

# WAYZATA PUBLIC SCHOOLS

Independent School District 284  
Wayzata, Minnesota

## **BOARD OF EDUCATION**

Regular Meeting - December 11, 2017 - 7:00 PM  
Wayzata City Hall, 600 Rice Street, Wayzata

### **AGENDA**

- |                                                                                                                                                                                                                                                                                                                       |     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| <b>1. CALL TO ORDER/ROLL CALL</b>                                                                                                                                                                                                                                                                                     | 4   |
| <b>2. APPROVAL OF AGENDA AND CONSENT AGENDA ITEMS</b>                                                                                                                                                                                                                                                                 |     |
| Consent Agenda items are considered to be routine in nature and will be enacted by one motion. There will be no separate discussion of these items unless a Board member or citizen so requests, in which event the item will be removed as a Consent Agenda item and addressed. Consent Agenda items are as follows: |     |
| A. Approval of Minutes                                                                                                                                                                                                                                                                                                | 5   |
| B. Finance and Business Recommendations                                                                                                                                                                                                                                                                               |     |
| 1. Monthly Reports                                                                                                                                                                                                                                                                                                    | 8   |
| 2. Authorization of Issuance of Individual Procurement Card (P-Card)                                                                                                                                                                                                                                                  | 25  |
| 3. OPEB Investment Policy Statement and Appointment of OPEB Committee Members                                                                                                                                                                                                                                         | 26  |
| C. Human Resource Recommendations                                                                                                                                                                                                                                                                                     |     |
| 1. Monthly Recommendations                                                                                                                                                                                                                                                                                            | 39  |
| <b>3. REPORTS FROM ORGANIZATIONS</b>                                                                                                                                                                                                                                                                                  |     |
| A. Wayzata High School Student Council Representative - Grant Collinge                                                                                                                                                                                                                                                |     |
| <b>4. RECOGNITIONS</b>                                                                                                                                                                                                                                                                                                |     |
| A. Retiree Recognition                                                                                                                                                                                                                                                                                                | 42  |
| B. Employee of the Month - Dan Roberts                                                                                                                                                                                                                                                                                | 43  |
| C. Club Y.E.S                                                                                                                                                                                                                                                                                                         | 44  |
| D. AP Honor Roll                                                                                                                                                                                                                                                                                                      | 45  |
| <b>5. SUPERINTENDENT'S REPORTS AND RECOMMENDATIONS</b>                                                                                                                                                                                                                                                                |     |
| A. Finance and Business Services                                                                                                                                                                                                                                                                                      |     |
| 1. Comprehensive Annual Fiscal Report                                                                                                                                                                                                                                                                                 | 47  |
| 2. Resolution Establishing Combined Polling Places and Designating Hours                                                                                                                                                                                                                                              | 268 |
| 3. Truth in Taxation                                                                                                                                                                                                                                                                                                  | 271 |
| 4. Monthly Financial Reports                                                                                                                                                                                                                                                                                          | 272 |
| 5. Levy Certification                                                                                                                                                                                                                                                                                                 | 281 |
| B. Superintendent                                                                                                                                                                                                                                                                                                     |     |
| 1. Policy 203                                                                                                                                                                                                                                                                                                         | 282 |
| 2. Policy 208                                                                                                                                                                                                                                                                                                         | 285 |
| 3. Policy 208-R                                                                                                                                                                                                                                                                                                       | 286 |
| 4. Policy 211                                                                                                                                                                                                                                                                                                         | 290 |
| C. Teaching and Learning                                                                                                                                                                                                                                                                                              |     |
| 1. Resolution Relating To The Intent To Withdraw From The West Metro Education Program                                                                                                                                                                                                                                | 303 |
| D. Human Resource Services                                                                                                                                                                                                                                                                                            |     |
| <b>6. OTHER BOARD ACTION</b>                                                                                                                                                                                                                                                                                          |     |
| <b>7. BOARD REPORTS</b>                                                                                                                                                                                                                                                                                               | 307 |
| <b>8. AUDIENCE OPPORTUNITY TO ADDRESS SCHOOL BOARD</b>                                                                                                                                                                                                                                                                | 308 |
| This section of the agenda provides an opportunity for those who have called and placed their names on the list and for members of the audience to address the School Board.                                                                                                                                          |     |



# WAYZATA PUBLIC SCHOOLS

Independent School District 284  
Wayzata, Minnesota

## MISSION

### **Our Core Purpose:**

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

## VISION

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

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

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

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

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

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

### **Operational Excellence:**

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

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

**BOARD OF EDUCATION**  
Regular Meeting – December 11, 2017

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

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

**COMMENTS BY:** Chris McCullough, Board Chair

School Board Chair, Chris McCullough, will call the meeting to order. Clerk Andrea Cuene will call the roll.

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

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

**BOARD OF EDUCATION**  
Regular Meeting – December 11, 2017

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

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

**COMMENTS BY:** Chris McCullough, Board Chair

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

- A. Approval of Minutes**
- B. Finance and Business Recommendations**
  - 1. Monthly Reports
  - 2. Authorization of Issuance of Individual Procurement Card (P-Card)
  - 3. OPEB Investment Policy Statement and Appointment of OPEB Committee Members
- C. Human Resource Recommendations**
  - 1. Monthly Recommendations

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

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

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

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

# Minutes of Regular Meeting

## The Board of Education Wayzata Public Schools

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A Regular Meeting of the Board of Education of Wayzata Public Schools was held Monday, November 13, 2017, beginning at 6:00 PM in the Wayzata High School, 4955 Peony Lane N. Plymouth, MN 55446.

### 1. CALL TO ORDER/ROLL CALL

*The meeting was called to order by Board Chair Chris McCullough, and the roll call taken by Board Clerk Andrea Cuene. The following School Board members were present: Chris McCullough, Andrea Cuene, Sarah Johansen, Bonita Lucky, Erik Brown and ex-officio member Superintendent Chace B. Anderson. The following School Board members were absent: Cheryl Polzin and Linda Cohen.*

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

*Sarah Johansen motioned to approve the agenda and consent agenda. Erik Brown seconded the motion and it carried unanimously with a roll call vote.*

A: Approval of Minutes

B. Finance and Business Recommendations

1. Monthly Reports

*General Checking Account for October 2017*                      \$4171,581

*Wire Transfer for September 2017*                                      \$9,579,056

2. Lease Agreement: Eagle Brook Church

3. BID AWARD: Birchview Elementary Mechanical Improvements

C. Human Resource Recommendations

### 3. REPORTS FROM ORGANIZATIONS

A. Wayzata High School Student Council Representative

### 4. RECOGNITIONS

*Superintendent Chace B. Anderson recognized the following people for their accomplishments:*

A. Retiree Recognition

B. November Employee of the Month – Craig Hawkinson: Plymouth Creek Elementary

C. Bill Miles MSHSL Hall of Fame

*The following teams were recognized, after the conclusion of the Board Meeting, before a National Merit and Esteemed Teacher recognition event.*

D. Boys' Cross Country

E. Girls' Cross Country

F. Boys' Soccer

### 5. SUPERINTENDENT'S REPORTS AND RECOMMENDATIONS

A. Superintendent

*Sarah Johansen motioned to approve, and waive the reading of, Policies 205,210, 212,213,214,220, 221, 222, 223, 225, 226, and 227. Bonita Lucky seconded the motion and it carried unanimously..*

1. Policy 205

2. Policy 210

3. Policy 212

4. Policy 213

5. Policy 214
6. Policy 220
7. Repeal Policy 221
8. Policy 222
9. Policy 223
10. Policy 225
11. Repeal Policy 226
12. Policy 227

#### B. Teaching and Learning

#### C. Finance and Business Services

1. Monthly Financial Reports
2. Resolution Canvassing Returns of Votes of School District General Election  
*Erik Brown motioned to approve, and waive the reading of, the resolution. Bonita Lucky seconded the motion and it carried unanimously with a roll call vote.*
3. Resolution Authorizing Issuance of Certificates of Election and Directing School District Clerk to Perform Other Election Related Services  
*Erik Brown motioned to approve, and waive the reading of, the resolution. Sarah Johansen seconded the motion and it carried unanimously with a roll call vote.*

#### D. Human Resource Services

1. Home Base Contract  
*Sarah Johansen motioned to approve the contract. Bonita Lucky seconded the motion and it carried unanimously with a roll call vote.*

### **6. OTHER BOARD ACTION**

### **7. AUDIENCE OPPORTUNITY TO ADDRESS SCHOOL BOARD**

*Ken Campbell addressed the Board about utilization of the nature area behind Gleason Lake Elementary.*

### **8. ADJOURN**

*Sarah Johansen motioned to adjourn the board meeting. Bonita Lucky seconded the motion. There were no objections and the meeting was adjourned at 6:41pm.*

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

**BOARD OF EDUCATION**  
Regular Meeting – December 11, 2017

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

**ITEM: B. Finance & Business Recommendations**  
**1. Monthly Reports**

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

**Finance and Business Recommendations**

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

**Monthly Bills**

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

General Checking Account for November 2017	\$3,316,879
Wire Transfer for October 2017	\$11,171,894

**Acknowledgement Of Contributions**

Minn. Stat. 465.03 - GIFTS TO MUNICIPALITIES.

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

**Monthly Donations**

The Board of Education is requested to accept the attached lists donations received in November 2017.

Cash Donations	\$29,253
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**Monthly Donations**

Cash Donations:

AMOUNT	DONATED BY	PURPOSE
\$10,000.00	Kimberly Lane PTA	KL - Field Trip Buses
\$5,000.00	Meadow Ridge PTO	MRE - Field Trips
\$4,302.98	Plymouth Creek PTO	PC -Technology Subscriptions
\$3,000.00	Greenwood PTA	GW - Media Center Purchases
\$2,378.00	Gleason Lake PTO	GL- Basketball System
\$1,486.94	Wells Fargo Matching Gifts-DoTopia	WHS - Activity Support
\$1,000.00	Radermacher Family	GW - Support School Purchases
\$542.23	Oakwood PTA	OW - Library Books
\$308.00	Target Corporation c/o Cybergrants LLC	KL - Student Activities
\$252.76	Benevity Community Impact Fund	KL - Student Activities
\$232.37	Gleason Lake PTO	GL -Sit Spots for 3rd Grade
\$215.00	Birchview PTA	BV - Planner Scholarships
\$175.00	Three Rivers Park District	GL - Student Scholarships for Field Trips
\$170.00	Target Corporation c/o Cybergrants LLC	PC - Grant/Student Activities
\$168.00	Target Corporation c/o Cybergrants LLC	KL - Student Activities
\$117.00	Gleason Lake PTO	GL- Scholarships for Field Trips
\$84.00	Target Corporation c/o Cybergrants LLC	KL - Student Activities
\$20.00	Wells Fargo Matching Gifts-DoTopia	KL - Student Activities

**RECOMMENDED ACTION:** Approve the following checking account and wire transfer payments and accept with appreciation the donations, which are in compliance with current District policy and guidelines:

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

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

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

**WAYZATA PUBLIC SCHOOLS**  
**MONTHLY CHECK DISBURSEMENT SUMMARY**  
**NOVEMBER 2017**

CHECK	VENDOR	DESCRIPTION	DATE	AMOUNT
413051	FIRST STUDENT, INC	TRANSPORTATION	11/14/17	381,523.12
413304	UPPER LAKE FOODS	PRIME VENDOR	11/21/17	163,833.57
413230	INTERMEDIATE DIST 287	DEC 17 PROVIDED SERVICES	11/21/17	161,140.00
412955	XCEL ENERGY	MONTHLY ENERGY	11/07/17	124,028.44
413259	CITY OF PLYMOUTH - FINANCE DEPT	SCHOOL RESOURCE OFFICERS 1ST HALF 17-18	11/21/17	117,235.92
413198	CDW GOVERNMENT, INC	Renewal of SmartNet	11/21/17	114,862.72
413480	TRUST POINT/FBO WAYZATA SCHOOLS(N CEN TRST)	Payroll accrual	11/30/17	114,675.00
413130	RICE LAKE CONSTRUCTION GROUP	MR 04-A Masonry TO 10/31/17	11/14/17	102,647.50
413020	CM CONSTRUCTION CO, INC	CMS - E-Wing renovation TO 10/31/17	11/14/17	80,206.76
413177	WAYZATA EDUCATION ASSN	Payroll accrual	11/15/17	65,280.38
413482	WAYZATA EDUCATION ASSN	Payroll accrual	11/30/17	65,038.88
413237	KRAUS-ANDERSON CONSTRUCTION CO	MR ADDITION MGMT FEE	11/21/17	64,765.66
704962	PRO-TEC DESIGN	OW-SECURITY WORK	11/16/17	64,444.23
413314	ABM EQUIPMENT & SUPPLY	Accessories for Boom Truck	11/29/17	60,189.50
413050	FIRST STUDENT, INC	TRANSPORT-SUMMER 6/25-7/22	11/14/17	57,438.90
413157	VEIT & COMPANY INC	MR 31-A Earthwork TO 10/30/17	11/14/17	52,155.00
704884	HI-TECH REFRIGERATION	OW - COOLER FREEZER REPLACMENT	11/02/17	47,650.00
705023	PRO-TEC DESIGN	SECURITY SYSTEM	11/30/17	47,031.43
413162	WELLS CONCRETE	MR -Precast Concrete Hollow core plan	11/14/17	42,435.36
705009	HILLYARD INC MINNEAPOLIS	MISC CUSTODIAL SUPPLIES	11/30/17	41,764.80
413270	TITANIUM PARTNERS LLC	XCEL 9/13-10/14 CENTER POINT 9/21-10/23	11/21/17	41,600.84
413235	JPMI CONSTRUCTION CO	2017 WindoWw Door &Exterior Wall Replacement	11/21/17	36,774.50
412953	WOLD ARCHITECTS AND ENGINEERS	PC-ES DEF MAINT #162233	11/07/17	30,795.09
412960	ACOUSTICS ASSOCIATES	GW - 09C Acoustical Ceilings TO 9/27/17	11/14/17	28,500.00
413256	PAMS LUNCHROOM LLC	CREDIT CARD FEES 10/17	11/21/17	26,638.87
413402	KINECT ENERGY INC	October Energy	11/29/17	20,424.24
413119	CITY OF PLYMOUTH - FINANCE DEPT	WATER	11/14/17	20,139.99
412866	LIFE INSURANCE CO OF NORTH AMERICA	Ins. Tracking Billing	11/07/17	20,014.14
413484	LIFE INSURANCE CO OF NORTH AMERICA	Ins. Tracking Billing	11/30/17	19,933.98
413355	CFS INTERIORS & FLOORING	HS Terrazzo floor refinishing	11/29/17	19,063.00
412899	K12 TRANSPORTATION MANAGEMENT SVCS INC	TRANSPORTATION	11/07/17	18,870.00
413196	BULLIS INSURANCE AGENCY LLC	BOILER & MACH POL#BEP2666244 12/1/15-12/1/18	11/21/17	17,408.00
413172	LIFE INSURANCE CO OF NORTH AMERICA	Payroll accrual	11/15/17	16,642.66
413479	SCHOOL SERVICE EMPLOYEES	Payroll accrual	11/30/17	15,916.89
413175	SCHOOL SERVICE EMPLOYEES	Payroll accrual	11/15/17	15,862.54
704941	COMMAND CENTER INC	OW & KL-CUST SUBS	11/16/17	15,366.43
413262	REPUBLIC SERVICES #894	SERVICE 10/17	11/21/17	15,095.17
413313	ZOLTAR INVESTMENT GROUP LLC	16th ave rent 12/17	11/21/17	13,984.25
413410	MAIN LINE TRANSPORTATION INC (MTI)	SPED TRANSPORT 8/1-8/31/17	11/29/17	13,649.26
413310	XCEL ENERGY	HS-ENERGY 9/17-10/16	11/21/17	13,436.95
412958	ABSOLUTE COMMERCIAL FLOORING	PC-Flooring replacement TO 10/31/17	11/14/17	13,090.50
412997	BERGIN FRUIT AND NUT COMPANY	PRODUCE - MEADOW RIDGE	11/14/17	12,596.81
413094	MASTERS PLUMBING HEATING & COOLING LLC	PC - Plumbing TO 10/25/17	11/14/17	12,468.70
705039	STAPLES BUSINESS ADVANTAGE	Office Supplies Office/PEAK Supplies General WELS	11/30/17	12,375.43
413052	FLAGSHIP RECREATION	WEAR PADS	11/14/17	12,266.00
413265	SFM MUTUAL INSURANCE CO	SFM WORK COMP (16-17) 7/1/17-7/31/17	11/21/17	12,241.87
413041	DIVERSIFIED SNACK DISTRIBUTION INC	SNACKS	11/14/17	12,174.98
705042	TRIO SUPPLY CO	TRIO - CENTRAL SERVICES FACILITY	11/30/17	12,090.25
412947	TOWN & COUNTRY LANDSCAPING	WHS - 9th grade ball field	11/07/17	11,547.50
413055	GARVEY COMMUNICATIONS	DAB COMM CONSULTANT SERVICES	11/14/17	11,196.00
413231	IOCP	comm ed rent 12/17	11/21/17	10,951.84
412976	AGROPUR INC DIVISION OF NATREL USA	MILK PRODUCTS	11/14/17	10,788.92
412977	AIR SYSTEMS ENGINEERING INC	GW - TEST AND BALANCING	11/14/17	10,680.00
413128	PROMOWEAR	CSF-UNIFORMS	11/14/17	10,556.95
413377	GENERAL SHEET METAL	EMS-dishwasher exhaust	11/29/17	10,452.00
413411	MALLOY MONTAGUE KARNOWSKI RADOSEVICH & CO PA	FY 17 Audit Services THRU 10/31/17	11/29/17	10,000.00
413417	MIDWEST ELEVATOR & DRILLING INC	GL - Elevator repair	11/29/17	9,740.25
412898	JOHNSON FLOOR SANDING	HS-REPAIR GYM 5 & 6 FLOORS	11/07/17	9,630.00

705040	TIERNEY BROTHERS, INC.	TECH-PROJECTOR BULBS	11/30/17	9,321.50
413252	MTI DISTRIBUTING INC	New GTX Workman	11/21/17	9,103.22
413019	CM CONSTRUCTION CO, INC	CMS - E-Wing renovation TO 9/30/17	11/14/17	9,085.80
413221	HANUS ENTERPRISES,LLP	bus garage rent 12/17	11/21/17	8,705.25
413406	LARSON CO, J. H.	EMS-PARKING LOT LIGHTS	11/29/17	8,520.00
413015	CHAMPLIN ATHLETIC INC	G HOCKEY APPAREL	11/14/17	8,446.00
412871	ANCOM COMMUNICATIONS	CED-WALKIES	11/07/17	8,015.00
704978	TEAM SPORTING GOODS, INC	ATH-BATTING CAGE TURF	11/16/17	7,940.45
412901	KELLY GREEN IRRIGATION INC	HS STADIUM-INSTALL SLEEVING & MAINLINE	11/07/17	7,657.06
704982	TRIO SUPPLY CO	TRIO - HIGH SCHOOL	11/16/17	7,607.85
412869	AIRPORT TAXI, INC	TRANSPORTAION	11/07/17	7,572.00
704907	STAPLES BUSINESS ADVANTAGE	PAB Binders/Dividers ECS Tape, Pen Light,	11/02/17	7,393.07
705013	JOHNSON CONTROLS	SERV AGREEMENT 9/1/17-2/28/18	11/30/17	7,328.50
704919	JOSTENS, INC	YEARBOOK DEPOSIT-CMS JOB#44891	11/10/17	7,200.00
413436	PRECISION EXAMS, LLC	Career Skills Exam Forms	11/29/17	7,000.00
412865	LIFE INSURANCE CO OF NORTH AMERICA	Ins. Tracking Billing	11/07/17	6,982.22
413483	LIFE INSURANCE CO OF NORTH AMERICA	Ins. Tracking Billing	11/30/17	6,948.68
412881	CHAMPLIN ATHLETIC INC	ATH-G H EQUIPMENT	11/07/17	6,817.80
413245	MIDWEST EDUCATIONAL CONSULTANTS	BV-ENVOY TRAINING 11/9 & 11/10	11/21/17	6,666.00
412873	APPLE INC	Macbook Pros	11/07/17	6,161.00
412925	PHASOR ELECTRIC CO	HS-WORK IN DIMMER RM & AUDITORIUM	11/07/17	6,140.90
412900	KARGES-FAULCONBRIDGE, INC	GW - 3RD PARTY COMMISSIONING	11/07/17	6,105.00
412923	PARALLEL TECHNOLOGIES INC	GW-NETWORK CABLING-CLASSRMS	11/07/17	6,077.00
413095	MEDICAL SOLUTIONS INC	SPED- GREENWOOD HI/LOW CHANGING TABLE.	11/14/17	6,044.84
412920	NOKOMIS SHOE SHOP INC	CSF-PPE SHOES	11/07/17	5,694.40
413423	MOVIE LICENSING USA	MOVIE LICENSING - EMS WMS WHS	11/29/17	5,654.00
413210	DIVERSIFIED SNACK DISTRIBUTION INC	SNACKS	11/21/17	5,591.27
413321	AGROPUR INC DIVISION OF NATREL USA	MILK PRODUCTS	11/29/17	5,536.23
705017	MP NEXLEVEL LLC	LOCATES 10/17	11/30/17	5,478.97
704963	RELATE COUNSELING CTR	MENTAL HEALTH 10/17	11/16/17	5,441.25
413326	ARVIG	INTERNET #0003223859 9/28-10/27	11/29/17	5,384.74
413071	INSIGHTS NORTH AMERICA INC	COMM-ON-LINE UNITS	11/14/17	5,382.00
704886	INTERSTATE POWER SYSTEMS	WMS-BATTERY	11/02/17	5,315.02
413159	WASTE MANAGEMENT	HS-SERVICE	11/14/17	5,186.76
413144	SPORTSCON LLC	HS ADD 11-E ATHLETIC EQUIPMENT THRU 10/17	11/14/17	5,054.00
704911	WRIGHT-HENNEPIN COOPERATIVE ELECTRIC ASSN	MR-ELECTRIC 9/1-10/1	11/02/17	5,022.12
413359	CTB, INC	TV DISPLAY HS OAK FRAME	11/29/17	4,971.00
704957	MINNESOTA EQUIPMENT	DIST-SNOWBLOWER PARTS	11/16/17	4,912.05
413307	VEIT & COMPANY INC	EARTHWORK & SITE UTILITIES	11/21/17	4,872.84
704984	US SALT INC	DIST-SALT	11/16/17	4,807.61
413054	FUN ENGINEERZ LLC	CED-SH-JR STEM CLUB	11/14/17	4,736.00
412945	TIES	WATS MONTHLY BILLING 9/17	11/07/17	4,714.18
413056	GENERAL SHEET METAL	GW - 23A Mechanical TO 10/24/17	11/14/17	4,655.00
413145	STEM BUILDERS INC	CED-ROBOTICS 8/7-8/17	11/14/17	4,633.40
704944	CUSTOM WATER WORKS	WATER - ALA CARTE - CENTRAL SERVICES	11/16/17	4,627.50
413476	ONEDIGITAL (WAS CORP HEALTH SYSTEMS)	Payroll accrual	11/30/17	4,548.15
413473	XEROX FINANCIAL SERVICES	WPS PRODUCTION COPIER FLEET	11/29/17	4,520.00
413354	CENTURY LINK BUSINESS SERVICES	Monthly internet	11/29/17	4,500.00
413338	BERGIN FRUIT AND NUT COMPANY	PRODUCE	11/29/17	4,451.91
704888	MOTG (MN OFFICE TECHNOLOGY GRP)	WPS PRODUCTION FLEET MAINTENANCE	11/02/17	4,440.50
413181	1ST CHOICE PEDIATRIC HOME CARE	NURSING 17-18 10/17	11/21/17	4,440.00
413430	NORTHSTAR LACROSSE	ATH-LAX GLOVES	11/29/17	4,384.70
413267	SPIRITWEAR USA	Y.E.S. T-SHIRTS	11/21/17	4,383.97
412954	WORKS COMPUTING	Storage support	11/07/17	4,336.90
705043	WRIGHT-HENNEPIN COOPERATIVE ELECTRIC ASSN	MR-ELECTRIC 10/1-11/1	11/30/17	4,319.55
413246	MILLER 32ND AVE, LLC	RENT 12/17	11/21/17	4,224.01
704985	YEADON FABRIC DOMES LLC	DOME UP	11/16/17	4,200.00
704879	ALLEGRA PRINT & IMAGING	COMM-REFER LETTER,FACT SHEET & ENVELOPES	11/02/17	4,198.73
412999	BOOK WHISPERER INC	GW-PD WORKSHOP 3/20/18	11/14/17	4,114.64
704918	INSPEC, INC.	PC-EXT WALL,WINDOW & DOOR REHAB	11/10/17	4,101.60
705016	MOTG (MN OFFICE TECHNOLOGY GRP)	WHS HEALTH OFFICE COPIER MAINTENANCE	11/30/17	3,932.95
413472	XCEL ENERGY	Monthly energy 10/16-11/14/17	11/29/17	3,892.79
704980	TRI-DIM FILTER CORP	EMS-FILTERS	11/16/17	3,883.10

413037	DENNY'S 5TH AVENUE BAKERY	BREAD	11/14/17	3,712.64
704926	RENAISSANCE LEARNING INC	ACCELERATED READER SUBSCRIPTION	11/10/17	3,615.92
413182	AIRPORT TAXI, INC	TRANSPORTATION	11/21/17	3,606.00
413017	CHILEDIA INSTITUTE INC	OUT-OF-STATE TUITION 10/1-10/31	11/14/17	3,577.14
413428	NHA HEATING & AIR CONDITIONING INC	GL-TROUBLE SHOOTING	11/29/17	3,542.00
704939	BOILER SERVICES, INC	CMS-REPAIR GAS LINE	11/16/17	3,508.22
413350	CANON FINANCIAL SERVICES INC	WHS COPY CENTER COPIERS LEASE	11/29/17	3,452.20
705001	HI-TECH REFRIGERATION	SHHB-11/15 COMPRESSOR REPAIR	11/30/17	3,380.60
413166	WOLD ARCHITECTS AND ENGINEERS	MR ADDITION #162160	11/14/17	3,300.14
413126	PROFESSIONAL INTERPRETING	INTERPRETER 10/23	11/14/17	3,275.20
413367	DENNY'S 5TH AVENUE BAKERY	BREAD	11/29/17	3,261.96
413134	SCHMITTY & SONS / GRAY LINE MPLS	TRANSPORTATION	11/14/17	3,144.75
413311	ZEE MEDICAL SERVICE	DIST-MEDICAL SUPPLIES	11/21/17	3,140.95
413038	DIGITAL INSURANCE INC	COBRA & FLEX 10/17	11/14/17	3,124.91
704956	MEI - MINNESOTA ELEVATOR INC	MONTHLY SERV 10/17	11/16/17	2,990.00
704936	TRUSTED EMPLOYEES	BACKGRD CKS-VOL,DEST IMAG & WOLFRIDGE	11/10/17	2,938.85
412982	ANDERSEN INC., EARL F.	DIST-SIGNS	11/14/17	2,914.16
704992	COMMERCIAL KITCHEN SERVICES	OW-DISPOSAL	11/30/17	2,778.16
413440	RAV TECHNOLOGIES, INC	GL-INSTALL 2-C	11/29/17	2,722.91
413341	BREDEMUS HARDWARE CO, INC	ALUMINUM ENTRANCE ARMORED DOOR LOOP	11/29/17	2,700.00
413356	COMMERCIAL DOOR SYSTEMS, INC	MR ADDITION-CYLINDERS	11/29/17	2,660.17
413397	INTERSTATE SECURITY SERVICES	HS-SECURITY 8/31,9/8,9/28,10/18 & 10/27	11/29/17	2,633.75
704977	STAPLES BUSINESS ADVANTAGE	Office supplies	11/16/17	2,613.11
704951	HILLYARD INC MINNEAPOLIS	Custodial Supplies	11/16/17	2,608.33
413353	CENTURY LINK	11/17 monthly phone	11/29/17	2,506.07
705012	INTERSTATE POWER SYSTEMS	COOLANT/ LABOR	11/30/17	2,500.92
412981	AMO ENTERPRISE LLC	MR-SEMINAR 11/09/17	11/14/17	2,500.00
413271	TOWN & COUNTRY LANDSCAPING	HS-MAINT BB FIELD	11/21/17	2,400.00
413383	GRAINGER INC., W. W.	DOME-SUPPLIES	11/29/17	2,390.24
705022	PRAIRIE RIVER HOME CARE INC	MA NURSE 11/6 & 11/7	11/30/17	2,367.50
704935	STAPLES BUSINESS ADVANTAGE	BVHB-SUPPLIES	11/10/17	2,352.85
704988	AUTOMATED LOGIC CORP	GW-SERVICE	11/30/17	2,324.39
413371	EGAN COMPANY	CMS-PA SYSTEM REPAIRS	11/29/17	2,307.00
412946	TOP 20 TRAINING, LLC	HS-SEMINAR FEE 11/9/17	11/07/17	2,300.00
413008	BRUEGGER'S ENTERPRISES INC	BREAD PRODUCTS	11/14/17	2,297.17
413011	BUSINESS PROFESSIONALS OF AMERICA	17-18 MEMBERSHIP	11/14/17	2,288.00
705024	RELATE COUNSELING CTR	COUNSELING OCT 2017	11/30/17	2,280.00
413100	MN CENTER FOR BOOK ARTS	GW-3RD GR FT BOOK ARTS	11/14/17	2,272.00
412980	AMO ENTERPRISE LLC	SEMINAR 11/10/17	11/14/17	2,250.00
413156	TRIARCO ARTS & CRAFTS, INC.	Art classroom supplies	11/14/17	2,171.63
704955	JOHNSON CONTROLS	EMS-REPAIR CHILLER	11/16/17	2,143.92
704961	PIONEER MANUFACTURING CO	DIST-TURF PAINT	11/16/17	2,121.00
412932	RUPP, ANDERSON, SQUIRED & WALDSPURGER PA	PROF SERV 8/17	11/07/17	2,075.08
704925	PEPPER & SON INC., J. W.	CMS-CHOIR MUSIC	11/10/17	2,045.35
413275	TROPICANA CHILLED DSD	SNACKS	11/21/17	2,024.69
413258	PLAISTED COMPANIES INC	CMS-PLAYGRD DIRT	11/21/17	2,018.25
413114	PARK NICOLLET FOUNDATION	GROWING THRU GRIEF SERV-1 YR	11/14/17	2,000.00
413372	EVOLLVE INC	OW-OZOBOT WAYZATA FOUNDATION GRANT	11/29/17	2,000.00
413120	PLYMOUTH CREEK CTR	ATH-INDOOR PRAC-B & G SOCCER 10/30-11/1	11/14/17	1,960.00
704891	RETROFIT COMPANIES INC	OW-HAZ WASTE FEE	11/02/17	1,954.34
413242	LORENZ BUS CO	HS-DEBATE TRANSPORT 11/3/17	11/21/17	1,875.00
413264	SAM'S CLUB	LAKER'S BREAKFAST NOOK SUPPLIES	11/21/17	1,862.55
704993	CUSTOM WATER WORKS	WATER - ALA CARTE - HIGH SCHOOL	11/30/17	1,860.00
413207	DBW CONSULTING	CONTRACTED SERVICES 11/1-11/15	11/21/17	1,837.50
413403	LAFAYETTE CLUB	GSO BANQUET	11/29/17	1,832.00
413427	NATL SCHOOL BOARDS ASSN	AD-REGISTER CONF 4/18	11/29/17	1,830.00
412986	BECKFELD, RICHARD	B H SKILLS CLINIC 10/2-11/9	11/14/17	1,800.00
413073	ISCORP (INTEGRATED OFFICE SYSTEMS CORP)	SERVICE BUREAU SUBSCRIPTION FEE	11/14/17	1,800.00
413022	COLLEGE TOWN PIZZA INC #1966	PIZZA - ALA CARTE	11/14/17	1,792.00
413439	PROFESSIONAL INTERPRETING	INTERPRETER 11/8	11/29/17	1,779.00
413025	COMMERCIAL DOOR SYSTEMS, INC	CSF-SHOP STOCK	11/14/17	1,739.00
705018	NEFF COMPANY	DON KRUBSACK NEFF SUPPLY ORDER	11/30/17	1,724.76
413376	FUN ENGINEERZ LLC	CED-OW-JR STEM 10/11-11/7	11/29/17	1,712.00

705019	NORCOSTCO INC	LINING PENCIL	11/30/17	1,697.34
413390	HENNEPIN CTY TREASURER	18930 STATE HWY NO 55 -2ND INSTALL 2017 TAXES	11/29/17	1,694.22
413151	THIRD PARTY INTEGRITY INC	MA SERVICES 10/17	11/14/17	1,666.66
704940	BSN SPORTS	B BB PRACTICE SHORTS-ATH	11/16/17	1,646.28
413160	WAYZATA, CITY OF	WMS-WATER/SEWER	11/14/17	1,631.21
704881	BLICK ART MATERIALS	CMS - ART SUPPLIES	11/02/17	1,584.33
704913	BRAUN INTEREC CORP	GW Special Inspection and Testing Services	11/10/17	1,570.00
413254	NAPA AUTO PARTS OF CORCORAN	forklift cylinder tool	11/21/17	1,555.31
412936	SHI INTERNATIONAL CORP	Mics for BV	11/07/17	1,540.20
171800656	WELK, JENNIFER	REIMBURSE	11/22/17	1,519.60
413347	BRUEGGER'S ENTERPRISES INC	BREAD PRODUCTS	11/29/17	1,515.18
704991	COMMAND CENTER INC	CMS & MR-CUST SUBS	11/30/17	1,511.90
413312	ZIEGLER INC	DOME-RENT SOIL ROLLERS	11/21/17	1,510.00
413227	HOME DEPOT/GECF	GW-SUPPLIES	11/21/17	1,504.30
413415	META 13 INC	3/18 WEB HOSTING MAINT	11/29/17	1,500.00
413089	LEUNG, E	PROF SERV 10/17	11/14/17	1,490.40
412984	BAYFIELD FRUIT CO LLC	PRODUCE	11/14/17	1,480.10
413150	THELEN HEATING AND ROOFING INC	HS-LOWERED & CAULKED COIL DRIP PANS	11/14/17	1,466.00
413167	XCEL ENERGY	16TH AVE-ENERGY 9/30-10/28	11/14/17	1,416.20
413218	GROUP HEALTH INC-WORKSITE	CASE MGMT SERV	11/21/17	1,355.20
413014	CENTER FOR ACADEMIC EXCELLENCE	CED-WRITE 10/17 & 11/17	11/14/17	1,338.75
704938	AUTOMATED LOGIC CORP	BV-SERVICE	11/16/17	1,315.00
171800530	HOLZ, JILL	REIMBURSE	11/08/17	1,299.73
413045	DVM PIZZA, INC	PIZZA - ALA CARTE	11/14/17	1,297.50
413184	ANCOM COMMUNICATIONS	WALKIES -OW&SH	11/21/17	1,275.00
413380	GOPHER STAGE LIGHTING	HS-SUPPLIES & TECH SERVICES	11/29/17	1,274.50
704952	HORIZON COMMERCIAL POOL SUPPLY	WMS-POOL SUPPLIES	11/16/17	1,268.48
413248	MNAEYC(MN ASSN FOR THE ED OF YOUNG CHILDREN)	CED-REGISTER CONF 3/18 (10)	11/21/17	1,250.00
413087	LARSON CO, GUSTAVE A.	KL-AHU6 SUPPLIES	11/14/17	1,235.40
413191	BLB CONSULTING LLC	SCHOOLDUDE PROJECT MGMT	11/21/17	1,230.00
413374	FIRST STUDENT, INC	TRANSPORTATION	11/29/17	1,224.81
412888	FUN ENGINEERZ LLC	CED-SSTEM CLUB 9/14-10/11	11/07/17	1,222.00
704953	INNOVATIVE OFFICE SOLUTIONS	CMS CAFETERIA STOOLS	11/16/17	1,214.90
704915	ECM PUBLISHERS, INC	AD-TESTING OPTICAL SCAN 10/26/17	11/10/17	1,211.75
413062	HAMEL BUILDING CTR	CMS-LUMBER	11/14/17	1,192.60
412876	BIG FROG CUSTOM T-SHIRTS & MORE OF PLYMOUTH	G SOCCER ALL STAR SHIRTS	11/07/17	1,190.00
413068	HILL CO, ROBERT B.	MR-SALT	11/14/17	1,166.61
413194	BRYAN ROCK PRODUCTS	HS-BALL FIELDS	11/21/17	1,153.50
413043	DULUTH NORTHERN STARS BOOSTER CLUB	FALL JAMBOREE-G HOCKEY	11/14/17	1,150.00
413000	BOYER FORD TRUCKS INC	CSF-SERV TR#4	11/14/17	1,136.87
171800567	ANDERSON, CHACE	REIMBURSE	11/15/17	1,135.57
413458	THREE RIVERS PARK DISTRICT	GW-4TH GR FIELD TRIP 11/13/17	11/29/17	1,107.60
413421	MN HIGH SCHOOL QUIZ BOWL	HS-LEAGUE REGISTRATION- 6 TEAMS	11/29/17	1,100.00
412905	KROSSOVER INTELLIGENCE	17-18 B BASKETBALL INTELLIGENCE PKG	11/07/17	1,099.00
412909	MCCARTNEY, SHARON	CED-PF SPANISH 10/17	11/07/17	1,071.00
413375	FLR SANDERS INC	HS-TRESHOLDS	11/29/17	1,064.00
412910	MINI HOPS GYMNASTICS ASSOC	PCHB-FIELD TRIP 11/9/17	11/07/17	1,050.00
413024	COLLEGE TOWN PIZZA INC #1937	PIZZA - ALA CARTE	11/14/17	1,049.50
413088	LARSON CO, J. H.	GL-LAMPS	11/14/17	1,044.30
413183	AMERICAN C.P.R. & FIRST AID, INC	CED-HB-CPR TRAINING 11/4/17	11/21/17	1,040.00
704998	EMI AUDIO	6TH GR PLAY MICROPHONES	11/30/17	1,034.00
171800544	PASHINA, KEN	REIMBURSE	11/08/17	1,025.49
412885	DAY, DONALD	FY18 Indian Education Consultant Contract	11/07/17	1,000.00
413152	TIGERFIT LLC	HS-TIGER CLASS 10/31 & 11/2	11/14/17	990.00
413241	LOFFLER COMPANIES, INC.	WHS COPY CENTER IONS SOFTWARE MAINTENANCE	11/21/17	970.00
413158	WARD'S SCIENCE	WAYZATA EDUCATION FUND CRANIUM	11/14/17	969.99
413004	BROWN'S ICE CREAM CO	ICE CREAM PRODUCTS	11/14/17	966.18
413203	COLLEGE TOWN PIZZA INC #1937	PIZZA - ALA CARTE	11/21/17	944.50
412896	HOLLYDALE GOLF COURSE	ATH-INTRAMURAL ACTIVITY	11/07/17	935.00
413103	MN COMMUNITY ED ASSN	CED-REG CONF	11/14/17	930.00
412935	SCIENCE EXPLORERS	CED-STEM SAMPLER 9/18-10/20	11/07/17	920.00
412951	WAYZATA, CITY OF	WMS-FOOD SERV & ALA CARTE STAND LICENSE 17-18	11/07/17	916.00
413420	MNDRIVERSMANUALS.COM	CED-350 MANUALS	11/29/17	905.91

413422	MINNESOTA ZOOMOBILE	GW-1ST GR ZOOMOBILE 1/16/18	11/29/17	900.00
413013	CBT NUGGETS LLC	Renewal of 6 month subscription 11/9/17-5/9/18	11/14/17	898.20
705000	HEINEMANN	SCHNEIDER PD BOOKS	11/30/17	895.00
413229	INGRAM LIBRARY SERVICES	CMS-MEDIA CTR BKS	11/21/17	885.48
171800539	MATTIOLI, VALERIE	REIMBURSE	11/08/17	883.60
704983	UNITED RENTALS	DOME UP-RENT FORKLIFT	11/16/17	876.20
413448	SERIGRAPHICS SIGN SYSTEMS, INC	CMS signage	11/29/17	858.00
704959	NEFF COMPANY	Pinsert Order	11/16/17	851.52
412912	MN ROADWAYS COMPANY	SH-MILL PATCHING AT SINK HOLE	11/07/17	850.00
413131	ROOT-O-MATIC	CMS-REPAIR GYM SLOP SINK	11/14/17	850.00
704882	BOILER SERVICES, INC	GL-REPAIR BOILER	11/02/17	850.00
413401	KARGES-FAULCONBRIDGE, INC	CMS - E wing Renovations	11/29/17	833.25
704965	SCHMITT MUSIC CO	EMS- BAND BOOKS	11/16/17	777.41
413009	BUCK HILL SKI AREA	ATH-ALPINE SKI 1/10/17	11/14/17	776.62
413081	KD & COMPANY RECYCLING INC	DIST-RECYCLE	11/14/17	772.25
704909	TIME FOR KIDS	MR-MAGAZINE SUBSCRIPTION	11/02/17	770.99
412934	SCHMITTY & SONS / GRAY LINE MPLS	TRANSPORTATION	11/07/17	768.50
413426	NATIONAL ARCHERY IN THE SCHOOLS PROGRAM INC	ARROWS AND TARGET	11/29/17	764.00
413393	HODNE, PETER	SH-PROF DEV WKSP	11/29/17	750.00
171800652	SHERWOOD, JAIME	REIMBURSE	11/22/17	748.36
412903	KINECT ENERGY INC	MGMT FEE 11/17	11/07/17	743.00
412926	CITY OF PLYMOUTH - FINANCE DEPT	ATH-FB SECURITY 9/28	11/07/17	735.44
413085	LANGUAGE LINE SERVICES	LANG LINE	11/14/17	728.50
413249	MN DEPT OF HUMAN SERVICES	17-18 IEP ADMIN FEE	11/21/17	720.00
171800591	JOSELYN, ELIZABETH	REIMBURSE	11/15/17	720.00
412906	THE LAMPO GROUP INC	HS-RAMSEY ED SOLUTIONS-STARTER PKG	11/07/17	714.99
413113	PARALLEL TECHNOLOGIES INC	ELS-ADD JACK	11/14/17	713.96
704987	ANCHOR PAPER COMPANY	COLOR PAPER FOR INVENTORY	11/30/17	711.90
704948	GOODIN CO	KL-SUPPLIES	11/16/17	707.19
704958	MOORE MEDICAL LLC	HEALTH SUPPLIES	11/16/17	704.37
413146	STEP SAVER INC	HS-SALT	11/14/17	688.80
413197	BUREAU OF EDUCATION & RESEARCH	BV-REG SEMINAR 12/1/17	11/21/17	687.00
171800575	BROWN, ROGER	REIMBURSE	11/15/17	684.39
413324	ANTHOLOGIE, LLC	COMM-PROF SERV-MERIT SCHOLARS	11/29/17	680.00
413407	LIFETIME FITNESS, INC.	SEPT ROCKWALL	11/29/17	675.00
413116	PEREIRA DIAZ, CLAUDIA	CED-PROF SERV 9/11-10/23	11/14/17	671.50
413075	ISD #283-ST LOUIS PARK SCHOOLS	TUITION 11/2/16-11/10/16	11/14/17	666.30
413193	BROWN'S ICE CREAM CO	ICE CREAM PRODUCTS	11/21/17	664.54
704908	TIME FOR KIDS	TFK magazines for 1st and 3rd gr classrooms	11/02/17	663.30
413003	BRIGGS & MORGAN	PROF SERV 9/12 & 9/13	11/14/17	655.20
412868	ADVISORS MARKETING GROUP	COMM-URBAN FRAMES	11/07/17	654.00
413168	XEROX CORPORATION	MR D110 COPIER LEASE & MAINTENANCE	11/14/17	653.15
413309	WAYZATA HIGH SCHOOL SENIOR CLASS PARTY	OCT VOLUNTEER HRS	11/21/17	650.00
413026	COUNTRYSIDE CATERING	ELECTION JUDGE MEALS 11/7/17	11/14/17	626.00
413396	INTERMEDIATE DIST 287	DEST IMAG MGR TRAINING 11/11/17	11/29/17	620.00
413201	COLLEGE TOWN PIZZA INC #1966	PIZZA - ALA CARTE	11/21/17	616.00
412929	PRIME MECHANICAL INSULATION INC	WMS-PIPE INSULATION	11/07/17	615.00
413257	PHASOR ELECTRIC CO	BV-1 RECEPTACLE & LED FIXTURE	11/21/17	614.30
171800589	JACKLITCH, MICHELLE	REIMBURSE	11/15/17	612.57
413379	GOPHER STATE ONE-CALL	LOCATES 10/17	11/29/17	604.80
412918	MY TOWN FITNESS LLC	HS-FITNESS CLASS 10/24	11/07/17	600.00
412938	SKYWARD INC	TECH-REG CONF 3/18	11/07/17	600.00
413414	MEDINA ENTERTAINMENT CTR	CED-BOWLING 10/7-11/18	11/29/17	600.00
413115	PARTNERS IN LEARNING PROGRAMS, INC	OW-POSTERS & SIGNS	11/14/17	587.75
705021	PEPPER & SON INC., J. W.	OW-MUSIC CONCEPT POSTERS	11/30/17	581.17
413149	TEZERA, YENNE	PIP 10/16-11/6	11/14/17	570.00
704910	TIME FOR KIDS	SH-MAGAZINE SUBSCRIPTION	11/02/17	569.25
413188	B & H FOTO & ELECTRONICS	TV STUDIO 2nd ORDER	11/21/17	568.14
412894	GREAT LAKES COCA-COLA DISTRIBUTION LLC	CONCESSIONS-HS	11/07/17	566.63
413057	GILLUND ENTERPRISES	CSF-STOCK	11/14/17	562.05
412908	MARS CO, W. P. & R.S.	HS-PPE GLOVES	11/07/17	557.54
412890	GIBBS FARM	BV-2ND GR FIELD TRIP 10/25/17	11/07/17	546.00
413233	JIMMY'S JOHNNYS INC	WMS-SANIT UNITS TO 10/16	11/21/17	545.54

413061	H & B SPECIALIZED PRODUCTS	WMS-INSTALL SAFE STRAP	11/14/17	540.00
413404	LANGLAND, VERDEEN	CED-REIMBURSE-BIKE COACH REGISTER	11/29/17	540.00
704929	SCHMITT MUSIC CO	Blanket PO for Repairs	11/10/17	536.06
413104	MN LANDSCAPE ARBORETUM	BV-1ST GR FIELD TRIP 2/26/18 & 2/27/18	11/14/17	535.50
413186	APPLE INC	Blanket PO for Apple Repairs	11/21/17	528.95
704997	ECOLAB PEST ELIMINATION DIV	CSF-PEST CONTROL	11/30/17	526.13
704931	SCHOOL SPECIALTY	OW- BALLS	11/10/17	525.52
704917	HOUGHTON MIFFLIN CO LLC	COGAT TEST SCREENER	11/10/17	525.00
704946	ECOLAB PEST ELIMINATION DIV	SH-PEST CONTROL	11/16/17	524.61
413454	SPHERO INC	SPHERO MINIS TECH TLS	11/29/17	519.86
413243	MARS CO, W. P. & R.S.	PPE SUPPLIES	11/21/17	510.89
413378	GOLIN, ROBERT	CED-BIKE CLUB 7/1-11/1	11/29/17	500.00
412956	XEROX FINANCIAL SERVICES	WHS HEALTH OFFICE COPIER LEASE	11/07/17	499.45
413361	CUSTOM EDUCATION SOLUTIONS	Books	11/29/17	495.26
413325	APPLEBEES LLC	ELS-ECFE EVENT 11/18/17	11/29/17	495.00
413385	GRAINGER INC., W. W.	GW-ART RM SUPPLIES	11/29/17	487.71
413444	RYDIN	HS-S2 PARKING PERMITS	11/29/17	483.69
413222	HILL CO, ROBERT B.	CMS-SALT	11/21/17	482.80
413195	BUILDING MATERIAL SUPPLY INC	KL-STOCK DECKING	11/21/17	477.00
171800616	WEINER, MARCI	REIMBURSE	11/15/17	470.21
413072	IRON MOUNTAIN	DIST-STORAGE 11-/17	11/14/17	468.36
413368	DOUGHTY, JEFFREY	DANCE TEAM APPAREL	11/29/17	461.00
412979	ALL STRINGS ATTACHED	ORCH BOOKS	11/14/17	458.61
413147	SZARKE, JOY	PROF SERVICE	11/14/17	457.50
413178	MN STATE HIGH SCHOOL LEAGUE	ATH-G S & D TICKETS	11/15/17	456.00
413217	GORZELA, WALTER	DANCE-AUDIO KICK MUSIC	11/21/17	456.00
412922	ON SITE SANITATION	ATH-SANIT UNITS-HOME SIDE 10/18	11/07/17	455.00
413074	ISD #270-HOPKINS SCHOOLS	ANNUAL RENT 17-18-MOVE FWD'S SPACE	11/14/17	450.84
705011	INNOVATIVE OFFICE SOLUTIONS	WHS TEACHER STOOLS	11/30/17	450.48
413161	WAYZATA RESULTS, INC	ATH-MS CC MEET TIMING	11/14/17	450.00
705014	KARLSBURGER FOODS, INC	GROCERIES	11/30/17	446.80
413273	TRIARCO ARTS & CRAFTS, INC.	Art classroom supplies	11/21/17	438.24
413096	MERZER M.A., L.P., SHEILA	CONSULT 10/24 & 10/25	11/14/17	437.50
413206	CPD CENTRAL POWER DISTRIBUTORS	CSF-STOCK	11/21/17	430.73
413099	MN DEPT OF LABOR AND INDUSTRY	GL-BOILER LICENSE	11/14/17	430.00
413079	K4 APPLICATION INC DBA DUNN BROS COFFEE	SNACKS - COFFEE - HIGH SCHOOL	11/14/17	424.53
413092	MACIE PUBLISHING CO	GL-RECORDERS	11/14/17	420.85
412950	WALBRAN, SHARON	CED-PROF SERV 10/5-10/18	11/07/17	420.00
413155	TRANE U.S. INC.	KL-AHR#4	11/14/17	418.46
171800613	SORENSEN, GRANT	REIMBURSE	11/15/17	412.91
412886	EBC (EDUCATORS BENEFIT CONSULTANTS)	admin and compliance service 11/17	11/07/17	412.90
171800491	ELMHIRST, DAVID	REIMBURSE	11/01/17	410.72
171800562	VOLLENDORF, AMY	REIMBURSE	11/08/17	407.84
704967	SITE ONE LANDSCAPE SUPPLY LLC	DIST-IRRIGATION SUPPLIES	11/16/17	402.61
413460	TIES	BV-REGISTER	11/29/17	399.00
413129	PUBLIC STORAGE 08316	STORAGE 12/17	11/14/17	397.00
171800574	BRAUN, CATHY	REIMBURSE	11/15/17	394.35
413012	C & K SCREEN PRINTING	DANCE TEAM APPAREL	11/14/17	388.00
413468	WILDLIFE SCIENCE CTR	WOLF PROGRAM	11/29/17	387.50
412919	NATL ASSN OF SECONDARY SCHOOL PRINCIPALS	HS-RENEW NAT'L HONOR SOC AFFILIATION 17-18	11/07/17	385.00
704920	MACKIN EDUCATIONAL RESOURCES	CMS-MEDIA CTR BKS	11/10/17	383.89
412985	BDS LAUNDRY SYSTEMS	WHS - Laundry Carts	11/14/17	379.53
413477	PHEAA	Payroll accrual	11/30/17	378.33
413102	MN COMMUNITY ED ASSN	AD-REG CONF 10/17	11/14/17	375.00
413139	SKILLZY'S LLC	G SOCCER ITEMS	11/14/17	371.95
413416	MIDWEST MICROSCOPE SERVICE	CMS-REPAIR MICROSCOPE	11/29/17	370.00
413471	XCEL ENERGY	HS Energy 10/16-11/14/17	11/29/17	367.01
413358	COMPUTER EXPLORERS	CED-CMS-ROBOTIC BUILDERS START 11/4	11/29/17	363.00
171800642	KIMBLER, RODNEY	REIMBURSE	11/22/17	361.77
413084	KNUDSEN, PATRICIA	KL-PROF SERV-YOGO SESSION	11/14/17	360.00
413418	MN ASSN OF SECONDARY SCHOOL PRINCIPALS	HS-REG CONF 1/18	11/29/17	360.00
412902	KIERNAN, NICOLE	CED-PROF SERV 11/1/17	11/07/17	350.00
413352	CEDAR RAPIDS WASHINGTON HIGH SCHOOL	2017 IOWA CAUCUS-JUDGE FEE	11/29/17	350.00

413107	MPLS GLASS CO	EMS-REPAIR DOOR	11/14/17	346.07
412930	PROMOWEAR	HANDEL T-SHIRTS-HS	11/07/17	345.17
704994	DELTA EDUCATION	Science Notebooks -K	11/30/17	344.50
171800488	BOLLUM, JAMES	REIMBURSE	11/01/17	341.59
413435	PERRY, MARK	ATH-B & C SOCCER ASSIGNING FEE	11/29/17	340.00
412895	HENN CNTY TREASURER	CED-HB-FALL TRAINING 8/22/17 (FINAL)	11/07/17	330.00
413322	ALLINA HEALTH SYSTEM	PRE-EMPLOY SCREENING 11/3/17	11/29/17	330.00
704916	FLINN SCIENTIFIC, INC.	AMANDA LADEN KYLE RASMUSSEN	11/10/17	328.87
171800547	PHILLIPS, WADE	REIMBURSE	11/08/17	327.09
171800565	WINDSOR, CYNTHIA	REIMBURSE	11/08/17	324.69
413213	EASTVIEW LDT BOOSTER CLUB	ATH-REGISTER 3 DANCE TEAMS	11/21/17	320.00
413467	WARD'S SCIENCE	JACK FARISS ROCKS AND MINERALS KIT	11/29/17	319.95
412877	BLUE TARP FINANCIAL INC	CMS-GOAL POST SUPPLIES	11/07/17	318.63
171800624	BEISE, BARBARA	REIMBURSE	11/22/17	318.27
413408	LIGHTNING PRINTING INC	OW-BEHAVIOR BROCHURE	11/29/17	318.00
413370	EBSCO	HS-MAGAZINE SUBSCRIPTIONS	11/29/17	317.18
413060	GRAINGER INC., W. W.	CSF-DRUM PUMP	11/14/17	315.10
413164	WESTSIDE WHOLESALE TIRE, INC	CSF-REPAIR SWEEPER & TRAILER TIRE	11/14/17	312.35
413187	ART SPARK LLC	CED-PEAK UNIVERSITY 11/7/17	11/21/17	300.00
413342	BRIGHTENING CONNECTIONS LLC DBA MAD2GLAD	VOL-PROF SERV-EVENT 11/30/17	11/29/17	300.00
413381	GOPHER STAGE LIGHTING	HS-REPAIR FLICKERING LIGHTS	11/29/17	300.00
413173	PHEAA	Payroll accrual	11/15/17	299.31
413384	GRAINGER INC., W. W.	CMS-KITCHEN CIRCUIT BREAKER BOLT	11/29/17	292.08
413199	CHASKA DANCE TEAM	ATH-REGISTER 3 DANCE TEAMS	11/21/17	290.00
413216	FORMAL FASHIONS, INC	CANTORI DRESSES	11/21/17	288.36
413323	ALLINA HEALTH	OCC HEALTH HIST & PHYSICAL	11/29/17	285.00
171800543	NALEID, AMY	REIMBURSE	11/08/17	285.00
171800592	KIHLINGER, DEBRA	REIMBURSE	11/15/17	280.68
705010	HORIZON COMMERCIAL POOL SUPPLY	EMS-POOL SUPPLIES	11/30/17	279.83
704943	CRESCENT ELECTRIC SUPPLY CO	BV-REPAIR LOT LIGHTS	11/16/17	279.33
413137	SHEEHY, JULIE	REIMBURSE1-VB PARENT NIGHT SUPPLIES	11/14/17	279.26
413398	JAYTECH INC	WHS FILTERS 20"	11/29/17	275.80
412883	CONCORDIA COLLEGE - DEBATE	HS-DEBATE INV 11/3-11/4	11/07/17	275.00
413076	ISD #742-ST CLOUD AREA SCHOOLS	C & T TUITION 7/12/16-8/26/17	11/14/17	273.78
413240	LARSON CO, J. H.	DOME MATERIALS	11/21/17	272.14
413070	INGRAM LIBRARY SERVICES	CMS-MEDIA CTR BKS	11/14/17	271.75
413001	BREADSMITH	BREAD PRODUCTS	11/14/17	270.00
413451	SMARTFIX LLC	ipad repairs	11/29/17	270.00
413048	FADDEN, MARY	SH-ACCOMPANIST 11/8	11/14/17	267.00
171800566	WOLL, MARY	REIMBURSE	11/08/17	266.15
413211	DVM PIZZA, INC	PIZZA - ALA CARTE	11/21/17	262.50
413425	NAPIER, K	HEAD ELECTION JUDGE	11/29/17	262.50
413429	NIELSEN, DONALD	HEAD ELECTION JUDGE	11/29/17	262.50
412948	TRANS-MISSISSIPPI BIOLOGICAL	Live Materials	11/07/17	261.71
413018	CITI-CARGO & STORAGE	STORAGE	11/14/17	261.00
171800571	BEVAR, ROBERT	REIMBURSE	11/15/17	260.98
171800658	WOLL, MARY	REIMBURSE	11/22/17	260.83
412916	MN FUTURE PROBLEM SOLVING PROGRAM	FPS REGISTRATION	11/07/17	260.00
413424	MINNETONKA COMMUNITY EDUC & SERVICES	CED-DANCE CLASSES 9/26-10/17	11/29/17	256.80
413339	BIERHAUS, PAUL	HEAD ELECTION JUDGE	11/29/17	255.00
413234	JOHNSTONE SUPPLY	GL-SUPPLIES	11/21/17	254.06
704889	PEPPER & SON INC., J. W.	BV-VOCAL MUSIC	11/02/17	251.18
171800597	MAAS, KRISTY	REIMBURSE	11/15/17	250.97
413010	BUILDING MATERIAL SUPPLY INC	CUL EXP-CMS-LOCKERS	11/14/17	250.00
413066	HENN CNTY TREASURER	CUL EXP-FOOD CLASS 11/19/17	11/14/17	250.00
704954	INSTITUTE FOR ENVIRONMENTAL ASSESSMENT	WMS-CUST RM ASBESTOS REMOVAL TO 10/31/17	11/16/17	245.67
704986	ALLEGRA PRINT & IMAGING	CED-DRIVER ED FORM	11/30/17	244.90
413349	CAMPBELL, JANET	HEAD ELECTION JUDGE	11/29/17	243.75
413464	TUPA, KRISTIN	HEAD ELECTION JUDGE	11/29/17	243.75
413086	LARKIN AUTO REPAIR	CSF-REPAIR TR#1	11/14/17	242.59
413067	HIGHWAY 55 RENTAL & SALES INC	CSF-RENT MINI-LOADER	11/14/17	242.50
412884	CREATING ART INC	CED-POLKA DOT & PUMPKIN CLASS 10/11/17	11/07/17	240.00
413327	ASSN FOR SUPERVISION & CURR. DEV.(ASCD)	MEMBERSHIP RENEWAL	11/29/17	239.00

171800615	TEWALT, DANIEL	REIMBURSE	11/15/17	233.87
412927	PLYMOUTH ICE CTR	PC-3RD GR FIELD TRIP 12/19 & 12/20	11/07/17	230.00
413272	TRANS-MISSISSIPPI BIOLOGICAL	Live Materials	11/21/17	229.37
171800497	KRUBSACK, DONALD	REIMBURSE	11/01/17	229.13
704880	BIO CORPORATION	SQUID ORDER#218188	11/02/17	228.55
413220	HAMEL BUILDING CTR	Fuse WHS	11/21/17	226.86
171800608	REMSING, JODY	REIMBURSE	11/15/17	224.81
171800599	MATTIOLI, VALERIE	REIMBURSE	11/15/17	224.53
171800617	WESTRUM, JAMES	REIMBURSE	11/15/17	222.77
704989	BLICK ART MATERIALS	PRE-CUT MATS	11/30/17	221.35
412933	SAIN, BONNIE	REIMBURSE-B SOCCER SR NIGHT EXPENSES	11/07/17	220.57
171800526	HASEMAN, ALISON	REIMBURSE	11/08/17	219.89
413462	TRANS-MISSISSIPPI BIOLOGICAL	Live Materials	11/29/17	214.06
412889	GALINSON, SONIA	REIMBURSE-B SOCCER STATE FOOD	11/07/17	212.97
171800678	MATTIOLI, VALERIE	REIMBURSE	11/29/17	211.49
704942	CONSOLIDATED PLASTICS CO	WC ANTI-FATIGUE MATS	11/16/17	211.14
413154	TOLL GAS & WELDING SUPPLY	HVAC NITRO TANKS	11/14/17	210.49
413047	ECOLAB FOOD SAFETY SPECIALITES	CUL EXP-PROBE WIPES	11/14/17	208.20
704996	ECM PUBLISHERS, INC	AD-BALLOT COUNTING 11/2	11/30/17	205.63
171800681	SORENSON, GRANT	REIMBURSE	11/29/17	200.79
413251	MPS	ASSESSMENT SUITE	11/21/17	200.59
413133	SAINT PAUL CENTRAL MUSIC BOOSTERS CLUB	ORCH-MOVEMENT WORK	11/14/17	200.00
413239	LAKEVILLE SOUTH HIGH SCHOOL	ATH-REGISTER 2 DANCE TEAMS	11/21/17	200.00
413481	US DEPT OF EDUCATION	Payroll accrual	11/30/17	199.09
171800611	ROGERS, JUDY	REIMBURSE	11/15/17	198.70
171800609	RIDLEY, SARA	REIMBURSE	11/15/17	198.22
413212	EASTON, CHRISTINE	ITEMS SOLD AT CREW FAIR 11/3/17	11/21/17	198.11
413276	TWIN CITY GARAGE DOOR CO	ARENA-REPAIR DR	11/21/17	198.00
171800487	ANDERSON, CHACE	REIMBURSE	11/01/17	197.41
412870	ALLINA HEALTH	DRIVER PHYSICAL	11/07/17	197.00
704922	MOTG (MN OFFICE TECHNOLOGY GRP)	CMS-STAPLES	11/10/17	195.00
413176	US DEPT OF EDUCATION	Payroll accrual	11/15/17	193.10
413097	MIDWEST BLINDS	GL-REPAIR MINI-BLINDS	11/14/17	193.00
171800595	LEWIS, ADRIENNE	REIMBURSE	11/15/17	192.34
171800682	VLACH, MONICA	REIMBURSE	11/29/17	188.16
413266	SHAMROCK GROUP	SNACKS - CENTRAL MIDDLE	11/21/17	185.80
171800580	DUENAS, DOMINIC	REIMBURSE	11/15/17	181.90
171800621	ANDERSEN-LAWRANCE, CAROL	REIMBURSE	11/22/17	181.00
171800558	SKALLAND, AMANDA	REIMBURSE	11/08/17	180.35
412921	NOVAK, JANICE	CED-PROF SERV 10/18/17	11/07/17	180.00
413432	PEASHA, CHARLES	ELECTION JUDGE	11/29/17	180.00
413457	THOMAS, MARGARET	REPAIR CHOIR ROBES-HS	11/29/17	180.00
413069	IKI INC.	CED-PROF SERV	11/14/17	176.00
412915	MN ELEM SCH PRINCIPAL'S ASSN	MR-REG CONF 2/18	11/07/17	175.00
413228	HORIZON COMMERCIAL POOL SUPPLY	EMS-POOL SERVICE	11/21/17	175.00
413236	KATIE PEYTON HEALTH	PROF SERV	11/21/17	175.00
413461	TITANIUM PARTNERS LLC	water 9/16-10/15/17	11/29/17	172.79
412944	THOMAS, MARGARET	REPAIR CHOIR ROBES-HS	11/07/17	172.00
413135	SCHOOL NUTRITION ASSOCIATION	SNA DUES	11/14/17	172.00
171800640	JOHNSON, BONNIE	REIMBURSE	11/22/17	170.08
413106	MN SWIM COACHES ASSN	ATH-G S & D AWARDS	11/14/17	170.00
413255	NOLLETTE, MA, LP, INC, CINDY	SP PUPIL CONSULT 11/3/17	11/21/17	170.00
413351	CARYOTAKIS, PAULA	ELECTION JUDGE	11/29/17	170.00
171800508	STINSON, MICHELE	REIMBURSE	11/01/17	170.00
171800523	GERBER, SONIA	REIMBURSE	11/08/17	169.02
413409	LOFFLER COMPANIES INC	COMMUNITY ED COPIER BLANKET	11/29/17	166.56
413169	FLORIDA STATE DISBURSEMENT UNIT	Payroll accrual	11/15/17	165.30
413474	FLORIDA STATE DISBURSEMENT UNIT	Payroll accrual	11/30/17	165.30
413413	MEDINA ENTERTAINMENT CTR	CED-YOUTH BOWLING EVENT	11/29/17	165.00
413470	WOOLSEY, DARLENE	ELECTION JUDGE	11/29/17	165.00
412867	1ST LINE/LEEWES VENTURES LLC	SLUSHY SUPPLIES	11/07/17	164.75
413330	BDI	KL AHU#3	11/29/17	161.10
413331	BEACHLER, TRUDY	ELECTION JUDGE	11/29/17	160.00

413332	BEAUCHAMP, RAYMOND	ELECTION JUDGE	11/29/17	160.00
413389	HATCHER, PENNY	ELECTION JUDGE	11/29/17	160.00
413441	ROBARGE, LAURIE	ELECTION JUDGE	11/29/17	160.00
413443	ROOT, KENNETH	HEAD ELECTION JUDGE	11/29/17	160.00
412939	SMITH, KRISTEN	REIMBURSE-B SOCCER PROGRAMS	11/07/17	158.98
413215	FOLEY, GERRENE	ITEMS SOLD AT CREW FAIR 11/3/17	11/21/17	158.40
413329	BARNES, MICHAEL	ELECTION JUDGE	11/29/17	157.50
413453	SOLARZ, DIANE	ELECTION JUDGE	11/29/17	157.50
704995	DEMCO, INC.	Lang. arts classroom supplies	11/30/17	157.13
413244	MEDCO SUPPLY CO	HS-WGT RM EQUIPMENT	11/21/17	155.92
413344	BROWER-JOHNSON, DIANE	ELECTION JUDGE	11/29/17	155.00
413442	ROMANSKY, RACHEL	ELECTION JUDGE	11/29/17	155.00
413446	SCHRIEBER, KATHLEEN	ELECTION JUDGE	11/29/17	155.00
413192	BREADSMITH	BREAD PRODUCTS	11/21/17	153.93
413340	BOTHOF, ARVIN	ELECTION JUDGE	11/29/17	152.50
413109	NOKOMIS SHOE SHOP INC	PPE SHOES	11/14/17	150.00
413112	OUTFRONT MN COMMUNITY SERVICES	HS-DEBATE TRAINING	11/14/17	150.00
413205	CORE POWER YOGA & SPA	HS-PROF SERV 11/6/17	11/21/17	150.00
413250	MN STRING & ORCHESTRA TEACHERS ASSN	CMS-ORCH FESTIVAL 2/26/18	11/21/17	150.00
413373	EYRES, MARLENE	ELECTION JUDGE	11/29/17	150.00
413395	HOOF, CONSTANCE	ELECTION JUDGE	11/29/17	150.00
413121	POWER STARTS	ATH-STARTING BLOCKS	11/14/17	148.12
413391	HEYING, MARGARET	ELECTION JUDGE	11/29/17	147.50
171800525	HAGEN, ANDREW	REIMBURSE	11/08/17	147.47
171800511	ACKERMAN, BRIAN	REIMBURSE	11/08/17	146.91
171800507	SONSTEGARD, LAURIE	REIMBURSE	11/01/17	146.27
171800489	DIERKS, SUSAN	REIMBURSE	11/01/17	145.94
412878	BUILDING MATERIAL SUPPLY INC	HS-LOCKER RM BENCH	11/07/17	145.00
171800633	GRISMER, SYLVIA	REIMBURSE	11/22/17	144.24
171800540	MERZ, IRENE	REIMBURSE	11/08/17	144.18
413163	WEST LUTHERAN HIGH SCHOOL	MR-2ND GR FIELD TRIP 11/8/17	11/14/17	141.00
171800522	GERBER, SALLY	REIMBURSE	11/08/17	140.28
705025	SCHMITT MUSIC CO	BAND MUSIC CLASS SUPPLIES	11/30/17	140.23
171800502	MEESTER, ELIZABETH	REIMBURSE	11/01/17	140.17
412978	ALLINA HEALTH SYSTEM	PRE-EMPLOY SCSREENING 10/26	11/14/17	140.00
704999	GOPHER SPORT	BALL INFLATOR PLAYGROUND	11/30/17	139.50
171800585	GALE, CHRISTA	REIMBURSE	11/15/17	139.47
412957	YOUNGBLOOD LUMBER CO	MRHB-HOOKS	11/07/17	137.92
171800606	RANDALL, LIZABETH	REIMBURSE	11/15/17	137.92
171800645	NARVESON, CAROLYN	REIMBURSE	11/22/17	137.54
171800521	FRITZKE, AMY	REIMBURSE	11/08/17	136.96
704914	CONSOLIDATED PLASTICS CO	CES ANTI-FATIGUE MATS	11/10/17	136.92
171800549	RICE, MARLA	REIMBURSE	11/08/17	136.43
413405	LARSON CO, J. H.	GW- GENERATOR	11/29/17	130.69
413247	MINNESOTA QUIZ BOWL ALLIANCE	HS-REGISTER 2 TEAMS	11/21/17	130.00
171800590	JOHNSON, BONNIE	REIMBURSE	11/15/17	129.84
171800603	NELSON, KRISTYN	REIMBURSE	11/15/17	128.83
171800673	LANKFORD, LYNDA	REIMBURSE	11/29/17	128.68
413357	COMMERCIAL DOOR SYSTEMS, INC	CSF-MOLDING	11/29/17	128.48
413277	UNLIMITED SUPPLIES	DOME-MAIN SUPPLIES	11/21/17	126.86
412879	BURGESON, NANCY	CED-PROF SERV 10/23	11/07/17	125.00
413306	US FOODS CULINARY E & S	SERVING SUPPLIES	11/21/17	124.46
171800559	SOLHEID, CAROL	REIMBURSE	11/08/17	123.68
704937	ACCO BRANDS CORPORATION	CMS - LAMINATING FILM	11/16/17	123.07
171800506	SEIBENICK, JESSICA	REIMBURSE	11/01/17	122.60
704927	RETROFIT COMPANIES INC	KL-HAZ WASTE FEE	11/10/17	122.00
171800677	LECY, SHANNA	REIMBURSE	11/29/17	121.93
171800518	DEMARS, JEFFREY	REIMBURSE	11/08/17	120.31
412937	SHRED-N-GO	DAB SHREDDING SERVICE	11/07/17	120.00
171800679	PASHINA, KEN	REIMBURSE	11/29/17	118.13
171800641	JOHNSON, JERI	REIMBURSE	11/22/17	117.49
413238	LAKE MINNETONKA HOME CARE	CED-PROF SERV 10/30	11/21/17	117.00
412892	GOPHER STAGE LIGHTING	CMS-AUDITORIUM LIGHTING	11/07/17	116.25

171800625	BENDER, MARNIE	REIMBURSE	11/22/17	115.87
171800604	O'LEARY, PATRICK	REIMBURSE	11/15/17	115.77
171800545	PENNINGS, JILL	REIMBURSE	11/08/17	115.67
413059	GORMLEY, CHRIS	REFUND BALANCE CULINARY EXPRESS ACCT	11/14/17	114.20
171800659	ANDERSON, CHACE	REIMBURSE	11/29/17	114.16
704923	NORCOSTCO INC	MARY POPPINS COSTUME RENTAL AND PURCHASES	11/10/17	113.51
413064	HANG SAFE HOOKS	MR-SUPPLIES	11/14/17	112.75
413083	KJORSTAD, BRIAN	CED-PROF SERV 10/12/17	11/14/17	112.50
171800672	LAGERQUIST, SARAH	REIMBURSE	11/29/17	112.35
171800620	ALEXANDER, RICHARD	REIMBURSE	11/22/17	109.02
171800503	O'LEARY, PATRICK	REIMBURSE	11/01/17	108.12
413450	SIGMA'S BOOKSHELF	CMS-MEDIA CTR BKS	11/29/17	108.00
171800661	FENEIS, JOANIE	REIMBURSE	11/29/17	107.97
171800638	IVERSON, SUE	REIMBURSE	11/22/17	107.76
171800664	HANLEY, DARCY	REIMBURSE	11/29/17	107.57
413261	PREMIUM WATERS, INC	CSF-WATER 10/17	11/21/17	105.93
171800626	BOYD, MARIAN	REIMBURSE	11/22/17	105.76
412959	ACE SUPPLY CO, INC	GL-RTU SUPPLIES	11/14/17	105.56
171800646	NEWMAN, STEVEN	REIMBURSE	11/22/17	104.81
171800643	LAHR, MELISSA	REIMBURSE	11/22/17	103.31
171800514	BLAKE, KAISA	REIMBURSE	11/08/17	102.88
413431	ORONO COMMUNITY EDUCATION	CED-BOWLING T-SHIRTS	11/29/17	102.15
171800669	KOBE, WILLIAM	REIMBURSE	11/29/17	101.11
412924	PARTNERS IN LEARNING PROGRAMS, INC	OW - BLUE RIBBON SCHOOL WINDOW DECALS	11/07/17	100.90
412911	MN EARTH SCIENCE TEACHERS ASN	CMS-REG CONF	11/07/17	100.00
413046	EASTER, MARK	SH-PIANO TUNING	11/14/17	100.00
413170	IRS CENTER - UNITED STATES TREASURY	Payroll accrual	11/15/17	100.00
413204	CONQUER ATHLETICS LLC	BVHB-ONSITE FIELD TRIP 12/28/17 DEPOSIT	11/21/17	100.00
413269	THOUR, JULIE	PROF SERV 11/8	11/21/17	100.00
413369	EASTER, MARK	OW-PIANO TUNING	11/29/17	100.00
413456	TARTAN SENIOR HIGH SCHOOL	SCRIMMAGE 12/2/17 REGISTRATION	11/29/17	100.00
413475	IRS CENTER - UNITED STATES TREASURY	Payroll accrual	11/30/17	100.00
171800495	HOLM-EBERLING, KERRI	REIMBURSE	11/01/17	100.00
171800623	ARNESON, LAUREN	REIMBURSE	11/22/17	100.00
171800576	BRUA, LISA	REIMBURSE	11/15/17	99.61
171800532	JOHNSON, JERI	REIMBURSE	11/08/17	99.46
413260	PREMIUM WATERS, INC	GWHB-WATER 10/17	11/21/17	98.63
171800607	REINKE, MICHELLE	REIMBURSE	11/15/17	98.48
412891	GOOD TIME ATTRACTIONS	MARCH INTO FITNESS PRIZES TLS	11/07/17	97.86
171800685	WOOLEVER MARTINEZ, KATE	REIMBURSE	11/29/17	97.68
705026	SCHOOL SPECIALTY	KL-SUPPLIES	11/30/17	96.64
413388	HAMEL BUILDING CTR	EMS Starting Block project	11/29/17	95.94
413455	SULLIVAN, LINDA	REFUND YEARBOOK FEE	11/29/17	95.00
171800536	LARSON, CHRISTOPHER	REIMBURSE	11/08/17	94.16
171800560	STUTZMAN, BELINDA	REIMBURSE	11/08/17	93.36
171800538	LEVIN, LINDA	REIMBURSE	11/08/17	90.79
413078	JOHNSTONE SUPPLY	16TH AVE-GAS VALVE	11/14/17	90.74
413445	SAMUEL FRENCH INC	PERFORMANCE FEE (EURYDICE) 1/19/18-1/20/18	11/29/17	90.00
171800531	JASPER, LEAANNE	REIMBURSE	11/08/17	89.82
171800594	LANKFORD, LYNDA	REIMBURSE	11/15/17	89.35
413463	TRIARCO ARTS & CRAFTS, INC.	ART SUPPLIES	11/29/17	88.56
412940	SNOREK, CHARLES	REFUND BALANCE CULINARY EXPRESS ACCT	11/07/17	88.00
412907	LUND, LORI	REFUND BALANCE CULINARY EXPRESS ACCT	11/07/17	87.80
413469	WOLF RIDGE ENVIRONMENTAL	CMS-CALENDARS	11/29/17	87.50
413153	TITANIUM PARTNERS LLC	PLYMOUTH-WATER 8/16-9/15	11/14/17	87.17
413200	CITI-CARGO & STORAGE	DOME STORAGE	11/21/17	87.00
412875	BECCARD, SETH	OFFICIAL	11/07/17	85.00
412880	CARLSON, ANDRE	OFFICIAL	11/07/17	85.00
412897	ISLES, DARRYL	OFFICIAL	11/07/17	85.00
171800655	WEITZ, BRIAN	REIMBURSE	11/22/17	84.79
413394	HOLDAHL CO	GW- ART ROOM SHELVES	11/29/17	84.32
171800527	HENSLIN, ROBIN	REIMBURSE	11/08/17	82.82
171800657	WILLIAMS, ROSS	REIMBURSE	11/22/17	80.91

413185	ANIMAL HUMANE SOCIETY OF MN	BVHB-ON SITE PROGRAM 12/21/17	11/21/17	80.00
413348	BUCHMEIER, JEROME	ELECTION JUDGE	11/29/17	80.00
413412	MCCORMICK-BUCHMEIER, CAROL	ELECTION JUDGE	11/29/17	80.00
413016	CHI, RENZHE	REFUND BALANCE CULINARY EXPRESS ACCT	11/14/17	78.05
171800513	BECK, MARIE	REIMBURSE	11/08/17	77.15
171800634	HAAS, DEBORAH	REIMBURSE	11/22/17	77.00
413111	OMOLE, CARINE	REFUND BALANCE CULINARY EXPRESS ACCT	11/14/17	76.95
171800541	MILLER, JANET	REIMBURSE	11/08/17	76.13
171800570	BETZINGER, NANCY	REIMBURSE	11/15/17	76.07
412943	THE MATH LEARNING CTR	BRIDGES NUMBER STRINGS	11/07/17	75.00
413110	O'BRIEN, MARY	CED-PROF SERV 10/25/17	11/14/17	75.00
413268	SUN, SHUXING	REFUND BALANCE CULINARY EXPRESS ACCT	11/21/17	74.45
171800579	DOUGHTY, ROSANNE	REIMBURSE	11/15/17	74.37
171800674	LARSON, JENNIFER	REIMBURSE	11/29/17	73.83
413452	SODERBERG, JAY	CED-PROF SERV 10/3,10/10,10/17,11/7 & 11/14	11/29/17	73.50
171800569	BERG, CARRIE	REIMBURSE	11/15/17	73.23
704990	CINTAS FIRST AID & SAFETY	AD-FIRST AID KIT REFILL	11/30/17	72.89
171800618	WIER, COLLEEN	REIMBURSE	11/15/17	72.71
171800551	RIES, CAROLE	REIMBURSE	11/08/17	72.33
413459	THREE RIVERS PARK DISTRICT	TT FIELD TRIP 12/15-HS	11/29/17	72.00
704887	LAKESHORE LEARNING MATERIALS	LUNETTA CADDY V21	11/02/17	71.25
171800520	FEIA, KARI	REIMBURSE	11/08/17	70.30
412998	BLUE TARP FINANCIAL INC	CSF-POWER WASHER PARTS	11/14/17	69.92
171800653	THINGVOLD, GAIL	REIMBURSE	11/22/17	69.52
704945	DEMCO, INC.	Media Supplies	11/16/17	69.36
171800660	CHABOT, REBECCA	REIMBURSE	11/29/17	69.28
171800654	TROAST, FRANCESCA	REIMBURSE	11/22/17	67.00
171800666	HOLM-EBERLING, KERRI	REIMBURSE	11/29/17	67.00
171800686	YUSUF, HUMA	REIMBURSE	11/29/17	67.00
413208	DIGI-KEY	DIGI-KEY FANS	11/21/17	64.53
413002	BREEGGEMANN, CASSIE	CED-PROF SERV	11/14/17	64.20
171800493	GARDNER, LUCIA	REIMBURSE	11/01/17	64.20
413190	BERRY COFFEE CO	DAB COFFEE SERVICE	11/21/17	63.95
171800612	SOLHEID, CAROL	REIMBURSE	11/15/17	63.04
171800542	MONSON, DALE	REIMBURSE	11/08/17	62.91
171800581	EBERHARDT, JAMES	REIMBURSE	11/15/17	61.04
171800529	HOGAN, NICOLE	REIMBURSE	11/08/17	60.56
171800572	BOBEK, DANIEL	REIMBURSE	11/15/17	60.17
412931	RED NOTE BOTANICA	CED-PROF SERV 10/27/17	11/07/17	60.00
413466	VILLAGE CHEVROLET CO	CED-MALIBU MAINTENANCE	11/29/17	59.97
413400	JOHNSTONE SUPPLY	EMS POOL LINERS	11/29/17	59.75
171800496	HOUG, JENNIFER	REIMBURSE	11/01/17	59.60
171800563	VOS, STACIE	REIMBURSE	11/08/17	59.28
412942	TEACHER'S DISCOVERY	EMS GR 7 SOCIAL STUDIES SUPPLIES	11/07/17	58.15
413386	GROTH MUSIC CO	OW-MUSIC ITEMS	11/29/17	58.10
171800662	FRAWLEY, KAREN	REIMBURSE	11/29/17	57.41
171800584	FREDRICKSON, SAM	REIMBURSE	11/15/17	57.00
171800667	HRUZA, STACEE	REIMBURSE	11/29/17	56.84
171800494	HARRIDAY, SOLVEIG	REIMBURSE	11/01/17	56.55
171800512	ALLEN, STEPHANIE	REIMBURSE	11/08/17	55.53
412928	PREMIUM WATERS, INC	AD-10/17	11/07/17	55.40
171800528	HODENA, MELISSA	REIMBURSE	11/08/17	55.16
171800510	WONG, MARGARET	REIMBURSE	11/01/17	55.00
171800582	FARISS, JACK	REIMBURSE	11/15/17	52.43
171800593	LACKAS, BRENT	REIMBURSE	11/15/17	52.38
171800670	KRAUS, MANDY	REIMBURSE	11/29/17	52.33
171800602	MILBERT, ANNE-MARIE	REIMBURSE	11/15/17	52.22
704893	SCHOOL SPECIALTY	STEAMROLLER REPLACEMENT BANDS OW/GL/WMS	11/02/17	51.90
171800644	MERZ, IRENE	REIMBURSE	11/22/17	51.90
171800601	MEDIN, MICHELLE	REIMBURSE	11/15/17	51.57
171800552	RODGERS, JUDITH	REIMBURSE	11/08/17	51.15
171800564	WAITE, WILLIAM	REIMBURSE	11/08/17	51.03
171800631	FRITZKE, AMY	REIMBURSE	11/22/17	50.83

171800573	BOLLUM, JAMES	REIMBURSE	11/15/17	50.29
171800583	FOLTZ-RINGSTROM, SHARON	REIMBURSE	11/15/17	50.18
171800501	MASHADI, ERAM	REIMBURSE	11/01/17	50.05
412874	ARML (AMER REGIONS MATH LEAGUE)	HS-POWER CONTEST 17-18 ENTRY FEE	11/07/17	50.00
412882	CLASS, AUTUMN	OFFICIAL	11/07/17	50.00
412887	EIFERT, BECKY	OFFICIAL	11/07/17	50.00
413077	JOHNSON, MARK	REFUND BALANCE CULINARY EXPRESS ACCT	11/14/17	50.00
413105	MN SCHOOL BOARDS ASSN	RENEW SCHOOL ATTORNEYS NEWSLETTER	11/14/17	50.00
171800622	ANDERSON, SUSAN	REIMBURSE	11/22/17	50.00
171800648	RICHARDSON, LAUREN	REIMBURSE	11/22/17	50.00
413136	SCHWAB VOLLHABER LUBRATT INC	GL-PAINT GRAY AEROSOL AAON	11/14/17	49.11
171800509	WILLISON, CALEB	REIMBURSE	11/01/17	48.69
171800548	RAVNHOLDT, TANYA	REIMBURSE	11/08/17	48.43
413140	SNIDARICH, JONI	REFUND BALANCE CULINARY EXPRESS ACCT	11/14/17	48.35
413189	BATTERIES R US	CSF-SWEEPER BATTERY	11/21/17	48.23
704892	SCHMITT MUSIC CO	WMS-BAND SUPPLIES	11/02/17	48.04
704894	SHAR PRODUCTS COMPANY	CED-VIOLIN BOW	11/02/17	47.98
171800628	DURRE, HOLLY	REIMBURSE	11/22/17	47.98
413028	CUB FOODS	GROCERIES-CUST#42	11/14/17	47.63
171800561	THEISEN, JOHN	REIMBURSE	11/08/17	46.97
171800517	CASPAR, ANNA	REIMBURSE	11/08/17	46.91
171800578	CHRISTOPHERSON, BETTINA	REIMBURSE	11/15/17	45.80
171800676	LAWRENCE, JACY	REIMBURSE	11/29/17	45.32
171800534	KEANE, STEPHANIE	REIMBURSE	11/08/17	45.00
171800515	BOBEK, STACY	REIMBURSE	11/08/17	44.67
171800596	LINDSTROM, KATIE	REIMBURSE	11/15/17	44.46
412941	SPICZKA, SCOTT	REFUND BALANCE CULINARY EXPRESS ACCT	11/07/17	43.55
171800671	LABOWITCH, KATHRYN	REIMBURSE	11/29/17	43.50
413091	LUMBER DEALERS SERVICE & SUPPLY CO	HS-REPAIR COUNTER	11/14/17	43.35
171800500	LOBERG, MARY	REIMBURSE	11/01/17	43.34
171800577	CAMPBELL, OLGA	REIMBURSE	11/15/17	43.28
171800651	SELINGER, JUDITH	REIMBURSE	11/22/17	43.01
704930	SCHMITT MUSIC CO	Blanket PO for Band Accessories	11/10/17	42.89
705015	LAKESHORE LEARNING MATERIALS	CMS- DOT PAINTS	11/30/17	42.73
171800587	HERZOG, JORDAN	REIMBURSE	11/15/17	42.72
171800568	ANDREWS, STEPHANIE	REIMBURSE	11/15/17	42.54
413360	CUB FOODS	GROCERIES	11/29/17	42.32
413328	AWARD DIRECT-DIRECT IMPRESSIONS	EMS-PEACE AWARDS & PLAQUES	11/29/17	41.80
171800546	PERRIZO, STEPHANIE	REIMBURSE	11/08/17	41.68
413434	PEPPER, LISA	OFFICIAL	11/29/17	41.46
704960	PEPPER & SON INC., J. W.	MR Music Supplies	11/16/17	40.73
171800537	LAUGEN, POLLY	REIMBURSE	11/08/17	40.04
412913	MN ASSN OF SECRETARIES TO PRINCIPALS	WMS-MEMBERSHIP 17-18	11/07/17	40.00
413419	MN TECHNOLOGY & ENGINEERING EDUCATORS ASSN	MEMBERSHIP-SUPER MILEAGE COMP	11/29/17	40.00
413433	PEKUROVSKY, ILYA	REFUND BIKE TEAM REGISTER	11/29/17	40.00
704921	MAKEMUSIC INC	WMS-ORCH SUBSCRIPTIONS	11/10/17	40.00
171800663	GIMSE, SARA	REIMBURSE	11/29/17	39.86
171800556	SEELAND, ELIZABETH	REIMBURSE	11/08/17	39.59
171800635	HAMBLET, STELLA	REIMBURSE	11/22/17	38.25
413082	KELLY, EDWARD	REFUND BALANCE CULINARY EXPRESS ACCT	11/14/17	38.00
171800675	LAUGEN, POLLY	REIMBURSE	11/29/17	37.61
413141	SOUR, MARY	REFUND BALANCE CULINARY EXPRESS ACCT	11/14/17	37.55
413132	RUPPE, ROBERT	REFUND BALANCE CULINARY EXPRESS ACCT	11/14/17	37.30
171800519	EVANS, MELANIE	REIMBURSE	11/08/17	36.92
412914	MN DEPT OF HEALTH ENVIRONMENTAL HEALTH DIV	FOOD SERV CERT 17-18	11/07/17	35.00
413042	DOYLE SECURITY PRODUCTS	CSF-SHOP STOCK	11/14/17	34.96
171800504	POOL, MICHELLE	REIMBURSE	11/01/17	34.19
171800627	DOTEN, CLARK	REIMBURSE	11/22/17	33.12
171800680	SHERMAN, JED	REIMBURSE	11/29/17	32.96
171800516	BUDKE, MEGAN	REIMBURSE	11/08/17	31.95
171800600	MCCHESNEY, SHELBY	REIMBURSE	11/15/17	31.46
171800665	HILL, KATHRYN	REIMBURSE	11/29/17	31.15
413058	GOPHER STAGE LIGHTING	AUDITORIUM LIGHTING-CMS	11/14/17	30.20

413308	VERIZON WIRELESS	Monthly Data Plan - Welcome Center	11/21/17	30.08
171800588	HILL, KATHRYN	REIMBURSE	11/15/17	30.08
413101	MN CLAY USA - MIDWEST	OW-CLAY	11/14/17	30.00
413449	SHRED-N-GO	MR-SHREDDING 10/11 & 10/25	11/29/17	30.00
171800492	FRECHTMAN, ALAN	REIMBURSE	11/01/17	30.00
413108	NEWTON-D'TAILLEFER, DEBORAH	REFUND BALANCE CULINARY EXPRESS ACCT	11/14/17	29.45
413447	SCIENCE OLYMPIAD	SCIENCE OLYMPIAD TAXONOMY CD	11/29/17	29.10
412949	VLADYKIN, VLADIMIR	REFUND BALANCE CULINARY EXPRESS ACCT	11/07/17	29.05
171800557	SHANNON-ANDERSON, KARI	REIMBURSE	11/08/17	28.35
171800637	HOLM-EBERLING, KERRI	REIMBURSE	11/22/17	28.00
413437	PREMIUM WATERS, INC	WMS-WATER COOLER 11/17	11/29/17	27.95
171800498	LADEN, AMANDA	REIMBURSE	11/01/17	27.69
413122	PREMIUM WATERS, INC	PC-WATER COOLER 11/17	11/14/17	27.00
171800535	KLEIN, JERI	REIMBURSE	11/08/17	25.68
412872	APPLE AUTOMATIC FOOD SERVICE	OW - BLANKET WATER COOLER MONTHLY RENTAL	11/07/17	24.95
412893	GRAINGER INC., W. W.	ARENA-BACK UP ALARM	11/07/17	24.60
171800639	JACOBSON, AMANDA	REIMBURSE	11/22/17	24.40
171800614	STORY, EMILY	REIMBURSE	11/15/17	24.29
171800629	EASTON, CHRISTINE	REIMBURSE	11/22/17	23.97
704966	SCHOLASTIC INC	HS-NY TIMES #55446007	11/16/17	23.65
413029	DARASKEVICH, DONALD	REFUND BALANCE CULINARY EXPRESS ACCT	11/14/17	23.55
171800619	ACKERMAN, BRIAN	REIMBURSE	11/22/17	23.45
171800647	RANDALL, LIZABETH	REIMBURSE	11/22/17	23.22
171800499	LENTZ, CHRISTINE	REIMBURSE	11/01/17	23.20
413138	SHERWIN-WILLIAMS	GW-PAINT	11/14/17	22.94
413063	HAMER, JILLIAN	REFUND BALANCE CULINARY EXPRESS ACCT	11/14/17	22.40
704883	GOODIN CO	ARENA-SUPPLIES	11/02/17	21.65
171800554	RYBERG, AUDREY	REIMBURSE	11/08/17	20.92
413179	PLYMOUTH STORY TIME PLAYERS	MR-4TH GR PERFORMANCE	11/15/17	20.00
413180	PLYMOUTH STORY TIME PLAYERS	MR-GR 2 PERFORMANCE	11/15/17	20.00
171800553	RUCHTI, JULIE	REIMBURSE	11/08/17	20.00
413093	MARS CO, W. P. & R.S.	brady laminator cartridges-SHIPPING	11/14/17	19.72
171800586	GOETZ, CONNER	REIMBURSE	11/15/17	19.05
413143	SPERRY, ANITA	REFUND BALANCE CULINARY EXPRESS ACCT	11/14/17	19.00
413142	SOUTHWICK, KIM	REFUND BALANCE CULINARY EXPRESS ACCT	11/14/17	18.90
171800610	RIPLEY, KELLY	REIMBURSE	11/15/17	18.73
412917	MOSES, NICK	REIMBURSE-FOOD-DRAMA CLUB	11/07/17	17.83
171800550	RICHARDSON, LAUREN	REIMBURSE	11/08/17	17.12
171800632	GANNON, JULIANNE	REIMBURSE	11/22/17	17.00
413399	JOHNSRUD, LAURA	CMS-REFUND LOST BOOK PAYMENT	11/29/17	16.99
412904	KIRKENDALL, MICHAEL	REFUND BALANCE CULINARY EXPRESS ACCT	11/07/17	16.80
413392	HIRSHFIELD'S PAINT	WHS- OFFICE DOORS	11/29/17	16.08
171800650	RODGERS, JUDITH	REIMBURSE	11/22/17	15.28
171800630	EICHENLAUB, LINDSEY	REIMBURSE	11/22/17	15.20
171800533	JOHNSON, MARI	REIMBURSE	11/08/17	15.18
171800668	JOHNSON, MARI	REIMBURSE	11/29/17	15.18
413090	LIN, WEI-HUA	REFUND BALANCE CULINARY EXPRESS ACCT	11/14/17	15.05
413027	CUB FOODS	GROCERIES -CUST#27	11/14/17	14.64
171800649	RINGATE, NICOLE	REIMBURSE	11/22/17	13.99
704912	BIO CORPORATION	SQUID	11/10/17	13.80
413065	HEAL, ANDREW	REFUND BALANCE CULINARY EXPRESS ACCT	11/14/17	12.95
171800505	RATHE, SARAH	REIMBURSE	11/01/17	12.84
413049	FINLEY, JOHN	REFUND BALANCE CULINARY EXPRESS ACCT	11/14/17	12.55
171800605	PARSONS, TARA	REIMBURSE	11/15/17	12.25
412983	ANDERSON, SUE	REFUND BALANCE CULINARY EXPRESS ACCT	11/14/17	12.15
171800684	WHITLOCK, REBECCA	REIMBURSE	11/29/17	11.44
413465	UNLIMITED SUPPLIES	PC FLOORING	11/29/17	11.32
171800598	MARTIN, ALLISON	REIMBURSE	11/15/17	11.02
171800636	HEIDELBERGER, KELLIE	REIMBURSE	11/22/17	10.94
413080	KAUFMAN, CATHY	REFUND BALANCE CULINARY EXPRESS ACCT	11/14/17	10.90
171800490	EASTON, CHRISTINE	REIMBURSE	11/01/17	10.70
413148	SZE, LINDA	REFUND BALANCE CULINARY EXPRESS ACCT	11/14/17	10.35
171800524	GOWER, MICHAEL	REIMBURSE	11/08/17	10.17



**WAYZATA PUBLIC SCHOOLS**  
**WIRE TRANSFER, EFT AND ACH ACTIVITY**  
**October 2017**

<u>FROM</u>	<u>TO</u>	<u>DATE</u>	<u>AMOUNT</u>
Wells Fargo-Checking	Wells Fargo-Payroll	Multiple	\$4,912,475
Wells Fargo-Checking	IRS		
	- Federal P/R Taxes	10/2/2017	\$930,240
	- Federal P/R Taxes	10/16/2017	\$952,280
Wells Fargo-Checking	MN Department of Revenue		
	- State P/R Taxes etc. (MN)	10/2/2017	\$152,072
	- State P/R Taxes etc. (MN)	10/16/2017	\$154,854
Wells Fargo-Checking	Delta Dental		
	- Dental Claims	Multiple	\$89,674
Wells Fargo-Checking	Preferred One		
	- Health Claims	Multiple	\$1,361,776
Wells Fargo-Checking	Wells Fargo Commercial Card		
	- Purchase Card Program	10/4/2017	\$146,058
Wells Fargo-Checking	Corporate Health Systems		
	- Flex Benefits	Multiple	\$90,570
Wells Fargo-Checking	Preferred One		
	- Broker/Reinsurance Fees	10/12/2017	\$86,415
Wells Fargo-Checking	Payroll Vendors (TRA, EBC, MSRS, etc.)		
	- Electronic Payments	Multiple	\$1,696,386
Wells Fargo-Checking	District Employees		
	- Expense Reimbursement	Multiple	\$28,173
Wells Fargo-Checking	Commerce Bank/Control Pay		
	- Electronic A/P	Multiple	\$570,521
Wells Fargo-Checking	MN Department of Revenue	10/20/2017	\$400
	- Sales & Use Tax Payment		
<b>TOTAL ACTIVITY</b>			<b><u><u>\$11,171,894</u></u></b>

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

**BOARD OF EDUCATION**  
Regular Meeting – December 11, 2017

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

**ITEM: B. Finance and Business Recommendations**  
**2. Authorization of Issuance of Individual Procurement Card (P-Card)**

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

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

The administration recommends the issuance of a Procurement Card to the following employees:

Michelle Ryyananen, GL Home Base

**RECOMMENDED ACTION:** Approve and Authorize Issuance of Individual Procurement Card (P-Card).

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

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

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

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

**BOARD OF EDUCATION**  
Regular Meeting – December 11, 2017

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

**ITEM: B. Finance and Business Recommendations**

**3. OPEB Investment Policy Statement and Appointment of OPEB Committee Members**

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

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

The OPEB committee is comprised of:

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

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

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

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

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

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

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

Revision Dated December 14, 2015

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

### **PURPOSE**

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

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

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

### **INVESTMENT AUTHORITY**

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

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

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

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

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

#### STATEMENT OF INVESTMENT OBJECTIVES

The investment objectives of the Trust are as follows:

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

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

### INVESTMENT GUIDELINES

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

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

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

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

#### **Time Horizon**

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

#### **Liquidity and Diversification**

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

## Asset Allocation

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

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

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

## Rebalancing Philosophy

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

## **Risk Tolerance**

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

## **Performance Expectations**

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

## **SELECTION OF INVESTMENT MANAGERS**

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

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

## GUIDELINES FOR PORTFOLIO HOLDINGS

### **Direct Investments by Advisor**

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

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

#### Equities:

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

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

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

#### Fixed Income:

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

### Other Assets (Alternatives):

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

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

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

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

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

Cash Equivalents:

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

**Portfolio Risk Hedging**

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

**Prohibited Investments**

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

**Safekeeping**

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

## CONTROL PROCEDURES

### **Review of Investment Objectives**

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

### **Review of Investment Performance**

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

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

### **Voting of Proxies**

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

ADOPTION OF INVESTMENT POLICY STATEMENT

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

Approved by the Wayzata Public Schools School Board.

Resolved by:

  
\_\_\_\_\_  
Member

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

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

**BOARD OF EDUCATION**  
Regular Meeting – December 11, 2017

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

**ITEM: C. Human Resource Recommendations**  
**1. Monthly Recommendations**

**COMMENTS BY: Ms. Stacie Vos**

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

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

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

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

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

**HUMAN RESOURCES RECOMMENDATIONS - Consent Agenda - December 11, 2017**

**EMPLOYMENT**

<b>Name</b>	<b>Position</b>	<b>Location</b>	<b>Reason</b>	<b>Start Date</b>
Chandela Nagendrappa	Health & Safety Supervisor	Central Services	Resignation	1/2/2018
Anab Jama	Home Base Instructor	Oakwood	New Position	12/1/2017
Jordan Daniel	Paraprofessional	Plymouth Creek	Transfer	11/20/2017
Theresa Tauer	Home Base Assistant	Plymouth Creek	New Position	11/29/2017
Emilie Lenz	Home Base Instructor	Sunset Hill	New Position	12/6/2017

**CONTRACT MODIFICATION**

<b>Name</b>	<b>Position</b>	<b>Location</b>	<b>Modification</b>	<b>Date</b>
Annie Doughty	Director of Community Education Operations	Education Services Center	PROA Renewal	1/1/2018 - 12/31/2018

**LEAVE OF ABSENCE**

<b>Name</b>	<b>Position</b>	<b>Location</b>	<b>Leave Date</b>
Emily Knopik	Teacher - 2nd Grade	Gleason Lake	5/13/2018 - 1/25/2019
Jodi Sorenson	School Social Worker	High School	12/11/2017
Julie Strauss	Paraprofessional	Kimberly Lane	11/27/2017 - 2/23/2018
Elizabeth Radue	Teacher - Kindergarten	Meadow Ridge	1/2/2018 - 1/19/2018
Amanda Fossum	Teacher - 1st grade	Meadow Ridge	4/25/2018 - 6/11/2018
Lisa Leland	Teacher - Kindergarten	Meadow Ridge	5/22/2018 - 5/25/2018
Jaime Ward	Teacher - Special Services	Sunset Hill	8/28/2017 - 12/8/2017
Clarice Jorenby	Teacher - Vision 21	West Middle	11/27/2017 - 12/14/2018

**RESIGNATION**

<b>Name</b>	<b>Position</b>	<b>Location</b>	<b>Resign Date</b>
Susan Anderson	Culinary Express	Central Middle	12/29/2017
Rebecca Kanive	Psychologist	Early Learning School	12/20/2017
Nicole Hollins	Teacher - Adult Basic Education	Education Services Center	12/13/2017
Rebecca Krueger	Home Base Instructor	Greenwood	2/5/2018
Becky Day	Home Base Assistant	Greenwood	12/20/2017
Rebecca Krueger	Paraprofessional	High School	2/6/2018
Kevin Anderson II	Paraprofessional	High School	12/15/2017

**RETIREMENT**

Name	Position	Location	Retirement Date	
Tim Hall	Custodian	Plymouth Creek		4/30/2018
<b>EXTRA ASSIGNMENTS</b>				
Name	Position	Location	Assignment	Date

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

**BOARD OF EDUCATION**

Regular Meeting – December 11, 2017

**AGENDA SECTION:** 4. HUMAN RESOURCE RECOMMENDATIONS

**ITEM:** A. Retiree Recognition

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

Tonight we would like to recognize the following employees who announced their retirement in 2017. We would like to thank them for their years of service to Wayzata Public Schools and wish them well in their future endeavors.

<u>Name</u>	<u>Position</u>	<u>Years of Service</u>
Tim Hall	Plymouth Creek, Custodian	29 Years

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

**BOARD OF EDUCATION**  
Regular Meeting – December 11, 2017

**AGENDA SECTION: 4. Recognitions**

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**Item: B. December Employee of the Month – Dan Roberts**

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

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**Wayzata Public Schools December Employee of the Month**

It is with pride that West Middle School nominates Dan Roberts to be recognized as December's Employee of the Month. Dan has been a teacher for 30 years and has taught 8th Grade Science at West for 25 of those years. He has also coordinated our school student news program for the last 15 years. Dan was selected by his colleagues for this recognition and the following are a few of the many positive things they had to say about Dan:

"When working with students, Dan is always professional, poised and energetic. Students are engaged in learning as he always finds ways to make learning fun."

"Dan goes above and beyond for his students. He spends lunches and time after school with them trying to support their learning."

"The kids love the news show and it is a success because of his leadership. In his class, he's so patient and kind to the students. He wants all students in his class with all abilities to belong and be successful."

"His overall positive disposition has had a profound effect on all of us. We would like to thank him for his forthright commitment to making the education of his students the number one priority. "

"Dan is such an asset to the school."

Congratulations to Dan Roberts on this recognition, and thank you for your great service of the students, families and staff at West Middle School!

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

**BOARD OF EDUCATION**  
Regular Meeting – December 11, 2017

**AGENDA SECTION: 4. Recognitions**

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**Item: C. Club Y.E.S.**

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

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**Club Y.E.S. Community Award and Service Learning Project**

We are excited to recognize Wayzata High School's Club Y.E.S. for a recent community award, as well as to share information about a high-profile service learning project they are coordinating and participating in during January. Brenda Badger, Club Y.E.S. program manager and Club Y.E.S. students will be present for the recognitions.

**2017 Community Partner of the Year Award**

Wayzata High School's Club Y.E.S. (Youth Extending Service) and the Y.E.S. social studies class were honored with the 2017 Community Partner of the Year award by Bloom Early Learning & Child Care in Plymouth. Over 500 Y.E.S. students have volunteered at Bloom since 2006. Y.E.S. students have interacted and read with children, assisted the Bloom staff and contributed to many special projects. Congratulations!

**Super Kids Super Sharing Service Learning Project**

Wayzata Public Schools has teamed up with the NFL and Super Bowl Host Committee for a fun, service learning project to benefit students in need in Minnesota. The project is called Super Kids Super Sharing. From January 3 through January 17, each Wayzata school will be collecting gently used or new books, sports equipment, games, school supplies and used cell phones.

On January 18, a small group of students and staff from each school will deliver the items to Braemar Field in Edina for the Super Kids Super Sharing service event. Sharing school districts will drop off and sort items in the morning and recipient school districts will pick up items in the afternoon. Wayzata Public Schools will only be a sharing district. Club Y.E.S. is chairing this district wide service project and collaborating with student leadership groups in each school. We are hoping for "super" success. Club Y.E.S. has created a promotional video and fliers that will be shared with the Board.

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

**BOARD OF EDUCATION**  
Regular Meeting – December 11, 2017

**AGENDA SECTION: 4. Recognitions**

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**Item: D. AP Honor Roll**

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

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Wayzata Public Schools Placed on the College Board’s 8th Annual AP® District Honor Roll for Significant Gains in Student Access and Success

(12/6/2017) – *Wayzata, MN*: Wayzata Public Schools is one of 447 school districts in the U.S. and Canada being honored by the College Board with placement on the 8th Annual AP® District Honor Roll. Since 2015, Wayzata Public Schools has increased the number of students participating in AP while also increasing or maintaining the percentage of students earning AP Exam scores of 3 or higher – both requirements for inclusion on the 8th Annual Honor Roll. Reaching these goals shows that the District is successfully identifying motivated, academically prepared students who are ready for AP.

"Each of our students is on a unique and wonderful educational journey - and we do everything we can to help them embrace and nurture the possibilities," said Chace Anderson, Superintendent of Wayzata Public Schools. "Our students and staff are routinely recognized for excellent academic achievement."

National data from 2017 show that among American Indian/Alaska Native, Black/African American, Hispanic/Latino, and Native Hawaiian/Other Pacific Islander students with a high degree of readiness for AP, only about half are participating. The first step to getting more of these students to participate is to give them access. Courses must be made available, gatekeeping must stop, and doors must be equitably opened. Wayzata Public Schools is committed to expanding the availability of AP courses among prepared and motivated students of all backgrounds. Wayzata High School currently offers 32 AP courses, including arts, government, language, mathematics and sciences. In 2017, over 945 students took over 1,800 AP tests.

“Congratulations to all the educators and administrators in this district who have worked to clear a path for more students of all backgrounds to participate and succeed in AP,” said Trevor Packer, head of AP and Instruction. “These educators and administrators are fostering a culture in their schools and classrooms that allows students to face new challenges and build the confidence to succeed.”

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

In 2017, more than 4,000 colleges and universities around the world received AP scores for college credit, advanced placement, or both, and/or consideration in the admissions process. Inclusion in the 8th Annual AP

District Honor Roll is based on a review of three years of AP data, from 2015 to 2017, looking across 38 AP Exams, including world language and culture. The following criteria were used.

Districts must:

- Increase participation/access to AP by at least 4% in large districts, at least 6% in medium districts, and at least 11% in small districts;
- Increased or maintained the percentage of American Indian/Alaska Native, Black/African American, Hispanic/Latino, and Native Hawaiian/Other Pacific Islander students taking exams and increased or maintained the percentage of American Indian/Alaska Native, Black/African American, Hispanic/Latino, and Native Hawaiian/Other Pacific Islander students scoring 3+ on at least one AP Exam; and
- Improve or maintain performance levels when comparing the 2017 percentage of students scoring a 3 or higher to the 2015 percentage, *unless* the district has already attained a performance level at which more than 70% of its AP students earn a 3 or higher.

When these outcomes have been achieved among an AP student population in which 30% or more are underrepresented minority students (American Indian/Alaska Native, Black/African American, Hispanic/Latino and Native Hawaiian/Other Pacific Islander) and/or 30% or more are low-income students (students who qualify for free or reduced-price lunch), a symbol has been affixed to the district name to highlight this work.

The complete 8th Annual AP District Honor Roll can be found here: <https://apcentral.collegeboard.org/score-reports-data/awards/honor-roll>

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

**BOARD OF EDUCATION**  
Regular Meeting – December 11, 2017

**AGENDA SECTION: 5. SUPERINTENDENT’S REPORTS AND RECOMMENDATIONS**

**ITEM: A. Finance and Business Services**  
**1. Comprehensive Annual Fiscal Report**

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

**Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2017**

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

- 1) Comprehensive Annual Financial Report for Fiscal Year Ending - June 30, 2017
- 2) Management Report - June 30, 2017
- 3) Extracurricular Student Activity Accounts Financial Report - June 30, 2017
- 4) Special Purpose Audit Reports on Single Audit, Internal Controls, and Compliance with Laws and Regulations – June 30, 2017

A portion of the fund balance is assigned for specific purposes and is ratified on an annual basis. The assigned fund balance as of June 30, 2017 is as follows:

Assigned for Reemployment Insurance	\$59,278
Assigned for Site Carryover	\$1,039,527
Assigned for Q-Compensation	\$83,546
Assigned for School Opening Costs	\$945,305
Assigned for Workers’ Compensation Escrow	\$735,457
Assigned for Post-Employment Obligations	\$2,054,946

**RECOMMENDED ACTION:** Approve the reports for the fiscal year ending June 30, 2017. Further, ratify the assigned fund balance in the amount of \$4,918,059 as of June 30, 2017 to be used for the specific purposes noted above.

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

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

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

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

Comprehensive Annual Financial Report  
For the Fiscal Year Ended  
June 30, 2017

Prepared by the

Department of Finance and Business Services



Excellence. For each and every student.



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended June 30, 2017

INDEPENDENT SCHOOL DISTRICT NO. 284  
WAYZATA, MINNESOTA

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

Prepared by the  
Department of Finance and Business Services

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

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INDEPENDENT SCHOOL DISTRICT NO. 284

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SECTION I

INTRODUCTORY SECTION





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

November 30, 2017

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

## INTRODUCTION

We respectfully submit the Comprehensive Annual Financial Report (CAFR) of Independent School District No. 284, Wayzata, Minnesota (the District) for the fiscal year ended June 30, 2017. Responsibility for the entire financial report rests with district management. The report contains all of the funds of the District in conformity with accounting principles generally accepted in the United States of America for defining the reporting entity.

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

The CAFR is presented in three primary sections as follows:

- Introductory Section
- Financial Section
- Statistical Section

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

## ECONOMIC CONDITION AND OUTLOOK

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

For 2016–2017, district facilities included eight elementary schools, three middle schools, a senior high school, a district administration center, an educational services center, an early learning center, and a central service facility.

Enrollment for the 2016–2017 school year was 11,332 pupils in adjusted average daily membership, which represents an increase of 474 students from the prior year. Demographic forecasts project an increase in enrollment for the next several years. Projected enrollments for the near future per an independent demographer hired by the District are:

<u>Fiscal Year</u>	<u>Enrollment</u>
2018	11,682
2019	11,976
2020	12,293

The tax base of the District increased 6.75 percent during the past year. The market value of all taxable property in the District in fiscal year 2017 was \$11,410,014,227 compared to \$10,688,657,739 in fiscal year 2016.

The net tax capacity of the District for fiscal year 2017 was \$127,889,211, an increase of 7.12 percent over the prior year value of \$119,387,105.

The state fiscal disparities law provides for the pooling of 40 percent of all new commercial/industrial property valuation added since 1971 in the seven-county Minneapolis-Saint Paul metropolitan area. The pooled valuation is redistributed among the taxing jurisdictions according to population and a ratio measuring relative fiscal capacity. Local tax rates reflect the net contribution/distribution of fiscal disparities valuation. The District has been a net contributor to the fiscal disparities pool in recent years. The District contributed \$2,054,544 in fiscal year 2016 and \$2,549,421 in fiscal year 2017.

## **FINANCIAL INFORMATION**

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

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

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

## **DISTRICT FACILITIES**

District educational facilities consist of 12 education buildings originally constructed from 1949 to 2016. Each building, with the exception of the new elementary school, Meadow Ridge, has had numerous additions over the years. In spite of the age of the facilities, all school buildings are maintained in a state of good repair, with building components modernized and updated on a systematic basis through the District’s long-term facility maintenance plan. Because of the continual improvement, all educational facilities should be able to effectively service the District for many years. The total District square footage for educational facilities is 1,925,364. In addition, the District owns two buildings and leases space for administrative purposes.

## LOOKING FORWARD

The District's commitment to fiscal responsibility has enabled the District to maintain positive fund balance reserves in recent years. Currently, the General Fund has an unassigned fund balance of approximately \$13.0 million, which represents 9.5 percent of expenditures and slightly exceeds the School Board policy minimum fund balance of 5.0–7.0 percent of expenditures. The School Board has assigned an additional \$4.9 million of fund balance for specific purposes.

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

An indicator of continued financial health is the tremendous level of new private investment within the District. The City of Plymouth is the largest municipality within the District and it is anticipated that the commercial and residential growth of the Plymouth community will continue during the next decade. From 1990 to 2010, the population of Plymouth grew from 50,889 to an estimated 70,576, or 39 percent. In addition, in 2010, the market value of taxable property in the District was \$11,023,202,400, an increase of more than \$8 billion (330 percent) since 1990. In the last year, market values have increased.

The state support in the current economic environment, combined with the additional support approved by the voters, means the District's financial picture is stable. The District was in a position to maintain existing staff ratios and programs in fiscal year 2018 and has adequate reserves.

Below are some facts about the 2017–2018 budget:

- Student enrollment is expected to increase.
- The General Fund unassigned balance at year-end is projected at \$12.9 million.

### Revenues:

- General Fund revenue will increase to \$159 million.
- Basic formula is \$6,188 for fiscal year 2018 and the basic formula was increased to \$6,312 for fiscal year 2019.
- The referendum levy is \$1,454.78 per pupil unit.
- State special education funding formula has changed effective for fiscal year 2016. The District is anticipating less amounts of aid in special education due to this change with a slight increase in the number of special education students served.

### Expenditures:

- General Fund expenditures will increase to \$154 million.
- \$3.7 million will be spent for class size reduction and other in-class, direct instructional services for students.
- Capital projects (technology) levy continues at \$6.4 million.
- Alternative Compensation Plan spending is \$3.0 million for staff development, peer coaching, and performance bonuses for teachers.
- Health insurance and dental insurance premiums were increased by an average of 2.75 percent.

## LOOKING FORWARD (CONTINUED)

### Construction Projects:

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

## OTHER INFORMATION

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

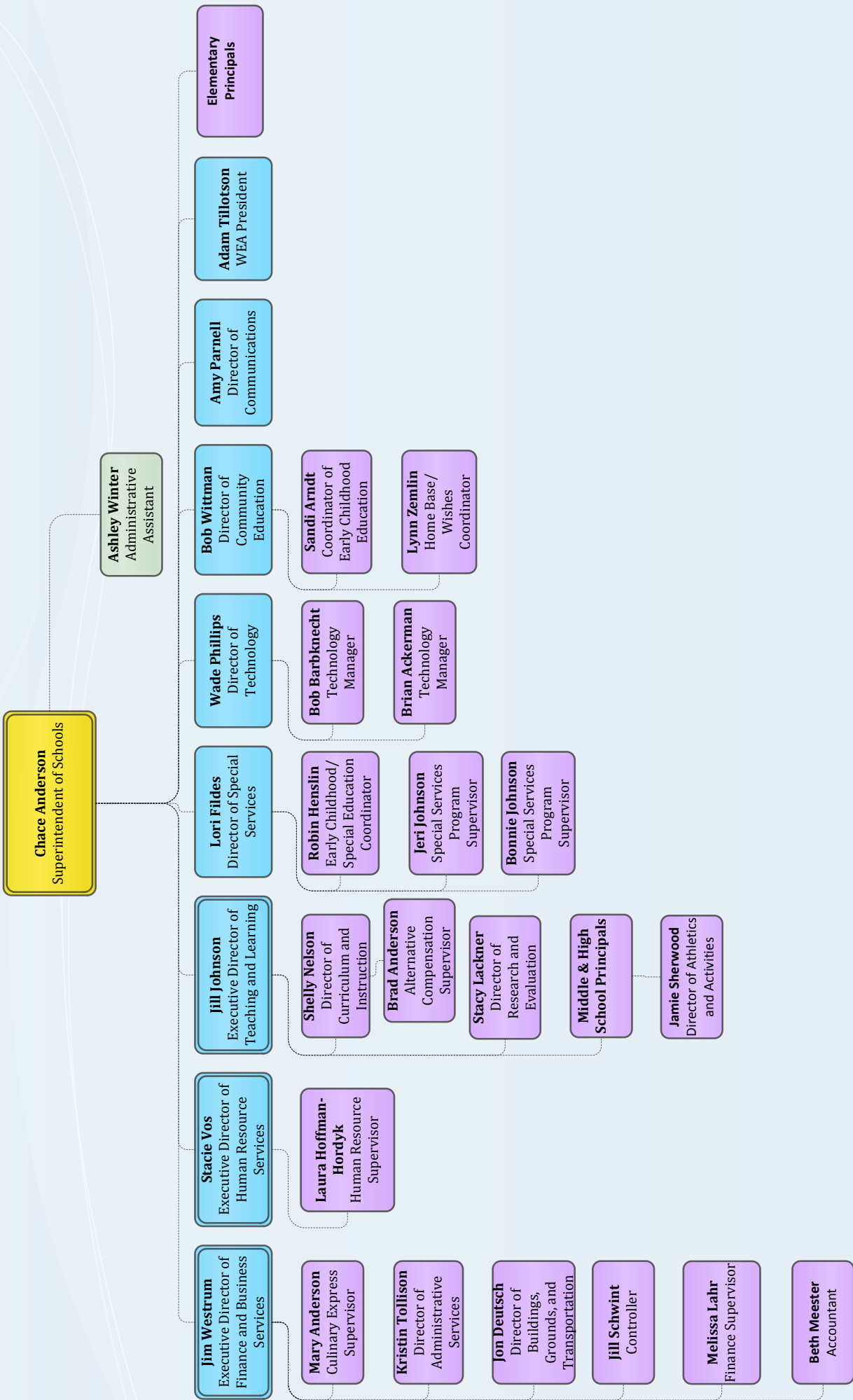
This report has been prepared following guidelines recommended by the Association of School Business Officials (ASBO) International for its Certificate of Excellence in Financial Reporting program. Achieving recognition by this program is a clear indication of the District's establishment of high standards for financial reporting. The District was awarded the ASBO International Certificate of Excellence in Financial Reporting for its 2016 CAFR. We believe our current report continues to conform to ASBO International's Certificate of Excellence program requirements.

We acknowledge the efforts of the entire accounting staff in providing complete and accurate data for fiscal year 2017 CAFR.

Respectfully submitted,



James R. Westrum  
Executive Director,  
Finance and Business Services



INDEPENDENT SCHOOL DISTRICT NO. 284

School Board and Administration  
Year Ended June 30, 2017

**SCHOOL BOARD**

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

**ADMINISTRATION**

Dr. Chace B. Anderson	Superintendent
Dr. Jill Johnson	Executive Director of Teaching and Learning
Ms. Annie Doughty	Executive Director of Human Resource Services (retired June 30)
Ms. Stacie Vos	Executive Director of Human Resource Services
Mr. Jim Westrum	Executive Director of Finance and Business Services
Ms. Jill Schwint	Controller



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Independent School District 284**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona'. The signature is written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA  
President

A handwritten signature in black ink, appearing to read 'John D. Musso'. The signature is written over a horizontal line.

John D. Musso, CAE, RSBA  
Executive Director

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SECTION II  
FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of  
Independent School District No. 284  
Wayzata, Minnesota

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) as of and for the year ended June 30, 2017, 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, 2017, 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. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 74, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*, and GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, during the year ended June 30, 2017. 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 statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

(continued)

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

### **Prior Year Comparative Information**

We have previously audited the District's 2016 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 2, 2016. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2016 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 November 30, 2017 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota  
November 30, 2017

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## INDEPENDENT SCHOOL DISTRICT NO. 284

### Management's Discussion and Analysis Year Ended June 30, 2017

This section of Independent School District No. 284's (the District) Comprehensive Annual Financial Report (CAFR) presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2017. Please read it in conjunction with the other components of the District's CAFR.

#### **FINANCIAL HIGHLIGHTS**

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2017 by \$74,324,066 (net position). The District's total net position decreased by \$44,793,035 during the fiscal year ended June 30, 2017, excluding the prior period adjustments and changes in accounting principle discussed below, as government-wide revenues of \$178,669,408 were less than expenses of \$223,462,443.
- The District recorded two prior period adjustments in the current year. The first adjustment was to add certain previously expensed construction costs to construction in progress. This change increased beginning net position in the government-wide financial statements by \$1,741,013. The second adjustment was to record capital expenditures that should have been accrued in the prior year. This change decreased beginning fund balance in the Capital Projects – Building Construction Fund by \$3,265,303.
- The District recorded changes in accounting principle in the current year with the implementation of the Governmental Accounting Standards Board (GASB) Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 74, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*, and GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. The changes reflect standards established for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures as they relate to certain pensions and other post-employment benefit (OPEB) obligations. The implementation of these standards reduced beginning net position in the government-wide financial statements by \$29,908,951.
- The General Fund's total fund balance decreased \$7,605,926 to end the year at \$16,149,104, compared to a \$7,571,078 decrease projected in the budget.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

- Independent Auditor’s Report;
- Management’s discussion and analysis;
- Basic financial statements, including the government-wide financial statements, fund financial statements, and the notes to basic financial statements;
- Required supplementary information; and
- Supplemental information consisting of combining and individual fund financial statements and schedules.

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

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

## FUND FINANCIAL STATEMENTS

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

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

The District maintains the following kinds of funds:

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

**Proprietary Funds** – The District maintains one type of proprietary fund. The internal service funds are used as an accounting device to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for the self-insurance activities of the District employees' medical and dental claims, various early retirement benefit packages for employee groups, and post-retirement health care benefits. These services have been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

	2017	2016
<b>Assets</b>		
Current and other assets	\$ 111,193,365	\$ 153,714,592
Capital assets, net of depreciation	203,262,643	192,503,523
Total assets	\$ 314,456,008	\$ 346,218,115
<b>Deferred outflows of resources</b>		
Pension plan deferments	\$ 189,200,658	\$ 17,404,064
<b>Liabilities</b>		
Current and other liabilities	\$ 14,147,284	\$ 15,071,675
Long-term liabilities, including due within one year	500,443,848	284,328,465
Total liabilities	\$ 514,591,132	\$ 299,400,140
<b>Deferred inflows of resources</b>		
Property taxes levied for subsequent year	\$ 57,535,954	\$ 54,351,646
Pension plan deferments	4,527,573	11,233,486
OPEB plan deferments	1,326,073	-
Total deferred inflows of resources	\$ 63,389,600	\$ 65,585,132
<b>Net position</b>		
Net investment in capital assets	\$ 40,112,576	\$ 31,901,934
Restricted	7,822,506	13,662,842
Unrestricted	(122,259,148)	(46,927,869)
Total net position	\$ (74,324,066)	\$ (1,363,093)

The District's financial position is the product of many factors. For example, the determination of the District's net investment in capital assets involves many assumptions and estimates, such as current and accumulated depreciation amounts and capitalization policies. Net position also includes long-term liabilities for pension, OPEB, and severance benefits, which are not reported in the governmental funds.

Total net position decreased by \$72,960,973, which reflects a decrease of \$44,793,035 from current year operating results, along with the \$1,741,013 increase from prior period adjustments and the \$29,908,951 decrease from the changes in accounting principle discussed earlier. The decrease in unrestricted net position, as well as the changes in long-term liabilities and deferred outflows of resources, are primarily the result of increases in the District's share of unfunded pension liabilities related to the state-wide Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans, along with the implementation of new accounting principles for other certain pensions and OPEB.

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

	<u>2017</u>	<u>2016</u>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 14,761,888	\$ 13,239,547
Operating grants and contributions	17,625,350	16,140,494
Capital grants and contributions	1,351,039	911,502
General revenues		
Property taxes	57,923,735	55,352,180
General grants and aids	83,119,553	74,485,371
Investment earnings	1,886,224	1,162,703
Other	2,001,619	1,240,454
Total revenues	<u>178,669,408</u>	<u>162,532,251</u>
<b>Expenses</b>		
Administration	6,700,296	4,817,133
District support services	6,114,326	5,033,300
Elementary and secondary regular instruction	97,927,589	68,238,658
Vocational education instruction	3,737,593	2,804,948
Special education instruction	23,736,177	17,678,829
Instructional support services	13,276,121	10,313,332
Pupil support services	14,566,050	12,363,815
Sites and buildings	35,215,528	31,109,967
Fiscal and other fixed cost programs	566,951	417,879
Food service	6,484,275	5,896,122
Community service	9,811,345	8,207,904
Interest and fiscal charges on debt	5,326,192	5,134,248
Total expenses	<u>223,462,443</u>	<u>172,016,135</u>
Change in net position	(44,793,035)	(9,483,884)
Net position – beginning, as previously reported	(1,363,093)	8,120,791
Change in accounting principle	(29,908,951)	–
Prior period adjustment	1,741,013	–
Net position – beginning, as restated	<u>(29,531,031)</u>	<u>8,120,791</u>
Net position – ending	<u>\$ (74,324,066)</u>	<u>\$ (1,363,093)</u>

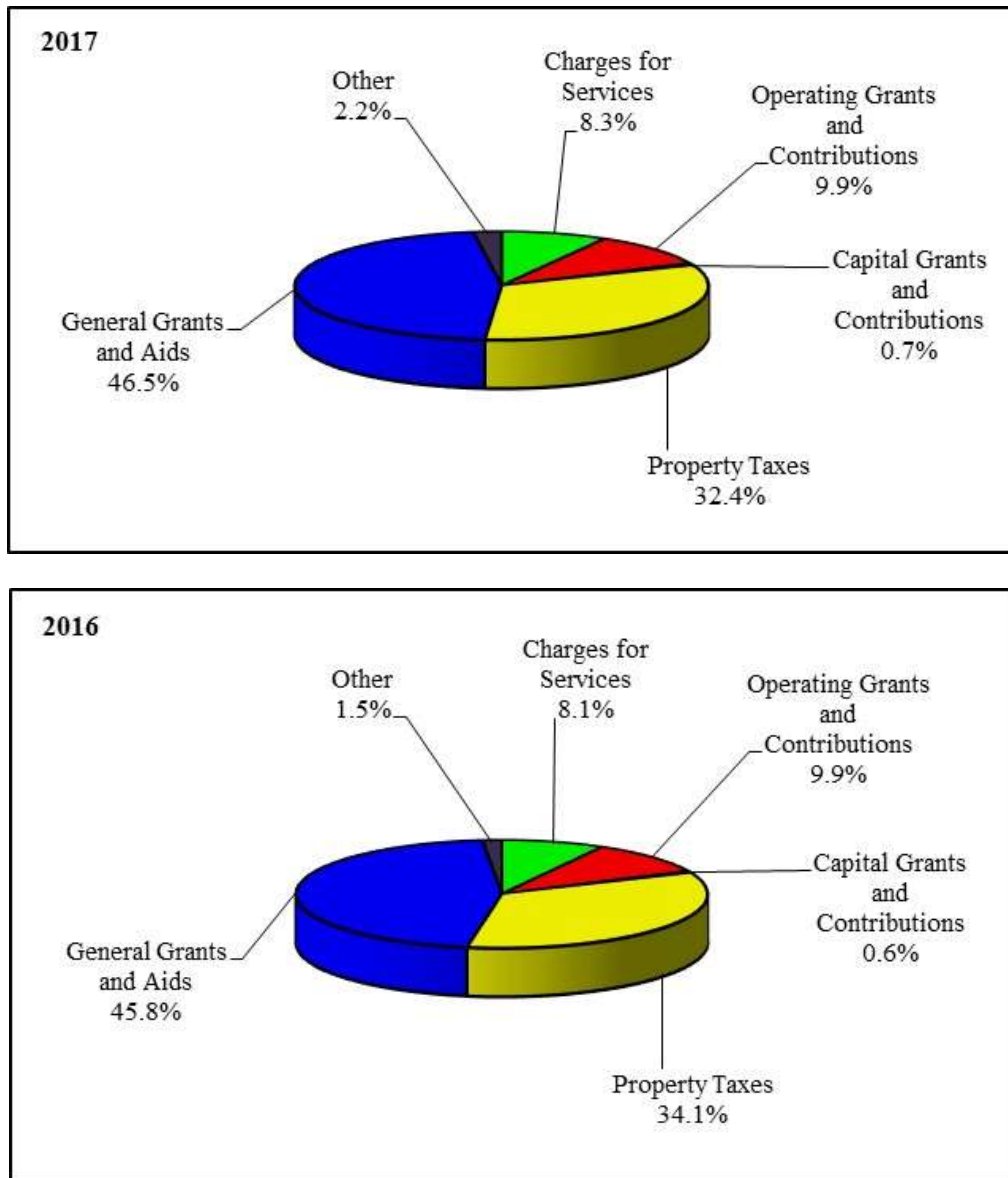
This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

Governmental activities revenues increased \$16,137,157 (9.9 percent) from the previous year. A significantly higher number of students served, a new tax levy for long-term facilities maintenance, and improved state funding for general and special education contributed to the overall revenue increase.

Governmental activities expenses were \$51,446,308 (29.9 percent) higher than last year, mainly due to increases in the number of students served and the expenses related to the PERA and the TRA pension plans.

Figure A shows further analysis of these revenue sources:

**Figure A – Sources of Revenues for Fiscal Years 2017 and 2016**

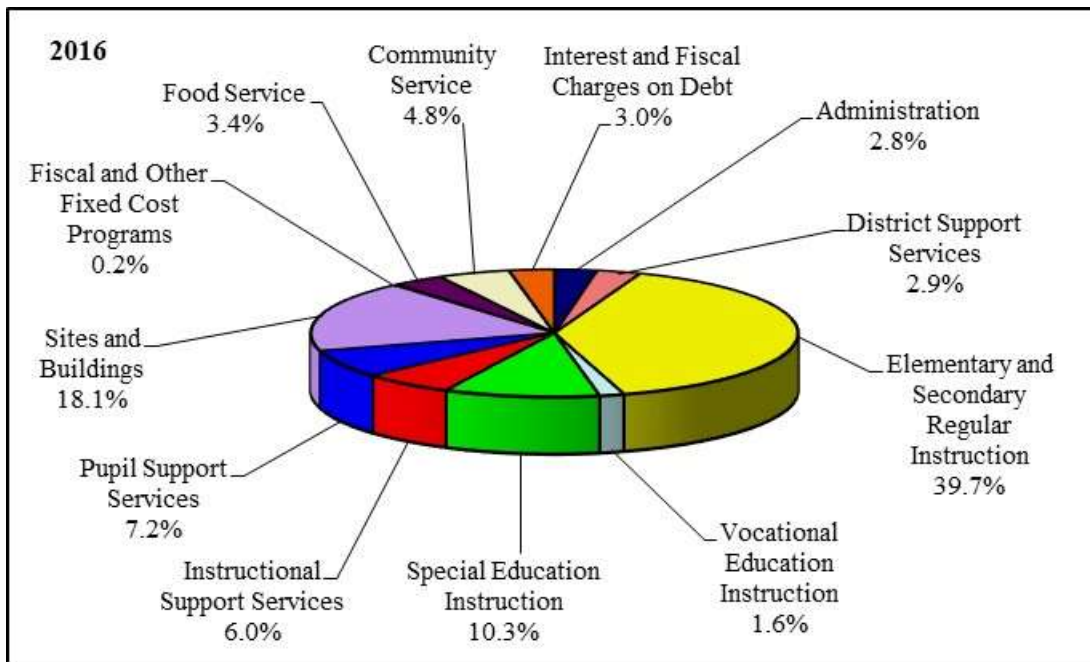
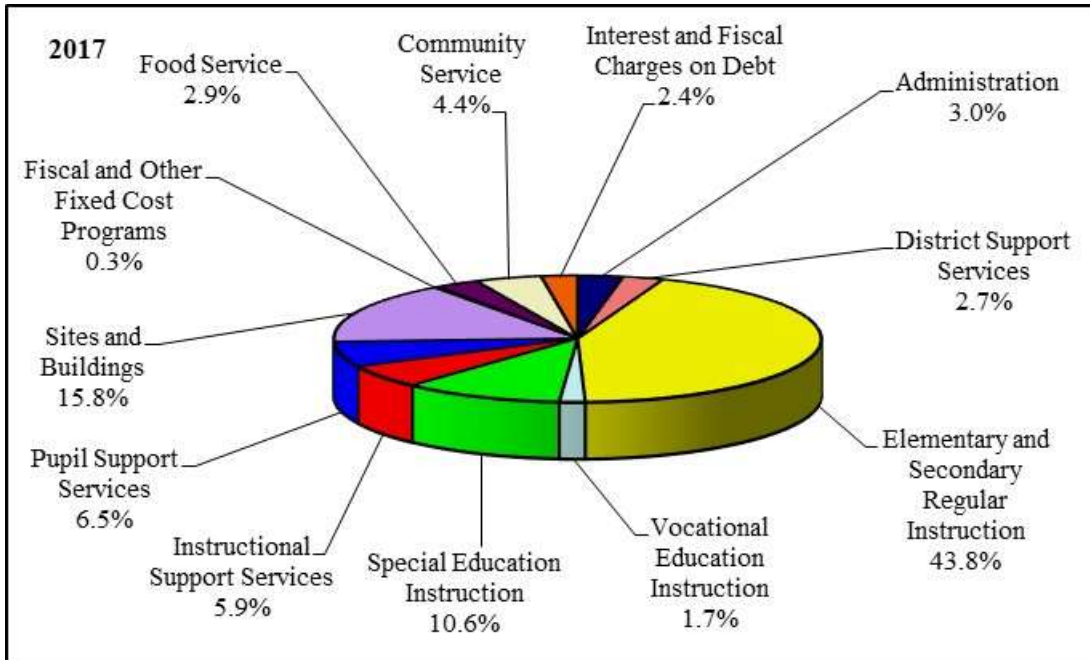


The largest share of the District’s revenue is received from the state, including the general education aid formula and most of the operating grants. This significant reliance on the state for funding has placed pressure on local school districts as a result of limited funding increases in recent years.

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

Figure B shows further analysis of these expense functions:

**Figure B – Expenses for Fiscal Years 2017 and 2016**



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

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>
Major funds			
General	\$ 16,149,104	\$ 23,755,030	\$ (7,605,926)
Capital Projects – Building Construction	8,511,858	25,484,165	(16,972,307)
Debt Service	2,475,932	2,618,143	(142,211)
Nonmajor funds			
Food Service Special Revenue	655,901	644,817	11,084
Community Service Special Revenue	<u>2,576,375</u>	<u>2,227,629</u>	<u>348,746</u>
 Total governmental funds	 <u>\$ 30,369,170</u>	 <u>\$ 54,729,784</u>	 <u>\$ (24,360,614)</u>

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance 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.

At June 30, 2017, the District's governmental funds reported combined fund balances of \$30,369,170, a decrease of \$24,360,614 from the prior year, which includes a \$21,095,311 decrease from operations and a \$3,265,303 decrease from the prior period adjustment discussed earlier. Approximately 24.8 percent of this amount (\$7,522,851) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either 1) not in spendable form (\$827,066), 2) restricted for particular purposes (\$17,101,194), or 3) assigned for particular purposes (\$4,918,059).

**ANALYSIS OF THE GENERAL FUND**

Table 4 summarizes the amendments to the General Fund budget:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Revenues and other financing sources	<u>\$ 139,260,673</u>	<u>\$ 144,986,108</u>	<u>\$ 5,725,435</u>	<u>4.1%</u>
Expenditures and other financing uses	<u>\$ 139,430,368</u>	<u>\$ 152,557,186</u>	<u>\$ 13,126,818</u>	<u>9.4%</u>

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

Table 5 summarizes the operating results of the General Fund:

	<u>2017 Actual</u>	<u>Over (Under) Final Budget</u>		<u>Over (Under) Prior Year</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenue and other financing sources	\$ 142,972,276	\$ (2,013,832)	(1.5%)	\$ 8,729,175	6.5%
Expenditures and other financing uses	<u>150,578,202</u>	<u>(1,978,984)</u>	(1.6%)	<u>18,665,453</u>	14.1%
Net change in fund balances	<u>\$ (7,605,926)</u>	<u>\$ (34,848)</u>		<u>\$ (9,936,278)</u>	

The fund balance of the General Fund decreased \$7,605,926, compared to a planned decrease of \$7,571,078 approved in the final budget.

General Fund revenues and other financing sources for 2017 increased \$8,729,175, or 6.5 percent, compared to the prior year. This was \$2,013,822, or 1.5 percent, less than budget. The largest variance to budget was in investment earnings, which were \$2,700,601 less than budget due to the District allocating more investment earnings to other funds than anticipated. The overall revenue increase from the prior year was mainly due to increases in students served and state funding for general and special education.

Total General Fund expenditures and other financing uses for 2017 increased \$18,665,453, or 14.1 percent, over the prior year, and were \$1,978,984, or 1.6 percent, under budget. The budget variance was spread across several programs and object categories of the General Fund. Elementary and secondary regular instruction experienced the largest program variance, with expenditures coming in under budget by \$2,644,487, due mostly to budgeted positions that were vacant for part or all of the year. The increase from the prior year was mainly due to higher expenditures and transfers to other funds to finance various capital projects.

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

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

The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities. This fund also received a transfer of \$13,006,244 of long-term facilities maintenance levy proceeds and other resources from the General Fund to finance various capital projects. Fund balance declined by \$13,707,004, as the District spent down proceeds from bonds issued in previous years. At June 30, 2017, the District had a fund balance of \$8,511,858, the majority of which is restricted for various capital projects.

### **Debt Service Fund**

The Debt Service Fund expenditures exceeded revenues by \$142,211 in the current year. The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. The remaining fund balance of \$2,475,932 at June 30, 2017 is available for meeting future debt service obligations.

### **Other Governmental Funds**

The Food Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing equity by \$11,084, compared to a planned fund balance decrease of \$232,595. This variance was caused by the combination of higher than anticipated revenues from meal sales and federal reimbursements, and a delay in the timing of capital improvements.

The Community Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing equity by \$348,746, compared to a planned fund balance decrease of \$232,642. This variance was due to program participation revenue being more than anticipated in the budget.

### **Internal Service Funds**

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

Operating revenues for the internal service funds for fiscal 2017 totaled \$16,168,168, an increase from the fiscal year 2016 operating revenue level of \$15,378,190. Operating expenses totaled \$19,097,404, which represents an increase from fiscal year 2016 operating expenditures of \$18,948,843. Nonoperating revenues, consisting of investment earnings, totaled \$1,348,033, which is a slight increase from the fiscal year 2016 amount of \$1,027,374.

The net position balance for all internal service funds as of June 30, 2017 was \$854,032, which is a decrease of \$3,883,384 from the prior year. Current year operations resulted in a net position decrease of \$1,469,579, while the change in accounting principle related to the implementation of GASB Statement No. 73 decreased net position by \$2,413,805.

## CAPITAL ASSETS AND LONG-TERM LIABILITIES

### Capital Assets

Table 6 shows the District's capital assets, together with changes from the previous year. The table also shows the total depreciation expense for fiscal years ending June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Land	\$ 24,938,301	\$ 24,726,423	\$ 211,878
Construction in progress	358,731	66,681,872	(66,323,141)
Land improvements	9,687,055	9,687,055	-
Buildings and improvements	265,230,681	181,875,152	83,355,529
Equipment and transportation vehicles	12,870,174	12,407,728	462,446
Food service equipment	1,312,063	1,283,293	28,770
Less accumulated depreciation	<u>(111,134,362)</u>	<u>(104,158,000)</u>	<u>(6,976,362)</u>
<b>Total</b>	<u><u>\$ 203,262,643</u></u>	<u><u>\$ 192,503,523</u></u>	<u><u>\$ 10,759,120</u></u>
 Depreciation expense	 <u><u>\$ 6,982,148</u></u>	 <u><u>\$ 6,209,332</u></u>	 <u><u>\$ 772,816</u></u>

By the end of 2017, the District had invested in a broad range of capital assets, including school buildings, athletic facilities, and other equipment for various instructional programs (see Table 6).

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2017, consistent with the activity of the Capital Projects – Building Construction Fund discussed on the previous page.

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

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

## Long-Term Liabilities

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

	<u>2017</u>	<u>2016</u>	<u>Change</u>
General obligation bonds payable	\$ 156,210,000	\$ 165,110,000	\$ (8,900,000)
Certificates of participation payable	7,755,000	8,495,000	(740,000)
Unamortized premium	3,120,929	3,625,490	(504,561)
Capital leases payable	5,092,079	6,239,289	(1,147,210)
Net pension liability	313,987,291	95,500,893	218,486,398
Net OPEB liability	9,635,916	–	9,635,916
Severance benefits payable	4,022,330	4,817,272	(794,942)
Compensated absences payable	620,303	540,521	79,782
<b>Total</b>	<b><u>\$ 500,443,848</u></b>	<b><u>\$ 284,328,465</u></b>	<b><u>\$ 216,115,383</u></b>

The decreases in general obligation bonds payable, certificates of participation payable, and capital leases payable are primarily due to the scheduled principal payments made during fiscal year 2017.

The differences in pension and OPEB liabilities reflect the changes in the District's proportionate share of the PERA and the TRA state-wide pension obligations, along with the changes in accounting principles implemented this year relating to certain pensions and OPEB.

The state limits the amount of general obligation debt the District can issue to 15.0 percent of the market value of all taxable property within the District's corporate limits (see Table 8). The District's outstanding net general obligation debt was \$156,854,997 at June 30, 2017, or about 9.2 percent of the limit.

District's market value	\$ 11,410,014,227
Limit rate	<u>15.0%</u>
Legal debt limit	<u>\$ 1,711,502,134</u>

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

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

With the exception of the voter-approved operating referendum, the District is dependent on the state of Minnesota for a majority of its revenue authority. Recent experience demonstrates that legislated revenue increases have not been sufficient to meet instructional program needs and increased costs due to inflation.

The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. The Legislature has added \$121, or 2 percent, per pupil to the basic general education funding formula for fiscal year 2018 and an additional \$124, or 2 percent, per pupil to the formula for fiscal year 2019.

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

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

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BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Net Position  
as of June 30, 2017  
(With Partial Comparative Information as of June 30, 2016)

	Governmental Activities	
	2017	2016
<b>Assets</b>		
Cash and temporary investments	\$ 67,448,380	\$ 94,450,500
Cash and investments held by trustee	1,060,270	1,091,380
Receivables		
Current taxes	30,287,193	29,099,453
Delinquent taxes	318,690	364,084
Accounts and interest receivable	945,087	304,097
Due from other governmental units	10,306,679	9,097,524
Due from post-employment benefits trust	–	465,000
Inventory	225,342	229,763
Prepaid items	601,724	65,437
Net other post-employment benefit asset	–	18,547,354
Capital assets		
Not depreciated	25,297,032	91,408,295
Depreciated, net of accumulated depreciation	177,965,611	101,095,228
Total capital assets, net of accumulated depreciation	203,262,643	192,503,523
Total assets	314,456,008	346,218,115
Deferred outflows of resources		
Pension plan deferments	189,200,658	17,404,064
Total assets and deferred outflows of resources	\$ 503,656,666	\$ 363,622,179
<b>Liabilities</b>		
Salaries payable	\$ 473,595	\$ 439,418
Accounts and contracts payable	8,346,660	9,149,802
Accrued interest payable	2,263,601	2,456,308
Due to other governmental units	495,147	492,548
Unearned revenue	804,501	1,013,499
Claims incurred, but not reported	1,763,780	1,520,100
Long-term liabilities		
Due within one year	6,220,450	12,197,146
Due in more than one year	494,223,398	272,131,319
Total long-term liabilities	500,443,848	284,328,465
Total liabilities	514,591,132	299,400,140
Deferred inflows of resources		
Property taxes levied for subsequent year	57,535,954	54,351,646
Pension plan deferments	4,527,573	11,233,486
OPEB plan deferments	1,326,073	–
Total deferred inflows of resources	63,389,600	65,585,132
Net position		
Net investment in capital assets	40,112,576	31,901,934
Restricted for		
Capital asset acquisition	3,549,192	10,046,087
Debt service	374,267	206,157
Food service	635,461	628,616
Community service	2,547,008	2,173,268
Other purposes (state funding restrictions)	716,578	608,714
Unrestricted	(122,259,148)	(46,927,869)
Total net position	(74,324,066)	(1,363,093)
Total liabilities, deferred inflows of resources, and net position	\$ 503,656,666	\$ 363,622,179

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Activities  
 Year Ended June 30, 2017  
 (With Partial Comparative Information for the Year Ended June 30, 2016)

Functions/Programs	2017				2016	
	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Governmental Activities
Governmental activities						
Administration	\$ 6,700,296	\$ 57,422	\$ -	\$ -	\$ (6,642,874)	\$ (4,601,776)
District support services	6,114,326	-	-	30,323	(6,084,003)	(4,827,419)
Elementary and secondary regular instruction	97,927,589	1,287,405	1,954,087	98,321	(94,587,776)	(63,118,421)
Vocational education instruction	3,737,593	-	466,692	-	(3,270,901)	(2,370,142)
Special education instruction	23,736,177	350,928	12,058,667	-	(11,326,582)	(8,310,563)
Instructional support services	13,276,121	6,703	-	7,351	(13,262,067)	(10,267,937)
Pupil support services	14,566,050	22,018	1,134,834	-	(13,409,198)	(10,902,910)
Sites and buildings	35,215,528	558,826	-	1,215,044	(33,441,658)	(30,317,654)
Fiscal and other fixed cost programs	566,951	-	-	-	(566,951)	(417,879)
Food service	6,484,275	5,067,696	1,183,853	-	(232,726)	(322,532)
Community service	9,811,345	7,410,890	827,217	-	(1,573,238)	(1,133,111)
Interest and fiscal charges	5,326,192	-	-	-	(5,326,192)	(5,134,248)
Total governmental activities	<u>\$ 223,462,443</u>	<u>\$ 14,761,888</u>	<u>\$ 17,625,350</u>	<u>\$ 1,351,039</u>	(189,724,166)	(141,724,592)
General revenue						
Taxes						
Property taxes, levied for general purposes					42,239,180	38,434,705
Property taxes, levied for community service					1,096,913	1,244,109
Property taxes, levied for debt service					14,587,642	15,673,366
General grants and aids					83,119,553	74,485,371
Other general revenues					2,001,619	1,240,454
Investment earnings					1,886,224	1,162,703
Total general revenues					<u>144,931,131</u>	<u>132,240,708</u>
Change in net position					(44,793,035)	(9,483,884)
Net position – beginning, as previously reported					(1,363,093)	8,120,791
Change in accounting principle					(29,908,951)	-
Prior period adjustment					1,741,013	-
Net position – beginning, as restated					<u>(29,531,031)</u>	<u>8,120,791</u>
Net position – ending					<u>\$ (74,324,066)</u>	<u>\$ (1,363,093)</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Balance Sheet  
Governmental Funds  
as of June 30, 2017

(With Partial Comparative Information as of June 30, 2016)

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
<b>Assets</b>			
Cash and temporary investments	\$ 18,253,701	\$ 11,194,350	\$ 6,777,359
Cash and investments held by trustee	868,019	192,251	–
Receivables			
Current taxes	25,610,094	–	4,177,173
Delinquent taxes	232,567	–	78,989
Accounts and interest	801,846	11	–
Due from other governmental units	10,147,786	–	125
Due from other funds	14,018,251	–	–
Inventory	148,126	–	–
Prepaid items	207,585	370,688	–
	<u>207,585</u>	<u>370,688</u>	<u>–</u>
Total assets	<u>\$ 70,287,975</u>	<u>\$ 11,757,300</u>	<u>\$ 11,033,646</u>
<b>Liabilities</b>			
Salaries payable	\$ 224,860	\$ 8,794	\$ –
Accounts and contracts payable	4,878,634	3,236,648	–
Due to other governmental units	494,550	–	–
Due to other funds	–	–	–
Unearned revenue	106,037	–	–
Total liabilities	<u>5,704,081</u>	<u>3,245,442</u>	<u>–</u>
<b>Deferred inflows of resources</b>			
Property taxes levied for subsequent year	48,135,365	–	8,395,778
Unavailable revenue – delinquent taxes	299,425	–	161,936
Total deferred inflows of resources	<u>48,434,790</u>	<u>–</u>	<u>8,557,714</u>
<b>Fund balances (deficits)</b>			
Nonspendable	355,711	370,688	–
Restricted	2,824,355	8,669,298	2,475,932
Committed	–	–	–
Assigned	4,918,059	–	–
Unassigned	8,050,979	(528,128)	–
Total fund balances	<u>16,149,104</u>	<u>8,511,858</u>	<u>2,475,932</u>
	<u>16,149,104</u>	<u>8,511,858</u>	<u>2,475,932</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 70,287,975</u>	<u>\$ 11,757,300</u>	<u>\$ 11,033,646</u>

Nonmajor Funds	Total Governmental Funds	
	2017	2016
\$ 4,503,758	\$ 40,729,168	\$ 68,636,552
–	1,060,270	1,091,380
499,926	30,287,193	29,099,453
7,134	318,690	364,084
143,230	945,087	304,097
158,768	10,306,679	9,097,524
–	14,018,251	12,631,970
77,216	225,342	229,763
23,451	601,724	65,437
<u>\$ 5,413,483</u>	<u>\$ 98,492,404</u>	<u>\$ 121,520,260</u>
\$ 239,941	\$ 473,595	\$ 439,418
224,718	8,340,000	9,143,573
597	495,147	492,548
–	–	1,156,996
698,464	804,501	1,013,499
<u>1,163,720</u>	<u>10,113,243</u>	<u>12,246,034</u>
1,004,811	57,535,954	54,351,646
12,676	474,037	192,796
<u>1,017,487</u>	<u>58,009,991</u>	<u>54,544,442</u>
100,667	827,066	295,200
3,131,609	17,101,194	36,714,471
–	–	2,889,790
–	4,918,059	5,482,867
–	7,522,851	9,347,456
<u>3,232,276</u>	<u>30,369,170</u>	<u>54,729,784</u>
<u>\$ 5,413,483</u>	<u>\$ 98,492,404</u>	<u>\$ 121,520,260</u>

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INDEPENDENT SCHOOL DISTRICT NO. 284

Reconciliation of the Balance Sheet to the  
Statement of Net Position  
Governmental Funds  
as of June 30, 2017

(With Partial Comparative Information as of June 30, 2016)

	<u>2017</u>	<u>2016</u>
Total fund balances – governmental funds	\$ 30,369,170	\$ 54,729,784
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	314,397,005	296,661,523
Accumulated depreciation	(111,134,362)	(104,158,000)
Long-term liabilities are included in net position, but excluded from fund balances until due and payable. Debt premiums and discounts are excluded from net position until amortized, but included in fund balances upon issuance.		
General obligation bonds payable	(156,210,000)	(165,110,000)
Certificates of participation payable	(7,755,000)	(8,495,000)
Unamortized premium	(3,120,929)	(3,625,490)
Capital leases payable	(5,092,079)	(6,239,289)
Net pension liability	(307,933,132)	(91,777,936)
Net OPEB asset (liability)	(9,635,916)	18,547,354
Compensated absences payable	(620,303)	(540,521)
Internal service funds are used to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		
	854,032	4,737,416
Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.		
	(2,263,601)	(2,456,308)
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	189,200,658	17,404,064
Deferred inflows – pension plan deferments	(4,527,573)	(11,233,486)
Deferred inflows – OPEB plan deferments	(1,326,073)	–
Deferred inflows – delinquent property taxes	474,037	192,796
Total net position – governmental activities	<u>\$ (74,324,066)</u>	<u>\$ (1,363,093)</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2017  
 (With Partial Comparative Information for the Year Ended June 30, 2016)

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
<b>Revenue</b>			
Local sources			
Property taxes	\$ 42,083,524	\$ –	\$ 14,470,028
Investment earnings	459,399	78,792	–
Other	4,290,971	404,453	–
State sources	92,911,879	–	712
Federal sources	3,204,850	–	–
Total revenue	<u>142,950,623</u>	<u>483,245</u>	<u>14,470,740</u>
<b>Expenditures</b>			
Current			
Administration	4,307,817	–	–
District support services	4,856,373	–	–
Elementary and secondary regular instruction	64,754,485	–	–
Vocational education instruction	2,782,707	–	–
Special education instruction	17,738,153	–	–
Instructional support services	9,841,449	–	–
Pupil support services	13,117,743	–	–
Sites and buildings	18,089,426	–	–
Fiscal and other fixed cost programs	566,951	–	–
Food service	–	–	–
Community service	–	–	–
Capital outlay	–	26,404,004	–
Debt service			
Principal	1,116,106	1,538,504	8,900,000
Interest and fiscal charges	289,124	21,385	5,712,951
Total expenditures	<u>137,460,334</u>	<u>27,963,893</u>	<u>14,612,951</u>
Excess (deficiency) of revenue over expenditures	5,490,289	(27,480,648)	(142,211)
<b>Other financing sources (uses)</b>			
Debt issued	–	–	–
Premium on debt issued	–	–	–
Payment on refunding bonds	–	–	–
Capital lease issued	–	767,400	–
Sale of capital assets	21,653	–	–
Transfers in	–	13,006,244	–
Transfers (out)	(13,117,868)	–	–
Total other financing sources (uses)	<u>(13,096,215)</u>	<u>13,773,644</u>	<u>–</u>
Net change in fund balances	(7,605,926)	(13,707,004)	(142,211)
<b>Fund balances</b>			
Beginning of year, as previously reported	23,755,030	25,484,165	2,618,143
Prior period adjustment	–	(3,265,303)	–
Beginning of year, as restated	<u>23,755,030</u>	<u>22,218,862</u>	<u>2,618,143</u>
End of year	<u>\$ 16,149,104</u>	<u>\$ 8,511,858</u>	<u>\$ 2,475,932</u>

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds	
	2017	2016
\$ 1,088,942	\$ 57,642,494	\$ 55,577,523
–	538,191	135,329
12,478,586	17,174,010	14,480,001
976,301	93,888,892	87,767,205
1,034,769	4,239,619	3,770,162
<u>15,578,598</u>	<u>173,483,206</u>	<u>161,730,220</u>
–	4,307,817	3,960,854
–	4,856,373	4,214,722
–	64,754,485	61,793,156
–	2,782,707	2,775,891
–	17,738,153	17,390,283
–	9,841,449	10,107,948
–	13,117,743	12,289,246
–	18,089,426	10,577,248
–	566,951	417,879
6,173,350	6,173,350	5,705,994
8,912,116	8,912,116	8,008,491
133,302	26,537,306	82,087,300
–	11,554,610	11,364,273
–	6,023,460	6,467,926
<u>15,218,768</u>	<u>195,255,946</u>	<u>237,161,211</u>
359,830	(21,772,740)	(75,430,991)
–	–	1,820,000
–	–	57,459
–	–	(1,835,000)
–	767,400	6,750,775
–	21,653	–
–	13,006,244	9,709,564
–	(13,117,868)	(7,429,482)
–	<u>677,429</u>	<u>9,073,316</u>
359,830	(21,095,311)	(66,357,675)
2,872,446	54,729,784	121,087,459
–	(3,265,303)	–
<u>2,872,446</u>	<u>51,464,481</u>	<u>121,087,459</u>
<u>\$ 3,232,276</u>	<u>\$ 30,369,170</u>	<u>\$ 54,729,784</u>

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INDEPENDENT SCHOOL DISTRICT NO. 284

Reconciliation of the Statement of  
Revenue, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
Governmental Funds  
Year Ended June 30, 2017  
(With Partial Comparative Information for the Year Ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Total net change in fund balances – governmental funds	\$ (21,095,311)	\$ (66,357,675)
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	13,607,316	63,236,936
Depreciation expense	(6,982,148)	(6,209,332)
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.		
	(872,364)	(31,069)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
General obligation bonds payable	–	(1,820,000)
Capital leases payable	(767,400)	(6,750,775)
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.		
	(1,469,579)	(4,823,361)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	8,900,000	10,780,000
Certificates of participation payable	740,000	725,000
Capital leases payable	1,914,610	1,694,273
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.		
	192,707	238,781
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.		
	504,561	734,127
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	(216,155,196)	(15,609,130)
Net OPEB liability	(688,124)	(1,106,144)
Compensated absences payable	(79,782)	(34,996)
Deferred gain on refunding	–	303,311
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	171,796,594	3,890,715
Deferred inflows – pension plan deferments	6,705,913	11,880,798
Deferred inflows – OPEB plan deferments	(1,326,073)	–
Deferred inflows – delinquent property taxes	281,241	(225,343)
Change in net position – governmental activities	<u>\$ (44,793,035)</u>	<u>\$ (9,483,884)</u>

See notes to basic financial statements

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INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 General Fund  
 Year Ended June 30, 2017

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
<b>Revenue</b>				
Local sources				
Property taxes	\$ 43,025,175	\$ 42,280,400	\$ 42,083,524	\$ (196,876)
Investment earnings	20,000	3,160,000	459,399	(2,700,601)
Other	2,557,598	2,765,228	4,290,971	1,525,743
State sources	90,782,354	93,558,562	92,911,879	(646,683)
Federal sources	2,875,546	3,221,918	3,204,850	(17,068)
Total revenue	<u>139,260,673</u>	<u>144,986,108</u>	<u>142,950,623</u>	<u>(2,035,485)</u>
<b>Expenditures</b>				
Current				
Administration	4,221,537	4,330,709	4,307,817	(22,892)
District support services	4,308,012	4,316,358	4,856,373	540,015
Elementary and secondary regular instruction	64,570,326	67,398,972	64,754,485	(2,644,487)
Vocational education instruction	2,667,525	2,562,531	2,782,707	220,176
Special education instruction	17,875,135	18,125,958	17,738,153	(387,805)
Instructional support services	10,071,946	10,553,446	9,841,449	(711,997)
Pupil support services	13,970,010	13,973,340	13,117,743	(855,597)
Sites and buildings	11,158,617	16,449,955	18,089,426	1,639,471
Fiscal and other fixed cost programs	425,000	425,000	566,951	141,951
Debt service				
Principal	1,116,106	1,116,106	1,116,106	–
Interest and fiscal charges	289,124	289,124	289,124	–
Total expenditures	<u>130,673,338</u>	<u>139,541,499</u>	<u>137,460,334</u>	<u>(2,081,165)</u>
Excess of revenue over expenditures	8,587,335	5,444,609	5,490,289	45,680
<b>Other financing sources (uses)</b>				
Sale of capital assets	–	–	21,653	21,653
Transfers (out)	(8,757,030)	(13,015,687)	(13,117,868)	(102,181)
Total other financing sources (uses)	<u>(8,757,030)</u>	<u>(13,015,687)</u>	<u>(13,096,215)</u>	<u>(80,528)</u>
Net change in fund balances	<u>\$ (169,695)</u>	<u>\$ (7,571,078)</u>	<u>(7,605,926)</u>	<u>\$ (34,848)</u>
<b>Fund balances</b>				
Beginning of year			<u>23,755,030</u>	
End of year			<u>\$ 16,149,104</u>	

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Net Position  
 Internal Service Funds  
 as of June 30, 2017  
 (With Partial Comparative Information as of June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Current assets		
Cash and cash equivalents	\$           –	\$     554,395
Investments	26,719,212	25,259,553
Due from other funds	–	1,156,996
Total current assets	<u>26,719,212</u>	<u>26,970,944</u>
Liabilities		
Current liabilities		
Accounts and contracts payable	6,660	6,229
Due to other funds	14,018,251	12,166,970
Claims incurred, but not reported	1,763,780	1,520,100
Severance benefits payable	339,381	361,607
Total current liabilities	<u>16,128,072</u>	<u>14,054,906</u>
Long-term liabilities		
Severance benefits payable	3,682,949	4,455,665
Retirement benefits payable	6,054,159	3,722,957
Total long-term liabilities	<u>9,737,108</u>	<u>8,178,622</u>
Total liabilities	<u>25,865,180</u>	<u>22,233,528</u>
Net position		
Unrestricted	<u>\$     854,032</u>	<u>\$    4,737,416</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Revenue, Expenses, and Changes in Net Position  
 Internal Service Funds  
 Year Ended June 30, 2017  
 (With Partial Comparative Information for the Year Ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Operating revenue		
Charges for services	\$ 16,168,168	\$ 15,378,190
Operating expenses		
Dental benefit claims	1,293,546	1,275,180
Health benefit claims	16,111,586	15,678,825
Early retirement incentive and sick leave benefits	1,692,272	1,994,838
Total operating expenses	<u>19,097,404</u>	<u>18,948,843</u>
Operating income (loss)	(2,929,236)	(3,570,653)
Nonoperating revenue		
Investment earnings	<u>1,348,033</u>	<u>1,027,374</u>
Income (loss) before transfers	(1,581,203)	(2,543,279)
Transfers in	111,624	-
Transfers (out)	<u>-</u>	<u>(2,280,082)</u>
Change in net position	(1,469,579)	(4,823,361)
Net position		
Beginning of year, as previously reported	4,737,416	9,560,777
Change in accounting principle	(2,413,805)	-
Beginning of year, as restated	<u>2,323,611</u>	<u>9,560,777</u>
End of year	<u>\$ 854,032</u>	<u>\$ 4,737,416</u>

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INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Cash Flows  
Internal Service Funds  
Year Ended June 30, 2017

(With Partial Comparative Information for the Year Ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Charges for services	\$ 17,325,164	\$ 15,495,502
Payments for health and dental claims	(17,161,022)	(17,315,631)
Payments for retirement benefits	<u>(2,569,818)</u>	<u>(3,133,082)</u>
Net cash flows from operating activities	(2,405,676)	(4,953,211)
Cash flows from noncapital financing activities		
Cash advance from other funds	<u>1,851,281</u>	<u>1,820,129</u>
Net change in cash and cash equivalents	(554,395)	(3,133,082)
Cash and cash equivalents		
Beginning of year	<u>554,395</u>	<u>3,687,477</u>
End of year	<u>\$ —</u>	<u>\$ 554,395</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$ (2,929,236)	\$ (3,570,653)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities		
Changes in assets and liabilities		
Accounts receivable	—	44,971
Due from other funds	1,156,996	72,341
Accounts and contracts payable	430	6,229
Claims incurred, but not reported	243,680	(367,855)
Severance benefits payable	(794,943)	(245,376)
Retirement benefits payable	<u>(82,603)</u>	<u>(892,868)</u>
Net cash flows from operating activities	<u>\$ (2,405,676)</u>	<u>\$ (4,953,211)</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Fiduciary Net Position  
as of June 30, 2017

	Post-Employment Benefits Trust Fund	Private-Purpose Trust Fund
	<u>                    </u>	<u>                    </u>
Assets		
Cash and temporary investments	\$           –	\$       299,899
Investments held by trustee, at fair value		
Mutual funds	32,370,009	–
Total assets	<u>32,370,009</u>	<u>299,899</u>
Liabilities		
Current liabilities		
Accounts and contracts payable	<u>                    –</u>	<u>                  1,500</u>
Net position		
Held in trust for employee benefits and other purposes	<u>\$   32,370,009</u>	<u>\$       298,399</u>

Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2017

	Post-Employment Benefits Trust Fund	Private-Purpose Trust Fund
	<u>                    </u>	<u>                    </u>
Additions		
Contributions		
Private donations	\$           –	\$       5,985
Investment earnings		
Total investment earnings	3,132,032	474
Less investment expense	108,399	–
Net investment earnings	<u>3,023,633</u>	<u>474</u>
Total additions	3,023,633	6,459
Deductions		
Other private-purpose deductions	–	11,738
Benefits to plan members	1,700,000	–
Total deductions	<u>1,700,000</u>	<u>11,738</u>
Change in net position	1,323,633	(5,279)
Net position		
Beginning of year	<u>31,046,376</u>	<u>303,678</u>
End of year	<u>\$   32,370,009</u>	<u>\$       298,399</u>

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

Notes to Basic Financial Statements  
Year Ended June 30, 2017

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

**A. Organization**

Independent School District No. 284 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. A School Board elected by the voters of the District governs the District. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. Reporting Entity**

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

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

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

**C. Government-Wide Financial Statement Presentation**

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

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

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

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

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

### D. Fund Financial Statement Presentation

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

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

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

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

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

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

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

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

### Description of Funds

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

#### Major Governmental Funds

**General Fund** – The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

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

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

#### Nonmajor Governmental Funds

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

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

#### Proprietary Funds

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

#### Fiduciary Funds

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

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

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

### **E. Budgetary Information**

The School Board adopts an annual budget for all governmental funds prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end. Expenditures in the Food Service Special Revenue exceeded budget appropriations by \$101,970 during the year, revenues in excess of budget financed this variance.

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

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

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

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

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes. In the General Fund and Capital Projects – Building Construction Fund, this represents assets held in escrow for specific purposes. In the Post-Employment Benefits Trust Fund, this represents assets contributed to an irrevocable trust established to finance the District's liability for post-employment insurance benefits. Interest earned on these investments is allocated directly to the escrow accounts.

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

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

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

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

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

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

### H. Receivables

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

At June 30, 2017, the District reported the following receivables due from other governmental units:

Due from the Minnesota Department of Education	\$ 10,086,741
Due from other Minnesota school districts	85,070
Due from Hennepin County	<u>134,868</u>
Total due from other governmental units	<u>\$ 10,306,679</u>

### I. Inventories

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

### J. Prepaid Items

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

### K. Property Taxes

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes \$4,084,952 of the property tax levy collectible in 2017 as revenue to the District in fiscal year 2016–2017. The remaining portion of the taxes collectible in 2017 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

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

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

### L. Capital Assets

Capital assets that are purchased or constructed by the District are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. The District defines capital assets as those with an initial, individual cost of \$5,000 or more for equipment and \$20,000 or more for construction and improvements, which benefit more than one fiscal year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are generally sold for an immaterial amount or scrapped when declared as no longer fit or needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings and improvements and 5 to 15 years for equipment and vehicles. Land and construction in progress are not depreciated.

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

### M. Long-Term Obligations

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

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

### N. Employee Benefits

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

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

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

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

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

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

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

### O. Risk Management and Self-Insurance

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

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

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

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

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

	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2016	\$ 1,887,955	\$ 15,825,418	\$ 16,193,273	\$ 1,520,100
2017	\$ 1,520,100	\$ 16,239,502	\$ 15,995,822	\$ 1,763,780

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

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

The District reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual experience, changes in proportion, changes of assumptions, differences 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.

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

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

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

### Q. Net Position

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

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

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

### R. Fund Balance Classifications

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

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

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

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

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

**S. Prior Period Comparative Financial Information/Reclassification**

The basic financial statements include certain prior year partial comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District’s financial statements for the year ended June 30, 2016, from which the summarized information was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year’s presentation.

**T. Change in Accounting Principle**

During the year ended June 30, 2017, the District implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 74, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*, and GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. These statements changed how plans and employers account for certain pension and OPEB benefit obligations. These statements establish standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Certain amounts necessary to fully restate fiscal year 2016 financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of new GASB statements in the current year resulted in the restatement of net position as of June 30, 2016. The details of the restatement are as follows:

	<u>Governmental Activities</u>	<u>Internal Service Fund</u>
Change in accounting principle		
Net pension obligation, under previous reporting standards	\$ 3,722,957	\$ 3,722,957
Net pension liability, under current reporting standards	(6,136,762)	(6,136,762)
Net OPEB asset, under previous reporting standards	(18,547,354)	–
Net OPEB liability, under current reporting standards	<u>(8,947,792)</u>	<u>–</u>
Total change in accounting principle	<u>\$ (29,908,951)</u>	<u>\$ (2,413,805)</u>

**U. Prior Period Adjustments**

During the year ended June 30, 2017, the District recorded two prior period adjustments. The first adjustment was to add \$1,741,013 of previously expensed construction costs to construction in progress in the government-wide financial statements at the prior year-end. The second adjustment was to record \$3,265,303 of capital expenditures that should have been accrued in the Capital Projects – Building Construction Fund at the prior year-end. The impact on the government-wide and governmental fund financial statements had these been correctly recorded in the prior year are as follows:

	<u>Assets</u>	<u>Liabilities</u>	<u>Expense/ Expenditures</u>	<u>Net Position/ Fund Balance</u>
Governmental activities				
Expenses not capitalized	\$ 1,741,013	\$ –	\$ (1,741,013)	\$ 1,741,013
Unaccrued construction costs	<u>3,265,303</u>	<u>3,265,303</u>	<u>–</u>	<u>–</u>
Total	<u>\$ 5,006,316</u>	<u>\$ 3,265,303</u>	<u>\$ (1,741,013)</u>	<u>\$ 1,741,013</u>
Governmental funds				
Unaccrued construction costs	<u>\$ –</u>	<u>\$ 3,265,303</u>	<u>\$ 3,265,303</u>	<u>\$ (3,265,303)</u>

## NOTE 2 – DEPOSITS AND INVESTMENTS

### A. Components of Cash and Investments

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

Deposits	\$ 507,371
Investments	<u>100,671,187</u>
Total	<u>\$ 101,178,558</u>

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

Statement of Net Position	
Cash and temporary investments	\$ 67,448,380
Cash and investments held by trustee	1,060,270
Statement of Fiduciary Net Position	
Cash and temporary investments	
Private-Purpose Trust Fund	299,899
Investments held by trustee	
Post-Employment Benefits Trust Fund	<u>32,370,009</u>
Total	<u>\$ 101,178,558</u>

### B. Deposits

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

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

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

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

At year-end, the carrying amount of the District’s deposits was \$507,371, while the balance on the bank records was \$2,456,726. At June 30, 2017, all deposits were fully covered by federal depository insurance, surety bonds, or by collateral held by the District’s agent in the District’s name.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### C. Investments

The District has the following investments at year-end:

Investment Type	Credit Risk		Fair Value	Interest Risk –	Total
	Rating	Agency	Measurements Using	Maturity Duration	
Life insurance contracts	Not Rated		N/A	N/A	\$ 28,774,158
Investment pools/mutual funds					
First American Government Obligation Fund	AAA	S&P	Level 2	N/A	692,915
Western Asset Institutional Government Reserves Fund	AAA	S&P	NAV	N/A	3,529,304
Mutual funds – fixed income	Not Rated		Level 2	N/A	11,519,370
Mutual funds – equities	Not Rated		Level 2	N/A	20,157,724
MNTrust Investment Shares Portfolio	AAA	S&P	N/A	N/A	10,981,766
MNTrust Term Shares	AAA	S&P	N/A	Less than 1 year	10,000,000
Minnesota School District Liquid Asset Fund	AAA	S&P	N/A	N/A	15,015,950
Total investments					<u>\$ 100,671,187</u>

N/A – Not Applicable

NAV – Net Asset Value

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

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

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

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

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

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

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

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

## NOTE 3 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2017 is as follows:

	Balance – Beginning of Year Restated *	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated					
Land	\$ 24,726,423	\$ 211,878	\$ –	\$ –	\$ 24,938,301
Construction in progress	71,688,188	12,894,012	(867,940)	(83,355,529)	358,731
Total capital assets, not depreciated	96,414,611	13,105,890	(867,940)	(83,355,529)	25,297,032
Capital assets, depreciated					
Land improvements	9,687,055	–	–	–	9,687,055
Buildings and improvements	181,875,152	–	–	83,355,529	265,230,681
Equipment and transportation vehicles	12,407,728	472,656	(10,210)	–	12,870,174
Food service equipment	1,283,293	28,770	–	–	1,312,063
Total capital assets, depreciated	205,253,228	501,426	(10,210)	83,355,529	289,099,973
Less accumulated depreciation for					
Land improvements	(6,945,431)	(346,537)	–	–	(7,291,968)
Buildings and improvements	(85,062,240)	(6,220,080)	–	–	(91,282,320)
Equipment and transportation vehicles	(11,279,419)	(359,618)	5,786	–	(11,633,251)
Food service equipment	(870,910)	(55,913)	–	–	(926,823)
Total accumulated depreciation	(104,158,000)	(6,982,148)	5,786	–	(111,134,362)
Net capital assets, depreciated	101,095,228	(6,480,722)	(4,424)	83,355,529	177,965,611
Total capital assets, net	\$ 197,509,839	\$ 6,625,168	\$ (872,364)	\$ –	\$ 203,262,643

\* The beginning balance of construction in progress was increased by \$5,006,316. See prior period adjustment Note 1.U.

### NOTE 3 – CAPITAL ASSETS (CONTINUED)

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

Administration	\$ 17,419
Elementary and secondary regular instruction	4,462,164
Instructional support services	4,234
Sites and buildings	2,445,656
Food service	<u>52,675</u>
Total depreciation expense	<u>\$ 6,982,148</u>

### NOTE 4 – LONG-TERM LIABILITIES

#### A. General Obligation Bonds Payable

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

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
General obligation bonds payable					
School building refunding bonds	12/15/2007	4.00–5.50%	\$ 4,725,000	02/01/2019	\$ 1,050,000
Capital facilities bonds	04/15/2010	2.00–3.00%	\$ 5,000,000	02/01/2020	1,620,000
Alternative facilities bonds	05/02/2012	2.00–3.00%	\$ 15,800,000	02/01/2024	15,225,000
School building bonds	05/22/2014	1.50–4.00%	\$ 109,645,000	02/01/2035	109,645,000
Alternative facilities bonds	05/22/2014	3.00–4.00%	\$ 27,160,000	02/01/2036	27,160,000
School building refunding bonds	11/17/2015	2.00%	\$ 1,820,000	02/01/2020	<u>1,510,000</u>
Total general obligation bonds payable					<u>\$ 156,210,000</u>

These bonds were issued to finance acquisition, construction, and/or improvements of capital facilities, or to finance the retirement (refunding) of prior bond issues. Assets of the Debt Service Fund, together with scheduled future ad valorem tax levies, are dedicated for the retirement of these bonds. The annual future debt service levies authorized equal 105 percent of the principal and interest due each year. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

#### B. Certificates of Participation Payable

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

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
2010B Refunding Certificates of Participation	04/15/2010	3.00–3.05%	\$ 1,250,000	10/01/2018	\$ 300,000
2013A Certificates of Participation	02/27/2013	2.00–2.60%	\$ 9,980,000	10/01/2027	<u>7,455,000</u>
Total certificates of participation payable					<u>\$ 7,755,000</u>

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

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

### C. Capital Leases Payable

On October 26, 2012, the District entered a master lease purchase agreement with Apple, Inc. for iPads. The District acquires equipment from time to time under this master agreement as needed. Each lease schedule added under this master lease agreement adds equipment to the lease and carries its own lease term and payment schedule. Upon payment in full of all scheduled lease payments, the lessor's (Apple, Inc.'s) interest in the equipment is transferred to the District, free and clear of any right or interest of Apple, Inc. The assets acquired through this capital lease were not capitalized as individual asset amounts do not meet the capitalization threshold requirements. The Capital Projects – Building Construction Fund will be used to liquidate this liability.

The District entered into a capital lease agreement for a dump truck. This lease has an effective interest rate of 3.9 percent, and calls for annual principal and interest payments through November 1, 2017. The leased assets were recorded in equipment and transportation vehicles at \$136,787 and total accumulated depreciation on these assets at June 30, 2017 was \$68,393. The lease is being paid through the General Fund.

The District entered into a capital lease agreement to finance the construction of a turf field. The lease has an effective interest rate of 2.28 percent, and calls for annual principal and interest payments through February 1, 2026. At June 30, 2017, the leased assets were recorded in buildings and improvements at \$3,986,000 and total accumulated depreciation on these assets at June 30, 2017 was \$99,650. The lease is being paid through the Capital Projects – Building Construction Fund.

### D. Other Long-Term Liabilities

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

District employees participate in several pension plans described later in these notes, including two state-wide, cost-sharing, multi-employer defined benefit plans administered by the PERA and the TRA, one single-employer defined benefit plan administered by the District, and one single-employer defined contribution plan administered by the District. The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the year ended June 30, 2017:

<u>Pension Plans</u>	<u>Net Pension Liabilities</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
Defined benefit plans				
State-wide, multi-employer – PERA	\$ 29,790,460	\$ 11,545,696	\$ 3,371,002	\$ 3,429,479
State-wide, multi-employer – TRA	278,142,672	177,654,962	1,156,571	44,589,283
Single-employer – District	6,054,159	–	–	430,169
Defined contribution plan				
Single-employer – District	–	–	–	100,873
Total	<u>\$ 313,987,291</u>	<u>\$ 189,200,658</u>	<u>\$ 4,527,573</u>	<u>\$ 48,549,804</u>

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

**E. Minimum Debt Payments**

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

Year Ending June 30,	General Obligation Bonds		Certificates of Participation		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 2,945,000	\$ 5,274,744	\$ 755,000	\$ 162,022	\$ 1,560,766	\$ 98,012
2019	3,600,000	5,194,068	775,000	145,184	633,480	76,353
2020	4,375,000	5,101,619	635,000	130,270	386,359	63,881
2021	3,800,000	5,008,569	645,000	117,470	395,218	55,022
2022	3,905,000	4,912,819	660,000	104,420	404,281	45,959
2023–2027	40,155,000	21,796,344	3,530,000	304,955	1,711,974	88,986
2028–2032	54,355,000	14,080,894	755,000	9,815	–	–
2033–2036	43,075,000	3,516,950	–	–	–	–
	<u>\$ 156,210,000</u>	<u>\$ 64,886,007</u>	<u>\$ 7,755,000</u>	<u>\$ 974,136</u>	<u>\$ 5,092,078</u>	<u>\$ 428,213</u>

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

	Beginning Balance Restated *	Additions	Retirements	Ending Balance	Due Within One Year
General obligation bonds payable	\$ 165,110,000	\$ –	\$ 8,900,000	\$ 156,210,000	\$ 2,945,000
Certificates of participation payable	8,495,000	–	740,000	7,755,000	755,000
Unamortized premium	3,625,490	–	504,561	3,120,929	–
Total bonds payable	177,230,490	–	10,144,561	167,085,929	3,700,000
Capital leases payable	6,239,289	767,400	1,914,610	5,092,079	1,560,766
Net pension liability	97,914,698	225,847,569	9,774,976	313,987,291	–
Net OPEB liability	8,947,792	2,307,995	1,619,871	9,635,916	–
Severance benefits payable	4,817,272	1,085,104	1,880,046	4,022,330	339,381
Compensated absences payable	540,521	1,387,905	1,308,123	620,303	620,303
	<u>\$ 295,690,062</u>	<u>\$ 231,395,973</u>	<u>\$ 26,642,187</u>	<u>\$ 500,443,848</u>	<u>\$ 6,220,450</u>

\* The beginning net pension liability and net OPEB liability in this table were restated for the effects of the change in accounting principle described earlier in these notes.

**NOTE 5 – FUND BALANCES**

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

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

**A. Classifications**

At June 30, 2017, a summary of the District’s governmental fund balance classifications are as follows:

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds	Total
<b>Nonspendable</b>					
Inventory	\$ 148,126	\$ –	\$ –	\$ 77,216	\$ 225,342
Prepaid items	207,585	370,688	–	23,451	601,724
Total nonspendable	<u>355,711</u>	<u>370,688</u>	<u>–</u>	<u>100,667</u>	<u>827,066</u>
<b>Restricted</b>					
Staff development	428,365	–	–	–	428,365
Health and safety	49,256	–	–	–	49,256
Operating capital	2,058,521	–	–	–	2,058,521
Safe schools	95,008	–	–	–	95,008
Medical Assistance	193,205	–	–	–	193,205
Capital projects levy	–	1,070,727	–	–	1,070,727
Capital projects	–	7,598,571	–	–	7,598,571
Debt service	–	–	2,475,932	–	2,475,932
Food service	–	–	–	573,814	573,814
Community education programs	–	–	–	964,580	964,580
Early childhood family education programs	–	–	–	449,914	449,914
School readiness	–	–	–	378,740	378,740
Community service	–	–	–	764,561	764,561
Total restricted	<u>2,824,355</u>	<u>8,669,298</u>	<u>2,475,932</u>	<u>3,131,609</u>	<u>17,101,194</u>
<b>Assigned</b>					
Reemployment insurance	59,278	–	–	–	59,278
Site carryover	1,039,527	–	–	–	1,039,527
Q Comp	83,546	–	–	–	83,546
School opening costs	945,305	–	–	–	945,305
Workers’ compensation escrow	735,457	–	–	–	735,457
Post-employment obligations	2,054,946	–	–	–	2,054,946
Total assigned	<u>4,918,059</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>4,918,059</u>
<b>Unassigned</b>					
Long-term facilities maintenance restricted account deficit	(4,941,891)	(528,128)	–	–	(5,470,019)
Unassigned	12,992,870	–	–	–	12,992,870
Total unassigned	<u>8,050,979</u>	<u>(528,128)</u>	<u>–</u>	<u>–</u>	<u>7,522,851</u>
<b>Total</b>	<u>\$ 16,149,104</u>	<u>\$ 8,511,858</u>	<u>\$ 2,475,932</u>	<u>\$ 3,232,276</u>	<u>\$ 30,369,170</u>

**B. Minimum Unassigned Fund Balance Policy**

The District’s adopted fund balance policy for the General Fund establishes a year-end minimum unassigned fund balance of 5.0–7.0 percent of the previous year’s expenditures, increased to compensate for any negative balances in the Food Service Fund Special Revenue and/or Community Service Special Revenue Fund. If the unassigned fund balance for the General Fund falls below the projected minimum balance of 7.0 percent, the District’s administration will notify the School Board and present a plan to restore the fund balance to the acceptable level. At June 30, 2017, the unassigned fund balance of the General Fund, excluding restricted account deficits, was 9.5 percent of fiscal 2017 expenditures.

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

### A. Plan Descriptions

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

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

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

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

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

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

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

### B. Benefits Provided

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

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

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

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

**1. GERF Benefits**

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

**2. TRA Benefits**

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

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

**Tier I Benefits**

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

With these provisions:

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

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

**Tier II Benefits**

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

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

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

**C. Contributions**

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

**1. GERF Contributions**

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2017; 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, 2017 were \$1,708,250. 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,			
	2016		2017	
	Employee	Employer	Employee	Employer
<b>Basic Plan</b>	11.0 %	11.5 %	11.0 %	11.5 %
<b>Coordinated Plan</b>	7.5 %	7.5 %	7.5 %	7.5 %

The District’s contributions to the TRA for the plan’s fiscal year ended June 30, 2017, were \$4,627,101. The District’s contributions were equal to the required contributions for each year as set by state statutes.

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

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

Employer contributions reported in the TRA’s CAFR Statement of Changes in Fiduciary Net Position	\$ 354,961,140
Deduct employer contributions not related to future contribution efforts	26,356
Deduct the TRA’s contributions not included in allocation	<u>(442,978)</u>
Total employer contributions	354,544,518
Total nonemployer contributions	<u>35,587,410</u>
Total contributions reported in Schedule of Employer and Nonemployer Pension Allocations	<u>\$ 390,131,928</u>

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

### D. Pension Costs

#### 1. GERF Pension Costs

At June 30, 2017, the District reported a liability of \$29,790,460 for its proportionate share of the GERF’s net pension liability. The net pension liability was measured as of June 30, 2016, 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, 2015, through June 30, 2016, relative to the total employer contributions received from all of the PERA’s participating employers. The District’s proportionate share was 0.3669 percent at the end of the measurement period and 0.3690 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 in 2017. 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 net pension liability	\$ 29,790,460
State’s proportionate share of the net pension liability associated with the District	\$ 388,978

For the year ended June 30, 2017, the District recognized pension expense of \$3,313,465 for its proportionate share of the GERF’s pension expense. In addition, the District recognized an additional \$116,014 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, 2017, the District reported its proportionate share of the GERF’s deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 88,673	\$ 2,423,690
Changes in actuarial assumptions	6,428,471	–
Differences between projected and actual investment earnings	3,320,302	–
Changes in proportion	–	947,312
District’s contributions to the GERF subsequent to the measurement date	<u>1,708,250</u>	<u>–</u>
Total	<u>\$ 11,545,696</u>	<u>\$ 3,371,002</u>

A total of \$1,708,250 reported as deferred outflows of resources related to pensions resulting from district contributions to the GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to the GERF pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2018	\$ 1,611,177
2019	\$ 927,031
2020	\$ 2,852,150
2021	\$ 1,076,086

**2. TRA Pension Costs**

At June 30, 2017, the District reported a liability of \$278,142,672 for its proportionate share of the TRA’s net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Special School District No. 1, Minneapolis Public Schools. The District’s proportionate share was 1.1661 percent at the end of the measurement period and 1.1745 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 net pension liability	\$ 278,142,672
State’s proportionate share of the net pension liability associated with the District	\$ 27,917,266

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

For the year ended June 30, 2017, the District recognized pension expense of \$40,691,098. It also recognized \$3,898,185 as an increase to pension expense for the support provided by direct aid.

At June 30, 2017, the District reported its proportionate share of the TRA’s deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,901,112	\$ 7,755
Changes in actuarial assumptions	158,423,544	–
Difference between projected and actual investment earnings	11,505,580	–
Changes in proportion	197,625	1,148,816
The District’s contributions to the TRA subsequent to the measurement date	<u>4,627,101</u>	<u>–</u>
<b>Total</b>	<b><u><u>\$ 177,654,962</u></u></b>	<b><u><u>\$ 1,156,571</u></u></b>

A total of \$4,627,101 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, 2018. 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
2018	\$ 34,099,432
2019	\$ 34,099,432
2020	\$ 38,376,225
2021	\$ 34,537,423
2022	\$ 30,758,778

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.50% per year	
Price inflation		2.75%
Wage growth rate		3.50%
Active member payroll	3.25% per year	3.50–9.50% based on years of service
Investment rate of return	7.50%	4.66%

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 percent per year for all future years for the GERF and 2 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, 2016 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 for the GERF occurred in 2016:

- 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 future 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.

There was a change in actuarial assumptions that affected the measurement of the total liability for the TRA since the prior measurement date. Post-retirement benefit adjustments are now assumed to remain level at 2.00 percent annually, while in the previous measurement the cost of living adjustment increased to 2.50 percent in 2034.

The long-term expected rate of return on pension plan investments is 7.50 percent for the GERF and 4.66 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.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic stocks	45 %	5.50 %
International stocks	15	6.00 %
Bonds	18	1.45 %
Alternative assets	20	6.40 %
Cash	2	0.50 %
Total	<u>100 %</u>	

### F. Discount Rate

#### 1. GERF

The discount rate used to measure the total pension liability in 2016 was 7.5 percent, a reduction from the 7.9 percent used in 2015. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the fiscal 2017 contribution rates. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**2. TRA**

The discount rate used to measure the total pension liability was 4.66 percent. This is a decrease from the discount rate at the prior measurement date of 8.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal 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 2052 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 was applied to periods before 2052 and the municipal bond index rate of 3.01 percent was applied to periods on and after 2052, resulting in a SEIR of 4.66 percent. Based on fiduciary net position at prior year measurement date, the discount rate of 8.00 percent was used and it was not necessary to calculate the SEIR.

**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	\$ 42,311,282	\$ 29,790,460	\$ 19,476,710
TRA discount rate	3.66%	4.66%	5.66%
District’s proportionate share of the TRA net pension liability	\$ 358,317,284	\$ 278,142,672	\$ 212,843,067

**H. Pension Plan Fiduciary Net Position**

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

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

## NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT

### A. Plan Description

The District provides pension benefits to certain eligible individuals and contract groups through its Defined Benefit Pension Benefits Plan, a single-employer defined benefit plan administered by the District. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing district employees and are renegotiated each two-year bargaining period. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report.

These benefits are summarized as follows:

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

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

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

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

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

### B. Contributions and Funding Policy

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

### C. Membership

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

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

**D. Actuarial Methods and Assumptions**

The total pension liability was determined by an actuarial valuation date of July 1, 2016 and measurement date as of June 30, 2017, using the entry age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.90%
20-year municipal bond yield	2.90%
Inflation rate	2.50%
Salary increases	3.00%

Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale. The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

**E. Discount Rate**

The discount rate used to measure the total pension liability was 2.90 percent. The projection of cash flows used to determine the discount rate was determined by estimating the long-term investment yield on the employer funds that will be used to pay benefits as they come due. The District discount rate used in the prior measurement date was 4.00 percent.

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

	<u>Total Pension Liability</u>
Beginning balance – July 1, 2016	\$ 6,136,762
Changes for the year	
Service cost	252,269
Interest	177,900
Benefit payments	<u>(512,772)</u>
Total net changes	<u>(82,603)</u>
Ending balance – June 30, 2017	<u>\$ 6,054,159</u>

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

- The actuarial cost method was changed from projected unit credit to entry age.
- Pension benefits for administrators, executive directors, principals, and the superintendent were changed to a defined contribution plan and are no longer included in this plan.
- The mortality table was updated from RP-2000 projected to 2014 with Scale BB to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and the retirement table for only employees eligible to retire with Rule of 90 also were updated.
- The discount rate was changed from 4.00 percent to 2.90 percent.

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

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

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Pension discount rate	1.90%	2.90%	3.90%
Net pension liability	\$ 6,297,579	\$ 6,054,159	\$ 5,809,327

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

For the current year ended, the District recognized pension expense of \$430,169. As of year-end, the District reported no deferred outflows of resources or deferred inflows of resources related to this pension plan.

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

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

Employer contributions are payable within 60 days following June 30th of each of the 10 years the employee is eligible to receive the benefits, and are deposited into the Minnesota State Retirement System Healthcare Savings Plan and an IRC § 403(b) retirement account. All employer contributions are tax deferred until the time of withdrawal. At June 30, 2017, there were 26 active plan participants. The first year included a catch-up provision for employees reaching eligibility requirements.

Total contributions made by the District over the last two years, which are equal to the required contributions, were as follows:

<u>Year Ended June 30,</u>	<u>District Contributions</u>
2016	\$ 1,256,762
2017	\$ 100,873

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

### A. Plan Description

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

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

### B. Benefits Provided

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

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

### C. Contributions

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

### D. Membership

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

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

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

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

The District’s net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability of the District at year-end were as follows:

Total OPEB liability	\$ 42,005,925
Plan fiduciary net position	<u>(32,370,009)</u>
District’s net OPEB liability	<u>\$ 9,635,916</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>77.1%</u>

**F. Actuarial Methods and Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the entry age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.50%
Expected long-term investment return	4.40% (net of investment expenses)
20-year municipal bond yield	2.90%
Inflation rate	2.50%
Salary increases	3.00%
Medical trend rate	6.75% grading to 5.00% over 7 years
Dental trend rate	4.00%

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

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

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	39.00 %	5.20 %
International equity	21.00	5.20 %
Fixed income	36.00	3.40 %
Cash	4.00	0.80 %
Total	<u>100.00 %</u>	4.40 %

### G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 9.74 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### H. Discount Rate

The discount rate used to measure the total OPEB liability was 3.50 percent. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy have also been taken into account. The District discount rate used in the prior measurement date was 6.00 percent.

### I. Changes in the Net OPEB Liability

	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (Asset) (a-b)</u>
Beginning balance – July 1, 2016	\$ 39,994,168	\$ 31,046,376	\$ 8,947,792
Changes for the year			
Service cost	2,551,063	–	2,551,063
Interest	1,454,492	–	1,454,492
Contributions – paid through operating funds	–	293,798	(293,798)
Projected investment return	–	1,366,041	(1,366,041)
Difference between expected and actual experience	–	1,657,592	(1,657,592)
Benefit payments – paid through trust	(1,700,000)	(1,700,000)	–
Benefit payments – paid through operating funds	(293,798)	(293,798)	–
Total net changes	<u>2,011,757</u>	<u>1,323,633</u>	<u>688,124</u>
Ending balance – June 30, 2017	<u>\$ 42,005,925</u>	<u>\$ 32,370,009</u>	<u>\$ 9,635,916</u>

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

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

- The actuarial cost method was changed from projected unit credit to entry age.
- Benefits paid for administrators, executive directors, and principals were changed to a defined contribution plan pension plan and are no longer included in this plan.
- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from RP-2000 projected to 2014 with Scale BB to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and the retirement table for only employees eligible to retire with Rule of 90 also were updated.
- The discount rate was changed from 6.00 percent to 3.50 percent.
- The percentage of future retirees who are assumed to continue on one of the District’s medical plans post-employment was reduced from 50 percent to 10 percent for part-time custodians, food service employees, and paraprofessionals.

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

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	2.50%	3.50%	4.50%
Net OPEB liability	\$ 12,721,699	\$ 9,635,916	\$ 6,723,539

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 Medical Trend Rate</u>	<u>Medical Trend Rate</u>	<u>1% Increase in Medical Trend Rate</u>
OPEB medical trend rate	5.75% decreasing to 4.00% over 7 years	6.75% decreasing to 5.00% over 7 years	7.75% decreasing to 6.00% over 7 years
OPEB dental trend rate	3.00%	4.00%	5.00%
Net OPEB liability	\$ 6,893,300	\$ 9,635,916	\$ 12,768,805

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

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

For the current year ended, the District recognized OPEB expense of \$2,307,995. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual investment earnings	\$ —	\$ 1,326,073

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

Year Ending June 30,	OPEB Expense Amount
2018	\$ (331,519)
2019	\$ (331,519)
2020	\$ (331,519)
2021	\$ (331,516)

**NOTE 10 – FLEXIBLE BENEFIT PLAN**

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

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

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

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

**NOTE 11 – INTERFUND BALANCES AND TRANSACTIONS**

**A. Interfund Receivables and Payables**

As of June 30, 2017, the District had an interfund receivable in the General Fund of \$14,018,251. Of that amount, \$12,002,828 and \$2,015,423 were owed by the Self-Insurance Accounts and Early Retirement Accounts Internal Service Funds, respectively, to eliminate temporary cash deficits.

**B. Interfund Transfers**

	Transfers In		Total
	Governmental Funds	Proprietary Funds	
Transfers Out	Capital Projects – Building Construction Fund	Internal Service Funds	
Governmental funds			
General Fund	\$ 13,006,244	\$ 111,624	\$ 13,117,868

The General Fund transferred \$13,006,244 to the Capital Projects – Building Construction Fund to allocate revenues levied by the General Fund and other resources required to be expended by the Capital Projects – Building Construction Fund.

The General Fund transferred \$111,624 to the Self-Insurance Internal Service Funds to allocate additional resources to the plan.

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

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

**A. Operating Leases**

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

Year Ending June 30,	Amount
2018	\$ 979,058
2019	957,885
2020	750,523
2021	757,194
2022	467,231
2023–2026	<u>1,604,400</u>
	<u>\$ 5,516,291</u>

Expenditures under the operating leases for the year ended June 30, 2017 were \$748,343.

## **NOTE 12 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

### **B. Legal Claims**

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

### **C. Federal and State Revenues**

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

### **D. Construction Contracts**

At June 30, 2017, the District had commitments totaling \$10,832,607 under various construction contracts for which the work was not yet completed.

## **NOTE 13 – SUBSEQUENT EVENTS**

### **A. Capital Leases**

In July 2017, the District entered into a capital lease for technology equipment totaling \$1,142,455 with payments over three years. The lease matures in July 2020.

In September 2017, the District entered into a capital lease for the construction of a new elementary school. The lease is financed for \$5,030,000 due and payable over 15 years at an interest rate of 2.24 percent.

### **B. Land Acquisition**

On July 24, 2017, the School Board approved the purchase of certain real property at a purchase price of \$6,000,000.

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REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 284

Public Employees Retirement Association Pension Benefits Plan  
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability  
 Year Ended June 30, 2017

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.4010%	\$ 18,836,971	\$ -	\$ 18,836,971	\$ 21,580,149	87.29%	78.70%
06/30/2016	06/30/2015	0.3690%	\$ 19,123,495	\$ -	\$ 19,123,495	\$ 21,662,426	88.28%	78.20%
06/30/2017	06/30/2016	0.3669%	\$ 29,790,460	\$ 388,978	\$ 30,179,438	\$ 22,576,588	131.95%	68.90%

Public Employees Retirement Association Pension Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2017

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 1,591,536	\$ 1,591,536	\$ -	\$ 21,662,426	7.35%
06/30/2016	\$ 1,693,427	\$ 1,693,427	\$ -	\$ 22,576,588	7.50%
06/30/2017	\$ 1,708,250	\$ 1,708,250	\$ -	\$ 22,784,676	7.50%

Note 1: **Changes of Benefit Terms** – On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the GERF, 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.

Note 2: **Changes in Actuarial Assumptions** – (1) 2015 Changes – 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. (2) 2016 Changes – 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 future 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.

Note 3: The District implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2014 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 284

Teachers Retirement Association Pension Benefits Plan  
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability  
 Year Ended June 30, 2017

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	1.2442%	\$ 57,331,835	\$ 4,033,134	\$ 61,364,969	\$ 59,468,413	96.41%	81.50%
06/30/2016	06/30/2015	1.1745%	\$ 72,654,441	\$ 8,912,006	\$ 81,566,447	\$ 59,480,901	122.15%	76.80%
06/30/2017	06/30/2016	1.1661%	\$ 278,142,672	\$ 27,917,266	\$ 306,059,938	\$ 60,632,426	458.74%	44.88%

Teachers Retirement Association Pension Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2017

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 4,460,131	\$ 4,460,131	\$ -	\$ 59,480,901	7.50%
06/30/2016	\$ 4,549,049	\$ 4,549,049	\$ -	\$ 60,632,426	7.50%
06/30/2017	\$ 4,627,101	\$ 4,627,101	\$ -	\$ 61,614,241	7.51%

Note 1: **Changes of Benefit Terms** – The Duluth Teachers Retirement Fund Association was merged into the TRA on June 30, 2015.

Note 2: **Changes in Actuarial Assumptions** – (1) 2015 Changes – The annual cost of living adjustment 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. (2) 2016 Changes – The discount rate used to measure the total pension liability was 4.66 percent. Details, if necessary, can be obtained from the TRA's CAFR.

Note 3: The District implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2014 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 284

Defined Benefit Pension Plan  
 Schedule of Changes in the District's Net  
 Pension Liability and Related Ratios  
 Year Ended June 30, 2017

	<u>2017</u>
Total pension liability	
Service cost	\$ 252,269
Interest	177,900
Benefit payments	<u>(512,772)</u>
Net change in total pension liability	(82,603)
Total pension liability – beginning of year	<u>6,136,762</u>
Total pension liability – end of year	<u><u>\$ 6,054,159</u></u>
Covered-employee payroll	<u><u>\$ 28,004,800</u></u>
Total pension liability as a percentage of covered-employee payroll	<u><u>21.62%</u></u>

Note 1: **Change of Assumptions** – The mortality table was updated from RP-2000 projected to 2014 with Scale BB to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale. The withdrawal table for all employees and the retirement table for only employees eligible to retire with Rule of 90 also were updated. The discount rate was changed from 4.00 percent to 2.90 percent.

Note 2: The District has not established a trust fund to finance GASB Statement No. 73 related benefits.

Note 3: The District implemented GASB Statement No. 73 for the year ended June 30, 2017. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 284

Other Post-Employment Benefits Plan  
 Schedule of Changes in the District's Net  
 OPEB Liability and Related Ratios  
 Year Ended June 30, 2017

	<u>2017</u>
Total OPEB liability	
Service cost	\$ 2,551,063
Interest	1,454,492
Benefit payments	<u>(1,993,798)</u>
Net change in total OPEB liability	2,011,757
Total OPEB liability – beginning of year	<u>39,994,168</u>
Total OPEB liability – end of year	42,005,925
Plan fiduciary net position	
Contributions – employer	293,798
Investment earnings	3,023,633
Benefit payments	<u>(1,993,798)</u>
Net change in plan fiduciary net position	1,323,633
Plan fiduciary net position – beginning of year	<u>31,046,376</u>
Plan fiduciary net position – end of year	<u>32,370,009</u>
Net OPEB liability (asset)	<u>\$ 9,635,916</u>
Fiduciary net position as a percentage of the total OPEB liability	<u>77.06%</u>
Covered-employee payroll	<u>\$ 82,333,402</u>
Net OPEB liability as a percentage of covered-employee payroll	<u>11.70%</u>

Note 1: **Change of Assumptions** – The healthcare trend rates were changed to better anticipate short-term and long-term medical increases. The mortality table was updated from RP-2000 projected to 2014 with Scale BB to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale. The withdrawal table for all employees and the retirement table for only employees eligible to retire with Rule of 90 also were updated. The discount rate was changed from 6.00 percent to 3.50 percent. The percentage of future retirees who are assumed to continue on one of the District's medical plans post-employment was reduced from 50 percent to 10 percent for part-time custodians, food service employees, and paraprofessionals.

Note 2: The District implemented GASB Statement Nos. 74 and 75 for the year ended June 30, 2017. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 284

Other Post-Employment Benefits Plan  
Schedule of Investment Returns  
Year Ended June 30, 2017

<u>Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2017	9.74%

Note: The District implemented GASB Statement Nos. 74 and No. 75 for the year ended June 30, 2017. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

SUPPLEMENTAL INFORMATION

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## **GOVERNMENTAL FUNDS**

Governmental fund reporting focuses primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. The governmental fund category for the District includes the General Fund, Capital Projects – Building Construction Fund, Debt Service Fund, Food Service Special Revenue Fund, and Community Service Special Revenue Fund.

The statements and schedules that follow are to provide further detail and support additional analysis for the District’s major and nonmajor governmental funds.

INDEPENDENT SCHOOL DISTRICT NO. 284

Nonmajor Governmental Funds  
 Combining Balance Sheet  
 as of June 30, 2017

	Special Revenue Funds		Total
	Food Service	Community Service	
<b>Assets</b>			
Cash and temporary investments	\$ 883,387	\$ 3,620,371	\$ 4,503,758
Receivables			
Current taxes	–	499,926	499,926
Delinquent taxes	–	7,134	7,134
Accounts and interest	6,629	136,601	143,230
Due from other governmental units	–	158,768	158,768
Inventory	77,216	–	77,216
Prepaid items	4,871	18,580	23,451
<b>Total assets</b>	<b>\$ 972,103</b>	<b>\$ 4,441,380</b>	<b>\$ 5,413,483</b>
<b>Liabilities</b>			
Salaries payable	\$ 250	\$ 239,691	\$ 239,941
Accounts and contracts payable	44,559	180,159	224,718
Due to other governmental units	–	597	597
Unearned revenue	271,393	427,071	698,464
<b>Total liabilities</b>	<b>316,202</b>	<b>847,518</b>	<b>1,163,720</b>
<b>Deferred inflows of resources</b>			
Property taxes levied for subsequent year	–	1,004,811	1,004,811
Unavailable revenue	–	12,676	12,676
<b>Total deferred inflows of resources</b>	<b>–</b>	<b>1,017,487</b>	<b>1,017,487</b>
<b>Fund balances</b>			
Nonspendable for inventory	77,216	–	77,216
Nonspendable for prepaid items	4,871	18,580	23,451
Restricted	573,814	2,557,795	3,131,609
<b>Total fund balances</b>	<b>655,901</b>	<b>2,576,375</b>	<b>3,232,276</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 972,103</b>	<b>\$ 4,441,380</b>	<b>\$ 5,413,483</b>

INDEPENDENT SCHOOL DISTRICT NO. 284

Nonmajor Governmental Funds  
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Year Ended June 30, 2017

	Special Revenue Funds		Total
	Food Service	Community Service	
Revenue			
Local sources			
Property taxes	\$ -	\$ 1,088,942	\$ 1,088,942
Other	5,067,696	7,410,890	12,478,586
State sources	149,084	827,217	976,301
Federal sources	1,034,769	-	1,034,769
Total revenue	<u>6,251,549</u>	<u>9,327,049</u>	<u>15,578,598</u>
Expenditures			
Current			
Food service	6,173,350	-	6,173,350
Community service	-	8,912,116	8,912,116
Capital outlay	67,115	66,187	133,302
Total expenditures	<u>6,240,465</u>	<u>8,978,303</u>	<u>15,218,768</u>
Net change in fund balances	11,084	348,746	359,830
Fund balances			
Beginning of year	<u>644,817</u>	<u>2,227,629</u>	<u>2,872,446</u>
End of year	<u>\$ 655,901</u>	<u>\$ 2,576,375</u>	<u>\$ 3,232,276</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund  
Comparative Balance Sheet  
as of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Cash and temporary investments	\$ 18,253,701	\$ 22,300,527
Cash and investments held by trustee	868,019	991,572
<b>Receivables</b>		
Current taxes	25,610,094	21,253,147
Delinquent taxes	232,567	261,066
Accounts and interest	801,846	163,891
Due from other governmental units	10,147,786	8,833,055
Due from other funds	14,018,251	12,631,970
Inventory	148,126	155,090
Prepaid items	<u>207,585</u>	<u>41,476</u>
Total assets	<u><u>\$ 70,287,975</u></u>	<u><u>\$ 66,631,794</u></u>
<b>Liabilities</b>		
Salaries payable	\$ 224,860	\$ 247,304
Accounts and contracts payable	4,878,634	2,088,239
Due to other governmental units	494,550	492,548
Due to other funds	-	1,156,996
Unearned revenue	<u>106,037</u>	<u>152,376</u>
Total liabilities	<u>5,704,081</u>	<u>4,137,463</u>
<b>Deferred inflows of resources</b>		
Property taxes levied for subsequent year	48,135,365	38,595,532
Unavailable revenue – delinquent taxes	<u>299,425</u>	<u>143,769</u>
Total deferred inflows of resources	<u>48,434,790</u>	<u>38,739,301</u>
<b>Fund balances (deficits)</b>		
Nonspendable for inventory	148,126	155,090
Nonspendable for prepaid items	207,585	41,476
Restricted for staff development	428,365	477,195
Restricted for deferred maintenance	-	198,277
Restricted for health and safety	49,256	277,335
Restricted for operating capital	2,058,521	4,754,025
Restricted for safe schools	95,008	131,519
Restricted for Medical Assistance	193,205	-
Committed for purchase of land parcel	-	2,889,790
Assigned for reemployment insurance	59,278	72,527
Assigned for site carryover	1,039,527	1,079,973
Assigned for Q compensation	83,546	76,239
Assigned for school opening costs	945,305	945,305
Assigned for workers' compensation escrow	735,457	859,046
Assigned for post-employment obligations	2,054,946	2,280,082
Assigned for subsequent year budget	-	169,695
Unassigned – long-term facilities maintenance restricted account deficit	(4,941,891)	-
Unassigned	<u>12,992,870</u>	<u>9,347,456</u>
Total fund balances	<u>16,149,104</u>	<u>23,755,030</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 70,287,975</u></u>	<u><u>\$ 66,631,794</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under) Budget	2016
	Budget	Actual		Actual
Revenue				
Local sources				
Property taxes	\$ 42,280,400	\$ 42,083,524	\$ (196,876)	\$ 38,600,162
Investment earnings	3,160,000	459,399	(2,700,601)	16,980
Other	2,765,228	4,290,971	1,525,743	3,628,193
State sources	93,558,562	92,911,879	(646,683)	86,928,911
Federal sources	3,221,918	3,204,850	(17,068)	2,788,773
Total revenue	144,986,108	142,950,623	(2,035,485)	131,963,019
Expenditures				
Current				
Administration				
Salaries	3,069,717	3,100,067	30,350	2,867,168
Employee benefits	978,775	959,887	(18,888)	877,700
Purchased services	160,507	149,874	(10,633)	123,340
Supplies and materials	57,775	42,672	(15,103)	46,975
Capital expenditures	9,500	9,100	(400)	2,789
Other expenditures	54,435	46,217	(8,218)	42,882
Total administration	4,330,709	4,307,817	(22,892)	3,960,854
District support services				
Salaries	2,615,597	2,674,119	58,522	2,580,335
Employee benefits	633,620	701,010	67,390	600,352
Purchased services	766,553	1,286,146	519,593	835,721
Supplies and materials	206,162	182,411	(23,751)	185,797
Capital expenditures	82,016	6,017	(75,999)	4,739
Other expenditures	12,410	6,670	(5,740)	7,778
Total district support services	4,316,358	4,856,373	540,015	4,214,722
Elementary and secondary regular instruction				
Salaries	46,562,004	45,398,541	(1,163,463)	43,123,340
Employee benefits	13,644,582	13,501,927	(142,655)	13,629,018
Purchased services	2,615,950	2,998,482	382,532	2,765,827
Supplies and materials	2,636,539	1,703,994	(932,545)	1,937,333
Capital expenditures	363,412	628,636	265,224	290,167
Other expenditures	1,576,485	522,905	(1,053,580)	47,471
Total elementary and secondary regular instruction	67,398,972	64,754,485	(2,644,487)	61,793,156

(continued)

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual (continued)  
 Year Ended June 30, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under) Budget	2016
	Budget	Actual		Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	1,295,064	1,597,557	302,493	1,535,707
Employee benefits	564,945	501,100	(63,845)	510,300
Purchased services	622,571	624,107	1,536	680,112
Supplies and materials	22,951	28,710	5,759	15,984
Capital expenditures	10,000	11,229	1,229	13,926
Other expenditures	47,000	20,004	(26,996)	19,862
Total vocational education instruction	2,562,531	2,782,707	220,176	2,775,891
Special education instruction				
Salaries	12,097,318	12,183,353	86,035	11,985,223
Employee benefits	4,496,155	4,325,562	(170,593)	4,049,311
Purchased services	1,395,795	985,514	(410,281)	1,066,008
Supplies and materials	118,990	83,813	(35,177)	58,003
Capital expenditures	14,500	16,560	2,060	1,258
Other expenditures	3,200	143,351	140,151	230,480
Total special education instruction	18,125,958	17,738,153	(387,805)	17,390,283
Instructional support services				
Salaries	6,383,507	6,640,755	257,248	6,693,295
Employee benefits	2,139,102	2,494,784	355,682	2,789,138
Purchased services	1,116,569	502,173	(614,396)	384,804
Supplies and materials	885,321	179,571	(705,750)	212,331
Capital expenditures	3,547	556	(2,991)	2,826
Other expenditures	25,400	23,610	(1,790)	25,554
Total instructional support services	10,553,446	9,841,449	(711,997)	10,107,948
Pupil support services				
Salaries	2,787,925	2,828,646	40,721	2,637,689
Employee benefits	896,882	867,747	(29,135)	841,462
Purchased services	9,859,689	9,051,602	(808,087)	8,532,955
Supplies and materials	368,844	287,141	(81,703)	272,035
Capital expenditures	59,500	82,077	22,577	4,525
Other expenditures	500	530	30	580
Total pupil support services	13,973,340	13,117,743	(855,597)	12,289,246

(continued)

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual (continued)  
 Year Ended June 30, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under) Budget	2016
	Budget	Actual		Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	4,848,341	4,560,778	(287,563)	4,187,180
Employee benefits	1,873,986	1,627,780	(246,206)	1,696,900
Purchased services	3,258,532	4,304,003	1,045,471	3,287,789
Supplies and materials	813,882	1,008,756	194,874	877,644
Capital expenditures	5,639,460	6,583,034	943,574	501,258
Other expenditures	15,754	5,075	(10,679)	26,477
Total sites and buildings	<u>16,449,955</u>	<u>18,089,426</u>	<u>1,639,471</u>	<u>10,577,248</u>
Fiscal and other fixed cost programs				
Purchased services	425,000	566,951	141,951	417,879
Debt service				
Principal	1,116,106	1,116,106	–	758,548
Interest and fiscal charges	289,124	289,124	–	197,492
Total debt service	<u>1,405,230</u>	<u>1,405,230</u>	<u>–</u>	<u>956,040</u>
Total expenditures	<u>139,541,499</u>	<u>137,460,334</u>	<u>(2,081,165)</u>	<u>124,483,267</u>
Excess of revenue over expenditures	5,444,609	5,490,289	45,680	7,479,752
Other financing sources (uses)				
Sale of capital assets	–	21,653	21,653	–
Transfers in	–	–	–	2,280,082
Transfers (out)	<u>(13,015,687)</u>	<u>(13,117,868)</u>	<u>(102,181)</u>	<u>(7,429,482)</u>
Total other financing sources (uses)	<u>(13,015,687)</u>	<u>(13,096,215)</u>	<u>(80,528)</u>	<u>(5,149,400)</u>
Net change in fund balances	<u>\$ (7,571,078)</u>	<u>(7,605,926)</u>	<u>\$ (34,848)</u>	<u>2,330,352</u>
Fund balances				
Beginning of year		<u>23,755,030</u>		<u>21,424,678</u>
End of year		<u>\$ 16,149,104</u>		<u>\$ 23,755,030</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Food Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Cash and temporary investments	\$ 883,387	\$ 959,368
Receivables		
Accounts and interest	6,629	1,111
Inventory	77,216	74,673
Prepaid items	<u>4,871</u>	<u>3,955</u>
Total assets	<u>\$ 972,103</u>	<u>\$ 1,039,107</u>
<b>Liabilities</b>		
Salaries payable	\$ 250	\$ 4,360
Accounts and contracts payable	44,559	143,190
Unearned revenue	<u>271,393</u>	<u>246,740</u>
Total liabilities	316,202	394,290
<b>Fund balances</b>		
Nonspendable for inventory	77,216	74,673
Nonspendable for prepaid items	4,871	3,955
Restricted for food service	<u>573,814</u>	<u>566,189</u>
Total fund balances	<u>655,901</u>	<u>644,817</u>
Total liabilities and fund balances	<u>\$ 972,103</u>	<u>\$ 1,039,107</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Food Service Special Revenue Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		2016	
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other – primarily meal sales	\$ 4,920,900	\$ 5,067,696	\$ 146,796	\$ 4,447,648
State sources	130,000	149,084	19,084	144,553
Federal sources	855,000	1,034,769	179,769	981,389
Total revenue	<u>5,905,900</u>	<u>6,251,549</u>	<u>345,649</u>	<u>5,573,590</u>
Expenditures				
Current				
Salaries	1,989,728	1,978,719	(11,009)	1,798,081
Employee benefits	700,767	760,637	59,870	627,780
Purchased services	581,800	572,055	(9,745)	540,728
Supplies and materials	2,633,400	2,838,741	205,341	2,722,381
Other expenditures	17,800	23,198	5,398	17,024
Capital outlay	215,000	67,115	(147,885)	83,885
Total expenditures	<u>6,138,495</u>	<u>6,240,465</u>	<u>101,970</u>	<u>5,789,879</u>
Net change in fund balances	<u>\$ (232,595)</u>	11,084	<u>\$ 243,679</u>	(216,289)
Fund balances				
Beginning of year		<u>644,817</u>		<u>861,106</u>
End of year		<u>\$ 655,901</u>		<u>\$ 644,817</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Community Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Cash and temporary investments	\$ 3,620,371	\$ 3,557,889
Receivables		
Current taxes	499,926	550,088
Delinquent taxes	7,134	9,768
Accounts and interest	136,601	108,392
Due from other governmental units	158,768	264,357
Prepaid items	<u>18,580</u>	<u>16,211</u>
Total assets	<u><u>\$ 4,441,380</u></u>	<u><u>\$ 4,506,705</u></u>
<b>Liabilities</b>		
Salaries payable	\$ 239,691	\$ 173,361
Accounts and contracts payable	180,159	382,002
Due to other governmental units	597	-
Unearned revenue	<u>427,071</u>	<u>614,383</u>
Total liabilities	847,518	1,169,746
<b>Deferred inflows of resources</b>		
Property taxes levied for subsequent year	1,004,811	1,104,625
Unavailable revenue – delinquent taxes	<u>12,676</u>	<u>4,705</u>
Total deferred inflows of resources	1,017,487	1,109,330
<b>Fund balances</b>		
Nonspendable for prepaid items	18,580	16,211
Restricted for community education programs	964,580	1,220,490
Restricted for early childhood family education programs	449,914	256,402
Restricted for school readiness	378,740	93,417
Restricted for community service	<u>764,561</u>	<u>641,109</u>
Total fund balances	<u><u>2,576,375</u></u>	<u><u>2,227,629</u></u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 4,441,380</u></u>	<u><u>\$ 4,506,705</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Community Service Special Revenue Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under) Budget	2016
	Budget	Actual		Actual
Revenue				
Local sources				
Property taxes	\$ 1,104,518	\$ 1,088,942	\$ (15,576)	\$ 1,252,182
Other – primarily tuition and fees	6,903,548	7,410,890	507,342	6,382,167
State sources	780,070	827,217	47,147	692,626
Total revenue	<u>8,788,136</u>	<u>9,327,049</u>	<u>538,913</u>	<u>8,326,975</u>
Expenditures				
Current				
Salaries	5,680,944	5,537,318	(143,626)	4,904,898
Employee benefits	1,806,736	1,741,207	(65,529)	1,576,000
Purchased services	1,042,375	1,148,000	105,625	1,147,018
Supplies and materials	408,672	468,974	60,302	358,688
Other expenditures	10,051	16,617	6,566	21,887
Capital outlay	77,000	66,187	(10,813)	100,334
Total expenditures	<u>9,025,778</u>	<u>8,978,303</u>	<u>(47,475)</u>	<u>8,108,825</u>
Excess (deficiency) of revenue over expenditures	(237,642)	348,746	586,388	218,150
Other financing sources				
Transfers in	<u>5,000</u>	<u>–</u>	<u>(5,000)</u>	<u>16,578</u>
Net change in fund balances	<u>\$ (232,642)</u>	<u>348,746</u>	<u>\$ 581,388</u>	<u>234,728</u>
Fund balances				
Beginning of year		<u>2,227,629</u>		<u>1,992,901</u>
End of year		<u>\$ 2,576,375</u>		<u>\$ 2,227,629</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Capital Projects – Building Construction Fund  
 Comparative Balance Sheet  
 as of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Cash and temporary investments	\$ 11,194,350	\$ 31,894,394
Cash and investments held by trustee	192,251	99,808
Receivables		
Accounts and interest	11	30,703
Prepaid items	<u>370,688</u>	<u>3,795</u>
Total assets	<u>\$ 11,757,300</u>	<u>\$ 32,028,700</u>
<b>Liabilities</b>		
Salaries payable	\$ 8,794	\$ 14,393
Accounts and contracts payable	<u>3,236,648</u>	<u>6,530,142</u>
Total liabilities	3,245,442	6,544,535
<b>Fund balances (deficits)</b>		
Nonspendable for prepaid items	370,688	3,795
Restricted for capital projects levy	1,070,727	2,270,671
Restricted for alternative facilities program	–	2,541,984
Restricted for capital projects	7,598,571	20,667,715
Unassigned – long-term facilities maintenance restricted account deficit	<u>(528,128)</u>	<u>–</u>
Total fund balances	<u>8,511,858</u>	<u>25,484,165</u>
Total liabilities and fund balances	<u>\$ 11,757,300</u>	<u>\$ 32,028,700</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Capital Projects – Building Construction Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual

Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under) Budget	2016
	Budget	Actual		Actual
Revenue				
Local sources				
Investment earnings	\$ –	\$ 78,792	\$ 78,792	\$ 118,349
Other	–	404,453	404,453	21,993
Total revenue	–	483,245	483,245	140,342
Expenditures				
Capital outlay				
Salaries	1,669,854	1,893,278	223,424	2,019,690
Employee benefits	542,353	572,738	30,385	597,407
Purchased services	561,800	2,592,827	2,031,027	3,804,009
Supplies and materials	992,880	810,612	(182,268)	842,668
Capital expenditures	23,231,516	20,534,305	(2,697,211)	74,637,828
Other expenditures	1,300	244	(1,056)	1,479
Debt service				
Principal	1,278,912	1,538,504	259,592	1,660,725
Interest	21,385	21,385	–	20,327
Total expenditures	28,300,000	27,963,893	(336,107)	83,584,133
Excess (deficiency) of revenue over expenditures	(28,300,000)	(27,480,648)	819,352	(83,443,791)
Other financing sources				
Capital lease issued	–	767,400	767,400	6,750,775
Transfers in	13,015,687	13,006,244	(9,443)	7,412,904
Total other financing sources	13,015,687	13,773,644	757,957	14,163,679
Net change in fund balances	<u>\$ (15,284,313)</u>	(13,707,004)	<u>\$ 1,577,309</u>	(69,280,112)
Fund balances				
Beginning of year, as previously reported		25,484,165		94,764,277
Prior period adjustment		(3,265,303)		–
Beginning of year, as restated		<u>22,218,862</u>		<u>94,764,277</u>
End of year		<u>\$ 8,511,858</u>		<u>\$ 25,484,165</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Debt Service Fund  
 Comparative Balance Sheet  
 as of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and temporary investments	\$ 6,777,359	\$ 9,924,374
Receivables		
Current taxes	4,177,173	7,296,218
Delinquent taxes	78,989	93,250
Due from other governmental units	<u>125</u>	<u>112</u>
Total assets	<u>\$ 11,033,646</u>	<u>\$ 17,313,954</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 8,395,778	\$ 14,651,489
Unavailable revenue – delinquent taxes	<u>161,936</u>	<u>44,322</u>
Total deferred inflows of resources	8,557,714	14,695,811
Fund balances		
Restricted for debt service	<u>2,475,932</u>	<u>2,618,143</u>
Total deferred inflows of resources and fund balances	<u>\$ 11,033,646</u>	<u>\$ 17,313,954</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Debt Service Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under) Budget	2016
	Budget	Actual		Actual
Revenue				
Local sources				
Property taxes	\$ 14,650,126	\$ 14,470,028	\$ (180,098)	\$ 15,725,179
State sources	500	712	212	1,115
Total revenue	<u>14,650,626</u>	<u>14,470,740</u>	<u>(179,886)</u>	<u>15,726,294</u>
Expenditures				
Debt service				
Principal	8,900,000	8,900,000	–	8,945,000
Interest	5,710,026	5,710,026	–	6,205,905
Fiscal charges and other	6,050	2,925	(3,125)	44,202
Total expenditures	<u>14,616,076</u>	<u>14,612,951</u>	<u>(3,125)</u>	<u>15,195,107</u>
Excess (deficiency) of revenue over expenditures	34,550	(142,211)	(176,761)	531,187
Other financing sources (uses)				
Debt issued	–	–	–	1,820,000
Premium on debt issued	–	–	–	57,459
Payment on refunding bonds	–	–	–	(1,835,000)
Transfers in	–	–	–	280,820
Transfers (out)	–	–	–	(280,820)
Total other financing sources (uses)	<u>–</u>	<u>–</u>	<u>–</u>	<u>42,459</u>
Net change in fund balances	<u>\$ 34,550</u>	<u>(142,211)</u>	<u>\$ (176,761)</u>	<u>573,646</u>
Fund balances				
Beginning of year		<u>2,618,143</u>		<u>2,044,497</u>
End of year		<u>\$ 2,475,932</u>		<u>\$ 2,618,143</u>

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## **INTERNAL SERVICE FUNDS**

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost reimbursement basis. The District maintains two internal service funds. These funds are used to account for the District's self-insured benefits and early retirement benefits.

The statements that follow are to provide further detail and support additional analysis for the District's internal service funds.

INDEPENDENT SCHOOL DISTRICT NO. 284

Internal Service Funds  
 Combining Statement of Net Position  
 as of June 30, 2017

(With Comparative Totals as of June 30, 2016)

	Self-Insurance Accounts	Early Retirement Accounts	Totals	
			2017	2016
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 554,395
Investments	17,171,061	9,548,151	26,719,212	25,259,553
Due from other funds	-	-	-	1,156,996
<b>Total assets</b>	<b>17,171,061</b>	<b>9,548,151</b>	<b>26,719,212</b>	<b>26,970,944</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts and contracts payable	6,660	-	6,660	6,229
Due to other funds	12,002,828	2,015,423	14,018,251	12,166,970
Claims incurred, but not reported	1,763,780	-	1,763,780	1,520,100
Severance benefits payable	-	339,381	339,381	361,607
<b>Total current liabilities</b>	<b>13,773,268</b>	<b>2,354,804</b>	<b>16,128,072</b>	<b>14,054,906</b>
<b>Long-term liabilities</b>				
Severance benefits payable	-	3,682,949	3,682,949	4,455,665
Retirement benefits payable	-	6,054,159	6,054,159	3,722,957
<b>Total long-term liabilities</b>	<b>-</b>	<b>9,737,108</b>	<b>9,737,108</b>	<b>8,178,622</b>
<b>Total liabilities</b>	<b>13,773,268</b>	<b>12,091,912</b>	<b>25,865,180</b>	<b>22,233,528</b>
<b>Net position</b>				
Unrestricted	\$ 3,397,793	\$ (2,543,761)	\$ 854,032	\$ 4,737,416

INDEPENDENT SCHOOL DISTRICT NO. 284

Internal Service Funds  
 Combining Statement of Revenue, Expenses, and Changes in Net Position  
 Year Ended June 30, 2017  
 (With Comparative Totals for the Year Ended June 30, 2016)

	Self-Insurance	Early Retirement	Totals	
	Accounts	Accounts	2017	2016
Operating revenue				
Charges for services	\$ 16,168,168	\$ -	\$ 16,168,168	\$ 15,378,190
Operating expenses				
Dental benefit claims	1,293,546	-	1,293,546	1,275,180
Health benefit claims	16,111,586	-	16,111,586	15,678,825
Early retirement incentive and sick leave benefits	-	1,692,272	1,692,272	1,994,838
Total operating expenses	<u>17,405,132</u>	<u>1,692,272</u>	<u>19,097,404</u>	<u>18,948,843</u>
Operating income (loss)	(1,236,964)	(1,692,272)	(2,929,236)	(3,570,653)
Nonoperating revenue				
Investment earnings	<u>1,348,033</u>	<u>-</u>	<u>1,348,033</u>	<u>1,027,374</u>
Income (loss) before transfers	111,069	(1,692,272)	(1,581,203)	(2,543,279)
Transfers in	111,624	-	111,624	-
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,280,082)</u>
Change in net position	222,693	(1,692,272)	(1,469,579)	(4,823,361)
Net position				
Beginning of year, as previously reported	3,175,100	1,562,316	4,737,416	9,560,777
Change in accounting principle	-	(2,413,805)	(2,413,805)	-
Beginning of year, as restated	<u>3,175,100</u>	<u>(851,489)</u>	<u>2,323,611</u>	<u>9,560,777</u>
End of year	<u>\$ 3,397,793</u>	<u>\$ (2,543,761)</u>	<u>\$ 854,032</u>	<u>\$ 4,737,416</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Internal Service Funds  
 Combining Statement of Cash Flows  
 Year Ended June 30, 2017  
 (With Comparative Totals for the Year Ended June 30, 2016)

	Self-Insurance	Early Retirement	Totals	
	Accounts	Accounts	2017	2016
Cash flows from operating activities				
Charges for services	\$ 17,325,164	\$ -	\$ 17,325,164	\$ 15,495,502
Payments for health and dental claims	(17,161,022)	-	(17,161,022)	(17,315,631)
Payments for retirement benefits	-	(2,569,818)	(2,569,818)	(3,133,082)
Net cash flows from operating activities	164,142	(2,569,818)	(2,405,676)	(4,953,211)
Cash flows from noncapital financing activities				
Cash advance from other funds	(164,142)	2,015,423	1,851,281	1,820,129
Net change in cash and cash equivalents	-	(554,395)	(554,395)	(3,133,082)
Cash and cash equivalents				
Beginning of year	-	554,395	554,395	3,687,477
End of year	\$ -	\$ -	\$ -	\$ 554,395
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	\$ (1,236,964)	\$ (1,692,272)	\$ (2,929,236)	\$ (3,570,653)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Changes in assets and liabilities				
Accounts receivable	-	-	-	44,971
Due from other funds	1,156,996	-	1,156,996	72,341
Accounts and contracts payable	430	-	430	6,229
Claims incurred, but not reported	243,680	-	243,680	(367,855)
Severance benefits payable	-	(794,943)	(794,943)	(245,376)
Retirement benefits payable	-	(82,603)	(82,603)	(892,868)
Net cash flows from operating activities	\$ 164,142	\$ (2,569,818)	\$ (2,405,676)	\$ (4,953,211)

SECTION III  
STATISTICAL SECTION  
(UNAUDITED)



## STATISTICAL SECTION (UNAUDITED)

This section of Independent School District No. 284's (the District) Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

### **Contents**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes.

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

#### **Operating Indicators**

These schedules contain service and infrastructure data to help the reader understand how the information in the District's CAFR relates to the services the District provides, and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the District's CAFR for the relevant year.

INDEPENDENT SCHOOL DISTRICT NO. 284

Net Position by Component  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

	Fiscal Year			
	2008	2009	2010	2011
Governmental activities				
Net investment in capital assets	\$ 28,308,647	\$ 32,025,036	\$ 39,131,007	\$ 46,774,439
Restricted	13,177,338	10,005,749	10,578,725	14,051,983
Unrestricted	<u>12,071,035</u>	<u>55,548,928</u>	<u>47,147,457</u>	<u>43,582,774</u>
Total governmental activities net position	<u>\$ 53,557,020</u>	<u>\$ 97,579,713</u>	<u>\$ 96,857,189</u>	<u>\$ 104,409,196</u>

Note 1: The District implemented GASB Statement No. 68 in fiscal 2015. The District reported a change in accounting principle as a result of implementing this standard that decreased net position by approximately \$87.5 million. Prior year amounts have not been restated.

Note 2: The District implemented GASB Statement Nos. 73, 74, and 75 in fiscal 2017. The District reported a change in accounting principle as a result of implementing these standards that decreased net position by approximately \$29.9 million. Prior year amounts have not been restated.

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 41,301,936	\$ 46,152,372	\$ 60,689,911	\$ 65,253,780	\$ 31,901,934	\$ 40,112,576
26,816,481	27,560,100	12,624,943	13,091,641	13,662,842	7,822,506
<u>44,210,849</u>	<u>45,130,907</u>	<u>40,787,379</u>	<u>(50,117,797)</u>	<u>(46,927,869)</u>	<u>(122,259,148)</u>
<u>\$ 112,329,266</u>	<u>\$ 118,843,379</u>	<u>\$ 114,102,233</u>	<u>\$ 28,227,624</u>	<u>\$ (1,363,093)</u>	<u>\$ (74,324,066)</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	Fiscal Year			
	2008	2009	2010	2011
Governmental activities				
Expenses				
Administration	\$ 3,904,514	\$ 3,681,537	\$ 3,899,459	\$ 3,818,998
District support services	4,283,576	(2,757,790)	5,589,021	4,241,347
Elementary and secondary regular instruction	48,509,858	28,743,335	61,534,331	58,588,094
Vocational education instruction	1,578,963	1,432,049	2,508,024	2,456,472
Special education instruction	14,193,664	9,526,178	16,275,461	15,742,242
Instructional support services	8,378,363	7,519,905	8,390,114	9,018,954
Pupil support services	9,553,368	8,619,361	10,325,723	10,860,440
Sites and buildings	14,048,098	16,069,340	11,072,137	12,226,696
Fiscal and other fixed cost programs	297,974	356,785	259,189	313,591
Food service	4,623,125	4,635,568	4,814,452	4,978,695
Community service	6,909,158	6,846,110	7,955,136	7,945,819
Interest and fiscal charges	3,583,373	3,631,315	2,424,106	2,166,878
Unallocated depreciation	169,786	312,890	519,485	765,710
Total governmental activities expenses	<u>120,033,820</u>	<u>88,616,583</u>	<u>135,566,638</u>	<u>133,123,936</u>
Program revenues				
Charges for services				
Administration	150	53,339	164,606	194,753
Elementary and secondary regular instruction	1,121,653	1,073,360	930,553	1,002,420
Vocational education instruction	-	-	211	3,969
Special education instruction	-	-	552	6,606
Instructional support services	987	243	98	120
Pupil support services	28,773	39,046	70,359	89,244
Sites and buildings	416,716	464,982	436,390	487,538
Food service	3,777,099	3,863,351	3,797,912	3,747,616
Community service	4,606,255	5,257,945	5,737,747	6,034,944
Operating grants and contributions	12,474,395	13,267,583	20,286,746	14,898,308
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>22,426,028</u>	<u>24,019,849</u>	<u>31,425,174</u>	<u>26,465,518</u>
Net (expense) revenue	(97,607,792)	(64,596,734)	(104,141,464)	(106,658,418)
General revenues and other changes in net position				
Taxes				
Property taxes, levied for general purposes	28,113,965	30,249,790	32,471,599	48,100,101
Property taxes, levied for community service	1,300,614	1,084,553	1,182,981	2,051,929
Property taxes, levied for debt service	9,560,963	9,327,038	9,539,122	10,086,556
General grants and aids	62,375,991	64,742,972	58,622,111	51,844,745
Other general revenues	1,829,144	1,640,676	1,259,027	1,434,200
Investment earnings	3,514,255	1,574,398	344,100	692,894
Total general revenues and other changes in net position	<u>106,694,932</u>	<u>108,619,427</u>	<u>103,418,940</u>	<u>114,210,425</u>
Change in net position	<u>\$ 9,087,140</u>	<u>\$ 44,022,693</u>	<u>\$ (722,524)</u>	<u>\$ 7,552,007</u>

Note: The District implemented GASB Statement Nos. 27 and 45 in fiscal 2009, GASB Statement No. 68 in fiscal 2015, and GASB Statement Nos. 73, 74, and 75 in fiscal 2017.

2012	2013	2014	2015	2016	2017
\$ 3,903,810	\$ 3,995,998	\$ 3,833,741	\$ 3,839,848	\$ 4,817,133	\$ 6,700,296
3,889,519	4,154,320	4,924,827	4,577,951	5,033,300	6,114,326
61,370,368	59,732,311	64,030,267	67,230,737	68,238,658	97,927,589
2,244,616	2,629,151	2,376,614	2,922,503	2,804,948	3,737,593
15,647,448	16,037,522	16,664,813	16,695,866	17,678,829	23,736,177
9,285,367	8,464,618	9,446,640	9,267,077	10,313,332	13,276,121
10,890,255	11,528,889	11,606,924	11,997,753	12,363,815	14,566,050
12,087,843	19,492,550	23,108,226	16,373,431	31,109,967	35,215,528
296,088	318,578	355,757	385,547	417,879	566,951
5,140,315	5,193,226	5,367,185	5,619,154	5,896,122	6,484,275
7,960,867	7,913,272	8,343,413	7,512,257	8,207,904	9,811,345
2,170,792	2,059,956	4,117,943	5,748,064	5,134,248	5,326,192
936,783	–	–	–	–	–
135,824,071	141,520,391	154,176,350	152,170,188	172,016,135	223,462,443
151,210	275,959	202,982	166,265	215,357	57,422
1,002,847	1,080,264	1,021,619	1,159,389	1,262,298	1,287,405
–	2,270	1,324	–	–	–
9,404	4,441	560	247,585	322,586	350,928
316	2,485	18,905	9,493	7,808	6,703
88,946	14,543	28,369	28,178	25,773	22,018
471,737	461,493	662,870	512,766	575,910	558,826
3,860,359	3,884,424	3,806,157	4,222,938	4,447,648	5,067,696
5,865,887	6,137,955	6,529,492	5,556,600	6,382,167	7,410,890
17,204,917	15,850,856	15,171,555	15,216,756	16,140,494	17,625,350
–	252,929	346,713	910,167	911,502	1,351,039
28,655,623	27,967,619	27,790,546	28,030,137	30,291,543	33,738,277
(107,168,448)	(113,552,772)	(126,385,804)	(124,140,051)	(141,724,592)	(189,724,166)
34,707,170	35,975,717	22,503,184	38,153,378	38,434,705	42,239,180
1,420,146	1,458,919	781,857	1,524,385	1,244,109	1,096,913
10,416,814	10,992,579	11,203,441	11,401,371	15,673,366	14,587,642
66,145,035	67,408,720	84,572,800	72,170,101	74,485,371	83,119,553
1,544,009	3,459,844	1,413,287	1,376,993	1,240,454	2,001,619
855,344	771,106	1,170,089	1,185,644	1,162,703	1,886,224
115,088,518	120,066,885	121,644,658	125,811,872	132,240,708	144,931,131
\$ 7,920,070	\$ 6,514,113	\$ (4,741,146)	\$ 1,671,821	\$ (9,483,884)	\$ (44,793,035)

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	Fiscal Year			
	2008	2009	2010	2011
General Fund				
Reserved	\$ 7,251,294	\$ 7,788,448	\$ -	\$ -
Unreserved	11,800,550	13,507,742	-	-
Nonspendable	-	-	1,063,623	1,129,123
Restricted	-	-	6,551,165	7,103,320
Committed	-	-	-	-
Assigned	-	-	3,583,266	1,983,458
Unassigned	-	-	11,572,351	11,525,345
Total General Fund	<u>\$ 19,051,844</u>	<u>\$ 21,296,190</u>	<u>\$ 22,770,405</u>	<u>\$ 21,741,246</u>
All other governmental funds				
Reserved				
Special revenue funds	\$ 986,349	\$ 618,249	\$ -	\$ -
Capital Projects –				
Building Construction Fund	49,371	318,188	-	-
Debt Service Fund	-	-	-	-
Unreserved				
Special revenue funds	1,036,514	1,567,777	-	-
Capital Projects –				
Building Construction Fund	(1,449,664)	(616,143)	-	-
Debt Service Fund	2,261,514	2,067,838	-	-
Nonspendable				
Special revenue funds	-	-	87,725	61,896
Capital Projects –				
Building Construction Fund	-	-	361,452	777,347
Restricted				
Special revenue funds	-	-	2,378,056	2,590,875
Capital Projects –				
Building Construction Fund	-	-	5,756,834	2,540,916
Debt Service Fund	-	-	1,853,801	2,003,402
Unassigned				
Capital Projects –				
Building Construction Fund	-	-	-	(29,889)
Total all other governmental funds	<u>\$ 2,884,084</u>	<u>\$ 3,955,909</u>	<u>\$ 10,437,868</u>	<u>\$ 7,944,547</u>
Total all governmental funds	<u>\$ 21,935,928</u>	<u>\$ 25,252,099</u>	<u>\$ 33,208,273</u>	<u>\$ 29,685,793</u>

Note: The District implemented GASB Statement No. 54 in fiscal 2011, only 2010 amounts were restated.

2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
599,557	153,963	139,900	170,070	196,566	355,711
7,276,447	9,081,101	6,474,793	6,549,824	5,838,351	2,824,355
-	2,889,790	2,889,790	2,889,790	2,889,790	-
2,270,381	1,859,114	1,766,330	2,508,237	5,482,867	4,918,059
12,213,903	11,476,097	10,926,181	9,306,757	9,347,456	8,050,979
<u>\$ 22,360,288</u>	<u>\$ 25,460,065</u>	<u>\$ 22,196,994</u>	<u>\$ 21,424,678</u>	<u>\$ 23,755,030</u>	<u>\$ 16,149,104</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
83,637	81,947	82,038	90,176	94,839	100,667
114,560	195,050	103,151	29,382	3,795	370,688
2,589,169	2,963,665	3,157,131	2,763,831	2,777,607	3,131,609
15,319,262	14,174,369	124,613,839	94,734,895	25,480,370	8,669,298
2,373,561	1,948,293	4,904,822	2,044,497	2,618,143	2,475,932
-	-	-	-	-	(528,128)
<u>\$ 20,480,189</u>	<u>\$ 19,363,324</u>	<u>\$ 132,860,981</u>	<u>\$ 99,662,781</u>	<u>\$ 30,974,754</u>	<u>\$ 14,220,066</u>
<u>\$ 42,840,477</u>	<u>\$ 44,823,389</u>	<u>\$ 155,057,975</u>	<u>\$ 121,087,459</u>	<u>\$ 54,729,784</u>	<u>\$ 30,369,170</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	Fiscal Year			
	2008	2009	2010	2011
<b>Revenues</b>				
Local sources				
Taxes	\$ 38,897,378	\$ 40,487,682	\$ 43,114,189	\$ 60,312,279
Investment earnings	1,612,598	798,831	111,659	37,490
Other	11,842,484	12,327,794	12,394,109	13,008,028
State sources	72,183,854	74,289,718	67,557,932	60,586,004
Federal sources	2,666,532	3,777,782	11,350,924	6,150,431
Total revenues	<u>127,202,846</u>	<u>131,681,807</u>	<u>134,528,813</u>	<u>140,094,232</u>
<b>Expenditures</b>				
Current				
Administration	3,669,319	3,577,748	3,810,046	3,792,268
District support services	4,164,663	4,178,363	3,406,672	3,725,315
Elementary and secondary regular instruction	45,950,162	50,863,997	49,261,911	50,484,858
Vocational education instruction	1,537,278	1,988,651	2,312,353	2,400,776
Special education instruction	14,147,637	13,844,731	14,855,969	15,382,312
Instructional support services	8,143,070	8,048,957	8,170,600	8,953,839
Pupil support services	9,483,248	9,663,416	10,004,783	10,779,639
Sites and buildings	8,261,489	8,719,673	9,179,456	9,050,432
Fiscal and other fixed cost programs	297,974	356,785	259,189	313,591
Food service	4,458,978	4,513,548	4,694,729	4,835,626
Community service	6,827,679	7,559,453	7,700,868	7,865,844
Capital outlay	9,345,219	10,317,570	9,425,093	15,193,084
Debt service				
Principal	5,990,000	6,395,000	6,790,000	8,165,000
Interest and fiscal charges	4,073,025	3,609,618	3,104,257	2,683,970
Total expenditures	<u>126,349,741</u>	<u>133,637,510</u>	<u>132,975,926</u>	<u>143,626,554</u>
Excess of revenues over (under) expenditures	853,105	(1,955,703)	1,552,887	(3,532,322)
<b>Other financing sources (uses)</b>				
Sale of equipment	6,724	-	2,997	9,842
Sale of real property	225,932	-	-	-
Insurance recovery proceeds	-	12,979	349	-
Face amount of bonds issued	4,725,000	37,998,895	5,000,000	-
Capital leases issued	-	-	-	-
Bond premium	-	-	110,123	-
Certificates of participation issued	1,540,291	-	1,289,818	-
Payment to refunded bond escrow agent	(11,710,000)	(32,740,000)	-	-
Transfers in	6,000,020	7,250,201	7,109,370	9,228,572
Transfers out	(6,000,020)	(7,250,201)	(7,109,370)	(9,228,572)
Total other financing sources (uses)	<u>(5,212,053)</u>	<u>5,271,874</u>	<u>6,403,287</u>	<u>9,842</u>
Net change in fund balances	<u>\$ (4,358,948)</u>	<u>\$ 3,316,171</u>	<u>\$ 7,956,174</u>	<u>\$ (3,522,480)</u>
Debt service as a percentage of noncapital expenditures	<u>8.6%</u>	<u>8.1%</u>	<u>8.0%</u>	<u>8.4%</u>

2012	2013	2014	2015	2016	2017
\$ 46,494,356	\$ 48,582,021	\$ 34,451,771	\$ 51,053,987	\$ 55,577,523	\$ 57,642,494
18,459	29,798	37,847	144,163	135,329	538,191
12,893,963	13,621,129	13,441,482	13,280,276	14,480,001	17,174,010
78,173,924	79,118,659	95,680,683	84,196,712	87,767,205	93,888,892
5,170,995	4,393,844	4,402,856	4,100,243	3,770,162	4,239,619
<u>142,751,697</u>	<u>145,745,451</u>	<u>148,014,639</u>	<u>152,775,381</u>	<u>161,730,220</u>	<u>173,483,206</u>
3,882,175	3,942,490	3,809,563	3,882,636	3,960,854	4,307,817
3,725,817	3,966,678	3,812,160	3,831,038	4,214,722	4,856,373
54,146,054	55,749,366	57,161,164	61,261,179	61,793,156	64,754,485
2,224,383	2,596,694	2,282,764	2,898,253	2,775,891	2,782,707
15,542,974	15,890,551	16,143,749	16,675,799	17,390,283	17,738,153
9,253,668	8,432,986	9,359,060	9,518,374	10,107,948	9,841,449
10,753,896	11,487,282	11,181,875	12,151,446	12,289,246	13,117,743
9,023,841	9,429,780	9,618,077	10,212,586	10,577,248	18,089,426
296,088	318,578	355,757	385,547	417,879	566,951
5,073,799	5,085,281	5,226,866	5,574,751	5,705,994	6,173,350
7,863,889	7,841,272	8,491,628	7,537,839	8,008,491	8,912,116
12,957,206	21,516,463	38,000,191	37,044,922	82,087,300	26,537,306
8,695,000	9,580,000	10,130,000	11,526,756	11,364,273	11,554,610
2,582,338	2,405,085	3,522,846	5,410,994	6,467,926	6,023,460
<u>146,021,128</u>	<u>158,242,506</u>	<u>179,095,700</u>	<u>187,912,120</u>	<u>237,161,211</u>	<u>195,255,946</u>
(3,269,431)	(12,497,055)	(31,081,061)	(35,136,739)	(75,430,991)	(21,772,740)
5,370	2,900	–	–	–	21,653
–	2,889,790	–	–	–	–
105,785	9,861	251,612	–	–	–
16,312,660	–	136,805,000	10,255,000	1,820,000	–
–	1,383,350	1,235,860	1,099,078	6,750,775	767,400
–	214,066	3,023,175	867,145	57,459	–
–	9,980,000	–	–	–	–
–	–	–	(11,055,000)	(1,835,000)	–
7,264,007	7,673,940	7,253,826	6,901,900	9,709,564	13,006,244
(7,264,007)	(7,673,940)	(7,253,826)	(6,901,900)	(7,429,482)	(13,117,868)
<u>16,423,815</u>	<u>14,479,967</u>	<u>141,315,647</u>	<u>1,166,223</u>	<u>9,073,316</u>	<u>677,429</u>
<u>\$ 13,154,384</u>	<u>\$ 1,982,912</u>	<u>\$ 110,234,586</u>	<u>\$ (33,970,516)</u>	<u>\$ (66,357,675)</u>	<u>\$ (21,095,311)</u>
<u>8.5%</u>	<u>8.8%</u>	<u>9.7%</u>	<u>11.2%</u>	<u>10.3%</u>	<u>9.7%</u>

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INDEPENDENT SCHOOL DISTRICT NO. 284

Tax Capacities and Market Values  
Last Ten Fiscal Years

Fiscal Year	Net Tax Capacity	Taxable Market Value	Percent Tax Capacity of Estimated Market Value
2008	\$ 111,198,084	\$ 9,932,205,237	1.1 %
2009	121,330,023	10,802,607,580	1.1
2010	123,328,768	11,023,202,400	1.1
2011	118,450,131	10,679,667,300	1.1
2012	111,127,795	9,963,416,806	1.1
2013	109,891,883	9,821,945,763	1.1
2014	109,307,508	9,628,799,946	1.1
2015	111,197,389	9,846,198,999	1.1
2016	119,387,105	10,688,657,739	1.1
2017	127,889,211	11,410,014,227	1.1

Note: Per discussions with Hennepin County Taxpayer Services Division, reliable information for the breakdown of assessed and actual residential, commercial, and industrial property values is not available.

Source: Hennepin County Taxpayer Services Division

INDEPENDENT SCHOOL DISTRICT NO. 284

Property Tax Rates – Direct and Overlapping Governments  
Last Ten Fiscal Years

Fiscal Year	ISD No. 284	Corcoran	Maple Grove	Medicine Lake	Medina
2008	20.245%	30.703%	30.352%	30.138%	15.351%
2009	19.668%	30.213%	29.483%	30.580%	15.434%
2010	20.406%	30.677%	31.422%	33.835%	16.363%
2011	23.311%	32.995%	33.845%	34.945%	17.241%
2012	24.034%	37.041%	36.890%	38.677%	18.977%
2013	25.325%	39.617%	39.640%	36.548%	21.342%
2014	25.236%	46.111%	42.342%	40.691%	24.639%
2015	24.571%	49.743%	42.463%	37.508%	25.501%
2016	26.252%	45.311%	39.831%	34.127%	23.577%
2017	26.106%	45.691%	39.196%	40.413%	23.301%

**County Auditor's Gross Spread Levies**

2008	\$ 38,460,359	\$ 115,394	\$ 1,461,662	\$ 307,718	\$ 2,461,746
2009	40,503,428	121,517	1,620,222	324,044	2,632,860
2010	44,487,353	133,471	1,913,091	355,924	2,936,372
2011	46,026,906	138,081	2,117,238	414,242	3,083,803
2012	45,966,048	138,081	2,255,318	368,215	3,037,776
2013	47,606,841	142,834	2,523,404	380,891	3,047,129
2014	48,622,654	97,245	2,577,001	340,359	2,965,982
2015	49,995,136	100,000	2,699,999	350,000	3,149,999
2016	55,954,344	167,872	3,189,576	391,702	3,749,151
2017	58,429,819	233,740	3,272,362	409,045	4,090,453

Note: Above tax rates are used to levy city, county, and school district taxes.

Source: Hennepin County Taxpayer Services Division

<u>Minnetonka</u>	<u>Orono</u>	<u>Plymouth</u>	<u>Wayzata</u>	<u>Hennepin County</u>	<u>Special Districts</u>
28.416%	14.269%	23.751%	20.365%	39.110%	7.310%
27.567%	13.580%	23.344%	20.308%	38.571%	8.801%
29.247%	13.183%	24.854%	19.415%	40.413%	7.154%
30.686%	13.677%	25.495%	20.358%	42.640%	8.138%
33.705%	14.991%	27.490%	23.032%	45.840%	9.172%
35.595%	16.283%	28.716%	24.274%	48.231%	9.523%
37.567%	17.667%	29.309%	26.020%	49.461%	8.400%
38.194%	17.815%	30.114%	26.311%	49.959%	8.858%
37.089%	17.387%	28.374%	25.705%	46.398%	9.785%
35.674%	17.325%	27.330%	24.673%	45.356%	9.530%
\$ 6,115,901	\$ 500,042	\$ 22,424,972	\$ 5,077,352	\$ 565,245,672	\$ 95,522,916
6,521,392	526,572	23,493,214	5,265,720	602,274,631	104,571,196
7,207,459	622,867	25,137,125	6,184,178	644,324,515	99,640,161
7,364,305	598,350	25,636,986	6,673,901	676,166,665	112,216,451
7,548,413	598,350	25,544,933	6,535,821	669,404,998	117,993,952
7,951,103	571,337	26,138,655	6,856,041	668,415,787	116,862,928
8,168,606	534,849	26,839,705	7,098,907	670,175,143	132,283,063
8,399,998	550,000	27,499,994	7,249,998	681,253,275	127,112,287
9,177,027	615,532	30,832,572	7,834,047	695,586,226	129,960,888
9,641,782	584,350	32,022,403	8,180,906	726,763,726	135,429,950

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INDEPENDENT SCHOOL DISTRICT NO. 284

Principal Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	Type of Property	2017			2008		
		Net Tax Capacity	Rank	Percentage of Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
Ridgedale Center, LLC	Commercial	\$ 2,119,250	1	1.66 %	\$ 2,134,950	2	1.92 %
Medica Health Plans	Commercial	1,388,930	2	1.09	-	-	-
AX 601 Tower, LP	Commercial	1,249,250	3	0.98	-	-	-
TFO REVA Wildamere PPC, LLC	Commercial	1,009,050	4	0.79	-	-	-
WHQ, LLC	Commercial	979,250	5	0.77	-	-	-
IRET Properties	Apartment	950,113	6	0.74	-	-	-
Talcott III Atria LLC	Commercial	907,250	7	0.71	829,250	4	0.75
AEW LT Vicksburg, LLC	Apartment	815,100	8	0.64	-	-	-
RREEFAmerica Reit II Corp.	Apartment	761,250	9	0.60	575,000	6	0.52
TCA RE, LLC	Commercial	439,250	10	0.34	-	-	-
Carlson Real Estate Co.	Commercial	-	-	-	2,439,610	1	2.19
Teachers Insurance & Annuity Assoc.	Commercial	-	-	-	849,650	3	0.76
Invesco Real Estate	Commercial	-	-	-	592,500	5	0.53
Bay Holdings, LLC	Apartment	-	-	-	553,970	7	0.50
Vicksburg Village	Apartment	-	-	-	467,600	8	0.42
Carlson Real Estate Co., Inc.	Commercial	-	-	-	458,010	9	0.41
US Retail Partners, LLC	Commercial	-	-	-	391,430	10	0.35
Total		<u>\$ 10,618,693</u>		<u>8.30 %</u>	<u>\$ 9,291,970</u>		<u>8.36 %</u>

Source: Hennepin County Department of Property Tax and Public Records

INDEPENDENT SCHOOL DISTRICT NO. 284

Property Tax Levies, Collections, and Receivables  
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year			Collections	
	Operating Tax Levy	Debt Tax Levy	Total	First Year Levy Recognized Amount	Percentage of Levy
2008	\$ 28,740,965	\$ 9,719,394	\$ 38,460,359	\$ 38,108,134	99.1 %
2009	31,062,404	9,441,024	40,503,428	40,000,965	98.8
2010	34,816,228	9,671,125	44,487,353	43,915,814	98.7
2011	35,773,599	10,253,307	46,026,906	45,566,841	99.0
2012	35,363,239	10,602,809	45,966,048	45,528,016	99.0
2013	36,564,682	11,042,159	47,606,841	47,324,720	99.4
2014	37,383,176	11,239,478	48,622,654	48,401,803	99.5
2015	38,442,757	11,552,379	49,995,136	49,855,092	99.7
2016	40,225,448	15,728,896	55,954,344	55,775,065	99.7
2017	43,779,692	14,650,127	58,429,819	58,223,020	99.6

Source: Minnesota Department of Education School Tax Reports and Hennepin County Tax Settlement Reports

Received in Subsequent Years	Total to Date		Delinquent	
	Amount	Percentage of Levy	Amount	Percent
\$ 352,225	\$ 38,460,359	100.0 %	\$ -	- %
502,463	40,503,428	100.0	-	-
571,539	44,487,353	100.0	-	-
460,065	46,026,906	100.0	-	-
422,118	45,950,134	99.9	15,914	0.1
260,261	47,584,981	99.9	21,860	0.1
220,596	48,622,399	99.9	255	0.1
92,121	49,947,213	99.9	47,923	0.1
153,340	55,928,405	99.9	25,939	0.1
-	58,223,020	99.6	<u>206,799</u>	0.4
			<u>\$ 318,690</u>	

INDEPENDENT SCHOOL DISTRICT NO. 284

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Premium (Discount) on Bonds	Certificates of Participation	Capital Leases	Total Primary Government		
2008	\$ 69,785,000	\$ 1,712,445	\$ 2,665,000	\$ 1,520,369	\$ 75,682,814	N/A	\$ 1,321
2009	67,325,000	2,951,772	2,320,000	1,493,832	74,090,604	N/A	1,270
2010	65,535,000	2,704,201	3,215,000	1,358,800	72,813,001	N/A	1,225
2011	57,525,000	2,264,028	2,695,000	38,568	62,522,596	N/A	1,052
2012	65,135,000	2,349,744	2,190,000	9,019	69,683,763	N/A	1,161
2013	56,070,000	2,095,615	11,655,000	918,096	70,738,711	N/A	1,169
2014	184,045,000	4,628,582	10,355,000	1,300,465	200,329,047	N/A	3,246
2015	174,070,000	4,359,617	9,220,000	1,182,787	188,832,404	N/A	2,982
2016	165,110,000	3,625,490	8,495,000	6,239,289	183,469,779	N/A	2,826
2017	156,210,000	3,120,929	7,755,000	5,092,079	172,178,008	N/A	2,588

(1) See Demographic and Economic Statistics table for population. Personal income data for district residents only was not available; therefore, percentage of personal income cannot be shown.

Source: The District's outstanding debt can be found in the notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

Ratio of Net General Obligation Bonded Debt  
to Tax Capacity and Net General Obligation Bonded Debt  
per Capita  
Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand	Net Bonded Debt	Net Tax Capacity	Percent of Net Debt to Net Tax Capacity	Estimated Population	Net Bonded Debt per Capita
2008	\$ 67,523,488	\$ 2,261,514	\$ 65,261,974	\$ 111,198,084	58.69 %	57,293	\$ 1,139
2009	65,365,601	2,067,838	63,297,763	121,330,023	52.17	58,355	1,085
2010	63,683,257	1,853,801	61,829,456	123,328,768	50.13	59,417	1,041
2011	55,537,890	2,003,402	53,534,488	118,450,131	45.20	59,417	901
2012	62,801,663	2,373,561	60,428,102	111,127,795	54.38	60,017	1,007
2013	54,201,743	1,948,293	52,253,450	109,891,883	47.55	60,517	863
2014	179,273,752	4,904,822	174,368,930	109,307,508	159.52	61,717	2,825
2015	172,218,764	2,044,497	170,174,267	111,197,389	153.04	63,317	2,688
2016	168,735,490	2,618,143	166,117,347	119,387,105	139.14	64,917	2,559
2017	159,330,929	2,475,932	156,854,997	127,889,211	122.65	66,517	2,358

Source: Annual school district census and U.S. Census

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INDEPENDENT SCHOOL DISTRICT NO. 284

Direct and Overlapping Debt  
as of June 30, 2017

Governmental Unit	Tax Collection Calendar Year – 2017 Taxable Net Tax Capacity	Bonded Debt (1)	Debt Applicable to Tax Capacity in ISD No. 284 (2)	
			Percent	Amount
<b>Direct debt</b>				
Independent School District No. 284	\$ 137,065,123	\$ 156,210,000	100.00 %	\$ 156,210,000
<b>Overlapping debt</b>				
Hennepin County	1,573,060,731	838,110,000	7.78	65,204,958
<b>Cities</b>				
Corcoran	7,618,866	10,811,000	6.47	699,472
Maple Grove	85,264,005	60,050,000	8.01	4,810,005
Medicine Lake	834,539	–	100.00	–
Medina	15,835,340	9,005,000	53.92	4,855,496
Minnetonka	90,382,257	7,400,000	22.30	1,650,200
Orono	30,812,466	11,210,000	3.94	441,674
Plymouth	112,692,207	12,915,000	59.62	7,699,923
Wayzata	18,677,217	9,205,000	91.98	8,466,759
<b>Other</b>				
Metropolitan Council	3,102,634,267	189,226,614	2.91	5,506,494
Three Rivers Park District	1,132,129,242	62,125,000	10.81	6,715,713
Total overlapping debt				<u>106,050,694</u>
Total direct and overlapping debt				<u>\$ 262,260,694</u>

(1) Only those taxing jurisdictions with general obligation debt outstanding are included in this section. Does not include nongeneral obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness. Does not include the Hennepin County Regional Railroad Authority's \$42,595,000 Limited Tax Refunding Bonds, Series 2010A, dated March 17, 2010, currently outstanding in the principal amount of \$33,145,000.

(2) The percent overlap is based on the percentage of tax capacity of the individual entities in the District.

Source: Hennepin County Department of General Services – Taxpayer Services Division

INDEPENDENT SCHOOL DISTRICT NO. 284

Legal Debt Margin Information  
Last Ten Fiscal Years

	Fiscal Year			
	2008	2009	2010	2011
Debt limit	\$ 1,704,611,903	\$ 1,765,131,957	\$ 1,718,794,553	\$ 1,668,698,016
Total net debt applicable to limit	<u>65,261,974</u>	<u>63,297,763</u>	<u>61,829,456</u>	<u>53,534,488</u>
Legal debt margin	<u>\$ 1,639,349,929</u>	<u>\$ 1,701,834,194</u>	<u>\$ 1,656,965,097</u>	<u>\$ 1,615,163,528</u>
Total net debt applicable to the limit as a percentage of debt limit	3.83%	3.59%	3.60%	3.21%

Note: Under state finance law, the District's outstanding general obligation debt should not exceed 15 percent of total market property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Source: State of Minnesota School Tax Report

2012	2013	2014	2015	2016	2017
\$ 1,523,458,227	\$ 1,468,885,209	\$ 1,470,794,289	\$ 1,504,001,884	\$ 1,603,298,661	\$ 1,711,502,134
60,428,102	52,253,450	174,368,930	170,174,267	166,117,347	156,854,997
<u>\$ 1,463,030,125</u>	<u>\$ 1,416,631,759</u>	<u>\$ 1,296,425,359</u>	<u>\$ 1,333,827,617</u>	<u>\$ 1,437,181,314</u>	<u>\$ 1,554,647,137</u>
3.97%	3.56%	11.86%	11.31%	10.36%	9.16%

Legal Debt Margin Calculation for Fiscal Year 2017

Market value	\$11,410,014,227
Debt limit (15% of market value)	1,711,502,134
Debt applicable to limit	
General obligation bonds	159,330,929
Less amount set aside for repayment of general obligation debt	<u>(2,475,932)</u>
Total net debt applicable to limit	<u>156,854,997</u>
Legal debt margin	<u>\$ 1,554,647,137</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Demographic and Economic Statistics  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2008	57,293	N/A	N/A	10,007	5.1 %
2009	58,355	N/A	N/A	10,196	8.3
2010	59,417	N/A	N/A	10,377	6.7
2011	59,417	N/A	N/A	10,511	7.0
2012	60,017	N/A	N/A	10,544	5.7
2013	60,517	N/A	N/A	10,657	5.1
2014	61,717	N/A	N/A	10,708	4.5
2015	63,317	N/A	N/A	10,747	3.7
2016	64,917	N/A	N/A	10,858	3.7
2017	66,517	N/A	N/A	11,332	3.5

N/A – Not Available

Sources: Population data based on information from property developers and cities; methodology approved by the State Demographer’s Office

Enrollment information from district records

Unemployment rate is for Hennepin County as of June and is obtained from the Minnesota Department of Employment and Economic Development

INDEPENDENT SCHOOL DISTRICT NO. 284

Principal Employers  
Current Year and Nine Years Ago

Employer	Fiscal Year			
	2017		2008	
	Employees	Rank	Employees	Rank
Carlson Companies (1)	4,500	1	2,700	2
Cargill, Inc.	4,000	2	3,000	1
Independent School District No. 284	1,510	3	1,270	4
Medica Health	1,300	4	980	8
Aimia	1,000	5	–	–
TCF National Bank	1,000	5	–	–
St. Jude Medical	800	7	–	–
US Foods	550	8	–	–
Nilfisk-Advance, Inc.	450	9	–	–
Deltak, LLC	330	10	–	–
DataCard Corporation	–	–	1,400	3
Metris	–	–	1,215	5
Advance Circuits, Inc.	–	–	1,200	6
United Health Group	–	–	1,200	7
Opportunity Partners	–	–	600	9
G.E. Water & Process Technologies	–	–	550	10
<b>Total</b>	<b>15,440</b>		<b>14,115</b>	
Total ISD No. 284 population (see the Schedule of Demographic and Economic Statistics)	<b>66,517</b>		<b>57,293</b>	
Percent of principal employers to total ISD No. 284 population	<b>23.2%</b>		<b>24.6%</b>	

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

Source: Fiscal 2017 information: obtained from the Official Statement associated with the District's 2015A General Obligation School Building Bonds (prepared by Ehlers)

Fiscal 2008 information: Hennepin County and Northland Securities Official Statement for ISD 284 Series 2008A Refunding Bonds

INDEPENDENT SCHOOL DISTRICT NO. 284

Employees by Classification  
Last Ten Fiscal Years

Employees	Fiscal Year			
	2008	2009	2010	2011
Administration				
Principals	11.0	11.0	11.0	11.0
Associate principals	7.0	8.0	8.0	8.0
Unaffiliated	38.0	37.0	37.0	38.8
Total administration	56.0	56.0	56.0	57.8
Instructional administrators				
High school classroom teachers	152.6	155.1	155.4	153.5
Middle school classroom teachers	127.6	124.9	124.9	131.2
Elementary classroom teachers	176.0	176.5	178.0	185.0
High school – area learning center	8.8	8.2	8.0	9.0
Middle school – area learning center	2.8	2.5	2.0	2.0
Community education – extended day kindergarten	7.0	6.5	8.0	5.5
Community education – early childhood family education	4.0	4.0	3.8	4.4
Special services	75.6	79.3	77.1	77.6
Elementary specialists	50.4	53.2	53.6	57.3
Total instructional administrators	604.8	610.2	610.8	625.5
Student services				
Curriculum and instruction – resource, peer, alt comp	18.0	19.0	19.0	19.8
Media centers – elementary	7.0	7.0	7.0	7.0
High school – professional development	0.3	0.3	0.3	0.3
High school – counselors, media, Vision 21	11.5	11.0	10.5	11.7
Middle schools – counselors, media, Vision 21	10.2	9.2	9.3	9.8
Technology	2.5	2.5	2.5	3.0
Special services – social workers, psychologists, nurses, etc.	42.2	41.7	45.5	45.3
Total student services	91.7	90.7	94.1	96.9
Support services				
Clerical/secretarial	42.3	46.7	44.9	45.9
Custodial	75.9	75.9	75.9	74.4
Food service	42.9	42.9	42.9	42.4
Paraprofessionals	232.5	241.5	257.1	260.5
Unaffiliated specialists	18.0	18.0	17.0	20.2
Unaffiliated support staff	9.0	10.0	10.0	7.0
Total support services	420.6	435.0	447.8	450.4
District-wide totals	1,173.1	1,191.9	1,208.7	1,230.6

N/A – Not Available

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

Source: The District's Human Resources Department

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
11.0	11.0	11.0	12.0	12.0	12.0
8.0	8.0	8.0	8.0	6.0	6.0
<u>36.1</u>	<u>37.2</u>	<u>35.4</u>	<u>37.2</u>	<u>36.1</u>	<u>38.2</u>
55.1	56.2	54.4	57.2	54.1	56.2
158.8	153.4	154.3	157.5	153.0	155.7
126.3	132.5	132.3	134.6	131.7	133.4
189.7	191.0	183.0	213.0	203.0	219.0
8.0	8.7	8.0	8.0	6.3	7.7
2.0	2.0	2.0	2.0	1.5	1.5
6.0	8.0	16.0	N/A	N/A	N/A
3.1	3.7	4.2	3.8	5.5	3.5
79.4	80.6	77.1	77.0	66.0	68.6
<u>65.2</u>	<u>63.3</u>	<u>66.4</u>	<u>65.6</u>	<u>64.7</u>	<u>72.2</u>
638.5	643.2	643.3	661.5	631.7	661.5
19.5	20.5	20.0	20.0	21.0	15.5
7.0	7.1	7.0	7.0	7.0	8.0
0.3	0.3	0.3	0.3	0.3	0.3
13.0	13.0	13.0	13.0	17.0	18.7
10.5	15.5	15.0	14.0	15.5	18.2
3.0	3.0	3.0	3.0	3.0	3.0
<u>43.6</u>	<u>44.9</u>	<u>45.4</u>	<u>46.2</u>	<u>59.2</u>	<u>54.9</u>
96.9	104.3	103.7	103.5	123.0	118.6
46.0	48.0	48.0	49.9	50.9	50.9
74.4	73.0	73.0	73.0	75.0	83.5
42.4	43.8	43.8	44.9	46.2	48.8
256.8	254.2	254.2	244.6	246.9	238.6
19.5	20.8	22.5	22.8	22.8	20.9
<u>6.0</u>	<u>5.0</u>	<u>5.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.8</u>
445.1	444.8	446.5	439.2	445.8	447.5
<u><u>1,235.6</u></u>	<u><u>1,248.5</u></u>	<u><u>1,247.9</u></u>	<u><u>1,261.4</u></u>	<u><u>1,254.6</u></u>	<u><u>1,283.8</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Operating Statistics  
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Percentage of Students Receiving Free or Reduced-Priced Meals
2008	10,007	\$ 106,941,388	\$ 10,687	6.1 %	456	21.9	10.8 %
2009	10,196	113,315,322	11,114	4.0	457	22.3	13.0
2010	10,377	113,656,576	10,953	(1.4)	458	22.7	12.5
2011	10,511	117,584,500	11,187	2.1	469	22.4	13.2
2012	10,544	121,786,584	11,550	3.2	475	22.2	14.4
2013	10,657	124,740,958	11,705	1.3	477	22.3	14.6
2014	10,708	132,892,192	12,411	6.0	470	22.8	12.9
2015	10,747	133,929,448	12,462	0.4	505	21.3	13.0
2016	10,858	136,420,224	12,564	0.8	488	22.3	13.9
2017	11,332	143,803,361	12,690	1.0	508	22.3	14.0

Note: Operating expenditures are total expenditures less debt service and capital outlays.

Source: Nonfinancial information from district records

INDEPENDENT SCHOOL DISTRICT NO. 284

Building Information  
Last Ten Fiscal Years

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Elementary schools</b>										
Birchview (1969)										
Square feet	59,720	59,720	59,720	59,720	59,720	59,720	59,720	59,720	59,720	59,720
Capacity	530	530	530	592	592	592	592	592	592	550
Enrollment	580	621	646	671	651	653	647	622	586	481
Gleason Lake (1988)										
Square feet	80,710	80,710	80,710	80,710	80,710	80,710	80,710	80,710	80,710	80,710
Capacity	630	630	630	690	690	690	690	690	690	690
Enrollment	678	666	652	692	663	655	663	636	622	571
Greenwood (1964)										
Square feet	72,007	72,007	72,007	72,007	72,007	72,007	88,016	88,016	88,016	88,016
Capacity	680	680	680	690	690	690	820	820	820	780
Enrollment	624	632	647	608	685	726	821	863	856	747
Kimberly Lane (1991)										
Square feet	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000
Capacity	680	680	680	690	690	690	690	690	690	710
Enrollment	659	697	768	806	757	717	744	764	718	649
Meadow Ridge (2016)										
Square feet	-	-	-	-	-	-	-	-	-	85,208
Capacity	-	-	-	-	-	-	-	-	-	710
Enrollment	-	-	-	-	-	-	-	-	-	758
Oakwood (1957)										
Square feet	80,786	85,490	85,490	85,490	85,490	85,490	95,476	95,476	95,476	95,476
Capacity	475	475	475	475	475	475	690	690	690	640
Enrollment	459	480	498	511	538	504	527	576	675	475
Plymouth Creek (1988)										
Square feet	81,000	81,000	81,000	81,000	81,000	81,000	81,000	81,000	81,000	81,000
Capacity	680	680	680	690	690	690	690	690	690	710
Enrollment	656	719	738	765	772	866	746	747	762	669
Sunset Hill (1963)										
Square feet	64,983	64,983	64,983	64,983	64,983	64,983	73,598	73,598	73,598	73,598
Capacity	575	575	575	592	592	592	690	690	690	660
Enrollment	553	571	586	579	577	563	560	581	596	664
<b>Middle schools</b>										
East (1967)										
Square feet	145,711	145,711	146,111	146,111	146,111	146,111	146,111	146,111	146,111	146,111
Capacity	800	800	800	800	800	800	800	800	800	850
Enrollment	732	747	777	763	777	821	772	771	743	780
West (1949)										
Square feet	167,000	167,000	167,000	167,000	167,000	167,000	167,000	167,000	167,525	167,525
Capacity	900	900	900	900	900	900	900	900	900	850
Enrollment	744	737	729	719	736	744	736	745	772	791
Central (1961)										
Square feet	308,568	308,568	308,568	308,568	308,568	308,568	308,568	308,568	308,568	308,568
Capacity (1)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,600
Enrollment	895	903	887	942	987	1,034	1,066	1,036	1,118	1,209
<b>High school</b>										
Peony (1997)										
Square feet	487,000	487,000	487,432	487,432	487,432	487,432	487,432	487,432	487,432	656,432
Capacity	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,900
Enrollment	3,213	3,237	3,281	3,235	3,266	3,265	3,257	3,305	3,334	3,410

(1) Through fiscal 2016, Central Middle School capacity includes space for 1,400 middle school students and 300 birth-to-kindergarten students.

Source: Information was obtained from district records. Enrollment data is as of October 1 of fiscal year.

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Management Report  
for  
Independent School District No. 284  
Wayzata, Minnesota  
June 30, 2017

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To the School Board and Management of  
Independent School District No. 284  
Wayzata, Minnesota

We have prepared this management report in conjunction with our audit of Independent School District No. 284's (the District) financial statements for the year ended June 30, 2017. We have organized this report into the following sections:

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

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

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

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

Minneapolis, Minnesota  
November 30, 2017

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## AUDIT SUMMARY

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

### **OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, GOVERNMENT AUDITING STANDARDS, AND TITLE 2 U.S. CODE OF FEDERAL REGULATIONS (CFR) PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS (UNIFORM GUIDANCE)**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2017, and the related notes to the financial statements. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

### **PLANNED SCOPE AND TIMING OF THE AUDIT**

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

### **AUDIT OPINION AND FINDINGS**

Based on our audit of the District's financial statements for the year ended June 30, 2017:

- 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 certain pension plans and other post-employment benefits (OPEB), which reduced the District's beginning government-wide net position by \$29,908,951, and internal service fund net position by \$2,413,805. Our opinion was not modified with respect to this matter.
- We reported one deficiency in the District's internal control over financial reporting considered to be a material weakness. In fiscal 2017, the District posted two prior period adjustments to correct amounts that were materially misstated in its prior year financial statements, which increased the District's government-wide beginning net position by \$1,741,013 and reduced the beginning fund balance of the Capital Projects – Building Construction Fund by \$3,265,303.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our tests indicate that the District has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no deficiencies in the District's internal controls over compliance that we considered to be material weaknesses with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no findings based on our testing of the District's compliance with Minnesota laws and regulations.

## **FOLLOW-UP ON PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

As a part of the audit of the District's financial statements for the year ended June 30, 2017, we performed procedures to follow-up on any findings and recommendations that resulted from the prior year audit. The following finding was corrected by the District in the current year:

- During our audit of the year ended June 30, 2016, we noted that the District did not have documented written controls to ensure compliance with the U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) cash management and allowable costs standards. Based on our testing in the current year, the District implemented adequate procedures to correct this prior year finding.

## **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, 2017 on the cash basis of accounting. Our opinion was qualified for a limitation related to the completeness of cash receipts reported.

We reported one deficiency involving internal control over financial reporting for the District's extracurricular student activities that we consider to be a material weakness. The District reports student activities on a cash basis, and has not established procedures to assure that all cash collections are recorded in the accounting records. Procedures such as the use and reconciliation of prenumbered receipts, prenumbered admission tickets for events, and inventory controls over items sold for fundraisers would help strengthen the controls in this area.

We also issued a report on compliance with the Minnesota Department of Education's (MDE) *Manual for Activity Fund Accounting (MAFA)*, in which we reported three findings:

1. Certain groups and activities accounted for by the District as student activities during the year ended June 30, 2017 do not meet the definition of an extracurricular activity as defined by the standards in the *MAFA*. In addition, all student activity disbursements are processed through the District's general checking account and signed by the School Board rather than a separate account signed by the student, advisor, and site administrator.
2. Activity purpose forms, stating the purpose of each activity and signed by both the activity advisor and the principal of the respective school, were not completed and kept on file for 14 of 99 student activity accounts tested as required by the *MAFA*.
3. Five of forty student activity account cash receipts tested were not deposited into the bank in a timely manner as defined by the *MAFA*.

## **GENERAL COMMENTS AND RECOMMENDATIONS – STUDENT ACTIVITY DISBURSEMENTS**

The latest version of the *MAFA* included a change in how check requests must be prepared. Previously check requests were to be signed by the activity advisor and a student representing the activity. Under the current manual, check requests must be prepared, and approved by a student representative, the advisor, and the building principal (or his/her designee). For elementary student activity accounts, the student representative approval is not required. Approval is evidenced by signatures. We recommend the District review the internal controls and procedures over extracurricular student activity accounts to allow future compliance for all recent changes and ongoing internal control and compliance requirements of the *MAFA*.

## **SIGNIFICANT ACCOUNTING POLICIES**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 of the notes to basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2017. However, the District implemented the following governmental accounting standards during the fiscal year ending June 30, 2017:

- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, which extended the accounting and financial reporting approach established in GASB Statement No. 68 to all pensions, including those not administered through a trust.
- GASB Statement No. 74, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Benefits*, which established new accounting and financial reporting requirements for OPEB plans.
- 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. 79, *Certain External Investment Pools and Pool Participants*, which enhanced disclosures regarding investments.
- GASB Statement No. 82, *Pension Issues, an amendment of GASB Statements, No. 67, No. 68, and No. 73*, which addressed certain issues related to pension reporting and disclosures.

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

## **ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS**

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

General education revenue and certain other revenues are computed by applying an allowance per student to the number of students served by the District. Student attendance is accumulated in a state-wide database—MARSS. Because of the complexity of student accounting and because of certain enrollment options, student information is input by other school districts and the MARSS data for the current fiscal year is not finalized until after the District has closed its financial records. General education revenue and certain other revenues are computed using preliminary information on the number of students served in the resident district and also utilizing some estimates, particularly in the area of enrollment options.

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

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

The District has recorded activity for OPEB and pension benefits. These obligations are calculated using actuarial methodologies described in GASB Statement Nos. 68, 73, 74, and 75. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, proportionate share, and employee turnover.

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

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

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

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

#### **DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT**

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

#### **CORRECTED AND UNCORRECTED MISSTATEMENTS**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Where applicable, management has corrected all such misstatements, including the two prior period adjustments discussed in the Audit Opinions and Findings section of this report. There were no additional misstatements detected as a result of audit procedures that were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### **DISAGREEMENTS WITH MANAGEMENT**

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

#### **MANAGEMENT REPRESENTATIONS**

We have requested certain representations from management that are included in the management representation letter dated November 30, 2017.

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

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

We were not engaged to report on the introductory and statistical 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

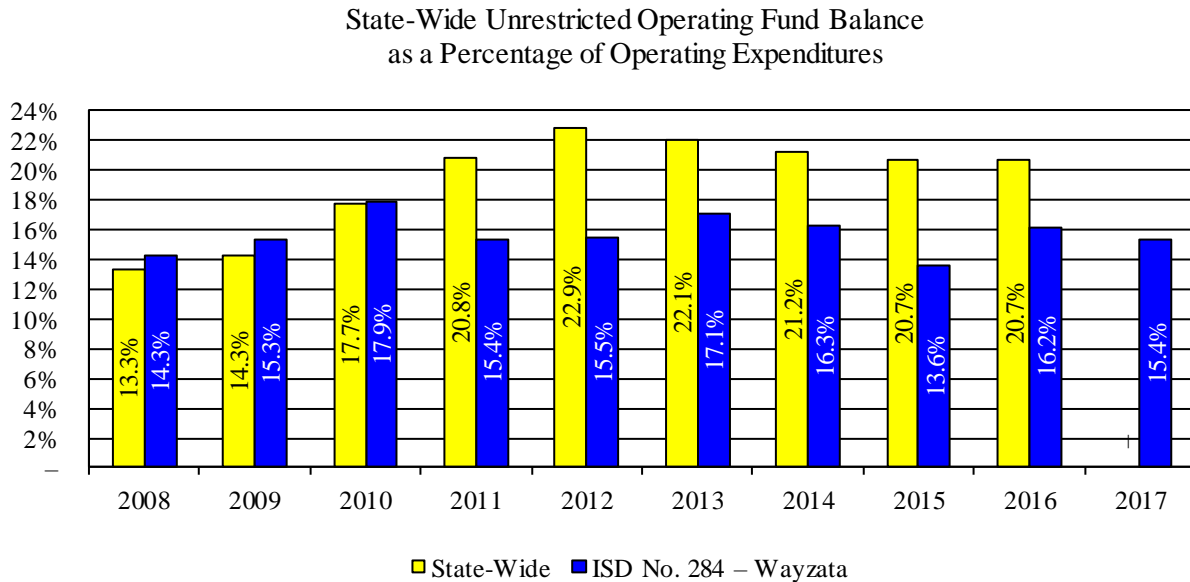
The largest single funding source for Minnesota school districts is basic general education aid. Each year, the Legislature sets a basic formula allowance. Total basic general education revenue is calculated by multiplying the formula allowance by the number of pupil units for which a district is entitled 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 2018 and 2019 fiscal years. The amount of the formula allowance and the percentage change from year to year excludes temporary funding changes, the “roll-in” of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts. The \$529 increase in 2015 was offset by changes to pupil weightings and the general education aid formula that resulted in an increase equivalent to approximately \$105, or 2.0 percent, state-wide.

Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
2008	\$ 5,074	2.0 %
2009	\$ 5,124	1.0 %
2010	\$ 5,124	– %
2011	\$ 5,124	– %
2012	\$ 5,174	1.0 %
2013	\$ 5,224	1.0 %
2014	\$ 5,302	1.5 %
2015	\$ 5,831	2.0 %
2016	\$ 5,948	2.0 %
2017	\$ 6,067	2.0 %
2018	\$ 6,188	2.0 %
2019	\$ 6,312	2.0 %

## STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

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



Note: State-wide information is not available for fiscal 2017.

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

During the economic downturn that began in 2008, the average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts increased, peaking at 22.9 percent at the end of fiscal 2012. This trend reflected districts' efforts to limit budget cuts, retain educational programs, and maintain adequate operating cash flow during a period of uncertain funding. As the state's economic condition improved in subsequent years, this ratio has gradually decreased, stabilizing at 20.7 percent for fiscal 2015 and fiscal 2016.

As of June 30, 2017, this ratio was 15.4 percent for the District, as compared to 16.2 percent at the end of the previous year.

The table below shows a comparison of governmental fund revenue per ADM received by Minnesota school districts and your district. Revenues for all governmental funds are included, except for the Capital Projects – Building Construction Fund. Other financing sources, such as proceeds from sales of capital assets, insurance recoveries, bond sales, loans, and interfund transfers, are also excluded.

<b>Governmental Funds Revenue per Student (ADM) Served</b>								
	State-Wide		Seven-County Metro Area		ISD No. 284 – Wayzata			
	2015	2016	2015	2016	2015	2016	2017	
<b>General Fund</b>								
Property taxes	\$ 1,657	\$ 1,777	\$ 2,187	\$ 2,342	\$ 3,521	\$ 3,532	\$ 3,698	
Other local sources	489	495	387	392	319	334	417	
State	8,967	9,271	9,030	9,357	7,716	7,955	8,164	
Federal	441	432	447	447	293	255	282	
Total General Fund	<u>11,554</u>	<u>11,975</u>	<u>12,051</u>	<u>12,538</u>	<u>11,849</u>	<u>12,076</u>	<u>12,561</u>	
<b>Special revenue funds</b>								
Food Service	522	548	516	545	488	510	549	
Community Service	551	591	651	692	698	762	820	
Debt Service Fund	<u>1,061</u>	<u>1,053</u>	<u>1,127</u>	<u>1,084</u>	<u>913</u>	<u>1,285</u>	<u>1,272</u>	
Total revenue	<u>\$ 13,688</u>	<u>\$ 14,167</u>	<u>\$ 14,345</u>	<u>\$ 14,859</u>	<u>\$ 13,948</u>	<u>\$ 14,633</u>	<u>\$ 15,202</u>	
ADM served per MDE School District Profiles Report (current year estimated)					<u>10,832</u>	<u>10,928</u>	<u>11,380</u>	
Note: Excludes the Capital Projects – Building Construction Fund.								
Source of state-wide and seven-county metro area data: School District Profiles Report published by the MDE								

ADM used in the table above and on the next page are based on enrollments consistent with those used in the MDE School District Profiles Report, which include extended time ADM, and may differ from ADM reported in other tables.

The mix of local and state revenues vary from year to year primarily based on funding formulas and the state’s financial condition. The mix of revenue components from district to district varies due to factors such as the strength of property values, mix of property types, operating and bond referendums, enrollment trends, density of population, types of programs offered, and countless other criteria. Changes in enrollment also impact comparisons in the table above and on the next page when revenue and expenditures are based on fixed costs, such as debt levies and principal and interest on outstanding indebtedness.

The District earned \$172,999,961 in the governmental funds reflected above in fiscal 2017, an increase of \$13,090,772 (8.2 percent) from the prior year, or \$569 per ADM. Total General Fund revenue increased \$485 per ADM from the previous year. General Fund revenue from state sources was \$209 higher per ADM, mainly due to an increase in students served, and funding improvements to general education and special education aid formulas. General Fund property tax revenue was \$166 per ADM higher than last year, primarily due to a new levy for long-term facilities maintenance (LTFM). Revenue from other local sources also increased \$83 per ADM, mainly due to increases in various one-time revenues.

The following table reflects similar comparative data available from the MDE for all governmental fund expenditures, excluding the Capital Projects – Building Construction Fund. Other financing uses, such as bond refundings and transfers, are also excluded.

<b>Governmental Funds Expenditures per Student (ADM) Served</b>							
	State-Wide		Seven-County Metro Area		ISD No. 284 – Wayzata		
	2015	2016	2015	2016	2015	2016	2017
<b>General Fund</b>							
Administration and district support	\$ 941	\$ 960	\$ 951	\$ 958	\$ 710	\$ 747	\$ 804
Elementary and secondary							
regular instruction	5,301	5,466	5,635	5,849	5,626	5,628	5,635
Vocational education instruction	147	158	136	146	265	253	244
Special education instruction	2,058	2,182	2,196	2,330	1,537	1,591	1,557
Instructional support services	586	622	689	725	879	925	865
Pupil support services	992	1,019	1,072	1,104	1,119	1,124	1,145
Sites and buildings and other	881	890	832	847	1,046	1,048	1,184
Total General Fund – noncapital	10,906	11,297	11,511	11,959	11,182	11,316	11,434
General Fund capital expenditures	581	600	493	532	101	75	645
Total General Fund	11,487	11,897	12,004	12,491	11,283	11,391	12,079
<b>Special revenue funds</b>							
Food Service	528	542	523	539	521	530	548
Community Service	546	577	642	676	701	742	789
Debt Service Fund	1,489	1,522	1,701	1,453	1,188	1,245	1,284
Total expenditures	<u>\$ 14,050</u>	<u>\$ 14,538</u>	<u>\$ 14,870</u>	<u>\$ 15,159</u>	<u>\$ 13,693</u>	<u>\$ 13,908</u>	<u>\$ 14,700</u>
ADM served per MDE School District Profiles Report (current year estimated)					<u>10,832</u>	<u>10,928</u>	<u>11,380</u>
Note: Excludes the Capital Projects – Building Construction Fund.							
Source of state-wide and seven-county metro area data: School District Profiles Report published by the MDE							

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

The District spent \$167,292,053 in the governmental funds reflected above in fiscal 2017, an increase of \$15,308,105 (10.1 percent) from the prior year, which represents an increase of \$792 per ADM. General Fund expenditures increased \$688 per ADM, mainly in capital expenditures (\$570 per ADM) and sites and buildings and other (\$136 per ADM), due to LTFM projects. Community service program costs increased \$47 per ADM as a result of higher program participation. Debt Service Fund expenditures increased \$39 per ADM, due to the timing of scheduled payments for general debt service.

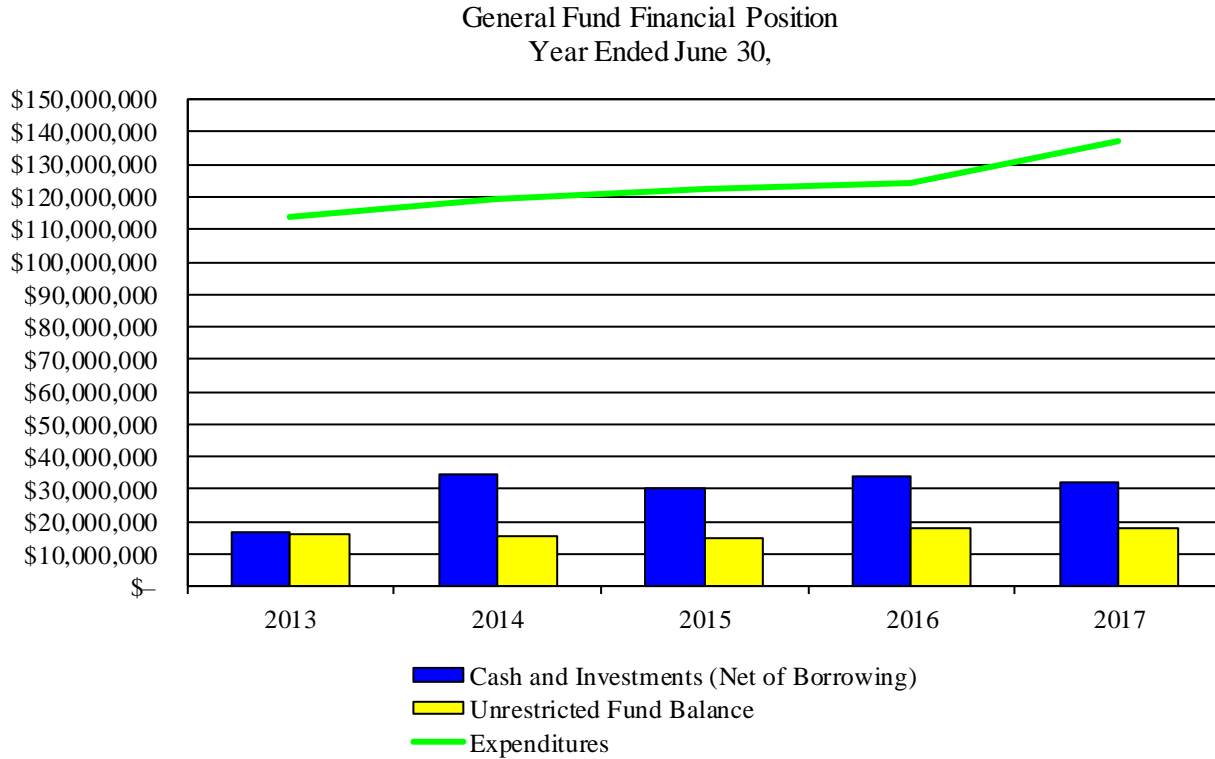
## SUMMARY

The funding for and financial position of Minnesota school districts has fluctuated significantly over the past several years due to a number of factors, including those discussed above. This situation continues to present a challenge for school boards, administrators, and management of these districts in providing the best education with the limited resources available in a climate of unknown future funding levels.

## FINANCIAL TRENDS OF YOUR DISTRICT

### GENERAL FUND FINANCIAL POSITION

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



The District ended fiscal year 2017 with a General Fund cash balance (net of interfund borrowing and excluding cash and investments held with trustee) of \$32,271,952, a decrease of \$1,503,549 from the prior year.

Total fund balance at year-end was \$16,149,104, a decrease of \$7,605,926, as compared to a budgeted decrease of \$7,571,078.

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

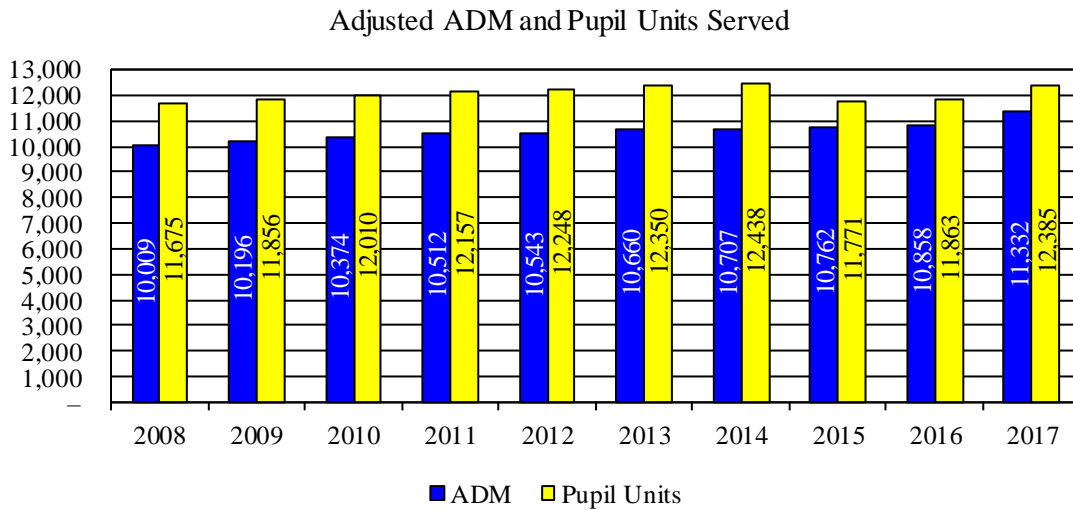
	June 30,				
	2013	2014	2015	2016	2017
Nonspendable fund balances	\$ 153,963	\$ 139,900	\$ 170,070	\$ 196,566	\$ 355,711
Restricted fund balances (1)	9,081,101	6,474,793	6,549,824	5,838,351	(2,117,536)
Unrestricted fund balances					
Committed	2,889,790	2,889,790	2,889,790	2,889,790	–
Assigned	1,859,114	1,766,330	2,508,237	5,482,867	4,918,059
Unassigned	11,476,097	10,926,181	9,306,757	9,347,456	12,992,870
<b>Total fund balance</b>	<b>\$ 25,460,065</b>	<b>\$ 22,196,994</b>	<b>\$ 21,424,678</b>	<b>\$ 23,755,030</b>	<b>\$ 16,149,104</b>
<b>Total expenditures</b>	<b>\$ 113,747,018</b>	<b>\$ 119,160,361</b>	<b>\$ 122,215,198</b>	<b>\$ 124,483,267</b>	<b>\$ 137,460,334</b>
Unrestricted fund balances as a percentage of expenditures	14.3%	13.1%	12.0%	14.2%	13.0%
Unassigned fund balances as a percentage of expenditures	10.1%	9.2%	7.6%	7.5%	9.5%
(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.					

The table above reflects the total General Fund unrestricted fund balance and percentages, which differs from those used in the previous discussion of state-wide fund balances, which are based on a state formula. The resources represented by this fund balance are critical to a district's ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion against the impact of unexpected costs or funding shortfalls.

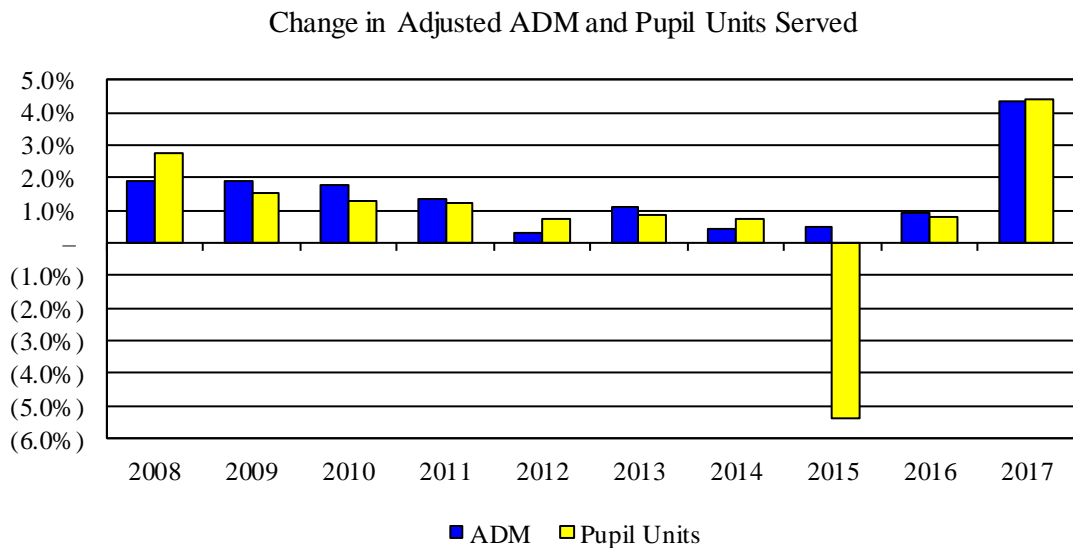
At June 30, 2017, unassigned fund balance in the General Fund represented 9.5 percent of annual expenditures, or just under five weeks of operations assuming level spending throughout the year.

## AVERAGE DAILY MEMBERSHIP AND PUPIL UNITS

The following graph presents the District's adjusted ADM and pupil units served for the past 10 years:



The following graph shows the rate of change in ADM served by the District from year to year, along with the change in the resulting pupil units:



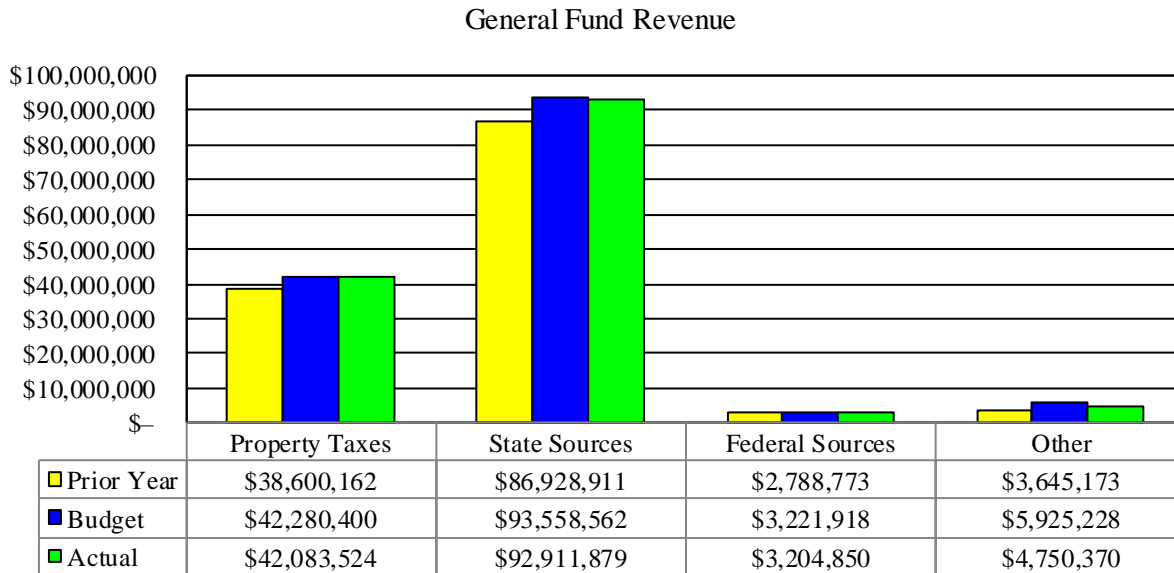
The change in pupil units for 2015 includes the effect of legislative reductions to pupil units.

ADM is a measure of students attending class, which is then converted to pupil units (the base for determining revenue) using a statutory formula. Not only is the original budget based on ADM estimates, the final audited financial statements are based on updated, but still estimated, ADM since the counts are not finalized until around January of the following year. When viewing revenue budget variances, one needs to consider these ADM changes, the impact of the prior year final adjustments which affect this year's revenue, and also the final adjustments caused by open enrollment gains and losses.

The District served an estimated ADM of 11,332 in 2017, an increase of 474 ADM (4.4 percent) from the prior year. The resulting pupil units served by the District increased by 522 (4.4 percent) to 12,385.

## GENERAL FUND REVENUES

The following graph presents the District's General Fund revenues for 2017:



Total General Fund revenues were \$142,950,923 for the year ended June 30, 2017, which was an increase of \$10,987,604 (8.3 percent) from the prior year, but \$2,035,485 (1.4 percent) less than projected in the final budget.

The variance to budget was mainly in revenues from state and other local sources. Revenues from other local sources, including investment income, gifts, bequests, and tuition, were \$1,174,858 under budget, primarily due to the District budgeting for all investment income in the General Fund, but allocating investment income to other District funds. Revenues from state sources were \$646,683 under budget due to the District over-budgeting for the Teachers Retirement Association (TRA) state direct aid contributions and desegregation transportation aid.

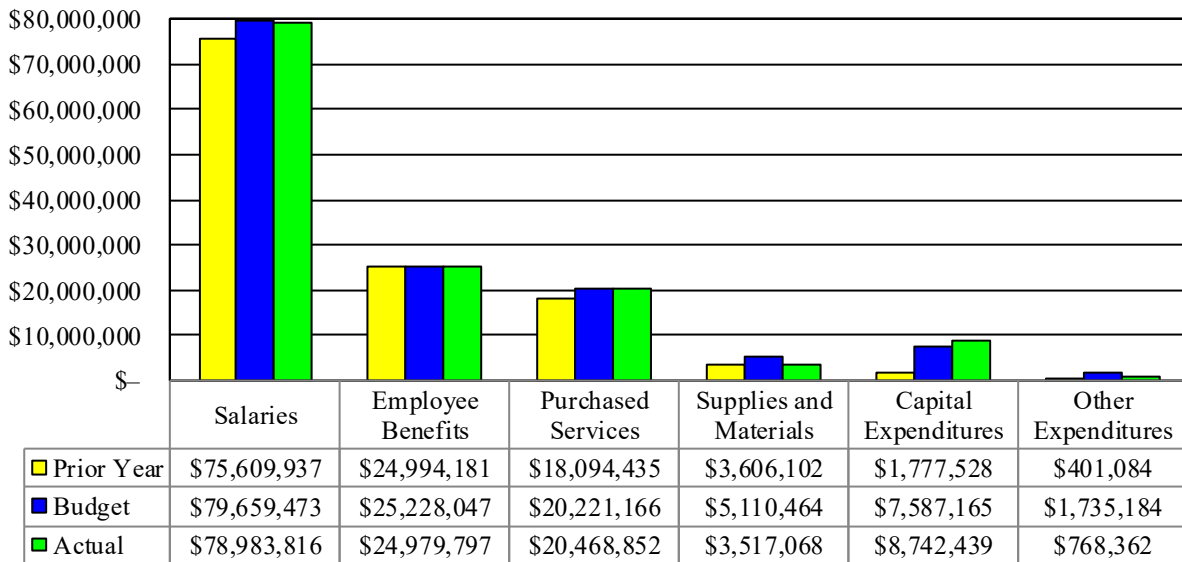
The increase from the prior year was mainly in state sources and property taxes. State sources increased \$5,982,968, primarily as a result of increases in the number of students served, the basic general education formula allowance, and state funding for special education. Property taxes increased as a result of the new LTFM levy in fiscal 2017.

The graph above reflects the concentration of state sources (65.0 percent) followed by property taxes (29.4 percent) received to finance General Fund operations.

## GENERAL FUND EXPENDITURES

The following graph presents the District's General Fund expenditures for 2017:

General Fund Expenditures



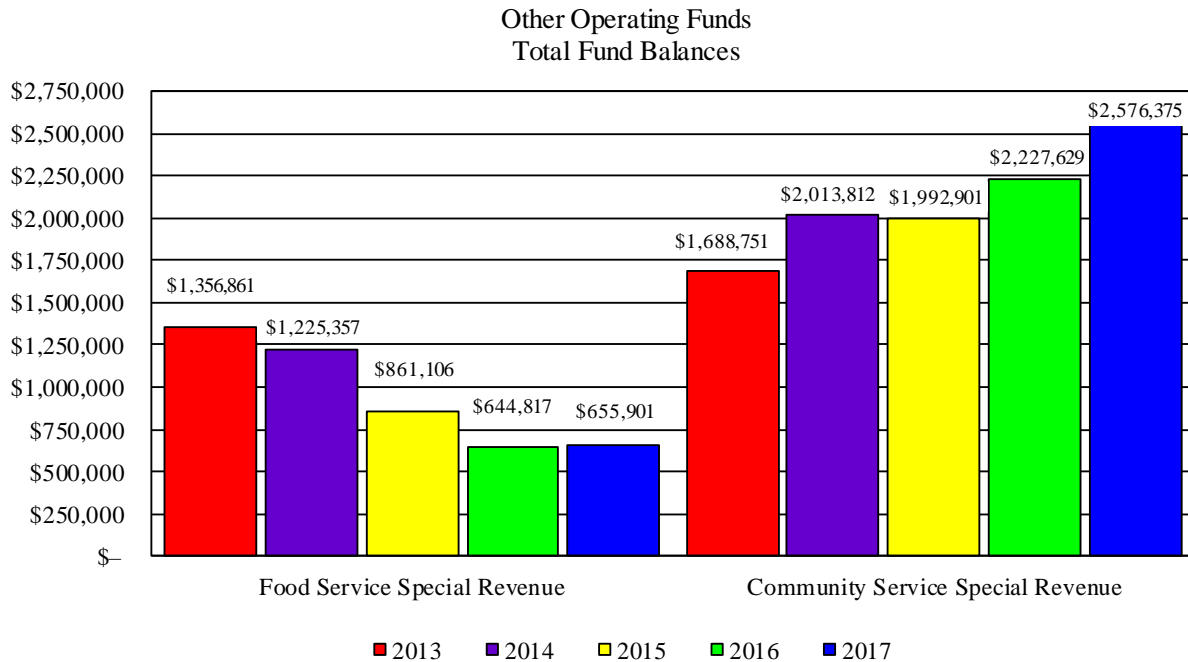
Total General Fund expenditures were \$137,460,334 for the year ended June 30, 2017, which was an increase of \$12,977,067 (10.4 percent) from the prior year, but \$2,081,165 (1.5 percent) under the final budget.

The variance to budget was spread across most categories. Supplies and materials were \$1,593,396 under budget, due to site budgets being carried over from fiscal 2016. Other expenditures were \$966,822 under budget, mainly due to the large TRA direct aid budget. Capital expenditures were \$1,155,274 over budget as a result of the timing of construction projects occurring in fiscal 2017, compared to expectations.

Expenditure increases were mainly in capital expenditures, salaries, and purchased services. Capital expenditures and purchased services increased, due to more construction projects occurring for LTFM projects paid out of the General Fund during fiscal 2017. The increase in salaries is mostly due to contractual increases.

## OTHER FUNDS OF THE DISTRICT

The following graph shows what is referred to as the other operating funds. The remaining nonoperating funds are only included in narrative form below, since their level of fund balance can fluctuate significantly due to such things as issuing and spending the proceeds of refunding or building bonds and, therefore, the trend of fund balance levels are not necessarily a key indicator of financial health. It does not mean that these funds cannot experience financial trouble or that their fund balances are unimportant.



### Food Service Special Revenue Fund

The District's Food Service Special Revenue Fund ended fiscal 2017 with a fund balance increase of \$11,084, compared to a budgeted decrease of \$232,595. Food service revenue was \$6,251,549, which was over budget by \$345,649, due to higher lunch sales and federal reimbursements. Expenditures of \$6,240,465 were over budget by \$101,970, mainly in supplies and materials. The Food Service Special Revenue Fund had a year-end fund balance of \$655,901, representing 10.5 percent of current year expenditures.

### Community Service Special Revenue Fund

The District's Community Service Special Revenue Fund ended fiscal 2017 with a fund balance increase of \$348,746, compared to a budgeted decrease of \$232,642. Revenues of \$9,327,049 were over budget by \$538,913, mainly due to program participation being more than anticipated. Expenditures totaling \$8,978,303 were under budget by \$47,475, mainly in salaries and employee benefits. This operation closed the year with a fund balance of \$2,576,375, equal to 28.7 percent of its annual expenditures.

Over the years, we have emphasized to our clients that food service and community service operations should be self-sustaining, and should not become an additional burden on general education funds.

## Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund ended the year with a fund balance decrease of \$13,707,004, due to the spend down of prior years' bond proceeds, consistent with a \$15,284,313 decrease anticipated in the budget. The year-end fund balance of \$8,511,858 includes: \$370,688 of nonspendable fund balance for prepaids, \$1,070,727 restricted for the capital projects levy, \$7,598,571 restricted for capital projects, and \$528,128 unassigned LTFM restricted account deficit.

## Debt Service Fund

The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. It is important to remember that resources of the Debt Service Fund are restricted to the payment of outstanding debt obligations of the District. As of June 30, 2017, the District has \$2,475,932 available for general debt service.

## Proprietary Funds – Internal Service Funds

The District uses internal service funds to account for the District's liabilities for self-insured benefits and early retirement benefits. The following table presents the combined activity reported for the past three fiscal years for the internal service funds:

	June 30,		
	2015	2016	2017
Operating revenue			
Charges for services	\$ 14,993,019	\$ 15,378,190	\$ 16,168,168
Operating expenses			
Dental benefit claims	1,149,512	1,275,180	1,293,546
Health benefit claims	15,613,795	15,678,825	16,111,586
Early retirement incentive and sick leave benefits	1,228,274	1,994,838	1,692,272
Total operating expenses	<u>17,991,581</u>	<u>18,948,843</u>	<u>19,097,404</u>
Operating income (loss)	(2,998,562)	(3,570,653)	(2,929,236)
Nonoperating revenue			
Investment earnings	<u>1,041,481</u>	<u>1,027,374</u>	<u>1,348,033</u>
Income (loss) before transfers	(1,957,081)	(2,543,279)	(1,581,203)
Transfers in	–	–	111,624
Transfers (out)	–	<u>(2,280,082)</u>	–
Change in net position	(1,957,081)	(4,823,361)	(1,469,579)
Net position			
Beginning of year, as previously reported	5,371,429	9,560,777	4,737,416
Change in accounting principle	–	–	(2,413,805)
Beginning of year, as restated	<u>5,371,429</u>	<u>9,560,777</u>	<u>2,323,611</u>
End of year	<u>\$ 3,414,348</u>	<u>\$ 4,737,416</u>	<u>\$ 854,032</u>

## Post-Employment Benefits Trust Fund

The District has established a Post-Employment Benefits Trust Fund to account for an irrevocable trust account established to finance the District's liability for post-employment healthcare benefits. At year-end, trust net position of \$32,370,009 is available for future OPEB payments.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

	June 30,		Change
	2017	2016	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 30,369,170	\$ 54,729,784	\$ (24,360,614)
Total capital assets, net of depreciation	203,262,643	192,503,523	10,759,120
Bonds, certificates, and leases, net of premiums	(172,178,008)	(183,469,779)	11,291,771
Pensions, net of deferred outflows and inflows	(123,260,047)	(85,607,358)	(37,652,689)
OPEB, net of deferred outflows and inflows	(10,961,989)	18,547,354	(29,509,343)
Other adjustments	(1,555,835)	1,933,383	(3,489,218)
Total net position – governmental activities	<u>\$ (74,324,066)</u>	<u>\$ (1,363,093)</u>	<u>\$ (72,960,973)</u>
Net position			
Net investment in capital assets	\$ 40,112,576	\$ 31,901,934	\$ 8,210,642
Restricted	7,822,506	13,662,842	(5,840,336)
Unrestricted	<u>(122,259,148)</u>	<u>(46,927,869)</u>	<u>(75,331,279)</u>
Total net position	<u>\$ (74,324,066)</u>	<u>\$ (1,363,093)</u>	<u>\$ (72,960,973)</u>

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

Total net position decreased by \$72,960,973 during fiscal 2017. As presented in the table above, this change was primarily in unrestricted net position. The District reported a \$29,908,951 change in accounting principle for the implementation of new pension and OPEB accounting standards that reduced unrestricted net position when compared to the prior year. The change in the District's proportionate share of the Public Employees Retirement Association and the TRA state-wide pension obligations also caused unrestricted net position to decrease.

The District's net investment in capital assets increased \$8,210,642 this year. The change in this category of net position typically depends on the relationship between the rate at which the District is depreciating capital assets and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets. The increase was also impacted by the District adding capital assets financed through various levies rather than new debt. The decrease in restricted net position reflects the change in amounts previously restricted for capital projects.

## LEGISLATIVE SUMMARY

The 2017 legislative session established public education funding appropriations for the 2018–2019 fiscal biennium totaling \$483.3 million. The following is a brief summary of specific legislative changes from the 2017 session or previous legislative sessions impacting Minnesota school districts in future years.

**Basic General Education Revenue** – The 2017 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 \$121 to \$6,188 for fiscal year (FY) 2018, and another \$124 to \$6,312 for FY 2019.

**Compensatory Revenue** – The \$5 million allocation for compensatory pilot grants in FY 2017 was permanently added to the allocation for regular compensatory revenue beginning in FY 2018. Beginning in FY 2018, a portion of compensatory revenue will be required to be used for extended time activities. The requirement will be 1.7 percent of total compensatory revenue for FY 2018, and 3.5 percent in FY 2019 and beyond.

**Transportation Sparsity Revenue** – Beginning in FY 2018, transportation sparsity revenue increases annually by 18.20 percent of the difference between 1) the lessor of a district’s actual regular and excess transportation costs for the previous fiscal year, or 105.00 percent, of those costs for the preceding year, and 2) the sum of 4.66 percent of the district’s basic transportation revenue, transportation sparsity revenue, and charter school transportation adjustment for the previous year. For charter schools, the adjustment to transportation sparsity is equal to the applicable school district’s per pupil adjustment.

**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 6,160 participants for VPK and SR+ for FY 2018,
  - 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 FY 2017 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** – Beginning in FY 2017, deferred maintenance, health and safety, and alternative facilities programs were rolled into a new long-term facilities maintenance revenue program. Revenue for FY 2017 was \$193 per adjusted pupil unit (APU); multiplied by the lessor of one, or the ratio of the district’s average building age to 35 years. Funding will increase to \$292 per APU for FY 2018 and \$380 per APU for FY 2019, multiplied by the same building age factor.

**Home Visiting Revenue** – For FY 2018 (Pay 17 tax levy), home visiting program revenue is increased from \$1.60 to \$3.00, multiplied by the population under age 5 residing in a district on September 1 of the last school year. The levy will be equalized using a factor of \$17,250 per APU.

**Debt Service Equalization** – Beginning in FY 2018, the equalizing factors for debt service levies are indexed at 1) Tier 1 – the greater of \$4,430, or 55.33 percent, of the state average adjusted net tax capacity per APU, or 2) Tier 2 – the greater of \$8,000, or 100 percent, of the state average adjusted net tax capacity per APU.

**Procedural Changes or Clarifications Related to Funding –**

- Operating referendum notices can be delivered by any type of mail, no longer required to be by first class mail.
- For nonpublic pupil aid the definition of “textbook” is modified to include an online book with an annual subscription cost and the definition of “software or other educational technology” is modified to include registration fees for online advanced placement courses.
- Charter schools are allowed to include students participating in postsecondary enrollment options in their pupil count for generating building lease aid.

**Payments to Nonoperating Funds** – Beginning in FY 2018, the payment schedule for state aids for nonoperating funds (e.g., debt service equalization) has been changed from 12 monthly installments throughout the fiscal year to six monthly installments from July through December.

**Nutrition Contracts** – The Legislature amended the law governing school district contracts to provide for an exception to the requirement limiting school district contracts to two years, with an option for an additional two years. A contract between a school board and a food service management company that complies with Code of Federal Regulations, Title 7, Section 210.16, may be renewed annually after its initial term for not more than four years.

**School Building Bond Agricultural Tax Credit** – Effective for taxes payable in 2018 (FY 2019), a property 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.

**Lead in School Drinking Water –**

- Requires the commissioners of health and education to develop a model plan to test for lead in school drinking water.
- Requires school districts and charter schools to adopt the model plan or an alternative plan to test school water for lead at least every five years.
- A school district must begin testing by July 1, 2018 and complete testing for all schools within five years.
- Allows school districts to include lead testing and remediation in their 10-year facilities plans and to use long-term facilities maintenance revenue for lead testing and remediation.
- Requires school districts and charter schools to make lead testing results available to the public and to notify parents that this information is available.

**Review and Comment** – Directs the commissioner of education to include comments from district residents in the review and comment on capital project proposals. School boards are required to hold a public meeting to review the commissioner’s review and comment on a proposal before the bond election.

## 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. 85, *OMNIBUS 2017***

The objective of this statement is to address issues that have been identified during implementation and application of certain GASB statements. The statement addresses a variety of topics, including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and OPEB). The statement is meant to enhance consistency in the application of recent accounting and financial reporting standards. The requirements of this statement are effective for reporting periods beginning after June 15, 2017.

## **GASB STATEMENT NO. 86, *CERTAIN DEBT EXTINGUISHMENT ISSUES***

Current GASB guidance requires that debt be considered defeased in substance when the debtor irrevocably places cash or other monetary assets acquired with refunding debt proceeds in a trust to be used solely for satisfying scheduled payments of both principal and interest of the defeased debt. This new standard establishes essentially the same requirements for when a government places cash and other monetary assets acquired with only existing resources in an irrevocable trust to extinguish the debt.

The primary objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this statement are effective for reporting periods beginning after June 15, 2017.

## **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.

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INDEPENDENT SCHOOL DISTRICT NO. 284  
WAYZATA, MINNESOTA

Extracurricular Student Activity Accounts  
Financial Report

Year Ended  
June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of  
Independent School District No. 284  
Wayzata, Minnesota

**REPORT ON THE FINANCIAL STATEMENT**

We have audited the accompanying statement of cash receipts and disbursements of the extracurricular student activity accounts of Independent School District No. 284 (the District) as of and for the year ended June 30, 2017, 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 the financial statement in accordance with the cash basis of accounting described in Note 1 of notes to extracurricular student activity accounts financial statement; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

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

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

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

(continued)

### **BASIS FOR QUALIFIED OPINION**

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

### **QUALIFIED OPINION**

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statement referred to on the previous page presents fairly, in all material respects, the cash balances of the District's extracurricular student activity accounts as of June 30, 2017, and the cash receipts and disbursements for the year then ended, on the cash basis of accounting 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 cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

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

Minneapolis, Minnesota  
November 30, 2017

INDEPENDENT SCHOOL DISTRICT NO. 284

Extracurricular Student Activity Accounts  
Statement of Cash Receipts and Disbursements  
Year Ended June 30, 2017

	Balance – June 30, 2016	Receipts	Disbursements	Balance – June 30, 2017
Miscellaneous				
AD building	\$ 1,187	\$ 1,387	\$ 296	\$ 2,278
Interest – bank charges	852	–	852	–
Total Miscellaneous	<u>2,039</u>	<u>1,387</u>	<u>1,148</u>	<u>2,278</u>
Wayzata High School				
Drama	29,837	42,991	40,629	32,199
Yearbook (Wayako)	–	44,476	21,363	23,113
Ceramics	4,514	–	1,089	3,425
Cheerleaders	162	17,033	16,685	510
Choir	2,853	34,335	30,306	6,882
Danceline	24,061	62,512	63,146	23,427
Activity support	101,448	47,813	13,171	136,090
DECA	5,664	58,013	54,343	9,334
French	503	615	889	229
German	11,780	37,845	21,353	28,272
Letterman	38,954	59,107	46,278	51,783
Fine Arts	5,009	1,700	2,122	4,587
Band	18,051	141,087	53,791	105,347
National Honor Society	4,074	20,180	19,932	4,322
Student Services	2,925	1,500	4,425	–
Orchestra	8,264	14,663	11,666	11,261
Student Council	14,387	71,731	65,002	21,116
Spanish	2,111	1,346	3,457	–
Theatre Arts	1,110	4,894	3,412	2,592
Business Professionals of America	7,154	68,902	67,559	8,497
Skills USA	–	7,014	6,972	42
Link	11,597	9,388	9,746	11,239
Super Mileage Team	482	2,103	2,585	–
Y.E.S.	3,649	7,380	6,276	4,753
Creative Writing	2,131	–	–	2,131
DECA – Spiritware	21,461	23,867	23,295	22,033
Vision 21	620	2,806	3,358	68
Robotics Team	113	18,976	14,096	4,993
Showstoppers	9,487	16,267	13,149	12,605
Chinese Club	1,257	770	1,018	1,009
Lakers Breakfast Nook	15,048	25,325	26,292	14,081
Festival of Nations	1,391	–	–	1,391
Freshman Retreat	2,095	17,772	15,988	3,879
Trap and Skeet	5,933	31,670	28,637	8,966
Junior Statesman of America	–	2,177	1,910	267
Quiz Bowl	–	24,553	15,835	8,718
Total Wayzata High School	<u>358,125</u>	<u>920,811</u>	<u>709,775</u>	<u>569,161</u>

See notes to extracurricular student activity accounts financial statement

(continued)

INDEPENDENT SCHOOL DISTRICT NO. 284

Extracurricular Student Activity Accounts  
Statement of Cash Receipts and Disbursements (continued)  
Year Ended June 30, 2017

	Balance – June 30, 2016	Receipts	Disbursements	Balance – June 30, 2017
<b>Wayzata High School Athletics</b>				
Baseball	1,063	12,176	13,239	–
Basketball – Boys	1,588	10,328	11,916	–
Basketball – Girls	6,953	11,988	8,153	10,788
Cross Country – Boys	4,679	9,138	8,361	5,456
Cross Country – Girls	1,209	4,573	1,481	4,301
Football	59,318	20,588	55,418	24,488
Gymnastics	3,946	3,737	2,766	4,917
Golf – Boys	–	9,514	9,514	–
Golf – Girls	607	5,504	4,998	1,113
Hockey – Boys	–	50,219	44,105	6,114
Hockey – Girls	16,710	13,393	17,026	13,077
Skiing – Alpine	4,952	14,759	14,799	4,912
Skiing – Nordic	11,976	9,990	15,401	6,565
Softball	–	8,379	3,168	5,211
Swimming/Diving – Boys	4,934	5,067	3,172	6,829
Swimming/Diving – Girls	10,326	10,346	10,856	9,816
Soccer – Boys	6,977	8,280	9,437	5,820
Soccer – Girls	13,212	12,170	14,742	10,640
Synchronized Swimming	6,982	14,569	13,596	7,955
Tennis – Boys	21,194	7,766	16,472	12,488
Tennis – Girls	2,338	12,540	13,537	1,341
Track/Field – Boys	253	4,309	3,644	918
Track/Field – Girls	723	4,223	911	4,035
Volleyball	10,795	11,684	11,306	11,173
Wrestling	–	7,550	5,206	2,344
Adaptive Athletics	3,900	81	–	3,981
Lacrosse – Boys	4,340	11,588	9,938	5,990
Lacrosse – Girls	2,624	4,291	2,714	4,201
Total Wayzata High School Athletics	201,599	298,750	325,876	174,473
<b>Central Middle School</b>				
Musical	9,943	12,686	12,285	10,344
Student Council	1,508	19,348	18,966	1,890
Band	258	5,513	5,771	–
Yearbook	4,523	11,459	14,095	1,887
Student Services	7,156	6,504	9,239	4,421
Total Central Middle School	23,388	55,510	60,356	18,542
<b>West Middle School</b>				
Choir	–	231	–	231
Student Services	2,505	14,493	15,352	1,646
Student Council	–	1,654	132	1,522
Yearbook	5,905	6,147	3,203	8,849
Theatre	4,084	19,273	9,551	13,806
Day One	–	400	230	170
Total West Middle School	12,494	42,198	28,468	26,224

See notes to extracurricular student activity accounts financial statement

(continued)

INDEPENDENT SCHOOL DISTRICT NO. 284

Extracurricular Student Activity Accounts  
Statement of Cash Receipts and Disbursements (continued)  
Year Ended June 30, 2017

	Balance – June 30, 2016	Receipts	Disbursements	Balance – June 30, 2017
East Middle School				
Student Services	15,272	18,180	18,412	15,040
Band	520	2,075	1,705	890
Student Council	15,906	8,016	6,687	17,235
Variety Fund	14,514	8,206	7,028	15,692
Total East Middle School	<u>46,212</u>	<u>36,477</u>	<u>33,832</u>	<u>48,857</u>
Meadow Ridge Elementary				
Student Services	–	6,830	1,680	5,150
Birchview Elementary				
Student Council	732	–	–	732
Student Services	3,283	1,049	2,001	2,331
Media	251	1,362	1,613	–
Total Birchview Elementary	<u>4,266</u>	<u>2,411</u>	<u>3,614</u>	<u>3,063</u>
Greenwood Elementary				
Kindergarten	412	1,165	922	655
Media	47	–	–	47
Student Services	1,090	9,014	8,821	1,283
Total Greenwood Elementary	<u>1,549</u>	<u>10,179</u>	<u>9,743</u>	<u>1,985</u>
Oakwood Elementary				
Student Council	1,755	248	121	1,882
Student Services	7,271	–	117	7,154
Chess Club	328	420	284	464
Total Oakwood Elementary	<u>9,354</u>	<u>668</u>	<u>522</u>	<u>9,500</u>
Sunset Hill Elementary				
Student Services	12,574	13,779	19,058	7,295
All District Choir	–	4,596	4,596	–
Pencil machine/store	1,817	–	–	1,817
Total Sunset Hill Elementary	<u>14,391</u>	<u>18,375</u>	<u>23,654</u>	<u>9,112</u>
Plymouth Creek Elementary				
Student Services	5,371	4,226	9,340	257
Gleason Lake Elementary				
Student Services	27,741	1,647	1,762	27,626
Kimberly Lane Elementary				
Student Council	673	–	624	49
Kindergarten	3,281	–	221	3,060
Media	225	164	–	389
Student Services	51,883	7,745	245	59,383
Total Kimberly Lane Elementary	<u>56,062</u>	<u>7,909</u>	<u>1,090</u>	<u>62,881</u>
Total District	<u>\$ 762,591</u>	<u>\$ 1,407,378</u>	<u>\$ 1,210,860</u>	<u>\$ 959,109</u>

See notes to extracurricular student activity accounts financial statement

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INDEPENDENT SCHOOL DISTRICT NO. 284

Notes to Extracurricular Student Activity Accounts Financial Statement  
June 30, 2017

**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 Independent School District No. 284's (the District) extracurricular student activity accounts are maintained, and the accompanying financial statement has been prepared, on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Consequently, 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 depository insurance, surety bonds, or by collateral held by the District's agent in the District's name.

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OTHER REQUIRED REPORTS

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INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING

To the School Board and Management of  
Independent School District No. 284  
Wayzata, Minnesota

In planning and performing our audit of the statement of cash receipts and disbursements of the extracurricular student activity accounts of Independent School District No. 284 (the District) as of and for the year ended June 30, 2017, 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 2017-001 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, and the state of Minnesota and is not intended to be, and should not be, used by anyone other than these specified parties.

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

Minneapolis, Minnesota  
November 30, 2017

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

To the School Board and Management of  
Independent School District No. 284  
Wayzata, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statement of cash receipts and disbursements of the extracurricular student activity accounts of Independent School District No. 284 (the District) as of and for the year ended June 30, 2017, and the related notes to the extracurricular student activity accounts financial statement, and have issued our report thereon dated November 30, 2017. Our report was 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. Further, the financial statement is prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The provisions of the *Manual for Activity Fund Accounting*, issued by the Minnesota Department of Education, provide 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 as findings 2017-002, 2017-003, and 2017-004. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions.

The District's responses to the compliance findings identified in our audit have been included in the Schedule of Findings and Corrective Action. The District's responses were not subject to the auditing procedures applied in our audit of the financial statement and, accordingly, we express no opinion on them.

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

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

Minneapolis, Minnesota  
November 30, 2017

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INDEPENDENT SCHOOL DISTRICT NO. 284

Extracurricular Student Activity Accounts  
Schedule of Findings and Corrective Action  
June 30, 2017

**FINDINGS AND CORRECTIVE ACTION**

**2017-001 MATERIAL WEAKNESS IN INTERNAL CONTROLS – CASH RECEIPTS**

**Condition** – Independent School District No. 284 (the District) reports the cash receipts and disbursements of its extracurricular student activity accounts on the cash basis of accounting. The internal controls at the various district school sites are not sufficient to assure that all cash receipts have been recorded.

**Type of Finding** – Current year and prior year finding.

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

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

**Corrective Action Plan**

**Actions Planned** – The District’s Finance Department personnel regularly reviews internal controls over extracurricular student activity account transactions along with the personnel at the various district school sites that maintain such accounts. The District will continue this process, and will evaluate whether implementing additional control procedures over the recording of cash receipts is cost beneficial and practical within the limitations of the staffing available at the school sites.

**Official Responsible** – The District’s Controller.

**Planned Completion Date** – June 30, 2018.

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

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

INDEPENDENT SCHOOL DISTRICT NO. 284

Extracurricular Student Activity Accounts  
Schedule of Findings and Corrective Action (continued)  
June 30, 2017

**FINDINGS AND CORRECTIVE ACTION (CONTINUED)**

**2017-002 IMPROPER ACCOUNTS AND ACTIVITY**

**Condition** – Certain groups and activities accounted for by the District as student activities during the year ended June 30, 2017 do not meet the definition of an extracurricular activity as defined by the standards in the *Manual for Activity Fund Accounting (MAFA)*. In addition, all student activity disbursements are processed through the District’s general checking account and signed by the School Board rather than a separate account signed by the student, advisor, and site administrator.

**Type of Finding** – Current year and prior year finding.

**Criteria** – *MAFA*.

**Recommendation** – We recommend that the District assure all student activity accounts and related activity meet the definition of an extracurricular activity as defined by the standards of the *MAFA*. We also recommend that the District review its student activity disbursement process to assure all activity includes a signature by the student, advisor, and site administrator of the account.

**Corrective Action Plan**

**Actions Planned** – The District’s Finance Department personnel will review all accounts currently accounted for as student activities and will evaluate whether each is in compliance with *MAFA* standards. In addition, Finance Department personnel will review the student activity disbursement process and make changes as needed to be in compliance.

**Official Responsible** – The District’s Controller.

**Planned Completion Date** – June 30, 2018.

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

**Plan to Monitor** – The District’s Controller will oversee the continued review and evaluation of extracurricular student activity accounts at the District’s various school sites, and ensure all activities are properly classified under the *MAFA*.

Extracurricular Student Activity Accounts  
Schedule of Findings and Corrective Action (continued)  
June 30, 2017

**FINDINGS AND CORRECTIVE ACTION (CONTINUED)**

**2017-003 ACTIVITY PURPOSE FORMS**

**Condition** – Activity purpose forms, which state the purpose of each individual activity account, were not available for 14 of 99 accounts tested for the year ended June 30, 2017. Per the *MAFA*, these forms are necessary for all student activity accounts and should be signed by both the activity advisor and the principal of the respective school.

**Type of Finding** – Current year and prior year finding.

**Criteria** – *MAFA*.

**Recommendation** – We recommend that the District maintains activity purpose forms on file for each student activity account within the District.

**Corrective Action Plan**

**Actions Planned** – The District’s Finance Department personnel will work with the individuals responsible for overseeing student activities to verify these forms are completed for each activity account.

**Official Responsible** – The District’s Controller.

**Planned Completion Date** – June 30, 2018.

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

**Plan to Monitor** – The District’s Controller will ensure that activity purpose forms are obtained for all student activity accounts in accordance with the *MAFA* guidelines.

INDEPENDENT SCHOOL DISTRICT NO. 284

Extracurricular Student Activity Accounts  
Schedule of Findings and Corrective Action (continued)  
June 30, 2017

**FINDINGS AND CORRECTIVE ACTION (CONTINUED)**

**2017-004 TIMELY DEPOSIT OF CASH RECEIPTS**

**Condition** – We noted that 5 of 40 student activity cash receipts tested for the year ended June 30, 2017 were not deposited into the bank in a timely manner as defined by the *MAFA*.

**Type of Finding** – Current year finding.

**Criteria** – *MAFA*.

**Recommendation** – We recommend that the District reviews its procedures for receipts and deposits as defined by the standards of the *MAFA* to allow for future compliance with timely deposit of receipts.

**Corrective Action Plan**

**Actions Planned** – The District’s Finance Department personnel will work with the individuals responsible for overseeing student activities to improve controls and correct findings identified during the audit.

**Official Responsible** – The District’s Controller.

**Planned Completion Date** – June 30, 2018.

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

**Plan to Monitor** – The District’s Controller will review the procedures and internal controls over student activity fund deposits with the responsible individuals at each site where student activity accounts are maintained in order to comply with the *MAFA* guidelines.

INDEPENDENT SCHOOL DISTRICT NO. 284  
WAYZATA, MINNESOTA

Special Purpose Audit Reports

Year Ended  
June 30, 2017

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INDEPENDENT SCHOOL DISTRICT NO. 284

Special Purpose Audit Reports  
Year Ended June 30, 2017

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INDEPENDENT SCHOOL DISTRICT NO. 284

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures	Passed Through to Subrecipients	Noncash Assistance
<b>U.S. Department of Agriculture</b>				
Passed through Minnesota Department of Education				
Child nutrition cluster				
School Breakfast Program	10.553	\$ 88,210		
National School Lunch Program	10.555	<u>946,559</u>		\$ 226,839
Total child nutrition cluster			\$ 1,034,769	
<b>U.S. Department of Education</b>				
Passed through Minnesota Department of Education				
Special education cluster				
Special Education – Grants to States	84.027	1,784,699		
Special Education – Preschool Grants	84.173	<u>51,883</u>		
Total special education cluster			1,836,582	
Title I Grants to Local Educational Agencies	84.010		590,358	
Career and Technical Education – Basic Grants to States	84.048		466,692	\$ 344,200
Special Education – Grants for Infants and Families	84.181		20,661	
English Language Acquisition State Grants	84.365		35,315	
Supporting Effective Instruction State Grant	84.367		138,872	
<b>U.S. Department of Health and Human Services</b>				
Direct				
Drug-Free Communities Support Program Grants	93.276		<u>116,370</u>	
Total federal awards			<u>\$ 4,239,619</u>	

Note 1: The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the District's basic financial statements.

Note 2: All pass-through entities listed above use the same CFDA numbers as the federal grantors to identify these grants, and have not assigned any additional identifying numbers.

Note 3: The District did not elect to use the 10 percent de minimis indirect cost rate.

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

To the School Board and Management of  
Independent School District No. 284  
Wayzata, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2017.

**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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify one deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001, that we consider to be a material weakness.

(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*.

## DISTRICT'S RESPONSE TO FINDING

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota  
November 30, 2017



**PRINCIPALS**

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

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the School Board and Management of  
Independent School District No. 284  
Wayzata, Minnesota

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

We have audited Independent School District No. 284’s (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2017. The District’s major federal programs are identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

**MANAGEMENT’S RESPONSIBILITY**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**AUDITOR’S RESPONSIBILITY**

Our responsibility is to express an opinion on compliance for each of the District’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District’s compliance.

(continued)

## **OPINION ON EACH MAJOR FEDERAL PROGRAM**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to on the previous page that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

## **REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to on the previous page. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

## **PURPOSE OF THIS REPORT**

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

(continued)

**REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 30, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Minneapolis, Minnesota  
November 30, 2017

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INDEPENDENT AUDITOR'S REPORT  
ON MINNESOTA LEGAL COMPLIANCE

To the School Board and Management of  
Independent School District No. 284  
Wayzata, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2017.

**MINNESOTA LEGAL COMPLIANCE**

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

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

**PURPOSE OF THIS REPORT**

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

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

Minneapolis, Minnesota  
November 30, 2017

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INDEPENDENT SCHOOL DISTRICT NO. 284

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2017

**A. SUMMARY OF AUDIT RESULTS**

This summary is formatted to provide federal granting agencies and pass-through agencies answers to specific questions regarding the audit of federal awards.

**Financial Statements**

What type of auditor's report is issued?   X   Unmodified  
       Qualified  
       Adverse  
       Disclaimer

Internal control over financial reporting:

Material weakness(es) identified?   X   Yes        No  
 Significant deficiency(ies) identified?        Yes   X   None reported  
 Noncompliance material to the financial statements noted?        Yes   X   No

**Federal Awards**

Internal controls over major federal award programs:

Material weakness(es) identified?        Yes   X   No  
 Significant deficiency(ies) identified?        Yes   X   None reported

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

U.S. Department of Education – special education cluster Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?        Yes   X   No

Programs tested as major programs:

Program or Cluster(s)	CFDA No.
The U.S. Department of Education special education cluster consisting of:	
– Special Education – Grants to States	84.027
– Special Education – Preschool Grants	84.173

Threshold for distinguishing type A and B programs.   \$ 750,000  

Does the auditee qualify as a low-risk auditee?        Yes   X   No

INDEPENDENT SCHOOL DISTRICT NO. 284

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2016

**B. FINANCIAL STATEMENT FINDINGS**

**MATERIAL WEAKNESS**

**2017-001 Prior Period Adjustments**

**Criteria** – Internal control over financial reporting.

**Condition** – During the year ended June 30, 2017, Independent School District No. 284 (the District) recorded a prior period adjustment in the government-wide financial statements increasing beginning net position by \$1,714,013 to add certain previously expensed construction costs that should have been capitalized as construction in progress in the prior year. Additionally, the District recorded a prior period adjustment reducing beginning fund balance in the Capital Projects – Building Construction Fund by \$3,265,303 to add construction expenditures that should have been accrued at the previous year-end.

**Questioned Costs** – Not applicable.

**Context** – This applies to the area of capital asset reporting.

**Repeat Finding** – This is a current year and prior year finding.

**Cause** – This was an oversight by the District.

**Effect** – The financial statements issued for the previous period contained misstatements, which improperly reported the equity of the District’s fund-based and government-wide financial statements.

**Recommendation** – We recommend that the District review its controls over the financial reporting for capital assets to ensure they are recorded correctly in the future.

**View of Responsible Official and Planned Corrective Actions** – The District agrees with the finding. This adjustment represents the correction of reporting from a prior period that was identified by the District’s controls now in place. Therefore, the District believes it has already taken the necessary steps to address this finding. The District has separately issued a Corrective Action Plan related to this finding.

**C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

**D. MINNESOTA LEGAL COMPLIANCE FINDINGS**

None.

INDEPENDENT AUDITOR'S REPORT ON  
UNIFORM FINANCIAL ACCOUNTING AND  
REPORTING STANDARDS COMPLIANCE TABLE

To the School Board and Management of  
Independent School District No. 284  
Wayzata, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2017.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table is presented for purposes of additional analysis as required by the Minnesota Department of Education (MDE), and is not a required part of the basic financial statements of the District. The UFARS Compliance Table is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the UFARS Compliance Table is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(continued)

The purpose of this report on the UFARS Compliance Table required by the MDE is solely to describe the scope of our testing of the UFARS Compliance Table and the results of that testing based on our audit. Accordingly, this report is not suitable for any other purpose.

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

Minneapolis, Minnesota

November 30, 2017

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INDEPENDENT SCHOOL DISTRICT NO. 284

Uniform Financial Accounting and Reporting Standards  
Compliance Table  
June 30, 2017

		Audit	UFARS	Audit – UFARS
<b>General Fund</b>				
Total revenue		\$ 142,950,623	\$ 142,950,622	\$ 1
Total expenditures		\$ 137,460,334	\$ 137,460,334	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ 355,711	\$ 355,711	\$ –
Restricted				
403	Staff development	\$ 428,365	\$ 428,365	\$ –
405	Deferred maintenance	\$ –	\$ –	\$ –
406	Health and safety	\$ 49,256	\$ 49,256	\$ –
407	Capital projects levy	\$ –	\$ –	\$ –
408	Cooperative revenue	\$ –	\$ –	\$ –
413	Project funded by COP	\$ –	\$ –	\$ –
414	Operating debt	\$ –	\$ –	\$ –
416	Levy reduction	\$ –	\$ –	\$ –
417	Taconite building maintenance	\$ –	\$ –	\$ –
423	Certain teacher programs	\$ –	\$ –	\$ –
424	Operating capital	\$ 2,058,521	\$ 2,058,521	\$ –
426	\$25 taconite	\$ –	\$ –	\$ –
427	Disabled accessibility	\$ –	\$ –	\$ –
428	Learning and development	\$ –	\$ –	\$ –
434	Area learning center	\$ –	\$ –	\$ –
435	Contracted alternative programs	\$ –	\$ –	\$ –
436	State approved alternative program	\$ –	\$ –	\$ –
438	Gifted and talented	\$ –	\$ –	\$ –
440	Teacher development and evaluation	\$ –	\$ –	\$ –
441	Basic skills programs	\$ –	\$ –	\$ –
445	Career and technical programs	\$ –	\$ –	\$ –
448	Achievement and integration	\$ –	\$ –	\$ –
449	Safe schools levy	\$ 95,008	\$ 95,008	\$ –
450	Pre-kindergarten	\$ –	\$ –	\$ –
451	QZAB payments	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
453	Unfunded severance and retirement levy	\$ –	\$ –	\$ –
467	Long-term facilities maintenance	\$ (4,941,891)	\$ (4,941,891)	\$ –
472	Medical Assistance	\$ 193,205	\$ 193,205	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Committed				
418	Committed for separation	\$ –	\$ –	\$ –
461	Committed fund balance	\$ –	\$ –	\$ –
Assigned				
462	Assigned fund balance	\$ 4,918,059	\$ 4,918,059	\$ –
Unassigned				
422	Unassigned fund balance	\$ 12,992,870	\$ 12,992,870	\$ –
<b>Food Service</b>				
Total revenue		\$ 6,251,549	\$ 6,251,550	\$ (1)
Total expenditures		\$ 6,240,465	\$ 6,240,465	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ 82,087	\$ 82,087	\$ –
Restricted				
452	OPEB liability not in trust	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ 573,814	\$ 573,814	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
<b>Community Service</b>				
Total revenue		\$ 9,327,049	\$ 9,327,049	\$ –
Total expenditures		\$ 8,978,303	\$ 8,978,304	\$ (1)
Nonspendable				
460	Nonspendable fund balance	\$ 18,580	\$ 18,580	\$ –
Restricted				
426	\$25 taconite	\$ –	\$ –	\$ –
431	Community education	\$ 964,580	\$ 964,580	\$ –
432	ECFE	\$ 449,914	\$ 449,914	\$ –
440	Teacher development and evaluation	\$ –	\$ –	\$ –
444	School readiness	\$ 378,740	\$ 378,740	\$ –
447	Adult basic education	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ 764,561	\$ 764,561	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –

INDEPENDENT SCHOOL DISTRICT NO. 284

Uniform Financial Accounting and Reporting Standards  
Compliance Table (continued)  
June 30, 2017

	Audit	UFARS	Audit – UFARS
<b>Building Construction</b>			
Total revenue	\$ 483,245	\$ 483,245	\$ –
Total expenditures	\$ 27,963,893	\$ 27,963,893	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ 370,688	\$ 370,688	\$ –
Restricted			
407 Capital projects levy	\$ 1,070,727	\$ 1,070,727	\$ –
413 Project funded by COP	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ (528,128)	\$ (528,128)	\$ –
464 Restricted fund balance	\$ 7,598,571	\$ 7,598,571	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
<b>Debt Service</b>			
Total revenue	\$ 14,470,740	\$ 14,470,740	\$ –
Total expenditures	\$ 14,612,951	\$ 14,612,951	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
451 QZAB payments	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 2,475,932	\$ 2,475,932	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
<b>Trust</b>			
Total revenue	\$ 6,459	\$ 6,459	\$ –
Total expenditures	\$ 11,738	\$ 11,738	\$ –
422 Net position	\$ 298,399	\$ 298,399	\$ –
<b>Internal Service</b>			
Total revenue	\$ 17,516,201	\$ 17,516,201	\$ –
Total expenditures	\$ 19,097,404	\$ 19,097,406	\$ (2)
422 Net position	\$ 854,032	\$ 854,032	\$ –
<b>OPEB Revocable Trust Fund</b>			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
<b>OPEB Irrevocable Trust Fund</b>			
Total revenue	\$ 3,132,032	\$ 3,132,032	\$ –
Total expenditures	\$ 1,808,399	\$ 1,808,399	\$ –
422 Net position	\$ 32,370,009	\$ 32,370,009	\$ –
<b>OPEB Debt Service Fund</b>			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –

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

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

**BOARD OF EDUCATION**  
Regular Meeting – December 11, 2017

**AGENDA SECTION: 5. SUPERINTENDENT’S REPORTS AND RECOMMENDATIONS**

**ITEM: A. Finance and Business Services**  
**2. Resolution Establishing Combined Polling Places and**  
**Designating Hours**

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

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

Although Wayzata Public Schools is not scheduled to hold an election in calendar year 2018, it is highly recommended by the Minnesota School Board Association to establish polling places annually in the event of a special election. For example, a special election may need to be held if a school board member is unable to serve the remainder of their term.

The School Board is establishing five combined polling places for multiple precincts for the calendar year 2018 not held on the same day as a statewide election. The precincts are detailed in the attached resolution. The Board reaffirms that the polling places will remain open for voting between the hours of 7:00 o’clock a.m. and 8:00 o’clock p.m. All polling places chosen have been designated by a county or municipality, as required by the new law.

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

**RECOMMENDED ACTION:** Adopt the resolution establishing combined polling places for the calendar year 2018 for School District elections not held on the same day as a statewide election and designating hours during which the polling places will remain open.

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

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

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

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

**BOARD OF EDUCATION**  
Regular Meeting – December 11, 2017

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

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

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

**District 284 Polling Place #1**

Wayzata City Hall, 600 Rice Street East, Wayzata

*Includes:*

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

**District 284 Polling Place #2**

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

*Includes:*

- Plymouth Precinct Numbers 6, 7, and 9

**District 284 Polling Place #3**

Fourth Baptist Church, 900 Forestview Lane North, Plymouth

*Includes:*

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

**District 284 Polling Place #4**

Wayzata High School, 4955 Peony Lane, Plymouth

*Includes:*

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

**District 284 Polling Place #5**

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

*Includes:*

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

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

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

Dated: December 11, 2017

BY ORDER OF THE SCHOOL BOARD

Andrea Cuene  
School Board Clerk

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

**BOARD OF EDUCATION**  
Regular Meeting – December 11, 2017

**AGENDA SECTION: 5. SUPERINTENDENT’S REPORTS AND RECOMMENDATIONS**

**ITEM: A. Finance and Business Services**  
**3. Truth in Taxation**

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

**Truth in Taxation**

School districts are required to meet the Truth in Taxation requirements for levy year 2017 taxes payable 2018. While school districts are no longer required to hold a separate Truth in Taxation hearing, they are required to discuss the payable 2017 levy and the current year budget at a regularly scheduled board meeting.

Truth in Taxation requirements are as follows:

- On or before September 30, 2017, each school district must adopt a proposed 2017 payable 2018 property tax levy and certify and submit it to the county auditor.
- The county auditor mails parcel specific tax notices to each property owner in the district.
- The school district is required to discuss the payable 2018 levy and current year budget.
- The public is given time to speak.
- The school board must adopt a final levy by December 31, 2017.

It is important to note that the parcel specific tax notices that were mailed to each property owner in the district included amounts prior to the additional amounts related to the voter approved increase in operating referendum authority and the facility bond authority,

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

**BOARD OF EDUCATION**  
Regular Meeting – December 11, 2017

**AGENDA SECTION: 5. SUPERINTENDENT’S REPORTS AND RECOMMENDATIONS**

**ITEM: A. Finance and Business Services**  
**4. Monthly Financial Reports**

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

**Monthly Financial Reports**

Enclosed for School Board review and information are the following financial reports as of October 2017:

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

No School Board action is required.

**WAYZATA PUBLIC SCHOOLS  
INVESTMENT SUMMARY  
As of October 31, 2017**

**GENERAL FUND**

<u>Investment Held At</u>	<u>Type of Investment</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Investment Cost</u>	<u>Maturity Amount</u>	<u>Interest Earned</u>	<u>Yield</u>
PMA/MN Trust	Money Market	N/A	NOW	N/A	\$11,265,590	N/A	0.99%
MSDLAF+	Money Market	N/A	NOW	N/A	\$2,146,148	N/A	0.98%
MSDMAX	Money Market	N/A	NOW	N/A	\$67,407	N/A	1.07%
Morgan Stanley	Money Market	N/A	NOW	N/A	\$3,539,911	N/A	0.92%
<b>Total General Fund</b>				<b>\$0</b>	<b>\$17,019,056</b>		

Note: Term Series investment held with PMA/MN Trust consists of investments in certificates of deposit, obligations of the U.S. Government, it's agencies and instrumentalities, municipal obligations or any other instruments permitted under Minnesota law.

**FUND 06 (ALT FACILITIES BONDS)**

<u>Investment Held At</u>	<u>Type of Investment</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Investment Cost</u>	<u>Maturity Amount</u>	<u>Interest Earned</u>	<u>Yield</u>
MSDLAF+	Money Market	N/A	NOW	N/A	\$2	N/A	0.98%
<b>Total Alt. Facilities Bonds Fund</b>				<b>\$0</b>	<b>\$2</b>	<b>\$0</b>	

**FUND 82 (2014 BUILDING BONDS)**

<u>Investment Held At</u>	<u>Type of Investment</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Investment Cost</u>	<u>Maturity Amount</u>	<u>Interest Earned</u>	<u>Yield</u>
MSDLAF+	Money Market	N/A	NOW	N/A	\$4,949,829	N/A	0.98%
<b>Total Building Bonds Fund</b>				<b>\$0</b>	<b>\$4,949,829</b>	<b>\$0</b>	

**Wayzata Public Schools  
Student Activity Fund Summary  
October 2017**

**PROGRAM/LOCATION : MISCELLANEOUS**

<i>Func Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as Of 06/30/17</b>	<b>FY'2017/18 Revenue</b>	<b>FY'2017/18 Expend</b>	<b>Balance as Of 10/31/17</b>
21	E/R	018	000	000	000	899/XXX AD BUILDING	2,171.59	94.30	23.98	2,241.91
<b>TOTAL MISCELLANEOUS</b>							<b>2,171.59</b>	<b>94.30</b>	<b>23.98</b>	<b>2,241.91</b>

**PROGRAM/LOCATION : WAZATA HIGH SCHOOL**

<i>Func Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as Of 06/30/17</b>	<b>FY'2017/18 Revenue</b>	<b>FY'2017/18 Expend</b>	<b>Balance as Of 10/31/17</b>
21	E/R	251	280	001	000	899/099 WAYZATA PLAYERS	32,199.32	20,915.40	21,426.05	31,688.67
21	E/R	251	280	003	000	899/099 YEARBOOK (WAYAKO)	34,972.53	10,874.15	8,288.79	37,557.89
21	E/R	251	280	005	000	899/099 CERAMICS	3,425.19	224.00	-	3,649.19
21	E/R	251	280	007	000	899/099 CHEERLEADERS	510.00	5,992.00	9,105.00	(2,603.00)
21	E/R	251	280	008	000	899/099 CHOIR	6,881.52	12,000.70	8,791.58	10,090.64
21	E/R	251	280	009	000	899/099 DANCE TEAM	23,426.60	12,459.00	19,127.51	16,758.09
21	E/R	251	280	016	000	899/099 ACTIVITY SUPPORT	124,230.70	8,940.58	3,795.03	129,376.25
21	E/R	251	280	017	000	899/099 DECA	9,334.36	19,458.92	4,302.72	24,490.56
21	E/R	251	280	019	000	899/099 FRENCH	229.26	245.20	38.91	435.55
21	E/R	251	280	020	000	899/099 GERMAN	28,271.92	192.31	7,093.44	21,370.79
21	E/R	251	280	021	000	899/099 LETTERMAN	51,782.84	29,540.50	15,410.30	65,913.04
21	E/R	251	280	022	000	899/099 FINE ARTS	4,587.21	372.00	224.00	4,735.21
21	E/R	251	280	024	000	899/099 BAND	105,346.49	53,135.96	142,212.51	16,269.94
21	E/R	251	280	026	000	899/099 NATIONAL HONOR	4,321.78	-	58.25	4,263.53
21	E/R	251	280	027	000	899/099 STUDENT SERVICES	-	-	270.86	(270.86)
21	E/R	251	280	028	000	899/099 ORCHESTRA	11,261.31	6,920.20	6,383.73	11,797.78
21	E/R	251	280	030	000	899/099 STUDENT COUNCIL	21,116.00	18,533.55	7,144.32	32,505.23
21	E/R	251	280	031	000	899/099 SPANISH	-	914.46	85.55	828.91
21	E/R	251	280	039	000	899/099 THEATRE ARTS	2,592.03	3,262.08	5,550.38	303.73
21	E/R	251	280	040	000	899/099 BUSINESS PROFESS(BPA)	8,496.49	8,921.59	2,930.09	14,487.99
21	E/R	251	280	042	000	899/099 SKILLS USA	42.37	80.00	136.00	(13.63)
21	E/R	251	280	044	000	899/099 LINK	11,239.42	(11.44)	7,743.99	3,483.99
21	E/R	251	280	047	000	899/099 SUPER MILEAGE TEAM	-	417.98	389.74	28.24
21	E/R	251	280	048	000	899/099 Y.E.S.	4,752.88	3,127.64	825.81	7,054.71
21	E/R	251	280	049	000	899/099 CREATIVE WRITING	2,131.24	-	48.00	2,083.24
21	E/R	251	280	050	000	899/099 TROJAN LOCK ROOM (DECA - S	22,033.09	9,712.99	11,413.86	20,332.22
21	E/R	251	280	051	000	899/099 V21 - ACTIVITY SUPPORT	67.71	1,541.35	764.00	845.06
21	E/R	251	280	052	000	899/099 ROBOTICS TEAM	4,993.28	-	632.64	4,360.64
21	E/R	251	280	053	000	899/099 SHOW STOPPERS	12,604.72	4,925.00	9,880.96	7,648.76
21	E/R	251	280	055	000	899/099 CHINESE CLUB	1,008.65	72.98	21.30	1,060.33
21	E/R	251	280	056	000	899/099 LAKER'S BKST NOOK	14,081.42	2,930.00	2,608.07	14,403.35
21	E/R	251	280	057	000	899/099 WHS INTERNATIONAL FESTIVAL	1,390.87	-	-	1,390.87
21	E/R	251	280	058	000	899/099 FRESHMAN RETREAT	3,879.02	3,149.79	-	7,028.81
21	E/R	251	280	059	000	899/099 TRAP & SKEET	8,966.26	-	6,688.00	2,278.26
21	E/R	251	280	060	000	899/099 JR STATESMAN	266.65	243.27	-	509.92
21	E/R	251	280	061	000	899/099 QUIZ BOWL	8,717.82	1,091.73	7,823.24	1,986.31
<b>TOTAL WAZATA HIGH SCHOOL</b>							<b>569,160.95</b>	<b>240,183.89</b>	<b>311,214.63</b>	<b>498,130.21</b>

**Wayzata Public Schools  
Student Activity Fund Summary  
October 2017**

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

<i>Func Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as Of 06/30/17</b>	<b>FY'2017/18 Revenue</b>	<b>FY'2017/18 Expend</b>	<b>Balance as Of 10/31/17</b>	
21	E/R	251	280	070	000	899/099	BASEBALL	-	15,009.00	1,074.42	13,934.58
21	E/R	251	280	071	000	899/099	BASKETBALL - BOYS	-	955.00	752.87	202.13
21	E/R	251	280	072	000	899/099	BASKETBALL - GIRLS	10,788.30	6,515.00	64.34	17,238.96
21	E/R	251	280	073	000	899/099	CROSS COUNTRY - BOYS	5,455.83	810.00	2,493.65	3,772.18
21	E/R	251	280	074	000	899/099	CROSS COUNTRY - GIRLS	4,300.84	94.00	-	4,394.84
21	E/R	251	280	075	000	899/099	FOOTBALL	24,488.05	9,106.00	14,806.63	18,787.42
21	E/R	251	280	076	000	899/099	GYMNASTICS	4,917.49	385.00	1,015.00	4,287.49
21	E/R	251	280	077	000	899/099	GOLF - BOYS	-	6,560.79	3,470.20	3,090.59
21	E/R	251	280	078	000	899/099	GOLF - GIRLS	1,113.04	2,095.00	1,968.21	1,239.83
21	E/R	251	280	079	000	899/099	HOCKEY - BOYS	6,114.06	8,828.00	94.28	14,847.78
21	E/R	251	280	080	000	899/099	HOCKEY - GIRLS	13,077.22	3,675.00	1,713.56	15,038.66
21	E/R	251	280	081	000	899/099	SKIING - ALPINE	4,911.72	948.00	254.12	5,605.60
21	E/R	251	280	082	000	899/099	SKIING - NORDIC	6,564.83	1,520.00	-	8,084.83
21	E/R	251	280	083	000	899/099	SOFTBALL	5,210.99	1,742.00	-	6,952.99
21	E/R	251	280	084	000	899/099	SWIMMING/DIVING - BOYS	6,828.83	93.00	652.25	6,269.58
21	E/R	251	280	085	000	899/099	SWIMMING/DIVING - GIRLS	9,816.30	3,165.00	4,652.89	8,328.41
21	E/R	251	280	086	000	899/099	SOCCER - BOYS	5,820.53	1,361.00	6,622.14	559.39
21	E/R	251	280	087	000	899/099	SOCCER - GIRLS	10,639.59	4,335.00	9,098.96	5,875.63
21	E/R	251	280	088	000	899/099	SYNCHRONIZED SWIMMING	7,955.21	6,139.00	4,227.44	9,866.77
21	E/R	251	280	089	000	899/099	TENNIS - BOYS	12,487.61	2,381.00	361.97	14,506.64
21	E/R	251	280	090	000	899/099	TENNIS - GIRLS	1,341.04	11,578.50	16,198.35	(3,278.81)
21	E/R	251	280	091	000	899/099	TRACK/FIELD - BOYS	918.10	2,689.00	1,101.15	2,505.95
21	E/R	251	280	092	000	899/099	TRACK/FIELD - GIRLS	4,034.77	2,625.00	40.22	6,619.55
21	E/R	251	280	093	000	899/099	VOLLEYBALL	11,172.78	4,106.00	6,722.77	8,556.01
21	E/R	251	280	094	000	899/099	WRESTLING	2,343.90	198.00	-	2,541.90
21	E/R	251	280	095	000	899/099	ADAPTIVE ATHLETICS	3,981.12	-	-	3,981.12
21	E/R	251	280	096	000	899/099	BOYS LACROSSE	5,990.13	6,675.00	662.12	12,003.01
21	E/R	251	280	097	000	899/099	GIRLS LACROSSE	4,200.74	1,563.00	950.00	4,813.74
<b>TOTAL HIGH SCHOOL ATHLETICS</b>							<b>174,473.02</b>	<b>105,151.29</b>	<b>78,997.54</b>	<b>200,626.77</b>	

**PROGRAM/LOCATION : CENTRAL MIDDLE SCHOOL**

<i>Func Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as Of 06/30/17</b>	<b>FY'2017/18 Revenue</b>	<b>FY'2017/18 Expend</b>	<b>Balance as Of 10/31/17</b>	
21	E/R	253	280	152	000	899/099	MUSICAL	10,344.23	1,440.00	2,276.52	9,507.71
21	E/R	253	280	156	000	899/099	STUDENT COUNCIL	1,889.90	40.00	66.54	1,863.36
21	E/R	253	280	157	000	899/099	BAND	-	3,766.00	-	3,766.00
21	E/R	253	280	161	000	899/099	YEARBOOKS	1,886.53	-	17.97	1,868.56
21	E/R	253	280	165	000	899/099	STUDENT SERVICES	4,421.35	5,886.44	7,150.61	3,157.18
<b>TOTAL CENTRAL MIDDLE SCHOOL</b>							<b>18,542.01</b>	<b>11,132.44</b>	<b>9,511.64</b>	<b>20,162.81</b>	

**Wayzata Public Schools  
Student Activity Fund Summary  
October 2017**

**PROGRAM/LOCATION : WEST MIDDLE SCHOOL**

<i>Func Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as Of 06/30/17</b>	<b>FY'2017/18 Revenue</b>	<b>FY'2017/18 Expend</b>	<b>Balance as Of 10/31/17</b>	
21	E/R	351	280	202	000	899/099	CHOIR	230.89	-	-	230.89
21	E/R	351	280	203	000	899/099	STUDENT SERVICES	1,645.60	-	2,502.58	(856.98)
21	E/R	351	280	209	000	899/099	STUDENT COUNCIL	1,522.23	-	-	1,522.23
21	E/R	351	280	212	000	899/099	YEARBOOK	8,849.19	-	-	8,849.19
21	E/R	351	280	213	000	899/099	THEATER	13,806.04	-	-	13,806.04
21	E/R	351	280	215	000	899/099	DAY ONE	170.00	-	110.00	60.00
<b>TOTAL WEST MIDDLE SCHOOL</b>							<b>26,223.95</b>	<b>-</b>	<b>2,612.58</b>	<b>23,611.37</b>	

**PROGRAM/LOCATION : EAST MIDDLE SCHOOL**

<i>Func Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as Of 06/30/17</b>	<b>FY'2017/18 Revenue</b>	<b>FY'2017/18 Expend</b>	<b>Balance as Of 10/31/17</b>	
21	E/R	352	280	100	000	899/099	STUDENT SERVICES	15,039.78	4,423.79	3,868.00	15,595.57
21	E/R	352	280	104	000	899/099	BAND	889.67	-	-	889.67
21	E/R	352	280	105	000	899/099	STUDENT COUNCIL	17,235.36	270.00	168.99	17,336.37
21	E/R	352	280	107	000	899/099	VARIETY FUND	15,692.20	-	396.00	15,296.20
<b>TOTAL EAST MIDDLE SCHOOL</b>							<b>48,857.01</b>	<b>4,693.79</b>	<b>4,432.99</b>	<b>49,117.81</b>	

**PROGRAM/LOCATION : MEADOW RIDGE**

<i>Func Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as Of 06/30/17</b>	<b>FY'2017/18 Revenue</b>	<b>FY'2017/18 Expend</b>	<b>Balance as Of 10/31/17</b>	
21	E/R	403	280	572	000	899/099	STUDENT SERVICES	5,149.78	5,259.81	6,717.91	3,691.68
<b>TOTAL MEADOW RIDGE</b>							<b>5,149.78</b>	<b>5,259.81</b>	<b>6,717.91</b>	<b>3,691.68</b>	

**PROGRAM/LOCATION : BIRCHVIEW**

<i>Func Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as Of 06/30/17</b>	<b>FY'2017/18 Revenue</b>	<b>FY'2017/18 Expend</b>	<b>Balance as Of 10/31/17</b>	
21	E/R	404	280	259	000	899/099	STUDENT COUNCIL	731.92	-	-	731.92
21	E/R	404	280	260	000	899/099	STUDENT SERV - GENERAL	2,330.65	246.75	1,643.60	933.80
21	E/R	404	280	261	000	899/099	MEDIA	-	1,369.99	599.93	770.06
<b>TOTAL BIRCHVIEW</b>							<b>3,062.57</b>	<b>1,616.74</b>	<b>2,243.53</b>	<b>2,435.78</b>	

**PROGRAM/LOCATION : GREENWOOD**

<i>Func Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as Of 06/30/17</b>	<b>FY'2017/18 Revenue</b>	<b>FY'2017/18 Expend</b>	<b>Balance as Of 10/31/17</b>	
21	E/R	406	280	307	000	899/099	KINDERGARTEN	654.38	1,310.00	411.87	1,552.51
21	E/R	406	280	311	000	899/099	MEDIA	47.11	-	-	47.11
21	E/R	406	280	312	000	899/099	STUDENT SERVICES	1,283.49	-	758.57	524.92
<b>TOTAL GREENWOOD</b>							<b>1,984.98</b>	<b>1,310.00</b>	<b>1,170.44</b>	<b>2,124.54</b>	

**Wayzata Public Schools  
Student Activity Fund Summary  
October 2017**

**PROGRAM/LOCATION : OAKWOOD**

<i>Func Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as Of 06/30/17</b>	<b>FY'2017/18 Revenue</b>	<b>FY'2017/18 Expend</b>	<b>Balance as Of 10/31/17</b>
21	E/R	407	280	469	000	899/099 STUDENT COUNCIL	1,881.88	-	-	1,881.88
21	E/R	407	280	474	000	899/099 STUDENT SERV - GENERAL	7,154.21	-	16.09	7,138.12
21	E/R	407	280	476	000	899/099 CHESS CLUB	464.12	-	-	464.12
<b>TOTAL OAKWOOD</b>							<b>9,500.21</b>	<b>-</b>	<b>16.09</b>	<b>9,484.12</b>

**PROGRAM/LOCATION : SUNSET HILL**

<i>Func Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as Of 06/30/17</b>	<b>FY'2017/18 Revenue</b>	<b>FY'2017/18 Expend</b>	<b>Balance as Of 10/31/17</b>
21	E/R	408	280	572	000	899/099 STUDENT SERVICES	7,295.46	683.68	1,838.25	6,140.89
21	E/R	408	280	573	000	899/099 ALL DISTRICT CHOIR	-	75.00	165.88	(90.88)
21	E/R	408	280	574	000	899/099 PENCIL MACHINE/STORE	1,817.03	-	-	1,817.03
<b>TOTAL SUNSET HILL</b>							<b>9,112.49</b>	<b>758.68</b>	<b>2,004.13</b>	<b>7,867.04</b>

**PROGRAM/LOCATION : PLYMOUTH CREEK**

<i>Func Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as Of 06/30/17</b>	<b>FY'2017/18 Revenue</b>	<b>FY'2017/18 Expend</b>	<b>Balance as Of 10/31/17</b>
21	E/R	410	280	533	000	899/099 STUDENT SERVICES	257.28	306.47	380.00	183.75
<b>TOTAL PLYMOUTH CREEK</b>							<b>257.28</b>	<b>306.47</b>	<b>380.00</b>	<b>183.75</b>

**PROGRAM/LOCATION : GLEASON LAKE**

<i>Func Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as Of 06/30/17</b>	<b>FY'2017/18 Revenue</b>	<b>FY'2017/18 Expend</b>	<b>Balance as Of 10/31/17</b>
21	E/R	411	280	352	000	899/099 STUDENT SERVICES	27,625.96	-	940.95	26,685.01
<b>TOTAL GLEASON LAKE</b>							<b>27,625.96</b>	<b>-</b>	<b>940.95</b>	<b>26,685.01</b>

**PROGRAM/LOCATION : KIMBERLY LANE**

<i>Func Type</i>	<i>Org</i>	<i>Prg</i>	<i>Crs</i>	<i>Fin</i>	<i>Obj/Src</i>	<i>Account Name</i>	<b>Balance as Of 06/30/17</b>	<b>FY'2017/18 Revenue</b>	<b>FY'2017/18 Expend</b>	<b>Balance as Of 10/31/17</b>
21	E/R	412	280	401	000	899/099 STUDENT COUNCIL	48.98	-	55.50	(6.52)
21	E/R	412	280	403	000	899/099 KINDERGARTEN ACTIVITY	3,060.00	-	-	3,060.00
21	E/R	412	280	430	000	899/099 MEDIA	389.37	-	-	389.37
21	E/R	412	280	431	000	899/099 STUDENT SERVICES	59,382.95	-	-	59,382.95
<b>TOTAL KIMBERLY LANE</b>							<b>62,881.30</b>	<b>-</b>	<b>55.50</b>	<b>62,825.80</b>

**GRAND TOTAL**

**959,003.10      370,507.41      420,321.91      909,188.60**



## ANALYSIS OF FINANCIAL REPORTS For the month ended October 31, 2017

### **Statement of Revenues:**

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

- Federal Programs Fund as a percent of budget is lower in Fiscal 2018 due a timing difference on submitting reimbursements and the receipt of the state held dollars.
- The Community Service Fund is lower in Fiscal 2018 due to Home Base changing from pre-billing families to post-billing families in March 2017.
- Alternative Facilities, Construction and Tech fund in fiscal 2017 reflects revenue received from a Bond Surety which is related to the completion of a construction project. Fiscal 2016 had a deficit revenue amount due to recognizing a loss on an investment sold in July 2015. This loss was netted against earnings in prior fiscal years and over the life of the investment had positive net earnings.

### **Statement of Expenses:**

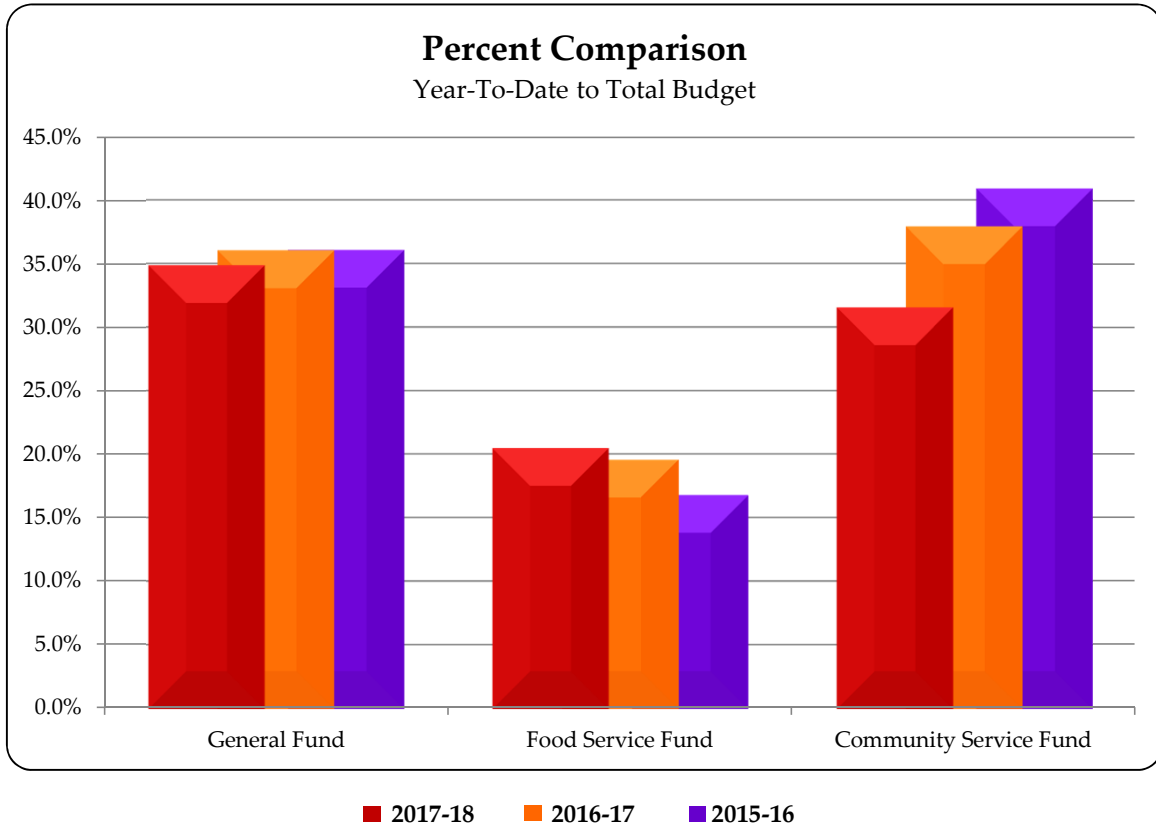
This report reflects actual expenditures paid and does not include outstanding encumbrance balances. Overall expenditures are in line with prior years with the exception of the following:

- General Fund supplies & materials can fluctuate from year to year based on the District's needs for the start of school; fiscal 2017 was higher due to additional supplies & materials needed to open Meadow Ridge elementary and the High School addition. Also, capital expenditures fluctuate from year to year based on a project's timing of work completion and the District's capital equipment needs. General fund capital expenditures also includes long-term facility maintenance costs. In prior years, these costs were recorded in the Alt Facility, Construction and Tech Fund. This change, required by the Minnesota Department of Education, took effect during fiscal 2017.
- Debt Service Fund reflects interest payments on debt that are due the first of August. The payment in August is for interest only and principal and interest payments are due the first of February each year.
- The Building Construction Fund accounts for all activity related to the \$109.6 million bond issuance in May 2014 and activity related to a future elementary school. The construction budget reflected is for activity remaining from the May 2014 bond issue. Current expenses are mainly due to the purchase of land for a future elementary school. Since construction projects span over multiple fiscal years a multi-year comparison is not presented.



**STATEMENT OF REVENUES**  
For the month ended October 31, 2017

Fund	Year-To-Date	Budget	YTD as % of Budget		
			2017-18	2016-17	2015-16
General Fund	\$ 55,467,148	\$ 146,639,321	37.8%	36.9%	37.0%
Capital Expenditures Fund	-	9,131,364	0.0%	0.0%	0.0%
Federal Programs Fund	-	3,336,839	0.0%	0.9%	0.8%
<b>Total</b>	<b>\$ 55,467,148</b>	<b>\$ 159,107,524</b>	<b>34.9%</b>	<b>36.1%</b>	<b>36.1%</b>
Food Service Fund	\$ 1,297,736	\$ 6,332,530	20.5%	19.6%	16.8%
Community Service Fund	2,976,287	9,427,967	31.6%	37.9%	40.9%
Alt Fac, Const and Tech Fund	23,739	10,474,903	0.2%	5.1%	1.1%
Debt Service Fund	6,077,014	8,395,727	72.4%	73.6%	74.5%
Building Construction Fund	-	-	-	-	-
<b>Total All Funds</b>	<b>\$ 65,841,924</b>	<b>\$ 193,738,651</b>	<b>34.0%</b>	<b>37.2%</b>	<b>37.8%</b>

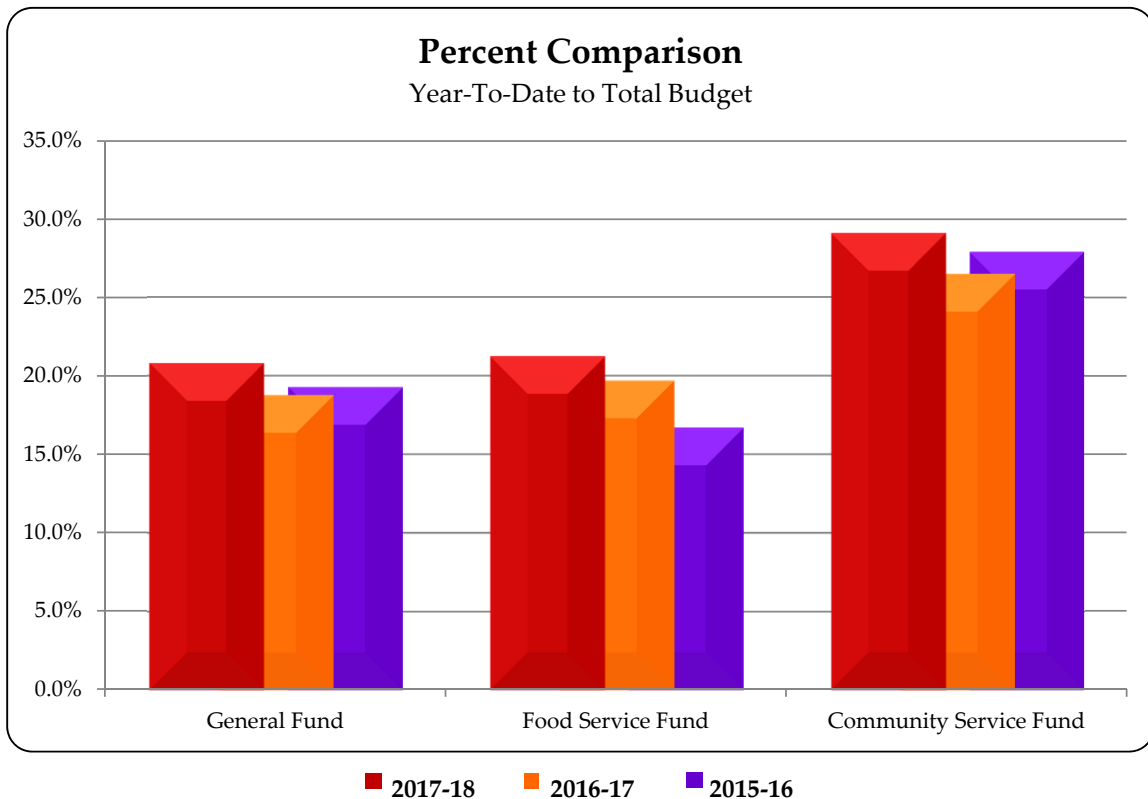




## STATEMENT OF EXPENDITURES

For the month ended October 31, 2017

Fund	Year- To-Date	Budget	YTD as % of Budget		
			2017-18	2016-17	2015-16
<b>General Fund</b>					
Salaries	\$ 16,633,971	\$ 82,927,700	20.1%	18.9%	19.7%
Benefits	5,567,834	26,987,790	20.6%	20.7%	20.7%
Purchased Services	3,441,043	21,908,350	15.7%	14.7%	14.9%
Supplies & Materials	1,216,326	3,288,486	37.0%	49.7%	47.5%
Capital Expenditures	5,055,318	8,020,164	63.0%	52.6%	52.1%
Other Expenses	167,340	10,820,333	1.5%	1.8%	2.0%
<b>Total General Fund</b>	<b>\$ 32,081,832</b>	<b>\$ 153,952,823</b>	<b>20.8%</b>	<b>18.8%</b>	<b>19.3%</b>
Food Service Fund	\$ 1,345,780	\$ 6,332,530	21.3%	19.7%	16.7%
Community Service Fund	2,744,552	9,432,676	29.1%	26.5%	27.9%
Alt Fac, Const and Tech Fund	6,176,381	11,525,504	53.6%	55.9%	28.2%
Debt Service Fund	2,637,822	8,224,744	32.1%	19.6%	22.9%
Building Construction Fund	5,444,405	3,000,000	-	-	-
<b>Total All Funds</b>	<b>\$ 50,430,772</b>	<b>\$ 192,468,277</b>	<b>26.2%</b>	<b>29.8%</b>	<b>29.1%</b>



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

**BOARD OF EDUCATION**  
 Regular Meeting – December 11, 2017

**AGENDA SECTION: 5. SUPERINTENDENT’S REPORTS AND RECOMMENDATIONS**

**ITEM: A. Finance and Business Services**  
5. Certification and Levy

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

**Certification of 2017 Payable 2018 Tax Levy**

The Administration recommends certification of the 2017 Payable 2018 Property Tax Levy in the amount of \$68,605,225.05. This amount includes the financial impact of voters approving operating referendum authority of \$2,000 per pupil unit and principal and interest on the first year of voter approved bonds from the November 2017 election.

General Fund – Referendum Market Value – Voter Approved	\$25,274,236.21
General Fund – Referendum Market Value – Other	6,202,418.98
General Fund – Net Tax Capacity – Voter Approved	6,885,342.64
General Fund – Net Tax Capacity – Under Levy	-3,000,000.00
General Fund – Net Tax Capacity – Other	19,891,715.65
Community Service Fund	1,225,988.86
Debt Service Fund – Net Tax Capacity – Voter Approved	8,696,038.43
Debt Service Fund – Net Tax Capacity - Other	<u>3,429,484.28</u>
<b>Total Certified Levy</b>	<b><u>\$68,605,225.05</u></b>

**RECOMMENDED ACTION:** Approve and authorize the Board Clerk to sign the final 2017 Payable 2018 Levy for Independent School District 284.

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

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

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

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

**BOARD OF EDUCATION**  
Regular Meeting – December 11, 2017

**AGENDA SECTION: 5. SUPERINTENDENT’S REPORTS AND RECOMMENDATIONS**

**ITEM: B. Superintendent**  
**1.-4. Policies 203, 208, 208-R, 211**

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

**Executive Summary for Policies 203, 208, 208-R, 211**

Policy 203 School Board Elections – replace with updated version aligned to MSBA and MN statute.

Policy 208 School Board Committees – replace with updated version aligned to MSBA and MN statute, as well as to reflect current practices.

- Policy 208-R School Board Committees Regulations

**Repeal** Policy 211 Board Meeting Procedures– this information is duplicated in Policy 210 and Policy 210-R

**RECOMMENDED ACTION:** Approve the policies for first reading as presented.

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

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

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

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

**SCHOOL BOARD ELECTIONS**

**POLICY: 203**

**Replace with updated version aligned to MSBA and MN statute.**

School Board elections shall be conducted according to the provisions of Minnesota law. Board members shall be elected at elections held in odd numbered years on the first Tuesday after the first Monday in November. If more than twice the number of candidates file for election than the number of seats available, a primary election will be held on the first Tuesday after the second Monday in September.

The term of office of a member shall be four years and until the member's successor qualifies. Board members shall be elected on a rotation basis of three (3) Board members elected in one election and four (4) Board members in the next election. New Board members commence service on the first Monday in January following the election.

ADOPTED: March 9, 1970  
AMENDED: September 9, 1985  
AMENDED: August 9, 1993  
AMENDED: September 13, 1999  
AMENDED: November 8, 2004  
REVIEWED: January 14, 2008

## **203 SCHOOL BOARD ELECTIONS**

### **I. PURPOSE**

- A. School Board elections shall be conducted according to the provisions of Minnesota law.

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

- A. Board members shall be elected at elections held in odd numbered years on the first Tuesday after the first Monday.
- B. The term of office of a member shall be four years and until the member's successor qualifies.
- C. Board members shall be elected on a rotation basis of three (3) Board members elected in one election and four (4) Board members in the next elections.
- D. New Board members commence service on the first Monday in January following the election.

***Legal References:*** Minn. Stat. Ch. 205A (School District Elections)

**ADOPTED:** March 9, 1970

**AMENDED:** September 9, 1985

**AMENDED:** August 9, 1993

**AMENDED:** September 13, 1999

**AMENDED:** November 8, 2004

**AMENDED:** December 11, 2017

**LAST REVIEWED:** December 11, 2017

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

**BOARD COMMITTEES**

**POLICY: 208**

**Replace 208 and 208-R with updated version aligned to MSBA and MN statute, as well as current practices.**

The Board may organize standing and special committees to carry out a variety of tasks or assignments in the operation of the school system.

Board Committees are those specifically appointed or authorized by Board action. Such committees report directly to the Board. They may be made up exclusively of Board members, of Board members and non-members, or of non-members only. When such committees include District teachers the Board agrees to discuss the appointment with the "exclusive representative" of the teacher's bargaining unit, as defined in the Public Employee Labor Relation's Act, (PELRA), concerning the nature and purposes of the committee and the basis for determining teacher representation.

"Standing" committees of the Board are those which have a continuing purpose and may be designated at the organizational meeting each January. "Special" committees of the Board are those organized for a specific purpose, given an explicit charge and dissolved after completion of their work.

Committees of the Board are appointed by the Board Chair, subject to approval by a majority of the Board.

ADOPTED: February 12, 1973  
AMENDED: May 15, 1973  
AMENDED: September 9, 1985  
AMENDED: August 9, 1993  
AMENDED: November 8, 2004  
AMENDED: January 14, 2008

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

**BOARD COMMITTEES**

**REGULATIONS: 208-R**

Annually, the School Board may establish, reaffirm or eliminate standing committees. The Board shall designate the membership of such committees and state the purpose of the committees. The following procedures are applicable for standing committees and are subject to annual review and reaffirmation or modification.

1. The Board Chair shall appoint the chair of each standing committee from among the membership of the School Board. Such appointments are subject to ratification by the Board.
2. The Board Chair may designate such committees as committees of the whole or name Board members to each committee. This action shall be ratified by the Board.
3. The Superintendent shall name an administrative liaison to each standing committee.
4. The responsibilities of a standing committee chair include:
  - a. Conduct of all standing committee meetings
  - b. Development of standing committee meeting agendas in cooperation with the administrative liaison
  - c. Report on committee activities at the regular meetings of the School Board
5. The responsibilities of the administrative liaison to standing committees include:
  - a. Development of standing committee meeting agendas in cooperation with the committee chair
  - b. Preparation and distribution of meeting agendas and supportive materials
  - c. Presentation of background information, reports or reviews as determined by agenda topics -- other District personnel or out-of-district personnel may be utilized for such presentations
  - d. Preparation of meeting summaries

EFFECTIVE: September 9, 1985  
MODIFIED: November 8, 2004  
REVIEWED: January 14, 2008

## **208 SCHOOL BOARD COMMITTEES**

### **I. PURPOSE**

The purpose of this policy is to provide for the structure and the operation of committees or subcommittees of the school board.

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

- A. It is the policy of the school board to designate school board committees or subcommittees when it is determined that a committee process facilitates the mission of the school board.
- B. Committees may be made up exclusively of Board members, of Board members and non-members, or of non-members only. When such committees include district teachers the Board agrees to discuss the appointment with the "exclusive representative" of the teacher's bargaining unit, as defined in the Public Employee Labor Relation's Act, (PELRA), concerning the nature and purposes of the committee and the basis for determining teacher representation.
- C. The school board has determined that certain permanent standing committees, as described in this policy, do facilitate the operation of the school board and the school district.
- D. A school board committee or subcommittee will be formed by school board resolution which shall outline the duties and purpose of the committee or subcommittee.
- E. A committee or subcommittee is advisory in nature and has only such authority as specified by the school board.
- F. The school board will receive reports or recommendations from a committee or subcommittee for consideration. The school board, however, retains the right and has the duty to make all final decisions related to such reports or recommendations.
- G. The school board also may establish such ad hoc committees for specific purposes as it deems appropriate.
- H. The school board reserves the right to limit, create or abolish any standing or ad hoc committee as it deems appropriate.
- I. A committee of the school board shall not appoint a subcommittee of that committee without approval of the school board.

**III. APPOINTMENT OF COMMITTEES**

- A. The school board hereby appoints the following standing committees:
  - 1. Finance and Business
  - 2. Human Resources
  - 3. Teaching and Learning
  - 4. Stakeholder Relations
  - 5. Superintendent’s Evaluation/Compensation
  - 6. Facilities Development and Long-Range Planning
  - 7. Policy and Regulation Review
  - 8. Negotiation Teams (as needed).
- B. The school board will establish for each standing or ad hoc committee the charge or mission of each such committee.
- C. The school board chair shall appoint the Board members of each standing or ad hoc committee and designate the chair thereof.
- D. The Superintendent is directed to name an administrative liaison to each standing committee.

**IV. PROCEDURES FOR SCHOOL BOARD COMMITTEES**

- A. All meetings of committees or subcommittees shall be open to the public in compliance with the Open Meeting Law, and notice shall be given as prescribed by law.
- B. A committee or subcommittee shall act only within the guidelines and mission established for that committee or subcommittee by the school board.
- C. Actions of a committee or subcommittee shall be by majority vote and be consistent with the governing rules of the school board.
- D. The committee or subcommittee shall designate a secretary/clerk who will record and preserve the minutes of actions of the school board committee.
- E. The power of a committee or subcommittee of the school board is advisory only and is limited to making recommendations to the school board.
- F. A committee or subcommittee of the school board shall, when appropriate, clarify in any dealings with the public that its powers are only advisory to the school board.

**V. RESPONSIBILITIES OF COMMITTEE CHAIRS**

- A. Conduct of all standing committee meetings.
- B. Development of standing committee meeting agendas in cooperation with the administrative liaison.
- C. Report on committee activities at the regular meetings or work sessions of the School Board; when deemed appropriate by the committee chair, or by request from any Board member.

***Legal References:*** Minn. Stat. Ch. 13D (Open Meeting Law)

**ADOPTED:** February 12, 1973  
**AMENDED:** May 15, 1973  
**AMENDED:** September 9, 1985  
**AMENDED:** August 9, 1993  
**AMENDED:** November 8, 2004  
**AMENDED:** January 14, 2008  
**AMENDED:** December 11, 2017  
**LAST REVIEWED:** December 11, 2017

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

**BOARD MEETING PROCEDURES**

**POLICY: 211**

**Repeal this policy – information is duplicated in Policy 210 and 210-R**

Official School Board business may be conducted only if a "quorum" of Board members are present. A "quorum" shall consist of four or more members. Official Board motions and resolutions shall be passed only by an affirmative "majority" vote. A "majority" vote is one where either ayes or nays outnumber their opposite. Abstentions, in effect, count as a vote for that majority. In the event of tie votes, abstentions have null effect and the motion or resolution shall have failed.

Each motion shall be carefully recorded. The names of members who make and second each motion shall also be recorded. The chair shall declare a motion adopted or defeated on the basis of voice vote or hand sign. Any member who challenges such declaration may request a show of hands on the same question and the chair shall honor this request. If the result is at variance with the chair's original declaration, the new result shall determine the motion's adoption or defeat.

Any formal meeting of the School Board may be adjourned to another time and place by an approved Board motion. In general, only topics on the agenda of the meeting adjourned should be addressed upon resumption of the meeting.

Except as inconsistent with public law or regulation or at variance with bylaws of the Board, meetings shall be conducted by Robert's Rules of Order.

The official minutes shall be bound and kept in the Office of the Superintendent of Schools.

Publishing of minutes shall be made in the legal newspaper according to law. Such publishing shall include an extract of minutes, full or in part, as may be determined by the School Board or Clerk. Such extract of minutes shall be clearly identified as such. A statement shall appear stating that complete minutes are available for public examination at the District Administration Offices or from Board members.

Copies of the minutes shall be available in all school libraries as well as the public library.

All records of the Board of Education shall be available to citizens for inspection at the Board of Education office.

ADOPTED: May 14, 1964  
AMENDED: May 15, 1973  
AMENDED: July 14, 1975  
AMENDED: October 11, 1976  
AMENDED: January 12, 1987  
AMENDED: November 8, 2004  
REVIEWED: January 14, 2008

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## 210 SCHOOL BOARD MEETINGS – OPEN AND CLOSED

### I. PURPOSE

- A. The school board embraces the philosophy of openness in the conduct of its business, in the belief that openness produces better programs, more efficiency in administration of programs, and an organization more responsive to public interest and less susceptible to private interest. The school board shall conduct its business under a presumption of openness. At the same time, the school board recognizes and respects the privacy rights of individuals as provided by law. The school board also recognizes that there are certain exceptions to the Minnesota Open Meeting Law as recognized in statute where it has been determined that, in limited circumstances, the public interest is best served by closing a meeting of the school board.

### II. GENERAL STATEMENT OF POLICY

- A. Except as otherwise expressly provided by statute, all meetings of the school board, including executive sessions, shall be open to the public.
- B. Meetings shall be closed only when expressly authorized by law.

**Legal References:** Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)  
Minn. Stat. Ch. 13D (Open Meeting Law)  
Minn. Stat. § 121A.47, Subd. 5 (Student Dismissal Hearing)  
Minn. Stat. § 122A.33, Subd. 3 (Coaches; Opportunity to Respond)  
Minn. Stat. § 122A.40, Subd. 14 (Teacher Discharge Hearing)  
Minn. Stat. § 179A.14, Subd. 3 (Labor Negotiations)  
Minn. Rules Part 5510.2810 (Bureau of Mediation Services)  
*Brown v. Cannon Falls Township*, 723 N.W.2d 31 (Minn. App. 2006)  
*Brainerd Daily Dispatch v. Dehen*, 693 N.W.2d 435 (Minn. App. 2005)  
*The Free Press v. County of Blue Earth*, 677 N.W.2d 471 (Minn. App. 2004)  
*Prior Lake American v. Mader*, 642 N.W.2d 729 (Minn. 2002)  
*Star Tribune v. Board of Education, Special School District No. 1*, 507 N.W.2d 869 (Minn. App. 1993)  
*Minnesota Daily v. University of Minnesota*, 432 N.W.2d 189 (Minn. App. 1988)  
*Moberg v. Independent School District No. 281*, 336 N.W.2d 510 (Minn. 1983)  
*Sovereign v. Dunn*, 498 N.W.2d 62 (Minn. App. 1993), *rev. denied*. (Minn. 1993)  
Dept. of Admin. Advisory Op. No. 12-004 (March 8, 2012)  
Dept. of Admin. Advisory Op. No. 11-004 (April 18, 2011)  
Dept. of Admin. Advisory Op. No. 10-020 (September 23, 2010)

**WAYZATA PUBLIC SCHOOLS**

**Independent School District 284**

**Wayzata, Minnesota**

Dept. of Admin. Advisory Op. No. 09-020 (September 8, 2009)

Dept. of Admin. Advisory Op. No. 08-015 (July 9, 2008)

Dept. of Admin. Advisory Op. No. 06-027 (September 28, 2006)

Dept. of Admin. Advisory Op. No. 04-004 (February 3, 2004)

**ADOPTED:** May 12, 1986

**AMENDED:** December 13, 2004

**AMENDED:** February 11, 2008

**AMENDED:** November 13, 2017

**LAST REVIEWED:** November 13, 2017

## 210-R SCHOOL BOARD MEETINGS – OPEN AND CLOSED REGULATIONS

### I. PURPOSE

The purpose of these regulations is to provide guidelines to assure the rights of the public to be present at school board meetings, while also protecting the individual's rights to privacy under law, and to close meetings when the public interest so requires as recognized by law.

### II. DEFINITION

“Meeting” means a gathering of at least a quorum or more members of the school board, or quorum of a committee or subcommittee of school board members, at which members discuss, decide, or receive information as a group on issues relating to the official business of the school board. The term does not include a chance or social gathering or the use of social media by members of a public body so long as the social media use is limited to exchanges with all members of the general public. For purposes of the Open Meeting Law, social media does not include e-mail.

### III. PROCEDURES

#### A. Meetings

##### 1. Regular Meetings

A schedule of the regular meetings of the school board shall be kept on file at its primary offices. If the school board decides to hold a regular meeting at a time or place different from the time or place stated in its schedule, it shall give the same notice of the meeting as for a special meeting.

##### 2. Special Meetings

- a. For a special meeting, the school board shall post written notice of the date, time, place, and purpose of the meeting on the principal bulletin board of the school district or on the door of the school board's usual meeting room if there is no principal bulletin board. The school board's actions at the special meeting are limited to those topics included in the notice.
- b. The notice shall also be emailed or otherwise delivered to each person who has filed a written request for notice of special meetings.

- c. This notice shall be posted and mailed or delivered at least three days before the date of the meeting. As an alternative to emailing or otherwise delivering notice to persons who have filed a written request, the school board may publish the notice once, at least three days before the meeting, in the official newspaper of the school district or, if none, in a qualified newspaper of general circulation within the area of the school district.
  - d. A person filing a request for notice of special meetings may limit the request to particular subjects, in which case the school board is required to send notice to that person only concerning those particular subjects.
  - e. The school board will establish an expiration date on requests for notice of special meetings and require refiling once each year. Not more than 60 days before the expiration date of request for notice, the school board shall send notice of the refiling requirement to each person who filed during the preceding year.
3. Emergency Meetings
- a. An emergency meeting is a special meeting called because of circumstances that, in the judgment of the school board, require immediate consideration.
  - b. If matters not directly related to the emergency are discussed or acted upon, the minutes of the meeting shall include a specific description of those matters.
  - c. The school board shall make good faith efforts to provide notice of the emergency meeting to each news medium that has filed a written request for notice if the request includes the news medium's telephone number.
  - d. Notice of the emergency meeting shall be given by telephone or any other method used to notify the members of the school board.
  - e. Notice shall be provided to each news medium which has filed a written request for notice as soon as reasonably practicable after notice has been given to the school board members.
  - f. Notice shall include the subject of the meeting.
  - g. Posted or published notice of an emergency meeting shall not be required.
  - h. The notice requirements for an emergency meeting as set forth in this policy shall supersede any other statutory notice requirement for a special meeting that is an emergency meeting.

4. Recessed or Continued Meetings

If a meeting is a recessed or continued session of a previous meeting, and the time and place of the meeting was established during the previous meeting and recorded in the minutes of that meeting, then no further published or mailed notice is necessary.

5. Closed Meetings

The notice requirements of the Minnesota Open Meeting Law apply to closed meetings.

6. Actual Notice

If a person receives actual notice of a meeting of the school board at least 24 hours before the meeting, all notice requirements are satisfied with respect to that person, regardless of the method of receipt of notice.

7. Health Pandemic or Declared Emergency

In the event of a health pandemic or an emergency declared under Minn. Stat. Ch. 12, a meeting may be conducted by telephone or other electronic means in compliance with Minn. Stat. § 13D.021.

B. Votes

The votes of school board members shall be recorded in meeting minutes, and the minutes shall be available to the public during all normal business hours at the administrative offices of the school district.

C. Written Materials

1. In any open meeting, a copy of any printed materials, including electronic communications, relating to the agenda items prepared or distributed by the school board or its employees and distributed to or available to all school board members shall be available in the meeting room for inspection by the public while the school board considers their subject matter.
2. This provision does not apply to materials not classified by law as public, or to materials relating to the agenda items of a closed meeting.

D. Data

1. Meetings may not be closed merely because the data to be discussed are not public data.

2. Data that are not public data may be discussed at an open meeting if the disclosure relates to a matter within the scope of the school board's authority and is reasonably necessary to conduct the business or agenda item before the school board.
3. Data discussed at an open meeting retain the data's original classification; however, a record of the meeting, regardless of form, shall be public.

E. Closed Meetings

1. Labor Negotiations Strategy

- a. The school board may, by a majority vote in a public meeting, decide to hold a closed meeting to consider strategy for labor negotiations, including negotiation strategies or developments or discussion and review of labor negotiation proposals.
- b. A written roll of school board members and all other persons present at the closed meeting shall be made available to the public after the closed meeting. The proceedings shall be tape recorded, and the tape recording shall be preserved for two years after the contract discussed at the meeting is signed. The recording shall be made available to the public after all labor contracts are signed by the school board for the current budget period.

2. Sessions Closed by Bureau of Mediation Services

All negotiations, mediation sessions, and hearings between the school board and its employees or their respective representatives are public meetings. These meetings may be closed only by the Commissioner of the Bureau of Mediation Services (BMS). The use of recording devices, stenographic records, or other recording methods is prohibited in mediation meetings closed by the BMS.

3. Preliminary Consideration of Charges

The school board shall close one or more meetings for preliminary consideration of allegations or charges against an individual subject to its authority. If the school board members conclude that discipline of any nature may be warranted as a result of those specific charges or allegations, further meetings or hearings relating to those specific charges or allegations held after that conclusion is reached must be open. A meeting must also be open at the request of the individual who is the subject of the meeting. A closed meeting must be electronically recorded at the expense of the school district, and the recording must be preserved for at least three years after the date of the meeting. The recording is not available to the public.

4. Performance Evaluations

The school board may close a meeting to evaluate the performance of an individual who is subject to its authority. The school board shall identify the individual to be evaluated prior to closing a meeting. At its next open meeting, the school board shall summarize its conclusions regarding the evaluation. A meeting must be open at the request of the individual who is the subject of the meeting. A closed meeting must be electronically recorded at the expense of the school district, and the recording must be preserved for at least three years after the date of the meeting. The recording is not available to the public.

5. Attorney-Client Meeting

A meeting may be closed if permitted by the attorney-client privilege. Attorney-client privilege applies when litigation is imminent or threatened, or when the school board needs advice above the level of general legal advice, i.e., regarding specific acts and their legal consequences. A meeting may be closed to seek legal advice concerning litigation strategy, but the mere threat that litigation might be a consequence of deciding a matter one way or another does not, by itself, justify closing the meeting. The motion to close the meeting must specifically describe the matter to be discussed at the closed meeting, subject to relevant privacy and confidentiality considerations under state and federal law. The law does not require that such a meeting be recorded.

6. Dismissal Hearing

- a. A hearing on the dismissal of a licensed teacher shall be public or private at the teacher's discretion. A hearing regarding placement of teachers on unrequested leave of absence shall be public.
- b. A hearing on dismissal of a student pursuant to the Pupil Fair Dismissal Act shall be closed unless the pupil, parent or guardian requests an open hearing.
- c. To the extent a teacher or student dismissal hearing is held before the school board and is closed, the closed meeting must be electronically recorded at the expense of the school district, and the recording must be preserved for at least three years after the date of the meeting. The recording is not available to the public.

7. Coaches; Opportunity to Respond

- a. If the school board has declined to renew the coaching contract of a licensed or nonlicensed head varsity coach, it must notify the coach within 14 days of that decision.

- b. If the coach requests the reasons for the nonrenewal, the school board must give the coach the reasons in writing within 10 days of receiving the request.
- c. On the request of the coach, the school board must provide the coach with a reasonable opportunity to respond to the reasons at a school board meeting.
- d. The meeting may be open or closed at the election of the coach unless the meeting is closed as required by Minn. Stat. § 13D.05, Subd. 2, to discuss educational or certain other nonpublic data.
- e. A closed meeting must be electronically recorded at the expense of the school district, and the recording must be preserved for at least three years after the date of the meeting. The recording is not available to the public.

8. Meetings to Discuss Certain Not Public Data

Any portion of a meeting must be closed if the following types of data are discussed:

- a. data that would identify alleged victims or reporters of criminal sexual conduct, domestic abuse, or maltreatment of minors or vulnerable adults;
- b. active investigative data collected or created by a law enforcement agency;
- c. educational data, health data, medical data, welfare data, or mental health data that are not public data; or
- d. an individual's personal medical records.
- e. A closed meeting must be electronically recorded at the expense of the school district, and the recording must be preserved for at least three years after the date of the meeting. The recording is not available to the public.

9. Purchase and Sale of Property

- a. The school board may close a meeting:
  - (1) to determine the asking price for real or personal property to be sold by the school district;
  - (2) to review confidential or nonpublic appraisal data; and
  - (3) to develop or consider offers or counteroffers for the purchase or sale of real or personal property.

- b. Before closing the meeting, the school board must identify on the record the particular real or personal property that is the subject of the closed meeting.
- c. The closed meeting must be tape recorded at the expense of the school district. The tape must be preserved for eight years after the date of the meeting and be made available to the public after all real or personal property discussed at the meeting has been purchased or sold or the school board has abandoned the purchase or sale. The real or personal property that is the subject of the closed meeting must be specifically identified on the tape. A list of school board members and all other persons present at the closed meeting must be made available to the public after the closed meeting.
- d. An agreement reached that is based on an offer considered at a closed meeting is contingent on its approval by the school board at an open meeting. The actual purchase or sale must be approved at an open meeting and the purchase price or sale price is public data.

10. Security Matters

- a. The school board may close a meeting to receive security briefings and reports, to discuss issues related to security systems, to discuss emergency response procedures, and to discuss security deficiencies in or recommendations regarding public services, infrastructure, and facilities, if disclosure of the information discussed would pose a danger to public safety or compromise security procedures or responses.
- b. Financial issues related to security matters must be discussed and all related financial decisions must be made at an open meeting.
- c. Before closing a meeting, the school board must refer to the facilities, systems, procedures, services, or infrastructures to be considered during the closed meeting.
- d. The closed meeting must be tape recorded at the expense of the school district and the recording must be preserved for at least four years.

11. Other Meetings

Other meetings shall be closed as provided by law, except as provided above. A closed meeting must be electronically recorded at the expense of the school district, and the recording must be preserved for at least three years after the date of the meeting. The recording is not available to the public.

F. Procedures for Closing a Meeting

The school board shall provide notice of a closed meeting just as for an open meeting. Before closing a meeting, the school board shall state on the record the specific authority permitting the meeting to be closed and shall describe the subject to be discussed.

**IV. RECORDS AND MINUTES**

- A. The Board Clerk is legally responsible for the official Board records; however, the Board delegates to the Superintendent the responsibility for providing the personnel and equipment for Board meeting record keeping.
- B. Published minutes will list a summary of Board Action and other business items. Individual gifts will not be published, but the official packets available in the District Administration Building will be retained with complete information.
- C. Minutes of all Regular, Special and Closed Board Meetings will be kept on file in the Administration Building. Official minutes will be bound in some manner, and/or digitally filed on the district network, and maintained as a permanent record in the Administration Building.

**Legal References:** Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)  
Minn. Stat. Ch. 13D (Open Meeting Law)  
Minn. Stat. § 121A.47, Subd. 5 (Student Dismissal Hearing)  
Minn. Stat. § 122A.33, Subd. 3 (Coaches; Opportunity to Respond)  
Minn. Stat. § 122A.40, Subd. 14 (Teacher Discharge Hearing)  
Minn. Stat. § 179A.14, Subd. 3 (Labor Negotiations)  
Minn. Rules Part 5510.2810 (Bureau of Mediation Services)  
*Brown v. Cannon Falls Township*, 723 N.W.2d 31 (Minn. App. 2006)  
*Brainerd Daily Dispatch v. Dehen*, 693 N.W.2d 435 (Minn. App. 2005)  
*The Free Press v. County of Blue Earth*, 677 N.W.2d 471 (Minn. App. 2004)  
*Prior Lake American v. Mader*, 642 N.W.2d 729 (Minn. 2002)  
*Star Tribune v. Board of Education, Special School District No. 1*, 507 N.W.2d 869 (Minn. App. 1993)  
*Minnesota Daily v. University of Minnesota*, 432 N.W.2d 189 (Minn. App. 1988)  
*Moberg v. Independent School District No. 281*, 336 N.W.2d 510 (Minn. 1983)  
*Sovereign v. Dunn*, 498 N.W.2d 62 (Minn. App. 1993), *rev. denied*. (Minn. 1993)  
Dept. of Admin. Advisory Op. No. 12-004 (March 8, 2012)  
Dept. of Admin. Advisory Op. No. 11-004 (April 18, 2011)  
Dept. of Admin. Advisory Op. No. 10-020 (September 23, 2010)  
Dept. of Admin. Advisory Op. No. 09-020 (September 8, 2009)  
Dept. of Admin. Advisory Op. No. 08-015 (July 9, 2008)

**WAYZATA PUBLIC SCHOOLS**

**Independent School District 284**

**Wayzata, Minnesota**

Dept. of Admin. Advisory Op. No. 06-027 (September 28, 2006)

Dept. of Admin. Advisory Op. No. 04-004 (February 3, 2004)

**ADOPTED:** May 12, 1986

**AMENDED:** December 13, 2004

**AMENDED:** February 11, 2008

**AMENDED:** November 13, 2017

**LAST REVIEWED:** November 13, 2017

**WAYZATA PUBLIC SCHOOLS**

Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**

Regular Meeting – December 11, 2017

**AGENDA SECTION: 5. SUPERINTENDENT’S REPORTS AND RECOMMENDATIONS**

**ITEM: C. Teaching and Learning  
1. Resolution Relating To The Intent To Withdraw From The West Metro Education Program**

**COMMENTS BY: Dr. Chace B. Anderson, Superintendent of Schools  
Dr. Jill Johnson, Executive Director of Teaching and Learning**

Be it Resolved, That the School Board Approve the District’s Withdrawal from the West Metro Educational Program (WMEP) effective June 30, 2018.

**BACKGROUND INFORMATION**

Wayzata has an ongoing commitment to ensuring excellence for each and every student. This commitment is reflected in the school district’s strategic road map. Delivering the Mission and Vision of the school district is done through implementation of all internal operations, through engagement with community and regional partners. One school district partner has been the West Metro Education Program (WMEP) created when the Wayzata Public Schools became a member through a Joint Powers Agreement.

WMEP has been of benefit to member school districts in a number of ways. As time has passed, WMEP has undergone several changes and it has evolved into a much different type of organization. Some of the changes that have occurred include: a) changes in leadership and organizational structure, b) modification to governance structures, c) addition and deletion of member school districts, d) discontinuance of member district teachers working at the WMEP magnet schools for a three year rotation, e) conveyance of the two magnet schools (FAIR Crystal and FAIR Downtown) to two different independent school districts, and f) reassignment of several WMEP teaching staff members to member school districts. WMEP is quite different today than it was at the time of its inception and many of its original trademark features, including those noted above, are no longer part of its service makeup.

Recently, other member school districts have withdrawn from WMEP and sought other partnerships and/or strategies to ensure practices that bring forth educational equity and excellence for all students. In 2015-16, WMEP had eleven school district members. Currently, membership stands at six (Eden Prairie, Minneapolis, St. Anthony-New Brighton, Robbinsdale, St. Louis Park, and Wayzata). Original and/or former members of WMEP that have recently

withdrawn from WMEP include: 1) Brooklyn Center, 2) Columbia Heights, 3) Edina, 4) Hopkins, and 5) Richfield.

The Wayzata Public Schools Teaching and Learning Leadership Team, the Strategy Leadership Team and the School Board’s Teaching and Learning Committee have had recent discussions regarding the district’s WMEP membership. Each of these groups supports discontinuing membership in WMEP, strengthening the school district’s existing partnerships, seeking new and more effective instructional strategies, and family engagement activities. The WMEP Joint Powers Agreement requires any member seeking to withdraw from WMEP to approve a withdrawal resolution to be given to the WMEP board on or before December 30 of a given school year. The withdrawal would be effective on June 30 of the same school year in which the notice was given.

Effective with the 2017-2018 school year, the Wayzata Public Schools worked in cooperation with the Minnesota Department of Education (MDE) to establish an Achievement and Integration Plan (A & I Plan) with the Orono Public Schools. This partnership has worked well in its first year and will continue into the future. The funds that are currently dedicated to WMEP membership can be redeployed toward implementation of the A & I Plan with Orono and/or can be used to expand professional development and intervention programs within the district. The district’s A & I Plan with Orono qualifies Wayzata Public Schools to secure the same funding as it currently receives. By repositioning our available resources, school district staff will seek instructional approaches and family engagements that hold the greatest promise for delivering measurable academic gains for all students. It is important to note that many services currently offered through WMEP are available to non-member school districts. If such programming continues, it is possible that the district would consider using some of these services.

The administration discussed its WMEP membership with the school board at its November 27, 2017 school board work session. The school board asked the administration to bring a recommendation regarding WMEP membership to the December 11, 2017 school board meeting. After careful review and consideration of school board inputs, and through discussions with a number of district staff, it is the administration’s recommendation to submit a certified letter to the WMEP Board Chair indicating the Wayzata Public Schools intent to withdraw from WMEP effective June 30, 2018. Wayzata Public Schools does have the option to reconsider this decision to withdraw as a member of WMEP during the coming months if reason to do so evolves.

**RECOMMENDED ACTION:** Adopt the Resolution Relating To The Intent To Withdraw From The West Metro Education Program.

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

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

Abstentions \_\_\_\_\_

RESOLUTION RELATING TO THE  
INTENT TO WITHDRAW FROM THE WEST METRO EDUCATION PROGRAM

WHEREAS, Article V of the Joint Exercise of Powers Agreement, entered into on June 6, 1995 by and between the member SCHOOL DISTRICTS and subsequently amended as to the timing of a member SCHOOL DISTRICT's Notice of Withdrawal ("Article V"), requires written withdrawal notice to be given to the chair of the WMEP Board not later than December 30 prior to the withdrawal date of the following June 30.

WHEREAS, Article V requires that the written notice of withdrawal be accompanied by a certified copy of an appropriate resolution of the individual Member's School Board;

THEREFORE, BE IT RESOLVED by the School Board of Independent School District #284 as follows:

1. The School Board hereby authorizes and directs the withdrawal of the Wayzata Public Schools from the West Metro Education Program ("WMEP") effective June 30, 2018.
2. The School Board directs the Board Chair, Clerk or Superintendent, on behalf of the School Board, to provide written notice of this resolution to the WMEP Board Chair in the form of a certified copy of this resolution not later than December 30, 2017.
3. It is further ordered that, pursuant to a proper request, the School District shall provide additional copies of this resolution, adopted by the School Board at its duly called December 11, 2017 meeting.

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Chris McCullough

Board Chair

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Andrea Cuene

Clerk, ISD #284

**-DRAFT-**

**December 12, 2017**

Mr. Michael Volna  
Board Chair  
West Metro Education Program  
4825 Olsen Memorial Highway  
Golden Valley, Minnesota 55422

Subject: Letter of Intent to Withdraw from the West Metro Education Program

Dear Chair Volna,

The purpose of this letter is to submit the Wayzata Public Schools withdrawal resolution from the West Metro Education Program (WMEP). It is intended to communicate Wayzata's intent to withdraw from WMEP on June 30, 2018. The Wayzata School Board approved the enclosed resolution at their regular meeting on December 11, 2017. It is our understanding that this letter of intent to withdraw can be rescinded before July 1, 2018 if Wayzata Public Schools reconsiders and changes this decision.

The Wayzata Public Schools has been a WMEP member for about two decades and has enjoyed the partnership and the engagement with other member school districts. There has been exceptional work done over the course of WMEP's history. At the current time, we are seeking ways to reallocate our available funds in a way that maximizes efficiency and return on investment for our students. We will continue to seek the best possible internal and external resources to deliver on the goals of our school district's strategic road map; specifically to deliver excellence for each and every student.

As part of this withdrawal, we are requesting that WMEP provide us with the same information provided to those districts that have previously withdrawn from WMEP.

If I can be of further assistance, please feel free to contact me at your convenience.

Sincerely,

Chris McCullough  
Board Chair, Wayzata Public Schools

Enclosure

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

**BOARD OF EDUCATION**  
Regular Meeting – November 13, 2017

**AGENDA SECTION:** 7. Board Reports

**ITEM:** \_\_\_\_\_

**COMMENTS BY:** Chris McCullough, Board Chair

This section of the agenda provides an opportunity for Board members to update school board members on school board-related work or to make announcements of interest to the public.

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

**BOARD OF EDUCATION**  
Regular Meeting – November 13, 2017

**AGENDA SECTION:** 8. Audience Opportunity to Address the Board

**ITEM:** \_\_\_\_\_

**COMMENTS BY:** Chris McCullough, Board Chair

This section of the agenda provides an opportunity for members of the audience to address the School Board. Speakers will be allotted approximately three minutes.

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

**BOARD OF EDUCATION**  
Regular Meeting –November 13, 2017

**AGENDA SECTION:** 9. Adjourn

**ITEM:** \_\_\_\_\_

**COMMENTS BY:** Chris McCullough, Board Chair

This agenda item brings closure to the school board meeting.

**RECOMMENDED ACTION:** Call the meeting to a close.

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

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

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

Time: \_\_\_\_\_