coordinated Plan increased to 6.75% effective January 1, 2009. The District's contributions for the years ended June 30, 2009, 2008 and 2007 were \$ 232,833, \$ 218,286 and \$ 197,335, respectively, equal to the contractually required contributions for each year as set by state statute.

**NOTE 9– POST EMPLOYMENT HEALTH CARE PLAN**

**A. Plan Description**

The District provides a single-employer defined benefit health care plan to eligible retirees. The plan offers medical coverage. Medical coverage is administered by Health Partners. It is the District's policy to periodically review its medical coverage, and to obtain requests for proposals in order to provide the most favorable benefits and premiums for District employees and retirees.

In addition, full-time teachers who are at least 50 years of age or have completed 20 years of professional service in the appropriate unit in the District shall be eligible for severance pay pursuant to the provisions in the severance pay article of the teachers' master agreement. All persons whose actual service began prior to July 1, 1989 shall be eligible for this benefit.

The full-time teachers shall accumulate 10 days of credit for each full year of actual teaching in the District up to a maximum of a year's salary as determined by the salary schedule placement. In applying these provisions, a teacher's daily rate of pay shall be the basic rate of the teacher's last day of actual service as provided in the basic salary schedule for the basic school year. These amounts are contributed directly to a health savings account and are therefore, by definition considered OPEB under the provisions of GASB Statement No. 45.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 9— POST EMPLOYMENT HEALTH CARE PLAN**

**B. Funding Policy**

Retirees contribute to the health care plan at the same rate as District employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the District, based on the contract terms with Health Partners. Resolution dated April 9, 2009, assigned the authority to establish and amend benefit provisions to the Board of Education. The required contributions are based on projected pay-as-you-go financing requirements. For fiscal year 2009, the District contributed \$ 3,459,283 to the plan, including \$ 3,158,774 from OPEB bond proceeds. As of June 30, 2009, the District decided to pay retiree benefits on a pay-as-you-go basis rather than draw from the OPEB Plan. Administrative costs of the plan are financed through investment earnings.

As of June 30, 2009, there were 371 total participants in the plan, related to the teacher employee class. There were approximately 42 retirees and beneficiaries receiving health benefits from the District's health plan. The plan has a total of 329 active participants.

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

The District's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The District prospectively implemented this Statement during the 2009 fiscal year. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost of the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the plan.

ARC	\$ 348,926
Interest on Net OPEB Obligation	-
Adjustment to ARC	-
Annual OPEB Cost (Expense)	<u>348,926</u>
Employer Contributions	(300,509)
Contributions Made to Irrevocable Trust	<u>(3,158,774)</u>
Increase in Net OPEB Obligation	(3,110,357)
Net OPEB Obligation - Beginning of Year	-
Net OPEB Obligation - End of Year	<u><u>\$ (3,110,357)</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 9– POST EMPLOYMENT HEALTH CARE PLAN**

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

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2009 was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
06/30/09	\$ 348,926	\$ 3,459,283	991%	\$ (3,110,357)

**D. Funded Status and Funding Progress**

As of July 1, 2008, the most recent actuarial valuation date, the District had no assets deposited to fund the plan. The actuarial accrued liability for benefits was \$ 3,162,316 and the actuarial value of assets was \$ 0, resulting in an unfunded actuarial accrued liability (UAAL) of \$ 3,162,316. The covered payroll (annual payroll of active employees covered by the plan) was \$ 16,347,056 and the ratio of the UAAL to the covered payroll was 19.3%. In May 2009, the District issued G.O. Taxable OPEB Bonds, established an irrevocable trust and contributed \$ 3,158,774 of bonds proceeds into the trust to fund the plan. As of June 30, 2009 the ending market value of these assets was \$ 3,159,362.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Schedule of Funding Progress – Other Post Employment Benefits, presented as required supplementary information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 9-- POST EMPLOYMENT HEALTH CARE PLAN**

**D. Funded Status and Funding Progress (Continued)**

On July 1, 2008 the actuarial valuation date the projected unit credit with 30-year amortization of the unfunded liability method was used. The actuarial assumptions included a 4.5% discount rate. The District currently does not plan to prefund for this benefit. At the actuarial valuation date, the annual health care cost trend rate was calculated to be 9% initially, reduced incrementally to an ultimate rate of 5% after eight years. Both rates included a 3% inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009 was 30 years.

**F. Condensed Financial Statements**

The financial statements for the OPEB Plan are reported below because the OPEB plan does not issue a separate report.

**OPEB PLAN  
STATEMENT OF PLAN NET ASSETS  
June 30, 2009**

<b>ASSETS:</b>	
Investments, at Fair Value	\$ 3,159,362
Other Receivables	3,763
Total Assets	<u>\$ 3,163,125</u>
 <b>NET ASSETS:</b>	
Net Assets Held in Trust for OPEB	<u>\$ 3,163,125</u>

**STATEMENT OF CHANGES IN PLAN NET ASSETS  
For the Fiscal Year ended June 30, 2009**

<b>ADDITIONS:</b>	
Contributions from OPEB Bond	\$ 3,158,774
Investment Income	4,351
Total Additions	<u>3,163,125</u>
 <b>NET ASSETS HELD IN TRUST FOR OPEB:</b>	
Beginning of the Year	<u>-</u>
End of Year	<u>\$ 3,163,125</u>

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 9– POST EMPLOYMENT HEALTH CARE PLAN**

**F. Condensed Financial Statements (Continued)**

**1. Notes to the Condensed Financial Statements**

**A. Plan Provisions**

The plan is described in detail on the previous pages, including plan provisions and the authority for plan changes.

**2. Summary of Significant Accounting Policies**

**A. Basis of Accounting**

The financial statements shown above are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which the employee services are performed. Benefits are recognized when due and payable.

**B. Investments**

The details of the investments and the investment policy are described in Note 1.D. of the District's financial statements.

**C. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

**NOTE 10– CHANGE IN ACCOUNTING PRINCIPLES**

At June 30, 2008, severance benefits for retirees were calculated by the District, based on assumptions determined by the District. During fiscal year 2009, the District implemented GASB Statement No. 45 and these benefits are now by definition OPEB. An actuarial study was conducted to determine the value of these benefits and they will now be amortized over the next 30 years.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**SCHEDULE OF FUNDING PROGRESS –  
OTHER POST EMPLOYMENT BENEFITS  
June 30, 2009**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Simplified Entry Age (b)</u>	<u>Unfunded AAL AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b - a)/c)</u>
07/01/08	\$ -	\$ 3,162,316	\$ 3,162,316	0%	\$ 16,347,056	19.30%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS –  
OTHER POST EMPLOYMENT BENEFITS  
June 30, 2009**

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
06/30/09	\$ 348,926	\$3,459,283	991%	\$ (3,110,357)

\* These Schedules were implemented in 2009 and, therefore, contains only one year of data. See Note 9 in the Notes to the Financial Statements for more details on these Schedules.

**SUPPLEMENTARY INFORMATION**

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**COMBINING BALANCE SHEET -  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2009**

	Special Revenue Funds			Post Employment Benefits Debt Service Fund	Capital Project	Total
	Food Service	Community Service	Total			
<b>ASSETS:</b>						
Cash and Investments	\$ 448,909	\$ 488,260	\$ 937,169	\$ 110,876	\$ 294,601	\$ 1,342,646
Current Property Taxes Receivable	-	152,128	152,128	-	-	152,128
Delinquent Property Taxes Receivable	-	6,163	6,163	-	-	6,163
Accounts Receivable	3,255	724	3,979	-	-	3,979
Due from Department of Education	-	13,076	13,076	-	-	13,076
Due from Federal Government through Department of Education	14,885	-	14,885	-	-	14,885
Inventory	9,220	-	9,220	-	-	9,220
Prepaid Items	2,700	-	2,700	-	-	2,700
<b>Total Assets</b>	<b>\$ 478,969</b>	<b>\$ 660,351</b>	<b>\$ 1,139,320</b>	<b>\$ 110,876</b>	<b>\$ 294,601</b>	<b>\$ 1,544,797</b>
<b>LIABILITIES AND FUND BALANCES:</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ 4,486	\$ 20,776	\$ 25,262	\$ -	\$ -	\$ 25,262
Contracts Payable	-	-	-	-	30,509	30,509
Salaries, Benefits and Severance Payable	2,078	104,664	106,742	-	-	106,742
Due to Other Minnesota Districts	46,856	-	46,856	-	-	46,856
Deferred Revenue	-	47,332	47,332	-	-	47,332
Property Taxes Levied for Subsequent Year's Expenditures	-	301,422	301,422	-	-	301,422
<b>Total Liabilities</b>	<b>53,420</b>	<b>474,194</b>	<b>527,614</b>	<b>-</b>	<b>30,509</b>	<b>558,123</b>
<b>Fund Balances:</b>						
<b>Reserved:</b>						
Community Education Programs	-	172,914	172,914	-	-	172,914
Early Childhood and Family Education Programs	-	8,193	8,193	-	-	8,193
School Readiness	-	5,050	5,050	-	-	5,050
Unreserved - Undesignated	425,549	-	425,549	110,876	264,092	800,517
<b>Total Fund Balances</b>	<b>425,549</b>	<b>186,157</b>	<b>611,706</b>	<b>110,876</b>	<b>264,092</b>	<b>986,674</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 478,969</b>	<b>\$ 660,351</b>	<b>\$ 1,139,320</b>	<b>\$ 110,876</b>	<b>\$ 294,601</b>	<b>\$ 1,544,797</b>

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2009**

	<u>Special Revenue Funds</u>			Post Employment Benefits Debt Service Fund	Capital Project	Total
	<u>Food Service</u>	<u>Community Service</u>	<u>Total</u>			
<b>REVENUES:</b>						
Local Property Taxes	\$ -	\$ 231,745	\$ 231,745	\$ -	\$ -	\$ 231,745
Other Local and County Revenues	9,525	1,818,394	1,827,919	-	3,641	1,831,560
Revenue from State Sources	50,096	130,992	181,088	-	-	181,088
Revenue from Federal Sources	229,966	-	229,966	-	-	229,966
Sales and Other Conversion of Assets	1,094,206	-	1,094,206	-	-	1,094,206
<b>Total Revenues</b>	<u>1,383,793</u>	<u>2,181,131</u>	<u>3,564,924</u>	<u>-</u>	<u>3,641</u>	<u>3,568,565</u>
<b>EXPENDITURES:</b>						
Current:						
Sites and Buildings	-	-	-	-	95,291	95,291
Food Service	1,227,760	-	1,227,760	-	-	1,227,760
Community Education and Services	-	2,185,690	2,185,690	-	-	2,185,690
Capital Outlay	9,060	17,461	26,521	-	48,213	74,734
<b>Total Expenditures</b>	<u>1,236,820</u>	<u>2,203,151</u>	<u>3,439,971</u>	<u>-</u>	<u>143,504</u>	<u>3,583,475</u>
Excess of Revenues Over (Under) Expenditures	146,973	(22,020)	124,953	-	(139,863)	(14,910)
<b>OTHER FINANCING SOURCES:</b>						
Transfers In	-	-	-	110,876	-	110,876
<b>Net Change in Fund Balances</b>	146,973	(22,020)	124,953	110,876	(139,863)	95,966
<b>FUND BALANCES:</b>						
Beginning of Year	<u>278,576</u>	<u>208,177</u>	<u>486,753</u>	<u>-</u>	<u>403,955</u>	<u>890,708</u>
End of Year	<u>\$ 425,549</u>	<u>\$ 186,157</u>	<u>\$ 611,706</u>	<u>\$ 110,876</u>	<u>\$ 264,092</u>	<u>\$ 986,674</u>

**INDEPENDENT SCHOOL DISTRICT NO. 832**  
Mahtomed, Minnesota

**UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS  
COMPLIANCE TABLE  
For the Year Ended June 30, 2009**

	<u>Audit</u>	<u>UFARS</u>	<u>Audit-UFARS</u>		<u>Audit</u>	<u>UFARS</u>	<u>Audit-UFARS</u>
<b>01 GENERAL FUND</b>				<b>07 DEBT SERVICE FUND</b>			
Total Revenue	\$ 31,530,998	\$ 31,530,998	\$ -	Total Revenue	\$ 3,101,442	\$ 3,101,441	\$ 1
Total Expenditures	34,276,576	34,276,575	1	Total Expenditures	3,180,448	\$ 3,180,448	
<i>Reserved:</i>				<i>Reserved:</i>			
403 Staff Development	-	-	-	425 Bond Refunding	-	-	-
405 Deferred Maintenance	-	-	-	451 QZAB Payments	-	-	-
406 Health and Safety	28,463	28,463	-	<i>Unreserved:</i>			
407 Capital Projects Levy	-	-	-	422 Unreserved/Undesignated	785,955	785,955	-
408 Cooperative Revenue	-	-	-	<b>08 TRUST FUND</b>			
411 Severance Pay	-	-	-	Total Revenue	\$ 22,854	\$ 22,854	\$ -
414 Operating Debt	-	-	-	Total Expenditures	32,654	32,654	-
416 Levy Reduction	-	-	-	<i>Reserved:</i>			
418 Taconite Building Maintenance	-	-	-	419 Encumbrances	-	-	-
419 Encumbrances	-	-	-	<i>Unreserved:</i>			
423 Certain Teacher Programs	-	-	-	422 Unreserved/Undesignated	13,066	13,066	-
424 Operating Capital	866,986	866,986	-	<b>09 AGENCY FUND</b>			
426 \$ 25 Taconite	-	-	-	<i>Unreserved:</i>			
427 Disabled Accessibility	-	-	-	422 Unreserved/Undesignated	\$ -	\$ -	\$ -
428 Learning and Development	-	-	-	<b>20 INTERNAL SERVICE FUND</b>			
434 Area Learning Center	-	-	-	Total Revenue	\$ -	\$ -	\$ -
435 Contracted Alternative Programs	-	-	-	Total Expenditures	-	-	-
436 State Approved Alternative Program	-	-	-	<i>Reserved:</i>			
438 Gifted and Talented	-	-	-	419 Encumbrances	-	-	-
441 Basic Skills Programs	-	-	-	<i>Unreserved:</i>			
445 Career Technical Programs	-	-	-	422 Unreserved/Undesignated	-	-	-
446 First Grade Preparedness	-	-	-	<b>25 OPEB REVOCABLE TRUST</b>			
449 Safe School Crime	-	-	-	Total Revenue	\$ -	\$ -	\$ -
450 Prekindergarten	-	-	-	Total Expenditures	-	-	-
451 QZAB Payments	-	-	-	<i>Reserved:</i>			
452 OPEB Liabilities not in Trust	-	-	-	419 Encumbrances	-	-	-
453 Unfunded Severance and Retirement Levy	-	-	-	<i>Unreserved:</i>			
<i>Unreserved:</i>				422 Unreserved/Undesignated	-	-	-
418 Severance-Insurance Premium	578,955	578,955	-	<b>45 OPEB IRREVOCABLE TRUST</b>			
422 Unreserved/Undesignated	2,343,397	2,343,398	(1)	Total Revenue	3,163,125	3,163,125	\$ -
<b>02 FOOD SERVICES FUND</b>				Total Expenditures	-	-	-
Total Revenue	\$ 1,383,793	\$ 1,383,792	\$ 1	<i>Reserved:</i>			
Total Expenditures	1,236,820	1,236,819	1	419 Encumbrances	-	-	-
<i>Reserved:</i>				<i>Unreserved:</i>			
411 Severance Pay	-	-	-	422 Unreserved/Undesignated	3,163,125	3,163,125	-
419 Encumbrances	-	-	-	<b>47 OPEB DEBT SERVICE</b>			
452 OPEB Liabilities not in Trust	-	-	-	Total Revenue	\$ -	\$ -	\$ -
<i>Unreserved:</i>				Total Expenditures	-	-	-
418 Severance-Insurance Premium	-	-	-	<i>Reserved:</i>			
422 Unreserved/Undesignated	425,549	425,548	1	425 Bond Refundings	-	-	-
<b>04 COMMUNITY SERVICE FUND</b>				<i>Unreserved:</i>			
Total Revenue	\$ 2,181,131	\$ 2,181,131	\$ -	422 Unreserved/Undesignated	110,876	110,876	-
Total Expenditures	2,203,151	2,203,151	-	<b>Unaudited Data Reporting Elements</b>			
<i>Reserved:</i>				<b>FY09 SAFE SCHOOL MAINTENANCE OF EFFORT</b>			
411 Severance Pay	-	-	-	Total Expenditures	\$ 924,310	-	-
419 Encumbrances	-	-	-	FTE	11	-	-
426 \$ 25 Taconite	-	-	-	<b>FY09 OPERATING CAPTIAL TRANSFERS</b>			
431 Community Education	172,914	172,914	-	Per Pupil Amount	\$ -	-	-
432 ECFE	8,193	8,193	-	AMCPU	-	-	-
444 School Readiness	5,050	5,050	-	Total Transfer	-	-	-
447 Adult Basic Education	-	-	-	<b>06 BUILDING CONSTRUCTION FUND</b>			
452 OPEB Liabilities not in Trust	-	-	-	Total Revenue	\$ 3,641	\$ 3,641	\$ -
<i>Unreserved:</i>				Total Expenditures	143,504	143,504	-
418 Severance-Insurance Premium	-	-	-	<i>Reserved:</i>			
422 Unreserved/Undesignated	-	-	-	407 Capital Projects Levy	-	-	-
<b>06 BUILDING CONSTRUCTION FUND</b>				409 Alternative Facility Program	-	-	-
Total Revenue	\$ 3,641	\$ 3,641	\$ -	413 Projected Funded by COP	-	-	-
Total Expenditures	143,504	143,504	-	419 Encumbrances	-	-	-
<i>Reserved:</i>				<i>Unreserved:</i>			
407 Capital Projects Levy	-	-	-	422 Unreserved/Undesignated	264,092	264,092	-
409 Alternative Facility Program	-	-	-				
413 Projected Funded by COP	-	-	-				
419 Encumbrances	-	-	-				
<i>Unreserved:</i>							
422 Unreserved/Undesignated	264,092	264,092	-				

**INDEPENDENT SCHOOL DISTRICT NO. 832**  
**Mahtomedi, Minnesota**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2009**

<u>Federal Funding Source</u>	<u>Federal CFDA Number</u>	<u>Grant Name</u>	<u>Expenditures</u>
<i>Through Minnesota Department of Education:</i>			
USDOA	10.550	Commodities Programs	\$ 47,613
USDOA	10.553	School Breakfast (Cluster)	9,274
USDOA	10.555	Type A Lunch (Cluster)	170,142
USDOA	10.556	Special Milk Program (Cluster)	2,937
USDOED	84.010	Title I, Part A	90,170
USDOED	84.027	Special Education (Cluster)	561,570
USDOED	84.173	Special Education - Preschool (Cluster)	15,873
USDOED	84.186	Title IV, Part A - Safe and Drug Free Schools	5,411
USDOED	84.367	Title II, Part A - Teacher and Principal Training and Recruiting	62,310
<i>Through Independent School District No. 916:</i>			
USDOED	84.048A	Carl Perkins	<u>10,669</u>
Total Federal Expenditures			<u>\$ 975,969</u>

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**INDEPENDENT SCHOOL DISTRICT NO. 832**  
**Mahtomedi, Minnesota**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2009**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB *Circular A-133, Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

**NOTE 2 – INVENTORY**

Inventories of commodities donated by the U.S. Department of Agriculture are recorded at market value in the Food Service Fund as inventory. Revenue and expenditures are recorded when commodities are used.

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**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***

November 2, 2009

To the School Board  
Independent School District No. 832  
Mahtomedi, Minnesota

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Independent School District No. 832, Mahtomedi, Minnesota, as of and for the year ending June 30, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 2, 2009. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs in Accordance with OMB *Circular A-133* as Audit Finding 02-01 to be a significant deficiency in internal control over financial reporting.



A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe the significant deficiency described on the previous page is a material weakness.

### **COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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*.

We noted certain other matters that we reported to management of the District in a separate letter dated November 2, 2009.

The District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs in Accordance with OMB *Circular A-133*. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Education, administration, and state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KERN, DEWENTER, VIERE, LTD.  
Minneapolis, Minnesota



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB *CIRCULAR A-133***

November 2, 2009

To the School Board  
Independent School District No. 832  
Mahtomedi, Minnesota

**COMPLIANCE**

We have audited the compliance of Independent School District No. 832, Mahtomedi, Minnesota, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2009. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs in Accordance with OMB *Circular A-133*. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB *Circular A-133, Audits of States, Local Governments and Nonprofit Organizations*. Those Standards and OMB *Circular A-133* 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. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, Independent School District No. 832, Mahtomedi, Minnesota, complied in all material respects with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009.



## INTERNAL CONTROL OVER COMPLIANCE

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in a district's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the district's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Education, administration, and state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Kern. DeWenter, Vice. Ltd.*

KERN, DEWENTER, VIERE, LTD.  
Minneapolis, Minnesota

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
IN ACCORDANCE WITH OMB *CIRCULAR A-133*  
June 30, 2009**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor’s report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	Yes, Audit Finding 02-1
Noncompliance material to financial statements noted?	No

**Federal Awards**

Type of auditor’s report issued on compliance for major programs:	Unqualified
Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	No
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB <i>Circular A-133</i> ?	No

**Identification of Major Programs**

CFDA No.:	84.027 and 84.173
Name of Federal Program or Cluster:	Special Education Cluster
Dollar threshold used to distinguish between type A and type B programs:	\$ 300,000
Auditee qualified as low risk auditee?	Yes

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
IN ACCORDANCE WITH OMB CIRCULAR A-133  
June 30, 2009**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Audit Finding 02-01**

*Criteria or Specific Requirement:*

Internal control that supports the District’s ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements requires adequate segregation of accounting duties.

*Condition:*

During the year ended June 30, 2009, the District had a lack of segregation of accounting duties in the cash disbursements, receipts and payroll processes due to a limited number of office employees. Although this meets the definition of a “significant deficiency”, it may not be practical to correct since the costs of obtaining desirable segregation of accounting duties may exceed benefits that could be derived.

**Cash Disbursement Process**

- The Director of Business Services does not formally sign off on the budget to actual expense comparison, completed quarterly.

**Cash Receipt**

- Building secretaries may receive cash and/or checks and also prepare deposit slips.

**Payroll**

- The Payroll Coordinator verifies hours and coding, has the ability to change rates of pay and hours, processes and inputs payroll, prints checks, has access to blank check stock, posts payroll to finance system, is authorized to make payroll EFT transactions and reconciles gross to net pay payroll amounts to general ledger.
- There is no regular review or approval of payroll runs other than the Payroll Coordinator.

*Questioned Costs:*

None

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
IN ACCORDANCE WITH OMB *CIRCULAR A-133*  
June 30, 2009**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Audit Finding 02-01 (Continued)**

*Context:*

This finding impacts the internal control for all significant accounting functions.

*Effect:*

The lack of adequate segregation of accounting duties could adversely affect the District's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements.

*Cause:*

There are a limited number of office employees.

*Recommendation:*

Continue to review the accounting system, including changes that may occur. Implement segregation whenever practical.

*Management's Response:*

**CORRECTIVE ACTION PLAN (CAP):**

1. Explanation of Disagreement with Audit Finding  
There is no disagreement with the audit finding.
2. Actions Planned in Response to Finding  
Administration will review current segregation of accounting duties to determine if further segregation is possible. The District has since implemented documenting the review of bank reconciliations and will implement this process for the review of budget to actual comparisons.
3. Official Responsible for Ensuring CAP  
Mark Wolak, Superintendent, is the official responsible for ensuring corrective action of the deficiency.
4. Planned Completion Date for CAP  
The planned completion date for the CAP is June 30, 2010.
5. Plan to Monitor Completion of CAP  
The School Board will be monitoring this CAP.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no questioned costs.

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**REPORT ON LEGAL COMPLIANCE**

November 2, 2009

To the School Board  
Independent School District No. 832  
Mahtomedi, Minnesota

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Independent School District No. 832, Mahtomedi, Minnesota, as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 2, 2009.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the provisions of the *Minnesota Legal Compliance Audit Guide for Local Government* promulgated by the State Auditor pursuant to *Minnesota Statutes* Sec. 6.65. Accordingly, the audit included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The *Minnesota Legal Compliance Audit Guide for Local Government* covers seven main categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, uniform financial accounting and reporting standards for school districts and miscellaneous provision. Our study included all of the listed categories.

The results of our tests indicate that for the items tested, the District complied with the material terms and conditions of applicable legal provisions.

This report is intended solely for the information and use of the Board of Education, administration and state and the Office of the State Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

*Kern. DeWenter, Vice. Ltd.*

KERN, DEWENTER, VIERE, LTD.  
Minneapolis, Minnesota

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**SCHEDULE OF FINDINGS AND CORRECTIVE ACTION PLANS  
ON LEGAL COMPLIANCE  
June 30, 2009**

**PRIOR YEAR LEGAL COMPLIANCE FINDING:**

**Audit Finding 08-01**

**Lack of Out of State Travel Policy**

The District does not have a policy regarding travel outside of Minnesota. *Minnesota Statutes 471.661* states all municipalities must have an approved policy that controls travel outside the state of Minnesota which specifies when out of state travel is appropriate, the expense limits of out of state travel and procedures for approval of the travel.

We recommend the District comply with *Minnesota Statutes* and develop a written policy for out of state travel, which is approved by the School Board. The policy should specify when out of state travel is appropriate, expense limits for out of state travel and procedures for approval of out of state travel.

**CORRECTIVE ACTION PLAN TAKEN:**

During the year ended June 30, 2009, the District implemented an out of state travel policy that complies with *Minnesota Statutes*.

**RESOLUTION APPROVING A LONG-RANGE FACILITIES PLAN (“PLAN”) AND  
AUTHORIZING FURTHER PROCEEDINGS TOWARD IMPLEMENTATION OF THE PLAN**

**WHEREAS**, the Board is fundamentally committed to providing quality programming for all students and is committed to using General Fund dollars efficiently and effectively. The Board recognizes that the educational adequacy and physical condition of the District’s facilities impacts educational programs. The Board also recognizes that the culture within each of the District’s schools is important and impacts the quality of educational programs.

**WHEREAS**, in order to continue providing quality educational programs, the Board has determined that it is in the best interests of all students and residents of the District to develop and implement a Long-range Facilities Plan. To develop the Long-range Facilities Plan, the Board authorized the District’s administration, a volunteer Citizens Group, and Johnson Controls, Inc. to complete the research necessary to draft a Long-range Facilities Plan that the majority of the community would support.

**WHEREAS**, over a period of two years, assessments were conducted, in-depth reports were compiled and much time and effort were invested in communicating with the community and gathering important feedback relating the District’s facilities and their role in education now and in the future. There have been numerous meetings with organizations and groups, including parents, community members, staff and students. There has been thorough and broad ranging expert analysis involving a great number of hours to assist the District in its evaluation. The District has also gathered information via email, fax, phone and one-on-one conversations. Information has appeared in local media, including newspaper, newsletters, and websites. The District gathered information from principals, teachers, administrators, students, and parent leadership from the PTA. Talking with these groups and others helped the District develop preliminary criteria regarding what is important to people in the District schools.

The District and its consultant provided detailed reports to the Board, which the Board has considered. These reports were made available to the public. The reports include the following:

1. **Demographic Analysis:** (approximately 34 pages) Mahtomedi’s demographics were analyzed by Dr. Hazel Reinhardt. The analysis revealed that, like most Minnesota public schools (about 80% are in enrollment decline), Mahtomedi’s Public Schools’ resident enrollment has declined approximately five percent over the past 10 years. However, while one cannot be certain, based on current trends it is believed that through resident and nonresident enrollment, Mahtomedi Public Schools will be able to manage its enrollment numbers to a desired level.
2. **Facility Assessment:** (approximately 300 pages) Johnson Controls, Inc. worked with 20 analysts from 11 firms over a three-month period to conduct a thorough analysis of all five district facilities and identified deficiencies related to such areas as air and water quality, accessibility, building code compliance and more.
3. **Educational Adequacy:** (approximately 200 pages) During a three-month period, a team of experts led by Johnson Controls, Inc. inspected all school buildings, reviewing the ability of each building to meet current educational programs and needs. While all five of the Mahtomedi Public Schools were found to need some upgrades, the majority of critical needs were identified in Wildwood Elementary and the High School.
4. **Property Value Assessment:** (approximately 75 pages) A market valuation assessment was completed for Wildwood, O.H. Anderson, and the District Education Center. The assessment was

completed by Northmarq, commercial real estate services. The assessment is not indicative of the District's intention to dispose of the properties; rather, the Board of Education wanted to consider as much information as possible in the development of a long-range facilities plan for the District.

**WHEREAS**, community interest in this plan was reaffirmed through a professional public opinion survey was conducted by Springsted, Inc. The survey results indicated that 60% of residents would support a plan that addressed over \$40 million in facilities needs, including replacement of Wildwood Elementary School and improvement of the health, safety, comfort, and energy efficiency in each of the District's other schools. Based on the input of community members and the identified District needs, Springsted, Inc. has recommended that the cost of the bond be set no higher than the equivalent of an increase of \$46 per year for every \$100,000 of assessed value.

**WHEREAS**, based on all of the information gathered and after considering multiple options for the District's Long-range Facilities Plan, the Board has determined that the "Flex Option" (summarized on Attachment A) is in the best interest of the entire community going forward. The Flex Option provides students and teachers with healthy, safe, comfortable and efficient schools while also accommodating the enrollment uncertainties resultant of the District's demographics. Upon the retirement of additional debt around fiscal year 2019, the Board may re-examine the Long-range Facilities Plan to determine if its current structure remains in the best interests of the community and if additional building investments are needed.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board adopts Option II or the "Flex Option" as summarized on Attachment A as the Long-range Facilities Plan ("Plan") for the District. By adopting the Flex Option as a Long-range Facilities Plan, the Board authorizes all necessary action to develop and hold a public referendum for this Plan. All District actions related to the referendum and implementation of the Plan are to be completed in accordance with, and subject to all requirements of, all applicable Minnesota Statutes and the District's Policies and any other applicable requirements.

**BE IT FURTHER RESOLVED**, that the Board directs the District's administrative staff to work with Johnson Controls, Inc. and the District's legal counsel to complete the following Work:

- A. Prepare a Review & Comment document and submit it to the Minnesota Department of Education as required by MS 123B.70 and 123B.71.
- B. Prepare and execute a community outreach plan as required for a spring 2010 referendum for the Plan; it is understood that Johnson Controls will utilize the consulting services of Springsted and other consultants.
- C. Commence the architect selection process; Johnson Controls will pre-qualify 2-3 firms for the District to interview.
- D. Select a financial advisor to work with the District on the preparation and, if the referendum is successful, sale of bonds for the Plan.
- E. Prepare for board consideration all necessary referendum documentation.

Adopted this 12<sup>th</sup> day of November, 2009.

Motion made by Member \_\_\_\_\_, seconded by Member \_\_\_\_\_, to approve Resolution \_\_\_\_\_, as presented. Upon vote taken the same was approved as follows:

Yeah:

Nay:

Absent:

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
Chair

**“Flex Option”  
Project Summary**

**Project Budget**

Amount of the District’s overall budget for the Project, including construction inflation, is approximately \$43,000,000.

**Scope of Work**

This Scope of Work is subject to minor changes as desired by the Board of Education.

**Mahtomedi High School**

**Security**

- HS-1** Relocate Administration area, create new public entrance for security; repurpose existing Admin area into classrooms
- HS-2** Add new entrance canopy and monument sign for site wayfinding

**STEM Program**

- HS-3** Create 8 new science labs in 2nd floor north wing (3 full labs, 5 general science classrooms) to enhance STEM Program
- HS-4** Convert old shop areas (1125 and 1127) into STEM Project labs

**Health, Safety, Educational Spaces**

- HS-5** Health & Safety Priority 1 Projects: Classroom IAQ deficiency correction and dehumidification upgrade
- HS-6** Reconfigure south wing into flexible learning areas, improve safety and correct educational inefficiencies of multiple additions
- HS-7** Reconfigure Special Education area

**Commons**

- HS-8** Remodel Commons area by installing new windows, relocating locker units, install circular tables and create gym entrance

**Athletics**

- HS-11a, HS-12:** Final scope of work to be determined, project budget approximately \$3,110,000.

**Fix & Repair**

- HS-10a** Reconfigure and remodel existing locker rooms, create visitors changing room/health classroom at existing teacher’s lounge
- HS-14** Refresh Music area and repurpose Media Center for online and distance learning
- HS-16** Disabled Access Priority 1 and 2 Improvements: Code compliance
- HS-20** Deferred Maintenance Priority 1 Items: Reroofing, masonry repairs, plumbing, carpeting, NE hardscapes, locker rooms
- HS-21** Deferred Maintenance Priority 2 Items: Parking lots, vinyl tile, doors and hardware, chiller plant, heating plant, reroofing
- HS-23** Priority 1 Capital Projects: Parking lots, irrigation, lighting systems, card access and CCTV
- HS-24** Priority 2 Capital Projects: Site drainage issues

**Scope of Work (continued)**

**Mahtomedi Middle School**

- MS-3** Create one (1) new unisex staff restroom in NE area of the building
- MS-4** Replace 700 unsuitable “narrow” lockers with new, full-sized units and recess into walls to increase corridor space
- MS-6** Reconfigure Special Education area
- MS-8** Add 700 bleachers for full student assembly seating
- MS-9** Disabled Access Priority 1 and 2 Improvements: Code compliance
- MS-11** Health & Safety Priority 1 Projects: Elevator safety
- MS-12** Dehumidification Priority 2 Projects: Commons area
- MS-13a** Dehumidification Priority 3 Projects: Classrooms
- MS-14** Deferred Maintenance Priority 1 Items: Replace carpeting
- MS-15** Deferred Maintenance Priority 2 Items: Expansion joints, vinyl tile, casework repair, phone system, doors
- MS-17** Priority 1 Capital Projects: Lighting retrofit, card access, site irrigation, 2nd floor security doors, CCTV, corridor natural light
- MS-18** Priority 2 Capital Projects: Window blinds, gym acoustics, loading dock, grounds repair

**Wildwood Elementary**

- WW-24** Replace Wildwood with a new 400-600 student (plus Early Childhood), E-2 Elementary located at Jamaca

**O.H. Anderson Elementary**

- OH-1** New entrance and canopy, reconfigured office for security
- OH-3** Courtyard Addition: Small group learning, literacy library, staff resource area
- OH-5** Add sinks, casework and tables to make Multi-Purpose Room functional for instruction
- OH-7** Disabled Access Priority 1 and 2 Projects: Code compliance
- OH-14a** Short-Term Deferred Maintenance Priority 1 Items: Reroofing, heating plant, domestic water plant
- OH-17a** Short-Term Priority 1 Capital Projects: Lighting retrofit, card access, CCTV, water conservation, office AC

**District Center**

- DC-1** Combine Community Education and District offices
- DC-5** Disabled Access Priority 1 and 2 Projects: Code compliance
- DC-7** Health & Safety Priority 1 and 2 Projects: Fire alarm replacement
- DC-9** Deferred Maintenance Priority 1 Items: Reroofing, doors, masonry repair, carpeting
- DC-12** Priority 1 Capital Projects: Water conservation improvements, card access, CCTV

**506 - STUDENT DISCIPLINE**

**I. PURPOSE**

The purpose of this policy is to ensure that students are aware of and comply with the school district's expectations for student conduct. Such compliance will enhance the school district's ability to maintain positive behaviors and ensure that there is no interference with the educational process. The school district will take appropriate disciplinary action when students fail to adhere to the Code of Student Conduct established by this policy.

**II. GENERAL STATEMENT OF POLICY**

The school board recognizes that individual responsibility and mutual respect are essential components of the educational process. The school board further recognizes that nurturing the maturity of each student is of primary importance and is closely linked with the balance that must be maintained between authority and self-discipline as the individual progresses from a child's dependence on authority to the more mature behavior of self-control.

All students are entitled to learn and develop in a setting which promotes respect of self, others and property. Proper positive behaviors can only result from an environment which provides options and stresses student self-direction, decision-making and responsibility. Schools can function effectively only with internal discipline based on mutual understanding of rights and responsibilities.

Students must conduct themselves in an appropriate manner that maintains a climate in which learning can take place. Overall decorum affects student attitudes and influences student behavior. Proper student conduct is necessary to facilitate the education process and to create an atmosphere conducive to high student achievement.

Although this policy emphasizes the development of self-discipline, it is recognized that there are instances when it will be necessary to administer disciplinary measures. It is the position of the school district that a fair and equitable district-wide student discipline policy will contribute to the quality of the student's educational experience. This discipline policy is adopted in accordance with and subject to the Minnesota Pupil Fair Dismissal Act, Minn. Stat. §§ 121A.40-121A.56.

In view of the foregoing and in accordance with Minn. Stat. § 121A.55, the school board, with the participation of school district administrators, teachers, employees, students, parents, community members, and such other individuals and organizations as appropriate, has developed this policy which governs student conduct and applies to all students of the school district.

**III. AREAS OF RESPONSIBILITY**

A. The School Board. The school board holds all school personnel responsible for the

maintenance of order within the school district and supports all personnel acting within the framework of this discipline policy.

- B. Superintendent. The superintendent shall establish guidelines and directives to carry out this policy, hold all school personnel, students and parents responsible for conforming to this policy, and support all school personnel performing their duties within the framework of this policy. The superintendent shall also establish guidelines and directives for using the services of appropriate agencies for assisting students and parents. Any guidelines or directives established to implement this policy shall be submitted to the school board for approval and shall be attached as an addendum to this policy.
- C. Principal. The school principal is given the responsibility and authority to formulate building rules and regulations necessary to enforce this policy, subject to final school board approval. The principal shall give direction and support to all school personnel performing their duties within the framework of this policy. The principal shall inform parents of students conducting themselves in a manner contrary to the policy. The principal shall also involve other professional employees in the disposition of behavior referrals and shall make use of those agencies appropriate for assisting students and parents. A principal, in exercising his or her lawful authority, may use reasonable force when it is necessary under the circumstances to correct or restrain a student or prevent bodily harm or death to another.
- D. Teachers. All teachers shall be responsible for providing a well-planned teaching/learning environment and shall have primary responsibility for student conduct, with appropriate assistance from the administration. All teachers shall enforce the Code of Student Conduct. In exercising the teacher's lawful authority, a teacher may use reasonable force when it is necessary under the circumstances to correct or restrain a student or prevent bodily harm or death to another.
- E. Other School District Personnel. All school district personnel shall be responsible for contributing to the atmosphere of mutual respect within the school. Their responsibilities relating to student behavior shall be as authorized and directed by the superintendent. A school employee, school bus driver, or other agent of a school district, in exercising his or her lawful authority, may use reasonable force when it is necessary under the circumstances to restrain a student or prevent bodily harm or death to another.
- F. Parents or Legal Guardians. Parents and guardians shall be held responsible for the behavior of their children as determined by law and school community culture. They are expected to cooperate with school authorities and to participate regarding the behavior of their children.
- G. Students. All students shall be held individually responsible for their behavior and for knowing and obeying the Code of Student Conduct and this policy.

#### **IV. STUDENT RIGHTS**

All students have the right to an education and the right to learn.

#### **V. STUDENT RESPONSIBILITIES**

All students have the responsibility:

- A. For their behavior and for knowing and obeying all school rules, regulations, policies and procedures and to conduct themselves in accordance with them;
- B. To be aware of and comply with federal, state and local laws;
- C. To attend school daily, except when excused, and to be on time to all classes and other school functions, and to be in compliance with School Board Policy 503;
- D. To pursue and attempt to complete the courses of study prescribed by the state and local school authorities;
- E. To make necessary arrangements for making up work when absent from school;
- F. To assist the school staff in maintaining a safe school for all students;
- G. To assume that until a rule or policy is waived, altered or repealed, it is in full force and effect;
- H. To volunteer information in disciplinary cases should they have any knowledge relating to such cases and to cooperate with school staff as appropriate;
- I. To respect and maintain the school's property and the property of others;
- J. To dress and groom in a manner which meets standards of safety and health and common standards of decency and which is consistent with applicable school district policy;
- K. To avoid inaccuracies in student newspapers, school multimedia presentations, or publications and refrain from indecent or obscene language;
- L. To conduct themselves in an appropriate physical or verbal manner; and
- M. To recognize and respect the rights of others.

#### **VI. CODE OF STUDENT CONDUCT**

- A. The following are examples of unacceptable behavior subject to disciplinary action by the school district. These examples are not intended to be an exclusive list. Any student who engages in any of these activities shall be disciplined in accordance with this policy. This policy applies to all school buildings, school grounds, and school property; school-sponsored activities or trips; school bus stops; school buses, school vehicles, school contracted vehicles, or any other vehicles approved for school district purposes; the area of entrance or departure from school premises or events; and all school-related functions. This policy also applies to any student whose conduct at any time or in any place interferes with or obstructs the mission or operations of the school district or the safety or welfare of the student, other students, or employees.
  - 1. Violation of any local, state or federal law as appropriate;
  - 2. Violations against property including, but not limited to, damage to or destruction of school property or the property of others, failure to compensate for damage or destruction of such property, arson, breaking and entering, theft, robbery,

- possession of stolen property, extortion, trespassing, unauthorized usage, or vandalism;
3. Violation of school rules, regulations, policies, or procedures, including, but not limited to, those policies specifically enumerated in this policy;
  4. The use of profanity or obscene language, or the possession of obscene materials;
  5. Gambling, including, but not limited to, playing a game of chance for stakes;
  6. Violation of the school district's Hazing Prohibition Policy;
  7. Attendance problems including, but not limited to, truancy, absenteeism, tardiness, skipping classes, or leaving school grounds without permission;
  8. Violation of the school district's Student Attendance Policy;
  9. Opposition to authority using physical force or violence;
  10. Using, possessing, or distributing tobacco or tobacco paraphernalia;
  11. Using, possessing, distributing, or being under the influence of alcohol or other intoxicating substances or look-alike substances;
  12. Using, possessing, distributing, or being under the influence of narcotics, drugs, or other controlled substances, or look-alike substances, except as prescribed by a physician, including one student sharing their own or another person's prescription medication with another student and a student using, distributing or being under the influence of another person's prescription medication;
  13. Using, possessing, or distributing items or articles that are illegal or harmful to persons or property including, but not limited to, drug paraphernalia;
  14. Using, possessing, or distributing weapons, or look-alike weapons or other dangerous objects;
  15. Violation of the school district's Weapons Policy;
  16. Violation of the school district's Violence Prevention Policy;
  17. Possession of ammunition including, but not limited to, bullets or other projectiles designed to be used in or as a weapon;
  18. Possession, use, or distribution of explosives or any compound or mixture, the primary or common purpose or intended use of which is to function as an explosive;
  19. Possession, use, or distribution of fireworks or any substance or combination of substances or article prepared for the purpose of producing a visible or an audible effect by combustion, explosion, deflagration or detonation;
  20. Possessing or using an ignition device, including a butane or disposable lighter or matches, inside an educational building or on school grounds and under circumstances where there is a risk of fire, except where the device is used in a manner authorized by the school;
  21. Acts disruptive of the educational process, including, but not limited to, disobedience, disruptive or disrespectful language or behavior, defiance of authority, cheating, insolence, insubordination, failure to identify oneself, improper activation of fire alarms, or bomb threats;
  22. Violation of the school district's Internet Acceptable Use and Safety Policy;
  23. Possession of or use in a classroom of nuisance devices or objects which cause distractions and may facilitate cheating including, but not limited to, pagers; radios; beepers; lasers; MP3 players, such as iPods; and phones, including picture phones, and other electronic devices;

24. Violation of school bus or transportation rules or the school district's Student Transportation Safety Policy;
25. Violation of parking or school traffic rules and regulations, including, but not limited to, driving on school property in such a manner as to endanger persons or property;
26. Violation of directives or guidelines relating to lockers or improperly gaining access to a school locker;
27. Violation of the school district's Search of Student Lockers, Desks, Personal Possessions, and Student's Person Policy;
28. Violation of the school district's Student Use and Parking of Motor Vehicles; Patrols, Inspections, and Searches Policy;
29. Possession or distribution of slanderous, libelous or pornographic materials;
30. Violation of the school district' Bullying Prohibition Policy;
31. Student attire or personal grooming which creates a danger to health or safety or creates a disruption to the educational process, including clothing which bears a message which is lewd, vulgar, or obscene, apparel promoting products or activities that are illegal for use by minors, or clothing containing objectionable emblems, signs, words, objects, or pictures communicating a message that is racist, sexist, or otherwise derogatory to a protected minority group or which connotes gang membership;
32. Falsification of any records, documents, notes or signatures;
33. Tampering with, changing, or altering records or documents of the school district by any method including, but not limited to, computer access or other electronic means;
34. Scholastic dishonesty which includes, but is not limited to, cheating on a school assignment or test, plagiarism, or collusion, including the use of picture phones or other technology to accomplish this end;
35. Violation of the school district's Harassment and Violence Policy;
36. Actions, including fighting, horseplay, or any other assaultive behavior, which causes or could cause injury to the student or other persons or which otherwise endangers the health, safety, or welfare of teachers, students, other school district personnel or other person, or actions which disrupt the educational environment;
37. Committing an act which inflicts great bodily harm upon another person, even though accidental or a result of poor judgment;
38. Violations against persons, including, but not limited to, assault or threatened assault, fighting, harassment, interference or obstruction, attack with a weapon, or look-alike weapon, sexual assault, illegal or inappropriate sexual conduct, or indecent exposure;
39. Verbal assaults, or verbally abusive behavior, including, but not limited to, use of language that is discriminatory, abusive, obscene, threatening, intimidating or that degrades other people;
40. Physical or verbal threats including, but not limited to, the staging or reporting of dangerous or hazardous situations that do not exist;
41. Inappropriate, abusive, threatening, or demeaning actions based on race, color, creed, religion, sex, marital status, status with regard to public assistance, disability, national origin or sexual orientation;

42. Violation of the school district's Distribution of Nonschool-Sponsored Materials on School Premises by Students and Employees Policy;
43. Other acts, as determined by the school district, which are disruptive of the educational process or dangerous or detrimental to the student or other students, school district personnel or surrounding persons, or which violate the rights of others or which damage or endanger the property of the school, or which otherwise interferes with or obstruct the mission or operations of the school district or the safety or welfare of students or employees.

## **VII. DISCIPLINARY ACTION OPTIONS**

It is the general policy of the school district to utilize progressive discipline to the extent reasonable and appropriate based upon the specific facts and circumstances of student misconduct. The specific form of discipline chosen in a particular case is solely within the discretion of the school district. At a minimum, violation of school district rules, regulations, policies or procedures will result in discussion of the violation and a verbal warning. The school district shall, however, impose more severe disciplinary sanctions for any violation, including exclusion or expulsion, if warranted by the student's misconduct, as determined by the school district. Disciplinary action may include, but is not limited to, one or more of the following:

- A. Student conference with teacher, principal, counselor or other school district personnel, and verbal warning;
- B. Parent contact;
- C. Parent conference;
- D. Removal from class;
- E. In-school suspension;
- F. Suspension from extracurricular activities;
- G. Detention or restriction of privileges;
- H. Loss of school privileges;
  - I. In-school monitoring or revised class schedule;
  - J. Referral to in-school support services;
- K. Referral to community resources or outside agency services;
- L. Financial restitution;
- M. Referral to police, other law enforcement agencies, or other appropriate authorities;
- N. A request for a petition to be filed in district court for juvenile delinquency adjudication;
- O. Out-of-school suspension under the Pupil Fair Dismissal Act;
- P. Preparation of an admission or readmission plan;
- Q. Saturday school;
- R. Expulsion under the Pupil Fair Dismissal Act;
- S. Exclusion under the Pupil Fair Dismissal Act; and/or
- T. Other disciplinary action as deemed appropriate by the school district, including but not limited to, confiscation of a student's property possessed or used in violation of this or other school district policy or procedures.

## VIII. REMOVAL OF STUDENTS FROM CLASS

- A. Teachers have the responsibility of attempting to modify disruptive student behavior by such means as conferring with the student, using positive reinforcement, assigning detention or other consequences, or contacting the student's parents. When such measures fail, or when the teacher determines it is otherwise appropriate based upon the student's conduct, the teacher shall have the authority to remove the student from class pursuant to the procedures established by this discipline policy. "Removal from class" and "removal" mean any actions taken by a teacher, principal, or other school district employee to prohibit a student from attending a class or activity period for a period of time not to exceed five (5) days, pursuant to this discipline policy.

Grounds for removal from class shall include any of the following:

1. Willful conduct that significantly disrupts the rights of others to an education, including conduct that interferes with a teacher's ability to teach or communicate effectively with students in a class or with the ability of other students to learn;
2. Willful conduct that endangers surrounding persons, including school district employees, the student or other students, or the property of the school;
3. Willful violation of any school rules, regulations, policies or procedures, including the Code of Student Conduct in this policy; or
4. Other conduct, which in the discretion of the teacher or administration, requires removal of the student from class.

Such removal shall be for at least one (1) activity period or class period of instruction for a given course of study and shall not exceed five (5) such periods.

- B. If a student is removed from class more than ten (10) times in a school year, the school district shall notify the parent or guardian of the student's tenth removal from class and make reasonable attempts to convene a meeting with the student's parent or guardian to discuss the problem that is causing the student to be removed from class.
- C. Procedures for Removal of a Student From a Class

In either the elementary or secondary schools, if a student is sent for removal, the teacher, principal or other school district employee will complete a verbal or written report describing the student's behavior. The student will be sent to the school office, behavior specialist, psychologist or case manager, guidance office, or school resource officer and remain in the custody of the building administrator or his/her designee until the process for return to class specified in Paragraph E is followed.

- D. Responsibility for and Custody of a Student Removed From Class

Teachers removing students from class are required to direct the student to the school office and notify or verify his or her arrival

E. Procedures for Return of a Student to a Class From Which the Student Was Removed

The student may return to class after a conference with the appropriate administrator, teacher, and/or the parent or guardian. At the time of this conference a definite plan of action will be established, including a review of any existing special education services. Students removed from class will be required to examine and take measures to correct inappropriate conduct.

F. Procedures for Notification

Parents and/or guardians of students removed from class will be notified as soon as practical of the rule violations that led to the removal, resulting disciplinary action, and conditions for re-admission.

G. Disabled Students; Special Provisions

If necessary to insure a safe environment conducive to learning, a student with a disability may be removed from class for one or more activity periods in a day, not to exceed one full day without the removal constituting a suspension which invokes the rules and regulations regarding a change of placement.

H. Procedures for Detecting and Addressing Chemical Abuse Problems of Students While on School Premises

1. The school district shall establish a chemical abuse pre-assessment team pursuant to Minn. Stat. § 121A.26;
2. The school district shall establish a school and community advisory team to address chemical abuse problems in the district pursuant to Minn. Stat. § 121A.27; and
3. The school district shall establish teacher reporting procedures to the chemical abuse pre-assessment team pursuant to Minn. Stat. § 121A.29.

I. Procedures for Immediate and Appropriate Interventions Tied to Violations of the Code of Student Conduct

1. On-going, inappropriate behavior will be documented on the building referral form. Behavior and consequence will be described and parent will be contacted by school personnel.
2. School staff will contact parent/guardian to make them aware of ongoing concern(s) with their students. Staff will relay the school or classroom expectation and possible outcomes if behavior continues. Parents will be encouraged to discuss situation with their child and work with school personnel to address behavior proactively. A meeting with parent/guardian and school personnel to review the area of concern may occur.

J. Any Procedures Determined Appropriate for Encouraging Early Involvement of Parents or Guardians in Attempts to Improve a Student's Behavior

During the enrollment process, schools will gather as much information from parents as possible to determine any pre-existing academic, behavioral, or attendance concerns.

K. Any Procedures Determined Appropriate for Encouraging Early Detection of Behavioral Problems

1. School administrators will ensure the building is adequately supervised and that a system is in place for reporting behavior concerns, regardless of the time and day.
2. School administration will have a plan for reviewing attendance records on a regular basis and then act on attendance concerns in accordance with the appropriate county truancy program.
3. Schools should have a formal structure for teachers to discuss student behavior concerns that is clearly communicated and followed up by administration.
4. Schools must have a team including administration, counselors, the school nurse, and other staff as available to review student academic, attendance, behavior, and social/emotional concerns.
5. Schools may have staff assigned to intervene and support students early on as behavior concerns are surfacing.
6. Schools will work with district office chemical health support staff to assess student behavior and determine whether or not chemical issues are present.
7. Schools will work with district office personnel to engage and support students from all cultural backgrounds.
8. In conjunction with the special education process, schools will have regularly scheduled meetings to consider whether students with academic, behavioral, or social-emotional concerns might need to be assessed for special education services.
9. A formal structure should be created to share information as students transition between schools and grades to assist in continuous support and intervention.
10. Schools will communicate with parents about academic progress and encourage parents to assist in identifying concerns.

**IX. DISMISSAL**

- A. "Dismissal" means the denial of the current educational program to any student,

including exclusion, expulsion and suspension. Dismissal does not include removal from class.

The school district shall not deny due process or equal protection of the law to any student involved in a dismissal proceeding which may result in suspension, exclusion or expulsion.

The school district shall not dismiss any student without attempting to provide alternative educational services before dismissal proceedings, except where it appears that the student will create an immediate and substantial danger to self or to surrounding persons or property.

B. Violations leading to suspension, based upon severity, may also be grounds for actions leading to expulsion, and/or exclusion. A student may be dismissed on any of the following grounds:

1. Willful violation of any reasonable school board regulation, including those found in this policy;
2. Willful conduct that significantly disrupts the rights of others to an education, or the ability of school personnel to perform their duties, or school sponsored extracurricular activities; or
3. Willful conduct that endangers the student or other students, or surrounding persons, including school district employees, or property of the school.

C. Suspension Procedures

1. "Suspension" means an action by the school administration, under rules promulgated by the School Board, prohibiting a student from attending school for a period of no more than ten (10) school days; provided, however, if a suspension is longer than five (5) school days, the suspending administrator shall provide the superintendent with a reason for the longer term of suspension. This definition does not apply to dismissal for one (1) school day or less, except as may be provided in federal law for a student with a disability.
2. If a student's total days of removal from school exceed ten (10) cumulative days in a school year, the school district shall make reasonable attempts to convene a meeting with the student and the student's parent or guardian before subsequently removing the student from school and, with the permission of the parent or guardian, arrange for a mental health screening for the student at the parent or guardian's expense. The purpose of this meeting is to attempt to determine the pupil's need for assessment or other services or whether the parent or guardian should have the student assessed or diagnosed to determine whether the student needs treatment for a mental health disorder.
3. Each suspension action may include a readmission plan. The plan shall include, where appropriate, a provision for implementing alternative educational services upon readmission which must not be used to extend the current suspension. A

readmission plan must not obligate a parent or guardian to provide psychotropic drugs to their student as a condition of readmission. School administration must not use the refusal of a parent or guardian to consent to the administration of psychotropic drugs to their student or to consent to a psychiatric evaluation, screening, or examination of the student as a ground, by itself, to prohibit the student from attending class or participating in a school-related activity, or as a basis of a charge of child abuse, child neglect, or medical or educational neglect. The school administration may not impose consecutive suspensions against the same student for the same course of conduct, or incident of misconduct, except where the student will create an immediate and substantial danger to self or to surrounding persons or property or where the school district is in the process of initiating an expulsion, in which case the school administration may extend the suspension to a total of fifteen (15) days.

4. In the case of a student with a disability, the student's individual education plan team shall meet immediately but not more than ten (10) school days after the date on which the decision to remove the student from the student's current education placement is made. The individual education plan team must review all relevant information in the student's file to determine if the conduct in question was (i) caused by, or had a direct and substantial relationship to, the child's disability, or (ii) the direct result of the school's failure to implement the individual education plan.

The requirements of the individual education plan team meeting apply when: (1) the parent requests a meeting; (2) the student is removed from the student's current placement for five (5) or more consecutive days; or (3) the student's total days of removal from the student's placement during the school year exceed ten (10) cumulative days in a school year. The school administration shall implement alternative educational services when the suspension exceeds five (5) days. A separate administrative conference shall be conducted for each period of suspension.

5. The school administration shall implement alternative educational services when the suspension exceeds five (5) days. Alternative educational services may include, but are not limited to, special tutoring, modified curriculum, modified instruction, other modifications or adaptations, instruction through electronic media, special education services as indicated by appropriate assessments, homebound instruction, supervised homework, or enrollment in another district or in an alternative learning center under Minn. Stat. § 123A.05 selected to allow the pupil to progress toward meeting graduation standards under Minn. Stat. § 120B.02, although in a different setting.
6. The school administration shall not suspend a student from school without an informal administrative conference with the student. The informal administrative conference shall take place before the suspension, except where it appears that the student will create an immediate and substantial danger to self or to surrounding persons or property, in which case the conference shall take place as soon as

practicable following the suspension. At the informal administrative conference, a school administrator shall notify the student of the grounds for the suspension, provide an explanation of the evidence the authorities have, and the student may present the student's version of the facts. A separate administrative conference is required for each period of suspension.

7. After school administration notifies a student of the grounds for suspension, school administration may, instead of imposing the suspension, do one or more of the following:
  - a. strongly encourage a parent or guardian of the student to attend school with the student for one day;
  - b. assign the student to attend school on Saturday as supervised by the principal or the principal's designee; and
  - c. petition the juvenile court that the student is in need of services under Minn. Stat. Ch. 260C.
8. A written notice containing the grounds for suspension, a brief statement of the facts, a description of the testimony, a readmission plan, and a copy of the Minnesota Pupil Fair Dismissal Act, Minn. Stat. §§ 121A.40-121A.56, shall be personally served upon the student at or before the time the suspension is to take effect, and upon the student's parent or guardian by mail within forty-eight (48) hours of the conference. (See attached sample Notice of Suspension.)
9. The school administration shall make reasonable efforts to notify the student's parent or guardian of the suspension by telephone as soon as possible following suspension.
10. In the event a student is suspended without an informal administrative conference on the grounds that the student will create an immediate and substantial danger to surrounding persons or property, the written notice shall be served upon the student and the student's parent or guardian within forty-eight (48) hours of the suspension. Service by mail shall be complete upon mailing.
11. Notwithstanding the foregoing provisions, the student may be suspended pending the school board's decision in an expulsion or exclusion proceeding, provided that alternative educational services are implemented to the extent that suspension exceeds five (5) days.

D. Expulsion and Exclusion Procedures

1. "Expulsion" means a school board action to prohibit an enrolled student from further attendance for up to twelve (12) months from the date the student is expelled. The authority to expel rests with the school board.
2. "Exclusion" means an action taken by the school board to prevent enrollment or re-enrollment of a student for a period that shall not extend beyond the school

year. The authority to exclude rests with the school board.

3. All expulsion and exclusion proceedings will be held pursuant to and in accordance with the provisions of the Minnesota Pupil Fair Dismissal Act, Minn. Stat. §§121A.40-121A.56.
4. No expulsion or exclusion shall be imposed without a hearing, unless the right to a hearing is waived in writing by the student and parent or guardian.
5. The student and parent or guardian shall be provided written notice of the school district's intent to initiate expulsion or exclusion proceedings. This notice shall be served upon the student and his or her parent or guardian personally or by mail, and shall contain a complete statement of the facts; a list of the witnesses and a description of their testimony; state the date, time and place of hearing; be accompanied by a copy of the Pupil Fair Dismissal Act, Minn. Stat. §§ 121A.40-121A.56; describe alternative educational services accorded the student in an attempt to avoid the expulsion proceedings; and inform the student and parent or guardian of their right to: (1) have a representative of the student's own choosing, including legal counsel at the hearing; (2) examine the student's records before the hearing; (3) present evidence; and (4) confront and cross-examine witnesses. The school district shall advise the student's parent or guardian that free or low-cost legal assistance may be available and that a legal assistance resource list is available from the Minnesota Department of Education (MDE).
6. The hearing shall be scheduled within ten (10) days of the service of the written notice unless an extension, not to exceed five (5) days, is requested for good cause by the school district, student, parent or guardian.
7. All hearings shall be held at a time and place reasonably convenient to the student, parent or guardian and shall be closed, unless the student, parent or guardian requests an open hearing.
8. The school district shall record the hearing proceedings at district expense, and a party may obtain a transcript at its own expense.
9. The student shall have a right to a representative of the student's own choosing, including legal counsel, at the student's sole expense. The school district shall advise the student's parent or guardian that free or low-cost legal assistance may be available and that a legal assistance resource list is available from MDE. The school board may appoint an attorney to represent the school district in any proceeding.
10. If the student designates a representative other than the parent or guardian, the representative must have a written authorization from the student and the parent or guardian providing them with access to and/or copies of the student's records.

11. All expulsion or exclusion hearings shall take place before and be conducted by an independent hearing officer designated by the school district. The hearing shall be conducted in a fair and impartial manner. Testimony shall be given under oath and the hearing officer shall have the power to issue subpoenas and administer oaths.
12. At a reasonable time prior to the hearing, the student, parent or guardian, or authorized representative shall be given access to all school district records pertaining to the student, including any tests or reports upon which the proposed dismissal action may be based.
13. The student, parent or guardian, or authorized representative, shall have the right to compel the presence of any school district employee or agent or any other person who may have evidence upon which the proposed dismissal action may be based, and to confront and cross-examine any witnesses testifying for the school district.
14. The student, parent or guardian, or authorized representative, shall have the right to present evidence and testimony, including expert psychological or educational testimony.
15. The student cannot be compelled to testify in the dismissal proceedings.
16. The hearing officer shall prepare findings and a recommendation based solely upon substantial evidence presented at the hearing, which must be made to the school board and served upon the parties within two (2) days after the close of the hearing.
17. The school board shall base its decision upon the findings and recommendation of the hearing officer and shall render its decision at a meeting held within five (5) days after receiving the findings and recommendation. The school board may provide the parties with the opportunity to present exceptions and comments to the hearing officer's findings and recommendation provided that neither party presents any evidence not admitted at the hearing. The decision by the school board must be based on the record, must be in writing, and must state the controlling facts on which the decision is made in sufficient detail to apprise the parties and the Commissioner of Education (Commissioner) of the basis and reason for the decision.
18. A party to an expulsion or exclusion decision made by the school board may appeal the decision to the Commissioner within twenty-one (21) calendar days of school board action pursuant to Minn. Stat. § 121A.49. The decision of the school board shall be implemented during the appeal to the Commissioner.
19. The school district shall report any suspension, expulsion or exclusion action taken to the appropriate public service agency, when the student is under the supervision of such agency.

20. The school district must report, through the MDE electronic reporting system, each expulsion or exclusion within thirty (30) days of the effective date of the action to the Commissioner. This report must include a statement of alternative educational services given the student and the reason for, the effective date, and the duration of the exclusion or expulsion. The report must also include the student's age, grade, gender, race, and special education status. The dismissal report must include state student identification numbers of affected students.
21. Whenever a student fails to return to school within ten (10) school days of the termination of dismissal, a school administrator shall inform the student and his/her parent or guardian by mail of the student's right to attend and to be reinstated in the school district.

#### **X. ADMISSION OR READMISSION PLAN**

A school administrator shall prepare and enforce an admission or readmission plan for any student who is excluded or expelled from school. The plan may include measures to improve the student's behavior, including completing a character education program consistent with Minn. Stat. § 120B.232, Subd. 1, and require parental involvement in the admission or readmission process, and may indicate the consequences to the student of not improving the student's behavior. The readmission plan must not obligate parents to provide a sympathomimetic medication for their child as a condition of readmission.

#### **XI. NOTIFICATION OF POLICY VIOLATIONS**

Notification of any violation of this policy and resulting disciplinary action shall be as provided herein, or as otherwise provided by the Pupil Fair Dismissal Act or other applicable law. The teacher, principal or other school district official may provide additional notification as deemed appropriate.

#### **XII. STUDENT DISCIPLINE RECORDS**

It is the policy of the school district that complete and accurate student discipline records be maintained. The collection, dissemination, and maintenance of student discipline records shall be consistent with applicable school district policies and federal and state law, including the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13.

#### **XIII. DISABLED STUDENTS**

Students who are currently identified as eligible under the IDEA or Section 504 will be subject to the provisions of this policy, unless the student's IEP or 504 plan specifies a necessary modification.

Where a student is dismissed for five (5) or more consecutive days, or has accumulated more than ten (10) days of dismissal over the course of the school year, the school district will convene a meeting to determine whether the student's educational program is appropriate and to review all relevant information in order to determine whether the

behavior subject to discipline is a manifestation of the student’s disability. Such a meeting must be held within ten (10) school days of the school district’s decision to remove the student from his or her current educational placement and must be held before commencing an expulsion or exclusion of the student. If the student’s educational program is appropriate and the behavior is not a manifestation of the student’s disability, the school district will proceed with discipline – up to and including expulsion – as if the student did not have a disability, unless the student’s educational program provides otherwise. If the team determines that the behavior subject to discipline is a manifestation of the student’s disability, the team shall conduct a functional behavioral assessment and implement a behavioral intervention plan for such student provided that the school district had not conducted such assessment prior to the manifestation determination before the behavior that resulted in a change of placement. Where a behavioral intervention plan previously has been developed, the team will review the behavioral intervention plan and modify it as necessary to address the behavior. If the student was placed in a 45-day interim alternative educational setting pending the manifestation determination, the student will be returned to the placement from which the student was removed unless the student and school district agree to a change of placement as part of the modification of the behavioral intervention plan.

When a student who has an IEP is excluded or expelled for misbehavior that is not a manifestation of the student’s disability, the school district shall continue to provide special education and related services during the period of expulsion or exclusion.

**XIV. OPEN ENROLLED STUDENTS**

The school district may terminate the enrollment of a nonresident student enrolled under an Enrollment Option Program (Minn. Stat. § 124D.03) or Enrollment in Nonresident District (Minn. Stat. § 124D.08) at the end of a school year if the student meets the definition of a habitual truant, the student has been provided appropriate services for truancy (Minn. Stat. Ch. 260A), and the student’s case has been referred to juvenile court. The school district may also terminate the enrollment of a nonresident student over the age of sixteen (16) enrolled under an Enrollment Options Program if the student is absent without lawful excuse for one or more periods on fifteen (15) school days and has not lawfully withdrawn from school.

**XV. DISTRIBUTION OF POLICY**

The school district will notify students and parents of the existence and contents of this policy in such manner as it deems appropriate. Copies of this discipline policy shall be made available to all students and parents at the commencement of each school year and to all new students and parents upon enrollment. This policy shall also be available upon request in each principal’s office.

**XVI. REVIEW OF POLICY**

The principal and representatives of parents, students and staff in each school building shall confer at least annually to review this discipline policy, determine if the policy is

working as intended, and to assess whether the discipline policy has been enforced. Any recommended changes shall be submitted to the superintendent for consideration by the school board, which shall conduct an annual review of this policy.

**Legal References:** Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)  
Minn. Stat. § 120B.02 (Educational Expectations for Minnesota Students)  
Minn. Stat. § 120B.232 (Character Development Education)  
Minn. Stat. § 121A.26 (School Preassessment Teams)  
Minn. Stat. § 121A.27 (School and Community Advisory Team)  
Minn. Stat. § 121A.29 (Reporting; Chemical Abuse)  
Minn. Stat. §§ 121A.40-121A.56 (Pupil Fair Dismissal Act)  
Minn. Stat. § 121A.575 (Alternatives to Pupil Suspension)  
Minn. Stat. § 121A.582 (Reasonable Force)  
Minn. Stat. §§ 121A.60-121A.61 (Removal From Class)  
Minn. Stat. § 123A.05 (Area Learning Center Organization)  
Minn. Stat. § 124D.03 (Enrollment Options Program)  
Minn. Stat. § 124D.08 (Enrollment in Nonresident District)  
Minn. Stat. Ch.125A (Students With Disabilities)  
Minn. Stat. Ch. 260A (Truancy)  
Minn. Stat. Ch. 260C (Juvenile Court Act)  
20 U.S.C. §§ 1400-1487 (Individuals with Disabilities Education Improvement Act of 2004)  
29 U.S.C. § 794 *et seq.* (Rehabilitation Act of 1973, § 504)  
34 C.F.R. § 300.530(e)(1) (Manifestation Determination)

**Cross References:** Policy 413 (Harassment and Violence)  
Policy 501 (School Weapons)  
Policy 502 (Search of Student Lockers, Desks, Personal Possessions, and Student's Person)  
Policy 503 (Student Attendance)  
Policy 505 (Distribution of Nonschool-Sponsored Materials on School Premises by Students and Employees)  
Policy 514 (Bullying Prohibition Policy)  
Policy 524 (Internet Acceptable Use and Safety Policy)  
Policy 525 (Violence Prevention)  
Policy 526 (Hazing Prohibition)  
Policy 527 (Student Use and Parking of Motor Vehicles; Patrols, Inspections, and Searches)  
Policy 610 (Field Trips)  
Policy 709 (Student Transportation Safety Policy)

*ADOPTED – August 11, 1986*

*REVISED – August 24, 1987; August 22, 1988; October 12, 1989; May 19, 1992; June 17, 1993; June 9, 1994; November 10, 1994; August 14, 1997; August 19, 1999; September 9, 1999; August 10, 2000; November 12, 2009*

*(Sample Form)*  
**NOTICE OF SUSPENSION**  
(Date)

(Name of Parent or Guardian)  
(Address)  
(City, State, Zip)

Dear (Parent or Guardian)

(Name of Student) has been suspended from (name of school) for (number of days) commencing on (date).

The grounds for suspension are:

Briefly, the facts that have been determined are:

The testimony received was:

An administrative conference to determine the above was conducted before

\_\_\_\_\_, at \_\_\_\_\_ on \_\_\_\_\_  
(Name of Administrator) (Time) (Date)

pursuant to Minn. Stat. §§ 121A.40-121A.56, a copy of which is enclosed.

The plan of readmission is:

Alternative educational services in the form of homework will be available to be picked up at the school after \_\_\_\_\_ [date] \_\_\_\_\_.

While suspended, the student may not come on any school campus except with you for the purpose of discussing conduct.

If you have any questions, please call.

Sincerely,

\_\_\_\_\_  
Administrator

Enc: Minn. Stat. §§ 121A.40-121A.56

**532 - USE OF PEACE OFFICERS AND CRISIS TEAMS TO REMOVE STUDENTS WITH IEPs FROM SCHOOL GROUNDS**

**I. PURPOSE**

The purpose of this policy is to describe the appropriate use of peace officers and crisis teams to remove, if necessary, a student with an individualized education program (IEP) from school grounds.

**II. GENERAL STATEMENT OF POLICY**

The school district is committed to promoting learning environments that are safe for all members of the school community. It further believes that students are the first priority and that they should be reasonably protected from physical or emotional harm at all school locations and during all school activities.

All students, including those with IEPs, are subject to the terms of the school district's discipline policy. Building level administrators have the leadership responsibility to maintain a safe, secure, and orderly educational environment within which learning can occur. Corrective action to discipline a student and/or modify a student's behavior will be taken by staff when a student's behavior violates the school district's discipline policy.

If a student with an IEP engages in conduct which, in the judgment of school personnel, endangers or may endanger the health, safety, or property of the student, other students, staff members, or school property, that student may be removed from school grounds in accordance with this policy.

**III. DEFINITIONS**

For purposes of this policy, the following terms have the meaning given them in this section:

- A. "Student with an IEP" or "the student" means a student who is eligible to receive special education and related services pursuant to the terms of an IEP or an individual interagency intervention plan (IIIP).
- B. "Peace officer" means an employee or an elected or appointed official of a political subdivision or law enforcement agency who is licensed by the Board of Peace Officer Standards and Training, charged with the prevention and detection of crime and the enforcement of general criminal laws of the state and who has the full power of arrest. The term "peace officer" includes a person who serves as a sheriff, a deputy sheriff, a police officer, or a state patrol trooper.
- C. "Police liaison officer" is a peace officer who, pursuant to an agreement between the school district and a political subdivision or law enforcement agency, is assigned to a school building for all or a portion of the school day to provide law enforcement

assistance and support to the building administration and to promote school safety, security, and positive relationships with students.

- D. “Crisis team” means a group of persons, which may include teachers and non-teaching school personnel, selected by the building administrator in each school building who have received crisis intervention training and are responsible for becoming actively involved with resolving crises. The building administrator or designee shall serve as the leader of the crisis team.
- E. The phrase “remove the student from school grounds” is the act of securing the person of a student with an IEP and escorting that student from the school building or school activity at which the student with an IEP is located.
- F. “Emergency” means a situation in which immediate intervention is necessary to protect a student or other individual from physical injury, emotional abuse due to verbal and nonverbal gestures, or to prevent severe property damage.
- G. All other terms and phrases used in this policy shall be defined in accordance with applicable state and federal law or ordinary and customary usage.

#### **IV. REMOVAL OF STUDENTS WITH IEPs FROM SCHOOL GROUNDS**

##### **A. Removal By Crisis Team**

If the behavior of a student with an IEP escalates to the point where the student’s behavior endangers or may endanger the health, safety, or property of the student, other students, staff members, or school property, the school building’s crisis team may be summoned. The crisis team may attempt to de-escalate the student’s behavior by means including, but not limited to, those described in the student’s IEP and/or behavior intervention plan. When such measures fail, or when the crisis team determines that the student’s behavior continues to endanger or may endanger the health, safety, or property of the student, other students, staff members, or school property, the crisis team may remove the student from school grounds.

If the student’s behavior cannot be safely managed, school personnel may immediately request assistance from the police liaison officer or a peace officer.

##### **B. Removal By Police Liaison Officer or Peace Officer**

If a student with an IEP engages in conduct which endangers or may endanger the health, safety, or property of the student, other students, staff members, or school property, the school building’s crisis team, building administrator, or the building administrator’s designee, may request that the police liaison officer or a peace officer remove the student from school grounds.

If a student with an IEP is restrained or removed from a classroom, school building, or school grounds by a peace officer at the request of a school administrator or school staff

person during the school day twice in a 30-day period, the student's IEP team must meet to determine if the student's IEP is adequate or if additional evaluation is needed.

Whether or not a student with an IEP engages in conduct which endangers or may endanger the health, safety, or property of the student, other students, staff members, or school property, school district personnel may report a crime committed by a student with an IEP to appropriate authorities. If the school district reports a crime committed by a student with an IEP, school personnel shall transmit copies of the special education and disciplinary records of the student for consideration by appropriate authorities to whom it reports the crime, to the extent that the transmission is permitted by the Family Education Rights and Privacy Act (FERPA), the Minnesota Government Data Practices Act, and school district's policy, Protection and Privacy of Pupil Records.

The fact that a student with an IEP is covered by special education law does not prevent state law enforcement and judicial authorities from exercising their responsibilities with regard to the application of federal and state law to crimes committed by a student with an IEP.

C. Reasonable Force Permitted

In removing a student with an IEP from school grounds, a building administrator, other crisis team members, or the police liaison officer or other agents of the school district, whether or not members of a crisis team, may use reasonable force when it is necessary under the circumstances to correct or restrain a student or prevent bodily harm or death to another.

In removing a student with an IEP from school grounds, police liaison officers and school district personnel are further prohibited from engaging in the following conduct:

1. Requiring the student to assume and maintain a specified physical position, activity, or posture that induces physical pain as an aversive procedure;
2. Presenting intense sounds, lights, or other sensory stimuli as an aversive stimulus;
3. Using noxious smell, taste, substance, or spray as an aversive stimulus;
4. Denying or restricting the student's access to equipment and devices such as hearing aids and communication boards that facilitate the student's functioning except temporarily when the student is perceived to be destroying or damaging equipment or devices;
5. Using faradic skin shock;
6. Restricting, totally or partially, the student's auditory or visual sense, except that study carrels may be used as an academic intervention;
7. Withholding regularly scheduled meals or water; and/or
8. Denying the student access to toilet facilities.

D. Parental Notification

The building administrator or designee shall make reasonable efforts to notify the

student’s parent or guardian of the student’s removal from school grounds as soon as possible following the removal.

E. Continued Removals; Review of IEP

Continued and repeated use of the removal process described herein must be reviewed in the development of the individual student’s IEP or IIP.

F. Effect of Policy in an Emergency; Use of Conditional Procedures

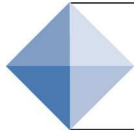
A student with an IEP may be removed in accordance with this policy regardless of whether the student’s conduct would create an emergency.

If the school district seeks to remove a student with an IEP from school grounds under this policy due to behaviors that constitute an emergency and the student’s IEP, IIP, or behavior intervention plan authorizes the use of one or more conditional procedures, the crisis team may employ those conditional procedures, in addition to any reasonable force that may be necessary, to facilitate the student’s removal from school grounds. If the crisis team initiates use of conditional procedures in an emergency, the student’s IEP team shall meet as soon as possible, but no later than five (5) school days after emergency procedures have commenced.

- Legal References:** 20 U.S.C. § 1415(k)(6) (Individuals with Disabilities Education Improvement Act of 2004 (IDEA))  
 34 C.F.R. § 300.529 (IDEA Regulation Regarding Involvement of Law Enforcement)  
 20 U.S.C. 1232g *et seq.* (Family Educational Rights and Privacy (FERPA))  
 Minn. Stat. § 13.01, *et seq.* (Minnesota Government Data Practices Act)  
 Minn. Stat. §§ 121A.40-121A.56 (Minnesota Pupil Fair Dismissal Act)  
 Minn. Stat. § 121A.582 (Student Discipline; Reasonable Force)  
 Minn. Stat. § 121A.61 (Discipline and Removal of Students from Class)  
 Minn. Stat. § 121A.67 (Aversive and Deprivation Procedures)  
 Minn. Stat. § 609.06 (Authorized Use of Force)  
 Minn. Stat. § 609.379 (Permitted Actions)  
 Minn. Rule 3525.0200, Subp. 2c (Definition of “Emergency”)  
 Minn. Rule 3525.2900, Subp. 5 (The IEP and Regulated Interventions)

- Cross References:** MSBA/MASA Model Policy 506 (Student Discipline)  
 MSBA/MASA Model Policy 507 (Corporal Punishment)  
 MSBA/MASA Model Policy 525 (Violence Prevention)  
 MSBA/MASA Model Policy 806 (Crisis Management Policy)  
 MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil Records)

*ADOPTED – November 12, 2009*



**TO:** Northeast Metro 916 Board of Education  
**FROM:** Connie Hayes  
**DATE:** November 5, 2009  
**RE:** November 4 Board of Education Meeting Talking Points

Members present: Belisle-832, Buchholz-834, Forsberg-16, Lodico-12, Majerus-623, Parsons-624, Roberts-13

Members absent: Livingston-622, Brunnette-833, and Sager-621

Among a number of topics discussed at the November 4, 2009, meeting of the Northeast Metro 916 Board of Education, the following agenda items were addressed:

1. **Architects for TSP presented the Program Facility Study.** This study examined the district's facilities currently being used and whether they match the needs of the students. Students with very significant behavioral challenges need a setting that is more like a clinic with small classroom space where the professionals move in and out of to provide their services. The District is very limited in the improvements it can make with Capitol View Center due to the need to meet safety codes with any modifications to the building. Many programs are dispersed at various sites which does not allow for efficient use of staff and administration. This is just the first step in building a facilities plan that could be more appropriate and cost efficient for the District and its members.
2. **Linda Jones, staff development coordinator, reviewed some opportunities she is organizing.** The District is just now advertising a training session for substitute teachers. The focus of the training is to assist substitutes to become familiar with SMART Boards, given they are becoming a common tool in classrooms that teachers will use to deliver lessons. Another activity being promoted is the licensure renewal workshops that include the four areas MDE licensing require of teachers. Both of these opportunities are being promoted internal to the district and with member districts.
3. **Superintendent Hayes reviewed the Strategic Directions.** The District is entering its third year of goal setting and annual reporting that runs from November to November. Some of the challenges experienced by the administration is in defining the best measurements for the non-typical populations. Adjustments have been made this year to the measurements. A "tune-up" of the program with TeamWorks will happen in about a year.

- 4. A resolution regarding open enrollment at Valley Crossing Community School was approved.** Each year the District must declare open enrollment closed because the joint powers agreement requires that potential open enrollment students must do so through Stillwater in order to attend Valley. This resolution clarifies that no students outside of the three member districts can directly open enroll to Valley.
- 5. Dental and health insurance proposals were approved.** After putting the contracts out for bid, the Board approved a renewal with HealthPartners for dental at 5%. For health, the Board approved a renewal with HealthPartners at 3.99% for 2010 and a 16% cap for 2011.
- 6. After a lengthy search for a new site for the ALC at Columbia Heights, a renewal for the space currently occupied was obtained.** The current lease is due to expire May 2010. Successful negotiations resulted in a decrease of \$2.43 per square foot at the Northeast Business Center. This will allow Metro Heights Academy to stay in this location through August 2013. This lease is not part of the lease levy certification to member districts. The cost for the facility comes out of the revenue generated by the students attending the site.

## CHECK REGISTER

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Check Number	Check Status	Check Amount	Check Date	Vendor Number	Vendor Name
363554	Clear	\$82.62	10/01/09	06066	ANN CAPEDER
363555	Clear	\$150.50	10/01/09	07012	ANNE BUTTERMORE
363556	Clear	\$155.88	10/01/09	07014	ANNE STEVENS
363557	Clear	\$144.91	10/01/09	02530	BETHANY SNEDEN
363558	Clear	\$569.48	10/01/09	00659	BLICK ART MATERIALS
363559	Clear	\$2,192.00	10/01/09	04691	BLOOMINGTON COMPENSATION INS CO
363560	Clear	\$81.00	10/01/09	05308	BOB ZAHRADKA
363561	Clear	\$397.45	10/01/09	07648	BORENSON & ASSOCIATES
363562	Clear	\$99.95	10/01/09	00338	BRETT SMITH
363563	Clear	\$389.90	10/01/09	00353	BROWN'S ICE CREAM
363564	Clear	\$72.90	10/01/09	04738	BRUCE DJOCK REPAIR
363565	Clear	\$2,725.00	10/01/09	07031	CARRIE ARDITO
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363567	Clear	\$612.75	10/01/09	03599	CHILDREN'S THEATRE COMPANY
363568	Clear	\$63.00	10/01/09	06047	CHUCK QUISTAD
363569	Clear	\$680.00	10/01/09	07088	CUSTOM WATER WORKS
363570	Clear	\$316.57	10/01/09	00599	DALCO
363571	Clear	\$60.00	10/01/09	05334	DAVE ROSGA
363572	Clear	\$62.00	10/01/09	07692	DAVID DRENCKPOHL
363573	Clear	\$150.00	10/01/09	05073	DAVID HULIT
363574	Clear	\$203.43	10/01/09	00412	DEB CARLSON
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363576	Clear	\$2,430.00	10/01/09	00678	DOMINO'S PIZZA
363577	Clear	\$65.82	10/01/09	00862	DONNA FORBES
363578	Clear	\$40.00	10/01/09	07675	DSAM
363579	Clear	\$246.00	10/01/09	00714	EAGLE SCREEN PRINTING
363580	Clear	\$65.00	10/01/09	06167	ECO-ECFE COORDINATED OUTREACH
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363582	Clear	\$449.12	10/01/09	04887	ERICA RYAN
363583	Clear	\$299.40	10/01/09	00803	EXPRESS PERSONNEL SERVICES INC
363584	Clear	\$47.76	10/01/09	00848	FLINN SCIENTIFIC INC
363585	Clear	\$55.00	10/01/09	00856	FOLLETT EDUCATIONAL SERVICES
363586	Clear	\$80.00	10/01/09	07687	GARY ARNOLDI
363587	Clear	\$159.88	10/01/09	00929	GCS SERVICE INC
363588	Clear	\$176.00	10/01/09	04873	GENE WARNER
363589	Clear	\$99.44	10/01/09	03212	GREAT IDEAS FOR TEACHING
363590	Clear	\$477.19	10/01/09	03355	GREEN LIGHTS RECYCLING, INC
363591	Clear	\$63.00	10/01/09	07694	GREG DAVENPORT
363592	Clear	\$405.00	10/01/09	06142	HISTORICAL PERSPECTIVES FOR CHILDREN INC
363593	Clear	\$504.03	10/01/09	03180	HM RECEIVABLES CO LLC
363594	Clear	\$12.75	10/01/09	06613	HM RECEIVABLES CO LLC
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363596	Clear	\$140.00	10/01/09	05145	JAMES GRIBBLE
363597	Clear	\$406.56	10/01/09	04371	JANET FOLEY
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363603	Clear	\$1,783.23	10/01/09	01365	K-LOG, INC
363604	Clear	\$42.00	10/01/09	07689	KANG KLANG
363605	Clear	\$150.50	10/01/09	07698	KAYLA MEYER
363606	Clear	\$784.30	10/01/09	03378	KELLY SERVICES, INC
363607	Clear	\$772.15	10/01/09	07572	KORY ANDRY

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363611	Clear	\$428.47	10/01/09	03195	LASERPLUS, LLC
363612	Clear	\$179.95	10/01/09	01495	LINGUISYSTEMS INC
363613	Clear	\$5,857.10	10/01/09	03182	MADISON NATIONAL LIFE
363614	Clear	\$62.00	10/01/09	07690	MARC BOLDUC
363615	Clear	\$1,040.00	10/01/09	06101	MARGRET SWANSON
363616	Clear	\$90.80	10/01/09	02232	MARIANNE RANA
363617	Clear	\$90.00	10/01/09	07696	MARY CLARE HUNT
363618	Clear	\$52.91	10/01/09	01101	MARY JO HEI
363619	Clear	\$125.00	10/01/09	07619	MAUREEN WOELTGE
363620	Clear	\$119.05	10/01/09	01683	MENARDS
363621	Clear	\$25.00	10/01/09	01699	METRO ECSU
363622	Clear	\$140.00	10/01/09	05992	MIKE PETREY
363623	Clear	\$8,632.00	10/01/09	01744	MINNESOTA CONWAY
363624	Clear	\$80.00	10/01/09	04806	NANCY STEFFEN
363625	Clear	\$6,500.00	10/01/09	01903	NCS PEARSON INC
363626	Clear	\$1,440.00	10/01/09	03332	NCTM
363627	Clear	\$109.00	10/01/09	04852	NEIGHBORHOOD HOUSE
363628	Clear	\$331.91	10/01/09	01971	NORTHEAST METRO 916
363629	Clear	\$1,000.45	10/01/09	01971	NORTHEAST METRO 916
363630	Clear	\$90.00	10/01/09	02043	ON SITE SANITATION INC
363631	Clear	\$70.95	10/01/09	01363	PAM KLINKHAMMER
363632	Clear	\$100.00	10/01/09	02079	PARK HIGH SCHOOL
363633	Clear	\$81.00	10/01/09	07691	PAT SCHWIMER
363634	Clear	\$55.39	10/01/09	07695	PATTE MURPHY
363635	Clear	\$128.00	10/01/09	00238	PHILLIP BELDEN
363636	Clear	\$70.32	10/01/09	02161	POPP.COM INC
363637	Clear	\$155.88	10/01/09	07013	RACHEL GEIGER
363638	Clear	\$185.05	10/01/09	02373	RACHEL SANDE
363639	Clear	\$82.11	10/01/09	02242	REALLY GOOD STUFF INC
363640	Clear	\$124.00	10/01/09	05092	RICK WALZ
363641	Clear	\$30.00	10/01/09	02293	RIFTON EQUIPMENT
363642		\$60.00	10/01/09	06906	ROLLIE CASILLAS
363643	Clear	\$83.00	10/01/09	07686	ROSEVILLE ECFE
363644	Clear	\$1,183.00	10/01/09	06784	SANDY SCHOENECKER
363645	Clear	\$554.43	10/01/09	02384	SAX ARTS & CRAFTS
363646	Clear	\$40.51	10/01/09	02420	SCHOOL SPECIALTY INC
363647	Clear	\$16.20	10/01/09	03642	SHELLY MITCHELL
363648	Clear	\$207.76	10/01/09	07647	STACY TRIPLAT
363649	Clear	\$150.50	10/01/09	03849	STACY WENDORFF
363650	Clear	\$62.00	10/01/09	05050	STANLEY AKUM
363651	Clear	\$351.97	10/01/09	00553	STAPLES/CORPORATE EXPRESS
363652	Clear	\$81.00	10/01/09	06979	STEVE SCHNEIDER
363653	Clear	\$8.54	10/01/09	03336	STRATEGIC EQUIPMENT
363654	Clear	\$3,394.00	10/01/09	07642	STREAMLINE DESIGN INC
363655	Clear	\$116.19	10/01/09	03297	SUE ROBINSON
363656	Clear	\$45.39	10/01/09	04179	TERRY HEJNY
363657	Clear	\$5,289.13	10/01/09	02747	TIERNEY BROTHERS INC
363658	Clear	\$4,072.67	10/01/09	02748	TIES
363659		\$52.00	10/01/09	05543	TIM KLEIN
363660	Clear	\$81.00	10/01/09	04864	TOM KNOBLAUCH
363661	Clear	\$62.00	10/01/09	04809	TOM SHARE

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363664	Clear	\$241.20	10/01/09	02873	VOSS LIGHTING
363665	Clear	\$62.00	10/01/09	04938	WAHEED AYINDE
363666		\$2,375.60	10/01/09	02902	WASHINGTON COUNTY
363667	Clear	\$2,450.24	10/01/09	02903	WASTE MANAGEMENT-BLAINE MN
363668	Clear	\$21,061.19	10/01/09	00723	XCEL ENERGY
363669	Clear	\$500.00	10/01/09	00427	CASH
363670	Clear	\$17.00	10/08/09	00009	AAA AWARDS
363671		\$62.00	10/08/09	06046	AARON SEEFELD
363672	Clear	\$26,086.69	10/08/09	03959	ADVANCED ROOFING SOLUTIONS,LLC
363673	Clear	\$750.00	10/08/09	07702	AMANDA MONTPETIT
363674	Clear	\$50.00	10/08/09	00092	AMERICAN EXPRESS /COSTCO
363675	Clear	\$206.44	10/08/09	02421	ANDERSON'S SCHOOL EVENT/ SPIRIT
363676	Clear	\$81.00	10/08/09	07709	ANDY SCHULTZ
363677		\$79.99	10/08/09	00535	BARBARA CONNELLY
363678	Clear	\$300.00	10/08/09	03262	BEGGIN SPORTS
363679	Clear	\$7,850.12	10/08/09	03340	BIX PRODUCE CO
363680	Clear	\$180.01	10/08/09	00659	BLICK ART MATERIALS
363681	Clear	\$1,827.84	10/08/09	03057	BRAD BERGIE
363682	Clear	\$69.00	10/08/09	00353	BROWN'S ICE CREAM
363683	Clear	\$896.40	10/08/09	03115	CHARLES LINDERKAMP
363684	Clear	\$7,506.00	10/08/09	00527	COMSTOCK & SONS INC
363685	Clear	\$1,298.36	10/08/09	06016	CORPORATE MECHANICAL
363686	Clear	\$89.07	10/08/09	05601	CRAIG MICKELSON
363687	Clear	\$62.00	10/08/09	04941	CRAIG STOCKEL
363688	Clear	\$467.50	10/08/09	07088	CUSTOM WATER WORKS
363689	Clear	\$165.00	10/08/09	07673	DAHLSTROM & CO
363690	Clear	\$140.00	10/08/09	04792	DAN HARJES
363691	Clear	\$81.00	10/08/09	06904	DAN NOVAK
363692	Clear	\$60.00	10/08/09	05338	DAN PELLETIER
363693	Clear	\$540.00	10/08/09	07596	DAVE HAGEN
363694	Clear	\$81.00	10/08/09	05334	DAVE ROSGA
363695	Clear	\$62.00	10/08/09	04810	DAVID BROWN
363696	Clear	\$11,449.88	10/08/09	03328	DIVERSIFIED SNACK DIVISION
363697	Clear	\$60.00	10/08/09	05994	DON PELLETIER
363698	Clear	\$140.00	10/08/09	04855	DOUG FLORY
363699	Clear	\$42.00	10/08/09	07708	EDGAR ANAYA
363700	Clear	\$1,247.00	10/08/09	03241	ELECTRONIC DESIGN CO
363701	Clear	\$91.00	10/08/09	00764	ELSMORE AQUATICS
363702	Clear	\$5,140.00	10/08/09	06820	ENERGY EFFICIENCY PROGRAMS,INC
363703	Clear	\$595.00	10/08/09	03969	ENERGYWISE CONSULTING,LLC
363704	Clear	\$194.40	10/08/09	00799	EVERBIND/MARCO BOOK BINDERY
363705	Clear	\$299.40	10/08/09	00803	EXPRESS PERSONNEL SERVICES INC
363706	Clear	\$47,703.57	10/08/09	06819	FIRST STUDENT
363707	Clear	\$80.00	10/08/09	07705	FRANK MCKAY
363708	Clear	\$27.74	10/08/09	00888	FREY SCIENTIFIC COMPANY
363709	Clear	\$378.00	10/08/09	03051	GINA ZITZER
363710	Clear	\$160.16	10/08/09	00963	GLENCOE/McGRAW HILL COMPANIES
363711	Void	\$31.64	10/08/09	07711	GLORIA MURPHY
363712	Void	\$483.12	10/08/09	00987	GRAINGER
363713	Clear	\$36.90	10/08/09	06945	GUIDANCE GROUP/CHILDWORKS
363714	Clear	\$1,041.65	10/08/09	01038	HAAS MUSICAL INSTRUMENT REPAIR
363715	Clear	\$1,000.00	10/08/09	03485	HALLBERG ENGINEERING

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Check Number	Check Status	Check Amount	Check Date	Vendor Number	Vendor Name
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363717	Clear	\$381,724.90	10/08/09	01096	HEALTHPARTNERS
363718	Clear	\$58.00	10/08/09	01201	IAAP
363719	Clear	\$159.37	10/08/09	02898	JEANNA WARREN
363720	Clear	\$140.00	10/08/09	04793	JEFF LARSON
363721	Clear	\$37.45	10/08/09	02013	JENNIFER OCH
363722	Clear	\$8.53	10/08/09	03743	JERILYN GLUCK
363723	Clear	\$60.00	10/08/09	05006	JERRY HINES
363724		\$7.68	10/08/09	01277	JOHN ALLEN
363725	Clear	\$250.00	10/08/09	02132	JOHN PETRONEK
363726	Clear	\$24.45	10/08/09	01300	JOSTENS
363727	Clear	\$42.64	10/08/09	00544	JULIE CONZEMIUS
363728	Clear	\$80.00	10/08/09	07704	KATARINA CONRADSON
363729	Clear	\$8,000.00	10/08/09	01344	KDV-KERN DEWENTER VIERE LTD
363730	Clear	\$3,552.66	10/08/09	03378	KELLY SERVICES, INC
363731	Clear	\$226.96	10/08/09	01372	KNOWLAN'S SUPER MARKETS
363732	Clear	\$119.00	10/08/09	03195	LASERPLUS, LLC
363733	Clear	\$250.00	10/08/09	00949	LAURIE GERVER
363734	Clear	\$34.50	10/08/09	05495	LIFELINE AMPLIFICATION SYSTEMS
363735	Clear	\$1,087.96	10/08/09	07073	LOFFLER
363736	Clear	\$250.00	10/08/09	07294	LORA MATZ
363737	Clear	\$13.32	10/08/09	00231	LORRAINE (LORRIE) BEAULIEU
363738	Clear	\$215.36	10/08/09	01557	MAHTOMEDI AUTO SERVICE
363739	Clear	\$62.00	10/08/09	06089	MARCUS HILKER
363740	Clear	\$140.00	10/08/09	05015	MARK CAROON
363741	Clear	\$25.29	10/08/09	05925	MARK HAMRE
363742	Clear	\$643.46	10/08/09	04750	MARKSTAAR
363743	Stop Payment	\$750.07	10/08/09	00942	MARY GEORGE
363744	Clear	\$2,251.41	10/08/09	07703	MARY NEHER
363745	Clear	\$43.00	10/08/09	02410	MARY SCHNELL
363746	Clear	\$269.00	10/08/09	01609	MASA
363747	Clear	\$258.45	10/08/09	01672	MEDCO SUPPLY INC
363748	Clear	\$73.50	10/08/09	01683	MENARDS
363749	Clear	\$525.00	10/08/09	01699	METRO ECSU
363750	Clear	\$75.00	10/08/09	01700	METRO MEGT
363751	Clear	\$60.00	10/08/09	05996	MICHAEL COOPER
363752	Clear	\$81.00	10/08/09	07710	MIKE HONSA
363753	Clear	\$60.00	10/08/09	06894	MIKE MCNABB
363754	Clear	\$151.18	10/08/09	04099	MINNCOR INDUSTRIES
363755	Clear	\$136.00	10/08/09	01744	MINNESOTA CONWAY
363756	Void	\$295.00	10/08/09	07025	MN CLE
363757	Clear	\$90.00	10/08/09	04818	MONTGOMERY LONSDALE HS
363758	Clear	\$182.64	10/08/09	01681	NANCY MELQUIST
363759	Clear	\$234.92	10/08/09	01871	NASCO
363760	Clear	\$52.00	10/08/09	06420	NATHAN GUSTAFSON
363761	Clear	\$105.45	10/08/09	06395	NCS PEARSON INC
363762	Clear	\$62.00	10/08/09	07706	NEAL FOX
363763	Clear	\$1,591.31	10/08/09	01907	NEFF CO
363764	Clear	\$34,117.32	10/08/09	01971	NORTHEAST METRO 916
363765	Clear	\$133.12	10/08/09	02022	O'LEARY AUTO BODY
363766	Clear	\$2,026.08	10/08/09	02043	ON SITE SANITATION INC
363767	Clear	\$509.00	10/08/09	03538	PARTSTOCK COMPUTER
363768	Clear	\$62.00	10/08/09	07707	PATRICK FISHER
363769	Clear	\$559.68	10/08/09	07252	PATRICK HARTMAN

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Check Number	Check Status	Check Amount	Check Date	Vendor Number	Vendor Name
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363771	Clear	\$52.00	10/08/09	05634	PAUL ZACHMAN
363772	Clear	\$82.29	10/08/09	02142	PIONEER PRESS- NIE
363773	Clear	\$1,769.81	10/08/09	02227	QWEST
363774	Clear	\$904.60	10/08/09	03136	RATWIK ROSZAK & MALONEY P A
363775	Clear	\$45.96	10/08/09	02260	REMEDIA PUBLICATIONS INC
363776	Clear	\$267.50	10/08/09	04434	SAIL LA VIE
363777		\$2,180.49	10/08/09	02363	SAM'S CLUB DISCOVER
363778	Clear	\$53.86	10/08/09	02361	SAMMONS/PRESTON ROLYAN
363779	Clear	\$504.00	10/08/09	06784	SANDY SCHOENECKER
363780	Clear	\$137.25	10/08/09	02420	SCHOOL SPECIALTY INC
363781	Clear	\$471.00	10/08/09	03369	SCHOOLFINANCES.COM
363782	Clear	\$613.15	10/08/09	02544	SOPRIS WEST/ CAMBIUM LEARNING
363783	Clear	\$655.00	10/08/09	02583	ST CROIX TREE SERVICE INC
363784	Clear	\$17,500.00	10/08/09	02585	ST CROIX VALLEY RECREATION CE
363785	Clear	\$75.00	10/08/09	02591	ST PAUL ATHENA AWARDS COMMITT
363786	Clear	\$3.05	10/08/09	00553	STAPLES/CORPORATE EXPRESS
363787	Clear	\$1,363.25	10/08/09	03088	STEVE HAMMERSCHMIDT
363788		\$81.00	10/08/09	05335	STEVE ROSGA
363789	Clear	\$3,740.51	10/08/09	06048	TAYLOR PUBLISHING CO
363790	Clear	\$900.00	10/08/09	03859	TEAMWORKS INTERNATIONAL, INC.
363791	Clear	\$104.85	10/08/09	01574	THE MAILBOX/ EDUCATION CENTER
363792	Clear	\$256.10	10/08/09	02729	THERAPY SHOPPE
363793	Clear	\$8,929.92	10/08/09	02748	TIES
363794	Clear	\$105.80	10/08/09	04438	TINA BROWN
363795	Clear	\$60.00	10/08/09	04958	TOM HOULE
363796	Clear	\$62.00	10/08/09	04809	TOM SHARE
363797	Clear	\$34,564.43	10/08/09	06934	US FOODSERVICE INC
363798	Clear	\$3,000.00	10/08/09	03617	VENTURES FOR EXCELLENCE
363799	Clear	\$87.60	10/08/09	02863	VIKING ELECTRIC SUPPLY
363800	Clear	\$136.13	10/08/09	02873	VOSS LIGHTING
363801	Clear	\$56.95	10/08/09	04788	WATER CARE
363802	Clear	\$1,501.00	10/08/09	02941	WHITE BEAR GLASS INC
363803	Clear	\$262.00	10/08/09	00723	XCEL ENERGY
363804	Clear	\$8,564.80	10/08/09	03017	XEROX CORPORATION
363805	Clear	\$211.82	10/08/09	02564	SPEEDWAY SUPERAMERICA LLC
363806	Clear	\$30.36	10/08/09	02858	VERIZON WIRELESS
363807	Clear	\$432.94	10/09/09	00094	AMERICAN FAMILY ASSURANCE
363808	Clear	\$308.90	10/09/09	01556	MAHTOMEDI AREA EDUC.FOUNDATION
363809	Clear	\$272.00	10/09/09	01740	MINN NCPERS GROUP LIFE INS
363810	Clear	\$9.90	10/09/09	01888	NATIONAL INSURANCE SERVICES
363811	Clear	\$665.50	10/09/09	02017	OFFICE & PROFESSIONAL
363812	Clear	\$783.84	10/09/09	02048	OPERATING ENGINEERS LOCAL #70
363813	Clear	\$67.08	10/09/09	01499	UNITE HERE LOCAL 17
363814	Clear	\$700.00	10/14/09	04342	WISCONSIN SCTF
363815	Clear	\$62.00	10/15/09	06046	AARON SEEFELD
363816	Clear	\$1,935.50	10/15/09	00016	ABBOTT PAINT & CARPET CO
363817	Clear	\$1,180.00	10/15/09	03959	ADVANCED ROOFING SOLUTIONS,LLC
363818	Clear	\$275.00	10/15/09	07615	AEGOM INTERACTIVE
363819	Clear	\$80.00	10/15/09	07717	ALEX REDMANN
363820	Clear	\$154.00	10/15/09	07447	ANGELO TUCCITTO
363821	Clear	\$115.84	10/15/09	06010	ANN GALBUS
363822	Clear	\$250.00	10/15/09	01733	ANNE MILLER
363823	Clear	\$866.64	10/15/09	04049	BE PUBLISHING

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363824	Clear	\$85.23	10/15/09	02530	BETHANY SNEDEN
363825		\$168.00	10/15/09	02642	BONNY KAY STREGE
363826	Clear	\$81.00	10/15/09	04859	BRETT REEM
363827	Clear	\$60.00	10/15/09	04738	BRUCE DJOCK REPAIR
363828	Clear	\$430.00	10/15/09	00370	BUREAU OF EDUCATION & RESEARCH
363829	Clear	\$160.00	10/15/09	07720	CALYSTA RICE
363830	Clear	\$2,562.50	10/15/09	07031	CARRIE ARDITO
363831	Clear	\$2,555.00	10/15/09	02739	CENGAGE LEARNING
363832	Clear	\$558.45	10/15/09	03115	CHARLES LINDERKAMP
363833	Clear	\$5,236.78	10/15/09	00406	CHASE CARD SERVICE/BANK ONE
363834	Clear	\$80.00	10/15/09	05313	CHRISTINA FIEBICH
363835	Clear	\$11,393.65	10/15/09	01572	CITY OF MAHTOMEDI
363836		\$30.00	10/15/09	00485	CLASSIC SUBURBAN MS XCTRY CONFERENCE
363837	Clear	\$607.96	10/15/09	00541	CONTINENTAL CLAY COMPANY
363838	Clear	\$560.00	10/15/09	07725	D&M
363839	Clear	\$228.46	10/15/09	00599	DALCO
363840	Clear	\$140.00	10/15/09	04792	DAN HARJES
363841	Clear	\$49.99	10/15/09	03433	DELL COMPUTER CORP.
363842	Clear	\$120.71	10/15/09	03514	DENISE SUNDSTROM
363843	Clear	\$81.00	10/15/09	06113	DICK ELDRIDGE
363844	Clear	\$252.82	10/15/09	07688	DIMENSIONS EDUCATIONAL RESEARCH FOUNDATION
363845	Clear	\$1,638.00	10/15/09	00678	DOMINO'S PIZZA
363846	Clear	\$1,144.00	10/15/09	03360	DON BETHKE
363847	Clear	\$140.00	10/15/09	04855	DOUG FLORY
363848	Clear	\$5,317.00	10/15/09	00714	EAGLE SCREEN PRINTING
363849	Clear	\$48.65	10/15/09	00725	ECKROTH MUSIC COMPANY
363850	Clear	\$76.00	10/15/09	00763	ELLISON EDUCATIONAL EQUIP INC
363851	Clear	\$625.00	10/15/09	07629	ERIC JOHNSON
363852	Clear	\$66.72	10/15/09	04887	ERICA RYAN
363853	Clear	\$374.79	10/15/09	00787	ERICKSON OIL PRODUCTS INC
363854	Clear	\$67.18	10/15/09	03481	ERIN WHISLER
363855	Clear	\$79,075.28	10/15/09	06819	FIRST STUDENT
363856	Clear	\$60.00	10/15/09	07716	GARY MCLULLUM
363857	Clear	\$52.00	10/15/09	04873	GENE WARNER
363858	Clear	\$572.17	10/15/09	06146	GOPHER
363859	Clear	\$172.84	10/15/09	06061	GOPHER SPORT
363860	Clear	\$60.00	10/15/09	04930	GORDY HANSON
363861	Clear	\$423.49	10/15/09	00987	GRAINGER
363862	Clear	\$130.00	10/15/09	03081	GRAY SEEVER
363863	Clear	\$52.00	10/15/09	05967	GREGG ADLER
363864	Clear	\$212.52	10/15/09	01164	HOUGHTON MIFFLIN RECEIVABLES CO LLC
363865	Clear	\$505.25	10/15/09	03475	I.S.D # 621 MOUNDS VIEW SCHOOL DISTRICT
363866	Clear	\$223.04	10/15/09	03331	I.S.D # 622 NO.ST PAUL-MAPLEWOOD-OAKDALE
363867	Clear	\$8,722.50	10/15/09	03248	I.S.D # 834 STILLWATER
363868	Clear	\$396.00	10/15/09	05013	JAN GUDKNECHT
363869	Clear	\$62.00	10/15/09	06891	JAY MOORE
363870	Clear	\$140.00	10/15/09	04793	JEFF LARSON
363871	Clear	\$30.00	10/15/09	07722	JHS DEBATE
363872	Clear	\$141.00	10/15/09	04882	JIM ALLEN
363873	Clear	\$8.00	10/15/09	07714	JOHN OR SUSAN HUYER
363874	Clear	\$357.50	10/15/09	01300	JOSTENS / AMIOT SCHOLASTIC RECOGNITION
363875	Clear	\$21.40	10/15/09	01322	JUDY KAREL
363876	Clear	\$42.11	10/15/09	01950	KATHE NICKLEBY

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363877	Clear	\$62.00	10/15/09	05971	KEVIN HORST
363878	Clear	\$433.27	10/15/09	01372	KNOWLAN'S SUPER MARKETS
363879	Clear	\$848.10	10/15/09	07572	KORY ANDRY
363880	Clear	\$357.56	10/15/09	05443	KRISTINA VAUGHAN
363881	Clear	\$423.94	10/15/09	03195	LASERPLUS, LLC
363882	Clear	\$75.17	10/15/09	00949	LAURIE GERVER
363883	Clear	\$1,397.57	10/15/09	07606	LOFFLER COMPANY INC
363884	Clear	\$140.00	10/15/09	05010	LONNIE VAN KLEI
363885	Clear	\$50.00	10/15/09	03928	LORI OLSEN
363886	Clear	\$204.00	10/15/09	06072	MAD SCIENCE OF MN
363887	Clear	\$3,916.81	10/15/09	03182	MADISON NATIONAL LIFE
363888	Clear	\$60.00	10/15/09	05300	MARC FIORAVANTI
363889	Clear	\$140.00	10/15/09	03161	MARK LEFEBER
363890	Clear	\$141.00	10/15/09	07715	MARK SMITH
363891	Clear	\$750.07	10/15/09	00942	MARY GEORGE
363892	Clear	\$175.45	10/15/09	01101	MARY JO HEI
363893	Clear	\$225.00	10/15/09	05019	MASPA
363894		\$900.86	10/15/09	01139	MATTHEW HOFFMAN
363895	Clear	\$30,509.04	10/15/09	04685	MAX STEININGER INC
363896	Clear	\$47.50	10/15/09	01638	MCCALLS & BUTTERICK CO
363897	Clear	\$15.00	10/15/09	07719	MEGAN FOLEY
363898	Clear	\$66.36	10/15/09	01683	MENARDS
363899	Clear	\$66.98	10/15/09	01684	MENARDS OAKDALE CASHWAY LUMBER
363900		\$700.00	10/15/09	04889	MICHAEL FORBESS
363901	Clear	\$74.66	10/15/09	07724	MICHELLE NOHA
363902	Clear	\$60.00	10/15/09	06894	MIKE MCNABB
363903		\$45.00	10/15/09	07712	MINNESOTA COUNCIL ON FAMILY RELATIONS
363904	Clear	\$210.00	10/15/09	01781	MN DEPT OF LABOR AND INDUSTRY
363905	Clear	\$23.00	10/15/09	06795	MYRA -MINNESOTA YOUTH READING AWARDS
363906	Clear	\$235.05	10/15/09	02324	NAN ROHDE
363907	Clear	\$186.66	10/15/09	01907	NEFF CO
363908		\$208.00	10/15/09	04962	NEPAL HOWLADER
363909	Clear	\$95.21	10/15/09	05028	NICK FALDE
363910	Clear	\$182.29	10/15/09	06172	NICOLE FLESNER
363911	Clear	\$110.00	10/15/09	05818	ONE MORE STORY
363912	Clear	\$32.00	10/15/09	04488	ORANGE TREE EMPLOYMENT SCREENING
363913	Clear	\$3,301.93	10/15/09	05985	PAMS LUNCHROOM LLC
363914	Clear	\$387.00	10/15/09	03538	PARTSTOCK COMPUTER
363915	Clear	\$34.95	10/15/09	07721	PATTI MURPHY
363916	Clear	\$245.00	10/15/09	02151	PLUNKETTS INC
363917	Clear	\$100.53	10/15/09	06012	PREMIUM WATERS INC
363918	Clear	\$217.44	10/15/09	02227	QWEST
363919		\$22.42	10/15/09	04172	REBECCA HURD
363920	Clear	\$208.00	10/15/09	05092	RICK WALZ
363921	Clear	\$260.00	10/15/09	06958	ROBERT MAIXNER
363922	Clear	\$60.00	10/15/09	04957	RON ADAMS
363923	Clear	\$524.55	10/15/09	02367	SAM'S CLUB
363924	Clear	\$1,244.89	10/15/09	02533	SOCCER USA
363925	Clear	\$14,690.00	10/15/09	02578	SPRINGSTED INC
363926		\$81.00	10/15/09	06112	STACY JAMESON
363927	Clear	\$103.84	10/15/09	07647	STACY TRIPLAT
363928	Clear	\$599.49	10/15/09	00553	STAPLES/CORPORATE EXPRESS
363929	Clear	\$250.00	10/15/09	02606	STATE NEGOTIATORS
363930	Clear	\$600.00	10/15/09	04711	TAYLORS FALLS CANOE RENTAL

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363931	Clear	\$784.85	10/15/09	02724	TEXTBOOK WAREHOUSE
363932	Clear	\$187.50	10/15/09	06157	THERMEX CORP.
363933	Clear	\$890.00	10/15/09	02745	THYSSENKRUPP ELEVATOR
363934	Clear	\$1,629.00	10/15/09	02747	TIERNEY BROTHERS INC
363935	Clear	\$1,459.04	10/15/09	02748	TIES
363936	Clear	\$405.00	10/15/09	05014	TOM HATCHER
363937	Clear	\$60.00	10/15/09	04958	TOM HOULE
363938	Clear	\$60.00	10/15/09	04931	TOM WOLLAN SR
363939	Clear	\$1,085.91	10/15/09	04278	UNIVERSITY GATEWAY CORP
363940	Clear	\$162.61	10/15/09	02873	VOSS LIGHTING
363941	Clear	\$105.00	10/15/09	07723	WOODBURY PARKS & RECREATION
363942	Clear	\$267.65	10/15/09	03017	XEROX CORPORATION
363943	Clear	\$816.00	10/15/09	07470	YOUNG REBRANDTS
363944	Clear	\$253.00	10/22/09	00002	3M
363945	Clear	\$135.00	10/22/09	03615	AAFCS
363946	Clear	\$368.95	10/22/09	00047	ADT SECURITY SYSTEMS
363947		\$11.00	10/22/09	07447	ANGELO TUCCITTO
363948	Clear	\$119.00	10/22/09	07012	ANNE BUTTERMORE
363949	Clear	\$123.25	10/22/09	07014	ANNE STEVENS
363950	Clear	\$808.69	10/22/09	00229	BEARCOM WIRELESS WORLDWIDE
363951	Clear	\$2,744.00	10/22/09	00257	BERRYS FLOOR COVERING
363952	Clear	\$673.08	10/22/09	03196	BF LAUZON ENTERPRISES INC
363953	Clear	\$24.40	10/22/09	00659	BLICK ART MATERIALS
363954	Clear	\$770.28	10/22/09	00358	BRYAN ROCK PRODUCTS INC
363955		\$386.30	10/22/09	04185	CAROLYNE ZIESKE
363956	Clear	\$157.50	10/22/09	00437	CDW GOVERNMENT INC
363957	Clear	\$139.98	10/22/09	00466	CHILDCRAFT EDUCATION CORP
363958	Clear	\$10.96	10/22/09	01572	CITY OF MAHTOMEDI
363959	Clear	\$28.81	10/22/09	02945	CITY OF WHITE BEAR LAKE
363960	Clear	\$983.40	10/22/09	06754	COMMANDING EDGE INC
363961	Clear	\$1,555.76	10/22/09	00536	CONNEY SAFETY PRODUCTS
363962	Clear	\$212.50	10/22/09	07088	CUSTOM WATER WORKS
363963	Clear	\$3,571.51	10/22/09	00599	DALCO
363964	Clear	\$81.00	10/22/09	06458	DAN HOFFMAN
363965	Clear	\$60.00	10/22/09	05005	DAVID WITTMAN
363966	Clear	\$121.23	10/22/09	06977	DEANNA LAUE
363967	Clear	\$77.98	10/22/09	00678	DOMINO'S PIZZA
363968	Clear	\$140.00	10/22/09	04855	DOUG FLORY
363969	Clear	\$67.00	10/22/09	07730	DZEVDO ORUS
363970	Clear	\$63.96	10/22/09	00725	ECKROTH MUSIC COMPANY
363971	Clear	\$420.00	10/22/09	03969	ENERGYWISE CONSULTING,LLC
363972	Clear	\$72.20	10/22/09	03218	ESTR PUBLICATIONS
363973	Clear	\$778.44	10/22/09	00803	EXPRESS PERSONNEL SERVICES INC
363974	Clear	\$124.00	10/22/09	07010	FATAI ALLISON
363975	Clear	\$100.00	10/22/09	00772	FRANK ENDO
363976	Clear	\$253.84	10/22/09	06697	FRATTALLONE'S ACE HARDWARE STORES
363977	Clear	\$524.41	10/22/09	01464	G&K SERVICES
363978	Clear	\$517.54	10/22/09	02577	HEIDI SPRINGBORG
363979	Clear	\$438.99	10/22/09	06613	HM RECEIVABLES CO LLC
363980	Clear	\$330.75	10/22/09	03741	HUGO ANIMAL FARM
363981	Clear	\$31,821.25	10/22/09	03248	I.S.D # 834 STILLWATER
363982	Clear	\$56.47	10/22/09	02898	JEANNA WARREN
363983	Clear	\$140.00	10/22/09	04793	JEFF LARSON
363984	Clear	\$81.00	10/22/09	06332	JEFF LINEHAN

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363985	Clear	\$68.10	10/22/09	02013	JENNIFER OCH
363986	Clear	\$124.00	10/22/09	07731	JEREMY UECKER
363987	Clear	\$29.99	10/22/09	03464	JIM HERING
363988		\$11.00	10/22/09	01263	JIM JENSEN
363989	Clear	\$81.00	10/22/09	06331	JOHN PAGE
363990	Clear	\$67.00	10/22/09	07733	JORDAN POLITZ
363991	Clear	\$117.74	10/22/09	02000	JUDY LIVINGSTON
363992	Clear	\$119.00	10/22/09	07698	KAYLA MEYER
363993	Clear	\$12,312.95	10/22/09	03378	KELLY SERVICES, INC
363994	Clear	\$21.77	10/22/09	07509	KENT DISTRICT LIBRARY
363995	Clear	\$482.45	10/22/09	03195	LASERPLUS, LLC
363996	Clear	\$31.00	10/22/09	07672	LE GRAND CONCOURS/ NATIONAL FRENCH CONTEST
363997	Clear	\$40.00	10/22/09	07728	LIFETIME FITNESS-WBL
363998		\$242.28	10/22/09	00202	LORI J BAKER
363999	Clear	\$1,200.00	10/22/09	07734	MARI CAMPBELL
364000	Clear	\$139.00	10/22/09	00942	MARY GEORGE
364001	Clear	\$514.91	10/22/09	04063	MCGRAW HILL COMPANIES
364002	Clear	\$89.37	10/22/09	01683	MENARDS
364003	Clear	\$6.37	10/22/09	01684	MENARDS OAKDALE CASHWAY LUMBER
364004	Clear	\$65.00	10/22/09	04181	MIDWEST AUDIO VISUAL, INC.
364005	Clear	\$81.00	10/22/09	07729	MIKE ELLING
364006	Clear	\$140.00	10/22/09	06107	MIKE LINDHOLM
364007	Clear	\$60.00	10/22/09	06894	MIKE MCNABB
364008	Clear	\$13,277.10	10/22/09	04089	MN UI FUND
364009	Clear	\$124.00	10/22/09	07732	MOHANNED MORTADA
364010	Clear	\$12.08	10/22/09	04321	NANCY FENTON
364011	Clear	\$383.72	10/22/09	06395	NCS PEARSON INC
364012	Clear	\$109.00	10/22/09	04852	NEIGHBORHOOD HOUSE
364013	Clear	\$1,560.00	10/22/09	06547	NICKELODEON UNIVERSE/ MALL OF AMERICA
364014	Clear	\$2,231.30	10/22/09	01971	NORTHEAST METRO 916
364015	Clear	\$1,584.30	10/22/09	02020	OFFICE MAX INC.
364016	Clear	\$185.12	10/22/09	00580	PATRICK CROTHERS
364017	Clear	\$67.00	10/22/09	06045	PAUL PAURUS
364018		\$81.00	10/22/09	07246	PETE VRIEZE
364019	Clear	\$86.00	10/22/09	01081	PHIL HASTINGS
364020	Clear	\$141.37	10/22/09	07013	RACHEL GEIGER
364021	Clear	\$2,544.40	10/22/09	03136	RATWIK ROSZAK & MALONEY P A
364022	Clear	\$3,677.98	10/22/09	06512	RESCO
364023	Clear	\$2,535.78	10/22/09	02160	ROBERT PONTIOUS
364024	Clear	\$98.20	10/22/09	02346	RYCO SUPPLY COMPANY
364025	Clear	\$537.75	10/22/09	07674	SHEFFIELD, OLSON & MCQUEEN DBA GREAT GASB
364026	Clear	\$600.00	10/22/09	03123	SHEILA MERZER M A
364027	Clear	\$84.60	10/22/09	02483	SIEMENS BUILDING TECHNOLOGIES
364028		\$200.00	10/22/09	04082	SNOM ANNUAL CONF
364029	Clear	\$228.74	10/22/09	02579	SRA/McGRAW-HILL CO.
364030	Clear	\$350.00	10/22/09	03907	ST ANNE'S ACADEMY
364031	Clear	\$20.99	10/22/09	07647	STACY TRIPLAT
364032	Clear	\$651.91	10/22/09	00553	STAPLES/CORPORATE EXPRESS
364033	Clear	\$42.49	10/22/09	03336	STRATEGIC EQUIPMENT
364034	Clear	\$965.45	10/22/09	04176	SUNBURST CHEMICALS, INC.
364035	Clear	\$586.33	10/22/09	03447	TAMARA TERMAN
364036		\$297.00	10/22/09	03359	TERRY GRILL

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364037	Clear	\$17.98	10/22/09	02729	THERAPY SHOPPE
364038	Clear	\$60.00	10/22/09	04958	TOM HOULE
364039		\$47.30	10/22/09	05393	TONYA KOSTUCH
364040	Clear	\$339.90	10/22/09	02776	TRANS-MISSISSIPPI BIOLOGICAL
364041	Clear	\$1,097.91	10/22/09	03345	TRIO SUPPLY CO
364042	Clear	\$31.57	10/22/09	02858	VERIZON WIRELESS
364043	Clear	\$83.94	10/22/09	02858	VERIZON WIRELESS
364044	Clear	\$2,295.00	10/22/09	02902	WASHINGTON COUNTY
364045	Clear	\$406.89	10/22/09	00723	XCEL ENERGY
364046	Clear	\$214.00	10/22/09	03017	XEROX CORPORATION
364047	Clear	\$1,604.24	10/22/09	03017	XEROX CORPORATION
364048	Clear	\$1,360.85	10/22/09	03088	STEVE HAMMERSCHMIDT
364049	Clear	\$3,572.00	10/27/09	06121	REGION 4A
364050	Clear	\$995.00	10/27/09	02252	REGION 4AA
364051		\$382.55	10/29/09	00009	AAA AWARDS
364052	Clear	\$333.49	10/29/09	00018	ABC SCHOOL SUPPLY INC
364053		\$134.00	10/29/09	07739	ABEDLAZIZ SAGRASSE
364054		\$1,054.38	10/29/09	00044	ADA BADMINTON & TENNIS
364055	Clear	\$675.00	10/29/09	06577	AFTER-SCHOOL GOLF ACADEMY INC
364056		\$124.00	10/29/09	04879	AHMED CHARAI
364057	Clear	\$57.00	10/29/09	00108	AMERICAN SCHOOL BOARD JOURNAL
364058		\$15.62	10/29/09	06929	ANGELA WENDELBOE
364059		\$60.51	10/29/09	00343	ANN BROOKE
364060	Clear	\$50.37	10/29/09	00659	BLICK ART MATERIALS
364061	Clear	\$1,501.44	10/29/09	03057	BRAD BERGIE
364062	Clear	\$311.66	10/29/09	00353	BROWN'S ICE CREAM
364063		\$537.52	10/29/09	04185	CAROLYNE ZIESKE
364064		\$34.28	10/29/09	07066	CASSANDRA HUBERTY
364065	Clear	\$1,290.94	10/29/09	02740	CENGAGE LEARNING
364066	Clear	\$613.95	10/29/09	03115	CHARLES LINDERKAMP
364067	Clear	\$16.50	10/29/09	01355	CHRIS KING
364068		\$140.00	10/29/09	07065	CHRISTIAN SMITH
364069		\$527.53	10/29/09	07353	CHRISTINA BOICE-MALLACH
364070	Clear	\$75.40	10/29/09	00487	CLASSROOM DIRECT / SCHOOL SPECIALTY
364071	Clear	\$118.62	10/29/09	07299	COBORNSDELIVERS LLC
364072		\$65.00	10/29/09	04973	COLLEGE BOARD AP EXAMINATIONS
364073	Clear	\$91.98	10/29/09	00538	CONSTRUCTIVE PLAYTHINGS
364074	Clear	\$310.48	10/29/09	00573	CRISIS PREVENTION INSTITUTE I
364075	Clear	\$467.50	10/29/09	07088	CUSTOM WATER WORKS
364076	Clear	\$35.72	10/29/09	00599	DALCO
364077	Clear	\$140.00	10/29/09	04792	DAN HARJES
364078		\$40.00	10/29/09	04562	DAVID DONOHOE
364079	Clear	\$352.21	10/29/09	00634	DEMCO
364080	Clear	\$900.00	10/29/09	00678	DOMINO'S PIZZA
364081		\$121.32	10/29/09	00679	DONATELLI'S
364082	Clear	\$202.28	10/29/09	00862	DONNA FORBES
364083	Clear	\$960.50	10/29/09	00714	EAGLE SCREEN PRINTING
364084		\$400.57	10/29/09	05987	EMILY OSBORNE
364085		\$625.00	10/29/09	07629	ERIC JOHNSON
364086	Clear	\$451.15	10/29/09	03087	ERIKA HAMMERSCHMIDT
364087	Clear	\$419.16	10/29/09	00803	EXPRESS PERSONNEL SERVICES INC
364088	Clear	\$235.67	10/29/09	00936	GBC-GENERAL BINDING CORP
364089	Clear	\$189.00	10/29/09	03051	GINA ZITZER
364090	Clear	\$195.25	10/29/09	01010	GL SPORTS INC

# CHECK REGISTER

Oct-09

Check Number	Check Status	Check Amount	Check Date	Vendor Number	Vendor Name
364091	Clear	\$123.77	10/29/09	06061	GOPHER SPORT
364092	Clear	\$523.87	10/29/09	00987	GRAINGER
364093	Clear	\$84.70	10/29/09	03355	GREEN LIGHTS RECYCLING, INC
364094	Clear	\$27.00	10/29/09	01130	HILLYARD
364095		\$70.90	10/29/09	01240	J W PEPPER & SONS, INC.
364096		\$189.00	10/29/09	04805	JAMES A.HIRSCH
364097		\$140.00	10/29/09	05145	JAMES GRIBBLE
364098	Clear	\$31.78	10/29/09	02898	JEANNA WARREN
364099	Clear	\$23.81	10/29/09	03335	JUDY BURSH TEN
364100	Clear	\$225.00	10/29/09	03364	JUDY DEANS
364101	Clear	\$156.02	10/29/09	03663	JULIE DONOVAN
364102	Clear	\$343.00	10/29/09	05158	JULIE POOLER
364103	Clear	\$774.81	10/29/09	01319	KAPLAN SCHOOL SUPPLY CORP
364104	Clear	\$214.12	10/29/09	04211	KARENA RYDLAND
364105	Clear	\$227.53	10/29/09	01950	KATHE NICKLEBY
364106	Clear	\$11.96	10/29/09	01945	KEITH NEWMAN
364107	Clear	\$8,511.36	10/29/09	03378	KELLY SERVICES, INC
364108	Clear	\$134.00	10/29/09	05971	KEVIN HORST
364109		\$18.15	10/29/09	01509	KIM LOOS
364110		\$840.70	10/29/09	07572	KORY ANDRY
364111	Clear	\$65.94	10/29/09	01419	LAKESHORE LEARNING MATERIALS
364112	Clear	\$655.20	10/29/09	01422	LAMPLINE LIGHTING INC
364113	Clear	\$1,249.20	10/29/09	06860	LARKIN DANCE STUDIO
364114	Clear	\$61.20	10/29/09	01512	LAURA LORENZ
364115	Clear	\$48.16	10/29/09	02880	LESLIE WAGNER- BEEK
364116	Clear	\$140.00	10/29/09	07728	LIFETIME FITNESS-WBL
364117	Clear	\$24.99	10/29/09	02633	LIZ STOCKMAN
364118	Clear	\$140.00	10/29/09	05010	LONNIE VAN KLEI
364119	Clear	\$3,072.25	10/29/09	01539	MACKIN LIBRARY MEDIA
364120	Clear	\$70.80	10/29/09	01557	MAHTOMEDI AUTO SERVICE
364121	Clear	\$185.00	10/29/09	01577	MAKEMUSIC
364122		\$162.00	10/29/09	07699	MANCINO MANUFACTURING CO INC
364123	Clear	\$332.86	10/29/09	07609	MARSHALL ELECTRIC CO
364124		\$75.00	10/29/09	06990	MASA REGION 9
364125	Clear	\$36.97	10/29/09	01683	MENARDS
364126	Clear	\$12.21	10/29/09	01684	MENARDS OAKDALE CASHWAY LUMBER
364127		\$125.00	10/29/09	07743	MIDWEST EDUCATIONAL CONSULTANTS
364128	Clear	\$67.00	10/29/09	05970	MIKE LITTLER
364129		\$168.00	10/29/09	07063	MIKE NAROW
364130		\$140.00	10/29/09	05992	MIKE PETREY
364131		\$196.00	10/29/09	06108	MIKE ROSE
364132		\$140.00	10/29/09	07737	MINNEHAHA ACADEMY
364133	Clear	\$910.00	10/29/09	03388	MINNESOTA CHILDREN'S MUSEUM
364134	Clear	\$353.82	10/29/09	01756	MINVALCO INC
364135	Clear	\$422.94	10/29/09	06395	NCS PEARSON INC
364136	Clear	\$109.00	10/29/09	04852	NEIGHBORHOOD HOUSE
364137		\$165.00	10/29/09	06200	NORTH SHORE GYM SALES
364138	Clear	\$90.00	10/29/09	02043	ON SITE SANITATION INC
364139	Clear	\$50.00	10/29/09	04488	ORANGE TREE EMPLOYMENT SCREENING
364140		\$70.40	10/29/09	01363	PAM KLINKHAMMER
364141	Clear	\$1,914.20	10/29/09	03375	PARTNERS BOOK DIST.CO
364142	Clear	\$610.00	10/29/09	00580	PATRICK CROTHERS
364143	Clear	\$216.07	10/29/09	07477	PEARSON EDUCATION
364144	Clear	\$40.70	10/29/09	02190	PRO-ED

## CHECK REGISTER

**Oct-09**

Check Number	Check Status	Check Amount	Check Date	Vendor Number	Vendor Name
364145	Clear	\$192.00	10/29/09	06796	QSP INC
364146	Clear	\$42.00	10/29/09	07738	REBECCA MURPHY
364147	Clear	\$561.00	10/29/09	02301	RIVERSIDE PUBLISHING CO/HN REC.CO LLC
364148	Clear	\$303.13	10/29/09	02417	SCHOOL HEALTH
364149	Clear	\$188.17	10/29/09	02417	SCHOOL HEALTH CORPORATION
364150	Clear	\$2,799.30	10/29/09	07211	SCHOOL PROJECT-MARGIE ROISUM
364151	Clear	\$13.19	10/29/09	02420	SCHOOL SPECIALTY INC
364152	Clear	\$1,621.00	10/29/09	07726	SCREENFLEX PORTABLE PARTITIONS INC
364153	Clear	\$224.88	10/29/09	02474	SHIFFLER EQUIPMENT SALESINC
364154		\$30.00	10/29/09	07735	SONJA THORSON
364155	Clear	\$1,044.00	10/29/09	02581	ST CROIX BOAT & PACKET CO
364156	Clear	\$142.53	10/29/09	00553	STAPLES/CORPORATE EXPRESS
364157	Clear	\$8.05	10/29/09	02603	STAR TRIBUNE
364158	Clear	\$457.73	10/29/09	02610	STATE SUPPLY CO INC
364159	Clear	\$96.90	10/29/09	03336	STRATEGIC EQUIPMENT
364160	Clear	\$13.52	10/29/09	04000	SUE KUCHAR
364161		\$1,011.00	10/29/09	04234	SUPPORT SOURCE
364162	Clear	\$35.00	10/29/09	02754	T-MOBILE
364163	Clear	\$199.00	10/29/09	04198	TAMS-WITMARK MUSIC LIBRARY INC
364164	Clear	\$256.03	10/29/09	02698	TEACHER'S DISCOVERY
364165	Clear	\$544.00	10/29/09	04551	THE GOODPRINTER
364166	Clear	\$426.40	10/29/09	02747	TIERNEY BROTHERS INC
364167		\$3,519.00	10/29/09	02748	TIES
364168	Clear	\$67.00	10/29/09	04832	TONY LORINSER
364169	Clear	\$4,000.00	10/29/09	06839	TYLER TECHNOLOGIES LB678715
364170	Clear	\$10.00	10/29/09	07740	VICTORIA CAMPBELL
364171	Clear	\$361.96	10/29/09	02889	WALMART COMMUNITY
364172	Clear	\$7,097.66	10/29/09	02916	WELSH COMPANIES LLC
364173	Clear	\$15.63	10/29/09	00723	XCEL ENERGY
364174	Clear	\$214.45	10/29/09	03017	XEROX CORPORATION
	<b>CK AMT</b>	<b>\$1,136,250.65</b>			

MAHTOMEDI CONSTRUCTION PAYMENTS - SEPTEMBER 30, 2009 - OCTOBER 31, 2009

<u>Check Number</u>	<u>Date</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>	<u>Code</u>
363175	10/8/09	Hallberg Engineering Inc	Invoice #002972 Professiona Services 8/1/09 to 8/31/09 OHA ES Office HVAC Upgrades	\$1,000.00	06-665-870-000-305-000
363817	10/15/09	Advanced Roofing Solutions, LLC	Project #2009-21911 Install New Curbing for RTU	\$1,180.00	06-665-870-000-305-000
363895	10/15/09	Max Steininger, Inc.	Mahtomedi School/Community Field Expansion AJA Project No.02119 Application No. Final	\$30,509.04	06-005-870-000-511-101
363925	10/15/09	Springsted, Inc.	Invoice #2 Professional Services 10/1/09 to 10/31/09 Re: 2010 Bond Referendum	\$14,690.00	06-005-870-000-305-000
<b>TOTAL</b>				<b>\$47,379.04</b>	

MAHTOMEDI CONSTRUCTION PAYMENTS - OCTOBER 31, 2009 - NOVEMBER 30, 2009

<u>Check Number</u>	<u>Date</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>	<u>Code</u>
364254	11/5/09	Schwab Vollhaber Lubratt Inc.	Invoice #142103 AAON Rooftop Unit and Roof Curb on O.H. Anderson Elementary	\$9,805.00	06-665-870-000-522-000
		<b>TOTAL</b>		<b>\$9,805.00</b>	

**INDEPENDENT SCHOOL DISTRICT #832  
WIRE TRANSFER TRANSACTIONS  
MONTH OF OCTOBER 2009**

<u>DATE</u>	<u>FROM</u>	<u>TO</u>	<u>AMOUNT</u>	<u>PURPOSE</u>
10/1/09	State of Minnesota	MN Trust	\$55,415.87	direct state payment
10/2/09	MN Trust	MSDLAF	\$200,000.00	cover checks
10/9/09	MN Trust	MSDLAF	\$100,000.00	cover checks
10/13/09	MN Trust	MSDLAF	\$1,200,000.00	cover checks
10/14/09	US Bank	Peoples Bank of Commerce-EBC Flex	\$8,602.14	flex benefits
10/14/09	MSDLAF	US Bank	\$507,225.65	cover checks
10/14/09	US Bank	IRS	\$178,727.26	federal & fica taxes
10/14/09	US Bank	MN Dept of Revenue	\$28,052.48	state payroll taxes
10/14/09	US Bank	Wis. Dept. of Revenue	\$3,029.11	state payroll taxes
10/14/09	US Bank	Public Emp. Retirement Assoc.	\$20,116.10	pera retirement
10/14/09	US Bank	Mn Teachers Retirement	\$69,290.94	teachers retirement
10/14/09	US Bank	SOMI Funding	\$55,843.76	TSA payment
10/14/09	US Bank	State Street Bank	\$442.21	Deferred Comp
10/15/09	State of Minnesota	MN Trust	\$494,965.15	direct state payment
10/15/09	State of Minnesota	MN Trust	\$10,813.08	direct state payment
10/26/09	MN Trust	MSDLAF	\$1,000,000.00	cover checks
10/26/09	Washington County	MN Trust	\$1,774,216.00	direct payment
10/27/09	State of Minnesota	MN Trust	\$167,633.39	direct state payment
10/29/09	MN Trust	MSDLAF	\$500,000.00	cover checks
10/30/09	US Bank	Peoples Bank of Commerce-EBC Flex	\$8,602.14	flex benefits
10/30/09	State of Minnesota	MN Trust	\$605,674.77	direct state payment
10/30/09	State of Minnesota	MN Trust	\$16,807.21	direct state payment
10/30/09	State of Minnesota	MN Trust	\$524.40	direct state payment
10/30/09	MSDLAF	US Bank	\$511,310.25	cover checks
10/30/09	US Bank	IRS	\$185,458.65	federal & fica taxes
10/30/09	US Bank	MN Dept of Revenue	\$28,999.19	state payroll taxes
10/30/09	US Bank	Wis. Dept. of Revenue	\$3,276.39	state payroll taxes
10/30/09	US Bank	Public Emp. Retirement Assoc.	\$20,223.53	pera retirement
10/30/09	US Bank	Mn Teachers Retirement	\$70,565.72	TRA payment
10/30/09	US Bank	SOMI Funding	\$56,051.85	TSA payment
10/30/09	US Bank	State Street Bank	\$442.21	Deferred Comp

## **JOINT POWERS AGREEMENT**

**THIS AGREEMENT**, is made and entered into by and between Independent School District No. 11, Anoka-Hennepin School District; Independent School District No. 12, Centennial Public Schools; Independent School District No. 13, Columbia Heights Public Schools; Independent School District No. 831, Forest Lake Area Schools; Independent School District No. 14, Fridley Public Schools; Independent School District No. 832, Mahtomedi Public Schools; Independent School District No. 621, Mounds View Public Schools; Independent School District No. 622, North St. Paul-Maplewood-Oakdale School District; Independent School District No. 623, Roseville Area Schools; Independent School District No. 282, St. Anthony-New Brighton School District; Independent School District No. 15, St. Francis Public Schools; Independent School District No. 16, Spring Lake Park Schools; Independent School District No. 834, Stillwater Public Schools and Independent School District No. 624, White Bear Lake Area Schools.

**WHEREAS**, the school districts named above have a mutual desire to continue to provide gifted and talented enrichment opportunities through the North Suburban Summer Academy Program (“Summer Academy”); and

**WHEREAS**, the parties to this Agreement desire to make available to each participating school district the administrative and financial benefits of cooperative educational enrichment summer programming for students served by their respective school districts; and

**WHEREAS**, the parties to this Agreement desire to enter into a Joint Powers Agreement to facilitate the provision of educational enrichment summer programming through Summer Academy, as described below, pursuant to Minn. Stat. § 471.59, as amended, which authorizes political subdivisions to enter into an agreement to exercise jointly the governmental powers and functions each has individually;

**THEREFORE**, it is hereby agreed, by and between the parties hereto as follows:

**I. PURPOSE**

- A. The North Suburban Summer Academy for high potential students is established as a cooperative, summer educational program for high potential students from participating school districts.
- B. The general purpose shall be accomplished by the Summer Academy Board, which shall administer the Academy program on behalf of the participating districts. The management and control of the North Suburban Summer Academy for High Potential Students shall be vested in the Summer Academy Board of Directors.

**II. ORGANIZATION OF THE SUMMER ACADEMY BOARD**

- A. Summer Academy shall be governed by a Board of Directors composed of the Superintendent or designee of each participating school district. In addition, the host district, the school district serving as fiscal agent, and a participating school district employing Summer Academy's Executive Director, if any, shall each have an additional voting administrative representative on the Summer Academy Board of Directors. The Academy's Executive Director shall be an ex-officio member of the Board of Directors.
- B. The Officers of the Summer Academy Board shall be a Chair, Vice-Chair, and recording Secretary who shall be representatives of the participating districts.
- C. The Summer Academy Board officers shall be determined by the members of the Summer Academy Board at its first fall meeting of each school year. A term of an officer is for one year and such term shall expire at the meeting at which the new officers are determined. Officers may serve consecutive terms.

- D. The Summer Academy Board shall meet at least quarterly and at such other times as is deemed necessary. Meetings of the Board shall be called by the Chair or by any two Board Members. At least a five-day notice shall be given for any such meeting. Representatives from the majority of the Districts shall constitute a quorum for the transaction of business. A simple majority vote of those Board Members present is required for all matters, with the exception of budget adoption and approval of the Executive Director's contract, which shall require a vote by 2/3 of the Board Members.
- E. Representation on the Summer Academy Board is essential to the operation of the Academy. Participating districts are strongly encouraged to make sure they are represented at each meeting.
- F. The Board of Directors shall retain an Executive Director as an independent contractor who shall attend to the daily operations of Summer Academy.
- G. Summer Academy shall have an Executive Committee composed of the following: the Officers of the Summer Academy Board of Directors, the Summer Academy Executive Director, an administrative representative from the school district serving as the fiscal agent of Summer Academy and one at-large administrative representative from a participating school district, designated by the Board of Directors of Summer Academy.
- H. The Executive Committee shall govern the business of the Academy in the absence of the Academy Board. The Board of Directors shall review all action by the Executive Committee and shall be vested with the authority to repeal and/or overrule Executive Committee action.
- I. Superintendents shall receive a copy of the current Summer Academy brochure and an annual written summary of the recently concluded Summer Academy. Included with the summary will be an acknowledgement of each district's intent to participate in Summer Academy for the next year.

### **III. POWERS AND RESPONSIBILITIES OF THE SUMMER ACADEMY BOARD**

- A. The Summer Academy Board is empowered to act in the interest of the participating districts.
- B. The Summer Academy Board may:
  - 1. Take and hold by purchase, lease, grant or assignment, property for its use within the scope of this Agreement, to provide and to dispose of the same when the need for it is ended.

2. Apply for and receive federal, state, local, private or other funds for which it is eligible.
3. Enter into contracts and disburse funds, as it deems appropriate, for the purpose of the Academy programs and in accord with the adopted budget.
4. Retain professional, support staff, and consultants as and when the need arises, but only to the extent that funds have been made available to it for that purpose.
5. Organize and establish educational programs and services.
6. Approve by majority vote the participation of and addition to the Summer Academy Board of Directors additional school districts after the execution of this Agreement.

C. The Summer Academy Board shall:

1. Approve job descriptions, qualifications and compensation for consultants and independent contractors retained by the Board.
2. Contract with the Executive Director who shall be responsible to the Summer Academy Board for the administration of Academy programs.
3. Obtain criminal background checks on all consultants and independent contractors retained by the Board.
4. Establish and adopt policy and guidelines for the operation of the Summer Academy program.
5. Review and approve the Summer Academy annual budget submitted by the Executive Director on or before April 1 each year.
6. Review and approve the Summer Academy financial statements following the conclusion of each Summer Academy program year on or before September 1 each year.

D. The Summer Academy Board shall do what is reasonably necessary to achieve the purpose of this agreement to the extent that such action is within the intent and purpose of this agreement and complies with all state and federal statutory provisions which are applicable to the participating districts.

- E. With the exception of those costs that can be addressed through in-kind contributions, student fees shall cover all actual costs.

**IV. OBLIGATIONS AND RESPONSIBILITIES OF PARTICIPATING DISTRICTS**

- A. Appoint one representative (Superintendent or designee) and provide release time as necessary to serve as a delegate on the Academy Board.
- B. Conduct recruitment of qualified students.
- C. Assist with consultant recruitment. This includes but is not limited to:
  - 1. Summer Academy Board members participating on interview teams to approve course offerings and consultant selections.
  - 2. Posting of consultant or independent contractor staffing needs within member districts.
- D. Shared use of equipment for summer programs.

**V. POWERS AND RESPONSIBILITIES OF THE HOST DISTRICT**

- A. For the 2009 Summer Academy, the Host District shall be Independent School District No. 13, Columbia Heights Schools. Each Academy thereafter, the Academy Board shall designate the Host District.
- B. The Host District shall provide facilities and services for the Summer Academy Program. Two and one-half percent (2 ½ %) of the Summer Academy's net tuition shall be paid to the Host District each year.

**VI. PROGRAMS AND SERVICES**

- A. Summer opportunities for high potential students shall be shared by participating districts. These will be coordinated with district programs to enhance opportunities without conflicting with district programs through duplication of efforts.
- B. Joint research, evaluation and planning related to programs for high potential students shall be carried out when agreed to by the Summer Academy Board.

- C. Summer program attendance for students from non-participating districts shall be permitted on a space available basis, after a specified date, and may be at an alternative fee as determined by the Summer Academy Board.

**VII. FINANCING THE NORTH SUBURBAN SUMMER ACADEMY FOR HIGH POTENTIAL STUDENTS**

The Summer Academy Board shall be empowered to finance the education programs implemented pursuant to the Agreement as follows:

- A. By payments in the form of student fees to attend the Summer Academy, the amount to be determined by the Summer Academy Board.
- B. By maintaining records, disbursing funds and accepting receipts in accordance with the budget as recommended by the Summer Academy Board.
- C. By recommending that the reserve fund balance be set at 5% of the most recent year's net tuition, to be reviewed annually.
- D. The fiscal year for the North Suburban Summer Academy shall be from July 1 through June 30, except for the initial fiscal year under this Agreement, which shall run from January 1, 2009 through June 30, 2009.

**VIII. POWERS AND RESPONSIBILITIES OF THE FISCAL AGENT**

- A. The Summer Academy Board shall contract with a fiscal agent. For the 2009 Summer Academy, the fiscal agent shall be Independent School District No. 13, Columbia Heights Schools.
- B. The fiscal agent shall pay bills, issue payroll checks, and receive monies for the Summer Academy, as well as provide financial statements of revenues and expenditures.
- C. The fiscal agent shall receive 2.5% of the net tuition each year as payment for services rendered.
- D. The Summer Academy Executive Director and /or Summer Academy Board shall approve disbursement of funds.
- E. The fiscal agent shall provide any interest money derived from Summer Academy to the Summer Academy Board.
- F. The duties and obligations of the fiscal agent are further set forth on Exhibit A, attached hereto and made a part hereof.

**IX. TERM OF AGREEMENT AND DISPOSITION OF PROPERTY UPON EXPIRATION OF THE JOINT POWERS AGREEMENT**

This Joint Powers Agreement shall be effective from January 1, 2009 through the completion of all duties and obligations relating to the 2009 Summer Academy, after which the Joint Powers Agreement may be renewed for three-year successive terms from July 1 through June 30 by a majority vote of the Board of Directors of Summer Academy. Upon expiration of the Agreement, any property acquired on behalf of Summer Academy as a result of the Joint Powers Agreement shall be sold and the proceeds divided equally amongst the participating school districts.

**X. AGREEMENT ADMINISTRATION AND IMPLEMENTATION**

The ISD No. 13 administrator and the Academy Executive Director directly involved in providing the facility or services at this time shall be the Superintendent of ISD No. 13, Kathy Kelly, and Mary Carlson Pap, ISD No. 623, respectively.

**XI. NOTICES**

Any notices to or communication regarding Summer Academy for purposes of this Agreement shall be sent to:

Mary Carlson Pap  
Roseville Area Schools  
EDC @ Fairview  
1910 County Road B West  
Roseville, MN 55113

Kathy Kelly, Superintendent  
Columbia Heights Public Schools  
1440 49<sup>th</sup> Avenue NE  
Columbia Heights, MN  
55421

**IN WITNESS WHEREOF**, ISD No.11, ISD No. 12, ISD No.13, ISD No. 831, ISD No. 14, ISD No. 832, ISD No. 621, ISD No. 624, ISD No. 623, ISD No. 282, ISD No. 15, ISD No. 16, ISD No. 834 and ISD No. 624 have executed this Agreement by the signatures below and have approved this Agreement by their respective school boards, on the dates written below.

\_\_\_\_\_  
Independent School District No. 11

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

\_\_\_\_\_  
Independent School District No. 12

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

\_\_\_\_\_  
Independent School District No. 13

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

\_\_\_\_\_  
Independent School District No. 831

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

\_\_\_\_\_  
Independent School District No. 14

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

\_\_\_\_\_  
Independent School District No. 832

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

\_\_\_\_\_  
Independent School District No. 621

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

\_\_\_\_\_  
Independent School District No. 622

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

\_\_\_\_\_  
Independent School District No. 623

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

\_\_\_\_\_  
Independent School District No. 282

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

\_\_\_\_\_  
Independent School District No. 15

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

\_\_\_\_\_  
Independent School District No. 16

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

\_\_\_\_\_  
Independent School District No. 834

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

\_\_\_\_\_  
Independent School District No. 624

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

## **EXHIBIT A**

### **FISCAL AGENCY AGREEMENT BETWEEN ISD NO. 13 AND NORTH SUBURBAN SUMMER ACADEMY FOR HIGH POTENTIAL STUDENTS**

THIS AGREEMENT, is made and entered into by and between the North Suburban Summer Academy for High Potential Students, hereinafter known as the “Academy”, and Independent School District No. 13, Columbia Heights Minnesota, hereinafter known as the “District”.

WHEREAS, the Academy provides summer educational programs for high potential students in accordance with the Joint Powers Agreement by and between the fourteen participating school districts, for the term January 1, 2009 through June 30, 2009; and

WHEREAS, the Academy obtains its funding through tuition, grants and other resources available to it; and

WHEREAS, the District’s sole obligation shall be to act as fiscal agent as set forth in this agreement; and

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein and other good and valuable consideration, it is agreed as follows:

1. The District shall serve as the fiscal agent to the Academy. Services shall include the reporting of the financial condition of the Academy in accordance with UFARS and standard financial practices. All funds and accounts of the Academy shall be maintained separate and apart from district funds and accounts.
2. The District shall include the Academy as part of its annual fiscal report, and that report shall be subject to regular District and State audits as required by law.
3. As payment for services provided by the District as fiscal agent, including but not limited to, custodial services provided during regular custodial shift hours, the Academy shall pay the District 2.5% of net tuition revenues received by the Academy for the operation of its programs. Such payments shall be made to the District on an annual basis and shall be received on or before the end of each contract year.

4. The Academy shall have access to District copy and duplication equipment for office and administrative purposes only. Said use shall be subject to mutual agreement by the Academy and the District, and shall be in accordance with duplication procedures in place within the District. The Academy shall provide at its expense all supplies needed for its use of district duplication equipment.
5. The Academy is organized as an independent, self-sustaining educational program through its Joint Powers Agreement, and is not a part of the legal structure of the District. The Academy is governed by its own Board of Directors, which is comprised of participating school districts. The Academy Board of Directors shall enter into whatever contracts it deems necessary to facilitate its purposes and programs.
6. To the extent that any profit or loss is sustained by the Academy, such profit or loss is attributed only to the Academy and its Board of Directors, and not to the District. The Academy Board of Directors shall designate the individual who shall have authority to approve and submit expenditures to the District for payment and shall provide to the District minutes of the Academy Board of Directors meeting(s) at which the Board designated such individual who shall have authority to approve and submit expenditures to the District. The Academy Board of Directors or its designee shall also provide the District with copies of all contracts or agreements, which are submitted to the District for payment, and all such contracts must be signed by the Chairperson or designee of the Summer Academy Board of Directors. As the fiscal agent for the Academy, the District shall not have authority to approve or disapprove expenditures, but shall only function as the conduit of monies received and expenditures made by the Academy, which have been approved by the Summer Academy Board of Directors in accordance with the Joint Powers Agreement.
7. The Academy may use the District's taxpayer identification number to purchase supplies and services necessary for the operation of the Academy.
8. The District shall issue a P-card for the Academy's use, permitting funds to be withdrawn directly from or deposited directly to the Academy's accounts payable and accounts receivable.
9. The District shall bill the Academy for all fiscal agency services provided by the District for the benefit of the Academy including, but not limited to, the District's systems operations employee if contracted as a consultant to the Academy and any overtime for custodial services performed after regular custodial shift hours.

10. The Academy shall acquire and keep in full force and effect liability insurance coverage as is necessary to adequately insure against any and all potential losses resulting directly or indirectly from the operation of the Academy, and shall provide proof of such insurance to the District on an annual basis. The District shall be named as an additional insured on such insurance policy.
11. The Academy shall assume full liability for its activities and programs and shall indemnify and hold harmless the District, its officers, agents, and employees from any suits, claims, or liability arising under this Agreement or arising from the operation of the Academy.
12. The Academy shall determine what programs are offered each year, and shall determine all staffing needs each year, without the consultation or approval of the District.
13. All payments made in the operation of the Academy, shall be made from funds generated by the Academy and it is understood that under no circumstances is the District undertaking or obligated to provide its funds for the operation of the Academy.
14. No employee, independent contractor or agent of the Academy shall be considered an employee of the District for any purpose, including, but not limited to, salaries, wages or other compensation or fringe benefits; worker's compensation; unemployment compensation; teachers' or public employees' retirement; social security; liability; insurance; keeping of personnel records; termination or discharge of employment; individual contracts; and continuing contract rights.
15. The District shall have no authority under any circumstances to hire or retain, discipline, supervise, evaluate, provide work direction, set hours of work or operation of the Academy, or discharge any employee, independent contractor, or agent of the Academy.
16. This agreement may be amended only in writing executed by both parties.
17. This agreement shall be governed by the laws of the State of Minnesota.
18. This agreement shall be in full force and effect for the period from January 1, 2009 through June 30, 2009, and may be extended by mutual agreement for successive three-year terms. Either party wishing to terminate this agreement must give a 90-day notice prior to the expiration date.

IN WITNESS WHEREOF, the parties have hereunto set their hands and each warrants that s/he is empowered and authorized to execute this agreement.

**North Suburban Summer Academy**

By \_\_\_\_\_

Its \_\_\_\_\_

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

**Independent School District No. 13**

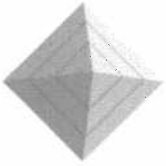
By \_\_\_\_\_

Its \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

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



# 916 EDUCATION FOUNDATION

Supporting Partnerships in Educational Specialties

2540 County Road F East  
White Bear Lake, MN 55110  
Phone 651 415 5656  
Fax 651 415 5510  
www.nemetro.k12.mn.us

November 3, 2009

RECEIVED NOV 04 2009

Mr. Mark Wolak, Superintendent  
Mahtomedi Public Schools  
1520 Mahtomedi Avenue  
Mahtomedi, MN 55125-1900

Dear Superintendent Wolak:

I am writing on behalf of the Board of Directors of the 916 Education Foundation to invite your district to renew its organizational membership in the Foundation. As a membership organization, our main focus is to benefit our members. Over the past 12 years, the Foundation has provided \$20,000 to your graduating seniors in post-secondary scholarships and an additional \$19,719 directly to your schools in the form of block grants to your special education and career and technical programs.

During the 2008-09 school year alone, students and programs from your school district have received \$3,540 from the 916 Education Foundation as summarized below:

- 3 - \$500 high school student scholarships to any post-secondary institution
- 1 - \$1,000 Arthur N. Nelson high school student scholarship
- 2 - Student of the Month Program recipients at \$20 each
- 1 - Career & Technical Education Program Grant in the amount of \$500
- 1 - Special Education Program Grant in the amount of \$500

Although the financial benefits of maintaining membership are evident, I do want to remind you that maintaining an organizational membership is required in order to continue to receive scholarships and grants from the 916 Education Foundation. The fact that we have always maintained 100% of our school districts as organizational members speaks volumes about the significant return on a modest membership cost. As our endowment continues to grow, we look forward to providing even more support in the future. We look forward to your continued membership in the 916 Education Foundation.

Sincerely,

Lisa Beecroft  
Executive Director

c: John Belisle