

**INTERMEDIATE SCHOOL DISTRICT 917
IN DAKOTA COUNTY**

REGULAR SCHOOL BOARD MEETING

Tuesday, December 4, 2018

AGENDA:

- I. **Call to Order - Chair Lewis**
- II. **Conduct Pledge of Allegiance - Chair Lewis**
- III. **Visitors opportunity to be heard - Chair Lewis**
- IV. **Additions to the agenda - Chair Lewis**
- V. **Good News Report - Directors** 2
- VI. **Consent Items - Chair Lewis**
 - A. Minutes, November 6, 2018, Regular School Board Meeting 22
 - B. Personnel Considerations 24
- VII. **Donations** 26
- VIII. **Business Manager's Report - Nicolle Roush**
 - A. Review and Approve Payment of Bills 27
 - B. Review and Approve Wire Transfers 33
 - C. Review and Approve Investment Report 41
- IX. **Reports**
 - A. Intermediate School District 917 Employee and Teacher of the Fall Quarter - Terri Gulbransen
 - B. Auditor's Report - Jim Eichten 42
- X. **Policies** 178
 - A. Review Revised Policy 6.4 (replacing with MSBA 515 Protection and Privacy of Student Records), first reading - Mark Zuzek 180
 - B. Review Revised Policy 497 - Student Resource Officer, first reading - Mark Zuzek 212
 - C. Review Revised Policy 506 - Student Discipline, final reading - Mark Zuzek 214
 - D. Review New Policy 103 - Complalints-Students, Employees, Parents, Other Persons, first reading - Mark Zuzek 233
- XI. **Adjournment**

SCHOOL BOARD CALENDAR INFORMATION SCHOOL BOARD CALENDAR INFORMATION

December _____ - 12:30, TESA Holiday Tea, DCTC Dakota Room

December 24-25, 2018 - Closed for Holiday Break

January 1, 2019 - Closed for New Year's Day

January 8, 2019 - 5:00 PM, School Board Meeting, 917 Board Room

January 22, 2019 - 4:30 PM, School Board Work Session

Good News
Special Education
December 4, 2018

- Kristin Baker's class at Concord Education Center put on a play for staff! Pearl Devenow, teacher of the deaf/hard of hearing, facilitated the play. She read the book, *The Old Lady Who Wasn't Afraid of Anything*. Each student in the classroom played a character and was supported visually to participate. The students enjoyed Pearl's reading of the book. The staff in attendance had wonderful time!



- Both Early Childhood Special Education TEA sites through ISD 917 (Riverview Elementary in Farmington and Pine Bend Elementary in Inver Grove Heights) are hosting monthly parent sessions. This is a time when parents of the students who are being served in the program come in for the session and participate in activities with their children. This is a wonderful way for a wrap-around approach to better serve the students.
- TESA is excited to announce a partnership with VSA Minnesota (a state organization on arts and disabilities) through an artists-in-residence grant program. VSA believes that all Minnesota students should have access to a high-quality arts learning experience! The goal of the artists-in-residence program is to enhance creative expression and personal development through arts experiences for students with disabilities and their peers who would otherwise have limited access. VSA is in the process of hiring a performing artist to provide instruction to students here at the TESA program this school year!
- TESA's School Psychologist, Shanna Knutson, and TESA's School Social Worker, Becky Zuehlke have partnered to provide a weekly friendship group for TESA students. Each group will run for 8 weeks during the student's lunch period. The first group of the year is working on developing the following skills: how to approach peers, starting a conversation, maintaining a conversation, maintaining friendships, and navigating social media. Shanna and Becky plan to provide friendship group for the remainder of the school year targeting different skills based on student needs. The student feedback has been positive thus far!
- On Friday, November 16 students in TESA participated in a Veterans Day related event at DCTC. This year TESA students welcomed Chad Pemble back and speak to them in recognition of Veterans Day. Chad, a member of the Air Force Reserves, provided his insights and information about the time he has spent in the Armed Services. The presentation led to many questions and was well received by staff and students in TESA.

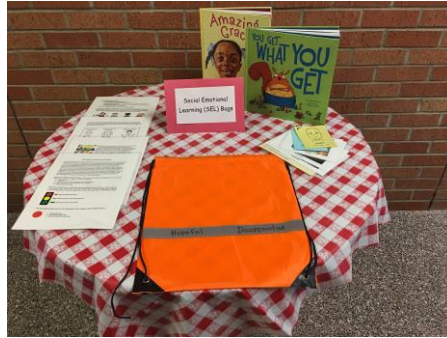
- The TESA Student Council will be hosting the “7th Annual TESA Holiday Showcase” December 14 in the Dakota Room from 12:30-2:00. As the name infers, the TESA Holiday Showcase will give students the opportunity to display a variety of classroom projects, accomplishments, and community service projects, as well as group and individual talents. Families, alumni, district faculty, and board members are all welcome to attend this event.
- The residents of Zumbrota-Mazeppa (ZM) have elected Amanda Peters, Intermediate School District 917 lead teacher to the ZM school board. Her term will begin January 2019 and run for four years. Congratulations Amanda!
- The students at Options program participated in mock voting for the 2018 midterm elections in class! Students went through the process of registering to vote, researching which candidates they wanted to vote for, and actually casting their ballot during class. Students became informed about how important midterm elections are to our country.
- On Monday, November 11, the students at Options program wrote letters to veterans and service members to thank them for their service. Letters were sent to amillionthanks.org.



- Students from Cedar have participated in several volunteer experiences this past month. Nate Steller’s freshmen and sophomores went on their second volunteer outing to Feed My Starving Children. Their efforts combined with the rest of the volunteers resulted in 53,376 meals being packed. That is enough to feed 146 children for a year. Students in Brenda Szoka’s class took their first trip to Books for Africa in St. Paul. Students worked in the warehouse sorting through donated books. Students were instructed on which materials cannot be sent. They placed books that can and can’t be sent into different containers. The books that can’t be sent are recycled. They also volunteered at The Open Door Mobile Pantry site in Apple Valley. Students worked on sorting through donations, stocking shelves, and packaging animal food.



- Three elementary students in Hastings are celebrating Captions month with their itinerant teacher of deaf/hard of hearing, Gubby Kubik. For Captions month, the students are learning about the purpose of closed captions, how to use them, and what happens behind the scenes to make them. The students created a video of their own with questions about captions by using the Clips app. After editing their own captions, they sent their video to Dan Linden, a Production Scheduler at [captionmax](#), one of North America's largest closed captioning and media accessibility companies with headquarters in Minneapolis. Closed captions and subtitles make media accessible to many people who are deaf or hard of hearing and increase literacy in children.
- Minnesota teachers partnered with the University of Massachusetts - Boston to offer a distance education program for Orientation and Mobility (O & M) specialists who teach travel skills to students with visual impairments. Minnesota, along with many other states, has a shortage of O & M specialists. Lori Klein, ISD 917 Certified Orientation and Mobility Specialist, and Julie Kochevar, Anoka School District, were the instructors for the PRAXIS class held from May - August 2018, for a total of 22 - six-hour class sessions. Four licensed teachers in the area of blind/visually impaired from different parts of Minnesota participated in the class which took place indoors and outdoors, in all weather conditions. The students are continuing on with hopes to complete the program in August 2019.
- Licensed staff (Karen Doenges and Linda Lacher Goddard, speech-language pathologists; Valerie Enfiejian, school psychologist; Cindy Jacobs, occupational therapist) serving students in our preschool and elementary D/HH programs have created a unique Social Emotional Learning (SEL) program for parents and families of deaf/deafblind/hard of hearing learners to help their children understand emotions and support self-regulation and social problem-solving. Each week, families receive a "SEL Bag" that targets an emotion(s) and includes: emotion cards and pictures, sensory regulation activities, children's books, and links to parent resources, including a video that shows families how to sign and cue emotions. Before/after parent surveys are also being collected to measure impact. Because of the unique communication challenges children who are deaf/deafblind/hard of hearing face, the team hopes that the bags will provide a comfortable means for parents to talk about feelings, self-control, solving problems, and most importantly, to learn about each other.



- Brian Moga's high school class from Lebanon Education Center took a field trip to the Minnesota State Capitol as part their civics class. They learned about the history of the building during a guided tour. The students were particularly interested in seeing the chambers for the Senate and House as they are currently studying the legislative branch. At the end of the tour, they had the opportunity to meet Senator Greg Clausen from Apple Valley and ask him questions about his job. Afterwards they took a group photo with him on the steps of the Capital.



- Megan Rittenger, a high school student at Lebanon Education Center, had the opportunity to visit a dog training and daycare facility in Minneapolis. It's called The Dog Wellness Center, and they use the roles dogs have within the pack to incorporate each dog's training. Some roles that were observed were the leader, counselors, alerters, and the dogs that tend to bring the party. Megan enjoyed seeing a number of dogs that attend the dog daycare and saw how each of these roles are present with the dogs when they are in the group. Every dog had a role and all interact without aggression or conflict. It was pretty awesome to experience!



- The Dodge Nature Center visited the Lebanon Education Center on November 8th. Thirty-five students participated in the reptiles and amphibians program. They learned about amazing lives of snakes, turtles and salamanders. The students were able to touch and hold them.





- The Student of the Week winners at Lebanon Education Center for the month of November are Emma Waxlax (ISD 192) (pictured), Jonathan Rojo (ISD 191), Aliyah Hegg (ISD 199), and Connor Pahlman (ISD 192) (pictured).



- Alliance Education Center hosted a “Thankful for You” lunch on Tuesday November 20, 2018. We had 50 families show up for this event, making it the most successful parent engagement event at AEC. Food for families was provided by Cub through a donation by the Rosemount Legion of \$500.00. Our high school math classes used mathematical equations to create origami table decorations. After the meal parents/guardians/families were invited back to their students’ classrooms to participate in an activities. Classrooms had bingo, crafts, student work showcases, and cooking. We are excited to host this event again next year.



- The CASE program celebrated its second annual CASE-giving celebration. Students helped prepare and cook all of the food. Staff and students shared a meal together and celebrated the things they are thankful for this year.



- At Alliance Education Center our transition age students have been exploring job expectations and careers. The rest of the year they will be putting these skills to use through volunteer experiences. We are excited to see the impact they can make.

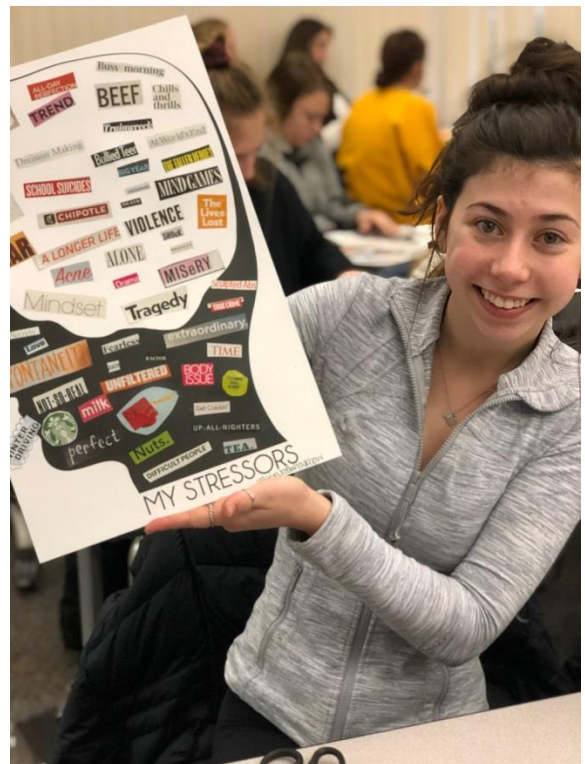
Medical Careers – Fun Updates

On November 12, 2018, we completed our Cultural Diversity section and celebrated with a variety of food items from the student's culture and family traditions. Each student brought in a food item made by them and explained the name of the dish, what are the ingredients, and the importance of this in their own families. Needless to say, it was amazing fun, delicious, and informational. Recipes were shared also. Becky and I also participated in this with our own food dishes.



On December 3rd, the two Medical Careers and one Med-Science class will begin BLS Healthcare Provider CPR training. We expect this to last about 2 weeks. Each student has to perform complete CPR with AED on adult and baby. We also address conscious choking (Heimlich) and address unconscious choking for adult/child/infant. We are excited because we have 8 new manikins, with built in assistive devices which give instant feedback on compression rate and depth. We are thankful for Perkins funding on this mandatory purchase. All classes taught have to use these beginning January 2019.

Medical Careers also completed an assignment on “STRESSORS”, which is quite timely because of the holidays, traveling, final exams, and learning that we are all different with different feelings. We also talk about the positive and the negative stressors, along with learning different coping mechanisms. I got this idea from a Park Nicollet newsletter years ago, and have designed it use in the classroom. We have an outline of a head, and students go through magazines and find words, sayings, and pictures they can use to share what their individual stress items are. The students love doing it, because it is clearer when they can look at it and see it, also promotes learning how to deal with these before they come up. No student’s posters are identical.



- According to data collected by the “American Psychological Association” for the Stress in America Survey, teen stress rivals that of adults. Results of the survey show that not only do teens identify that their stress levels are not healthy, but they also underestimate the impact stress has on their mental and physical health.
- For teens, the most commonly reported sources of stress are school (83 percent), getting into a good college or deciding what to do after high school (69 percent), and financial concerns for their family (65 percent).

Good News Report
Secondary Programs
December, 2018

-Hosanna Emergency Action Response Team (HEART) donated many, many food items to the DCALS Food Shelf. We can now offer kids a variety of breakfast and lunch sandwiches as well as many baked goods. They would like to continue helping out with regular donations. We are also continuing to receive donations from our Amazon wish list. Staff and students are extremely grateful for the help.



DCALS Wish List

Link: <http://www.amazon.com/registry/wishlist/3NPKQCK9OZKVC>

Erin Mahnke



-Students in the Repair, Networking, and Game Design classes have been busy learning about 3D printing and printing 3D items on our Makerbots. Students have been using Tinkercad to design 3D objects and then printing them. Others have started by finding popular items on 3D Printing sites to learn about Modeling items. Below are a few example photos.



The Black pieces on the Left are supposed to be a Bat-mobile, and a 67 Impala. They have learned that printing cars is not the best idea.



Smaller items tend to produce the better results, but the large Headphone stands turned out excellent!

Dale Engman-Instructor

Medical Careers – Fun Updates

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-On Wednesday, Nov. 7th students from ISD 917 Heavy Duty Technology Program, Total Auto Care, and DCALS were offered the opportunity to attend a morning session at Extreme Sandbox in Hastings to learn more about Diesel Careers. This event was sponsored by Extreme Sandbox, North Dakota State College of Science, and RMS/Komatsu of Savage, MN. Special thanks to Randy Stenger-Owner of Extreme Sandbox, James Johnson-Admissions Rep for NDSCS, and Pete Anderson-RMS/Komatsu.





-Randy Stenger-Owner of Extreme Sandox



Alex Dahl-Burnsville HS graduate talks to students about his experience at NDSCS and now working for RMS in Savage.

-On Friday, November 9th the Dakota County Perkins Consortium held its monthly meeting at Extreme Sandbox in Hastings. This location was generously offered by Randy Stenger-Owner of Extreme Sandbox, James Johnson-North Dakota State College of Science, and Pete Anderson-RMS/Komatsu. The consortium held its meeting at the regular time. Following the meeting members of the consortium schools CTE teaching staff, administrators, and counselors were given a presentation on the partnership between NDSCS and RMS for students interested in Diesel Mechanics Careers. Following the presentation a lunch was provided by NDSCS/RMS, then the chance to partake in operating the Heavy Duty Equipment was offered. This opportunity was greatly appreciated by all staff involved.

-On Thursday, November 15th Eric Van Brocklin and Mark Zuzek had the opportunity to meet with ISD 917 members High School Principals to discuss the overall programming offered for their students in our CTE programs and ALC sites. 5 Districts were represented. We had good discussions on what is working well, what we can adjust, and what future options would best serve the students. We will be following up with our CTE Registration Guide information for them to place in their student registration materials for next school year.

-On Monday, November 19th, Mark Zuzek and Eric Van Brocklin of ISD 917 met with Jason Berg, Jay Haugen, and Dan Miller of Farmington Schools to continue planning for an 8th-10th grade Alternative Learning Center in Farmington. Plans will continue with the building location, remodel, and program logistics. Next steps will be to begin identifying cost to operate, proper staffing, transportation needs, and daily schedule options that best fit this program design. The plan is to have this program available for the 2019-20 school year.

-On Wednesday, November 28th, Eric Van Brocklin, Paul Landwehr, Jeremy LaBeau-Owner/Branch Manager of Installed Building Solutions attended the BATC-Housing First Workforce Development Committee meeting at BATC. Jeremy is providing the materials for our Construction Trades program to build him a home this school year. With this groups support we are hoping to find even more ways to develop workforce in the Construction Trades industry. We began a brainstorm of how to offer a summer construction experience for Middle School kids from within Dakota County. We will follow up when we have more information.

BATC wrote, "We would love to have you come talk about your partnership and the program, and see how BATC can help you grow, or replicate your program around the metro. Feel free to invite anyone you think should be at the meeting.

Let me know if you have questions and if this date will work for you! We are really looking forward to hearing more about what you're doing."

Thanks,
Sunny
Sunny Bowman
Vice President, General Manager
Dakota County Lumber Company

INTERMEDIATE SCHOOL DISTRICT 917

A School Board Meeting of the Intermediate School District 917 School Board was held on Tuesday, November 6, 2018, at 1300 145th Street East, Rosemount, MN.

Members Present: Dick Bergstrom, DeeDee Currier, Wendy Felton, Jill Lewis, Vanda Pressnall, Melissa Sauser, Byron Schwab, and ex-officio member Superintendent Mark Zuzek.

Members Absent: Russ Rohloff, Bob Erickson

Also Present: Nicolle Roush, Eric VanBrocklin, Melissa Schaller, and Linda Berg

School Board Chair Jill Lewis called the meeting to order at 4:30 PM.

There were no visitors to be heard.

The good news reports were presented.

1. Motion by Byron Schwab, seconded by Dick Bergstrom, to approve the consent items, as presented. All present voted aye. Motion carried.
 - **Minutes:** October 2, 2018, Regular School Board Meeting
 - **Personnel:** *New Hires:* Madeleine August, Classroom Assistant, effective October 1, 2018. Madelyn Denhartog, Classroom Assistant, effective October 10, 2018. Benjamin Eng, Classroom Assistant, effective October 15, 2018. Elizabeth Flannery, Classroom Assistant, effective October 29, 2018. Amanda Freeman Fleuriel, Classroom Assistant, effective October 31, 2018. Hannah Hildebrand, Classroom Assistant, effective November 6, 2018. Rebecca Kreiling, Classroom Assistant, effective October 8, 2018. Charles Kregel, Classroom Assistant, effective October 11, 2018. Krista Meyen, Classroom Assistant, effective October 11, 2018. Moriah Peterson, Classroom Assistant, effective November 12, 2018. Kathleen Saporito, Teacher of Visually Impaired, effective October 1, 2018. Estan Tyler, Program Assistant, effective October 22, 2018. Naomi Udo, Classroom Assistant, effective November 5, 2018. *Change in Status:* Michelle Dodge, Interpreter, lead mentor interpreter stipend effective August 30, 2018, through June 6, 2019, for the 2018-2019 school year only. Ronnie Jo Morris, Program Assistant, maternity disability leave effective on or about October 8, 2018, with an expected return date of December 8, 2018. Amanda Pagel, Nurse, maternity disability leave effective on or about February 4, 2019, with an expected return date of April 4, 2019. Tina Sheppard, Program Assistant, intermittent medical leave request beginning September 20, 2018, and ending June 6, 2019. Gretchen Toay, Interpreter, mentor interpreter stipend effective August 30, 2018, through June 6, 2019, for the 2018-2019 school year only. Joan Wambheim, Program Assistant, medical leave request effective October 11, 2018, with an expected return date of November 2, 2018. *Resignations & Terminations:* Kasausha Adams, Classroom Assistant, effective October 2, 2018. Nicole Ahlstrand, Classroom Assistant, effective October 26, 2018. Brittany Kneer, Program Assistant, effective October 20, 2018. Autumn Lapinski, Classroom Assistant, effective October 26, 2018. Samantha Ness, Classroom Assistant, effective October 9, 2018. Katherine Phillips, Special Education Teacher, effective October 31, 2018. Leah Riege, Classroom Assistant, effective October 17, 2018.
2. Board Member Melissa Sauser introduced the following resolution: Resolution to Accept Donations in the amount \$975. The motion for the adoption of the foregoing resolution was duly seconded by Vanda Pressnall and upon vote being taken thereon, the following voted in favor thereof: Dick Bergstrom, Wendy Felton, DeeDee Currier, Vanda Pressnall, Jill Lewis, Byron Schwab, Melissa Sauser, and the following voted against the same: none. Whereupon said resolution was duly passed and adopted. (Addendum A.)
3. Motion by Wendy Felton, seconded by Byron Schwab, to approve the bills from October 1, 2018 to October 30, 2018, wire transfers and Investment Reports for the month of August, as presented by the Business Manager. All present voted aye. Motion carried.

Nicolle Roush reported on the Revenue and Expenditure Report as presented by the Business Manager. All present voted aye. Motion passed.

Superintendent Zuzek and Melissa Schaller reported on the critical incident 917 incurred a few weeks ago.

4. Motion by Byron Schwab, seconded by DeeDee Currier, to approve the Revised Agreement with ISD #199 and ISD 917 for Purchase of Early Childhood Special Education Teacher (Erin Lenckowski), as presented. (Addendum B.) All present voted aye. Motion carried.
5. Motion by Melissa Sauser, seconded by Byron Schwab to approve the Classified School Year Employees 2018-2020, as presented. (Addendum C.) Voting aye: DeeDee Currier, Vanda Pressnall, Jill Lewis, Wendy Felton, Byron Schwab, Melissa Sauser. Dick Bergstrom abstained from voting. Motion carried.
6. Motion by Dick Bergstrom, seconded by DeeDee Currier, to approve revised Policy 524 – Acceptable Use and Internet Safety Policy and Form, final reading, as presented. (Addendum D.) All present voted aye. Motion carried.
7. Motion by Vanda Pressnall, seconded by Wendy Felton, to approve revised Policy 506 – Student Discipline, final reading, as presented. Discussion on our students in other districts and who is responsible for the discipline. Motion was withdrawn by Vanda Pressnall and Wendy Felton. Policy 506 will be brought back at the December 4 meeting for final review.
8. Superintendent Zuzek presented briefly on progress updates on two on-going initiatives:
 - (1) ISD 917 has been meetings with representatives from Bloomington Public Schools regarding taking responsibility for a portion of their transition programming for students age 18 to 21. The essence of the current program design model would be to replicate the current TESA program in Bloomington. The conversations are going well. The Bloomington team has been a pleasure to work with.
 - (2) The sale of the TIES building by the remaining 45 school districts in TIES building group is appearing to be getting close. A buyer has been identified and negotiations have gone well. It is likely that a formal agreement will be accepted by the member districts at a voting meeting on November 30th.
9. Motion by Byron Schwab, seconded by Dick Bergstrom to adjourn the meeting. All present voted aye. Motion carried.

There being no further business the meeting adjourned at 5:28 PM.

The next regular School Board Meeting will be Tuesday, December 4, 2018, at 4:30 PM, in the 917 Board Room at Dakota County Technical College, Rosemount.

Clerk

To Bd 12/4/18

DISTRICT 917 CANDIDATE SUMMARY--EMPLOYMENT RECOMMENDATION

DATE: December 3, 2018	Teaching Licenses Held:
NAME: Lauren Adelman	
Position: Classroom Assistant	
Please circle one: Secondary X Special Education District Office	Recommended Salary: \$17.78/hr
	Employment Date: 12/3/2018

Education:

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Eastview High School	Yes		Diploma
Technical College				
College				
Other				

Business/Industry Work Experience:

Employer (most recent first)	From	To	Position/Responsibilities
Farmington Health Svcs	12/2015	10/2018	Resident Asst/Universal Wrkr Memory Care Suites
Lifeworks	11/2013	12/2015	PCA
Visiting Angels	5/2015	12/2015	Certif Home Health Aid

Total Years Business/Industry Work Experience 5

Teaching Experience:

Employer (most recent first)	From	To	Position/Responsibilities

Total Years Teaching Experience

Remarks:

Laura will be working as a CA at AEC CASE.

**SUMMARY OF PERSONNEL ITEMS RECOMMENDED
FOR ACTION AT BOARD MEETING OF DECEMBER 4, 2018**

NEW HIRES:

Lauren Adelman, Classroom Assistant, effective December 3, 2018.

Luke Carlson, Special Education Teacher, effective November 16, 2018 (from Classroom Assistant to Special Education Teacher).

Mary Jean Korsmo, Teacher of the Visually Impaired, effective November 12, 2018.

Alisha Ostenson, Classroom Assistant, effective November 19, 2018.

Megan Petersen, Classroom Assistant, effective November 26, 2018.

CHANGE IN STATUS:

Joan Asmus, Nurse, medical leave request effective December 11, 2018, with an expected return date of January 14, 2019.

Emily Mateo, English Teacher, request to extend general leave of absence effective January 22, 2019, through June 30, 2021.

Danielle Rother, Classroom Assistant, maternity disability leave effective on or about April 15, 2019, with an expected return date of June 10, 2019 (or August 2019).

Nichole Short, School Psychologist, parental leave effective January 2, 2019, with an expected return date of January 25, 2019.

Anita Traynor, Health Associate, medical leave request effective December 21, 2018, with an expected return date of January 28, 2019.

RESIGNATIONS & TERMINATIONS:

Johnathan Harlin, Special Education Teacher, effective November 15, 2018.

Teresa Kane, Classroom Assistant, effective August 21, 2018.

Kelly Kennedy, Classroom Assistant, effective October 12, 2018.

RETIREMENTS:

Ann Kalgren, Teacher of DHH, effective June 7, 2019.

**Intermediate School District #917
School Board**

Resolution to Accept Donations

Board member _____ introduced the following Resolution:

RESOLVED, that the School Board of Intermediate School District 917 accept the following donation, as indicated below, in the amount of \$1,000.

1. Donation of an Easy Stand Stander to be used with multiple learners in the DASH program from Jody Streff of Hastings, MN. (Value: \$1,000.)

The motion for the adoption of the foregoing resolution was duly seconded by _____ and upon vote being taken thereon, the following voted in favor thereof

_____, and the following voted against the same: _____ . Whereupon said resolution was duly passed and adopted.

Date Board Approved: _____

TIES
 DATE: 11/27/2018
 TIME: 16:23:32

INTERMEDIATE SCHOOL DISTRICT
 CHECK REGISTER INCLUDING SYSTEM VOIDS

PAGE NUMBER: 1
 ACCTPA21
 ACCOUNTING PERIOD: 5/19

SELECTION CRITERIA: chkstat.rundate between '20181101 00:00:00.000' and '20181127 00:00:00.000'

DISTRIBUTION FUND: 01

CHECK NUMBER	ISSUE DATE	VENDOR	STATUS	TOTAL	DESCRIPTION
1900521	11/01/2018	APPLE COMPUTER, INC	R	228.00	ACCOUNTS PAYABLE CHECK
1900522	11/01/2018	ASL INTERPRETING SERVICES, INC	R	240.00	ACCOUNTS PAYABLE CHECK
1900523	11/01/2018	BEHAVIORAL HEALTHCARE PROVIDERS	R	1000.00	ACCOUNTS PAYABLE CHECK
1900524	11/01/2018	CANON USA	R	330.40	ACCOUNTS PAYABLE CHECK
1900525	11/01/2018	CENTERPOINT ENERGY	R	95.53	ACCOUNTS PAYABLE CHECK
1900526	11/01/2018	CENTURYLINK COMMUNICATONS, LLC	R	35.66	ACCOUNTS PAYABLE CHECK
1900527	11/01/2018	DAKOTA COUNTY FINANCIAL SERVICES	R	55.00	ACCOUNTS PAYABLE CHECK
1900528	11/01/2018	DAKOTA COUNTY LUMBER	R	414.66	ACCOUNTS PAYABLE CHECK
1900529	11/01/2018	DAVID WINGE	R	18.00	ACCOUNTS PAYABLE CHECK
1900530	11/01/2018	DODGE NATURE CENTER	R	75.00	ACCOUNTS PAYABLE CHECK
1900531	11/01/2018	DOOR SERVICE CO	R	418.00	ACCOUNTS PAYABLE CHECK
1900532	11/01/2018	FRONTIER COMMUNICATIONS	R	515.81	ACCOUNTS PAYABLE CHECK
1900533	11/01/2018	GLOBAL EQUIPMENT COMPANY	R	476.50	ACCOUNTS PAYABLE CHECK
1900534	11/01/2018	GOVCONNECTION INC	R	418.43	ACCOUNTS PAYABLE CHECK
1900535	11/01/2018	GRAINGER W W INC.	R	108.22	ACCOUNTS PAYABLE CHECK
1900536	11/01/2018	INT SCH DIST 287	R	2838.75	ACCOUNTS PAYABLE CHECK
1900537	11/01/2018	INVER HILLS COMMUNITY COLLEGE	R	424.48	ACCOUNTS PAYABLE CHECK
1900538	11/01/2018	ISD 191	R	2171.05	ACCOUNTS PAYABLE CHECK
1900539	11/01/2018	LAKESHORE LEARNING MATERIALS	R	45.58	ACCOUNTS PAYABLE CHECK
1900540	11/01/2018	LLC CENTURYLINK COMMUNICATIONS	R	476.90	ACCOUNTS PAYABLE CHECK
1900541	11/01/2018	LOCKGUARD, INC	R	401.00	ACCOUNTS PAYABLE CHECK
1900542	11/01/2018	LOFFLER BUSINESS SYSTEMS	R	230.65	ACCOUNTS PAYABLE CHECK
1900543	11/01/2018	MARCO INC	R	1392.71	ACCOUNTS PAYABLE CHECK
1900544	11/01/2018	MARCO TECHNOLOGIES LLC.	R	75.00	ACCOUNTS PAYABLE CHECK
1900545	11/01/2018	MEDI-CAR	R	1724.52	ACCOUNTS PAYABLE CHECK
1900546	11/01/2018	MIDWEST SPECIAL INSTRUMENTS, CORP	R	2002.06	ACCOUNTS PAYABLE CHECK
1900547	11/01/2018	NETOP	R	228.00	ACCOUNTS PAYABLE CHECK
1900548	11/01/2018	PROFESSIONAL WIRELESS COMMUNICATION	R	200.00	ACCOUNTS PAYABLE CHECK
1900549	11/01/2018	REINHART FOODSERVICE, LLC	R	808.52	ACCOUNTS PAYABLE CHECK
1900550	11/01/2018	SAM'S CLUB/SYNCHRONY BANK	R	904.31	ACCOUNTS PAYABLE CHECK
1900551	11/01/2018	SCHAD TRACY SIGN	R	24885.59	ACCOUNTS PAYABLE CHECK
1900552	11/01/2018	SCHAD TRACY SIGNS, INC	R	3998.00	ACCOUNTS PAYABLE CHECK
1900553	11/01/2018	SCHMITTY & SONS	R	251.25	ACCOUNTS PAYABLE CHECK
1900554	11/01/2018	SPECIAL DELIVERY MN, LLC	R	245.00	ACCOUNTS PAYABLE CHECK
1900555	11/01/2018	TEACHERS ON CALL	R	9442.95	ACCOUNTS PAYABLE CHECK
1900556	11/01/2018	TIERNEY BROS. INC	R	1211.80	ACCOUNTS PAYABLE CHECK
1900557	11/01/2018	TRANE U.S. INC.	R	1074.00	ACCOUNTS PAYABLE CHECK
1900558	11/01/2018	XCEL ENERGY	R	8210.03	ACCOUNTS PAYABLE CHECK
1900559	11/05/2018	EDUCATION MINNESOTA, LOCAL 3904	R	9017.94	ACCOUNTS PAYABLE CHECK
1900560	11/05/2018	F.H. CANN & ASSOCIATES, INC	R	86.11	ACCOUNTS PAYABLE CHECK
1900561	11/05/2018	MESSERLI & KRAMER P.A.	R	250.20	ACCOUNTS PAYABLE CHECK
1900562	11/05/2018	O.P.E.I.U., LOCAL 12	R	479.65	ACCOUNTS PAYABLE CHECK
1900563	11/05/2018	RELATED SERVICES NURSES ESP	R	288.41	ACCOUNTS PAYABLE CHECK
1900564	11/05/2018	S.E.P., LOCAL 4242	R	3608.82	ACCOUNTS PAYABLE CHECK
1900565	11/05/2018	U.S. DEPARTMENT OF EDUCATION	R	129.16	ACCOUNTS PAYABLE CHECK
1900566	11/05/2018	WADDELL & REED INC	R	2169.80	ACCOUNTS PAYABLE CHECK
1900567	11/05/2018	WISCONSIN SCTF	R	879.08	ACCOUNTS PAYABLE CHECK
1900568	11/07/2018	AAA MOVERS INC	R	479.84	ACCOUNTS PAYABLE CHECK
1900569	11/07/2018	BRAINPOP LLC	R	230.00	ACCOUNTS PAYABLE CHECK
1900570	11/07/2018	CITY OF INVER GROVE HTS	R	202.43	ACCOUNTS PAYABLE CHECK
1900571	11/07/2018	DEPARTMENT OF HUMAN SERVICES	R	1521.00	ACCOUNTS PAYABLE CHECK
1900572	11/07/2018	GOVCONNECTION INC	R	117.95	ACCOUNTS PAYABLE CHECK
1900573	11/07/2018	INFINITE CAMPUS, INC	R	189.00	ACCOUNTS PAYABLE CHECK

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1900574	11/07/2018	INVER HILLS COMMUNITY COLLEGE	R	407.00	ACCOUNTS PAYABLE CHECK
1900575	11/07/2018	INVER HILLS COMMUNITY COLLEGE	R	774.00	ACCOUNTS PAYABLE CHECK
1900576	11/07/2018	MENARDS	R	720.17	ACCOUNTS PAYABLE CHECK
1900577	11/07/2018	METRO ECSU	R	80.00	ACCOUNTS PAYABLE CHECK
1900578	11/07/2018	MICRON CPG	R	225.97	ACCOUNTS PAYABLE CHECK
1900579	11/07/2018	PEDIATRIC HOME SERVICE	R	1443.75	ACCOUNTS PAYABLE CHECK
1900580	11/07/2018	PLANSOURCE BENEFITS ADMINISTRATION,	R	2960.72	ACCOUNTS PAYABLE CHECK
1900581	11/07/2018	REPUBLIC SERVICES #923	R	577.09	ACCOUNTS PAYABLE CHECK
1900582	11/07/2018	SONOVA USA INC.	R	377.99	ACCOUNTS PAYABLE CHECK
1900583	11/07/2018	STARFALL EDUCATION	R	70.00	ACCOUNTS PAYABLE CHECK
1900584	11/07/2018	SUNBELT STAFFING, LLC	R	3420.00	ACCOUNTS PAYABLE CHECK
1900585	11/07/2018	TEACHERS ON CALL	R	5991.94	ACCOUNTS PAYABLE CHECK
1900586	11/07/2018	U.S. BANK	R	1500.00	ACCOUNTS PAYABLE CHECK
1900587	11/16/2018	ACCELERATED TECHNOLOGIES	R	3900.00	ACCOUNTS PAYABLE CHECK
1900588	11/16/2018	ACCIDENT FUND GENERAL INSURANCE CO	R	31356.00	ACCOUNTS PAYABLE CHECK
1900589	11/16/2018	AMAZON.COM, LLC	V	0.00	VOID: MULTI STUB CHECK
1900590	11/16/2018	AMAZON.COM, LLC	R	3837.78	ACCOUNTS PAYABLE CHECK
1900591	11/16/2018	ANNE HOFF, SAFE HARBOR COUNSELING	R	2500.00	ACCOUNTS PAYABLE CHECK
1900592	11/16/2018	APPLE VALLEY ISD LLC	R	5545.27	ACCOUNTS PAYABLE CHECK
1900593	11/16/2018	ASL INTERPRETING SERVICES, INC	R	135.00	ACCOUNTS PAYABLE CHECK
1900594	11/16/2018	CENTURYLINK	R	860.30	ACCOUNTS PAYABLE CHECK
1900595	11/16/2018	CITY OF INVER GROVE HTS	R	200.00	ACCOUNTS PAYABLE CHECK
1900596	11/16/2018	CUB FOODS	R	174.46	ACCOUNTS PAYABLE CHECK
1900597	11/16/2018	CUB FOODS - BURNSVILLE	R	65.65	ACCOUNTS PAYABLE CHECK
1900598	11/16/2018	CUB FOODS - ROSEMOUNT	R	206.81	ACCOUNTS PAYABLE CHECK
1900599	11/16/2018	ECO SHRED MN, INC	R	20.00	ACCOUNTS PAYABLE CHECK
1900600	11/16/2018	FRONTIER COMMUNICATIONS	R	765.72	ACCOUNTS PAYABLE CHECK
1900601	11/16/2018	INTELLIGERE	R	40.00	ACCOUNTS PAYABLE CHECK
1900602	11/16/2018	K LYNN PRODUCTIONS	R	151.20	ACCOUNTS PAYABLE CHECK
1900603	11/16/2018	LONE OAK GRAPHICS	R	162.67	ACCOUNTS PAYABLE CHECK
1900604	11/16/2018	MCKESSON MEDICAL	R	813.26	ACCOUNTS PAYABLE CHECK
1900605	11/16/2018	MENARDS	R	23.35	ACCOUNTS PAYABLE CHECK
1900606	11/16/2018	METRO ECSU/DEAFBLIND	R	2400.00	ACCOUNTS PAYABLE CHECK
1900607	11/16/2018	MN ENERGY RESOURCES CORPORATION	R	378.80	ACCOUNTS PAYABLE CHECK
1900608	11/16/2018	REINHART FOODSERVICE, LLC	R	1120.78	ACCOUNTS PAYABLE CHECK
1900609	11/16/2018	SCIENCE MUSEUM OF MN	R	150.00	ACCOUNTS PAYABLE CHECK
1900610	11/16/2018	SKILLSUSA MINNESOTA	R	45.00	ACCOUNTS PAYABLE CHECK
1900611	11/16/2018	SPECIAL DELIVERY MN, LLC	R	245.00	ACCOUNTS PAYABLE CHECK
1900612	11/16/2018	SUNBELT STAFFING, LLC	R	6156.00	ACCOUNTS PAYABLE CHECK
1900613	11/16/2018	SYSCO MINNESOTA	R	1493.52	ACCOUNTS PAYABLE CHECK
1900614	11/16/2018	TWIN CITY HARDWARE COMPANY INC	R	465.00	ACCOUNTS PAYABLE CHECK
1900615	11/16/2018	WESTONE	R	621.00	ACCOUNTS PAYABLE CHECK
1900616	11/19/2018	WISCONSIN SCTF	R	814.08	ACCOUNTS PAYABLE CHECK
1900617	11/19/2018	EDUCATION MINNESOTA, LOCAL 3904	R	9017.94	ACCOUNTS PAYABLE CHECK
1900618	11/19/2018	DEPARTMENT OF EDUCATION AWG	R	129.16	ACCOUNTS PAYABLE CHECK
1900619	11/19/2018	F.H. CANN & ASSOCIATES, INC	R	86.11	ACCOUNTS PAYABLE CHECK
1900620	11/19/2018	MESSERLI & KRAMER P.A.	R	245.98	ACCOUNTS PAYABLE CHECK
1900621	11/19/2018	NCPERS MINNESOTA	R	48.00	ACCOUNTS PAYABLE CHECK
1900622	11/19/2018	O.P.E.I.U., LOCAL 12	R	479.65	ACCOUNTS PAYABLE CHECK
1900623	11/19/2018	RELATED SERVICES NURSES ESP	R	232.98	ACCOUNTS PAYABLE CHECK
1900624	11/19/2018	S.E.P., LOCAL 4242	R	3561.24	ACCOUNTS PAYABLE CHECK
1900625	11/19/2018	UNITED WAY, GREATER TWIN CITIES	R	168.00	ACCOUNTS PAYABLE CHECK
1900626	11/19/2018	WADDELL & REED INC	R	2169.80	ACCOUNTS PAYABLE CHECK
1900627	11/20/2018	ANCHOR PAPER	R	1120.00	ACCOUNTS PAYABLE CHECK
1900628	11/20/2018	APPLE VALLEY ISD LLC	R	40705.50	ACCOUNTS PAYABLE CHECK
1900629	11/20/2018	BLUE BELL ENTERPRISES INC	R	17061.90	ACCOUNTS PAYABLE CHECK
1900630	11/20/2018	CDWG	R	3867.41	ACCOUNTS PAYABLE CHECK

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1900631	11/20/2018	DEXYP	R	324.00	ACCOUNTS PAYABLE CHECK
1900632	11/20/2018	EDUCATORS BENEFIT CONSULTANTS, LLC	R	205.60	ACCOUNTS PAYABLE CHECK
1900633	11/20/2018	ESPECIAL NEEDS, LLC	R	144.55	ACCOUNTS PAYABLE CHECK
1900634	11/20/2018	ESTR PUBLICATIONS	R	218.00	ACCOUNTS PAYABLE CHECK
1900635	11/20/2018	FRONTIER COMMUNICATIONS	R	1192.85	ACCOUNTS PAYABLE CHECK
1900636	11/20/2018	HUSSEIN RAJPUT, PHD, LP	R	1050.00	ACCOUNTS PAYABLE CHECK
1900637	11/20/2018	IND SCH DIST 191	R	25864.68	ACCOUNTS PAYABLE CHECK
1900638	11/20/2018	INVER GROVE ISD LLC	R	72174.93	ACCOUNTS PAYABLE CHECK
1900639	11/20/2018	ISD 191	R	1619.95	ACCOUNTS PAYABLE CHECK
1900640	11/20/2018	K LYNN PRODUCTIONS	R	760.00	ACCOUNTS PAYABLE CHECK
1900641	11/20/2018	LILLIWORKS ACTIVE LEARNING FOUND.	R	3453.00	ACCOUNTS PAYABLE CHECK
1900642	11/20/2018	MEDICAREBLUE RX	R	37.40	ACCOUNTS PAYABLE CHECK
1900643	11/20/2018	MINNESOTA DEPARTMENT OF HEALTH	R	2800.00	ACCOUNTS PAYABLE CHECK
1900644	11/20/2018	NCS PEARSON, INC.	R	95.30	ACCOUNTS PAYABLE CHECK
1900645	11/20/2018	PEARSON EDUCATION, INC.	R	967.52	ACCOUNTS PAYABLE CHECK
1900646	11/20/2018	PEDIATRIC HOME SERVICE	R	1012.50	ACCOUNTS PAYABLE CHECK
1900647	11/20/2018	TEACHERS ON CALL	V	0.00	VOID: MULTI STUB CHECK
1900648	11/20/2018	TEACHERS ON CALL	R	18876.78	ACCOUNTS PAYABLE CHECK
1900649	11/20/2018	TOBII DYNAVOX LLC	R	123.48	ACCOUNTS PAYABLE CHECK
1900650	11/20/2018	TRIG LIFE SERVICES	R	1656.00	ACCOUNTS PAYABLE CHECK
1900651	11/20/2018	USI	R	363.32	ACCOUNTS PAYABLE CHECK
*v4000043	11/02/2018	APPLE VALLEY FORD	V	-348.74	VOID MANUAL CHECK
*v4000044	11/02/2018	WELLS FARGO	V	0.00	VOID: MULTI STUB VOUCHER
*v4000045	11/02/2018	WELLS FARGO	V	-8282.86	VOID MANUAL CHECK
*v4000046	11/02/2018	CHEWY.COM	V	-145.56	VOID MANUAL CHECK
*v4000047	11/02/2018	DISCOUNT SCHOOL SUPPLY	V	-931.96	VOID MANUAL CHECK
*v4000048	11/02/2018	EDUCATIONAL CLASSROOM SYSTEMS	V	-135.84	VOID MANUAL CHECK
*v4000049	11/02/2018	GOPHER SPORT	V	-3634.90	VOID MANUAL CHECK
*v4000050	11/02/2018	HASTINGS STAR GAZETTE	V	-103.50	VOID MANUAL CHECK
*v4000051	11/02/2018	HOUGHTON MIFFLIN HARCOURT	V	0.00	VOID: MULTI STUB VOUCHER
*v4000052	11/02/2018	HOUGHTON MIFFLIN HARCOURT	V	-56001.67	VOID MANUAL CHECK
*v4000053	11/02/2018	INNOVATIVE OFFICE SOLUTIONS	V	0.00	VOID: MULTI STUB VOUCHER
*v4000054	11/02/2018	INNOVATIVE OFFICE SOLUTIONS	V	0.00	VOID: MULTI STUB VOUCHER
*v4000055	11/02/2018	INNOVATIVE OFFICE SOLUTIONS	V	-11953.86	VOID MANUAL CHECK
*v4000056	11/02/2018	KOMODO OPENLAB	V	-513.46	VOID MANUAL CHECK
*v4000057	11/02/2018	LAKESHORE LEARNING MATERIALS	V	-171.35	VOID MANUAL CHECK
*v4000058	11/02/2018	MN DAPE LEADERSHIP COMMITTEE	V	-525.00	VOID MANUAL CHECK
*v4000059	11/02/2018	PROFESSIONAL CRISIS MANAGEMENT ASSO	V	-17.50	VOID MANUAL CHECK
*v4000060	11/02/2018	QUIZLET INC	V	-35.99	VOID MANUAL CHECK
*v4000061	11/02/2018	SAM'S CLUB/SYNCHRONY BANK	V	-598.00	VOID MANUAL CHECK
*v4000062	11/02/2018	APPLE VALLEY FORD	R	348.74	ACCOUNTS PAYABLE VOUCHER
*v4000063	11/02/2018	WELLS FARGO	V	0.00	VOID: MULTI STUB VOUCHER
*v4000064	11/02/2018	WELLS FARGO	R	8282.86	ACCOUNTS PAYABLE VOUCHER
*v4000065	11/02/2018	CHEWY.COM	R	145.56	ACCOUNTS PAYABLE VOUCHER
*v4000066	11/02/2018	DISCOUNT SCHOOL SUPPLY	R	931.96	ACCOUNTS PAYABLE VOUCHER
*v4000067	11/02/2018	EDUCATIONAL CLASSROOM SYSTEMS	R	135.84	ACCOUNTS PAYABLE VOUCHER
*v4000068	11/02/2018	GOPHER SPORT	R	3634.90	ACCOUNTS PAYABLE VOUCHER
*v4000069	11/02/2018	HASTINGS STAR GAZETTE	R	103.50	ACCOUNTS PAYABLE VOUCHER
*v4000070	11/02/2018	HOUGHTON MIFFLIN HARCOURT	V	0.00	VOID: MULTI STUB VOUCHER
*v4000071	11/02/2018	HOUGHTON MIFFLIN HARCOURT	R	56001.67	ACCOUNTS PAYABLE VOUCHER
*v4000072	11/02/2018	INNOVATIVE OFFICE SOLUTIONS	V	0.00	VOID: MULTI STUB VOUCHER
*v4000073	11/02/2018	INNOVATIVE OFFICE SOLUTIONS	V	0.00	VOID: MULTI STUB VOUCHER
*v4000074	11/02/2018	INNOVATIVE OFFICE SOLUTIONS	R	11953.86	ACCOUNTS PAYABLE VOUCHER
*v4000075	11/02/2018	KOMODO OPENLAB	R	513.46	ACCOUNTS PAYABLE VOUCHER
*v4000076	11/02/2018	LAKESHORE LEARNING MATERIALS	R	171.35	ACCOUNTS PAYABLE VOUCHER
*v4000077	11/02/2018	MN DAPE LEADERSHIP COMMITTEE	R	525.00	ACCOUNTS PAYABLE VOUCHER
*v4000078	11/02/2018	PROFESSIONAL CRISIS MANAGEMENT ASSO	R	17.50	ACCOUNTS PAYABLE VOUCHER

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*V4000079	11/02/2018	QUIZLET INC	R	35.99	ACCOUNTS	PAYABLE	VOUCHER
*V4000080	11/02/2018	SAM'S CLUB/SYNCHRONY BANK	R	598.00	ACCOUNTS	PAYABLE	VOUCHER
*V6600281	11/07/2018	ANN CATHERINE ALLEN	R	137.89	ACCOUNTS	PAYABLE	VOUCHER
*V6600282	11/07/2018	LINDA JO BERG	R	31.07	ACCOUNTS	PAYABLE	VOUCHER
*V6600283	11/07/2018	DON JAMES BUDACH	R	261.06	ACCOUNTS	PAYABLE	VOUCHER
*V6600284	11/07/2018	JESSICA DAWN CHAMBLIN	R	269.23	ACCOUNTS	PAYABLE	VOUCHER
*V6600285	11/07/2018	EMILY MARGARET CLARK	R	88.29	ACCOUNTS	PAYABLE	VOUCHER
*V6600286	11/07/2018	JODI LYNN DYVIG	R	9.00	ACCOUNTS	PAYABLE	VOUCHER
*V6600287	11/07/2018	PATRICIA ANN ELDRED	R	416.38	ACCOUNTS	PAYABLE	VOUCHER
*V6600288	11/07/2018	SARAH JOY FAIRBANKS	R	1.64	ACCOUNTS	PAYABLE	VOUCHER
*V6600289	11/07/2018	ANGELITA LEE FLEMING	R	197.84	ACCOUNTS	PAYABLE	VOUCHER
*V6600290	11/07/2018	ELIZABETH KAY GARLOUGH	R	204.92	ACCOUNTS	PAYABLE	VOUCHER
*V6600291	11/07/2018	LUCINDA SUE HANSON	R	68.88	ACCOUNTS	PAYABLE	VOUCHER
*V6600292	11/07/2018	PETER ALLYN HENDRICKS	R	194.02	ACCOUNTS	PAYABLE	VOUCHER
*V6600293	11/07/2018	DANNY EDWARD HOFFMAN	R	39.46	ACCOUNTS	PAYABLE	VOUCHER
*V6600294	11/07/2018	AMY T. HURLA	R	11.45	ACCOUNTS	PAYABLE	VOUCHER
*V6600295	11/07/2018	CINDY LOU JACOBS	R	75.76	ACCOUNTS	PAYABLE	VOUCHER
*V6600296	11/07/2018	SARAH LYNN JOHNSON	R	156.96	ACCOUNTS	PAYABLE	VOUCHER
*V6600297	11/07/2018	AMY TAMARAH WOLF KAUFMAN	R	113.36	ACCOUNTS	PAYABLE	VOUCHER
*V6600298	11/07/2018	LAUREN ROSE KELLY	R	129.33	ACCOUNTS	PAYABLE	VOUCHER
*V6600299	11/07/2018	JANE WEIR KRINGEN	R	43.60	ACCOUNTS	PAYABLE	VOUCHER
*V6600300	11/07/2018	REBECCA JEAN KRUSE	R	85.02	ACCOUNTS	PAYABLE	VOUCHER
*V6600301	11/07/2018	CORY LEE LANGENFELD	R	173.31	ACCOUNTS	PAYABLE	VOUCHER
*V6600302	11/07/2018	BETSY SUE LARSEN	R	49.05	ACCOUNTS	PAYABLE	VOUCHER
*V6600303	11/07/2018	ANN LOUISE MAYES	R	236.53	ACCOUNTS	PAYABLE	VOUCHER
*V6600304	11/07/2018	KELSEY RAE MLODOZYNIEC	R	256.70	ACCOUNTS	PAYABLE	VOUCHER
*V6600305	11/07/2018	LISA MARIE OTT	R	156.42	ACCOUNTS	PAYABLE	VOUCHER
*V6600306	11/07/2018	EMILY ANN PFISTERER	R	241.44	ACCOUNTS	PAYABLE	VOUCHER
*V6600307	11/07/2018	KELLI MARIE PROULX	R	674.71	ACCOUNTS	PAYABLE	VOUCHER
*V6600308	11/07/2018	JESSICA RAE RANDOL	R	14.06	ACCOUNTS	PAYABLE	VOUCHER
*V6600309	11/07/2018	SHANNON K. RASMUSSEN	R	169.77	ACCOUNTS	PAYABLE	VOUCHER
*V6600310	11/07/2018	MELISSA RAE SCHALLER	R	303.62	ACCOUNTS	PAYABLE	VOUCHER
*V6600311	11/07/2018	MICHELLE JEAN SHANLEY	R	452.35	ACCOUNTS	PAYABLE	VOUCHER
*V6600312	11/07/2018	STEFANIE CATHERINE SOUKUP	R	297.57	ACCOUNTS	PAYABLE	VOUCHER
*V6600313	11/07/2018	KAYLEEN LAVONNE TAFFE	R	106.28	ACCOUNTS	PAYABLE	VOUCHER
*V6600314	11/07/2018	MARY ELIZABETH TAYLOR	R	298.12	ACCOUNTS	PAYABLE	VOUCHER
*V6600315	11/07/2018	LAURA J. TENNESSEN	R	73.58	ACCOUNTS	PAYABLE	VOUCHER
*V6600316	11/07/2018	TAYLOR MAY THOMAS	R	117.18	ACCOUNTS	PAYABLE	VOUCHER
*V6600317	11/07/2018	SHANYN NICOLE TUFTEE	R	288.41	ACCOUNTS	PAYABLE	VOUCHER
*V6600318	11/07/2018	MARY ELIZABETH WEILAND	R	83.39	ACCOUNTS	PAYABLE	VOUCHER
*V6600319	11/21/2018	MARTHA JOAN ALLEN	R	263.24	ACCOUNTS	PAYABLE	VOUCHER
*V6600320	11/21/2018	PATRICIA ARNESON	R	73.03	ACCOUNTS	PAYABLE	VOUCHER
*V6600321	11/21/2018	GINA MARIE ASHLEY	R	68.67	ACCOUNTS	PAYABLE	VOUCHER
*V6600322	11/21/2018	JOAN SCHAEFER ASMUS	R	45.00	ACCOUNTS	PAYABLE	VOUCHER
*V6600323	11/21/2018	JEAN MICHELLE BANNICK	R	394.58	ACCOUNTS	PAYABLE	VOUCHER
*V6600324	11/21/2018	KEITH JAMES BARTHOLOMAUS	R	39.24	ACCOUNTS	PAYABLE	VOUCHER
*V6600325	11/21/2018	CARIE ANN BAUER	R	15.26	ACCOUNTS	PAYABLE	VOUCHER
*V6600326	11/21/2018	HEATHER MEGAN BEIGEL	R	21.80	ACCOUNTS	PAYABLE	VOUCHER
*V6600327	11/21/2018	PAMELA JILL BIEGLER	R	135.90	ACCOUNTS	PAYABLE	VOUCHER
*V6600328	11/21/2018	TARA JO BLACKERT	R	45.00	ACCOUNTS	PAYABLE	VOUCHER
*V6600329	11/21/2018	DONNA MAE BRITTAIN	R	165.14	ACCOUNTS	PAYABLE	VOUCHER
*V6600330	11/21/2018	OLIVIA STANISIC BROWN	R	14.17	ACCOUNTS	PAYABLE	VOUCHER
*V6600331	11/21/2018	DON JAMES BUDACH	R	231.04	ACCOUNTS	PAYABLE	VOUCHER
*V6600332	11/21/2018	ANNE LOUISE BYER	R	45.00	ACCOUNTS	PAYABLE	VOUCHER
*V6600333	11/21/2018	MARY HELEN CALLISTER	R	106.82	ACCOUNTS	PAYABLE	VOUCHER
*V6600334	11/21/2018	JAYNE Z. CIODARU	R	172.22	ACCOUNTS	PAYABLE	VOUCHER
*V6600335	11/21/2018	CHERRY KEY CRAMER	R	206.01	ACCOUNTS	PAYABLE	VOUCHER

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*V6600336	11/21/2018	CRAIG ALAN CURTIS	R	145.59	ACCOUNTS PAYABLE VOUCHER
*V6600337	11/21/2018	JAMIE AUTUMN DALBESIO	R	446.65	ACCOUNTS PAYABLE VOUCHER
*V6600338	11/21/2018	MEGHAN LOUISE DOBSON	R	45.00	ACCOUNTS PAYABLE VOUCHER
*V6600339	11/21/2018	KASANDRA ST. CLAIR DOELP	R	191.30	ACCOUNTS PAYABLE VOUCHER
*V6600340	11/21/2018	KAREN STENE DOENGES	R	130.80	ACCOUNTS PAYABLE VOUCHER
*V6600341	11/21/2018	CARMEN MARIE EATON	R	74.98	ACCOUNTS PAYABLE VOUCHER
*V6600342	11/21/2018	CRISOULA GABRIELLE ECONOMOU	R	143.88	ACCOUNTS PAYABLE VOUCHER
*V6600343	11/21/2018	KATHERINE DIANE ENGEL	R	288.31	ACCOUNTS PAYABLE VOUCHER
*V6600344	11/21/2018	SHERILYN FAYE FRISQUE	R	490.50	ACCOUNTS PAYABLE VOUCHER
*V6600345	11/21/2018	PAMELA VICK GARRETSON	R	90.00	ACCOUNTS PAYABLE VOUCHER
*V6600346	11/21/2018	ADDIE SUZANNE GESKE	R	213.64	ACCOUNTS PAYABLE VOUCHER
*V6600347	11/21/2018	MEGAN MARIE GLOCKNER	R	82.30	ACCOUNTS PAYABLE VOUCHER
*V6600348	11/21/2018	DONNA GAYLE GREENFIELD	R	495.95	ACCOUNTS PAYABLE VOUCHER
*V6600349	11/21/2018	SARA ELIZABETH GROVE	R	8.18	ACCOUNTS PAYABLE VOUCHER
*V6600350	11/21/2018	THERESA JEAN GULBRANSEN	R	90.00	ACCOUNTS PAYABLE VOUCHER
*V6600351	11/21/2018	KELLY JEAN HANKES	R	185.30	ACCOUNTS PAYABLE VOUCHER
*V6600352	11/21/2018	LINDSEY BRYANT HARTJES	R	90.00	ACCOUNTS PAYABLE VOUCHER
*V6600353	11/21/2018	JANA LEE HEIDEMANN	R	80.12	ACCOUNTS PAYABLE VOUCHER
*V6600354	11/21/2018	PETER ALLYN HENDRICKS	R	285.58	ACCOUNTS PAYABLE VOUCHER
*V6600355	11/21/2018	JENNIFER AMY HETLAND	R	90.00	ACCOUNTS PAYABLE VOUCHER
*V6600356	11/21/2018	KAREN LYNNE HJERMSTAD	R	94.29	ACCOUNTS PAYABLE VOUCHER
*V6600357	11/21/2018	DIANE RENEE JEFFRIES	R	24.04	ACCOUNTS PAYABLE VOUCHER
*V6600358	11/21/2018	ROXANN RHYN JOHNSON	R	279.04	ACCOUNTS PAYABLE VOUCHER
*V6600359	11/21/2018	JENNIFER M. KLAUSTERMEIER	R	50.85	ACCOUNTS PAYABLE VOUCHER
*V6600360	11/21/2018	MARY JEAN KORSMO	R	282.31	ACCOUNTS PAYABLE VOUCHER
*V6600361	11/21/2018	GABRIELA MARTINA KUBIK	R	171.13	ACCOUNTS PAYABLE VOUCHER
*V6600362	11/21/2018	DANIELLE MARIE LAFRANCE	R	102.46	ACCOUNTS PAYABLE VOUCHER
*V6600363	11/21/2018	ANNA MARIE LAMPHERE	R	6.40	ACCOUNTS PAYABLE VOUCHER
*V6600364	11/21/2018	SHEILA STEPHANIE LANG	R	50.14	ACCOUNTS PAYABLE VOUCHER
*V6600365	11/21/2018	CORY LEE LANGENFELD	R	230.07	ACCOUNTS PAYABLE VOUCHER
*V6600366	11/21/2018	BETSY SUE LARSEN	R	39.79	ACCOUNTS PAYABLE VOUCHER
*V6600367	11/21/2018	ABIGAIL MARIE EVANS LARSON	R	262.69	ACCOUNTS PAYABLE VOUCHER
*V6600368	11/21/2018	MADELINE JULIA LAUX	R	95.38	ACCOUNTS PAYABLE VOUCHER
*V6600369	11/21/2018	NICOLE MARY LOHMAN	R	10.90	ACCOUNTS PAYABLE VOUCHER
*V6600370	11/21/2018	CATHLEEN CAROL MATTICE	R	45.00	ACCOUNTS PAYABLE VOUCHER
*V6600371	11/21/2018	ANN LOUISE MAYES	R	90.00	ACCOUNTS PAYABLE VOUCHER
*V6600372	11/21/2018	ELIZABETH MILENA MILLER	R	10.36	ACCOUNTS PAYABLE VOUCHER
*V6600373	11/21/2018	JODI KAY MONSON	R	93.20	ACCOUNTS PAYABLE VOUCHER
*V6600374	11/21/2018	KAILA AN PALMBERG	R	350.98	ACCOUNTS PAYABLE VOUCHER
*V6600375	11/21/2018	HOLLY MARIE PEMBLE	R	234.35	ACCOUNTS PAYABLE VOUCHER
*V6600376	11/21/2018	AMANDA LYNN PETERS	R	134.93	ACCOUNTS PAYABLE VOUCHER
*V6600377	11/21/2018	JENNIFER MAE PETERSEN	R	193.48	ACCOUNTS PAYABLE VOUCHER
*V6600378	11/21/2018	BROOKE ALLYSON PETERSON	R	184.83	ACCOUNTS PAYABLE VOUCHER
*V6600379	11/21/2018	LYNN MARIE QUAM	R	107.91	ACCOUNTS PAYABLE VOUCHER
*V6600380	11/21/2018	JESSICA RAE RANDOL	R	16.46	ACCOUNTS PAYABLE VOUCHER
*V6600381	11/21/2018	WENDI MARLAINA RENKEN	R	45.00	ACCOUNTS PAYABLE VOUCHER
*V6600382	11/21/2018	NICOLLE KATHERINE ROUSH	R	90.00	ACCOUNTS PAYABLE VOUCHER
*V6600383	11/21/2018	ALANNA MARIE SANCHEZ	R	34.34	ACCOUNTS PAYABLE VOUCHER
*V6600384	11/21/2018	MELISSA RAE SCHALLER	R	90.00	ACCOUNTS PAYABLE VOUCHER
*V6600385	11/21/2018	SAMANTHA KAY SCHULZ	R	183.12	ACCOUNTS PAYABLE VOUCHER
*V6600386	11/21/2018	JESSICA ANN SINKINSON	R	78.10	ACCOUNTS PAYABLE VOUCHER
*V6600387	11/21/2018	ERIN KATHLEEN STEVENS	R	23.44	ACCOUNTS PAYABLE VOUCHER
*V6600388	11/21/2018	DAVID LEON STOLL	R	90.00	ACCOUNTS PAYABLE VOUCHER
*V6600389	11/21/2018	AMY LYNN SWANEY	R	90.00	ACCOUNTS PAYABLE VOUCHER
*V6600390	11/21/2018	MARY ELIZABETH TAYLOR	R	279.04	ACCOUNTS PAYABLE VOUCHER
*V6600391	11/21/2018	ANNE ELIZABETH JUST	R	85.18	ACCOUNTS PAYABLE VOUCHER
*V6600392	11/21/2018	ERIC JOSEPH VAN BROCKLIN	R	183.20	ACCOUNTS PAYABLE VOUCHER

TIES
 DATE: 11/27/2018
 TIME: 16:23:32

INTERMEDIATE SCHOOL DISTRICT
 CHECK REGISTER INCLUDING SYSTEM VOIDS

PAGE NUMBER: 6
 ACCTPA21
 ACCOUNTING PERIOD: 5/19

SELECTION CRITERIA: chkstat.rundate between '20181101 00:00:00.000' and '20181127 00:00:00.000'

*v6600393	11/21/2018	MICHELLE LYNN VOLLBRECHT	R	45.00	ACCOUNTS PAYABLE VOUCHER
*v6600394	11/21/2018	ANDREW JACOB WEBSTER	R	173.86	ACCOUNTS PAYABLE VOUCHER
*v6600395	11/21/2018	SAMANTHA LOUISE WITTSTRUCK	R	13.08	ACCOUNTS PAYABLE VOUCHER
*v6600396	11/21/2018	FRAN LOUISE WOOD	R	989.46	ACCOUNTS PAYABLE VOUCHER
*v6600397	11/21/2018	SOUA YANG	R	43.60	ACCOUNTS PAYABLE VOUCHER
*v6600398	11/21/2018	SCOTT MICHAEL ZEHNDER	R	20.00	ACCOUNTS PAYABLE VOUCHER
*v6600399	11/21/2018	MARK A. ZUZEK	R	194.64	ACCOUNTS PAYABLE VOUCHER
*v7700288	11/27/2018	KANSAS CITY LIFE INSURANCE COMPANY	R	10189.60	ACCOUNTS PAYABLE VOUCHER
*v7700289	11/01/2018	KANSAS CITY LIFE INSURANCE COMPANY	R	9811.76	ACCOUNTS PAYABLE VOUCHER
*v7700290	11/19/2018	MN CHILD SUPPORT PAYMENT CENTER	R	312.80	ACCOUNTS PAYABLE VOUCHER
*v7700291	11/19/2018	AMERIPRISE FINANCIAL ADVISORS	R	8098.76	ACCOUNTS PAYABLE VOUCHER
*v7700292	11/19/2018	AXA EQUITABLE LIFE INS CO	R	3757.65	ACCOUNTS PAYABLE VOUCHER
*v7700293	11/19/2018	FIDELITY INVSTMT TAX-EX SVC CO	R	8803.43	ACCOUNTS PAYABLE VOUCHER
*v7700294	11/19/2018	HEALTHQUITY, INC.	R	21483.81	ACCOUNTS PAYABLE VOUCHER
*v7700295	11/19/2018	HORACE MANN LIFE INS	R	2117.71	ACCOUNTS PAYABLE VOUCHER
*v7700296	11/19/2018	INTERNAL REVENUE SERVICE	R	205990.22	ACCOUNTS PAYABLE VOUCHER
*v7700297	11/19/2018	EDUCATION MN ESI BILLING TRUST	R	5396.89	ACCOUNTS PAYABLE VOUCHER
*v7700298	11/19/2018	MN DEPT OF REVENUE	R	34718.02	ACCOUNTS PAYABLE VOUCHER
*v7700299	11/19/2018	MN DEPT OF REVENUE(C)	R	649.23	ACCOUNTS PAYABLE VOUCHER
*v7700300	11/19/2018	MN STATE RETIREMENT SYSTEM	R	2020.83	ACCOUNTS PAYABLE VOUCHER
*v7700301	11/19/2018	EXECUTIVE DIRECTOR	R	49228.43	ACCOUNTS PAYABLE VOUCHER
*v7700302	11/19/2018	STATE TREASURER, TRA	R	89318.57	ACCOUNTS PAYABLE VOUCHER
*v7700303	11/19/2018	VARIABLE ANNUITY LIFE INS CO	R	8284.61	ACCOUNTS PAYABLE VOUCHER
*v7700304	11/19/2018	VOYA	R	1669.79	ACCOUNTS PAYABLE VOUCHER
*v7700305	11/27/2018	CORPORATE HEALTH SYSTEMS	R	4229.04	ACCOUNTS PAYABLE VOUCHER
*v7700306	11/27/2018	DELTA DENTAL OF MINNESOTA	R	32877.40	ACCOUNTS PAYABLE VOUCHER
*v7700307	11/27/2018	MEDICA	R	215579.59	ACCOUNTS PAYABLE VOUCHER
TOTAL FUND				1115037.60	

DISTRIBUTION FUND: 50

CHECK NUMBER	ISSUE DATE	VENDOR	STATUS	TOTAL	DESCRIPTION
5000007	11/16/2018	SKILLSUSA MINNESOTA	R	90.00	ACCOUNTS PAYABLE CHECK
TOTAL FUND				90.00	
TOTAL REPORT				1115127.60	

Date: November 20, 2018

To: Accounts Payable/Banking

From: Audrey Weiler

Payroll Specialist

Invoice nbr:	18323146984A
Date:	11/19/2018
Payment Date	11/21/2018

Subjec Group Weekly Claims Invoice
(Employer's Costs and Employees' Withholdings)

ACH Transfer was made in the amount of \$ **\$52,963.31**

Payable to:
Medica

Vendor # 21088

Charge to:

Amount

22-005-110-000-300-000	WEEKLY INVOICE	HLTH/RX CLAIMS	\$52,963.31
22-005-110-000-301-000	PASSPORT	MEDICA ADMIN	\$0.00
22-005-110-000-305-000	STOP LOSS ADMIN	AGG PREM	\$0.00
22-005-110-000-302-000	STOP LOSS	STOP LOSS	\$0.00
22-005-110-000-301-000	MHSA	MEDICA ADMIN	\$0.00
22-005-110-000-310-000	ISD917 MISC	CHS BENEFIT FEE CODE	\$0.00

Total

\$52,963.31 ^{proof} \$0.00

Authorized Signature



Date

11-21-18

copy for AP
copy for Board

Date: November 20, 2018

To: FOR EFT INPUT


From: Audrey Weiler
Payroll Clerk

Subject: Flex Plan ACH Transfer for Flex Claim Reimbursement

Transferred From Wells Fargo Bank Account Number xxxxxx2167 \$2,307.13
Corporate Health Systems Inc Vendor # 22698

Charge to:		Amount
10-215-39	Medical	\$766.92
10-215-40	D.Care	\$1,535.21
10-215-42	L.Scope	\$0.00
10-005-111-000-305-000	Card Replacement	\$5.00 proof
Total		\$2,307.13
		\$0.00

cc: Payroll Insurance Payment File
Date Bank Account to be debited see below

Authorized Signature  Date 11-26-18

11/5/2018	\$	5.00
11/6/2018	\$	24.37
11/14/2018	\$	699.29
11/16/2018	\$	21.27
11/21/2018	\$	1,557.20

Total \$ 2,307.13

Total \$

copy to Linda B, one for payroll and original to Vickie B

Date: November 15, 2018

To: Accounts Payable/Banking

From: Audrey Weiler

Payroll Specialist

Invoice nbr:	18316146984A
Date:	11/12/2018
Payment Date	11/14/2018

Subject Group Weekly Claims Invoice
(Employer's Costs and Employees' Withholdings)

ACH Transfer was made in the amount of \$ 49,515.52

Payable to:
Medica

Vendor # 21088

Charge to:

Amount

22-005-110-000-300-000	WEEKLY INVOICE	HLTH/RX CLAIMS	\$49,515.52
22-005-110-000-301-000	PASSPORT	MEDICA ADMIN	\$0.00
22-005-110-000-305-000	STOP LOSS ADMIN	AGG PREM	\$0.00
22-005-110-000-302-000	STOP LOSS	STOP LOSS	\$0.00
22-005-110-000-301-000	MHSA	MEDICA ADMIN	\$0.00
22-005-110-000-310-000	ISD917 MISC	CHS BENEFIT FEE CODE	\$0.00

Total		\$49,515.52	proof	\$0.00
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Authorized Signature  Date 11-15-18

copy for AP
copy for Board

Date: November 5, 2018

To: Accounts Payable/Banking

Invoice nbr:	18309146984A
Date:	11/5/2018
Payment Date	11/7/2018

From: Audrey Weiler

Payroll Specialist

Subject Group Weekly Claims Invoice
(Employer's Costs and Employees' Withholdings)

ACH Transfer was made in the amount of \$ \$51,639.51

Payable to:
Medica

Vendor # 21088

Charge to:

Amount

22-005-110-000-300-000	WEEKLY INVOICE	HLTH/RX CLAIMS	\$51,639.51
22-005-110-000-301-000	PASSPORT	MEDICA ADMIN	\$0.00
22-005-110-000-305-000	STOP LOSS ADMIN	AGG PREM	\$0.00
22-005-110-000-302-000	STOP LOSS	STOP LOSS	\$0.00
22-005-110-000-301-000	MHSA	MEDICA ADMIN	\$0.00
22-005-110-000-310-000	ISD917 MISC	CHS BENEFIT FEE CODE	\$0.00

Total

\$51,639.51 ^{proof} \$0.00

Authorized Signature



Date

11-5-18

copy for AP
copy for Board

Date: November 5, 2018

To: FOR EFT INPUT

From: Audrey Weiler
Payroll Clerk

Subject: Flex Plan ACH Transfer for Flex Claim Reimbursement

Transferred From Wells Fargo Bank Account Number xxxxxx2167 \$1,921.91
Corporate Health Systems Inc Vendor # 22698

Charge to:		Amount
10-215-39	Medical	-\$254.79
10-215-40	D.Care	\$2,176.70
10-215-42	L.Scope	\$0.00
10-005-111-000-305-000	Card Replacement	\$0.00 proof
Total		\$1,921.91
		\$0.00

cc: Payroll Insurance Payment File
Date Bank Account to be debited see below

Authorized Signature  Date 11-5-18

11/1/2018	\$	30.00
11/2/2018	\$	(284.79)
11/7/2018	\$	2,176.70

Total \$ 1,921.91

Total \$ -

copy to Linda B, one for payroll and original to Vickie B

Date: November 2, 2018

To: FOR EFT INPUT

From: Audrey Weiler
Payroll Clerk

Subject: Group Insurance Premium for October 2018
(Employer's Costs and Employees' Withholdings)

Payable to: \$32,877.40
Delta Dental Vendor # 30132

Charge to:	Amount
21-005-110-000-235-250	\$32,877.40

Total	\$32,877.40	proof	\$0.00
-------	-------------	-------	--------

cc: Payroll Insurance Payment File
Date Bank Account to be debited 11/10/2018

Authorized Signature  Date 11-2-18

Invoice 7457137 dated 11/01/2018

	LB COPY
	VB COPY

Date: November 1, 2018

To: Accounts Payable/Banking

From: Audrey Weiler

Payroll Specialist

Invoice nbr:	18302146984A
Date:	10/29/2018
Payment Date	10/31/2018

Subject Group Weekly Claims Invoice
(Employer's Costs and Employees' Withholdings)

ACH Transfer was made in the amount of \$ \$51,484.32

Payable to:
Medica


Vendor # 21088

Charge to:

Amount

22-005-110-000-300-000	WEEKLY INVOICE	HLTH/RX CLAIMS	\$51,484.32
22-005-110-000-301-000	PASSPORT	MEDICA ADMIN	\$0.00
22-005-110-000-305-000	STOP LOSS ADMIN	AGG PREM	\$0.00
22-005-110-000-302-000	STOP LOSS	STOP LOSS	\$0.00
22-005-110-000-301-000	MHSA	MEDICA ADMIN	\$0.00
22-005-110-000-310-000	ISD917 MISC	CHS BENEFIT FEE CODE	\$0.00

Total	\$51,484.32	proof	\$0.00
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Authorized Signature  Date 11-1-18

copy for AP
copy for Board

Date: November 1, 2018

To: Accounts Payable

From: Audrey Weiler

Payroll Clerk

Invoice nbr: 45693947

Date: 10/23/2018

Payment Date 11/1/2018

Subject: Group Monthly Invoice November
(Employer's Costs and Employees' Withholdings)

ACH Funds Transfer was made in the amount of \$ **\$62,940.24**

Payable to:
Medica

Vendor # 21088


Charge to:

Amount

22-005-110-000-300-000	WEEKLY INVOICE	HLTH/RX CLAIMS	\$0.00
22-005-110-000-301-000	PASSPORT	MEDICA ADMIN	\$5,975.26
22-005-110-000-305-000	STOP LOSS ADMIN	AGG PREM	\$1,082.16
22-005-110-000-302-000	STOP LOSS	STOP LOSS	\$51,236.88
22-005-110-000-301-000	MHSA	MEDICA ADMIN	\$971.94
22-005-110-000-310-000	ISD917 MISC	CHS BENEFIT FEE CODE	\$3,674.00
10-005-120-000-099-000	WELLNESS CREDIT		

Total

\$62,940.24 ^{proof} \$0.00

Authorized Signature  Date 11-1-18

**INTERMEDIATE SCHOOL DISTRICT 917
SCHOOL BOARD REPORT OF
CONSOLIDATED INVESTMENTS (GENERAL & BUILDING)**

OCTOBER 2018

	ACCOUNT NAME	ACCT NO	BEGINNING BALANCE	PURCHASES CREDITS	SALES TRANSFERS	INVESTMENT FEES	INTEREST EARNED	ENDING BALANCE	YEAR TO DATE INTEREST EARNED
1	MSDLAF + MAX	01	7,968,314.18	0.00	0.00	0.00	14,395.83	7,982,710.01	48,358.19
2	MSDLAF	01	805.47		0.00	0.00	1.36	806.83	5.23
3	MSDLAF TERM (CD's,Term,Comm) maturity	01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL		7,969,119.65	0.00	0.00	0.00	14,397.19	7,983,516.84	48,363.42

EXPLANATION: The above are School District Investments complying with the requirements of Minnesota Statutes 118.01, 471.56 and 475.66.

1. MSDMAX is MSDLAF'S "Max Portfolio" and includes pooled investments plus banker's acceptances, commercial paper, repurchase agreements and US Government obligations.
2. MSDLAF is MSDLAF'S primary clearing "Money Market" fund. All fixed rate investments (FRI) clear through this account as do maturities, interest, and fees.

NOTE: **October 2018** Average MSDLAF Liquid Rate was 1.99 % and the MSDLAF+MAX Average Rate was 2.13%. MSDLAF Term Average Rate is .00%.

INTERMEDIATE SCHOOL DISTRICT NO. 917
ROSEMOUNT, MINNESOTA

Financial Statements and
Supplemental Information

Year Ended
June 30, 2018

Preliminary Draft

INTERMEDIATE SCHOOL DISTRICT NO. 917

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INDEPENDENT SCHOOL DISTRICT NO. 917

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INTRODUCTORY SECTION

INTERMEDIATE SCHOOL DISTRICT NO. 917

School Board and Administration
as of June 30, 2018

SCHOOL BOARD

<u>Board of Directors</u>	<u>Member District</u>	<u>Position on Board</u>
Jill Lewis	ISD No. 199	Chairperson
Bob Erickson	ISD No. 194	Vice Chairperson
Melissa Sauser	ISD No. 192	Treasurer
Vanda Pressnall	ISD No. 195	Clerk
Dick Bergstrom	ISD No. 271	Director
Dee Dee Currier	ISD No. 191	Director
Wendy Felton	SSD No. 6	Director
Russ Rohloff	ISD No. 200	Director
Byron Schwab	ISD No. 197	Director

ADMINISTRATION

John Christiansen	Superintendent
Melissa Schaller	Director of Special Education
Eric Van Brocklin	Secondary Education Principal
Nicolle Roush	Business Manager

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of
Intermediate School District No. 917
Rosemount, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Intermediate School District No. 917 (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

(continued)

OPINIONS

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

EMPHASIS OF MATTER

As described in Note 1 of the notes to basic financial statements, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, during the year ended June 30, 2018. Our opinion is not modified with respect to this matter.

OTHER MATTERS

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, supplemental information, and other information section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table is presented for purposes of additional analysis as required by the Minnesota Department of Education, and is also not a required part of the basic financial statements of the District.

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

The introductory and other information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

(continued)

Prior Year Comparative Information

We have previously audited the District's 2017 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated November 29, 2017. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

Minneapolis, Minnesota
INSERT DATE

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

This section of Intermediate School District No. 917's (the District) annual financial statements presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2018. Please read it in conjunction with the other components of the District's financial statements.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows of resources were lower than liabilities and deferred inflows of resources at June 30, 2018 by \$19,420,937 (net position). The District's total net position decreased by \$4,985,203 during the fiscal year ended June 30, 2018, excluding the change in accounting principle.
- The District recorded a change in accounting principle in the current year with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. The change reflects standards established for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures as they relate to other post-employment benefit (OPEB) obligations. The implementation of this standard increased beginning net position in the government-wide and internal service fund financial statements by \$98,437.
- The District's total General Fund balance at June 30, 2018 is \$8,023,932, an increase of \$1,066,054 over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- Independent Auditor's Report;
- Management's discussion and analysis;
- Basic financial statements, including the government-wide financial statements, fund financial statements, and the notes to basic financial statements;
- Required supplementary information; and
- Combining and individual fund statements and schedules, which are presented as supplemental information.

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

FUND FINANCIAL STATEMENTS

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

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

The District maintains the following kinds of funds:

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

Proprietary Funds – Internal service fund services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District uses internal service funds to report activities that provide supplies and services for the District's other programs and activities. These services have been included with governmental activities in the government-wide financial statements. The District currently has three internal service funds, including funds for accounting for post-employment severance and OPEB, and medical self-insurance and dental self-insurance plans.

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

	2018	2017
Assets		
Current and other assets	\$ 14,529,546	\$ 13,287,467
Capital assets, net of accumulated depreciation	9,213,928	9,327,146
Total assets	\$ 23,743,474	\$ 22,614,613
Deferred outflows of resources		
Pension plan deferments	\$ 27,539,981	\$ 35,135,153
OPEB plan deferments	49,298	-
Deferred charge on refunding debt	358,807	381,232
Total deferred outflows of resources	\$ 27,948,086	\$ 35,516,385
Liabilities		
Current and other liabilities	\$ 3,579,655	\$ 4,326,139
Long-term liabilities, including due within one year	59,422,369	67,565,532
Total liabilities	\$ 63,002,024	\$ 71,891,671
Deferred inflows of resources		
Pension plan deferments	\$ 8,110,473	\$ 773,498
Net position		
Net investment in capital assets	\$ 1,535,355	\$ 1,989,252
Restricted for capital projects	-	76
Restricted for other purposes	300,566	252,615
Unrestricted	(21,256,858)	(16,776,114)
Total net position	\$ (19,420,937)	\$ (14,534,171)

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

The District's total net position at June 30, 2018 was \$4,886,766 less than in the prior year, mainly due to increases in net pension plan related liabilities. An increase in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans contributed to the change in deferred outflows of resources, long-term liabilities, deferred inflows of resources, and unrestricted net position.

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

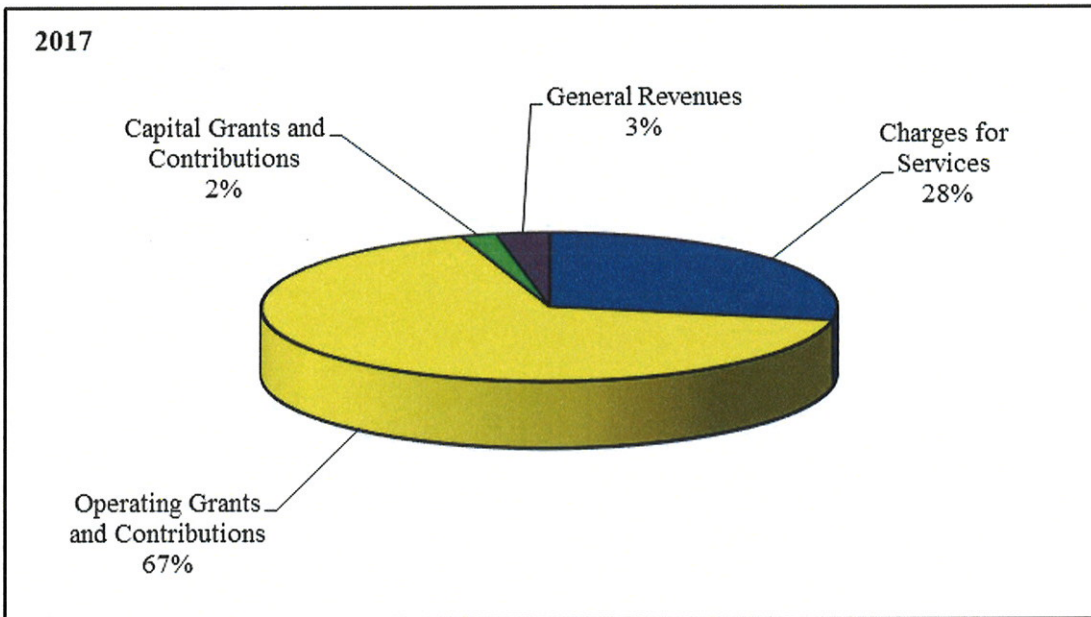
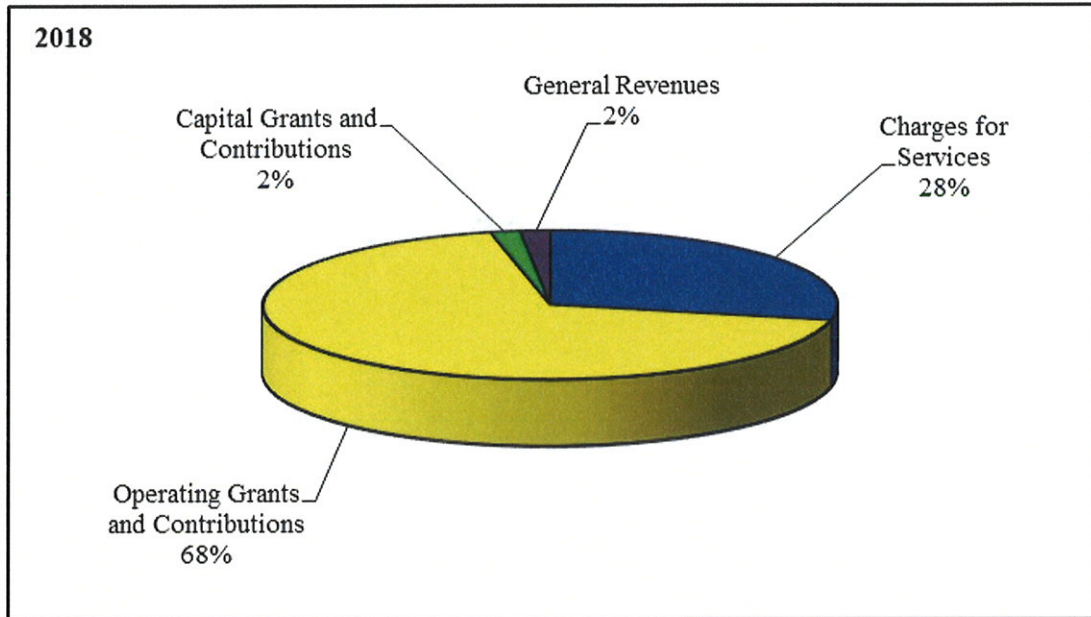
Table 2		
Summary Statement of Activities		
for the Years Ended June 30, 2018 and 2017		
	<u>2018</u>	<u>2017</u>
Revenues		
Program revenues		
Charges for services	\$ 9,660,814	\$ 8,910,685
Operating grants and contributions	23,146,660	21,223,814
Capital grants and contributions	557,650	539,240
General revenues		
Other	508,545	779,287
Investment earnings	72,031	66,190
Total revenues	<u>33,945,700</u>	<u>31,519,216</u>
Expenses		
Administrative and support services	2,370,386	3,088,390
Secondary vocational/DCALS	4,185,093	3,590,904
Special education programs	31,992,143	30,535,125
Food service	136,447	143,390
Interest and fiscal charges on debt	246,834	301,437
Total expenses	<u>38,930,903</u>	<u>37,659,246</u>
Change in net position	(4,985,203)	(6,140,030)
Net position – beginning, as previously reported	(14,534,171)	(8,394,141)
Change in accounting principle	98,437	–
Net position – beginning, as restated	<u>(14,435,734)</u>	<u>(8,394,141)</u>
Net position – ending	<u>\$ (19,420,937)</u>	<u>\$ (14,534,171)</u>

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

The total cost of all programs and services was \$38,930,903. The District’s expenses are predominantly related to educating students. In fiscal 2017–2018, 93 percent of the District’s expenses were devoted to this purpose. The administrative and support services activity of the District accounted for 6 percent of total expenses for the year. It should be noted that the District allocated \$1,655,925 in administrative and support services expenses to the secondary vocational/Dakota County Area Learning School (DCALS) and special education programs in fiscal 2018. The significant increase in expenses reflects natural inflationary increases along with the change in the PERA and the TRA multiple-employer defined benefit pension plans mentioned earlier.

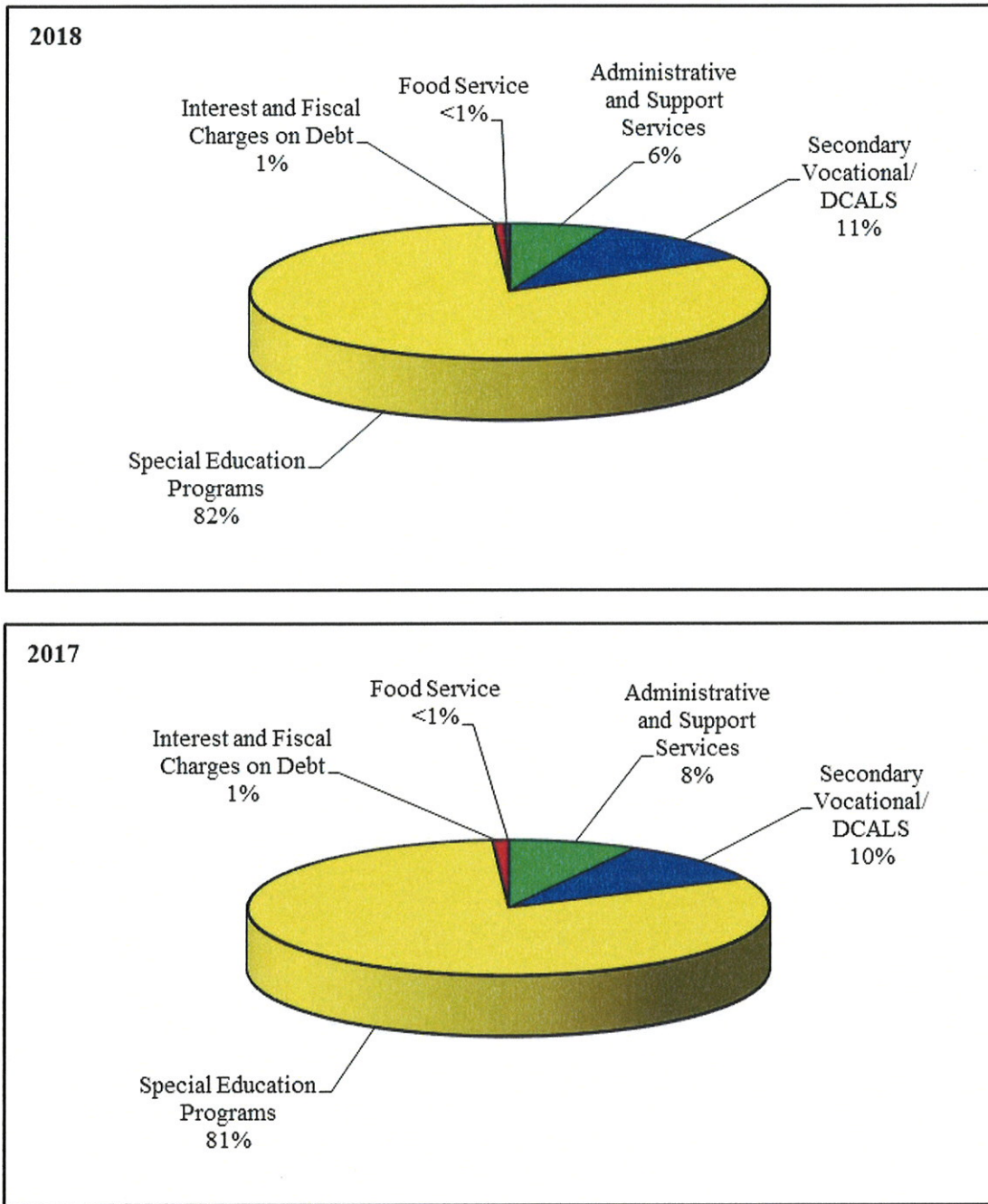
Figures A and B show further analysis of these revenue sources and expense functions:

Figure A – Sources of Revenue for Fiscal Years 2018 and 2017



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

Figure B – Expenses for Fiscal Years 2018 and 2017



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

Table 3
Net Cost of Governmental Activities
for the Years Ending June 30, 2018 and 2017

	2018		2017	
	Total Cost of Services	Net (Expense) Revenue From Services	Total Cost of Services	Net (Expense) Revenue From Services
Governmental activities				
Administrative and support services	\$ 2,370,386	\$ (228,266)	\$ 3,088,390	\$ (1,103,934)
Secondary vocational/DCALS	4,185,093	(89,375)	3,590,904	(63,834)
Special education programs	31,992,143	(4,969,336)	30,535,125	(5,477,392)
Food service	136,447	(31,968)	143,390	(38,910)
Interest and fiscal charges	246,834	(246,834)	301,437	(301,437)
Total	\$ 38,930,903	\$ (5,565,779)	\$ 37,659,246	\$ (6,985,507)

The overall net (expense) revenue from service was \$1,419,728 more than fiscal 2017, due mainly to the increase in fund balance in the General Fund.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Table 4 shows the change in total fund balances of each of the District's governmental funds:

	2018		2017		Increase (Decrease)	Total Percent Change
	2018	2017	2018	2017		
Major funds						
General	\$ 8,023,932	\$ 6,957,878	\$ 8,023,932	\$ 6,957,878	\$ 1,066,054	15.3%
Capital Projects – Building Construction	–	–	–	–	–	–
Food Service Special Revenue	–	–	–	–	–	–
Total governmental funds	\$ 8,023,932	\$ 6,957,878	\$ 8,023,932	\$ 6,957,878	\$ 1,066,054	15.3%

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

ENROLLMENT

**Table 5
Average Daily Membership (ADM) Served
Last Five Fiscal Years**

	<u>2013–2014</u>	<u>2014–2015</u>	<u>2015–2016</u>	<u>2016–2017</u>	<u>2017–2018</u>
Secondary vocational resource programs	109.00	100.67	108.41	92.80	106.57
DCALS programs	209.84	190.43	216.20	214.84	271.12
Special education resource programs	395.92	414.54	419.44	478.42	466.30

Funding for Minnesota school districts is largely driven by enrollment. In the current economic environment, member districts are striving to keep their students at their sites whenever possible. Overall, the District’s secondary vocational resource programs remain stable with a slight growth experienced in 2017–2018. Alternative learning (DCALS) programs experienced significant and unanticipated growth from the previous fiscal year. Special education resource programs are experiencing growth in Customized Alternative Solutions for Education (CASE), Students with Unique Needs (SUN), and Therapeutic Education Alternative (TEA), and declining enrollment in Transition Education Services (TESA), Deaf and Hard of Hearing Resources (DHH), and Care and Treatment programs. Stable and predictable enrollment to maintain and fund programs will continue to be especially challenging in the alternative learning and secondary vocational resource programs.

GENERAL FUND

The General Fund is used by the District to record the primary operations of providing education services to students enrolled in intermediate school district programs. Capital and major maintenance projects are also included in the General Fund.

**Table 6
Financial Position – General Fund
Last Five Fiscal Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Unassigned fund balance	\$ 4,642,898	\$ 4,807,307	\$ 5,730,521	\$ 5,922,746	\$ 6,634,983
Percent increase (decrease)	13.7%	3.5%	19.2%	3.4%	12.0%
Expenditures	\$ 24,895,504	\$ 26,283,967	\$ 28,598,875	\$ 33,366,968	\$ 32,756,448
Percent increase	2.5%	5.6%	8.8%	16.7%	(1.8%)
Unassigned fund balance as a percentage of expenditures	18.6%	18.3%	20.0%	17.8%	20.3%

The District ended the year with a \$1,066,054 increase in the General Fund balance, which includes a \$712,237 increase in the unassigned fund balance. The total increase of \$1,066,054 is \$499,859 higher than anticipated in the District’s revised budget. The reason for the variance is due mainly to the District receiving better than expected results in the Secondary Education Account, including revenue exceeding projections by \$417,658, mainly due to having higher than anticipated enrollment at the DCALS program.

Table 7 presents a summary of General Fund revenue:

	<u>2018</u>	<u>2017</u>	Amount of Increase (Decrease)
Local sources			
Tuition	\$ 9,703,204	\$ 8,898,680	\$ 804,524
Investment earnings	40,928	58,896	(17,968)
Other	500,245	593,514	(93,269)
State sources	23,453,890	21,090,031	2,363,859
Federal sources	<u>150,934</u>	<u>139,698</u>	<u>11,236</u>
 Total General Fund revenues	 <u>\$ 33,849,201</u>	 <u>\$ 30,780,819</u>	 <u>\$ 3,068,382</u>

Total General Fund revenues increased \$3,068,382, or 10.0 percent, in fiscal 2018 as compared to the previous year. Overall, the changes in revenues can be attributed to an increase in enrollment of 57 additional ADMs in combination with increased expenditures, resulting in an increase in state revenue sources through tuition billing and for direct tuition revenue to local school districts for services outside of the state tuition billing system.

Increase in state sources is due to an increase in general education as a result of increased entitlement for general education basic skills. The remaining increase is the result of increased revenues for special education. There was an under accrual in the prior year that resulted in approximately \$700,000 of fiscal 2017 revenue being recognized in the current year. The remaining increase in special education revenues is the result of increased entitlements on \$1,600,000 from the prior year. Increased entitlement is due to an average salary and benefit increases per contract of approximately 3.9 percent, increase in the general education formula of 2.0 percent, and the remaining increase is related to ADM growth. The growth was the result of several factors: CASE program was new in fiscal year 2018, and TEA and SUN programs expanded. In addition, students served by the District are changing and we are serving more complex students with more related services that need higher staffing ratios of related staff.

Table 8 presents a summary of General Fund expenditures:

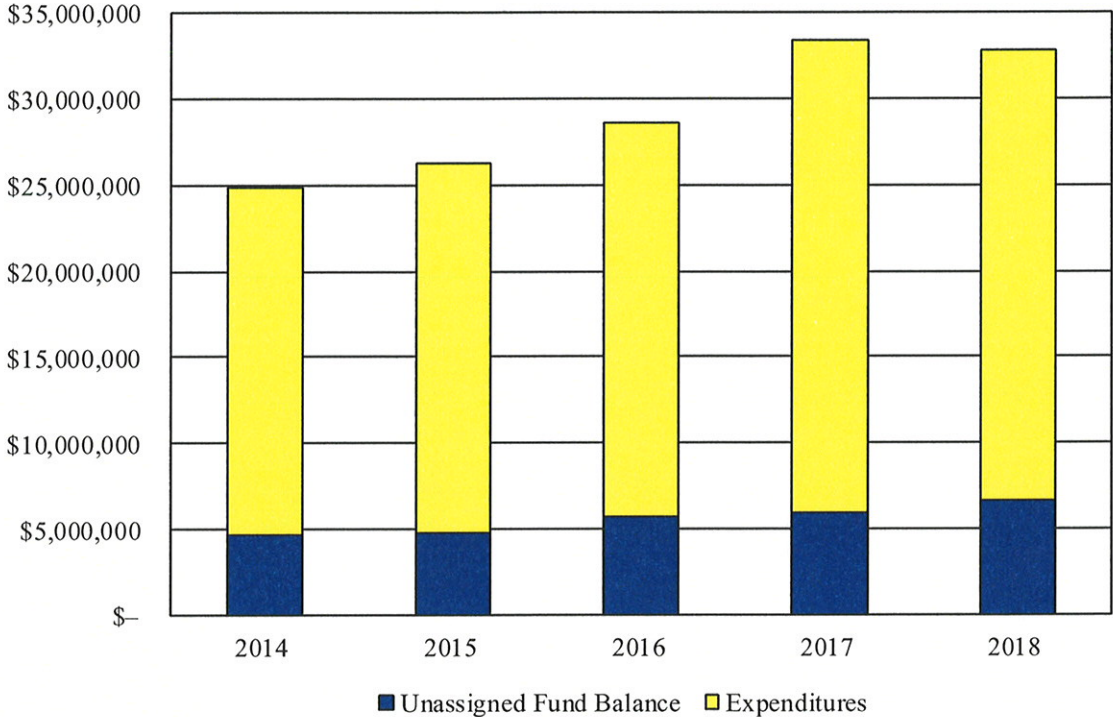
	<u>2018</u>	<u>2017</u>	<u>Amount of Increase (Decrease)</u>
Salaries	\$ 20,191,136	\$ 18,414,214	\$ 1,776,922
Employee benefits	6,738,174	6,088,584	649,590
Purchased services	3,640,651	3,512,686	127,965
Supplies and materials	784,606	742,100	42,506
Other expenditures	120,825	110,457	10,368
Capital expenditures	746,364	3,240,678	(2,494,314)
Debt service	534,692	1,258,249	(723,557)
 Total General Fund expenditures	 <u>\$ 32,756,448</u>	 <u>\$ 33,366,968</u>	 <u>\$ (610,520)</u>

Total General Fund expenditures decreased \$610,520, or 1.8 percent, from the previous year. Overall, the changes in expenditures can be attributed to an increase in salaries and benefits, which was mainly due to increases in the number of employees. Also, capital expenditures decreased \$2,494,314 as a result of the decreased construction activity related to the Alliance Education Center addition.

In summary, 2017–2018 General Fund revenues and other financing sources exceeded General Fund expenditures and other financing uses by \$1,066,054. As a result, total fund balance increased to \$8,023,932 at June 30, 2018. After deducting nonspendable, restricted, and assigned funds, the unassigned fund balance increased from \$5,922,746 at June 30, 2017, to \$6,634,983 at June 30, 2018.

The following shows the General Fund unassigned fund balance as compared to expenditures:

Figure C
General Fund
Unassigned Fund Balance as Compared to Expenditures
Last Five Fiscal Years



The graph above is the single best measure of overall financial health. The unassigned fund balance of \$6.6 million at June 30, 2018 represents 20.3 percent of annual expenditures, or over two months of school year operations. The fund balances of an intermediate school district are key to its financial success as the cash flow advance options available to intermediate school districts are more restrictive to access as an independent school district. The continued maintenance of fund balance is essential for the District to minimize the impact that cash flow borrowing would have to member districts that would have to back any cash flow debt incurred by the District. With a metering system and limited cash flow borrowing options available, the District believes it is necessary to maintain a minimum fund balance of 15.0 percent of annual budget to assure financial stability. The District continues to monitor its fund balances closely.

General Fund Budgetary Highlights

Table 9 summarizes the General Fund budget to actual comparison:

Table 9 General Fund Budget Year Ended June 30, 2018				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenue and other financing sources	<u>\$ 35,526,658</u>	<u>\$ 35,414,210</u>	<u>\$ 33,851,534</u>	<u>\$ (1,562,676)</u>
Expenditures and other financing uses	<u>\$ 42,057,703</u>	<u>\$ 34,848,015</u>	<u>\$ 32,785,480</u>	<u>\$ (2,062,535)</u>

The District is required to adopt an operating budget prior to the beginning of its fiscal year, referred to above as the original budget. During the year, the District might amend that budget for known changes in circumstances such as enrollment levels, grant funding, and employee contract settlements.

The District made revisions to the budget during the budget process in January. The District derives the majority of its revenue from tuition fees to member districts and state sources from the special education tuition billing system.

The District’s revenues and other financing sources were less than budgeted amounts by 4.4 percent, due to several factors. The District’s anticipated revenues are determined by actual expenditures incurred, which came in under budget by \$2,050,432.

The District’s expenditures and other financing uses were less than budgeted amounts by 5.9 percent, due to several factors. Overall, expenditures were under budget by \$1.94 million in special education programs. The budget was built assuming there would be a 35 ADM increase during the year, with the positions being filled all year. However, these additional positions went unfilled during a large portion of the current year as it was difficult to find licensed personnel.

FOOD SERVICE SPECIAL REVENUE FUND

Expenditures exceeded revenues by \$29,032 for the year. In order to eliminate the potential deficit in the Food Service Special Revenue Fund, the School Board approved a transfer of \$29,032 from the General Fund.

INTERNAL SERVICE FUNDS

The internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The District has three internal service funds. The District’s internal service funds include financing for post-employment severance benefits and OPEB, and self-insurance of the employee medical and dental insurance programs.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

Table 10 shows the District's capital assets, together with changes from the previous year. The table also shows the total depreciation expense for fiscal years ending June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Land	\$ 655,000	\$ 655,000	\$ -
Construction in process	-	2,607,447	(2,607,447)
Buildings	11,168,352	8,413,048	2,755,304
Furniture and equipment	2,259,410	2,106,891	152,519
Less accumulated depreciation	<u>(4,868,834)</u>	<u>(4,455,240)</u>	<u>(413,594)</u>
Total	<u>\$ 9,213,928</u>	<u>\$ 9,327,146</u>	<u>\$ (113,218)</u>
Depreciation expense	<u>\$ 416,530</u>	<u>\$ 272,348</u>	<u>\$ 144,182</u>

Long-Term Liabilities

Table 11 illustrates the components of the District's long-term liabilities, together with changes from the prior year:

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Certificates of participation payable	\$ 7,830,000	\$ 8,085,000	\$ (255,000)
Unamortized premium (discount)	249,726	261,958	(12,232)
Net pension liability	49,090,354	57,107,244	(8,016,890)
Severance benefits payable	413,496	449,832	(36,336)
Compensated absences payable	300,665	275,623	25,042
Net OPEB obligation	<u>1,510,178</u>	<u>1,385,875</u>	<u>124,303</u>
Total	<u>\$ 59,394,419</u>	<u>\$ 67,565,532</u>	<u>\$ (8,171,113)</u>

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

The **Vision** of the District is to be a community of students, families, teachers, staff members, school districts, regional organizations, and associations actively engaged in ensuring student learning success.

The **Mission** of the District is to serve as a quality, cost-effective resource for member school districts committed together to success for all learners.

The **Core Values** of the District are collaboration, passion for service, continuous improvement, stewardship, equity, open communication, and integrity.

The Vision, Mission, and Core Values of the District strongly inform budgetary decisions.

The District is charged by Minnesota Statutes to provide low incidence special education and secondary vocational technical education services to its member districts. In addition, the statutes indicate that intermediate districts should also provide its members with such other services that they require. Therefore, the District continually evaluates current service offerings and reviews additional areas of potential service to our member districts.

Current support services include:

- Provide robust offerings in Federal Setting III and Federal Setting IV Special Education programing.
- The DCALS program provides a high school Alternative Learning Center (ALC) at the Dakota County Technical College (DCTC). Providing the ALC services at the DCTC site allows for program extension into Career Technical Education programs, concurrent enrollment options in the DCTC course offerings, and a well-developed career pathway model in several careers.
- Partner with Independent School District (ISD) No. 197 to operate the DCALS North in West St. Paul. This site offers a convenient location in the northern part of the District.
- Provide the needed secondary alternative learning option to qualify a targeted services program for ISD Nos. 192, 197, 199, 200, and 271.
- Organize and facilitate regional networking meetings for superintendents, secondary principals, and special education directors.
- Collaborate with both public and private support service providers to meet the needs of member districts, and to increase the capacity of our communities to meet the diverse needs of children and families. Specifically, a recent successful grant from the state for embedded mental health services has been a tremendous addition.
- Collaborate with AMSD, MASA, MSBA, and AESA to advocate for legislation action to assist in the provision of district services.
- Collaborate with the other three intermediate school districts (916, 287, and 288) to advocate for legislation action to assist the District to meet the needs of the unique students served by the intermediate school districts. We also collaborate on communicating about the mission and the services provided by the intermediate school districts.
- Provide special education consultation and direct service to the member districts through a purchase of services model.

Additional potential collaborative support services include:

- An ALC specifically designed for students in Grades 8, 9, and 10 is being investigated. The site for the program would be in a space that is leased by the Farmington Public Schools. The program would be operated and staffed by 917 staff members.
- An expansion of the Transitional Educational Service Alternative for students age 18 to 21 is being investigated through a collaborative initiative with Bloomington Public Schools. The space is provided by Bloomington Public Schools. The services would be provided by the District.
- Potential collaborations in career technical education are being investigated. With multiple member districts providing well-designed programs within their own communities, there may be synergistic opportunity to help to coordinate inter-district collaborations throughout the member districts.

Existing circumstances that could significantly affect the District's financial health in the future:

- The general education program funding is the method by which school districts receive most of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. Of course, as the funding from the state for schools is not known for the 2020–2021 and 2021–2022 school years, we do not know how much of an increase will occur in the general education formula, and we do not know if there will be significant changes to the special education funding. Because each of our member districts currently have special education expenses that exceed their special education funding, they use general education revenue to cross-subsidize special education programming. So, monies spent in special education program funding have an impact on each district's General Fund budget.
- The District has appropriate fund balances to provide adequate opportunity to adapt to uncontrolled changes in revenue sources for the short-term (two or three years). The special education funding system is being managed in different ways by member districts. This drives different districts to make different decisions about which services they provide on their own and which services they procure from the District. We need to remain relevant, responsible, and responsive to the ever-changing needs of the member districts.
- Many of the important collaborative programs available through the Career Technical Education program, the DCALS program, and special services are expensive and require time to develop, yet they provide necessary and essential options for students and families. Because of specialized spaces and equipment needed for the programs, the District needs to continue to work closely with the member districts to ensure that there is enough commitment for participation by the member districts as the programs are developed.
- The need to find, secure, and retain highly qualified teachers and other employees, to fill the increasing number of positions to support the needs of our member districts, is a growing challenge. The District has initiated an employment incentive program for teachers in the Blind/Visual Impairment program. The District is collaborating with area colleges and universities to increase the number of the special education teachers available for the vacant positions. We will be hosting a cohort of paraprofessionals and tier 1 and tier 2 teachers who are pursuing licensure. We will collaborate with other schools to promote the offerings in degree acquisition and licensure completion.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

These financial statements are designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about these statements or need additional financial information, contact the Business Office, Intermediate School District No. 917, 1300 – 145th Street East, Rosemount, Minnesota 55068-2999.

BASIC FINANCIAL STATEMENTS

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	Governmental Activities	
	2018	2017
Assets		
Cash and temporary investments	\$ 6,990,706	\$ 3,249,221
Receivables		
Accounts and interest	9,714	9,351
Due from other governmental units	6,864,126	9,246,419
Inventory	414	925
Prepaid items	622,240	153,719
Restricted assets – temporarily restricted		
Cash and investments held by trustee	42,346	627,832
Capital assets		
Not depreciated	655,000	3,262,447
Depreciated, net of accumulated depreciation	8,558,928	6,064,699
Total capital assets, net of accumulated depreciation	<u>9,213,928</u>	<u>9,327,146</u>
Total assets	23,743,474	22,614,613
Deferred outflows of resources		
Pension plan deferments	27,539,981	35,135,153
OPEB plan deferments	49,298	—
Deferred charge on refunding	358,807	381,232
Total deferred outflows of resources	<u>27,948,086</u>	<u>35,516,385</u>
Total assets and deferred outflows of resources	<u>\$ 51,691,560</u>	<u>\$ 58,130,998</u>
Liabilities		
Salaries and compensated absences payable	\$ 2,684,557	\$ 3,012,174
Accounts and contracts payable	223,549	683,734
Accrued interest payable	97,292	140,343
Due to other governmental units	385,879	428,222
Unearned revenue	188,378	61,666
Long-term liabilities		
Due within one year	618,615	503,811
Due in more than one year	58,803,754	67,061,721
Total long-term liabilities	<u>59,422,369</u>	<u>67,565,532</u>
Total liabilities	63,002,024	71,891,671
Deferred inflows of resources		
Pension plan deferments	8,110,473	773,498
Net position		
Net investment in capital assets	1,535,355	1,989,252
Restricted for capital purposes	—	76
Restricted for basic skills	300,566	252,615
Unrestricted	(21,256,858)	(16,776,114)
Total net position	<u>(19,420,937)</u>	<u>(14,534,171)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 51,691,560</u>	<u>\$ 58,130,998</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

Functions/Programs	2018			
	Expenses	Indirect Expense Allocation	Program Revenues	
			Charges for Services	Operating Grants and Contributions
Governmental activities				
Administrative and support services	\$ 2,370,386	\$ (1,655,925)	\$ 457,002	\$ 6,543
Secondary vocational/DCALS	4,185,093	256,317	3,571,424	275,611
Special education programs	31,992,143	1,399,608	5,611,202	22,781,213
Food service	136,447	-	21,186	83,293
Interest and fiscal charges on debt	246,834	-	-	-
Total governmental activities	\$ 38,930,903	\$ -	\$ 9,660,814	\$ 23,146,660
		General revenues		
		Other general revenues		
		Investment earnings		
		Total general revenues		
		Change in net position		
		Net position – beginning, as previously reported		
		Change in accounting principle		
		Net position – beginning, as restated		
		Net position – ending		

		2017
	Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Capital Grants and Contributions	Governmental Activities	Governmental Activities
\$ 22,650	\$ (228,266)	\$ (1,103,934)
505,000	(89,375)	(63,834)
30,000	(4,969,336)	(5,477,392)
-	(31,968)	(38,910)
-	(246,834)	(301,437)
<u>\$ 557,650</u>	<u>(5,565,779)</u>	<u>(6,985,507)</u>
	508,545	779,287
	72,031	66,190
	<u>580,576</u>	<u>845,477</u>
	(4,985,203)	(6,140,030)
	(14,534,171)	(8,394,141)
	98,437	-
	<u>(14,435,734)</u>	<u>(8,394,141)</u>
	<u>\$ (19,420,937)</u>	<u>\$ (14,534,171)</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	General Fund	Nonmajor Fund – Food Service Special Revenue Fund	Total Governmental Funds	
			2018	2017
Assets				
Cash and temporary investments	\$ 3,787,748	\$ –	\$ 3,787,748	\$ 819,644
Cash and investments held by trustee	42,346	–	42,346	627,832
Receivables				
Accounts and interest	8,038	288	8,326	9,351
Due from other governmental units	6,864,126	–	6,864,126	9,246,419
Due from other funds	288	–	288	–
Inventory	414	–	414	925
Prepaid items	622,203	–	622,203	153,684
Total assets	\$ 11,325,163	\$ 288	\$ 11,325,451	\$ 10,857,855
Liabilities				
Salaries and compensated absences payable	\$ 2,684,557	\$ –	\$ 2,684,557	\$ 3,012,174
Accounts and contracts payable	43,417	–	43,417	397,915
Due to other governmental units	384,879	–	384,879	428,222
Due to other funds	–	288	288	–
Unearned revenue	188,378	–	188,378	61,666
Total liabilities	3,301,231	288	3,301,519	3,899,977
Fund balances				
Nonspendable	622,617	–	622,617	154,609
Restricted	342,912	–	342,912	880,523
Assigned	423,420	–	423,420	–
Unassigned	6,634,983	–	6,634,983	5,922,746
Total fund balances	8,023,932	–	8,023,932	6,957,878
Total liabilities and fund balances	\$ 11,325,163	\$ 288	\$ 11,325,451	\$ 10,857,855

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	<u>2018</u>	<u>2017</u>
Total fund balances – governmental funds	\$ 8,023,932	\$ 6,957,878
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	14,082,762	13,782,386
Accumulated depreciation	(4,868,834)	(4,455,240)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable.		
Certificates of participation payable	(7,830,000)	(8,085,000)
Compensated absences payable	(300,665)	(275,623)
Net pension liability	(49,090,354)	(57,107,244)
Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.	(97,292)	(140,343)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows – pension plan deferments	27,539,981	35,135,153
Deferred inflows – pension plan deferments	(8,110,473)	(773,498)
Deferred outflows – deferred charge on refunding	358,807	381,232
Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance as other financing sources and uses.	(249,726)	(261,958)
The internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	<u>1,120,925</u>	<u>308,086</u>
Total net position – governmental activities	<u>\$ (19,420,937)</u>	<u>\$ (14,534,171)</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2018

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

	General Fund	Nonmajor Fund – Food Service Special Revenue Fund	Total Governmental Funds	
			2018	2017
Revenue				
Local sources				
Tuition	\$ 9,703,204	\$ –	\$ 9,703,204	\$ 8,898,680
Investment earnings	40,928	–	40,928	58,896
Other	500,245	21,186	521,431	614,724
State sources	23,453,890	6,441	23,460,331	21,096,194
Federal sources	150,934	76,852	227,786	216,805
Total revenue	<u>33,849,201</u>	<u>104,479</u>	<u>33,953,680</u>	<u>30,885,299</u>
Expenditures				
Current				
Administrative and support services	493,198	–	493,198	468,671
Secondary vocational/DCALS	3,429,314	–	3,429,314	3,467,488
Special education programs	28,218,590	–	28,218,590	25,476,435
Food service	–	133,511	133,511	139,720
Capital outlay	80,654	–	80,654	2,763,177
Debt service				
Principal	255,000	–	255,000	967,011
Interest and fiscal charges	279,692	–	279,692	291,237
Total expenditures	<u>32,756,448</u>	<u>133,511</u>	<u>32,889,959</u>	<u>33,573,739</u>
Excess (deficiency) of revenue over expenditures	1,092,753	(29,032)	1,063,721	(2,688,440)
Other financing sources (uses)				
Debt issued	–	–	–	2,185,000
Refunding debt issued	–	–	–	5,900,000
Premium on debt issued	–	–	–	269,093
Refunding payment on debt	–	–	–	(6,117,871)
Proceeds from sale of assets	2,333	–	2,333	5,041
Transfers in	–	29,032	29,032	35,240
Transfers out	(29,032)	–	(29,032)	(35,240)
Total other financing sources (uses)	<u>(26,699)</u>	<u>29,032</u>	<u>2,333</u>	<u>2,241,263</u>
Net change in fund balances	1,066,054	–	1,066,054	(447,177)
Fund balances				
Beginning of year	<u>6,957,878</u>	<u>–</u>	<u>6,957,878</u>	<u>7,405,055</u>
End of year	<u>\$ 8,023,932</u>	<u>\$ –</u>	<u>\$ 8,023,932</u>	<u>\$ 6,957,878</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	<u>2018</u>	<u>2017</u>
Total net change in fund balances – governmental funds	\$ 1,066,054	\$ (447,177)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	304,046	2,777,454
Depreciation expense	(416,530)	(272,348)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.	–	(8,085,000)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.	255,000	6,820,000
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.	43,051	(17,335)
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.	12,232	(378,308)
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Net pension liability	8,016,890	(40,065,332)
A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balances.	(734)	(122,455)
The internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.	714,402	170,653
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Compensated absences payable	(25,042)	34,055
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows – pension plan deferments	(7,595,172)	31,951,807
Deferred inflows – pension plan deferments	(7,336,975)	1,112,724
Deferred outflows – deferred charge on refunding	(22,425)	381,232
Change in net position – governmental activities	<u>\$ (4,985,203)</u>	<u>\$ (6,140,030)</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Tuition	\$ 9,319,119	\$ 9,654,733	\$ 9,703,204	\$ 48,471
Investment earnings	39,500	14,500	40,928	26,428
Other	806,024	546,121	500,245	(45,876)
State sources	25,200,775	25,034,062	23,453,890	(1,580,172)
Federal sources	161,240	162,461	150,934	(11,527)
Total revenue	<u>35,526,658</u>	<u>35,411,877</u>	<u>33,849,201</u>	<u>(1,562,676)</u>
Expenditures				
Current				
Administrative and support services	496,732	504,036	493,198	(10,838)
Secondary vocational/DCALS	3,458,143	3,531,494	3,429,314	(102,180)
Special education programs	30,499,529	30,156,554	28,218,590	(1,937,964)
Capital outlay	350,000	80,104	80,654	550
Debt service				
Principal	6,932,472	255,000	255,000	—
Interest and fiscal charges	279,692	279,692	279,692	—
Total expenditures	<u>42,016,568</u>	<u>34,806,880</u>	<u>32,756,448</u>	<u>(2,050,432)</u>
Excess of revenue over expenditures	(6,489,910)	604,997	1,092,753	487,756
Other financing sources (uses)				
Proceeds from sale of assets	—	2,333	2,333	—
Transfers out	(41,135)	(41,135)	(29,032)	12,103
Total other financing sources (uses)	<u>(41,135)</u>	<u>(38,802)</u>	<u>(26,699)</u>	<u>12,103</u>
Net change in fund balances	<u>\$ (6,531,045)</u>	<u>\$ 566,195</u>	1,066,054	<u>\$ 499,859</u>
Fund balances				
Beginning of year			<u>6,957,878</u>	
End of year			<u>\$ 8,023,932</u>	

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	<u>2018</u>	<u>2017</u>
Assets		
Current assets		
Cash and temporary investments	\$ 3,202,958	\$ 2,429,577
Receivables	1,388	-
Prepaid items	<u>37</u>	<u>35</u>
Total assets	<u>3,204,383</u>	<u>2,429,612</u>
Deferred outflows of resources		
OPEB plan deferments	<u>49,298</u>	<u>-</u>
Liabilities		
Current liabilities		
Accounts and contracts payable	180,132	285,819
Due to other governmental units	1,000	-
Severance benefits payable	<u>27,950</u>	<u>22,731</u>
Total current liabilities	<u>209,082</u>	<u>308,550</u>
Long-term liabilities		
Total OPEB obligation	1,510,178	1,385,875
Severance benefits payable	<u>413,496</u>	<u>427,101</u>
Total long-term liabilities	<u>1,923,674</u>	<u>1,812,976</u>
Total liabilities	<u>2,132,756</u>	<u>2,121,526</u>
Net position		
Unrestricted	<u>\$ 1,120,925</u>	<u>\$ 308,086</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	<u>2018</u>	<u>2017</u>
Operating revenue		
Charges for services		
Contributions from governmental funds	\$ 3,833,957	\$ 3,418,685
Operating expenses		
Post-employment severance and health benefits	215,869	157,797
Dental benefit claims	371,130	368,904
Medical benefit claims	<u>2,563,659</u>	<u>2,728,625</u>
Total operating expenses	<u>3,150,658</u>	<u>3,255,326</u>
Operating income	683,299	163,359
Nonoperating revenue		
Investment earnings	<u>31,103</u>	<u>7,294</u>
Change in net position	714,402	170,653
Net position		
Beginning, as previously reported	308,086	137,433
Change in accounting principle	<u>98,437</u>	<u>—</u>
Beginning, as restated	<u>406,523</u>	<u>137,433</u>
End of year	<u>\$ 1,120,925</u>	<u>\$ 308,086</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

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

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Contributions from governmental funds	\$ 3,833,957	\$ 3,418,685
Post-employment severance and health benefit payments	(50,815)	(7,632)
Payments for medical claims	(2,637,511)	(2,583,244)
Payments for dental claims	(403,353)	(367,126)
Net cash flows from operating activities	<u>742,278</u>	<u>460,683</u>
Cash flows from investing activities		
Investment income received	<u>31,103</u>	<u>7,294</u>
Net increase in cash and cash equivalents	773,381	467,977
Cash and temporary investments		
Beginning of year	<u>2,429,577</u>	<u>1,961,600</u>
End of year	<u>\$ 3,202,958</u>	<u>\$ 2,429,577</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$ 683,299	\$ 163,359
Adjustments to reconcile operating income to net cash flows from operating activities		
Changes in assets and liabilities		
Receivables	(1,388)	-
Prepaid items	(2)	(35)
OPEB plan deferments	4,430	-
Accounts payable	(105,687)	147,159
Due to other governmental units	1,000	-
Severance benefits payable	(8,386)	(21,152)
Total OPEB obligation	<u>169,012</u>	<u>171,352</u>
Net cash flows from operating activities	<u>\$ 742,278</u>	<u>\$ 460,683</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Fiduciary Funds
Statement of Fiduciary Net Position
as of June 30, 2018

	<u>Private-Purpose Trust Fund</u>
Assets	
Cash and temporary investments	\$ 1,294
Accounts receivable	<u>851</u>
Total assets	<u>\$ 2,145</u>
Net position	
Held in trust for scholarships	<u>\$ 2,145</u>

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

	<u>Private-Purpose Trust Fund</u>
Additions	
Gifts and bequests	\$ 2,671
Deductions	
Scholarships	<u>2,527</u>
Change in net position	144
Net position	
Beginning of year	<u>2,001</u>
End of year	<u>\$ 2,145</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Notes to Basic Financial Statements
June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Intermediate School District No. 917 (the District) is an instrumentality of the state of Minnesota established to provide participating school districts with vocational, technical, and special education services. The District is governed by a joint School Board composed of appointed members from each participating school district. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

The District's financial statements include all funds, departments, agencies, boards, commissions, and other component units for which the District is considered to be financially accountable.

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

Extracurricular student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside of school hours. In accordance with Minnesota Statutes, the District's School Board has elected not to control or be otherwise financially accountable with respect to the underlying extracurricular activities. Accordingly, the extracurricular student activity accounts are not included in these financial statements.

C. Minnesota State Colleges and Universities

On July 1, 1995, Minnesota technical colleges, community colleges, and state universities were merged under the control of Minnesota State Colleges and Universities (MnSCU). Therefore, the funds and assets of the District associated with Dakota County Technical College's (DCTC) operations were remanded to the state system. The District continues to serve secondary, vocational, and kindergarten through Grade 12 special education students. Under terms of an agreement with DCTC, the District has access to certain facilities and equipment of DCTC. The District pays DCTC its share of building maintenance and costs of other services based on space, usage, personnel, and budget percentages. The District provides business office services to DCTC, and is reimbursed for related actual costs based on personnel, usage, and budget percentages.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Government-Wide Financial Statement Presentation

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The fiduciary funds are only reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position at the fund financial statement level. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues and an allocation of indirect administrative and support service expenses. 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. Other internally directed revenues are reported as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

The District applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available. Depreciation expense is included as a direct expense in the functional areas that utilize the related capital assets. Interest on debt is considered an indirect expense and is reported separately on the Statement of Activities.

E. Fund Financial Statement Presentation

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

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

Propriety funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service funds are charges to customers for service. Operating expenses for the internal service funds include the cost of providing benefits. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The District's only propriety funds are the internal service funds, which provide services to the governmental funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to funding formulas established by Minnesota Statutes. Federal revenue is recorded in the year in which the related expenditure is made. Other revenue is considered available if collected within 60 days. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.
- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds. In the General Fund, capital expenditures are included within the applicable functional areas.

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

Description of Funds

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

Major Governmental Funds

General Fund – The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The District maintains separate accounts within the General Fund for secondary education, secondary resale activities, special education, special education resale activities, district support services, capital expenditures, and costs to be reimbursed by others.

Nonmajor Governmental Funds

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

Proprietary Funds

Internal Service Funds – The internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The District has three internal service funds. The District’s internal service funds include financing for post-employment severance benefits and other post-employment benefits (OPEB), and self-insurance for the employee health and dental insurance programs.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Funds

Private-Purpose Trust Fund – The Private-Purpose Trust Fund is used to account for resources held in trust to be used by various third parties to award scholarships to former students.

F. Budgetary Information

Each June, the School Board adopts an annual budget for the following fiscal year for all governmental funds. The budget for each fund is prepared on the same basis of accounting as the financial statements. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end.

G. Cash and Temporary Investments

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

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes. In the General Fund, the capital lease escrow account is used to hold assets held for future debt payments. Interest earned on these investments was allocated directly to those accounts.

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

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

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

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

H. Receivables

When necessary, the District utilizes an allowance for uncollectible accounts to value its receivables. However, the District considers all of its current receivables to be collectible. No allowances have been recorded.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market. Inventories are recorded as expenses/expenditures when items are used or sold.

J. Prepaid Items

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

K. Capital Assets

Capital assets are capitalized at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The District maintains a threshold level of \$1,250 or more for capitalizing capital assets. The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend asset lives is not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for buildings, and 5 to 20 years for furniture and equipment. Land and construction in progress are not depreciated.

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

L. Long-Term Obligations

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

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

M. Compensated Absences

Under the terms of union contracts, certain employees accrue vacation at varying rates, portions of which may be carried over to future years. Employees are reimbursed for any unused, accrued vacation and related benefits upon termination. Vacation pay is accrued when incurred in the government-wide financial statements. Unused vacation pay is accrued in governmental fund financial statements only when it has matured due to employee termination or similar circumstances.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Sick Pay

Substantially all district employees are entitled to sick leave at various rates. Unused sick leave enters into the calculation of early retirement incentive payments for some employees upon termination.

O. Severance Benefits

The District provides lump sum severance pay to eligible employees in accordance with provisions in certain collectively bargained contracts. Members of certain employee groups may become eligible to receive lump sum severance pay benefits. Eligibility for these benefits is based on years of service and/or minimum age requirements. The amount of the severance or retirement benefit is calculated by converting a portion of unused accumulated sick leave. No individual can receive severance benefits in excess of one year's salary.

Severance payable and the District's share of related benefits are recorded as a liability in the government-wide financial statements as it is earned and it becomes probable that it will vest at some point in the future. Severance pay is accrued in the applicable internal service fund as it is earned and it becomes probable it will vest at some point in the future.

P. State-Wide Pension Plans

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Risk Management

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

2. **Self-Insurance** – The District has established two internal service funds to account for and finance its self-insured risk of loss for respective employee dental and health insurance plans. Under these plans, the internal service funds provide coverage to participating employees and their dependents for various dental and healthcare costs as described in the plan.

The District makes premium payments to the internal service funds on behalf of program participants based on provisional rates determined by insurance company estimates of monthly claims paid for each coverage class, plus the stop-loss health insurance premium costs and administrative service charges.

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

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

Fiscal Year Ended June 30,	Beginning of Fiscal Year Liability	Charges and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2017	\$ 9,413	\$ 366,362	\$ 367,126	\$ 8,649
2018	\$ 8,649	\$ 407,879	\$ 403,353	\$ 13,175

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

Fiscal Year Ended June 30,	Beginning of Fiscal Year Liability	Charges and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2017	\$ 95,000	\$ 2,730,053	\$ 2,583,244	\$ 241,809
2018	\$ 241,809	\$ 2,562,659	\$ 2,637,511	\$ 166,957

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Deferred Outflows/Inflows of Resources

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

The District reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide and internal service fund Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual experience, changes of assumptions, change in proportion, the difference between projected and actual earnings on pension and OPEB plan investments, and contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension and OPEB standards.

The District also reports a deferred outflow of resources related to long term debt obligations reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

S. Statement of Cash Flows

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

T. Use of Estimates

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

U. Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements such as a bond indenture. Restricted assets are reported only in the government-wide financial statements. In the governmental funds, cash and investments that are restricted are reported as cash and investments held by trustee.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Net Position

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

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

W. Fund Balance Classifications

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

X. Prior Period Comparative Financial Information/Reclassification

The basic financial statements include certain prior year partial comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District’s financial statements for the year ended June 30, 2017, from which the summarized information was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year’s presentation.

Y. Change in Accounting Principle

During the year ended June 30, 2018, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. This statement establishes standards for employer recognition and measurement of liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures for OPEB. Certain amounts necessary to fully restate fiscal year 2017 financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this statement resulted in the following restatement of entity-wide net position as of June 30, 2017:

Net position – beginning, as previously reported	\$ (14,534,171)
Change in accounting principle	
Net OPEB obligation, under previous reporting standards	1,385,875
Net OPEB liability, under current reporting standards	(1,341,166)
Deferred outflows of resources, under current reporting standards	53,728
Total change in accounting principle	<u>98,437</u>
Net position – beginning, as restated	<u>\$ (14,435,734)</u>

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Deposits

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

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

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

The District's deposit policies do not further limit depository choices.

At year-end, the carrying amount of the District's deposits was \$156,844, while the balance on the bank records was \$562,268. At June 30, 2018, all deposits were insured or collateralized by securities held by the District's agent in the District's name.

B. Investments

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

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

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

Concentration Risk – This is the risk associated with investing a significant portion of the District's investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District's investment policies do not address concentration risk.

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

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Summary

The following table presents the District’s deposit and investment balances at June 30, 2018, and information relating to potential investment risks:

Investment Type	Credit Risk		Fair Value Measurements	Interest Risk – Maturity Duration in Years				Total
	Rating	Agency		Less Than 1	1 to 5	5 to 10	More Than 10	
Investment pools/mutual funds								
Minnesota School District Liquid Asset Fund	AAA	S&P	N/A	N/A	N/A	N/A	N/A	\$ 6,835,156
First American Treasury Obligations Fund Class D	AAA	S&P	Level 1	N/A	N/A	N/A	N/A	42,346
								6,877,502
Deposits								156,844
Total cash and investments								<u>\$ 7,034,346</u>

N/A – Not Applicable

Cash and investments are included on the basic financial statements as follows:

Cash and temporary investments – Statement of Net Position	\$ 6,990,706
Cash and temporary investments held by trustee – Statement of Net Position	42,346
Cash and temporary investments – Statement of Fiduciary Net Position – Private-Purpose Trust Fund	1,294
Total cash and investments	<u>\$ 7,034,346</u>

The Minnesota School District Liquid Asset Fund (MSDLAF) is regulated by Minnesota Statutes and is an external investment pool not registered with the Securities and Exchange Commission (SEC) that follows the same regulatory rules of the SEC under rule 2a-7. The District’s investment in the MSDLAF is measured at the value per share provided by the pool, which is based on an amortized cost method that approximates fair value.

For MSDLAF investments, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice for the Liquid Class; the redemption notice period is 14 days for the MAX Class.

NOTE 3 – CAPITAL ASSETS

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

	Balance – Beginning of Year	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated					
Land	\$ 655,000	\$ –	\$ –	\$ –	\$ 655,000
Construction in progress	2,607,447	147,857	–	(2,755,304)	–
Total capital assets, not depreciated	3,262,447	147,857	–	(2,755,304)	655,000
Capital assets, depreciated					
Buildings	8,413,048	–	–	2,755,304	11,168,352
Furniture and equipment	2,106,891	156,189	(3,670)	–	2,259,410
Total capital assets, depreciated	10,519,939	156,189	(3,670)	2,755,304	13,427,762
Less accumulated depreciation for					
Buildings	(2,956,319)	(267,687)	–	–	(3,224,006)
Furniture and equipment	(1,498,921)	(148,843)	(2,936)	–	(1,644,828)
Total accumulated depreciation	(4,455,240)	(416,530)	(2,936)	–	(4,868,834)
Net capital assets, depreciated	6,064,699	(260,341)	(734)	2,755,304	8,558,928
Total capital assets, net	\$ 9,327,146	\$ (112,484)	\$ (734)	\$ –	\$ 9,213,928

Depreciation expense for the year ended June 30, 2018 was charged to the following governmental functions:

Administrative and support services	\$ 21,571
Secondary vocational/DCALS	15,779
Special education instruction	376,244
Food service	2,936
Total depreciation expense	<u>\$ 416,530</u>

NOTE 4 – LONG-TERM LIABILITIES

A. Components and Changes in Long-Term Liabilities

The following table describes the changes in long-term liabilities, including amounts due within one year:

	Balance – Beginning of Year	Change in Accounting Principle*	Restated Beginning Balance	Additions	Retirements	Balance – End of Year	Due Within One Year
Certificates of participation	\$ 8,085,000	\$ –	\$ 8,085,000	\$ –	\$ 255,000	\$ 7,830,000	\$ 290,000
Unamortized premium/discount	261,958	–	261,958	–	12,232	249,726	–
Severance benefits payable	476,872	–	476,872	18,276	53,702	441,446	17,366
Compensated absences payable	275,623	–	275,623	337,713	312,671	300,665	311,249
Net OPEB obligation	1,385,875	(44,709)	1,341,166	222,740	53,728	1,510,178	–
Net pension liability	57,107,244	–	57,107,244	2,955,350	10,972,240	49,090,354	–
	<u>\$ 67,592,572</u>	<u>\$ (44,709)</u>	<u>\$ 67,547,863</u>	<u>\$ 3,534,079</u>	<u>\$ 11,659,573</u>	<u>\$ 59,422,369</u>	<u>\$ 618,615</u>

*The amounts in this column reflect only a portion of the change in accounting principle described earlier in these notes.

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

B. Description of Long-Term Liabilities

- **Certificates of Participation Payable** – In November 2016, the District sold \$8,085,000 of certificates of participation to finance the construction of additions to the Alliance Center special education facility and to refund the previously-mentioned capital lease. These certificates have interest rates that range from 2.0 percent to 3.0 percent, with a final maturity of February 2039. Annual principal and interest payments on these certificates will be paid by the General Fund. Tuition revenue in the General Fund capital expenditure account from member districts specifically for this debt obligation for the duration of the debt obligation are pledged for the payment of principal and interest on these certificates of participation payable.
- **Severance Benefits Payable** – Severance benefits are paid by the applicable internal service fund. Annual payments to retire severance benefit liabilities have not been determined and will depend on actual employee turnover.
- **Compensated Absences Payable** – Compensated absences payable represent accrued vacation payable at year-end. Compensated absences are paid by the General Fund. These benefits are not funded until the year of payment. Annual payments to retire compensated absences payable will depend on employee turnover and actual employee absences.
- **Other Long-Term Liabilities** – The District offers a number of benefits to its employees, including pensions and OPEB. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are financed primarily from the General Fund.

District employees participate in two state-wide cost-sharing, multiple-employer, defined benefit pension plans administered by the PERA and the TRA. The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the year ended June 30, 2018:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERA	\$ 6,192,416	\$ 1,799,434	\$ 1,307,732	\$ 800,864
TRA	42,897,938	25,740,549	6,802,741	7,714,654
Total	\$ 49,090,354	\$ 27,539,983	\$ 8,110,473	\$ 8,515,518

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

C. Minimum Debt Payments

Minimum annual principal and interest payments required to retire certificates of participation payable are as follows:

Year Ending June 30,	Principal	Interest
2019	\$ 290,000	\$ 233,500
2020	295,000	227,700
2021	305,000	221,800
2022	310,000	215,700
2023	315,000	209,500
2024–2028	1,705,000	919,099
2029–2033	1,985,000	637,024
2034–2038	2,165,000	269,450
2039–2043	460,000	13,800
	<u>\$ 7,830,000</u>	<u>\$ 2,947,573</u>

NOTE 5 – FUND BALANCES

The following is a breakdown of equity components of governmental funds, which are defined earlier in the report.

A. Classifications

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

	General Fund	Food Service Special Revenue Fund	Total
Nonspendable			
Prepaid items	\$ 622,203	\$ –	\$ 622,203
Inventory	414	–	414
Total nonspendable	<u>622,617</u>	–	<u>622,617</u>
Restricted for			
Basic skills	300,566	–	300,566
Debt service	42,346	–	42,346
Total restricted	<u>342,912</u>	–	<u>342,912</u>
Assigned	<u>423,420</u>	–	<u>423,420</u>
Unassigned	<u>6,634,983</u>	–	<u>6,634,983</u>
Total	<u>\$ 8,023,932</u>	<u>\$ –</u>	<u>\$ 8,023,932</u>

NOTE 5 – FUND BALANCES (CONTINUED)

B. Minimum Unassigned Fund Balance Policy

The School Board has formally adopted a fund balance policy regarding maintaining a minimum unassigned fund balance for the General Fund. The policy states the District will strive to maintain a minimum unassigned General Fund balance of 15.0 percent of the annual budget. At June 30, 2018, the unassigned fund balance of the General Fund was 20.3 percent of fiscal 2018 expenditures.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

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

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

2. Teachers Retirement Association (TRA)

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

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

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

B. Benefits Provided

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

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

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

1. GERF Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for the PERA's Coordinated Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 1.7 percent of average salary for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at age 66.

2. TRA Benefits

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

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

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

Tier I Benefits

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

With these provisions:

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

Tier II Benefits

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

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

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

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

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2018; the District was required to contribute 7.5 percent for Coordinated Plan members. The District’s contributions to the GERF for the year ended June 30, 2018, were \$530,998. The District’s contributions were equal to the required contributions as set by state statutes.

2. TRA Contributions

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

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

The District’s contributions to the TRA for the year ended June 30, 2018, were \$955,252. The District’s contributions were equal to the required contributions for each year as set by state statutes.

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

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

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

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

D. Pension Costs

1. GERF Pension Costs

At June 30, 2018, the District reported a liability of \$6,192,416 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of the PERA's participating employers. The District's proportionate share was 0.0970 percent at the end of the measurement period and 0.0970 percent for the beginning of the period.

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

District's proportionate share of the net pension liability	\$ 6,192,416
State's proportionate share of the net pension liability associated with the District	\$ 77,892

For the year ended June 30, 2018, the District recognized pension expense of \$798,614 for its proportionate share of the GERF's pension expense. In addition, the District recognized an additional \$2,250 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$6 million to the GERF.

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

At June 30, 2018, the District reported its proportionate share of the GERP’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 204,083	\$ 397,154
Changes in actuarial assumptions	1,028,075	620,790
Differences between expected and actual investment earnings	–	266,793
Changes in proportion	36,278	22,995
District’s contributions to the GERP subsequent to the measurement date	<u>530,998</u>	<u>–</u>
Total	<u>\$ 1,799,434</u>	<u>\$ 1,307,732</u>

A total of \$530,998 reported as deferred outflows of resources related to pensions resulting from district contributions to the GERP subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to the GERP pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2019	\$ (34,392)
2020	\$ 375,219
2021	\$ (117,266)
2022	\$ (262,857)

2. TRA Pension Costs

At June 30, 2018, the District reported a liability of \$42,897,938 for its proportionate share of the TRA’s net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Special School District No. 1, Minneapolis Public Schools. The District’s proportionate share was 0.2149 percent at the end of the measurement period and 0.2064 percent for the beginning of the period.

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

District’s proportionate share of the net pension liability	\$ 42,897,938
State’s proportionate share of the net pension liability associated with the District	\$ 4,147,269

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

For the year ended June 30, 2018, the District recognized pension expense of \$7,635,113. It also recognized \$79,541 as an increase to pension expense for the support provided by direct aid.

At June 30, 2018, the District reported its proportionate share of the TRA's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 303,858	\$ 301,191
Changes in actuarial assumptions	22,304,259	6,009,324
Difference between projected and actual investment earnings	–	435,124
Changes in proportion	2,177,180	57,102
District's contributions to the TRA subsequent to the measurement date	<u>955,252</u>	<u>–</u>
Total	<u>\$ 25,740,549</u>	<u>\$ 6,802,741</u>

A total of \$955,252 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to the TRA pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2019	\$ 4,676,232
2020	\$ 5,382,345
2021	\$ 4,741,389
2022	\$ 4,072,567
2023	\$ (889,977)

E. Actuarial Assumptions

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

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

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP-2014 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1.0 percent per year for the GERF through 2044, and then 2.5 percent thereafter, and 2.0 percent per year for all future years for the TRA.

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

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

The following changes in actuarial assumptions occurred in 2017:

1. GERF

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

2. TRA

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

The long-term expected rate of return on pension plan investments is 7.50 percent for the GERF and 5.12 percent for the TRA. The Minnesota State Board of Investment, which manages the investments of the PERA and the TRA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages.

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

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

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

F. Discount Rate

1. GERF

The discount rate used to measure the total pension liability in 2017 was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

2. TRA

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

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

G. Pension Liability Sensitivity

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	6.50%	7.50%	8.50%
District’s proportionate share of the GERF net pension liability	\$ 9,604,897	\$ 6,192,416	\$ 3,398,680
TRA discount rate	4.12%	5.12%	6.12%
District’s proportionate share of the TRA net pension liability	\$ 56,617,012	\$ 42,897,938	\$ 31,331,090

H. Pension Plan Fiduciary Net Position

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

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

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

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

A. Plan Descriptions

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

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

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

B. Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District's contributions in the current year totaled \$49,298 as required on a pay-as-you-go basis to finance the current year benefits as described in the previous section. The District has not established a trust fund to finance these OPEB benefits.

C. Membership

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

Retirees and beneficiaries receiving benefits	3
Active plan members	<u>403</u>
Total members	<u><u>406</u></u>

D. Total OPEB Liability of the District

The District's total OPEB liability of \$1,510,178 at year-end was measured as of July 1, 2017, and was determined by an actuarial valuation as of that date.

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

E. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial study with a valuation date as of July 1, 2016 and measurement date as of July 1, 2017, using the entry age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.40%
20-year municipal bond yield	3.40%
Inflation rate	2.50%
Salary increases	3.00%
Healthcare trend rate	6.50% in 2017, grading to 5.00% over 6 years
Dental trend rate	4.00%

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

Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale. Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

F. Changes in the Net OPEB Liability

	<u>Total OPEB Liability</u>
Beginning balance	\$ 1,341,166
Changes for the year	
Service cost	172,192
Interest	50,548
Benefit payments	<u>(53,728)</u>
Total net changes	<u>169,012</u>
Ending balance	<u>\$ 1,510,178</u>

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

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

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	2.40%	3.40%	4.40%
Net OPEB liability	\$ 1,616,886	\$ 1,510,178	\$ 1,408,461

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

	<u>1% Decrease in Healthcare Trend Rates</u>	<u>Healthcare Trend Rates</u>	<u>1% Increase in Healthcare Trend Rates</u>
Healthcare trend rate	5.50% decreasing to 4.00% over 6 years	6.50% decreasing to 5.00% over 6 years	7.50% decreasing to 6.00% over 6 years
Dental trend rate	3.00%	4.00%	5.00%
Net OPEB liability	\$ 1,350,717	\$ 1,510,178	\$ 1,700,110

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

The District recognized OPEB expense of \$222,740 in the current year, and at year-end reported the following deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
District’s contributions subsequent to the measurement date	<u>\$ 49,298</u>	<u>\$ –</u>

A total of \$49,298 reported as deferred outflows of resources related to OPEB resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019.

NOTE 8 – FLEXIBLE BENEFIT PLAN

The District offers its employees a flexible benefit plan, a cafeteria plan (the Plan) created in accordance with the IRC § 125. All employee groups of the District are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing pretax dollars withheld from payroll checks to the Plan for healthcare and dependent care benefits.

NOTE 8 – FLEXIBLE BENEFIT PLAN (CONTINUED)

Before the beginning of the Plan year, which is from January 1 to December 31, each participant designates a total amount of pretax dollars to be contributed to the Plan during the year. At June 30, the District is contingently liable for claims against the total amount of participants’ annual contributions to the medical reimbursement portion of the Plan, whether or not such contributions have been made.

Payments of insurance premiums (health and dental) are made by the District directly to the designated insurance companies. These payments are made on a monthly basis and are accounted for in the General Fund.

Amounts withheld for medical reimbursement and dependent care are held in the District’s cash account. Payments are made by a third party administrator to participating employees upon submitting a request for reimbursement of eligible expenses incurred by the employee. The medical reimbursement and dependent care activity are accounted for in the financial statements in the General Fund.

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

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. Operating Leases

The District is leasing buildings and space in several locations. The District incurred expenditures of \$836,167 for operating leases during the year ended June 30, 2018. These leases are scheduled to expire on various dates through 2034. The following is a summary of minimum lease payments for all operating leases:

Year Ending June 30,	Amount
2019	\$ 1,068,454
2020	1,138,845
2021	1,156,009
2022	1,173,381
2023	970,350
2024–2028	5,074,495
2029–2033	4,530,597
Thereafter	<u>66,804</u>
	<u>\$ 15,178,935</u>

B. Federal and State Revenues

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

NOTE 9 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

C. Legal Contingencies

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

NOTE 10 – INTERFUND TRANSFERS

The General Fund made an interfund transfer of \$29,032 to the Food Service Special Revenue Fund to eliminate a fund balance deficit at year-end.

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

REQUIRED SUPPLEMENTARY INFORMATION

INTERMEDIATE SCHOOL DISTRICT NO. 917

Public Employees Retirement Association Pension Benefits Plan
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
 Year Ended June 30, 2018

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.0973%	\$ 4,570,667	\$ -	\$ 4,570,667	\$ 5,105,448	89.53%	78.70%
06/30/2016	06/30/2015	0.0956%	\$ 4,954,489	\$ -	\$ 4,954,489	\$ 5,613,356	88.26%	78.20%
06/30/2017	06/30/2016	0.0970%	\$ 7,875,919	\$ 102,897	\$ 7,978,816	\$ 6,015,751	132.63%	68.90%
06/30/2018	06/30/2017	0.0970%	\$ 6,192,416	\$ 77,892	\$ 6,270,308	\$ 6,251,084	100.31%	75.90%

Public Employees Retirement Association Pension Benefits Plan
 Schedule of District Contributions
 Year Ended June 30, 2018

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 414,341	\$ 414,341	\$ -	\$ 5,613,356	7.38%
06/30/2016	\$ 451,532	\$ 451,532	\$ -	\$ 6,015,751	7.51%
06/30/2017	\$ 469,399	\$ 469,399	\$ -	\$ 6,251,084	7.51%
06/30/2018	\$ 530,998	\$ 530,998	\$ -	\$ 7,070,948	7.51%

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

INTERMEDIATE SCHOOL DISTRICT NO. 917

Teachers Retirement Association Pension Benefits Plan
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
 Year Ended June 30, 2018

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.2029%	\$ 9,349,486	\$ 657,803	\$ 10,007,289	\$ 9,262,291	100.94%	81.50%
06/30/2016	06/30/2015	0.1954%	\$ 12,087,423	\$ 1,482,856	\$ 13,570,279	\$ 9,915,820	121.90%	76.80%
06/30/2017	06/30/2016	0.2064%	\$ 49,231,325	\$ 4,941,167	\$ 54,172,492	\$ 10,745,627	458.15%	44.88%
06/30/2018	06/30/2017	0.2149%	\$ 42,897,938	\$ 4,147,269	\$ 47,045,207	\$ 11,700,275	366.64%	51.57%

Teachers Retirement Association Pension Benefits Plan
 Schedule of District Contributions
 Year Ended June 30, 2018

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 743,688	\$ 743,688	\$ -	\$ 9,915,820	7.50%
06/30/2016	\$ 805,427	\$ 805,427	\$ -	\$ 10,745,627	7.50%
06/30/2017	\$ 867,629	\$ 867,629	\$ -	\$ 11,700,275	7.42%
06/30/2018	\$ 955,252	\$ 955,252	\$ -	\$ 12,766,959	7.48%

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

INDEPENDENT SCHOOL DISTRICT NO. 917

Other Post-Employment Benefits Plan
 Schedule of Changes in the District's Total
 OPEB Liability and Related Ratios
 Year Ended June 30, 2018

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 172,192
Interest	50,548
Benefit payments	<u>(53,728)</u>
Net change in total OPEB liability	169,012
Total OPEB liability – beginning of year	<u>1,341,166</u>
Total OPEB liability – end of year	<u>\$ 1,510,178</u>
Covered-employee payroll	<u>\$ 17,301,959</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>8.73%</u>

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

Note 2: The District implemented GASB Statement No. 75 for the year ended June 30, 2018. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 917

Notes to Required Supplementary Information
June 30, 2018

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2017 CHANGES IN ACTUARIAL ASSUMPTIONS:

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS:

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

2015 CHANGES IN PLAN PROVISIONS:

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS:

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

INDEPENDENT SCHOOL DISTRICT NO. 917

Notes to Required Supplementary Information (continued)
June 30, 2018

TRA

2017 CHANGES IN ACTUARIAL ASSUMPTIONS:

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS:

- The single discount rate was changed from 8.00 percent to 4.66 percent.

2015 CHANGES IN PLAN PROVISIONS:

- The Duluth Teachers Retirement Fund Association was merged into the TRA on June 30, 2015.

2015 CHANGES IN ACTUARIAL ASSUMPTIONS:

- The annual COLA for the June 30, 2015 valuation assumed 2.00 percent. The prior year valuation used 2.00 percent, with an increase to 2.50 percent commencing in 2034.
- The discount rate used to measure the total pension liability was 8.00 percent. This is a decrease from the discount rate at the prior measurement date of 8.25 percent.

INDEPENDENT SCHOOL DISTRICT NO. 917

Notes to Required Supplementary Information (continued)
June 30, 2018

OTHER POST-EMPLOYMENT BENEFITS PLAN

2017 CHANGES IN ACTUARIAL ASSUMPTIONS:

- The discount rate was changed from 3.00 percent to 3.40 percent.

2016 CHANGES IN ACTUARIAL ASSUMPTIONS:

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from RP-2000 projected in 2014 with Scale BB, to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and retirement tables for only employees eligible to retire with Rule of 90 also were updated.
- The discount rate was changed from 4.00 percent to 3.00 percent.
- The percentage of future retirees, who are assumed to continue medical coverage on one of the District's medical plans, was reduced from 50.00 percent to 25.00 percent for classified school year employees, interpreters, and special education program assistants.

SUPPLEMENTAL INFORMATION

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund
Comparative Balance Sheet
as of June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and temporary investments	\$ 3,787,748	\$ 818,971
Cash and investments held by trustee	42,346	627,832
Receivables		
Accounts and interest	8,038	9,351
Due from other school districts	2,766,495	2,288,118
Due from Minnesota Department of Education	4,097,631	6,721,226
Due from other governmental units	—	237,075
Due from other funds	288	—
Inventory	414	925
Prepaid items	<u>622,203</u>	<u>153,684</u>
Total assets	<u>\$ 11,325,163</u>	<u>\$ 10,857,182</u>
Liabilities		
Salaries and compensated absences payable	\$ 2,684,557	\$ 3,012,174
Accounts and contracts payable	43,417	397,242
Due to other school districts	213,776	234,672
Due to other governmental units	171,103	193,550
Unearned revenue	<u>188,378</u>	<u>61,666</u>
Total liabilities	3,301,231	3,899,304
Fund balances		
Nonspendable for prepaid items	622,203	153,684
Nonspendable for inventory	414	925
Restricted for debt service	42,346	627,832
Restricted for basic skills	300,566	252,615
Restricted for capital purposes	—	76
Assigned for subsequent year's budgeted deficit	423,420	—
Unassigned	<u>6,634,983</u>	<u>5,922,746</u>
Total fund balances	<u>8,023,932</u>	<u>6,957,878</u>
Total liabilities and fund balances	<u>\$ 11,325,163</u>	<u>\$ 10,857,182</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2018
 (With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018		2017	
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Tuition	\$ 9,654,733	\$ 9,703,204	\$ 48,471	\$ 8,898,680
Investment earnings	14,500	40,928	26,428	58,896
Other	546,121	500,245	(45,876)	593,514
State sources	25,034,062	23,453,890	(1,580,172)	21,090,031
Federal sources	162,461	150,934	(11,527)	139,698
Total revenue	<u>35,411,877</u>	<u>33,849,201</u>	<u>(1,562,676)</u>	<u>30,780,819</u>
Expenditures				
Current				
Administrative and support services	504,036	493,198	(10,838)	468,671
Secondary vocational/DCALS	3,531,494	3,429,314	(102,180)	3,467,488
Special education programs	30,156,554	28,218,590	(1,937,964)	25,476,435
Capital outlay	80,104	80,654	550	2,696,126
Debt service				
Principal	255,000	255,000	-	967,011
Interest and fiscal charges	279,692	279,692	-	291,237
Total expenditures	<u>34,806,880</u>	<u>32,756,448</u>	<u>(2,050,432)</u>	<u>33,366,968</u>
Excess (deficiency) of revenue over expenditures	604,997	1,092,753	487,756	(2,586,149)
Other financing sources (uses)				
Debt issued	-	-	-	2,185,000
Refunding debt issued	-	-	-	5,900,000
Premium on debt issued	-	-	-	269,093
Refunding payment on debt	-	-	-	(6,117,871)
Proceeds from sale of assets	2,333	2,333	-	5,041
Transfers out	(41,135)	(29,032)	12,103	(35,240)
Total other financing sources (uses)	<u>(38,802)</u>	<u>(26,699)</u>	<u>12,103</u>	<u>2,206,023</u>
Net change in fund balances	<u>\$ 566,195</u>	<u>1,066,054</u>	<u>\$ 499,859</u>	<u>(380,126)</u>
Fund balances				
Beginning of year		<u>6,957,878</u>		<u>7,338,004</u>
End of year		<u>\$ 8,023,932</u>		<u>\$ 6,957,878</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund
Combining Balance Sheet by Account
as of June 30, 2018

	Secondary Education	Special Education	Services Allocation
Assets			
Cash and temporary investments (deficit)	\$ 1,133,465	\$ 2,712,075	\$ (42,412)
Cash and investments held by trustee	-	-	-
Receivables			
Accounts and interest	31	1,443	6,564
Due from other school districts	1,565,252	1,148,393	52,850
Due from Minnesota Department of Education	105,873	3,991,758	-
Due from other funds	288	-	-
Inventory	-	-	-
Prepaid items	28,516	593,687	-
Total assets	\$ 2,833,425	\$ 8,447,356	\$ 17,002
Liabilities			
Salaries and compensated absences payable	\$ 280,266	\$ 2,406,143	\$ (1,852)
Accounts and contracts payable	5,984	26,381	10,340
Due to other school districts	37,581	176,195	-
Due to other governmental units	98,185	72,051	310
Unearned revenue	-	180,174	8,204
Total liabilities	422,016	2,860,944	17,002
Fund balances (deficit)			
Nonspendable for prepaid items	28,516	593,687	-
Nonspendable for inventory	-	-	-
Restricted for debt service	-	-	-
Restricted for basic skills programs	7,919	292,647	-
Assigned for subsequent year projected budget deficit	-	418,372	-
Unassigned	2,374,974	4,281,706	-
Total fund balances	2,411,409	5,586,412	-
Total liabilities and fund balances	\$ 2,833,425	\$ 8,447,356	\$ 17,002

District Support Services	Capital Expenditure	Secondary Resale	Special Education Resale	Total
\$ 671	\$ (35,765)	\$ 12,143	\$ 7,571	\$ 3,787,748
-	42,346	-	-	42,346
-	-	-	-	8,038
-	-	-	-	2,766,495
-	-	-	-	4,097,631
-	-	-	-	288
-	-	88	326	414
-	-	-	-	622,203
<u>\$ 671</u>	<u>\$ 6,581</u>	<u>\$ 12,231</u>	<u>\$ 7,897</u>	<u>\$ 11,325,163</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,684,557
-	-	-	712	43,417
-	-	-	-	213,776
-	-	497	60	171,103
-	-	-	-	188,378
-	-	497	772	3,301,231
-	-	-	-	622,203
-	-	88	326	414
-	42,346	-	-	42,346
-	-	-	-	300,566
-	-	2,648	2,400	423,420
671	(35,765)	8,998	4,399	6,634,983
<u>671</u>	<u>6,581</u>	<u>11,734</u>	<u>7,125</u>	<u>8,023,932</u>
<u>\$ 671</u>	<u>\$ 6,581</u>	<u>\$ 12,231</u>	<u>\$ 7,897</u>	<u>\$ 11,325,163</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund

Combining Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account
Year Ended June 30, 2018

	Secondary Education	Special Education	Services Allocation
Revenue			
Local sources			
Tuition	\$ 3,548,099	\$ 5,193,103	\$ 457,002
Investment earnings	10,887	26,198	-
Other	866	458,843	7,003
State sources	181,063	23,243,634	29,193
Federal sources	150,934	-	-
Total revenue	<u>3,891,849</u>	<u>28,921,778</u>	<u>493,198</u>
Expenditures			
Current			
Administrative and support services	-	-	493,198
Secondary vocational/DCALS	3,399,214	-	-
Special education programs	-	28,206,146	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>3,399,214</u>	<u>28,206,146</u>	<u>493,198</u>
Excess (deficiency) of revenue over expenditures	492,635	715,632	-
Other financing sources (uses)			
Proceeds from sale of assets	-	2,333	-
Transfers out	-	(29,032)	-
Total other financing sources (uses)	<u>-</u>	<u>(26,699)</u>	<u>-</u>
Net change in fund balances	492,635	688,933	-
Fund balances			
Beginning of year	<u>1,918,774</u>	<u>4,897,479</u>	<u>-</u>
End of year	<u>\$ 2,411,409</u>	<u>\$ 5,586,412</u>	<u>\$ -</u>

District Support Services	Capital Expenditure	Secondary Resale	Special Education Resale	Total
\$ -	\$ 505,000	\$ -	\$ -	\$ 9,703,204
-	3,843	-	-	40,928
-	-	24,148	9,385	500,245
-	-	-	-	23,453,890
-	-	-	-	150,934
-	<u>508,843</u>	<u>24,148</u>	<u>9,385</u>	<u>33,849,201</u>
-	-	-	-	493,198
-	7,712	22,388	-	3,429,314
-	-	-	12,444	28,218,590
-	80,654	-	-	80,654
-	255,000	-	-	255,000
-	279,692	-	-	279,692
-	<u>623,058</u>	<u>22,388</u>	<u>12,444</u>	<u>32,756,448</u>
-	(114,215)	1,760	(3,059)	1,092,753
-	-	-	-	2,333
-	-	-	-	(29,032)
-	-	-	-	(26,699)
-	(114,215)	1,760	(3,059)	1,066,054
<u>671</u>	<u>120,796</u>	<u>9,974</u>	<u>10,184</u>	<u>6,957,878</u>
<u>\$ 671</u>	<u>\$ 6,581</u>	<u>\$ 11,734</u>	<u>\$ 7,125</u>	<u>\$ 8,023,932</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – Secondary Education Account
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2018
 (With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018		Over (Under) Budget	2017
	Budget	Actual		Actual
Revenue				
Local sources				
Tuition	\$ 3,243,009	\$ 3,548,099	\$ 305,090	\$ 3,052,790
Investment earnings	4,500	10,887	6,387	4,528
Other	542	866	324	1,408
State sources	63,679	181,063	117,384	185,739
Federal sources	162,461	150,934	(11,527)	139,698
Total revenue	<u>3,474,191</u>	<u>3,891,849</u>	<u>417,658</u>	<u>3,384,163</u>
Expenditures				
Current				
Secondary vocational/DCALS				
Salaries	1,940,081	1,939,231	(850)	1,849,994
Employee benefits	681,732	657,156	(24,576)	629,643
Purchased services	484,556	445,562	(38,994)	413,106
Supplies and materials	80,846	68,953	(11,893)	189,610
Other expenditures	16,946	16,609	(337)	16,175
Capital expenditures	12,500	15,386	2,886	32,457
Allocated overhead	259,795	256,317	(3,478)	270,734
Total expenditures	<u>3,476,456</u>	<u>3,399,214</u>	<u>(77,242)</u>	<u>3,401,719</u>
Net change in fund balances	<u>\$ (2,265)</u>	492,635	<u>\$ 494,900</u>	(17,556)
Fund balances				
Beginning of year		<u>1,918,774</u>		<u>1,936,330</u>
End of year		<u>\$ 2,411,409</u>		<u>\$ 1,918,774</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – Special Education Account
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2018
 (With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018		Over (Under) Budget	2017
	Budget	Actual		Actual
Revenue				
Local sources				
Tuition	\$ 5,449,722	\$ 5,193,103	\$ (256,619)	\$ 4,857,838
Investment earnings	9,000	26,198	17,198	8,952
Other	480,395	458,843	(21,552)	548,626
State sources	24,939,533	23,243,634	(1,695,899)	20,873,915
Total revenue	<u>30,878,650</u>	<u>28,921,778</u>	<u>(1,956,872)</u>	<u>26,289,331</u>
Expenditures				
Current				
Special education programs				
Salaries	18,358,477	17,216,772	(1,141,705)	15,576,866
Employee benefits	5,993,876	5,800,717	(193,159)	5,191,320
Purchased services	2,576,811	2,412,031	(164,780)	2,382,990
Supplies and materials	972,885	651,484	(321,401)	480,814
Other expenditures	95,547	86,345	(9,202)	77,238
Capital expenditures	727,309	639,189	(88,120)	497,988
Allocated overhead	1,419,849	1,399,608	(20,241)	1,256,491
Total expenditures	<u>30,144,754</u>	<u>28,206,146</u>	<u>(1,938,608)</u>	<u>25,463,707</u>
Excess (deficiency) of revenue over expenditures	733,896	715,632	(18,264)	825,624
Other financing sources (uses)				
Proceeds from sale of assets	2,333	2,333	-	5,041
Transfers out	(41,135)	(29,032)	12,103	(35,240)
Total other financing sources (uses)	<u>(38,802)</u>	<u>(26,699)</u>	<u>12,103</u>	<u>(30,199)</u>
Net change in fund balances	<u>\$ 695,094</u>	<u>688,933</u>	<u>\$ (6,161)</u>	<u>795,425</u>
Fund balances				
Beginning of year		<u>4,897,479</u>		<u>4,102,054</u>
End of year		<u>\$ 5,586,412</u>		<u>\$ 4,897,479</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – Services Allocation Account
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2018
 (With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018			2017
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Tuition	\$ 457,002	\$ 457,002	\$ -	\$ 432,832
Other	16,184	7,003	(9,181)	5,462
State sources	30,850	29,193	(1,657)	30,377
Total revenue	<u>504,036</u>	<u>493,198</u>	<u>(10,838)</u>	<u>468,671</u>
Expenditures				
Current				
Administrative and support services				
Salaries	1,030,930	1,035,133	4,203	987,354
Employee benefits	281,996	280,301	(1,695)	267,621
Purchased services	805,293	773,447	(31,846)	673,348
Supplies and materials	43,465	31,283	(12,182)	36,421
Other expenditures	17,748	17,824	76	17,044
Capital expenditures	4,252	11,135	6,883	14,107
Allocated overhead	(1,679,648)	(1,655,925)	23,723	(1,527,224)
Total expenditures	<u>504,036</u>	<u>493,198</u>	<u>(10,838)</u>	<u>468,671</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balances				
Beginning of year		<u>-</u>		<u>-</u>
End of year		<u>\$ -</u>		<u>\$ -</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – District Support Services Account
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2018
 (With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018		Over (Under) Budget	2017
	Budget	Actual		Actual
Revenue				
Local sources				
Other	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current				
Administrative and support services				
Purchased services	-	-	-	-
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balances				
Beginning of year		<u>671</u>		<u>671</u>
End of year		<u>\$ 671</u>		<u>\$ 671</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – Capital Expenditure Account
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2018
 (With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018		Over (Under) Budget	2017
	Budget	Actual		Actual
Revenue				
Local sources				
Tuition	\$ 505,000	\$ 505,000	\$ -	\$ 555,220
Investment earnings	1,000	3,843	2,843	45,416
Total revenue	<u>506,000</u>	<u>508,843</u>	<u>2,843</u>	<u>600,636</u>
Expenditures				
Current				
Secondary vocational/DCALS				
Purchased services	12,000	7,712	(4,288)	40,812
Capital outlay	80,104	80,654	550	2,696,126
Debt service				
Principal	255,000	255,000	-	967,011
Interest and fiscal charges	<u>279,692</u>	<u>279,692</u>	<u>-</u>	<u>291,237</u>
Total expenditures	<u>626,796</u>	<u>623,058</u>	<u>(3,738)</u>	<u>3,995,186</u>
Excess (deficiency) of revenue over expenditures	(120,796)	(114,215)	6,581	(3,394,550)
Other financing sources (uses)				
Debt issued	-	-	-	2,185,000
Refunding debt issued	-	-	-	5,900,000
Premium on debt issued	-	-	-	269,093
Refunding payment on debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,117,871)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,236,222</u>
Net change in fund balances	<u>\$ (120,796)</u>	(114,215)	<u>\$ 6,581</u>	(1,158,328)
Fund balances				
Beginning of year		<u>120,796</u>		<u>1,279,124</u>
End of year		<u>\$ 6,581</u>		<u>\$ 120,796</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – Secondary Resale Account
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2018
 (With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018		Over (Under) Budget	2017
	Budget	Actual		Actual
Revenue				
Local sources				
Other	\$ 42,500	\$ 24,148	\$ (18,352)	\$ 27,382
Expenditures				
Current				
Secondary vocational/DCALS				
Purchased services	600.00	1,654	1,054	2,430
Supplies and materials	42,388	20,687	(21,701)	22,527
Other expenditures	50	47	(3)	-
Total expenditures	<u>43,038</u>	<u>22,388</u>	<u>(20,650)</u>	<u>24,957</u>
Net change in fund balances	<u>\$ (538)</u>	1,760	<u>\$ 2,298</u>	2,425
Fund balances				
Beginning of year		<u>9,974</u>		<u>7,549</u>
End of year		<u>\$ 11,734</u>		<u>\$ 9,974</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – Special Education Resale Account
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2018
 (With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018		2017	
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other	\$ 6,500	\$ 9,385	\$ 2,885	\$ 10,636
Expenditures				
Current				
Special education programs				
Purchased services	–	245	245	–
Supplies and materials	11,800	12,199	399	12,728
Total expenditures	11,800	12,444	644	12,728
Net change in fund balances	\$ (5,300)	(3,059)	\$ 2,241	(2,092)
Fund balances				
Beginning of year		10,184		12,276
End of year		\$ 7,125		\$ 10,184

INTERMEDIATE SCHOOL DISTRICT NO. 917

Food Service Special Revenue Fund
 Comparative Balance Sheet
 as of June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and temporary investments	\$ —	\$ 673
Accounts receivable	<u>288</u>	<u>—</u>
Total assets	<u>\$ 288</u>	<u>\$ 673</u>
Liabilities		
Due to other funds	\$ 288	\$ —
Accounts and contracts payable	<u>—</u>	<u>673</u>
Total liabilities	<u>\$ 288</u>	<u>\$ 673</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Food Service Special Revenue Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2018
 (With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018		Over (Under) Budget	2017
	Budget	Actual		Actual
Revenue				
Local sources				
Other – primarily meal sales	\$ 29,800	\$ 21,186	\$ (8,614)	\$ 21,210
State sources	6,590	6,441	(149)	6,163
Federal sources	78,925	76,852	(2,073)	77,107
Total revenue	<u>115,315</u>	<u>104,479</u>	<u>(10,836)</u>	<u>104,480</u>
Expenditures				
Purchased services	14,429	10,936	(3,493)	9,875
Supplies and materials	136,402	122,575	(13,827)	129,845
Total expenditures	<u>150,831</u>	<u>133,511</u>	<u>(17,320)</u>	<u>139,720</u>
Excess (deficiency) of revenue over expenditures	(35,516)	(29,032)	6,484	(35,240)
Other financing sources				
Transfers in	<u>35,516</u>	<u>29,032</u>	<u>(6,484)</u>	<u>35,240</u>
Net change in fund balances	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>	<u>—</u>
Fund balances				
Beginning of year		<u>—</u>		<u>—</u>
End of year		<u>\$ —</u>		<u>\$ —</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	Dental Self-Insurance	Medical Self-Insurance	Post-Employment Employee Benefits
Assets			
Cash and temporary investments	\$ 360,086	\$ 1,683,811	\$ 1,159,061
Accounts receivable	1,388	-	-
Prepaid items	-	-	37
Total assets	<u>361,474</u>	<u>1,683,811</u>	<u>1,159,098</u>
Deferred outflows of resources			
OPEB plan deferments	-	-	49,298
Liabilities			
Current liabilities			
Accounts and contracts payable	13,175	166,957	-
Severance benefits payable	-	-	27,950
Due to other governmental units	-	1,000	-
Total current liabilities	<u>13,175</u>	<u>167,957</u>	<u>27,950</u>
Long-term liabilities			
Other post-employment benefit obligations	-	-	1,510,178
Severance benefits payable	-	-	413,496
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>1,923,674</u>
Total liabilities	<u>13,175</u>	<u>167,957</u>	<u>1,951,624</u>
Net position (deficit)			
Unrestricted	<u>\$ 348,299</u>	<u>\$ 1,515,854</u>	<u>\$ (743,228)</u>

Totals	
2018	2017
\$ 3,202,958	\$ 2,429,577
1,388	—
37	35
<u>3,204,383</u>	<u>2,429,612</u>
<u>49,298</u>	<u>—</u>
180,132	285,819
27,950	22,731
1,000	—
<u>209,082</u>	<u>308,550</u>
1,510,178	1,385,875
413,496	427,101
<u>1,923,674</u>	<u>1,812,976</u>
<u>2,132,756</u>	<u>2,121,526</u>
<u>\$ 1,120,925</u>	<u>\$ 308,086</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	<u>Dental Self-Insurance</u>	<u>Medical Self-Insurance</u>	<u>Post-Employment Employee Benefits</u>
Operating revenue			
Charges for services			
Contributions from governmental funds	\$ 411,293	\$ 3,293,121	\$ 129,543
Operating expenses			
Post-employment severance and health benefits	—	—	215,869
Medical benefit claims	—	2,563,659	—
Dental benefit claims	371,130	—	—
Total operating expenses	<u>371,130</u>	<u>2,563,659</u>	<u>215,869</u>
Operating income (loss)	40,163	729,462	(86,326)
Nonoperating revenue			
Investment earnings	<u>3,856</u>	<u>14,195</u>	<u>13,052</u>
Change in net position	44,019	743,657	(73,274)
Net position (deficit)			
Beginning, as previously reported	304,280	772,197	(768,391)
Change in accounting principle	—	—	98,437
Beginning, as restated	<u>304,280</u>	<u>772,197</u>	<u>(669,954)</u>
End of year	<u>\$ 348,299</u>	<u>\$ 1,515,854</u>	<u>\$ (743,228)</u>

Totals	
2018	2017
\$ 3,833,957	\$ 3,418,685
215,869	157,797
2,563,659	2,728,625
371,130	368,904
<u>3,150,658</u>	<u>3,255,326</u>
683,299	163,359
<u>31,103</u>	<u>7,294</u>
714,402	170,653
308,086	137,433
98,437	-
<u>406,523</u>	<u>137,433</u>
<u>\$ 1,120,925</u>	<u>\$ 308,086</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Internal Service Funds
 Combining Statement of Cash Flows
 Year Ended June 30, 2018
 (With Comparative Totals for the Year Ended June 30, 2017)

	Dental Self-Insurance	Medical Self-Insurance	Post-Employment Employee Benefits
Cash flows from operating activities			
Contributions from governmental funds	\$ 411,293	\$ 3,293,121	\$ 129,543
Post-employment severance and health benefit payments	-	-	(50,815)
Payments for medical claims	-	(2,637,511)	-
Payments for dental claims	(403,353)	-	-
Net cash flows from operating activities	<u>7,940</u>	<u>655,610</u>	<u>78,728</u>
Cash flows from investing activities			
Investment income received	<u>3,856</u>	<u>14,195</u>	<u>13,052</u>
Net change in cash and cash equivalents	11,796	669,805	91,780
Cash and temporary investments			
Beginning of year	<u>348,290</u>	<u>1,014,006</u>	<u>1,067,281</u>
End of year	<u>\$ 360,086</u>	<u>\$ 1,683,811</u>	<u>\$ 1,159,061</u>
Reconciliation of operating income (loss) to net cash flows from operating activities			
Operating income (loss)	\$ 40,163	\$ 729,462	\$ (86,326)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Changes in assets and liabilities			
Accounts receivable	(1,388)	-	-
Prepaid items	-	-	(2)
OPEB plan deferments	-	-	4,430
Accounts and contracts payable	(30,835)	(74,852)	-
Due to other governmental units	-	1,000	-
Severance benefits payable	-	-	(8,386)
Other post-employment benefit obligations	-	-	169,012
Net cash flows from operating activities	<u>\$ 7,940</u>	<u>\$ 655,610</u>	<u>\$ 78,728</u>

Totals	
2018	2017
\$ 3,833,957	\$ 3,418,685
(50,815)	(7,632)
(2,637,511)	(2,583,244)
(403,353)	(367,126)
<u>742,278</u>	<u>460,683</u>
31,103	7,294
773,381	467,977
<u>2,429,577</u>	<u>1,961,600</u>
<u>\$ 3,202,958</u>	<u>\$ 2,429,577</u>
\$ 683,299	\$ 163,359
(1,388)	-
(2)	(35)
4,430	-
(105,687)	147,159
1,000	-
(8,386)	(21,152)
<u>169,012</u>	<u>171,352</u>
<u>\$ 742,278</u>	<u>\$ 460,683</u>

OTHER INFORMATION

INTERMEDIATE SCHOOL DISTRICT NO. 917

Government-Wide Revenue by Type
Last Ten Fiscal Years

Year Ended June 30,	Program Revenues			General Revenues	Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Investment Earnings and Other	
2009	\$ 6,592,339 32%	\$ 12,759,841 63%	\$ 734,740 4%	\$ 133,252 1%	\$ 20,220,172 100%
2010	7,782,625 33%	14,567,950 62%	617,930 3%	599,235 2%	23,567,740 100%
2011	7,484,976 32%	15,265,005 65%	567,175 2%	224,526 1%	23,541,682 100%
2012	7,848,114 34%	14,720,483 63%	498,613 2%	136,147 1%	23,203,357 100%
2013	7,839,060 33%	15,177,273 64%	580,348 2%	126,115 1%	23,722,796 100%
2014	7,619,433 30%	17,064,879 67%	581,454 3%	97,720 -	25,363,486 100%
2015	7,876,725 30%	18,073,067 68%	559,401 2%	125,715 1%	26,634,908 100%
2016	8,765,738 30%	20,327,694 68%	554,908 2%	139,795 -	29,788,135 100%
2017	8,910,685 28%	21,223,814 67%	539,240 2%	845,477 3%	31,519,216 100%
2018	9,660,814 28%	23,146,660 68%	557,650 2%	580,576 2%	33,945,700 100%

INTERMEDIATE SCHOOL DISTRICT NO. 917

Government-Wide Expenses by Program
Last Ten Fiscal Years

Year Ended June 30,	Administrative and Support Services	Secondary Vocational/ DCALS	Special Education Programs	Food Service	Interest and Fiscal Charges on Debt	Total
2009	\$ 1,484,759 7%	\$ 3,698,703 18%	\$15,126,240 73%	\$ - -	\$ 410,161 2%	\$20,719,863 100%
2010	1,279,128 6%	3,778,602 17%	16,753,538 75%	71,375 -	361,888 2%	22,244,531 100%
2011	1,614,185 7%	3,855,919 17%	16,699,413 74%	74,423 -	353,553 2%	22,597,493 100%
2012	1,765,768 8%	3,875,566 17%	17,292,500 74%	101,616 -	344,925 1%	23,380,375 100%
2013	1,998,969 8%	3,962,647 17%	18,097,103 74%	85,779 -	335,885 1%	24,480,383 100%
2014	1,892,695 8%	3,483,868 14%	19,239,348 77%	108,123 -	326,431 1%	25,050,465 100%
2015	1,867,491 8%	3,182,362 12%	20,634,460 79%	116,426 -	316,820 1%	26,117,559 100%
2016	1,886,824 7%	2,993,362 11%	22,764,328 81%	131,729 -	307,246 1%	28,083,489 100%
2017	3,088,390 8%	3,590,904 10%	30,535,125 81%	143,390 -	301,437 1%	37,659,246 100%
2018	2,370,386 6%	4,185,093 11%	31,992,143 82%	136,447 -	246,834 1%	38,930,903 100%

Note: The Food Service Special Revenue Fund was established in fiscal year 2010.

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund Revenue by Source
Last Ten Fiscal Years

	Year Ended June 30,	Tuition Revenue	Investment Earnings (Charges)	Other Revenue	State Revenue	Federal Revenue	Total
Secondary education	2009	\$ 3,349,713	\$ 11,583	\$ 26,599	\$ -	\$ 186,813	\$ 3,574,708
	2010	3,715,685	2,663	13,587	10,195	150,108	3,892,238
	2011	3,656,422	927	8,787	49,708	172,435	3,888,279
	2012	3,938,532	920	21,437	61,110	197,689	4,219,688
	2013	3,587,494	855	8,645	75,408	150,577	3,822,979
	2014	3,113,264	1,301	3,335	118,957	154,147	3,391,004
	2015	3,013,776	553	7,604	105,919	151,510	3,279,362
	2016	3,110,396	3,872	1,638	175,196	161,193	3,452,295
	2017	3,052,790	4,528	1,408	185,739	139,698	3,384,163
	2018	3,548,099	10,887	866	181,063	150,934	3,891,849
Special education	2009	3,004,086	4,242	202,077	12,035,354	464,375	15,710,134
	2010	3,332,630	221	603,186	13,721,390	561,110	18,218,537
	2011	3,087,411	(392)	390,143	14,210,549	735,457	18,423,168
	2012	2,962,399	(341)	529,239	14,199,467	172,752	17,863,516
	2013	3,202,954	44	546,076	14,861,033	5,000	18,615,107
	2014	3,396,148	1,119	568,794	16,689,111	5,000	20,660,172
	2015	3,652,478	400	629,749	17,783,764	5,000	22,071,391
	2016	4,579,099	8,973	644,251	19,900,805	-	25,133,128
	2017	4,857,838	8,952	548,626	20,873,915	-	26,289,331
	2018	5,193,103	26,198	458,843	23,243,634	-	28,921,778
Services allocation	2009	-	-	-	190,765	-	190,765
	2010	-	-	-	38,155	-	38,155
	2011	305,475	-	1,559	56,381	-	363,415
	2012	352,800	-	8,402	43,416	-	404,618
	2013	449,954	-	8,474	34,896	-	493,324
	2014	432,465	-	5,654	36,921	-	475,040
	2015	468,174	-	7,116	32,284	-	507,574
	2016	417,720	-	7,755	15,648	-	441,123
	2017	432,832	-	5,462	30,377	-	468,671
	2018	457,002	-	7,003	29,193	-	493,198
District support services	2009	-	-	64,729	-	-	64,729
	2010	44,033	-	51,691	-	-	95,724
	2011	39,670	-	31,831	-	-	71,501
	2012	24,600	-	26,485	-	-	51,085
	2013	-	-	44,058	-	-	44,058
	2014	-	-	31,060	-	-	31,060
	2015	-	-	2,240	-	-	2,240
	2016	-	-	-	-	-	-
	2017	-	-	-	-	-	-
	2018	-	-	-	-	-	-

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund Revenue by Source (continued)
Last Ten Fiscal Years

	Year Ended June 30,	Tuition Revenue	Investment Earnings (Charges)	Other Revenue	State Revenue	Federal Revenue	Total
Capital expenditure	2009	565,508	17,854	—	—	—	583,362
	2010	562,451	2,517	253,572	—	—	818,540
	2011	552,201	28,941	1,707	—	—	582,849
	2012	477,245	28,827	—	—	—	506,072
	2013	558,376	28,560	—	—	—	586,936
	2014	559,095	28,959	—	—	—	588,054
	2015	559,401	28,344	—	—	—	587,745
	2016	554,908	31,711	—	—	—	586,619
	2017	555,220	45,416	—	—	—	600,636
	2018	505,000	3,843	—	—	—	508,843
Secondary resale	2009	—	—	67,919	—	—	67,919
	2010	—	—	167,075	—	—	167,075
	2011	—	—	137,627	—	—	137,627
	2012	—	—	60,687	—	—	60,687
	2013	—	—	70,329	—	—	70,329
	2014	—	—	119,308	—	—	119,308
	2015	—	—	62,472	—	—	62,472
	2016	—	—	72,784	—	—	72,784
	2017	—	—	27,382	—	—	27,382
2018	—	—	24,148	—	—	24,148	
Special education resale	2009	—	—	22,886	—	—	22,886
	2010	—	—	22,620	—	—	22,620
	2011	—	—	21,279	—	—	21,279
	2012	—	—	19,406	—	—	19,406
	2013	—	—	17,856	—	—	17,856
	2014	—	—	16,693	—	—	16,693
	2015	—	—	13,514	—	—	13,514
	2016	—	—	10,977	—	—	10,977
	2017	—	—	10,636	—	—	10,636
2018	—	—	9,385	—	—	9,385	

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund Expenditures by Object
Last Ten Fiscal Years

	Year Ended June 30,	Salary Expenditures	Employee Benefits Expenditures	Purchased Services Expenditures	Other Expenditures	Allocated Overhead	Total
Secondary education	2009	\$ 2,063,886	\$ 655,558	\$ 552,483	\$ 115,595	\$ 197,555	\$ 3,585,077
	2010	2,268,974	679,673	533,333	105,992	219,410	3,807,382
	2011	2,253,662	680,947	563,196	164,868	209,572	3,872,245
	2012	2,365,115	732,814	515,206	133,740	220,927	3,967,802
	2013	2,449,860	795,235	535,087	120,327	234,507	4,135,016
	2014	1,894,098	702,336	521,496	92,923	260,228	3,471,081
	2015	1,818,549	684,389	506,510	91,810	280,631	3,381,889
	2016	1,766,552	613,991	466,365	102,689	296,790	3,246,387
	2017	1,849,994	629,643	413,106	238,242	270,734	3,401,719
	2018	1,939,231	657,156	445,562	100,948	256,317	3,399,214
Special education	2009	9,656,932	3,149,781	1,629,135	353,336	920,575	15,709,759
	2010	10,298,835	3,538,306	1,787,311	691,957	937,527	17,253,936
	2011	10,405,760	3,800,881	1,914,616	553,662	998,333	17,673,252
	2012	10,813,236	4,049,078	1,277,070	968,086	1,021,841	17,673,252
	2013	11,308,037	4,313,213	1,516,683	678,276	1,060,534	18,876,743
	2014	12,056,948	4,645,254	1,660,968	640,865	1,056,905	20,060,940
	2015	13,075,819	4,966,320	1,763,028	803,025	1,118,880	21,727,072
	2016	14,518,245	5,231,164	2,201,135	1,073,110	1,183,974	24,207,628
	2017	15,576,866	5,191,320	2,382,990	1,056,040	1,256,491	25,463,707
	2018	17,216,772	5,800,717	2,412,031	1,377,018	1,399,608	28,206,146
Services allocation	2009	733,346	194,078	318,981	62,490	(1,118,130)	190,765
	2010	749,966	204,226	179,556	61,344	(1,156,937)	38,155
	2011	786,795	214,980	490,893	78,652	(1,207,905)	363,415
	2012	786,232	237,644	569,416	54,094	(1,242,768)	404,618
	2013	789,620	253,125	707,647	37,971	(1,295,039)	363,415
	2014	799,495	259,349	676,557	56,770	(1,317,131)	475,040
	2015	863,256	250,344	732,924	60,561	(1,399,511)	507,574
	2016	914,218	237,668	674,770	95,229	(1,480,762)	441,123
	2017	987,354	267,621	673,348	67,572	(1,527,224)	468,671
	2018	1,035,133	280,301	773,447	60,242	(1,655,925)	493,198
District support services	2009	3,518	451	67,754	—	—	71,723
	2010	17,851	2,310	59,937	6,575	—	86,673
	2011	18,715	2,419	34,564	20,043	—	75,741
	2012	14,916	3,696	26,936	6,594	—	52,142
	2013	—	—	44,060	—	—	75,741
	2014	—	—	31,087	18,351	—	49,438
	2015	—	—	2,240	—	—	2,240
	2016	—	—	—	—	—	—
	2017	—	—	—	—	—	—
	2018	—	—	—	—	—	—

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund Expenditures by Object (continued)
Last Ten Fiscal Years

	Year Ended June 30,	Salary Expenditures	Employee Benefits Expenditures	Purchased Services Expenditures	Other Expenditures	Allocated Overhead	Total
Capital expenditure	2009	2,802	238	210,640	558,208	—	771,888
	2010	—	—	15,512	578,439	—	593,951
	2011	—	—	70,060	557,978	—	628,038
	2012	—	—	73,093	574,847	—	647,940
	2013	—	—	26,673	622,286	—	628,038
	2014	—	—	137,765	559,095	—	696,860
	2015	—	—	19,362	559,401	—	578,763
	2016	—	—	25,950	577,708	—	603,658
	2017	—	—	40,812	3,954,374	—	3,995,186
	2018	—	—	7,712	615,346	—	623,058
Secondary resale	2009	18,063	2,914	23,520	18,036	—	62,533
	2010	17,225	2,863	32,560	104,851	—	157,499
	2011	18,760	3,133	29,480	75,164	—	126,537
	2012	—	—	12,293	47,733	—	60,026
	2013	—	—	13,099	52,500	—	65,599
	2014	—	—	20,863	101,682	—	122,545
	2015	—	—	35,614	38,986	—	74,600
	2016	—	—	5,642	83,044	—	88,686
	2017	—	—	2,430	22,527	—	24,957
	2018	—	—	1,654	20,734	—	22,388
Special education resale	2009	—	—	705	18,754	—	19,459
	2010	—	—	—	20,729	—	20,729
	2011	—	—	—	20,009	—	20,009
	2012	—	—	60	17,319	—	17,379
	2013	—	—	—	19,246	—	19,246
	2014	—	—	1,262	18,338	—	19,600
	2015	—	—	—	11,829	—	11,829
	2016	—	—	935	10,458	—	11,393
	2017	—	—	—	12,728	—	12,728
	2018	—	—	245	12,199	—	12,444

OTHER REQUIRED REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the School Board and Management of
Intermediate School District No. 917
Rosemount, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Intermediate School District No. 917 (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated INSERT DATE.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(continued)

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Minneapolis, Minnesota
INSERT DATE

INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

To the School Board and Management of
Intermediate School District No. 917
Rosemount, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Intermediate School District No. 917 (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated INSERT DATE.

MINNESOTA LEGAL COMPLIANCE

The *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards for school districts. Our audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for School Districts*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

Minneapolis, Minnesota
INSERT DATE

INTERMEDIATE SCHOOL DISTRICT NO. 917

Uniform Financial Accounting and Reporting Standards
Compliance Table
June 30, 2018

	Audit	UFARS	Audit - UFARS
General Fund			
Total revenue	\$ 33,849,201	\$ 33,849,201	\$ -
Total expenditures	\$ 32,756,448	\$ 32,756,446	\$ 2
Nonspendable			
460 Nonspendable fund balance	\$ 622,617	\$ 622,617	\$ -
Restricted			
403 Staff development	\$ -	\$ -	\$ -
406 Health and safety	\$ -	\$ -	\$ -
407 Capital projects levy	\$ -	\$ -	\$ -
408 Cooperative revenue	\$ -	\$ -	\$ -
413 Projects funded by COP			
414 Operating debt	\$ -	\$ -	\$ -
416 Levy reduction	\$ -	\$ -	\$ -
417 Taconite building maintenance	\$ -	\$ -	\$ -
423 Certain teacher programs	\$ -	\$ -	\$ -
424 Operating capital	\$ -	\$ -	\$ -
426 \$25 taconite	\$ -	\$ -	\$ -
427 Disabled accessibility	\$ -	\$ -	\$ -
428 Learning and development	\$ -	\$ -	\$ -
434 Area learning center	\$ -	\$ -	\$ -
435 Contracted alternative programs	\$ -	\$ -	\$ -
436 State approved alternative program	\$ -	\$ -	\$ -
438 Gifted and talented	\$ -	\$ -	\$ -
441 Basic skills programs	\$ 300,566	\$ 300,566	\$ -
445 Career and technical programs	\$ -	\$ -	\$ -
448 Achievement and integration	\$ -	\$ -	\$ -
449 Safe schools levy	\$ -	\$ -	\$ -
450 Pre-Kindergarten	\$ -	\$ -	\$ -
451 QZAB payments	\$ -	\$ -	\$ -
452 OPEB liability not in trust	\$ -	\$ -	\$ -
453 Unfunded severance and retirement levy	\$ -	\$ -	\$ -
467 Long-term facilities maintenance	\$ -	\$ -	\$ -
472 Medical Assistance	\$ -	\$ -	\$ -
464 Restricted fund balance	\$ 42,346	\$ 42,346	\$ -
Committed			
418 Committed for separation	\$ -	\$ -	\$ -
461 Committed fund balance	\$ -	\$ -	\$ -
Assigned			
462 Assigned fund balance	\$ 423,420	\$ 423,420	\$ -
Unassigned			
422 Unassigned fund balance	\$ 6,634,983	\$ 6,634,984	\$ (1)
Food Service			
Total revenue	\$ 104,479	\$ 104,479	\$ -
Total expenditures	\$ 133,511	\$ 133,511	\$ -
Nonspendable			
460 Nonspendable fund balance	\$ -	\$ -	\$ -
Restricted			
452 OPEB liability not in trust	\$ -	\$ -	\$ -
464 Restricted fund balance	\$ -	\$ -	\$ -
Unassigned			
463 Unassigned fund balance	\$ -	\$ -	\$ -
Community Service			
Total revenue	\$ -	\$ -	\$ -
Total expenditures	\$ -	\$ -	\$ -
Nonspendable			
460 Nonspendable fund balance	\$ -	\$ -	\$ -
Restricted			
426 \$25 taconite	\$ -	\$ -	\$ -
431 Community education	\$ -	\$ -	\$ -
432 ECFE	\$ -	\$ -	\$ -
444 School readiness	\$ -	\$ -	\$ -
447 Adult basic education	\$ -	\$ -	\$ -
452 OPEB liability not in trust	\$ -	\$ -	\$ -
464 Restricted fund balance	\$ -	\$ -	\$ -
Unassigned			
463 Unassigned fund balance	\$ -	\$ -	\$ -

INTERMEDIATE SCHOOL DISTRICT NO. 917

Uniform Financial Accounting and Reporting Standards
Compliance Table (continued)
June 30, 2018

	Audit	UFARS	Audit – UFARS
Building Construction			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
407 Capital projects levy	\$ –	\$ –	\$ –
413 Project funded by COP	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
Debt Service			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
451 QZAB payments	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
Trust			
Total revenue	\$ 2,671	\$ 2,671	\$ –
Total expenditures	\$ 2,527	\$ 2,528	\$ (1)
422 Net position	\$ 2,145	\$ 2,144	\$ 1
Internal Service			
Total revenue	\$ 3,865,060	\$ 3,865,059	\$ 1
Total expenditures	\$ 3,052,221	\$ 3,052,221	\$ –
422 Net position	\$ 1,120,925	\$ 1,120,925	\$ –
OPEB Revocable Trust Fund			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
OPEB Irrevocable Trust Fund			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
OPEB Debt Service Fund			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –

Note: Statutory restricted deficits, if any, are reported in unassigned fund balances in the financial statements in accordance with accounting principles generally accepted in the United States of America.

Note: During the year ended June 30, 2018, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. This statement establishes standards for employer recognition and measurement of liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures for OPEB. The implementation of this statement resulted in restatement of internal service fund net position. This change in accounting principal totaled \$98,437 and is reflected in total expenditures for the internal service fund of \$3,052,221.

Management Report

for

Intermediate School District No. 917
Rosemount, Minnesota

June 30, 2018

Preliminary Draft

To the School Board and Management of
Intermediate School District No. 917
Rosemount, Minnesota

We have prepared this management report in conjunction with our audit of Intermediate School District No. 917's (the District) financial statements for the year ended June 30, 2018. We have organized this report into the following sections:

- Audit Summary
- Funding Public Education in Minnesota
- Financial Trends of Your District
- Legislative Summary
- Accounting and Auditing Updates

We would be pleased to further discuss any of the information contained in this report or any other concerns that you would like us to address. We would also like to express our thanks for the courtesy and assistance extended to us during the course of our audit.

The purpose of this report is solely to provide those charged with governance of the District, management, and those who have responsibility for oversight of the financial reporting process comments resulting from our audit process and information relevant to school district financing in Minnesota. Accordingly, this report is not suitable for any other purpose.

Minneapolis, Minnesota
INSERT DATE

AUDIT SUMMARY

The following is a summary of our audit work, key conclusions, and other information that we consider important or that is required to be communicated to the School Board, administration, or those charged with governance of the District.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA AND *GOVERNMENT AUDITING STANDARDS*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously discussed and coordinated in order to obtain sufficient audit evidence and complete an effective audit.

AUDIT OPINION AND FINDINGS

Based on our audit of the District's financial statements for the year ended June 30, 2018:

- We have issued an unmodified opinion on the District's basic financial statements. The opinion included a paragraph emphasizing the District's implementation of new Governmental Accounting Standards Board (GASB) guidance for reporting other post-employment benefits (OPEB), which increased the District's beginning government-wide and internal service fund net position by \$98,437. Our opinion was not modified with respect to this matter.
- We reported no deficiencies in the District's internal control over financial reporting that we considered to be material weaknesses.
- The results of our testing disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.
- We reported no findings based on our testing of the District's compliance with Minnesota laws and regulations.

EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS

In accordance with Minnesota Statutes, the District's School Board has elected not to exercise control over the transactions of the extracurricular student activity accounts maintained at various district sites. Consequently, the cash receipts and disbursements of the District's extracurricular student activity accounts are reported in a separate set of financial statements, rather than being reported within the District's General Fund. We have issued an opinion on these separate financial statements, stating that they fairly present the cash balances and cash receipts and disbursements of these accounts as of and for the year ended June 30, 2018, in accordance with the financial reporting provisions of the Minnesota Department of Education (MDE) (regulatory basis of accounting). Our opinion was qualified for a limitation related to the completeness of cash receipts reported.

We reported one deficiency involving internal control over financial reporting for the District's extracurricular student activities that we consider to be a material weakness. The District reports student activities on a cash basis, and has not established procedures to assure that all cash collections are recorded in the accounting records.

We also issued a report on compliance with the MDE's *Manual for Activity Fund Accounting* in which we reported no findings.

SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 of the notes to basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2018. However, the District implemented the following governmental accounting standards during the fiscal year ending June 30, 2018:

- GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, which established new accounting and financial reporting requirements for governments whose employees are provided with OPEB.
- GASB Statement No. 85, *Omnibus 2017*, which addresses issues that have been identified during implementation and application of certain GASB statements.
- GASB Statement No. 86, *Certain Debt Extinguishment Issues*, which improves the consistency in accounting and financial reporting for in-substance defeasances of debt.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

CORRECTED AND UNCORRECTED MISSTATEMENTS

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

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Special education state aid includes an adjustment related to tuition billings to and from other school districts for special education services, which are computed using formulas derived by the MDE. Because of the timing of the calculations, this adjustment for the current fiscal year is not finalized until after the District has closed its financial records. The impact of this adjustment on the receivable and revenue recorded for state special education aid is calculated using preliminary information available to the District.

The District has recorded a liability in the Statement of Net Position for severance benefits payable for which it is probable employees will be compensated. The "vesting method" used by the District to calculate this liability is based on assumptions involving the probability of employees becoming eligible to receive the benefits (vesting), the potential use of accumulated sick leave prior to termination, and the age at which such employees are likely to retire.

The District has recorded activity for OPEB and pension benefits. These obligations are calculated using actuarial methodologies described in GASB Statement Nos. 68 and 75. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, proportionate share, and employee turnover.

The depreciation of capital assets involves estimates pertaining to useful lives.

The District's self-insured activities require recording a liability for claims incurred, but not yet reported, which are based on estimates.

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

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

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

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

DISAGREEMENTS WITH MANAGEMENT

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

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated INSERT DATE.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

OTHER MATTERS

We applied certain limited procedures to the management's discussion and analysis and the pension and OPEB-related required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplemental information and Uniform Financial Accounting and Reporting Standards Compliance Table accompanying the financial statements, which are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and other information sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

FUNDING PUBLIC EDUCATION IN MINNESOTA

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

BASIC GENERAL EDUCATION REVENUE

The largest single funding source for Minnesota school districts is basic general education aid. Each year, the Legislature sets a basic formula allowance. Total basic general education revenue is calculated by multiplying the formula allowance by the number of pupil units for which a district is entitled to aid. Pupil units are calculated using a legislatively determined weighting system applied to average daily membership (ADM). Over the years, various modifications have been made to this calculation, including changes in weighting and special consideration for declining enrollment districts.

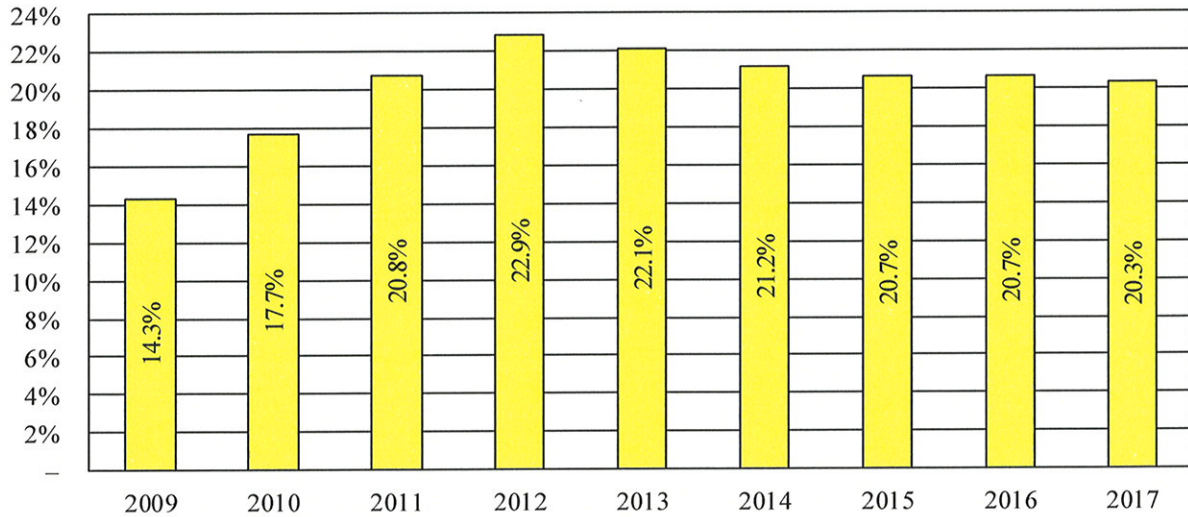
The table below presents a summary of the formula allowance for the past decade and as approved for the 2019 fiscal year. The amount of the formula allowance and the percentage change from year-to-year excludes temporary funding changes, the “roll-in” of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts. The \$529 increase in 2015 was offset by changes to pupil weightings and the general education aid formula that resulted in an increase equivalent to approximately \$105, or 2.0 percent, state-wide.

Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
2009	\$ 5,124	1.0 %
2010	\$ 5,124	– %
2011	\$ 5,124	– %
2012	\$ 5,174	1.0 %
2013	\$ 5,224	1.0 %
2014	\$ 5,302	1.5 %
2015	\$ 5,831	2.0 %
2016	\$ 5,948	2.0 %
2017	\$ 6,067	2.0 %
2018	\$ 6,188	2.0 %
2019	\$ 6,312	2.0 %

STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

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

State-Wide Unrestricted Operating Fund Balance
as a Percentage of Operating Expenditures



Note: State-wide information is not available for fiscal 2018.

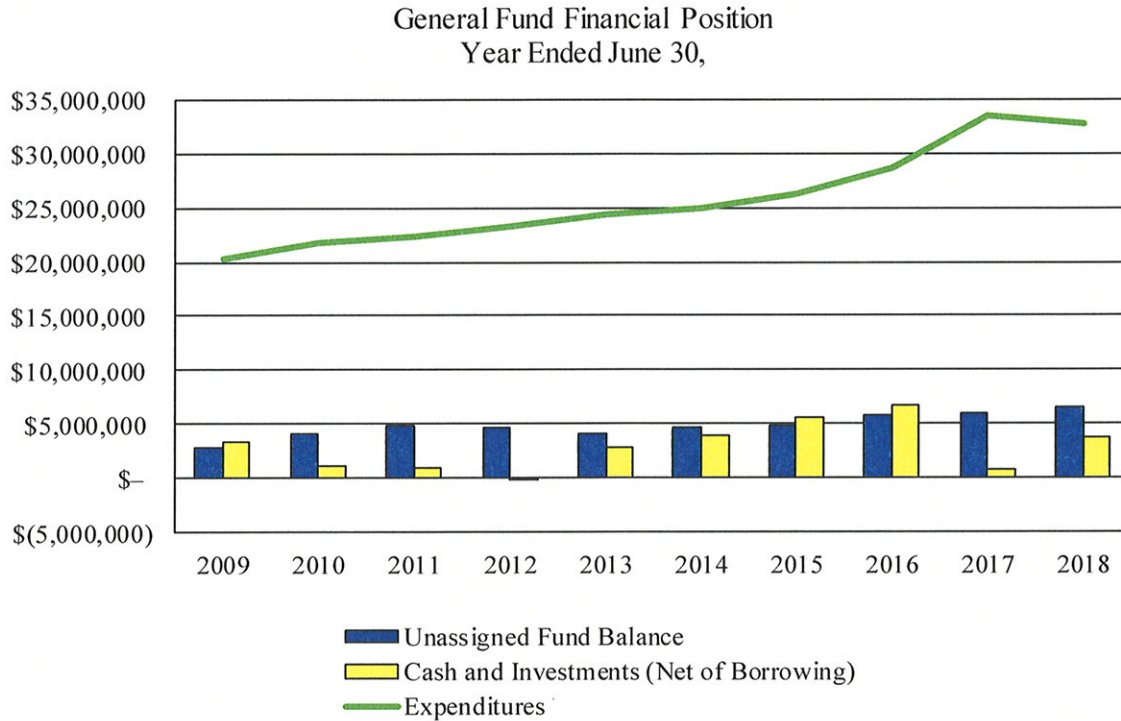
The calculation above reflects only the unrestricted fund balance of the General Fund, and the corresponding expenditures, which is the same method the state uses for the calculation of statutory operating debt. We have also included the comparable percentages for your district.

During the economic downturn that began in 2008, the average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts increased, peaking at 22.9 percent at the end of fiscal 2012. This trend reflected districts' efforts to limit budget cuts, retain educational programs, and maintain adequate operating cash flow during a period of uncertain funding. As the state's economic condition improved in subsequent years, this ratio has gradually decreased to 20.3 percent at the end of fiscal 2017.

FINANCIAL TRENDS OF YOUR DISTRICT

GENERAL FUND FINANCIAL POSITION

The following graph displays the District's General Fund trends of financial position and changes in the volume of financial activity. Unassigned fund balance and cash balance are two indicators of financial health, while annual expenditures are often used to measure the size of the operation.



The District ended fiscal year 2018 with a General Fund cash and investments balance of \$3,788,036 (net of borrowing and interfund receivables and payables), an increase of \$2,969,065 from the previous year. This was mainly due to the decrease in amounts due from the MDE for special education aid. This change is mainly the result of changes made with the special education state aid formula and entitlement calculations.

Unassigned fund balance at year-end was \$6,634,983, an increase of \$712,237.

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

	Year Ended June 30,				
	2014	2015	2016	2017	2018
Nonspendable fund balances	\$ 9,922	\$ 79,012	\$ 48,404	\$ 154,609	\$ 622,617
Restricted fund balances	1,414,463	1,390,688	1,377,634	880,523	342,912
Assigned fund balances	—	—	181,445	—	423,420
Unassigned	<u>4,642,898</u>	<u>4,807,307</u>	<u>5,730,521</u>	<u>5,922,746</u>	<u>6,634,983</u>
Total fund balances	<u>\$6,067,283</u>	<u>\$6,277,007</u>	<u>\$7,338,004</u>	<u>\$6,957,878</u>	<u>\$8,023,932</u>
Unassigned fund balances as a percentage of expenditures	<u>18.6%</u>	<u>18.3%</u>	<u>20.0%</u>	<u>17.8%</u>	<u>20.3%</u>
Cash and temporary investments (net of borrowing)	<u>\$3,923,173</u>	<u>\$5,707,461</u>	<u>\$6,709,235</u>	<u>\$ 818,971</u>	<u>\$3,788,036</u>

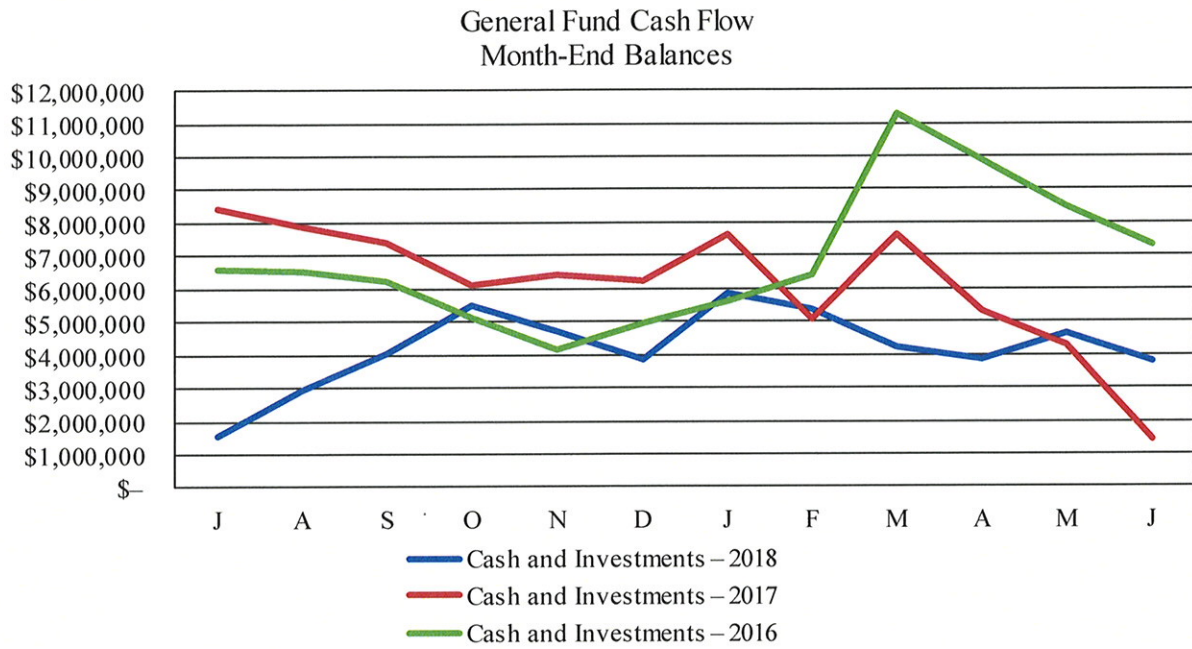
The resources represented by this fund balance are critical to a district’s ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion against the impact of unexpected costs or funding shortfalls.

Fund balance as a percentage of expenditures is one key measure in assessing the financial health of the District. Maintaining an adequate fund balance is particularly important because of the limited availability of borrowing for the District and the need for the General Fund to be self-sustaining in its cash flow needs.

The fund balance remains healthy when compared to the level of District expenditures. The District’s plan, based on the current fund balance policy, is to maintain a minimum unassigned General Fund balance of 15.0 percent of the annual budget. At June 30, 2018, the District has exceeded that policy with an unassigned fund balance as a percentage of 2018 expenditures of 20.3 percent.

GENERAL FUND CASH FLOW

The level of cash and investments varies considerably during the year, due to the timing of various revenues and expenditures. The following graph summarizes the level of cash and investments, including cash and investments held by trustee (net of short-term cash flow borrowing) over the past three years:



The graph above shows the peaks and valleys of the General Fund cash and investments balance (net of borrowing and interfund balances) on a monthly basis. The swing between its high and low month-end cash balances was about \$4.3 million for fiscal 2018.

GENERAL FUND OPERATIONS AND FINANCIAL POSITION BY ACCOUNT

The following tables present comparative operating results for some of the accounts of the District's General Fund:

Secondary Education Account

	Year Ended June 30,				
	2014	2015	2016	2017	2018
Revenue and other financing sources	\$3,391,004	\$3,279,549	\$3,452,295	\$3,384,163	\$3,891,849
Expenditures	3,471,081	3,381,889	3,246,387	3,401,719	3,399,214
Net change in fund balances	(80,077)	(102,340)	205,908	(17,556)	492,635
Fund balances					
Beginning of year	1,912,839	1,832,762	1,730,422	1,936,330	1,918,774
End of year	<u>\$1,832,762</u>	<u>\$1,730,422</u>	<u>\$1,936,330</u>	<u>\$1,918,774</u>	<u>\$2,411,409</u>

This account experienced a net increase in fund balance of \$492,635 during fiscal 2018. This compares to a budgeted decrease of \$2,265. Revenues were over budget by \$417,658, mainly in Alternative Learning Center program revenues, while expenditures ended the year lower than budget by \$77,242, mainly in purchased services.

Total revenue and other financing sources in the Secondary Education Account of the General Fund totaled \$3,891,849 for fiscal 2018, an increase of \$507,686 from the previous year, due to an increase in tuition revenue.

Special Education Account

	Year Ended June 30,				
	2014	2015	2016	2017	2018
Revenue and other financing sources	\$20,660,172	\$22,071,391	\$25,133,268	\$26,294,372	\$28,924,111
Expenditures and other financing uses	20,084,109	21,757,866	24,245,802	25,498,947	28,235,178
Net change in fund balances	576,063	313,525	887,466	795,425	688,933
Fund balances					
Beginning of year	2,325,000	2,901,063	3,214,588	4,102,054	4,897,479
End of year	<u>\$2,901,063</u>	<u>\$3,214,588</u>	<u>\$4,102,054</u>	<u>\$4,897,479</u>	<u>\$5,586,412</u>

This account experienced a net increase in fund balance of \$688,933 during fiscal 2018, which compares to a budgeted increase in fund balance of \$695,094 for the year.

Special Education Account revenues and other financing sources increased \$2,629,739 in fiscal 2018. The District experienced an increase in enrollment in special education programs; in combination with an increase in state revenue sources through the tuition billing process. Expenditures and other financing uses increased \$2,736,321, mainly in salaries and benefits totaling \$2,249,303.

OTHER FUNDS OF THE DISTRICT

Internal Service Funds

The internal service funds are considered proprietary funds and are used to account for health and dental insurance offered by the District to its employees as a self-insured plan and post-employment employee benefits.

The following table presents comparative operating results for the District’s internal service funds over the past five fiscal years:

	Year Ended June 30,				
	2014	2015	2016	2017	2018
Revenue	\$ 552,460	\$ 530,743	\$ 2,149,801	\$ 3,425,979	\$ 3,865,060
Expenses	411,914	554,121	1,627,900	3,255,326	3,150,658
Change in net position	140,546	(23,378)	521,901	170,653	714,402
Net position					
Beginning of year	(501,636)	(361,090)	(384,468)	137,433	308,086
Change in accounting principle	—	—	—	—	98,437
End of year	<u>\$ (361,090)</u>	<u>\$ (384,468)</u>	<u>\$ 137,433</u>	<u>\$ 308,086</u>	<u>\$ 1,120,925</u>

These funds had revenues over expenses of \$714,402 during fiscal 2018. This occurred mostly as a result of the District’s internal service fund for self-insured health operating for a second full fiscal year. Revenues were more than fiscal 2017 for similar reasons.

The District’s implementation of GASB guidance for reporting OPEB, increased the District’s beginning internal service fund net position by \$98,437.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's financial statements include fund-based information that focuses on budgetary compliance, and the sufficiency of the District's current assets to finance its current liabilities. The governmental reporting model also requires the inclusion of two government-wide financial statements designed to present a clear picture of the District as a single, unified entity. These government-wide financial statements provide information on the total cost of delivering educational services, including capital assets and long-term liabilities.

Theoretically, net position represents district resources available for providing services after its debts are settled. However, those resources are not always in expendable form, or there may be restrictions on how some of those resources can be used. Therefore, this statement divides net position into three components: net investment in capital assets, restricted, and unrestricted. The following table presents a summarized reconciliation of the District's governmental fund balances to net position, and the separate components of net position for the last two years:

	As of June 30,		Increase (Decrease)
	2017	2018	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 6,957,878	\$ 8,023,932	\$ 1,066,054
Total capital assets, net of depreciation	9,327,146	9,213,928	(113,218)
Total long-term debt	(8,360,623)	(8,130,665)	229,958
Net pension-related liabilities	(22,745,589)	(29,660,846)	(6,915,257)
Internal Service Fund balance	308,086	1,120,925	812,839
Other items	(21,069)	11,789	32,858
Total net position – governmental activities	<u>\$ (14,534,171)</u>	<u>\$ (19,420,937)</u>	<u>\$ (4,886,766)</u>
Net position			
Net investment in capital assets	\$ 1,989,252	\$ 1,535,355	\$ (453,897)
Restricted	252,691	300,566	47,875
Unrestricted	<u>(16,776,114)</u>	<u>(21,256,858)</u>	<u>(4,480,744)</u>
Total net position	<u>\$ (14,534,171)</u>	<u>\$ (19,420,937)</u>	<u>\$ (4,886,766)</u>

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

Total net position decreased by \$4,886,766 in fiscal 2018. The District's net investment in capital assets decreased \$453,897 this year. The change in this category of net position typically depends on the relationship between the rate at which the District is adding additional capital assets, the rate capital assets are being depreciated, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets. The District's unrestricted net position decreased by \$4,480,744, mainly due to changes in the District's proportionate share of the Public Employees Retirement Association and the Teachers Retirement Association pension obligations.

LEGISLATIVE SUMMARY

The 2018 legislative session, falling in the second half of the state's fiscal biennium, was a short session in which only two major finance-related bills were passed, an omnibus bonding bill and an omnibus pensions bill. The following is a brief summary of specific legislative changes from the 2018 session or previous legislative sessions impacting Minnesota school districts in future years.

Basic General Education Revenue – The Legislature approved annual increases of 2 percent to the basic general education formula allowance for the 2018–2019 biennium. The per pupil allowance will increase \$124 to \$6,312 for fiscal year (FY) 2019.

Compensatory Revenue – The \$5 million previously allocated for compensatory pilot grants was permanently added to the allocation for regular compensatory revenue beginning in FY 2018. The portion of compensatory revenue required to be used for extended time activities will increase from 1.7 percent of total compensatory revenue for FY 2018 to 3.5 percent in FY 2019, and 3.5 percent plus the percentage change in the basic formula for FY 2020 and beyond.

Early Learning – The Legislature made a number of changes to early learning programs, including appropriating funding of \$71.75 million for the 2018–2019 biennium. Other changes include:

- The creation of a new School Readiness Plus (SR+) program for FY 2018 and FY 2019 only, with the following student eligibility requirements:
 - A child who is four years of age as of September 1, and who demonstrates one or more risk factors is eligible to participate in the program free of charge,
 - A child who is four years of age as of September 1, and who does not demonstrate any risk factors is eligible to participate on a fee-for-service basis, and
 - A district must adopt a sliding fee schedule for students not demonstrating risk factors, but must waive the fee for students unable to pay.
- Changing the Voluntary Pre-Kindergarten (VPK) cap from a limit on the total state aid entitlement to a limit on the number of participants, as follows:
 - A combined cap of 7,160 participants for VPK and SR+ for FY 2019, and
 - A cap of 3,160 participants for VPK for FY 2020 and later (SR+ program sunsets).
- All applications submitted in January to renew an existing VPK program will be funded first (3,160 slots). Applications for expanded VPK programs, and new VPK or SR+ programs will be ranked and approved based on various criteria. The number of new participants allowed in each new or expanded program will depend on how the programs are ranked.

Long-Term Facilities Maintenance Revenue – Long-term facilities maintenance revenue will increase from \$292 to \$380 per adjusted pupil unit (APU); multiplied by the lesser of one, or the ratio of the district's average building age to 35 years for FY 2019 and thereafter.

School Building Bond Agricultural Tax Credit – Effective for taxes beginning with the payable 2018 levy (FY 2019), a tax credit on all property classified as agricultural (excluding the house, garage, and one acre of an agricultural homestead) is provided equal to 40 percent of the tax on the property attributable to school district building bond levies. The legislative appropriation for this tax credit is \$34.8 million for FY 2019, \$45.2 million for FY 2020, and \$52.5 million for FY 2021.

School Safety Grants – The 2018 bonding bill included an appropriation of \$25 million for school safety grants to be funded from the state's General Fund for FY 2019. These grants may be used to design, construct, furnish, or equip school facilities, including renovating or expanding existing facilities. Grants will be awarded by the MDE on a first come – first served basis, up to a limit of \$500,000 for each qualifying school building. At least half the grants must be awarded to school districts outside of the metro area.

Pension Benefit Reforms – The 2018 pension bill included a number of reforms to the various defined benefit pension plans across the state, including the plans administered by the Teachers Retirement Association (TRA), St. Paul Teachers Retirement Fund Association (SPTRFA), and the Public Employees Retirement Association (PERA). The reforms include:

- Elimination of augmentation (annual percentage increases to pension benefits accrued by individuals leaving public service prior to retirement). For the TRA plan, augmentation is eliminated for all members after December 31, 2017, but does not eliminate augmentation previously credited to member accounts.
- Early retirement subsidies (augmentation an early retiree would have received had they waited until the normal retirement age to begin receiving the pension) are phased out.
- Post-retirement cost of living adjustments (COLAs) are reduced. For the TRA plan, the COLA was reduced from 2.0 percent to 1.0 percent for five years, with the rate increasing by 0.1 percent annually thereafter, to a maximum of 1.5 percent. For the SPTRFA plan, there will be no COLA increase for two years, and a 1.0 percent annual COLA thereafter. For the PERA plans, the COLA will be equal to 50.0 percent of the annual increase for Social Security, but not less than 0.5 percent and not more than 1.5 percent.
- For early retirees that retire on or after January 1, 2024, COLAs are deferred until the retiree reaches the normal retirement age.
- The rate of interest paid on refunds of employee contributions to former public employees was reduced from an annual rate of 4 percent to 3 percent.
- The actuarial assumption for investment rate of return was reduced to 7.5 percent for all plans.
- Employer contribution rates were increased for the TRA plan (a total increase of 1.25 percent phased in over a 6-year period beginning in FY 2019) and the SPTRFA plan (a total increase of 2.50 percent phased in over a 6-year period beginning in FY 2019). Employee contribution rates were also increased by 0.25 percent beginning in FY 2024 for the TRA plan and beginning in FY 2023 for the SPTRFA plan. The pension adjustment component of the general education aid formula was increased by an amount equal to the product of the salaries paid to members of these two plans times the district's pension adjustment rate for the fiscal year to help offset the cost of the employer contribution increases.

Competitive Bidding Threshold – Effective for contracts awarded on or after August 1, 2018, the dollar threshold at which Minnesota Statutes require the use of a sealed bidding process was raised from \$100,000 to \$175,000. This extends the dollar range for which contracts may be awarded using direct negotiation (obtaining two quotations) contracts between \$25,000 and \$175,000. By reference, this change also increased the dollar threshold at which public contractors' performance and payment bonds are required for contracts over \$175,000.

ACCOUNTING AND AUDITING UPDATES

GASB Statement No. 83, *Certain Asset Retirement Obligations*

At times, state and local governments are required to take specific actions to retire certain tangible capital assets, such as the decommissioning of nuclear reactors, removal and disposal of wind turbines in wind farms, dismantling and removal of sewage treatment plants, and removal and disposal of x-ray machines. Obligations to retire certain tangible capital assets also arise from contracts or court judgments. Accounting and financial reporting standards exist for costs of the closure and post-closure care of municipal solid waste landfills, but those standards do not address retirement obligations associated with other types of tangible capital assets.

This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs) that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 84, *Fiduciary Activities*

This statement is intended to enhance consistency and comparability of fiduciary activity reporting by state and local governments. It is also meant to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries.

This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The requirements of this statement are effective for reporting periods beginning after December 15, 2018.

GASB Statement No. 87, *Leases*

A lease is a contract that transfers control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this statement.

Governments enter into leases for many types of assets. Under the previous guidance, leases were classified as either capital or operating depending on whether the lease met any of four tests. In many cases, the previous guidance resulted in reporting lease transactions differently than similar nonlease financing transactions.

The goal of this statement is to better meet the information needs of users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

To reduce the cost of implementation, this statement includes an exception for short-term leases, defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements

The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

The requirements of this statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms associated with debt will be disclosed. As a result, users will have better information to understand the effects of debt on a government's future resource flows.

This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. It also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

Uniform Guidance, Micro-Purchase Threshold

Under the Uniform Guidance for federal programs, a micro-purchase is one for goods or services that, due to its relatively low value, does not require the government to abide by many of its ordinary competitive procedures, including small business set-asides. Because the contract is theoretically, such a low amount, the contracting officer can pick virtually whatever company and product he or she wants to satisfy the procurement, so long as the price is reasonable. The standard micro-purchase threshold has been amended to increase the threshold to \$10,000, effective June 20, 2018. Entities are not required to increase the micro-purchase and simplified acquisition thresholds but, if they wish to do so, they must update their procurement policies and procedures to reflect the change in thresholds. They cannot retroactively make these changes effective prior to June 20, 2018.

INTERMEDIATE SCHOOL DISTRICT NO. 917
ROSEMOUNT, MINNESOTA

Extracurricular Student Activity
Accounts Financial Statements

Year Ended
June 30, 2018

INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of
Intermediate School District No. 917
Rosemount, Minnesota

REPORT ON THE FINANCIAL STATEMENT

We have audited the accompanying financial statement of Intermediate School District No. 917 (the District), which comprises the statement of cash receipts and disbursements of the extracurricular student activity accounts as of and for the year ended June 30, 2018, and the related notes to the extracurricular student activity accounts financial statement.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENT

The District's extracurricular student activities management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Minnesota Department of Education (MDE), as described in Note 1 of the notes to extracurricular student activity accounts financial statement; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

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

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

(continued)

BASIS FOR QUALIFIED OPINION

The District has not established procedures to provide assurance that all cash collections are recorded in the accounting records. Accordingly, it was not practicable for us to extend our audit of such cash collections beyond the amounts recorded.

QUALIFIED OPINION

In our opinion, except for the possible effects of the matter discussed in the “Basis for Qualified Opinion” paragraph, the financial statement referred to on the previous page presents fairly, in all material respects, the cash balances of the District’s extracurricular student activity accounts as of June 30, 2018, and the cash receipts and disbursements for the year then ended, in accordance with the financial reporting provisions of the MDE described in Note 1 of the notes to extracurricular student activity accounts financial statement.

BASIS OF ACCOUNTING

We draw attention to Note 1 of the notes to extracurricular student activity accounts financial statement, which describes the basis of accounting. The financial statement is prepared on the basis of the financial reporting provisions of the MDE, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the MDE. Our opinions are not modified with respect to this matter.

RESTRICTION ON USE

This report is intended solely for the information and use of those charged with governance, management of the District, the MDE, and the state of Minnesota and is not intended to be, and should not be, used by anyone other than these specified parties.

Minneapolis, Minnesota
INSERT DATE

INTERMEDIATE SCHOOL DISTRICT NO. 917

Extracurricular Student Activity Accounts
 Statement of Cash Receipts and Disbursements
 Year Ended June 30, 2018

	<u>Balance – July 1, 2017</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance – June 30, 2018</u>
Student activity accounts				
Alliance Education Center	\$ 2,435	\$ 959	\$ 1,294	\$ 2,100
DCALS	60	414	145	329
DCALS North	205	–	–	205
Deaf and Hard of Hearing	76	54	46	84
Secondary Youth	367	–	88	279
Skills USA	170	2,807	1,903	1,074
Vehicle Services	4	475	474	5
Construction Trades	50	–	–	50
	<u>50</u>	<u>–</u>	<u>–</u>	<u>50</u>
Total	<u>\$ 3,367</u>	<u>\$ 4,709</u>	<u>\$ 3,950</u>	<u>\$ 4,126</u>

See notes to extracurricular student activity accounts financial statement

INTERMEDIATE SCHOOL DISTRICT NO. 917

Notes to Extracurricular Student Activity Accounts Financial Statement
June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Extracurricular student activity fund transactions are defined as extracurricular programs conducted for the motivation and enjoyment of students. These programs and activities are not offered for school credits nor required for graduation. Activities are generally conducted outside of school hours. The content of the activities is determined primarily by the students, under the guidance of a staff member or other adult.

Extracurricular student activities are to be self-sustaining with all expenses paid by dues, admissions, or other student fundraising events.

The accounts of Intermediate School District No. 917's (the District) extracurricular student activity accounts are maintained, and the accompanying financial statement has been prepared, in accordance with the financial reporting provisions of the Minnesota Department of Education, which constitutes a regulatory basis of accounting that differs from accounting principles generally accepted in the United States of America. Under this regulatory basis of accounting, receipts are recorded when received rather than when earned, and disbursements are recognized when paid rather than when the obligations are incurred.

NOTE 2 – CASH AND INVESTMENTS

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the School Board for extracurricular student activity accounts.

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

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

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

The District's deposit policies do not further limit depository choices.

At year-end, extracurricular student activity account deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the District's agent in the District's name.

OTHER REQUIRED REPORTS

INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING

To the School Board and Management of
Intermediate School District No. 917
Rosemount, Minnesota

In planning and performing our audit of the statement of cash receipts and disbursements of the extracurricular student activity accounts of Intermediate School District No. 917 (the District) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified a deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Corrective Action as item 2018-001 to be a material weakness.

The District's response to the finding identified in our audit has been included in the Schedule of Findings and Corrective Action. The District's response was not subject to the auditing procedures applied in our audit of the financial statement and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of those charged with governance, management of the District, the Minnesota Department of Education, and the state of Minnesota and is not intended to be, and should not be, used by anyone other than these specified parties.

Minneapolis, Minnesota
INSERT DATE

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

To the School Board and Management of
Intermediate School District No. 917
Rosemount, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statement of cash receipts and disbursements of the extracurricular student activity accounts of Intermediate School District No. 917 (the District) as of and for the year ended June 30, 2018, and the related notes to the extracurricular student activity accounts financial statement, and have issued our report thereon dated INSERT DATE. The financial statement is prepared in a manner that demonstrates compliance with the regulatory basis of accounting prescribed by the Minnesota Department of Education (MDE), which differs from accounting principles generally accepted in the United States of America. Our report on the regulatory basis of accounting is qualified for a restriction on the scope of our audit resulting from the accounting system relating to cash receipts, which allows us only to audit cash collections that are recorded.

The *Manual for Activity Fund Accounting* issued by the MDE, provides uniform financial accounting and reporting standards for student activities. Compliance with student activity laws and regulations is the responsibility of the District's extracurricular student activity accounts management. We have performed auditing procedures to test compliance with the provisions of this manual. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the *Manual for Activity Fund Accounting*, except as described in the Schedule of Findings and Corrective Action. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions.

This report is intended solely for the information and use of those charged with governance, management of the District, the MDE, and the state of Minnesota and is not intended to be, and should not be, used by anyone other than these specified parties.

Minneapolis, Minnesota
INSERT DATE

INTERMEDIATE SCHOOL DISTRICT NO. 917

Extracurricular Student Activity Accounts
Schedule of Findings and Corrective Action
For the Year Ended June 30, 2018

FINDINGS AND CORRECTIVE ACTION

EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS

2018-001 Material Weakness in Internal Controls – Cash Receipts

Condition – Intermediate School District No. 917 (the District) reports the cash receipts and disbursements of its extracurricular student activity accounts on the cash basis. The internal controls at the District are not sufficient to assure that all cash receipts have been recorded.

Type of Finding – Current year and prior year finding.

Criteria – Management is responsible for establishing and maintaining a system of internal controls sufficient to reduce to an acceptable level, the possibility that a material misstatement of the District’s financial statement will not be prevented, or detected and corrected, on a timely basis.

Recommendation – We recommend that the District continue to review the internal controls over extracurricular student activity accounts, and consider adding procedures to strengthen the controls over the recording of cash receipts, such as the use and reconciliation of prenumbered receipts and inventory controls over items sold for fundraisers. As is the case with all internal controls, the potential benefit of any contemplated procedural modifications in this area should be weighed against the cost.

Corrective Action Plan

Actions Planned – The District’s Finance Department personnel regularly reviews internal controls over extracurricular student activity account transactions. The District will continue this process, and will evaluate whether implementing additional control procedures over the recording of cash receipts is cost beneficial and practical within the limitations of the staffing available.

Official Responsible – The District’s Business Manager.

Planned Completion Date – June 30, 2019.

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

Plan to Monitor – The District’s Business Manager will oversee the continued review and evaluation of internal controls over the recording of extracurricular student activity account receipts, and the implementation of any control procedure modifications.

MEMORANDUM

TO: School Board
FROM: Mark A. Zuzek
DATE: 11/26/2018
REGARDING: Policy Review Update for the board meeting

There are several school board policies that we will be reviewing at next week's school board meeting.

Policy 103, Complaints – Students, employees, parents, other persons

This is a new policy that MSBA recommends. The recommended policy that I have prepared has been taken substantially from the MSBA model Policy.

Policy 104, School District Mission Statement

This is a new Policy where we have inserted our Mission, Core Values, and Graphic Organizer.

Policy 497, (newly numbered 550) School Resource Officer

This is an existing policy that I recommend we retain. We have made no modifications, other than renumbering it to fit into the MSBA model policy numbering scheme.

Policy 506, Student Discipline

Based on the discussion at the last school board meeting and the recognition that there was a lack of alignment on the information regarding parent notification practices and the timeline of that notification I have made the following recommended changes:

~~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.~~

E. F. Procedures for Notification

In typical circumstances, parents or guardians shall receive notification of the student's removal from class for students under 18 years of age, or for ~~special education~~ students **receiving special education services** 18 or older, or as provided in the IEP. **At a minimum, a parent or guardian will be notified if a student is removed from class more than ten (10) times.** Students and parents/guardian are informed by the program administrator or designee of the resulting disciplinary action and readmission plan, if any, consistent with state and federal law. Students and their parents/guardian shall be notified of the need to hold a meeting to modify the IEP or PBSP, as appropriate. Seclusionary time out notification shall be made as required by the IEP or PBSP. If emergency restrictive procedures have been implemented, the parent or guardian shall be notified by the student's teacher, a school social worker, school psychologist,

behavior specialist, or program administrator according to the district's restrictive procedures plan.

Policy 6.4, (Newly numbered 515) Student Records

The content is relatively similar, but the organization, definitions, and cross-referencing are substantially different. It has been reviewed to align the proposed policy to current practice and the MSBA model policy. It is a significant policy in its importance and its size.

515 PROTECTION AND PRIVACY OF PUPIL RECORDS

I. PURPOSE

The school district recognizes its responsibility in regard to the collection, maintenance, and dissemination of pupil records and the protection of the privacy rights of students as provided in federal law and state statutes.

II. GENERAL STATEMENT OF POLICY

The following procedures and policies regarding the protection and privacy of parents and students are adopted by the school district, pursuant to the requirements of 20 U.S.C. § 1232g, *et seq.*, (Family Educational Rights and Privacy Act (FERPA)) 34 C.F.R. Part 99 and consistent with the requirements of the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, and Minn. Rules Parts 1205.0100-1205.2000.

III. DEFINITIONS

A. Authorized Representative

“Authorized representative” means any entity or individual designated by the school district, state, or an agency headed by an official of the Comptroller of the United States, the Attorney General of the United States, the Secretary of the U.S. Department of Education, or state and local educational authorities to conduct, with respect to federal or state supported education programs, any audit or evaluation or any compliance or enforcement activity in connection with federal legal requirements that relate to these programs.

B. Biometric Record

“Biometric record,” as referred to in “Personally Identifiable,” means a record of one or more measurable biological or behavioral characteristics that can be used for authorized recognition of an individual (e.g., fingerprints, retina and iris patterns, voice prints, DNA sequence, facial characteristics, and handwriting).

C. Dates of Attendance

“Dates of attendance,” as referred to in “Directory Information,” means the period of time during which a student attends or attended a school or schools in the school district, including attendance in person or by paper correspondence, satellite, internet or other electronic communication technologies for students who are not in the classroom, and including the period during which a student is working under a work-study program. The term does not include specific daily

records of a student's attendance at a school or schools in the school district.

D. Directory Information

“Directory information” means information contained in an education record of a student which would not generally be considered harmful or an invasion of privacy if disclosed. It includes, but is not limited to: the student's name, date of birth, major field of study, dates of attendance, grade level, enrollment status (i.e., full-time or part-time), participation in officially recognized activities and sports, weight and height of members of athletic teams, degrees, honors and awards received, and the most recent educational agency or institution attended. It also includes the name of the student's parent(s). Directory information does not include:

1. a student's social security number;
2. a student's identification number (ID), user ID, or other unique personal identifier used by a student for purposes of accessing or communicating in electronic systems if the identifier may be used to access education records without use of one or more factors that authenticate the student's identity such as a personal identification number (PIN), password, or other factor known or possessed only by the authorized user;
3. a student ID or other unique personal identifier that is displayed on a student ID badge if the identifier can be used to gain access to educational records when used in conjunction with one or more factors that authenticate the student's identity, such as a PIN, password, or other factor known or possessed only by the student;
4. personally identifiable data which references religion, race, color, social position, or nationality; or
5. data collected from nonpublic school students, other than those who receive shared time educational services, unless written consent is given by the student's parent or guardian.

[Note: Designation of directory information is an important policy decision for the local school board which must balance not only the privacy interests of the student against public disclosure but also the additional administrative requirements such restrictions on disclosures will place on the school district. This note will be extracted after the initial board review.]

E. Education Records

1. What constitutes “education records.” Education records means those records which: (1) are directly related to a student; and (2) are maintained by the school district or by a party acting for the school district.

2. What does not constitute an education record. The term, “education records,” does not include:

- a. Records of instructional personnel which:
 - (1) are in the sole possession of the maker of the record; and
 - (2) are not accessible or revealed to any other individual except a substitute teacher; and
 - (3) are destroyed at the end of the school year.
- b. Records of a law enforcement unit of the school district, provided education records maintained by the school district are not disclosed to the unit, and the law enforcement records are:
 - (1) maintained separately from education records;
 - (2) maintained solely for law enforcement purposes; and
 - (3) disclosed only to law enforcement officials of the same jurisdiction.
- c. Records relating to an individual, including a student, who is employed by the school district which:
 - (1) are made and maintained in the normal course of business;
 - (2) relate exclusively to the individual in that individual’s capacity as an employee; and
 - (3) are not available for use for any other purpose.

However, these provisions shall not apply to records relating to an individual in attendance at the school district who is employed as a result of his or her status as a student.

- d. Records relating to an eligible student, or a student attending an institution of post-secondary education, which are:
 - (1) made or maintained by a physician, psychiatrist, psychologist, or other recognized professional or paraprofessional acting in his or her professional or paraprofessional capacity or assisting in that capacity;
 - (2) made, maintained, or used only in connection with the provision of treatment to the student; and

(3) disclosed only to individuals providing the treatment; provided that the records can be personally reviewed by a physician or other appropriate professional of the student's choice. For the purpose of this definition, "treatment" does not include remedial educational activities or activities that are a part of the program of instruction within the school district.

e. Records that only contain information about an individual after he or she is no longer a student at the school district and that are not directly related to the individual's attendance as a student.

F. Eligible Student

"Eligible student" means a student who has attained eighteen (18) years of age or is attending an institution of post-secondary education.

G. Juvenile Justice System

"Juvenile justice system" includes criminal justice agencies and the judiciary when involved in juvenile justice activities.

H. Legitimate Educational Interest

"Legitimate educational interest" includes interest directly related to classroom instruction, teaching, student achievement and progress, discipline of a student, student health and welfare, and the ability to respond to a request for education data. It includes a person's need to know in order to:

1. Perform an administrative task required in the school or employee's contract or position description approved by the school board;
2. Perform a supervisory or instructional task directly related to the student's education; or
3. Perform a service or benefit for the student or the student's family such as health care, counseling, student job placement, or student financial aid.
4. Perform a task directly related to responding to a request for data.

I. Parent

"Parent" means a parent of a student and includes a natural parent, a guardian, or an individual acting as a parent of the student in the absence of a parent or guardian. The school district may presume the parent has the authority to exercise the rights provided herein, unless it has been provided with evidence that there is a state law or court order governing such matters as marriage dissolution, separation or child custody, or a legally binding instrument which provides to the contrary.

J. Personally Identifiable

“Personally identifiable” means that the data or information includes, but is not limited to: (a) a student’s name; (b) the name of the student’s parent or other family member; (c) the address of the student or student’s family; (d) a personal identifier such as the student’s social security number or student number or biometric record; (e) other direct identifiers, such as the student’s date of birth, place of birth, and mother’s maiden name; (f) other information that, alone or in combination, is linked or linkable to a specific student that would allow a reasonable person in the school community, who does not have personal knowledge of the relevant circumstances, to identify the student with reasonable certainty; or (g) information requested by a person who the school district reasonably believes knows the identity of the student to whom the education record relates.

K. Record

“Record” means any information or data recorded in any way including, but not limited to, handwriting, print, computer media, video or audio tape, film, microfilm, and microfiche.

L. Responsible Authority

“Responsible authority” means Superintendent of Schools or designee.

M. Student

“Student” includes any individual who is or has been in attendance, enrolled, or registered at the school district and regarding whom the school district maintains education records. Student also includes applicants for enrollment or registration at the school district and individuals who receive shared time educational services from the school district.

N. School Official

“School official” includes: (a) a person duly elected to the school board; (b) a person employed by the school board in an administrative, supervisory, instructional, or other professional position; (c) a person employed by the school board as a temporary substitute in a professional position for the period of his or her performance as a substitute; (d) a person employed by, or under contract to, the school board to perform a special task such as a secretary, a clerk, a public information officer or data practices compliance official, an attorney, or an auditor for the period of his or her performance as an employee or contractor; and (e) School Resource Officers are considered “school officials” only when performing their duties as a School Resource Officer.

O. Summary Data

“Summary data” means statistical records and reports derived from data on individuals but in which individuals are not identified and from which neither their identities nor any other characteristic that could uniquely identify the individual is ascertainable.

P. Other Terms and Phrases

All other terms and phrases shall be defined in accordance with applicable state and federal law or ordinary customary usage.

IV. GENERAL CLASSIFICATION

State law provides that all data collected, created, received, or maintained by a school district are public unless classified by state or federal law as not public or private or confidential. State law classifies all data on individuals maintained by a school district which relates to a student as private data on individuals. This data may not be disclosed to parties other than the parent or eligible student without consent, except pursuant to a valid court order, certain state statutes authorizing access, and the provisions of FERPA and the regulations promulgated thereunder.

V. STATEMENT OF RIGHTS

A. Rights of Parents and Eligible Students

Parents and eligible students have the following rights under this policy:

1. The right to inspect and review the student’s education records;
2. The right to request the amendment of the student’s education records to ensure that they are not inaccurate, misleading, or otherwise in violation of the student’s privacy or other rights;
3. The right to consent to disclosures of personally identifiable information contained in the student’s education records, except to the extent that such consent is not required for disclosure pursuant to this policy, state or federal law, or the regulations promulgated thereunder;
4. The right to refuse release of names, addresses, and home telephone numbers of students in grades 11 and 12 to military recruiting officers and post-secondary educational institutions;
5. The right to file a complaint with the U.S. Department of Education concerning alleged failures by the school district to comply with the federal law and the regulations promulgated thereunder;
6. The right to be informed about rights under the federal law; and

7. The right to obtain a copy of this policy at the location set forth in Section XXI. of this policy.

B. Eligible Students

All rights and protections given parents under this policy transfer to the student when he or she reaches eighteen (18) years of age or enrolls in an institution of post-secondary education. The student then becomes an “eligible student.” However, the parents of an eligible student who is also a “dependent student” are entitled to gain access to the education records of such student without first obtaining the consent of the student. In addition, parents of an eligible student may be given access to education records in connection with a health or safety emergency if the disclosure meets the conditions of any provision set forth in 34 C.F.R. § 99.31(a).

C. Disabled Students

The school district shall follow 34 C.F.R. §§ 300.610-300.617 with regard to the confidentiality of information related to students with a disability.

VI. DISCLOSURE OF EDUCATION RECORDS

A. Consent Required for Disclosure

1. The school district shall obtain a signed and dated written informed consent of the parent of a student or the eligible student before disclosing personally identifiable information from the education records of the student, except as provided herein.
2. The written consent required by this subdivision must be signed and dated by the parent of the student or the eligible student giving the consent and shall include:
 - a. a specification of the records to be disclosed;
 - b. the purpose or purposes of the disclosure;
 - c. the party or class of parties to whom the disclosure may be made;
 - d. the consequences of giving informed consent; and
 - e. if appropriate, a termination date for the consent.
3. When a disclosure is made under this subdivision:
 - a. if the parent or eligible student so requests, the school district shall provide him or her with a copy of the records disclosed; and

- b. if the parent of a student who is not an eligible student so requests, the school district shall provide the student with a copy of the records disclosed.
- 4. A signed and dated written consent may include a record and signature in electronic form that:
 - a. identifies and authenticates a particular person as the source of the electronic consent; and
 - b. indicates such person's approval of the information contained in the electronic consent.
- 5. If the responsible authority seeks an individual's informed consent to the release of private data to an insurer or the authorized representative of an insurer, informed consent shall not be deemed to have been given unless the statement is:
 - a. in plain language;
 - b. dated;
 - c. specific in designating the particular persons or agencies the data subject is authorizing to disclose information about the data subject;
 - d. specific as to the nature of the information the subject is authorizing to be disclosed;
 - e. specific as to the persons or agencies to whom the subject is authorizing information to be disclosed;
 - f. specific as to the purpose or purposes for which the information may be used by any of the parties named in Clause e. above, both at the time of the disclosure and at any time in the future; and
 - g. specific as to its expiration date which should be within a reasonable time, not to exceed one year except in the case of authorizations given in connection with applications for: (i) life insurance or noncancelable or guaranteed renewable health insurance and identified as such, two years after the date of the policy, or (ii) medical assistance under Minn. Stat. Ch. 256B or Minnesota Care under Minn. Stat. Ch. 256L, which shall be ongoing during all terms of eligibility, for individualized education program health-related services provided by a school district that are subject to third party reimbursement.
- 6. Eligible Student Consent

Whenever a student has attained eighteen (18) years of age or is attending an institution of post-secondary education, the rights accorded to and the consent required of the parent of the student shall thereafter only be accorded to and required of the eligible student, except as provided in Section V. of this policy.

B. Prior Consent for Disclosure Not Required

The school district may disclose personally identifiable information from the education records of a student without the written consent of the parent of the student or the eligible student unless otherwise provided herein, if the disclosure is:

1. To other school officials, including teachers, within the school district whom the school district determines have a legitimate educational interest in such records;
2. To a contractor, consultant, volunteer, or other party to whom the school district has outsourced institutional services or functions provided that the outside party:
 - a. performs an institutional service or function for which the school district would otherwise use employees;
 - b. is under the direct control of the school district with respect to the use and maintenance of education records; and
 - c. will not disclose the information to any other party without the prior consent of the parent or eligible student and uses the information only for the purposes for which the disclosure was made.
3. To officials of other schools, school districts, or post-secondary educational institutions in which the student seeks or intends to enroll, or is already enrolled, as long as the disclosure is for purposes related to the student's enrollment or transfer. The records shall include information about disciplinary action taken as a result of any incident in which the student possessed or used a dangerous weapon, and with proper annual notice (see Section XIX.), suspension and expulsion information pursuant to section 7917 of the federal Every Student Succeeds Act, if applicable, data regarding a student's history of violent behavior. The records also shall include a copy of any probable cause notice or any disposition or court order under Minn. Stat. § 260B.171, unless the data are required to be destroyed under Minn. Stat. § 120A.22, Subd. 7(c) or § 121A.75. On request, the school district will provide the parent or eligible student with a copy of the education records which have been transferred and provide an opportunity for a hearing to challenge the content of those records in

accordance with Section XV. of this policy;

4. To authorized representatives of the Comptroller General of the United States, the Attorney General of the United States, the Secretary of the U.S. Department of Education, or the Commissioner of the State Department of Education or his or her representative, subject to the conditions relative to such disclosure provided under federal law;
5. In connection with financial aid for which a student has applied or has received, if the information is necessary for such purposes as to:
 - a. determine eligibility for the aid;
 - b. determine the amount of the aid;
 - c. determine conditions for the aid; or
 - d. enforce the terms and conditions of the aid.

“Financial aid” for purposes of this provision means a payment of funds provided to an individual or a payment in kind of tangible or intangible property to the individual that is conditioned on the individual’s attendance at an educational agency or institution;

6. To state and local officials or authorities to whom such information is specifically allowed to be reported or disclosed pursuant to state statute adopted:
 - a. before November 19, 1974, if the allowed reporting or disclosure concerns the juvenile justice system and such system’s ability to effectively serve the student whose records are released; or
 - b. after November 19, 1974, if the reporting or disclosure allowed by state statute concerns the juvenile justice system and the system’s ability to effectively serve, prior to adjudication, the student whose records are released, provided the officials and authorities to whom the records are disclosed certify in writing to the school district that the data will not be disclosed to any other party, except as provided by state law, without the prior written consent of the parent of the student. At a minimum, the school district shall disclose the following information to the juvenile justice system under this paragraph: a student’s full name, home address, telephone number, and date of birth; a student’s school schedule, attendance record, and photographs, if any; and parents’ names, home addresses, and telephone numbers.
7. To organizations conducting studies for or on behalf of educational agencies or institutions for the purpose of developing, validating, or

administering predictive tests, administering student aid programs, or improving instruction; provided that the studies are conducted in a manner which does not permit the personal identification of parents or students by individuals other than representatives of the organization who have a legitimate interest in the information, the information is destroyed when no longer needed for the purposes for which the study was conducted, and the school district enters into a written agreement with the organization that: (a) specifies the purpose, scope, and duration of the study or studies and the information to be disclosed; (b) requires the organization to use personally identifiable information from education records only to meet the purpose or purposes of the study as stated in the written agreement; (c) requires the organization to conduct the study in a manner that does not permit personal identification of parents and students by anyone other than representatives of the organization with legitimate interests; and (d) requires the organization to destroy all personally identifiable information when information is no longer needed for the purposes for which the study was conducted and specifies the time period in which the information must be destroyed. For purposes of this provision, the term, "organizations," includes, but is not limited to, federal, state, and local agencies and independent organizations. In the event the Department of Education determines that a third party outside of the school district to whom information is disclosed violates this provision, the school district may not allow that third party access to personally identifiable information from education records for at least five (5) years;

8. To accrediting organizations in order to carry out their accrediting functions;
9. To parents of a student eighteen (18) years of age or older if the student is a dependent of the parents for income tax purposes;
10. To comply with a judicial order or lawfully issued subpoena, provided, however, that the school district makes a reasonable effort to notify the parent or eligible student of the order or subpoena in advance of compliance therewith so that the parent or eligible student may seek protective action, unless the disclosure is in compliance with a federal grand jury subpoena, or any other subpoena issued for law enforcement purposes, and the court or other issuing agency has ordered that the existence or the contents of the subpoena or the information furnished in response to the subpoena not be disclosed, or the disclosure is in compliance with an ex parte court order obtained by the United States Attorney General (or designee not lower than an Assistant Attorney General) concerning investigations or prosecutions of an offense listed in 18 U.S.C. § 2332b(g)(5)(B), an act of domestic or international terrorism as defined in 18 U.S.C. § 2331, or a parent is a party to a court proceeding involving child abuse and neglect or dependency matters, and the order is issued in the context of the proceeding. If the school district initiates legal action against a parent or student, it may disclose to the court, without a

court order or subpoena, the education records of the student that are relevant for the school district to proceed with the legal action as plaintiff. Also, if a parent or eligible student initiates a legal action against the school district, the school district may disclose to the court, without a court order or subpoena, the student's education records that are relevant for the school district to defend itself;

11. To appropriate parties, including parents of an eligible student, in connection with an emergency if knowledge of the information is necessary to protect the health, including the mental health, or safety of the student or other individuals. The decision is to be based upon information available at the time the threat occurs that indicates that there is an articulable and significant threat to the health or safety of a student or other individuals. In making a determination whether to disclose information under this section, the school district may take into account the totality of the circumstances pertaining to a threat and may disclose information from education records to any person whose knowledge of the information is necessary to protect the health or safety of the student or other students. A record of this disclosure must be maintained pursuant to Section XIII.E. of this policy. In addition, an educational agency or institution may include in the education records of a student appropriate information concerning disciplinary action taken against the student for conduct that posed a significant risk to the safety or well-being of that student, other students, or other members of the school community. This information may be disclosed to teachers and school officials within the school district and/or teachers and school officials in other schools who have legitimate educational interests in the behavior of the student;
12. To the juvenile justice system if information about the behavior of a student who poses a risk of harm is reasonably necessary to protect the health or safety of the student or other individuals;
13. Information the school district has designated as "directory information" pursuant to Section VII. of this policy;
14. To military recruiting officers and post-secondary educational institutions pursuant to Section XI. of this policy;
15. To the parent of a student who is not an eligible student or to the student himself or herself;
16. To appropriate health authorities to the extent necessary to administer immunization programs and for bona fide epidemiologic investigations which the commissioner of health determines are necessary to prevent disease or disability to individuals in the public educational agency or institution in which the investigation is being conducted;
17. To volunteers who are determined to have a legitimate educational interest

in the data and who are conducting activities and events sponsored by or endorsed by the educational agency or institution for students or former students;

18. To the juvenile justice system, on written request that certifies that the information will not be disclosed to any other person except as authorized by law without the written consent of the parent of the student:
 - a. the following information about a student must be disclosed: a student's full name, home address, telephone number, date of birth; a student's school schedule, daily attendance record, and photographs, if any; and any parents' names, home addresses, and telephone numbers;
 - b. the existence of the following information about a student, not the actual data or other information contained in the student's education record, may be disclosed provided that a request for access must be submitted on the statutory form and it must contain an explanation of why access to the information is necessary to serve the student: (1) use of a controlled substance, alcohol, or tobacco; (2) assaultive or threatening conduct that could result in dismissal from school under the Pupil Fair Dismissal Act; (3) possession or use of weapons or look-alike weapons; (4) theft; or (5) vandalism or other damage to property. Prior to releasing this information, the principal or program administrator or chief administrative officer of a school who receives such a request must, to the extent permitted by federal law, notify the student's parent or guardian by certified mail of the request to disclose information. If the student's parent or guardian notifies the school official of an objection to the disclosure within ten (10) days of receiving certified notice, the school official must not disclose the information and instead must inform the requesting member of the juvenile justice system of the objection. If no objection from the parent or guardian is received within fourteen (14) days, the school official must respond to the request for information.

The written requests of the juvenile justice system member(s), as well as a record of any release, must be maintained in the student's file;

19. To the principal or program administrator where the student attends and to any counselor directly supervising or reporting on the behavior or progress of the student if it is information from a disposition order received by a superintendent under Minn. Stat. § 260B.171, Subd. 3. The principal must notify the counselor immediately and must place the disposition order in the student's permanent education record. The principal also must notify immediately any teacher or administrator who directly supervises or reports on the behavior or progress of the student whom the principal believes needs the information to work with the student in an appropriate

manner, to avoid being needlessly vulnerable, or to protect other persons from needless vulnerability. The principal may also notify other school district employees, substitutes, and volunteers who are in direct contact with the student if the principal determines that these individuals need the information to work with the student in an appropriate manner, to avoid being needlessly vulnerable, or to protect other persons from needless vulnerability. Such notices from the principal must identify the student, outline the offense, and describe any conditions of probation about which the school must provide information if this information is provided in the disposition order. Disposition order information received is private educational data received for the limited purpose of serving the educational needs of the student and protecting students and staff. The information may not be further disseminated by the counselor, teacher, administrator, staff member, substitute, or volunteer except as necessary to serve the student, to protect students and staff, or as otherwise required by law, and only to the student or the student's parent or guardian;

20. To the principal or program administrator where the student attends if it is information from a peace officer's record of children received by a superintendent under Minn. Stat. § 260B.171, Subd. 5. The principal must place the information in the student's education record. The principal also must notify immediately any teacher, counselor, or administrator directly supervising the student whom the principal believes needs the information to work with the student in an appropriate manner, to avoid being needlessly vulnerable, or to protect other persons from needless vulnerability. The principal may also notify other district employees, substitutes, and volunteers who are in direct contact with the student if the principal determines that these individuals need the information to work with the student in an appropriate manner, to avoid being needlessly vulnerable, or to protect other persons from needless vulnerability. Such notices from the principal must identify the student and describe the alleged offense if this information is provided in the peace officer's notice. Peace officer's record information received is private educational data received for the limited purpose of serving the educational needs of the student and protecting students and staff. The information must not be further disseminated by the counselor, teacher administrator, staff member, substitute, or volunteer except to communicate with the student or the student's parent or guardian as necessary to serve the student, to protect students and staff, or as otherwise required by law.

The principal or program administrator must delete the peace officer's record from the student's education record, destroy the data, and make reasonable efforts to notify any teacher, counselor, staff member, administrator, substitute, or volunteer who received information from the peace officer's record if the county attorney determines not to proceed with a petition or directs the student into a diversion or mediation program or if a juvenile court makes a decision on a petition and the county attorney or juvenile court notifies the superintendent of such action; or

21. To the Secretary of Agriculture, or authorized representative from the Food and Nutrition Service or contractors acting on behalf of the Food and Nutrition Service, for the purposes of conducting program monitoring, evaluations, and performance measurements of state and local educational and other agencies and institutions receiving funding or providing benefits of one or more programs authorized under the National School Lunch Act or the Child Nutrition Act of 1966 for which the results will be reported in an aggregate form that does not identify any individual, on the conditions that: (a) any data collected shall be protected in a manner that will not permit the personal identification of students and their parents by other than the authorized representatives of the Secretary; and (b) any personally identifiable data shall be destroyed when the data are no longer needed for program monitoring, evaluations, and performance measurements.
22. To an agency caseworker or other representative of a State or local child welfare agency, or tribal organization (as defined in section 450b of Title 25), who has the right to access a student's case plan, as defined and determined by the State or tribal organization, when such agency or organization is legally responsible, in accordance with State or tribal law, for the care and protection of the student, provided that the education records, or the personally identifiable information contained in such records, of the student will not be disclosed by such agency or organization, except to an individual or entity engaged in addressing the student's education needs and authorized by such agency or organization to receive such disclosure and such disclosure is consistent with the State or tribal laws applicable to protecting the confidentiality of a student's education records.

C. Nonpublic School Students

The school district may disclose personally identifiable information from the education records of a nonpublic school student, other than a student who receives shared time educational services, without the written consent of the parent of the student or the eligible student unless otherwise provided herein, if the disclosure is:

1. Pursuant to a valid court order;
2. Pursuant to a statute specifically authorizing access to the private data; or
3. To appropriate health authorities to the extent necessary to administer immunization programs and for bona fide epidemiological investigations which the commissioner of health determines are necessary to prevent disease or disability to individuals in the public educational agency or institution in which the investigation is being conducted.

VII. RELEASE OF DIRECTORY INFORMATION

A. Classification

Directory information is public except as provided herein.

B. Former Students

Unless a former student validly opted out of the release of directory information while the student was in attendance and has not rescinded the opt out request at any time, the school district may disclose directory information from the education records generated by it regarding the former student without meeting the requirements of Paragraph C. of this section. In addition, under an explicit exclusion from the definition of an “education record,” the school district may release records that only contain information about an individual obtained after he or she is no longer a student at the school district and that are not directly related to the individual’s attendance as a student (e.g., a student’s activities as an alumnus of the school district).

C. Present Students and Parents

The school district may disclose directory information from the education records of a student and information regarding parents without prior written consent of the parent of the student or eligible student, except as provided herein. Prior to such disclosure the school district shall:

1. Annually give public notice by any means that are reasonably likely to inform the parents and eligible students of:
 - a. the types of personally identifiable information regarding students and/or parents that the school district has designated as directory information;
 - b. the parent’s or eligible student’s right to refuse to let the school district designate any or all of those types of information about the student and/or the parent as directory information; and
 - c. the period of time in which a parent or eligible student has to notify the school district in writing that he or she does not want any or all of those types of information about the student and/or the parent designated as directory information.
2. Allow a reasonable period of time after such notice has been given for a parent or eligible student to inform the school district in writing that any or all of the information so designated should not be disclosed without the parent’s or eligible student’s prior written consent, except as provided in Section VI. of this policy.
3. A parent or eligible student may not opt out of the directory information

disclosures to:

- a. prevent the school district from disclosing or requiring the student to disclose the student's name, ID, or school district e-mail address in a class in which the student is enrolled; or
 - b. prevent the school district from requiring a student to wear, to display publicly, or to disclose a student ID card or badge that exhibits information that may be designated as directory information and that has been properly designated by the school district as directory information.
4. The school district shall not disclose or confirm directory information without meeting the written consent requirements contained in Section VI.A. of this policy if a student's social security number or other non-directory information is used alone or in combination with other data elements to identify or help identify the student or the student's records.

D. Procedure for Obtaining Nondisclosure of Directory Information

The parent's or eligible student's written notice shall be directed to the responsible authority and shall include the following:

1. Name of the student and/or parent, as appropriate;
2. Home address;
3. School presently attended by student;
4. Parent's legal relationship to student, if applicable; and
5. Specific categories of directory information to be made not public without the parent's or eligible student's prior written consent, which shall only be applicable for that school year.

E. Duration

The designation of any information as directory information about a student or parents will remain in effect for the remainder of the school year unless the parent or eligible student provides the written notifications provided herein.

VIII. DISCLOSURE OF PRIVATE RECORDS

A. Private Records

For the purposes herein, education records are records which are classified as private data on individuals by state law and which are accessible only to the student who is the subject of the data and the student's parent if the student is not

an eligible student. The school district may not disclose private records or their contents except as summary data, or except as provided in Section VI. of this policy, without the prior written consent of the parent or the eligible student. The school district will use reasonable methods to identify and authenticate the identity of parents, students, school officials, and any other party to whom personally identifiable information from education records is disclosed.

B. Private Records Not Accessible to Parent

In certain cases, state law intends, and clearly provides, that certain information contained in the education records of the school district pertaining to a student be accessible to the student alone, and to the parent only under special circumstances, if at all.

1. The responsible authority may deny access to private data by a parent when a minor student who is the subject of that data requests that the responsible authority deny such access. The minor student's request must be submitted in writing setting forth the reasons for denying access to the parent and must be signed by the minor. Upon receipt of such request the responsible authority shall determine if honoring the request to deny the parent access would be in the best interest of the minor data subject. In making this determination the responsible authority shall consider the following factors:
 - a. whether the minor is of sufficient age and maturity to be able to explain the reasons for and understand the consequences of the request to deny access;
 - b. whether the personal situation of the minor is such that denying parental access may protect the minor data subject from physical or emotional harm;
 - c. whether there are grounds for believing that the minor data subject's reasons for precluding parental access are reasonably accurate;
 - d. whether the data in question is of such a nature that disclosure of it to the parent may lead to physical or emotional harm to the minor data subject; and
 - e. whether the data concerns medical, dental or other health services provided pursuant to Minn. Stat. §§ 144.341-144.347, in which case the data may be released only if the failure to inform the parent would seriously jeopardize the health of the minor.

C. Private Records Not Accessible to Student

Students shall not be entitled to access to private data concerning financial records

and statements of the student's parent or any information contained therein.

IX. DISCLOSURE OF CONFIDENTIAL RECORDS

A. Confidential Records

Confidential records are those records and data contained therein which are made not public by state or federal law, and which are inaccessible to the student and the student's parents or to an eligible student.

B. Reports Under the Maltreatment of Minors Reporting Act

Pursuant to Minn. Stat. § 626.556, written copies of reports pertaining to a neglected and/or physically and/or sexually abused child shall be accessible only to the appropriate welfare and law enforcement agencies. In respect to other parties, such data shall be confidential and will not be made available to the parent or the subject individual by the school district. The subject individual, however, may obtain a copy of the report from either the local welfare agency, county sheriff, or the local police department subject to the provisions of Minn. Stat. § 626.556, Subd. 11.

Regardless of whether a written report is made under Minn. Stat. § 626.556, Subd. 7, as soon as practicable after a school receives information regarding an incident that may constitute maltreatment of a child in a school facility, the school shall inform the parent, legal guardian, or custodian of the child that an incident occurred that may constitute maltreatment of the child, when the incident occurred, and the nature of the conduct that may constitute maltreatment.

C. Investigative Data

Data collected by the school district as part of an active investigation undertaken for the purpose of the commencement or defense of pending civil legal action, or which are retained in anticipation of a pending civil legal action are classified as protected nonpublic data in the case of data not on individuals, and confidential data in the case of data on individuals.

1. The school district may make any data classified as protected non-public or confidential pursuant to this subdivision accessible to any person, agency, or the public if the school district determines that such access will aid the law enforcement process, promote public health or safety, or dispel widespread rumor or unrest.
2. A complainant has access to a statement he or she provided to the school district.
3. Parents or eligible students may have access to investigative data of which the student is the subject, but only to the extent the data is not inextricably intertwined with data about other school district students, school district

employees, and/or attorney data as defined in Minn. Stat. § 13.393.

4. Once a civil investigation becomes inactive, civil investigative data becomes public unless the release of the data would jeopardize another pending civil legal action, except for those portions of such data that are classified as not public data under state or federal law. Any civil investigative data presented as evidence in court or made part of a court record shall be public. For purposes of this provision, a civil investigation becomes inactive upon the occurrence of any of the following events:
 - a. a decision by the school district, or by the chief attorney for the school district, not to pursue the civil legal action. However, such investigation may subsequently become active if the school district or its attorney decides to renew the civil legal action;
 - b. the expiration of the time to file a complaint under the statute of limitations or agreement applicable to the civil legal action; or
 - c. the exhaustion or expiration of rights of appeal by either party to the civil legal action.
5. A “pending civil legal action” for purposes of this subdivision is defined as including, but not limited to, judicial, administrative, or arbitration proceedings.

D. Chemical Abuse Records

To the extent the school district maintains records of the identity, diagnosis, prognosis, or treatment of any student which are maintained in connection with the performance of any drug abuse prevention function conducted, regulated, or directly or indirectly assisted by any department or agency of the United States, such records are classified as confidential and shall be disclosed only for the purposes and under the circumstances expressly authorized by law.

X. DISCLOSURE OF SCHOOL RECORDS PRIOR TO EXCLUSION OR EXPULSION HEARING

At a reasonable time prior to any exclusion or expulsion hearing, the student and the student’s parent or guardian or representative shall be given access to all school district records pertaining to the student, including any tests or reports upon which the action proposed by the school district may be based, pursuant to the Minnesota Pupil Fair Dismissal Act, Minn. Stat. § 121A.40, *et seq.*

XI. DISCLOSURE OF DATA TO MILITARY RECRUITING OFFICERS AND POST-SECONDARY EDUCATIONAL INSTITUTIONS

- A. The school district will release the names, addresses, and home telephone numbers of students in grades 11 and 12 to military recruiting officers and post-

secondary educational institutions within sixty (60) days after the date of the request unless a parent or eligible student has refused in writing to release this data pursuant to Paragraph C. below.

- B. Data released to military recruiting officers under this provision:
1. may be used only for the purpose of providing information to students about military service, state and federal veterans' education benefits, and other career and educational opportunities provided by the military; and
 2. cannot be further disseminated to any other person except personnel of the recruiting services of the armed forces.
- C. A parent or eligible student has the right to refuse the release of the name, address, or home telephone number to military recruiting officers and post-secondary educational institutions. To refuse the release of the above information to military recruiting officers and post-secondary educational institutions, a parent or eligible student must notify the principal or program administrator in writing by September 15th of each year. The written request must include the following information:
1. Name of student and parent, as appropriate;
 2. Home address;
 3. Student's grade level;
 4. School presently attended by student;
 5. Parent's legal relationship to student, if applicable;
 6. Specific category or categories of information which are not to be released to military recruiting officers and post-secondary educational institutions; and
 7. Specific category or categories of information which are not to be released to the public, including military recruiting officers and post-secondary educational institutions.
- D. Annually, the school district will provide public notice by any means that are reasonably likely to inform the parents and eligible students of their rights to refuse to release the names, addresses, and home phone numbers of students in grades 11 and 12 without prior consent.
- E. A parent or eligible student's refusal to release the above information to military recruiting officers and post-secondary educational institutions does not affect the school district's release of directory information to the rest of the public, which includes military recruiting officers and post-secondary educational institutions.

In order to make any directory information about a student private, the procedures contained in Section VII. of this policy also must be followed. Accordingly, to the extent the school district has designated the name, address, phone number, and grade level of students as directory information, absent a request from a parent or eligible student not to release such data, this information will be public data and accessible to members of the public, including military recruiting officers and post-secondary educational institutions.

XII. LIMITS ON REDISCLOSURE

A. Redisclosure

Consistent with the requirements herein, the school district may only disclose personally identifiable information from the education records of a student on the condition that the party to whom the information is to be disclosed will not disclose the information to any other party without the prior written consent of the parent of the student or the eligible student, except that the officers, employees, and agents of any party receiving personally identifiable information under this section may use the information, but only for the purposes for which the disclosure was made.

B. Redisclosure Not Prohibited

1. Subdivision A. of this section does not prevent the school district from disclosing personally identifiable information under Section VI. of this policy with the understanding that the party receiving the information may make further disclosures of the information on behalf of the school district provided:
 - a. The disclosures meet the requirements of Section VI. of this policy; and
 - b. The school district has complied with the record-keeping requirements of Section XIII. of this policy.
2. Subdivision A. of this section does not apply to disclosures made pursuant to court orders or lawfully issued subpoenas or litigation, to disclosures of directory information, to disclosures to a parent or student or to parents of dependent students, or to disclosures concerning sex offenders and other individuals required to register under 42 U.S.C. § 14071. However, the school district must provide the notification required in Section XII.D. of this policy if a redisclosure is made based upon a court order or lawfully issued subpoena.

C. Classification of Disclosed Data

The information disclosed shall retain the same classification in the hands of the party receiving it as it had in the hands of the school district.

D. Notification

The school district shall inform the party to whom a disclosure is made of the requirements set forth in this section, except for disclosures made pursuant to court orders or lawfully issued subpoenas, disclosure of directory information under Section VII. of this policy, disclosures to a parent or student, or disclosures to parents of a dependent student. In the event that the Family Policy Compliance Office determines that a state or local educational authority, a federal agency headed by an official listed in 34 C.F.R. § 99.31(a)(3), or an authorized representative of a state or local educational authority or a federal agency headed by an official listed in § 99.31(a)(3), or a third party outside of the school district improperly rediscloses personally identifiable information from education records or fails to provide notification required under this section of this policy, the school district may not allow that third party access to personally identifiable information from education records for at least five (5) years.

XIII. RESPONSIBLE AUTHORITY; RECORD SECURITY; AND RECORD KEEPING

A. Responsible Authority

The responsible authority shall be responsible for the maintenance and security of student records.

B. Record Security

The principal or program administrator of each school subject to the supervision and control of the responsible authority shall be the records manager of the school and shall have the duty of maintaining and securing the privacy and/or confidentiality of student records.

C. Plan for Securing Student Records

The principal or program administrator shall submit to the responsible authority a written plan for securing students records by September 1 of each school year. The written plan shall contain the following information:

1. A description of records maintained;
2. Titles and addresses of person(s) responsible for the security of student records;
3. Location of student records, by category, in the buildings;
4. Means of securing student records; and
5. Procedures for access and disclosure.

D. Review of Written Plan for Securing Student Records

The responsible authority shall review the plans submitted pursuant to Paragraph C. of this section for compliance with the law, this policy and the various administrative policies of the school district. The responsible authority shall then promulgate a chart incorporating the provisions of Paragraph C. which shall be attached to and become a part of this policy.

E. Record Keeping

1. The principal or program administrator shall, for each request for and each disclosure of personally identifiable information from the education records of a student, maintain a record with the education records of the student which indicates:
 - a. the parties who have requested or received personally identifiable information from the education records of the student;
 - b. the legitimate interests these parties had in requesting or obtaining the information; and
 - c. the names of the state and local educational authorities and federal officials and agencies listed in Section VI.B.4. of this policy that may make further disclosures of personally identifiable information from the student's education records without consent.
2. In the event the school district discloses personally identifiable information from an education record of a student pursuant to Section XII.B. of this policy, the record of disclosure required under this section shall also include:
 - a. the names of the additional parties to which the receiving party may disclose the information on behalf of the school district;
 - b. the legitimate interests under Section VI. of this policy which each of the additional parties has in requesting or obtaining the information; and
 - c. a copy of the record of further disclosures maintained by a state or local educational authority or federal official or agency listed in Section VI.B.4. of this policy in accordance with 34 C.F.R. § 99.32 and to whom the school district disclosed information from an education record. The school district shall request a copy of the record of further disclosures from a state or local educational authority or federal official or agency to whom education records were disclosed upon a request from a parent or eligible student to review the record of requests for disclosure.

3. Section XIII.E.1. does not apply to requests by or disclosure to a parent of a student or an eligible student, disclosures pursuant to the written consent of a parent of a student or an eligible student, requests by or disclosures to other school officials under Section VI.B.1. of this policy, to requests for disclosures of directory information under Section VII. of this policy, or to a party seeking or receiving the records as directed by a federal grand jury or other law enforcement subpoena and the issuing court or agency has ordered that the existence or the contents of the subpoena or the information provided in response to the subpoena not be disclosed or as directed by an ex parte court order obtained by the United States Attorney General (or designee not lower than an Assistant Attorney General) concerning investigations or prosecutions of an offense listed in 18. U.S.C. § 2332b(g)(5)(B) or an act of domestic or international terrorism.
4. The record of requests of disclosures may be inspected by:
 - a. the parent of the student or the eligible student;
 - b. the school official or his or her assistants who are responsible for the custody of the records; and
 - c. the parties authorized by law to audit the record-keeping procedures of the school district.
5. The school district shall record the following information when it discloses personally identifiable information from education records under the health or safety emergency exception:
 - a. the articulable and significant threat to the health or safety of a student or other individual that formed the basis for the disclosure; and
 - b. the parties to whom the school district disclosed the information.
6. The record of requests and disclosures shall be maintained with the education records of the student as long as the school district maintains the student's education records.

XIV. RIGHT TO INSPECT AND REVIEW EDUCATION RECORDS

A. Parent of a Student, an Eligible Student or the Parent of an Eligible Student Who is Also a Dependent Student

The school district shall permit the parent of a student, an eligible student, or the parent of an eligible student who is also a dependent student who is or has been in attendance in the school district to inspect or review the education records of the student, except those records which are made confidential by state or federal law or as otherwise provided in Section VIII. of this policy.

B. Response to Request for Access

The school district shall respond to any request pursuant to Subdivision A. of this section immediately, if possible, or within ten (10) days of the date of the request, excluding Saturdays, Sundays, and legal holidays.

C. Right to Inspect and Review

The right to inspect and review education records under Subdivision A. of this section includes:

1. The right to a response from the school district to reasonable requests for explanations and interpretations of records; and
2. If circumstances effectively prevent the parent or eligible student from exercising the right to inspect and review the education records, the school district shall provide the parent or eligible student with a copy of the records requested or make other arrangements for the parent or eligible student to inspect and review the requested records.
3. Nothing in this policy shall be construed as limiting the frequency of inspection of the education records of a student with a disability by the student's parent or guardian or by the student upon the student reaching the age of majority.

D. Form of Request

Parents or eligible students shall submit to the school district a written request to inspect education records which identify as precisely as possible the record or records he or she wishes to inspect.

E. Collection of Student Records

If a student's education records are maintained in more than one location, the responsible authority may collect copies of the records or the records themselves from the various locations so they may be inspected at one site. However, if the parent or eligible student wishes to inspect these records where they are maintained, the school district shall attempt to accommodate those wishes. The parent or eligible student shall be notified of the time and place where the records may be inspected.

F. Records Containing Information on More Than One Student

If the education records of a student contain information on more than one student, the parent or eligible student may inspect and review or be informed of only the specific information which pertains to that student.

G. Authority to Inspect or Review

The school district may presume that either parent of the student has authority to inspect or review the education records of a student unless the school district has been provided with evidence that there is a legally binding instrument or a state law or court order governing such matters as marriage dissolution, separation, or custody which provides to the contrary.

H. Fees for Copies of Records

1. The school district shall charge a reasonable fee for providing photocopies or printed copies of records unless printing a copy is the only method to provide for the inspection of data. In determining the amount of the reasonable fee, the school district shall consider the following:
 - a. the cost of materials, including paper, used to provide the copies;
 - b. the cost of the labor required to prepare the copies;
 - c. any schedule of standard copying charges established by the school district in its normal course of operations;
 - d. any special costs necessary to produce such copies from machine-based record-keeping systems, including but not limited to computers and microfilm systems; and
 - e. mailing costs.
2. If 100 or fewer pages of black and white, letter or legal size paper copies are requested, actual costs shall not be used, and, instead, the charge shall be no more than 25 cents for each page copied.
3. The cost of providing copies shall be borne by the parent or eligible student.
4. The responsible authority, however, may not impose a fee for a copy of an education record made for a parent or eligible student if doing so would effectively prevent or, in the case of a student with a disability, impair the parent or eligible student from exercising their right to inspect or review the student's education records.

XV. REQUEST TO AMEND RECORDS; PROCEDURES TO CHALLENGE DATA

A. Request to Amend Education Records

The parent of a student or an eligible student who believes that information contained in the education records of the student is inaccurate, misleading, or violates the privacy rights of the student may request that the school district

amend those records.

1. The request shall be in writing, shall identify the item the requestor believes to be inaccurate, misleading, or in violation of the privacy or other rights of the student, shall state the reason for this belief, and shall specify the correction the requestor wishes the school district to make. The request shall be signed and dated by the requestor.
2. The school district shall decide whether to amend the education records of the student in accordance with the request within thirty (30) days after receiving the request.
3. If the school district decides to refuse to amend the education records of the student in accordance with the request, it shall inform the parent of the student or the eligible student of the refusal and advise the parent or eligible student of the right to a hearing under Subdivision B. of this section.

B. Right to a Hearing

If the school district refuses to amend the education records of a student, the school district, on request, shall provide an opportunity for a hearing in order to challenge the content of the student's education records to ensure that information in the education records of the student is not inaccurate, misleading, or otherwise in violation of the privacy or other rights of the student. A hearing shall be conducted in accordance with Subdivision C. of this section.

1. If, as a result of the hearing, the school district decides that the information is inaccurate, misleading, or otherwise in violation of the privacy or other rights of the student, it shall amend the education records of the student accordingly and so inform the parent of the student or the eligible student in writing.
2. If, as a result of the hearing, the school district decides that the information is not inaccurate, misleading, or otherwise in violation of the privacy or other rights of the student, it shall inform the parent or eligible student of the right to place a statement in the record commenting on the contested information in the record or stating why he or she disagrees with the decision of the school district, or both.
3. Any statement placed in the education records of the student under Subdivision B. of this section shall:
 - a. be maintained by the school district as part of the education records of the student so long as the record or contested portion thereof is maintained by the school district; and
 - b. if the education records of the student or the contested portion

thereof is disclosed by the school district to any party, the explanation shall also be disclosed to that party.

C. Conduct of Hearing

1. The hearing shall be held within a reasonable period of time after the school district has received the request, and the parent of the student or the eligible student shall be given notice of the date, place, and time reasonably in advance of the hearing.
2. The hearing may be conducted by any individual, including an official of the school district who does not have a direct interest in the outcome of the hearing. The school board attorney shall be in attendance to present the school board's position and advise the designated hearing officer on legal and evidentiary matters.
3. The parent of the student or eligible student shall be afforded a full and fair opportunity for hearing to present evidence relative to the issues raised under Subdivisions A. and B. of this section and may be assisted or represented by individuals of his or her choice at his or her own expense, including an attorney.
4. The school district shall make a decision in writing within a reasonable period of time after the conclusion of the hearing. The decision shall be based solely on evidence presented at the hearing and shall include a summary of evidence and reasons for the decision.

D. Appeal

The final decision of the designated hearing officer may be appealed in accordance with the applicable provisions of Minn. Stat. Ch. 14 relating to contested cases.

XVI. PROBLEMS ACCESSING DATA

- A. The data practices compliance official is the designated employee to whom persons may direct questions or concerns regarding problems in obtaining access to data or other data practices problems.
- B. Data practices compliance official means the principal or program administrator.
- C. Any request by an individual with a disability for reasonable modifications of the school district's policies or procedures for purposes of accessing records shall be made to the data practices compliance official.

XVII. COMPLAINTS FOR NONCOMPLIANCE WITH FERPA

A. Where to File Complaints

Complaints regarding alleged violations of rights accorded parents and eligible students by FERPA, and the rules promulgated thereunder, shall be submitted in writing to the Family Policy Compliance Office, U.S. Department of Education, 400 Maryland Avenue S.W., Washington, D.C. 20202.

B. Content of Complaint

A complaint filed pursuant to this section must contain specific allegations of fact giving reasonable cause to believe that a violation of FERPA and the rules promulgated thereunder has occurred.

XVIII. WAIVER

A parent or eligible student may waive any of his or her rights provided herein pursuant to FERPA. A waiver shall not be valid unless in writing and signed by the parent or eligible student. The school district may not require such a waiver.

XIX. ANNUAL NOTIFICATION OF RIGHTS

A. Contents of Notice

The school district shall give parents of students currently in attendance and eligible students currently in attendance annual notice by such means as are reasonably likely to inform the parents and eligible students of the following:

1. That the parent or eligible student has a right to inspect and review the student's education records and the procedure for inspecting and reviewing education records;
2. That the parent or eligible student has a right to seek amendment of the student's education records to ensure that those records are not inaccurate, misleading, or otherwise in violation of the student's privacy or other rights and the procedure for requesting amendment of records;
3. That the parent or eligible student has a right to consent to disclosures of personally identifiable information contained in the student's education records, except to the extent that federal and state law and the regulations promulgated thereunder authorize disclosure without consent;
4. That the parent or eligible student has a right to file a complaint with the U.S. Department of Education regarding an alleged failure by the school district to comply with the requirements of FERPA and the rules promulgated thereunder;
5. The criteria for determining who constitutes a school official and what constitutes a legitimate educational interest for purposes of disclosing education records to other school officials whom the school district has

determined to have legitimate educational interests; and

6. That the school district forwards education records on request to a school in which a student seeks or intends to enroll or is already enrolled as long as the disclosure is for purposes related to the student's enrollment or transfer and that such records may include suspension and expulsion records pursuant to the federal Every Student Succeeds Act and, if applicable, a student's history of violent behavior.

B. Notification to Parents of Students Having a Primary Home Language Other Than English

The school district shall provide for the need to effectively notify parents of students identified as having a primary or home language other than English.

C. Notification to Parents or Eligible Students Who are Disabled

The school district shall provide for the need to effectively notify parents or eligible students identified as disabled.

XX. DESTRUCTION AND RETENTION OF RECORDS

Destruction and retention of records by the school district shall be controlled by state and federal law.

XXI. COPIES OF POLICY

Copies of this policy may be obtained by parents and eligible students at the office of the superintendent.

Legal References: Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)
Minn. Stat. Ch. 14 (Administrative Procedures Act)
Minn. Stat. § 120A.22 (Compulsory Instruction)
Minn. Stat. § 121A.40-121A.56 (The Pupil Fair Dismissal Act)
Minn. Stat. § 121A.75 (Sharing Disposition Order and Peace Officer Records)
Minn. Stat. § 127A.852 (Military-Connected Youth Identifier)
Minn. Stat. § 144.341-144.347 (Consent of Minors for Health Services)
Minn. Stat. § 260B.171, Subds. 3 and 5 (Disposition Order and Peace Officer Records of Children)
Minn. Stat. § 363A.42 (Public Records; Accessibility)
Minn. Stat. § 626.556 (Reporting of Maltreatment of Minors)
Minn. Rules Parts 1205.0100-1205.2000 (Data Practices)
10 U.S.C. § 503(b) and (c) (Enlistments: Recruiting Campaigns; Compilation of Directory Information)
18 U.S.C. § 2331 (Definitions)
18 U.S.C. § 2332b (Acts of Terrorism Transcending National Boundaries)

20 U.S.C. § 1232g *et seq.* (Family Educational Rights and Privacy Act)
20 U.S.C. § 6301 *et seq.* (Every Student Succeeds Act)
20 U.S.C. § 7908 (Armed Forces Recruiting Information)
26 U.S.C. §§ 151 and 152 (Internal Revenue Code)
34 C.F.R. §§ 99.1-99.67 (Family Educational Rights and Privacy)
34 C.F.R. § 300.610-300.627 (Confidentiality of Information)
42 C.F.R. § 2.1 *et seq.* (Confidentiality of Drug Abuse Patient Records)
Gonzaga University v. Doe, 536 U.S. 273, 122 S.Ct. 2268, 153 L.Ed. 2d
309 (2002)

Cross References: MSBA/MASA Model Policy 414 (Mandated Reporting of Child Neglect
or Physical or Sexual Abuse)
MSBA/MASA Model Policy 417 (Chemical Use and Abuse)
MSBA/MASA Model Policy 506 (Student Discipline)
MSBA/MASA Model Policy 519 (Interviews of Students by Outside
Agencies)
MSBA/MASA Model Policy 520 (Student Surveys)
MSBA/MASA Model Policy 711 (Video Recording on School Buses)
MSBA/MASA Model Policy 906 (Community Notification of Predatory
Offenders)
MSBA Service Manual, Chapter 13, School Law Bulletin “I” (School
Records – Privacy – Access to Data)

400 PERSONNEL

497 SCHOOL RESOURCE OFFICER DUTIES

I. PURPOSE

The purpose of this policy is to clarify the duties, responsibilities and limitations of the School Resource officer assigned to District 917.

II. POSITION ON DUTIES AND RESPONSIBILITIES OF SCHOOL RESOURCE OFFICER

The School Resource Officer is an employee of Dakota County Law Enforcement. It is the intent of the district that the School Resource Officer act in a cooperative role with district staff in addressing potential criminal issues and security issues that arise within the district, as well as providing school safety and education about law enforcement systems and processes. The School Resource Officer is to serve as a peace officer at district sites. The School Resource Officer should not be considered as part of district administration, teaching staff, or support staff. The School Resource Officer shall be assigned no duties or responsibilities for carrying out or assisting with student behavior interventions, routine discipline, or educational planning.

III. DUTIES AND RESPONSIBILITIES OF SCHOOL RESOURCE OFFICER

- A. Provides security for students and staff.
- B. Takes statements regarding criminal activities and completes police reports.
- C. Facilitates communication and cooperation between district officials and County juvenile authorities and local police officials.
- D. Assists district staff in understanding the Dakota County Juvenile Court system, law enforcement issues, and the court referral process.
- E. Provides an in-house law enforcement source for school staff and students in processing criminal matters that arise in district setting.
- F. Serves as a role model and endeavors to build rapport with students and staff.

District 917 shall provide training to its educational staff on the proper role of the School Resource Officer in the district.

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 discipline 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 discipline 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. The position of the school district is 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. Administrator. The school administrator is given the responsibility and authority to formulate building rules and regulations necessary to enforce this policy, subject to final school board approval. The administrator shall give direction and support to all school personnel performing their duties within the framework of this policy. The administrator shall consult with parents of students conducting themselves in a manner contrary to the policy. The administrator 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 administrator, 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 community practice. 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.
- H. Community Members. Members of the community are expected to contribute to the establishment of an atmosphere in which rights and duties are effectively acknowledged and fulfilled.

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; except when a manifestation of disability has been determined;
- B. To attend school daily, except when excused, and to be on time to all classes and other school functions;
- C. To pursue and attempt to complete the courses of study prescribed by the state and local school authorities;
- D. To make necessary arrangements for making up work when absent from school;
- E. To assist the school staff in maintaining a safe school for all students;
- F. To be aware of all school rules, regulations, policies, and procedures, including those in this policy, and to conduct themselves in accord with them;
- G. To assume that until a rule or policy is waived, altered, or repealed, it is in full force and effect;
- H. To be aware of and comply with federal, state, and local laws;
- I. To volunteer information in disciplinary cases should they have any knowledge relating to such cases and to cooperate with school staff as appropriate;
- J. To respect and maintain the school's property and the property of others;
- K. 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;

- L. To avoid inaccuracies in student newspapers or publications and refrain from indecent or obscene language;
- M. To conduct themselves in an appropriate physical or verbal manner; and
- N. To recognize and respect the rights of others.

VI. CODE OF STUDENT CONDUCT

- A. The following are examples of potential 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 or property immediately adjacent to school grounds; 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, school-sponsored activities, events, or trips. School district property also may mean a student's walking route to or from school for purposes of attending school or school-related functions, activities, or events. While prohibiting unacceptable behavior subject to disciplinary action at these locations and events, the school district does not represent that it will provide supervision or assume liability at these locations and events. 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. 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;
 - 2. The use of profanity or obscene language, or the possession of obscene materials;
 - 3. Gambling, including, but not limited to, playing a game of chance for stakes;
 - 4. Violation of the school district's Hazing Prohibition Policy;
 - 5. Attendance problems including, but not limited to, truancy, absenteeism, tardiness, skipping classes, or leaving school grounds without permission;
 - 6. Violation of the school district's Student Attendance Policy;
 - 7. Opposition to authority using physical force or violence;

8. Using, possessing, or distributing tobacco, tobacco-related devices, electronic cigarettes, or tobacco paraphernalia in violation of the school district's Tobacco-Free Environment Policy;
9. Using, possessing, distributing, intending to distribute, making a request to another person for (solicitation), or being under the influence of alcohol or other intoxicating substances or look-alike substances;
10. Using, possessing, distributing, intending to distribute, making a request to another person for (solicitation), or being under the influence of narcotics, drugs, or other controlled substances (except as prescribed by a physician), or look-alike substances (these prohibitions include medical marijuana or medical cannabis, even when prescribed by a physician, and one student sharing prescription medication with another student);
11. Using, possessing, or distributing items or articles that are illegal or harmful to persons or property including, but not limited to, drug paraphernalia;
12. Using, possessing, or distributing weapons, or look-alike weapons or other dangerous objects;
13. Violation of the school district's Weapons Policy;
14. Violation of the school district's Violence Prevention Policy;
15. Possession of ammunition including, but not limited to, bullets or other projectiles designed to be used in or as a weapon;
16. 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;
17. 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;
18. Using an ignition device, including a butane or disposable lighter or matches, inside an educational building and under circumstances where there is a risk of fire, except where the device is used in a manner authorized by the school;
19. Violation of any local, state, or federal law as appropriate;
20. Acts disruptive of the educational process, including, but not limited to, disobedience, disruptive or disrespectful behavior, defiance of authority, cheating, insolence, insubordination, failure to identify oneself, improper

activation of fire alarms, or bomb threats;

21. Violation of the school district's Internet Acceptable Use and Safety Policy;
22. Possession of nuisance devices or objects which cause distractions and may facilitate cheating including, but not limited to, radios, phones, including picture phones; wearable technology, or smart watches.
23. Violation of school bus or transportation rules or the school district's Student Transportation Safety Policy, and the Student Transportation Safety Policy of their home district;
24. 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;
25. Violation of directives or guidelines relating to lockers or improperly gaining access to a school locker;
26. Violation of the school district's Search of Student Lockers, Desks, Personal Possessions, and Student's Person Policy;
27. Violation of the school district's Student Use and Parking of Motor Vehicles; Patrols, Inspections, and Searches Policy;
28. Possession or distribution of slanderous, libelous, or pornographic materials;
29. Violation of the school district' Bullying Prohibition Policy;
30. 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;
31. Criminal activity;
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. Impertinent or disrespectful words, symbols, acronyms, or language, whether oral or written, related to teachers or other school district personnel;
36. Violation of the school district's Harassment and Violence Policy;
37. Sexual and/or racial abuse and/or harassment;
38. Actions, including fighting 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 persons;
39. Committing an act which inflicts great bodily harm upon another person, even though accidental or a result of poor judgment;
40. 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;
41. Verbal assaults or verbally abusive behavior including, but not limited to, use of words, symbols, acronyms, or language, whether oral or written, that are discriminatory, abusive, obscene, threatening, intimidating, degrading to other people, or threatening to school property;
42. Physical or verbal threats including, but not limited to, the staging or reporting of dangerous or hazardous situations that do not exist;
42. 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;
43. Violation of the school district's Distribution of Nonschool-Sponsored Materials on School Premises by Students and Employees Policy;
44. Violation of the school district's one-to-one device rules and regulations;
45. Violation of school rules, regulations, policies, or procedures, including, but not limited to, those policies specifically enumerated in this policy;
46. 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

The general policy of the school district is 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, administrator, counselor, or other school district personnel, and verbal warning;
- B. Confiscation by school district personnel and/or by law enforcement of any item, article, object, or thing, prohibited by, or used in the violation of, any school district policy, rule, regulation, procedure, or state or federal law. If confiscated by the school district, the confiscated item, article, object, or thing will be released only to the parent/guardian following the completion of any investigation or disciplinary action instituted or taken related to the violation.
- C. Parent or Guardian contact;
- D. Parent or Guardian conference;
- E. Removal from class;
- F. In-school suspension;
- G. Suspension from extracurricular activities;
- H. Detention or restriction of privileges;
- I. Loss of school privileges;
- J. In-school monitoring or revised class schedule;
- K. Referral to in-school support services;
- L. Referral to community resources or outside agency services;
- M. Financial restitution;

- N. Referral to police, other law enforcement agencies, or other appropriate authorities;
- O. A request for a petition to be filed in district court for juvenile delinquency adjudication;
- P. Out-of-school suspension under the Pupil Fair Dismissal Act;
- Q. Preparation of an admission or readmission plan;
- 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.

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 or guardians. 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, administrator, 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.~~

~~B. C.~~ Procedures for Removal of a Student from a Class

Teachers have the responsibility to attempt to modify disruptive student behavior by such means as conferring with the student, using positive reinforcement or proactive strategies, offering options from the student's Positive Behavior Support Plan (PBSP), assigning consequences, or contacting the student's parents/guardian. The IEP and/or PBSP shall drive decisions regarding the removal of special education students from a class or activity. 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. "Removal from class" and "removal" mean any actions taken by a teacher, administrator, or other school district employee to prohibit a student from continuing to participate in a class or activity with the student's peers. Students who are asked to leave a class by a teacher shall be sent or escorted to the office or other designated area.

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

A teacher removing a student receiving special education services from class is required to have the student escorted to the school office or other designated area by either the teacher, a paraprofessional, or other staff and verify his or her arrival as soon as practicable. For a student receiving special education services, the student's PBSP or agreed-upon conditional procedures plan will be followed and the case manager will be notified. General education students shall be sent to the office or other designated area. If a student who is removed from class fails to report to the designated area, the teacher will report this to the building administrator.

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

Students who are removed from class may return to class the same day, or the next school day, unless the administration (or in the case of student receiving special education services, the IEP team and the administrator) deems additional action or requirements for return are necessary. A general education student may return to class after a conference with the appropriate administrator or teacher, and/or the parent or guardian. At the time of this conference a definite plan of

action shall be established, including a review of any existing special education services. A student may return to the class or the activity after becoming calm, demonstrating regulated behavior and meeting with staff as needed to reenter. At this time a plan of action appropriate to the incident and reentry to class shall be developed with the special education student. Staff and the case manager shall meet afterwards, if necessary, to review the student's PBSP.

E. ~~F.~~ Procedures for Notification

In typical circumstances, parents or guardians shall receive notification of the student's removal from class for students under 18 years of age, or for ~~special education~~ students **receiving special education services** 18 or older, or as provided in the IEP. **At a minimum, a parent or guardian will be notified if a student is removed from class more than ten (10) times.** Students and parents/guardian are informed by the program administrator or designee of the resulting disciplinary action and readmission plan, if any, consistent with state and federal law. Students and their parents/guardian shall be notified of the need to hold a meeting to modify the IEP or PBSP, as appropriate. Seclusionary time out notification shall be made as required by the IEP or PBSP. If emergency restrictive procedures have been implemented, the parent or guardian shall be notified by the student's teacher, a school social worker, school psychologist, behavior specialist, or program administrator according to the district's restrictive procedures plan.

F. ~~G.~~ Students With Disabilities; Special Provisions

If a student receiving special education services is removed from class, at the time of reentering the class or activity the student's case manager and other staff shall determine whether there is a need for a team review of the adequacy of the student's IEP and PBSP, if any, and the need for any additional assessment. If the student does not have a PBSP a Functional Behavioral Assessment may be considered. When necessary a manifestation determination hearing shall be held to assess the impact, if any, of the student's disability upon the student's conduct.

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

School Board Policy ~~417~~ **6.12 (Students and Chemical Dependency)** addresses chemical abuse problems of students while on school premises. The school social worker is the program contact person who would refer the student or parent/guardian to assessment resources.

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 where a student with a disability does not receive general or special education instruction during that dismissal period.
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 student'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. A child with a disability may be suspended. When a child with a disability has been suspended for more than five (5) consecutive days or ten (10) cumulative school days in the same year, and that suspension does not involve a recommendation for expulsion or exclusion or other change in placement under federal law, relevant members of the child's IEP team, including at least one of the child's teachers, shall meet and determine the extent to which the child needs services in order to continue to participate in the general education curriculum, although in another setting, and to progress toward meeting the goals in the child's IEP. That meeting must occur as soon as possible, but no more than ten (10) days after the sixth (6th) consecutive day of suspension or the tenth (10th) cumulative day of suspension has elapsed.
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 student to progress toward meeting graduation standards under Minn. Stat. § 120B.02, although in a different setting.
6. The program 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 program 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 administrator or the administrator'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 program 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, administrator or other school district official may provide additional notification as deemed appropriate.

XII. STUDENT DISCIPLINE RECORDS

The policy of the school district is 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. STUDENTS WITH DISABILITIES

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.

Before initiating an expulsion or exclusion of a student with a disability, relevant members of the child's IEP team and the child's parent shall, consistent with federal law, conduct a manifestation determination and determine whether the child's behavior was (i) caused by or had a direct and substantial relationship to the child's disability and (ii) whether the child's conduct was a direct result of a failure to implement the child's IEP. 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.

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. 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 by publication in the parent/student handbook. This policy shall also be available upon request in each administrator's office.

XV. REVIEW OF POLICY

The administrator 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.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. § 122A.42 (General Control of Schools)
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. § 152.22 (Medical Cannabis; Definitions)
Minn. Stat. § 152.23 (Medical Cannabis; Limitations)
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: MSBA/MASA Model Policy 413 (Harassment and Violence)
MSBA/MASA Model Policy 501 (School Weapons)
MSBA/MASA Model Policy 502 (Search of Student Lockers, Desks, Personal Possessions, and Student's Person)
MSBA/MASA Model Policy 503 (Student Attendance)
MSBA/MASA Model Policy 505 (Distribution of Nonschool-Sponsored Materials on School Premises by Students and Employees)
MSBA/MASA Model Policy 514 (Bullying Prohibition Policy)
MSBA/MASA Model Policy 524 (Internet Acceptable Use and Safety Policy)
MSBA/MASA Model Policy 525 (Violence Prevention)
MSBA/MASA Model Policy 526 (Hazing Prohibition)
MSBA/MASA Model Policy 527 (Student Use and Parking of Motor Vehicles; Patrols, Inspections, and Searches)
MSBA/MASA Model Policy 610 (Field Trips)
MSBA/MASA Model Policy 709 (Student Transportation Safety Policy)
MSBA/MASA Model Policy 711 (Video Recording on School Buses)
MSBA/MASA Model Policy 712 (Video Surveillance Other Than on Buses)

103 COMPLAINTS – STUDENTS, EMPLOYEES, PARENTS, OTHER PERSONS

I. PURPOSE

The school district takes seriously all concerns or complaints by students, employees, parents or other persons. If a specific complaint procedure is provided within any other policy of the school district, the specific procedure shall be followed in reference to such a complaint. If a specific complaint procedure is not provided, the purpose of this policy is to provide a procedure that may be used.

II. GENERAL STATEMENT OF POLICY

- A. Students, parents, employees or other persons, may report concerns or complaints to the school district. While written reports are encouraged, a complaint may be made orally. Any employee receiving a complaint shall advise the principal or immediate supervisor of the receipt of the complaint. The supervisor shall make an initial determination as to the seriousness of the complaint and whether the matter should be referred to the superintendent. A person may file a complaint at any level of the school district; i.e., principal, superintendent or school board. However, persons are encouraged to file a complaint at the building level when appropriate.
- B. Depending upon the nature and seriousness of the complaint, the supervisor or other administrator receiving the complaint shall determine the nature and scope of the investigation or follow-up procedures. If the complaint involves serious allegations, the matter shall promptly be referred to the superintendent who shall determine whether an internal or external investigation should be conducted. In either case, the superintendent shall determine the nature and scope of the investigation and designate the person responsible for the investigation or followup relating to the complaint. The designated investigator shall ascertain details concerning the complaint and respond promptly to the appropriate administrator concerning the status or outcome of the matter.
- C. The appropriate administrator shall respond in writing to the complaining party concerning the outcome of the investigation or follow-up, including any appropriate action or corrective measure that was taken. The superintendent shall be copied on the correspondence and consulted in advance of the written response when appropriate. The response to the complaining party shall be consistent with the rights of others pursuant to the applicable provisions of Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act) or other law.

Legal References: Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)

Cross References: MSBA/MASA Model Policy 206 (Public Participation in School Board Meetings/Complaints about Persons at School Board Meetings and Data Privacy Considerations)
MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)
MSBA/MASA Model Policy 413 (Harassment and Violence)
MSBA/MASA Model Policy 514 (Bullying Prohibition)
MSBA Service Manual, Chapter 13, School Law Bulletin “T” (School Records – Privacy – Access to Data)