



**Future Ready. Community Strong.**

## **Regular Meeting Agenda**

Diamondhead Education Center  
200 W. Burnsville Parkway  
Burnsville, MN, 55337  
December 14, 2017  
6:30 PM

6:00 PM Board Listening Session with Directors DeeDee Currier and Darcy Schatz

- I. Call to Order
  - A. Welcome Public
  - B. Pledge of Allegiance
- II. Approval of Agenda
- III. Truth in Taxation Hearing
  - A. Introduction and Public Comment Protocol
  - B. Budget and Property Tax Presentation 3  
Presenter: Lisa Rider, Executive Director of Business Services
  - C. Public Comment
  - D. Conclude the Truth in Taxation Portion of the Meeting
- IV. Information
  - A. Future Ready. Community Strong.
    - 1. Partnership with Firefly Credit Union 31
  - B. Receive a Report on the Financial Audit 46  
Presenter: Lisa Rider, Executive Director of Business Services, and Dennis Hoogeveen, Clifton, Larson, Allen
  - C. Technology Spending Report 63  
Presenter: Doug Johnson, Director of Technology
  - D. Committee Reports 74
  - E. Superintendent Report 75
  - F. Student Representative Report 76
  - G. Board Member Reports 77
- V. Business Meeting
  - A. Consent Agenda  
Although Board action is required, it is generally unnecessary to hold discussion on these items. In the event a Board member wishes to discuss an item, that item will be moved for separate consideration.
    - 1. Approve Minutes 78

|  |     |
|--|-----|
| 2. Approve Personnel Recommendation  | 83  |
| 3. Adopt a Resolution to Accept Donations  | 84  |
| 4. Approve October Payroll, Receipts, Expenses and Investments   | 87  |
| 5. Approve Change Order #2 for the Eagle Ridge Middle School Tennis Court Resurfacing Project  | 125 |
| 6. Receive a Report on the Listening Session   | 127 |
| 7. Approve no changes to Policies 408: <i>Subpoena of a School District Employee</i> ; 409: <i>Employee Publications, Instructional Materials, Inventions, and Creations</i> ; 416: <i>Drug and Alcohol Testing</i> ; 417: <i>Chemical Use and Abuse</i> ; 419: <i>Tobacco- and Smoke-Free Environment</i> ; and 421: <i>Gifts to Employees and School Board Members</i> | 128 |
| 8. Approve, on a First Reading Basis, Policy 418: <i>Drug-Free Workplace/Drug-Free School</i>  | 166 |
| VI. New Business   |     |
| A. Approve Renewal of the Memorandum of Agreement (MOA) with Burnsville Promise to Serve as the Hiring Agency for the Burnsville Promise Coordinator<br>Presenter: Dr. Kathy Funston, Director of Strategic Partnerships and Pathways  | 171 |
| B. Award the Bid Proposal for the 2018 Door Replacement Project at Hidden Valley Elementary School<br>Presenter: Lisa Rider Executive Director of Business Services  | 178 |
| C. Award the Bid Proposal for the 2018 Bituminous Rehabilitation Project at Diamondhead Education Center<br>Presenter: Lisa Rider, Executive Director of Business Services   | 179 |
| D. Award the Flooring Proposal for the 2018 Carpet Replacement Project at Harriet Bishop Elementary  | 180 |
| E. Approve Final Certification of Property Tax Levy Payable in 2018<br>Presenter: Lisa Rider, Executive Director of Business Services  | 181 |
| F. Approve Financial Audit as of June 30, 2017<br>Presenter: Lisa Rider, Executive Director of Business Services   | 187 |
| G. Adopt a Resolution Establishing Combined Precincts<br>Presenter: Lisa Rider, Executive Director of Business Services  | 389 |
| H. Approve Agreement Between ISD 191 and the City of Burnsville Television Studio<br>Presenter: Lisa Rider, Executive Director of Business Services  | 396 |
| I. Approve K12 Transportation Contract through June 30, 2020<br>Presenter: Lisa Rider, Executive Director of Business Services   | 405 |
| J. Adopt a Resolution to Fully Fund Special Education Services (Federal)<br>Presenter: Bob VandenBoom, Director  | 410 |
| K. Adopt a Resolution to Fully Fund Special Education Services (Minnesota)<br>Presenter: Bob VandenBoom, Director  | 414 |
| VII. Adjourn to a Closed Session, as Permitted by M.S. 13D.03, for Negotiation Strategies  |     |



**ONE91**  
Burnsville · Eagan · Savage



# INDEPENDENT SCHOOL DISTRICT 191 PUBLIC HEARING FOR TAXES PAYABLE IN 2018

December 14, 2017, 6:30 PM

Diamondhead Education Center, Burnsville Room

***Future Ready. Community Strong.***

# Tax Hearing Presentation

- ❑ State law requires that we present:
  - ❑ Information on the current year budget and actual revenue and expense for the prior year
  - ❑ Information on the proposed property tax levy
  - ❑ The percentage change over the prior year
  - ❑ Specific purposes and reasons for which taxes are being increased
  - ❑ Invite public to speak and ask questions

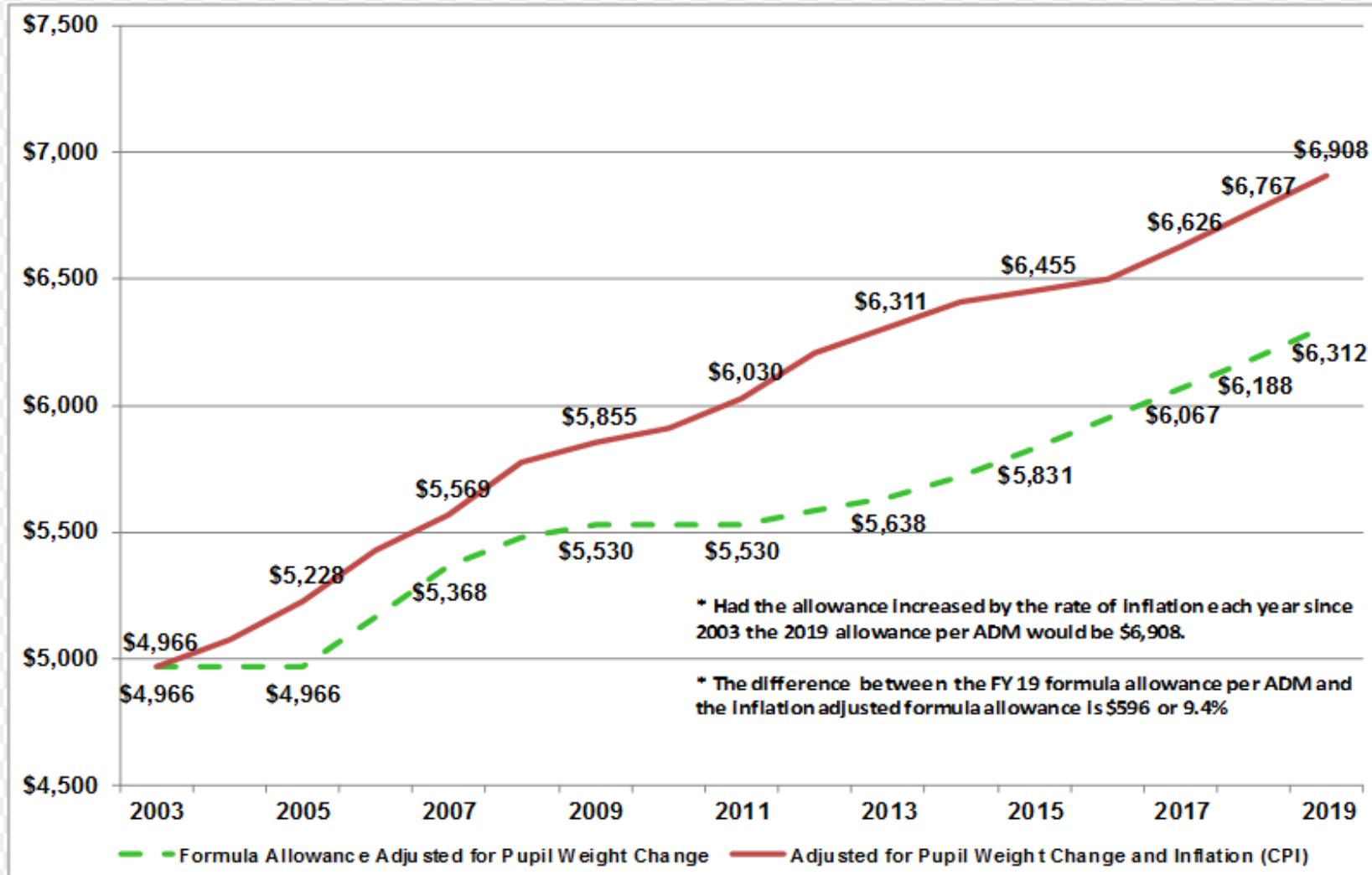
# Agenda for Hearing

- A. Background on School Funding, Property Tax Levies, and Budgets
- B. Information on the District Budget
- C. Information on the District's Proposed Tax Levy for Taxes Payable in 2018
- D. Public Comments and Questions

# School funding is highly regulated by the state

- State sets formulas which determine revenue; most revenue is based on specified amounts per pupil
- o  State sets tax policy for local schools
- State sets maximum authorized property tax levy (districts can levy less but not more than amount authorized by state, unless approved by the voters)
- State authorizes school board to submit referendums for operating and capital needs to voters for approval

### General Education Formula Allowance, 2003-2019 Adjusted for Pupil Weight Change and Inflation (CPI)



Source: MDE January 2017 Inflation Estimates

# Current 2017-2018 Adopted Budget and Prior 2016-2017 Actual Revenues and Expenses

|  |  |   |             |
|--|--|---|-------------|
|  | Department of Education<br>Division of School Finance<br>1500 Highway 36 West<br>Roseville, MN 55113-4266  | <b>DISTRICT REVENUES AND EXPENDITURES<br/>                 BUDGET FOR FY 2017 AND FY 2018</b> | ED-00110-40 |
|  | <b>GENERAL INFORMATION:</b> Minnesota Statutes, section 123B.10, requires that every school board shall publish the subject data of this report. |   |             |

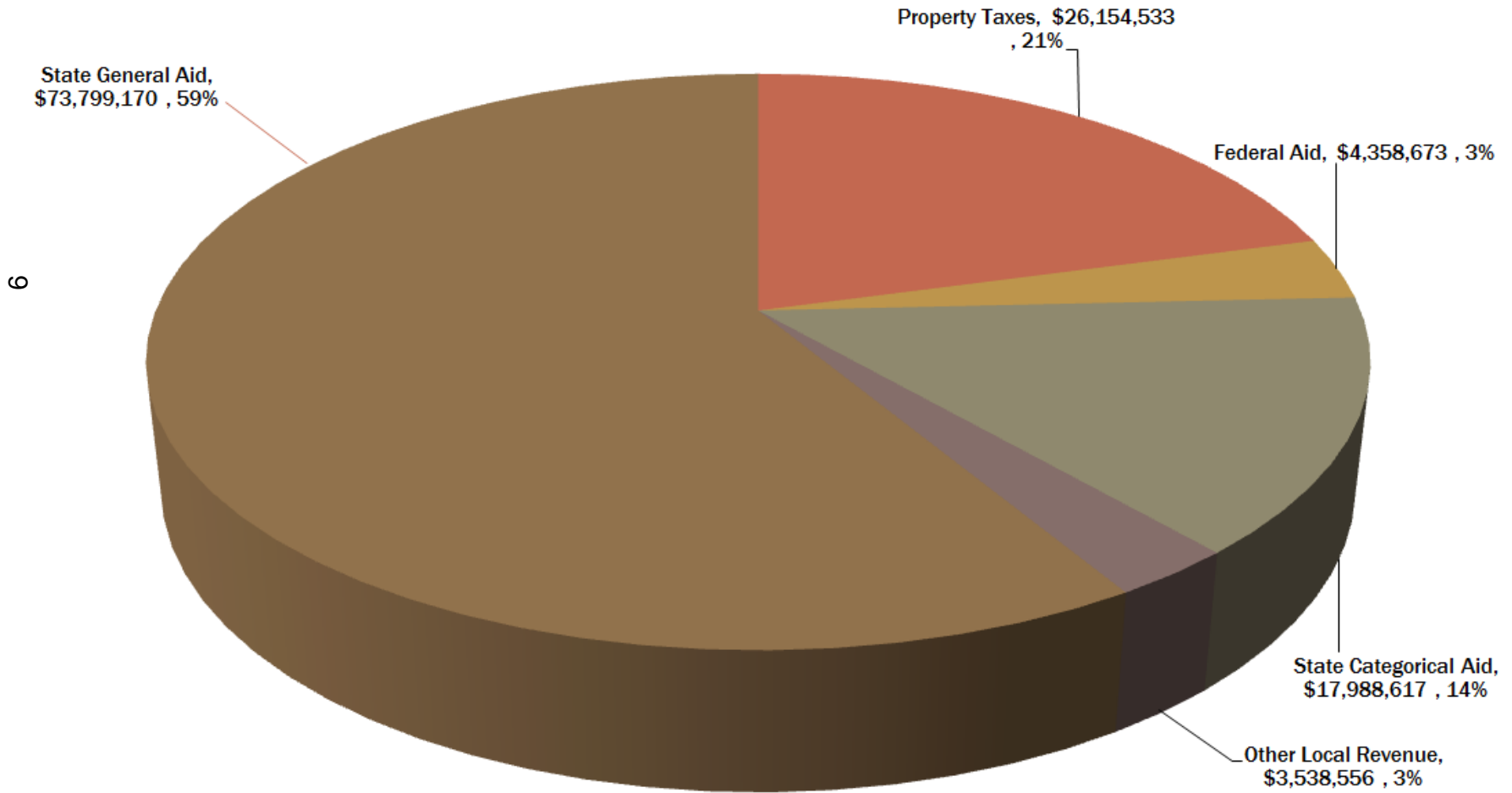
District Name: Independent School District 191 Burnsville Eagan Savage      District Number: 191

| FUND                          | FY 2017 BEGINNING FUND BALANCES | FY 2017 ACTUAL REVENUES AND TRANSFERS IN | FY 2017 ACTUAL EXPENDITURES AND TRANSFERS OUT | JUNE 30, 2017 ACTUAL FUND BALANCES  | FY 2018 BUDGET REVENUES AND TRANSFERS IN | FY 2018 BUDGET EXPENDITURES AND TRANSFERS OUT | JUNE 30, 2018 PROJECTED FUND BALANCES |
|-------------------------------|---------------------------------|--|---|---|--|---|---------------------------------------|
| General Fund/Restricted       | \$ 4,196,553                    | \$ 26,614,710                            | \$ 26,784,529                                 | \$ 4,026,734  | \$ 26,993,813                            | \$ 26,685,465                                 | \$ 4,335,082                          |
| General Fund/Other            | \$ 17,433,144                   | \$ 97,975,325                            | \$ 99,318,472                                 | \$ 16,089,997   | \$ 98,845,736                            | \$ 103,912,720                                | \$ 11,023,013                         |
| Food Service Fund             | \$ 1,742,639                    | \$ 5,810,053                             | \$ 6,186,948                                  | \$ 1,365,744  | \$ 6,043,417                             | \$ 6,009,339                                  | \$ 1,399,822                          |
| Community Service Fund        | \$ 540,445                      | \$ 7,028,305                             | \$ 6,958,956                                  | \$ 609,794  | \$ 6,519,723                             | \$ 6,362,615                                  | \$ 766,902                            |
| Building Construction Fund    | \$ 30,573,805                   | \$ 87,149                                | \$ 24,320,190                                 | \$ 6,340,764  | \$ 60,000                                | \$ 3,972,410                                  | \$ 2,428,354                          |
| Debt Service Fund             | \$ 41,718,961                   | \$ 11,138,902                            | \$ 20,583,406                                 | \$ 32,274,457   | \$ 9,496,782                             | \$ 39,734,659                                 | \$ 2,036,580                          |
| Trust Fund                    | \$ 201,048                      | \$ 921,057                               | \$ 957,340                                    | \$ 164,765  | \$ 840,000                               | \$ 830,000                                    | \$ 174,765                            |
| Internal Service Fund         | \$ 8,724,244                    |  |   | \$ 9,656,456  |  |   | \$ 8,939,265                          |
| * OPEB Revocable Trust Fund   | \$ 12,771,428                   | \$ 845,885                               | \$ 933,445                                    | \$ 12,683,868   | \$ 731,866                               | \$ 800,590                                    | \$ 12,615,144                         |
| OPEB Irrevocable Trust Fund   | \$ -                            | \$ -                                     | \$ -  | \$ -  | \$ -                                     | \$ -  | \$ -                                  |
| OPEB Debt Service Fund        | \$ 323,369                      | \$ 15,619,846                            | \$ 15,596,940                                 | \$ 346,275  | \$ 1,381,586                             | \$ 1,388,138                                  | \$ 339,723                            |
| <b>TOTAL - ALL FUNDS</b>      | <b>\$ 118,225,636</b>           | <b>\$ 166,041,233</b>                    | <b>\$ 201,640,226</b>                         | <b>\$ 83,558,855</b>  | <b>\$ 150,912,923</b>                    | <b>\$ 189,695,936</b>                         | <b>\$ 44,058,651</b>                  |
| <b>LONG-TERM DEBT</b>         | \$ -                            |  |   | <b>CURRENT STATUTORY OPERATING DEBT PER MINNESOTA STATUTES, SECTION 123B.81</b> |  |   |                                       |
| Outstanding July 1, 2016      | \$ 196,087,817                  |  |   | AMOUNT OF GENERAL FUND DEFICIT,   |  |   |                                       |
| Plus: New Issues              | \$ 13,990,000                   |  |   | IF ANY, IN EXCESS OF 2.5% OF EXPENDITURES 06/30/2017                            |  |   |                                       |
| Less: Redeemed Issues         | \$ 15,146,854                   |  |   | COST PER STUDENT - AVERAGE DAILY MEMBERSHIP (ADM) 06/30/2017                    |  |   |                                       |
| Outstanding June 30, 2017     | \$ 194,930,963                  |  |   | TOTAL OPERATING EXPENDITURES  |  |   |                                       |
| <b>SHORT-TERM DEBT</b>        |                                 |  |   | \$ 133,419,747  |  |   |                                       |
| Certificates of Indebtedness  | \$ -                            |  |   | FY 2017 TOTAL ADM SERVED + TUITIONED OUT ADM + ADJUSTED EXTENDED ADM            |  |   |                                       |
| Other Short-Term Indebtedness | \$ -                            |  |   | \$ 9,243.42   |  |   |                                       |
|                               |                                 |  |   | FY 2017 OPERATING COST PER ADM  |  |   |                                       |
|                               |                                 |  |   | \$ 14,434.02  |  |   |                                       |

The complete budget may be inspected upon request to the superintendent.  
 Comments:

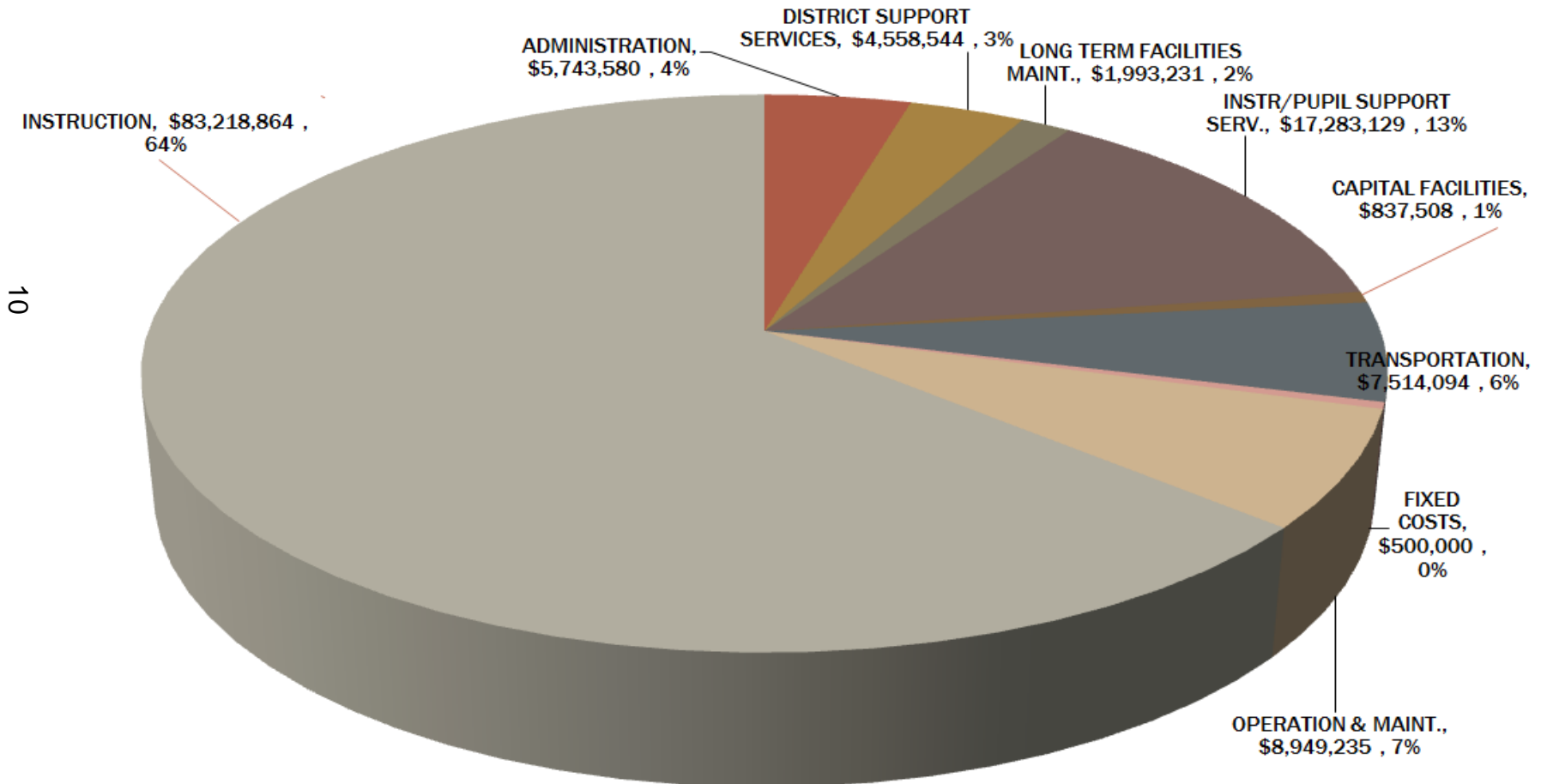
\* Other Post-Employment Benefits (OPEB)

**General Fund Revenue  
2017-2018 Adopted Budget  
\$125,839,549**



6

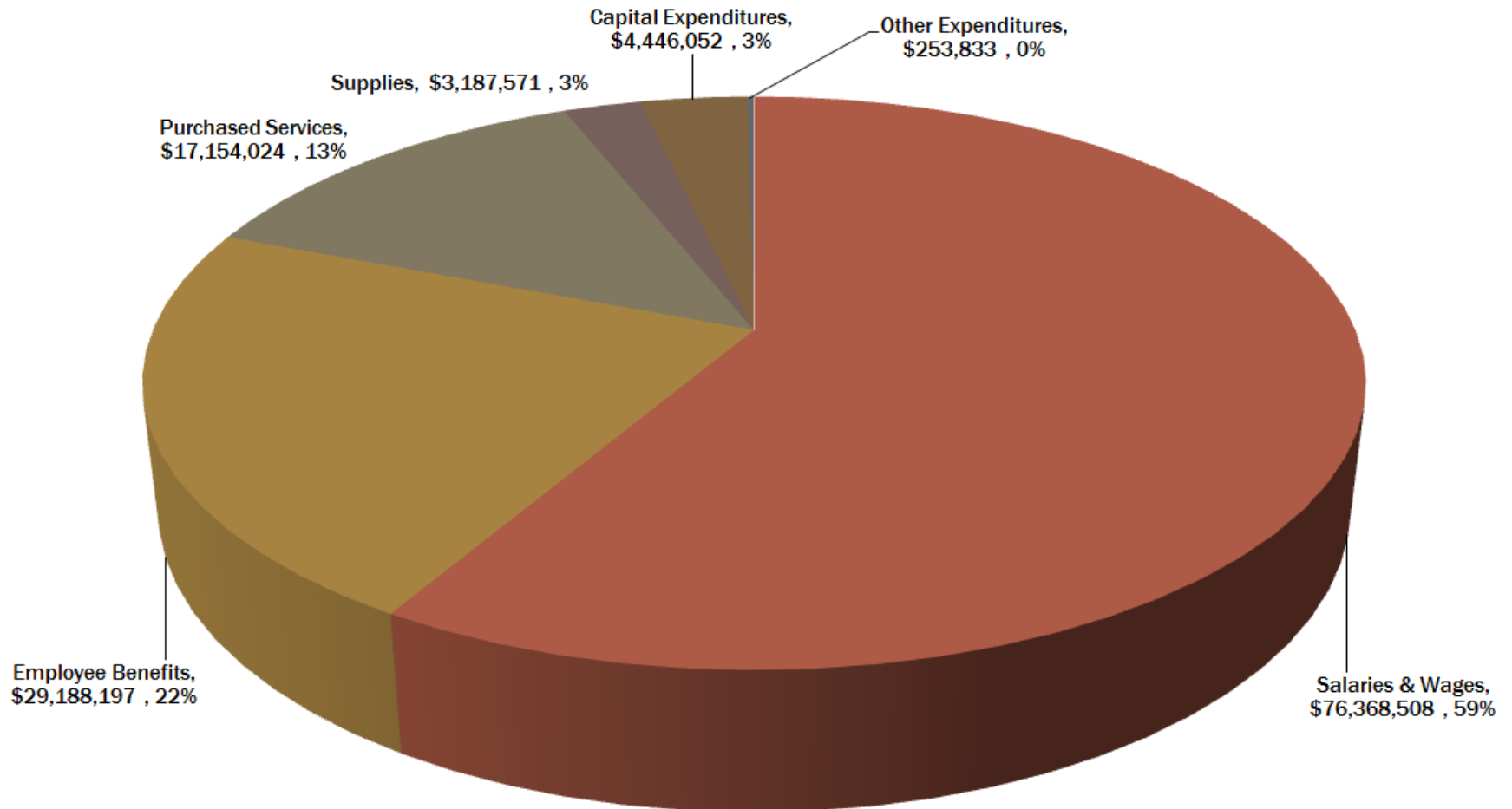
**General Fund Expenditures by Program  
2017-2018 Adopted Budget  
\$130,598,185**



10

**General Fund Expenditures by Object**  
**2017-2018 Adopted Budget**  
**\$130,598,185**

11



# ISD191 Comparison of Payable 2017 vs. Payable 2018 Certified Levies

| Funds                | 2016 PAY 2017<br>Limitation | 2017 PAY 2018<br>Limitation | Increase/Decrease | Percent Change |
|----------------------|-----------------------------|-----------------------------|-------------------|----------------|
| General              | \$ 25,990,547.46            | \$ 30,466,716.81            | \$ 4,476,169.35   | 17.22%         |
| Community Service    | \$ 1,556,451.69             | \$ 1,411,983.08             | \$ (144,468.61)   | -9.28%         |
| General Debt Service | \$ 9,104,879.59             | \$ 9,069,586.81             | \$ (35,292.78)    | -0.39%         |
| OPEB Trust Service   | \$ 1,381,585.73             | \$ 1,395,781.77             | \$ 14,196.04      | 1.03%          |
| Total                | \$ 38,033,464.47            | \$ 42,344,068.47            | \$ 4,310,604.00   | 11.33%         |

- NOTE: The voter approved referendum on November 7, 2017 is included on the 2017 PAY 2018, but is not currently reflected on proposed tax statements

13  
**Proposed  
 Tax Levy  
 for Taxes  
 Payable in  
 2018**

|  | 2016<br>Payable<br>2017 | 2017<br>Payable<br>2018 | Increase/<br>(Decrease) |
|--|-------------------------|-------------------------|-------------------------|
| <b>General Levies:</b>   |                         |                         |                         |
| <i>Referendum Levy</i>   | \$12,059,514            | \$16,193,141            | \$4,133,627             |
| <i>Location Optional Levy</i>  | 4,124,452               | 4,136,374               | 11,922                  |
| <i>Equity Revenue Levy</i>   | 949,524                 | 758,376                 | (191,148)               |
| <i>Operating Capital Levy</i>  | 856,053                 | 743,255                 | (112,798)               |
| <i>Student Achievement Levy</i>  | 101,874                 | 0                       | (101,874)               |
| <i>Safe Schools</i>  | 350,189                 | 351,202                 | 1,013                   |
| <i>Safe Schools - District 917</i>   | 110,893                 | 112,189                 | 1,296                   |
| <i>Career &amp; Technical Levy</i>   | 304,169                 | 304,791                 | 622                     |
| <i>Long Term Facilities Levy -<br/>Formerly Health &amp; Safety Levy<br/>and Alternative Facilities Levy</i> | 1,993,231               | 2,521,307               | 528,076                 |
| <i>Economic Development Abatement</i>  | 0                       | 31,124                  | 31,124                  |
| <i>Transition Revenue Levy</i>   | 328,010                 | 328,959                 | 949                     |
| <i>Achievement &amp; Integration Levy</i>  | 568,962                 | 596,320                 | 27,358                  |
| <i>Reemployment Insurance Levy</i>   | 250,000                 | 200,000                 | (50,000)                |
| <i>Lease Levy</i>  | 668,198                 | 679,687                 | 11,489                  |
| <i>Capital Project Referendum Levy</i>   | 2,544,339               | 2,665,552               | 121,213                 |
| <i>Alternative Compensation Levy</i>   | 808,967                 | 836,111                 | 27,144                  |
| <b>Total General Levies</b>  | <b>26,018,375</b>       | <b>30,458,388</b>       | <b>4,440,013</b>        |
| <b>Levy Adjustments</b>  | <b>(27,828)</b>         | <b>8,328</b>            | <b>36,156</b>           |
| <b>Net General Levies</b>  | <b>\$25,990,547</b>     | <b>\$30,466,716</b>     | <b>\$4,476,169</b>      |

# Proposed Tax Levy for Taxes Payable in 2018

|   | <b>2016<br/>Payable<br/>2017</b> | <b>2017<br/>Payable<br/>2018</b> | <b>Increase/<br/>(Decrease)</b> |
|---|----------------------------------|----------------------------------|---------------------------------|
| <i>Community Service Fund:</i>          |                                  |                                  |                                 |
| <i>General Community Education</i>      | \$475,684                        | \$475,684                        | \$0                             |
| <i>Early Childhood Family Education</i> | 238,389                          | 242,093                          | 3,704                           |
| <i>Disabled Adults</i>                  | 3,062                            | 3,062                            | 0                               |
| <i>School Age Care</i>                  | 600,000                          | 600,000                          | 0                               |
| <i>Home Visiting</i>                    | 4,979                            | 5,155                            | 176                             |
| <b>Total Levies</b>                     | <b>1,322,114</b>                 | <b>1,325,994</b>                 | <b>3,880</b>                    |
| <b>Levy Adjustments</b>                 | <b>234,338</b>                   | <b>85,989</b>                    | <b>(148,349)</b>                |
| <b>Community Service Levies</b>         | <b>\$1,556,452</b>               | <b>\$1,411,983</b>               | <b>(\$144,469)</b>              |

# Proposed Tax Levy for Taxes Payable in 2018

|   | <b>2016<br/>Payable<br/>2017</b> | <b>2017<br/>Payable<br/>2018</b> | <b>Increase/<br/>(Decrease)</b> |
|---|----------------------------------|----------------------------------|---------------------------------|
|   | <u>                    </u>      | <u>                    </u>      | <u>                    </u>     |
| <i>General Debt Service Fund:</i>                                     |                                  |                                  |                                 |
| <i>Voter Approved Levy</i>  | \$3,315,643                      | \$3,369,290                      | \$53,647                        |
| <i>LT Facilities Debt Service<br/>formerly Alternative Facilities</i> | <u>\$5,849,435</u>               | <u>\$5,975,213</u>               | <u>\$125,778</u>                |
| <i>Total Levies</i>   | 9,165,078                        | 9,344,503                        | 179,425                         |
| <i>Levy Adjustments</i>   | <u>(60,198)</u>                  | <u>(274,916)</u>                 | <u>(214,718)</u>                |
| <i>Debt Service Levy</i>  | <u><u>\$9,104,880</u></u>        | <u><u>\$9,069,587</u></u>        | <u><u>(\$35,293)</u></u>        |

# Proposed Tax Levy for Taxes Payable in 2018

|                                       | <i>2016<br/>Payable<br/>2017</i> | <i>2017<br/>Payable<br/>2018</i> | <i>Increase/<br/>(Decrease)</i> |
|---------------------------------------|----------------------------------|----------------------------------|---------------------------------|
| <i>OPEB Levy - Non-Voter Approved</i> | <i>1,380,122</i>                 | <i>1,393,754</i>                 | <i>13,632</i>                   |
| <i>Levy Adjustments</i>               | <i>1,463</i>                     | <i>2,027</i>                     | <i>564</i>                      |
| <i>OPEB Levy</i>                      | <i>1,381,586</i>                 | <i>1,395,782</i>                 | <i>14,196</i>                   |

# Reasons for Increase(Decreases) in General Fund Levy

- 17  Referendum, Location Optional and Equity Revenue Levy reflects the voter approved referendum on November 7, 2017.
- Lesser adjusted pupil units results in \$112,798 less in Operating Capital Levy.
- Student Achievement Levy was phased out after 2016 Pay 2017.

# Reasons for Increase(Decreases) in General Fund Levy

- Long Term Facilities Maintenance Revenue increased due to formula and Deferred Maintenance anticipated needs.
- Capital Project Referendum Levy increased by \$121,213 as it is calculated based on the Net Tax Capacity which increased from Calendar 2015 to 2016.

# Reasons for Increase(Decreases) in Community Services Fund Levy

- No significant change in Community Service Fund Levy.

# Reasons for Increase(Decreases) in General Debt Service Fund Levy

- No significant change in General Debt Service Fund Levy.

# Reasons for Increase(Decreases) in OPEB Debt Service Fund Levy

- No significant change in OPEB Debt Service Fund Levy.

# Impact on ISD 191 School Property Taxes Only (within the City of Burnsville) Payable 2018 Compared to Past Three Years

B-E-S School District No. 191

Estimated Changes in School Property Taxes, 2015 to 2018  
Based on 15.2% Cumulative Changes in Property Value from 2015 to 2018 Taxes

| Type of Property                                     | Estimated Market Value for 2015 Taxes | Actual Taxes Payable in 2015 | Estimated Market Value for 2016 Taxes | Actual Taxes Payable in 2016 | Estimated Market Value for 2017 Taxes | Actual Taxes Payable in 2017 | Estimated Market Value for 2018 Taxes | Estimated Taxes Payable in 2018 |                       |         | Change in Taxes 2015 to 2018 | Change in Taxes 2017 to 2018 |
|--|---------------------------------------|------------------------------|---------------------------------------|------------------------------|---------------------------------------|------------------------------|---------------------------------------|---------------------------------|-----------------------|---------|------------------------------|------------------------------|
|  |                                       |                              |                                       |                              |                                       |                              |                                       | Without Operating Referendum*   | Operating Referendum* | Total   |                              |                              |
| Residential Homestead                                | \$108,541                             | \$481                        | \$112,872                             | \$545                        | \$116,822                             | \$521                        | \$125,000                             | \$409                           | \$188                 | \$597   | \$116                        | \$76                         |
|  | 130,249                               | 596                          | 135,446                               | 677                          | 140,187                               | 645                          | 150,000                               | 511                             | 225                   | 736     | 140                          | 91                           |
|  | 173,666                               | 825                          | 180,595                               | 942                          | 186,916                               | 895                          | 200,000                               | 713                             | 300                   | 1,013   | 188                          | 118                          |
|  | 238,790                               | 1,169                        | 248,318                               | 1,338                        | 257,009                               | 1,268                        | 275,000                               | 1,016                           | 413                   | 1,429   | 260                          | 161                          |
|  | 303,915                               | 1,513                        | 316,041                               | 1,735                        | 327,103                               | 1,642                        | 350,000                               | 1,319                           | 526                   | 1,845   | 332                          | 203                          |
|  | 369,040                               | 1,856                        | 383,765                               | 2,131                        | 397,196                               | 2,016                        | 425,000                               | 1,619                           | 638                   | 2,257   | 401                          | 241                          |
|  | 434,164                               | 2,196                        | 451,488                               | 2,517                        | 467,290                               | 2,377                        | 500,000                               | 1,905                           | 751                   | 2,656   | 460                          | 279                          |
|  | 520,997                               | 2,648                        | 541,785                               | 3,053                        | 560,748                               | 2,894                        | 600,000                               | 2,350                           | 901                   | 3,251   | 603                          | 357                          |
|  | 651,247                               | 3,386                        | 677,231                               | 3,913                        | 700,935                               | 3,704                        | 750,000                               | 3,018                           | 1,126                 | 4,144   | 758                          | 440                          |
|  | 868,329                               | 4,617                        | 902,975                               | 5,347                        | 934,579                               | 5,053                        | 1,000,000                             | 4,131                           | 1,502                 | 5,633   | 1,016                        | 580                          |
| Commercial/ Industrial #                             | \$868,329                             | \$4,879                      | \$902,975                             | \$5,598                      | \$934,579                             | \$5,291                      | \$1,000,000                           | \$4,423                         | \$1,502               | \$5,925 | \$1,046                      | \$634                        |
|  | 1,736,658                             | 9,877                        | 1,805,951                             | 11,343                       | 1,869,159                             | 10,712                       | 2,000,000                             | 8,970                           | 3,004                 | 11,974  | 2,097                        | 1,262                        |
|  | 2,604,987                             | 14,874                       | 2,708,926                             | 17,087                       | 2,803,738                             | 16,133                       | 3,000,000                             | 13,517                          | 4,505                 | 18,022  | 3,148                        | 1,889                        |
|  | 3,473,316                             | 19,872                       | 3,611,901                             | 22,832                       | 3,738,318                             | 21,554                       | 4,000,000                             | 18,064                          | 6,007                 | 24,071  | 4,199                        | 2,517                        |
| Apartments and Res. Non-Homestead ( 2 or more units) | 4,341,645                             | 24,869                       | 4,514,877                             | 28,576                       | 4,672,897                             | 26,974                       | 5,000,000                             | 22,611                          | 7,509                 | 30,120  | 5,251                        | 3,146                        |
|  | \$434,164                             | \$2,462                      | \$451,488                             | \$2,868                      | \$467,290                             | \$2,698                      | \$500,000                             | \$2,226                         | \$751                 | \$2,977 | \$515                        | \$279                        |
|  | 651,247                               | 3,693                        | 677,231                               | 4,302                        | 700,935                               | 4,048                        | 750,000                               | 3,339                           | 1,126                 | 4,465   | 772                          | 417                          |
|  | 868,329                               | 4,924                        | 902,975                               | 5,736                        | 934,579                               | 5,397                        | 1,000,000                             | 4,453                           | 1,502                 | 5,955   | 1,031                        | 558                          |
| <b>Tax Rates</b>                                     |                                       |                              |                                       |                              |                                       |                              |                                       |                                 |                       |         |                              |                              |
| <b>Tax Capacity Rate</b>                             |                                       | 24.554                       |                                       | 31.063                       |                                       | 27.529                       |                                       | 25.697                          | 0.000                 | 25.697  |                              |                              |
| <b>Referendum Market Value Rate</b>                  |                                       | 0.26015                      |                                       | 0.24691                      |                                       | 0.23336                      |                                       | 0.12405                         | 0.15018               | 0.27423 |                              |                              |

\* "Operating referendum" includes estimates of additional taxes for the operating referendum renewal and increase approved by voters on November 7, 2017.  
 # For commercial-industrial property, figures above are for property in the City of Burnsville. Taxes for commercial-industrial property in other municipalities may be slightly different, due to the impact of the Fiscal Disparities Program.

**General Notes**

- The figures in the table are based on school district taxes only, and do not include taxes for the city or township, county, state, or other taxing jurisdictions.
- Estimates of taxes payable in 2018 are preliminary, based on the best data available as of the date above.
- For all examples of properties, taxes are based on changes in taxable market value of 4.0% from 2015 to 2016 taxes, 3.5% from 2016 to 2017, and 7.0% from 2017 to 2018.

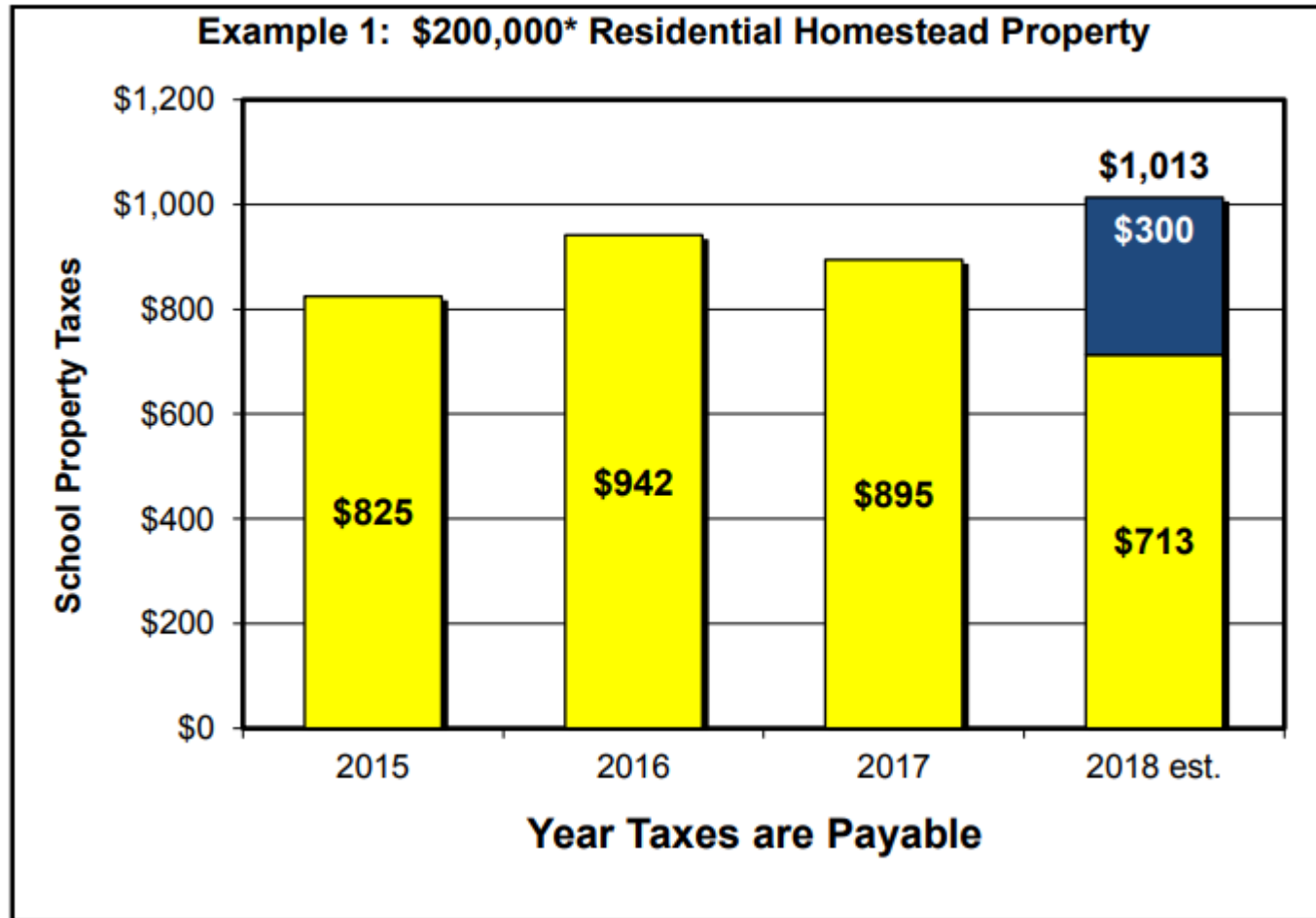
# Estimated Changes in School Property Taxes 2015 to 2018

- Based on 15.7% Cumulative Changes in Property Value from 2015 to 2018 Taxes
- For all the following four examples of properties, the value shown in the series of the chart is the estimated market value for the taxes payable in 2018 within the City of Burnsville. Taxes are calculated based on changes in market value of 4.0% from 2015 to 2016 and 3.5% from 2016 to 2017 and 7% from 2017 to 2018.
- Charts and estimates provided by Ehlers

**B-E-S School District No. 191**

**Estimated Changes in School Property Taxes, 2015 to 2018**

*Based on 15.2% Cumulative Changes in Property Value from 2015 to 2018 Taxes*

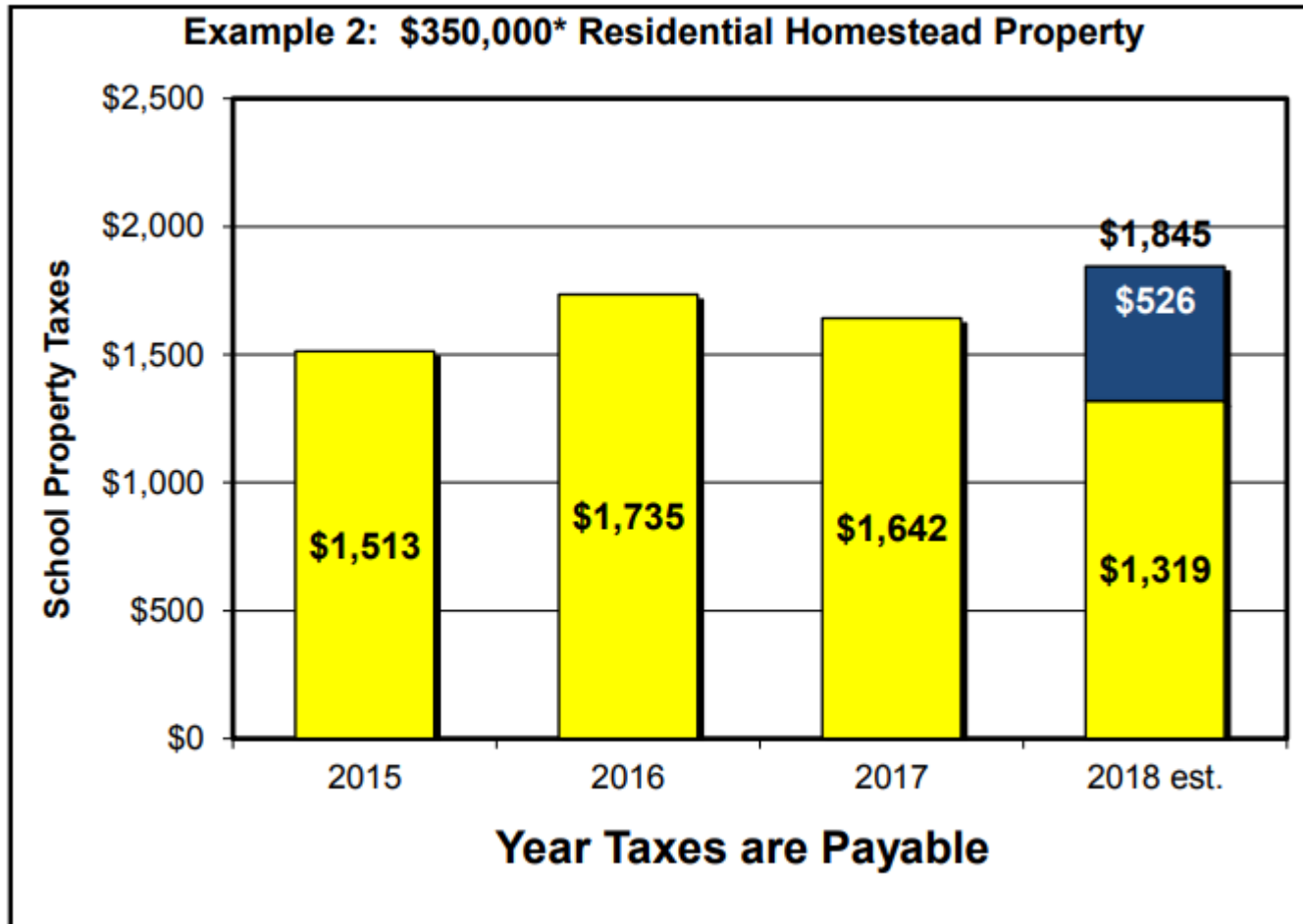


\* The value shown in the title of the chart is the estimated market value for taxes payable in 2018. Taxes are calculated based on changes in market value from 4.0% from 2015 to 2016 taxes, 3.5% from 2016 to 2017, and 7.0% from 2017 to 2018.

**B-E-S School District No. 191**

**Estimated Changes in School Property Taxes, 2015 to 2018**

*Based on 15.2% Cumulative Changes in Property Value from 2015 to 2018 Taxes*

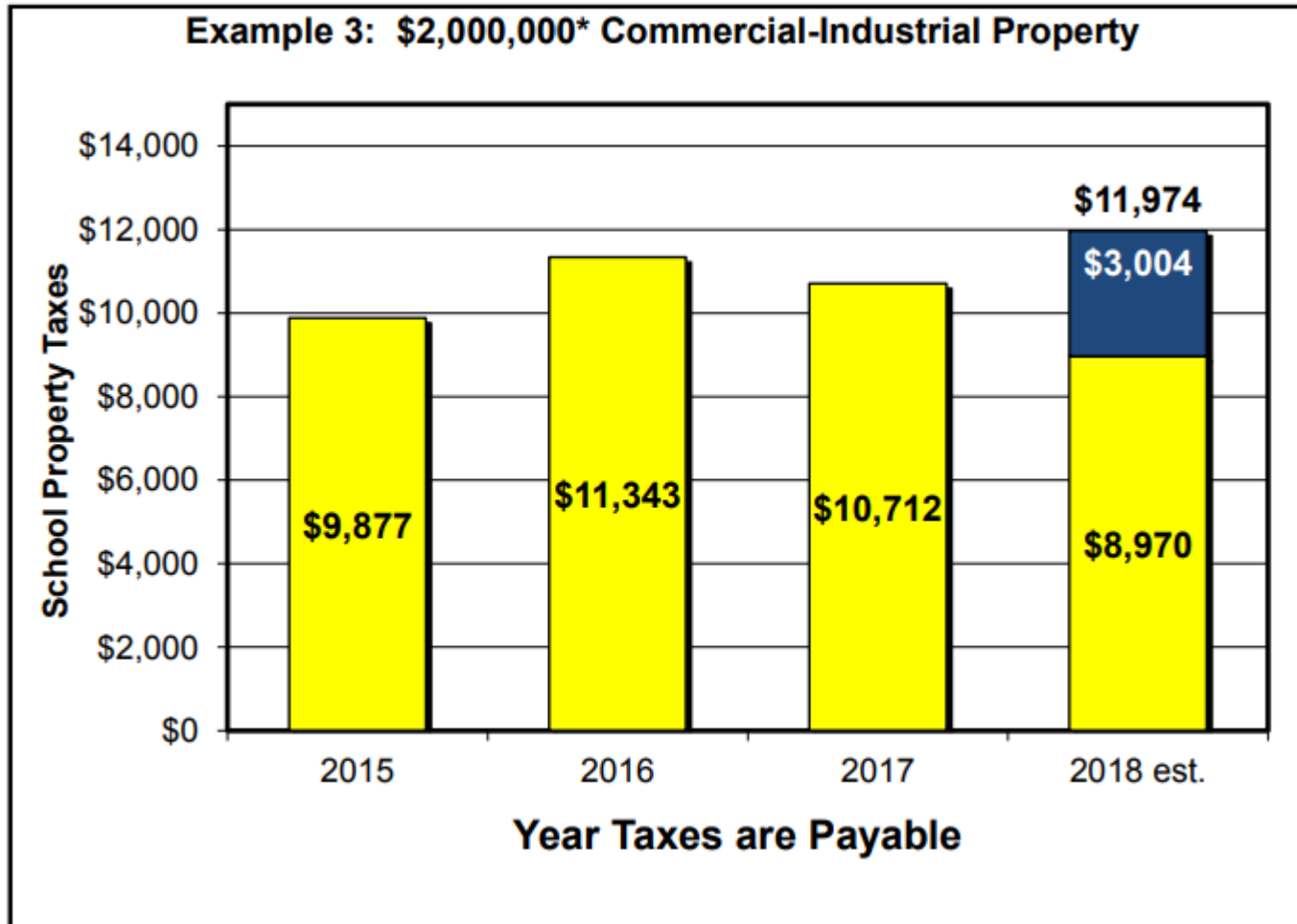


\* The value shown in the title of the chart is the estimated market value for taxes payable in 2018. Taxes are calculated based on changes in market value from 4.0% from 2015 to 2016 taxes, 3.5% from 2016 to 2017, and 7.0% from 2017 to 2018.

**B-E-S School District No. 191**

**Estimated Changes in School Property Taxes, 2015 to 2018**

**Based on 15.2% Cumulative Changes in Property Value from 2015 to 2018 Taxes**

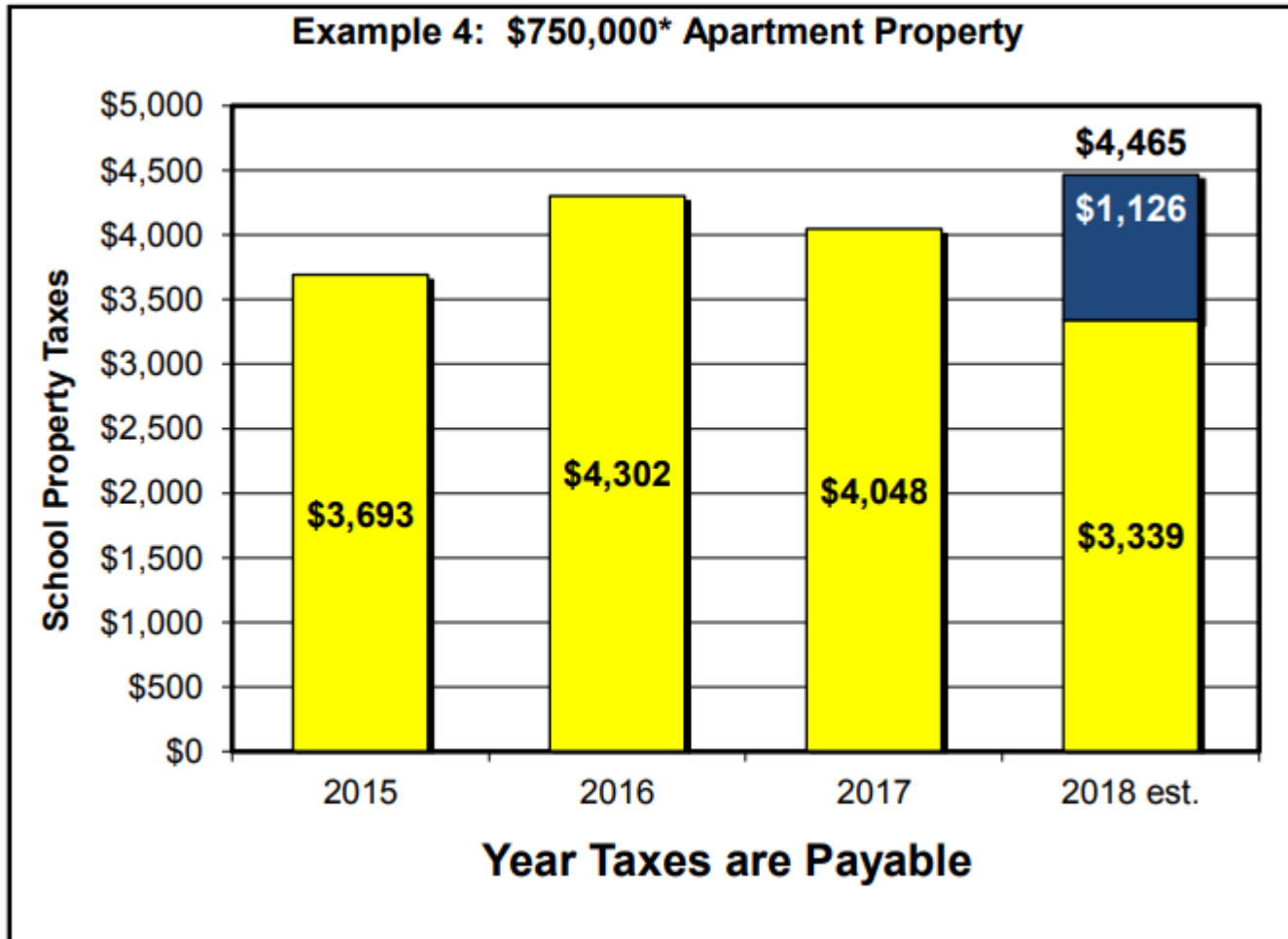


\* The value shown in the title of the chart is the estimated market value for taxes payable in 2018. Taxes are calculated based on changes in market value from 4.0% from 2015 to 2016 taxes, 3.5% from 2016 to 2017, and 7.0% from 2017 to 2018.

**B-E-S School District No. 191**

**Estimated Changes in School Property Taxes, 2015 to 2018**

*Based on 15.2% Cumulative Changes in Property Value from 2015 to 2018 Taxes*



\* The value shown in the title of the chart is the estimated market value for taxes payable in 2018. Taxes are calculated based on changes in market value from 4.0% from 2015 to 2016 taxes, 3.5% from 2016 to 2017, and 7.0% from 2017 to 2018.

# Possible Property Tax Refund

- Resident taxpayers on a fixed income, or with significant increases to their property taxes, should inquire of a tax professional regarding eligibility for property tax refunds

## Next Board Action

Later in this meeting, agenda action item requesting Board of Education Certification of the Final Levy for Payable 2018, funding School Year 2018-2019

# Invitation for Public to Comment and ask Questions



**ONE91**  
Burnsville · Eagan · Savage



31

# Firefly Credit Union: Partnerships for Schools

***Future Ready. Community Strong.***



**Marty Kelly**

Senior Vice President/Chief Marketing Officer

**Michele Carroll**

Business Education Instructor

**Emma Hovde**

Burnsville High School Student



National Career  
Pathway Network  
*Promising  
Practice*



Local  
Government  
Innovation Award  
*School Category*



Dakota Scott  
Youth Council &  
Dakota Electric  
*Willis Branning  
Excellence in  
Youth  
Employment  
Services*



34

First financial cooperative in Minnesota, founded 1925

Previously US Federal Credit Union, served federal employees and other groups

Community charter in 2004 - Serve the seven county area

Rebranded Firefly Credit Union in 2016

*We guide our members forward.*



And then...  
the lunch that changed everything

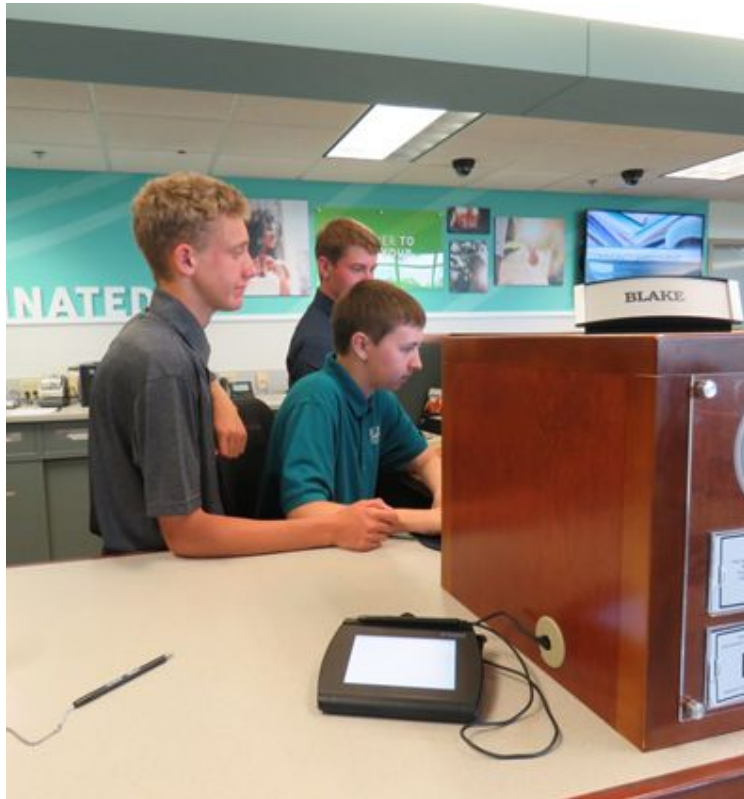
# Students visit Firefly Credit Union Board of Directors Meeting April 2016



# Students, faculty, Firefly leadership meet with architects April 2016



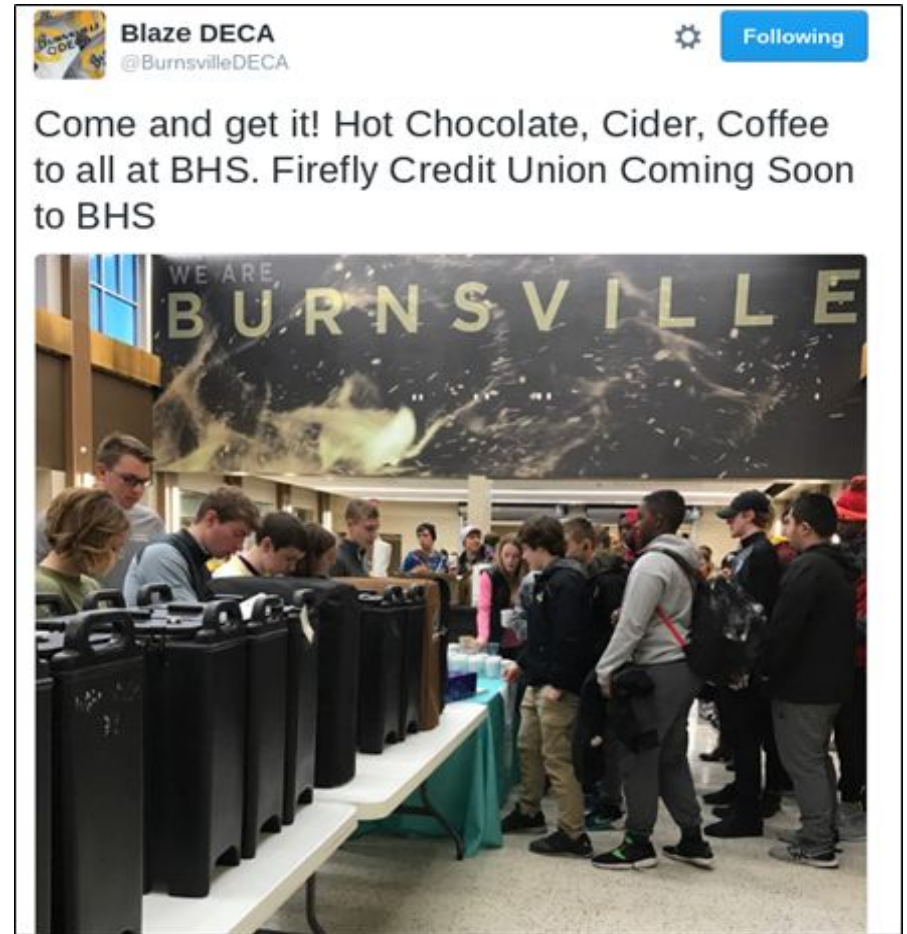
## Students hired and trained Summer 2016



# Students develop and implement a marketing plan to promote the new branch Fall 2016



39



# Students coordinate and implement “Life Illuminated” Blood Drive

Fall 2016 - present



# Students and Firefly collaborate to create and launch the “Verge Student Checking Account” Fall 2016



# Firefly Credit Union branch opens at BHS February 2017



## Open for business!



43



What's next...

 **FINANCES  
ILLUMINATED**



# Partnerships for Schools

For more information on this partnership or other partnerships, contact:

Dr. Kathy Funston  
[kfunston@isd191.org](mailto:kfunston@isd191.org)  
952-707-6276



**Agenda IV.B.  
December 14, 2017**

**To:** Board of Education, Members  
Cindy Amoroso, Superintendent

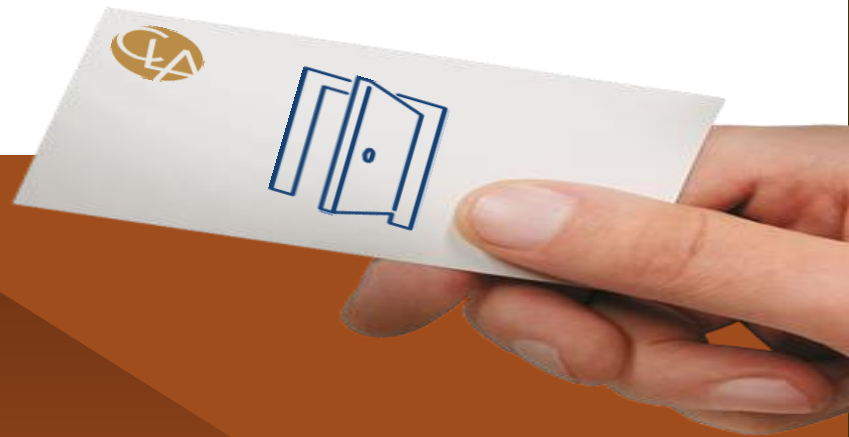
**From:** Lisa Rider, Executive Director of Business Services

**Date:** December 7, 2017

**Re:** Receive a report on the Financial Audit

Receive a report from Lisa Rider, Executive Director of Business Services, and Dennis Hoogeveen from Clifton, Larson, Allen on the Financial Audit.

# Executive Audit Summary for Burnsville–Eagan–Savage Public Schools (ISD #191)



Presented by:  
CliftonLarsonAllen

Dennis Hoogeveen, Principal

# Audit Results Year Ended 6/30/17

- Audit Opinion – The financial statements are fairly stated. We issued what is known as a “clean” or “unmodified” audit report.
- Yellow Book Compliance – No compliance issues were noted in our review of laws, regulations, contracts and grants that could have significant financial implications to the District.
- Internal Controls – One material weakness in internal controls over financial reporting was noted related to a material audit adjustment to record food service receipts.

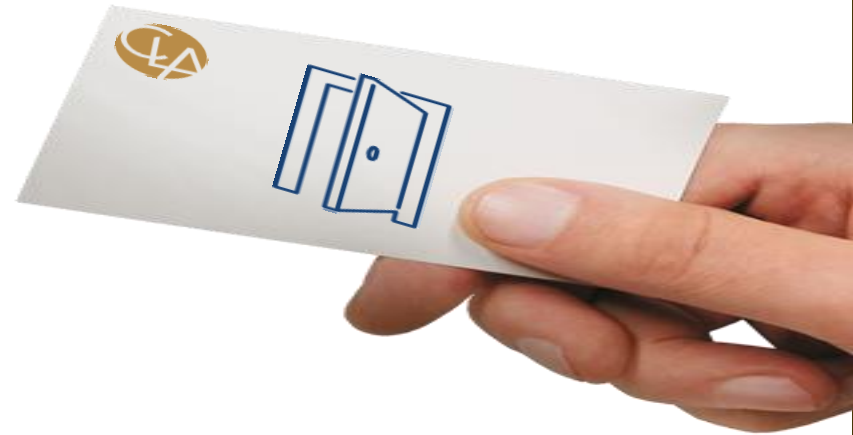
48



# Audit Results Year Ended 6/30/17 (continued)

- Single Audit – The District complied with all requirements of the major federal program tested (Special Education Cluster and Title I). There were no findings reported in regard to the requirements for the major federal programs tested.
- Legal Compliance – One compliance issues was reported with respect to Minnesota Statutes.
- Student Activity Audit – One finding was reported
  - Inactive student activity accounts were again noted

49



# Statement of Net Position

50

|   | As of June 30,         |                        |
|---|------------------------|------------------------|
|   | 2017                   | 2016                   |
| Total Fund Balance for Governmental Funds     | \$ 61,053,765          | \$ 96,528,915          |
| Capital Assets, Less Accumulated Depreciation | 160,944,804            | 142,239,406            |
| Long-Term Liabilities                         | (188,623,733)          | (203,885,377)          |
| Net Pension Liability-related Balances        | (112,115,640)          | (77,362,427)           |
| Internal Service Funds Net Position           | 22,340,324             | 21,495,672             |
| Other - Net                                   | (1,743,926)            | (1,967,607)            |
| Total Net Position - Governmental Activities  | <u>\$ (58,144,406)</u> | <u>\$ (22,951,418)</u> |
| Net Position:                                 |                        |                        |
| Net Investment in Capital Assets              | \$ 49,117,430          | \$ 22,196,478          |
| Restricted                                    | 6,015,244              | 6,488,027              |
| Unrestricted                                  | (113,277,080)          | (51,635,923)           |
| Total Net Position - Governmental Activities  | <u>\$ (58,144,406)</u> | <u>\$ (22,951,418)</u> |

# Audited Fund Balances – General Fund

## ISD #191 - BURNSVILLE-EAGAN-SAVAGE AUDITED FUND BALANCES THROUGH JUNE 30, 2017 (UFARS basis)

| FUND DESCRIPTION                      | 6/30/2016<br>AUDITED<br>BALANCE | 2016-17<br>AUDITED<br>REVENUES | 2016-17<br>AUDITED<br>EXPENDITURES | 2016-17<br>APPROVED<br>TRANSFER | 6/30/2017<br>AUDITED<br>BALANCE |
|---------------------------------------|---------------------------------|--------------------------------|------------------------------------|---------------------------------|---------------------------------|
| <b>GENERAL FUND</b>                   |                                 |                                |                                    |                                 |                                 |
| <b>A. UNASSIGNED</b>                  | <b>\$15,748,008</b>             | <b>\$96,906,274</b>            | <b>\$95,858,019</b>                | <b>(\$2,329,182)</b>            | <b>\$14,467,081</b>             |
| B. NONSPENDABLE FOR<br>PREPAIDS       | \$508,867                       | \$0                            | \$179,898                          | \$0                             | \$328,969                       |
| <b>B. NONSPENDABLE</b>                | <b>\$508,867</b>                | <b>\$0</b>                     | <b>\$179,898</b>                   | <b>\$0</b>                      | <b>\$328,969</b>                |
| C. COMMITTED FOR<br>PROGRAM CARRYOVER | \$766,029                       | \$1,000,077                    | \$793,111                          | \$27,082                        | \$1,000,077                     |
| PRO PAY PROGRAM                       | \$410,240                       | \$2,398,156                    | \$2,514,526                        | \$0                             | \$293,870                       |
| <b>C. COMMITTED</b>                   | <b>\$1,176,269</b>              | <b>\$3,398,233</b>             | <b>\$3,307,637</b>                 | <b>\$27,082</b>                 | <b>\$1,293,947</b>              |
| D. RESTRICTED FOR                     |                                 |                                |                                    |                                 |                                 |
| GIFTED AND TALENTED                   | \$0                             | \$129,177                      | \$634,279                          | \$505,102                       | \$0                             |
| CAREER AND TECH PROGRAM               | \$0                             | \$304,169                      | \$902,354                          | \$598,185                       | \$0                             |
| LEARNING AND DEVELOPMENT              | \$0                             | \$2,081,602                    | \$2,195,739                        | \$114,137                       | \$0                             |
| BASIC SKILLS                          | \$0                             | \$9,208,997                    | \$9,208,997                        | \$0                             | \$0                             |
| STAFF DEVELOPMENT                     | \$0                             | \$1,205,719                    | \$2,288,925                        | \$1,083,206                     | \$0                             |
| AREA LEARNING CENTER                  | \$1,982,978                     | \$2,351,096                    | \$3,108,528                        | \$0                             | \$1,225,546                     |
| ACHIEVEMENT & INTEGRATION             | \$0                             | \$1,761,321                    | \$1,761,321                        | \$0                             | \$0                             |
| SAFE SCHOOLS                          | \$0                             | \$481,694                      | \$510,246                          | \$28,552                        | \$0                             |
| MEDICAL ASSISTANCE                    | \$0                             | \$363,885                      | \$344,982                          | \$0                             | \$18,903                        |
| LTFM (INCL PREV ALT FACILITIES)       | \$0                             | \$908,382                      | \$909,362                          | \$0                             | (\$980)                         |
| OPERATING CAPITAL                     | \$2,289,464                     | \$2,987,930                    | \$2,452,872                        | \$0                             | \$2,824,522                     |
| HEALTH & SAFETY                       | (\$75,889)                      | \$573                          | \$0                                | \$0                             | (\$75,316)                      |
| TECHNOLOGY LEVY                       | \$0                             | \$2,500,983                    | \$2,466,924                        | \$0                             | \$34,059                        |
| <b>D. RESTRICTED</b>                  | <b>\$4,196,553</b>              | <b>\$24,285,528</b>            | <b>\$26,784,529</b>                | <b>\$2,329,182</b>              | <b>\$4,026,734</b>              |
| BUDGET                                |                                 | \$128,690,591                  | \$130,270,882                      |                                 | \$20,049,406                    |
| <b>TOTAL GENERAL FUND</b>             | <b>\$21,629,697</b>             | <b>\$124,590,035</b>           | <b>\$126,130,083</b>               | <b>\$27,082</b>                 | <b>\$20,116,731</b>             |
| DIFFERENCE                            |                                 | (\$4,100,556)                  | (\$4,140,799)                      |                                 | \$67,325                        |
| % VARIANCE                            |                                 | -3.19%                         | -3.18%                             |                                 |                                 |

51

# Audited Fund Balances – Other Funds (continued)

## ISD #191 - BURNSVILLE-EAGAN-SAVAGE AUDITED FUND BALANCES THROUGH JUNE 30, 2017 (UFARS basis)

| FUND DESCRIPTION                 | 6/30/2016<br>AUDITED<br>BALANCE | 2016-17<br>AUDITED<br>REVENUES | 2016-17<br>AUDITED<br>EXPENDITURES | 2016-17<br>APPROVED<br>TRANSFER | 6/30/2017<br>AUDITED<br>BALANCE |
|----------------------------------|---------------------------------|--------------------------------|------------------------------------|---------------------------------|---------------------------------|
| <b>FOOD SERVICE</b>              |                                 |                                |                                    |                                 |                                 |
| NONSPENDABLE FOR INVENTORY       | \$122,264                       | \$55,310                       | \$0                                | \$0                             | \$177,574                       |
| RESTRICTED FOR FOOD SERVICE      | \$1,620,375                     | \$5,754,743                    | \$6,186,948                        | \$0                             | \$1,188,170                     |
| BUDGET                           |                                 | \$5,390,034                    | \$5,873,765                        |                                 | \$1,258,908                     |
| <b>TOTAL FOOD SERVICE</b>        | <b>\$1,742,639</b>              | <b>\$5,810,053</b>             | <b>\$6,186,948</b>                 | <b>\$0</b>                      | <b>\$1,365,744</b>              |
| DIFFERENCE                       |                                 | \$420,019                      | \$313,183                          |                                 | \$106,836                       |
| % VARIANCE                       |                                 | 7.79%                          | 5.33%                              |                                 |                                 |
| <b>COMMUNITY EDUCATION</b>       |                                 |                                |                                    |                                 |                                 |
| A. RESTRICTED FOR                |                                 |                                |                                    |                                 |                                 |
| REGULAR COMMUNITY ED             | \$128,399                       | \$4,922,689                    | \$4,919,378                        | (\$85,902)                      | \$45,808                        |
| EARLY CHILDHOOD FAMILY ED        | \$101,519                       | \$573,592                      | \$614,318                          | \$0                             | \$60,793                        |
| SCHOOL READINESS                 | \$297,545                       | \$805,325                      | \$609,002                          | \$0                             | \$493,868                       |
| ADULT BASIC EDUCATION            | \$0                             | \$547,979                      | \$616,938                          | \$68,959                        | \$0                             |
| OTHER PURPOSES                   | \$12,982                        | \$178,720                      | \$172,238                          | (\$10,139)                      | \$9,325                         |
| BUDGET                           |                                 | \$6,996,787                    | \$6,566,588                        |                                 | \$970,644                       |
| <b>TOTAL COMMUNITY EDUCATION</b> | <b>\$540,445</b>                | <b>\$7,028,305</b>             | <b>\$6,931,874</b>                 | <b>(\$27,082)</b>               | <b>\$609,794</b>                |
| DIFFERENCE                       |                                 | \$31,518                       | \$365,286                          | (\$27,082)                      | (\$360,850)                     |
| % VARIANCE                       |                                 | 0.45%                          | 5.56%                              |                                 |                                 |
| <b>CAPITAL PROJECTS FUND</b>     |                                 |                                |                                    |                                 |                                 |
| A. RESTRICTED FOR                |                                 |                                |                                    |                                 |                                 |
| BUILDING CONSTRUCTION            | \$26,459,907                    | \$73,487                       | \$21,791,568                       | \$0                             | \$4,741,826                     |
| LTFM (PREV ALT FACIL PROG)       | \$4,113,898                     | \$13,662                       | \$2,528,622                        | \$0                             | \$1,598,938                     |
| BUDGET                           |                                 | \$102,000                      | \$24,668,123                       |                                 | \$6,007,682                     |
| <b>TOTAL CAPITAL PROJECTS</b>    | <b>\$30,573,805</b>             | <b>\$87,149</b>                | <b>\$24,320,190</b>                | <b>\$0</b>                      | <b>\$6,340,764</b>              |
| DIFFERENCE                       |                                 | (\$14,851)                     | (\$347,933)                        |                                 | \$333,082                       |
| % VARIANCE                       |                                 | -14.56%                        | -1.41%                             |                                 |                                 |

52

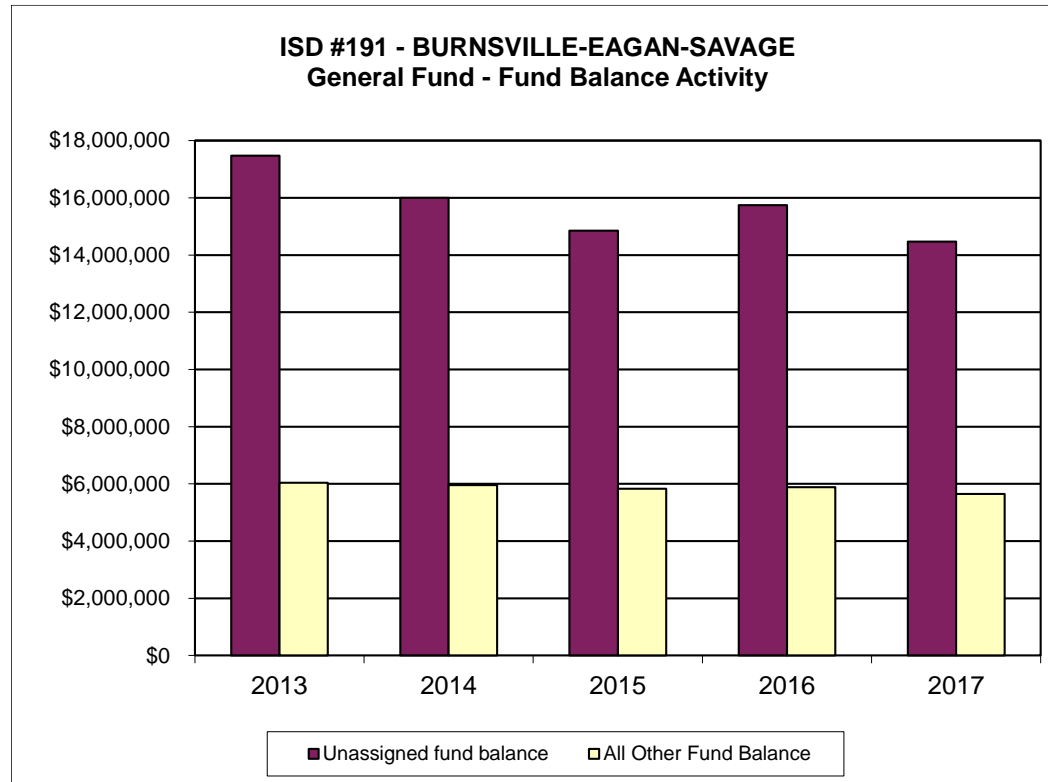
# Audited Fund Balances – Other Funds

## ISD #191 - BURNSVILLE-EAGAN-SAVAGE AUDITED FUND BALANCES THROUGH JUNE 30, 2017 (UFARS basis)

| FUND DESCRIPTION                    | 6/30/2016<br>AUDITED<br>BALANCE | 2016-17<br>AUDITED<br>REVENUES | 2016-17<br>AUDITED<br>EXPENDITURES | 2016-17<br>APPROVED<br>TRANSFER | 6/30/2017<br>AUDITED<br>BALANCE |
|-------------------------------------|---------------------------------|--------------------------------|------------------------------------|---------------------------------|---------------------------------|
| <b>DEBT SERVICE</b>                 |                                 |                                |                                    |                                 |                                 |
| A. RESTRICTED FOR                   |                                 |                                |                                    |                                 |                                 |
| OPERATING                           | \$1,427,152                     | \$11,138,902                   | \$11,473,406                       | \$0                             | \$1,092,648                     |
| BOND REFUNDING                      | \$40,291,809                    | \$0                            | \$9,110,000                        | \$0                             | \$31,181,809                    |
| OPEB BOND DEBT SERVICE              | \$323,368                       | \$15,619,846                   | \$15,596,939                       | \$0                             | \$346,275                       |
| BUDGET                              |                                 | \$26,172,861                   | \$22,665,674                       |                                 | \$45,549,516                    |
| <b>TOTAL DEBT SERVICE</b>           | <b>\$42,042,329</b>             | <b>\$26,758,748</b>            | <b>\$36,180,345</b>                | <b>\$0</b>                      | <b>\$32,620,732</b>             |
| DIFFERENCE                          |                                 | \$585,887                      | \$13,514,671                       |                                 | (\$12,928,784)                  |
| % VARIANCE                          |                                 | 2.24%                          | 59.63%                             |                                 |                                 |
| <b>INTERNAL SERVICE FUNDS</b>       |                                 |                                |                                    |                                 |                                 |
| DENTAL SELF-INSURANCE               | \$190,249                       | \$870,226                      | \$884,792                          | \$0                             | \$175,683                       |
| HEALTH BENEFITS SELF-INSURANCE      | \$5,931,616                     | \$19,852,875                   | \$18,883,685                       | \$0                             | \$6,900,806                     |
| SEVERANCE BENEFITS                  | \$2,602,379                     | \$213,988                      | \$236,400                          | \$0                             | \$2,579,967                     |
| OTHER POST-EMPLOYMENT BENEFITS      | \$12,771,428                    | \$845,885                      | \$933,445                          | \$0                             | \$12,683,868                    |
| <b>TOTAL INTERNAL SERVICE FUNDS</b> | <b>\$21,495,672</b>             | <b>\$21,782,974</b>            | <b>\$20,938,322</b>                | <b>\$0</b>                      | <b>\$22,340,324</b>             |
| <b>TRUST FUNDS</b>                  |                                 |                                |                                    |                                 |                                 |
| EMPLOYEE BENEFITS TRUST FUND        | \$105,370                       | \$841,956                      | \$860,461                          | \$0                             | \$86,865                        |
| PRIVATE-PURPOSE TRUST FUND          | \$95,678                        | \$79,101                       | \$96,879                           | \$0                             | \$77,900                        |
| <b>TOTAL TRUST FUNDS</b>            | <b>\$201,048</b>                | <b>\$921,057</b>               | <b>\$957,340</b>                   | <b>\$0</b>                      | <b>\$164,765</b>                |

53

# General Fund – Fund Balance Activity



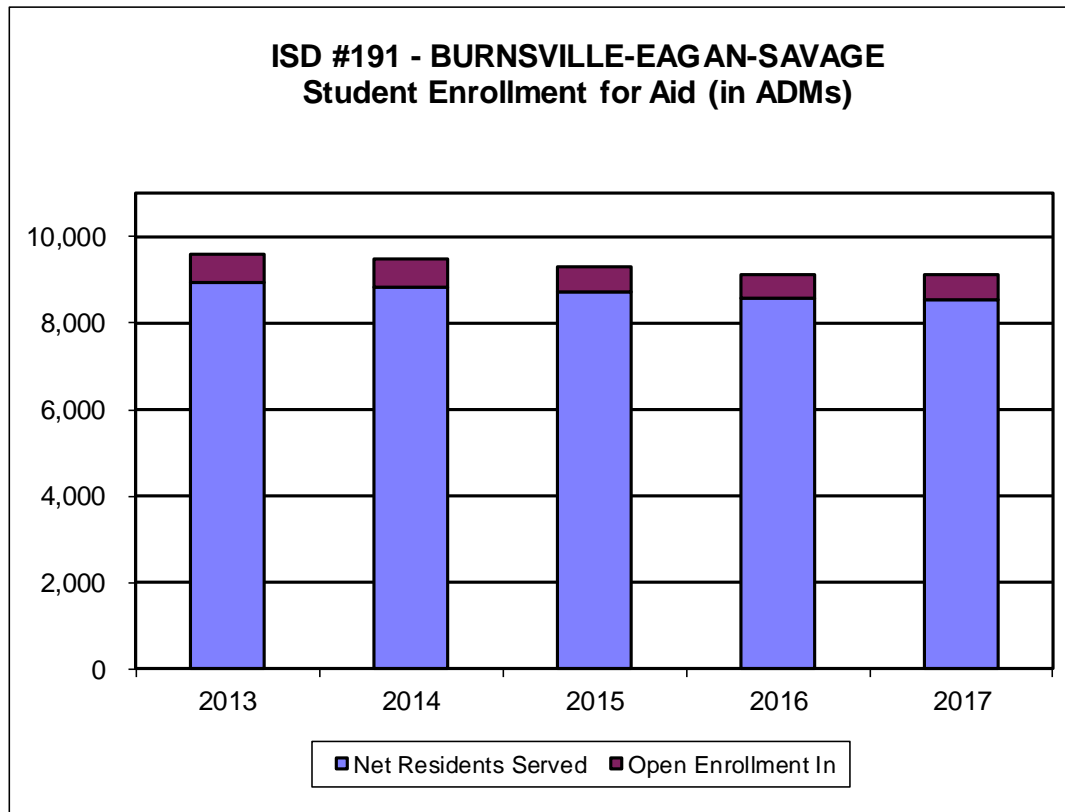
54

| <u>UFARS Basis</u>                                      | <u>2013</u>          | <u>2014</u>          | <u>2015</u>          | <u>2016</u>          | <u>2017</u>          |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Unassigned Fund Balance                                 | \$ 17,472,471        | \$ 16,003,177        | \$ 14,849,613        | \$ 15,748,008        | \$ 14,467,081        |
| All Other Fund Balance                                  | 6,041,360            | 5,957,414            | 5,828,253            | 5,881,689            | 5,649,650            |
| <b>Total Fund Balance</b>                               | <b>\$ 23,513,831</b> | <b>\$ 21,960,591</b> | <b>\$ 20,677,866</b> | <b>\$ 21,629,697</b> | <b>\$ 20,116,731</b> |
| <br>  |                      |                      |                      |                      |                      |
| Total Expenditures                                      | \$ 110,325,578       | \$ 116,179,878       | \$ 120,386,631       | \$ 120,269,787       | \$ 126,130,083       |
| <br>  |                      |                      |                      |                      |                      |
| Unassigned Fund Balance as<br>a % of Total Expenditures | 15.84%               | 13.77%               | 12.33%               | 13.09%               | 11.47%               |

# Student Enrollment – Open Enrollment

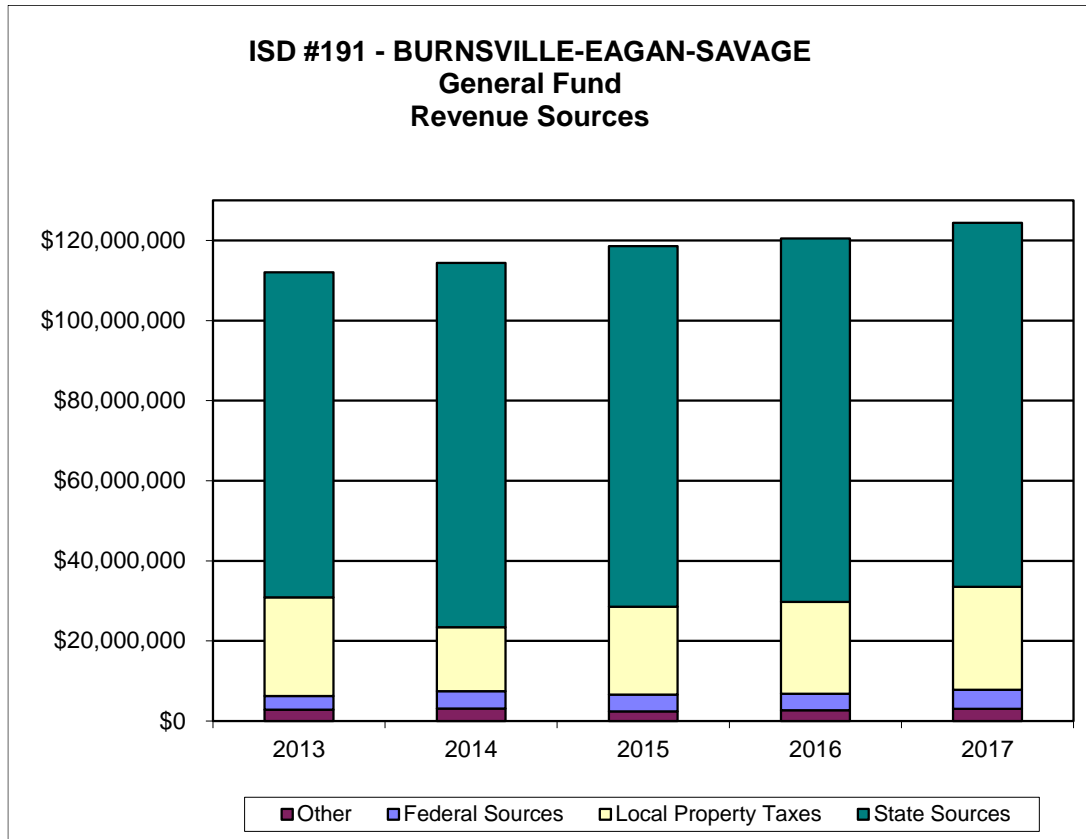
|                        | 2013       | 2014       | 2015       | 2016       | 2017       |
|------------------------|------------|------------|------------|------------|------------|
| Total Residents        | 10,452.71  | 10,489.52  | 10,623.96  | 10,652.34  | 10,704.40  |
| Open Enrollment Out *  | (1,498.23) | (1,656.60) | (1,894.81) | (2,091.33) | (2,161.10) |
| Net Residents Served   | 8,954.48   | 8,832.92   | 8,729.15   | 8,561.01   | 8,543.30   |
| Open Enrollment In     | 621.92     | 635.75     | 573.79     | 560.01     | 570.87     |
| Net ADM Served         | 9,576.40   | 9,468.67   | 9,302.94   | 9,121.02   | 9,114.17   |
| Net Pupil Units Served | 10,976.75  | 10,864.36  | 10,127.25  | 9,932.80   | 9,936.70   |

\* - includes enrolled in charter schools



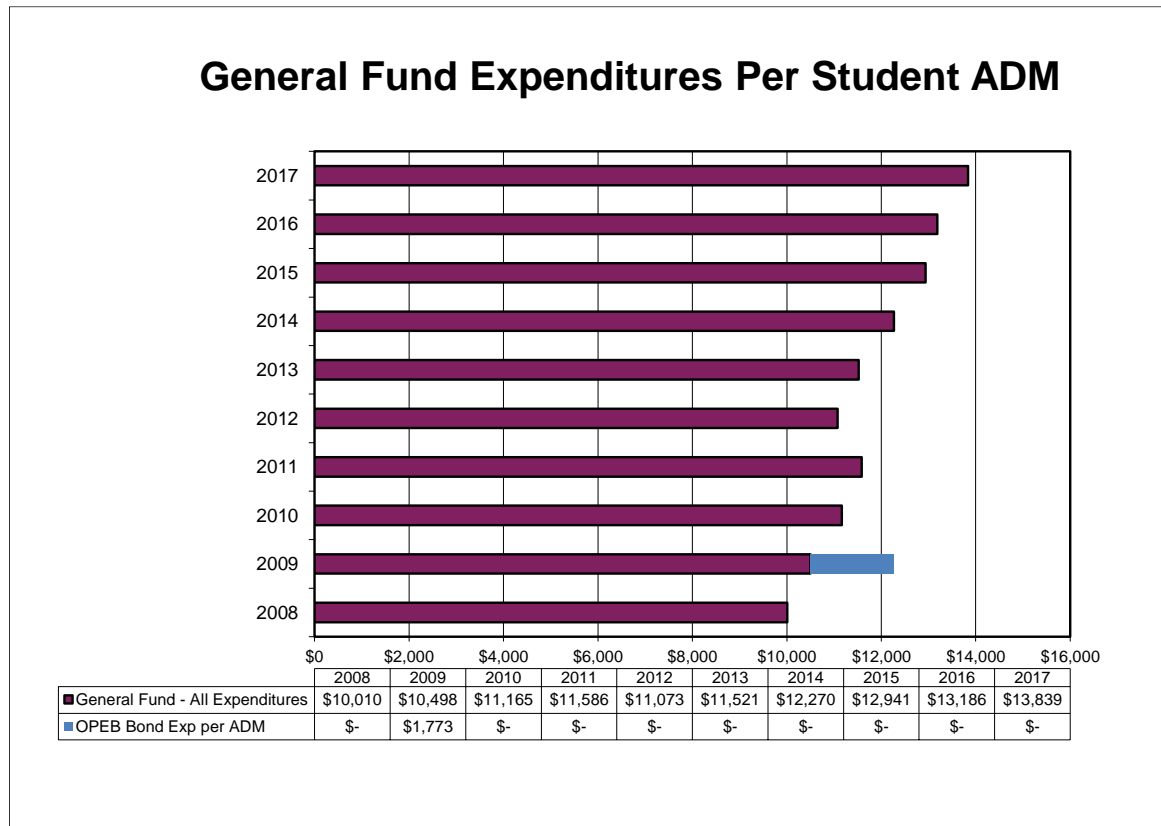
55

# General Fund – Revenue Sources



|                       | 2013                  | 2014                  | 2015                  | 2016                  | 2017                  |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Local Property Taxes  | \$ 24,610,109         | \$ 15,949,634         | \$ 21,933,388         | \$ 22,874,885         | \$ 25,663,259         |
| State Sources         | 81,229,337            | 90,985,769            | 90,062,883            | 90,837,480            | 90,931,906            |
| Federal Sources       | 3,438,114             | 4,326,228             | 4,200,632             | 4,170,967             | 4,763,107             |
| Other                 | 2,803,851             | 3,119,710             | 2,398,540             | 2,659,840             | 3,044,658             |
| <b>Total Revenues</b> | <b>\$ 112,081,411</b> | <b>\$ 114,381,341</b> | <b>\$ 118,595,443</b> | <b>\$ 120,543,172</b> | <b>\$ 124,402,930</b> |

# General Fund – Expenditures per Student



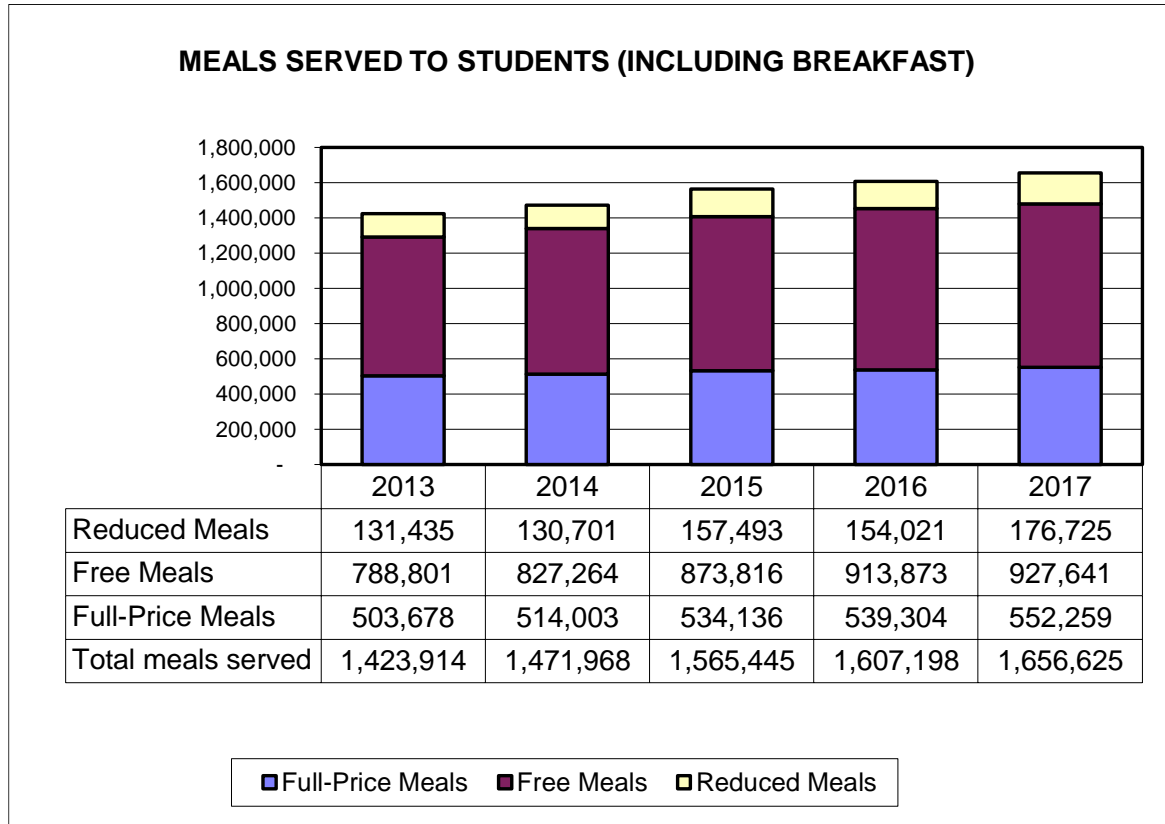
General Fund Expenditures for fiscal 2009 were grossed up by the impact of OPEB bonds which added approximately \$17.7 million of employee benefit costs on a one-time basis to move the bond proceeds to a trust fund that can only be used to pay employee postemployment benefit costs. Fiscal 2017 reflects an increase of \$1.77 million in capital expenditure costs to the General Fund.

# General Fund – Expenditures by Object

|                           | 2017                  |                       |                       |               | 2016                  | 2015                  |
|---------------------------|-----------------------|-----------------------|-----------------------|---------------|-----------------------|-----------------------|
|                           | Final Amended Budget  | Actual                | Over (Under) Budget   | Var %         | Actual                | Actual                |
| Salaries                  | \$ 72,799,130         | \$ 72,382,263         | \$ (416,867)          | (0.57)%       | \$ 69,637,631         | \$ 70,515,119         |
| Employee Benefits         | 31,985,924            | 28,054,305            | (3,931,619)           | (12.29)       | 28,715,880            | 26,975,116            |
| Purchased Services        | 17,089,633            | 17,017,572            | (72,061)              | (0.42)        | 16,336,479            | 16,484,220            |
| Supplies and Materials    | 3,361,157             | 4,007,841             | 646,684               | 19.24         | 2,909,043             | 2,921,709             |
| Capital Expenditures      | 3,532,754             | 3,338,715             | (194,039)             | (5.49)        | 1,566,645             | 2,232,646             |
| Other Expenditures        | 1,502,284             | 1,329,387             | (172,897)             | (11.51)       | 1,104,109             | 1,257,821             |
| <b>Total Expenditures</b> | <b>\$ 130,270,882</b> | <b>\$ 126,130,083</b> | <b>\$ (4,140,799)</b> | <b>(3.18)</b> | <b>\$ 120,269,787</b> | <b>\$ 120,386,631</b> |

As reflected above, total expenditures of the General Fund were 3.18% under the budgeted amount, however, as explained previously, the budgeting issue of approximately \$3.2 related to the TRA pass-through entry results in a revised budget to actual expenditure variance that is closer to \$919,000 which is 0.72% of the revised budget amount. On a budget of \$130 million this outcome reflects good budget development and monitoring.

# Food Service Fund – Meals Served



# Expenditures per ADM - Comparison

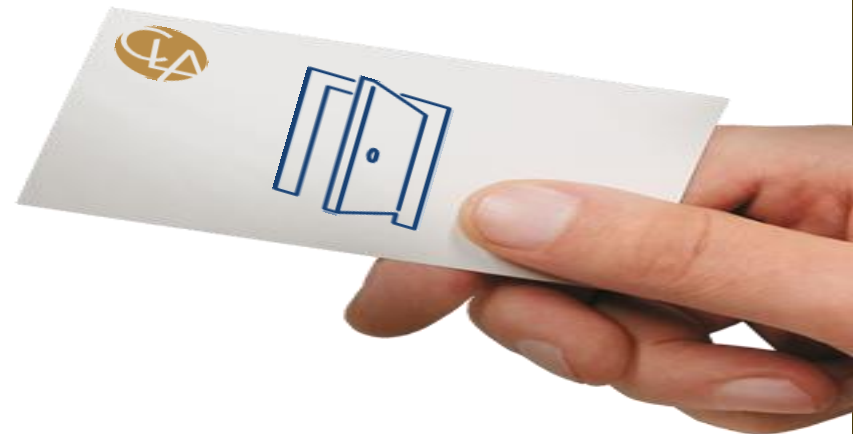
## Expenditures Per Student (ADM) Served

|  | Statewide        |                  |                  |                         |                  |                  |
|--|------------------|------------------|------------------|-------------------------|------------------|------------------|
|  | All              | Seven County     | Enrollment       | ISD No. 191             |                  |                  |
|  | Districts        | Metro Area       | > than 4,000     | Burnsville-Eagan-Savage |                  |                  |
|  | 2016             | 2016             | 2016             | 2015                    | 2016             | 2017             |
| District and School Admin and Support Services         | \$ 1,016         | \$ 958           | \$ 920           | \$ 932                  | \$ 960           | \$ 1,049         |
| Regular Instruction (including Co- & Extra-Curricular) | 5,428            | 5,849            | 5,665            | 5,612                   | 5,762            | 5,944            |
| Vocational Instruction (Career & Technical)            | 149              | 146              | 151              | 142                     | 153              | 203              |
| Special Education Instruction                          | 2,179            | 2,330            | 2,357            | 2,501                   | 2,599            | 2,598            |
| Instructional Support Services                         | 606              | 725              | 707              | 1,034                   | 1,104            | 1,174            |
| Pupil Support Services (Including Transportation)      | 1,021            | 1,103            | 1,072            | 1,096                   | 1,045            | 1,189            |
| Operations and Maintenance and Other                   | 879              | 847              | 850              | 1,024                   | 1,065            | 1,118            |
| Food Service   | 539              | 539              | 536              | 520                     | 593              | 620              |
| Community Service                                      | 550              | 676              | 645              | 624                     | 707              | 743              |
| Capital Expenditure                                    | 677              | 532              | 549              | 244                     | 182              | 416              |
| Debt Service   | 1,433            | 1,453            | 1,521            | 1,019                   | 1,251            | 1,466            |
| <b>Total Pre-K - 12 Expenditures</b>                   | <b>\$ 14,477</b> | <b>\$ 15,158</b> | <b>\$ 14,973</b> | <b>\$ 14,747</b>        | <b>\$ 15,419</b> | <b>\$ 16,521</b> |
| Percent Change from Prior Year                         |                  |                  |                  | 4.63%                   | 4.56%            | 7.15%            |

# Questions and Feedback

- We welcome any questions pertaining to the audit, Governance Communication Letter, Internal Control Communication or other matters related to the engagement.
- We appreciate the opportunity to serve as the auditors for Burnsville-Eagan-Savage Public Schools and welcome any feedback relative to our performance.

61



# Thank You!

**Dennis Hoogeveen**

**Principal**

**612.397.3063**

**[dennis.hoogeveen@claconnect.com](mailto:dennis.hoogeveen@claconnect.com)**



**CliftonLarsonAllen**



***Future Ready. Community Strong.***

**Agenda IV.C.  
December 14, 2017**

**To:** Board of Education, Members  
Cindy Amoroso, Superintendent

**From:** Doug Johnson, Director of Technology

**Date:** December 7, 2017

**Re:** Technology Spending Report

Receive a Technology Spending Report from Doug Johnson, Director of Technology.

!



**ONE91**  
Burnsville · Eagan · Savage



# Technology Referendum Budget Report

12-14-17



***Future Ready. Community Strong.***

# From District 191 Strategic Plan

## VISION 2020

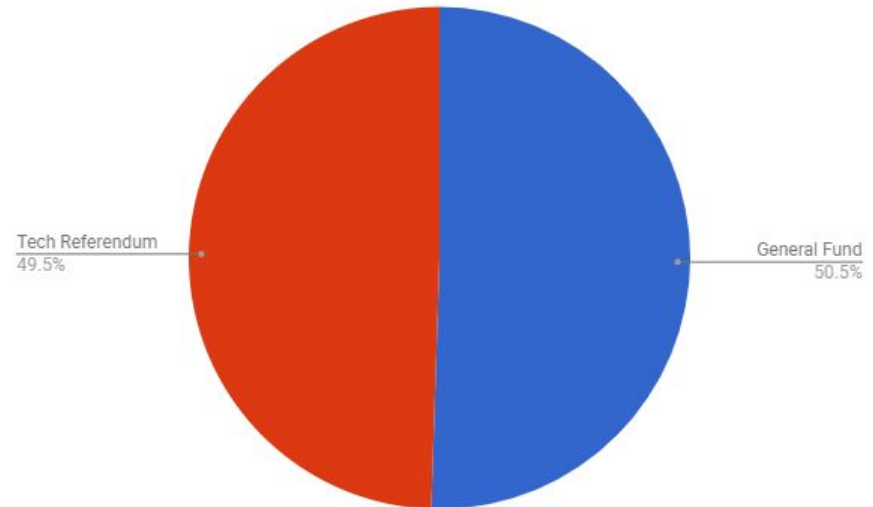
ISD 191 will become the leading and preferred source of learning and education for its students and adult learners because we:

- *Utilize technology for instruction to provide rigorous, personalized learning, and maximize operational systems.*

# Total technology budget 17-18

|                         |                           |
|-------------------------|---------------------------|
| <b>General fund:</b>    | <b>\$2,598,453</b>        |
| <b>Tech referendum:</b> | <b>\$2,544,339</b>        |
| <b>Total:</b>           | <b><u>\$5,142,792</u></b> |

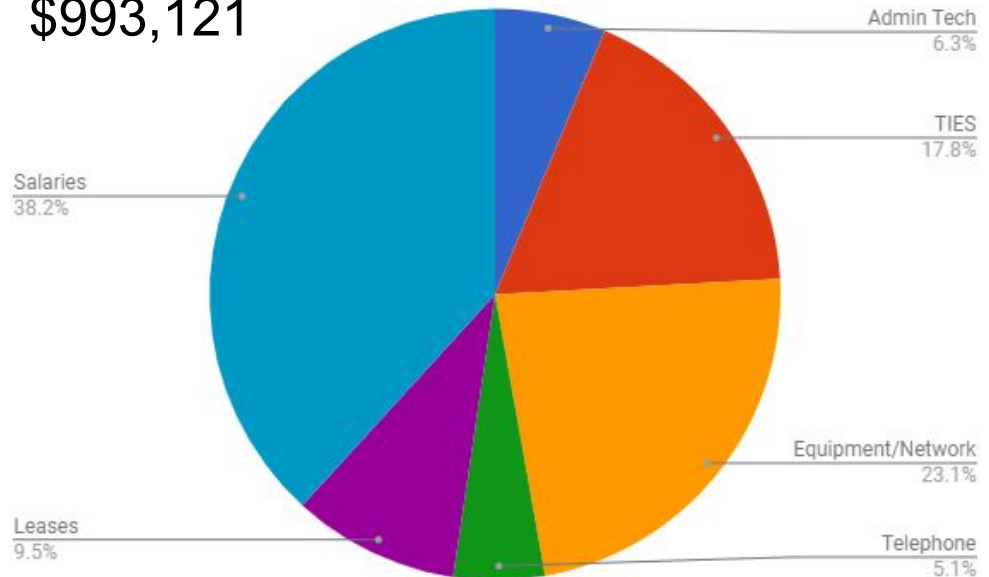
66



# General Operating/Capital funds

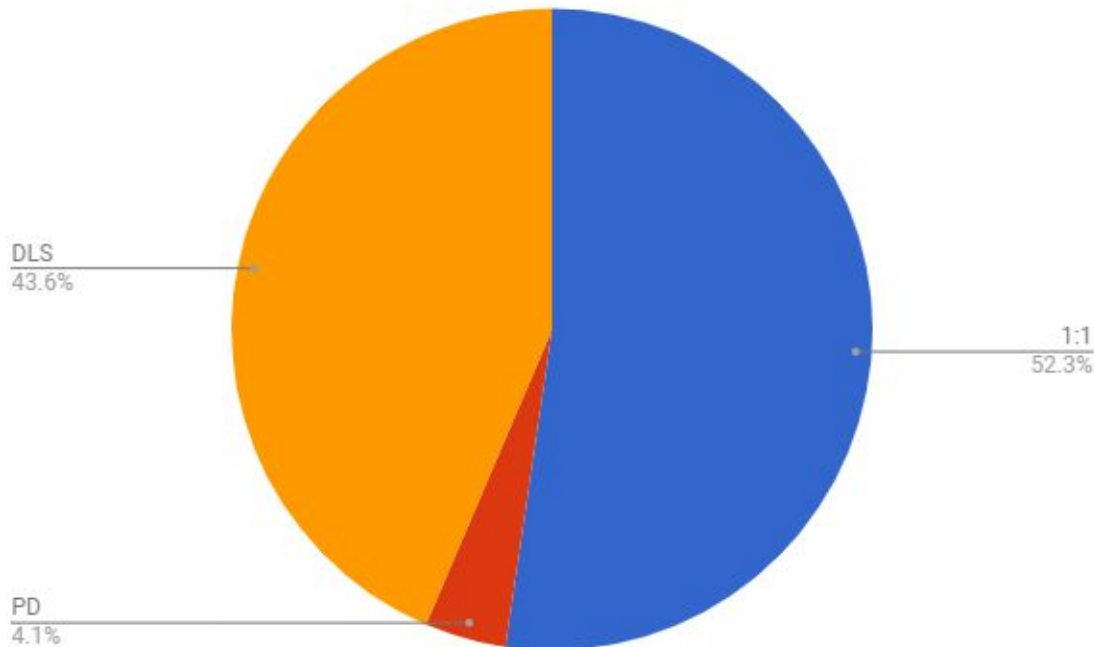
|                      |           |
|----------------------|-----------|
| Admin tech:          | \$162,261 |
| Products & services: | \$463,823 |
| Equipment/Network:   | \$600,000 |
| Telephone:           | \$133,581 |
| Leases:              | \$245,667 |
| Salaries:            | \$993,121 |

67



# Technology referendum funds

|                        |             |
|------------------------|-------------|
| Student devices (1:1): | \$1,331,188 |
| Prof development:      | \$104,997   |
| Salaries:              | \$1,108,153 |



# Student devices (1:1)

## 2016-17

- 2950 HS Student Chromebooks
- 288 hours of Geek Squad
- 5% Maintenance repair
- 180 Teacher Chromebooks
- Software (Schoology, MyOn etc)

## 2017-18:

- 2100 MS Student Chromebooks
- 50 HS Student Chromebooks
- 104 hours Geek Squad
- 5% Maintenance (HS), 3% (MS)
- Software (Schoology, MyOn etc)
- 210 Elementary teacher devices
- PE iPads, SPED iPads, projection device pilot

## 2018-19:

- 2500 Elementary student devices



# Professional development

70



## 2016-17:

- Blended Learning Cohorts
- Flexible Classroom PD (new BHS classrooms)
- Digital Learning Specialists Curriculum & PD
- TIES Conference
- Innovation Fund

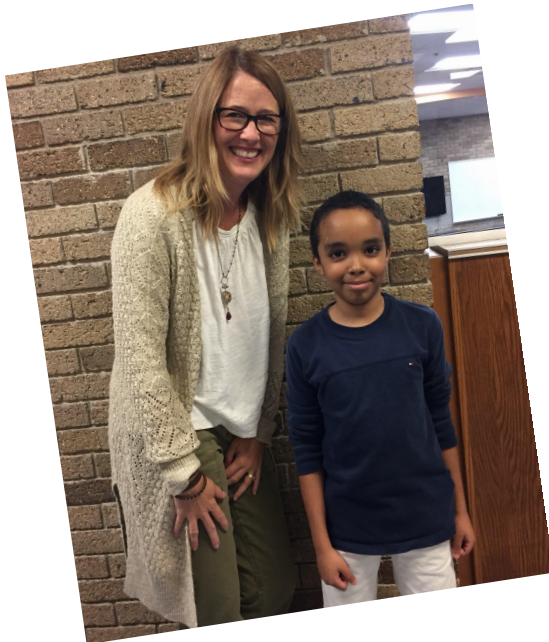
## 2017-18:

- Blended Learning Cohorts
- Schoology Training
- Google Certified Educator Training
- DLS Cognitive Coaching
- TIES Conference
- Elementary Technology Steering Committee
- Innovation Fund

# Digital Learning Specialists

## 2016-18:

- DLS in each elementary building
- Building based
- Scheduled classes
- “Push in” coaching and support
- Articulated curriculum
- Makerspace coordination
- .5 Elementary library coordinator



# Projecting out

- Regular replacement of student devices
- Continued use DLS
- Increased funding for PD
- New 3-year tech plan for 2019-2022



Monitor and adjust plan  
spending annually

# Thank you for your time and support





**Agenda IV.D.  
December 14, 2017**

**To:** Board of Education, Members  
Cindy Amoroso, Superintendent

**From:** Abigail Alt, Chair

**Date:** December 7, 2017

**Re:** Committee Reports

The following committees may provide updates to the School Board:

Technology Committee – Bob VandenBoom, Committee Chair  
Policy Review Committee – Jim Schmid, Committee Chair  
Student Performance and Achievement – DeeDee Currier, Committee Chair  
Negotiating Committee- Dan Luth, Committee Chair  
Intermediate School District 917, DeeDee Currier, Board Representative  
TIES, Dan Luth, Board Representative

Other Board Assignments:

- MSBA
- AMSD
- Foundation 191
- Minnesota State High School League
- BHS Hall of Fame
- Burnsville Chamber of Commerce
- Savage Chamber of Commerce
- Dakota Chamber of Commerce
- Scott County SCALE
- U of M CIS



**Agenda IV.E.  
December 14, 2017**

**To:** Board of Education, Members  
**From:** Cindy Amoroso, Superintendent  
**Date:** December 7, 2017  
**Re:** Superintendent Report

Receive the Superintendent Report from Superintendent Cindy Amoroso.



**Agenda IV.F.  
December 14, 2017**

**To:** Board of Education, Members  
Cindy Amoroso, Superintendent

**From:** Luke Haddorff, Student Representative

**Date:** December 7, 2017

**Re:** Student Representative Report

Receive the Student Representative Report from Student Representative Luke Haddorff.



***Future Ready. Community Strong.***

**Agenda IV.G.  
December 14, 2017**

**To:** Board of Education, Members  
Cindy Amoroso, Superintendent

**From:** Abigail Alt, Board Chair

**Date:** December 7, 2017

**Re:** Board Members Reports

Receive Board Members Reports from Board Members.

School Board Minutes  
 INDEPENDENT SCHOOL DISTRICT 191  
 November 16, 2017

The meeting of the Board of Education was called to order by Chair Alt at 6:30 p.m. at the Diamondhead Education Center, 200 West Burnsville Parkway, Burnsville, MN. Call to Order

Members present: Directors VandenBoom, Currier, Schatz, Luth, Miller, Schmid and Chair Alt. Others in attendance were Superintendent Amoroso, Student Representative Haddorff, administrators, staff, and members of the public. Attendance

Alt welcomed the audience and asked VandenBoom to lead the Pledge of Allegiance. Pledge

National Merit recognition, DECA Blood Drive, and Farmers Insurance were recognized during Future Ready. Community Strong. Future Ready.  
Community Strong.

Moved by Schmid, seconded by Schatz, to approve the agenda. Motion carried unanimously (7, 0). Agenda

Moved by Luth, seconded by VandenBoom, to approve the consent agenda: Consent Agenda

-Approve minutes from a regular board meeting on October 26, 2017 and special board meeting on November 9, 2017 Minutes

-Approve personnel recommendations for A. Lobben, M. Johnson, L. Storhaug, C. Ethen, M. Mesarchik, M. Thom, T. Reilly, C. Dawson, D. Dixon, B. Hernandez, P. Johnson, M. Whitney, T. Nowlan, A. Allen, K. Myers, K. Schmitz, M. Frost, H. Kaur, K. Heino, M. Andren, J. Queen, J. Sisler, K. Foster, D. Bogue, I. Daniels, B. Engum, D. Gonzalez-Cameron, M. Neuer, D. Hutsal, K. Schlagel, and S. Beaulieu. Personnel

- Adopt a resolution to approve and accept donations as presented. Donations  
 -Approve September payroll checks numbered 718856-718883 and Direct Deposit notices numbered 657408-660365 in the net amount of \$4,011,147.11. September and October claims to date represented by checks numbered 454889-455452, 1018654-1018820, and 102103-102113 and wire transfers and adjustments totaling \$7,678,309.21. Also, that the Board accepts September receipts of \$10,607,000.71 and investments for the General Fund, 2012A Alt Facilities & 2015A School Building Bonds and OPEB of \$49,088,186.73 as of September 30, 2017. Payroll, deposits, receipts and investments

-Approve a final application for approval of an extended field trip for Burnsville High School Band, Choir, and Orchestra students to travel to Italy February 23-March 3, 2018. Extended Field Trip

-Approve, on Second Reading Basis, Changes to Policies 104: *School District Mission Statement*; 203.2: *Order of the Regular School Board Meeting*; 206: *Public Participation in School Board Meetings/Complaints* Policies

*About Persons at School Board Meetings and Data Privacy Considerations; 210: Conflict of Interest - School Board Member; 304: Superintendent Contract, Duties, and Evaluation; 601: School District Curriculum and Instructional Goals; 603: Curriculum Development, and 612.1: Title 1 Family Engagement.*

-Approve out-of-state travel for Director Dan Luth who will be attending the NSBA Annual Conference in San Antonio, Texas in April 2018.

-Approve said school bus stops at which school bus drivers shall not activate the eight way flashing red signals and authorize the Director of Transportation to modify the list as necessary as school bus routes are modified.

-Approve Change Order #1 for the Diamondhead, Edward Neill and Harriet Bishop Pavement Maintenance Project in the amount of \$150,737.05. Motion carried unanimously (7, 0).

Received a report on the World's Best Workforce Plan from Dr. Stacie Stanley, Director of Curriculum, Instruction, Assessment and Student Support Services.

Receive a report on Fall Enrollment from Lisa Rider, Executive Director of Business Services.

Moved by VandenBoom, seconded by Miller, to adopt a resolution canvassing returns of votes of school district special election.

BE IT RESOLVED by the School Board of Independent School District No. 191, Dakota and Scott Counties, Minnesota, as follows:

1. It is hereby found, determined and declared that the special election of the voters of this school district held on November 7, 2017, was in all respects duly and legally called and held.
2. As specified in the attached Abstract and Return of Votes Cast, a total of 7834 voters of the district voted at said special election on the question of renewing the operating levy authority of the district.
3. A total of 4923 voters voting in favor of the question 1, and a total of 1628 voters voting against the question 1, the question was approved.
4. A total of 4143 voters voting in favor of the question 2, and a total of 2390 voters voting against the question 2, the question was approved.
5. The clerk is hereby directed to certify the results of the election to the county auditor of each county in which the school district is located in whole or in part.

Motion carried unanimously (7, 0).

Received a report from VandenBoom on behalf of the Technology Committee; Currier on behalf of the Student Performance and Achievement Committee, ISD 917, and AMSD; Luth on behalf of the Negotiating Committee and TIES.

NSBA Conference

Bus Stops

Change Order

Report on WBWF Plan

Report on Fall Enrollment

Canvass Election Returns

Reports

Received verbal reports from Student Representative Haddorff, Superintendent Amoroso, Director Currier, Director Luth, and Chair Alt.

Moved by Schmid, seconded by VandenBoom, to adjourn at 8:29 p.m. to a closed session, as permitted by M.S. 13D.05, to discuss negotiation strategies. Motion carried unanimously (7, 0).

Adjourn to a  
Closed Session

December 14, 2017

Jim Schmid, clerk

Date Approved

DRAFT

School Board Minutes  
INDEPENDENT SCHOOL DISTRICT 191  
November 28, 2017

The retreat of the Board of Education was called to order by Chair Alt at 5:00 p.m. at the Diamondhead Education Center, 200 West Burnsville Parkway, Burnsville, MN, 55337.

Call to Order

Members present: Directors Miller, Currier, VandenBoom, Schmid, Schatz, Luth and Chair Alt.

Attendance

Superintendent Amoroso, L. Rider, R. Dunn, S. White, D. Watkins, S. Stanley, S. Sovine, and A. Tinklenberg were also present.

The purpose of the retreat was board short- and long-term planning.

Purpose

The retreat adjourned at 8:11 p.m.

Adjourn

---

Jim Schmid, clerk

Date Approved

School Board Minutes  
INDEPENDENT SCHOOL DISTRICT 191  
December 11 2017

The retreat of the Board of Education was called to order by Chair Alt at 5:02 p.m. at the Diamondhead Education Center, 200 West Burnsville Parkway, Burnsville, MN, 55337.

Call to Order

Members present: Directors Currier, VandenBoom, Schmid, Schatz, Luth and Chair Alt. Director Miller was absent.

Attendance

Superintendent Amoroso, D. Watkins, L. Rider, S. Sovine, R. Dunn, S. Stanley, A. Tinklenberg, S. White, C. Erickson and B. Van Osdel were also present.

The purpose of the retreat was board short- and long-term planning.

Purpose

The retreat adjourned at 8:41 p.m.

Adjourn

---

Jim Schmid, clerk

Date Approved

December 14, 2017

**Burnsville-Eagan-Savage Public Schools  
Independent School District 191  
Human Resources**

**TO:** Members, Board of Education  
Cynthia Amoroso, Superintendent

**FROM:** Stacey Sovine, Executive Director of Human Resources

**DATE:** December 14, 2017 FINAL

**RE:** Recommended Personnel Changes

| CLASSIFICATION      | ACTION               | POSITION CONTROL | NAME                 | FINAL | LOCATION                           | POSITION                          | EFFECTIVE DATE       |
|---------------------|----------------------|------------------|----------------------|-------|------------------------------------|-----------------------------------|----------------------|
| Certified           | Appointment          | Replacement      | Julie Pettes         |       | Hidden Valley Elementary           | Teacher Long Term Substitute      | 11/27/2017-2/2/2018  |
| Certified           | Appointment          | Replacement      | Ashly Mickelson      |       | Hidden Valley Elementary           | Teacher Long Term Substitute      | 11/27/2017-2/16/2018 |
| Certified           | Change of Assignment |                  | Julie Lautiger-Beutz |       | Elementary Cluster                 | Teacher Psychologist              | 1/1/2018             |
| Certified           | Retirement           |                  | Janice Porter        |       | Burnsville Alternative High School | Principal                         | 2/28/2018            |
| Classified          | Appointment          |                  | Christopher White    |       | Burnsville High School             | Assistant Boys Swimming Coach     | Winter Season 2018   |
| Classified          | Appointment          | Replacement      | Harpreet Kaur        |       | Burnsville High School             | Food Service Associate            | 11/14/2017           |
| Classified          | Appointment          | Replacement      | David Gilbraith      |       | Vista View Elementary School       | EA Level IV                       | 12/4/2017            |
| Classified          | Appointment          | Replacement      | Bethany Voth         |       | Diamondhead Education Center       | Clerical Level IV                 | 11/20/2017           |
| Classified          | Appointment          | Replacement      | Rebecca McGuire      | *     | Harriet Bishop Elementary          | EA Level II                       | 12/7/2017            |
| Classified          | Appointment          | Replacement      | Levi Strauss         | *     | Gideon Pond Elementary             | Custodian                         | 12/14/2017           |
| Classified          | Appointment          | New Position     | Mackenzie Burke      |       | District-wide                      | AVID Tutor                        | 11/28/2017           |
| Classified          | Appointment          | New Position     | Netanya Ruddock      |       | District-wide                      | AVID Tutor                        | 11/27/2017           |
| Classified          | Appointment          | New Position     | Nicolette Rykhus     |       | District-wide                      | AVID Tutor                        | 11/27/2017           |
| Classified          | Appointment          | New Position     | America Vega         |       | Hidden Valley Elementary           | EA Level II                       | 12/4/2017            |
| Classified          | Appointment          | New Position     | Jaelyn Frahm         | *     | Sky Oaks Elementary School         | CE Program Associate              | 12/18/2017           |
| Classified          | Change of Assignment | Replacement      | Kuoy Chhen           |       | Harriet Bishop Elementary          | EA Level IV                       | 11/20/2017           |
| Classified          | Probationary Release |                  | Andrew Kinsella      |       | Sioux Trail Elementary School      | EA Level IV                       | 11/30/2017           |
| Classified          | Probationary Release |                  | Chloe Dawson         | *     | Metcalf Middle School              | EA Level IV                       | 12/13/2017           |
| Classified          | Resignation          |                  | Kaho Sugle           |       | Hidden Valley Elementary           | EA Level II                       | 12/1/2017            |
| Classified          | Resignation          |                  | Mary Andren          |       | Vista View Elementary School       | EA Level IV                       | 9/30/2017 Revised    |
| Classified          | Resignation          |                  | Whitney Miller       | *     | Burnsville High School             | EA Level IV                       | 11/16/2017           |
| Classified          | Resignation          |                  | Luz Delgado          | *     | Metcalf Middle School              | Food Service Associate            | 12/8/2017            |
| Classified          | Resignation          |                  | Nicole Scott         | *     | Metcalf Middle School              | Food Service Associate            | 12/20/2017           |
| Classified          | Retirement           |                  | Leann Peterson       |       | Burnsville High School             | Food Service Assistant Manager    | 12/4/2017            |
| Classified          | Retirement           |                  | Susan Thompson       |       | Diamondhead Education Center       | Clerical Level IV                 | 1/5/2018             |
| Classified          | Retirement           |                  | Barbara Derendal     | *     | Nicollet Middle School             | Clerical Level III                | 1/12/2018            |
| Co-Curricular/Coach | Appointment          | Replacement      | Jeremie Bellenir     |       | Burnsville High School             | Asst Girls Basketball Coach       | Winter Season 2018   |
| Co-Curricular/Coach | Appointment          | New Position     | Abigail Palmquist    |       | Burnsville High School             | Winter Dance Team Assistant Coach | Winter Season 2018   |



**Agenda V.A.3.  
December 14, 2017**

**To:** Members, Board of Education  
Cindy Amoroso, Superintendent

**From:** Lisa K. Rider, Executive Director of Business Services

**Date:** December 7, 2017

**Re:** Donations

**RECOMMENDATION:** To adopt a resolution to approve and accept donations as presented.

**RESOLUTION TO ACCEPT DONATIONS**

**WHEREAS,**

1. School Board Policy 706 establishes guidelines for the acceptance of gifts to the District; and
2. Minnesota Statute 123B.02, Subd. 6 states the School Board may receive, for the benefit of the district, bequests, donations, or gifts for any proper purpose and apply the same to the purpose designated; and
3. Minnesota Statute 465.03 states the School Board may accept a grant or devise of real or personal property only by the adoption of a resolution approved by two-thirds of its members; and
4. Businesses and individuals have submitted donations to the district;

**THEREFORE, BE IT RESOLVED** by the School Board of ISD 191 to approve and accept with appreciation the donations as presented below and to permit their use as designated by the donors.

Moved by: \_\_\_\_\_

Seconded by: \_\_\_\_\_

Members in favor of the motion:

Members opposed:

Whereupon said Resolution was declared duly passed and adopted on December 14, 2017.

---

Jim Schmid  
Clerk – Board of Education

| Date       | Donor   | Recipient                  | Terms   | Donation  |
|------------|---|----------------------------|---|---|
| 10/24/2017 | Nancy Crippen                                 | Rahn Elementary            | to help with school supplies  | \$100.00  |
| 11/14/2017 | Karen Zieglmeier                              | Rahn Elementary            | to help out the Art Room  | plastic containers for paint, pencils, etc.           |
| 11/16/2017 | Ambition Taekwondo                            | Rahn Elementary            | winter clothes for students   | hats, gloves and mittens                              |
| 11/17/2017 | Burnsville Senior Center - DEC                | Sioux Trail Elementary     | Student use   | Large bag full of handmade mittens, hats, and scarves |
| 9/18/2017  | CARGILL -- SALT                               | BrainPower in a Backpack   | Cash Donation   | Cash Donation in the amount of \$2400                 |
| 10/24/2017 | CARGILL -- AG HORIZONS                        | BrainPower in Backpack     | CASH DONATION   | Cash Donation in the amount \$800                     |
| 11/20/2017 | Garrett and Judy Sampson                      | BrainPower in a Backpack   | Cash Donation   | Cash donation in the amount of \$200                  |
| 11/20/2017 | Janice O'Leary                                | BrainPower in Backpack     | Cash donation   | \$25.00   |
| 11/17/2017 | Jill Haddorff                                 | John Metcalf Middle School | To provide a band instrument to students in need                                      | Flute Armstrong 104 Serial# 25 23287 (value \$150)    |
| 11/20/2017 | Abby Robinson                                 | BrainPower in a Backpack   | Cash Donation   | \$50.00   |
| 11/20/2017 | Mary Kallstrom                                | BrainPower in a Backpack   | Cash donation   | \$50.00   |
| 11/20/2017 | Daffodil Garden Club                          | BrainPower in a Backpack   | Cash Donation   | \$300.00  |
| 11/20/2017 | James and Margaret Mikkelson                  | BrainPower in Backpack     | Cash Donation   | \$75.00   |
| 11/1/2017  | Burnsville High School WEDay Club             | BrainPower in a Backpack   | Food Drive  | Food Donation   |
| 11/17/2017 | ION Communications, Inc. Attn: Mary Jo Delise | Sioux Trail Elementary     | Toward t-shirts for MN School of Excellence Celebration                               | \$50.00   |
| 11/20/2017 | Senior Center Knitters                        | Rahn Elementary            | to help kids stay warm during the winter  | hats, gloves and mittens                              |
| 11/27/2017 | Closet of Hope c/o Dawn Anderson              | Sioux Trail Elementary     | Student use   | 139 headbands, 30 hats, & 111 pr of mittens           |
| 11/22/2017 | McKinstry, Sheri Rosenthal                    | Sioux Trail Elementary     | To support initiatives at Sioux Trail   | \$500.00  |
| 9/27/2017  | Burnsville Promise                            | Burnsville High School     | To support all 11th grade students attending the National College Fair in Minneapolis | \$1,772.12  |
| 9/27/2017  | Dakota Electric Association                   | Burnsville High School     | To support all 11th grade students attending the National College Fair in Minneapolis | \$200.00  |
| 11/29/2017 | Mr. and Mrs. David Christian                  | Burnsville High School     | For instructional use in Consumer Auto class  | 2004 Honda Odyssey                                    |
| 11/22/2017 | Rahn Elementary School                        | BrainPower in a Backpack   | Food drive to support BrainPower  | Food donation   |

|            |                                      |                               |                                    |            |
|------------|--------------------------------------|-------------------------------|------------------------------------|------------|
| 11/22/2017 | St. John the Baptist Catholic School | BrainPower in a Backpack      | Food drive donation                | Food drive |
| 11/22/2017 | Heather Vogt                         | BrainPower in a Backpack      | Cash donation                      | \$100.00   |
| 12/4/2017  | The Benevity Community Impact Fund   | Joseph Nicollet Middle School | Employer Match - Employee Donation | \$95.70    |

**Total monetary donation received: \$3,317.82**



***Future Ready. Community Strong.***

**Agenda V.A.4  
December 6, 2017**

**TO: Cindy Amoroso, Superintendent and Board of Education**  
**FROM: Lisa K. Rider, Executive Director of Business Services**  
**DATE: December 14, 2017**  
**RE: October Payroll, Claims and Receipts**

**RECOMMENDATION:** That the Board approves Oct payroll checks numbered 718884-718909 and Direct Deposit notices numbered 660366-663489 in the net amount of \$4,083,312.26. Oct & Nov claims to date represented by checks numbered 455453-456004, 1018821-1018994, and 102114-102127 and wire transfers and adjustments totaling \$8,743,817.83. Also, that the Board accepts Oct receipts of \$13,323,275.47 and investments for the General Fund, 2012A Alt Facilities & 2015A School Building Bonds and OPEB of \$48,759,325.11 as of October 31, 2017.

October payroll, wire transfers, claims and receipts have been prepared under the direction of Robin Pikal, Director of Accounting, and are presented for approval by the School Board.

LKR/mw

**INDEPENDENT SCHOOL DISTRICT 191  
FINANCIAL REPORT  
October 2017**

**Cash Receipts**

|                                |  |                      |
|--------------------------------|--|----------------------|
| Receipts                       |  |                      |
| Miscellaneous Adjustments      |  | \$13,323,275.47      |
| <b>TOTAL OCT CASH RECEIVED</b> |  | <b>13,323,275.47</b> |

**CASH DISBURSEMENTS**

|                                   |                 |                      |
|-----------------------------------|-----------------|----------------------|
| October                           |                 |                      |
| Regular Payroll Checks            | 718884-718909   | \$4,083,312.26       |
| Direct Deposit Notices            | 660366-663489   |                      |
| Sep payables previously approved: |                 | \$761,226.79         |
| Oct Claims previously approved:   |                 | \$632,149.14         |
| Oct Claims:                       | 455453-455629   | \$1,566,506.36       |
|                                   | 455713-455761   |                      |
|                                   | 1018821-1018873 |                      |
|                                   | 102114-102122   |                      |
| OctA/P Wires- Wires+P1+P-card     |                 | \$5,592,749.41       |
| Miscellaneous Adjustments         |                 | \$0.00               |
| <b>TOTAL OCT CASH DISBURSED</b>   |                 | <b>12,635,943.96</b> |

**TOTAL EXPENSES TO BE APPROVED**

|                                 |                 |                 |
|---------------------------------|-----------------|-----------------|
| Oct Cash Disbursed              |                 | \$12,635,943.96 |
| Less: Items Previously Approved |                 | -\$1,393,375.93 |
| Plus: Oct Payables              | 455630-455712   | \$629,793.17    |
| Checks                          | 455928-456004   |                 |
| Nov Claims:                     | 455762-455927   | \$954,768.89    |
| Checks                          | 1018874-1018994 |                 |
|                                 | 102123-102127   |                 |

**TOTAL TO BE APPROVED** 12,827,130.09

|  | <u>Money Market</u> | <u>(Original Cost)<br/>Investments</u> | <u>Total 10/30/2017</u> |
|--|---------------------|--|-------------------------|
| GENERAL FUND                             | \$327,774.79        | \$30,885,210.00                        | \$31,212,984.79         |
| OPEB                                     | \$393,487.27        | \$8,666,762.00                         | \$9,060,249.27          |
| OPEB EQUITY INV THROUGH OCTOBER 31, 2017 | \$20,786.18         | \$4,191,912.19                         | \$4,212,698.37          |
| 2015A SCHOOL BUILDING BONDS              | \$523,392.68        | \$3,750,000.00                         | \$4,273,392.68          |
|  | \$1,265,440.92      | \$47,493,884.19                        | \$48,759,325.11         |

Note: The attached investment reports are provided by our investment advisor, PMA Financial Network, Inc. These reports include our investment and money market balances.



# Total Portfolio Report CAR

As of: 10/31/17

PMA Financial Network, Inc.

2135 CityGate Lane  
7th Floor  
Naperville, Illinois 60563  
Telephone . 630-657-6400  
Facsimile . 630-718-8701

## BURNSVILLE ISD 191 / GENERAL FUND

2960

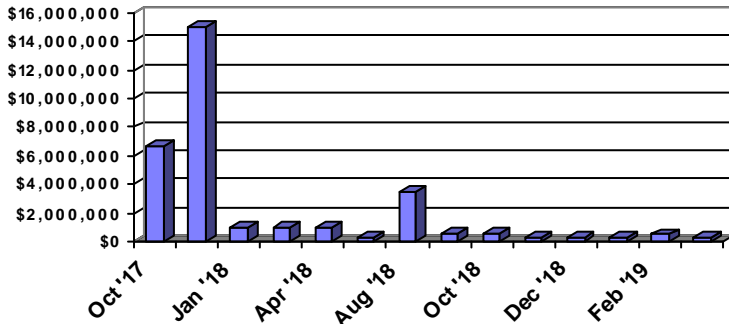
| Type | Trans  | SEQ | Purchase | Maturity | Instrument  | Par-Val/Mat. Val. | Original Cost   | Rate  |
|------|--------|-----|----------|----------|---|-------------------|-----------------|-------|
| LTD  | 0      | 1   | 10/31/17 | 10/31/17 | PMA SECURITIES SYNDICATE (PMAS)   | \$6,722,110.00    | \$6,722,110.00  |       |
| MM   |        |     |          |          | Investment Shares Portfolio   | \$327,774.79      | \$327,774.79    |       |
| TS   | 246806 | 1   | 10/02/17 | 11/02/17 | MN TRUST TERM SERIES  | \$15,013,886.31   | \$15,000,000.00 | 1.090 |
| CD   | 223724 | 1   | 05/02/16 | 01/26/18 | PREMIER BANK  | \$249,908.02      | \$246,900.00    | 0.701 |
| CD   | 223725 | 1   | 05/02/16 | 01/26/18 | REPUBLIC BANK OF CHICAGO  | \$249,902.04      | \$246,900.00    | 0.700 |
| CD   | 230000 | 1   | 08/17/16 | 01/26/18 | CFG COMMUNITY BANK  | \$249,974.65      | \$247,500.00    | 0.693 |
| CD   | 230001 | 1   | 08/17/16 | 01/26/18 | BANK OF THE OZARKS  | \$249,895.85      | \$247,600.00    | 0.649 |
| CD   | 229998 | 1   | 08/17/16 | 02/09/18 | EAST BOSTON SAVINGS BANK  | \$249,945.22      | \$247,200.00    | 0.749 |
| CD   | 229999 | 1   | 08/17/16 | 02/09/18 | CAPITAL BANK NA   | \$249,966.87      | \$247,400.00    | 0.700 |
| CD   | 229997 | 1   | 08/17/16 | 02/20/18 | TBK BANK, SSB / THE NATIONAL BANK   | \$247,169.61      | \$244,400.00    | 0.749 |
| SEC  | 38090  | 1   | 08/31/16 | 02/28/18 | Independence Bank Of Kentucky Certificate of Deposit                        | \$249,000.00      | \$249,000.00    | 0.701 |
| CD   | 232867 | 1   | 10/18/16 | 04/18/18 | US METRO BANK   | \$249,977.02      | \$247,200.00    | 0.750 |
| CD   | 232868 | 1   | 10/18/16 | 04/18/18 | EAGLEBANK / VIRGINIA HERITAGE BANK  | \$249,977.43      | \$247,200.00    | 0.750 |
| SEC  | 38699  | 1   | 10/26/16 | 04/26/18 | Capital One, National Association Certificate of Deposit                    | \$248,000.00      | \$248,000.00    | 0.985 |
| SEC  | 38701  | 1   | 10/28/16 | 04/27/18 | Synovus Bank Certificate of Deposit   | \$248,000.00      | \$248,000.00    | 0.818 |
| SEC  | 40158  | 1   | 08/09/17 | 05/15/18 | Bank Of China Certificate of Deposit  | \$247,000.00      | \$247,000.00    | 1.266 |
| CD   | 229994 | 1   | 08/17/16 | 08/17/18 | PACIFIC WESTERN BANK  | \$249,849.36      | \$244,900.00    | 1.011 |
| CD   | 229995 | 1   | 08/17/16 | 08/17/18 | FARMERS & MERCHANTS UNION BANK  | \$249,879.07      | \$245,500.00    | 0.892 |
| CD   | 229996 | 1   | 08/17/16 | 08/17/18 | INDEPENDENCE BANK- MT   | \$249,957.57      | \$246,300.00    | 0.743 |
| CD   | 230012 | 1   | 08/18/16 | 08/21/18 | SOLARITY CREDIT UNION   | \$1,521,540.91    | \$1,500,000.00  | 0.720 |
| SEC  | 38088  | 1   | 08/24/16 | 08/24/18 | Yadkin Bank Certificate of Deposit  | \$249,000.00      | \$249,000.00    | 0.738 |
| SEC  | 38086  | 1   | 08/25/16 | 08/27/18 | BankUnited, NA Certificate of Deposit                                       | \$248,000.00      | \$248,000.00    | 0.851 |
| CD   | 244784 | 1   | 08/31/17 | 08/31/18 | CORPORATE ONE FEDERAL CREDIT UNION  | \$249,907.10      | \$246,700.00    | 1.300 |
| SEC  | 38087  | 1   | 08/31/16 | 08/31/18 | Wells Fargo Bank, NA - Sd Certificate of Deposit                            | \$249,000.00      | \$249,000.00    | 0.951 |
| SEC  | 38089  | 1   | 08/31/16 | 08/31/18 | Guaranty Bank And Trust Company Certificate of Deposit                      | \$249,000.00      | \$249,000.00    | 0.751 |
| CD   | 246451 | 1   | 09/26/17 | 09/26/18 | FIRST COMMONS BANK NA   | \$249,983.84      | \$246,500.00    | 1.413 |
| CD   | 246452 | 1   | 09/26/17 | 09/26/18 | QUONTIC BANK, FSB   | \$249,910.61      | \$246,600.00    | 1.343 |
| CD   | 232865 | 1   | 10/18/16 | 10/25/18 | ACB BANK  | \$249,961.39      | \$245,500.00    | 0.900 |
| CD   | 232866 | 1   | 10/18/16 | 10/25/18 | FREEMPORT STATE BANK  | \$249,979.96      | \$245,800.00    | 0.842 |
| SEC  | 39527  | 1   | 05/10/17 | 11/13/18 | American Express Centurion Bank Certificate of Deposit                      | \$248,000.00      | \$248,000.00    | 1.435 |
| SEC  | 40472  | 1   | 09/06/17 | 12/06/18 | American Express Bank, Fsb Certificate of Deposit                           | \$247,000.00      | \$247,000.00    | 1.533 |
| SEC  | 39192  | 1   | 01/31/17 | 01/31/19 | BMW Bank Of North America Certificate of Deposit                            | \$248,000.00      | \$248,000.00    | 1.417 |
| SEC  | 40160  | 1   | 08/03/17 | 02/04/19 | Morgan Stanley Bank, National Association Certificate of Deposit            | \$247,000.00      | \$247,000.00    | 1.468 |
| SEC  | 40161  | 1   | 08/03/17 | 02/04/19 | Morgan Stanley Private Bank, National Association Certificate of Deposit    | \$247,000.00      | \$247,000.00    | 1.468 |
| SEC  | 40516  | 1   | 09/07/17 | 03/07/19 | Comenity Capital Bank / World Financial Capital Bank Certificate of Deposit | \$249,000.00      | \$249,000.00    | 1.469 |

| Type   | Trans | SEQ | Purchase | Maturity | Instrument | Par-Val/Mat. Val.          | Original Cost          | Rate                   |
|--|-------|-----|----------|----------|------------|----------------------------|------------------------|------------------------|
| <i>Note: Weighted Yield &amp; Weighted Average Portfolio Maturity are calculated only on the CD, CP, &amp; SEC desk.</i> |       |     |          |          |            | <b>Total Amount --&gt;</b> | <b>\$31,304,457.62</b> | <b>\$31,212,984.79</b> |

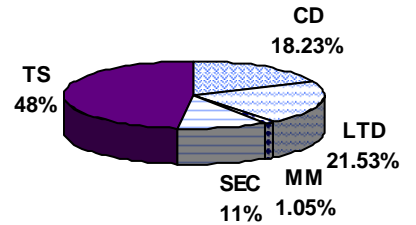
**Time and Dollar Weighted Portfolio Yield:** 1.038 %

**Weighted Average Portfolio Maturity:** 79.07 Days

**MM:** 1.05%  
**CD's:** 18.23%  
**CP:** 0.00%  
**SEC:** 11.13%



**Portfolio Maturity Summary - Maturing \$/Month**



**Portfolio Allocation by Transaction Type**



# Total Portfolio Report CAR

As of: 10/31/17

PMA Financial Network, Inc.

2135 CityGate Lane  
7th Floor  
Naperville, Illinois 60563  
Telephone . 630-657-6400  
Facsimile . 630-718-8701

## BURNSVILLE ISD 191 / 2009 OPEB TRUST

3596

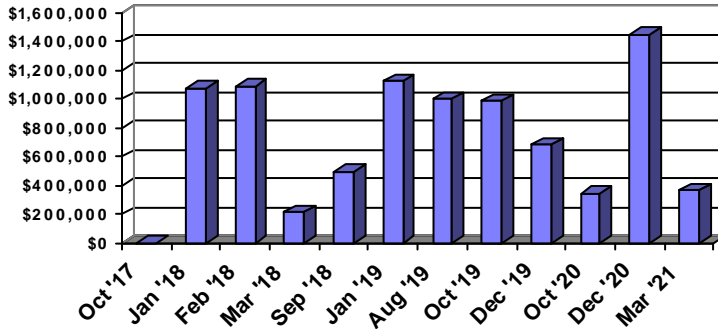
| Type | Trans  | SEQ | Purchase | Maturity | Instrument                                    | Par-Val/Mat. Val. | Original Cost  | Rate  |
|------|--------|-----|----------|----------|---|-------------------|----------------|-------|
| MM   |        |     |          |          | Investment Shares Portfolio                   | \$393,487.27      | \$393,487.27   |       |
| CD   | 205079 | 1   | 01/08/15 | 01/08/18 | FIRST FREEDOM BANK                            | \$164,252.21      | \$159,400.00   | 1.012 |
| CD   | 205080 | 1   | 01/08/15 | 01/08/18 | TRUSTONE FINANCIAL FEDERAL CREDIT UNION       | \$249,684.73      | \$241,600.00   | 1.111 |
| CD   | 205081 | 1   | 01/08/15 | 01/08/18 | HIBERNIA BANK                                 | \$207,054.62      | \$201,000.00   | 1.003 |
| CD   | 192888 | 1   | 01/13/14 | 01/16/18 | INDUSTRIAL & COMMERCIAL BANK OF CHINA         | \$210,686.40      | \$200,000.00   | 1.332 |
| SEC  | 33742  | 1   | 01/14/15 | 01/16/18 | Goldman Sachs Bank USA Certificate of Deposit | \$248,000.00      | \$248,000.00   | 1.404 |
| CD   | 205817 | 1   | 02/03/15 | 02/05/18 | ADIRONDACK BANK                               | \$240,475.35      | \$234,000.00   | 0.921 |
| CD   | 205818 | 1   | 02/03/15 | 02/05/18 | FIRST NB OF MCGREGOR                          | \$102,681.43      | \$100,000.00   | 0.891 |
| CD   | 205819 | 1   | 02/03/15 | 02/05/18 | FIRST NATIONAL BANK                           | \$249,815.96      | \$243,000.00   | 0.932 |
| SEC  | 33857  | 1   | 02/05/15 | 02/05/18 | Ally Bank Certificate of Deposit              | \$248,000.00      | \$248,000.00   | 1.154 |
| CD   | 182782 | 1   | 02/15/13 | 02/15/18 | PLAINS COMMERCE BANK                          | \$249,902.70      | \$236,400.00   | 1.142 |
| CD   | 208034 | 1   | 03/24/15 | 03/26/18 | PEAPACK-GLADSTONE BANK                        | \$208,860.51      | \$203,000.00   | 0.960 |
| SEC  | 30731  | 1   | 09/25/13 | 09/25/18 | Discover Bank Certificate of Deposit          | \$247,000.00      | \$247,000.00   | 2.013 |
| SEC  | 30738  | 1   | 09/25/13 | 09/25/18 | Compass Bank Certificate of Deposit           | \$247,000.00      | \$247,000.00   | 1.962 |
| CD   | 192886 | 1   | 01/13/14 | 01/14/19 | M.Y. SAFRA BANK                               | \$248,142.42      | \$228,500.00   | 1.717 |
| CD   | 192887 | 1   | 01/13/14 | 01/14/19 | STEARNS BANK NA (N)                           | \$248,500.88      | \$230,700.00   | 1.542 |
| SEC  | 28287  | 1   | 10/09/12 | 01/15/19 | Lakewood Township NJ Ref                      | \$630,000.00      | \$630,000.00   | 1.580 |
| SEC  | 28397  | 1   | 11/15/12 | 08/15/19 | DENTON TX INDEP SCH DIST TXBL -REF - SER C    | \$1,000,000.00    | \$1,000,000.00 | 1.520 |
| CD   | 232809 | 1   | 10/14/16 | 10/15/19 | GBC INTERNATIONAL BANK                        | \$249,730.21      | \$241,800.00   | 1.092 |
| CD   | 232810 | 1   | 10/14/16 | 10/15/19 | LUANA SAVINGS BANK                            | \$237,251.62      | \$230,000.00   | 1.050 |
| CD   | 232811 | 1   | 10/14/16 | 10/15/19 | CITIZENS STATE BANK OF LA CROSSE              | \$106,113.69      | \$103,200.00   | 0.940 |
| SEC  | 28316  | 1   | 10/15/12 | 10/15/19 | ABERDEEN TWP NJ REF                           | \$390,000.00      | \$390,000.00   | 1.570 |
| SEC  | 28317  | 1   | 10/16/12 | 12/01/19 | FAIRFIELD & UNION OH LOCAL SCH DIST           | \$330,000.00      | \$294,162.00   | 1.620 |
| SEC  | 28355  | 1   | 10/19/12 | 12/01/19 | COOK CNTY IL HIGH SCH DIST #205 THORNTON TWP  | \$350,000.00      | \$350,000.00   | 1.939 |
| SEC  | 38171  | 1   | 09/02/16 | 10/01/20 | City of New York NY                           | \$345,000.00      | \$345,000.00   | 1.300 |
| SEC  | 40118  | 1   | 07/31/17 | 12/15/20 | Kane County Forest Preserve District          | \$1,450,000.00    | \$1,450,000.00 | 1.670 |
| SEC  | 38170  | 1   | 09/02/16 | 03/01/21 | City of Rochester NH                          | \$365,000.00      | \$365,000.00   | 1.340 |

| Type   | Trans | SEQ | Purchase | Maturity | Instrument | Par-Val/Mat. Val.          | Original Cost         | Rate                  |
|--|-------|-----|----------|----------|------------|----------------------------|-----------------------|-----------------------|
| <i>Note: Weighted Yield &amp; Weighted Average Portfolio Maturity are calculated only on the CD, CP, &amp; SEC desk.</i> |       |     |          |          |            | <b>Total Amount --&gt;</b> | <b>\$9,216,640.00</b> | <b>\$9,060,249.27</b> |

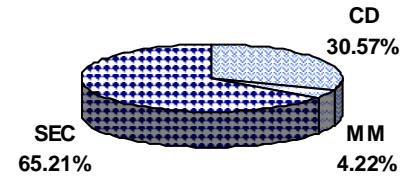
**Time and Dollar Weighted Portfolio Yield: 1.532 %**

**Weighted Average Portfolio Maturity: 568.64 Days**

**MM: 4.34%**  
**CD's: 31.48%**  
**CP: 0.00%**  
**SEC: 64.17%**



**Portfolio Maturity Summary - Maturing \$/Month**



**Portfolio Allocation by Transaction Type**



# Total Portfolio Report CAR

As of: 10/31/17

PMA Financial Network, Inc.

2135 CityGate Lane

7th Floor

Naperville, Illinois 60563

Telephone . 630-657-6400

Facsimile . 630-718-8701

## BURNSVILLE ISD 191 / 2015A BONDS

5762

| Type                       | Trans  | SEQ | Purchase | Maturity | Instrument                  | Par-Val/Mat. Val.     | Original Cost         | Rate  |
|----------------------------|--------|-----|----------|----------|-----------------------------|-----------------------|-----------------------|-------|
| MM                         |        |     |          |          | Investment Shares Portfolio | \$523,392.68          | \$523,392.68          |       |
| TS                         | 246807 | 1   | 10/02/17 | 11/02/17 | MN TRUST TERM SERIES        | \$3,253,008.70        | \$3,250,000.00        | 1.090 |
| TS                         | 247327 | 1   | 10/12/17 | 11/14/17 | MN TRUST TERM SERIES        | \$500,497.26          | \$500,000.00          | 1.100 |
| <b>Total Amount --&gt;</b> |        |     |          |          |                             | <b>\$4,276,898.64</b> | <b>\$4,273,392.68</b> |       |

Note: Weighted Yield & Weighted Average Portfolio Maturity are calculated only on the CD, CP, & SEC desk.

Time and Dollar Weighted Portfolio Yield: 1.095 %

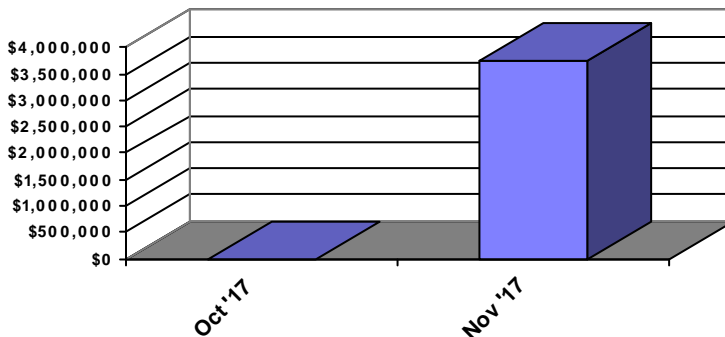
Weighted Average Portfolio Maturity: 3.16 Days

MM: 12.25%

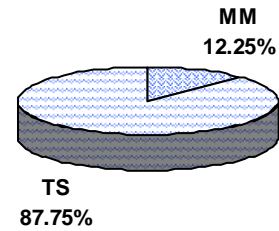
CD's: 0.00%

CP: 0.00%

SEC: 0.00%



Portfolio Maturity Summary - Maturing \$/Month



Portfolio Allocation by Transaction Type

## August 2017

### Wire Transfers

| <b>Date</b> | <b>From</b>   | <b>To</b>                      | <b>Amount</b> | <b>For</b>                        |
|-------------|---------------|--------------------------------|---------------|-----------------------------------|
| 100217      | MSDLAF        | Internal Revenue Service       | 806,590.29    | 9/30/17 Payroll - Federal Taxes   |
| 100217      | MSDLAF        | State of Minnesota             | 131,756.99    | 9/30/17 Payroll - State Taxes     |
| 100217      | MSDLAF        | State of Minnesota             | 2,157.00      | 9/30/17 Payroll - Child Support   |
| 100217      | MSDLAF        | People's Bank                  | 186,066.07    | 9/29/17 Payroll - TSA Wire        |
| 100417      | MSDLAF        | Delta Dental                   | 18,097.80     | Dental Insurance                  |
| 100617      | MSDLAF        | Corporate Health               | 30,467.94     | Medical Claims                    |
| 100617      | MSDLAF        | Corporate Health               | 14,959.58     | Flex Claims                       |
| 101017      | MSDLAF        | Preferred One                  | 375,143.84    | Health Insurance                  |
| 101217      | MSDLAF        | Delta Dental                   | 11,464.02     | Dental Insurance                  |
| 101217      | MSDLAF        | PERA                           | 116,956.57    | 9/30/17 Payroll - PERA            |
| 101217      | MSDLAF        | TRA                            | 355,295.12    | 9/30/17 Payroll - TRA             |
| 101317      | MSDLAF        | Corporate Health               | 17,497.05     | Medical Claims                    |
| 101317      | MSDLAF        | Corporate Health               | 11,274.36     | Flex Claims                       |
| 101317      | MSDLAF        | People's Bank                  | 187,054.92    | 10/15/17 Payroll - TSA Wire       |
| 101317      | MSDLAF        | Teacher's Federal Credit Union | 39,580.29     | 10/15/17 Payroll - Teacher's Dues |
| 101617      | MSDLAF        | Internal Revenue Service       | 843,651.23    | 10/15/17 Payroll - Federal Taxes  |
| 101617      | MSDLAF        | Preferred One                  | 371,816.43    | Health Insurance                  |
| 101617      | MSDLAF        | State of Minnesota             | 140,543.94    | 10/15/17 Payroll - State Taxes    |
| 101617      | MSDLAF        | State of Minnesota             | 2,157.00      | 10/15/17 Payroll - Child Support  |
| 101817      | MSDLAF        | Delta Dental                   | 11,973.48     | Dental Insurance                  |
| 101917      | MSDLAF        | Healthy Savings                | 2,974.66      | Healthy Savings Program           |
| 102017      | MSDLAF        | Corporate Health               | 9,399.37      | Medical Claims                    |
| 102017      | MSDLAF        | Corporate Health               | 14,454.01     | Flex Claims                       |
| 102317      | MSDLAF        | Preferred One                  | 335,441.87    | Health Insurance                  |
| 102417      | Dakota County | MSDLAF                         | 5,575,543.00  | Dakota County Taxes               |
| 102417      | MSDLAF        | PERA                           | 123,470.87    | 10/15/17 Payroll - PERA           |
| 102417      | Scott County  | MSDLAF                         | 1,941,809.57  | Scott County Taxes                |

## August 2017

### Wire Transfers

| <b>Date</b> | <b>From</b> | <b>To</b>        | <b>Amount</b> | <b>For</b>             |
|-------------|-------------|------------------|---------------|------------------------|
| 102417      | MSDLAF      | TRA              | 390,439.23    | 10/15/17 Payroll - TRA |
| 102517      | MSDLAF      | Delta Dental     | 20,180.30     | Dental Insurance       |
| 102717      | MSDLAF      | Corporate Health | 12,125.53     | Medical Claims         |
| 102717      | MSDLAF      | Corporate Health | 4,034.35      | Flex Claims            |
| 103017      | MSDLAF      | Preferred One    | 430,519.48    | Health Insurance       |

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name            |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|------------------------|
| 1           | 1018821      |              | \$111.42     | Oct 18, 2017 | 88888         | 7388                  | KNUTSEN, HEIDI         |
| 1           | 1018822      |              | \$11.13      | Oct 18, 2017 | 88888         | 11234                 | CARLSON, KEITH A       |
| 1           | 1018823      |              | \$54.09      | Oct 18, 2017 | 88888         | 12301                 | HJERMSTAD, HEATHER     |
| 1           | 1018824      |              | \$5.87       | Oct 18, 2017 | 88888         | 13396                 | HUTCHINSON, JENNIFER L |
| 1           | 1018825      |              | \$17.66      | Oct 18, 2017 | 88888         | 13396                 | HUTCHINSON, JENNIFER L |
| 1           | 1018826      |              | \$60.41      | Oct 18, 2017 | 88888         | 13396                 | HUTCHINSON, JENNIFER L |
| 1           | 1018827      |              | \$20.65      | Oct 18, 2017 | 88888         | 14147                 | KLINNERT, ELIZABETH    |
| 1           | 1018828      |              | \$46.01      | Oct 18, 2017 | 88888         | 15381                 | KRAL, MELISSA M        |
| 1           | 1018829      |              | \$10.06      | Oct 18, 2017 | 88888         | 16377                 | ALEXON, BETH J         |
| 1           | 1018830      |              | \$34.88      | Oct 18, 2017 | 88888         | 16789                 | KRONABETTER, JULIE R   |
| 1           | 1018831      |              | \$83.03      | Oct 18, 2017 | 88888         | 17435                 | LUND, ELLIOTT J        |
| 1           | 1018832      |              | \$5.25       | Oct 18, 2017 | 88888         | 18002                 | GOLDSMITH, EMILY R     |
| 1           | 1018833      |              | \$174.46     | Oct 18, 2017 | 88888         | 18114                 | LENHARDT, ROBERT S     |
| 1           | 1018834      |              | \$31.80      | Oct 18, 2017 | 88888         | 18297                 | KOCH, REBECCA M        |
| 1           | 1018835      |              | \$39.75      | Oct 18, 2017 | 88888         | 18649                 | BLUHM, WILLIAM AE      |
| 1           | 1018836      |              | \$21.96      | Oct 18, 2017 | 88888         | 18877                 | PLUEGER, AIMEE F       |
| 1           | 1018837      |              | \$17.98      | Oct 18, 2017 | 88888         | 19277                 | ANDERSON, LAURIE       |
| 1           | 1018838      |              | \$89.99      | Oct 18, 2017 | 88888         | 19277                 | ANDERSON, LAURIE       |
| 1           | 1018839      |              | \$10.48      | Oct 18, 2017 | 88888         | 6326                  | NEPSUND, CYNTHIA J     |
| 1           | 1018840      |              | \$85.39      | Oct 18, 2017 | 88888         | 6624                  | WESSEN, JANE E         |
| 1           | 1018841      |              | \$96.00      | Oct 18, 2017 | 88888         | 11321                 | WALLENTA, PAUL S       |
| 1           | 1018842      |              | \$25.31      | Oct 18, 2017 | 88888         | 12869                 | SCHEIT, ANDREA         |
| 1           | 1018843      |              | \$24.61      | Oct 18, 2017 | 88888         | 15133                 | MOBERG, CARLENE        |
| 1           | 1018844      |              | \$290.00     | Oct 18, 2017 | 88888         | 15733                 | MCDERMOTT-BATY, JODY   |
| 1           | 1018845      |              | \$69.75      | Oct 18, 2017 | 88888         | 15856                 | TOUSIGNANT, HOLLY      |
| 1           | 1018846      |              | \$7.37       | Oct 18,      | 88888         | 16340                 | MISZKIEWICZ, KELLY A   |

96

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name           |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|-----------------------|
|             |              |              |              | 2017         |               |                       |                       |
| 1           | 1018847      |              | \$63.24      | Oct 18, 2017 | 88888         | 16345                 | WALCZAK, CHERYL M     |
| 1           | 1018848      |              | \$20.51      | Oct 18, 2017 | 88888         | 16491                 | VITALI, ALICIA F      |
| 1           | 1018849      |              | \$167.01     | Oct 18, 2017 | 88888         | 18144                 | MILINOVICH, TRACY     |
| 1           | 1018850      |              | \$83.25      | Oct 18, 2017 | 88888         | 18536                 | SPAULDING, SHEILA J   |
| 1           | 1018851      |              | \$33.06      | Oct 18, 2017 | 88888         | 18635                 | MCDOWELL, MORGAN      |
| 1           | 1018852      |              | \$28.94      | Oct 18, 2017 | 88888         | 18846                 | OTTO, CARON           |
| 1           | 1018853      |              | \$36.00      | Oct 18, 2017 | 88888         | 18983                 | SANTOS, MIYA D        |
| 1           | 1018854      |              | \$43.92      | Oct 18, 2017 | 88888         | 19130                 | WHITE, STEPHANIE C    |
| 1           | 1018855      |              | \$63.03      | Oct 25, 2017 | 88888         | 13495                 | BROWN, CHRISTOPHER M  |
| 1           | 1018856      |              | \$400.00     | Oct 25, 2017 | 88888         | 18043                 | AMOROSO, CYNTHIA      |
| 1           | 1018857      |              | \$58.41      | Oct 25, 2017 | 88888         | 18289                 | HARVES, NICOLE R      |
| 1           | 1018858      |              | \$200.00     | Oct 25, 2017 | 88888         | 18391                 | JOHNSON, DOUGLAS A    |
| 1           | 1018859      |              | \$23.11      | Oct 25, 2017 | 88888         | 19148                 | ALVARADO ROBLES, LUIS |
| 1           | 1018860      |              | \$126.05     | Oct 25, 2017 | 88888         | 19250                 | BERENS, MICHELE E     |
| 1           | 1018861      |              | \$66.34      | Oct 25, 2017 | 88888         | 19312                 | LAHR, JOELYNN         |
| 1           | 1018862      |              | \$62.98      | Oct 25, 2017 | 88888         | 19738                 | GEESMAN, GARRETT D    |
| 1           | 1018863      |              | \$544.06     | Oct 25, 2017 | 88888         | 6874                  | STEAD, AMY JO         |
| 1           | 1018864      |              | \$39.99      | Oct 25, 2017 | 88888         | 7838                  | MOULSOFF, NORINE L    |
| 1           | 1018865      |              | \$22.52      | Oct 25, 2017 | 88888         | 12901                 | MCCUE, MICHELLE       |
| 1           | 1018866      |              | \$42.00      | Oct 25, 2017 | 88888         | 12901                 | MCCUE, MICHELLE       |
| 1           | 1018867      |              | \$200.00     | Oct 25, 2017 | 88888         | 16166                 | RIDER, LISA K         |
| 1           | 1018868      |              | \$200.00     | Oct 25, 2017 | 88888         | 17487                 | SOVINE, STACEY        |
| 1           | 1018869      |              | \$200.00     | Oct 25, 2017 | 88888         | 18215                 | WATKINS, DAVID        |
| 1           | 1018870      |              | \$80.46      | Oct 25, 2017 | 88888         | 19130                 | WHITE, STEPHANIE C    |
| 1           | 1018871      |              | \$200.00     | Oct 25, 2017 | 88888         | 19154                 | PIKAL, ROBIN          |

97

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name             |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|-------------------------|
| 1           | 1018872      |              | \$27.29      | Oct 25, 2017 | 88888         | 19217                 | SELLARS, JASON A        |
| 1           | 1018873      |              | \$28.53      | Oct 25, 2017 | 88888         | 19218                 | TOMAS, KELLY            |
| 1           | 1018874      |              | \$4.82       | Nov 1, 2017  | 88888         | 4880                  | SHOOK, JOANN            |
| 1           | 1018875      |              | \$370.00     | Nov 1, 2017  | 88888         | 9091                  | WALCHER, PAMELA J       |
| 1           | 1018876      |              | \$238.55     | Nov 1, 2017  | 88888         | 9216                  | MEYER, NANCY L          |
| 1           | 1018877      |              | \$103.63     | Nov 1, 2017  | 88888         | 9267                  | HOLDEN, MATTHEW J       |
| 1           | 1018878      |              | \$150.00     | Nov 1, 2017  | 88888         | 11320                 | WALDRON, RACHELLE       |
| 1           | 1018879      |              | \$284.67     | Nov 1, 2017  | 88888         | 11756                 | ERICKSON, CONSTANCE     |
| 1           | 1018880      |              | \$130.54     | Nov 1, 2017  | 88888         | 12579                 | STARKEY, MICHELE M      |
| 1           | 1018881      |              | \$21.40      | Nov 1, 2017  | 88888         | 13441                 | TESMER, RUSSELL         |
| 1           | 1018882      |              | \$22.00      | Nov 1, 2017  | 88888         | 15851                 | GOODLING, STEFANIE      |
| 1           | 1018883      |              | \$6.38       | Nov 1, 2017  | 88888         | 15977                 | HEIM, WILLIAM V         |
| 1           | 1018884      |              | \$35.00      | Nov 1, 2017  | 88888         | 15982                 | ANDERSON, BJORN RS      |
| 1           | 1018885      |              | \$165.11     | Nov 1, 2017  | 88888         | 16491                 | VITALI, ALICIA F        |
| 1           | 1018886      |              | \$16.12      | Nov 1, 2017  | 88888         | 16498                 | LECHNER, SARAH R        |
| 1           | 1018887      |              | \$103.00     | Nov 1, 2017  | 88888         | 16690                 | LARSON, DEBORAH M       |
| 1           | 1018888      |              | \$220.00     | Nov 1, 2017  | 88888         | 16826                 | BARR, BARBARA M         |
| 1           | 1018889      |              | \$211.38     | Nov 1, 2017  | 88888         | 17175                 | FUNSTON, KATHY L        |
| 1           | 1018890      |              | \$64.57      | Nov 1, 2017  | 88888         | 17431                 | QUINTANA, MARIANA       |
| 1           | 1018891      |              | \$53.94      | Nov 1, 2017  | 88888         | 17542                 | SMITH, JACQUELINE J     |
| 1           | 1018892      |              | \$16.91      | Nov 1, 2017  | 88888         | 17901                 | KENNEY, JAMI            |
| 1           | 1018893      |              | \$257.50     | Nov 1, 2017  | 88888         | 18545                 | KROHN, JULIE C          |
| 1           | 1018894      |              | \$239.08     | Nov 1, 2017  | 88888         | 18612                 | MALLINGER, MELINDA      |
| 1           | 1018895      |              | \$92.12      | Nov 1, 2017  | 88888         | 18943                 | HUGHES, RACHEL J        |
| 1           | 1018896      |              | \$26.00      | Nov 1, 2017  | 88888         | 18951                 | CESARO-MOXLEY, RACHEL L |
| 1           | 1018897      |              | \$34.78      | Nov 1, 2017  | 88888         | 19181                 | YOUNG, DANIELLE M       |
| 1           | 1018898      |              | \$150.00     | Nov 8, 2017  | 88888         | 10482                 | LATTERY, SHARLEEN M     |
| 1           | 1018899      |              | \$1,074.44   | Nov 8, 2017  | 88888         | 11756                 | ERICKSON, CONSTANCE     |
| 1           | 1018900      |              | \$66.03      | Nov 8, 2017  | 88888         | 11911                 | ELFERING, JEAN          |
| 1           | 1018901      |              | \$28.89      | Nov 8, 2017  | 88888         | 12336                 | LOGAN, KARI M           |
| 1           | 1018902      |              | \$124.98     | Nov 8, 2017  | 88888         | 13366                 | DYRHAUG, MICHELLE       |
| 1           | 1018903      |              | \$43.40      | Nov 8, 2017  | 88888         | 13396                 | HUTCHINSON, JENNIFER L  |
| 1           | 1018904      |              | \$42.64      | Nov 8, 2017  | 88888         | 14479                 | KIBLER, JEANNE          |
| 1           | 1018905      |              | \$57.78      | Nov 8, 2017  | 88888         | 15074                 | CHAMERLIK, KAREN        |
| 1           | 1018906      |              | \$7.49       | Nov 8, 2017  | 88888         | 15682                 | GONZALEZ, MEGAN         |
| 1           | 1018907      |              | \$410.00     | Nov 8, 2017  | 88888         | 15983                 | BAGGOT, LYNN            |
| 1           | 1018908      |              | \$167.39     | Nov 8, 2017  | 88888         | 16244                 | GILBERTSON, SHERRY A    |
| 1           | 1018909      |              | \$45.96      | Nov 8, 2017  | 88888         | 16789                 | KRONABETTER, JULIE R    |
| 1           | 1018910      |              | \$68.53      | Nov 8, 2017  | 88888         | 17322                 | CZAPAR, KELLY N         |
| 1           | 1018911      |              | \$19.15      | Nov 8, 2017  | 88888         | 17755                 | JOHNSON, CORY CHARLES   |

96

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name            |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|------------------------|
| 1           | 1018912      |              | \$3.21       | Nov 8, 2017  | 88888         | 17819                 | ABRAHAMSON, JONATHAN   |
| 1           | 1018913      |              | \$110.51     | Nov 8, 2017  | 88888         | 18297                 | KOCH, REBECCA M        |
| 1           | 1018914      |              | \$10.11      | Nov 8, 2017  | 88888         | 18381                 | DEROUIN, JILL          |
| 1           | 1018915      |              | \$89.94      | Nov 8, 2017  | 88888         | 18691                 | GULDEN, JANET          |
| 1           | 1018916      |              | \$112.46     | Nov 8, 2017  | 88888         | 18797                 | GOODBUFFALO, DOMINIC E |
| 1           | 1018917      |              | \$122.73     | Nov 8, 2017  | 88888         | 19250                 | BERENS, MICHELE E      |
| 1           | 1018918      |              | \$56.39      | Nov 8, 2017  | 88888         | 19312                 | LAHR, JOELYNN          |
| 1           | 1018919      |              | \$208.86     | Nov 8, 2017  | 88888         | 4356                  | SIMON, GLENN D.        |
| 1           | 1018920      |              | \$130.49     | Nov 8, 2017  | 88888         | 5573                  | WEILER, ROBERT M       |
| 1           | 1018921      |              | \$67.89      | Nov 8, 2017  | 88888         | 9239                  | OPATZ, LARRY           |
| 1           | 1018922      |              | \$13.86      | Nov 8, 2017  | 88888         | 10287                 | TANBERG, TERESA L      |
| 1           | 1018923      |              | \$5.00       | Nov 8, 2017  | 88888         | 10972                 | WITTNEBEL, KATHY       |
| 1           | 1018924      |              | \$95.05      | Nov 8, 2017  | 88888         | 13431                 | PAETZOLD, ROBERT JAMES |
| 1           | 1018925      |              | \$306.16     | Nov 8, 2017  | 88888         | 13654                 | ROBB, BRADLEY E        |
| 1           | 1018926      |              | \$43.82      | Nov 8, 2017  | 88888         | 14671                 | SMITH, TRACY J         |
| 1           | 1018927      |              | \$84.63      | Nov 8, 2017  | 88888         | 15697                 | OLSON, KIMBERLY LENORA |
| 1           | 1018928      |              | \$9.98       | Nov 8, 2017  | 88888         | 15925                 | SAMPERS, KAREN M       |
| 1           | 1018929      |              | \$151.44     | Nov 8, 2017  | 88888         | 16501                 | NESS, KAREN M          |
| 1           | 1018930      |              | \$33.54      | Nov 8, 2017  | 88888         | 17183                 | VOIGT, PAMELA M        |
| 1           | 1018931      |              | \$15.01      | Nov 8, 2017  | 88888         | 18045                 | VO, KELLY RAE          |
| 1           | 1018932      |              | \$4.98       | Nov 8, 2017  | 88888         | 18045                 | VO, KELLY RAE          |
| 1           | 1018933      |              | \$17.45      | Nov 8, 2017  | 88888         | 18046                 | WEBSTER, SUSAN M       |
| 1           | 1018934      |              | \$39.00      | Nov 8, 2017  | 88888         | 18675                 | RUIZ, JESSICA          |
| 1           | 1018935      |              | \$139.58     | Nov 8, 2017  | 88888         | 19203                 | STAMPLEY, MORGAN       |
| 1           | 1018936      |              | \$31.63      | Nov 8, 2017  | 88888         | 19222                 | ULRICH, JULIA          |
| 1           | 1018937      |              | \$137.79     | Nov 8, 2017  | 88888         | 19251                 | REDDING, JENISE        |
| 1           | 1018938      |              | \$89.08      | Nov 8, 2017  | 88888         | 19251                 | REDDING, JENISE        |
| 1           | 1018939      |              | \$27.16      | Nov 8, 2017  | 88888         | 19257                 | RIVERS, JESSICA L      |
| 1           | 1018940      |              | \$64.50      | Nov 8, 2017  | 88888         | 19302                 | SCHROEDER, WENDY       |
| 1           | 1018941      |              | \$28.25      | Nov 15, 2017 | 88888         | 4467                  | BARLAGE, SUSAN         |
| 1           | 1018942      |              | \$203.84     | Nov 15, 2017 | 88888         | 7269                  | BARTH, TAMI RAE        |
| 1           | 1018943      |              | \$56.39      | Nov 15, 2017 | 88888         | 7304                  | GOSSMAN, LISA ANN      |
| 1           | 1018944      |              | \$7.60       | Nov 15, 2017 | 88888         | 7490                  | LEAKE, DONALD L        |
| 1           | 1018945      |              | \$62.81      | Nov 15, 2017 | 88888         | 7847                  | KOLSTAD, MICHELE M     |
| 1           | 1018946      |              | \$37.05      | Nov 15, 2017 | 88888         | 8284                  | JEFFERS, LUCRETIA      |
| 1           | 1018947      |              | \$3.05       | Nov 15,      | 88888         | 8797                  | KNOTT, KELLY S         |

66

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name             |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|-------------------------|
|             |              |              |              | 2017         |               |                       |                         |
| 1           | 1018948      |              | \$240.93     | Nov 15, 2017 | 88888         | 9250                  | DUNDON, MARY LOU        |
| 1           | 1018949      |              | \$93.14      | Nov 15, 2017 | 88888         | 9302                  | BOHR, JENNIFER L        |
| 1           | 1018950      |              | \$26.75      | Nov 15, 2017 | 88888         | 11817                 | ALVEY, HEATHER          |
| 1           | 1018951      |              | \$35.74      | Nov 15, 2017 | 88888         | 12319                 | CIN, STEPHANIE P        |
| 1           | 1018952      |              | \$20.87      | Nov 15, 2017 | 88888         | 13288                 | LUTZ, AMANDA J          |
| 1           | 1018953      |              | \$43.71      | Nov 15, 2017 | 88888         | 13406                 | ALLEN, SUSAN M          |
| 1           | 1018954      |              | \$66.34      | Nov 15, 2017 | 88888         | 13495                 | BROWN, CHRISTOPHER M    |
| 1           | 1018955      |              | \$29.43      | Nov 15, 2017 | 88888         | 14147                 | KLINNERT, ELIZABETH     |
| 1           | 1018956      |              | \$25.09      | Nov 15, 2017 | 88888         | 14479                 | KIBLER, JEANNE          |
| 1           | 1018957      |              | \$66.00      | Nov 15, 2017 | 88888         | 16608                 | DITMARSEN, SANDRA L     |
| 1           | 1018958      |              | \$50.83      | Nov 15, 2017 | 88888         | 16633                 | CLOUTIER, DANA M        |
| 1           | 1018959      |              | \$12.25      | Nov 15, 2017 | 88888         | 17156                 | BOMSTA, LYLE J          |
| 1           | 1018960      |              | \$30.21      | Nov 15, 2017 | 88888         | 17175                 | FUNSTON, KATHY L        |
| 1           | 1018961      |              | \$39.59      | Nov 15, 2017 | 88888         | 17283                 | ERBES, SARAH L          |
| 1           | 1018962      |              | \$94.89      | Nov 15, 2017 | 88888         | 17655                 | JENSEN, STEVEN          |
| 1           | 1018963      |              | \$24.08      | Nov 15, 2017 | 88888         | 17764                 | COZAD, PATRICIA M       |
| 1           | 1018964      |              | \$7.92       | Nov 15, 2017 | 88888         | 18002                 | GOLDSMITH, EMILY R      |
| 1           | 1018965      |              | \$20.97      | Nov 15, 2017 | 88888         | 18414                 | KATZMAREK, ABIGAIL S    |
| 1           | 1018966      |              | \$22.47      | Nov 15, 2017 | 88888         | 18630                 | ANDERSON, JANELLE D     |
| 1           | 1018967      |              | \$25.75      | Nov 15, 2017 | 88888         | 18633                 | BERCHILD, MEGAN A       |
| 1           | 1018968      |              | \$96.91      | Nov 15, 2017 | 88888         | 18633                 | BERCHILD, MEGAN A       |
| 1           | 1018969      |              | \$61.10      | Nov 15, 2017 | 88888         | 18952                 | CSELOVSZKI, CASSANDRA K |
| 1           | 1018970      |              | \$25.47      | Nov 15, 2017 | 88888         | 18990                 | FLIKEID, TASHA          |
| 1           | 1018971      |              | \$40.45      | Nov 15, 2017 | 88888         | 19148                 | ALVARADO ROBLES, LUIS   |
| 1           | 1018972      |              | \$66.88      | Nov 15, 2017 | 88888         | 19158                 | EWERT, CASEY B          |

100

## Check Register Report

| Bank Number        | Check Number | Check Status       | Check Amount       | Check Date   | Vendor Number | Vendor Address Number | Vendor Name            |
|--------------------|--------------|--------------------|--------------------|--------------|---------------|-----------------------|------------------------|
| 1                  | 1018973      |                    | \$80.00            | Nov 15, 2017 | 88888         | 5573                  | WEILER, ROBERT M       |
| 1                  | 1018974      |                    | \$57.31            | Nov 15, 2017 | 88888         | 6874                  | STEAD, AMY JO          |
| 1                  | 1018975      |                    | \$75.73            | Nov 15, 2017 | 88888         | 6874                  | STEAD, AMY JO          |
| 1                  | 1018976      |                    | \$22.79            | Nov 15, 2017 | 88888         | 7347                  | SMITH, KELLY L         |
| 1                  | 1018977      |                    | \$63.43            | Nov 15, 2017 | 88888         | 9293                  | SCHROEDER, PATRICIA    |
| 1                  | 1018978      |                    | \$179.00           | Nov 15, 2017 | 88888         | 11320                 | WALDRON, RACHELLE      |
| 1                  | 1018979      |                    | \$197.06           | Nov 15, 2017 | 88888         | 11689                 | TUSA, ANGELA M         |
| 1                  | 1018980      |                    | \$817.33           | Nov 15, 2017 | 88888         | 12023                 | MCCARTHY, BRIGID M     |
| 1                  | 1018981      |                    | \$72.64            | Nov 15, 2017 | 88888         | 13431                 | PAETZOLD, ROBERT JAMES |
| 1                  | 1018982      |                    | \$15.99            | Nov 15, 2017 | 88888         | 13651                 | SEXTON, MARCIA         |
| 1                  | 1018983      |                    | \$19.47            | Nov 15, 2017 | 88888         | 13651                 | SEXTON, MARCIA         |
| 1                  | 1018984      |                    | \$79.18            | Nov 15, 2017 | 88888         | 13692                 | NIEMIEC, ALICIA        |
| 1                  | 1018985      |                    | \$83.56            | Nov 15, 2017 | 88888         | 14131                 | MICHELS, CHRISTINE     |
| 1                  | 1018986      |                    | \$85.92            | Nov 15, 2017 | 88888         | 14961                 | SPRY, KARIE            |
| 1                  | 1018987      |                    | \$88.33            | Nov 15, 2017 | 88888         | 15010                 | NELSON, KATIE L        |
| 1                  | 1018988      |                    | \$21.61            | Nov 15, 2017 | 88888         | 15700                 | REID, LISA M           |
| 1                  | 1018989      |                    | \$2.14             | Nov 15, 2017 | 88888         | 16003                 | PRANSCHKE, STEPHANIE T |
| 1                  | 1018990      |                    | \$127.50           | Nov 15, 2017 | 88888         | 17431                 | QUINTANA, MARIANA      |
| 1                  | 1018991      |                    | \$16.26            | Nov 15, 2017 | 88888         | 18624                 | ROEHL, PETER A         |
| 1                  | 1018992      |                    | \$23.43            | Nov 15, 2017 | 88888         | 18635                 | MCDOWELL, MORGAN       |
| 1                  | 1018993      |                    | \$31.46            | Nov 15, 2017 | 88888         | 18846                 | OTTO, CARON            |
| 1                  | 1018994      |                    | \$14.44            | Nov 15, 2017 | 88888         | 18862                 | RUFF, HAILEY C         |
| <b>Check Count</b> | <b>174</b>   | <b>Grand Total</b> | <b>\$15,743.78</b> |              |               |                       |                        |

101

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name              |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|--------------------------|
| 4           | 455453       |              | \$120.00     | Oct 17, 2017 | 28727         | 0                     | ALY, ZAKARIA             |
| 4           | 455454       |              | \$51.00      | Oct 17, 2017 | 27777         | 0                     | ANDREWS, JOHN            |
| 4           | 455455       |              | \$245.00     | Oct 17, 2017 | 00009         | 3                     | APPLE VALLEY HIGH SCHOOL |
| 4           | 455456       |              | \$113.00     | Oct 17, 2017 | 29594         | 0                     | ARMSTRONG, ABIGAIL       |
| 4           | 455457       |              | \$50.00      | Oct 17, 2017 | 26265         | 0                     | BEECHER, JOHN            |
| 4           | 455458       |              | \$66.00      | Oct 17, 2017 | 26888         | 0                     | BODEKER, RANDY           |
| 4           | 455459       |              | \$102.00     | Oct 17, 2017 | 25320         | 0                     | BORCHERS, WILLIAM S      |
| 4           | 455460       |              | \$50.00      | Oct 17, 2017 | 28546         | 0                     | CAHILL, TED              |
| 4           | 455461       |              | \$120.00     | Oct 17, 2017 | 28260         | 0                     | CHOY, SERGIO R.          |
| 4           | 455462       |              | \$51.00      | Oct 17, 2017 | 25292         | 0                     | CLEAR, DAVID             |
| 4           | 455463       |              | \$360.00     | Oct 17, 2017 | 20524         | 0                     | DEWALD, RINA C.          |
| 4           | 455464       |              | \$867.48     | Oct 17, 2017 | 27334         | 0                     | DS ERICKSON              |
| 4           | 455465       |              | \$51.00      | Oct 17, 2017 | 29595         | 0                     | FOLEY, SEAN              |
| 4           | 455466       |              | \$125.00     | Oct 17, 2017 | 20715         | 0                     | GAGSTETTER, MARK         |
| 4           | 455467       |              | \$1,496.00   | Oct 17, 2017 | 22183         | 0                     | GRAPHIC DESIGN, INC.     |
| 4           | 455468       |              | \$66.00      | Oct 17, 2017 | 28944         | 0                     | HANSON, RANDY            |
| 4           | 455469       |              | \$10.00      | Oct 17, 2017 | 00000         | 7341                  | HEGFORS, LEE             |
| 4           | 455470       |              | \$66.00      | Oct 17, 2017 | 28921         | 0                     | HENNES, DANIEL           |
| 4           | 455471       |              | \$60.00      | Oct 17, 2017 | 29182         | 0                     | HUTSAL, OLEKSANDRA       |
| 4           | 455472       |              | \$116.65     | Oct 17, 2017 | 02483         | 1                     | INTEGRA TELECOM          |
| 4           | 455473       |              | \$150.00     | Oct 17, 2017 | 20540         | 0                     | INTELLIGERE, INC         |
| 4           | 455474       |              | \$90.00      | Oct 17, 2017 | 24542         | 0                     | JAMA, SAFIYO             |
| 4           | 455475       |              | \$30.00      | Oct 17, 2017 | 00000         | 7342                  | JOHNSON, ADAM            |
| 4           | 455476       |              | \$120.00     | Oct 17, 2017 | 28915         | 0                     | JOHNSON, ZACHARY         |
| 4           | 455477       |              | \$906.20     | Oct 17, 2017 | 27818         | 1                     | JUNIOR LIBRARY GUILD     |
| 4           | 455478       |              | \$68.00      | Oct 17,      | 27793         | 0                     | KEE-BOWLING, BONNIE      |

102

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name                            |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|--|
|             |              |              |              | 2017         |               |                       |  |
| 4           | 455479       |              | \$78.00      | Oct 17, 2017 | 00000         | 7340                  | KLEVEN, CHERISSE                       |
| 4           | 455480       |              | \$113.00     | Oct 17, 2017 | 29596         | 0                     | LOWE, GLENN                            |
| 4           | 455481       |              | \$66.00      | Oct 17, 2017 | 28591         | 0                     | LUBOW, SCOTT                           |
| 4           | 455482       |              | \$3,083.33   | Oct 17, 2017 | 05220         | 0                     | MACPHAIL                               |
| 4           | 455483       |              | \$120.00     | Oct 17, 2017 | 29338         | 0                     | MCSHANE, JAMES                         |
| 4           | 455484       |              | \$915.00     | Oct 17, 2017 | 24523         | 0                     | MIDWEST LANGUAGE BANC, INC.            |
| 4           | 455485       |              | \$150.00     | Oct 17, 2017 | 05884         | 0                     | MILLER, CHARLOTTE                      |
| 4           | 455486       |              | \$200.00     | Oct 17, 2017 | 05886         | 0                     | MILLER, STEVE                          |
| 4           | 455487       |              | \$335.00     | Oct 17, 2017 | 02977         | 0                     | MINNESOTA INDIAN EDUCATION ASSOCIATION |
| 4           | 455488       |              | \$50.00      | Oct 17, 2017 | 02956         | 0                     | MSOPA                                  |
| 4           | 455489       |              | \$180.00     | Oct 17, 2017 | 24243         | 0                     | MUNOZ, MARIBEL                         |
| 4           | 455490       |              | \$50.00      | Oct 17, 2017 | 29597         | 0                     | NWAOFUNE, PETER                        |
| 4           | 455491       |              | \$66.00      | Oct 17, 2017 | 24508         | 0                     | PARSONS, ZACHARY                       |
| 4           | 455492       |              | \$300.00     | Oct 17, 2017 | 24879         | 0                     | PEREZ, MELISSA M.                      |
| 4           | 455493       |              | \$102.00     | Oct 17, 2017 | 06027         | 0                     | RENNEBERG, PETER                       |
| 4           | 455494       |              | \$66.00      | Oct 17, 2017 | 24785         | 0                     | ROCK, KEITH                            |
| 4           | 455495       |              | \$50.00      | Oct 17, 2017 | 24679         | 0                     | SCHALLER, WES                          |
| 4           | 455496       |              | \$163.75     | Oct 17, 2017 | 03532         | 2                     | SCHMITT MUSIC                          |
| 4           | 455497       |              | \$119,261.12 | Oct 17, 2017 | 09331         | 0                     | SCHMITTY & SONS SCHOOL BUSES, INC.     |
| 4           | 455498       |              | \$120.00     | Oct 17, 2017 | 24511         | 0                     | STOLL, HEATH                           |
| 4           | 455499       |              | \$66.00      | Oct 17, 2017 | 29598         | 0                     | TIETZ, STEVEN                          |
| 4           | 455500       |              | \$66.00      | Oct 17, 2017 | 29108         | 0                     | TURNER, AARON                          |
| 4           | 455501       |              | \$15.86      | Oct 17, 2017 | 04172         | 0                     | UNITED PARCEL SERVICE                  |
| 4           | 455502       |              | \$777.78     | Oct 17, 2017 | 08798         | 10                    | UNIVERSITY OF MINNESOTA                |
| 4           | 455503       |              | \$43,011.16  | Oct 17, 2017 | 04417         | 1                     | US FOODS INC                           |

103

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name                        |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|------------------------------------|
| 4           | 455504       | Unissued     | \$0.00       | Oct 17, 2017 | 04417         | 1                     | US FOODS INC                       |
| 4           | 455505       | Unissued     | \$0.00       | Oct 17, 2017 | 04417         | 1                     | US FOODS INC                       |
| 4           | 455506       |              | \$66.00      | Oct 17, 2017 | 26210         | 0                     | VANDERVEREN, BRADLEY               |
| 4           | 455507       |              | \$51.00      | Oct 17, 2017 | 29587         | 0                     | VAUGHAN, CHRISTOPHER               |
| 4           | 455508       |              | \$1,200.99   | Oct 17, 2017 | 20019         | 0                     | VERNON COMPANY                     |
| 4           | 455509       |              | \$60.00      | Oct 17, 2017 | 25560         | 0                     | WARSAME, KADRA                     |
| 4           | 455510       |              | \$51.00      | Oct 17, 2017 | 05950         | 0                     | WINTER, CLARENCE                   |
| 4           | 455511       |              | \$34,213.50  | Oct 20, 2017 | 05296         | 0                     | 360 COMMUNITIES                    |
| 4           | 455512       |              | \$135.00     | Oct 20, 2017 | 29576         | 0                     | 5N5 CO.                            |
| 4           | 455513       |              | \$100.00     | Oct 20, 2017 | 27777         | 0                     | ANDREWS, JOHN                      |
| 4           | 455514       |              | \$410.79     | Oct 20, 2017 | 00386         | 1                     | BARNES & NOBLE, INC.               |
| 4           | 455515       |              | \$547.00     | Oct 20, 2017 | 29504         | 0                     | BECOME WELLNESS LLC                |
| 4           | 455516       |              | \$66.00      | Oct 20, 2017 | 26888         | 0                     | BODEKER, RANDY                     |
| 4           | 455517       |              | \$66.00      | Oct 20, 2017 | 05039         | 0                     | BRANDT, KEVIN                      |
| 4           | 455518       |              | \$825.00     | Oct 20, 2017 | 00233         | 1                     | COLLEGE BOARD-MWRO                 |
| 4           | 455519       |              | \$3,370.04   | Oct 20, 2017 | 06231         | 0                     | CONSOLIDATED COMMUNICATIONS        |
| 4           | 455520       |              | \$2,345.10   | Oct 20, 2017 | 00502         | 0                     | CORNERSTONE COPY CENTER            |
| 4           | 455521       |              | \$200.00     | Oct 20, 2017 | 06740         | 0                     | DAKOTA CITY HERITAGE VILLAGE, INC. |
| 4           | 455522       |              | \$66.00      | Oct 20, 2017 | 27805         | 0                     | DAWSON, GUY                        |
| 4           | 455523       |              | \$60.00      | Oct 20, 2017 | 20524         | 0                     | DEWALD, RINA C.                    |
| 4           | 455524       |              | \$5,655.32   | Oct 20, 2017 | 29385         | 0                     | DIGITAL INSURANCE, INC.            |
| 4           | 455525       |              | \$50.00      | Oct 20, 2017 | 24520         | 0                     | ERICKSON, TYRUS                    |
| 4           | 455526       |              | \$301.35     | Oct 20, 2017 | 24275         | 0                     | FAGERNESS, JOYCE                   |
| 4           | 455527       |              | \$2,628.30   | Oct 20, 2017 | 28651         | 0                     | FOOD GROUP                         |
| 4           | 455528       |              | \$92.32      | Oct 20, 2017 | 28202         | 0                     | FOUNDATION 191                     |
| 4           | 455529       |              | \$90.00      | Oct 20,      | 26554         | 0                     | GANADO, CESAR                      |

104

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name                                   |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|---|
|             |              |              |              | 2017         |               |                       |   |
| 4           | 455530       |              | \$691.00     | Oct 20, 2017 | 28906         | 0                     | GL SPORTS CAMPS, LLC                          |
| 4           | 455531       |              | \$86.00      | Oct 20, 2017 | 23395         | 0                     | HARDGROVE, JOHN                               |
| 4           | 455532       |              | \$86.00      | Oct 20, 2017 | 07799         | 0                     | HILL, SCOTT                                   |
| 4           | 455533       |              | \$60.00      | Oct 20, 2017 | 29182         | 0                     | HUTSAL, OLEKSANDRA                            |
| 4           | 455534       |              | \$2,125.00   | Oct 20, 2017 | 23420         | 0                     | IXL LEARNING, INC.                            |
| 4           | 455535       |              | \$102.00     | Oct 20, 2017 | 03574         | 0                     | JESSEN, CHRIS                                 |
| 4           | 455536       |              | \$440.00     | Oct 20, 2017 | 29529         | 0                     | JH POOL CONSULTING, INC.                      |
| 4           | 455537       |              | \$112.00     | Oct 20, 2017 | 20523         | 0                     | JONES, SCOTT                                  |
| 4           | 455538       |              | \$113.00     | Oct 20, 2017 | 03966         | 0                     | JUREWICZ, FRED                                |
| 4           | 455539       |              | \$240.00     | Oct 20, 2017 | 21993         | 0                     | KEOUGH, SHANNON                               |
| 4           | 455540       |              | \$113.00     | Oct 20, 2017 | 27404         | 0                     | LORENSON, DEB                                 |
| 4           | 455541       |              | \$263.50     | Oct 20, 2017 | 04999         | 0                     | LRP PUBLICATIONS                              |
| 4           | 455542       |              | \$910.00     | Oct 20, 2017 | 02538         | 0                     | MN ELEMENTARY SCHOOL PRINCIPALS ASSOC (MESPA) |
| 4           | 455543       |              | \$86.00      | Oct 20, 2017 | 24782         | 0                     | NOLEN, MARK                                   |
| 4           | 455544       |              | \$270.00     | Oct 20, 2017 | 02467         | 0                     | NOVAK, JANICE S.                              |
| 4           | 455545       |              | \$50.00      | Oct 20, 2017 | 29597         | 0                     | NWAOFUNE, PETER                               |
| 4           | 455546       |              | \$1,380.00   | Oct 20, 2017 | 29262         | 0                     | ON DEMAND PRINTING                            |
| 4           | 455547       |              | \$240.00     | Oct 20, 2017 | 24879         | 0                     | PEREZ, MELISSA M.                             |
| 4           | 455548       |              | \$86.00      | Oct 20, 2017 | 26851         | 0                     | PIPER, ROSS                                   |
| 4           | 455549       |              | \$142.00     | Oct 20, 2017 | 06693         | 0                     | POWELL, MALINDA                               |
| 4           | 455550       |              | \$58.80      | Oct 20, 2017 | 29413         | 1                     | QIVITALITY, LLC                               |
| 4           | 455551       |              | \$130.00     | Oct 20, 2017 | 21343         | 0                     | RAMACHER, THUY                                |
| 4           | 455552       |              | \$8,428.00   | Oct 20, 2017 | 00488         | 0                     | REGION 3AA                                    |
| 4           | 455553       |              | \$86.00      | Oct 20, 2017 | 29599         | 0                     | RUNK, ADAM                                    |
| 4           | 455554       |              | \$6,990.00   | Oct 20, 2017 | 26796         | 0                     | SAFEBAY DRIVING SCHOOL                        |

105

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name                                  |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|--|
| 4           | 455555       |              | \$50.00      | Oct 20, 2017 | 24679         | 0                     | SCHALLER, WES                                |
| 4           | 455556       |              | \$722.50     | Oct 20, 2017 | 29575         | 0                     | SKOW, KAREN                                  |
| 4           | 455557       |              | \$472.00     | Oct 20, 2017 | 25227         | 0                     | SOLBERG, STACY                               |
| 4           | 455558       |              | \$7,295.00   | Oct 20, 2017 | 28417         | 0                     | UNIVERSAL ATHLETIC SERVICE INC.              |
| 4           | 455559       |              | \$180.00     | Oct 20, 2017 | 25560         | 0                     | WARSAME, KADRA                               |
| 4           | 455560       |              | \$4,607.36   | Oct 24, 2017 | 27586         | 0                     | AMERICAN OFFICE PRODUCTS                     |
| 4           | 455561       |              | \$340.00     | Oct 24, 2017 | 09426         | 0                     | ARNESON, AL                                  |
| 4           | 455562       |              | \$14,476.66  | Oct 24, 2017 | 03544         | 2                     | BEST BUY BUSINESS ADVANTAGE ACCOUNT          |
| 4           | 455563       |              | \$2,311.58   | Oct 24, 2017 | 02519         | 0                     | CENTERPOINT ENERGY                           |
| 4           | 455564       |              | \$259.90     | Oct 24, 2017 | 02519         | 3                     | CENTERPOINT ENERGY SERVICES, INC.            |
| 4           | 455565       |              | \$76,713.87  | Oct 24, 2017 | 00809         | 0                     | DAKOTA ELECTRIC ASSOCIATION                  |
| 4           | 455566       |              | \$592,411.84 | Oct 24, 2017 | 28300         | 1                     | DURHAM SCHOOL SERVICES                       |
| 4           | 455567       |              | \$585.00     | Oct 24, 2017 | 09272         | 2                     | ECM PUBLISHERS, INC.                         |
| 4           | 455568       |              | \$36,947.80  | Oct 24, 2017 | 27633         | 0                     | KELLY SERVICES, INC.                         |
| 4           | 455569       |              | \$30.24      | Oct 24, 2017 | 00016         | 3336                  | KRZMARZICK, MARLA                            |
| 4           | 455570       |              | \$87.50      | Oct 24, 2017 | 22385         | 0                     | METRO TRANSIT                                |
| 4           | 455571       |              | \$325.00     | Oct 24, 2017 | 27735         | 0                     | MN JUNIOR HIGH SCHOOL MATHEMATICS LEAGUE     |
| 4           | 455572       |              | \$150.00     | Oct 24, 2017 | 24459         | 0                     | MN NONPUBLIC SCHOOL ACCREDITING ASSOC(MNSAA) |
| 4           | 455573       |              | \$22.25      | Oct 24, 2017 | 00016         | 3335                  | MOSS, MIKAYLA                                |
| 4           | 455574       |              | \$413.14     | Oct 24, 2017 | 02489         | 1                     | OFFICE DEPOT COMPANY                         |
| 4           | 455575       |              | \$150.00     | Oct 24, 2017 | 02400         | 1                     | ORNDORF, RICK                                |
| 4           | 455576       |              | \$2,597.88   | Oct 24, 2017 | 20099         | 2                     | RELIASTAR LIFE INSURANCE COMPANY             |
| 4           | 455577       |              | \$2,716.30   | Oct 24, 2017 | 20099         | 3                     | RELIASTAR LIFE INSURANCE COMPANY             |
| 4           | 455578       |              | \$1,358.81   | Oct 24, 2017 | 20099         | 4                     | RELIASTAR LIFE INSURANCE COMPANY             |
| 4           | 455579       |              | \$529.02     | Oct 24, 2017 | 03532         | 2                     | SCHMITT MUSIC                                |
| 4           | 455580       | Unissued     | \$0.00       | Oct 24,      | 03532         | 2                     | SCHMITT MUSIC                                |

106

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name                        |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|------------------------------------|
|             |              |              |              | 2017         |               |                       |                                    |
| 4           | 455581       |              | \$2,412.00   | Oct 24, 2017 | 03369         | 0                     | SEXTON PRINTING                    |
| 4           | 455582       |              | \$39,500.81  | Oct 24, 2017 | 24486         | 0                     | THE HARTFORD                       |
| 4           | 455583       |              | \$755.20     | Oct 24, 2017 | 28502         | 0                     | THE MCDOWELL AGENCY, INC.          |
| 4           | 455584       |              | \$164.57     | Oct 24, 2017 | E7415         | 0                     | UMHOFER, THOMAS C                  |
| 4           | 455585       |              | \$888.85     | Oct 24, 2017 | 04417         | 1                     | US FOODS INC                       |
| 4           | 455586       |              | \$156.00     | Oct 24, 2017 | 28298         | 0                     | US HEALTH WORKS MEDICAL GRP MN, PC |
| 4           | 455587       |              | \$692.00     | Oct 27, 2017 | 28551         | 0                     | ADVANCED IMAGING SOLUTIONS         |
| 4           | 455588       |              | \$12,622.00  | Oct 27, 2017 | 00017         | 0                     | AIM ELECTRONICS, INC.              |
| 4           | 455589       |              | \$239.00     | Oct 27, 2017 | 00098         | 1                     | ASCD                               |
| 4           | 455590       |              | \$5,375.00   | Oct 27, 2017 | 29589         | 0                     | AUDIO VISIONS OF MINNESOTA INC.    |
| 4           | 455591       |              | \$87.50      | Oct 27, 2017 | 09987         | 1                     | BEARCOM                            |
| 4           | 455592       |              | \$350.00     | Oct 27, 2017 | 27894         | 0                     | BURNSVILLE NORDIC SKI BOOSTERS     |
| 4           | 455593       |              | \$7,445.70   | Oct 27, 2017 | 29269         | 1                     | CAPSTONE PRESS, INC.               |
| 4           | 455594       |              | \$50.00      | Oct 27, 2017 | 29600         | 0                     | CASWELL, CHASE                     |
| 4           | 455595       |              | \$2,854.27   | Oct 27, 2017 | 02519         | 0                     | CENTERPOINT ENERGY                 |
| 4           | 455596       |              | \$180.00     | Oct 27, 2017 | 28260         | 0                     | CHOY, SERGIO R.                    |
| 4           | 455597       |              | \$825.00     | Oct 27, 2017 | 00233         | 1                     | COLLEGE BOARD-MWRO                 |
| 4           | 455598       |              | \$908.91     | Oct 27, 2017 | 00502         | 0                     | CORNERSTONE COPY CENTER            |
| 4           | 455599       |              | \$220.00     | Oct 27, 2017 | 00666         | 1                     | COUNCIL FOR EXCEPTIONAL CHILDREN   |
| 4           | 455600       |              | \$360.00     | Oct 27, 2017 | 20524         | 0                     | DEWALD, RINA C.                    |
| 4           | 455601       |              | \$190.53     | Oct 27, 2017 | 00889         | 1                     | ELSMORE SWIM SHOP                  |
| 4           | 455602       |              | \$287.18     | Oct 27, 2017 | 04387         | 1                     | GRAINGER                           |
| 4           | 455603       |              | \$216.00     | Oct 27, 2017 | 22194         | 1                     | GUSTAVUS ADOLPHUS COLLEGE          |
| 4           | 455604       |              | \$1,370.41   | Oct 27, 2017 | 07139         | 0                     | HASTINGS BUS COMPANY               |
| 4           | 455605       |              | \$60.00      | Oct 27, 2017 | 29182         | 0                     | HUTSAL, OLEKSANDRA                 |

107

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name                                   |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|---|
| 4           | 455606       |              | \$51.28      | Oct 27, 2017 | 00000         | 8283                  | KNOKE, BARB                                   |
| 4           | 455607       |              | \$153.00     | Oct 27, 2017 | 28192         | 0                     | KRAMER, PAUL                                  |
| 4           | 455608       |              | \$88.00      | Oct 27, 2017 | 21553         | 3                     | LIFETIME FITNESS                              |
| 4           | 455609       |              | \$100.00     | Oct 27, 2017 | 24865         | 0                     | MANKATO EAST HIGH SCHOOL                      |
| 4           | 455610       |              | \$245.00     | Oct 27, 2017 | 25512         | 0                     | MAYER ARTS, INC.                              |
| 4           | 455611       |              | \$878.67     | Oct 27, 2017 | 03029         | 1                     | MINNESOTA ENERGY RESOURCES                    |
| 4           | 455612       |              | \$450.00     | Oct 27, 2017 | 09181         | 1                     | MN ADMINISTRATOR FOR SPECIAL EDUCATION (MASE) |
| 4           | 455613       |              | \$75.00      | Oct 27, 2017 | 22397         | 0                     | MN BOARD OF SCHOOL ADMINISTRATORS (MBSA)      |
| 4           | 455614       |              | \$1,210.00   | Oct 27, 2017 | 03216         | 0                     | MROS, RICHARD                                 |
| 4           | 455615       |              | \$69.00      | Oct 27, 2017 | 25372         | 4                     | NCS PEARSON INC                               |
| 4           | 455616       |              | \$35.23      | Oct 27, 2017 | 00000         | 1599                  | PEDERSEN, NORMA                               |
| 4           | 455617       |              | \$51.00      | Oct 27, 2017 | 29601         | 0                     | PIPER, TAD                                    |
| 4           | 455618       |              | \$827.20     | Oct 27, 2017 | 01709         | 1                     | PPG ARCHITECTURAL FINISHES                    |
| 4           | 455619       |              | \$463.10     | Oct 27, 2017 | 29413         | 1                     | QIVITALITY, LLC                               |
| 4           | 455620       |              | \$60.00      | Oct 27, 2017 | 21343         | 0                     | RAMACHER, THUY                                |
| 4           | 455621       |              | \$336.00     | Oct 27, 2017 | 28168         | 0                     | ROARK, RICHARD JEFFREY                        |
| 4           | 455622       |              | \$212.67     | Oct 27, 2017 | 03532         | 2                     | SCHMITT MUSIC                                 |
| 4           | 455623       |              | \$8,136.25   | Oct 27, 2017 | 24346         | 0                     | STRATEGIC BEHAVIORAL SOLUTIONS                |
| 4           | 455624       |              | \$1,577.64   | Oct 27, 2017 | 29345         | 1                     | T-MOBILE                                      |
| 4           | 455625       |              | \$400.95     | Oct 27, 2017 | 00497         | 6                     | TIME FOR KIDS                                 |
| 4           | 455626       |              | \$175.00     | Oct 27, 2017 | 28852         | 0                     | TYLER, BRUCE                                  |
| 4           | 455627       |              | \$1,100.00   | Oct 27, 2017 | 29602         | 0                     | USTA NORTHERN                                 |
| 4           | 455628       |              | \$60.00      | Oct 27, 2017 | 25560         | 0                     | WARSAME, KADRA                                |
| 4           | 455629       |              | \$14.29      | Oct 27, 2017 | 02776         | 0                     | XCEL ENERGY                                   |
| 4           | 455630       |              | \$1,925.61   | Nov 1, 2017  | 28491         | 0                     | A.J. MOORE ELECTRIC, INC.                     |
| 4           | 455631       |              | \$176.00     | Nov 1,       | 00027         | 0                     | ACADEMIC THERAPY PUBLICATIONS                 |

108

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date  | Vendor Number | Vendor Address Number | Vendor Name                           |
|-------------|--------------|--------------|--------------|-------------|---------------|-----------------------|---------------------------------------|
|             |              |              |              | 2017        |               |                       |                                       |
| 4           | 455632       |              | \$640.10     | Nov 1, 2017 | 29434         | 0                     | ACER SERVICE CORPORATION              |
| 4           | 455633       |              | \$10,383.08  | Nov 1, 2017 | 28147         | 1                     | AGROPUR INC. DIVISION NATREL USA      |
| 4           | 455634       | Unissued     | \$0.00       | Nov 1, 2017 | 28147         | 1                     | AGROPUR INC. DIVISION NATREL USA      |
| 4           | 455635       | Unissued     | \$0.00       | Nov 1, 2017 | 28147         | 1                     | AGROPUR INC. DIVISION NATREL USA      |
| 4           | 455636       | Unissued     | \$0.00       | Nov 1, 2017 | 28147         | 1                     | AGROPUR INC. DIVISION NATREL USA      |
| 4           | 455637       | Unissued     | \$0.00       | Nov 1, 2017 | 28147         | 1                     | AGROPUR INC. DIVISION NATREL USA      |
| 4           | 455638       | Unissued     | \$0.00       | Nov 1, 2017 | 28147         | 1                     | AGROPUR INC. DIVISION NATREL USA      |
| 4           | 455639       | Unissued     | \$0.00       | Nov 1, 2017 | 28147         | 1                     | AGROPUR INC. DIVISION NATREL USA      |
| 4           | 455640       | Unissued     | \$0.00       | Nov 1, 2017 | 28147         | 1                     | AGROPUR INC. DIVISION NATREL USA      |
| 4           | 455641       |              | \$338.00     | Nov 1, 2017 | 25221         | 0                     | ALTA ENTERPRISES, INC.                |
| 4           | 455642       |              | \$402.47     | Nov 1, 2017 | 27586         | 0                     | AMERICAN OFFICE PRODUCTS              |
| 4           | 455643       |              | \$373.64     | Nov 1, 2017 | 01365         | 0                     | AMERIPRIDE LINEN AND APPAREL SERVICES |
| 4           | 455644       | Unissued     | \$0.00       | Nov 1, 2017 | 01365         | 0                     | AMERIPRIDE LINEN AND APPAREL SERVICES |
| 4           | 455645       |              | \$505.84     | Nov 1, 2017 | 00106         | 0                     | AQUA ENGINEERING, INC.                |
| 4           | 455646       |              | \$20,488.89  | Nov 1, 2017 | 26500         | 0                     | ARMSTRONG TORSETH SKOLD & RYDEEN INC. |
| 4           | 455647       |              | \$1,396.11   | Nov 1, 2017 | 00386         | 1                     | BARNES & NOBLE, INC.                  |
| 4           | 455648       | Unissued     | \$0.00       | Nov 1, 2017 | 00386         | 1                     | BARNES & NOBLE, INC.                  |
| 4           | 455649       |              | \$35.00      | Nov 1, 2017 | 03544         | 2                     | BEST BUY BUSINESS ADVANTAGE ACCOUNT   |
| 4           | 455650       |              | \$10,297.55  | Nov 1, 2017 | 00477         | 0                     | BIX PRODUCE COMPANY                   |
| 4           | 455651       | Unissued     | \$0.00       | Nov 1, 2017 | 00477         | 0                     | BIX PRODUCE COMPANY                   |
| 4           | 455652       | Unissued     | \$0.00       | Nov 1, 2017 | 00477         | 0                     | BIX PRODUCE COMPANY                   |
| 4           | 455653       | Unissued     | \$0.00       | Nov 1, 2017 | 00477         | 0                     | BIX PRODUCE COMPANY                   |
| 4           | 455654       |              | \$8,057.85   | Nov 1, 2017 | 26720         | 0                     | BLUE BELL ENTERPRISES, INC.           |
| 4           | 455655       |              | \$49,382.27  | Nov 1, 2017 | 20289         | 1                     | CDW GOVERNMENT, INC.                  |
| 4           | 455656       |              | \$141.60     | Nov 1, 2017 | 26628         | 0                     | CENTRAL FIRE PROTECTION, INC.         |

109

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date  | Vendor Number | Vendor Address Number | Vendor Name                                  |
|-------------|--------------|--------------|--------------|-------------|---------------|-----------------------|--|
| 4           | 455657       |              | \$14,400.00  | Nov 1, 2017 | 22015         | 0                     | CM CONSTRUCTION COMPANY, INC.                |
| 4           | 455658       |              | \$6,581.08   | Nov 1, 2017 | 23509         | 0                     | COOL AIR MECHANICAL, INC.                    |
| 4           | 455659       |              | \$520.70     | Nov 1, 2017 | 27672         | 0                     | CUMMINGS MOBILITY CONVERSIONS & SUPPLY INC   |
| 4           | 455660       |              | \$498.00     | Nov 1, 2017 | 00782         | 1                     | CURRICULUM ASSOCIATES, INC.                  |
| 4           | 455661       |              | \$17,037.64  | Nov 1, 2017 | 04186         | 1                     | DALCO  |
| 4           | 455662       | Unissued     | \$0.00       | Nov 1, 2017 | 04186         | 1                     | DALCO  |
| 4           | 455663       | Unissued     | \$0.00       | Nov 1, 2017 | 04186         | 1                     | DALCO  |
| 4           | 455664       |              | \$4,156.76   | Nov 1, 2017 | 00279         | 0                     | DIVERSIFIED SNACK DISTRIBUTION               |
| 4           | 455665       | Unissued     | \$0.00       | Nov 1, 2017 | 00279         | 0                     | DIVERSIFIED SNACK DISTRIBUTION               |
| 4           | 455666       |              | \$1,171.84   | Nov 1, 2017 | 01078         | 0                     | ELECTRO WATCHMAN, INC.                       |
| 4           | 455667       |              | \$235.00     | Nov 1, 2017 | 26949         | 0                     | FAIRFIELD GLASS & WINDOW, INC.               |
| 4           | 455668       |              | \$5,832.39   | Nov 1, 2017 | 28598         | 0                     | FLAGSHIP RECREATION                          |
| 4           | 455669       |              | \$9,240.00   | Nov 1, 2017 | 01475         | 0                     | FRIEDGES LANDSCAPING, INC.                   |
| 4           | 455670       |              | \$1,344.63   | Nov 1, 2017 | 04387         | 1                     | GRAINGER                                     |
| 4           | 455671       | Unissued     | \$0.00       | Nov 1, 2017 | 04387         | 1                     | GRAINGER                                     |
| 4           | 455672       |              | \$513.00     | Nov 1, 2017 | 01774         | 1                     | HALDEMAN-HOMME, INC.                         |
| 4           | 455673       |              | \$11,704.38  | Nov 1, 2017 | 09046         | 0                     | HI TECH REFRIGERATION, INC                   |
| 4           | 455674       |              | \$1,718.10   | Nov 1, 2017 | 05805         | 0                     | HILLER'S FLOORING AMERICA                    |
| 4           | 455675       |              | \$369.80     | Nov 1, 2017 | 09318         | 1                     | HILLYARD INC - MINNEAPOLIS                   |
| 4           | 455676       |              | \$1,329.30   | Nov 1, 2017 | 04818         | 0                     | HORIZON COMMERCIAL POOL SUPPLY               |
| 4           | 455677       |              | \$1,126.14   | Nov 1, 2017 | 29071         | 0                     | JOBS FOUNDATION/TECH DUMP                    |
| 4           | 455678       |              | \$2,577.73   | Nov 1, 2017 | 05816         | 0                     | JOHN A. DALSIN & SON, INC.                   |
| 4           | 455679       |              | \$15,453.00  | Nov 1, 2017 | 28688         | 0                     | K12 TRANSPORTATION MANAGEMENT SERVICES, INC. |
| 4           | 455680       |              | \$100.00     | Nov 1, 2017 | 02268         | 0                     | LANCE SERVICE, INC.                          |
| 4           | 455681       |              | \$265.04     | Nov 1, 2017 | 06419         | 1                     | LENSCRAFTERS, INC.                           |
| 4           | 455682       |              | \$300.00     | Nov 1,      | 05077         | 0                     | LOCKSAFE INC.                                |

110

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date  | Vendor Number | Vendor Address Number | Vendor Name                          |
|-------------|--------------|--------------|--------------|-------------|---------------|-----------------------|--------------------------------------|
|             |              |              |              | 2017        |               |                       |                                      |
| 4           | 455683       |              | \$395.00     | Nov 1, 2017 | 06559         | 1                     | MATRIX COMMUNICATIONS, INC.          |
| 4           | 455684       |              | \$425.60     | Nov 1, 2017 | 04333         | 1                     | MEDCO SUPPLY COMPANY                 |
| 4           | 455685       |              | \$5,435.00   | Nov 1, 2017 | 28341         | 0                     | MINNESOTA ROADWAYS CO.               |
| 4           | 455686       |              | \$77.29      | Nov 1, 2017 | 02544         | 1                     | MTI DISTRIBUTING CO.                 |
| 4           | 455687       |              | \$26.99      | Nov 1, 2017 | 03519         | 0                     | NAPA AUTO PARTS                      |
| 4           | 455688       |              | \$9,484.48   | Nov 1, 2017 | 20320         | 0                     | NORTHERN AIR CORPORATION (NAC)       |
| 4           | 455689       |              | \$510.00     | Nov 1, 2017 | 27700         | 0                     | OLYMPIC COMMUNICATIONS INC.          |
| 4           | 455690       |              | \$1,079.64   | Nov 1, 2017 | 01709         | 1                     | PPG ARCHITECTURAL FINISHES           |
| 4           | 455691       |              | \$53.90      | Nov 1, 2017 | 03073         | 1                     | PRO-ED                               |
| 4           | 455692       |              | \$2,954.73   | Nov 1, 2017 | 28785         | 1                     | PRODOCON, INC                        |
| 4           | 455693       |              | \$54.00      | Nov 1, 2017 | 24681         | 0                     | PROFESSIONAL WIRELESS COMMUNICATIONS |
| 4           | 455694       |              | \$63.00      | Nov 1, 2017 | 28528         | 0                     | ROCK HARD LANDSCAPE SUPPLY           |
| 4           | 455695       |              | \$1,050.00   | Nov 1, 2017 | 23241         | 0                     | RYAN MECHANICAL, INC.                |
| 4           | 455696       |              | \$61.00      | Nov 1, 2017 | 22579         | 0                     | SCHAD TRACY SIGNS                    |
| 4           | 455697       |              | \$148.76     | Nov 1, 2017 | 03745         | 2                     | SHERWIN-WILLIAMS                     |
| 4           | 455698       |              | \$3,341.30   | Nov 1, 2017 | 03587         | 1                     | SIMPLEX GRINNELL                     |
| 4           | 455699       |              | \$372.78     | Nov 1, 2017 | 03553         | 0                     | SOUTHPAW ENTERPRISES, INC.           |
| 4           | 455700       |              | \$1,020.13   | Nov 1, 2017 | 03689         | 0                     | STATE SUPPLY CO., INC.               |
| 4           | 455701       |              | \$324.00     | Nov 1, 2017 | 23998         | 2                     | SUMMIT COMMERCIAL FACILITIES GROUP   |
| 4           | 455702       |              | \$6,460.00   | Nov 1, 2017 | 02899         | 0                     | TESSMAN COMPANY                      |
| 4           | 455703       |              | \$163.47     | Nov 1, 2017 | 00826         | 1                     | TIERNEY BROTHERS, INC.               |
| 4           | 455704       |              | \$1,691.21   | Nov 1, 2017 | 22123         | 1                     | TOTAL FILTRATION SERVICES, INC.      |
| 4           | 455705       |              | \$16.50      | Nov 1, 2017 | 24444         | 0                     | TRI STATE BOBCAT                     |
| 4           | 455706       |              | \$7,168.79   | Nov 1, 2017 | 03802         | 0                     | TRIO SUPPLY                          |
| 4           | 455707       | Unissued     | \$0.00       | Nov 1, 2017 | 03802         | 0                     | TRIO SUPPLY                          |

111

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name                                 |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|---|
| 4           | 455708       |              | \$3,366.99   | Nov 1, 2017  | 01197         | 1                     | US FOODS CULINARY EQUIPMENT & SUPPLIES LLC  |
| 4           | 455709       |              | \$426.19     | Nov 1, 2017  | 04243         | 1                     | VIKING ELECTRIC SUPPLY, INC.                |
| 4           | 455710       |              | \$1,129.50   | Nov 1, 2017  | 04204         | 4                     | VIRCO INC                                   |
| 4           | 455711       |              | \$6,212.47   | Nov 1, 2017  | 04563         | 0                     | WENZEL PLUMBING-HEATING-COOLING LLC         |
| 4           | 455712       |              | \$2,800.00   | Nov 1, 2017  | 26801         | 0                     | XTREME TREE TEAM, INC.                      |
| 4           | 455713       |              | \$359.35     | Oct 30, 2017 | 06215         | 0                     | AIRPORT TAXI, INC.                          |
| 4           | 455714       |              | \$480.00     | Oct 30, 2017 | 23909         | 0                     | ALEMENY-JONES, AUREA                        |
| 4           | 455715       |              | \$465.00     | Oct 30, 2017 | 27129         | 0                     | ALI, AMAAL                                  |
| 4           | 455716       |              | \$465.00     | Oct 30, 2017 | 29435         | 0                     | ALI, HUDA                                   |
| 4           | 455717       |              | \$54.50      | Oct 30, 2017 | 04895         | 0                     | ASSOCIATION OF CLERICAL EMPLOYEES           |
| 4           | 455718       |              | \$1,696.00   | Oct 30, 2017 | 09991         | 0                     | BURNSVILLE ASSOCIATION OF EDUCATIONAL ASSTS |
| 4           | 455719       |              | \$120.00     | Oct 30, 2017 | 29403         | 0                     | CARLEVARINO, GIOVANNA                       |
| 4           | 455720       |              | \$225.00     | Oct 30, 2017 | 28401         | 0                     | CHOY, KEREN                                 |
| 4           | 455721       |              | \$487.50     | Oct 30, 2017 | 28260         | 0                     | CHOY, SERGIO R.                             |
| 4           | 455722       |              | \$1,820.00   | Oct 30, 2017 | 27732         | 0                     | DIALOG ONE LLC                              |
| 4           | 455723       |              | \$465.00     | Oct 30, 2017 | 29432         | 0                     | DIRIE, BAHJO                                |
| 4           | 455724       |              | \$435.00     | Oct 30, 2017 | 09272         | 2                     | ECM PUBLISHERS, INC.                        |
| 4           | 455725       |              | \$131.00     | Oct 30, 2017 | 28531         | 0                     | EDUCATION MINNESOTA                         |
| 4           | 455726       |              | \$2,363.06   | Oct 30, 2017 | 28651         | 0                     | FOOD GROUP                                  |
| 4           | 455727       |              | \$121.00     | Oct 30, 2017 | 27604         | 0                     | GREAT LAKES HIGHER EDUCATION CORPORATION    |
| 4           | 455728       |              | \$90.00      | Oct 30, 2017 | 29182         | 0                     | HUTSAL, OLEKSANDRA                          |
| 4           | 455729       |              | \$210.00     | Oct 30, 2017 | 24867         | 0                     | IBAR, AMINA                                 |
| 4           | 455730       |              | \$160.00     | Oct 30, 2017 | 01880         | 3                     | IND. SCHOOL DIST. 194 - LAKEVILLE SOUTH     |
| 4           | 455731       |              | \$70.00      | Oct 30, 2017 | 20540         | 0                     | INTELLIGERE, INC                            |
| 4           | 455732       |              | \$120.00     | Oct 30, 2017 | 24542         | 0                     | JAMA, SAFIYO                                |
| 4           | 455733       |              | \$34,434.10  | Oct 30,      | 27633         | 0                     | KELLY SERVICES, INC.                        |

112

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name                              |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|--|
|             |              |              |              | 2017         |               |                       |  |
| 4           | 455734       |              | \$307.50     | Oct 30, 2017 | 08356         | 1                     | KENNEDY & GRAVEN, CHARTERED              |
| 4           | 455735       |              | \$120.00     | Oct 30, 2017 | 29401         | 0                     | LOPEZ, GEORGE C.                         |
| 4           | 455736       |              | \$1,000.00   | Oct 30, 2017 | 29588         | 0                     | MAKING MATHEMATICS MEANINGFUL            |
| 4           | 455737       |              | \$75.00      | Oct 30, 2017 | 22397         | 0                     | MN BOARD OF SCHOOL ADMINISTRATORS (MBSA) |
| 4           | 455738       |              | \$200.00     | Oct 30, 2017 | 03288         | 0                     | MN LITERACY COUNCIL                      |
| 4           | 455739       |              | \$307.50     | Oct 30, 2017 | 28322         | 0                     | MOHAMMOUD, ZAHRA ALI                     |
| 4           | 455740       |              | \$495.00     | Oct 30, 2017 | 24243         | 0                     | MUNOZ, MARIBEL                           |
| 4           | 455741       |              | \$305.27     | Oct 30, 2017 | 03519         | 0                     | NAPA AUTO PARTS                          |
| 4           | 455742       |              | \$112.00     | Oct 30, 2017 | 08769         | 0                     | NCPERS MINNESOTA                         |
| 4           | 455743       |              | \$121.00     | Oct 30, 2017 | 23609         | 0                     | NEUMAN, MICHAEL                          |
| 4           | 455744       |              | \$450.00     | Oct 30, 2017 | 26842         | 0                     | PERALTA, GERMAN                          |
| 4           | 455745       |              | \$480.00     | Oct 30, 2017 | 24879         | 0                     | PEREZ, MELISSA M.                        |
| 4           | 455746       |              | \$60.00      | Oct 30, 2017 | 22793         | 0                     | RABINOWICZ, JACK                         |
| 4           | 455747       |              | \$60.00      | Oct 30, 2017 | 21343         | 0                     | RAMACHER, THUY                           |
| 4           | 455748       |              | \$308.00     | Oct 30, 2017 | 28277         | 0                     | ROBERT J. BRUNO, LTD                     |
| 4           | 455749       |              | \$174.71     | Oct 30, 2017 | 03532         | 2                     | SCHMITT MUSIC                            |
| 4           | 455750       |              | \$8,408.47   | Oct 30, 2017 | 07382         | 0                     | SCHOOL SERVICES EMPLOYEES LOCAL 284      |
| 4           | 455751       |              | \$3,813.00   | Oct 30, 2017 | 03369         | 0                     | SEXTON PRINTING                          |
| 4           | 455752       |              | \$195.00     | Oct 30, 2017 | 26857         | 0                     | SOTO, NESTOR DAVID                       |
| 4           | 455753       |              | \$759.50     | Oct 30, 2017 | 27465         | 0                     | SUMMER, JULIE ANNA                       |
| 4           | 455754       |              | \$120.00     | Oct 30, 2017 | 24968         | 0                     | TRANG, KRISTINE                          |
| 4           | 455755       |              | \$495.00     | Oct 30, 2017 | 28340         | 0                     | TWIN CITIES PHOTO BOOTH                  |
| 4           | 455756       |              | \$555.00     | Oct 30, 2017 | 25958         | 0                     | UGAS, ABDISAMAD                          |
| 4           | 455757       |              | \$194.00     | Oct 30, 2017 | 02813         | 7                     | US DEPARTMENT OF EDUCATION               |
| 4           | 455758       |              | \$42,170.86  | Oct 30, 2017 | 04417         | 1                     | US FOODS INC                             |

113

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name                        |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|------------------------------------|
| 4           | 455759       | Unissued     | \$0.00       | Oct 30, 2017 | 04417         | 1                     | US FOODS INC                       |
| 4           | 455760       |              | \$450.00     | Oct 30, 2017 | 25560         | 0                     | WARSAME, KADRA                     |
| 4           | 455761       |              | \$300.00     | Oct 30, 2017 | 25837         | 0                     | WILLIAMS, REBECCA                  |
| 4           | 455762       |              | \$3,743.02   | Nov 3, 2017  | 28551         | 0                     | ADVANCED IMAGING SOLUTIONS         |
| 4           | 455763       |              | \$68.00      | Nov 3, 2017  | 29398         | 0                     | ANDERSON, SHERRI M                 |
| 4           | 455764       |              | \$8,022.00   | Nov 3, 2017  | 29550         | 0                     | ASSETGENIE INC                     |
| 4           | 455765       |              | \$2,395.00   | Nov 3, 2017  | 29589         | 0                     | AUDIO VISIONS OF MINNESOTA INC.    |
| 4           | 455766       |              | \$545.00     | Nov 3, 2017  | 29504         | 0                     | BECOME WELLNESS LLC                |
| 4           | 455767       |              | \$51.00      | Nov 3, 2017  | 26265         | 0                     | BEECHER, JOHN                      |
| 4           | 455768       |              | \$160.00     | Nov 3, 2017  | 04016         | 0                     | BEHAVIORAL DIMENSIONS, INC.        |
| 4           | 455769       |              | \$66.00      | Nov 3, 2017  | 28949         | 0                     | BOCK, FRED                         |
| 4           | 455770       |              | \$900.00     | Nov 3, 2017  | 00673         | 0                     | BURNSVILLE, CITY OF                |
| 4           | 455771       |              | \$4,072.50   | Nov 3, 2017  | 00673         | 0                     | BURNSVILLE, CITY OF                |
| 4           | 455772       |              | \$60.00      | Nov 3, 2017  | 29343         | 0                     | CARSON, WENDY                      |
| 4           | 455773       |              | \$120.00     | Nov 3, 2017  | 28401         | 0                     | CHOY, KEREN                        |
| 4           | 455774       |              | \$178.50     | Nov 3, 2017  | 27279         | 1                     | COLE PAPERS INC.                   |
| 4           | 455775       |              | \$400.00     | Nov 3, 2017  | 00502         | 0                     | CORNERSTONE COPY CENTER            |
| 4           | 455776       |              | \$115.50     | Nov 3, 2017  | 28623         | 0                     | DAHL, XIAORONG YI                  |
| 4           | 455777       |              | \$49.00      | Nov 3, 2017  | 02213         | 0                     | DAKOTA COUNTY MASTER GARDNERS      |
| 4           | 455778       |              | \$420.00     | Nov 3, 2017  | 20524         | 0                     | DEWALD, RINA C.                    |
| 4           | 455779       |              | \$5,908.42   | Nov 3, 2017  | 29385         | 0                     | DIGITAL INSURANCE, INC.            |
| 4           | 455780       |              | \$2,499.99   | Nov 3, 2017  | 22061         | 0                     | DISTRIBUTED WEBSITE CORPORATION    |
| 4           | 455781       |              | \$44.56      | Nov 3, 2017  | 09272         | 2                     | ECM PUBLISHERS, INC.               |
| 4           | 455782       |              | \$459.60     | Nov 3, 2017  | 26262         | 0                     | EDUCATORS BENEFIT CONSULTANTS, LLC |
| 4           | 455783       |              | \$662.50     | Nov 3, 2017  | 04416         | 0                     | FAIRVIEW                           |
| 4           | 455784       |              | \$5,669.80   | Nov 3,       | 00016         | 1780                  | FOUNDATION 191                     |

114

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date  | Vendor Number | Vendor Address Number | Vendor Name                           |
|-------------|--------------|--------------|--------------|-------------|---------------|-----------------------|---------------------------------------|
|             |              |              |              | 2017        |               |                       |                                       |
| 4           | 455785       |              | \$32,951.76  | Nov 3, 2017 | 01458         | 1                     | GOPHER                                |
| 4           | 455786       |              | \$26.90      | Nov 3, 2017 | 00575         | 0                     | GROTH MUSIC COMPANY                   |
| 4           | 455787       |              | \$2,688.00   | Nov 3, 2017 | 26911         | 0                     | INTERNATIONAL GYMNASTICS OF MN, LLC   |
| 4           | 455788       |              | \$45.00      | Nov 3, 2017 | 29529         | 0                     | JH POOL CONSULTING, INC.              |
| 4           | 455789       |              | \$1,000.00   | Nov 3, 2017 | 29607         | 0                     | KNAPPMILLER, MARY                     |
| 4           | 455790       |              | \$1,000.00   | Nov 3, 2017 | 29604         | 0                     | KRUSE DEVELOPMENT & PRODUCTIONS, LLC  |
| 4           | 455791       |              | \$53.21      | Nov 3, 2017 | 28748         | 0                     | LAMPRECHT, JOHN                       |
| 4           | 455792       |              | \$120.00     | Nov 3, 2017 | 29606         | 0                     | LIONS CLUB INTERNATIONAL              |
| 4           | 455793       |              | \$66.00      | Nov 3, 2017 | 28591         | 0                     | LUBOW, SCOTT                          |
| 4           | 455794       |              | \$121.00     | Nov 3, 2017 | 08647         | 0                     | MARSHALL, JAMES                       |
| 4           | 455795       |              | \$70.00      | Nov 3, 2017 | 26916         | 0                     | MEDFORD HIGH SCHOOL                   |
| 4           | 455796       |              | \$120.00     | Nov 3, 2017 | 08865         | 21                    | METRO ECSU                            |
| 4           | 455797       |              | \$15,174.23  | Nov 3, 2017 | 07448         | 0                     | MINNESOTA VALLEY ELECTRIC COOPERATIVE |
| 4           | 455798       |              | \$197.00     | Nov 3, 2017 | 28562         | 0                     | MORGAN, AMY                           |
| 4           | 455799       |              | \$300.00     | Nov 3, 2017 | 29605         | 0                     | NIMMO, VIRGINIA                       |
| 4           | 455800       |              | \$2,779.74   | Nov 3, 2017 | 06477         | 0                     | OFFICE OF MN IT SERVICES              |
| 4           | 455801       |              | \$113.00     | Nov 3, 2017 | 25811         | 0                     | PEARSON, LANE                         |
| 4           | 455802       |              | \$120.00     | Nov 3, 2017 | 24879         | 0                     | PEREZ, MELISSA M.                     |
| 4           | 455803       |              | \$1,265.00   | Nov 3, 2017 | 06693         | 0                     | POWELL, MALINDA                       |
| 4           | 455804       |              | \$580.00     | Nov 3, 2017 | 20125         | 2                     | PREMIER AGENDAS                       |
| 4           | 455805       |              | \$203.00     | Nov 3, 2017 | 25562         | 0                     | SACHS, ALICE                          |
| 4           | 455806       |              | \$20.00      | Nov 3, 2017 | 09588         | 4                     | SAVAGE, CITY OF                       |
| 4           | 455807       |              | \$88.27      | Nov 3, 2017 | 03532         | 2                     | SCHMITT MUSIC                         |
| 4           | 455808       |              | \$76.00      | Nov 3, 2017 | 26322         | 0                     | STEPHAN, BILL                         |
| 4           | 455809       |              | \$4,650.00   | Nov 3, 2017 | 27742         | 0                     | STRATEGIC SOURCE INC                  |

115

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date  | Vendor Number | Vendor Address Number | Vendor Name                           |
|-------------|--------------|--------------|--------------|-------------|---------------|-----------------------|---------------------------------------|
| 4           | 455810       |              | \$625.15     | Nov 3, 2017 | 28502         | 0                     | THE MCDOWELL AGENCY, INC.             |
| 4           | 455811       |              | \$73,031.50  | Nov 3, 2017 | 08203         | 1                     | TIES                                  |
| 4           | 455812       |              | \$4,365.08   | Nov 3, 2017 | 02315         | 8                     | UNITED STATES TREASURY                |
| 4           | 455813       |              | \$3,646.78   | Nov 3, 2017 | 28417         | 0                     | UNIVERSAL ATHLETIC SERVICE INC.       |
| 4           | 455814       |              | \$3,469.50   | Nov 3, 2017 | 20019         | 0                     | VERNON COMPANY                        |
| 4           | 455815       |              | \$66.00      | Nov 3, 2017 | 29197         | 0                     | WILLIAMS, AARON                       |
| 4           | 455816       |              | \$224.00     | Nov 3, 2017 | 06363         | 0                     | YOUTH PERFORMANCE COMPANY             |
| 4           | 455817       |              | \$139.99     | Nov 7, 2017 | 29434         | 0                     | ACER SERVICE CORPORATION              |
| 4           | 455818       |              | \$1,271.50   | Nov 7, 2017 | 29445         | 0                     | ALLEGRA                               |
| 4           | 455819       |              | \$1,012.45   | Nov 7, 2017 | 01365         | 0                     | AMERIPRIDE LINEN AND APPAREL SERVICES |
| 4           | 455820       |              | \$1,119.70   | Nov 7, 2017 | 00428         | 0                     | ARAMARK                               |
| 4           | 455821       |              | \$17,108.81  | Nov 7, 2017 | 04226         | 0                     | BURNSVILLE, CITY OF                   |
| 4           | 455822       | Unissued     | \$0.00       | Nov 7, 2017 | 04226         | 0                     | BURNSVILLE, CITY OF                   |
| 4           | 455823       |              | \$678.00     | Nov 7, 2017 | 29243         | 0                     | CARLSON, GERRI                        |
| 4           | 455824       |              | \$266.02     | Nov 7, 2017 | 02781         | 5                     | CENTURYLINK                           |
| 4           | 455825       |              | \$4,500.00   | Nov 7, 2017 | 27322         | 0                     | CLIFTONLARSONALLEN, LLP               |
| 4           | 455826       |              | \$277.50     | Nov 7, 2017 | 28540         | 0                     | CORE BEVERAGE                         |
| 4           | 455827       |              | \$84.00      | Nov 7, 2017 | 22013         | 0                     | CUSTOM WATER WORKS                    |
| 4           | 455828       |              | \$2,470.30   | Nov 7, 2017 | 02333         | 1                     | EARTHGRAINS BAKING CO. INC.           |
| 4           | 455829       |              | \$1,405.81   | Nov 7, 2017 | 09272         | 2                     | ECM PUBLISHERS, INC.                  |
| 4           | 455830       |              | \$651.22     | Nov 7, 2017 | 26262         | 0                     | EDUCATORS BENEFIT CONSULTANTS, LLC    |
| 4           | 455831       |              | \$64.25      | Nov 7, 2017 | 00862         | 3                     | HERFF JONES, INC.                     |
| 4           | 455832       |              | \$35.00      | Nov 7, 2017 | 00000         | 7344                  | JARRAR, SARA                          |
| 4           | 455833       |              | \$10,391.00  | Nov 7, 2017 | 02102         | 0                     | KRAUS-ANDERSON INS. AGENCY, INC.      |
| 4           | 455834       |              | \$19.00      | Nov 7, 2017 | 00000         | 7345                  | LARSON, PAM                           |
| 4           | 455835       |              | \$70.00      | Nov 7, 2017 | 06559         | 1                     | MATRIX COMMUNICATIONS, INC.           |

116

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name                         |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|-------------------------------------|
|             |              |              |              | 2017         |               |                       |                                     |
| 4           | 455836       |              | \$295.22     | Nov 7, 2017  | 23914         | 0                     | MIDWEST VENDING                     |
| 4           | 455837       |              | \$2,309.00   | Nov 7, 2017  | 09509         | 0                     | MINITEX                             |
| 4           | 455838       |              | \$50.00      | Nov 7, 2017  | 02540         | 0                     | MN SCHOOL BOARDS ASSOCIATION (MSBA) |
| 4           | 455839       |              | \$1,500.00   | Nov 7, 2017  | 06964         | 0                     | NICOL, BARBARA                      |
| 4           | 455840       |              | \$38.00      | Nov 7, 2017  | 00000         | 7343                  | NORLEN, NANCY                       |
| 4           | 455841       |              | \$2,002.95   | Nov 7, 2017  | 24471         | 0                     | OPG-3 INC.                          |
| 4           | 455842       |              | \$1,301.00   | Nov 7, 2017  | 26086         | 0                     | ORKIN COMMERCIAL SERVICES           |
| 4           | 455843       |              | \$113.00     | Nov 7, 2017  | 29608         | 0                     | PALMER, JASON                       |
| 4           | 455844       |              | \$147.00     | Nov 7, 2017  | 27940         | 0                     | RED'S SAVOY PIZZA                   |
| 4           | 455845       |              | \$1,060.00   | Nov 7, 2017  | 25729         | 0                     | RENT N' SAVE PORTABLE SERVICES      |
| 4           | 455846       |              | \$275.00     | Nov 7, 2017  | 03619         | 0                     | SAVAGE CHAMBER OF COMMERCE          |
| 4           | 455847       |              | \$5,395.87   | Nov 7, 2017  | 09588         | 0                     | SAVAGE, CITY OF                     |
| 4           | 455848       |              | \$1,545.98   | Nov 7, 2017  | 03609         | 0                     | SCIENCE MUSEUM OF MINN.             |
| 4           | 455849       |              | \$1,000.00   | Nov 7, 2017  | 03413         | 0                     | SOUTH METRO SPORTS                  |
| 4           | 455850       |              | \$2,041.25   | Nov 7, 2017  | 24346         | 0                     | STRATEGIC BEHAVIORAL SOLUTIONS      |
| 4           | 455851       |              | \$800.56     | Nov 7, 2017  | 01076         | 3                     | SWNEWSMEDIA.COM                     |
| 4           | 455852       |              | \$330.00     | Nov 7, 2017  | 02306         | 0                     | THE MINNESOTA CHEMICAL CO           |
| 4           | 455853       |              | \$25,000.00  | Nov 7, 2017  | 08203         | 1                     | TIES                                |
| 4           | 455854       |              | \$205.22     | Nov 7, 2017  | 03802         | 0                     | TRIO SUPPLY                         |
| 4           | 455855       |              | \$1,239.10   | Nov 7, 2017  | 04417         | 1                     | US FOODS INC                        |
| 4           | 455856       |              | \$156.00     | Nov 7, 2017  | 28298         | 0                     | US HEALTH WORKS MEDICAL GRP MN, PC  |
| 4           | 455857       |              | \$105.00     | Nov 10, 2017 | 29405         | 0                     | ARRUNATEGUI, CARLA                  |
| 4           | 455858       |              | \$289.00     | Nov 10, 2017 | 00098         | 1                     | ASCD                                |
| 4           | 455859       |              | \$375.00     | Nov 10, 2017 | 27719         | 0                     | AUGUSTANA REGENT                    |
| 4           | 455860       |              | \$316.00     | Nov 10, 2017 | 05188         | 0                     | AWARDS DIRECT-DIRECT IMPRESSIONS    |

117

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name                                   |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|---|
| 4           | 455861       |              | \$215.91     | Nov 10, 2017 | 24972         | 0                     | BIBLIOTHECA, LLC                              |
| 4           | 455862       |              | \$500.00     | Nov 10, 2017 | 27894         | 0                     | BURNSVILLE NORDIC SKI BOOSTERS                |
| 4           | 455863       |              | \$5,875.31   | Nov 10, 2017 | 29409         | 0                     | CHERRYDALE FARMS                              |
| 4           | 455864       |              | \$180.00     | Nov 10, 2017 | 28260         | 0                     | CHOY, SERGIO R.                               |
| 4           | 455865       |              | \$275.00     | Nov 10, 2017 | 00233         | 1                     | COLLEGE BOARD-MWRO                            |
| 4           | 455866       |              | \$420.00     | Nov 10, 2017 | 25919         | 0                     | CORDOVA, LETICIA                              |
| 4           | 455867       |              | \$78.00      | Nov 10, 2017 | 29609         | 0                     | D&V COMMERCIAL REPAIRS, INC.                  |
| 4           | 455868       |              | \$11,299.44  | Nov 10, 2017 | 00641         | 0                     | DICK'S/LAKEVILLE SANITATION, INC.             |
| 4           | 455869       |              | \$144.52     | Nov 10, 2017 | 29610         | 0                     | FELIX, STANFORD                               |
| 4           | 455870       |              | \$2,724.15   | Nov 10, 2017 | 28651         | 0                     | FOOD GROUP                                    |
| 4           | 455871       |              | \$102.32     | Nov 10, 2017 | 28202         | 0                     | FOUNDATION 191                                |
| 4           | 455872       |              | \$5,500.00   | Nov 10, 2017 | 28890         | 0                     | GENERATIVE LEARNING                           |
| 4           | 455873       |              | \$40.36      | Nov 10, 2017 | 00575         | 0                     | GROTH MUSIC COMPANY                           |
| 4           | 455874       |              | \$750.00     | Nov 10, 2017 | 29536         | 0                     | HIGH POINT NETWORKS, LLC                      |
| 4           | 455875       |              | \$80.00      | Nov 10, 2017 | 29182         | 0                     | HUTSAL, OLEKSANDRA                            |
| 4           | 455876       |              | \$465.00     | Nov 10, 2017 | 27442         | 0                     | IBARRA, HILIANA                               |
| 4           | 455877       |              | \$2,549.14   | Nov 10, 2017 | 27439         | 1                     | LEARNING A-Z                                  |
| 4           | 455878       |              | \$120.00     | Nov 10, 2017 | 29401         | 0                     | LOPEZ, GEORGE C.                              |
| 4           | 455879       |              | \$120.00     | Nov 10, 2017 | 08014         | 0                     | MN ASSOC OF SECRETARIES TO THE PRINCIPA(MASP) |
| 4           | 455880       |              | \$358.00     | Nov 10, 2017 | 01265         | 0                     | MN ASSOC. FOR CHILDRENS MENTAL HEALTH         |
| 4           | 455881       |              | \$75.00      | Nov 10, 2017 | 22397         | 0                     | MN BOARD OF SCHOOL ADMINISTRATORS (MBSA)      |
| 4           | 455882       |              | \$60.00      | Nov 10, 2017 | 00624         | 0                     | MN HISTORICAL SOCIETY                         |
| 4           | 455883       |              | \$1,048.20   | Nov 10, 2017 | 02765         | 0                     | NORCOSTCO, INC.                               |
| 4           | 455884       |              | \$177,975.00 | Nov 10, 2017 | 02136         | 0                     | NORMANDALE COMMUNITY COLLEGE                  |
| 4           | 455885       |              | \$240.00     | Nov 10, 2017 | 24879         | 0                     | PEREZ, MELISSA M.                             |
| 4           | 455886       |              | \$855.00     | Nov 10,      | 24681         | 0                     | PROFESSIONAL WIRELESS                         |

118

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name                         |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|-------------------------------------|
|             |              |              |              | 2017         |               |                       | COMMUNICATIONS                      |
| 4           | 455887       |              | \$812.00     | Nov 10, 2017 | 04555         | 1                     | REGION 6AA                          |
| 4           | 455888       |              | \$323.93     | Nov 10, 2017 | 03532         | 2                     | SCHMITT MUSIC                       |
| 4           | 455889       |              | \$896.34     | Nov 10, 2017 | 03196         | 6                     | SCHOLASTIC INC.                     |
| 4           | 455890       |              | \$805.43     | Nov 10, 2017 | 29081         | 0                     | SCOTT MCDONALD GOLF SHOP LLC        |
| 4           | 455891       |              | \$5,999.52   | Nov 10, 2017 | 04153         | 1                     | U.S. POSTMASTER                     |
| 4           | 455892       |              | \$60.00      | Nov 10, 2017 | 25958         | 0                     | UGAS, ABDISAMAD                     |
| 4           | 455893       |              | \$1,000.00   | Nov 10, 2017 | 08798         | 1                     | UNIVERSITY OF MINNESOTA-TWIN CITIES |
| 4           | 455894       |              | \$480.00     | Nov 10, 2017 | 29298         | 0                     | WARM HANDS GREEN HEART              |
| 4           | 455895       |              | \$60.00      | Nov 10, 2017 | 25560         | 0                     | WARSAME, KADRA                      |
| 4           | 455896       |              | \$60.00      | Nov 10, 2017 | 25837         | 0                     | WILLIAMS, REBECCA                   |
| 4           | 455897       |              | \$6,285.00   | Nov 10, 2017 | 07737         | 0                     | YOUTH FRONTIERS, INC.               |
| 4           | 455898       |              | \$39.00      | Nov 14, 2017 | 00000         | 7348                  | BISPING, SUE                        |
| 4           | 455899       |              | \$102.00     | Nov 14, 2017 | 23940         | 0                     | DUNBAR, N. NUPOLE M.                |
| 4           | 455900       |              | \$123.76     | Nov 14, 2017 | 09272         | 2                     | ECM PUBLISHERS, INC.                |
| 4           | 455901       |              | \$3,948.75   | Nov 14, 2017 | 28509         | 0                     | EMERGENT NETWORKS                   |
| 4           | 455902       |              | \$24,513.01  | Nov 14, 2017 | 00575         | 0                     | GROTH MUSIC COMPANY                 |
| 4           | 455903       |              | \$12.00      | Nov 14, 2017 | 00000         | 7349                  | HENKE, KERI                         |
| 4           | 455904       |              | \$12.44      | Nov 14, 2017 | 00862         | 3                     | HERFF JONES, INC.                   |
| 4           | 455905       |              | \$116.65     | Nov 14, 2017 | 02483         | 1                     | INTEGRA TELECOM                     |
| 4           | 455906       |              | \$83.00      | Nov 14, 2017 | 00000         | 7347                  | JOHNSON, JENNIFER                   |
| 4           | 455907       |              | \$48,755.10  | Nov 14, 2017 | 27633         | 0                     | KELLY SERVICES, INC.                |
| 4           | 455908       |              | \$240.00     | Nov 14, 2017 | 00000         | 3428                  | KENNEDY, FRANCES                    |
| 4           | 455909       |              | \$184.50     | Nov 14, 2017 | 22385         | 0                     | METRO TRANSIT                       |
| 4           | 455910       |              | \$3,565.70   | Nov 14, 2017 | 03029         | 1                     | MINNESOTA ENERGY RESOURCES          |
| 4           | 455911       |              | \$180.00     | Nov 14, 2017 | 08543         | 6                     | MN DEPT OF HEALTH                   |

119

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name                      |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|----------------------------------|
| 4           | 455912       |              | \$440.00     | Nov 14, 2017 | 22324         | 0                     | MULTILINGUAL WORD, INC.          |
| 4           | 455913       |              | \$29.00      | Nov 14, 2017 | 00000         | 384                   | OFSTEDAL, JANET                  |
| 4           | 455914       |              | \$871.74     | Nov 14, 2017 | 03532         | 2                     | SCHMITT MUSIC                    |
| 4           | 455915       |              | \$28,235.53  | Nov 14, 2017 | 23848         | 0                     | SFM                              |
| 4           | 455916       |              | \$721.13     | Nov 14, 2017 | 24465         | 2                     | SHRED-IT USA                     |
| 4           | 455917       |              | \$39.00      | Nov 14, 2017 | 00000         | 7346                  | THAYER, SUSAN                    |
| 4           | 455918       |              | \$251.68     | Nov 14, 2017 | E7415         | 0                     | UMHOFER, THOMAS C                |
| 4           | 455919       |              | \$82,227.46  | Nov 14, 2017 | 04417         | 1                     | US FOODS INC                     |
| 4           | 455920       | Unissued     | \$0.00       | Nov 14, 2017 | 04417         | 1                     | US FOODS INC                     |
| 4           | 455921       | Unissued     | \$0.00       | Nov 14, 2017 | 04417         | 1                     | US FOODS INC                     |
| 4           | 455922       | Unissued     | \$0.00       | Nov 14, 2017 | 04417         | 1                     | US FOODS INC                     |
| 4           | 455923       | Unissued     | \$0.00       | Nov 14, 2017 | 04417         | 1                     | US FOODS INC                     |
| 4           | 455924       | Unissued     | \$0.00       | Nov 14, 2017 | 04417         | 1                     | US FOODS INC                     |
| 4           | 455925       | Unissued     | \$0.00       | Nov 14, 2017 | 04417         | 1                     | US FOODS INC                     |
| 4           | 455926       |              | \$135.00     | Nov 14, 2017 | 25560         | 0                     | WARSAME, KADRA                   |
| 4           | 455927       |              | \$19,122.73  | Nov 14, 2017 | 02776         | 0                     | XCEL ENERGY                      |
| 4           | 455928       |              | \$14,759.46  | Nov 16, 2017 | 28491         | 0                     | A.J. MOORE ELECTRIC, INC.        |
| 4           | 455929       |              | \$388.06     | Nov 16, 2017 | 29434         | 0                     | ACER SERVICE CORPORATION         |
| 4           | 455930       |              | \$10,776.34  | Nov 16, 2017 | 28147         | 1                     | AGROPUR INC. DIVISION NATREL USA |
| 4           | 455931       | Unissued     | \$0.00       | Nov 16, 2017 | 28147         | 1                     | AGROPUR INC. DIVISION NATREL USA |
| 4           | 455932       | Unissued     | \$0.00       | Nov 16, 2017 | 28147         | 1                     | AGROPUR INC. DIVISION NATREL USA |
| 4           | 455933       | Unissued     | \$0.00       | Nov 16, 2017 | 28147         | 1                     | AGROPUR INC. DIVISION NATREL USA |
| 4           | 455934       | Unissued     | \$0.00       | Nov 16, 2017 | 28147         | 1                     | AGROPUR INC. DIVISION NATREL USA |
| 4           | 455935       | Unissued     | \$0.00       | Nov 16, 2017 | 28147         | 1                     | AGROPUR INC. DIVISION NATREL USA |
| 4           | 455936       | Unissued     | \$0.00       | Nov 16, 2017 | 28147         | 1                     | AGROPUR INC. DIVISION NATREL USA |
| 4           | 455937       | Unissued     | \$0.00       | Nov 16,      | 28147         | 1                     | AGROPUR INC. DIVISION NATREL USA |

120

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name                           |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|---------------------------------------|
|             |              |              |              | 2017         |               |                       |                                       |
| 4           | 455938       |              | \$498.08     | Nov 16, 2017 | 01365         | 0                     | AMERIPRIDE LINEN AND APPAREL SERVICES |
| 4           | 455939       | Unissued     | \$0.00       | Nov 16, 2017 | 01365         | 0                     | AMERIPRIDE LINEN AND APPAREL SERVICES |
| 4           | 455940       |              | \$1,500.00   | Nov 16, 2017 | 00249         | 1                     | APPLE COMPUTER INC.                   |
| 4           | 455941       |              | \$59.98      | Nov 16, 2017 | 00428         | 0                     | ARAMARK                               |
| 4           | 455942       |              | \$21,932.20  | Nov 16, 2017 | 26500         | 0                     | ARMSTRONG TORSETH SKOLD & RYDEEN INC. |
| 4           | 455943       |              | \$55.89      | Nov 16, 2017 | 00386         | 1                     | BARNES & NOBLE, INC.                  |
| 4           | 455944       |              | \$9,601.43   | Nov 16, 2017 | 00477         | 0                     | BIX PRODUCE COMPANY                   |
| 4           | 455945       | Unissued     | \$0.00       | Nov 16, 2017 | 00477         | 0                     | BIX PRODUCE COMPANY                   |
| 4           | 455946       | Unissued     | \$0.00       | Nov 16, 2017 | 00477         | 0                     | BIX PRODUCE COMPANY                   |
| 4           | 455947       | Unissued     | \$0.00       | Nov 16, 2017 | 00477         | 0                     | BIX PRODUCE COMPANY                   |
| 4           | 455948       |              | \$22.44      | Nov 16, 2017 | 20206         | 1                     | BOOKSOURCE                            |
| 4           | 455949       |              | \$272.50     | Nov 16, 2017 | 06473         | 1                     | BRAUN INTERTEC CORP.                  |
| 4           | 455950       |              | \$4,499.28   | Nov 16, 2017 | 00397         | 0                     | BRO-TEX, INC.                         |
| 4           | 455951       |              | \$85,856.04  | Nov 16, 2017 | 20289         | 1                     | CDW GOVERNMENT, INC.                  |
| 4           | 455952       |              | \$6,960.37   | Nov 16, 2017 | 23509         | 0                     | COOL AIR MECHANICAL, INC.             |
| 4           | 455953       |              | \$182.20     | Nov 16, 2017 | 00647         | 0                     | CROWN RENTAL, INC.                    |
| 4           | 455954       |              | \$11,577.52  | Nov 16, 2017 | 04186         | 1                     | DALCO                                 |
| 4           | 455955       | Unissued     | \$0.00       | Nov 16, 2017 | 04186         | 1                     | DALCO                                 |
| 4           | 455956       |              | \$9,370.99   | Nov 16, 2017 | 00279         | 0                     | DIVERSIFIED SNACK DISTRIBUTION        |
| 4           | 455957       | Unissued     | \$0.00       | Nov 16, 2017 | 00279         | 0                     | DIVERSIFIED SNACK DISTRIBUTION        |
| 4           | 455958       |              | \$915.87     | Nov 16, 2017 | 00827         | 0                     | DODGE OF BURNSVILLE, INC.             |
| 4           | 455959       |              | \$5,042.25   | Nov 16, 2017 | 01078         | 0                     | ELECTRO WATCHMAN, INC.                |
| 4           | 455960       |              | \$191.04     | Nov 16, 2017 | 23054         | 1                     | FASTENAL                              |
| 4           | 455961       |              | \$7,050.00   | Nov 16, 2017 | 01475         | 0                     | FRIEDGES LANDSCAPING, INC.            |
| 4           | 455962       |              | \$67.07      | Nov 16, 2017 | 00691         | 0                     | FRONTIER AG & TURF                    |

121

## Check Register Report

| Bank Number | Check Number | Check Status | Check Amount | Check Date   | Vendor Number | Vendor Address Number | Vendor Name                           |
|-------------|--------------|--------------|--------------|--------------|---------------|-----------------------|---------------------------------------|
| 4           | 455963       |              | \$1,028.56   | Nov 16, 2017 | 04387         | 1                     | GRAINGER                              |
| 4           | 455964       | Unissued     | \$0.00       | Nov 16, 2017 | 04387         | 1                     | GRAINGER                              |
| 4           | 455965       |              | \$1,195.20   | Nov 16, 2017 | 29507         | 1                     | HENRICKSEN                            |
| 4           | 455966       |              | \$296.17     | Nov 16, 2017 | 01622         | 0                     | HOBART SERVICE                        |
| 4           | 455967       |              | \$1,450.27   | Nov 16, 2017 | 04818         | 0                     | HORIZON COMMERCIAL POOL SUPPLY        |
| 4           | 455968       |              | \$301.25     | Nov 16, 2017 | 27693         | 0                     | IDEAL SERVICES, INC.                  |
| 4           | 455969       |              | \$229.90     | Nov 16, 2017 | 28877         | 0                     | INTERSTATE ALL BATTERY CENTER         |
| 4           | 455970       |              | \$170.33     | Nov 16, 2017 | 01134         | 0                     | JIM COOPERS TIRE & AUTO STORES        |
| 4           | 455971       |              | \$541.60     | Nov 16, 2017 | 05816         | 0                     | JOHN A. DAL SIN & SON, INC.           |
| 4           | 455972       |              | \$210.00     | Nov 16, 2017 | 28929         | 0                     | JOHN'S SEWER AND DRAIN CLEANING, INC. |
| 4           | 455973       |              | \$530.00     | Nov 16, 2017 | 08955         | 0                     | KELLEHER, HELMRICH AND ASSOCIATES     |
| 4           | 455974       |              | \$199.92     | Nov 16, 2017 | 24472         | 0                     | LEADING EDGE                          |
| 4           | 455975       |              | \$95.00      | Nov 16, 2017 | 05077         | 0                     | LOCKSAFE INC.                         |
| 4           | 455976       |              | \$1,983.54   | Nov 16, 2017 | 02196         | 0                     | MACKIN EDUCATIONAL RESOURCES          |
| 4           | 455977       |              | \$94.00      | Nov 16, 2017 | 27932         | 1                     | MATHESON TRI-GAS, INC.                |
| 4           | 455978       |              | \$1,976.72   | Nov 16, 2017 | 07752         | 0                     | MILLER ELECTRIC, INC.                 |
| 4           | 455979       |              | \$372.97     | Nov 16, 2017 | 02526         | 0                     | MINNESOTA CLAY USA                    |
| 4           | 455980       |              | \$29,356.00  | Nov 16, 2017 | 28341         | 0                     | MINNESOTA ROADWAYS CO.                |
| 4           | 455981       |              | \$13.38      | Nov 16, 2017 | 02704         | 0                     | NASCO                                 |
| 4           | 455982       |              | \$1,842.94   | Nov 16, 2017 | 25372         | 4                     | NCS PEARSON INC                       |
| 4           | 455983       |              | \$2,249.00   | Nov 16, 2017 | 20320         | 0                     | NORTHERN AIR CORPORATION (NAC)        |
| 4           | 455984       |              | \$295.21     | Nov 16, 2017 | 02489         | 1                     | OFFICE DEPOT COMPANY                  |
| 4           | 455985       |              | \$150.00     | Nov 16, 2017 | 26086         | 0                     | ORKIN COMMERCIAL SERVICES             |
| 4           | 455986       |              | \$17,405.00  | Nov 16, 2017 | 29562         | 0                     | PINNACLE WALL SYSTEMS                 |
| 4           | 455987       |              | \$6,350.00   | Nov 16, 2017 | 29549         | 0                     | PIONEER POWER, INC.                   |
| 4           | 455988       |              | \$3,332.12   | Nov 16,      | 28785         | 1                     | PRODOCON, INC                         |

122

## Check Register Report

| Bank Number        | Check Number | Check Status       | Check Amount          | Check Date   | Vendor Number | Vendor Address Number | Vendor Name                      |
|--------------------|--------------|--------------------|-----------------------|--------------|---------------|-----------------------|----------------------------------|
|                    |              |                    |                       | 2017         |               |                       |                                  |
| 4                  | 455989       |                    | \$6,890.40            | Nov 16, 2017 | 27969         | 0                     | READY FOR KINDERGARTEN           |
| 4                  | 455990       |                    | \$829.52              | Nov 16, 2017 | 21851         | 1                     | RED WING SHOE COMPANY INC        |
| 4                  | 455991       |                    | \$183.00              | Nov 16, 2017 | 28528         | 0                     | ROCK HARD LANDSCAPE SUPPLY       |
| 4                  | 455992       |                    | \$293.80              | Nov 16, 2017 | 00927         | 0                     | RUBENSTEIN & ZIFF, INC.          |
| 4                  | 455993       |                    | \$2,300.00            | Nov 16, 2017 | 23241         | 0                     | RYAN MECHANICAL, INC.            |
| 4                  | 455994       |                    | \$3,452.00            | Nov 16, 2017 | 03587         | 1                     | SIMPLEX GRINNELL                 |
| 4                  | 455995       |                    | \$1,025.55            | Nov 16, 2017 | 03689         | 0                     | STATE SUPPLY CO., INC.           |
| 4                  | 455996       |                    | \$123.00              | Nov 16, 2017 | 02899         | 0                     | TESSMAN COMPANY                  |
| 4                  | 455997       |                    | \$62.76               | Nov 16, 2017 | 08203         | 1                     | TIES                             |
| 4                  | 455998       |                    | \$2,669.07            | Nov 16, 2017 | 22123         | 1                     | TOTAL FILTRATION SERVICES, INC.  |
| 4                  | 455999       |                    | \$22,524.10           | Nov 16, 2017 | 04045         | 1                     | TRANE U.S. INC.                  |
| 4                  | 456000       |                    | \$10.90               | Nov 16, 2017 | 24444         | 0                     | TRI STATE BOBCAT                 |
| 4                  | 456001       |                    | \$9,191.71            | Nov 16, 2017 | 03802         | 0                     | TRIO SUPPLY                      |
| 4                  | 456002       | Unissued           | \$0.00                | Nov 16, 2017 | 03802         | 0                     | TRIO SUPPLY                      |
| 4                  | 456003       |                    | \$5,338.00            | Nov 16, 2017 | 29177         | 0                     | TWIN CITY OUTDOOR SERVICES, INC. |
| 4                  | 456004       |                    | \$54,320.01           | Nov 16, 2017 | 27728         | 1                     | US GAMES                         |
| <b>Check Count</b> | <b>552</b>   | <b>Grand Total</b> | <b>\$2,546,333.65</b> |              |               |                       |                                  |

123

## Check Register Report

| Bank Number        | Check Number | Check Status       | Check Amount        | Check Date   | Vendor Number | Vendor Address Number | Vendor Name                           |
|--------------------|--------------|--------------------|---------------------|--------------|---------------|-----------------------|---------------------------------------|
| 3                  | 102114       |                    | \$3,126.60          | Oct 27, 2017 | 25911         | 1                     | AMERICAN ENGINEERING TESTING INC.     |
| 3                  | 102115       |                    | \$3,087.98          | Oct 27, 2017 | 26500         | 0                     | ARMSTRONG TORSETH SKOLD & RYDEEN INC. |
| 3                  | 102116       |                    | \$5,742.10          | Oct 27, 2017 | 01078         | 0                     | ELECTRO WATCHMAN, INC.                |
| 3                  | 102117       |                    | \$4,267.68          | Oct 27, 2017 | 29296         | 0                     | INTEREUM, INC.                        |
| 3                  | 102118       |                    | \$23,912.50         | Oct 27, 2017 | 29372         | 0                     | LAWRENCE SIGN                         |
| 3                  | 102119       |                    | \$5,685.00          | Oct 27, 2017 | 20320         | 1                     | NORTHERN AIR CORPORATION              |
| 3                  | 102120       |                    | \$226,100.00        | Oct 27, 2017 | 22848         | 0                     | PEOPLES ELECTRIC COMPANY, INC         |
| 3                  | 102121       |                    | \$3,441.94          | Oct 27, 2017 | 23241         | 0                     | RYAN MECHANICAL, INC.                 |
| 3                  | 102122       |                    | \$88,199.03         | Oct 27, 2017 | 04204         | 4                     | VIRCO INC                             |
| 3                  | 102123       |                    | \$5,650.00          | Nov 3, 2017  | 04400         | 0                     | BESTER BROS TRANSFER & STORAGE CO     |
| 3                  | 102124       |                    | \$72,469.55         | Nov 3, 2017  | 29369         | 0                     | ENVISION GLASS INC.                   |
| 3                  | 102125       |                    | \$14,602.05         | Nov 3, 2017  | 29360         | 0                     | G URBAN COMPANIES INC                 |
| 3                  | 102126       |                    | \$130,798.96        | Nov 3, 2017  | 29276         | 0                     | MAX STEININGER, INC.                  |
| 3                  | 102127       |                    | \$1,907.60          | Nov 3, 2017  | 04204         | 4                     | VIRCO INC                             |
| <b>Check Count</b> | <b>14</b>    | <b>Grand Total</b> | <b>\$588,990.99</b> |              |               |                       |                                       |

124



**Agenda V.A.5.  
December 14 2017**

**To: Members, Board of Education  
Superintendent Amoroso**

**From: Lisa K. Rider, Executive Director of Business Services**

**Date: December 14 2017**

**Re: Change Order #2 for the Eagle Ridge Middle School Tennis Court Resurfacing project**

RECOMMENDATION: That the Board of Education approve Change Order #2 for the Eagle Ridge Middle School Tennis Court Resurfacing project in the amount of \$3,700.00.

On March 23, 2017 the School Board approved the bid for the Eagle Ridge Middle School Tennis Court Resurfacing project.

Change order #2 is in the amount of \$3,700.00. The reason for this change order is the result of fertilizer granules being over spread onto the blacktop surface prior to the finish color coats of paint. The surface needed to be power washed with a vinegar solution to neutralize the fertilizer.

This change order in the amount of \$3,700.00 increases the original contract amount of \$125,445.00 to a new total amount of \$133,795.00 or 6.66% of the original bid.

This is the final change order for this project.

The items on this change order have been reviewed and validated by ATS&R Architects and Engineers.



# AIA®

# Document G701™ – 2001

## Change Order

|   |   |   |
|---|---|---|
| <b>PROJECT (Name and address):</b><br>Eagle Ridge Middle School<br>Tennis Court Resurfacing<br>Savage, Minnesota          | <b>CHANGE ORDER NUMBER:</b> 002<br><b>DATE:</b> October 25, 2017  | <b>OWNER:</b> <input type="checkbox"/><br><b>ARCHITECT:</b> <input type="checkbox"/><br><b>CONTRACTOR:</b> <input type="checkbox"/><br><b>FIELD:</b> <input type="checkbox"/><br><b>OTHER:</b> <input type="checkbox"/> |
| <b>TO CONTRACTOR (Name and address):</b><br>Bituminous Roadways, Inc.<br>1520 Commerce Drive<br>Mendota Heights, MN 55120 | <b>ARCHITECT'S PROJECT NUMBER:</b> 16083<br><b>CONTRACT DATE:</b> March 23, 2017<br><b>CONTRACT FOR:</b> Site Development |   |

**THE CONTRACT IS CHANGED AS FOLLOWS:**  
(Include, where applicable, any undisputed amount attributable to previously executed Construction Change Directives)

Item #1 - Power Washing of Tennis Court: Per the acrylic surface material manufacturer's recommendation, the tennis court area shall be power washed with a mixture of water and vinegar to neutralize the potential chemical reaction of fertilizer being broadcast onto the new asphalt surface.  
Refer to Email from Bituminous Roadways, Inc. (dated 09/08/17) and Signed Fertilizer Warranty Waiver (regarding acrylic surface material).

ADD \$3,700.00

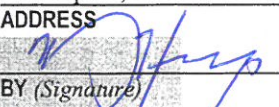
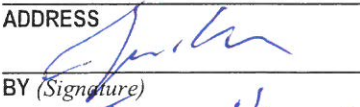
TOTAL ADD THIS CHANGE ORDER: \$3,700.00

|  |    |            |
|--|----|------------|
| The original Contract Sum was  | \$ | 125,445.00 |
| The net change by previously authorized Change Orders                    | \$ | 4,650.00   |
| The Contract Sum prior to this Change Order was                          | \$ | 130,095.00 |
| The Contract Sum will be increased by this Change Order in the amount of | \$ | 3,700.00   |
| The new Contract Sum including this Change Order will be                 | \$ | 133,795.00 |

The Contract Time will be increased by Zero (0) days.  
The date of Substantial Completion as of the date of this Change Order therefore is UNCHANGED.

**NOTE:** This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

**NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.**

|  |  |  |
|--|--|--|
| <u>Armstrong, Torseth, Skold &amp; Rydeen, Inc.</u><br><b>ARCHITECT (Firm name)</b>                          | <u>Bituminous Roadways, Inc.</u><br><b>CONTRACTOR (Firm name)</b>  | <u>ISD 191 Burnsville Eagan Savage</u><br><b>OWNER (Firm name)</b>             |
| <u>8501 Golden Valley Road, Suite 300,<br/>Minneapolis, MN 55427</u><br><b>ADDRESS</b>                       | <u>1520 Commerce Drive, Mendota Heights,<br/>MN 55120</u><br><b>ADDRESS</b>                                  | <u>200 West Burnsville Parkway, Burnsville,<br/>MN 55337</u><br><b>ADDRESS</b> |
| <br><b>BY (Signature)</b> | <br><b>BY (Signature)</b> | <br><b>BY (Signature)</b>  |
| <u>Mark G. Hayes, AIA, Partner</u><br><b>(Typed name)</b>  | <u>Jason Vorwest</u><br><b>(Typed name)</b>  | <br><b>(Typed name)</b>  |
| <u>OCT. 30, 2017</u><br><b>DATE</b>  | <u>11-2-17</u><br><b>DATE</b>  | <br><b>DATE</b>  |



**Agenda V.A.6.  
December 14, 2017**

**To:** Board of Education, Members  
**From:** Cindy Amoroso, Superintendent  
**Date:** December 6, 2017  
**Re:** Report on Listening Session

No one attended the Listening Session on November 16, 2017.



**Future Ready. Community Strong.**

**Agenda V.A.7.  
December 14, 2017**

**To:** Board of Education

**From:** Stacey Sovine, Executive Director of Human Resources

**Date:** November 27, 2017

**Re:** Policies 408: *Subpoena of a School District Employee*; 409: *Employee Publications, Instructional Materials, Inventions, and Creations*; 416: *Drug and Alcohol Testing*; 417: *Chemical Use and Abuse*; 419: *Tobacco- and Smoke-Free Environment*; and 421: *Gifts to Employees and School Board Members*.

**Recommendation:** Approve no changes to Policies 408: *Subpoena of a School District Employee*; 409: *Employee Publications, Instructional Materials, Inventions, and Creations*; 416: *Drug and Alcohol Testing*; 417: *Chemical Use and Abuse*; 419: *Tobacco- and Smoke-Free Environment*; and 421: *Gifts to Employees and School Board Members*.

The policies were reviewed by the Policy Review Committee on November 21, 2017. All policies will be reviewed every 3-5 years.

Adopted: 8/2006  
Reviewed: [8/13/2015](#)[12/14/2017](#)  
Revised: 9/10/2015  
Rescinds: GBLAC

*Burnsville-Eagan-Savage School District Policy 408*

## **408 SUBPOENA OF A SCHOOL DISTRICT EMPLOYEE**

### **I. PURPOSE**

The purpose of this policy is to protect the privacy rights of school district employees and students under both state and federal law when requested to testify or provide educational records for a judicial or administrative proceeding.

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

This policy is to provide guidance and direction for school district employees who may be subpoenaed to testify and/or provide educational records for a judicial or administrative proceeding.

### **III. DATA CLASSIFICATION**

#### **A. Educational Data**

##### **1. State Law**

The Minnesota Government Data Practices Act (MGDPA), Minn. Stat. Ch. 13, classifies all educational data, except for directory information as designated by the school district, as private data on individuals. The state statute provides that private data on individuals may not be released, except pursuant to a valid court order or informed consent by the subject of the data or a parent if the subject of the data is a minor. A subpoena issued by an attorney is not a court order.

##### **2. Federal Law**

The Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g, provides that educational data may not be released, except pursuant to informed consent by the individual subject of the data or any lawfully issued subpoena. Regulations promulgated under the federal law require that the school district must first make a reasonable effort to notify the parent of the student, or the student if the student is 18 years of age or older, of the subpoena in advance of releasing the information pursuant to the subpoena.

#### **B. Personnel Data**

The MGDPA, Minn. Stat. Ch. 13, also classifies all personnel data, except for certain data specifically classified as public, as private data on individuals. The state statute provides that private data on individuals may not be released, except pursuant to a valid court order or informed consent by the subject of the data.

#### **IV. APPLICATION AND PROCEDURES**

- A. Any employee who receives a subpoena for any purpose related to employment is to inform the building administrator or designated supervisor when the employee receives the subpoena. The building administrator or designated supervisor shall immediately inform the Executive Director of Human Resources that the employee has received a subpoena.
- B. No employee may release educational data, personnel data, or any other data of any kind without consultation in advance with the school district official who is designated as the authority responsible for the collection, use and dissemination of data.
- C. Payment for attendance at judicial or administrative proceedings and the retention of witness and mileage fees is to be determined in accordance with the applicable school board policies and collective bargaining agreements.
- D. The administration shall not release any information except in strict compliance with state and federal law and this policy. Recognizing that an unauthorized release may expose the school district or its employees to civil or criminal penalties or loss of employment, the administration shall confer with school district legal counsel prior to release of such data.

***Legal References:*** Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)  
Minn. Rules 1205.0100, Subp. 5 (Minnesota Rules Regarding Data Practices)  
20 U.S.C. § 1232g (Family Educational Rights and Privacy Act)

***Cross References:*** Burnsville-Eagan-Savage School District Policy 211 (Criminal or Civil Action Against School District, School Board Member, Employee, or Student)  
Burnsville-Eagan-Savage School District Policy 515 (Protection and Privacy of Pupil Records)  
MSBA Service Manual, Chapter 13, School Law Bulletin “I” (School Records – Privacy – Access to Data)

Adopted: 2/1984  
Reviewed: ~~3/24/2016~~12/14/2017  
Revised: 4/14/2016  
Rescinds: GCQB

Burnsville-Eagan-Savage School District Policy 409

## **409 EMPLOYEE PUBLICATIONS, INSTRUCTIONAL MATERIALS, INVENTIONS, AND CREATIONS**

### **I. PURPOSE**

The purpose of this policy is to identify and reserve the proprietary rights of the school district to certain publications, instructional materials, inventions, and creations which employees may develop or create, or assist in developing or creating, while employed by the school district.

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

Unless the employee develops, creates or assists in developing or creating a publication, instructional material, computer program, invention or creation entirely on the employee's own time and without the use of any school district facilities or equipment, the employee shall immediately disclose and, on demand of the school district, assign any rights to publications, instructional materials, computer programs, materials posted on websites, inventions or creations which the employee develops or creates or assists in developing or creating during the term of employee's employment to the school district. In addition, employees shall sign such documents and perform such other acts as may be necessary to secure the rights of the school district relating to such publications, instructional materials, computer programs, materials posted on websites, inventions and/or creations, including domestic and foreign patents and copyrights.

**Legal References:** Minn. Stat. § 181.78 (Agreements; Terms Relating to Inventions)  
17 U.S.C. § 101 *et seq.* (Copyrights)

**Cross References:**

Adopted: 9/2006  
Reviewed: ~~5/12/2016~~12/14/2017  
Revised: 5/26/2016  
Rescinds: BAB

## **416 DRUG AND ALCOHOL TESTING**

### **I. PURPOSE**

- A. The school board recognizes the significant problems created by drug and alcohol use in society in general, and the public schools in particular. The school board further recognizes the important contribution that the public schools have in shaping the youth of today into the adults of tomorrow.
- B. The school board believes that a work environment free of drug and alcohol use will be not only safer, healthier, and more productive but also more conducive to effective learning. Therefore, to provide such an environment, the purpose of this policy is to provide authority so that the school board may require all employees and/or job applicants to submit to drug and alcohol testing in accordance with the provisions of this policy and as provided in federal law and Minn. Stat. §§ 181.950-181.957.

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

- A. All school district employees and job applicants whose positions require a commercial driver's license will be required to undergo drug and alcohol testing in accordance with federal law and the applicable provisions of this policy. The school district also may request or require that drivers submit to drug and alcohol testing in accordance with the provisions of this policy and as provided in Minn. Stat. §§ 181.950-181.957.
- B. If the school district contracts for transportation services, it will require the transportation contractor to comply with the provisions of this policy applicable to school bus drivers.
- C. The school district may request or require that any school district employee or job applicant, other than an employee or applicant whose position requires a commercial driver's license, submit to drug and alcohol testing in accordance with the provisions of this policy and as provided in Minn. Stat. §§ 181.950-181.957.
- D. The use, possession, sale, purchase, transfer, or dispensing of any drugs not medically prescribed, including medical cannabis, regardless of whether it has been prescribed for the employee, is prohibited on school district property (which includes school district vehicles), while operating school district vehicles or equipment, and at any school-sponsored program or event. Use of drugs which are

not medically prescribed, including medical cannabis, regardless of whether it has been prescribed for the employee, is also prohibited throughout the school or work day, including lunch or other breaks, whether or not the employee is on or off school district property. Employees under the influence of drugs which are not medically prescribed are prohibited from entering or remaining on school district property.

- E. The use, possession, sale, purchase, transfer, or dispensing of alcohol is prohibited on school district property (which includes school district vehicles), while operating school district vehicles or equipment, and at any school-sponsored program or event. Use of alcohol is also prohibited throughout the school or work day, including lunch or other breaks, whether or not the employee is on or off school district property. Employees under the influence of alcohol are prohibited from entering or remaining on school district property.
- F. Any employee who violates this section shall be subject to discipline which includes, but is not limited to, immediate suspension without pay and immediate discharge.

### **III. FEDERALLY MANDATED DRUG AND ALCOHOL TESTING FOR SCHOOL BUS DRIVERS**

#### **A. General Statement of Policy**

All persons subject to commercial driver's license requirements shall be tested for alcohol, marijuana (including medical cannabis), cocaine, amphetamines, opiates (including heroin), and phencyclidine (PCP), pursuant to federal law. Drivers who test positive for alcohol or drugs shall be subject to disciplinary action, which may include termination of employment.

#### **B. Definitions**

1. "Actual Knowledge" means actual knowledge by the school district that a driver has used alcohol or controlled substances based on: (a) direct observation of the employee's use (not observation of behavior sufficient to warrant reasonable suspicion testing); (b) information provided by a previous employer; (c) a traffic citation; or (d) an employee's admission, except when made in connection with a qualified employee self-admission program.
2. "Alcohol Screening Device" (ASD) means a breath or saliva device, other than an Evidential Breath Testing Device (EBT), that is approved by the National Highway Traffic Safety Administration and placed on its Conforming Products List for such devices.
3. "Breath Alcohol Technician" (BAT) means an individual who instructs and assists individuals in the alcohol testing process and who operates the EBT.

4. “Commercial Motor Vehicle” (CMV) includes a vehicle which is designed to transport 16 or more passengers, including the driver.
5. “Designated Employer Representative” (DER) means a designated school district representative authorized to take immediate action to remove employees from safety-sensitive duties, to make required decisions in the testing and evaluation process, and to receive test results and other communications for the school district.
6. “Department of Transportation” (DOT) means United States Department of Transportation.
7. “Driver” is any person who operates a CMV, including full-time, regularly employed drivers, casual, intermittent or occasional drivers, leased drivers, and independent owner-operator contractors.
8. “Evidential Breath Testing Device” (EBT) means a device approved by the National Highway Traffic Safety Administration for the evidentiary testing of breath for alcohol concentration and placed on its Conforming Products List for such devices.
9. “Medical Review Officer” (MRO) means a licensed physician responsible for receiving and reviewing laboratory results generated by the school district’s drug testing program and for evaluating medical explanations for certain drug tests.
10. “Refusal to Submit” (to an alcohol or controlled substances test) means that a driver: (a) fails to appear for any test within a reasonable time, as determined by the school district, consistent with applicable DOT regulations, after being directed to do so; (b) fails to remain at the testing site until the testing process is complete; (c) fails to provide a urine specimen or an adequate amount of saliva or breath for any DOT drug or alcohol test; (d) fails to permit the observation or monitoring of the driver’s provision of a specimen in the case of a directly observed or monitored collection in a drug test; (e) fails to provide a sufficient breath specimen or sufficient amount of urine when directed and a determination has been made that no adequate medical explanation for the failure exists; (f) fails or declines to take an additional test as directed; (g) fails to undergo a medical examination or evaluation, as directed by the MRO or the DER; (h) fails to cooperate with any part of the testing process (e.g., refuses to empty pockets when so directed by the collector, behaves in a confrontational way that disrupts the collection process, fails to wash hands after being directed to do so by the collector, fails to sign the certification on the forms); (i) fails to follow the observer’s instructions, in an observed collection, to raise the driver’s clothing above the waist, lower clothing and underpants, and to turn around to permit the observer to determine if the driver has any type of prosthetic or other device that

could be used to interfere with the collection process; (j) possesses or wears a prosthetic or other device that could be used to interfere with the collection process; (k) admits to the collector or MRO that the driver adulterated or substituted the specimen; or (l) is reported by the MRO as having a verified adulterated or substituted test result. An applicant who fails to appear for a pre-employment test, who leaves the testing site before the pre-employment testing process commences, or who does not provide a urine specimen because he or she has left before it commences is not deemed to have refused to submit to testing.

11. “Safety-sensitive functions” are on-duty functions from the time the driver begins work or is required to be in readiness to work until relieved from work, and include such functions as driving, loading and unloading vehicles, or supervising or assisting in the loading or unloading of vehicles, servicing, repairing, obtaining assistance to repair, or remaining in attendance during the repair of a disabled vehicle.
12. “Screening Test Technician” (STT) means anyone who instructs and assists individuals in the alcohol testing process and operates an ASD.
13. “Stand Down” means to temporarily remove an employee from performing safety-sensitive functions after a laboratory reports a confirmed positive, an adulterated, or a substituted test result but before the MRO completes the verification process.
14. “Substance Abuse Professional” (SAP) means a qualified person who evaluates employees who have violated a DOT drug and alcohol regulation and makes recommendations concerning education, treatment, follow-up testing, and aftercare.

#### C. Policy and Educational Materials

1. The school district shall provide a copy of this policy and procedures to each driver prior to the start of its alcohol and drug testing program and to each driver subsequently hired or transferred into a position requiring driving of a CMV.
2. The school district shall provide to each driver information concerning the effects of alcohol and controlled substances use on an individual’s health, work, and personal life; signs and symptoms of an alcohol or drug problem; and available methods of intervening when an alcohol or drug problem is suspected, including confrontation, referral to an employee assistance program, and/or referral to management.
3. The school district shall provide written notice to representatives of employee organizations that the information described above is available.
4. The school district shall require each driver to sign a statement certifying

that he or she has received a copy of the policy and materials. This statement should be in the form of Attachment A to this policy. The school district will maintain the original signed certificate and will provide a copy to the driver if the driver so requests.

D. Alcohol and Controlled Substances Testing Program Manager

1. The program manager will coordinate the implementation, direction, and administration of the alcohol and controlled substances testing policy for bus drivers. The program manager is the principal contact for the collection site, the testing laboratory, the MRO, the BAT, the SAP, and the person submitting to the test. Employee questions concerning this policy shall be directed to the program manager.
2. The school district shall designate a program manager and provide written notice of the designation to each driver along with this policy.

E. Specific Prohibitions for Drivers

1. Alcohol Concentration. No driver shall report for duty or remain on duty requiring the performance of safety-sensitive functions while having an alcohol concentration of 0.04 or greater. Drivers who test greater than 0.04 will be taken out of service and will be subject to evaluation by a professional and retesting at the driver's expense.
2. Alcohol Possession. No driver shall be on duty or operate a CMV while the driver possesses alcohol.
3. On-Duty Use. No driver shall use alcohol while performing safety-sensitive functions.
4. Pre-Duty Use. No driver shall perform safety-sensitive functions within four (4) hours after using alcohol.
5. Use Following an Accident. No driver required to take a post-accident test shall use alcohol for eight (8) hours following the accident, or until he or she undergoes a post-accident alcohol test, whichever occurs first.
6. Refusal to Submit to a Required Test. No driver shall refuse to submit to an alcohol or controlled substances test required by post-accident, random, reasonable suspicion, return-to-duty, or follow-up testing requirements. A verified adulterated or substituted drug test shall be considered a refusal to test.
7. Use of Controlled Substances. No driver shall report for duty or remain on duty requiring the performance of safety-sensitive functions when the driver uses any controlled substance, except when the use is pursuant to instructions (which have been presented to the school district) from a

licensed physician who has advised the driver that the substance does not adversely affect the driver's ability to safely operate a CMV. Controlled substance includes medical cannabis, regardless of whether the driver is enrolled in the state registry program.

8. Positive, Adulterated, or Substituted Test for Controlled Substance. No driver shall report for duty, remain on duty, or perform a safety-sensitive function if the driver tests positive for controlled substances, including medical cannabis, or has adulterated or substituted a test specimen for controlled substances.
9. General Prohibition. Drivers are also subject to the general policies and procedures of the school district which prohibit the possession, transfer, sale, exchange, reporting to work under the influence of drugs or alcohol, and consumption of drugs or alcohol while at work or while on school district premises or operating any school district vehicle, machinery, or equipment.

F. Other Alcohol-Related Conduct

No driver found to have an alcohol concentration of 0.02 or greater but less than 0.04 shall perform safety-sensitive functions for at least twenty-four (24) hours following administration of the test. The school district will not take any action under this policy other than removal from safety-sensitive functions based solely on test results showing an alcohol concentration of less than 0.04 but may take action otherwise consistent with law and policy of the school district.

G. Prescription Drugs

A driver shall inform his or her supervisor if at any time the driver is using a controlled substance pursuant to a physician's prescription. The physician's instructions shall be presented to the school district upon request. Use of a prescription drug shall be allowed if the physician has advised the driver that the prescribed drug will not adversely affect the driver's ability to safely operate a CMV. Use of medical cannabis is prohibited notwithstanding the driver's enrollment in the patient registry.

H. Testing Requirements

1. Pre-Employment Testing

- a. A driver applicant shall undergo testing for [alcohol and] controlled substances, including medical cannabis, before the first time the driver performs safety-sensitive functions for the school district.
- b. Tests shall be conducted only after the applicant has received a conditional offer of employment.

- c. In order to be hired, the applicant must test negative and must sign an agreement in the form of Attachment B to this policy, authorizing former employers to release to the school district all information on the applicant's alcohol tests with results of blood alcohol concentration of 0.04 or higher, or verified positive results for controlled substances, including medical cannabis, or refusals to be tested (including verified adulterated or substituted drug test results), or any other violations of DOT agency drug and alcohol testing regulations, or, if the applicant violated the testing regulations, documentation of the applicant's successful completion of DOT return-to-duty requirements (including follow-up tests), within the preceding two (2) years.
- d. The applicant also must be asked whether he or she has tested positive, or refused to test, on any pre-employment drug or alcohol test administered by an employer to which the employee, during the last two (2) years, applied for, but did not obtain, safety-sensitive transportation work covered by DOT testing rules.

2. Post-Accident Testing

- a. As soon as practicable following an accident involving a CMV, the school district shall test the driver for alcohol and controlled substances, including medical cannabis, if the accident involved the loss of human life or if the driver receives a citation for a moving traffic violation arising from an accident which results in bodily injury or disabling damage to a motor vehicle.
- b. Drivers should be tested for alcohol use within two (2) hours and no later than eight (8) hours after the accident.
- c. Drivers should be tested for controlled substances, including medical cannabis, no later than thirty-two (32) hours after the accident.
- d. A driver subject to post-accident testing must remain available for testing, or shall be considered to have refused to submit to the test.
- e. If a post-accident alcohol test is not administered within two (2) hours following the accident, the school district shall prepare and maintain on file a record stating the reasons the test was not promptly administered and continue to attempt to administer the alcohol test within eight (8) hours.
- f. If a post-accident alcohol test is not administered within eight (8) hours following the accident or a post-accident controlled substances test is not administered within thirty-two (32) hours

following the accident, the school district shall cease attempts to administer the test, and prepare and maintain on file a record stating the reasons for not administering the test.

3. Random Testing

- a. The school district shall conduct tests on a random basis at unannounced times throughout the year, as required by the federal regulations.
- b. The school district shall test for alcohol at a minimum annual percentage rate of 10% of the average number of driver positions, and for controlled substances, including medical cannabis, at a minimum annual percentage of 50%.
- c. The school district shall adopt a scientifically valid method for selecting drivers for testing, such as random number table or a computer-based random number generator that is matched with identifying numbers of the drivers. Each driver shall have an equal chance of being tested each time selections are made.
- d. Random tests shall be unannounced. Dates for administering random tests shall be spread reasonably throughout the calendar year.
- e. Drivers shall proceed immediately to the collection site upon notification of selection; provided, however, that if the driver is performing a safety-sensitive function, other than driving, at the time of notification, the driver shall cease to perform the function and proceed to the collection site as soon as possible.

4. Reasonable Suspicion Testing

- a. The school district shall require a driver to submit to an alcohol test and/or controlled substances, including medical cannabis, test when a supervisor or school district official, who has been trained in accordance with the regulations, has reasonable suspicion to believe that the driver has used alcohol and/or controlled substances, including medical cannabis, on duty or within four (4) hours before coming on duty. The test shall be done as soon as practicable following the observation of the behavior indicative of the use of controlled substances or alcohol.
- b. The reasonable suspicion determination must be based on specific, contemporaneous, articulable observations concerning the driver's appearance, behavior, speech, or body odors. The required observations for reasonable suspicion of a controlled substances violation may include indications of the chronic and withdrawal

effects of controlled substances.

- c. Alcohol testing shall be administered within two (2) hours following a determination of reasonable suspicion. If it is not done within two (2) hours, the school district shall prepare and maintain a record explaining why it was not promptly administered and continue to attempt to administer the alcohol test within eight (8) hours. If an alcohol test is not administered within eight (8) hours following the determination of reasonable suspicion, the school district shall cease attempts to administer the test and state in the record the reasons for not administering the test.
  - d. The supervisor or school district official who makes observations leading to a controlled substances reasonable suspicion test shall make and sign a written record of the observations within twenty-four (24) hours of the observed behavior or before the results of the drug test are released, whichever is earlier.
5. Return-To-Duty Testing. A driver found to have violated this policy shall not return to work until an SAP has determined the employee has successfully complied with prescribed education and/or treatment and until undergoing return-to-duty tests indicating an alcohol concentration of less than 0.02 and a confirmed negative result for the use of controlled substances.
6. Follow-Up Testing. When an SAP has determined that a driver is in need of assistance in resolving problems with alcohol and/or controlled substances, the driver shall be subject to unannounced follow-up testing as directed by the SAP for up to sixty (60) months after completing a treatment program.
7. Refusal to Submit and Attendant Consequences
- a. A driver or driver applicant may refuse to submit to drug and alcohol testing.
  - b. Refusal to submit to a required drug or alcohol test subjects the driver or driver applicant to the consequences specified in federal regulations as well as the civil and/or criminal penalty provisions of 49 U.S.C. § 521(b). In addition, a refusal to submit to testing establishes a presumption that the driver or driver applicant would test positive if a test were conducted and makes the driver or driver applicant subject to discipline or disqualification under this policy.
  - c. A driver applicant who refuses to submit to testing shall be disqualified from further consideration for the conditionally offered position.

- d. An employee who refuses to submit to testing shall not be permitted to perform safety-sensitive functions and will be considered insubordinate and subject to disciplinary action, up to and including dismissal. If an employee is offered an opportunity to return to a DOT safety-sensitive duty, the employee will be evaluated by an SAP and must submit to a return-to-duty test prior to being considered for reassignment to safety-sensitive functions.
- e. Drivers or driver applicants who refuse to submit to required testing will be required to sign Attachment C to this policy.

I. Testing Procedures

1. Drug Testing

- a. Drug testing is conducted by analyzing a donor's urine specimen. Split urine samples will be collected in accordance with federal regulations. The donor will provide a urine sample at a designated collection site. The collection site personnel will then pour the sample into two sample bottles, labeled "primary" and "split," seal the specimen bottles, complete the chain of custody form, and prepare the specimen bottles for shipment to the testing laboratory for analysis. The specimen preparation shall be conducted in sight of the donor.
- b. If the donor is unable to provide the appropriate quantity of urine, the collection site person shall instruct the individual to drink up to forty (40) ounces of fluid distributed reasonably through a period of up to three (3) hours to attempt to provide a sample. If the individual is still unable to provide a complete sample, the test shall be discontinued and the school district notified. The DER shall refer the donor for a medical evaluation to determine if the donor's inability to provide a specimen is genuine or constitutes a refusal to test. For pre-employment testing, the school district may elect to not have a referral made, and revoke the employment offer.
- c. Drug test results are reported directly to the MRO by the testing laboratory. The MRO reports the results to the DER. If the results are negative, the school district is informed and no further action is necessary. If the test result is confirmed positive, adulterated, substituted, or invalid, the MRO shall give the donor an opportunity to discuss the test result. The MRO will contact the donor directly, on a confidential basis, to determine whether the donor wishes to discuss the test result. The MRO shall notify each donor that the donor has seventy-two (72) hours from the time of notification in which to request a test of the split specimen at the donor's expense. No split specimen testing is done for an invalid result.

- d. If the donor requests an analysis of the split specimen within seventy-two (72) hours of having been informed of a confirmed positive test, the MRO shall direct, in writing, the laboratory to provide the split specimen to another Department of Health and Human Services – SAMHSA certified laboratory for analysis. If the donor has not contacted the MRO within seventy-two (72) hours, the donor may present the MRO information documenting that serious illness, injury, inability to contact the MRO, lack of actual notice of the confirmed positive test, or other circumstances unavoidably prevented the donor from timely making contact. If the MRO concludes that a legitimate explanation for the donor’s failure to contact him/her within seventy-two (72) hours exists, the MRO shall direct the analysis of the split specimen. The MRO will review the confirmed positive test result to determine whether an acceptable medical reason for the positive result exists. The MRO shall confirm and report a positive test result to the DER and the employee when no legitimate medical reason for a positive test result as received from the testing laboratory exists.
- e. If, after making reasonable efforts and documenting those efforts, the MRO is unable to reach the donor directly, the MRO must contact the DER who will direct the donor to contact the MRO. If the DER is unable to contact the donor, the donor will be suspended from performing safety-sensitive functions.
- f. The MRO may confirm the test as a positive without having communicated directly with the donor about the test results under the following circumstances:
  - (1) The donor expressly declines the opportunity to discuss the test results;
  - (2) The donor has not contacted the MRO within seventy-two (72) hours of being instructed to do so by the DER; or
  - (3) The MRO and the DER, after making and documenting all reasonable efforts, have not been able to contact the donor within ten (10) days of the date the confirmed test result was received from the laboratory.

2. Alcohol Testing

- a. The federal alcohol testing regulations require testing to be administered by a BAT using an EBT or an STT using an ASD. EBTs and ASDs can be used for screening tests but only EBTs can be used for confirmation tests.

- b. Any test result less than 0.02 alcohol concentration is considered a “negative” test.
- c. If the donor is unable to provide sufficient saliva for an ASD, the DER will immediately arrange to use an EBT. If the donor attempts and fails to provide an adequate amount of breath, the school district will direct the donor to obtain a written evaluation from a licensed physician to determine if the donor’s inability to provide a breath sample is genuine or constitutes a refusal to test.
- d. If the screening test results show alcohol concentration of 0.02 or higher, a confirmatory test conducted on an EBT will be required to be performed between fifteen (15) and thirty (30) minutes after the completion of the screening test.
- e. Alcohol tests are reported directly to the DER.

J. Driver/Driver Applicant Rights

- 1. All drivers and driver applicants subject to the controlled substances testing provisions of this policy who receive a confirmed positive test result for the use of controlled substances have the right to request, at the driver’s or driver applicant’s expense, a confirming retest of the split urine sample. If the confirming retest is negative, no adverse action will be taken against the driver, and a driver applicant will be considered for employment.
- 2. The school district will not discharge a driver who, for the first time, receives a confirmed positive drug or alcohol test UNLESS:
  - a. The school district has first given the employee an opportunity to participate in, at the employee’s own expense or pursuant to coverage under an employee benefit plan, either a drug or alcohol counseling or rehabilitation program, whichever is more appropriate, as determined by the school district after consultation with the SAP; and
  - b. The employee refuses to participate in the recommended program, or fails to successfully complete the program as evidenced by withdrawal before its completion or by a positive test result on a confirmatory test after completion of the program.
  - c. This limitation on employee discharge does not bar discharge of an employee for reasons independent of the first confirmed positive test result.

K. Testing Laboratory

The testing laboratory for controlled substances will be certified by the Department of Health and Human Services – SAMHSA to perform controlled substances testing pursuant to federal regulations.

L. Confidentiality of Test Results

All alcohol and controlled substances test results and required records of the drug and alcohol testing program are considered confidential information under federal law and private data on individuals as that phrase is defined in Minn. Stat. Ch. 13. Any information concerning the individual’s test results and records shall not be released without written permission of the individual, except as provided for by regulation or law.

M. Recordkeeping Requirements and Retention of Records

- 1. The school district shall keep and maintain records in accordance with the federal regulations in a secure location with controlled access.
- 2. The required records shall be retained for the following minimum periods:

|               |         |
|---------------|---------|
| Basic records | 5 years |
|---------------|---------|

“Basic records” includes records of: (a) alcohol test results with concentration of 0.02 or greater; (b) verified positive drug test results; (c) refusals to submit to required tests (including substituted or adulterated drug test results); (d) SAP reports; (e) all follow-up tests and schedules for follow-up tests; (f) calibration documentation; (g) administration of the testing programs; and (h) each annual calendar year summary.

|   |            |
|---|------------|
| Information obtained from previous employers    | 3 years    |
| Collection records                              | 2 years    |
| Negative and cancelled drug tests               | 1 year     |
| Alcohol tests with less than 0.02 concentration | 1 year     |
| Education and training records                  | indefinite |

“Education and training records” must be maintained while the individuals perform the functions which require training and for the two (2) years after ceasing to perform those functions.

N. Training

The school district shall ensure all persons designated to supervise drivers receive training. The designated employees shall receive at least sixty (60) minutes of training on alcohol misuse and at least sixty (60) minutes of training on controlled substances use. The training shall include physical, behavioral, speech, and performance indicators of probable misuse of alcohol and use of controlled substances. The training will be used by the supervisors to make determinations

of reasonable suspicion.

O. Consequences of Prohibited Conduct and Enforcement

1. Removal. The school district shall remove a driver who has engaged in prohibited conduct from safety-sensitive functions. A driver shall not be permitted to return to safety-sensitive functions until and unless the return-to-duty requirements of federal DOT regulations have been completed.
2. Referral, Evaluation, and Treatment
  - a. A driver or driver applicant who has engaged in prohibited conduct shall be provided a listing of SAPs readily available to the driver or applicant and acceptable to the school district.
  - b. If the school district offers a driver an opportunity to return to a DOT safety-sensitive duty following a violation, the driver must be evaluated by an SAP and the driver is required to successfully comply with the SAP's evaluation recommendations (education, treatment, follow-up evaluation(s), and/or ongoing services). The school district is not required to provide an SAP evaluation or any subsequent recommended education or treatment.
  - c. Drivers are responsible for payment for SAP evaluations and services unless a collective bargaining agreement or employee benefit plan provides otherwise.
  - d. Drivers who engage in prohibited conduct also are required to comply with follow-up testing requirements.
3. Disciplinary Action
  - a. Any driver who refuses to submit to post-accident, random, reasonable suspicion, or follow-up testing not only shall not perform or continue to perform safety-sensitive functions, but also may be subject to disciplinary action, which may include immediate suspension without pay and/or immediate discharge.
  - b. Drivers who test positive with verification of a confirmatory test or are otherwise found to be in violation of this policy or the federal regulations shall be subject to disciplinary action, which may include immediate suspension without pay and/or immediate discharge.
  - c. Nothing in this policy limits or restricts the right of the school district to discipline or discharge a driver for conduct which not only constitutes prohibited conduct under this policy but also violates the school district's other rules or policies.

P. Other Testing

The school district may request or require that drivers submit to drug and alcohol testing other than that required by federal law. For example, drivers may be requested or required to undergo drug and alcohol testing on an annual basis as part of a routine physical examination. Such additional testing of drivers will be conducted only in accordance with the provisions of this policy and as provided in Minn. Stat. §§ 181.950-181.957. For purposes of such additional, non-mandatory testing, drivers fall within the definition of “other employees” covered by Section IV. of this policy.

**IV. DRUG AND ALCOHOL TESTING FOR OTHER EMPLOYEES**

The school district may request or require drug and alcohol testing for other school district personnel, i.e., employees who are not school bus drivers, or job applicants for such positions. The school district does not have a legal duty to request or require any employee or job applicant to undergo drug and alcohol testing as authorized in this policy, except for school bus drivers and other drivers of CMVs who are subject to federally mandated testing. (See Section III. of this policy.) If a school bus driver is requested or required to submit to drug or alcohol testing beyond that mandated by federal law, the provisions of Section IV. of this policy will be applicable to such testing.

A. Circumstances Under Which Drug or Alcohol Testing May Be Requested or Required:

1. General Limitations

- a. The school district will not request or require an employee or job applicant whose position does not require a commercial driver’s license to undergo drug or alcohol testing, unless the testing is done pursuant to this drug and alcohol testing policy; and is conducted by a testing laboratory which participates in one of the programs listed in Minn. Stat. § 181.953, Subd. 1.
- b. The school district will not request or require an employee or job applicant whose position does not require a commercial driver’s license to undergo drug and alcohol testing on an arbitrary and capricious basis.

2. Job Applicant Testing

The school district may request or require any job applicant whose position does not require a commercial driver’s license to undergo drug and alcohol testing, provided a job offer has been made to the applicant and the same test is requested or required of all job applicants conditionally offered employment for that position. If a job applicant has received a job offer which is contingent on the applicant’s passing drug

and alcohol testing, the school district may not withdraw the offer based on a positive test result from an initial screening test that has not been verified by a confirmatory test. In the event the job offer is subsequently withdrawn, the school district shall notify the job applicant of the reason for its action.

3. Random Testing

The school district may request or require employees to undergo drug and alcohol testing on a random selection basis only if they are employed in safety-sensitive positions.

4. Reasonable Suspicion Testing

The school district may request or require any employee to undergo drug and alcohol testing if the school district has a reasonable suspicion that the employee:

- a. is under the influence of drugs or alcohol;
- b. has violated the school district's written work rules prohibiting the use, possession, sale, or transfer of drugs or alcohol while the employee is working or while the employee is on the school district's premises or operating the school district's vehicles, machinery, or equipment;
- c. has sustained a personal injury, as that term is defined in Minn. Stat. § 176.011, Subd. 16, or has caused another employee to sustain a personal injury; or
- d. has caused a work-related accident or was operating or helping to operate machinery, equipment, or vehicles involved in a work-related accident.

5. Treatment Program Testing

The school district may request or require any employee to undergo drug and alcohol testing if the employee has been referred by the school district for chemical dependency treatment or evaluation or is participating in a chemical dependency treatment program under an employee benefit plan, in which case the employee may be requested or required to undergo drug and alcohol testing without prior notice during the evaluation or treatment period and for a period of up to two (2) years following completion of any prescribed chemical dependency treatment program.

6. Routine Physical Examination Testing

The school district may request or require any employee to undergo drug

and alcohol testing as part of a routine physical examination provided the drug or alcohol test is requested or required no more than once annually and the employee has been given at least two weeks' written notice that a drug or alcohol test may be requested or required as part of the physical examination.

B. No Legal Duty to Test

The school district does not have a legal duty to request or require any employee or job applicant whose position does not require a commercial driver's license to undergo drug and alcohol testing.

C. Definitions

1. "Drug" means a controlled substance as defined in Minnesota Statutes, including medical cannabis, regardless of enrollment in the state registry program.
2. "Drug and alcohol testing," "drug or alcohol testing," and "drug or alcohol test" mean analysis of a body component sample according to the standards established under one of the programs listed in Minn. Stat. § 181.953, Subd. 1, for the purpose of measuring the presence or absence of drugs, alcohol, or their metabolites in the sample tested.
3. "Other Employees" means any persons, independent contractors, or persons working for an independent contractor who perform services for the school district for compensation, either full time or part time, in whatever form, except for persons whose positions require a commercial driver's license, and includes both professional and nonprofessional personnel. Persons whose positions require a commercial driver's license are primarily governed by the provisions of the school district's drug and alcohol testing policy relating to school bus drivers (Section III.). To the extent that the drug and alcohol testing of persons whose positions require a commercial driver's license is not mandated by federal law and regulations, such testing shall be governed by Section IV. of this policy and the drivers shall fall within this definition of "other employees."
4. "Job applicant" means a person, independent contractor, or person working for an independent contractor who applies to become an employee of the school district in a position that does not require a commercial driver's license, and includes a person who has received a job offer made contingent on the person's passing drug or alcohol testing. Job applicants for positions requiring a commercial driver's license are governed by the provisions of the school district's drug and alcohol testing policy relating to school bus drivers (Section III.).
5. "Positive test result" means a finding of the presence of drugs, alcohol, or their metabolites in the sample tested in levels at or above the threshold

detection levels contained in the standards of one of the programs listed in Minn. Stat. § 181.953, Subd. 1.

6. “Random selection basis” means a mechanism for selection of employees that:
  - a. results in an equal probability that any employee from a group of employees subject to the selection mechanism will be selected; and
  - b. does not give the school district discretion to waive the selection of any employee selected under the mechanism.
7. “Reasonable suspicion” means a basis for forming a belief based on specific facts and rational inferences drawn from those facts.
8. “Safety-sensitive position” means a job, including any supervisory or management position, in which an impairment caused by drug or alcohol usage would threaten the health or safety of any person.

D. Right of Other Employee or Job Applicant to Refuse Drug and Alcohol Testing and Consequences of Such Refusal

1. Right of Other Employee or Job Applicant to Refuse Drug and Alcohol Testing

Any employee or job applicant whose position does not require a commercial driver’s license has the right to refuse drug and alcohol testing subject to the provisions contained in Paragraphs 2. and 3. of this Section D.

2. Consequences of an Employee’s Refusal to Undergo Drug and Alcohol Testing

Any employee in a position that does not require a commercial driver’s license who refuses to undergo drug and alcohol testing in the circumstances set out in the Random Testing, Reasonable Suspicion Testing, and Treatment Program Testing provisions of this policy may be subject to disciplinary action, up to and including immediate discharge.

3. Consequences of a Job Applicant’s Refusal to Undergo Drug and Alcohol Testing

Any job applicant for a position which does not require a commercial driver’s license who refuses to undergo drug and alcohol testing pursuant to the Job Applicant Testing provision of this policy shall not be employed.

E. Reliability and Fairness Safeguards

1. Pretest Notice

Before requesting an employee or job applicant whose position does not require a commercial driver's license to undergo drug or alcohol testing, the school district shall provide the employee or job applicant with a Pretest Notice in the form of Attachment D to this policy on which to acknowledge that the employee or job applicant has received the school district's drug and alcohol testing policy.

2. Notice of Test Results

Within three (3) working days after receipt of a test result report from the testing laboratory, the school district shall inform in writing an employee or job applicant who has undergone drug or alcohol testing of a negative test result on an initial screening test or of a negative or positive test result on a confirmatory test.

3. Notice of and Right to Test Result Report

Within three (3) working days after receipt of a test result report from the testing laboratory, the school district shall inform in writing, an employee or job applicant who has undergone drug or alcohol testing of the employee or job applicant's right to request and receive from the school district a copy of the test result report on any drug or alcohol test.

4. Notice of and Right to Explain Positive Test Result

- a. If an employee or job applicant has a positive test result on a confirmatory test, the school district shall provide him or her with notice of the test results and, at the same time, written notice of the right to explain the results and to submit additional information.
- b. The school district may request that the employee or job applicant indicate any over-the-counter or prescription medication that the individual is currently taking or has recently taken and any other information relevant to the reliability of, or explanation for, a positive test result.
- c. The employee may present verification of enrollment in the medical cannabis patient registry as part of the employee's explanation.
- d. Within three (3) working days after notice of a positive test result on a confirmatory test, an employee or job applicant may submit information (in addition to any information already submitted) to the school district to explain that result.

5. Notice of and Right to Request Confirmatory Retests

- a. If an employee or job applicant has a positive test result on a confirmatory test, the school district shall provide him or her with notice of the test results and, at the same time, written notice of the right to request a confirmatory retest of the original sample at his or her expense.
  - b. An employee or job applicant may request a confirmatory retest of the original sample at his or her own expense after notice of a positive test result on a confirmatory test. Within five (5) working days after notice of the confirmatory test result, the employee or job applicant shall notify the school district in writing of his or her intention to obtain a confirmatory retest. Within three (3) working days after receipt of the notice, the school district shall notify the original testing laboratory that the employee or job applicant has requested the laboratory to conduct the confirmatory retest or to transfer the sample to another laboratory licensed under Minn. Stat. § 181.953, Subd. 1 to conduct the confirmatory retest. The original testing laboratory shall ensure that appropriate chain-of-custody procedures are followed during transfer of the sample to the other laboratory. The confirmatory retest must use the same drug or alcohol threshold detection levels as used in the original confirmatory test. If the confirmatory retest does not confirm the original positive test result, no adverse personnel action based on the original confirmatory test may be taken against the employee or job applicant.
6. If an employee or job applicant has a positive test result on a confirmatory test, the school district, at the time of providing notice of the test results, shall also provide written notice to inform him or her of other rights provided under Sections F. or G., below, whichever is applicable.

Attachments E and F to this policy provide the Notices described in Paragraphs 2. through 6. of this Section E.

F. Discharge and Discipline of Employees Whose Positions Do Not Require a Commercial Driver's License

1. The school district may not discharge, discipline, discriminate against, request, or require rehabilitation of an employee on the basis of a positive test result from an initial screening test that has not been verified by a confirmatory test.
2. In the case of a positive test result on a confirmatory test, the employee shall be subject to discipline which includes, but is not limited to, immediate suspension without pay and immediate discharge, pursuant to the provisions of this policy.

3. The school district may not discharge an employee for whom a positive test result on a confirmatory test was the first such result for the employee on a drug or alcohol test requested by the school district, unless the following conditions have been met:
  - a. The school district has first given the employee an opportunity to participate in, at the employee's own expense or pursuant to coverage under an employee benefit plan, either a drug or alcohol counseling or rehabilitation program, whichever is more appropriate, as determined by the school district after consultation with a certified chemical abuse counselor or a physician trained in the diagnosis and treatment of chemical dependency; and
  - b. The employee has either refused to participate in the counseling or rehabilitation program or has failed to successfully complete the program, as evidenced by withdrawal from the program before its completion or by a positive test result on a confirmatory test after completion of the program.
4. Notwithstanding Paragraph 1., the school district may temporarily suspend the tested employee or transfer that employee to another position at the same rate of pay pending the outcome of the confirmatory test and, if requested, the confirmatory retest, provided the school district believes that it is reasonably necessary to protect the health or safety of the employee, co-employees or the public. An employee who has been suspended without pay must be reinstated with back pay if the outcome of the confirmatory test or requested confirmatory retest is negative.
5. The school district may not discharge, discipline, discriminate against, request, or require rehabilitation of an employee on the basis of medical history information or the employee's status as a patient enrolled in the medical cannabis registry program revealed to the school district, unless the employee was under an affirmative duty to provide the information before, upon or after hire, or failing to do so would violate federal law or regulations or cause the school district to lose money or licensing-related benefit under federal law or regulations.
6. The school district may not discriminate against any employee in termination, discharge, or any term of condition of employment or otherwise penalize an employee based upon an employee registered patient's positive drug test for cannabis components or metabolites, unless the employee used, possessed, or was impaired by medical cannabis on school district property during the hours of employment.
7. An employee must be given access to information in his or her personnel file relating to positive test result reports and other information acquired in the drug and alcohol testing process and conclusions drawn from and

actions taken based on the reports or other acquired information.

G. Withdrawal of Job Offer for an Applicant for a Position That Does Not Require a Commercial Driver's License

If a job applicant has received a job offer made contingent on the applicant's passing drug and alcohol testing, the school district may not withdraw the offer based on a positive test result from an initial screening test that has not been verified by a confirmatory test. In the case of a positive test result on a confirmatory test, the school district may withdraw the job offer.

H. Chain-of-Custody Procedures

The school district has established its own reliable chain-of-custody procedures to ensure proper record keeping, handling, labeling, and identification of the samples to be tested. The procedures require the following:

1. Possession of a sample must be traceable to the employee from whom the sample is collected, from the time the sample is collected through the time the sample is delivered to the laboratory;
2. The sample must always be in the possession of, must always be in view of, or must be placed in a secure area by a person authorized to handle the sample;
3. A sample must be accompanied by a written chain-of-custody record; and
4. Individuals relinquishing or accepting possession of the sample must record the time the possession of the sample was transferred and must sign and date the chain-of-custody record at the time of transfer.

I. Privacy, Confidentiality and Privilege Safeguards

1. Privacy Limitations

A laboratory may only disclose to the school district test result data regarding the presence or absence of drugs, alcohol or their metabolites in a sample tested.

2. Confidentiality Limitations

With respect to employees and job applicants, test result reports and other information acquired in the drug or alcohol testing process are private data on individuals as that phrase is defined in Minn. Stat. Ch. 13, and may not be disclosed by the school district or laboratory to another employer or to a third-party individual, governmental agency, or private organization without the written consent of the employee or job applicant tested.

3. Exceptions to Privacy and Confidentiality Disclosure Limitations

Notwithstanding Paragraphs 1. and 2., evidence of a positive test result on a confirmatory test may be: (1) used in an arbitration proceeding pursuant to a collective bargaining agreement, an administrative hearing under Minn. Stat. Ch. 43A or other applicable state or local law, or a judicial proceeding, provided that information is relevant to the hearing or proceeding; (2) disclosed to any federal agency or other unit of the United States government as required under federal law, regulation or order, or in accordance with compliance requirements of a federal government contract; and (3) disclosed to a substance abuse treatment facility for the purpose of evaluation or treatment of the employee.

4. Privilege

Positive test results from the school district drug or alcohol testing program may not be used as evidence in a criminal action against the employee or job applicant tested.

J. Notice of Testing Policy to Affected Employees

The school district shall provide written notice of this drug and alcohol testing policy to all affected employees upon adoption of the policy, to a previously non-affected employee upon transfer to an affected position under the policy, and to a job applicant upon hire and before any testing of the applicant if the job offer is made contingent on the applicant's passing drug and alcohol testing. Affected employees and applicants will acknowledge receipt of this written notice in the form of Attachment G to this policy.

**V. POSTING**

The school district shall post notice in an appropriate and conspicuous location on its premises that it has adopted a drug and alcohol testing policy and that copies of the policy are available for inspection during regular business hours by its employees or job applicants in its personnel office or other suitable locations.

**Legal References:** Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)  
Minn. Stat. Ch. 43A (State Personnel Management)  
Minn. Stat. § 152.22 (Medical Cannabis; Definitions)  
Minn. Stat. § 152.23 (Medical Cannabis; Limitations)  
Minn. Stat. § 152.32 (Protections for Registry Program Participation)  
Minn. Stat. §§ 181.950-181.957 (Drug and Alcohol Testing in the Workplace)  
Minn. Stat. § 221.031 (Motor Carrier Rules)  
49 U.S.C. § 31306 (Omnibus Transportation Employee Testing Act of 1991)  
49 U.S.C. § 521(b) (Civil and Criminal Penalties for Violations)

49 C.F.R. Parts 40 and 382 (Department of Transportation Rules Implementing Omnibus Transportation Employee Testing Act of 1991)

***Cross-References:*** Burnsville-Eagan-Savage School District Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)  
Burnsville-Eagan-Savage School District Policy 406 (Public and Private Personnel Data)  
Burnsville-Eagan-Savage School District Policy 417 (Chemical Use and Abuse)  
Burnsville-Eagan-Savage School District Policy 418 (Drug-Free Workplace/Drug-Free School)

Adopted: 6/89

Burnsville-Eagan-Savage School District Policy 417

Reviewed: ~~5/12/2016~~12/14/2017

Revised: 5/26/2016

Rescinds: GBCB-R, JFCH

## **417 CHEMICAL USE AND ABUSE**

### **I. PURPOSE**

The school board recognizes that chemical use and abuse constitutes a grave threat to the physical and mental well-being of students and employees and significantly impedes the learning process. The school board believes that the Independent School District 191 has a role in education, intervention, and prevention of chemical use and abuse. The purpose of this policy is to assist the school district in its goal to prevent chemical use and abuse by providing procedures for education and intervention and to maintain a safe and healthful environment for students by prohibiting the use of alcohol, toxic substances and controlled substances without a health care provider's prescription.

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

- A. The unlawful manufacture, distribution, dispensation, possession, use or being under the influence of controlled substances, medical cannabis, toxic substances, prescription drugs and over-the-counter preparations (without a health care provider's prescription) or alcohol before, during, or after school hours, at school or in or on other school premises, including any vehicles owned or operated by or for the District, or at any school sponsored activity regardless of location is prohibited in accordance with school district policies with respect to a Drug-Free Workplace/Drug-Free School. Paraphernalia associated with controlled substances is prohibited.
- B. It is the policy of this school district is to provide an instructional program in every elementary and secondary school regarding chemical abuse and the prevention of chemical dependency.
- C. The school district shall establish and maintain in every school a multi-disciplinary team called the Student Teacher Assistance Team (STAT) to identify students who have chemical health, use or abuse related issues including, but not limited to:
  - 1. Students affected by the chemical use or abuse of others,
  - 2. Students requiring awareness of their own chemical use or abuse and of existing community resources for counseling and treatment,
  - 3. Students requiring support during re-entry into the school after disciplinary action due to chemical use or abuse or, on student request,

after their involvement in a treatment program for chemical use or abuse.

- D. The school district shall establish and maintain a program to educate and assist employees, students and others in understanding this policy and the goals of achieving drug-free schools and workplaces. The school district will offer staff development opportunities in chemical health, use and abuse issues available to all school district employees and promote opportunities for vetted community education programs available to parents and community members on topics of chemical health, use and abuse prevention.

### **III. DEFINITIONS**

- A. “Chemical abuse” means use of any psychoactive or mood-altering chemical substance, without compelling medical reason, in a manner that induces mental, emotional, or physical impairment and causes socially dysfunctional or socially disordering behavior, to the extent that the student’s or staff member's normal function in academic, school, or social activities is chronically impaired.
- B. “Chemicals” includes but is not limited to alcohol, toxic substances, medical cannabis, prescription, non-prescription and controlled substances as defined in the school district’s Drug-Free Workplace/Drug-Free School policy.
- C. “Use” includes to sell, buy, manufacture, distribute, dispense, use, or be under the influence of chemicals, whether or not for the purpose of receiving remuneration.
- D. “School location” includes any school building or on any school premises; on any school-owned vehicle or in any other school-approved vehicle used to transport students to and from school or school activities; off-school property at any school-sponsored or school-approved activity, event, or function, such as a field trip or athletic event, where students are under the jurisdiction of the school district; or during any period of time such employee is supervising students on behalf of the school district or otherwise engaged in school district business.
- E. “Student Teacher Assistance Team (STAT)” is a school based multi-disciplinary team that consists of grade-level or content level teachers, administrators and student support services staff (e.g., school nurse, school social worker, school psychologist, school guidance counselor, school-linked mental health provider, etc.). STAT meets regularly to review/analyze instructional/behavior problems presented by referring teachers who have attempted interventions and supports in their classrooms/settings. This team assists the teachers to design an intervention plan that is targeted and measurable over a specific period of time.

### **IV. STUDENTS**

- A. Instruction
  - 1. Every school shall provide an instructional program in chemical use and abuse and the prevention of chemical dependency. The school district

may involve parents, students, health care professionals, state department staff, and members of the community in developing the curriculum.

2. Each school shall have age-appropriate and developmentally based activities that:
  - a. address the consequences of the illegal use of chemicals,;
  - b. promote a sense of individual responsibility;
  - c. teach students that most people do not illegally use drugs;
  - d. teach students to recognize social and peer pressure to use drugs illegally and the skills for resisting illegal drug use;
  - e. teach students about the dangers of emerging drugs;
  - f. engage students in the learning process; and
  - g. incorporate activities in secondary schools that reinforce prevention activities implemented in elementary schools.
3. Each school shall disseminate drug prevention information within the school and to families.
4. The district will offer professional development opportunities and training for, and involvement of, school personnel, student services personnel, parents, and interested community members in prevention, education, early identification and intervention, mentoring, or treatment referral, as related to chemical use and abuse.
5. Each school shall have drug prevention activities.

**B. Multi-Disciplinary Team**

1. Every school shall have a chemical use and abuse multi-disciplinary team incorporated by the Student Teacher Assistance Team (STAT) designated by the superintendent or designee.
2. STAT is responsible for addressing reports of chemical use and abuse issues and making recommendations for appropriate responses to the individual reported cases.
3. After receiving an individual report, the STAT shall provide the student and, in the case of a minor, the student's parents with information about school and community services in connection with chemical use and abuse.

C. Data Practices

1. Student data may be disclosed without consent in health and safety emergencies pursuant to Minn. Stat. § 13.32 and applicable federal law and regulations.
2. Destruction of Records

All documentation of preassessment, assessment and follow up related to chemical use and chemical abuse will be retained following the district's record retention schedule.

D. Consent

Following the MN Minor Consent law, any minor may give effective consent for medical, mental, and other health services to determine the presence of or to treat conditions associated with alcohol and other drug abuse, and the consent of no other person is required.

**V. EMPLOYEES**

A. The superintendent or designee shall undertake and maintain a drug-free awareness and prevention program to inform employees, students, and others about:

1. The dangers and health risks of chemical use and abuse in the workplace/school.
2. The school district's drug-free workplace/drug-free school policy.
3. Any available drug or alcohol counseling, treatment, re-entry, and/or assistance programs available to employees.
4. The penalties that may be imposed on employees for drug abuse violations.

B. The superintendent or designee shall notify any federal granting agency required to be notified under the Drug-Free Workplace Act within ten (10) days after receiving notice of a conviction of an employee for a criminal drug statute violation occurring in the workplace. To facilitate the giving of such notice, any employee aware of such a conviction shall report the same to the superintendent.

**VI. EXCEPTIONS**

A. It shall not be a violation of this policy for a student to bring onto a school location, for such student's own use, a controlled substance which has a currently accepted medical use in treatment in the United States and the student has a licensed health care provider's prescription for the substance and associated

necessary paraphernalia, such as an inhaler or syringe. The student shall comply with the relevant district policies regarding student medication.

***Legal References:*** Minn. Stat. § 13.32 (Educational Data)  
Minn. Stat. § 121A.25-121A.29 (Chemical Abuse)  
Minn. Stat. § 121A.40-121A.56 (Pupil Fair Dismissal Act)  
Minn. Stat. § 138.163 (Records Management Act)  
Minn. Stat. § 144.343 (Pregnancy, Venereal Disease, Alcohol or Drug Abuse, Abortion)  
Minn. Stat. § 152.22 (Medical Cannabis; Definitions)  
Minn. Stat. § 152.23 (Medical Cannabis; Limitations)  
20 U.S.C. § 1232g (Family Educational Rights and Privacy Act)  
20 U.S.C. §§ 7101-7165 (Safe and Drug-Free Schools and Communities Act)  
41 U.S.C. §§ 8101-8106 (Drug-Free Workplace Act)  
34 C.F.R. Part 84 (Government-wide Requirements for Drug-Free Workplace)

***Cross References:*** Burnsville-Eagan-Savage School District Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)  
Burnsville-Eagan-Savage School District Policy 416 (Drug and Alcohol Testing)  
Burnsville-Eagan-Savage School District Policy 418 (Drug-Free Workplace/Drug Free School)  
Burnsville-Eagan-Savage School District Policy 502 (Search of Student Lockers, Desks, Personal Possessions, and Student's Person)  
Burnsville-Eagan-Savage School District Policy 506 (Student Discipline)  
Burnsville-Eagan-Savage School District Policy 515 (Protection and Privacy of Pupil Records)  
Burnsville-Eagan-Savage School District Policy 527 (Student Use and Parking of Motor Vehicles; Patrols, Inspections, and Searches)

Adopted: 6/87  
Reviewed: ~~9/15/2016~~12/14/2017  
Revised: 5/93, 7/0, 9/14, 9/29/2016  
Rescinds: GBK-R, JFCG

Burnsville-Eagan-Savage School District Policy 419

## **419 TOBACCO- AND SMOKE-FREE ENVIRONMENT**

### **I. PURPOSE**

The purpose of this policy is to maintain learning and working environments that are tobacco and smoke free.

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

- A. A violation of this policy occurs when any student, teacher, administrator, other school personnel of the school district, or person smokes or uses tobacco, tobacco-related devices, or electronic cigarettes in a public school. This prohibition extends to all facilities, whether owned, rented, or leased, and all vehicles that a school district owns, leases, rents, contracts for, or controls. In addition, this prohibition includes vehicles used, in whole or in part, for work purposes, during hours of school operation, if more than one person is present. This prohibition includes all school district property and all off-campus events sponsored by the school district.
- B. A violation of this policy occurs when any elementary school, middle school, or secondary school student possesses any type of tobacco, tobacco-related device, or electronic cigarette in a public school. This prohibition extends to all facilities, whether owned, rented, or leased, and all vehicles that a school district owns, leases, rents, contracts for, or controls and includes vehicles used, in whole or in part, for school purposes, during hours of school operation, if more than one person is present. This prohibition includes all school district property and all off-campus events sponsored by the school district.
- C. The school district will act to enforce this policy and to discipline or take appropriate action against any student, teacher, administrator, school personnel, or person who is found to have violated this policy.
- D. The school district will not solicit or accept any contributions or gifts of money, curricula, materials, or equipment from companies that directly manufacture and are identified with tobacco products, devices, or electronic cigarettes. The school district will not promote or allow promotion of tobacco products or e-cigarettes on school property or at school-sponsored events.

### **III. TOBACCO AND TOBACCO-RELATED DEVICES DEFINED**

- A. “Electronic cigarette” means any oral device that provides a vapor of liquid

nicotine, lobelia, and/or other similar substance, and the use or inhalation of which simulates smoking. The term shall include any such devices, whether they are manufactured, distributed, marketed, or sold as e-cigarettes, e-cigars, e-pipes, or under another product name or descriptor.

- B. “Tobacco” means cigarettes and any product containing, made, or derived from tobacco that is intended for human consumption, whether chewed, smoked, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, or any component, part, or accessory of a tobacco product; cigars; cheroots; stogies; perique; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff; snuff flour; cavendish; plug and twist tobacco; fine cut and other chewing tobacco; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco; and other kinds and forms of tobacco.
- C. “Tobacco-related devices” means cigarette papers or pipes for smoking.
- D. “Smoking” means inhaling or exhaling smoke from any lighted cigar, cigarette, pipe, or any other lighted tobacco or plant product. Smoking also includes carrying a lighted cigar, cigarette, pipe, or any other lighted tobacco or plant product intended for inhalation and the use of electronic cigarettes, including the inhaling and exhaling of vapor from any electronic delivery device.

#### **IV. EXCEPTIONS**

- A. A violation of this policy does not occur when a Native American adult lights tobacco on school district property as a part of a traditional Native American spiritual or cultural ceremony. A Native American is a person who is a member of a Native American tribe as defined under Minnesota law and/or self identifies as a Native American.
- B. A violation of this policy does not occur when an adult nonstudent possesses a tobacco or nicotine product that has been approved by the United States Food and Drug Administration for sale as a tobacco cessation product, as a tobacco dependence product, or for other medical purposes, and is being marketed and sold solely for such an approved purpose.

#### **V. ENFORCEMENT**

- A. All individuals on school premises shall adhere to this policy.
- B. Students who violate this tobacco-free policy shall be subject to school district discipline procedures.
- C. School district administrators and other school personnel who violate this tobacco-free policy shall be subject to school district discipline procedures.
- D. School district action taken for violation of this policy will be consistent with requirements of applicable collective bargaining agreements, Minnesota or federal

law, and school district policies.

- E. Persons who violate this tobacco-free policy may be referred to the building administration or other school district supervisory personnel responsible for the area or program at which the violation occurred.
- F. School administrators may call the local law enforcement agency to assist with enforcement of this policy. Smoking or use of any tobacco product in a public school is a violation of the Minnesota Clean Indoor Air Act and/or the Freedom to Breathe Act of 2007 and is a petty misdemeanor. A court injunction may be instituted against a repeated violator.
- G. No persons shall be discharged, refused to be hired, penalized, discriminated against, or in any manner retaliated against for exercising any right to a smoke-free environment provided by the Freedom to Breathe Act of 2007 or other law.

## **VI. DISSEMINATION OF POLICY**

- A. This policy shall appear in the student handbook.
- B. The school district will develop a method of discussing this policy with students and employees.

***Legal References:*** Minn. Stat. §§ 144.411-144.417 (Minnesota Clean Indoor Air Act)  
Minn. Stat. § 609.685 (Sale of Tobacco to Children)  
2007 Minn. Laws Ch. 82 (Freedom to Breathe Act of 2007)

***Cross References:*** Burnsville-Eagan-Savage School District Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)  
Burnsville-Eagan-Savage School District Policy 506 (Student Discipline)  
MSBA Service Manual, Chapter 2, Students; Rights, Responsibilities and Behavior

Adopted: 07/01  
Reviewed: ~~11/19/2015~~12/14/2017  
Revised: 12/3/2015  
Rescinds: GBI-R

*Burnsville-Eagan-Savage School District Policy 421*

**421 GIFTS TO EMPLOYEES AND SCHOOL BOARD MEMBERS**

**I. PURPOSE**

The purpose of this policy is to avoid the appearance of impropriety or the appearance of a conflict of interest with respect to gifts given to school district employees and school board members.

**II. GENERAL STATEMENT OF POLICY**

- A. The school district recognizes that students, parents, and others may wish to show appreciation to school district employees. The policy of the school district, however, is to discourage gift-giving to employees and to encourage donors instead to write letters and notes of appreciation or to give small tokens of gratitude as memorabilia.
- B. A violation of this policy occurs when any employee solicits, accepts, or receives, either by direct or indirect means, a gift from a student, parent, or other individual or organization of greater than nominal value.
- C. A violation of this policy occurs when any employee solicits, accepts, or receives a gift from a person or entity doing business with or seeking to do business with the school district. Employees may accept items of insignificant value of a promotional or public relations nature. The superintendent or designee has discretion to determine what value is “insignificant.”
- D. Teachers may accept free samples of textbooks and related teaching materials from vendors.
- E. This policy applies only to gifts given to employees where the donor’s relationship with the employee arises out of the employee’s employment with the school district. It does not apply to gifts given to employees by personal friends, family members, other employees, or others unconnected to the employee’s employment with the school district.
- F. An elected or appointed member of a school board, a school superintendent, a school principal, or a district school officer, including the school business official, may not accept a gift from an interested person.

- G. This policy does not prohibit a school board candidate from accepting campaign donations in compliance with the election and campaign finance provisions of Minnesota law.

### III. DEFINITIONS

- A. “Gift” means money, real or personal property, a service, a loan, a forbearance or forgiveness of indebtedness, or a promise of future employment that is given without something of equal or greater value being received in return.
- B. “Interested person” means a person or a representative of a person or association that has a direct financial interest in a decision that a school board member, a superintendent, a school principal, or a district school officer is authorized to make.

### IV. PROCEDURES

Any employee considering the acceptance of a gift shall confer with the administration for guidance related to the interpretation and application of this policy.

### V. VIOLATIONS

Employees who violate the provisions of this policy may be subject to discipline, which may include reprimand, suspension, and/or termination or discharge.

**Legal References:** Minn. Stat. § 10A.07 (Conflicts of Interest)  
Minn. Stat. § 10A.071 (Prohibition of Gifts)  
Minn. Stat. § 15.43 (Acceptance of Advantage by State Employee; Penalty)  
Minn. Stat. § 471.895 (Certain Gifts by Interested Persons Prohibited)

**Cross References:** [MSBA/MASA Model Policy Burnsville-Eagan-Savage School District Policy 209](#) (Code of Ethics)  
[MSBA/MASA Model Policy Burnsville-Eagan-Savage School District Policy 210](#) (Conflict of Interest – School Board Members)  
[MSBA/MASA Model Policy Burnsville-Eagan-Savage School District Policy 306](#) (Administrator Code of Ethics)



7 **Future Ready. Community Strong.**

**Agenda V.A.8.  
December 14, 2017**

**To:** Board of Education  
**From:** Stacey Sovine, Executive Director of Human Resources  
**Date:** November 27, 2017  
**Re:** Policy 418: *Drug-Free Workplace/Drug Free School*

**Recommendation:** Approve, on a first reading basis, changes to Policy 418: Drug-Free Workplace/Drug-Free School.

Administration added "or designee" to the policy.

Adopted: 6/89

Burnsville-Eagan-Savage School District Policy 418

Reviewed: ~~5/12/2016~~12/14/2017

Revised: 5/26/2016

Rescinds: GBCBA, JFCH

## **418 DRUG-FREE WORKPLACE/DRUG-FREE SCHOOL**

### **I. PURPOSE**

The purpose of this policy is to maintain a safe and healthful environment for employees and students by prohibiting the use of alcohol, toxic substances, medical cannabis, and controlled substances without a physician's prescription.

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

- A. Use or possession of controlled substances, toxic substances, medical cannabis, and alcohol before, during, or after school hours, at school or in any other school location, is prohibited as general policy. Paraphernalia associated with controlled substances is prohibited.
- B. A violation of this policy occurs when any student, teacher, administrator, other school district personnel, or member of the public uses or possesses alcohol, toxic substances, controlled substances, or medical cannabis in any school location.
- C. The school district will act to enforce this policy and to discipline or take appropriate action against any student, teacher, administrator, school personnel, or member of the public who violates this policy.

### **III. DEFINITIONS**

- A. "Alcohol" includes any alcoholic beverage, malt beverage, fortified wine, or other intoxicating liquor.
- B. "Controlled substances" include narcotic drugs, hallucinogenic drugs, amphetamines, barbiturates, marijuana, anabolic steroids, or any other controlled substance as defined in Schedules I through V of the Controlled Substances Act, 21 U.S.C. § 812, including analogues and look-alike drugs.
- C. "Medical cannabis" means any species of the genus cannabis plant, or any mixture or preparation of them, including whole plant extracts and resins, and is delivered in the form of: (1) liquid, including, but not limited to, oil; (2) pill; (3) vaporized delivery method with use of liquid or oil but which does not require the use of dried leaves or plant form; or (4) any other method, excluding smoking, approved by the commissioner.

- D. “Toxic substances” includes glue, cement, aerosol paint, or other substances used or possessed with the intent of inducing intoxication or excitement of the central nervous system.
- E. “Use” includes to sell, buy, manufacture, distribute, dispense, possess, use, or be under the influence of alcohol and/or controlled substances, whether or not for the purpose of receiving remuneration or consideration.
- F. “Possess” means to have on one’s person, in one’s effects, or in an area subject to one’s control.
- G. “School location” includes any school building or on any school premises; in any school-owned vehicle or in any other school-approved vehicle used to transport students to and from school or school activities; off school property at any school-sponsored or school-approved activity, event, or function, such as a field trip or athletic event, where students are under the jurisdiction of the school district; or during any period of time such employee is supervising students on behalf of the school district or otherwise engaged in school district business.

#### **IV. EXCEPTIONS**

- A. A violation of this policy does not occur when a person brings onto a school location, for such person’s own use, a controlled substance, except medical cannabis, which has a currently accepted medical use in treatment in the United States and the person has a physician’s prescription for the substance. The person shall comply with the relevant procedures of this policy.
- B. A violation of this policy does not occur when a person possesses an alcoholic beverage in a school location when the possession is within the exceptions of Minn. Stat. § 624.701, Subd. 1a (experiments in laboratories; pursuant to a temporary license to sell liquor issued under Minnesota laws or possession after the purchase from such a temporary license holder).

#### **V. PROCEDURES**

- A. Students who have a prescription from a physician for medical treatment with a controlled substance, except medical cannabis, must comply with the school district’s student medication policy.
- B. Employees who have a prescription from a physician for medical treatment with a controlled substance, except medical cannabis, are permitted to possess such controlled substance and associated necessary paraphernalia, such as an inhaler or syringe. The employee must inform his or her supervisor. The employee may be required to provide a copy of the prescription.
- C. Each employee shall be provided with written notice of this Drug-Free Workplace/Drug-Free School policy and shall be required to acknowledge that he or she has received the policy.

- D. Employees are subject to the school district's drug and alcohol testing policies and procedures.
- E. Members of the public are not permitted to possess controlled substances in a school location except with the express permission of the superintendent or designee.
- F. No person is permitted to possess or use medical cannabis on a school bus or van; or on the grounds of any preschool or primary or secondary school; or on the grounds of any child care facility.
- G. Possession of alcohol on school grounds pursuant to the exceptions of Minn. Stat. § 624.701, Subd. 1a, shall be by permission of the school board only. The applicant shall apply for permission in writing and shall follow the school board procedures for placing an item on the agenda.

## **VI. ENFORCEMENT**

### **A. Students**

1. A student who violates the terms of this policy shall be subject to discipline in accordance with the school district's discipline policy. Such discipline may include suspension or expulsion from school.
2. The student may be referred to a drug or alcohol assistance or rehabilitation program and/or to law enforcement officials when appropriate.

### **B. Employees**

1. As a condition of employment in any federal grant, each employee who is engaged either directly or indirectly in performance of a federal grant shall abide by the terms of this policy and shall notify his or her supervisor in writing of his or her conviction of any criminal drug statute for a violation occurring in any of the places listed above on which work on a school district federal grant is performed, no later than five (5) calendar days after such conviction. Conviction means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the federal or state criminal drug statutes.
2. An employee who violates the terms of this policy is subject to disciplinary action, including nonrenewal, suspension, termination, or discharge as deemed appropriate by the school board.
3. In addition, any employee who violates the terms of this policy may be required to satisfactorily participate in a drug and/or alcohol abuse

assistance or rehabilitation program approved by the school district. Any employee who fails to satisfactorily participate in and complete such a program is subject to nonrenewal, suspension, or termination as deemed appropriate by the school board.

4. Sanctions against employees, including nonrenewal, suspension, termination, or discharge shall be pursuant to and in accordance with applicable statutory authority, collective bargaining agreements, and school district policies.

C. The Public

A member of the public who violates this policy shall be informed of the policy and asked to leave. If necessary, law enforcement officials will be notified and asked to provide an escort.

**Legal References:** Minn. Stat. § 121A.22 (Administration of Drugs and Medicine)  
Minn. Stat. § 152.22 (Medical Cannabis; Definitions)  
Minn. Stat. § 152.23 (Medical Cannabis; Limitations)  
Minn. Stat. § 340A.403 (3.2 Percent Malt Liquor Licenses)  
Minn. Stat. § 340A.404 (Intoxicating Liquor; On-Sale Licenses)  
Minn. Stat. § 609.684 (Sale of Toxic Substances to Children; Abuse of Toxic Substances)  
Minn. Stat. § 624.701 (Liquor in Certain Buildings or Grounds)  
20 U.S.C. § 7101-7165 (Safe and Drug-Free Schools and Communities Act)  
21 U.S.C. § 812 (Schedules of Controlled Substances)  
41 U.S.C. §§ 8101-8106 (Drug-Free Workplace Act)  
21 C.F.R. §§ 1308.11-1308.15 (Controlled Substances)  
34 C.F.R. Part 84 (Government-wide Requirements for Drug-Free Workplace)

**Cross References:** Burnsville-Eagan-Savage School District Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)  
Burnsville-Eagan-Savage School District Policy 416 (Drug and Alcohol Testing)  
Burnsville-Eagan-Savage School District Policy 417 (Chemical Use and Abuse)  
Burnsville-Eagan-Savage School District Policy 506 (Student Discipline)  
Burnsville-Eagan-Savage School District Policy 516 (Student Medication)



**Agenda VI.A.  
December 14, 2017**

**To:** Board of Education, Members  
Cindy Amoroso, Superintendent

**From:** Dr. Kathy Funston, Director of Strategic Partnerships and Pathways

**Date:** December 14, 2017

**Re:** Memorandum of Agreement (MOA) with Inver Hills Community College Foundation on behalf of Burnsville Promise

**RECOMMENDATION:** Approve Memorandum of Agreement (MOA) with Inver Hills Community College Foundation on behalf of Burnsville Promise.

Burnsville Promise is an organization that connects community to support youth cradle to career. There are three partner organizations included in the MOA: Inver Hills Community College Foundation, Burnsville-Eagan-Savage Public School District, and Burnsville Promise.

Inver Hills Community College Foundation serves as the fiscal agent, and ISD 191 serves as the hiring agent of the Burnsville Promise coordinator. The current MOA will expire on December 31, 2017. Resources are available to support the coordinator's salary and activities; therefore, this MOA is presented for approval for an additional six month period, beginning January 1, 2018 to June 30, 2018.

**BURNSVILLE PROMISE AGREEMENT**  
**with the Inver Hills Community College Foundation and the**  
**Burnsville-Eagan-Savage School District 191**

**THIS AGREEMENT**, dated this 14th day of December, 2017, is between **BURNSVILLE-EAGAN-SAVAGE SCHOOL DISTRICT 191** ("School District") and the **INVER HILLS COMMUNITY COLLEGE FOUNDATION** ("Foundation"), on behalf of the **BURNSVILLE PROMISE STEERING COMMITTEE** ("Burnsville Promise"), a community collaborative representing business, education and the community.

**WHEREAS**, the Burnsville Promise has secured funding to hire a coordinator to implement the day-to-day activities of the collaborative, and has requested a hiring agency and financial oversight of the coordinator and his/her activities;

**WHEREAS**, the Foundation has offered to provide financial oversight of the coordinator and his/her activities;

**WHEREAS**, the School District has offered to be the hiring agency of the Burnsville Promise coordinator who will be responsible for the activities and outcomes of the Burnsville Promise;

**WHEREAS**, the Burnsville Promise, the Foundation, and the School District have agreed to partner in the sharing of the responsibilities of hiring, supervising, evaluating, and supporting the Burnsville Promise coordinator in attaining the goals of the Burnsville Promise;

**WHEREAS**, the parties desire to promote a shared successful outcome of the efforts.

**NOW, THEREFORE**, in consideration of the mutual undertakings herein, the parties agree as follows:

**1. TERM**

This Agreement shall commence on January 1, 2018 , and shall continue through June 30, 2018, unless otherwise renewed by the parties through a written amendment of this Agreement or terminated as provided under this Agreement.

**2. BURNSVILLE PROMISE CONTRIBUTIONS**

A. The Burnsville Promise shall continually seek financial support for the activities of The Burnsville Promise, including salary and benefits of the coordinator hired to carry out the day-to-day activities of the Burnsville Promise.

B. The Burnsville Promise, in consultation with the School District, shall create a job description and hiring protocol for the coordinator position. Representatives from the Burnsville Promise shall sit on the hiring committee.

C. The Burnsville Promise shall develop performance outcomes related to the coordinator position, as well as a supervisory plan.

D. The Burnsville Promise shall review the performance of the coordinator before the end date of the MOA and recommend to the School District continued employment.

E. The Burnsville Promise shall create a plan to supply the coordinator with necessary supplies, materials, professional development, technology, office space (and other as required for the activities of the position).

**3. FOUNDATION CONTRIBUTIONS**

A. The Foundation shall reimburse the School District for mutually agreed-upon salary and benefit expenses of the coordinator, on a quarterly basis.

B. The Foundation shall reimburse the School District for other mutually agreed-upon expenses such as professional development and mileage, on a quarterly basis.

C. The Foundation shall work closely with Burnsville Promise partners to identify funding to sustain the program.

D. The Foundation shall provide financial information to the School District on a quarterly basis to ensure sufficient funding to support continued employment of the coordinator.

**4. SCHOOL DISTRICT CONTRIBUTIONS**

A. The School District, in consultation with the Burnsville Promise, shall create a job description and hiring protocol for the coordinator position. Representatives from the School District shall sit on the hiring committee. The job description shall be reviewed and revised as the goals of the Burnsville Promise evolve.

B. The School District shall serve as the hiring agency for a coordinator for the Burnsville Promise pursuant to all required School District employment practices. As the hiring agency, the coordinator will be considered an employee of the School District including, but not limited to salaries, wages, other compensation or fringe benefits, workers compensation, unemployment compensation, PERA, Social Security, liability insurance, keeping of personnel records, termination of employment, individual contracts or other contractual rights.

C. The School District shall periodically review the performance of the coordinator for compliance with School District policies and practices relating to

employment.

D. The School District shall work with the Foundation to obtain reimbursement for the salary, benefits, and expenses of the coordinator.

E. As available, the School District will provide office space (with basic office equipment) to the coordinator, and shall work with the Burnsville Promise to supply the coordinator with necessary supplies, materials, professional development, technology (and other as required for the activities of the position).

F. The School District shall assign School District administrator(s) to provide general oversight, on behalf of the School District, for only the Burnsville Promise projects and activities involving School District students and staff.

**5. RECORDS AVAILABILITY AND RETENTION**

Pursuant to Minn. Stat. §16C.05, Subd. 5, the Foundation and the School District agree that the Burnsville Promise, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of the Foundation and the School District and involve transactions relating to this Agreement.

**6. DATA PRACTICES**

All data collected, created, received, maintained, or disseminated or used for any purposes in the course of this Agreement by each party is governed by the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as amended, the Minnesota Rules implementing such act now in force or as adopted, as well as federal regulations on data privacy.

**7. INDEMNIFICATION**

Each party agrees that it will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of the other party and the results thereof. Each party's liability shall be governed by the provisions of Minnesota Statute Chapter 466 and other applicable law as modified hereby.

**9. SUBCONTRACTING**

No party shall enter into any subcontract for performance of any services contemplated under this Agreement without the prior approval of the other parties and subject to such conditions and provisions as they may deem necessary.

**10. NONDISCRIMINATION**

During the performance of this Agreement, the parties agree to the following: No person shall, on the grounds of race, color, religion, age, sex, disability, marital status, public assistance status, creed or national origin be excluded from full employment rights in, participation in, be denied the benefits of or be otherwise subjected to discrimination under any and all applicable federal and state laws against discrimination.

**11. TERMINATION**

This Agreement may be terminated with or without cause, following 3 months written notice by any party. Upon termination, the capital assets provided by any party shall be returned to said party. Capital purchases made by the Burnsville Promise shall be returned to the Burnsville Promise. Other property contributed by partners shall be returned to the appropriate partner. In addition, the Burnsville Promise Coordinator position shall be eliminated upon the termination of this Agreement. Burnsville-Eagan-Savage School District 191 shall not be held responsible for maintaining the position after the Agreement expires.

**12. NOTICES**

All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed given if personally delivered or mailed, certified mail, return receipt requested, to the following addresses:

If to the Burnsville Promise:                      Burnsville Promise Co-Chair  
Jennifer Harmening  
President, Burnsville Chamber of  
Commerce  
350 Burnsville Pkwy #425  
Burnsville, MN 55337

If to the Burnsville Promise:                      Burnsville Promise Co-Chair  
Hanane Kachman  
Workforce Development Specialist  
Fairview Health Services  
2344 Energy Park Drive, Suite 120  
St. Paul, MN 55108

If to the Foundation: IHCC Foundation  
Gail Morrison  
Executive Director of Foundation and  
Community Relations  
2500 80th St East  
Inver Grove Heights, MN 55076

If to School District: Burnsville-Eagan-Savage District 191  
Dr. Kathy Funston  
Dir of Strategic Partnerships and Pathways  
200 Burnsville Pkwy W  
Burnsville, MN 55337

All notices, requests, demands, and other communications hereunder sent to one party shall be copied to the other two parties identified in this Agreement.

**13. WAIVER OF DEFAULT**

Any waiver by either party of a default under the provisions of this Agreement by the other party will not operate or be construed as a waiver of a subsequent default.

**14. INVALIDITY OF PROVISIONS**

If any term or provision of this Agreement or any application hereof to any person or circumstance is to any extent found to be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable will not be affected thereby and each term and provision of this Agreement will be valid and be enforced to the fullest extent permitted by law.

**15. ENTIRE AGREEMENT**

This instrument herein contains the entire and only agreement between the parties and no oral statements or representations or prior written matter not contained in this instrument will have any force and effect. This Agreement cannot be modified in any way except by writing executed by all parties.

**16. GOVERNING LAW**

This Agreement will be governed exclusively by the provisions hereof and by the laws of the State of Minnesota, as the same from time to time exists.

**BURNSVILLE PROMISE AGREEMENT**  
**with the Inver Hills Community College Foundation and the**  
**Burnsville-Eagan-Savage School District 191**

**THIS AGREEMENT**, dated this 14th day of December, 2017, is between **BURNSVILLE-EAGAN-SAVAGE SCHOOL DISTRICT 191** ("School District") and the **INVER HILLS COMMUNITY COLLEGE FOUNDATION** ("Foundation"), on behalf of the **BURNSVILLE PROMISE STEERING COMMITTEE** ("Burnsville Promise"), a community collaborative representing business, education and the community.

**IN WITNESS WHEREOF**, the parties have hereunto set their hands as of the day and year first above written.

Dated: \_\_\_\_\_

**BURNSVILLE PROMISE**

By: \_\_\_\_\_  
Co-Chair, Jennifer Harmening

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Co-Chair, Hanane Kachman

Dated: \_\_\_\_\_

**INVER HILLS COMMUNITY COLLEGE  
FOUNDATION**

By: \_\_\_\_\_  
Its Executive Director of Foundation and  
Community Relations, Gail Morrison

Dated: \_\_\_\_\_

**INDEPENDENT SCHOOL DISTRICT 191**

By: \_\_\_\_\_  
Its School Board Chair, Abigail Alt



**Agenda VI.B.  
December 14 2017**

**To: Members, Board of Education  
Superintendent Amoroso**

**From: Lisa K. Rider, Executive Director of Business Services**

**Date: December 14, 2017**

**Re: Award the Bid Proposal for the 2018 Door Replacement Project at Hidden Valley Elementary School**

RECOMMENDATION: That the Board of Education award the bid proposal in the amount of \$142,432.02 for the 2018 Door Replacement Project at Hidden Valley Elementary School to RAK Construction Inc.

On Thursday, November 30, 2017 a bid proposal was received from RAK Construction Inc. in the amount of \$142,432.02 to replace wooden doors with hollow metal doors.

The condition of the 28-year-old wood doors necessitate replacement.

The proposal was submitted through Gordian serving as the contract administrator utilizing the National Joint Powers Alliance (NJPA) contract.

RAK Construction has a contract with NJPA – The National Joint Powers Alliance. NJPA is a Government Agency, also a cooperative purchasing agency. There are two laws that make this legal for ISD 191 to use. The cooperative purchasing law as well as the Joint Powers Law. The Joint Powers Law states – that what one government entity can do for itself, it can do together. NJPA has bid construction contracts in MN following all of the MN construction procurement laws for indefinite quantity construction.

The cost for this project is within the amount budgeted for this project.

NJPA supporting documents are available as requested.



**Agenda VI.C.  
December 14 2017**

**To: Members, Board of Education  
Superintendent Amoroso**

**From: Lisa K. Rider, Executive Director of Business Services**

**Date: December 14, 2017**

**Re: Award the bid for the 2018 Bituminous Rehabilitation Project at Diamondhead Education Center**

RECOMMENDATION: That the Board of Education award the bid proposal in the amount of \$172,737.12 for the 2018 Bituminous Rehabilitation Project at Diamondhead Education Center to RAK Construction Inc.

On Friday, November 17, 2017 a bid proposal was received from RAK Construction Inc. in the amount of \$172,737.12 to provide parking lot rehabilitation for the Southeast parking lot, South parking lot and Southwest parking lot at the Diamondhead Education Center. Concrete curb replacement where necessary is also a part of this project.

The proposal was submitted through Gordian serving as the contract administrator utilizing the National Joint Powers Alliance (NJPA) contract.

RAK Construction has a contract with NJPA – The National Joint Powers Alliance. NJPA is a Government Agency, also a cooperative purchasing agency. There are two laws that make this legal for ISD 191 to use. The cooperative purchasing law as well as the Joint Powers Law. The Joint Powers Law states – that what one government entity can do for itself, it can do together. NJPA has bid construction contracts in MN following all of the MN construction procurement laws for indefinite quantity construction.

The cost for this project is within the amount budgeted.

NJPA supporting documents are available as requested.



**Agenda VI.D.  
December 14 2017**

**To: Members, Board of Education  
Superintendent Amoroso**

**From: Lisa K. Rider, Executive Director of Business Services**

**Date: December 14, 2017**

**Re: Award the bid for the 2018 Carpet Replacement at Harriet Bishop Elementary**

RECOMMENDATION: That the Board of Education award the flooring proposal in the amount of \$283,885.05 for the 2018 carpet replacement project at Harriet Bishop Elementary to Hiller Commercial Floors.

On Thursday, November 2, 2017 a flooring proposal was received from Hiller Commercial Floors in the amount of \$283,885.05 for the 2018 carpet replacement project at Harriet Bishop Elementary school. Original 1996 carpets throughout the building will be replaced as part of this project.

The flooring proposal was submitted using the Cooperative Purchasing Connection contract 17.5 which we are members of through Metro (Metropolitan Educational Cooperative Service Unit) ECSU.

The Cooperative Purchasing Connection allows us the ability to purchase carpet, resilient flooring, accessories and installation services through Hiller Commercial Floors at Consortium level discounted pricing.

Cooperative Purchasing Connection supporting documents are available as requested.



Agenda VI.E.  
December 14, 2017

To: Members, Board of Education

From: Lisa K. Rider, Executive Director of Business Services

Date: December 7, 2017

Re: Certification of Final Property Tax Levy Payable 2018

**RECOMMENDATION:** that the Board of Education certify the final property tax levy for taxes payable in 2018 as follows:

|                                      |                         |
|--------------------------------------|-------------------------|
| General - RMV, Voter Approved        | \$ 16,674,724.60        |
| General - RMV, Other                 | 5,023,121.18            |
| General - NTC, Voter Approved        | 2,665,552.33            |
| General - NTC, Other                 | 6,103,318.70            |
| Community Service                    | 1,411,983.08            |
| General Debt Service, Voter Approved | 3,431,989.64            |
| General Debt Service, Other          | 5,637,597.17            |
| OPEB/ Pension, Other                 | 1,395,781.77            |
|                                      |                         |
| <b>Total</b>                         | <b>\$ 42,344,068.47</b> |

The final levy recommended for approval this evening is in the amount of \$42,344,068.47. This represents the District's maximum levy authority and reflects an 11.33% increase from the payable 2017 property tax levy as it includes the results of the November 7, 2017 election. The increase on the levy is aligned with the increase communicated during the election informational meetings.

I recommend approval of the final levy for taxes payable in 2018 of \$42,344,068.47.

Attachment: Final Levy Comparison Payable 2017 and 2018

**Independent School District 191**  
**Levy Certification Summary**  
**2017 Payable 2018**  
**For the Fiscal Year 2017/2018**

|  | <b>2016</b>          | <b>2017</b>          | <b>Increase/<br/>(Decrease)</b> |
|--|----------------------|----------------------|---------------------------------|
|  | <b>Payable</b>       | <b>Payable</b>       |                                 |
|  | <b>2017</b>          | <b>2018</b>          |                                 |
| <b>General Levies:</b>   |                      |                      |                                 |
| <b>Referendum Levy</b>   | \$ 12,059,514        | \$ 16,193,141        | \$ 4,133,627                    |
| <b>Location Optional Levy</b>  | 4,124,452            | 4,136,374            | 11,922                          |
| <b>Equity Revenue Levy</b>   | 949,524              | 758,376              | (191,148)                       |
| <b>Operating Capital Levy</b>  | 856,053              | 743,255              | (112,798)                       |
| <b>Student Achievement Levy</b>  | 101,874              | 0                    | (101,874)                       |
| <b>Safe Schools</b>  | 350,189              | 351,202              | 1,013                           |
| <b>Safe Schools - District 917</b>   | 110,893              | 112,189              | 1,296                           |
| <b>Career &amp; Technical Levy</b>   | 304,169              | 304,791              | 622                             |
| <b>Long Term Facilities Levy -<br/>Formerly Health &amp; Safety Levy<br/>and Alternative Facilities Levy</b> | 1,993,231            | 2,521,307            | 528,076                         |
| <b>Economic Development Abatement</b>  | 0                    | 31,124               | 31,124                          |
| <b>Transition Revenue Levy</b>   | 328,010              | 328,959              | 949                             |
| <b>Achievement &amp; Integration Levy</b>  | 568,962              | 596,320              | 27,358                          |
| <b>Reemployment Insurance Levy</b>   | 250,000              | 200,000              | (50,000)                        |
| <b>Lease Levy</b>  | 668,198              | 679,687              | 11,489                          |
| <b>Capital Project Referendum Levy</b>   | 2,544,339            | 2,665,552            | 121,213                         |
| <b>Alternative Compensation Levy</b>   | 808,967              | 836,111              | 27,144                          |
| <b>Total General Levies</b>  | <b>26,018,375</b>    | <b>30,458,388</b>    | <b>4,440,013</b>                |
| <b>Levy Adjustments</b>  | <b>(27,828)</b>      | <b>8,328</b>         | <b>36,156</b>                   |
| <b>Net General Levies</b>  | <b>\$ 25,990,547</b> | <b>\$ 30,466,716</b> | <b>\$ 4,476,169</b>             |

**Independent School District 191**  
**Levy Certification Summary**  
**2017 Payable 2018**  
**For the Fiscal Year 2017/2018**

|   | <b>2016<br/>Payable<br/>2017</b> | <b>2017<br/>Payable<br/>2018</b> | <b>Increase/<br/>(Decrease)</b> |
|---|----------------------------------|----------------------------------|---------------------------------|
|   | <hr/>                            | <hr/>                            | <hr/>                           |
| <b>Community Service Fund:</b>          |                                  |                                  |                                 |
| <b>General Community Education</b>      | \$ 475,684                       | \$ 475,684                       | \$ -                            |
| <b>Early Childhood Family Education</b> | 238,389                          | 242,093                          | 3,704                           |
| <b>Disabled Adults</b>                  | 3,062                            | 3,062                            | 0                               |
| <b>School Age Care</b>                  | 600,000                          | 600,000                          | 0                               |
| <b>Home Visiting</b>                    | 4,979                            | 5,155                            | 176                             |
|   | <hr/>                            | <hr/>                            | <hr/>                           |
| <b>Total Levies</b>                     | 1,322,114                        | 1,325,994                        | 3,880                           |
| <b>Levy Adjustments</b>                 | 234,338                          | 85,989                           | (148,349)                       |
|   | <hr/>                            | <hr/>                            | <hr/>                           |
| <b>Community Service Levies</b>         | \$ 1,556,452                     | \$ 1,411,983                     | \$ (144,469)                    |
|   | <hr/> <hr/>                      | <hr/> <hr/>                      | <hr/> <hr/>                     |

**Independent School District 191**  
**Levy Certification Summary**  
**2017 Payable 2018**  
**For the Fiscal Year 2017/2018**

|  | <b>2016<br/>Payable<br/>2017</b> | <b>2017<br/>Payable<br/>2018</b> | <b>Increase/<br/>(Decrease)</b> |
|--|----------------------------------|----------------------------------|---------------------------------|
|  | <hr/>                            | <hr/>                            | <hr/>                           |
| <b>General Debt Service Fund:</b>  |                                  |                                  |                                 |
| <b>Voter Approved Levy</b>   | \$ 3,315,643                     | \$ 3,369,290                     | \$ 53,647                       |
| <b>Long Term Facilities Debt<br/>Service formerly Alternative<br/>Facilities</b> | <u>5,849,435</u>                 | <u>5,975,213</u>                 | <u>125,778</u>                  |
| <b>Total Levies</b>  | 9,165,078                        | 9,344,503                        | 179,425                         |
| <b>Levy Adjustments</b>  | <u>(60,198)</u>                  | <u>(274,916)</u>                 | <u>(214,718)</u>                |
| <b>Debt Service Levy</b>   | <u><u>\$ 9,104,880</u></u>       | <u><u>\$ 9,069,587</u></u>       | <u><u>\$ (35,293)</u></u>       |

**Independent School District 191**  
**Levy Certification Summary**  
**2017 Payable 2018**  
**For the Fiscal Year 2017/2018**

|                                       | <b>2016<br/>Payable<br/>2017</b> | <b>2017<br/>Payable<br/>2018</b> | <b>Increase/<br/>(Decrease)</b> |
|---------------------------------------|----------------------------------|----------------------------------|---------------------------------|
|                                       | <hr/>                            | <hr/>                            | <hr/>                           |
| <b>OPEB Levy - Non-Voter Approved</b> | <b>\$ 1,380,122</b>              | <b>\$ 1,393,754</b>              | <b>\$ 13,632</b>                |
| <b>Levy Adjustments</b>               | <b>1,463</b>                     | <b>2,027</b>                     | <b>564</b>                      |
|                                       | <hr/>                            | <hr/>                            | <hr/>                           |
| <b>OPEB Levy</b>                      | <b>\$ 1,381,586</b>              | <b>\$ 1,395,782</b>              | <b>\$ 14,196</b>                |
|                                       | <hr/> <hr/>                      | <hr/> <hr/>                      | <hr/> <hr/>                     |

**Independent School District 191**  
**Levy Certification Summary**  
**2017 Payable 2018**  
**For the Fiscal Year 2017/2018**

|                                  | <b>2016<br/>Payable<br/>2017</b> | <b>2017<br/>Payable<br/>2018</b> | <b>Increase/<br/>(Decrease)</b> |
|----------------------------------|----------------------------------|----------------------------------|---------------------------------|
|                                  | <hr/>                            | <hr/>                            | <hr/>                           |
| <b>Summary of All Levies:</b>    |                                  |                                  |                                 |
| <b>General Levy</b>              | <b>\$ 25,990,547</b>             | <b>\$ 30,466,716</b>             | <b>\$ 4,476,169</b>             |
| <b>Community Service Levy</b>    | <b>1,556,452</b>                 | <b>1,411,983</b>                 | <b>(144,469)</b>                |
| <b>General Debt Service Levy</b> | <b>9,104,880</b>                 | <b>9,069,587</b>                 | <b>(35,293)</b>                 |
| <b>OPEB Levy</b>                 | <b>1,381,586</b>                 | <b>1,395,782</b>                 | <b>14,196</b>                   |
|                                  | <hr/>                            | <hr/>                            | <hr/>                           |
| <b>Total - All Levies</b>        | <b>\$ 38,033,465</b>             | <b>\$ 42,344,067</b>             | <b>\$ 4,310,602</b>             |
|                                  | <hr/>                            | <hr/>                            | <hr/>                           |
| <b>Percentage Increase</b>       |                                  |                                  | <b>11.33%</b>                   |



**Agenda VI.F.  
December 14, 2017**

**To: Members, Board of Education**

**From: Lisa K. Rider, Executive Director of Business Services**

**Date: December 7, 2017**

**Re: Approve Financial Audit Report for 2016-2017**

RECOMMENDATION: That the Board of Education approve the Financial Audit Report for 2016-2017

CliftonLarsonAllen will provide an overview of the Comprehensive Annual Financial Report (CAFR) for the 2016-2017 fiscal year during the board meeting December 14, 2017.

Electronic copies of the Financial Audit Report for 2016-2017 have been made available to the board members and the bound copies will be made available in print to Members of the Board on Thursday evening. Once approved by the Board of Education electronic copies of the report will be made available via the website for the public.

There are three main reports.

- 1) Comprehensive Annual Financial Report (CAFR)
- 2) Schedule of Expenditures of Federal Awards and Other Required Reports
- 3) Executive Audit Summary (EAS)

The EAS is prepared by CliftonLarsonAllen and provides a nice summary of the CAFR including a legislative summary. This is a good starting point in absorbing the Annual Financial Audit.

Next, I would suggest the reading of the Introductory Section, Financial Section and Required Supplementary Section within the CAFR for overviews on the Financial Audit.

Highlights include:

- "Unmodified" Audit Report
- No compliance issues noted
- One "material weaknesses" in internal controls noted
- No Single Audit findings
- One Legal Compliance Findings
- General Fund unassigned fund balance decreased by \$1,280,927

I recommend the Board of Education approve the Financial Audit Report for 2016-2017.



December 7, 2017

School Board  
Independent School District No. 191  
Burnsville-Eagan-Savage Schools  
Burnsville, Minnesota

This Executive Audit Summary and Management Report presents information which we believe is important to you as members of the school board. We encourage you to review the sections of this report, the audited financial statements and the auditors' reports.

We would be pleased to furnish additional information with respect to these suggestions and discuss this memorandum with you at your convenience. We wish to express our appreciation to the District for the courtesies, cooperation, and assistance extended to us during the course of our work.

**CliftonLarsonAllen LLP**

Dennis Hoogeveen, CPA  
Principal

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191**

**EXECUTIVE AUDIT SUMMARY (EAS)**

**JUNE 30, 2017**

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
TABLE OF CONTENTS  
JUNE 30, 2017**

|                                       |          |
|---------------------------------------|----------|
| <b>EXECUTIVE AUDIT SUMMARY</b>        | <b>1</b> |
| <b>I. FINANCIAL RESULTS</b>           |          |
| FUND BALANCES                         | 4        |
| FUND BALANCES OF THE GENERAL FUND     | 7        |
| STUDENTS SERVED FOR AID               | 8        |
| <b>APPENDIX A</b>                     |          |
| FINANCIAL TRENDS OF YOUR DISTRICT     | 9        |
| <b>APPENDIX B</b>                     |          |
| EXPENDITURES PER STUDENT (ADM) SERVED | 17       |
| <b>APPENDIX C</b>                     |          |
| LEGISLATIVE ACTIVITY                  | 18       |
| <b>APPENDIX D</b>                     |          |
| TECHNICAL UPDATE                      | 23       |
| <b>APPENDIX E</b>                     |          |
| FORMAL REQUIRED COMMUNICATIONS        | 26       |

**EXECUTIVE AUDIT SUMMARY (EAS)  
FOR  
BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
YEAR ENDED JUNE 30, 2017**

**AUDIT FINDINGS AND RESULTS**

We prepared this Executive Audit Summary and Management Report in conjunction with our audit of the District's financial records for the year ended June 30, 2017.

**Audit Opinion** – The financial statements are fairly stated. We issued what is known as an “unmodified” audit report.

**Yellow Book Compliance Findings** – No compliance issues were noted in our review of laws, regulations, contracts, and grants that could have significant financial implications to the District.

**Internal Controls Over Financial Reporting** – One “material weakness” in internal control over financial reporting was noted related to the proposing of a material audit adjustment to record food service receipts.

**Single Audit** – There were no findings reported in regard to the requirements for the major federal programs tested.

**Legal Compliance** – One compliance issue was reported with respect to Minnesota Statutes.

**Fund Balance** – The District's General Fund unassigned fund balance decreased by \$1,280,927 (UFARS basis) during fiscal 2016-2017, changing from a balance of \$15,748,008 to a balance of \$14,467,081 at June 30, 2017. Total fund balance of the General Fund decreased by \$1,512,966, ending at \$20,116,731 as of June 30, 2017. The ending unassigned fund balance represents a balance of 11.47% of General Fund expenditures. A District's fund balance is an important aspect in considering the District's financial wellbeing since a healthy fund balance represents things such as cashflow, as a cushion against unanticipated expenditures, enrollment declines, funding deficiencies, state aid metering changes and aid prorations at the state level and similar problems.

**Enrollment** – For fiscal 2016-2017, Burnsville-Savage-Eagan Public Schools served an estimated total adjusted average daily membership of 9,114.17 (or 9,936.70 adjusted pupil units). For fiscal 2015-2016, Burnsville-Savage-Eagan Public Schools had served total adjusted average daily membership of 9,121.02 (or 9,932.80 adjusted pupil units).

**Budget to Actual** – Total revenues on a net basis in the General Fund were approximately \$4.3 million (or 3.33%) higher than the final budgeted amount while total expenditures on a net basis were approximately \$4.1 million (or 3.18%) lower than had been budgeted. Both the revenue variance as well as the expenditure variance in the General Fund was impacted by a budget adjustment the District had adopted in June 2017 based on incorrect guidance it was given which resulted in an over budget amount of approximately \$3.2 million for both total revenues and total expenditures of the General Fund for fiscal 2017 specifically related to the pass-through entry for TRA costs. The budget adjustment was based on the entity-wide financial statements rather than the fund level statements. Including other financing sources of \$214,187 (insurance recovery proceeds and transfers in), the net effect of budget variances was a decrease to total fund balance that was just \$65,325 less than had been reflected in the District's final amended budget. On a budget this large, the expenditure variances, after considering the \$3.2 million budgeting issue mentioned above, once again reflect very good budget development, monitoring, and outcomes.

## AUDIT FINDINGS AND RESULTS (CONTINUED)

### Statement of Net Position

The Statement of Net Position essentially tells you what your District owns and owes at a given point in time, the last day of the fiscal year. Theoretically, net position represents the resources the District has leftover to use 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, the statement divides the net position into three components: net investment in capital assets, restricted net position, and unrestricted net position. Beginning in fiscal 2015, the District was required to implement GASB Statement No. 68, which significantly impacted the District's ending net position as a result of recording the District's estimated share of the respective unfunded liability for the statewide pension plans for TRA and PERA. The ending balance of the Net Pension Liability at June 30, 2017, increased significantly as a result of GASB requirements related to the actuarial calculations. The following table presents components of the District's net position at year-end, along with a simplified reconciliation of the difference between the governmental fund balances and total net position:

|   | As of June 30,         |                        |
|---|------------------------|------------------------|
|   | 2017                   | 2016                   |
| Total Fund Balance for Governmental Funds     | \$ 61,053,765          | \$ 96,528,915          |
| Capital Assets, Less Accumulated Depreciation | 160,944,804            | 142,239,406            |
| Long-Term Liabilities                         | (188,623,733)          | (203,885,377)          |
| Net Pension Liability-related Balances        | (112,115,640)          | (77,362,427)           |
| Internal Service Funds Net Position           | 22,340,324             | 21,495,672             |
| Other - Net                                   | (1,743,926)            | (1,967,607)            |
| Total Net Position - Governmental Activities  | <u>\$ (58,144,406)</u> | <u>\$ (22,951,418)</u> |
| Net Position:                                 |                        |                        |
| Net Investment in Capital Assets              | \$ 49,117,430          | \$ 22,196,478          |
| Restricted                                    | 6,015,244              | 6,488,027              |
| Unrestricted                                  | (113,277,080)          | (51,635,923)           |
| Total Net Position - Governmental Activities  | <u>\$ (58,144,406)</u> | <u>\$ (22,951,418)</u> |

Most of the District's fund balances translate into restricted net position by virtue of external restrictions (statutory reserves) or by the nature of the fund they are in (e.g. unrestricted food service fund balance can only be spent for food service program costs). The unrestricted net position category consists mainly of the General Fund unreserved fund balances, offset against non-capital long-term obligations such as vacation or severance payable and beginning in fiscal 2015 the District's estimated share of the unfunded portion of statewide pension plans. Consequently, many Minnesota school districts have accumulated deficits in this component of net position.

## AUDIT FINDINGS AND RESULTS (CONTINUED)

### Statement of Activities

The Statement of Activities tracks the District's yearly revenues and expenses, as well as any other transactions that increase or reduce total net position. These amounts represent the full cost of providing education. This statement provides a more comprehensive measure than just the amount of cash that changed hands, as reflected in the fund-based financial statements. This statement includes the cost of supplies used, depreciation of long-lived capital assets, and other accrual-based expenses. As mentioned previously, the line item for "Change in Net Pension Liability" was a new requirement beginning in fiscal 2015. The following table presents a simplified reconciliation of the change in the District's governmental fund balances to the change in total net position for fiscal years 2017 and 2016:

|   | Year Ended June 30,    |                     |
|---|------------------------|---------------------|
|   | 2017                   | 2016                |
| Net Change in Fund Balance - Total Governmental Funds | \$ (35,475,150)        | \$ (1,429,057)      |
| Capital Asset Purchases                               | 25,903,451             | 40,179,237          |
| Depreciation  | (7,198,053)            | (6,926,304)         |
| Debt Proceeds   | (13,990,000)           | (40,628,835)        |
| Repayment of Debt                                     | 28,770,346             | 5,565,000           |
| Pension Expenses                                      | (34,753,213)           | 3,379,065           |
| Change in Other Long-Term Liabilities                 | 363,185                | (511,391)           |
| Change in Net Position of Internal Service Funds      | 844,652                | 980,562             |
| Other - Net   | 341,794                | 521,913             |
| Change in Net Position - Governmental Activities      | <u>\$ (35,192,988)</u> | <u>\$ 1,130,190</u> |

# I. FINANCIAL RESULTS

## Fund Balances

### ISD #191 - BURNSVILLE-EAGAN-SAVAGE AUDITED FUND BALANCES THROUGH JUNE 30, 2017 (UFARS basis)

| FUND DESCRIPTION                      | 6/30/2016<br>AUDITED<br>BALANCE | 2016-17<br>AUDITED<br>REVENUES | 2016-17<br>AUDITED<br>EXPENDITURES | 2016-17<br>APPROVED<br>TRANSFER | 6/30/2017<br>AUDITED<br>BALANCE |
|---------------------------------------|---------------------------------|--------------------------------|------------------------------------|---------------------------------|---------------------------------|
| <b>GENERAL FUND</b>                   |                                 |                                |                                    |                                 |                                 |
| <b>A. UNASSIGNED</b>                  | \$15,748,008                    | \$96,906,274                   | \$95,858,019                       | (\$2,329,182)                   | \$14,467,081                    |
| B. NONSPENDABLE FOR<br>PREPAIDS       | \$508,867                       | \$0                            | \$179,898                          | \$0                             | \$328,969                       |
| <b>B. NONSPENDABLE</b>                | \$508,867                       | \$0                            | \$179,898                          | \$0                             | \$328,969                       |
| C. COMMITTED FOR<br>PROGRAM CARRYOVER | \$766,029                       | \$1,000,077                    | \$793,111                          | \$27,082                        | \$1,000,077                     |
| PRO PAY PROGRAM                       | \$410,240                       | \$2,398,156                    | \$2,514,526                        | \$0                             | \$293,870                       |
| <b>C. COMMITTED</b>                   | \$1,176,269                     | \$3,398,233                    | \$3,307,637                        | \$27,082                        | \$1,293,947                     |
| D. RESTRICTED FOR                     |                                 |                                |                                    |                                 |                                 |
| GIFTED AND TALENTED                   | \$0                             | \$129,177                      | \$634,279                          | \$505,102                       | \$0                             |
| CAREER AND TECH PROGRAM               | \$0                             | \$304,169                      | \$902,354                          | \$598,185                       | \$0                             |
| LEARNING AND DEVELOPMENT              | \$0                             | \$2,081,602                    | \$2,195,739                        | \$114,137                       | \$0                             |
| BASIC SKILLS                          | \$0                             | \$9,208,997                    | \$9,208,997                        | \$0                             | \$0                             |
| STAFF DEVELOPMENT                     | \$0                             | \$1,205,719                    | \$2,288,925                        | \$1,083,206                     | \$0                             |
| AREA LEARNING CENTER                  | \$1,982,978                     | \$2,351,096                    | \$3,108,528                        | \$0                             | \$1,225,546                     |
| ACHIEVEMENT & INTEGRATION             | \$0                             | \$1,761,321                    | \$1,761,321                        | \$0                             | \$0                             |
| SAFE SCHOOLS                          | \$0                             | \$481,694                      | \$510,246                          | \$28,552                        | \$0                             |
| MEDICAL ASSISTANCE                    | \$0                             | \$363,885                      | \$344,982                          | \$0                             | \$18,903                        |
| LTFM (INCL PREV ALT FACILITIES)       | \$0                             | \$908,382                      | \$909,362                          | \$0                             | (\$980)                         |
| OPERATING CAPITAL                     | \$2,289,464                     | \$2,987,930                    | \$2,452,872                        | \$0                             | \$2,824,522                     |
| HEALTH & SAFETY                       | (\$75,889)                      | \$573                          | \$0                                | \$0                             | (\$75,316)                      |
| TECHNOLOGY LEVY                       | \$0                             | \$2,500,983                    | \$2,466,924                        | \$0                             | \$34,059                        |
| <b>D. RESTRICTED</b>                  | \$4,196,553                     | \$24,285,528                   | \$26,784,529                       | \$2,329,182                     | \$4,026,734                     |
| BUDGET                                |                                 | \$128,690,591                  | \$130,270,882                      |                                 | \$20,049,406                    |
| <b>TOTAL GENERAL FUND</b>             | \$21,629,697                    | \$124,590,035                  | \$126,130,083                      | \$27,082                        | \$20,116,731                    |
| DIFFERENCE                            |                                 | (\$4,100,556)                  | (\$4,140,799)                      |                                 | \$67,325                        |
| % VARIANCE                            |                                 | -3.19%                         | -3.18%                             |                                 |                                 |
| <b>FOOD SERVICE</b>                   |                                 |                                |                                    |                                 |                                 |
| NONSPENDABLE FOR INVENTORY            | \$122,264                       | \$55,310                       | \$0                                | \$0                             | \$177,574                       |
| RESTRICTED FOR FOOD SERVICE           | \$1,620,375                     | \$5,754,743                    | \$6,186,948                        | \$0                             | \$1,188,170                     |
| BUDGET                                |                                 | \$5,390,034                    | \$5,873,765                        |                                 | \$1,258,908                     |
| <b>TOTAL FOOD SERVICE</b>             | \$1,742,639                     | \$5,810,053                    | \$6,186,948                        | \$0                             | \$1,365,744                     |
| DIFFERENCE                            |                                 | \$420,019                      | \$313,183                          |                                 | \$106,836                       |
| % VARIANCE                            |                                 | 7.79%                          | 5.33%                              |                                 |                                 |
| <b>COMMUNITY EDUCATION</b>            |                                 |                                |                                    |                                 |                                 |
| A. RESTRICTED FOR                     |                                 |                                |                                    |                                 |                                 |
| REGULAR COMMUNITY ED                  | \$128,399                       | \$4,922,689                    | \$4,919,378                        | (\$85,902)                      | \$45,808                        |
| EARLY CHILDHOOD FAMILY ED             | \$101,519                       | \$573,592                      | \$614,318                          | \$0                             | \$60,793                        |
| SCHOOL READINESS                      | \$297,545                       | \$805,325                      | \$609,002                          | \$0                             | \$493,868                       |
| ADULT BASIC EDUCATION                 | \$0                             | \$547,979                      | \$616,938                          | \$68,959                        | \$0                             |
| OTHER PURPOSES                        | \$12,982                        | \$178,720                      | \$172,238                          | (\$10,139)                      | \$9,325                         |
| BUDGET                                |                                 | \$6,933,330                    | \$6,397,754                        |                                 | \$1,076,021                     |
| <b>TOTAL COMMUNITY EDUCATION</b>      | \$540,445                       | \$7,028,305                    | \$6,931,874                        | (\$27,082)                      | \$609,794                       |
| DIFFERENCE                            |                                 | \$94,975                       | \$534,120                          | (\$27,082)                      | (\$466,227)                     |
| % VARIANCE                            |                                 | 1.37%                          | 8.35%                              |                                 |                                 |

**I. FINANCIAL RESULTS (CONTINUED)**

**Fund Balances (Continued)**

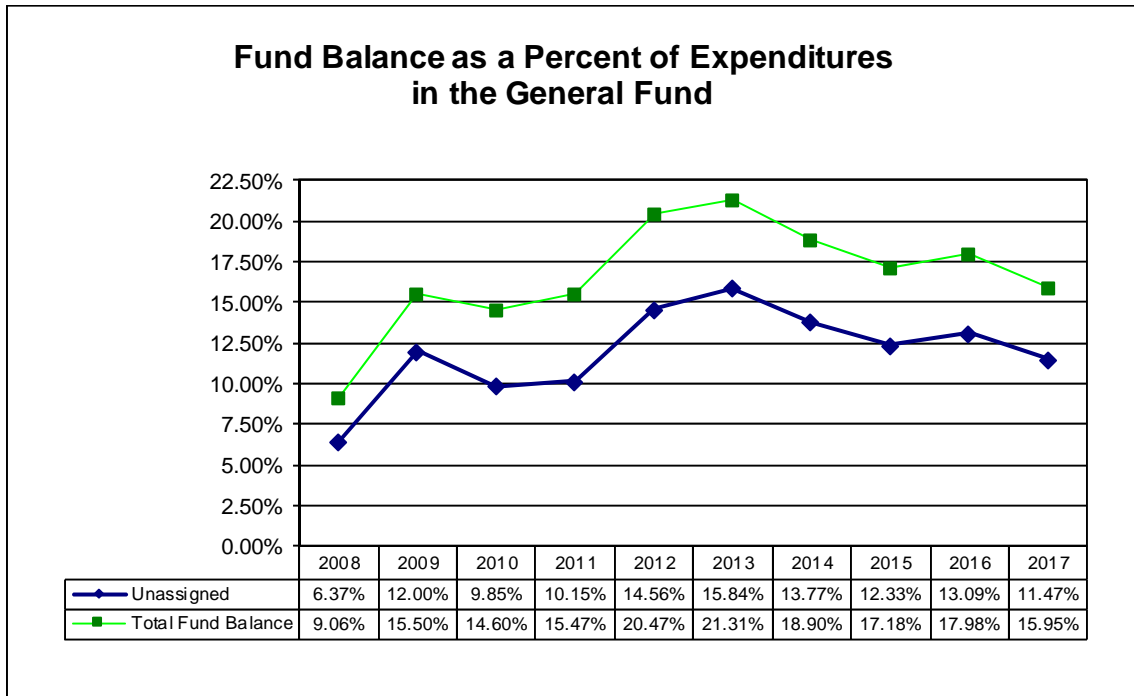
**ISD #191 - BURNSVILLE-EAGAN-SAVAGE**  
**AUDITED FUND BALANCES THROUGH JUNE 30, 2017 (UFARS basis)**

| FUND DESCRIPTION                    | 6/30/2016<br>AUDITED<br>BALANCE | 2016-17<br>AUDITED<br>REVENUES | 2016-17<br>AUDITED<br>EXPENDITURES | 2016-17<br>APPROVED<br>TRANSFER | 6/30/2017<br>AUDITED<br>BALANCE |
|-------------------------------------|---------------------------------|--------------------------------|------------------------------------|---------------------------------|---------------------------------|
| <b>CAPITAL PROJECTS FUND</b>        |                                 |                                |                                    |                                 |                                 |
| A. RESTRICTED FOR                   |                                 |                                |                                    |                                 |                                 |
| BUILDING CONSTRUCTION               | \$26,459,907                    | \$73,487                       | \$21,791,568                       | \$0                             | \$4,741,826                     |
| LTFM (PREV ALT FACIL PROG)          | \$4,113,898                     | \$13,662                       | \$2,528,622                        | \$0                             | \$1,598,938                     |
| BUDGET                              |                                 | \$102,000                      | \$24,668,123                       |                                 | \$6,007,682                     |
| <b>TOTAL CAPITAL PROJECTS</b>       | <b>\$30,573,805</b>             | <b>\$87,149</b>                | <b>\$24,320,190</b>                | <b>\$0</b>                      | <b>\$6,340,764</b>              |
| DIFFERENCE                          |                                 | (\$14,851)                     | (\$347,933)                        |                                 | \$333,082                       |
| % VARIANCE                          |                                 | -14.56%                        | -1.41%                             |                                 |                                 |
| <b>DEBT SERVICE</b>                 |                                 |                                |                                    |                                 |                                 |
| A. RESTRICTED FOR                   |                                 |                                |                                    |                                 |                                 |
| OPERATING                           | \$1,427,152                     | \$11,138,902                   | \$11,473,406                       | \$0                             | \$1,092,648                     |
| BOND REFUNDING                      | \$40,291,809                    | \$0                            | \$9,110,000                        | \$0                             | \$31,181,809                    |
| OPEB BOND DEBT SERVICE              | \$323,368                       | \$15,619,846                   | \$15,596,939                       | \$0                             | \$346,275                       |
| BUDGET                              |                                 | \$26,172,861                   | \$22,665,674                       |                                 | \$45,549,516                    |
| <b>TOTAL DEBT SERVICE</b>           | <b>\$42,042,329</b>             | <b>\$26,758,748</b>            | <b>\$36,180,345</b>                | <b>\$0</b>                      | <b>\$32,620,732</b>             |
| DIFFERENCE                          |                                 | \$585,887                      | \$13,514,671                       |                                 | (\$12,928,784)                  |
| % VARIANCE                          |                                 | 2.24%                          | 59.63%                             |                                 |                                 |
| <b>INTERNAL SERVICE FUNDS</b>       |                                 |                                |                                    |                                 |                                 |
| DENTAL SELF-INSURANCE               | \$190,249                       | \$870,226                      | \$884,792                          | \$0                             | \$175,683                       |
| HEALTH BENEFITS SELF-INSURANCE      | \$5,931,616                     | \$19,852,875                   | \$18,883,685                       | \$0                             | \$6,900,806                     |
| SEVERANCE BENEFITS                  | \$2,602,379                     | \$213,988                      | \$236,400                          | \$0                             | \$2,579,967                     |
| OTHER POST-EMPLOYMENT BENEFITS      | \$12,771,428                    | \$845,885                      | \$933,445                          | \$0                             | \$12,683,868                    |
| <b>TOTAL INTERNAL SERVICE FUNDS</b> | <b>\$21,495,672</b>             | <b>\$21,782,974</b>            | <b>\$20,938,322</b>                | <b>\$0</b>                      | <b>\$22,340,324</b>             |
| <b>TRUST FUNDS</b>                  |                                 |                                |                                    |                                 |                                 |
| EMPLOYEE BENEFITS TRUST FUND        | \$105,370                       | \$841,956                      | \$860,461                          | \$0                             | \$86,865                        |
| PRIVATE-PURPOSE TRUST FUND          | \$95,678                        | \$79,101                       | \$96,879                           | \$0                             | \$77,900                        |
| <b>TOTAL TRUST FUNDS</b>            | <b>\$201,048</b>                | <b>\$921,057</b>               | <b>\$957,340</b>                   | <b>\$0</b>                      | <b>\$164,765</b>                |

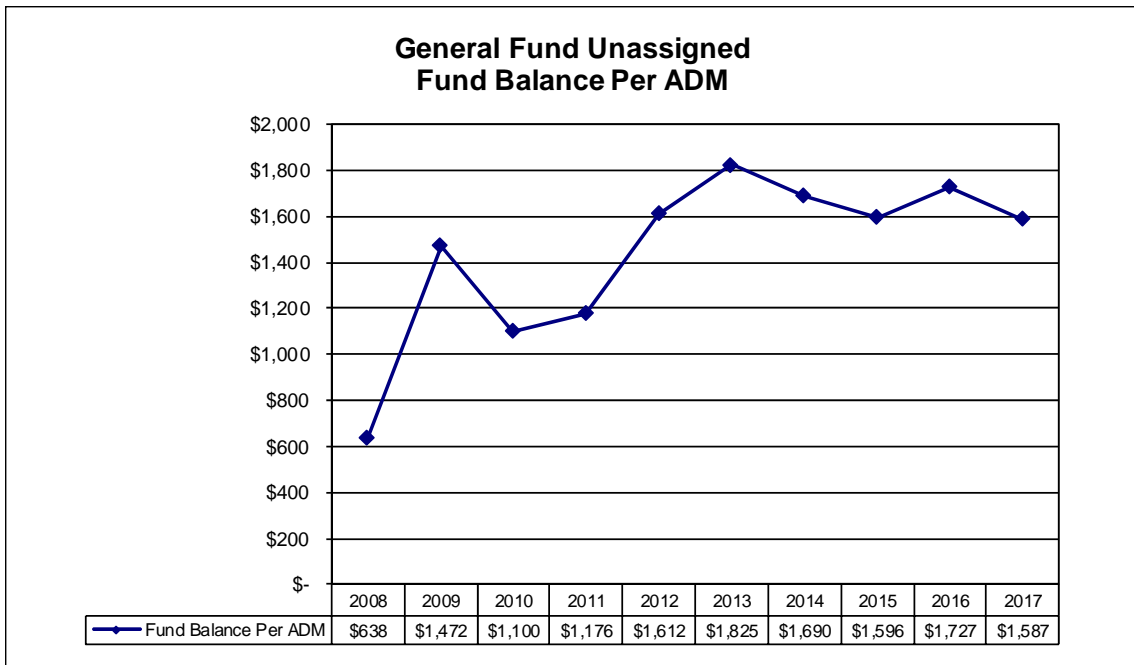
**I. FINANCIAL RESULTS (CONTINUED)**

**Fund Balances (Continued)**

As a percentage of annual expenditures:



Per student served for aid:

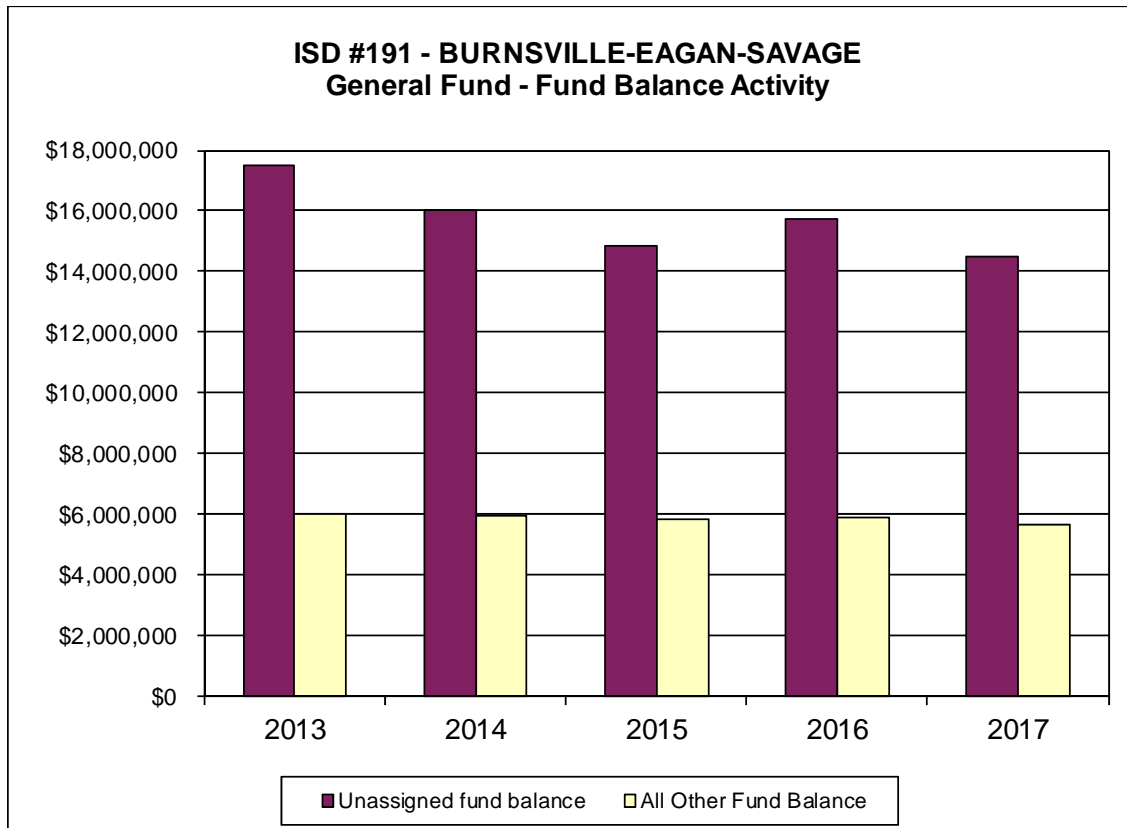


**I. FINANCIAL RESULTS (CONTINUED)**

**Fund Balances of the General Fund**

Unless otherwise noted, all graphs and charts reflect the combined activity of the District's General Fund.

| <u>UFARS Basis</u>                                      | <u>2013</u>           | <u>2014</u>           | <u>2015</u>           | <u>2016</u>           | <u>2017</u>           |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Unassigned Fund Balance                                 | \$ 17,472,471         | \$ 16,003,177         | \$ 14,849,613         | \$ 15,748,008         | \$ 14,467,081         |
| All Other Fund Balance                                  | 6,041,360             | 5,957,414             | 5,828,253             | 5,881,689             | 5,649,650             |
| Total Fund Balance                                      | <u>\$ 23,513,831</u>  | <u>\$ 21,960,591</u>  | <u>\$ 20,677,866</u>  | <u>\$ 21,629,697</u>  | <u>\$ 20,116,731</u>  |
| <br>  |                       |                       |                       |                       |                       |
| Total Expenditures                                      | <u>\$ 110,325,578</u> | <u>\$ 116,179,878</u> | <u>\$ 120,386,631</u> | <u>\$ 120,269,787</u> | <u>\$ 126,130,083</u> |
| <br>  |                       |                       |                       |                       |                       |
| Unassigned Fund Balance as<br>a % of Total Expenditures | <u>15.84%</u>         | <u>13.77%</u>         | <u>12.33%</u>         | <u>13.09%</u>         | <u>11.47%</u>         |



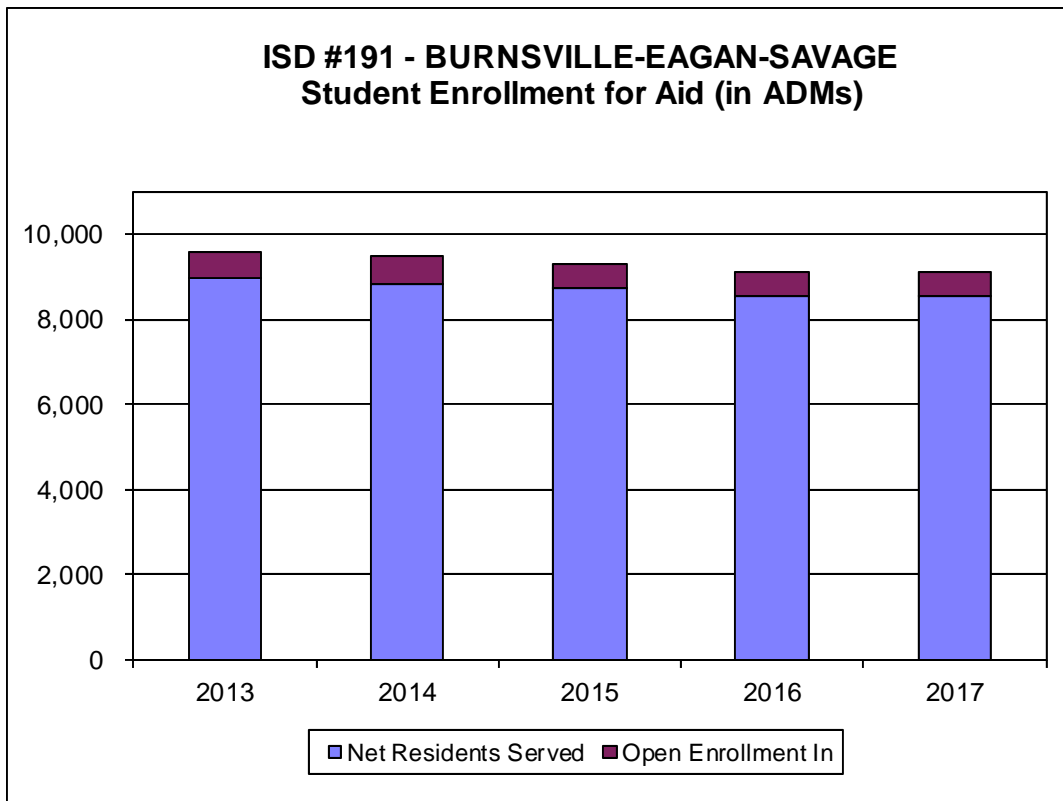
As reflected in the graph above, the District has been able to maintain financial strength through cost cutting measures and through community support for the operating referendum.

**I. FINANCIAL RESULTS (CONTINUED)**

**Students Served for Aid**

|                        | 2013       | 2014       | 2015       | 2016       | 2017       |
|------------------------|------------|------------|------------|------------|------------|
| Total Residents        | 10,452.71  | 10,489.52  | 10,623.96  | 10,652.34  | 10,704.40  |
| Open Enrollment Out *  | (1,498.23) | (1,656.60) | (1,894.81) | (2,091.33) | (2,161.10) |
| Net Residents Served   | 8,954.48   | 8,832.92   | 8,729.15   | 8,561.01   | 8,543.30   |
| Open Enrollment In     | 621.92     | 635.75     | 573.79     | 560.01     | 570.87     |
| Net ADM Served         | 9,576.40   | 9,468.67   | 9,302.94   | 9,121.02   | 9,114.17   |
| Net Pupil Units Served | 10,976.75  | 10,864.36  | 10,127.25  | 9,932.80   | 9,936.70   |

\* - includes enrolled in charter schools



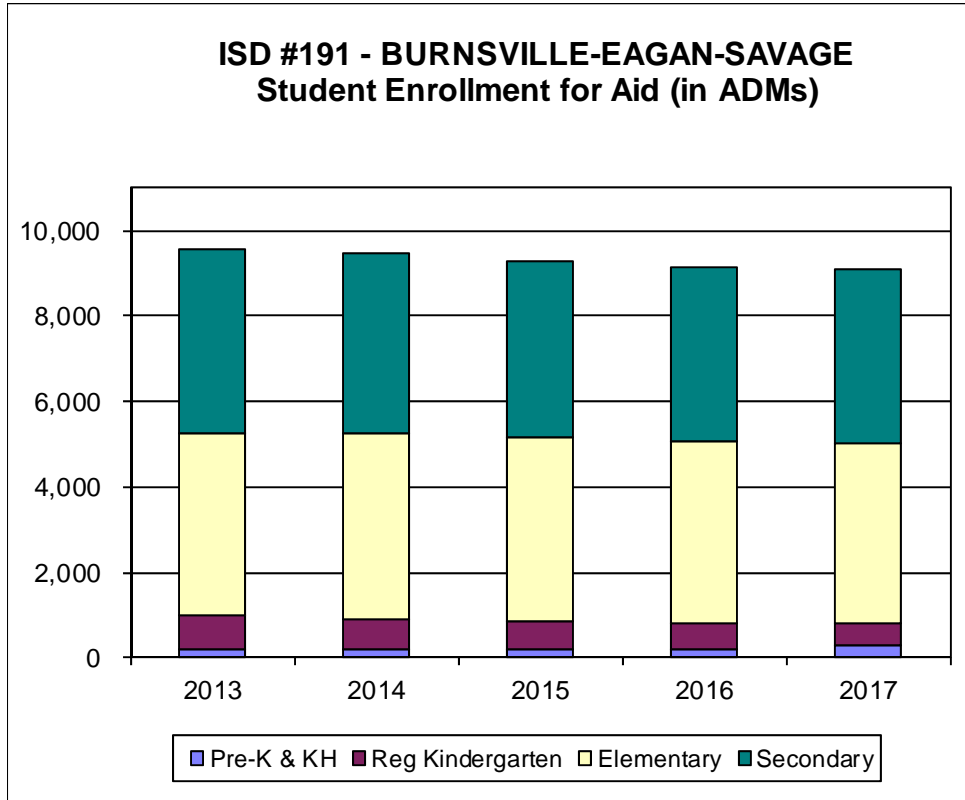
As reflected in the above chart and graph, the District's net open enrollment has continued to see significant increases in the net open enrollment out in recent years. Note also that the pupil unit calculation was modified for fiscal 2015 which resulted in a reduction in total pupil units served but that reduction was offset by an increase in the per pupil unit funding.

# APPENDIX A

## FINANCIAL TRENDS OF YOUR DISTRICT

Within this report there are a number of areas where condensed financial statement data has been presented.

### Student Enrollment



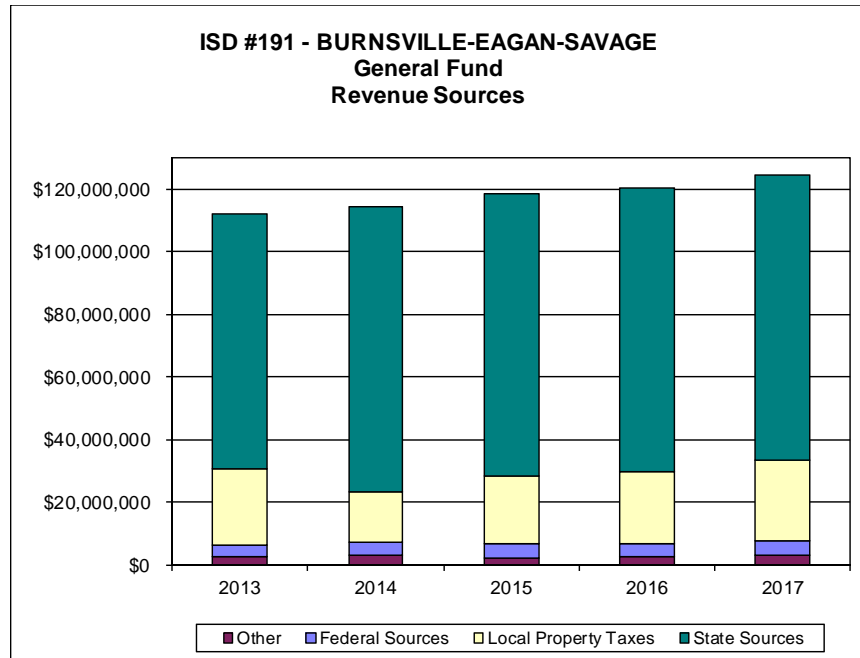
|                  | 2013            | 2014            | 2015            | 2016            | 2017            |
|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Pre-K & KH       | 211.41          | 190.55          | 192.29          | 208.71          | 273.19          |
| Reg Kindergarten | 768.30          | 730.68          | 670.33          | 600.16          | 554.50          |
| Elementary       | 4,294.96        | 4,322.64        | 4,318.50        | 4,253.29        | 4,173.87        |
| Secondary        | 4,301.73        | 4,224.80        | 4,121.82        | 4,058.86        | 4,112.61        |
| Net ADM Served   | <u>9,576.40</u> | <u>9,468.67</u> | <u>9,302.94</u> | <u>9,121.02</u> | <u>9,114.17</u> |
| Percent Change   | (0.09)%         | (1.12)%         | (1.75)%         | (1.96)%         | (0.08)%         |

As noted in the above chart, the District's student count for fiscal 2016-2017 was 7 students (or 0.08%) lower than for the prior year.

**APPENDIX A (CONTINUED)**

**General Fund Revenue**

The following table and graph summarizes the District’s General Fund Revenue sources for the last five years.



The table below illustrates the fluctuation that occurs between the taxes and state aid categories based on legislative activity. The Legislature determines what portion of the general education funding formula will be paid by local taxpayers. In addition, when the tax shift percentage changes or the state provides property tax relief, this only impacts the mix between state aids and taxes and does not change total revenue. For example, in fiscal 2014, the Legislature repaid a total of approximately \$8.6 million of the property tax shift buydown for the General and Community Service Funds, which gives the appearance of a significant decrease in taxes for 2014 but this was offset by a corresponding increase in state aid. For this and other reasons, school finance in Minnesota continues to be a very difficult subject to explain to the general public.

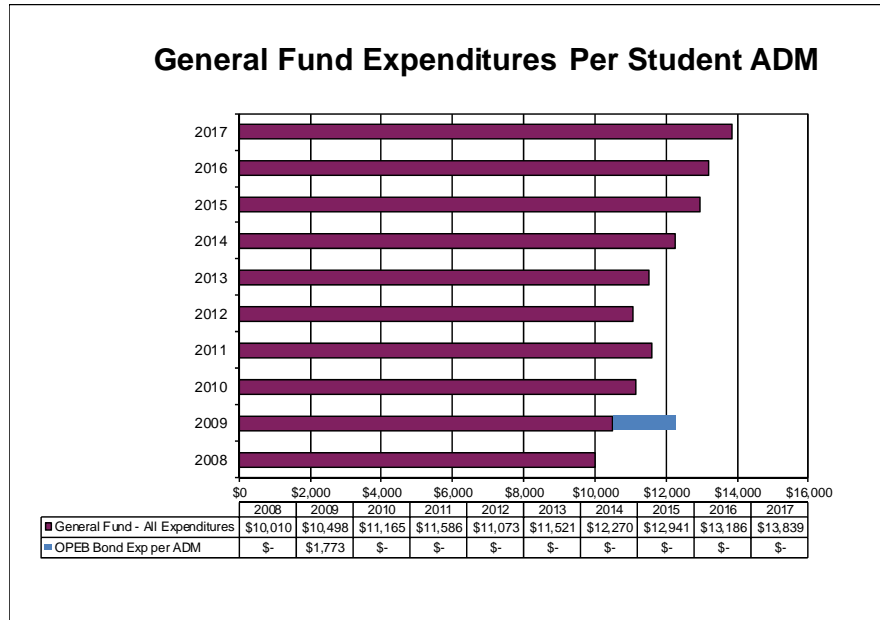
|                       | 2013                  | 2014                  | 2015                  | 2016                  | 2017                  |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Local Property Taxes  | \$ 24,610,109         | \$ 15,949,634         | \$ 21,933,388         | \$ 22,874,885         | \$ 25,663,259         |
| State Sources         | 81,229,337            | 90,985,769            | 90,062,883            | 90,837,480            | 90,931,906            |
| Federal Sources       | 3,438,114             | 4,326,228             | 4,200,632             | 4,170,967             | 4,763,107             |
| Other                 | 2,803,851             | 3,119,710             | 2,398,540             | 2,659,840             | 3,044,658             |
| <b>Total Revenues</b> | <b>\$ 112,081,411</b> | <b>\$ 114,381,341</b> | <b>\$ 118,595,443</b> | <b>\$ 120,543,172</b> | <b>\$ 124,402,930</b> |

|                       | 2013         | 2014         | 2015         | 2016         | 2017         |
|-----------------------|--------------|--------------|--------------|--------------|--------------|
| Local Property Taxes  | 22 %         | 14 %         | 18 %         | 19 %         | 21 %         |
| State Sources         | 72           | 80           | 76           | 75           | 73           |
| Federal Sources       | 3            | 4            | 4            | 3            | 4            |
| Other                 | 3            | 3            | 2            | 2            | 2            |
| <b>Total Revenues</b> | <b>100 %</b> | <b>100 %</b> | <b>100 %</b> | <b>100 %</b> | <b>100 %</b> |

**APPENDIX A (CONTINUED)**

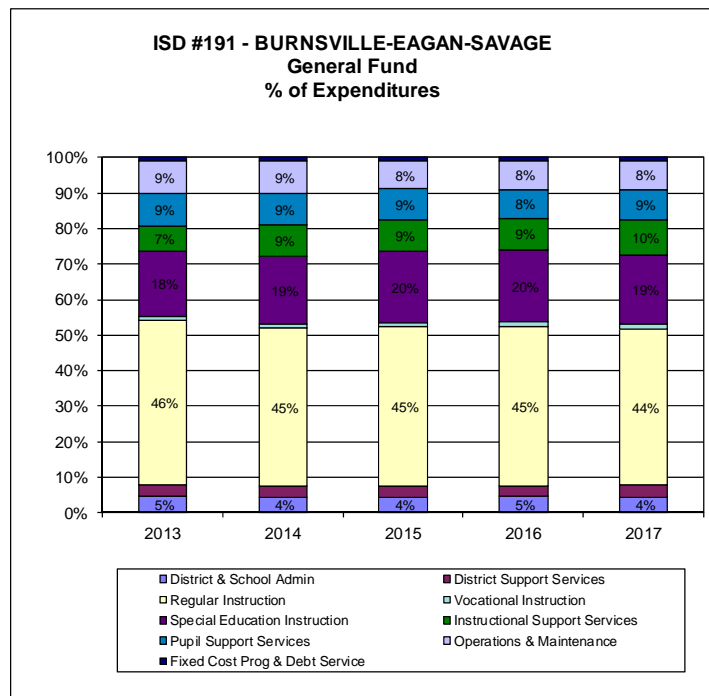
**Expenditures Per Student**

Expenditures per Student (average daily membership) are summarized in the following graph.



General Fund Expenditures for fiscal 2009 were grossed up by the impact of OPEB bonds which added approximately \$17.7 million of employee benefit costs on a one-time basis to move the bond proceeds to a trust fund that can only be used to pay employee postemployment benefit costs. Fiscal 2017 reflects an increase of \$1.77 million in capital expenditure costs to the General Fund.

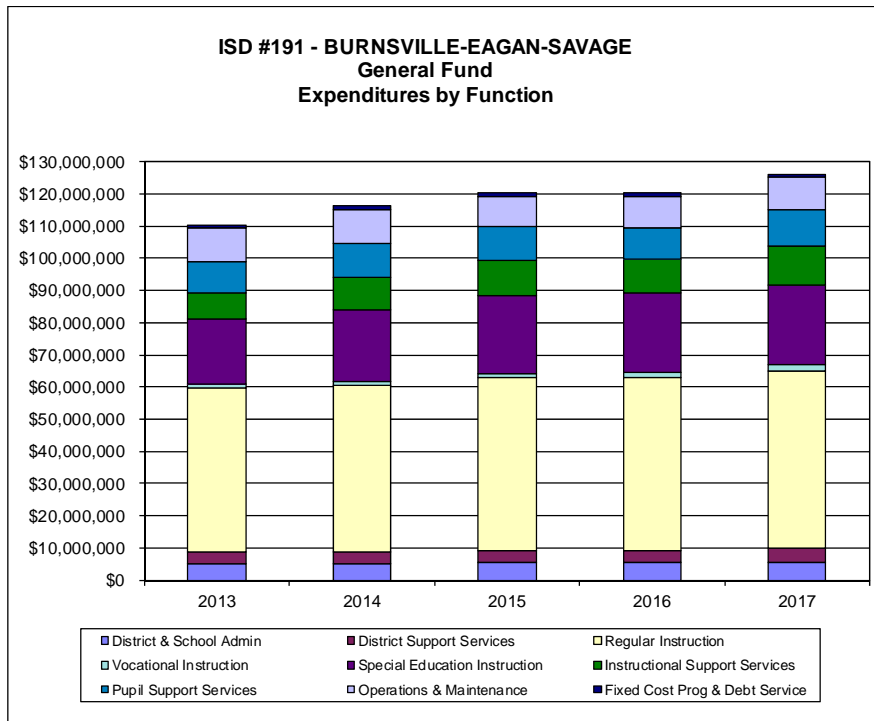
The following schedule shows total expenditures of the General Fund by program type:



**APPENDIX A (CONTINUED)**

**Expenditures Per Student (Continued)**

|                                  | 2013                  | 2014                  | 2015                  | 2016                  | 2017                  |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| District and School Admin        | \$ 5,063,843          | \$ 5,165,097          | \$ 5,381,925          | \$ 5,536,309          | \$ 5,540,777          |
| District Support Services        | 3,600,142             | 3,413,639             | 3,651,974             | 3,531,663             | 4,294,058             |
| Regular Instruction              | 51,088,533            | 51,801,948            | 53,893,564            | 54,043,785            | 55,203,196            |
| Vocational Instruction           | 1,315,737             | 1,239,045             | 1,363,572             | 1,452,112             | 1,936,107             |
| Special Education Instruction    | 20,108,199            | 22,223,518            | 24,169,675            | 24,455,459            | 24,533,048            |
| Instructional Support Services   | 8,061,262             | 10,207,507            | 10,702,294            | 10,819,656            | 12,409,064            |
| Pupil Support Services           | 9,869,403             | 10,358,327            | 10,576,978            | 9,766,662             | 11,028,619            |
| Operations and Maintenance       | 10,234,030            | 10,722,992            | 9,415,483             | 9,573,137             | 10,144,537            |
| Fixed Cost Prog and Debt Service | 984,429               | 1,047,805             | 1,231,166             | 1,091,004             | 1,040,677             |
| <b>Total Expenditures</b>        | <b>\$ 110,325,578</b> | <b>\$ 116,179,878</b> | <b>\$ 120,386,631</b> | <b>\$ 120,269,787</b> | <b>\$ 126,130,083</b> |



The following chart summarizes District General Fund Expenditures by object type.

|                           | 2017                  |                       |                       | Var %         | 2016                  | 2015                  |
|---------------------------|-----------------------|-----------------------|-----------------------|---------------|-----------------------|-----------------------|
|                           | Final Amended Budget  | Actual                | Over (Under) Budget   |               | Actual                | Actual                |
| Salaries                  | \$ 72,799,130         | \$ 72,382,263         | \$ (416,867)          | (0.57)%       | \$ 69,637,631         | \$ 70,515,119         |
| Employee Benefits         | 31,985,924            | 28,054,305            | (3,931,619)           | (12.29)       | 28,715,880            | 26,975,116            |
| Purchased Services        | 17,089,633            | 17,017,572            | (72,061)              | (0.42)        | 16,336,479            | 16,484,220            |
| Supplies and Materials    | 3,361,157             | 4,007,841             | 646,684               | 19.24         | 2,909,043             | 2,921,709             |
| Capital Expenditures      | 3,532,754             | 3,338,715             | (194,039)             | (5.49)        | 1,566,645             | 2,232,646             |
| Other Expenditures        | 1,502,284             | 1,329,387             | (172,897)             | (11.51)       | 1,104,109             | 1,257,821             |
| <b>Total Expenditures</b> | <b>\$ 130,270,882</b> | <b>\$ 126,130,083</b> | <b>\$ (4,140,799)</b> | <b>(3.18)</b> | <b>\$ 120,269,787</b> | <b>\$ 120,386,631</b> |

As reflected above, total expenditures of the General Fund were 3.18% under the budgeted amount, however, as explained previously, the budgeting issue of approximately \$3.2 related to the TRA pass-through entry results in a revised budget to actual expenditure variance that is closer to \$919,000 which is 0.72% of the revised budget amount. On a budget of \$130 million this outcome reflects good budget development and monitoring.

## APPENDIX A (CONTINUED)

### General Fund Operations and Financial Position

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

|  | Year Ended     |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|
|  | 2013           | 2014           | 2015           | 2016           | 2017           |
| Revenues   | \$ 112,096,004 | \$ 114,381,341 | \$ 118,595,443 | \$ 120,543,172 | \$ 124,402,930 |
| Expenditures   | 110,325,578    | 116,179,878    | 120,386,631    | 120,269,787    | 126,130,083    |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 1,770,426      | (1,798,537)    | (1,791,188)    | 273,385        | (1,727,153)    |
| Other Financing Sources:                                     |                |                |                |                |                |
| Proceeds from Capital Lease                                  | -              | -              | 503,645        | 318,585        | -              |
| Proceeds from Insurance Recovery                             | 21,124         | 245,297        | 4,818          | 359,861        | 187,105        |
| Transfers In   | -              | -              | -              | -              | 27,082         |
| Total Other Financing Sources                                | 21,124         | 245,297        | 508,463        | 678,446        | 214,187        |
| Change in Fund Balance                                       | 1,791,550      | (1,553,240)    | (1,282,725)    | 951,831        | (1,512,966)    |
| Fund Balance:  |                |                |                |                |                |
| Beginning of Year  | 21,722,281     | 23,513,831     | 21,960,591     | 20,677,866     | 21,629,697     |
| End of Year  | \$ 23,513,831  | \$ 21,960,591  | \$ 20,677,866  | \$ 21,629,697  | \$ 20,116,731  |
| Restricted Fund Balance                                      | \$ 3,867,464   | \$ 3,633,869   | \$ 3,787,467   | \$ 4,196,553   | \$ 4,026,733   |
| Committed Fund Balance                                       | 1,903,201      | 2,067,348      | 1,393,434      | 1,176,269      | 1,293,948      |
| Nonspendable Fund Balance                                    | 270,695        | 256,197        | 647,352        | 508,867        | 328,969        |
| Unassigned Fund Balance                                      | 17,472,471     | 16,003,177     | 14,849,613     | 15,748,008     | 14,467,081     |
| Total Fund Balance   | \$ 23,513,831  | \$ 21,960,591  | \$ 20,677,866  | \$ 21,629,697  | \$ 20,116,731  |
| Unassigned Fund Balance as a<br>Percentage of Expenditures   | 15.84%         | 13.77%         | 12.33%         | 13.09%         | 11.47%         |

The District's General Fund unassigned fund balance changed by \$1,280,927 during fiscal 2016-2017, decreasing from \$15,748,008 to \$14,467,081 at June 30, 2017. Total fund balance of the General Fund decreased by \$1,512,966, ending at \$20,116,731 as of June 30, 2017. The ending unassigned fund balance represents 11.47% of General Fund expenditures.

**APPENDIX A (CONTINUED)**

**Food Service Fund**

The following chart reflects the growth of the Food Service Program over the past five years:

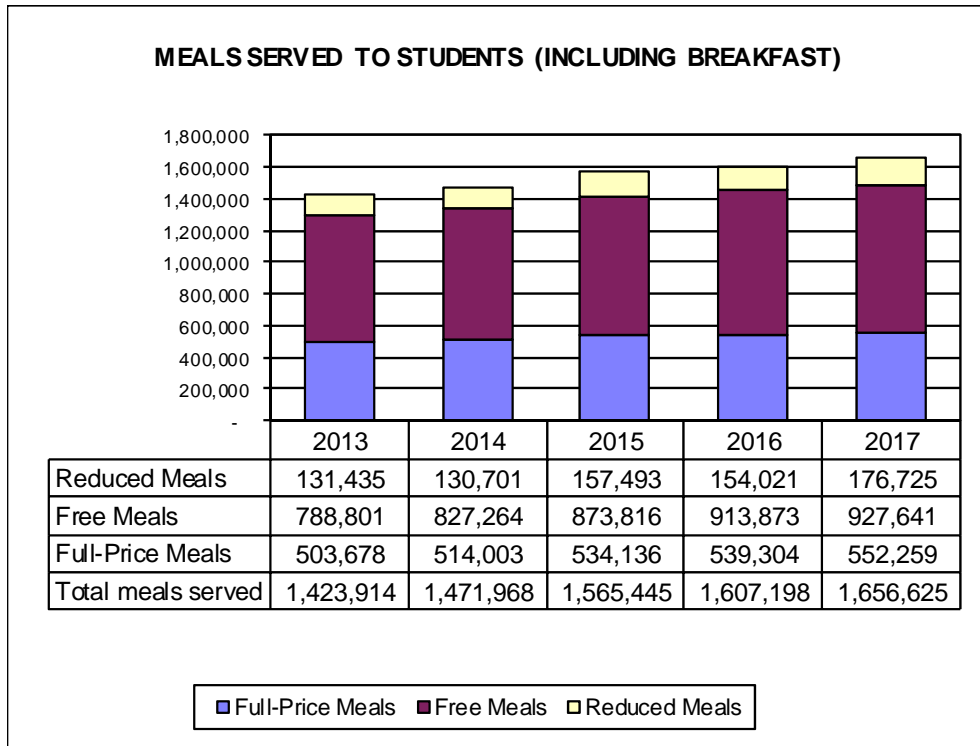
|  | Year Ended June 30, |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2013                | 2014                | 2015                | 2016                | 2017                |
| Revenues   | \$ 5,114,519        | \$ 5,226,228        | \$ 5,376,368        | \$ 5,578,646        | \$ 5,810,053        |
| Expenditures   | 4,982,811           | 4,934,679           | 5,016,679           | 5,591,466           | 6,186,948           |
| Excess of Revenues<br>Over Expenditures                            | 131,708             | 291,549             | 359,689             | (12,820)            | (376,895)           |
| Other Financing Sources:   |                     |                     |                     |                     |                     |
| Proceeds from Sale of Equipment                                    | 7,081               | 5,535               | -                   | -                   | -                   |
| Change in Fund Balance   | 138,789             | 297,084             | 359,689             | (12,820)            | (376,895)           |
| Fund Balance:  |                     |                     |                     |                     |                     |
| Beginning of Year  | 959,897             | 1,098,686           | 1,395,770           | 1,755,459           | 1,742,639           |
| End of Year  | <u>\$ 1,098,686</u> | <u>\$ 1,395,770</u> | <u>\$ 1,755,459</u> | <u>\$ 1,742,639</u> | <u>\$ 1,365,744</u> |
| Meals Served to Students   | <u>1,423,914</u>    | <u>1,471,968</u>    | <u>1,565,445</u>    | <u>1,607,198</u>    | <u>1,656,625</u>    |
| Revenue per Lunch Served   | <u>\$ 3.59</u>      | <u>\$ 3.55</u>      | <u>\$ 3.43</u>      | <u>\$ 3.47</u>      | <u>\$ 3.51</u>      |
| Percentage of Total Meals Served<br>by Type (including Breakfast): |                     |                     |                     |                     |                     |
| Full Price Meals   | 35.4 %              | 34.9 %              | 34.1 %              | 33.6 %              | 33.3 %              |
| Reduced Price Meals  | 9.2                 | 8.9                 | 10.1                | 9.6                 | 10.7                |
| Free Meals   | 55.4                | 56.2                | 55.8                | 56.9                | 56.0                |
| Total  | <u>100.0 %</u>      | <u>100.0 %</u>      | <u>100.0 %</u>      | <u>100.0 %</u>      | <u>100.0 %</u>      |

Total expenditures exceeded total revenues by \$376,895 in the District's Food Service Fund for 2017, resulting in a fund balance of \$1,365,744 at June 30, 2017. The District utilized \$453,693 of the available fund balance for capital expenditure needs of the child nutrition program.

Total actual revenues were higher than the budgeted amount by a net of \$420,019 or 7.8%. Total expenditures were higher than the budgeted amount by \$313,183. The net impact of these variances was a decline to fund balance that was approximately \$107,000 less than had been reflected in the final budget.

**APPENDIX A (CONTINUED)**

**Food Service Fund (Continued)**



## Community Service Fund

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

|  | Year Ended June 30, |              |              |              |              |
|--|---------------------|--------------|--------------|--------------|--------------|
|  | 2013                | 2014         | 2015         | 2016         | 2017         |
| Revenues   | \$ 5,384,563        | \$ 5,543,148 | \$ 6,182,524 | \$ 6,436,962 | \$ 7,028,305 |
| Expenditures   | 5,022,208           | 5,879,995    | 6,069,954    | 6,714,957    | 6,931,874    |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 362,355             | (336,847)    | 112,570      | (277,995)    | 96,431       |
| Other Financing Uses:  |                     |              |              |              |              |
| Transfers out  | -                   | -            | -            | -            | (27,082)     |
| Change in Fund Balance                                       | 362,355             | (336,847)    | 112,570      | (277,995)    | 69,349       |
| Fund Balance:  |                     |              |              |              |              |
| Beginning of Year  | 680,362             | 1,042,717    | 705,870      | 818,440      | 540,445      |
| End of Year  | \$ 1,042,717        | \$ 705,870   | \$ 818,440   | \$ 540,445   | \$ 609,794   |
| Fund Balance - (UFARS Basis):                                |                     |              |              |              |              |
| Restricted for Community Ed                                  | \$ 914,732          | \$ 494,805   | \$ 392,880   | \$ 128,399   | \$ 45,808    |
| Restricted for ECFE  | 78,669              | 98,367       | 192,407      | 101,519      | 60,793       |
| Restricted for School Readiness                              | 15,221              | 78,583       | 199,726      | 297,545      | 493,868      |
| Restricted for Other Purposes                                | 34,095              | 34,115       | 33,427       | 12,982       | 9,325        |
| Total Fund Balance   | \$ 1,042,717        | \$ 705,870   | \$ 818,440   | \$ 540,445   | \$ 609,794   |

The District's Community Service Fund results reflected that revenues exceeded expenditures and other financing uses by \$69,349 for fiscal 2017, increasing the combined fund balance from \$540,445 at June 30, 2016, to \$609,794 at June 30, 2017. We encourage you to continue the process of identifying ways to increase program revenues and improve the matching of available revenues with corresponding program costs with flexibility built into the program development such that if programs cannot reasonably be operated on a self-sustaining basis the costs are not incurred.

Total revenues of the District's Community Service Fund for 2017 were approximately \$95,000 higher than the budgeted amount while total expenditures were approximately \$534,000 higher than the budgeted amount. The net impact of these variances was to increase total fund balance by \$466,227 less than had been reflected in the budget. As part of any budget update initiated for fiscal 2017-2018, the community services department will want to take these budget variances into consideration in order to limit budget variances to every extent possible.

# APPENDIX B

## Expenditures Per Student (ADM) Served

|  | Statewide        |                            |                            | ISD No. 191<br>Burnsville-Eagan-Savage |                  |                  |
|--|------------------|----------------------------|----------------------------|--|------------------|------------------|
|  | All<br>Districts | Seven County<br>Metro Area | Enrollment<br>> than 4,000 |  |                  |                  |
|  | 2016             | 2016                       | 2016                       | 2015                                   | 2016             | 2017             |
|  | \$               | \$                         | \$                         | \$                                     | \$               | \$               |
| District and School Admin and Support Services         | 1,016            | 958                        | 920                        | 932                                    | 960              | 1,049            |
| Regular Instruction (including Co- & Extra-Curricular) | 5,428            | 5,849                      | 5,665                      | 5,612                                  | 5,762            | 5,944            |
| Vocational Instruction (Career & Technical)            | 149              | 146                        | 151                        | 142                                    | 153              | 203              |
| Special Education Instruction                          | 2,179            | 2,330                      | 2,357                      | 2,501                                  | 2,599            | 2,598            |
| Instructional Support Services                         | 606              | 725                        | 707                        | 1,034                                  | 1,104            | 1,174            |
| Pupil Support Services (Including Transportation)      | 1,021            | 1,103                      | 1,072                      | 1,096                                  | 1,045            | 1,189            |
| Operations and Maintenance and Other                   | 879              | 847                        | 850                        | 1,024                                  | 1,065            | 1,118            |
| Food Service   | 539              | 539                        | 536                        | 520                                    | 593              | 620              |
| Community Service                                      | 550              | 676                        | 645                        | 624                                    | 707              | 743              |
| Capital Expenditure                                    | 677              | 532                        | 549                        | 244                                    | 182              | 416              |
| Debt Service   | 1,433            | 1,453                      | 1,521                      | 1,019                                  | 1,251            | 1,466            |
| <b>Total Pre-K - 12 Expenditures</b>                   | <b>\$ 14,477</b> | <b>\$ 15,158</b>           | <b>\$ 14,973</b>           | <b>\$ 14,747</b>                       | <b>\$ 15,419</b> | <b>\$ 16,521</b> |
| <br>Percent Change from Prior Year                     |                  |                            |                            | 4.63%                                  | 4.56%            | 7.15%            |

Source of Statewide Data: School District Profiles published by the Minnesota Department of Education

District and school admin and support services - all costs related to providing administration to the District (school board, superintendent, principals, assistant superintendents, directors of instructional areas, etc.) and all central office administration (business services, human resources, legal, data processing, other district-wide support activities)

Regular instruction - includes all activities dealing directly with the teaching of pupils including co-curricular and extra-curricular activities and the interaction between teachers and pupils in the classroom (excluding exceptional, vocational and community education instruction) and includes activities of aides or assistants of any type (paraprofessionals, clerks, graders, etc.) who assist in the educational process, except spec ed aides

Vocational instruction - consists of costs related to courses and activities which develop knowledge, skills, attitudes and behavioral characteristics for students seeking career exploration and employability

Special education instruction - consists of activities providing learning experiences for pupils of any age, who because of certain atypical characteristics or conditions, have been identified as requiring, or who would benefit by, educational programs differentiated from those provided pupils in regular or vocational instruction

Instructional support services - activities for assisting instructional staff with content and process of providing learning experiences for pupils in K-12 (curriculum, staff dev, educ media, libraries and media centers, etc.)

Pupil support services - all services to pupils not classified as instructional (counseling & guidance, health services, psychological services, social work, pupil transportation and safety, etc.)

Operations and maintenance - activities related to the operation, maintenance, repair and remodeling of all physical plant, facilities and grounds of the District

Food service - all costs of the Food Service Fund

Community service - all costs of the Community Service Fund

Capital expenditures - all capital expenditures charged to operating funds

Debt service - all debt service costs (principal, interest and fiscal agent costs)

# APPENDIX C

## LEGISLATIVE ACTIVITY

What follows are some education-related highlights of recent legislative sessions as summarized from information made available by the Minnesota Department of Education, the Minnesota School Boards Association, and the Minnesota House of Representatives.

### **Long-Term Facilities Maintenance Revenue (2015 Legislative Session)**

Effective for fiscal year 2017, the long-term facilities maintenance revenue program was reestablished in response to the Capital Facilities Work Group recommendations. All school districts were given access to alternative facilities funding so school buildings and grounds can be responsibly and efficiently maintained. School facilities levies and bonds were made more affordable in low-wealth districts by increasing the equalization.

- Establishes the long-term facilities maintenance equalization levy and aid programs.
- Requires that a district or intermediate district have a ten-year facilities maintenance plan adopted by its board and approved by the commissioner.
- Repeals Alternative Facilities Program, Deferred Maintenance Revenue Program, and Health and Safety Levy, while retaining a list of allowed expenditures for health and safety revenue.
- Authorizes a district that is a member of an intermediate district or other cooperative unit to levy for its proportionate share of the costs of long-term facilities maintenance costs. Requires approval of each member board and the Commissioner of Education.
- All districts are held harmless in that all districts are guaranteed to receive at least as much revenue and at least as much state aid as they would have received under existing law.

Long-term facilities maintenance revenue may be used for exactly the same purposes as the old revenue categories it replaces: health & safety; deferred maintenance, and alternative facilities. As was true under the old law, Long-Term Facilities Maintenance Revenue may not be used for the following:

1. For construction of new facilities, remodeling of existing facilities, or the purchase of portable classrooms;
2. To finance a lease purchase agreement, installment purchase agreement, or other deferred payments agreement;
3. For energy-efficiency projects under section 123B.65, for a building or property or part of a building or property used for postsecondary instruction or administration or for a purpose unrelated to elementary and secondary education; or
4. For violence prevention and facility security, ergonomics, or emergency communication devices.

### **Fund Transfer Extension through FY2017 (2015 Legislative Session)**

The authorization for a school district to transfer money among accounts (if the transfer doesn't change the district's state aid or local levy authority) was extended through fiscal 2017. Does not include transfers from the Community Service fund, the Food Service Fund or from the restricted account for staff development.

## **APPENDIX C (CONTINUED)**

### **Voluntary Pre-Kindergarten Program (2016 Legislative Session)**

A school district, charter school, or combination thereof is authorized to operate a voluntary prekindergarten program for four-year-old pupils to prepare students for kindergarten entry. The school calendar for prekindergarten, if offered by the district, must include at least 350 hours of instruction for the school year. The commissioner is required to proportionally allocate the funds available among four groups of applicants: (1) Minneapolis and Saint Paul; (2) metro-region school districts; (3) rural region school districts; and (4) charter schools. Within each of the four applicant groups, priority is required to be given to applicants based on (1) the concentration of kindergarten students who qualify for free or reduced price lunch, and (2) the availability of three- or four-star Parent Aware rated programs within or near the district. The number of prekindergarten pupil units for a district is limited to no more than 60% of that district's kindergarten pupil units. The statewide aid entitlement for the prekindergarten program is limited to \$27,092,000 for fiscal year 2017, \$27,239,000 in fiscal year 2018, and \$26,399,000 for fiscal year 2019 and later which equates to approximately 6.2% of Minnesota four year olds or about 3,700 participants in each of the three years.

### **Home Visiting Revenue (2016 Legislative Session)**

The home visiting levy program was modified into a home visiting revenue program. Makes districts that are eligible to levy for early childhood family education eligible to receive home visiting revenue. The amount for home visiting was increased from \$1.60 per person under five residing in the district to \$3.00 per person under five residing in the district effective for revenue in fiscal year 2018 and later.

### **Equity Revenue (2016 Legislative Session)**

The equity revenue bump was extended to all school districts in the state (this increase is currently available only to school districts with their administrative offices located in the metro area). Sets the bump at 16% for fiscal years 2017, 2018, and 2019 and 25% for fiscal years 2020 and later. The equity revenue increase is payable entirely in state aid for fiscal year 2017 only.

### **Special Education Aid (2016 Legislative Session)**

The Department of Education is required to include procedures in the Uniform Financial and Reporting Standards (UFARS) system to track third-party billing proceeds at the school building level. Requires third-party billing revenue to be included in the cross-subsidy report and excluded from the calculation of special education excess cost aid. Beginning in fiscal 2017, school districts are required to reserve third-party revenue and spend the revenue only for the following purposes: 1) Administrative costs of obtaining reimbursement; 2) Training to improve the district's ability to access third-party payments; 3) Other expenditures to benefit students with IEPs or IFSPs.

The following provisions were part of the "Teacher Shortage Initiatives" from the 2017 legislative session.

### **Alternative Teacher Professional Pay System (QComp)**

Allows QComp revenue to be used for the following: (1) hiring bonuses to provide students with equitable access to teachers who have demonstrated skills for being effective at closing achievement gap; working in high-need positions; (2) incentives for teachers to obtain credits for required concurrent enrollment courses; and (3) funding a "Grow Your Own" new teacher initiative.

### **Alternative Teacher Preparation Grants Program**

Establishes a \$750,000 grant program for alternative teacher programs working to fill teacher shortage areas. School districts, charter schools, or nonprofits may seek approval to run a program. The grant must be used to get approval to become a program; recruit, select and train teachers who reflect the racial or ethnic diversity of students; and establish professional development programs for teachers.

## **APPENDIX C (CONTINUED)**

### **Paraprofessional Pathway to Teacher Licensure**

Provides up to \$1.0 million for grants, to school districts with more than 30% minority students, for a Board of Teaching-approved, nonconventional, teacher preparation residency program. The program must provide tuition scholarships or stipends to enable school district employees or community members affiliated with the school district who seek an education license to participate. School districts that receive funds under this program are encouraged to recruit candidates of color and American Indian candidates to participate in the “Grow Your Own” new teacher program.

The remainder of items was the result of the 2017 legislative session.

### **General Education Formula Increase**

The General Education Revenue formula allowance was increased by 2% (by \$121 per pupil unit to \$6,188) for fiscal year 2018 and by another 2% (by \$124 per pupil unit to \$6,312) for fiscal year 2019 and later.

### **Compensatory Education Pilots**

The five pilot compensatory grants totaling \$9,268,000 were permanently rolled into the compensatory revenue.

### **Restricted Use of Compensatory Education Revenue**

There is a new requirement that each school site is required to set aside increases in compensatory revenue relative to fiscal year 2017 for extended time activities. Extended time revenue may be used for extended day or week programs, summer school, vacation break academies, and other programming authorized under the learning year programs (alternative extended day or year programs).

### **Pupil Transportation Sparsity Revenue**

A new permanent funding component of \$3.8 million was created for districts whose pupil transportation expenses greatly exceed their transportation revenue. Funding is set to 18.2% of the difference between each school district’s transportation costs and the sum of its transportation sparsity revenue. This impacts 85 school districts.

### **Payments to Schools for Non-operating Funds**

Debt service equalization payments will go from twelve monthly payments to six payments beginning in July. School districts will receive their debt service equalization aid sooner, which better aligns with their payments to bondholders.

### **Operating Referendum Notification**

Notices to residents are no longer required to be delivered by first class mail.

### **Innovation Research Zones Pilot Program**

One or more schools may join to form an innovation zone partnership. This partnership can include postsecondary institutions, other units of local government, nonprofit, and for-profit organizations and can include personalized learning, collaborative leadership, and real-world models. An innovation plan must be submitted to MDE and innovation zones can get exemptions from certain state law. This pilot program is initially limited to three innovation zone plans in the seven-county metro and three in greater Minnesota.

## **APPENDIX C (CONTINUED)**

### **Child Nutrition Exception to Contract Limits**

An exception to the rule limiting school district contracts to two years was provided. A contract between a school board and a food service management company may be renewed annually after the initial term, but not more than four additional years.

### **E-Learning Days**

School boards may offer online instruction due to inclement weather to be counted as a day of instruction. A plan must be developed and adopted by the school board in consultation with teachers. Requirements are: parent notification of the E-Learning Plan at the beginning of each school year; accommodations for students without internet access at home; must not exceed five days; parent notification of at least two hours prior to the normal school start time in which a student needs to participate in an E-Learning Day; and teachers must be accessible online and via telephone during the normal school hours.

### **Special Education 3<sup>rd</sup> Party Reimbursement**

Districts must provide notice to a parent of a child enrolled in medical assistance or MinnesotaCare of its intent to seek reimbursement from the public health coverage plan for evaluations required as part of the IEP or family service plan (FSP) process, and for health-related services provided by the district in accordance with the IEP or FSP. A district may enroll as a provider in the medical assistance program and receive medical assistance payments for covered evaluations and special education services provided to persons eligible for medical assistance.

### **Early Learning Scholarships**

Prioritizes scholarship awards to children who have a parent under age 21 who is pursuing a diploma, are in foster care or need protection, or have experienced homelessness in the previous two years. The Pathway II scholarships were capped to no more than those granted in fiscal year 2017. The date by which a program must have a three-star or four-star rating is delayed by four years to 2020.

### **School Readiness Plus (SR+)**

A new four-year-old program was created to prepare children for kindergarten. Both school districts and charter schools are authorized to contract for the delivery of an SR+ program. The new School Readiness Program was created for fiscal years 2018 and 2019 only (\$50 million for each year). All school district applicants meeting program requirements will be rank-ordered based on three criteria: free and reduced lunch concentration of students in kindergarten as of October 1 of the previous fiscal year; proximity of a three-star or four-star Parent Aware rated program; and whether the district has implemented a mixed delivery program. The cap on the Voluntary PreK program was changed from a limit on the state total aid entitlement to a limit on the number of participants.

### **ECFE Funding**

The ECFE Allowance remains linked to General Ed formula allowance. ECFE allowance was increased from \$139.54 to \$142.32 for fiscal year 2018 and \$145.18 for fiscal year 2019 and later due to formula allowance increase.

### **American Indian Tribal Contract Aid**

The maximum aid per pupil unit was continued at the fiscal 2017 level of \$3,230 for fiscal years 2018 and 2019 only, instead of allowing it to decrease to \$1,500 beginning in fiscal 2018 as provided in current law. The decrease to \$1,500 will now occur beginning in fiscal year 2020 unless a change is enacted before that.

## **APPENDIX C (CONTINUED)**

### **Lead in School Drinking Water**

The Commissioner of Health and Education is required to develop a model plan to require school districts to test for lead in school drinking water. School boards may adopt the model plan or develop an alternative plan to test water in the schools for lead. The plan requires testing at least every five years, testing must begin by July 1, 2018, and be completed within five years. School districts are allowed to include the costs for lead testing and remediation in their long-term facilities maintenance plan. School districts must make lead test results available to the public and notify parents that this information is available.

## APPENDIX D

### TECHNICAL UPDATE

#### TECHNICAL UPDATES

##### **GASB Statement No. 73 – Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68**

The issuance of GASB Statement No. 73 completes the suite of pension standards. GASB Statement No. 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by GASB Statements No. 67 and 68). Plans not covered by GASB Statement No. 68 were previously measured under GASB Statement No. 27. The requirements in GASB Statement No. 73 for reporting pensions generally are the same as in GASB Statement No. 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The provisions in GASB Statement No. 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for financial statements for fiscal years beginning after June 15, 2016.

##### **GASB Statement No. 74 – Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans**

GASB Statement No. 74 addresses reporting by OPEB plans that administer benefits on behalf of governments and replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. GASB Statement No. 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in GASB Statement No. 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. GASB Statement No. 74 also sets forth note disclosure requirements for defined contribution OPEB plans. The provisions in GASB Statement No. 74 are effective for financial statements for fiscal years beginning after June 15, 2016.

##### **GASB Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions**

GASB Statement No. 75 addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. GASB Statement No. 75 replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and requires governments to report a liability on the face of the financial statements for the OPEB that they provide: Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability—the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments.

Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

## APPENDIX D (CONTINUED)

GASB Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements.

Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances—called special funding situations—GASB Statement No. 75 requires these governments to recognize in their financial statements a share of the other government's net OPEB liability. The provisions in GASB Statement No. 75 are effective for fiscal years beginning after June 15, 2017.

### **GASB Statement No. 77 – Tax Abatement Disclosures**

The objective of this Statement is to require governments that enter into tax abatement agreements to disclose information about a reporting government's own tax abatement agreements and information about those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015.

### **GASB Statement No. 79 – Certain External Investment Pools and Pool Participants**

This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as amended*. If an external investment pool meets the criteria in this Statement and measures all of its investments at amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in this Statement, the pool's participants should measure their investments in that pool at fair value, as provided in paragraph 11 of GASB Statement No. 31, as amended. In Minnesota, the Board of Trustees of the MSDLAF+ Portfolio approved the adoption of GASB Statement No. 79 requirements at a meeting held on May 25, 2016. As a result of this adoption, the Board determined that it will manage the MSDLAF+ Portfolio in accordance with GASB Statement No. 79 requirements, as applicable, for continued use of amortized cost.

This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals.

## **APPENDIX D (CONTINUED)**

### **GASB Statement No. 80 – Component Units**

The objective of this Statement requires the blending of component units of not-for-profit (NFP) corporations in which the government is the sole member. This requirement does not apply if the component unit (CU) is included under GASB Statement No. 39. If a reporting entity's component unit is organized as a NFP corporation in which the primary government is the sole corporate member, as identified in the CU's articles of incorporation or bylaws, the blending method should be used. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016.

### **GASB Statement No. 82 – Pensions**

Addresses issues regarding the presentation of payroll-related measures in required supplementary information (RSI), the selection of assumptions and treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee/plan member contribution requirements. Effective for reporting periods beginning after June 15, 2016 or June 15, 2017 for the requirements associated with assumptions where the pension liability measurement date is other than the most recent year-end. This statement impacts clients who report pension information in accordance with GASB Statements No. 67, 68, and 73.

## APPENDIX E

### FORMAL REQUIRED COMMUNICATIONS

Board of Education  
Independent School District No. 191  
Burnsville-Eagan-Savage Schools  
Burnsville, Minnesota

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Independent School District No. 191 (the school) as of and for the year ended June 30, 2017, and have issued our report thereon dated December 6, 2017. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

#### **Significant audit findings**

##### ***Qualitative aspects of accounting practices***

###### *Accounting policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the school are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2017.

We noted no transactions entered into by the School 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.

***Qualitative aspects of accounting practices (continued)***

*Accounting estimates*

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:

- Due from Minnesota Department of Education
- Due from other Minnesota school districts
- Due from federal through the Minnesota Department of Education
- Other Postemployment Benefits Payable
- Estimated useful lives of depreciable capital assets
- Estimated proportionate share of PERA's and TRA's net pension liability
- Estimate of self-insurance claims incurred but not reported
- Estimate of the District's liability for severance benefits payable

Management's estimate of the due from Minnesota Department of Education is based on amounts anticipated to be received from the state for various aid entitlements for fiscal 2017. The most significant of these is the aid portion of general education revenue. General education revenue and certain other revenues are computed by applying an allowance per student to the number of students served by the school. Student attendance is accumulated in a statewide database, Minnesota Automated Reporting Student System (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 fiscal year 2017 is not finalized until well into the next fiscal year. MDE calculates amounts owed to the School for special education excess cost tuition billing and adds the amount to the School's special education aid. Because the tuition amounts are based on estimated information, final entitlements are not expected to be known until well into the following fiscal year. Management expects any differences between estimated and actual data will be insignificant.

Management's estimate of due from other Minnesota school districts is based on amounts that have been billed to other school districts under the excess special education cost tuition billing system. The school has made a good faith effort to accurately calculate such amounts billed, but until the resident school district has an opportunity to review such underlying details as membership days, disability codes, and rates, it will not be known whether such amounts will be collected or not. Management expects any difference between amounts billed and amounts ultimately collected will be insignificant.

Management's estimate of due from federal through the Minnesota Department of Education is based on amounts anticipated to be received through the state for various federal aid entitlements for fiscal 2017. Many federal entitlements require that supporting financial reporting information be provided both in the Uniform Financial Accounting and Reporting Standards (UFARS) accounting system and also the Electronic Data Reporting System (EDRS) reporting system. To the extent that these two separate systems are not in agreement and reported in a timely manner, the estimated aid entitlement may be adversely affected. Management expects any differences between estimated and actual data will be insignificant.

***Qualitative aspects of accounting practices (continued)***

***Accounting estimates (continued)***

Management's estimate of other postemployment benefits payable is based on an actuarially determined calculation, less actual payments incurred on behalf of retirees and an actuarially determined estimate of implicit rate subsidy, which is the estimated increased cost of premiums due to inclusion of retirees in the same plan as the District's active employees.

Management's estimate of the useful lives for depreciable capital assets is based on guidance recommended by the Minnesota Department of Education and other sources. The useful life of a depreciable capital asset determines the amount of depreciation that will be recorded in any given reporting period as well as the amount of accumulated depreciation that is reported at the end of a reporting period.

Management's estimate of the District's proportionate share of PERA's and TRA's Net Pension Liability is based on guidance from GASB Statement No. 68 and each plan's respective allocation tables. Each plan's allocation tables allocate a portion of the plan's net pension liability based on the District's prior fiscal year contributions as a percentage of the total contributions received for the related year by the plan.

We reviewed and tested management's procedures and underlying supporting documentation in the areas discussed above and evaluated the key factors and assumptions used to develop the estimates noted above in determining that they are reasonable in relation to the financial statements taken as a whole. We concluded that the accounting estimates and management judgments appeared to consider all significant factors and resulted in appropriate accounting recognition.

***Financial statement disclosures***

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

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

***Difficulties encountered in performing the audit***

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

***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

***Corrected misstatements***

The following material misstatements detected as a result of audit procedures were corrected by management:

- An adjustment was made for food service fund receipts from the Fee Pay system for certain revenues which had not properly posted to the District's general ledger.

***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 auditors' report. No such disagreements arose during our audit.

***Management representations***

We have requested certain representations from management that are included in the management representation letter dated December 6, 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 school's financial statements or a determination of the type of auditors' 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.

***Significant issues discussed with management prior to engagement***

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

***Other audit findings or issues***

We have provided a separate letter to you dated December 6, 2017, communicating internal control related matters identified during the audit.

***Other information in documents containing audited financial statements***

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated December 6, 2017.

**Other information in documents containing audited financial statements (continued)**

With respect to the individual fund financial statements and the Uniform Financial Accounting and Reporting Standards Compliance Table (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, 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 or the reasons for such changes, 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 have issued our report thereon dated December 6, 2017.

The statistical section accompanying the financial statements, which is the responsibility of management, was prepared for purposes of additional analysis and is not a required part of the financial statements. Such information was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we did not express an opinion or provide any assurance on it.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

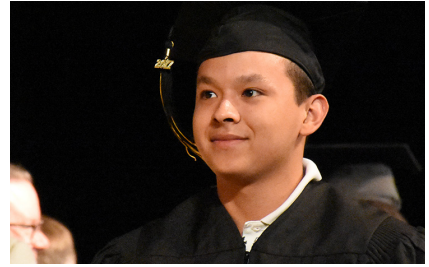
\* \* \* \* \*

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



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
December 6, 2017



# Comprehensive Annual Financial Report

For the Fiscal Year  
Ended June 30, 2017



***Future Ready. Community Strong.***

Prepared by the District 191 Business Office  
200 W. Burnsville Parkway  
Burnsville, MN 55337  
(952) 707-2050

**FISCAL YEAR 2017**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT OF  
BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
BURNSVILLE, MINNESOTA  
YEAR ENDED JUNE 30, 2017**

**PREPARED BY THE  
BUSINESS OFFICE**

**LISA K. RIDER  
EXECUTIVE DIRECTOR OF BUSINESS SERVICES**

**ROBIN M. PIKAL  
DIRECTOR OF ACCOUNTING SERVICES**

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2017**

**INTRODUCTORY SECTION (UNAUDITED)**

|  |   |
|--|---|
| LETTER OF TRANSMITTAL                            | 1 |
| SCHOOL BOARD AND ADMINISTRATION                  | 7 |
| ORGANIZATIONAL CHART                             | 8 |
| CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING | 9 |

**FINANCIAL SECTION**

|                              |    |
|------------------------------|----|
| INDEPENDENT AUDITORS' REPORT | 10 |
|------------------------------|----|

**REQUIRED SUPPLEMENTARY INFORMATION**

|                                      |    |
|--------------------------------------|----|
| MANAGEMENT'S DISCUSSION AND ANALYSIS | 13 |
|--------------------------------------|----|

**BASIC FINANCIAL STATEMENTS**

|   |    |
|---|----|
| STATEMENT OF NET POSITION   | 26 |
| STATEMENT OF ACTIVITIES   | 27 |
| BALANCE SHEET – GOVERNMENTAL FUNDS  | 28 |
| RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO<br>THE STATEMENT OF NET POSITION  | 29 |
| STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – GOVERNMENTAL FUNDS   | 30 |
| RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND<br>CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS TO STATEMENT OF<br>ACTIVITIES | 31 |
| STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – BUDGET AND ACTUAL – GENERAL FUND                                       | 32 |
| STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – BUDGET AND ACTUAL – MAJOR FOOD SERVICE FUND                            | 33 |
| STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – BUDGET AND ACTUAL – MAJOR COMMUNITY SERVICE FUND                       | 34 |
| STATEMENT OF NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE<br>FUND   | 35 |
| STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION –<br>PROPRIETARY FUND – INTERNAL SERVICE FUND                                   | 36 |
| STATEMENT OF CASH FLOWS – PROPRIETARY FUND – INTERNAL SERVICE<br>FUND   | 37 |
| STATEMENT OF FIDUCIARY NET POSITION   | 38 |
| STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  | 38 |
| NOTES TO BASIC FINANCIAL STATEMENTS   | 39 |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**REQUIRED SUPPLEMENTARY INFORMATION**

|  |    |
|--|----|
| SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT<br>BENEFITS AND SCHEDULE OF EMPLOYER CONTRIBUTIONS | 78 |
| TRA SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET<br>PENSION LIABILITY                       | 79 |
| TRA SCHEDULE OF DISTRICT CONTRIBUTIONS   | 80 |
| PERA SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET<br>PENSION LIABILITY                      | 81 |
| PERA SCHEDULE OF DISTRICT CONTRIBUTIONS  | 82 |

**SUPPLEMENTARY INFORMATION**

|   |    |
|---|----|
| <b>GENERAL FUND</b>   |    |
| BALANCE SHEET   | 83 |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – BUDGET AND ACTUAL | 84 |
| <b>FOOD SERVICE SPECIAL REVENUE FUND</b>  |    |
| BALANCE SHEET   | 87 |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – BUDGET AND ACTUAL | 88 |
| <b>COMMUNITY SERVICE SPECIAL REVENUE FUND</b>   |    |
| BALANCE SHEET   | 89 |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – BUDGET AND ACTUAL | 90 |
| <b>CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND</b>                                  |    |
| BALANCE SHEET   | 91 |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – BUDGET AND ACTUAL | 92 |
| <b>DEBT SERVICE FUND</b>  |    |
| BALANCE SHEET   | 93 |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – BUDGET AND ACTUAL | 94 |
| <b>INTERNAL SERVICE FUND</b>  |    |
| COMBINING STATEMENT OF NET POSITION   | 95 |
| COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN<br>NET POSITION              | 96 |
| COMBINING STATEMENT OF CASH FLOWS   | 97 |
| <b>UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS<br/>COMPLIANCE TABLE</b>      |    |
|   | 98 |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

|  |            |
|--|------------|
| <b>STATISTICAL SECTION (UNAUDITED)</b>   | <b>100</b> |
| NET POSITION BY COMPONENT  | 101        |
| CHANGES IN NET POSITION  | 103        |
| FUND BALANCES, GOVERNMENTAL FUNDS  | 105        |
| CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS   | 107        |
| GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE AND LEVY TYPE  | 109        |
| TAX CAPACITIES AND MARKET VALUE  | 110        |
| PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS  | 112        |
| PRINCIPAL PROPERTY TAXPAYERS   | 114        |
| PROPERTY TAX LEVIES, COLLECTIONS, AND RECEIVABLES  | 115        |
| RATIOS OF OUTSTANDING DEBT BY TYPE   | 117        |
| RATIO OF NET GENERAL OBLIGATIONS BONDED DEBT TO TAX CAPACITY AND<br>NET GENERAL OBLIGATIONS BONDED DEBT PER CAPITA | 118        |
| DIRECT AND OVERLAPPING DEBT  | 119        |
| LEGAL DEBT MARGIN  | 120        |
| DEMOGRAPHIC AND ECONOMIC STATISTICS  | 122        |
| PRINCIPAL EMPLOYERS  | 123        |
| EMPLOYEES BY CLASSIFICATION  | 124        |
| STUDENT TO STAFF RATIOS  | 125        |
| OPERATING INDICATORS BY FUNCTION – STANDARDIZED TESTING AND<br>GRADUATION RATES                                    | 126        |
| SCHOOL FACILITIES  | 127        |
| FOOD SERVICE – SCHOOL LUNCH PROGRAM DATA   | 128        |
| SCHEDULE OF INSURANCE COVERAGE   | 130        |
| STUDENT ENROLLMENT   | 131        |
| EXPENDITURES PER STUDENT   | 132        |

## **INTRODUCTORY SECTION**



To: Citizens of Burnsville Eagan Savage Schools  
Board of Education  
Staff of Burnsville Eagan Savage Schools

Date: December 6, 2017

## **INTRODUCTION**

The comprehensive annual financial report (CAFR) of Independent School District No. 191, Burnsville, Minnesota (the District) for the fiscal year ended June 30, 2017 is hereby presented for your information and review. The CAFR is intended to fully disclose the financial position of the District and the results of operations for the fiscal year. Every effort has been made to ensure the reliability and integrity of the data contained herein. Although that data was received from many sources, the accuracy and thoroughness of this report rests solely with the District. This report belongs to the citizens of the Burnsville – Eagan – Savage community, for it describes, in financial terms, the position and operating results of the District. Questions and comments are solicited and welcome.

## **REPORT FORMAT**

This CAFR is presented in three main sections: introductory, financial, and statistical. In addition to information contained in this letter, the introductory section includes the District's organizational chart, a list of the District's principal officials, and the Association of School Business Officials Certificate of Excellence in Financial Reporting Award. The financial section includes the independent auditor's report, Management's Discussion and Analysis (MD&A), basic financial statements, notes to basic financial statements, and detailed combining and individual statements and schedules. The statistical section includes selected financial and general information presented on a multi-year comparative basis. Where possible, historical data is presented for a 10-year period.

Accounting principles generally accepted in the United States of America require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in a separate Management's Discussion and Analysis (MD&A) section of the report. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A of the District can be found immediately following the report of the independent auditors.

## **DISTRICT ORGANIZATION**

The District was incorporated in 1955 and serves parts of five suburban communities in the Minneapolis/St. Paul area. The District is guided by its mission:

*Our Schools will:*

*Empower Learning,  
Energize Achievement,  
Embrace Community*

***Each Student Real-World-Ready***

The District enrolled 9,114 students from a population of over 67,370 citizens residing in a 37 square mile area. During 2016-17, the District operated 17 buildings: 1 high school, 1 alternative high school, 3 middle schools schools, 10 elementary schools, 1 special services building, and an office building. The District is organized by grade level with elementary schools serving students in kindergarten through Grade 5, middle schools serving Grades 6-8, and the high schools serving Grades 9-12.

## **REPORTING ENTITY**

The District's financial statements include all funds, departments, agencies, boards, commissions, and other component units for which the District is considered to be financially accountable. Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

Based on these criteria, there are no organizations considered to be component units of the District.

## **FINANCIAL STATEMENTS**

The financial statements contained in this report disclose the financial position of the District as of June 30, 2017 and the financial operations for the fiscal year then ended. The District's financial records and reports are maintained and prepared on a modified or full accrual basis of accounting in accordance with the Uniform Financial Accounting and Reporting System for Minnesota School Districts as well as the standards of the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. These records are audited annually by an independent certified public accountant as required by Minnesota law. The accounting firm of CliftonLarsonAllen LLP performed the audit for the 2016-17 fiscal year. Their report is included in the financial section of this report. The auditor has given an unmodified opinion on the District's financial statements. An unmodified opinion means that, in the judgment of the auditor, the financial statements present fairly, in all material respects, the financial position of the District and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

## **FEDERAL SINGLE AUDIT AND STATE COMPLIANCE AUDIT**

The independent audit of the financial statements of the District is part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited district's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The District is also required to undergo an annual Minnesota State Legal Compliance Audit under Minnesota Statute §6.65. These reports are available in a separate document.

## **ACCOUNTING AND BUDGETING**

A major thrust of the District's accounting system is to provide adequate internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits likely to be derived, and that the evaluation of the cost and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance for proper recording of financial transactions.

Budgetary control is maintained through an annual budget adopted by the School Board for all funds as required by state statutes and School Board policy. The adopted budget serves as the authorizing document for all expenditures, although the School Board approves all checks issued on a monthly basis. The superintendent and business manager are authorized to make financial commitments within budgetary guidelines for contracts not requiring sealed bids. Additional expenditure controls are maintained by the Business Office in accordance with state statutes, i.e., the District cannot incur a negative unassigned balance in the General Fund in excess of 2.5% of the preceding year's expenditures. The budget is published annually to inform residents of the District's financial position and operating plan for the fiscal year. The School Board receives Board reports on monthly revenue and expense reports. Program managers may receive weekly budget reports via email which indicate the approved budget on a line item basis; the month-to-date and year-to-date revenues, expenditures, and encumbrances assigned to those line items; the budget remaining; and the percent earned or expended to date. Monthly monitoring of revenues and expenditures by the School Board as well as ongoing monitoring by program managers helps to ensure budget integrity and provides an opportunity to detect material budget variances before the end of the fiscal year.

The budget is adopted by the School Board in the spring of each year for the following fiscal year beginning July 1. In the winter, the budget is revised based upon enrollment changes, effects of negotiated employee contracts, or other new information impacting revenues or expenditures. The revised budget is presented to the School Board for approval. To accurately track and report financial activities with a focus on site-based accounting, approximately 13,000 accounts have been defined in the District's chart of accounts.

## **SIGNIFICANT EVENTS**

The District's finances are largely dependent on student enrollment. Since 2002-2003 the District has experienced a decline in the number of students enrolled in the District's schools. This is a natural occurrence in a fully developed community and is often the result of smaller kindergarten cohorts replacing a larger graduating class. However, for 2016-17, the incoming kindergarten enrollment was higher than the senior class graduating. Grades K-11 have a range in class size from a low of 638 to a high of 774 students. Enrollment for 2016-17 was higher than anticipated partly due to the addition of Voluntary Pre-Kindergarten program. The result was a very slight decline in enrollment. Indicators show our resident population leveling and our served population is projected to continue to decline slowly before leveling.

Declining enrollment and the lack of a funding increase from the state have placed the District in the position of a need to reduce expenditures to balance the budget in recent years. Most of the District's operating revenue is directly related to the number of students enrolled in its schools. While revenues decline in direct proportion to the change in enrollment, expenditures decline at a much slower rate because the enrollment change is spread over all 15 schools and 13 grades. As student numbers decline, the number of teachers providing direct services to students can be reduced accordingly and some cost reduction occurs. Other costs, such as facility operations, are not proportionally related to enrollment and cannot be adjusted as readily. As needed, the district has taken strong expenditure curtailment measures during the years ended 2006, 2007, 2008, and 2012 in an effort to ensure a favorable financial result. These ongoing efforts to curtail expenditures have allowed the District to improve the fund balance in its General Fund. Fiscal years ended 2014, 2015, and 2017 have seen a planned spend down of the unassigned fund balance in favor of maintaining needed educational supports for our students.

## **FINANCIAL PROSPECTS FOR FUTURE YEARS**

The District has a long history of maintaining positive fund balances and matching revenues with expenditures. Residents of the District have repeatedly supported the District's efforts to increase revenues through levy referenda. The District has two separately authorized levy referenda. The first, in the amount of \$630.52 per pupil unit (\$757.19 per adjusted pupil unit under new law), was approved in November 2007 and was set to expire after 2017-2018. On November 7, 2017, the community supported a renewal and increase to the referenda replacing with the amount of \$1,172.49 per pupil unit. The second, in the amount of \$845.68 per pupil unit (\$591.56 per adjusted pupil unit under new law exclusive of Local Optional Allowance equal to \$424), was approved November 2011 and is set to expire after 2022-2023. The support shown by residents this fall is greatly appreciated and will assist in matching revenues with expenditures.

The State Legislature has increased the general education formula some this past three biennium after not increasing funding per student for the two previous biennium. Unfortunately, the declining enrollment, near flat funding, and inflationary expenditure increases have created budget gaps and are at risk of continuing going forward. The District has taken significant measures to conserve budget. The results of the 2016-2017 fiscal year shows a planned spend down of fund balance. It must be noted fund balance is available for use only once so the ability to maintain stability will be dependent on the district's ability to keep expenditures within revenues each year beyond the use of the fund balance that may be available.

Continued financial uncertainty is likely to be the major challenge of the next decade. While enrollment, staffing, and expenses can be projected, it is impossible to predict with any certainty the configuration or adequacy of funding formulas to be enacted in the future by the Legislature. This fall, a greater than anticipated enrollment decline will require adjustment to expenditures and future planning. Nonetheless, the District is committed to maintaining programs and services and to operating within its financial limitations. As the District approaches the 2017-2018 revised budget and the 2018-2019 adopted budget, enrollment projection adjustments and curriculum based decisions will be at the forefront of the discussion. Closing the achievement gap and increasing student achievement for all students served remains the District's priority. The District will continue to contain expenditures whenever possible and make budget adjustments to keep the planned spend down of expenditures at a level that allows for long-term financial sustainability.

## **ECONOMIC FACTORS**

The District is located in Dakota and Scott Counties, both of which are located in the seven-county metro area of Minneapolis/St. Paul. The cities that comprise the District are suburban communities. Residents are typically employed in professional vocations within the metropolitan area. The economic downturn of the past years has had some effect on the community as evidenced by greater mobility and increased participation in the free and reduced price lunch program. Fall of 2017 data suggests a decrease in the free and reduced status of our students served.

The taxable market value of property within the District is generally expected to improve. While the District is essentially fully developed residentially, commercial development and redevelopment is clearly evident throughout the community. Overall market improvement is evident in the increased 2016 total market value for a second year in a row.

The state of Minnesota assumes major responsibility for funding public education. In the District, approximately 20% of our revenues are generated locally from the property tax and 50% of the property tax is the result of voter approved, local initiatives. This includes the referendum that was approved in November 2007 and 2011.

Reliance on the state for the majority of its operating revenues places the District in the position of being dependent on state-wide economic conditions that drive state tax collections. The State Legislature has provided some increases to the basic formula and categorical funding for the 2015-2017 biennium. Even with the 2% increase on the formulas for 2015-2017; this increase does not keep pace with inflation. The District has responded to this financial challenge by requesting and receiving community support of referendum renewal, curtailing expenditures when possible, revamping the budget process and by judiciously drawing on fund reserves to maintain programs and services.

## **MAJOR INITIATIVES**

The average age of the District's attendance centers is 39.51 years. On February 24, 2015 the district voters' approved a \$65 million building bond to ensure space availability across all of our schools. A grade re-configuration was implemented at the beginning of the 2016-2017 school year. I.S.D. 191 now serves students 9-12 grade in our high school(s); 6-8 grade in our middle schools; and PK-5 grade in our elementary schools. A capital project levy for technology added \$2.5 million annually effective 2016-2017 for 10 years. During the 2016-2017 year, these additional funds were used to implement a 1:1 device ratio throughout our grades 9-12. At the elementary level, Digital Learning Specialists were implemented across our elementary schools to ensure our students were prepared for the use of technology devices as they reach the secondary level. Grades 6-8 will see implementation of a 1:1 device ration effective the 2017-2018 school year.

## **CERTIFICATE OF EXCELLENCE**

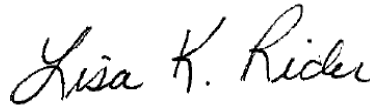
This report will be submitted to the Association of School Business Officials International for consideration for the Certificate of Excellence in Financial Reporting. The District received this award for the past 29 fiscal years and expects to continue to earn the recognition that accompanies the standards of accuracy and thoroughness acknowledged by the Certificate of Excellence program.

## **ACKNOWLEDGMENTS**

The time, effort, and attention that goes into the timely preparation of a CAFR requires the commitment and cooperation of many people. Special appreciation must be extended to the entire Business Office staff for their dedication and to the School Board for their encouragement and leadership.



Cindy Amoroso  
Superintendent



Lisa K. Rider  
Executive Director of Business Services

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
SCHOOL BOARD AND ADMINISTRATION  
JUNE 30, 2017**

**SCHOOL BOARD**

| <b>NAME</b>    | <b>TERM ON BOARD<br/>EXPIRES</b> | <b>BOARD POSITION</b> |
|----------------|----------------------------------|-----------------------|
| Abigail Alt    | December 2018                    | Chairperson           |
| DeeDee Currier | December 2020                    | Vice Chairperson      |
| Bob VandenBoom | December 2018                    | Treasurer             |
| Jim Schmid     | December 2018                    | Clerk                 |
| Dan Luth       | December 2018                    | Director              |
| Eric Miller    | December 2020                    | Director              |
| Darcy Schultz  | December 2020                    | Director              |

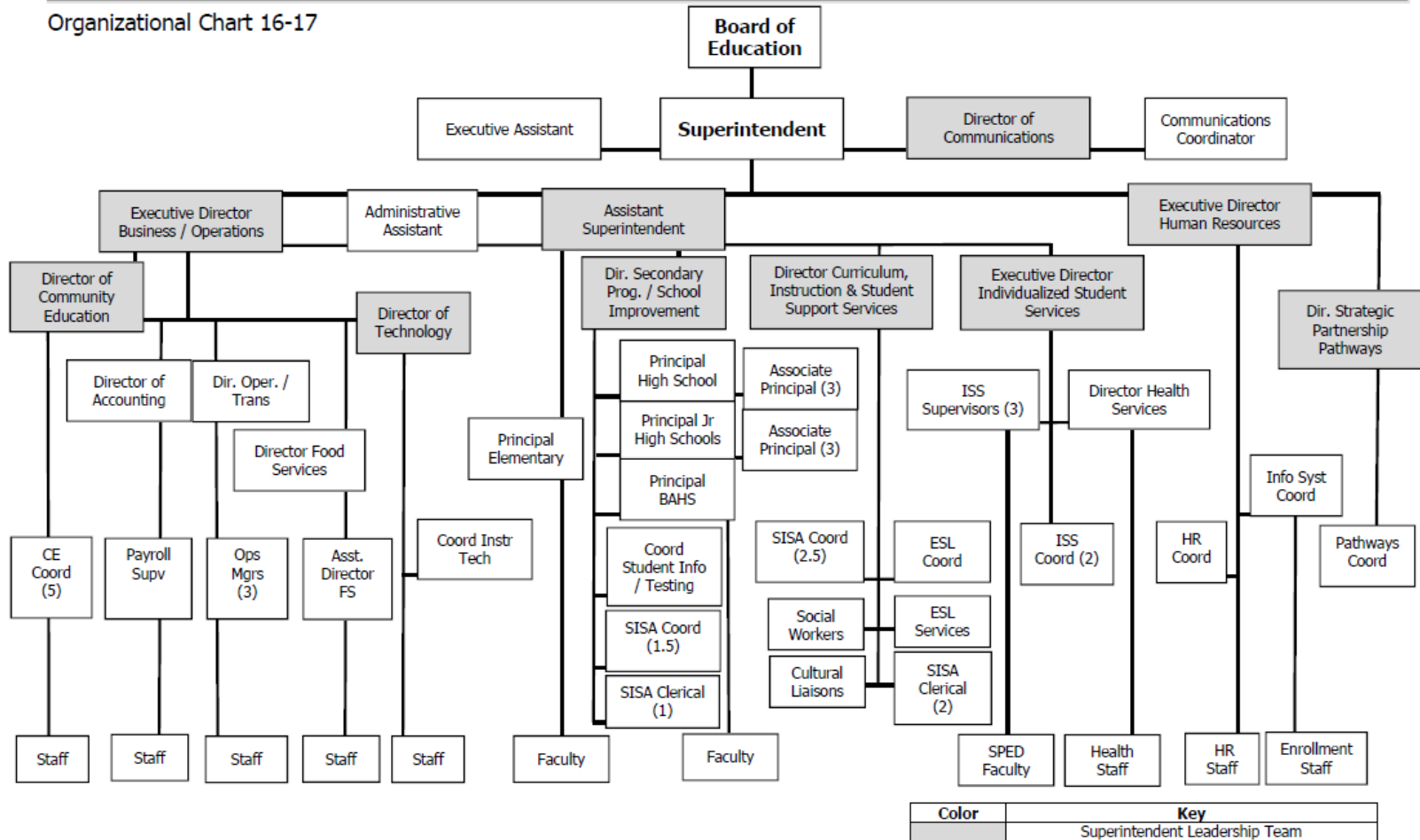
**ADMINISTRATION**

|                |  |
|----------------|--|
| Cindy Amoroso  | Superintendent                             |
| Dave Watkins   | Assistant Superintendent                   |
| Lisa K. Rider  | Executive Director of Business<br>Services |
| Stacey Sovine  | Executive Director of Human<br>Resources   |
| Robin M. Pikal | Director of Accounting Services            |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
ORGANIZATIONAL CHART  
JUNE 30, 2017**

**BURNSVILLE-EAGAN-SAVAGE ISD 191**

Organizational Chart 16-17



5-Dec-17

234

BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING  
JUNE 30, 2017



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

**Independent School District 191**

**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'.

---

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

A handwritten signature in black ink, appearing to read 'John D. Musso'.

---

John D. Musso, CAE, RSBA  
Executive Director

## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

Board of Education  
Independent School District No. 191  
Burnsville, 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. 191, 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.

### ***Auditors' 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 auditors' 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 entity'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 entity'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.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 191 as of June 30, 2017, and the respective changes in financial position, the respective budgetary comparison for the General, Food Service and Community Service funds and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Prior Year Information**

We have previously audited Independent School District No. 191's 2016 financial statements of the governmental activities, each major fund and the aggregate remaining fund information, and we expressed an unmodified opinion on those audited financial statements in our report dated November 1, 2016. In our opinion, the summarized 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 Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress for other postemployment benefits, schedules of the District's proportionate share of net pension liability, and schedules of the District's pension contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information 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 Independent School District No. 191's basic financial statements. The combining and individual fund financial statements, uniform financial accounting and reporting standards compliance table, introductory, and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

**Other Matters (Continued)**

*Other Information (Continued)*


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

The introductory and 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.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2017, on our consideration of the Independent School District No. 191's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Independent School District No. 191's Burnsville Public Schools 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 Independent School District No. 191's internal control over financial reporting and compliance.

Burnsville Public Schools



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
December 6, 2017

## **REQUIRED SUPPLEMENTARY INFORMATION**

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017**

This section of Independent School District No. 191's comprehensive annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2017. Please read it in conjunction with the District's financial statements, which immediately follow this letter.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Government Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2016-17 fiscal year include the following:

- Government-wide net position decreased by \$35,192,988 or (153.3%) below June 30, 2016 resulting in total net position of (\$58,144,406). This decrease was primarily due to the large increase in the net pension liability of the TRA and PERA (GERF) pension plans resulting in a large increase of Burnsville's proportionate share of those net pension liabilities.
- Government-wide revenues totaled \$154,945,533 and expenses were \$190,138,521.
- The total fund balance of the General Fund, as presented in the governmental funds, decreased by \$1,512,966 from the prior year.
- The unassigned fund balance in the General Fund decreased by \$1,281,907 from \$15,748,008 to \$14,466,101.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts: Independent Auditors' Report, Required Supplementary Information which includes MD&A (this section), the basic financial statements, and supplementary information.

The basic financial statements include several statements that present different views of the District:

- The **government-wide financial statements**, including the *Statement of Net Position* and the *Statement of Activities*, provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are **fund financial statements** that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
- **Governmental funds statements** tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- **Proprietary funds statements** offer short- and long-term financial information about the activities the District operates like businesses.
- **Fiduciary funds statements** provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others to whom the resources belong.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data.

**Government-Wide Statements**

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

The two government-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets plus deferred outflows of resources and liabilities plus 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 an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements the District's activities are shown in one category:

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

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017**

**Fund Financial Statements**

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

- Some funds are required by State law and by bond covenants.
- The District may establish other funds to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal grants).

The District has three kinds of funds:

- *Governmental Funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information following the governmental funds statements to explain the relationship (or differences) between them.
- *Proprietary Funds* – The District uses internal service funds to report activities that provide supplies and services for the District's other programs and activities. The District currently has four internal service funds for self-insured health and dental benefits and its severance and postemployment benefits liabilities.
- *Fiduciary Funds* – The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship funds and the flexible benefit plan. The District is responsible for ensuring that the assets are 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 district-wide financial statements because the District cannot use these assets to finance its operations.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017**

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

**Net Position**

The District's combined net position was \$(58,144,406) on June 30, 2017. This was a decrease of 153.34% from the prior year (see Table A-1).

**Table A-1  
The District's Net Position**

|                                  | Governmental Activities<br>as of June 30, |                        | Percentage<br>Change |
|----------------------------------|---|------------------------|----------------------|
|                                  | 2017                                      | 2016                   |                      |
| Current and Other Assets         | \$ 141,525,343                            | \$ 183,508,928         | (22.88)%             |
| Capital Assets                   | 160,944,804                               | 142,239,406            | 13.15                |
| Total Assets                     | <u>302,470,147</u>                        | <u>325,748,334</u>     | (7.15)               |
| Deferred Outflows of Resources   | 174,955,165                               | 16,766,359             | 943.49               |
| Current Liabilities              | 24,341,679                                | 30,213,766             | (19.44)              |
| Long-Term Liabilities            | 190,093,083                               | 205,596,320            | (7.54)               |
| Total Liabilities                | <u>214,434,762</u>                        | <u>235,810,086</u>     | (9.06)               |
| Deferred Inflows of Resources    | <u>40,080,587</u>                         | <u>44,639,494</u>      | (10.21)              |
| Net Position:                    |   |                        |                      |
| Net Investment in Capital Assets | 49,117,430                                | 22,196,478             | 121.28               |
| Restricted                       | 6,015,244                                 | 6,488,027              | (7.29)               |
| Unrestricted                     | (113,277,080)                             | (51,635,923)           | 119.38               |
| Total Net Position               | <u>\$ (58,144,406)</u>                    | <u>\$ (22,951,418)</u> | 153.34               |

The District's financial position is the product of many factors. For example, the determination of the District's net investments in capital assets involves many assumptions and estimates, such as current and accumulated depreciation amounts. A conservative versus liberal approach to depreciation estimates, as well as capitalization policies, will produce a significant difference in calculated amounts.

The District's overall financial position decreased from fiscal year 2016, as total net position decreased \$35,192,988. The District is able to report positive balances in two of three categories of net position. The largest positive portion of the District's net position represents its investment in capital assets (land, buildings, equipment, etc.) less any related debt used to acquire those assets that is still outstanding. This element of net position increased by \$26,920,952 in the current fiscal year.

Another portion of the District's net position, restricted net position represents resources that are subject to external restrictions on how they may be used. This portion of the District's net position decreased by \$472,783 in the current year. The remaining unrestricted net position is that which may be used to meet the District's ongoing obligations. This portion of net position decreased \$61,641,157 in the current fiscal year.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017**

**Changes in Net Position**

In Table A-2, Change in Net Position, operations are reported on a governmental-wide basis with no reference to funds.

**Table A-2  
Change in Net Position**

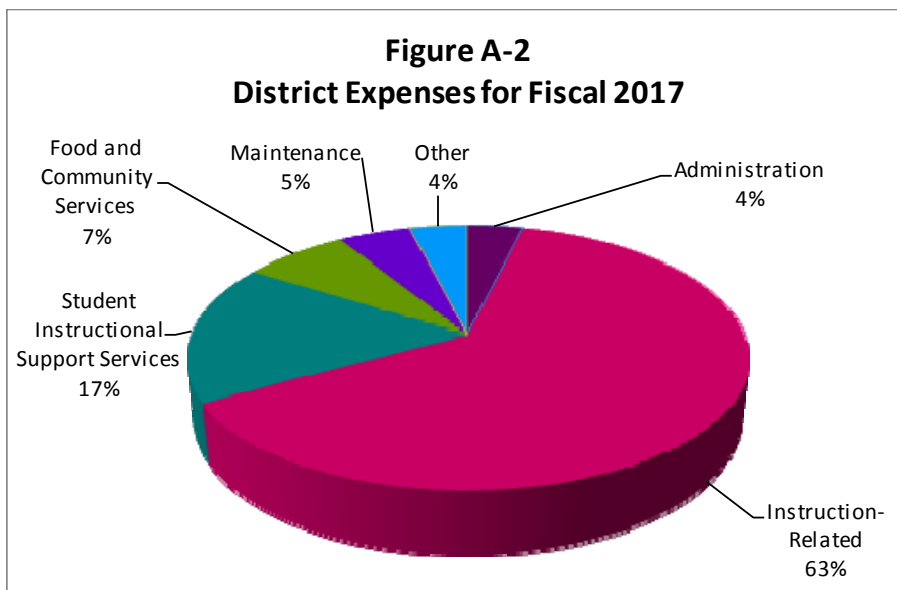
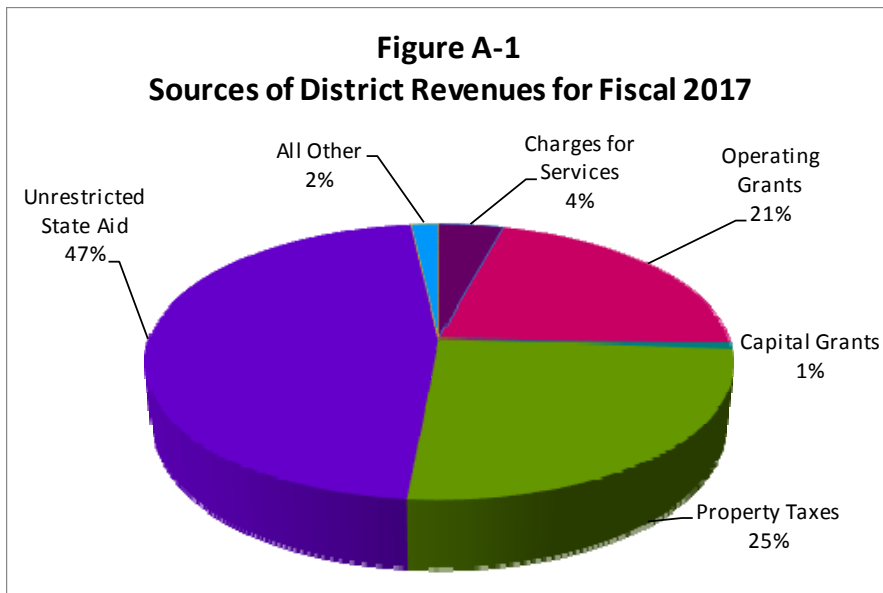
|                                      | Governmental Activities for the<br>Fiscal Year Ended June 30, |                        | Percentage<br>Change |
|--------------------------------------|---|------------------------|----------------------|
|                                      | 2017  | 2016                   |                      |
| <b>Revenues</b>                      |   |                        |                      |
| <u>Program Revenues</u>              |   |                        |                      |
| Charges for Services                 | \$ 6,508,452  | \$ 6,693,853           | (2.77)%              |
| Operating Grants and Contributions   | 32,886,488  | 29,394,748             | 11.88                |
| Capital Grants and Contributions     | 1,153,072   | 1,236,991              | (6.78)               |
| <u>General Revenues</u>              |   |                        |                      |
| Property Taxes                       | 39,174,322  | 35,059,108             | 11.74                |
| Unrestricted State Aid               | 72,447,212  | 70,513,775             | 2.74                 |
| Investment Earnings                  | 1,516,101   | 842,839                | 79.88                |
| Other                                | 1,259,886   | 1,071,088              | 17.63                |
| Total Revenues                       | <u>154,945,533</u>  | <u>144,812,402</u>     | 7.00                 |
| <b>Expenses</b>                      |   |                        |                      |
| Administration                       | 7,177,258   | 5,372,409              | 33.59                |
| District Support Services            | 4,591,300   | 2,732,153              | 68.05                |
| Regular Instruction                  | 84,957,113  | 51,786,010             | 64.05                |
| Vocational Education Instruction     | 2,662,664   | 1,399,185              | 90.30                |
| Special Education Instruction        | 32,487,928  | 23,575,099             | 37.81                |
| Instructional Support Services       | 15,404,303  | 10,534,435             | 46.23                |
| Pupil Support Services               | 12,265,084  | 9,691,454              | 26.56                |
| Sites and Buildings                  | 9,334,739   | 19,295,728             | (51.62)              |
| Fiscal and Other Fixed Cost Programs | 353,822   | 398,068                | (11.12)              |
| Food Service                         | 5,989,896   | 5,535,377              | 8.21                 |
| Community Service                    | 7,763,673   | 6,580,796              | 17.97                |
| Interest and Fiscal Charges on       |   |                        |                      |
| Long-Term Liabilities                | 7,150,741   | 6,781,498              | 5.44                 |
| Total Expenses                       | <u>190,138,521</u>  | <u>143,682,212</u>     | 32.33                |
| <b>Change in Net Position</b>        | (35,192,988)  | 1,130,190              |                      |
| Beginning Net Position               | <u>(22,951,418)</u>   | <u>(24,081,608)</u>    |                      |
| Ending Net Position                  | <u>\$ (58,144,406)</u>  | <u>\$ (22,951,418)</u> |                      |

Total revenues were \$154,945,533 while total expenses were \$190,138,521 decreasing net position by \$35,192,988.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017**

The cost of all *governmental* activities this year was \$190,138,521.

- Some of the cost was paid by the users of the District's programs (Table A-2, Charges for Services, \$6,508,452). The majority of this category, approximately \$5.0 million, comes from food service meal sales and community education class tuition.
- The federal and state governments subsidized certain programs with grants and contributions (Table A-2, Operating and Capital Grants and Contributions, \$34,039,560).
- Most of the District's costs were paid for with local property taxes, unrestricted state aid, investment earnings, and other general revenues. Governmental activities were paid for with \$39,174,322 in property taxes, \$72,447,212 of unrestricted state aid, and with investment earnings and other general revenues.



**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017**

All governmental funds include not only funds received for the general operation of the District but also include resources from the entrepreneurial-type funds of Food Service and Community Education. Funding for the general operation of the District is controlled by the state and the District does not have the latitude to allocate money received in Food Service or Community Education or for fiscal services to enhance general operation resources.

Table A-3, seen below, presents the cost of twelve major District activities such as, instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and others. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

**Table A-3  
Program Expenses and Net Cost of Services**

|   | <u>Total Cost of Services</u> |                       | <u>Percentage<br/>Change</u> | <u>Net Cost of Services</u> |                       | <u>Percentage<br/>Change</u> |
|---|-------------------------------|-----------------------|------------------------------|-----------------------------|-----------------------|------------------------------|
|   | <u>2017</u>                   | <u>2016</u>           |                              | <u>2017</u>                 | <u>2016</u>           |                              |
| Administration  | \$ 7,177,258                  | \$ 5,372,409          | 33.59 %                      | \$ 2,718,119                | \$ 5,149,460          | (47.22)%                     |
| District Support Services                               | 4,591,300                     | 2,732,153             | 68.05                        | 4,590,050                   | 2,389,692             | 92.08                        |
| Regular Instruction                                     | 84,957,113                    | 51,786,010            | 64.05                        | 79,290,598                  | 45,445,786            | 74.47                        |
| Vocational Education Instruction                        | 2,662,664                     | 1,399,185             | 90.30                        | 2,644,203                   | 1,363,258             | 93.96                        |
| Special Education Instruction                           | 32,487,928                    | 23,575,099            | 37.81                        | 15,739,327                  | 8,341,139             | 88.70                        |
| Instructional Support Services                          | 15,404,303                    | 10,534,435            | 46.23                        | 14,167,498                  | 7,634,445             | 85.57                        |
| Pupil Support Services                                  | 12,265,084                    | 9,691,454             | 26.56                        | 11,629,893                  | 8,978,414             | 29.53                        |
| Sites and Buildings                                     | 9,334,739                     | 19,295,728            | (51.62)                      | 8,828,199                   | 18,526,346            | (52.35)                      |
| Fiscal and Other Fixed Cost Programs                    | 353,822                       | 398,068               | (11.12)                      | 353,822                     | 398,068               | (11.12)                      |
| Food Service  | 5,989,896                     | 5,535,377             | 8.21                         | 190,844                     | (37,843)              | (604.30)                     |
| Community Service                                       | 7,763,673                     | 6,580,796             | 17.97                        | 2,287,435                   | 1,386,533             | 64.98                        |
| Interest and Fiscal Charges on<br>Long-Term Liabilities | 7,150,741                     | 6,781,498             | 5.44                         | 7,150,521                   | 6,781,322             | 5.44                         |
| <b>Total</b>  | <b>\$ 190,138,521</b>         | <b>\$ 143,682,212</b> | <b>32.33</b>                 | <b>\$ 149,590,509</b>       | <b>\$ 106,356,620</b> | <b>40.65</b>                 |

The cost of all governmental activities this year was \$190,138,521, an increase of \$46,456,309 over the prior year. After applying program specific revenue, the net cost of all governmental activities this year was \$149,590,509 or an increase of \$43,233,889 from the prior year.

**Financial Analysis of the District's Funds**

The financial performance of the District as a whole is reflected in its governmental funds. All of the governmental funds except for the Community Service fund had less revenue than expenditures in 2017, thereby contributing to the decrease in individual fund balance. At the end of the 2016-17 fiscal year, the District's governmental funds reported combined fund balances of \$61,053,765. This is a 36.75% decrease over the prior year. The decrease is primarily due the spend down of most of the remaining bond proceeds received in the spring of 2015 for the Vision One91 projects as well as refunding bond proceeds received in the spring of 2016 and fall of 2016 being used to refund the outstanding portion of the District's 2007A bonds as well as 2009A bonds, respectively.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017**

Revenues and other financing sources (excluding transfers in) for the District's governmental funds were \$164,274,290, while total expenditures other financing uses (excluding transfers out) were \$199,749,440. As a result, the District completed the year with a net change in fund balances of (\$35,475,150).

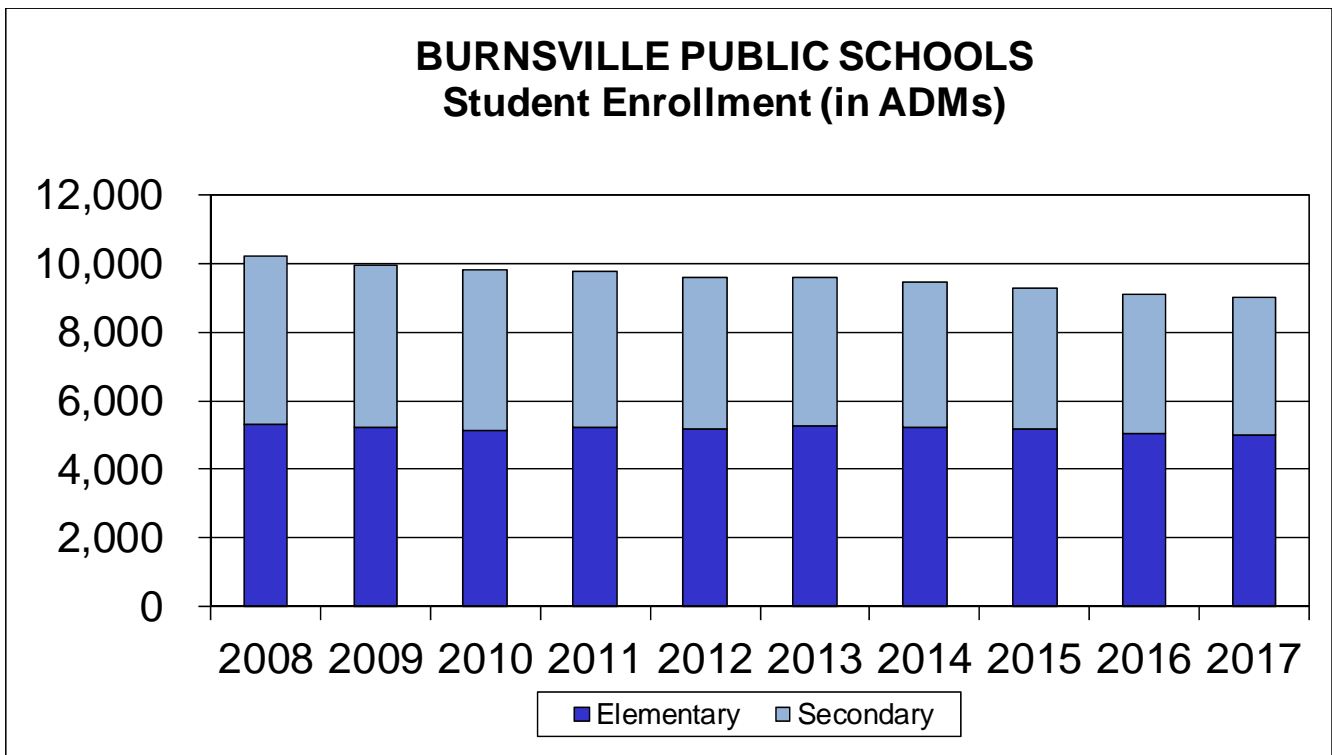
**General Fund**

The General Fund is used to account for all revenues and expenditures of the school district not accounted for elsewhere. The General Fund is used to account for: K-12 educational activities; district instructional and student support programs; expenditures for the superintendent; district administration; normal operations and maintenance; pupil transportation; capital expenditures; and legal school district expenditures not specifically designated to be accounted for in any other fund.

**ENROLLMENT**

Enrollment is a critical factor in determining revenue with approximately 70% of General Fund revenue being determined by enrollment. Like many Minnesota school districts, the District has been facing declining enrollment. During the last five years, the District has averaged a 0.97% decrease in students per year. From 2016 to 2017 the decrease was only 0.08%. The smaller decrease was mostly attributed to the addition of voluntary pre-kindergarten in 2017, as established by the Minnesota legislature in 2016. Enrollment per grade level continued to see a slight decrease. The following chart reflects that the number of students has decreased over the last 10 years.

**Table A-4  
Student Enrollment  
Average Daily Membership (ADM)**



**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017**

The following schedule presents a summary of General Fund Revenues.

**Table A-5  
General Fund Revenues**

|                            | Year Ended<br>June 30, |                       | Change                 |                   |
|----------------------------|------------------------|-----------------------|------------------------|-------------------|
|                            | 2017                   | 2016                  | Increase<br>(Decrease) | Percent<br>Change |
| Local Sources:             |                        |                       |                        |                   |
| Property Taxes             | \$ 25,663,259          | \$ 22,874,885         | \$ 2,788,374           | 12.2 %            |
| Earnings on Investments    | 126,531                | 83,544                | 42,987                 | 51.5              |
| Other                      | 2,918,127              | 2,576,296             | 341,831                | 13.3              |
| State Sources              | 90,931,906             | 90,837,480            | 94,426                 | 0.1               |
| Federal Sources            | 4,763,107              | 4,170,967             | 592,140                | 14.2              |
| Total General Fund Revenue | <u>\$ 124,402,930</u>  | <u>\$ 120,543,172</u> | <u>\$ 3,859,758</u>    | 3.2               |

General Fund revenue increased by \$3,859,758, or 3.2%, from the previous year.

Property taxes increased \$2,788,374. This increase is mainly a result of the first year addition of the voter approved (February, 2015) capital projects revenue expected to be around \$2,500,000 annually for ten years.

State Sources increased by \$94,426. State revenue would have decreased due to decline in enrollment and reduced special education revenue but the decrease was offset by an increase in the state's contribution to the Teachers Retirement Association pension plan on behalf of the District, which is recognized as state aid revenue.

Federal Revenue is recorded in the year in which the related expenditure is made. Federal Sources increased by \$529,140, largely due to the investment in construction of special education space for transition students within the district.

General Fund Revenue is received in two major categories as follows:

1. State Education Finance Appropriations
  - A. General Education Aid – The largest share of the education finance appropriation, general education aid, is intended to provide the basic financial support for the education program and is enrollment driven.
  - B. Categorical Aids – Categorical revenue formulas are used to meet costs of that program (i.e. special education) or promote certain types of programs (i.e., career and technical aid, staff development, operating capital).
2. Property Tax Levies
 

The largest share of the levy is from voter-approved levies: the excess operating referendum which is also enrollment driven.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017**

The following schedule presents a summary of General Fund Expenditures.

**Table A-6  
General Fund Expenditures**

|                                 | Year Ended<br>June 30, |                       | Change                 |                   |
|---------------------------------|------------------------|-----------------------|------------------------|-------------------|
|                                 | 2017                   | 2016                  | Increase<br>(Decrease) | Percent<br>Change |
| Salaries                        | \$ 72,382,263          | \$ 69,637,631         | \$ 2,744,632           | 3.9 %             |
| Employee Benefits               | 28,054,305             | 28,715,880            | (661,575)              | (2.3)             |
| Purchased Services              | 17,017,572             | 16,336,479            | 681,093                | 4.2               |
| Supplies and Materials          | 4,007,841              | 2,909,043             | 1,098,798              | 37.8              |
| Capital Expenditures            | 3,338,715              | 1,566,645             | 1,772,070              | 113.1             |
| Debt Service                    | 686,855                | 692,936               | (6,081)                | (0.9)             |
| Other Expenditures              | 642,532                | 411,173               | 231,359                | 56.3              |
| Total General Fund Expenditures | <u>\$ 126,130,083</u>  | <u>\$ 120,269,787</u> | <u>\$ 5,860,296</u>    | 4.9               |

Total General Fund expenditures increased \$5,860,296 or 4.9% from the previous year. The increase can be attributed mostly to the increase in personnel and capital expenditures related to the capital projects levy first received in year ended 2017 as well as the addition of long-term facilities maintenance revenue in the general fund, also new in 2017.

Salaries expense also increased significantly mainly as a result of added positions in the form of specialists and custodial as a result of the grade reconfiguration and added square footage. Other factors impacting salaries and benefits were longevity, education, pay rates, other items included in bargaining agreements, increases in TRA employer contributions, and the rising health insurance premiums. The net decline of the employee benefits reflects increased benefits offset by a decrease in the amount of TRA expenditure booked for the state's contribution to TRA on behalf of the District in year ended 2017 compared to the amount booked in year ended 2016. The District continues to look at various strategies to minimize the impact of rising health insurance premiums through self-insurance, wellness initiatives and employee education.

Purchased Services and Supplies and Materials consist of expenditures for fees for service, postage, utilities, diesel and gasoline, property insurance, maintenance repairs, leases, travel, telephone, tuition, transportation, instructional supplies and textbooks. The main increase in these categories was related to additional instructional supplies related to curricular adoption, instructional software, federal programs and the additional voluntary pre-k classes in 2017.

Capital Expenditures consist of expenditures for equipment, technology equipment, leases, site and building improvements. The main increase in these categories was related to the 1:1 devices purchased for the high school students and the federal capital expenditure for construction of special education space for transition students in 2017.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017**

**General Fund Budgetary Highlights**

After initial approval of the budget, the District revised the budget based on changes in unbudgeted costs or revenue changes. While the District anticipated, in its final budget, that the net change in fund balance would be a decrease of \$1,580,291, total fund balance decreased by \$1,512,966 resulting in a fund balance of \$20,116,731 at June 30, 2017.

Revenues were less than budget by \$4,287,661 and expenditures were less than budgeted by \$4,140,799. The largest reason for both being over budget was the over budgeting of the state aid for the state's contributions to TRA on behalf of the District which is recorded as state aid revenue as well as an offsetting expenditure. The budgeted amount for this revenue and expenditure was about \$3.2M higher than actual. Other components of state aid revenue were also under budget due to the district special education revenue restricted by the special education ceiling within the new formula. The remaining expenditures which were under budget were due to expenditure budgets not spent and planned to be carried forward for future use.

**Food Service Fund**

The Food Service Fund revenue for 2016-17 totaled \$5,810,053 and expenditures were \$6,186,948. The June 30, 2017 fund balance is \$1,365,744, a decrease of \$376,895 from fiscal year 2016. Actual revenues were \$420,019 higher than budget mainly due to increased federal revenue. Actual expenditures were \$313,183 higher than budget mainly due to additional capital outlay expenditures and supplies needed for increased meals. These variances resulted in spend down in fund balance being \$106,836 less than budgeted.

**Community Service Fund**

The Community Service Fund revenue for 2016-17 totaled \$7,028,305 and expenditures were \$6,931,874. The June 30, 2017 fund balance is \$609,794, an increase of \$69,349 from fiscal year 2016-2017.

**Capital Projects-Building Construction Fund**

The Capital Projects-Building Construction Fund revenue for 2016-17 totaled \$87,149 and expenditures were \$24,320,190. The June 30, 2017 fund balance is \$6,340,764, a decrease of \$24,233,041 from fiscal year 2016. The decrease in fund balance is due to most of the remaining bond proceeds from the 2015A School Building Bonds being spent down as the building projects are completed for Vision One91.

**Debt Service Fund**

The Debt Service Fund is used to record revenues and expenditures for a school district's outstanding bonded indebtedness, whether for building construction, operating capital, or for initial or refunding bonds. The Debt Service Fund revenue and other financing sources for 2016-17 totaled \$26,758,748, a decrease of \$23,818,312 from fiscal year 2016 due to the sale in the prior year of advanced refunding bonds, the proceeds of which were held in escrow with a portion being used in 2017 for the payment of refunded bonds while the remainder will be used in 2018. The expenditure budget is based on the payment schedule of bond principal and interest on the general obligation bonds, including refunding bonds issued from 2004 through 2016.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

By the end of 2017, the District had invested over \$292 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). The most significant change from last year is the start of some large District projects. (More detailed information about capital assets can be found in Note 3 to the financial statements.) Total depreciation expense for the year was just under \$7.2 million.

**Table A-7  
The District's Capital Assets**

|                                 | 2017                  | 2016                  | Percent<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|
| Land                            | \$ 3,119,968          | \$ 3,119,968          | -                 |
| Construction in Progress        | 58,066,978            | 39,624,654            | 46.5              |
| Land Improvements               | 17,528,757            | 17,466,247            | 0.4               |
| Buildings and Improvements      | 205,451,229           | 198,622,700           | 3.4               |
| Equipment                       | 7,918,969             | 7,432,491             | 6.5               |
| Less: Accumulated Depreciation  | (131,141,097)         | (124,026,654)         | 5.7               |
| Total General Fund Expenditures | <u>\$ 160,944,804</u> | <u>\$ 142,239,406</u> | 13.2              |

**Long-Term Liabilities**

At year-end, the District had \$187,901,272 in general obligation bonds and obligations under capital lease payable outstanding as shown in Note 4 to the financial statements. The District also had an estimated net \$2,191,811 in postemployment severance and health benefits payable at June 30, 2017 and \$281,054,369 in net pension liability. Total long-term liabilities at June 30, 2017 increased 62.1% as compared to June 30, 2016.

**Table A-8  
The District's Long-Term Liabilities**

|                                  | 2017                  | 2016                  | Percent<br>Change |
|----------------------------------|-----------------------|-----------------------|-------------------|
| General Obligation Bonds         | \$ 179,465,000        | \$ 193,640,000        | (7.3)%            |
| Net Bond Premium and Discount    | 6,564,667             | 7,182,177             | (8.6)             |
| Obligations Under Capital Leases | 1,871,605             | 2,447,817             | (23.5)            |
| Net Pension Liability            | 281,054,369           | 85,016,531            | 230.6             |
| Severance Benefits Payable       | 1,521,503             | 1,710,943             | (11.1)            |
| Compensated Absences Payable     | 670,308               | 615,383               | 8.9               |
| Total Long-Term Liabilities      | <u>\$ 471,147,452</u> | <u>\$ 290,612,851</u> | 62.1              |
| Long-Term Liabilities:           |                       |                       |                   |
| Due Within One Year              | \$ 36,276,964         | \$ 16,365,664         | 121.7 %           |
| Due in More Than One Year        | 434,870,488           | 274,247,187           | 58.6              |
| Total                            | <u>\$ 471,147,452</u> | <u>\$ 290,612,851</u> | 62.1              |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017**

**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 most 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. There is growing concern of the state aid formula for special education services as we are at the cap within the formula and this is causing our cross subsidy of special education services to grow.

The basic revenue formula allowance increased to \$6,067 in fiscal 2017. The Legislature approved an increase in the General Education formula much needed to keep pace with inflationary expenditures. The funding formula has been below the current annual rate of inflation for the last 20 years. Accordingly, the District continues to utilize sophisticated enrollment and financial planning tools, along with detailed and conservative budgeting and budget monitoring processes. The District will continue to seek all available sources of funding, respond to enrollment decreases, balance revenue to expenditures, and maintain systems that ensure financial stability.

The District will strive to maintain its long-standing commitment to academic excellence and educational opportunity for students within a framework of financial fiduciary responsibility.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report 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 money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Independent School District No. 191, 100 River Ridge Court, Burnsville, Minnesota 55337. The telephone number for the District is (952) 707-2050. Financial and other district information is also available on the District's website at [isd191.org](http://isd191.org).

## **BASIC FINANCIAL STATEMENTS**

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
STATEMENT OF NET POSITION  
JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2016)**

|   | Governmental Activities |                 |
|---|-------------------------|-----------------|
|   | 2017                    | 2016            |
| <b>ASSETS</b>   |                         |                 |
| Cash and Investments                                  | \$ 78,233,710           | \$ 149,322,506  |
| Cash with Fiscal Agent                                | 30,134,273              | 415,381         |
| Receivables:  |                         |                 |
| Property Taxes  | 20,805,183              | 20,917,050      |
| Other Governments                                     | 11,066,539              | 11,066,981      |
| Other   | 341,623                 | 452,499         |
| Prepaid Items   | 328,969                 | 508,867         |
| Inventories   | 177,574                 | 122,264         |
| Net OPEB Prepaid Asset                                | 437,472                 | 703,380         |
| Capital Assets:                                       |                         |                 |
| Land and Construction in Progress                     | 61,186,946              | 42,744,622      |
| Other Capital Assets, Net of Depreciation             | 99,757,858              | 99,494,784      |
| Total Assets  | 302,470,147             | 325,748,334     |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                 |                         |                 |
| Losses on Debt Refunding                              | 435,304                 | -               |
| Deferred Outflows - Pensions                          | 174,519,861             | 16,766,359      |
| Total Deferred Outflows                               | 174,955,165             | 16,766,359      |
| <b>LIABILITIES</b>                                    |                         |                 |
| Salaries Payable                                      | 12,716,574              | 12,133,235      |
| Accounts and Contracts Payable                        | 7,932,573               | 14,110,005      |
| Accrued Interest                                      | 2,950,464               | 2,925,050       |
| Due to Other Governmental Units                       | 327,312                 | 607,009         |
| Due to Private-Purpose Trust Fiduciary Fund           | -                       | 54,335          |
| Unearned Revenue                                      | 414,756                 | 384,132         |
| Long-Term Liabilities:                                |                         |                 |
| Net Pension Liability                                 | 281,054,369             | 85,016,531      |
| Other Long-Term Liabilities Due Within One Year       | 36,276,964              | 16,365,664      |
| Other Long-Term Liabilities Due in More Than One Year | 153,816,119             | 189,230,656     |
| Total Liabilities                                     | 495,489,131             | 320,826,617     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                  |                         |                 |
| Property Taxes Levied for Subsequent Year             | 34,447,302              | 35,527,239      |
| Gains on Debt Refunding                               | 52,153                  | -               |
| Deferred Inflows - Pensions                           | 5,581,132               | 9,112,255       |
| Total Deferred Inflows of Resources                   | 40,080,587              | 44,639,494      |
| <b>NET POSITION</b>                                   |                         |                 |
| Net Investment in Capital Assets                      | 49,117,430              | 22,196,478      |
| Restricted for:                                       |                         |                 |
| General Fund Operating Capital Purposes               | 2,749,206               | 2,213,575       |
| General Fund State-Mandated Reserves                  | 1,278,507               | 1,982,978       |
| Food Service  | 1,365,744               | 1,742,639       |
| Community Service                                     | 621,787                 | 548,835         |
| Unrestricted  | (113,277,080)           | (51,635,923)    |
| Total Net Position                                    | \$ (58,144,406)         | \$ (22,951,418) |

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2016)**

| Functions   | 2017                  |                         |  |  | 2016  |   |
|---|-----------------------|-------------------------|--|--|---|---|
|   | Expenses              | Program Revenues        |  |  | Net (Expense)<br>Revenue and<br>Change in<br>Net Position | Net (Expense)<br>Revenue and<br>Change in<br>Net Position |
|   |                       | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Total<br>Governmental<br>Activities                       | Total<br>Governmental<br>Activities                       |
| <b>Governmental Activities</b>                          |                       |                         |  |  |   |   |
| Administration  | \$ 7,177,258          | \$ 226,224              | \$ 4,210,520                             | \$ 22,395                              | \$ (2,718,119)  | \$ (5,149,460)  |
| District Support Services                               | 4,591,300             | -                       | 1,250                                    | -                                      | (4,590,050)   | (2,389,692)   |
| Regular Instruction                                     | 84,957,113            | 640,147                 | 4,089,094                                | 937,274                                | (79,290,598)  | (45,445,786)  |
| Vocational Education Instruction                        | 2,662,664             | -                       | 18,461                                   | -                                      | (2,644,203)   | (1,363,258)   |
| Special Education Instruction                           | 32,487,928            | 363,885                 | 16,384,716                               | -                                      | (15,739,327)  | (8,341,139)   |
| Instructional Support Services                          | 15,404,303            | -                       | 1,236,527                                | 278                                    | (14,167,498)  | (7,634,445)   |
| Pupil Support Services                                  | 12,265,084            | 79,865                  | 555,326                                  | -                                      | (11,629,893)  | (8,978,414)   |
| Sites and Buildings                                     | 9,334,739             | 278,415                 | 35,000                                   | 193,125                                | (8,828,199)   | (18,526,346)  |
| Fiscal and Other Fixed Cost Programs                    | 353,822               | -                       | -  | -                                      | (353,822)   | (398,068)   |
| Food Service  | 5,989,896             | 1,653,583               | 4,145,469                                | -                                      | (190,844)   | 37,843  |
| Community Service                                       | 7,763,673             | 3,266,333               | 2,209,905                                | -                                      | (2,287,435)   | (1,386,533)   |
| Interest and Fiscal Charges on<br>Long-Term Liabilities | 7,150,741             | -                       | 220                                      | -                                      | (7,150,521)   | (6,781,322)   |
| Total School District                                   | <u>\$ 190,138,521</u> | <u>\$ 6,508,452</u>     | <u>\$ 32,886,488</u>                     | <u>\$ 1,153,072</u>                    | <u>(149,590,509)</u>                                      | <u>(106,356,620)</u>                                      |
| <b>General Revenues</b>                                 |                       |                         |  |  |   |   |
| Property Taxes Levied for:                              |                       |                         |  |  |   |   |
| General Purposes  |                       |                         |  |  | 25,712,820  | 22,877,675  |
| Community Service                                       |                       |                         |  |  | 1,545,989   | 1,238,633   |
| Debt Service  |                       |                         |  |  | 11,915,513  | 9,742,800   |
| Capital Projects  |                       |                         |  |  | -   | 1,200,000   |
| State Aid Not Restricted to Specific Purposes           |                       |                         |  |  | 72,447,212  | 70,513,775  |
| Earnings on Investments                                 |                       |                         |  |  | 1,516,101   | 842,839   |
| Miscellaneous   |                       |                         |  |  | 1,072,781   | 711,227   |
| Gain on Disposal of Capital Assets                      |                       |                         |  |  | 187,105   | 359,861   |
| Total General Revenues                                  |                       |                         |  |  | <u>114,397,521</u>  | <u>107,486,810</u>  |
| <b>Change in Net Position</b>                           |                       |                         |  |  | <u>(35,192,988)</u>                                       | <u>1,130,190</u>  |
| Net Position - Beginning                                |                       |                         |  |  | <u>(22,951,418)</u>                                       | <u>(24,081,608)</u>                                       |
| <b>Net Position - Ending</b>                            |                       |                         |  |  | <u>\$ (58,144,406)</u>                                    | <u>\$ (22,951,418)</u>                                    |

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2016)**

|   | Major Funds          |                     |                     |                     |                      | Total Governmental Funds |                       |
|---|----------------------|---------------------|---------------------|---------------------|----------------------|--------------------------|-----------------------|
|   | General              | Food Service        | Community Service   | Capital Projects    | Debt Service         | 2017                     | 2016                  |
| <b>ASSETS</b>   |                      |                     |                     |                     |                      |                          |                       |
| Cash and Investments  | \$ 30,885,146        | \$ 1,599,678        | \$ 1,729,991        | \$ 7,956,656        | \$ 7,286,129         | \$ 49,457,600            | \$ 123,570,990        |
| Cash with Fiscal Agent  | -                    | -                   | -                   | -                   | 30,134,273           | 30,134,273               | 415,381               |
| Receivables:  |                      |                     |                     |                     |                      |                          |                       |
| Current Property Taxes  | 14,006,153           | -                   | 835,524             | -                   | 5,629,272            | 20,470,949               | 20,604,664            |
| Delinquent Property Taxes   | 220,946              | -                   | 12,707              | -                   | 100,581              | 334,234                  | 312,386               |
| Accounts and Interest Receivable                                    | 91,268               | -                   | 160,796             | 208                 | -                    | 252,272                  | 360,333               |
| Due from Other Minnesota School Districts                           | 25,121               | -                   | -                   | -                   | 16,762               | 41,883                   | 13,860                |
| Due from Minnesota Department of Education                          | 9,230,700            | 8,867               | 158,755             | -                   | 38,295               | 9,436,617                | 9,643,277             |
| Due from Federal through Minnesota Department of Education          | 1,363,962            | 135,129             | 5,307               | -                   | -                    | 1,504,398                | 1,253,772             |
| Due from Other Governmental Units                                   | 83,321               | -                   | 320                 | -                   | -                    | 83,641                   | 156,072               |
| Due from Other Funds  | 483,553              | -                   | -                   | -                   | -                    | 483,553                  | 498,478               |
| Inventory   | -                    | 177,574             | -                   | -                   | -                    | 177,574                  | 122,264               |
| Prepays   | 328,969              | -                   | -                   | -                   | -                    | 328,969                  | 508,867               |
| Total Assets  | <u>\$ 56,719,139</u> | <u>\$ 1,921,248</u> | <u>\$ 2,903,400</u> | <u>\$ 7,956,864</u> | <u>\$ 43,205,312</u> | <u>\$ 112,705,963</u>    | <u>\$ 157,460,344</u> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b> |                      |                     |                     |                     |                      |                          |                       |
| <b>Liabilities:</b>   |                      |                     |                     |                     |                      |                          |                       |
| Salaries and Compensated Absences Payable                           | \$ 4,386,944         | \$ 172,817          | 175,073             | \$ 1,469            | \$ -                 | \$ 4,736,303             | \$ 4,504,679          |
| Payroll Deductions and Employer Contributions Payable               | 7,505,552            | 190,438             | 167,516             | 1,665               | -                    | 7,865,171                | 7,628,556             |
| Accounts and Contracts Payable                                      | 1,754,563            | 99,010              | 61,053              | 1,612,966           | -                    | 3,527,592                | 10,393,544            |
| Due to Other Governmental Units                                     | 327,310              | -                   | 2                   | -                   | -                    | 327,312                  | 607,009               |
| Due to Other Funds  | -                    | -                   | -                   | -                   | -                    | -                        | 1,632,207             |
| Unearned Revenue  | -                    | 93,239              | 321,517             | -                   | -                    | 414,756                  | 384,132               |
| Total Liabilities   | <u>13,974,369</u>    | <u>555,504</u>      | <u>725,161</u>      | <u>1,616,100</u>    | <u>-</u>             | <u>16,871,134</u>        | <u>25,150,127</u>     |
| <b>Deferred Inflows of Resources:</b>                               |                      |                     |                     |                     |                      |                          |                       |
| Unavailable Revenue - Property Taxes Levied for Subsequent Year     | 22,404,384           | -                   | 1,556,452           | -                   | 10,486,466           | 34,447,302               | 35,527,239            |
| Unavailable Revenue - Delinquent Property Taxes                     | 223,655              | -                   | 11,993              | -                   | 98,114               | 333,762                  | 254,063               |
| Total Deferred Inflows of Resources                                 | <u>22,628,039</u>    | <u>-</u>            | <u>1,568,445</u>    | <u>-</u>            | <u>10,584,580</u>    | <u>34,781,064</u>        | <u>35,781,302</u>     |
| <b>Fund Balance:</b>  |                      |                     |                     |                     |                      |                          |                       |
| <b>Nonspendable:</b>  |                      |                     |                     |                     |                      |                          |                       |
| Inventory   | -                    | 177,574             | -                   | -                   | -                    | 177,574                  | 122,264               |
| Prepays   | 328,969              | -                   | -                   | -                   | -                    | 328,969                  | 508,867               |
| <b>Restricted for:</b>  |                      |                     |                     |                     |                      |                          |                       |
| Capital Projects Levy   | 34,059               | -                   | -                   | -                   | -                    | 34,059                   | -                     |
| Alternative Facilities Program                                      | -                    | -                   | -                   | -                   | -                    | -                        | 4,113,898             |
| Operating Capital   | 2,749,206            | -                   | -                   | -                   | -                    | 2,749,206                | 2,213,575             |
| Bond Refundings   | -                    | -                   | -                   | -                   | 31,181,809           | 31,181,809               | 40,291,809            |
| Community Education   | -                    | -                   | 45,808              | -                   | -                    | 45,808                   | 128,399               |
| Early Childhood and Family Education                                | -                    | -                   | 60,793              | -                   | -                    | 60,793                   | 101,519               |
| Area Learning Center  | 1,225,545            | -                   | -                   | -                   | -                    | 1,225,545                | 1,982,978             |
| School Readiness  | -                    | -                   | 493,868             | -                   | -                    | 493,868                  | 297,545               |
| Long-Term Facilities Maintenance                                    | -                    | -                   | -                   | 1,598,938           | -                    | 1,598,938                | -                     |
| Medical Assistance  | 18,903               | -                   | -                   | -                   | -                    | 18,903                   | -                     |
| Restricted for Other Purposes                                       | -                    | 1,188,170           | 9,325               | 4,741,826           | 1,438,923            | 7,378,244                | 29,843,784            |
| <b>Committed for:</b>   |                      |                     |                     |                     |                      |                          |                       |
| Program Carryover - Noncapital                                      | 1,000,077            | -                   | -                   | -                   | -                    | 1,000,077                | 766,029               |
| Pro Pay Program   | 293,871              | -                   | -                   | -                   | -                    | 293,871                  | 410,240               |
| Unassigned  | 14,466,101           | -                   | -                   | -                   | -                    | 14,466,101               | 15,748,008            |
| Total Fund Balance  | <u>20,116,731</u>    | <u>1,365,744</u>    | <u>609,794</u>      | <u>6,340,764</u>    | <u>32,620,732</u>    | <u>61,053,765</u>        | <u>96,528,915</u>     |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance  | <u>\$ 56,719,139</u> | <u>\$ 1,921,248</u> | <u>\$ 2,903,400</u> | <u>\$ 7,956,864</u> | <u>\$ 43,205,312</u> | <u>\$ 112,705,963</u>    | <u>\$ 157,460,344</u> |

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2016)**

|  | 2017                   | 2016                   |
|--|------------------------|------------------------|
| <b>Total Fund Balance for Governmental Funds</b>   | <b>\$ 61,053,765</b>   | <b>\$ 96,528,915</b>   |
| <br>Total net position reported for governmental activities in the statement of net position is different because:   |                        |                        |
| Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:  |                        |                        |
| Land   | 3,119,968              | 3,119,968              |
| Construction in Progress   | 58,066,978             | 39,624,654             |
| Land Improvements, Net of Accumulated Depreciation   | 7,503,970              | 8,185,421              |
| Buildings and Improvements, Net of Accumulated Depreciation  | 90,091,068             | 89,382,459             |
| Equipment, Net of Accumulated Depreciation   | 2,162,820              | 1,926,904              |
| <br>Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unearned revenue in the funds.  |                        |                        |
|  | 333,762                | 254,063                |
| <br>When a bond defeasance occurs the difference between the amount paid to the refunded bond escrow and the principal of the defeased debt is expensed in the governmental funds. These expenditures are capitalized on the statement of net position as deferred charges.  |                        |                        |
|  | 435,304                | -                      |
| <br>Cumulative OPEB contributions in excess of the Annual Required Contribution (ARC) are shown as a prepaid OPEB asset on the Statement of Net Position. This net OPEB asset is not a current financial resource and, therefore, is not reported at the fund level.   |                        |                        |
|  | 437,472                | 703,380                |
| <br>Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditures when due.   |                        |                        |
|  | (2,950,464)            | (2,925,050)            |
| <br>The District's Net Pension Liability and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:   |                        |                        |
| Net Pension Liability  | (281,054,369)          | (85,016,531)           |
| Deferred Inflows of Resources - Pensions   | (5,581,132)            | (9,112,255)            |
| Deferred Outflows of Resources - Pensions  | 174,519,861            | 16,766,359             |
| <br>Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long term - are reported in the statement of net position. Balances at year-end are:       |                        |                        |
| Bonds Payable  | (179,465,000)          | (193,640,000)          |
| Unamortized Premiums   | (6,564,667)            | (7,182,177)            |
| Unamortized Losses on Refundings   | (52,153)               | -                      |
| Certificates of Participation Payable  | (1,871,605)            | (2,447,817)            |
| Compensated Absences Payable   | (670,308)              | (615,383)              |
| <br>Internal service funds are used by management to charge the costs of health and dental insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position at year-end is: |                        |                        |
|  | 22,340,324             | 21,495,672             |
| <b>Total Net Position of Governmental Activities</b>   | <b>\$ (58,144,406)</b> | <b>\$ (22,951,418)</b> |

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2016)**

|  | Major Funds          |                     |                   |                     |                      | Total Governmental Funds |                      |
|--|----------------------|---------------------|-------------------|---------------------|----------------------|--------------------------|----------------------|
|  | General              | Food Service        | Community Service | Capital Projects    | Debt Service         | 2017                     | 2016                 |
| <b>REVENUES</b>  |                      |                     |                   |                     |                      |                          |                      |
| Local Sources:   |                      |                     |                   |                     |                      |                          |                      |
| Property Taxes   | \$ 25,663,259        | \$ -                | \$ 1,542,386      | \$ -                | \$ 11,888,978        | \$ 39,094,623            | \$ 35,053,016        |
| Earnings and Investments   | 126,531              | 11,001              | 9,935             | 80,674              | 311,890              | 540,031                  | 454,848              |
| Other  | 2,918,127            | 1,673,604           | 3,701,039         | 6,475               | 184,928              | 8,484,173                | 8,191,071            |
| State Sources  | 90,931,906           | 287,887             | 1,743,888         | -                   | 382,952              | 93,346,633               | 92,498,905           |
| Federal Sources  | 4,763,107            | 3,837,561           | 31,057            | -                   | -                    | 8,631,725                | 7,860,618            |
| Total Revenues   | <u>124,402,930</u>   | <u>5,810,053</u>    | <u>7,028,305</u>  | <u>87,149</u>       | <u>12,768,748</u>    | <u>150,097,185</u>       | <u>144,058,458</u>   |
| <b>EXPENDITURES</b>  |                      |                     |                   |                     |                      |                          |                      |
| Current:   |                      |                     |                   |                     |                      |                          |                      |
| Administration   | 5,519,388            | -                   | -                 | -                   | -                    | 5,519,388                | 5,502,027            |
| District Support Services  | 4,185,606            | -                   | -                 | -                   | -                    | 4,185,606                | 3,478,524            |
| Elementary and Secondary Regular Instruction                     | 54,976,422           | -                   | -                 | -                   | -                    | 54,976,422               | 53,915,793           |
| Vocational Education Instruction                                 | 1,876,990            | -                   | -                 | -                   | -                    | 1,876,990                | 1,430,229            |
| Special Education Instruction                                    | 24,027,079           | -                   | -                 | -                   | -                    | 24,027,079               | 24,315,061           |
| Instructional Support Services                                   | 10,862,353           | -                   | -                 | -                   | -                    | 10,862,353               | 10,334,644           |
| Pupil Support Services   | 11,000,503           | -                   | -                 | -                   | -                    | 11,000,503               | 9,763,495            |
| Sites and Buildings  | 9,302,350            | -                   | -                 | -                   | -                    | 9,302,350                | 8,872,365            |
| Fiscal and Other Fixed Cost Programs                             | 353,822              | -                   | -                 | -                   | -                    | 353,822                  | 398,068              |
| Food Service   | -                    | 5,733,255           | -                 | -                   | -                    | 5,733,255                | 5,546,232            |
| Community Service  | -                    | -                   | 6,875,455         | -                   | -                    | 6,875,455                | 6,615,805            |
| Capital Outlay   | 3,338,715            | 453,693             | 56,419            | 24,320,190          | -                    | 28,169,017               | 44,226,418           |
| Debt Service:  |                      |                     |                   |                     |                      |                          |                      |
| Principal  | 576,213              | -                   | -                 | -                   | 6,150,000            | 6,726,213                | 6,133,104            |
| Interest and Fiscal Charges                                      | 110,642              | -                   | -                 | -                   | 7,409,999            | 7,520,641                | 6,263,031            |
| Total Expenditures   | <u>126,130,083</u>   | <u>6,186,948</u>    | <u>6,931,874</u>  | <u>24,320,190</u>   | <u>13,559,999</u>    | <u>177,129,094</u>       | <u>186,794,796</u>   |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b> | (1,727,153)          | (376,895)           | 96,431            | (24,233,041)        | (791,251)            | (27,031,909)             | (42,736,338)         |
| <b>OTHER FINANCING SOURCES (USES)</b>                            |                      |                     |                   |                     |                      |                          |                      |
| Insurance Recovery   | 187,105              | -                   | -                 | -                   | -                    | 187,105                  | 359,861              |
| Sale of Bonds  | -                    | -                   | -                 | -                   | 13,990,000           | 13,990,000               | 36,715,000           |
| Bond Premium   | -                    | -                   | -                 | -                   | -                    | -                        | 3,913,835            |
| Capital Lease Proceeds   | -                    | -                   | -                 | -                   | -                    | -                        | 318,585              |
| Payment to Refunded Bond Escrow Agent                            | -                    | -                   | -                 | -                   | (22,620,346)         | (22,620,346)             | -                    |
| Transfers In   | 27,082               | -                   | -                 | -                   | -                    | 27,082                   | -                    |
| Transfers Out  | -                    | -                   | (27,082)          | -                   | -                    | (27,082)                 | -                    |
| Total Other Financing Sources                                    | <u>214,187</u>       | <u>-</u>            | <u>(27,082)</u>   | <u>-</u>            | <u>(8,630,346)</u>   | <u>(8,443,241)</u>       | <u>41,307,281</u>    |
| <b>NET CHANGE IN FUND BALANCE</b>                                | (1,512,966)          | (376,895)           | 69,349            | (24,233,041)        | (9,421,597)          | (35,475,150)             | (1,429,057)          |
| <b>FUND BALANCES</b>   |                      |                     |                   |                     |                      |                          |                      |
| Beginning of Year  | 21,629,697           | 1,742,639           | 540,445           | 30,573,805          | 42,042,329           | 96,528,915               | 97,957,972           |
| End of Year  | <u>\$ 20,116,731</u> | <u>\$ 1,365,744</u> | <u>\$ 609,794</u> | <u>\$ 6,340,764</u> | <u>\$ 32,620,732</u> | <u>\$ 61,053,765</u>     | <u>\$ 96,528,915</u> |

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGE IN FUND BALANCE  
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2016)**

|   | 2017                   | 2016                  |
|---|------------------------|-----------------------|
| <b>Net Change in Fund Balance - Total Governmental Funds</b>  | <b>\$ (35,475,150)</b> | <b>\$ (1,429,057)</b> |
| Amounts reported for governmental activities in the statement of activities are different because:  |                        |                       |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation in the current period is:  |                        |                       |
| Capital Outlays   | 25,903,451             | 40,179,237            |
| Gain (Loss) on Disposal of Capital Assets   | 187,105                | 359,861               |
| Proceeds from the Disposal of Capital Assets  | (187,105)              | (359,861)             |
| Depreciation Expense  | (7,198,053)            | (6,926,304)           |
| Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are unearned in the governmental funds.  |                        |                       |
|   | 79,699                 | 6,092                 |
| Some capital asset additions are financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability. Repayment of capital lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the statement of net position.   |                        |                       |
| Other Financing Sources - Capital Lease   | -                      | (318,585)             |
| Change in Accrued Interest - Capital Leases   | 6,716                  | (995)                 |
| Principal Payments - Capital Leases   | 576,212                | 562,023               |
| Pension expenses in the governmental funds are measured by current year employer contributions. Pension expenditures on the statement of activities are measured by the change in the net pension liability and the related deferred inflows and outflows of resources.   |                        |                       |
|   | (34,753,213)           | 3,379,065             |
| In the statement of activities, certain operating expenses - compensated absences - are measured by amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid).  |                        |                       |
|   | (54,925)               | 3,308                 |
| Other postemployment benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the values of benefits earned during the year.  |                        |                       |
|   | (265,908)              | 270,070               |
| The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows: |                        |                       |
| General Obligation and Certificates of Participation Bond Proceeds  | (13,990,000)           | (36,715,000)          |
| Bond Premium or Discount  | -                      | (3,913,835)           |
| Payment to Refunded Bond Escrow Agent   | 22,620,346             | -                     |
| Repayment of Bond Principal   | 6,150,000              | 5,565,000             |
| Change in Accrued Interest - General Obligation Bonds   | (32,130)               | (848,781)             |
| Amortization of Bond Premium  | 395,315                | 337,390               |
| Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The net revenue of the internal service funds is reported with governmental activities.   |                        |                       |
|   | 844,652                | 980,562               |
| Total   | \$ (35,192,988)        | \$ 1,130,190          |

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017**

|  | Budgeted Amounts      |                       | Actual<br>Amounts    | Over (Under)<br>Final Budget |
|--|-----------------------|-----------------------|----------------------|------------------------------|
|  | Original              | Final                 |                      |                              |
| <b>REVENUES</b>  |                       |                       |                      |                              |
| Local Sources:   |                       |                       |                      |                              |
| Property Taxes   | \$ 25,435,549         | \$ 25,435,549         | \$ 25,663,259        | \$ 227,710                   |
| Earnings and Investments   | 30,000                | 30,000                | 126,531              | 96,531                       |
| Other  | 2,617,682             | 3,240,139             | 2,918,127            | (322,012)                    |
| State Sources  | 89,433,581            | 95,074,392            | 90,931,906           | (4,142,486)                  |
| Federal Sources  | 4,184,412             | 4,910,511             | 4,763,107            | (147,404)                    |
| Total Revenues   | <u>121,701,224</u>    | <u>128,690,591</u>    | <u>124,402,930</u>   | <u>(4,287,661)</u>           |
| <b>EXPENDITURES</b>  |                       |                       |                      |                              |
| Current:   |                       |                       |                      |                              |
| Administration   | 5,566,611             | 5,840,504             | 5,519,388            | (321,116)                    |
| District Support Services  | 4,762,560             | 4,994,849             | 4,185,606            | (809,243)                    |
| Elementary and Secondary Regular Instruction                         | 56,246,274            | 56,158,938            | 54,976,422           | (1,182,516)                  |
| Vocational Education Instruction                                     | 2,149,513             | 2,323,179             | 1,876,990            | (446,189)                    |
| Special Education Instruction  | 24,626,867            | 24,566,518            | 24,027,079           | (539,439)                    |
| Instructional Support Services                                       | 9,206,398             | 11,000,856            | 10,862,353           | (138,503)                    |
| Pupil Support Services   | 10,245,307            | 11,051,476            | 11,000,503           | (50,973)                     |
| Sites and Buildings  | 9,477,417             | 9,614,953             | 9,302,350            | (312,603)                    |
| Fiscal and Other Fixed Cost Programs                                 | 500,000               | 500,000               | 353,822              | (146,178)                    |
| Capital Outlay   | 2,481,712             | 3,532,754             | 3,338,715            | (194,039)                    |
| Debt Service:  |                       |                       |                      |                              |
| Principal  | 576,213               | 576,213               | 576,213              | -                            |
| Interest and Fiscal Charges  | 110,642               | 110,642               | 110,642              | -                            |
| Total Expenditures   | <u>125,949,514</u>    | <u>130,270,882</u>    | <u>126,130,083</u>   | <u>(4,140,799)</u>           |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> |                       |                       |                      |                              |
|  | (4,248,290)           | (1,580,291)           | (1,727,153)          | (146,862)                    |
| <b>OTHER FINANCING SOURCES</b>                                       |                       |                       |                      |                              |
| Insurance Recovery   | -                     | -                     | 187,105              | 187,105                      |
| Transfers In   | -                     | -                     | 27,082               | 27,082                       |
| Total Other Financing Sources  | <u>-</u>              | <u>-</u>              | <u>214,187</u>       | <u>214,187</u>               |
| <b>NET CHANGE IN FUND BALANCE</b>                                    |                       |                       |                      |                              |
|  | <u>\$ (4,248,290)</u> | <u>\$ (1,580,291)</u> | <u>(1,512,966)</u>   | <u>\$ 67,325</u>             |
| <b>FUND BALANCE</b>  |                       |                       |                      |                              |
| Beginning of Year  |                       |                       | <u>21,629,697</u>    |                              |
| End of Year  |                       |                       | <u>\$ 20,116,731</u> |                              |

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
MAJOR FOOD SERVICE FUND  
YEAR ENDED JUNE 30, 2017**

|                                   | Budgeted Amounts    |                     | Actual<br>Amounts   | Over (Under)<br>Final Budget |
|-----------------------------------|---------------------|---------------------|---------------------|------------------------------|
|                                   | Original            | Final               |                     |                              |
| <b>REVENUES</b>                   |                     |                     |                     |                              |
| Local Sources:                    |                     |                     |                     |                              |
| Earnings and Investments          | \$ -                | \$ 5,500            | \$ 11,001           | \$ 5,501                     |
| Other - Primarily Meal Sales      | 1,667,917           | 1,672,142           | 1,673,604           | 1,462                        |
| State Sources                     | 256,095             | 256,095             | 287,887             | 31,792                       |
| Federal Sources                   | 3,481,196           | 3,456,297           | 3,837,561           | 381,264                      |
| Total Revenues                    | <u>5,405,208</u>    | <u>5,390,034</u>    | <u>5,810,053</u>    | <u>420,019</u>               |
| <b>EXPENDITURES</b>               |                     |                     |                     |                              |
| Current:                          |                     |                     |                     |                              |
| Food Service                      | 5,557,565           | 5,593,765           | 5,733,255           | 139,490                      |
| Capital Outlay                    | 280,000             | 280,000             | 453,693             | 173,693                      |
| Total Expenditures                | <u>5,837,565</u>    | <u>5,873,765</u>    | <u>6,186,948</u>    | <u>313,183</u>               |
| <b>NET CHANGE IN FUND BALANCE</b> | <u>\$ (432,357)</u> | <u>\$ (483,731)</u> | <u>(376,895)</u>    | <u>\$ 106,836</u>            |
| <b>FUND BALANCE</b>               |                     |                     |                     |                              |
| Beginning of Year                 |                     |                     | <u>1,742,639</u>    |                              |
| End of Year                       |                     |                     | <u>\$ 1,365,744</u> |                              |

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
MAJOR COMMUNITY SERVICE FUND  
YEAR ENDED JUNE 30, 2017**

|  | Budgeted Amounts |                   | Actual<br>Amounts | Over (Under)<br>Final Budget |
|--|------------------|-------------------|-------------------|------------------------------|
|  | Original         | Final             |                   |                              |
| <b>REVENUES</b>  |                  |                   |                   |                              |
| Local Sources:   |                  |                   |                   |                              |
| Property Taxes   | \$ 1,553,397     | \$ 1,553,397      | \$ 1,542,386      | \$ (11,011)                  |
| Other - Primarily Meal Sales   | 3,736,913        | 3,686,913         | 3,701,039         | 14,126                       |
| State Sources  | 1,270,968        | 1,726,477         | 1,743,888         | 17,411                       |
| Federal Sources  | 30,000           | 30,000            | 31,057            | 1,057                        |
| Total Revenues   | <u>6,591,278</u> | <u>6,996,787</u>  | <u>7,028,305</u>  | <u>31,518</u>                |
| <b>EXPENDITURES</b>  |                  |                   |                   |                              |
| Current:   |                  |                   |                   |                              |
| Community Service  | 6,452,415        | 6,479,288         | 6,875,455         | 396,167                      |
| Capital Outlay   | 54,300           | 87,300            | 56,419            | (30,881)                     |
| Total Expenditures   | <u>6,506,715</u> | <u>6,566,588</u>  | <u>6,931,874</u>  | <u>365,286</u>               |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | 84,563           | 430,199           | 96,431            | (333,768)                    |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                  |                   |                   |                              |
| Transfers Out  | -                | -                 | (27,082)          | (27,082)                     |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | <u>\$ 84,563</u> | <u>\$ 430,199</u> | 69,349            | <u>\$ (360,850)</u>          |
| <b>FUND BALANCE</b>  |                  |                   |                   |                              |
| Beginning of Year  |                  |                   | 540,445           |                              |
| End of Year  |                  |                   | <u>\$ 609,794</u> |                              |

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2016)**

|                                  | Governmental Activities -<br>Internal Service Funds |               |
|----------------------------------|---|---------------|
|                                  | 2017  | 2016          |
| <b>ASSETS</b>                    |   |               |
| Cash and Investments             | \$ 28,776,110                                       | \$ 25,751,516 |
| Accounts Receivable              | 5,280   | 664           |
| Interest Receivable              | 84,071  | 91,502        |
| Due from Other Funds             | 438,674   | 2,688,815     |
| Total Assets                     | 29,304,135  | 28,532,497    |
| <b>LIABILITIES</b>               |   |               |
| Current Liabilities              |   |               |
| Health and Dental Claims Payable | 1,323,036   | 1,389,131     |
| Due to Plan Participants         | 3,081,945   | 2,327,330     |
| Severance Benefits Payable       | 115,100   | 214,068       |
| Due to Other Funds               | 922,227   | 1,609,421     |
| Total Current Liabilities        | 5,442,308   | 5,539,950     |
| Noncurrent Liabilities:          |   |               |
| Severance Benefits Payable       | 1,521,503   | 1,496,875     |
| Total Liabilities                | 6,963,811   | 7,036,825     |
| <b>NET POSITION</b>              |   |               |
| Unrestricted                     | \$ 22,340,324                                       | \$ 21,495,672 |

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2016)**

|                                 | Governmental Activities -<br>Internal Service Funds |               |
|---------------------------------|---|---------------|
|                                 | 2017  | 2016          |
| <b>OPERATING REVENUES</b>       |   |               |
| Charges for Services            | \$ 20,362,009                                       | \$ 20,891,577 |
| Other                           | 444,895   | -             |
| Total Operating Revenues        | 20,806,904  | 20,891,577    |
| <b>OPERATING EXPENSES</b>       |   |               |
| Health Insurance Claim Payments | 18,883,685  | 17,513,234    |
| Dental Insurance Claim Payments | 884,792   | 946,068       |
| Severance Payments              | 236,400   | 516,016       |
| OPEB Payments                   | 933,445   | 1,323,688     |
| Total Operating Expenses        | 20,938,322  | 20,299,006    |
| <b>OPERATING INCOME</b>         | (131,418)   | 592,571       |
| <b>NONOPERATING INCOME</b>      |   |               |
| Earnings on Investments         | 976,070   | 387,991       |
| <b>CHANGE IN NET POSITION</b>   | 844,652   | 980,562       |
| Net Position - Beginning        | 21,495,672  | 20,515,110    |
| <b>NET POSITION - ENDING</b>    | \$ 22,340,324                                       | \$ 21,495,672 |

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2016)**

|   | Governmental Activities -<br>Internal Service Funds |                       |
|---|---|-----------------------|
|   | 2017  | 2016                  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |   |                       |
| Receipts from Interfund Services Provided   | \$ 23,052,429                                       | \$ 18,727,749         |
| Payments for Health and Dental Claims   | (19,392,347)  | (17,658,015)          |
| Payments to Employee OPEB   | (1,320,157)   | (1,135,401)           |
| Payments for Severance Benefits   | (298,832)   | (945,179)             |
| Net Cash Provided (Used) by Operating Activities  | <u>2,041,093</u>                                    | <u>(1,010,846)</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |   |                       |
| Interest Received   | <u>983,501</u>                                      | <u>350,758</u>        |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>   | 3,024,594   | (660,088)             |
| Cash and Cash Equivalents - Beginning   | <u>25,751,516</u>                                   | <u>26,411,604</u>     |
| <b>CASH AND CASH EQUIVALENTS - ENDING</b>   | <u>\$ 28,776,110</u>                                | <u>\$ 25,751,516</u>  |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>  |   |                       |
| Operating Income (Loss)   | \$ (131,418)  | \$ 592,571            |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: |   |                       |
| Increase in Accounts Receivable   | (4,616)   | (664)                 |
| (Increase) Decrease in Due from Other Funds   | 2,250,141   | (2,163,164)           |
| Increase (Decrease) in Claims Payable   | (66,095)  | 32,163                |
| Increase in Due to Plan Participants  | 754,615   | 439,163               |
| Decrease in Severance Benefits Payable  | (74,340)  | (429,163)             |
| Increase (Decrease) in Due to Other Funds   | (687,194)   | 518,248               |
| Total Adjustments   | <u>2,172,511</u>                                    | <u>(1,603,417)</u>    |
| Net Cash Provided (Used) by Operating Activities  | <u>\$ 2,041,093</u>                                 | <u>\$ (1,010,846)</u> |
| Total Cash and Investments per Statement of Net Position  | \$ 28,776,110                                       | \$ 25,751,516         |
| Less: Investments Included in Cash and Investments  | -   | -                     |
| Total Cash and Cash Equivalents   | <u>\$ 28,776,110</u>                                | <u>\$ 25,751,516</u>  |

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2017**

|                                | Employee<br>Benefits<br>Trust          | Private-Purpose<br>Trust               |
|--------------------------------|--|--|
|                                | <u>                    </u>            | <u>                    </u>            |
| <b>ASSETS</b>                  |  |  |
| Cash and Investments           | \$      86,865                         | \$      127,266                        |
| <b>LIABILITIES</b>             |  |  |
| Accounts and Contracts Payable | <u>                    -</u>           | <u>                  49,366</u>        |
| <b>NET POSITION</b>            |  |  |
| Held In Trust                  | <u><u>          \$      86,865</u></u> | <u><u>          \$      77,900</u></u> |

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2017**

|                                   | Employee<br>Benefits<br>Trust          | Private-Purpose<br>Trust               |
|-----------------------------------|--|--|
|                                   | <u>                    </u>            | <u>                    </u>            |
| <b>ADDITIONS</b>                  |  |  |
| Plan Member Contributions         | \$      839,233                        | \$                  -                  |
| Private Donations                 | -                                      | 79,101                                 |
| Earnings on Investments           | 2,723                                  | -                                      |
| Total Additions                   | <u>          841,956</u>               | <u>          79,101</u>                |
| <b>DEDUCTIONS</b>                 |  |  |
| Benefits Paid to Plan Members     | 860,461                                | -                                      |
| Scholarships Awarded              | -                                      | 96,879                                 |
| Total Deductions                  | <u>          860,461</u>               | <u>          96,879</u>                |
| <b>CHANGE IN NET POSITION</b>     | (18,505)                               | (17,778)                               |
| Net Position - Beginning of Year  | <u>          105,370</u>               | <u>          95,678</u>                |
| <b>NET POSITION - END OF YEAR</b> | <u><u>          \$      86,865</u></u> | <u><u>          \$      77,900</u></u> |

See accompanying Notes to Basic Financial Statements.

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Basis of Presentation

The financial statements of Independent School District No. 191 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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. Financial Reporting Entity

Independent School District No. 191 (the District) is an instrumentality of the state of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

GAAP requires that the District's financial statements include all funds, departments, agencies, boards, commissions, and other organizations which are not legally separated from the District. In addition, the District's financial statements are to include all component units - entities for which the District is financially accountable.

Financial accountability includes such aspects as appointing a voting majority of the organization's governing body, significantly influencing the programs, projects, activities or level of services performed or provided by the organization or receiving specific financial benefits from, or imposing specific financial burden on, the organization. There are no other entities for which the District is financially accountable.

Student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside school hours. The School Board does have a fiduciary responsibility in establishing broad policies and ensuring that appropriate financial records are maintained for student activities. However, in accordance with Minnesota State Statutes, the District's School Board has not elected to control or exercise oversight responsibility with respect to the underlying student activities. Accordingly, the student activity accounts are not included in these financial statements.

The District is a member of Technology and Information Education Services (TIES), a consortium of Minnesota school districts that provides data processing services and support to its member districts. TIES is a separate legal entity that is financially independent of the District. Further, the District does not appoint a voting majority of TIES' Board of Directors. Therefore, TIES is not included as part of the District's reporting entity. During fiscal year ended June 30, 2017, the District paid TIES \$1,729,434 for services and technology purchased.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

C. Basic Financial Statement Presentation

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

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 items not properly included among program revenues are reported instead as general revenues.

The District applies restricted resources first when an expense is incurred for purpose for which both restricted and unrestricted net position is available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities. Generally, the effect of material interfund activity has been removed from the Government-wide financial statements.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services 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 for services in the form of dental and health insurance premiums, severance contributions and other postemployment benefit contributions. Operating expenses for the internal service funds include the cost of services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

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

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

Proprietary funds are reported using the economic resources method and the accrual basis of accounting. All assets and liabilities associated with their activity are included on their statement of net position. Revenues are recognized when earned and expenses are recognized when incurred. Regardless of the timing of related cash flows.

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

**1. Revenue Recognition**

Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to Minnesota Statutes and GAAP. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.

**2. Recording of Expenditures**

Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

D. Measurement Focus and Basis of Accounting (Continued)

Unearned revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to incurring the qualifying expenditures.

Description of Funds

The existence of the various District funds has been established by the state of Minnesota, Department of Education. The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting 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. It includes the general operations and pupil transportation activities of the District, as well as the capital related activities such as maintenance of facilities equipment purchases, health and safety projects, and disabled accessibility projects.

Food Service Special Revenue Fund

The Food Service Fund is used to account for food service revenues and expenditures. Revenue is generated from state and federal grants and the sales of meals to students and teachers.

Community Service Special Revenue Fund

The Community Service Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs, K-5 extended day programs or other similar services. Revenue is generated by program fees paid by participants.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term obligation bond principal, interest, and related costs. The regular debt service account is used for all general obligation bonds except for refunding bond issues, for which a separate refunding bond trust account is established.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

D. Measurement Focus and Basis of Accounting (Continued)

*Proprietary Funds*

Internal Service Fund

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's internal service funds are used to account for the District's liabilities for severance, other postemployment benefits (OPEB), and health and dental insurance offered by the District to its employees as a self-insured plan.

*Fiduciary Funds*

Trust Funds

The District maintains Private-Purpose and Employee Benefit Trust Funds which are used to account for money held by the District in the capacity of trustee or custodian, where both the principal and interest can be spent.

E. Budgeting

Budgets presented in this report for comparison to actual amounts are presented in accordance with GAAP. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, Capital Projects, and Debt Service Funds. The approved budget is published in summary form in the District's legal newspaper. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board.

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

E. Budgeting (Continued)

Budgeted amounts include mid-year budget amendments as follows:

|                        | Original<br>Budget | Amendments   | Amended<br>Budget |
|------------------------|--------------------|--------------|-------------------|
| <u>Revenues</u>        |                    |              |                   |
| General Fund           | \$ 121,701,224     | \$ 6,989,367 | \$ 128,690,591    |
| Special Revenue Funds: |                    |              |                   |
| Food Service Fund      | 5,405,208          | (15,174)     | 5,390,034         |
| Community Service Fund | 6,591,278          | 405,509      | 6,996,787         |
| Capital Projects Fund  | 22,000             | 80,000       | 102,000           |
| Debt Service Fund      | 12,182,861         | -            | 12,182,861        |
| <u>Expenditures</u>    |                    |              |                   |
| General Fund           | \$ 125,949,514     | \$ 4,321,368 | \$ 130,270,882    |
| Special Revenue Funds: |                    |              |                   |
| Food Service Fund      | 5,837,565          | 36,200       | 5,873,765         |
| Community Service Fund | 6,506,715          | 59,873       | 6,566,588         |
| Capital Projects Fund  | 44,659,171         | (19,991,048) | 24,668,123        |
| Debt Service Fund      | 22,165,880         | (8,610,206)  | 13,555,674        |

Budget provisions for the Debt Service Fund are set by state law governing required debt service levels.

At the end of each fiscal year, if the General Fund has a net unassigned deficit fund balance, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts which excludes certain restricted balances specified in Minnesota Statutes, exceeding 2.5% of expenditures, a condition referred to as "statutory operating debt" exists. That debt requires retirement through the accumulation of subsequent operating surpluses in accordance with a "special operating plan" approved by the Commissioner of the Department of Education.

F. Cash and Investments

Cash balances from all funds are combined and invested to the extent available in various securities as authorized by Minnesota Statutes. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Highly liquid investments with maturities of three months or less are considered cash equivalents.

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes.

Investments are stated at their fair value as determined by quoted market prices, except for money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less which are recorded at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations. Investments in external investment pools are valued at net asset value.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

G. Receivables

Represents amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary.

H. 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, and surplus commodities are stated at standardized cost, as determined by the Department of Agriculture.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are reported using the consumption method and recorded as an expense or expenditure at the time of consumption.

J. Property Taxes

Property tax levies are established by the School Board in December each year and are certified to the County for collection the following calendar year. In Minnesota, counties act as collection agents for all property taxes and are responsible for spreading all levies over taxable property. Such taxes become a lien on January 1. Taxes are generally due on May 15 and October 15 and counties generally remit taxes to the Districts at periodic intervals as they are collected. A portion of property taxes levied is paid through state credits which are included in revenue from state sources in the financial statements.

Generally, tax revenue is recognized in the fiscal year ending June 30, following the calendar year in which the tax levy is collectible, while the current calendar year tax levy is recorded as a deferred inflow of resources (property taxes levied for subsequent year). The majority of District revenue in the General and Special Revenue Funds is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between taxes and state aids by the Legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the "tax shift."

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

J. Property Taxes (Continued)

In accordance with state law, the current tax shift consists of an amount equal to 31% of the District's 2000 Pay 2001 operating referendum levy (frozen at \$3,269,341) advance recognized as revenue in fiscal 2016 with no corresponding state aid adjustment. Certain other portions of the District's 2015 pay 2016 levy, normally revenue for the 2016-17 fiscal year, are also advance recognized as June 30, 2016, as required by state statute to match revenue with the same fiscal year as the related expenditures.

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 deferred because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material. Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the state which will be recognized as revenue in the next fiscal year beginning July 1, 2016, are included in the Property Taxes Levied for Subsequent Year account to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

K. 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 fair value at the date of donation. The District defines capital assets as those with an initial, individual cost of \$5,000 or more, 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 statement, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school 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 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in process.

The District does not possess any material amounts of infrastructure capital assets. Items such as sidewalks and other land improvements are considered to be part of the cost of buildings or other improvable property.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. The first is related to the recording of defined pension benefits as further explained in Note 7. The second is the deferred losses on the refunding of certain bond issuances of the District.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has several types of items which occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. Another type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's year-end) under the modified accrual basis of accounting. The District also has two items that qualify for reporting in this category. The first is related to the recording of defined pension benefits as further explained in Note 7. The second is the deferred gains on the refunding of certain bond issuances of the District.

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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures on both the government-wide and fund financial statements.

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

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

N. Compensated Absences

Eligible employees accrue vacation and sick leave at varying rates as specified by contract, portions of which may be carried over to future years. Employees are reimbursed for any unused, accrued vacation 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 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.

O. Severance Benefits

Under the terms of collectively bargained employment contracts, certain district employee groups, including teachers, may become eligible to receive lump sum severance benefits. Eligibility is based on years of service and/or minimum age requirements.

Severance benefits are calculated by converting a portion of unused, accrued sick leave times a pay rate specified in the employee's collectively bargained contract. Severance benefits based on convertible sick leave are recorded as a liability in the Internal Service Fund as they are earned and it becomes probable they will vest at some point in the future. In accordance with Minnesota Statutes, no employee can receive severance or retirement incentive benefits that exceed one year's salary.

P. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net positions of the Public Employees Retirement Association (PERA) and Teachers Retirement Association (TRA) and additions to/deductions from PERA's and TRA's fiduciary net position have been determined on the same basis as they are reported by PERA and 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.

Q. Fund Balance

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

Nonspendable – portions of fund balance related to prepaids, inventories, long-term receivables, and corpus on any permanent fund.

Restricted – funds are constrained from outside parties (statute, grantors, bond agreements, etc.).

Committed – funds are established and modified by a resolution approved by the Board of Education.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

Q. Fund Balance (Continued)

Assigned – consists of internally imposed constraints approved by a majority vote of the school board.

Unassigned – is the residual classification for the general fund and also reflects negative residual amounts in other funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to use restricted first, then unrestricted fund balance.

When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the District's policy to use committed first, then assigned, and finally unassigned amounts.

The District formally adopted a fund balance policy for the General Fund. The policy establishes a year-end minimum unassigned fund balance of 8% of the annual budget for fiscal year 2017.

R. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases insurance coverage for such risks from various providers.

There has been no significant reduction in insurance coverage from the previous year in any of the District's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

S. Net Position

Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows in the Government-wide and Fiduciary Fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the Government-wide financial statement when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

T. Comparative Data

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with GAAP. 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.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 2 DEPOSITS AND INVESTMENTS**

A. Deposits

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and the balance sheet as "Cash and Investments." In accordance with Minnesota Statutes, the District maintains deposits at financial institutions which are authorized by the School District's Board.

**Custodial Credit Risk** – Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does have a deposit policy that will minimize Custodial Credit Risk by obtaining collateral or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law. Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust departments of a commercial bank or other financial institution not owned or controlled by the depository.

The carrying value and bank balance of the District's deposits in banks at June 30, 2017 are \$655,523 and \$655,523, respectively, and were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes. At June 30, 2017, the District's petty cash fund totaled \$3,950.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

B. Investments

The District may also invest idle funds as authorized by Minnesota Statutes as follows:

- 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 and received the highest credit rating, is 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 rate “A” or better
- Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories
- Repurchase or reverse purchase agreement and securities lending agreements 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, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers
- Investments related to the OPEB Revocable Trust Fund may be invested in accordance with Minnesota statute 356A.06

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

B. Investments (Continued)

At June 30, 2017, the District's investment balances were as follows:

|  | <u>Net Asset Value</u> |
|--|------------------------|
| MN Trust Limited Term Duration Series  | \$ 6,699,330           |
| Vanguard Total Bond Market ETF   | 102,288                |
| Vanguard Total Stock Market ETF  | 4,416,108              |
| Total Investments at Net Asset Value   | \$ 11,217,726          |
|  |                        |
|  | <u>Fair Value</u>      |
| U.S Treasuries With Maturity at Purchase of Greater Than One Year                        | \$ 30,134,272          |
| Negotiable Certificates of Deposit With Maturity at Purchase<br>of Greater Than One Year | 3,717,771              |
| Municipal Bonds  | 3,456,067              |
| Federal Home Loan Mortgage Corporation   | 1,499,850              |
| Total Investments at Fair Value  | \$ 38,807,960          |
|  |                        |
|  | <u>Amortized Cost</u>  |
| Nonnegotiable Certificates of Deposit  | \$ 11,794,100          |
| Money Markets  | 33,271                 |
| MN Trust Investment Shares   | 2,408,109              |
| MN Trust Term Series   | 15,000,000             |
| MSDLAF+  | 28,661,475             |
| Total Investments at Amortized Cost  | 57,896,955             |
| Total District Investments   | \$ 107,922,641         |

The Vanguard Total Stock Market ETF, Vanguard Total Bond Market ETF, and MN Trust Limited Term Duration Series funds are external investment pools and the investments within these pools are valued at net asset value.

**Credit Risk** – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policies do not limit the maturities of investments; however, when purchasing investments the District considers such things as interest rates and cash flow needs.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

B. Investments (Continued)

The credit ratings and maturities of the District's investments are as follows:

| Type                            | Total                 | Maturity Duration in Years |                     |             | No Maturities        | Rating    |
|---------------------------------|-----------------------|----------------------------|---------------------|-------------|----------------------|-----------|
|                                 |                       | Less Than 1                | 1 to 5              | More Than 5 |                      |           |
| U.S. Treasury Notes             | \$ 30,134,272         | \$ 30,134,272              | \$ -                | \$ -        | \$ -                 | N/A       |
| Federal Home Loan Mortgage      | 1,499,850             | 1,499,850                  | -                   | -           | -                    | AA+       |
| MSDLAF+                         | 28,661,475            | -                          | -                   | -           | 28,661,475           | AAAm      |
| MN Trust Term Series            | 15,000,000            | 15,000,000                 | -                   | -           | -                    | NR        |
| MN Trust Investment Shares      | 2,408,109             | 2,408,109                  | -                   | -           | -                    | AAAm      |
| MN Trust Limited Term Duration  | 6,699,330             | 6,699,330                  | -                   | -           | -                    | NR        |
| Municipal Bonds                 | 3,456,067             | -                          | 3,456,067           | -           | -                    | A+ to AAA |
| Negotiable CDs                  | 3,717,771             | 1,734,206                  | 1,983,565           | -           | -                    | NR        |
| Non-Negotiable CDs              | 11,794,100            | 8,031,900                  | 3,762,200           | -           | -                    | NR        |
| Money Market Funds              | 33,271                | -                          | -                   | -           | 33,271               | AAAm      |
| Vanguard Total Bond Market ETF  | 102,288               | -                          | -                   | -           | 102,288              | NR        |
| Vanguard Total Stock Market ETF | 4,416,108             | -                          | -                   | -           | 4,416,108            | NR        |
| Total                           | <u>\$ 107,922,641</u> | <u>\$ 65,507,667</u>       | <u>\$ 9,201,832</u> | <u>\$ -</u> | <u>\$ 28,694,746</u> |           |

**Custodial Credit Risk** – For an investment, custodial risk is the risk that, in the event of failure of the counterparty, the School District will not be able to recover the value of its investment 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 of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer, excluding U.S. guaranteed investments, investment pools, and mutual funds. The Districts investment policies do not address concentration risk. At June 30, 2017, the District had the following investments comprising 5% or more of total investments:

| Investment          | Percentage |
|---------------------|------------|
| U.S. Treasury Notes | 27.92%     |

The deposits and investments are presented in the financial statements as follows:

|  |                       |
|--|-----------------------|
| Cash and Investments - Statement of Net Position                 | \$ 78,233,710         |
| Cash and Investments Held by Trustee - Statement of Net Position | 30,134,273            |
| Cash and Investments - Statement of Fiduciary Net Position       | 214,131               |
| Total Cash and Investments                                       | <u>\$ 108,582,114</u> |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

C. Fair Value Measurements

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The District follows an accounting standard which defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quotes prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

*Level 2* – Financial assets and liabilities are valued based on quoted prices for similar assets or inputs that are observable, either directly or indirectly, for substantially the full term through corroboration with observable market data.

*Level 3* – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset.

Assets of the District measured at fair value on a recurring basis:

| Investment                                    | Level 1              | Level 2             | Level 3     | Total                 |
|---|----------------------|---------------------|-------------|-----------------------|
| Municipal Bonds                               | \$ -                 | \$ 3,456,067        | \$ -        | \$ 3,456,067          |
| U.S. Treasury Notes                           | 30,134,272           | -                   | -           | 30,134,272            |
| Federal Home Loan Mortgage                    | 1,499,850            | -                   | -           | 1,499,850             |
| Negotiable Certificates of Deposit            | -                    | 3,717,771           | -           | 3,717,771             |
| Total   | <u>\$ 31,634,122</u> | <u>\$ 7,173,838</u> | <u>\$ -</u> | 38,807,960            |
| Investments Measured at Net Asset Value (NAV) |                      |                     |             | 11,217,726            |
| Investments Measured at Amortized Cost        |                      |                     |             | 57,896,955            |
| Total   |                      |                     |             | <u>\$ 107,922,641</u> |

Debt and equity securities as well as governmental agencies securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. 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 securities' relationship to benchmark quoted prices.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

C. Fair Value Measurements (Continued)

The District has investments in three external investments pools: the MN Trust Limited Term Duration Series, the Vanguard Total Bond Market ETF, and the Vanguard Total Stock Market ETF. All three pools are managed to maintain a portfolio weighted average maturity of no greater than 60 days and seek to maintain a constant net asset value (NAV) per share of \$1.00. The pools measure their investments at amortized cost in accordance with accounting statements issued by the Government Accounting Standards Board.

The District reports its investments in the pools at the NAV per share, the fair value established by the pools.

The Districts investments in the pools are as follows:

| <u>Investment</u>                     | <u>Net Asset<br/>Value</u> | <u>Unfunded<br/>Commitments</u> |
|---------------------------------------|----------------------------|---------------------------------|
| MN Trust Limited Term Duration Series | \$ 6,993,093               | \$ -                            |
| Vanguard Total Bond Market ETF        | 102,288                    | -                               |
| Vanguard Total Stock Market ETF       | 4,416,108                  | -                               |
| Total Investment Pools                | <u>\$ 11,511,489</u>       | <u>\$ -</u>                     |

The Vanguard Total Bond Market ETF and Vanguard Total Stock Market ETF have no redemption requirements. The MN Trust Limited Term Duration Series has a 30 day advance notice required for withdrawals.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 3 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017 was as follows:

|  | Beginning<br>Balance  | Increases            | Decreases             | Reclassifications | Ending<br>Balance     |
|--|-----------------------|----------------------|-----------------------|-------------------|-----------------------|
| <b>Governmental Activities</b>               |                       |                      |                       |                   |                       |
| Capital Assets, Not Being Depreciated:       |                       |                      |                       |                   |                       |
| Land   | \$ 3,119,968          | \$ -                 | \$ -                  | \$ -              | \$ 3,119,968          |
| Construction in Progress                     | 39,624,654            | 25,702,570           | (7,260,246)           | -                 | 58,066,978            |
| Total Capital Assets, Not Being Depreciated  | 42,744,622            | 25,702,570           | (7,260,246)           | -                 | 61,186,946            |
| Capital Assets, Being Depreciated:           |                       |                      |                       |                   |                       |
| Land Improvements                            | 17,466,247            | 62,510               | -                     | -                 | 17,528,757            |
| Buildings and Improvements                   | 198,622,700           | 6,828,529            | -                     | -                 | 205,451,229           |
| Equipment                                    | 7,432,491             | 570,088              | (83,610)              | -                 | 7,918,969             |
| Total Capital Assets, Being Depreciated      | 223,521,438           | 7,461,127            | (83,610)              | -                 | 230,898,955           |
| Accumulated Depreciation for:                |                       |                      |                       |                   |                       |
| Land Improvements                            | (9,280,826)           | (743,961)            | -                     | -                 | (10,024,787)          |
| Buildings and Improvements                   | (109,240,241)         | (6,119,920)          | -                     | -                 | (115,360,161)         |
| Equipment                                    | (5,505,587)           | (334,172)            | 83,610                | -                 | (5,756,149)           |
| Total Accumulated Depreciation               | (124,026,654)         | (7,198,053)          | 83,610                | -                 | (131,141,097)         |
| Total Capital Assets, Being Depreciated, Net | 99,494,784            | 263,074              | -                     | -                 | 99,757,858            |
| Governmental Activities Capital Assets, Net  | <u>\$ 142,239,406</u> | <u>\$ 25,965,644</u> | <u>\$ (7,260,246)</u> | <u>\$ -</u>       | <u>\$ 160,944,804</u> |

Depreciation expense for the year ended June 30, 2017 was charged to the following governmental functions:

|   |                     |
|---|---------------------|
| <b>Governmental Activities</b>                      |                     |
| Administration                                      | \$ 8,638            |
| District Support Services                           | 90,695              |
| Regular Instruction                                 | 6,897,174           |
| Vocational Education Instruction                    | 1,440               |
| Special Education Instruction                       | 16,556              |
| Instructional Support Services                      | 5,039               |
| Pupil Support Services                              | 69,821              |
| Sites and Buildings                                 | 3,599               |
| Food Service  | 51,106              |
| Community Service                                   | 53,985              |
| Total Depreciation Expense, Governmental Activities | <u>\$ 7,198,053</u> |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 4 LONG-TERM LIABILITIES**

A. General Obligation Bonds Payable

The District currently has the following general obligation bonds outstanding:

| Issue Date                     | Net Interest Rate | Series Number | Original Issue | Maturities | Principal Outstanding |                       |
|--------------------------------|-------------------|---------------|----------------|------------|-----------------------|-----------------------|
|                                |                   |               |                |            | Due Within One Year   | Total                 |
| 4/1/2008                       | 4.25% - 5.00%     | 2008A         | 30,580,000     | 2018-2033  | \$ 30,580,000         | \$ 30,580,000         |
| 4/16/2009                      | 4.50% - 5.75%     | 2009A         | 18,580,000     | 2011-2029  | 840,000               | 840,000               |
| 4/12/2011                      | 2.00% - 4.00%     | 2011A         | 16,575,000     | 2018-2030  | 805,000               | 16,575,000            |
| 12/27/2012                     | 2.00% - 3.00%     | 2012A         | 16,910,000     | 2014-2030  | 845,000               | 16,660,000            |
| 5/7/2015                       | 2.00% - 4.00%     | 2015A         | 64,485,000     | 2017-2036  | 1,060,000             | 64,405,000            |
| 3/15/2016                      | 2.00% - 3.00%     | 2016A         | 36,715,000     | 2018-2033  | 420,000               | 36,715,000            |
| 2/1/2017                       | 0.6% - 2.80%      | 2016B         | 13,990,000     | 2017-2029  | 225,000               | 13,690,000            |
| Total General Obligation Bonds |                   |               |                |            | 34,775,000            | 179,465,000           |
| Bond Premiums                  |                   |               |                |            | -                     | 6,564,667             |
| Capital Lease Payable          |                   |               |                |            | 601,456               | 1,871,605             |
| Severance Benefits Payable     |                   |               |                |            | 230,200               | 1,521,503             |
| Compensated Absences Payable   |                   |               |                |            | 670,308               | 670,308               |
| Total                          |                   |               |                |            | <u>\$ 36,276,964</u>  | <u>\$ 190,093,083</u> |

These bonds were issued to finance the acquisition and/or construction of capital facilities, to refinance (refund) previous bond issues, or to finance OPEB benefits. 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 are equal to 105% of the principal and interest due each year. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

**B. Capital Leases**

During the fiscal year ended June 30, 2007, the District entered into a capital lease agreement to finance the renovation and improvements to the Diamondhead Education Center valued at \$4,015,000. The lease carries an interest rate of 4.83% and has a final maturity of 2021. The assets acquired through the capital lease are included in buildings as of June 30, 2017. These payments will be made from the District's General Fund.

During the fiscal year ended June 30, 2009, the District entered into a capital lease agreement to finance improvements to the athletic facilities at Burnsville High School. Capital lease proceeds of \$875,000 carry an interest rate of 5.37% with a final maturity of 2024. The assets acquired through the capital lease are included in land improvements as of June 30, 2017. The lease will be repaid through the General Fund.

During the fiscal year ended June 30, 2015, the District entered into a capital lease agreement to finance computer servers, computers and other related equipment. Capital lease proceeds of \$503,645 carry an interest rate of 3.5% with a final maturity of 2018. The assets acquired through the capital lease are included in equipment as of June 30, 2017. The lease will be repaid through the General Fund,

During the fiscal year ended June 30, 2016, the District entered into a capital lease agreement to finance computers and related equipment. Capital lease proceeds of \$318,585 carry an interest rate of 3.2% with a final maturity of 2018. The assets acquired through the capital lease are included in equipment as of June 30, 2017. The lease will be repaid through the General Fund.

The assets acquired through capital leases are as follows:

|                                |                            |
|--------------------------------|----------------------------|
| Buildings and Improvements     | \$ 5,088,075               |
| Equipment                      | 1,575,111                  |
| Less: Accumulated Depreciation | <u>(2,545,955)</u>         |
| Total                          | <u><u>\$ 4,117,231</u></u> |

**C. Compensated Absences**

Compensated absences payable represents the outstanding liability at year-end for any unused, accrued vacation. Compensated absences are paid by the General Fund.

**D. Severance Benefits Payable**

Severance benefits payable consist of early retirement incentive pay (based on convertible sick leave) payable to employees upon retirement. Severance benefits are paid by the Severance Benefits Internal Service Fund.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

**E. Minimum Debt Payments**

Minimum annual principal and interest payments to maturity for general obligation bonds and capital leases payable are as follows:

| <u>Year Ending June 30.</u> | General Obligation<br>Bonds Payable |                      | Capital Lease<br>Obligations Payable |                   |
|-----------------------------|-------------------------------------|----------------------|--------------------------------------|-------------------|
|                             | Principal                           | Interest             | Principal                            | Interest          |
| 2018                        | \$ 34,775,000                       | \$ 7,055,697         | \$ 601,456                           | \$ 85,398         |
| 2019                        | 6,335,000                           | 4,766,798            | 385,495                              | 59,012            |
| 2020                        | 7,005,000                           | 4,649,660            | 404,689                              | 39,181            |
| 2021                        | 7,090,000                           | 4,511,870            | 245,430                              | 19,667            |
| 2022                        | 7,300,000                           | 4,305,893            | 74,074                               | 11,613            |
| 2023-2027                   | 40,395,000                          | 17,611,093           | 160,461                              | 10,915            |
| 2028-2032                   | 43,185,000                          | 10,219,713           | -                                    | -                 |
| 2033-2037                   | 33,380,000                          | 2,927,063            | -                                    | -                 |
| Total                       | <u>\$ 179,465,000</u>               | <u>\$ 56,047,787</u> | <u>\$ 1,871,605</u>                  | <u>\$ 225,786</u> |

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

|                              | June 30,<br>2016      | Additions            | Retirements          | June 30,<br>2017      |
|------------------------------|-----------------------|----------------------|----------------------|-----------------------|
| Bonds Payable                | \$ 193,640,000        | \$ 13,990,000        | \$ 28,165,000        | \$ 179,465,000        |
| Bond Premiums                | 7,182,177             | -                    | 617,510              | 6,564,667             |
| Capital Lease Payable        | 2,447,817             | -                    | 576,212              | 1,871,605             |
| Severance Benefits Payable   | 1,710,943             | 57,031               | 246,471              | 1,521,503             |
| Compensated Absences Payable | 615,383               | 670,308              | 615,383              | 670,308               |
| Total                        | <u>\$ 205,596,320</u> | <u>\$ 14,717,339</u> | <u>\$ 29,605,193</u> | <u>\$ 190,093,083</u> |

**NOTE 5 FUND BALANCES**

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties. A description of deficit balance restrictions is included herein since the District has specific statutory authority to levy taxes for such deficits.

Restricted, Committed, and Assigned fund balances at June 30, 2017 are as follows:

- A. Restricted Capital Projects Levy – This amount represents resources from the capital projects levy to be used for building construction and other projects under Minnesota Statutes.
- B. Restricted for Alternative Facilities – This amount represents the resources available for approved expenditures based on the 10-year plan for capital projects.
- C. Restricted for Operating Capital – This balance represents amounts available for capital expenditure equipment purchases, facility projects and personnel costs directly related to acquisition, operation, and maintenance of computers, related equipment and network and applications software. Revenue to finance these expenditures is derived primarily from state aid revenue.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 5 FUND BALANCES (CONTINUED)**

- D. Restricted for Bond Refundings – Represents available resources dedicated for refunding bond payments.
- E. Restricted for Community Education – This amount represents available resources for community education classes. Revenues are derived from local tax levies and state aids and expenditures are for salaries, benefits, and supplies. The account is allowed to go into a deficit to the extent there is future revenues to eliminate the deficit.
- F. Restricted for Early Childhood and Family Education (ECFE) – This amount represents available resources for ECFE classes. Revenues are derived from local tax levies and state aids and expenditures are for salaries, benefits, and supplies. The account is allowed to go into a deficit to the extent there is future revenues to eliminate the deficit.
- G. Restricted for Area Learning Center – This represents amounts restricted for students attending area learning centers. Each district that sends students to an area learning center must reserve an amount equal to at least 90% of the district average General Education Revenue, minus .0485 times the formula allowance per pupil unit, times the number of pupils attending area learning centers. Refer to Minnesota Statute §123A.05, Subd. 2.
- H. Restricted for School Readiness – This amount represents available resources to provide services for learning readiness programs.
- I. Restricted for Long-Term Facilities Maintenance – This amount represents resources to be used for LTFM projects in accordance with the 10-year plan.
- J. Restricted for Medical Assistance – This amount represents resources to be used for medical assistance expenditures.
- K. Restricted for Other Purposes – Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- L. Committed for Program Carryover – Noncapital – Represents noncapital amounts allocated to the District's budget units which were unspent during the year.
- M. Committed for Pro Pay Program – Represents amounts that are committed for professional development through the District's Q-Comp Program.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFITS PLANS**

At June 30, 2009, the District adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension*. The District engaged an actuary to determine the District's liability for postemployment healthcare benefits other than pensions.

**A. Plan Description**

The District provides postemployment insurance benefits to certain eligible employees through its Other Postemployment Benefits Plan, a single-employer defined benefit plan administered by the District. All postemployment 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 plan does not issue a publicly available financial report.

Employees that meet certain age and/or length of service requirements are eligible for postretirement healthcare benefits. For teachers hired before July 1, 1989 and certain other employee groups, the District is contractually required to pay health insurance premiums for the period from retirement until eligibility for Medicare. The amount to be paid is equal to the single coverage insurance premium benefit available to full-time employees in the bargaining group.

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

**B. Funding Policy**

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to pre-fund benefits as determined annually by the District. The District issued \$18,580,000 of general obligation OPEB bonds in 2009 and contributed the proceeds to a revocable trust account to be used for other postemployment benefit (OPEB) payments. The District has established a separate internal service fund to account for these obligations and the assets accumulated to finance them.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

C. Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost (expense) is calculated based on annual required contributions (ARC) of the District, an amount determined on an actuarially determined basis in accordance with the parameters of GASB Statement No. 45. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the District's net OPEB obligation to the plan:

|   |                            |
|---|----------------------------|
| Annual Required Contribution                    | \$ 1,132,048               |
| Interest on Net OPEB Obligation                 | (24,618)                   |
| Adjustment to Annual Required Contribution      | 60,030                     |
| Annual OPEB Cost (Expense)                      | <u>1,167,460</u>           |
| Contributions Made                              | <u>(901,552)</u>           |
| Change in Net OPEB Obligation                   | 265,908                    |
| Net OPEB Obligation (Asset) - Beginning of Year | <u>(703,380)</u>           |
| Net OPEB Obligation (Asset) - End of Year       | <u><u>\$ (437,472)</u></u> |

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the past three years are as follows:

| Fiscal<br>Year<br>Ended | Annual<br>OPEB<br>Cost | Percentage<br>of Annual<br>OPEB Cost<br>Contributed | Net OPEB<br>Obligation<br>(Asset) |
|-------------------------|------------------------|---|-----------------------------------|
| 6/30/2017               | \$ 1,167,460           | 77.2 %  | \$ (437,472)                      |
| 6/30/2016               | 1,153,863              | 123.4   | (703,380)                         |
| 6/30/2015               | 1,127,267              | 144.4   | (433,310)                         |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

D. Funded Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$10,108,496, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$10,108,496. The covered payroll (annual payroll of active employees covered by the plan) was \$69,842,453, and the ratio of the UAAL to the covered payroll was 14.5%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress immediately following the notes to basic financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

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

In the July 1, 2015 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included: a 3.5% investment rate of return (net of administrative expenses) based on the District's own investments; a 3% rate of projected salary increases; an annual healthcare cost trend rate of 7.25% initially, reduced by decrements to an ultimate rate of 5% after nine years for medical insurance; and an annual healthcare trend rate of 4% for dental insurance. The UAAL is being amortized on a level dollar basis over a closed period. The original amortization period was not to exceed 30 years.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 DEFINED BENEFIT PENSION PLANS**

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

**A. Plan Description**

The District participates in the following defined benefit pension plans administered by the Public Employees Retirement Association (PERA) and Teachers Retirement Fund (TRA). PERA's and TRA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*. PERA's and TRA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

**1. General Employees Retirement Plan (GERF)**

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 General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

**2. Teachers Retirement Fund (TRA)**

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. TRA is a separate statutory entity and administered by a Board of Trustees. The Board 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 the Minnesota State College and Universities (MnSCU) may elect TRA coverage with one year of eligible employment. Alternatively, these teachers may elect coverage through the Defined Contribution Retirement Plan (DCR) administered by MnSCU.

**B. Benefits Provided**

PERA and TRA provide retirement, disability, and death benefits. Benefit provisions are established by state statute 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% funded for two consecutive years are given 2.5% increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% increases.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Benefits Provided (Continued)**

TRA: Postretirement benefit increases are provided to eligible benefit recipients each January. The TRA increase is 2%. After the TRA funded ratio exceeds 90% for two consecutive years, the annual postretirement benefit will increase to 2.5%.

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

**1. GERS 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 PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first 10 years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first 10 years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% 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 66. Disability benefits are available for vested members, and are based upon years of service and average high-five salary.

**2. TRA Benefits**

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 Statute and vest after three years of service credit. The defined retirement benefits are based on a member's highest average salary for any five consecutive years of allowable service, age, and a formula multiplier based on years of credit at termination of service.

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

*Tier 1 Benefits*

| Tier 1      | Step Rate Formula   | Percentage    |
|-------------|---|---------------|
| Basic       | First Ten Years of Service  | 2.2% per Year |
|             | All Years After   | 2.7% per Year |
| Coordinated | First Ten Years if Service Years Are Up to July 1, 2006               | 1.2% per Year |
|             | First Ten Years if Service Years Are July 1, 2006 or After            | 1.4% per Year |
|             | All Other Years of Service if Service Years Are Up to July 1, 2006    | 1.7% per Year |
|             | All Other Years of Service if Service Years Are July 1, 2006 or After | 1.9% per Year |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

B. Benefits Provided (Continued)

**2. TRA Benefits (Continued)**

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) 3% 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).

or

*Tier II Benefits*

For years of service prior to July 1, 2006, a level formula of 1.7% per year for coordinated members and 2.7% per year for basic members. For years of service July 1, 2006 and after, a level formula of 1.9% per year for Coordinated members and 2.7% for Basic members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota Statute. 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.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

C. Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

**1. GERF Contributions**

Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.5%, respectively, of their annual covered salary in fiscal year 2017. In fiscal year 2017, the District was required to contribute 11.78% of pay for Basic Plan members and 7.5% for Coordinated Plan members. The District's contributions to the GERF for the plan's fiscal year ended June 30, 2017, were \$1,491,993. The District's contributions were equal to the required contributions for each year as set by state statute.

**2. TRA Contributions**

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year were:

|            | 2017     |          | 2016     |          |
|------------|----------|----------|----------|----------|
|            | Employee | Employer | Employee | Employer |
| Basic      | 11.0 %   | 11.5 %   | 11.0 %   | 11.5 %   |
| Coordinate | 7.5      | 7.5      | 7.5      | 7.5      |

The District's contributions to TRA for the plan's fiscal year ended June 30, 2017, were \$4,295,983. The District's contributions were equal to the required contributions for each year as set by state statute.

D. Pension Costs

**1. GERF Pension Costs**

At June 30, 2017, the District reported a liability of \$23,806,386 for its proportionate share of the GERF's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$6 million to the fund in 2016. The state of Minnesota is considered a nonemployer contributing District and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled \$310,890. 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 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 PERA's participating employers. At June 30, 2017, the District's proportion was 0.2932% which is a decrease of .0117% from its proportion measured as of June 30, 2015.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

D. Pension Costs (Continued)

**1. GERF Pension Costs (Continued)**

For the year ended June 30, 2017, the District recognized pension expense of \$2,726,760 for its proportionate share of GERF's pension expense.

At June 30, 2017, the District reported its proportionate share of GERF's deferred outflows of resources and deferred inflows of resources from the following sources:

| Description   | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|---|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual   |                                   |                                  |
| Economic Experience   | \$ 70,458                         | \$ 1,933,916                     |
| Changes in Actuarial Assumptions  | 5,134,463                         | -                                |
| Net Difference Between Projected and Actual   |                                   |                                  |
| Earnings on Plan Investments  | 2,657,819                         | -                                |
| Changes in Proportion and Differences<br>Between District Contributions and<br>Proportionate Share of Contributions | -                                 | 742,639                          |
| District Contributions Subsequent to the<br>Measurement Date  | 1,491,993                         | -                                |
| Total   | <u>\$ 9,354,733</u>               | <u>\$ 2,676,555</u>              |

A total of \$1,491,993 reported as deferred outflows of resources related to pensions resulting from District contributions to GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to GERF pensions will be recognized in pension expense as follows:

| Year Ending June 30, | Pension Expense<br>Amount |
|----------------------|---------------------------|
| 2018                 | \$ 1,366,414              |
| 2019                 | 822,805                   |
| 2020                 | 2,137,038                 |
| 2021                 | 859,928                   |
| 2022                 | -                         |
| Thereafter           | -                         |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

D. Pension Costs (Continued)

**2. TRA Pension Costs**

At June 30, 2017, the District reported a liability of \$257,247,983 for its proportionate share of 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 TRA in relation to total system contributions including direct aid from the state of Minnesota, city of Minneapolis, and Minneapolis School District. The District's proportionate share was 1.0785% at the end of the measurement period and 1.1189% for the beginning of the period.

The pension liability amount reflected a reduction due to direct aid provided to 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:

| Description   | Amount         |
|---|----------------|
| District's Proportionate Share of the TRA Net Pension Liability                       | \$ 257,247,983 |
| State's Proportionate Share of the Net Pension Liability Associated with the District | 25,822,002     |

There was a change in benefit provisions that affected the measurement of the total pension liability since the prior measurement date. Postretirement benefit adjustments are now assumed to remain level at 2.0% annually. While in the previous measurement the COLA increased to 2.5% in 2034.

For the year ended June 30, 2017, the District recognized pension expense of \$37,341,555. It also recognized \$3,605,474 as pension expense for the support provided by direct aid.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

D. Pension Costs (Continued)

**2. TRA Pension Costs (Continued)**

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:

| Description   | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|---|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual   |                                   |                                  |
| Economic Experience   | \$ 2,519,850                      | \$ 7,172                         |
| Changes in Actuarial Assumptions  | 146,692,600                       | -                                |
| Net Difference Between Projected and Actual   |                                   |                                  |
| Earnings on Plan Investments  | 11,128,718                        | -                                |
| Changes in Proportion and Differences<br>Between District Contributions and<br>Proportionate Share of Contributions | 527,977                           | 2,897,405                        |
| District Contributions Subsequent to the<br>Measurement Date  | 4,295,983                         | -                                |
| Total   | <u>\$ 165,165,128</u>             | <u>\$ 2,904,577</u>              |

A total of \$4,295,983 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to TRA will be recognized in pension expense as follows:

| <u>Year Ending June 30,</u> | Pension Expense<br>Amount |
|-----------------------------|---------------------------|
| 2018                        | \$ 31,240,576             |
| 2019                        | 31,240,576                |
| 2020                        | 34,920,948                |
| 2021                        | 32,429,279                |
| 2022                        | 28,133,189                |
| Thereafter                  | -                         |

The District reported total pension expense of \$40,068,315 for all of the pension plans in which it participates.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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 | 2.75%          |
| Active Member Payroll Growth | 3.25% per Year | 3.50% per Year |
| Investment Rate of Return    | 7.50%          | 8.00%          |

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 the proper group, with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1.0% per year for all future years for the General Employees Plan. Cost of living benefit increases for retirees are assumed to be 2.0% per year for all future years for the TRA.

Actuarial assumptions used in the June 30, 2016, valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan and TRA was completed in 2015.

The following changes in actuarial assumptions for General Employees Fund occurred in 2016:

- The assumed postretirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0 % per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- 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% to 3.25% for payroll growth and 2.50% for inflation.

There was a change in actuarial assumptions that affected the measurement of the total liability since the prior measurement date for TRA. Postretirement benefit adjustments are now assumed to be 2.0% annually. The prior year valuation assumed a 2.5% increase commencing July 1, 2034.

The long-term expected rate of return on pension plan investments is 7.5% for GERF and 8% for TRA. The State Board of Investment, which manages the investments of PERA, 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.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

E. Actuarial Assumptions (Continued)

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

| Asset Class          | Target Allocation | Long-Term Expected<br>Real Rate of Return |
|----------------------|-------------------|---|
| Domestic Equity      | 45.00 %           | 5.50 %                                    |
| International Equity | 15.00             | 6.00 %                                    |
| Bonds                | 18.00             | 1.45 %                                    |
| Alternative Assets   | 20.00             | 6.40 %                                    |
| Cash                 | 2.00              | 0.50 %                                    |
| Totals               | 100.00 %          |   |

F. Discount Rate

The discount rate used to measure the total General Employees Plan pension liability in 2016 was 7.50%, a reduction from the 7.9% used in 2015. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund 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.

The discount rate used to measure the TRA pension liability was 4.66%. This is a decrease from the discount rate at the prior measurement date of 8.00%. 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% was applied to periods on and after 2052, resulting in a SEIR of 4.66%. Based on Fiduciary Net Position at prior year measurement date, the discount rate of 8.00% was used and it was not necessary to calculate the SEIR.

G. Pension Liability Sensitivity

The following 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 one percentage point lower or one percentage point higher than the current discount rate:

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

G. Pension Liability Sensitivity (Continued)

| Description  | 1% Decrease    | Current Discount Rate | 1% Increase in Discount Rate |
|--|----------------|-----------------------|------------------------------|
| <u>GERF Discount Rate</u>  | 6.50%          | 7.50%                 | 8.50%                        |
| District's Proportionate Share of the GERF Net Pension Liability | \$ 33,812,123  | \$ 23,806,386         | \$ 15,564,381                |
| <u>TRA Discount Rate</u>   | 3.66%          | 4.66%                 | 5.66%                        |
| District's Proportionate Share of the TRA Net Pension Liability  | \$ 331,399,700 | \$ 257,247,983        | \$ 196,853,827               |

H. Pension Plan Fiduciary Net Position

Detailed information about GERF's fiduciary's net position is available in a separately-issued PERA financial report. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org); by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-7460 or 1-800-652-9026.

Detailed information about TRA's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at [www.MinnesotaTRA.org](http://www.MinnesotaTRA.org); by writing to TRA at 60 Empire Drive #400, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-2409 or 1-800-652-9026.

**NOTE 8 FLEXIBLE BENEFIT PLANS**

The District has a flexible benefit plan classified as a "cafeteria plan" (the Plan) under §125 of the Internal Revenue Code. 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 pre-tax dollars withheld from payroll checks to the Plan for health insurance, 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 pre-tax dollars to be contributed to the Plan during the year. At June 30, the District is contingently liable for claims against the total amount of participants' annual contributions to the medical reimbursement portion of the Plan, whether or not such contributions have been made.

The dependent care and medical expense reimbursement portions of the Plan are administered by an independent contract administrator, with the activity reported by the District in an employee benefits trust fund. Health insurance premium reimbursements are administered by the District and are accounted for in the District's General Fund and special revenue funds.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 8 FLEXIBLE BENEFIT PLANS (CONTINUED)**

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 9 DENTAL SELF-INSURANCE PLAN**

The District established an Internal Service Fund to account for and finance its uninsured risk of loss for employee dental insurance plans. Under these plans, the Internal Service Fund provides coverage to participating employees and their dependents for various dental costs as described in the plan. There have been no significant reductions in insurance coverage from the prior year.

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

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

Changes in the balance of dental claim liabilities for the year were as follows:

| <u>Fiscal Year Ending June 30.</u> | <u>Beginning of<br/>Fiscal Year<br/>Liability</u> | <u>Current Year<br/>Claims and<br/>Changes in<br/>Estimates</u> | <u>Claims<br/>Payments</u> | <u>Balance At<br/>Fiscal Year<br/>End</u> |
|------------------------------------|---|---|----------------------------|---|
| 2017                               | \$ 51,907   | \$ 884,792  | \$ 914,087                 | \$ 22,612                                 |
| 2016                               | 42,584  | 955,916   | 946,593                    | 51,907                                    |
| 2015                               | 43,252  | 911,923   | 912,591                    | 42,584                                    |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 10 HEALTH SELF-INSURANCE PLAN**

The District's health benefits plan is a partially self-insured plan and maintains an Internal Service Fund to account for and finance a program for health benefits. Under the health benefits plan, the District is self-insured for the first \$5,000 for single coverage and \$10,000 for family coverage. Amounts in excess of these amounts are covered by the District's health insurance provider. The District has not purchased outside insurance for the risks of losses to which it is exposed for amounts under these limits. District management believes it is more economical to manage its risks internally and set aside assets for claim settlement. The Internal Service Fund currently services all claims and risk of loss to which the District is exposed for health expenses. There have been no significant reductions in insurance coverage from the prior year.

Participants in the program make premium payments to the fund based on the component insurance premium which takes into account the aforementioned risk. The excess amount received above current year claims is used to establish a reserve for future claims. The District had pre-funded the self-insurance fund with an initial transfer of \$2,600,000 at June 30, 2010. At June 30, 2017, there is a reserve of \$6,900,806 resulting from fund operations.

District 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 such complex factors 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. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Claims have not exceeded insurance coverage in any of the past three years.

Premiums received through June 30, 2017 were in excess of claims paid by \$865,005. There is a possibility for loss if claims are in excess of the premiums collected up to the amounts covered by the District for single and family coverage. The District held \$10,827,706 in cash and investments at June 30, 2017, for payment of claims and carryover balances.

Changes in the balance of medical claim liabilities for the year were as follows:

| <u>Fiscal Year Ending June 30.</u> | <u>Beginning of<br/>Fiscal Year<br/>Liability</u> | <u>Current Year<br/>Claims and<br/>Changes in<br/>Estimates</u> | <u>Claims<br/>Payments</u> | <u>Balance At<br/>Fiscal Year<br/>End</u> |
|------------------------------------|---|---|----------------------------|---|
| 2017                               | \$ 1,305,061                                      | \$ 18,883,685   | \$ 18,900,230              | \$ 1,288,516                              |
| 2016                               | 701,553   | 17,935,302  | 17,331,794                 | 1,305,061                                 |
| 2015                               | 346,814   | 16,567,677  | 16,212,938                 | 701,553                                   |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 11 INTERFUND BALANCES**

The District had the following interfund receivable and payable at June 30, 2017:

|                        | Due from<br>Other Fund | Due to<br>Other Fund |
|------------------------|------------------------|----------------------|
| General Fund           | \$ 483,553             | \$ -                 |
| Internal Service Fund: |                        |                      |
| Self Insurance Dental  | -                      | 29,479               |
| Self-Insurance Health  | 438,674                | -                    |
| OPEB Revocable Trust   | -                      | 892,748              |
| Total                  | \$ 922,227             | \$ 922,227           |

The interfund receivables and payables are for the District's share of retiree medical premiums and medical and dental premiums funded by the revocable trusts.

**NOTE 12 STEWARDSHIP AND ACCOUNTABILITY**

Excess of Expenditures Over Budget

Expenditures exceeded budgeted amounts in the following funds at June 30, 2017.

|                        | Budget       | Expenditures | Excess     |
|------------------------|--------------|--------------|------------|
| Special Revenue Funds: |              |              |            |
| Food Service Fund      | \$ 5,873,765 | \$ 6,186,948 | \$ 313,183 |
| Community Service Fund | 6,566,588    | 6,931,874    | 365,286    |
| Debt Service Fund      | 13,555,674   | 13,559,999   | 4,325      |

The overages were considered by District management to be the result of necessary expenditures critical to operations approved by the Board.

**NOTE 13 COMMITMENTS AND CONTINGENCIES**

A. Federal and State Revenues

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

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

B. Legal Claims

The District has the usual and customary types of legal claims pending at year-end, mostly of a minor nature and usually covered by insurance carried for that purpose. The District's management believes that the District will not incur any material liabilities relating to these claims, and none have been accrued at year-end.

C. Construction Contracts

At June 30, 2017, the District had commitments totaling \$13,676,468 under various construction contracts for which the work was not yet completed.

**NOTE 14 LEASE REVENUE**

In September 2012, the District entered into a lease agreement with Intermediate School District 917 to lease space within the District's Cedar School to I.S.D. 917. The term of the lease extends 10 years, ending on June 30, 2022. Minimum base rent per the lease agreement is \$16,222 per month through June 30, 2015, and the monthly payment increases by \$270 each additional year thereafter. The lease also includes common area maintenance payments to be paid by the lessor at a rate of \$8,021 per month.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
 INDEPENDENT SCHOOL DISTRICT NO. 191  
 SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS AND  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 JUNE 30, 2017**

| Other Postemployment Benefits Payable |  |   |                          |                          |                           |   |
|---------------------------------------|--|---|--------------------------|--------------------------|---------------------------|---|
| Actuarial<br>Valuation<br>Date        | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL)<br>(b) | Unfunded<br>AAL<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage<br>of Covered<br>Payroll<br>((b-a)/c) |
| 7/1/2015                              | \$ -                                   | \$ 10,108,496                                     | \$ 10,108,496            | -                        | \$ 69,842,453             | 14.5 %  |
| 7/1/2013                              | -                                      | 12,070,602  | 12,070,602               | -                        | 63,351,270                | 19.1  |
| 7/1/2011                              | -                                      | 15,950,203  | 15,950,203               | -                        | 63,440,645                | 25.1  |

| Schedule of Employer Contributions |                                    |               |
|------------------------------------|------------------------------------|---------------|
| Actuarial<br>Valuation<br>Date     | Annual<br>Required<br>Contribution | Contributions |
| 7/1/2015                           | \$ 1,132,048                       | 79.6 %        |
| 7/1/2013                           | 1,131,306                          | 143.9         |
| 7/1/2011                           | 1,480,200                          | -             |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
TRA SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
JUNE 30, 2017**

|   | Measurement Date      |                      |                      |
|---|-----------------------|----------------------|----------------------|
|   | 6/30/2016             | 6/30/2015            | 6/30/2014            |
| District's Proportion of the Net Pension Liability  | 1.0785%               | 1.1189%              | 1.1800%              |
| District's Proportionate Share of the Net Pension Liability   | \$ 257,247,983        | \$ 69,215,031        | \$ 54,373,550        |
| State's Proportionate Share of the Net Pension Liability Associated with District                           | 25,822,002            | 8,489,588            | 3,825,072            |
| Total   | <u>\$ 283,069,985</u> | <u>\$ 77,704,619</u> | <u>\$ 58,198,622</u> |
| District's Employee Payroll   | \$ 56,085,280         | \$ 56,788,600        | \$ 53,863,414        |
| District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Employee Payroll | 458.67%               | 121.88%              | 100.95%              |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                  | 44.88%                | 76.80%               | 81.50%               |

\*Note: Ten years of data is not available.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
TRA SCHEDULE OF DISTRICT CONTRIBUTIONS  
YEAR ENDED JUNE 30, 2017**

|  | Fiscal Year Ended June 30, |                   |                   |                   |
|--|----------------------------|-------------------|-------------------|-------------------|
|  | 2017                       | 2016              | 2015              | 2014              |
| Statutorily Required Contribution                                  | \$ 4,295,983               | \$ 4,206,396      | \$ 4,259,145      | \$ 3,770,439      |
| Contributions in Relation to the Statutorily Required Contribution | (4,295,983)                | (4,206,396)       | (4,259,145)       | (3,770,439)       |
| Contribution Deficiency (Excess)                                   | \$ -                       | \$ -              | \$ -              | \$ -              |
| <br>District's Employee Payroll                                    | <br>\$ 57,279,773          | <br>\$ 56,085,280 | <br>\$ 56,788,600 | <br>\$ 53,863,414 |
| <br>Contributions as a Percentage of Employee Payroll              | <br>7.50%                  | <br>7.50%         | <br>7.50%         | <br>7.00%         |

\*Note: Ten years of data is not available.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
PERA SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
JUNE 30, 2017**

|   | Measurement Date     |                      |                      |
|---|----------------------|----------------------|----------------------|
|   | 6/30/2016            | 6/30/2015            | 6/30/2014            |
| District's Proportion of the Net Pension Liability  | 0.2932%              | 0.3049%              | 0.3144%              |
| District's Proportionate Share of the Net Pension Liability   | \$ 23,806,386        | \$ 15,801,500        | \$ 14,768,937        |
| State's Proportionate Share of the Net Pension Liability Associated with District                           | 310,890              | -                    | -                    |
| Total   | <u>\$ 24,117,276</u> | <u>\$ 15,801,500</u> | <u>\$ 14,768,937</u> |
| District's Employee Payroll   | \$ 18,288,267        | \$ 17,923,892        | \$ 16,502,952        |
| District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Employee Payroll | 130.17%              | 88.16%               | 89.49%               |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                  | 68.90%               | 78.20%               | 78.70%               |

\*Note: Ten years of data is not available.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
PERA SCHEDULE OF DISTRICT CONTRIBUTIONS  
YEAR ENDED JUNE 30, 2017**

|  | Fiscal Year Ended June 30, |               |               |               |
|--|----------------------------|---------------|---------------|---------------|
|  | 2017                       | 2016          | 2015          | 2014          |
| Statutorily Required Contribution                                  | \$ 1,491,993               | \$ 1,371,620  | \$ 1,321,887  | \$ 1,196,464  |
| Contributions in Relation to the Statutorily Required Contribution | (1,491,993)                | (1,371,620)   | (1,321,887)   | (1,196,464)   |
| Contribution Deficiency (Excess)                                   | <u>\$ -</u>                | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| District's Employee Payroll  | \$ 19,893,240              | \$ 18,288,267 | \$ 17,923,892 | \$ 16,502,952 |
| Contributions as a Percentage of Employee Payroll                  | 7.500%                     | 7.500%        | 7.375%        | 7.250%        |

\*Note: Ten years of data is not available.

## **SUPPLEMENTARY INFORMATION**

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2016)**

|   | 2017          | 2016          |
|---|---------------|---------------|
| <b>ASSETS</b>   |               |               |
| Cash and Investments  | \$ 30,885,146 | \$ 33,535,704 |
| Receivables:  |               |               |
| Current Taxes   | 14,006,153    | 13,467,092    |
| Delinquent Taxes  | 220,946       | 213,624       |
| Accounts and Interest Receivable  | 91,268        | 118,945       |
| Due from Other Minnesota School Districts                                   | 25,121        | 13,590        |
| Due from Minnesota Department of Education                                  | 9,230,700     | 9,499,398     |
| Due from Federal Through the Minnesota Department of Education              | 1,363,962     | 1,113,120     |
| Due from Other Governmental Units   | 83,321        | 139,850       |
| Due from Other Funds  | 483,553       | 498,478       |
| Prepays   | 328,969       | 508,867       |
| Total Assets  | \$ 56,719,139 | \$ 59,108,668 |
| <br><b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES,<br/>AND FUND BALANCE</b> |               |               |
| Liabilities:  |               |               |
| Salaries and Compensated Absences Payable                                   | \$ 4,386,944  | \$ 4,179,011  |
| Payroll Deductions and Employer Contributions Payable                       | 7,505,552     | 7,305,219     |
| Accounts and Contracts Payable  | 1,754,563     | 1,687,137     |
| Due to Other Minnesota School Districts                                     | 278,993       | 435,727       |
| Due to Other Governmental Units   | 48,317        | 165,370       |
| Due to Other Funds  | -             | 1,540,283     |
| Total Liabilities   | 13,974,369    | 15,312,747    |
| Deferred Inflows:   |               |               |
| Unavailable Revenue - Property Taxes Levied for Subsequent Year             | 22,404,384    | 21,992,130    |
| Unavailable Revenue - Delinquent Taxes                                      | 223,655       | 174,094       |
| Total Deferred Inflows of Resources   | 22,628,039    | 22,166,224    |
| Fund Balance:   |               |               |
| Nonspendable:   |               |               |
| Prepays   | 328,969       | 508,867       |
| Restricted for:   |               |               |
| Capital Projects Levy   | 34,059        | -             |
| Operating Capital   | 2,749,206     | 2,213,575     |
| Area Learning Center  | 1,225,545     | 1,982,978     |
| Medical Assistance  | 18,903        | -             |
| Committed for:  |               |               |
| Program Carryover - Non Capital   | 1,000,077     | 766,029       |
| Pro Pay Day   | 293,871       | 410,240       |
| Unassigned  | 14,466,101    | 15,748,008    |
| Total Fund Balance  | 20,116,731    | 21,629,697    |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance          | \$ 56,719,139 | \$ 59,108,668 |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2016)**

|  | 2017               |                    | Over (Under)<br>Final Budget | 2016               |
|--|--------------------|--------------------|------------------------------|--------------------|
|  | Final Budget       | Actual<br>Amounts  |                              | Actual<br>Amounts  |
| <b>REVENUES</b>                                    |                    |                    |                              |                    |
| Local Sources:                                     |                    |                    |                              |                    |
| Property Taxes                                     | \$ 25,435,549      | \$ 25,663,259      | \$ 227,710                   | \$ 22,874,885      |
| Earnings and Investments                           | 30,000             | 126,531            | 96,531                       | 83,544             |
| Other  | 3,240,139          | 2,918,127          | (322,012)                    | 2,576,296          |
| State Sources                                      | 95,074,392         | 90,931,906         | (4,142,486)                  | 90,837,480         |
| Federal Sources                                    | 4,910,511          | 4,763,107          | (147,404)                    | 4,170,967          |
| Total Revenues                                     | <u>128,690,591</u> | <u>124,402,930</u> | <u>(4,287,661)</u>           | <u>120,543,172</u> |
| <b>EXPENDITURES</b>                                |                    |                    |                              |                    |
| Current:   |                    |                    |                              |                    |
| Administration:                                    |                    |                    |                              |                    |
| Salaries   | 3,785,589          | 3,822,888          | 37,299                       | 3,695,240          |
| Employee Benefits                                  | 1,497,153          | 1,313,556          | (183,597)                    | 1,348,017          |
| Purchased Services                                 | 274,108            | 214,650            | (59,458)                     | 273,340            |
| Supplies and Materials                             | 243,405            | 102,343            | (141,062)                    | 136,609            |
| Capital Expenditures                               | 92,728             | 21,389             | (71,339)                     | 34,282             |
| Other Expenditures                                 | 40,249             | 65,951             | 25,702                       | 48,821             |
| Total Administration                               | <u>5,933,232</u>   | <u>5,540,777</u>   | <u>(392,455)</u>             | <u>5,536,309</u>   |
| District Support Services:                         |                    |                    |                              |                    |
| Salaries   | 2,479,642          | 2,487,649          | 8,007                        | 1,741,132          |
| Employee Benefits                                  | 913,723            | 935,270            | 21,547                       | 623,912            |
| Purchased Services                                 | 1,449,815          | 649,935            | (799,880)                    | 980,305            |
| Supplies and Materials                             | 119,416            | 79,430             | (39,986)                     | 74,808             |
| Capital Expenditures                               | 83,539             | 108,452            | 24,913                       | 53,139             |
| Other Expenditures                                 | 32,253             | 33,322             | 1,069                        | 58,367             |
| Total District Support Services                    | <u>5,078,388</u>   | <u>4,294,058</u>   | <u>(784,330)</u>             | <u>3,531,663</u>   |
| Elementary and Secondary Regular Instruction:      |                    |                    |                              |                    |
| Salaries   | 35,696,288         | 35,494,542         | (201,746)                    | 34,692,114         |
| Employee Benefits                                  | 16,924,140         | 14,505,798         | (2,418,342)                  | 15,152,429         |
| Purchased Services                                 | 2,117,215          | 2,883,039          | 765,824                      | 2,707,448          |
| Supplies and Materials                             | 1,408,945          | 1,853,905          | 444,960                      | 1,299,738          |
| Capital Expenditures                               | 154,118            | 226,774            | 72,656                       | 127,992            |
| Other Expenditures                                 | 12,350             | 239,138            | 226,788                      | 64,064             |
| Total Elementary and Secondary Regular Instruction | <u>56,313,056</u>  | <u>55,203,196</u>  | <u>(1,109,860)</u>           | <u>54,043,785</u>  |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2016)**

|  | 2017              |                   |                              | 2016              |
|--|-------------------|-------------------|------------------------------|-------------------|
|  | Final Budget      | Actual<br>Amounts | Over (Under)<br>Final Budget | Actual<br>Amounts |
| <b>EXPENDITURES (Continued)</b>        |                   |                   |                              |                   |
| Current (Continued):                   |                   |                   |                              |                   |
| Vocational Education Instruction:      |                   |                   |                              |                   |
| Salaries                               | \$ 1,193,259      | \$ 1,214,991      | \$ 21,732                    | \$ 830,536        |
| Employee Benefits                      | 573,300           | 491,538           | (81,762)                     | 368,226           |
| Purchased Services                     | 263,320           | 105,553           | (157,767)                    | 195,406           |
| Supplies and Materials                 | 292,300           | 60,369            | (231,931)                    | 35,891            |
| Capital Expenditures                   | -                 | 59,117            | 59,117                       | 21,883            |
| Other Expenditures                     | 1,000             | 4,539             | 3,539                        | 170               |
| Total Vocational Education Instruction | <u>2,323,179</u>  | <u>1,936,107</u>  | <u>(387,072)</u>             | <u>1,452,112</u>  |
| Special Education Instruction:         |                   |                   |                              |                   |
| Salaries                               | 15,843,447        | 15,761,343        | (82,104)                     | 15,681,412        |
| Employee Benefits                      | 7,432,610         | 6,552,388         | (880,222)                    | 6,849,903         |
| Purchased Services                     | 865,905           | 1,226,069         | 360,164                      | 1,459,417         |
| Supplies and Materials                 | 266,056           | 306,820           | 40,764                       | 185,266           |
| Capital Expenditures                   | 671,500           | 505,969           | (165,531)                    | 140,398           |
| Other Expenditures                     | 158,500           | 180,459           | 21,959                       | 139,063           |
| Total Special Education Instruction    | <u>25,238,018</u> | <u>24,533,048</u> | <u>(704,970)</u>             | <u>24,455,459</u> |
| Instructional Support Services:        |                   |                   |                              |                   |
| Salaries                               | 7,607,309         | 7,521,598         | (85,711)                     | 7,586,401         |
| Employee Benefits                      | 1,987,203         | 1,706,295         | (280,908)                    | 1,906,335         |
| Purchased Services                     | 902,066           | 1,113,019         | 210,953                      | 573,494           |
| Supplies and Materials                 | 495,938           | 466,693           | (29,245)                     | 220,771           |
| Capital Expenditures                   | 1,511,891         | 1,546,711         | 34,820                       | 485,012           |
| Other Expenditures                     | 8,340             | 54,748            | 46,408                       | 47,643            |
| Total Instructional Support Services   | <u>12,512,747</u> | <u>12,409,064</u> | <u>(103,683)</u>             | <u>10,819,656</u> |
| Pupil Support Services:                |                   |                   |                              |                   |
| Salaries                               | 2,195,644         | 2,195,510         | (134)                        | 1,847,229         |
| Employee Benefits                      | 1,005,440         | 904,201           | (101,239)                    | 785,629           |
| Purchased Services                     | 7,554,460         | 7,500,450         | (54,010)                     | 6,887,092         |
| Supplies and Materials                 | 25,609            | 388,278           | 362,669                      | 240,067           |
| Capital Expenditures                   | 1,000             | 28,116            | 27,116                       | 3,167             |
| Other Expenditures                     | 270,323           | 12,064            | (258,259)                    | 3,478             |
| Total Pupil Support Services           | <u>11,052,476</u> | <u>11,028,619</u> | <u>(23,857)</u>              | <u>9,766,662</u>  |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2016)**

|  | 2017                  |                      |                              | 2016                 |
|--|-----------------------|----------------------|------------------------------|----------------------|
|  | Final Budget          | Actual<br>Amounts    | Over (Under)<br>Final Budget | Actual<br>Amounts    |
| <b>EXPENDITURES (Continued)</b>                                      |                       |                      |                              |                      |
| Current (Continued):   |                       |                      |                              |                      |
| Sites and Buildings:   |                       |                      |                              |                      |
| Salaries   | \$ 3,997,952          | \$ 3,883,742         | \$ (114,210)                 | \$ 3,563,567         |
| Employee Benefits  | 1,652,355             | 1,645,259            | (7,096)                      | 1,681,429            |
| Purchased Services   | 3,162,744             | 2,971,035            | (191,709)                    | 2,861,909            |
| Supplies and Materials   | 509,488               | 750,003              | 240,515                      | 715,893              |
| Capital Expenditures   | 1,017,978             | 842,187              | (175,791)                    | 700,772              |
| Other Expenditures   | 292,414               | 52,311               | (240,103)                    | 49,567               |
| Total Sites and Buildings  | <u>10,632,931</u>     | <u>10,144,537</u>    | <u>(488,394)</u>             | <u>9,573,137</u>     |
| Fiscal and Other Fixed Costs:  |                       |                      |                              |                      |
| Purchased Services   | 500,000               | 353,822              | (146,178)                    | 398,068              |
| Debt Service:  |                       |                      |                              |                      |
| Principal  | 576,213               | 576,213              | -                            | 568,104              |
| Interest and Fiscal Charges  | 110,642               | 110,642              | -                            | 124,832              |
| Total Debt Service   | <u>686,855</u>        | <u>686,855</u>       | <u>-</u>                     | <u>692,936</u>       |
| Total Expenditures   | <u>130,270,882</u>    | <u>126,130,083</u>   | <u>(4,140,799)</u>           | <u>120,269,787</u>   |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | (1,580,291)           | (1,727,153)          | (146,862)                    | 273,385              |
| <b>OTHER FINANCING SOURCES</b>                                       |                       |                      |                              |                      |
| Insurance Recovery   | -                     | 187,105              | 187,105                      | 359,861              |
| Capital Lease Proceeds   | -                     | -                    | -                            | 318,585              |
| Transfers In   | -                     | 27,082               | 27,082                       | -                    |
| Total Other Financing Sources  | <u>-</u>              | <u>214,187</u>       | <u>214,187</u>               | <u>678,446</u>       |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | <u>\$ (1,580,291)</u> | <u>(1,512,966)</u>   | <u>\$ 67,325</u>             | <u>951,831</u>       |
| <b>FUND BALANCE</b>  |                       |                      |                              |                      |
| Beginning of Year  |                       | <u>21,629,697</u>    |                              | <u>20,677,866</u>    |
| End of Year  |                       | <u>\$ 20,116,731</u> |                              | <u>\$ 21,629,697</u> |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
FOOD SERVICE SPECIAL REVENUE FUND  
BALANCE SHEET  
JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2016)**

|  | 2017         | 2016         |
|--|--------------|--------------|
| <b>ASSETS</b>  |              |              |
| Cash and Investments   | \$ 1,599,678 | \$ 1,989,540 |
| Receivables:   |              |              |
| Due from Minnesota Department of Education                     | 8,867        | 10,284       |
| Due from Federal Through the Minnesota Department of Education | 135,129      | 140,652      |
| Inventory  | 177,574      | 122,264      |
| Total Assets   | \$ 1,921,248 | \$ 2,262,740 |
| <br><b>LIABILITIES AND FUND BALANCE</b>                        |              |              |
| Liabilities:   |              |              |
| Salaries and Compensated Absences Payable                      | \$ 172,817   | \$ 158,653   |
| Payroll Deductions and Employer Contributions Payable          | 190,438      | 183,243      |
| Accounts and Contracts Payable                                 | 99,010       | 50,908       |
| Due to Other Funds   | -            | 31,575       |
| Unearned Revenue   | 93,239       | 95,722       |
| Total Liabilities  | 555,504      | 520,101      |
| <br>Fund Balance:  |              |              |
| Nonspendable:  |              |              |
| Inventory  | 177,574      | 122,264      |
| Restricted for:  |              |              |
| Other Purposes   | 1,188,170    | 1,620,375    |
| Total Fund Balance   | 1,365,744    | 1,742,639    |
| Total Liabilities and Fund Balance                             | \$ 1,921,248 | \$ 2,262,740 |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
FOOD SERVICE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2016)**

|                                   | 2017                |                     |                              | 2016                |
|-----------------------------------|---------------------|---------------------|------------------------------|---------------------|
|                                   | Final Budget        | Actual<br>Amounts   | Over (Under)<br>Final Budget | Actual<br>Amounts   |
| <b>REVENUES</b>                   |                     |                     |                              |                     |
| Local Sources:                    |                     |                     |                              |                     |
| Earnings and Investments          | \$ 5,500            | \$ 11,001           | \$ 5,501                     | \$ 5,426            |
| Other - Primarily Meal Sales      | 1,672,142           | 1,673,604           | 1,462                        | 1,639,510           |
| State Sources                     | 256,095             | 287,887             | 31,792                       | 273,128             |
| Federal Sources                   | 3,456,297           | 3,837,561           | 381,264                      | 3,660,582           |
| Total Revenues                    | <u>5,390,034</u>    | <u>5,810,053</u>    | <u>420,019</u>               | <u>5,578,646</u>    |
| <b>EXPENDITURES</b>               |                     |                     |                              |                     |
| Current:                          |                     |                     |                              |                     |
| Salaries                          | 2,087,038           | 2,148,074           | 61,036                       | 2,075,815           |
| Employee Benefits                 | 636,833             | 758,848             | 122,015                      | 666,802             |
| Purchased Services                | 272,905             | 287,348             | 14,443                       | 271,254             |
| Supplies and Materials            | 2,590,989           | 2,530,395           | (60,594)                     | 2,521,870           |
| Other Expenditures                | 6,000               | 8,590               | 2,590                        | 10,491              |
| Capital Outlay                    | 280,000             | 453,693             | 173,693                      | 45,234              |
| Total Expenditures                | <u>5,873,765</u>    | <u>6,186,948</u>    | <u>313,183</u>               | <u>5,591,466</u>    |
| <b>NET CHANGE IN FUND BALANCE</b> | <u>\$ (483,731)</u> | (376,895)           | <u>\$ 106,836</u>            | (12,820)            |
| <b>FUND BALANCE</b>               |                     |                     |                              |                     |
| Beginning of Year                 |                     | <u>1,742,639</u>    |                              | <u>1,755,459</u>    |
| End of Year                       |                     | <u>\$ 1,365,744</u> |                              | <u>\$ 1,742,639</u> |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
COMMUNITY SERVICE SPECIAL REVENUE FUND  
BALANCE SHEET  
JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2016)**

|   | 2017         | 2016         |
|---|--------------|--------------|
| <b>ASSETS</b>   |              |              |
| Cash and Investments  | \$ 1,729,991 | \$ 1,759,486 |
| Receivables:  |              |              |
| Current Taxes   | 835,524      | 819,165      |
| Delinquent Taxes  | 12,707       | 10,490       |
| Accounts and Interest Receivable  | 160,796      | 142,475      |
| Due from Minnesota Department of Education                              | 158,755      | 133,577      |
| Due from Federal Through the Minnesota Department of Education          | 5,307        | -            |
| Due from Other Governmental Units                                       | 320          | -            |
| Total Assets  | \$ 2,903,400 | \$ 2,865,193 |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES,<br/>AND FUND BALANCE</b> |              |              |
| Liabilities:  |              |              |
| Salaries and Compensated Absences Payable                               | \$ 175,073   | \$ 167,015   |
| Payroll Deductions and Employer Contributions Payable                   | 167,516      | 138,731      |
| Accounts and Contracts Payable  | 61,053       | 103,783      |
| Due to Other Minnesota School Districts                                 | -            | 3,995        |
| Due to Other Governmental Units   | 2            | 1,917        |
| Due to Other Funds  | -            | 59,110       |
| Unearned Revenue  | 321,517      | 288,410      |
| Total Liabilities   | 725,161      | 762,961      |
| Deferred Inflows:   |              |              |
| Property Taxes Levied for Subsequent Year                               | 1,556,452    | 1,553,397    |
| Unavailable Revenue - Delinquent Taxes                                  | 11,993       | 8,390        |
| Total Deferred Inflows of Resources                                     | 1,568,445    | 1,561,787    |
| Fund Balance:   |              |              |
| Restricted for:   |              |              |
| Community Education   | 45,808       | 128,399      |
| Early Childhood and Family Education                                    | 60,793       | 101,519      |
| School Readiness  | 493,868      | 297,545      |
| Other Purposes  | 9,325        | 12,982       |
| Total Fund Balance  | 609,794      | 540,445      |
| Total Liabilities, Deferred Inflows of Resources,<br>and Fund Balance   | \$ 2,903,400 | \$ 2,865,193 |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
COMMUNITY SERVICE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2016)**

|  | 2017              |                   |                              | 2016              |
|--|-------------------|-------------------|------------------------------|-------------------|
|  | Final Budget      | Actual<br>Amounts | Over (Under)<br>Final Budget | Actual<br>Amounts |
| <b>REVENUES</b>  |                   |                   |                              |                   |
| Local Sources:   |                   |                   |                              |                   |
| Property Taxes   | \$ 1,553,397      | \$ 1,542,386      | \$ (11,011)                  | \$ 1,237,759      |
| Earnings and Investments   | -                 | 9,935             | 9,935                        | 4,653             |
| Other - Primarily Tuition and Fees                                   | 3,686,913         | 3,701,039         | 14,126                       | 3,777,360         |
| State Sources  | 1,726,477         | 1,743,888         | 17,411                       | 1,388,121         |
| Federal Sources  | 30,000            | 31,057            | 1,057                        | 29,069            |
| Total Revenues   | <u>6,996,787</u>  | <u>7,028,305</u>  | <u>31,518</u>                | <u>6,436,962</u>  |
| <b>EXPENDITURES</b>  |                   |                   |                              |                   |
| Current:   |                   |                   |                              |                   |
| Salaries   | 3,660,898         | 3,977,720         | 316,822                      | 3,897,101         |
| Employee Benefits  | 1,347,025         | 1,240,323         | (106,702)                    | 1,282,520         |
| Purchased Services   | 946,172           | 1,011,839         | 65,667                       | 932,230           |
| Supplies and Materials   | 518,982           | 572,392           | 53,410                       | 498,353           |
| Other Expenditures   | 6,211             | 73,181            | 66,970                       | 5,601             |
| Capital Outlay   | 87,300            | 56,419            | (30,881)                     | 99,152            |
| Total Expenditures   | <u>6,566,588</u>  | <u>6,931,874</u>  | <u>365,286</u>               | <u>6,714,957</u>  |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | 430,199           | 96,431            | (333,768)                    | (277,995)         |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                   |                   |                              |                   |
| Transfers Out  | -                 | (27,082)          | (27,082)                     | -                 |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | <u>\$ 430,199</u> | 69,349            | <u>\$ (360,850)</u>          | (277,995)         |
| <b>FUND BALANCE</b>  |                   |                   |                              |                   |
| Beginning of Year  |                   | 540,445           |                              | 818,440           |
| End of Year  |                   | <u>\$ 609,794</u> |                              | <u>\$ 540,445</u> |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND  
BALANCE SHEET  
JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2016)**

|   | <u>2017</u>         | <u>2016</u>          |
|---|---------------------|----------------------|
| <b>ASSETS</b>   |                     |                      |
| Cash and Investments                                  | \$ 7,956,656        | \$ 39,029,210        |
| Receivables:  |                     |                      |
| Accounts and Interest Receivable                      | 208                 | 98,913               |
| Total Assets  | <u>\$ 7,956,864</u> | <u>\$ 39,128,123</u> |
| <br><b>LIABILITIES AND FUND BALANCE</b>               |                     |                      |
| Liabilities:  |                     |                      |
| Salaries and Compensated Absences Payable             | \$ 1,469            | \$ -                 |
| Payroll Deductions and Employer Contributions Payable | 1,665               | 1,363                |
| Accounts and Contracts Payable                        | 1,612,966           | 8,551,716            |
| Due to Other Funds                                    | -                   | 1,239                |
| Total Liabilities                                     | <u>1,616,100</u>    | <u>8,554,318</u>     |
| <br>Fund Balance:                                     |                     |                      |
| Restricted for:                                       |                     |                      |
| Alternative Facilities Program                        | -                   | 4,113,898            |
| Restricted for Long-Term Facilities Maintenance       | 1,598,938           | -                    |
| Restricted for Other Purposes                         | 4,741,826           | 26,459,907           |
| Total Fund Balance                                    | <u>6,340,764</u>    | <u>30,573,805</u>    |
| <br>Total Liabilities and Fund Balance                | <u>\$ 7,956,864</u> | <u>\$ 39,128,123</u> |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2016)**

|  | 2017                   |                     |                              | 2016                 |
|--|------------------------|---------------------|------------------------------|----------------------|
|  | Final Budget           | Actual<br>Amounts   | Over (Under)<br>Final Budget | Actual<br>Amounts    |
| <b>REVENUES</b>  |                        |                     |                              |                      |
| Local Sources:   |                        |                     |                              |                      |
| Property Taxes   | \$ -                   | \$ -                | \$ -                         | \$ 1,200,000         |
| Earnings and Investments   | 102,000                | 80,674              | (21,326)                     | 351,453              |
| Other  | -                      | 6,475               | 6,475                        | -                    |
| Total Revenues   | <u>102,000</u>         | <u>87,149</u>       | <u>(14,851)</u>              | <u>1,551,453</u>     |
| <b>EXPENDITURES</b>  |                        |                     |                              |                      |
| Current:   |                        |                     |                              |                      |
| Salaries   | 76,680                 | -                   | (76,680)                     | 68,550               |
| Employee Benefits  | 28,203                 | -                   | (28,203)                     | 26,487               |
| Purchased Services   | 1,698,447              | 1,704,656           | 6,209                        | 6,289,171            |
| Capital Outlay   | <u>22,864,793</u>      | <u>22,615,534</u>   | <u>(249,259)</u>             | <u>36,131,179</u>    |
| Total Expenditures   | <u>24,668,123</u>      | <u>24,320,190</u>   | <u>(347,933)</u>             | <u>42,515,387</u>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | (24,566,123)           | (24,233,041)        | 333,082                      | (40,963,934)         |
| <b>OTHER FINANCING SOURCES</b>                                       |                        |                     |                              |                      |
| Transfers Out  | -                      | -                   | -                            | -                    |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | <u>\$ (24,566,123)</u> | <u>(24,233,041)</u> | <u>\$ 333,082</u>            | <u>(40,963,934)</u>  |
| <b>FUND BALANCE</b>  |                        |                     |                              |                      |
| Beginning of Year  |                        | <u>30,573,805</u>   |                              | <u>71,537,739</u>    |
| End of Year  |                        | <u>\$ 6,340,764</u> |                              | <u>\$ 30,573,805</u> |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2016)**

|   | Regular<br>Debt<br>Service | OPEB Debt<br>Service | Totals               |                      |
|---|----------------------------|----------------------|----------------------|----------------------|
|   |                            |                      | 2017                 | 2016                 |
| <b>ASSETS</b>   |                            |                      |                      |                      |
| Cash and Investments  | \$ 6,299,499               | \$ 986,630           | \$ 7,286,129         | \$ 47,257,050        |
| Cash with Fiscal Agent  | 30,134,273                 | -                    | 30,134,273           | 415,381              |
| Receivables:  |                            |                      |                      |                      |
| Current Taxes   | 4,887,619                  | 741,653              | 5,629,272            | 6,318,407            |
| Delinquent Taxes  | 86,160                     | 14,421               | 100,581              | 88,272               |
| Due from Other Minnesota School Districts                               | 16,762                     | -                    | 16,762               | 270                  |
| Due from Minnesota Department of Education                              | 38,295                     | -                    | 38,295               | 18                   |
| Due from Other Governmental Units                                       | -                          | -                    | -                    | 16,222               |
| Total Assets  | <u>\$ 41,462,608</u>       | <u>\$ 1,742,704</u>  | <u>\$ 43,205,312</u> | <u>\$ 54,095,620</u> |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCE</b> |                            |                      |                      |                      |
| Deferred Inflows:   |                            |                      |                      |                      |
| Property Taxes Levied for Subsequent Year                               | \$ 9,104,880               | \$ 1,381,586         | \$ 10,486,466        | \$ 11,981,712        |
| Unavailable Revenue - Delinquent Taxes                                  | 83,271                     | 14,843               | 98,114               | 71,579               |
| Total Deferred Inflows of Resources                                     | <u>9,188,151</u>           | <u>1,396,429</u>     | <u>10,584,580</u>    | <u>12,053,291</u>    |
| Fund Balance:   |                            |                      |                      |                      |
| Restricted for:   |                            |                      |                      |                      |
| Bond Refunding  | 31,181,809                 | -                    | 31,181,809           | 40,291,809           |
| Restricted for Other Purposes   | 1,092,648                  | 346,275              | 1,438,923            | 1,750,520            |
| Total Fund Balance  | <u>32,274,457</u>          | <u>346,275</u>       | <u>32,620,732</u>    | <u>42,042,329</u>    |
| Total Liabilities, Deferred Inflows of<br>Resources, and Fund Balance   | <u>\$ 41,462,608</u>       | <u>\$ 1,742,704</u>  | <u>\$ 43,205,312</u> | <u>\$ 54,095,620</u> |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2016)**

|  | 2017                         |                            |                         |                            | 2016                            |                      |
|--|------------------------------|----------------------------|-------------------------|----------------------------|---------------------------------|----------------------|
|  | Final<br>Budgeted<br>Amounts | Regular<br>Debt<br>Service | OPEB<br>Debt<br>Service | Total<br>Actual<br>Amounts | Over (Under)<br>Final<br>Budget | Actual<br>Amounts    |
| <b>REVENUES</b>  |                              |                            |                         |                            |                                 |                      |
| Local Sources:   |                              |                            |                         |                            |                                 |                      |
| Property Taxes   | \$ 11,981,711                | \$ 10,285,819              | \$ 1,603,159            | \$ 11,888,978              | \$ (92,733)                     | \$ 9,740,372         |
| Earnings and Investments   | -                            | 285,235                    | 26,655                  | 311,890                    | 311,890                         | 9,772                |
| Other  | 201,150                      | 184,928                    | -                       | 184,928                    | (16,222)                        | 197,905              |
| State Sources  | -                            | 382,920                    | 32                      | 382,952                    | 382,952                         | 176                  |
| Total Revenues   | <u>12,182,861</u>            | <u>11,138,902</u>          | <u>1,629,846</u>        | <u>12,768,748</u>          | <u>585,887</u>                  | <u>9,948,225</u>     |
| <b>EXPENDITURES</b>  |                              |                            |                         |                            |                                 |                      |
| Debt Service:  |                              |                            |                         |                            |                                 |                      |
| Bond Principal   | 6,150,000                    | 5,050,000                  | 1,100,000               | 6,150,000                  | -                               | 5,565,000            |
| Bond Interest  | 7,332,160                    | 6,419,980                  | 912,180                 | 7,332,160                  | -                               | 5,671,468            |
| Paying Agent Fees and Other  | 73,514                       | 3,426                      | 74,413                  | 77,839                     | 4,325                           | 466,731              |
| Total Expenditures   | <u>13,555,674</u>            | <u>11,473,406</u>          | <u>2,086,593</u>        | <u>13,559,999</u>          | <u>4,325</u>                    | <u>11,703,199</u>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | (1,372,813)                  | (334,504)                  | (456,747)               | (791,251)                  | 581,562                         | (1,754,974)          |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                              |                            |                         |                            |                                 |                      |
| Sale of Bonds  | 13,990,000                   | -                          | 13,990,000              | 13,990,000                 | -                               | 36,715,000           |
| Bond Premium   | -                            | -                          | -                       | -                          | -                               | 3,913,835            |
| Payment to Refunded Bond Escrow Agent                                | (9,110,000)                  | (9,110,000)                | (13,510,346)            | (22,620,346)               | (13,510,346)                    | -                    |
| Total Other Financing Sources  | <u>4,880,000</u>             | <u>(9,110,000)</u>         | <u>479,654</u>          | <u>(8,630,346)</u>         | <u>(13,510,346)</u>             | <u>40,628,835</u>    |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | <u>\$ 3,507,187</u>          | <u>(9,444,504)</u>         | <u>22,907</u>           | <u>(9,421,597)</u>         | <u>\$ (12,928,784)</u>          | <u>38,873,861</u>    |
| <b>FUND BALANCE</b>  |                              |                            |                         |                            |                                 |                      |
| Beginning of Year  |                              | 41,718,961                 | 323,368                 | 42,042,329                 |                                 | 3,168,468            |
| End of Year  |                              | <u>\$ 32,274,457</u>       | <u>\$ 346,275</u>       | <u>\$ 32,620,732</u>       |                                 | <u>\$ 42,042,329</u> |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
INTERNAL SERVICE FUND  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2016)**

|                                  | Self-<br>Insurance<br>Dental | Self-<br>Insurance<br>Health | Severance<br>Benefits | OPEB<br>Revocable<br>Trust | Totals               |                      |
|----------------------------------|------------------------------|------------------------------|-----------------------|----------------------------|----------------------|----------------------|
|                                  |                              |                              |                       |                            | 2017                 | 2016                 |
| <b>ASSETS</b>                    |                              |                              |                       |                            |                      |                      |
| Cash and Investments             | \$ 227,381                   | \$ 10,827,706                | \$ 4,228,478          | \$ 13,492,545              | \$ 28,776,110        | \$ 25,751,516        |
| Accounts Receivable              | 393                          | 4,887                        | -                     | -                          | 5,280                | 664                  |
| Interest Receivable              | -                            | -                            | -                     | 84,071                     | 84,071               | 91,502               |
| Due from Other Funds             | -                            | 438,674                      | -                     | -                          | 438,674              | 2,688,815            |
| Total Assets                     | <u>227,774</u>               | <u>11,271,267</u>            | <u>4,228,478</u>      | <u>13,576,616</u>          | <u>29,304,135</u>    | <u>28,532,497</u>    |
| <b>LIABILITIES</b>               |                              |                              |                       |                            |                      |                      |
| Current Liabilities:             |                              |                              |                       |                            |                      |                      |
| Health and Dental Claims Payable | 22,612                       | 1,288,516                    | 11,908                | -                          | 1,323,036            | 1,389,131            |
| Due to Plan Participants         | -                            | 3,081,945                    | -                     | -                          | 3,081,945            | 2,327,330            |
| Severance Benefits Payable       | -                            | -                            | 115,100               | -                          | 115,100              | 214,068              |
| Due to Other Funds               | 29,479                       | -                            | -                     | 892,748                    | 922,227              | 1,609,421            |
| Total Current Liabilities        | <u>52,091</u>                | <u>4,370,461</u>             | <u>127,008</u>        | <u>892,748</u>             | <u>5,442,308</u>     | <u>5,539,950</u>     |
| Noncurrent Liabilities:          |                              |                              |                       |                            |                      |                      |
| Severance Benefits Payable       | -                            | -                            | 1,521,503             | -                          | 1,521,503            | 1,496,875            |
| Total Liabilities                | <u>52,091</u>                | <u>4,370,461</u>             | <u>1,648,511</u>      | <u>892,748</u>             | <u>6,963,811</u>     | <u>7,036,825</u>     |
| <b>NET POSITION</b>              |                              |                              |                       |                            |                      |                      |
| Unrestricted                     | <u>\$ 175,683</u>            | <u>\$ 6,900,806</u>          | <u>\$ 2,579,967</u>   | <u>\$ 12,683,868</u>       | <u>\$ 22,340,324</u> | <u>\$ 21,495,672</u> |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
INTERNAL SERVICE FUND  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
YEAR ENDED JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2016)**

|                                 | Self-<br>Insurance<br>Dental | Self-<br>Insurance<br>Health | Severance<br>Benefits | OPEB<br>Revocable<br>Trust | Totals               |                      |
|---------------------------------|------------------------------|------------------------------|-----------------------|----------------------------|----------------------|----------------------|
|                                 |                              |                              |                       |                            | 2017                 | 2016                 |
| <b>OPERATING REVENUES</b>       |                              |                              |                       |                            |                      |                      |
| Charges for Services:           | \$ 839,295                   | \$ 19,522,714                | \$ -                  | \$ -                       | \$ 20,362,009        | 20,891,577           |
| Other Services                  | 29,479                       | 225,976                      | 189,440               | -                          | 444,895              | -                    |
| Total Operating Revenues        | <u>868,774</u>               | <u>19,748,690</u>            | <u>189,440</u>        | <u>-</u>                   | <u>20,806,904</u>    | <u>20,891,577</u>    |
| <b>OPERATING EXPENSES</b>       |                              |                              |                       |                            |                      |                      |
| Health Insurance Claim Payments | -                            | 18,883,685                   | -                     | -                          | 18,883,685           | 17,513,234           |
| Dental Insurance Claim Payments | 884,792                      | -                            | -                     | -                          | 884,792              | 946,068              |
| Severance Payments              | -                            | -                            | 236,400               | -                          | 236,400              | 516,016              |
| OPEB Payments                   | -                            | -                            | -                     | 933,445                    | 933,445              | 1,323,688            |
| Total Operating Expenses        | <u>884,792</u>               | <u>18,883,685</u>            | <u>236,400</u>        | <u>933,445</u>             | <u>20,938,322</u>    | <u>20,299,006</u>    |
| <b>OPERATING INCOME (LOSS)</b>  | (16,018)                     | 865,005                      | (46,960)              | (933,445)                  | (131,418)            | 592,571              |
| <b>NONOPERATING INCOME</b>      |                              |                              |                       |                            |                      |                      |
| Earnings on Investments         | <u>1,452</u>                 | <u>104,185</u>               | <u>24,548</u>         | <u>845,885</u>             | <u>976,070</u>       | <u>387,991</u>       |
| <b>CHANGE IN NET POSITION</b>   | (14,566)                     | 969,190                      | (22,412)              | (87,560)                   | 844,652              | 980,562              |
| Net Position - Beginning        | <u>190,249</u>               | <u>5,931,616</u>             | <u>2,602,379</u>      | <u>12,771,428</u>          | <u>21,495,672</u>    | <u>20,515,110</u>    |
| <b>NET POSITION - ENDING</b>    | <u>\$ 175,683</u>            | <u>\$ 6,900,806</u>          | <u>\$ 2,579,967</u>   | <u>\$ 12,683,868</u>       | <u>\$ 22,340,324</u> | <u>\$ 21,495,672</u> |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
INTERNAL SERVICE FUND  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2017  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2016)**

|  | Self-<br>Insurance<br>Dental | Self-<br>Insurance<br>Health | Severance<br>Benefits | OPEB<br>Revocable<br>Trust | Totals               |                       |
|--|------------------------------|------------------------------|-----------------------|----------------------------|----------------------|-----------------------|
|  |                              |                              |                       |                            | 2017                 | 2016                  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                              |                              |                       |                            |                      |                       |
| Receipts from Interfund Services Provided  | \$ 868,381                   | \$ 21,664,647                | \$ 189,440            | \$ 329,961                 | \$ 23,052,429        | \$ 18,727,749         |
| Payments for Health and Dental Claims  | (890,841)                    | (18,501,506)                 | -                     | -                          | (19,392,347)         | (17,658,015)          |
| Payments to Employee OPEB  | -                            | -                            | -                     | (1,320,157)                | (1,320,157)          | (1,135,401)           |
| Payments for Severance Benefits  | -                            | -                            | (298,832)             | -                          | (298,832)            | (945,179)             |
| Net Cash Provided (Used) by Operating Activities   | (22,460)                     | 3,163,141                    | (109,392)             | (990,196)                  | 2,041,093            | (1,010,846)           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                              |                              |                       |                            |                      |                       |
| Interest Received  | 1,452                        | 104,185                      | 24,548                | 853,316                    | 983,501              | 350,758               |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH<br/>EQUIVALENTS</b>  | (21,008)                     | 3,267,326                    | (84,844)              | (136,880)                  | 3,024,594            | (660,088)             |
| Cash and Cash Equivalents - Beginning  | 248,389                      | 7,560,380                    | 4,313,322             | 13,629,425                 | 25,751,516           | 26,411,604            |
| <b>CASH AND CASH EQUIVALENTS - ENDING</b>  | <u>\$ 227,381</u>            | <u>\$ 10,827,706</u>         | <u>\$ 4,228,478</u>   | <u>\$ 13,492,545</u>       | <u>\$ 28,776,110</u> | <u>\$ 25,751,516</u>  |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO<br/>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b> |                              |                              |                       |                            |                      |                       |
| Operating Income (Loss)  | \$ (16,018)                  | \$ 865,005                   | \$ (46,960)           | \$ (933,445)               | \$ (131,418)         | \$ 592,571            |
| Adjustments to Reconcile Operating Income (Loss) to Net<br>Cash Provided (Used) by Operating Activities: |                              |                              |                       |                            |                      |                       |
| Increase in Accounts Receivable  | (393)                        | (4,223)                      | -                     | -                          | (4,616)              | (664)                 |
| (Increase) Decrease in Due from Other Funds  | -                            | 1,920,180                    | -                     | 329,961                    | 2,250,141            | (2,163,164)           |
| Increase (Decrease) in Claims Payable  | (35,528)                     | (42,475)                     | 11,908                | -                          | (66,095)             | 32,163                |
| Increase in Due to Plan Participants   | -                            | 754,615                      | -                     | -                          | 754,615              | 439,163               |
| Decrease in Severance Benefits Payable   | -                            | -                            | (74,340)              | -                          | (74,340)             | (429,163)             |
| Increase (Decrease) in Due to Other Funds  | 29,479                       | (329,961)                    | -                     | (386,712)                  | (687,194)            | 518,248               |
| Total Adjustments  | (6,442)                      | 2,298,136                    | (62,432)              | (56,751)                   | 2,172,511            | (1,603,417)           |
| Net Cash Provided (Used) by Operating Activities   | <u>\$ (22,460)</u>           | <u>\$ 3,163,141</u>          | <u>\$ (109,392)</u>   | <u>\$ (990,196)</u>        | <u>\$ 2,041,093</u>  | <u>\$ (1,010,846)</u> |
| Total Cash and Investments per Statement of Net Position   | \$ 227,381                   | \$ 10,827,706                | \$ 4,228,478          | \$ 13,492,545              | \$ 28,776,110        | \$ 25,751,516         |
| Less: Investments Included in Cash and Investments   | -                            | -                            | -                     | -                          | -                    | -                     |
| Total Cash and Cash Equivalents  | <u>\$ 227,381</u>            | <u>\$ 10,827,706</u>         | <u>\$ 4,228,478</u>   | <u>\$ 13,492,545</u>       | <u>\$ 28,776,110</u> | <u>\$ 25,751,516</u>  |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS  
COMPLIANCE TABLE  
JUNE 30, 2017**

|  | AUDIT          | UFARS          | DIFFERENCE |
|--|----------------|----------------|------------|
| <b>01 GENERAL FUND</b>                   |                |                |            |
| Total Revenue                            | \$ 124,590,035 | \$ 124,590,036 | \$ (1)     |
| Total Expenditures                       | 126,130,083    | 126,130,085    | (2)        |
| <i>Nonspendable:</i>                     |                |                |            |
| 460 Nonspendable Fund Balance            | 328,969        | 328,969        | -          |
| <i>Restricted:</i>                       |                |                |            |
| 403 Staff Development                    | -              | -              | -          |
| 405 Deferred Maintenance                 | -              | -              | -          |
| 406 Health and Safety                    | (75,316)       | (75,316)       | -          |
| 407 Capital Project Levy                 | 34,059         | 34,059         | -          |
| 408 Cooperative Programs                 | -              | -              | -          |
| 413 Projects Funded by COP               | -              | -              | -          |
| 414 Operating Debt                       | -              | -              | -          |
| 416 Levy Reduction                       | -              | -              | -          |
| 417 Taconite Building Maintenance        | -              | -              | -          |
| 424 Operating Capital                    | 2,824,522      | 2,824,522      | -          |
| 426 \$25 Taconite                        | -              | -              | -          |
| 427 Disabled Accessibility               | -              | -              | -          |
| 428 Learning and Development             | -              | -              | -          |
| 434 Area Learning Center                 | 1,225,545      | 1,225,545      | -          |
| 435 Contracted Alternative Programs      | -              | -              | -          |
| 436 State-Approved Alternative Programs  | -              | -              | -          |
| 438 Gifted and Talented                  | -              | -              | -          |
| 440 Teacher Development and Evaluations  | -              | -              | -          |
| 441 Basic Skills Programs                | -              | -              | -          |
| 445 Career and Technical Programs        | -              | -              | -          |
| 448 Achievement and Integration          | -              | -              | -          |
| 449 Sage Schools Crime Levy              | -              | -              | -          |
| 451 QZAB Payments                        | -              | -              | -          |
| 452 OPEB Liability Not Held in Trust     | -              | -              | -          |
| 453 Unfunded Severance & Retirement Levy | -              | -              | -          |
| 464 Restricted Fund Balance              | -              | -              | -          |
| 467 LTFM                                 | (980)          | (980)          | -          |
| 472 Medical Assistance                   | 18,903         | 18,903         | -          |
| <i>Committed:</i>                        |                |                |            |
| 418 Committed for Separation             | -              | -              | -          |
| 461 Committed Fund Balance               | 1,293,948      | 1,293,948      | -          |
| <i>Assigned:</i>                         |                |                |            |
| 462 Assigned Fund Balance                | -              | -              | -          |
| <i>Unassigned:</i>                       |                |                |            |
| 422 Unassigned Fund Balance              | 14,467,081     | 14,467,079     | 2          |
| <b>02 FOOD SERVICE</b>                   |                |                |            |
| Total Revenue                            | 5,810,053      | 5,810,051      | 2          |
| Total Expenditures                       | 6,186,948      | 6,186,948      | -          |
| <i>Nonspendable:</i>                     |                |                |            |
| 460 Nonspendable Fund Balance            | 177,574        | 177,574        | -          |
| <i>Restricted:</i>                       |                |                |            |
| 452 OPEB Liability Not Held in Trust     | -              | -              | -          |
| 464 Restricted Fund Balance              | 1,188,170      | 1,188,169      | 1          |
| <i>Unassigned:</i>                       |                |                |            |
| 463 Unassigned Fund Balance              | -              | -              | -          |
| <b>04 COMMUNITY SERVICE</b>              |                |                |            |
| Total Revenue                            | 7,028,305      | 7,028,306      | (1)        |
| Total Expenditures                       | 6,931,874      | 6,931,875      | (1)        |
| <i>Nonspendable:</i>                     |                |                |            |
| 460 Nonspendable Fund Balance            | -              | -              | -          |
| <i>Restricted:</i>                       |                |                |            |
| 426 \$25 Taconite                        | -              | -              | -          |
| 431 Community Education                  | 45,808         | 45,808         | -          |
| 432 E.C.F.E.                             | 60,793         | 60,793         | -          |
| 440 Teacher Development and Evaluations  | -              | -              | -          |
| 444 School Readiness                     | 493,868        | 493,868        | -          |
| 447 Adult Basic Education                | -              | -              | -          |
| 452 OPEB Liability Not Held in Trust     | -              | -              | -          |
| 464 Restricted Fund Balance              | 9,325          | 9,324          | 1          |
| <i>Unassigned:</i>                       |                |                |            |
| 463 Unassigned Fund Balance              | -              | -              | -          |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS  
COMPLIANCE TABLE (CONTINUED)  
JUNE 30, 2017**

|                                  | AUDIT      | UFARS      | DIFFERENCE |
|----------------------------------|------------|------------|------------|
| <b>06 BUILDING CONSTRUCTION</b>  |            |            |            |
| Total Revenue                    | \$ 87,149  | \$ 87,149  | \$ -       |
| Total Expenditures               | 24,320,190 | 24,320,190 | -          |
| <i>Nonspendable:</i>             |            |            |            |
| 460 Nonspendable Fund Balance    | -          | -          | -          |
| <i>Restricted:</i>               |            |            |            |
| 407 Capital Projects Levy        | -          | -          | -          |
| 409 Alternative Facility Program | -          | -          | -          |
| 413 Projects Funded by COP       | -          | -          | -          |
| 464 Restricted Fund Balance      | 4,741,826  | 4,741,828  | (2)        |
| 467 LTFM                         | 1,598,938  | 1,598,938  | -          |
| <i>Unassigned:</i>               |            |            |            |
| 463 Unassigned Fund Balance      | -          | -          | -          |
| <b>07 DEBT SERVICE</b>           |            |            |            |
| Total Revenue                    | 11,138,902 | 11,138,902 | -          |
| Total Expenditures               | 11,473,406 | 11,473,407 | (1)        |
| <i>Nonspendable:</i>             |            |            |            |
| 460 Nonspendable Fund Balance    | -          | -          | -          |
| <i>Restricted:</i>               |            |            |            |
| 425 Bond Refunding               | 31,181,809 | 31,181,809 | -          |
| 451 QZAB and QSCB Payments       | -          | -          | -          |
| 464 Restricted Fund Balance      | 1,092,648  | 1,092,648  | -          |
| <i>Unassigned:</i>               |            |            |            |
| 463 Unassigned Fund Balance      | -          | -          | -          |
| <b>08 TRUST</b>                  |            |            |            |
| Total Revenue                    | 921,057    | 921,057    | -          |
| Total Expenditures               | 957,340    | 957,340    | -          |
| <i>Net Position:</i>             |            |            |            |
| 422 Net Position                 | 164,765    | 164,765    | -          |
| <b>20 INTERNAL SERVICE</b>       |            |            |            |
| Total Revenue                    | 20,937,089 | 20,937,090 | (1)        |
| Total Expenditures               | 20,004,877 | 20,004,879 | (2)        |
| <i>Net Position:</i>             |            |            |            |
| 422 Net Position                 | 9,656,456  | 9,656,456  | -          |
| <b>25 OPEB REVOCABLE TRUST</b>   |            |            |            |
| Total Revenue                    | 845,885    | 845,886    | (1)        |
| Total Expenditures               | 933,445    | 933,444    | 1          |
| <i>Net Position:</i>             |            |            |            |
| 422 Net Position                 | 12,683,868 | 12,683,869 | (1)        |
| <b>45 OPEB IRREVOCABLE TRUST</b> |            |            |            |
| Total Revenue                    | -          | -          | -          |
| Total Expenditures               | -          | -          | -          |
| <i>Net Position:</i>             |            |            |            |
| 422 Net Position                 | -          | -          | -          |
| <b>47 OPEB DEBT SERVICE</b>      |            |            |            |
| Total Revenue                    | 1,629,846  | 1,629,846  | -          |
| Total Expenditures               | 2,086,593  | 2,086,594  | (1)        |
| <i>Nonspendable:</i>             |            |            |            |
| 460 Nonspendable Fund Balance    | -          | -          | -          |
| <i>Restricted:</i>               |            |            |            |
| 425 Bond Refunding               | -          | -          | -          |
| 464 Restricted Fund Balance      | 346,275    | 346,275    | -          |
| <i>Unassigned:</i>               |            |            |            |
| 463 Unassigned Fund Balance      | -          | -          | -          |

## STATISTICAL SECTION (UNAUDITED)

This part of the Independent School District No. 191 comprehensive annual financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

| <u>Contents</u>  | <u>Page</u> |
|--|-------------|
| <b>Financial Trends</b>  |             |
| These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.  | 101         |
| <b>Revenue Capacity</b>  |             |
| These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.  | 109         |
| <b>Debt Capacity</b>   |             |
| 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.                | 117         |
| <b>Demographic and Economic Information</b>  |             |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.   | 122         |
| <b>Operating Information</b>   |             |
| These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to services the District provides and the activities it performs. | 124         |

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive financial reports for the relevant year.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

|  | Fiscal Year          |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 2008                 | 2009                 | 2010                 | 2011                 |
| <b>Governmental Activities</b>             |                      |                      |                      |                      |
| Net Investment in Capital Assets           | \$ 32,400,397        | \$ 34,695,342        | \$ 35,667,039        | \$ 34,407,587        |
| Restricted                                 | 1,944,889            | 3,733,631            | 1,832,117            | 2,161,029            |
| Unrestricted                               | 3,581,251            | 12,052,404           | 14,610,991           | 16,668,510           |
| Total Governmental Activities Net Position | <u>\$ 37,926,537</u> | <u>\$ 50,481,377</u> | <u>\$ 52,110,147</u> | <u>\$ 53,237,126</u> |

Source: District's financial records.

| Fiscal Year          |                      |                      |                        |                        |                        |
|----------------------|----------------------|----------------------|------------------------|------------------------|------------------------|
| 2012                 | 2013                 | 2014                 | 2015                   | 2016                   | 2017                   |
| \$ 33,135,086        | \$ 30,342,438        | \$ 30,452,283        | \$ 27,062,458          | \$ 22,196,478          | \$ 49,117,430          |
| 5,216,979            | 6,159,342            | 5,749,042            | 7,527,306              | 6,488,027              | 6,015,244              |
| 19,384,308           | 22,916,072           | 21,984,806           | (58,671,372)           | (51,635,923)           | (113,277,080)          |
| <u>\$ 57,736,373</u> | <u>\$ 59,417,852</u> | <u>\$ 58,186,131</u> | <u>\$ (24,081,608)</u> | <u>\$ (22,951,418)</u> | <u>\$ (58,144,406)</u> |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

|   | Fiscal Year         |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 2008                | 2009                | 2010                | 2011                |
| <b>Expenses</b>   |                     |                     |                     |                     |
| Governmental Activities:                                  |                     |                     |                     |                     |
| Administration  | \$ 5,027,845        | \$ 4,950,096        | \$ 4,849,650        | \$ 4,570,736        |
| District Support Services                                 | 3,126,850           | 3,390,913           | 3,361,532           | 3,551,635           |
| Elementary and Secondary Regular Instruction              | 45,515,887          | 47,519,413          | 50,102,667          | 50,974,493          |
| Vocational Education Instruction                          | 1,526,776           | 1,632,973           | 1,551,879           | 1,480,298           |
| Special Education Instruction                             | 23,681,196          | 22,145,039          | 21,734,681          | 22,682,654          |
| Instructional Support Services                            | 6,153,326           | 7,501,043           | 8,045,291           | 7,754,442           |
| Pupil Support Services                                    | 8,557,826           | 8,603,916           | 9,780,469           | 10,026,146          |
| Sites and Buildings                                       | 8,191,449           | 8,522,420           | 14,180,528          | 15,784,580          |
| Fiscal and Other Fixed Cost Programs                      | 209,332             | 264,411             | 202,269             | 210,020             |
| Food Service  | 4,511,341           | 4,679,838           | 4,233,044           | 4,291,762           |
| Community Service   | 7,208,037           | 6,799,003           | 6,824,402           | 6,437,058           |
| Unallocated Depreciation                                  | 4,056,496           | 4,397,939           | -                   | -                   |
| Interest and Fiscal Charges on Debt                       | 2,789,012           | 3,598,995           | 4,177,493           | 4,141,447           |
| Total Governmental Activities Expenses                    | <u>120,555,373</u>  | <u>124,005,999</u>  | <u>129,043,905</u>  | <u>131,905,271</u>  |
| <b>Program Revenues</b>                                   |                     |                     |                     |                     |
| Governmental Activities:                                  |                     |                     |                     |                     |
| Charges for Services:                                     |                     |                     |                     |                     |
| Administration  | -                   | -                   | -                   | 380                 |
| District Support Services                                 | -                   | -                   | -                   | 127,990             |
| Regular Instruction                                       | -                   | -                   | -                   | 1,017,919           |
| Vocational Education Instruction                          | -                   | -                   | -                   | 14,397              |
| Special Education Instruction                             | -                   | -                   | -                   | 219,159             |
| Instructional Support Services                            | -                   | -                   | -                   | 3,932               |
| Pupil Support Services                                    | -                   | -                   | -                   | 79,144              |
| Sites and Buildings                                       | -                   | -                   | -                   | 166,728             |
| Food Service  | -                   | -                   | -                   | 2,059,988           |
| Community Service   | -                   | -                   | -                   | 4,388,387           |
| Charges for Services:                                     | 8,861,528           | 8,757,337           | 7,950,985           | -                   |
| Operating Grants and Contributions                        | 27,942,642          | 26,465,588          | 33,468,257          | 29,054,228          |
| Capital Grants and Contributions                          | -                   | -                   | 2,406,218           | 852,644             |
| Total Governmental Activities Program Revenue             | <u>36,804,170</u>   | <u>35,222,925</u>   | <u>43,825,460</u>   | <u>37,984,896</u>   |
| <b>Net Expense</b>  |                     |                     |                     |                     |
| Governmental Activities                                   | (83,751,203)        | (88,783,074)        | (85,218,445)        | (93,920,375)        |
| <b>General Revenues and Other Changes in Net Position</b> |                     |                     |                     |                     |
| Governmental Activities:                                  |                     |                     |                     |                     |
| Property Taxes:   |                     |                     |                     |                     |
| Property Taxes, Levied for General Purposes               | 15,333,736          | 23,788,718          | 24,227,785          | 32,482,605          |
| Property Taxes, Levied for Capital Projects               | 1,220,877           | 1,997,143           | 1,659,108           | -                   |
| Property Taxes, Levied for Community Service              | 1,050,146           | 821,623             | 883,211             | 1,404,146           |
| Property Taxes, Levied for Debt Service                   | 5,288,249           | 6,125,262           | 6,721,713           | 8,134,891           |
| General Grants and Aids                                   | 61,627,214          | 62,750,280          | 52,784,986          | 52,461,003          |
| Other General Revenues                                    | 505,762             | 765,767             | 96,418              | 88,302              |
| Investment Earnings                                       | 1,546,475           | 1,059,429           | 473,994             | 476,407             |
| Total Governmental Activities                             | <u>86,572,459</u>   | <u>97,308,222</u>   | <u>86,847,215</u>   | <u>95,047,354</u>   |
| <b>Change in Net Position</b>                             | <u>\$ 2,821,256</u> | <u>\$ 8,525,148</u> | <u>\$ 1,628,770</u> | <u>\$ 1,126,979</u> |

Source: District's financial records.

| Fiscal Year         |                     |                     |                       |                     |                        |  |
|---------------------|---------------------|---------------------|-----------------------|---------------------|------------------------|--|
| 2012                | 2013                | 2014                | 2015                  | 2016                | 2017                   |  |
| \$ 4,913,118        | \$ 5,017,728        | \$ 5,222,596        | \$ 5,495,447          | \$ 5,372,409        | \$ 7,177,258           |  |
| 4,003,191           | 3,558,217           | 3,395,055           | 3,719,700             | 2,732,153           | 4,591,300              |  |
| 50,611,296          | 50,949,918          | 51,729,124          | 52,233,831            | 51,786,010          | 84,957,113             |  |
| 1,492,225           | 1,312,146           | 1,236,118           | 1,376,740             | 1,399,185           | 2,662,664              |  |
| 19,023,796          | 20,061,117          | 22,197,325          | 24,497,781            | 23,575,099          | 32,487,928             |  |
| 6,062,033           | 7,811,846           | 10,268,318          | 10,962,774            | 10,534,435          | 15,404,303             |  |
| 9,807,447           | 9,868,782           | 10,347,505          | 10,621,468            | 9,691,454           | 12,265,084             |  |
| 15,200,182          | 17,070,641          | 15,688,853          | 16,747,542            | 19,295,728          | 9,334,739              |  |
| 251,997             | 295,956             | 359,332             | 378,575               | 398,068             | 353,822                |  |
| 4,323,546           | 4,900,535           | 4,945,020           | 5,059,060             | 5,535,377           | 5,989,896              |  |
| 5,381,854           | 5,011,420           | 5,852,106           | 6,151,189             | 6,580,796           | 7,763,673              |  |
| -                   | -                   | -                   | -                     | -                   | -                      |  |
| 4,601,698           | 4,274,825           | 4,487,298           | 6,948,424             | 6,781,498           | 7,150,741              |  |
| <u>125,672,383</u>  | <u>130,133,131</u>  | <u>135,728,650</u>  | <u>144,192,531</u>    | <u>143,682,212</u>  | <u>190,138,521</u>     |  |
| 544                 | 1,029               | 3,075               | 194,914               | 210,784             | 226,224                |  |
| 134,569             | 109,146             | 107,339             | -                     | -                   | -                      |  |
| 806,875             | 938,224             | 835,616             | 716,947               | 800,869             | 640,147                |  |
| 4,577               | 2,168               | -                   | -                     | -                   | -                      |  |
| 258,340             | 314,860             | 401,262             | 351,834               | 381,559             | 363,885                |  |
| 2,925               | 777                 | 725                 | 262                   | 112                 | -                      |  |
| 71,789              | 53,446              | 52,946              | 164,802               | 64,797              | 79,865                 |  |
| 164,797             | 236,430             | 399,322             | 273,804               | 223,790             | 278,415                |  |
| 1,949,840           | 1,961,046           | 1,807,330           | 1,688,935             | 1,621,218           | 1,653,583              |  |
| 3,836,094           | 3,250,050           | 3,389,114           | 3,457,191             | 3,390,724           | 3,266,333              |  |
| -                   | -                   | -                   | -                     | -                   | -                      |  |
| 27,077,411          | 27,428,931          | 29,387,695          | 29,737,748            | 29,394,748          | 32,886,488             |  |
| 910,472             | 903,453             | 985,391             | 1,398,776             | 1,236,991           | 1,153,072              |  |
| <u>35,218,233</u>   | <u>35,199,560</u>   | <u>37,369,815</u>   | <u>37,985,213</u>     | <u>37,325,592</u>   | <u>40,548,012</u>      |  |
| (90,454,150)        | (94,933,571)        | (98,358,835)        | (106,207,318)         | (106,356,620)       | (149,590,509)          |  |
| 22,636,895          | 24,589,073          | 15,967,774          | 21,784,467            | 22,877,675          | 25,712,820             |  |
| -                   | -                   | -                   | -                     | 1,200,000           | -                      |  |
| 941,361             | 985,656             | 484,038             | 1,077,297             | 1,238,633           | 1,545,989              |  |
| 8,522,512           | 8,982,183           | 9,373,229           | 10,125,067            | 9,742,800           | 11,915,513             |  |
| 62,107,115          | 61,702,475          | 71,455,903          | 68,576,907            | 70,513,775          | 72,447,212             |  |
| 287,108             | 278,153             | 294,357             | 728,393               | 1,071,088           | 1,259,886              |  |
| 458,406             | 77,510              | 348,647             | 322,603               | 842,839             | 1,516,101              |  |
| <u>94,953,397</u>   | <u>96,615,050</u>   | <u>97,923,948</u>   | <u>102,614,734</u>    | <u>107,486,810</u>  | <u>114,397,521</u>     |  |
| <u>\$ 4,499,247</u> | <u>\$ 1,681,479</u> | <u>\$ (434,887)</u> | <u>\$ (3,592,584)</u> | <u>\$ 1,130,190</u> | <u>\$ (35,192,988)</u> |  |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

|                                     | Fiscal Year          |                      |                      |                      |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                     | 2008                 | 2009                 | 2010                 | 2011                 |
| <b>General Fund</b>                 |                      |                      |                      |                      |
| Reserved                            | \$ 2,880,170         | \$ 4,276,972         | \$ 2,636,276         | \$ -                 |
| Unreserved, Designated              | 2,318,619            | 5,090,162            | 2,352,197            | -                    |
| Unreserved, Undesignated            | 4,070,656            | 9,572,656            | 11,044,500           | -                    |
| Nonspendable                        | -                    | -                    | -                    | 278,075              |
| Restricted                          | -                    | -                    | -                    | 2,851,833            |
| Committed                           | -                    | -                    | -                    | 2,903,318            |
| Unassigned                          | -                    | -                    | -                    | 11,508,180           |
| Total General Fund                  | <u>\$ 9,269,445</u>  | <u>\$ 18,939,790</u> | <u>\$ 16,032,973</u> | <u>\$ 17,541,406</u> |
| <b>All Other Governmental Funds</b> |                      |                      |                      |                      |
| Reserved                            | \$ 28,335,079        | \$ 14,370,010        | \$ 5,943,846         | \$ -                 |
| Unreserved, Reported in:            | 2,121,115            | 2,733,039            | 2,094,857            | -                    |
| Nonspendable                        | -                    | -                    | -                    | 11,415               |
| Restricted, Reported in:            | -                    | -                    | -                    | 22,187,616           |
| Unassigned, Reported in:            | -                    | -                    | -                    | (15,929)             |
| All Other Governmental Funds        | <u>\$ 30,456,194</u> | <u>\$ 17,103,049</u> | <u>\$ 8,038,703</u>  | <u>\$ 22,183,102</u> |
| Total All Funds                     | <u>\$ 39,725,639</u> | <u>\$ 36,042,839</u> | <u>\$ 24,071,676</u> | <u>\$ 39,724,508</u> |

Source: District's financial records

| Fiscal Year          |                      |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2012                 | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 |
| \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| 189,006              | 270,695              | 256,197              | 647,352              | -                    | 328,969              |
| 3,562,528            | 3,867,464            | 3,633,869            | 3,831,642            | 4,196,553            | 4,027,713            |
| 2,519,534            | 1,903,201            | 2,067,348            | 1,393,434            | 1,176,269            | 1,293,948            |
| 15,451,213           | 17,472,471           | 16,003,177           | 14,805,438           | 15,748,008           | 14,466,101           |
| <u>\$ 21,722,281</u> | <u>\$ 23,513,831</u> | <u>\$ 21,960,591</u> | <u>\$ 20,677,866</u> | <u>\$ 21,120,830</u> | <u>\$ 20,116,731</u> |
| \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| -                    | -                    | -                    | -                    | -                    | -                    |
| 15,084               | 22,033               | 26,984               | 67,157               | 122,264              | 177,574              |
| 12,897,157           | 23,784,859           | 15,889,247           | 77,192,716           | 74,776,954           | 40,759,460           |
| -                    | -                    | -                    | -                    | -                    | -                    |
| <u>\$ 12,912,241</u> | <u>\$ 23,806,892</u> | <u>\$ 15,916,231</u> | <u>\$ 77,259,873</u> | <u>\$ 74,899,218</u> | <u>\$ 40,937,034</u> |
| <u>\$ 34,634,522</u> | <u>\$ 47,320,723</u> | <u>\$ 37,876,822</u> | <u>\$ 97,937,739</u> | <u>\$ 96,020,048</u> | <u>\$ 61,053,765</u> |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

|  | Fiscal Year          |                       |                        |                      |
|--|----------------------|-----------------------|------------------------|----------------------|
|  | 2008                 | 2009                  | 2010                   | 2011                 |
| <b>Revenues</b>  |                      |                       |                        |                      |
| Local Sources:   |                      |                       |                        |                      |
| Property Taxes   | \$ 22,834,837        | \$ 32,553,680         | \$ 33,312,791          | \$ 42,027,958        |
| Earnings on Investments                                    | 1,405,009            | 1,021,884             | 174,360                | 31,677               |
| Other  | 10,000,580           | 9,829,361             | 8,905,536              | 9,132,181            |
| State Sources  | 82,213,084           | 82,343,720            | 74,486,292             | 73,572,503           |
| Federal Sources  | 6,462,561            | 5,893,647             | 13,308,330             | 7,828,467            |
| Total Revenues   | <u>122,916,071</u>   | <u>131,642,292</u>    | <u>130,187,309</u>     | <u>132,592,786</u>   |
| <b>Expenditures</b>  |                      |                       |                        |                      |
| Current:   |                      |                       |                        |                      |
| Administration   | 4,657,727            | 6,140,806             | 4,740,928              | 4,479,834            |
| District Support Services                                  | 3,105,926            | 3,511,356             | 3,316,627              | 3,503,874            |
| Elementary and Secondary Regular Instruction               | 45,261,251           | 56,188,736            | 49,316,260             | 50,623,741           |
| Vocational Education Instruction                           | 1,523,789            | 1,835,088             | 1,575,805              | 1,457,705            |
| Special Education Instruction                              | 23,754,715           | 25,938,318            | 21,044,299             | 22,217,684           |
| Instructional Support Services                             | 6,118,765            | 8,143,797             | 7,091,658              | 6,817,957            |
| Pupil Support Services                                     | 8,525,680            | 9,355,083             | 9,584,890              | 10,012,614           |
| Sites and Buildings  | 8,588,916            | 10,478,601            | 8,847,651              | 9,590,961            |
| Fiscal and Other Fixed Cost Programs                       | 209,332              | 264,411               | 202,269                | 210,020              |
| Food Service   | 4,468,774            | 4,558,646             | 4,160,351              | 4,222,507            |
| Community Service Fund                                     | 7,175,595            | 7,392,208             | 6,761,386              | 6,387,759            |
| Capital Outlay   | 14,938,638           | 16,613,204            | 14,247,559             | 7,521,788            |
| Debt Service:  |                      |                       |                        |                      |
| Principal  | 3,557,799            | 3,746,517             | 3,750,000              | 4,480,000            |
| Interest and Fiscal Charges                                | 2,549,048            | 3,475,367             | 4,055,731              | 4,165,905            |
| Total Expenditures   | <u>134,435,955</u>   | <u>157,642,138</u>    | <u>138,695,414</u>     | <u>135,692,349</u>   |
| <b>Deficiency of Revenues Under Expenditures</b>           | (11,519,884)         | (25,999,846)          | (8,508,105)            | (3,099,563)          |
| <b>Other Financing Sources (Uses)</b>                      |                      |                       |                        |                      |
| Proceeds from Debt Issuance                                | 30,580,000           | 18,580,000            | -                      | 16,575,000           |
| Refunding Bonds Issued                                     | 17,110,000           | -                     | -                      | -                    |
| Premium on Bonds   | 338,143              | 266,733               | -                      | 328,926              |
| Payments to Refunded Bond Escrow Agent                     | (17,535,000)         | -                     | -                      | -                    |
| Capital Leases   | 152,637              | 875,000               | 1,103,500              | -                    |
| Proceeds from Sale of Equipment                            | -                    | -                     | 4,135                  | 1,050                |
| Proceeds from Insurance Recovery                           | -                    | -                     | 2,571                  | 1,847,419            |
| Transfers In   | 500,000              | 3,377,203             | 345,512                | -                    |
| Transfers Out  | -                    | (781,890)             | (4,918,776)            | -                    |
| Total Other Financing Sources (Uses)                       | <u>31,145,780</u>    | <u>22,317,046</u>     | <u>(3,463,058)</u>     | <u>18,752,395</u>    |
| <b>Net Change in Fund Balances</b>                         | <u>\$ 19,625,896</u> | <u>\$ (3,682,800)</u> | <u>\$ (11,971,163)</u> | <u>\$ 15,652,832</u> |
| Debt Service as a Percentage of<br>Noncapital Expenditures | 5.11%                | 5.12%                 | 6.27%                  | 6.75%                |

Sources: District's financial records

| Fiscal Year           |                      |                       |                      |                       |                        |
|-----------------------|----------------------|-----------------------|----------------------|-----------------------|------------------------|
| 2012                  | 2013                 | 2014                  | 2015                 | 2016                  | 2017                   |
| \$ 32,233,016         | \$ 34,586,475        | \$ 25,795,703         | \$ 33,212,333        | \$ 35,053,016         | \$ 39,094,623          |
| 37,064                | 49,189               | 73,673                | 68,245               | 454,848               | 540,031                |
| 8,144,240             | 8,356,020            | 8,627,885             | 8,026,353            | 8,191,071             | 8,484,173              |
| 81,833,895            | 82,364,820           | 92,656,912            | 91,607,137           | 92,498,905            | 93,346,633             |
| 7,371,690             | 6,438,224            | 7,584,795             | 7,654,305            | 7,860,618             | 8,631,725              |
| <u>129,619,905</u>    | <u>131,794,728</u>   | <u>134,738,968</u>    | <u>140,568,373</u>   | <u>144,058,458</u>    | <u>150,097,185</u>     |
| 4,653,413             | 4,989,116            | 5,165,097             | 5,381,925            | 5,536,309             | 5,519,388              |
| 3,844,968             | 3,554,671            | 3,413,639             | 3,683,322            | 3,531,663             | 4,185,606              |
| 50,600,018            | 50,345,903           | 51,801,948            | 53,893,564           | 54,043,785            | 54,976,422             |
| 1,498,920             | 1,313,835            | 1,239,045             | 1,363,572            | 1,452,112             | 1,876,990              |
| 19,095,676            | 19,864,118           | 22,223,518            | 24,169,675           | 24,455,459            | 24,027,079             |
| 4,999,515             | 7,436,464            | 10,207,507            | 10,702,294           | 10,819,656            | 10,862,353             |
| 9,766,628             | 9,865,911            | 10,358,327            | 10,576,978           | 9,766,662             | 11,000,503             |
| 8,934,219             | 9,226,327            | 10,722,992            | 9,415,493            | 9,573,137             | 9,302,350              |
| 251,997               | 295,956              | 359,332               | 378,575              | 398,068               | 353,822                |
| 4,145,547             | 4,633,338            | 4,934,679             | 5,016,679            | 5,546,232             | 5,733,255              |
| 5,316,732             | 4,996,977            | 5,879,995             | 6,069,954            | 6,615,805             | 6,875,455              |
| 12,116,836            | 10,265,759           | 7,425,642             | 5,597,264            | 42,659,773            | 28,169,017             |
| 5,126,777             | 5,333,428            | 5,921,060             | 6,037,478            | 6,133,104             | 6,726,213              |
| 4,626,776             | 4,537,801            | 4,780,920             | 5,753,097            | 6,263,031             | 7,520,641              |
| <u>134,978,022</u>    | <u>136,659,604</u>   | <u>144,433,701</u>    | <u>148,039,870</u>   | <u>186,794,796</u>    | <u>177,129,094</u>     |
| (5,358,117)           | (4,864,876)          | (9,694,733)           | (7,471,497)          | (42,736,338)          | (27,031,909)           |
| -                     | 16,910,000           | -                     | 68,450,000           | 36,715,000            | 13,990,000             |
| -                     | -                    | -                     | -                    | -                     | -                      |
| -                     | 612,872              | -                     | 2,609,184            | 3,913,835             | -                      |
| -                     | -                    | -                     | (4,015,000)          | -                     | (22,620,346)           |
| -                     | -                    | -                     | 503,645              | 318,585               | -                      |
| 5,500                 | 7,081                | 5,535                 | -                    | -                     | -                      |
| 262,631               | 21,124               | 245,297               | 4,818                | 359,861               | 187,105                |
| -                     | -                    | -                     | -                    | -                     | 27,082                 |
| -                     | -                    | -                     | -                    | -                     | (27,082)               |
| <u>268,131</u>        | <u>17,551,077</u>    | <u>250,832</u>        | <u>67,552,647</u>    | <u>41,307,281</u>     | <u>(8,443,241)</u>     |
| <u>\$ (5,089,986)</u> | <u>\$ 12,686,201</u> | <u>\$ (9,443,901)</u> | <u>\$ 60,081,150</u> | <u>\$ (1,429,057)</u> | <u>\$ (35,475,150)</u> |
| 7.94%                 | 7.81%                | 7.81%                 | 8.28%                | 8.45%                 | 9.42%                  |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
 INDEPENDENT SCHOOL DISTRICT NO. 191  
 GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE AND LEVY TYPE  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
 (UNAUDITED)**

| Fiscal Year | Property Tax  |                   |   |              |               | Total |
|-------------|---------------|-------------------|---|--------------|---------------|-------|
|             | General Fund  | Community Service | Capital Projects - Building Construction Fund | Debt Service |               |       |
| 2008        | \$ 15,295,699 | \$ 1,047,297      | \$ 3,587,533                                  | \$ 5,270,964 | \$ 25,201,493 |       |
| 2009        | 23,644,333    | 819,197           | 1,220,877                                     | 6,093,007    | 31,777,414    |       |
| 2010        | 24,098,279    | 878,490           | 1,997,143                                     | 6,685,783    | 33,659,695    |       |
| 2011        | 32,487,487    | 1,404,357         | 1,650,239                                     | 8,136,114    | 43,678,197    |       |
| 2012        | 22,730,154    | 945,239           | -   | 8,557,623    | 32,233,016    |       |
| 2013        | 24,610,109    | 986,499           | -   | 8,989,867    | 34,586,475    |       |
| 2014        | 15,949,634    | 483,488           | -   | 9,362,581    | 25,795,703    |       |
| 2015        | 21,933,388    | 1,084,662         | -   | 10,194,283   | 33,212,333    |       |
| 2016        | 22,874,885    | 1,237,759         | 1,200,000                                     | 9,740,372    | 35,053,016    |       |
| 2017        | 25,663,259    | 1,542,386         | -   | 11,888,978   | 39,094,623    |       |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
TAX CAPACITIES AND MARKET VALUE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

| For Taxes<br>Collectible | Tax Capacity Valuation |                  |                    |              |
|--------------------------|------------------------|------------------|--------------------|--------------|
|                          | Agricultural           | Non-Agricultural | Fiscal Disparities |              |
|                          |                        |                  | Contribution       | Distribution |
| <b>Dakota County</b>     |                        |                  |                    |              |
| 2008                     | \$ -                   | \$ 65,729,936    | \$ (8,091,910)     | \$ 6,426,990 |
| 2009                     | 3,939                  | 65,915,092       | (8,836,371)        | 7,374,378    |
| 2010                     | -                      | 62,585,735       | (9,383,424)        | 7,552,685    |
| 2011                     | -                      | 58,466,834       | (9,345,125)        | 7,373,077    |
| 2012                     | -                      | 54,554,627       | (8,854,516)        | 6,837,908    |
| 2013                     | -                      | 51,366,003       | (8,772,069)        | 6,412,676    |
| 2014                     | -                      | 52,188,920       | (8,671,256)        | 5,990,040    |
| 2015                     | -                      | 56,421,607       | (8,676,317)        | 5,954,015    |
| 2016                     | -                      | 58,689,449       | (9,336,149)        | 6,108,398    |
| 2017                     | -                      | 59,771,813       | (9,204,390)        | 6,571,222    |
| <b>Scott County</b>      |                        |                  |                    |              |
| 2008                     | 29,720                 | 17,143,352       | (2,095,903)        | 1,332,264    |
| 2009                     | 48,777                 | 17,856,869       | (2,448,215)        | 1,472,452    |
| 2010                     | -                      | 17,839,926       | (2,694,919)        | 771,610      |
| 2011                     | 57,863                 | 17,551,138       | (2,897,114)        | 1,807,108    |
| 2012                     | 50,493                 | 16,234,341       | (2,860,834)        | 1,531,944    |
| 2013                     | 25,851                 | 15,105,539       | (2,725,855)        | 1,482,916    |
| 2014                     | 52,993                 | 15,700,702       | (2,700,526)        | 1,377,863    |
| 2015                     | 43,898                 | 17,077,271       | (2,698,085)        | 1,416,364    |
| 2016                     | 76,637                 | 18,097,758       | (3,064,523)        | 1,523,727    |
| 2017                     | 37,415                 | 19,869,873       | (3,175,091)        | 1,709,580    |

Source: School Tax Report issued by the Minnesota Department of Education and Scott and Dakota Counties

| <u>Tax Increment</u> | <u>Total Taxable</u> | <u>Taxable<br/>Market Value</u> | <u>Tax Capacity<br/>as a Percentage<br/>of Market Value</u> |
|----------------------|----------------------|---------------------------------|---|
| \$ (6,374,112)       | \$ 57,690,904        | \$ 5,318,277,150                | 1.08  |
| (6,346,758)          | 58,110,280           | 5,274,098,550                   | 1.10  |
| (6,063,844)          | 54,691,152           | 4,952,096,500                   | 1.10  |
| (3,707,982)          | 52,786,804           | 4,605,222,400                   | 1.15  |
| (3,458,759)          | 49,079,260           | 4,504,133,750                   | 1.09  |
| (3,304,385)          | 45,702,225           | 4,281,610,850                   | 1.07  |
| (1,304,367)          | 48,203,337           | 4,345,185,225                   | 1.11  |
| (1,832,040)          | 51,867,265           | 4,692,482,625                   | 1.11  |
| (3,169,684)          | 52,292,014           | 4,865,451,265                   | 1.07  |
| (3,378,035)          | 54,661,226           | 5,003,279,610                   | 1.09  |
| (1,590,462)          | 14,818,971           | 1,396,175,400                   | 1.06  |
| (138,233)            | 16,791,650           | 1,442,672,150                   | 1.16  |
| (129,985)            | 15,786,632           | 1,404,193,900                   | 1.12  |
| (36,196)             | 16,482,799           | 1,377,039,800                   | 1.20  |
| (26,264)             | 14,929,680           | 1,334,288,700                   | 1.12  |
| (25,738)             | 13,862,713           | 1,263,549,300                   | 1.10  |
| (25,738)             | 14,405,294           | 1,318,625,200                   | 1.09  |
| -                    | 15,839,448           | 1,430,354,300                   | 1.11  |
| (81,937)             | 16,551,662           | 1,505,076,100                   | 1.10  |
| (138,187)            | 18,729,804           | 1,618,071,200                   | 1.16  |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN YEARS  
(UNAUDITED)**

| Rate              | Tax<br>Collection<br>Year | ISD<br>No. 191 | Overlapping Rates |            |         |         |          |
|-------------------|---------------------------|----------------|-------------------|------------|---------|---------|----------|
|                   |                           |                | Municipalities    |            |         |         |          |
|                   |                           |                | Apple<br>Valley   | Burnsville | Eagan   | Savage  | Shakopee |
| Tax Capacity Rate | 2008                      | 0.19374        | 0.35537           | 0.35005    | 0.19374 | 0.48356 | 0.31925  |
| Market Value Rate | 2008                      | 0.26397        | 0.01736           | -          | 0.01526 | 0.01937 | 0.00537  |
| Tax Capacity Rate | 2009                      | 0.19821        | 0.37083           | 0.36088    | 0.19821 | 0.46013 | 0.32630  |
| Market Value Rate | 2009                      | 0.24439        | 0.03109           | -          | 0.01516 | 0.01984 | 0.00651  |
| Tax Capacity Rate | 2010                      | 0.20651        | 0.39848           | 0.38568    | 0.30407 | 0.47335 | 0.33710  |
| Market Value Rate | 2010                      | 0.26401        | 0.03372           | -          | 0.01603 | 0.01523 | 0.00555  |
| Tax Capacity Rate | 2011                      | 0.21854        | 0.42388           | 0.42598    | 0.33675 | 0.48278 | 0.34731  |
| Market Value Rate | 2011                      | 0.27427        | 0.03750           | -          | 0.01704 | 0.01543 | 0.00342  |
| Tax Capacity Rate | 2012                      | 0.21881        | 0.44110           | 0.43213    | 0.34553 | 0.51123 | 0.36655  |
| Market Value Rate | 2012                      | 0.28538        | 0.04169           | -          | 0.01644 | 0.00160 | 0.00035  |
| Tax Capacity Rate | 2013                      | 0.26168        | 0.49210           | 0.47021    | 0.38272 | 0.55508 | 0.41996  |
| Market Value Rate | 2013                      | 0.29632        | 0.02122           | -          | 0.01726 | 0.00169 | 0.00047  |
| Tax Capacity Rate | 2014                      | 0.25661        | 0.47891           | 0.46670    | 0.38250 | 0.55278 | 0.41437  |
| Market Value Rate | 2014                      | 0.26308        | 0.02124           | -          | 0.01696 | 0.00161 | 0.00052  |
| Tax Capacity Rate | 2015                      | 0.24554        | 0.45274           | 0.44790    | 0.36525 | 0.51742 | 0.37862  |
| Market Value Rate | 2015                      | 0.26015        | 0.02036           | -          | 0.01564 | 0.00148 | 0.00054  |
| Tax Capacity Rate | 2016                      | 0.31065        | 0.44721           | 0.46525    | 0.37097 | 0.49905 | 0.37902  |
| Market Value Rate | 2016                      | 0.24692        | 0.01994           | -          | 0.01490 | 0.00141 | 0.00061  |
| Tax Capacity Rate | 2017                      | 0.27529        | 0.44473           | 0.46557    | 0.37385 | 0.47841 | 0.38522  |
| Market Value Rate | 2017                      | 0.00233        | 0.00233           | -          | 0.00015 | 0.00013 | -        |

\* Tax capacity rates only.

Source: Dakota and Scott Counties

| Overlapping Rates |              |                          |              |                     |                 |
|-------------------|--------------|--------------------------|--------------|---------------------|-----------------|
| Counties          |              | Special Taxing Districts |              | Total*              |                 |
| Dakota County     | Scott County | Dakota County            | Scott County | Burnsville Resident | Savage Resident |
| 0.25184           | 0.32646      | 0.05792                  | 0.04179      | 0.85355             | 1.05775         |
| -                 | -            | -                        | -            | -                   | -               |
| 0.25808           | 0.32684      | 0.06152                  | 0.04280      | 0.87869             | 1.03776         |
| -                 | -            | -                        | -            | -                   | -               |
| 0.27261           | 0.33237      | 0.05868                  | 0.04938      | 0.92348             | 1.06161         |
| -                 | -            | -                        | -            | -                   | -               |
| 0.29149           | 0.35541      | 0.05798                  | 0.04649      | 0.99399             | 1.10322         |
| -                 | -            | -                        | -            | -                   | -               |
| 0.31426           | 0.38802      | 0.06407                  | 0.05081      | 1.02927             | 1.16887         |
| -                 | -            | -                        | -            | -                   | -               |
| 0.33421           | 0.40674      | 0.07009                  | 0.05250      | 1.13619             | 1.27600         |
| -                 | -            | -                        | -            | -                   | -               |
| 0.31827           | 0.39720      | 0.06772                  | 0.05062      | 1.10930             | 1.25721         |
| -                 | -            | -                        | -            | -                   | -               |
| 0.29633           | 0.36640      | 0.06201                  | 0.04692      | 1.05178             | 1.17628         |
| -                 | -            | -                        | -            | -                   | -               |
| 0.28570           | 0.36175      | 0.06288                  | 0.04670      | 1.12448             | 1.21815         |
| -                 | -            | -                        | -            | -                   | -               |
| 0.28004           | 0.35896      | 0.04458                  | 0.04979      | 1.06548             | 1.16245         |
| -                 | -            | -                        | -            | 0.00233             | 0.00247         |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
PRINCIPAL PROPERTY TAXPAYERS  
FISCALYEAR 2013 AND 2005  
(UNAUDITED)**

| Taxpayer                        | 2017                |      |                                  | 2008                |      |                                  |
|---------------------------------|---------------------|------|----------------------------------|---------------------|------|----------------------------------|
|                                 | Net Tax Capacity    | Rank | Percentage of Tax Capacity Value | Net Tax Capacity    | Rank | Percentage of Tax Capacity Value |
| Xcel Energy                     | \$ 2,379,689        | 1    | 2.94 %                           | \$ 2,260,377        | 1    | 2.73 %                           |
| Paragon Outlets Eagan           | 1,740,242           | 2    | 2.15                             |                     |      |                                  |
| Minnegasco, Inc.                | 445,686             | 3    | 0.55                             | 403,073             | 3    | 0.49                             |
| Rosemount, Inc.                 | 405,400             | 4    | 0.50                             |                     |      |                                  |
| Individual                      | 365,609             | 5    | 0.45                             |                     |      |                                  |
| Hudson Redwood Raven Hill LLC   | 346,920             | 6    | 0.43                             |                     |      |                                  |
| Rosemount Aerospace, Inc.       | 338,482             | 7    | 0.42                             |                     |      |                                  |
| Flats at Cedar Grove LLC        | 334,825             | 8    | 0.41                             |                     |      |                                  |
| Summit Park LLC                 | 334,603             | 9    | 0.41                             |                     |      |                                  |
| Cargill, Inc.                   | 333,775             | 10   | 0.41                             |                     |      |                                  |
| Kraus Anderson, Inc.            |                     |      |                                  | 419,088             | 2    | 0.51                             |
| Iret Properties                 |                     |      |                                  | 362,162             | 4    | 0.44                             |
| Menards, Inc.                   |                     |      |                                  | 351,596             | 5    | 0.42                             |
| Individual                      |                     |      |                                  | 330,908             | 6    | 0.40                             |
| Summit Townhouses Investors     |                     |      |                                  | 315,921             | 7    | 0.38                             |
| Aurora Investments LLC          |                     |      |                                  | 309,814             | 8    | 0.37                             |
| Heather Brook Apartments LLC    |                     |      |                                  | 275,000             | 9    | 0.33                             |
| Shakopee Crossing Ltd. Ptrnshp. |                     |      |                                  | 258,919             | 10   | 0.31                             |
| <b>Total</b>                    | <b>\$ 7,798,366</b> |      | <b>9.99</b>                      | <b>\$ 5,034,656</b> |      | <b>6.38</b>                      |

Source: 2016B Official Statement Documents based on Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Larger Taxpayers have been furnished by Dakota and Scott Counties.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
PROPERTY TAX LEVIES, COLLECTIONS, AND RECEIVABLES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

| For Taxes<br>Collectible | Original Levy |                       |                         |               | Collections                |                       |
|--------------------------|---------------|-----------------------|-------------------------|---------------|----------------------------|-----------------------|
|                          | Local Spread  | Fiscal<br>Disparities | Property<br>Tax Credits | Total Spread  | First Year Levy Recognized |                       |
|                          |               |                       |                         |               | Amount                     | Percentage<br>of Levy |
| 2008                     | \$ 29,681,732 | \$ 2,671,977          | \$ 620,074              | \$ 32,973,783 | \$ 32,456,046              | 98.4 %                |
| 2009                     | 28,932,086    | 4,135,629             | 642,114                 | 33,709,829    | 14,572,244                 | 43.2                  |
| 2010                     | 28,999,757    | 4,149,020             | 691,398                 | 33,840,175    | 14,282,750                 | 42.2                  |
| 2011                     | 28,895,825    | 4,377,847             | 691,398                 | 33,965,070    | 14,789,335                 | 43.5                  |
| 2012                     | 28,884,537    | 4,114,550             | - *                     | 32,999,087    | 14,914,934                 | 45.2                  |
| 2013                     | 30,296,042    | 4,092,005             | -                       | 34,388,047    | 15,292,779                 | 44.5                  |
| 2014                     | 29,362,825    | 4,222,030             | -                       | 33,584,855    | 15,248,908                 | 45.4                  |
| 2015                     | 31,025,345    | 3,839,822             | -                       | 34,865,167    | 16,303,858                 | 46.8                  |
| 2016                     | 35,119,563    | 3,851,095             | -                       | 38,970,658    | 18,419,963                 | 47.3                  |
| 2017                     | 33,374,272    | 4,659,194             | -                       | 38,033,466    | 17,616,603                 | 46.3                  |

\* Property tax credits replaced by homestead market value exclusion in 2012

Note 1: A portion of the total spread levy is paid through various property tax credits which are paid through state aids and have been included in collections.

Note 2: Delinquent taxes receivable are written off after seven years. The amount of collections has been adjusted to reflect the write off of delinquent taxes receivable.

Note 3: Only a portion of the taxes levied for the most recent fiscal year is collected by June 30.

Source: State of Minnesota School Tax Report

| Received in<br>Subsequent<br>Years | Collections   |                       | Uncollected Taxes Receivable as of June 30, 2016 |         |             |         |
|------------------------------------|---------------|-----------------------|--|---------|-------------|---------|
|                                    | Total to Date |                       | Delinquent                                       |         | Current     |         |
|                                    | Amount        | Percentage<br>of Levy | Amount   | Percent | Amount      | Percent |
| \$ 517,737                         | \$ 32,973,783 | 100.0 %               | \$ -   | - %     | \$ -        | - %     |
| 19,137,585                         | 33,709,829    | 100.0                 | -  | -       | -           | -       |
| 19,550,994                         | 33,833,744    | 100.0                 | 6,431  | -       | -           | -       |
| 19,158,452                         | 33,947,787    | 99.9                  | 17,283   | 0.1     | -           | -       |
| 18,074,066                         | 32,989,000    | 100.0                 | 10,087   | -       | -           | -       |
| 19,074,865                         | 34,367,644    | 99.9                  | 20,403   | 0.1     | -           | -       |
| 18,298,305                         | 33,547,213    | 99.9                  | 37,642   | 0.1     | -           | -       |
| 18,502,988                         | 34,806,846    | 99.8                  | 58,321   | 0.2     | -           | -       |
| 20,426,313                         | 38,846,276    | 99.7                  | 124,382  | 0.3     | -           | -       |
| -                                  | 17,616,603    | 46.3                  | -  | -       | 18,440,989  | 48.49   |
|                                    |               |                       | <u>\$ 1,009,975</u>                              |         | <u>\$ -</u> |         |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

| Fiscal Year | Governmental Activities        |                |                        |                             | Percentage<br>of Personal<br>Income (1) | Per Capita (1) |
|-------------|--------------------------------|----------------|------------------------|-----------------------------|---|----------------|
|             | General<br>Obligation<br>Bonds | Capital Leases | Special<br>Assessments | Total Primary<br>Government |   |                |
| 2008        | \$ 77,895,000                  | \$ 3,471,889   | \$ 73,934              | \$ 81,440,823               | 2.94 %                                  | 1,231          |
| 2009        | 93,005,000                     | 4,083,815      | 60,491                 | 97,149,306                  | 3.70                                    | 1,468          |
| 2010        | 89,255,000                     | 4,897,473      | 47,048                 | 94,199,521                  | 3.71                                    | 1,424          |
| 2011        | 101,350,000                    | 4,401,353      | 33,606                 | 105,784,959                 | 4.09                                    | 1,570          |
| 2012        | 96,710,000                     | 3,914,576      | 20,163                 | 100,644,739                 | 3.71                                    | 1,494          |
| 2013        | 108,795,000                    | 3,406,148      | 6,721                  | 112,207,869                 | 4.00                                    | 1,666          |
| 2014        | 103,405,000                    | 2,875,088      | -                      | 106,280,088                 | 3.64                                    | 1,578          |
| 2015        | 162,490,000                    | 2,691,255      | -                      | 165,181,255                 | 5.53                                    | 2,452          |
| 2016        | 193,640,000                    | 2,447,817      | -                      | 196,087,817                 | 6.57                                    | 2,911          |
| 2017        | 186,029,667                    | 1,871,605      | -                      | 196,087,817                 | 6.08                                    | 2,911          |

N/A - Not Available

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Note: Details regarding the District's outstanding debt can be found in the notes to basic financial statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
RATIO OF NET GENERAL OBLIGATIONS BONDED DEBT  
TO TAX CAPACITY AND NET GENERAL OBLIGATIONS BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

| Fiscal Year | Gross Bonded Debt | Less Debt Service Funds on Hand | Net Bonded Debt | Tax Capacity  | Percent Net Debt to Tax Capacity | Percent of Estimated Actual Market Value of Property (1) | Estimated Population | Net Bonded Debt per Capita |
|-------------|-------------------|---------------------------------|-----------------|---------------|----------------------------------|--|----------------------|----------------------------|
| 2008        | \$ 77,895,000     | \$ 1,781,004                    | \$ 76,113,996   | \$ 72,509,875 | 104.97 %                         | 1.18 %   | 66,158               | \$ 1,150                   |
| 2009        | 93,005,000        | 2,250,541                       | 90,754,459      | 74,901,930    | 121.16                           | 1.35   | 66,158               | 1,372                      |
| 2010        | 89,255,000        | 1,484,872                       | 87,770,128      | 70,477,784    | 124.54                           | 1.31   | 67,370               | 1,303                      |
| 2011        | 101,350,000       | 1,384,060                       | 99,965,940      | 69,269,603    | 144.31                           | 1.57   | 67,370               | 1,484                      |
| 2012        | 96,710,000        | 1,317,768                       | 95,392,232      | 64,008,940    | 149.03                           | 1.59   | 67,370               | 1,416                      |
| 2013        | 108,795,000       | 1,971,332                       | 106,823,668     | 59,564,938    | 179.34                           | 1.83   | 67,370               | 1,586                      |
| 2014        | 103,405,000       | 1,252,357                       | 102,152,643     | 62,608,631    | 163.16                           | 1.84   | 67,370               | 1,516                      |
| 2015        | 162,490,000       | 3,168,468                       | 159,321,532     | 67,706,713    | 235.31                           | 2.81   | 67,370               | 2,365                      |
| 2016        | 193,640,000       | 42,042,329                      | 151,597,671     | 68,843,676    | 220.21                           | 2.48   | 67,370               | 2,250                      |
| 2017        | 186,029,667       | 32,620,732                      | 153,408,935     | 73,391,030    | 209.03                           | 2.32   | 67,370               | 2,277                      |

(1) - See the Schedule of Tax Capacities and Market Value for information on the market value of the District's property.

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

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2015  
(UNAUDITED)**

| Governmental Unit                   | 2015/2016<br>Taxable Net<br>Tax Capacity | Bonded Debt    | Percent<br>Allocable to<br>ISD No. 191 | Portion<br>Allocable to<br>ISD No. 191 |
|-------------------------------------|--|----------------|--|--|
| Independent School District No. 191 | \$ 81,005,931                            | \$ 179,465,000 | 100.0000 %                             | \$ 179,465,000                         |
| Overlapping Debt                    |  |                |  |  |
| Dakota County                       | 420,417,622                              | 20,910,000     | 11.44 %                                | 2,391,817                              |
| Scott County                        | 177,230,896                              | 56,950,000     | 10.57                                  | 6,018,490                              |
| City of Apple Valley                | 52,809,471                               | 18,660,000     | 0.82                                   | 152,181                                |
| City of Burnsville                  | 72,210,663                               | 46,205,000     | 55.77                                  | 25,769,993                             |
| City of Eagan                       | 93,737,414                               | 25,830,000     | 7.25                                   | 1,871,751                              |
| City of Savage                      | 34,862,718                               | 12,140,000     | 47.07                                  | 5,714,704                              |
| City of Shakopee                    | 49,217,472                               | 34,345,000     | 4.71                                   | 1,618,078                              |
| Metropolitan Council                | 3,295,889,335                            | 186,185,000 1  | 2.03                                   | <u>3,774,655</u>                       |
| Total Overlapping Debt              |  |                |  | <u>47,311,669</u>                      |
| Total Direct and Overlapping Debt   |  |                |  | <u>\$ 226,776,669</u>                  |

Note: For the Metropolitan Council, the above debt includes all outstanding general obligation debt, as well as general obligation sewer revenue, wastewater revenue, radio revenue bonds, and lease obligations outstanding, all of which are supported entirely by revenues and have not been included in the overlapping debt or debt ratios sections. The method used to determine the percentage of overlapping debt is representative of area and geographic jurisdiction.

Source: Dakota and Scott Counties

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

|   | Fiscal Year           |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2008                  | 2009                  | 2010                  | 2011                  |
| Debt Limit  | \$ 1,007,167,883      | \$ 1,007,515,605      | \$ 953,443,560        | \$ 848,890,728        |
| Total Net Debt Applicable to Limit                                      | <u>76,113,996</u>     | <u>90,754,459</u>     | <u>87,770,128</u>     | <u>99,865,128</u>     |
| Legal Debt Margin   | <u>\$ 931,053,887</u> | <u>\$ 916,761,146</u> | <u>\$ 865,673,432</u> | <u>\$ 749,025,600</u> |
| Total Net Debt Applicable to the Limit<br>as a Percentage of Debt Limit | 7.56%                 | 9.01%                 | 9.21%                 | 11.76%                |

Note: Effective for the year 2003 and later, state finance law requires the District's outstanding general obligation debt should not exceed 15% of total market property value. Prior to 2003, the percentage was 10%. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

| Fiscal Year           |                       |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2012                  | 2013                  | 2014                  | 2015                  | 2016                  | 2017                  |
| \$ 827,181,211        | \$ 883,979,884        | \$ 906,296,696        | \$ 951,986,716        | \$ 1,011,131,704      | \$ 1,067,125,043      |
| 95,325,940            | 106,823,668           | 102,152,643           | 159,321,532           | 151,597,671           | 146,844,268           |
| <u>\$ 731,855,271</u> | <u>\$ 777,156,216</u> | <u>\$ 804,144,053</u> | <u>\$ 792,665,184</u> | <u>\$ 859,534,033</u> | <u>\$ 859,534,033</u> |
| 11.52%                | 12.08%                | 11.27%                | 16.74%                | 14.99%                | 13.76%                |

Legal Debt Margin Calculation for Fiscal Year 2017

|  |     |                       |
|--|-----|-----------------------|
| Market Value   | (1) | \$ 7,114,166,951      |
| Debt Limit (15% of Market Value)                                   |     | 1,067,125,043         |
| Debt Applicable to Limit:  |     |                       |
| General Obligation Bonds   |     | 179,465,000           |
| Less: Amount Set Aside for Repayment of<br>General Obligation Debt |     | <u>(32,620,732)</u>   |
| Total Net Debt Applicable to Limit                                 |     | <u>146,844,268</u>    |
| Legal Debt Margin  |     | <u>\$ 920,280,775</u> |

(1) Per Series 2016B Bond Official Statement

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
DEMOGRAPHICS AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

| Calendar Year | Population (1) | Estimated Personal Income (1) | Per Capita Personal Income (2) | Total ISD No. 191 Population (3) | School Enrollment (4) | City of Burnsville Unemployment Rate (1) |
|---------------|----------------|-------------------------------|--------------------------------|----------------------------------|-----------------------|--|
| 2007          | 61,393         | \$ 2,765,447,685              | \$ 45,045                      | 66,158                           | 10,213                | 4.1                                      |
| 2008          | 61,393         | 2,625,901,396                 | 42,772                         | 66,158                           | 9,961                 | 4.9                                      |
| 2009          | 61,081         | 2,538,037,712                 | 41,552                         | 66,158                           | 9,826                 | 7.4                                      |
| 2010          | 60,306         | 2,583,689,958                 | 42,843                         | 67,370                           | 9,770                 | 6.7                                      |
| 2011          | 60,664         | 2,709,982,208                 | 44,672                         | 67,370                           | 9,585                 | 6.2                                      |
| 2012          | 60,664         | 2,804,314,728                 | 46,227                         | 67,370                           | 9,576                 | 5.1                                      |
| 2013          | 61,061         | 2,922,135,216                 | 47,856                         | 67,370                           | 9,468                 | 4.5                                      |
| 2014          | 61,300         | 2,985,984,300                 | 48,711                         | 67,370                           | 9,303                 | 3.7                                      |
| 2015          | 61,747         | 3,120,755,127                 | 50,541                         | 67,370                           | 9,311                 | 3.5                                      |
| 2016          | 61,908         | 3,226,459,236                 | 50,541                         | 67,370                           | 9,248                 | 3.5                                      |

Note 1: Student enrollment numbers are estimated for the most recent fiscal year.

Note 2: Annual average unemployment rates compiled by the Minnesota Department of Employment and Economic Development.

Sources:

- (1) City of Burnsville Comprehensive Annual Financial Report for the year ended December 31, 2016
- (2) Estimated personal income is calculated by multiplying the per capital personal income by the City of Burnsville population
- (3) Annual school district census and U.S. census
- (4) ISD No. 191 - average daily membership (for students served or tuition paid)

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

| Employer                            | 2017         |      | 2008         |      |
|-------------------------------------|--------------|------|--------------|------|
|                                     | Employees    | Rank | Employees    | Rank |
| UTC Aerospace Systems               | 1,800        | 1    | 1,600        | 1    |
| Independent School District No. 191 | 1,510        | 2    | 1,150        | 3    |
| Pepsi Bottling Group                | 500          | 3    | -            | -    |
| City of Burnsville                  | 486          | 4    | 550          | 5    |
| Ames Construction                   | 400          | 5    | -            | -    |
| Northern Tool & Equipment           | 300          | 6    | 600          | 4    |
| Yellow Freight System, Inc. (YRC)   | 300          | 7    | 400          | 6    |
| SuperTarget                         | 300          | 8    | -            | -    |
| Telex Communications                | 300          | 9    | -            | -    |
| Fabcon, Inc.                        | 275          | 10   | -            | -    |
| Asset Marketing Services            |              |      | 275          | 10   |
| Fairview Ridges Hospital            |              |      | 1,400        | 2    |
| Cub Foods                           |              |      | 300          | 7    |
| Frontier Communications of MN       |              |      | 300          | 8    |
| Genz-Ryan                           |              |      | 300          | 9    |
| Total                               | <u>6,171</u> |      | <u>6,875</u> |      |

Sources: Ehlers

Note: Information regarding the percentage of total employment for each employer was not available.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
EMPLOYEES BY CLASSIFICATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

| Employees                          | Fiscal Years |              |              |              |              |              |              |              |              |              |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                    | 2008         | 2009         | 2010         | 2011         | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         |
| Administrators/Principals          | 51           | 60           | 53           | 61           | 56           | 54           | 54           | 60           | 43           | 51           |
| Confidential/Support Specialist*   | -            | -            | -            | -            | -            | -            | -            | -            | 24           | 43           |
| Teachers                           | 752          | 746          | 783          | 791          | 699          | 731          | 773          | 779          | 732          | 730          |
| Clerical                           | 91           | 81           | 85           | 80           | 73           | 74           | 66           | 66           | 63           | 64           |
| Paraprofessionals                  | 305          | 275          | 260          | 236          | 224          | 207          | 209          | 211          | 211          | 214          |
| Nurses                             | 15           | 15           | 15           | 15           | 13           | 12           | 16           | 18           | 16           | 15           |
| Operations/Maintenance Supervisors | 5            | 5            | 5            | 5            | 5            | 4            | 3            | 3            | 3            | 3            |
| Technical Specialists              | 5            | 5            | 4            | 4            | 2            | 6            | 5            | 5            | 10           | 10           |
| Community Education                | 60           | 50           | 52           | 47           | 46           | 36           | 36           | 36           | 39           | 51           |
| Cafeteria                          | 81           | 71           | 78           | 83           | 74           | 76           | 75           | 74           | 78           | 76           |
| Custodians                         | 79           | 76           | 81           | 82           | 75           | 75           | 72           | 73           | 74           | 82           |
| <b>Total</b>                       | <b>1,444</b> | <b>1,384</b> | <b>1,416</b> | <b>1,404</b> | <b>1,267</b> | <b>1,275</b> | <b>1,309</b> | <b>1,325</b> | <b>1,293</b> | <b>1,293</b> |

Note 1: This schedule is a headcount based on contract group. If an employee has multiple contract groups, they are reflected multiple times. Full and part-time employees count the same.

\* New Category effective for 2016

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
STUDENT TO STAFF RATIOS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

| Fiscal Year | ISD No. 191<br>Student to Teacher<br>Ratios (1) | Minnesota Department of Education Student to Staff Ratio (2) |                          |               |
|-------------|---|--|--------------------------|---------------|
|             |   | ISD No. 191  | Dakota County<br>Average | State Average |
| 2007        | 16.40   | 13.86  | 13.78                    | 13.05         |
| 2008        | 16.46   | 14.74  | 13.99                    | 13.23         |
| 2009        | 16.49   | 14.88  | 13.57                    | 12.94         |
| 2010        | 16.07   | 13.54  | 14.32                    | 13.43         |
| 2011        | 15.74   | 13.10  | 14.18                    | 13.44         |
| 2012        | 16.04   | 13.75  | 14.67                    | 13.53         |
| 2013        | 15.62   | 13.31  | 14.34                    | 13.33         |
| 2014        | 14.92   | 12.57  | 14.33                    | 13.17         |
| 2015        | 14.37   | 11.95  | 13.89                    | 12.92         |
| 2016        | 14.83   | 12.43  | 14.04                    | 12.84         |

Note 1: Information is not yet available for 2017.

Sources: Minnesota Department of Education

- (1) This data is computed using only full-time equivalent licensed classroom teaching staff.
- (2) This data is computed by dividing total students (MDE enrollment numbers pre-kindergarten through Grade 12) by total certified staff. Certified staff includes classroom teachers, administrators, special education teachers, and all other licensed professionals measured in full-time equivalents.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
OPERATING INDICATORS BY FUNCTION  
STANDARDIZED TESTING AND GRADUATION RATES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

|                                     | Fiscal Years |        |        |        |        |        |        |        |        |        |
|-------------------------------------|--------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                     | 2008         | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   |
| <b>Standardized Tests</b>           |              |        |        |        |        |        |        |        |        |        |
| <b>MCA Reading (See Note 1)</b>     |              |        |        |        |        |        |        |        |        |        |
| Grade 3                             | 76.0 %       | 77.0 % | 74.1 % | 70.6 % | 76.4 % | 52.1 % | 49.6 % | 53.2 % | 45.9 % | 43.7 % |
| Grade 5                             | 79.0         | 79.0   | 79     | 84     | 80     | 58     | 60     | 58     | 68     | 62     |
| Grade 7                             | 62.0         | 63.0   | 56.7   | 66.7   | 64.0   | 48.0   | 50.0   | 45.4   | 56.6   | 53.1   |
| Grade 10                            | 79.0         | 81.0   | 80.8   | 76.5   | 75.0   | 61.0   | 61.0   | 51.8   | 58.9   | 38.3   |
| <b>MCA Math (See Note 1)</b>        |              |        |        |        |        |        |        |        |        |        |
| Grade 3                             | 78.0         | 79.0   | 84.4   | 59.0   | 63.0   | 66.0   | 64.0   | 63.6   | 69.4   | 54.0   |
| Grade 5                             | 68.0         | 69.0   | 73.2   | 54.4   | 54.0   | 54.0   | 50.0   | 59.7   | 58.8   | 49.9   |
| Grade 7                             | 57.0         | 58.0   | 60.7   | 47.3   | 55.0   | 49.0   | 48.0   | 44.3   | 56.2   | 48.4   |
| Grade 11                            | 40.0         | 42.0   | 44.9   | 46.5   | 40.0   | 44.0   | 40.0   | 39.6   | 47.1   | 35.3   |
| <b>ACT</b>                          |              |        |        |        |        |        |        |        |        |        |
| Independent School District No. 191 |              |        |        |        |        |        |        |        |        |        |
| Average Composite Score             | 23.4         | 23.5   | 22.9   | 22.9   | 23.0   | 23.0   | 23.0   | 23.0   | 20.8   | 21.2   |
| State Average Composite Score       | 22.6         | 22.7   | 22.9   | 22.9   | 22.8   | 23.0   | 22.9   | 22.9   | 21.1   | 21.5   |

Note 1: Percent of students scoring at or above proficiency on the Minnesota Comprehensive Assessment Test.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
SCHOOL FACILITIES  
JUNE 30, 2017  
(UNAUDITED)**

| <u>Facility</u>                         | <u>Use</u> | <u>Constructed</u>                                 | <u>Acres</u>                    | <u>Classrooms</u> | <u>Square Footage</u> | <u>Capacity</u> | <u>Enrollment (1)</u> |
|---|------------|--|---------------------------------|-------------------|-----------------------|-----------------|-----------------------|
| Gideon Pond Elementary                  | School     | 1965/1971/1995                                     | 13.00                           | 17                | 75,700                | 425             | 410.82                |
| Edward Neill Elementary                 | School     | 1968/1976/1995                                     | 10.00                           | 19                | 68,550                | 475             | 394.48                |
| Marion W. Savage Elementary             | School     | 1950/1954/1957<br>1961/1963/1965<br>1971/1990/1992 | 8.50                            | 23                | 82,700                | 575             | 368.57                |
| Sioux Trail Elementary                  | School     | 1964/1971/1995                                     | 13.50                           | 18                | 75,790                | 450             | 308.85                |
| Vista View Elementary                   | School     | 1963/1971/1995                                     | 16.50                           | 18                | 80,069                | 450             | 345.6                 |
| Williams Byrne Elementary               | School     | 1967/1971/1995                                     | 10.50                           | 18                | 73,797                | 450             | 462.35                |
| Rahn Elementary                         | School     | 1969/1995  | 16.00                           | 18                | 67,305                | 450             | 357                   |
| Sky Oaks Elementary                     | School     | 1975   | 11.00                           | 24                | 85,850                | 600             | 493.8                 |
| Hidden Valley Elementary                | School     | 1989   | 16.00                           | 24                | 89,525                | 600             | 503                   |
| Harriet Bishop Elementary               | School     | 1996   | 17.36                           | 25                | 78,107                | 625             | 533.91                |
| Metcalf Junior High                     | School     | 1966   | 36.00                           | 50                | 163,000               | 900             | 655.97                |
| Eagle Ridge Junior High                 | School     | 1996   | 31.00                           | 45                | 132,000               | 875             | 654.17                |
| Nicollet Junior High                    | School     | 1970/1995  | 35.00                           | 50                | 188,772               | 900             | 568.19                |
| Burnsville Senior High                  | School     | 1955/1958/1962<br>1971/1976/1977<br>1980/1993/1998 | 63.50                           | 80                | 405,553               | 2,150           | 2548.88               |
| ASC                                     | Office     | 1978   | 1.27                            | N/A               | 12,054                | N/A             | N/A                   |
| Cedar School                            | School     | 1961/1971  | 10.00                           | 12                | 60,952                | 300             | 272.65                |
| Diamondhead Education<br>WH/Maintenance | Center     | 1971<br>1958/1962/1980                             | 11.50<br>Part of BHS<br>Acreage | 16<br>N/A         | 140,000<br>20,780     | 430<br>N/A      | N/A<br>N/A            |

N/A - Not Available

(1) Source: 2016-17 MN Department of Education School ADM Served Report

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
FOOD SERVICE  
SCHOOL LUNCH PROGRAM DATA  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

| <u>Fiscal Year</u> | <u>Average Daily Attendance (1)</u> | <u>Total Lunches Served</u> | <u>Days</u> | <u>Average Daily Participation</u> | <u>Participation as a Percent of Average Daily Attendance</u> |
|--------------------|-------------------------------------|-----------------------------|-------------|------------------------------------|---|
| 2008               | 9,716                               | 1,007,079                   | 172         | 5,855                              | 60.26 %   |
| 2009               | 9,261                               | 981,060                     | 172         | 5,704                              | 61.59   |
| 2010               | 9,236                               | 917,157                     | 172         | 5,332                              | 57.73   |
| 2011               | 9,184                               | 1,047,712                   | 172         | 6,091                              | 66.33   |
| 2012               | 9,010                               | 1,059,439                   | 172         | 6,160                              | 68.36   |
| 2013               | 9,001                               | 1,074,606                   | 172         | 6,248                              | 69.41   |
| 2014               | 8,901                               | 1,057,173                   | 166         | 6,369                              | 71.55   |
| 2015               | 8,792                               | 1,074,200                   | 169         | 6,356                              | 72.30   |
| 2016               | 8,752                               | 1,067,859                   | 170         | 6,282                              | 71.77   |
| 2017               | 8,693                               | 1,082,421                   | 174         | 6,221                              | 71.56   |

(1) Based on State Food and Nutrition Department guidelines, attendance is deemed to be 94% of enrollment.

| Free Lunch    |                  | Reduced Lunch |                  |
|---------------|------------------|---------------|------------------|
| Number Served | Percent of Total | Number Served | Percent of Total |
| 298,819       | 29.67 %          | 91,251        | 9.06 %           |
| 319,715       | 32.59            | 92,677        | 9.45             |
| 376,798       | 41.08            | 95,006        | 10.36            |
| 432,182       | 41.25            | 97,556        | 9.31             |
| 471,515       | 44.51            | 95,993        | 9.06             |
| 508,951       | 47.36            | 95,527        | 8.89             |
| 520,432       | 49.23            | 87,674        | 8.29             |
| 533,864       | 49.70            | 102,744       | 9.56             |
| 545,887       | 51.12            | 97,590        | 9.14             |
| 545,677       | 50.41            | 11,054        | 1.02             |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
SCHEDULE OF INSURANCE COVERAGE  
JUNE 30, 2017  
(UNAUDITED)**

| Type of Coverage   | Amount of Coverage                  |
|--|-------------------------------------|
| Property Coverage:   |                                     |
| Real and Personal Property (Blanketed)                                   | \$ 313,812,926                      |
| Unscheduled Locations  | None                                |
| Blanket Valuable Papers and Records                                      | 50,000                              |
| Accounts Receivable - On Premises  | 50,000                              |
| Liability Coverages:   |                                     |
| General:   |                                     |
| Each Occurrence  | 1,000,000                           |
| General Aggregate Limit  | 2,000,000                           |
| Medical Expense Limit - Any One Person                                   | 5,000                               |
| Professional Liability (Nurses, Occupational Therapists, Psychologists): |                                     |
| Limit Each Claim   | Included in School<br>Leaders E & O |
| Aggregate  | Included in School<br>Leaders E & O |
| Umbrella Liability:  |                                     |
| Each Occurrence  | 4,000,000                           |
| Aggregate  | None                                |
| Crime Coverage:  |                                     |
| Employee Dishonesty  | 500,000                             |
| Forgery or Alteration  | 500,000                             |
| Computer Fraud   | 500,000                             |
| Theft, Disappearance, and Destruction                                    | 135,000                             |
| Business Automobile Coverage:  |                                     |
| Bodily Injury and Property Damage  | 1,000,000                           |
| Personal Injury Protection   | Basic                               |
| Uninsured Motorists  | 1,000,000                           |
| Underinsured Motorists   | 1,000,000                           |
| Collision  | 1,000                               |
| Comprehensive  | 500                                 |
| School Leaders Errors and Omissions:                                     |                                     |
| Aggregate  | 1,000,000                           |
| Boiler and Machinery Coverage:   |                                     |
| Property Damage  | 10,000,000                          |
| Extra Expense  | 1,000,000                           |
| Expediting Expense   | 100,000                             |
| Pollutant Cleanup and Removal - Aggregate                                | None                                |
| Spoilage   | 25,000                              |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
STUDENT ENROLLMENT  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

| Year Ended<br>June 30, | Pre-Kindergarten<br>and Handicapped<br>Kindergarten | Kindergarten | Elementary | Secondary | Total  | Total<br>Pupil Units |
|------------------------|---|--------------|------------|-----------|--------|----------------------|
| 2008                   | 143   | 686          | 4,476      | 4,908     | 10,213 | 11,839               |
| 2009                   | 146   | 686          | 4,384      | 4,745     | 9,961  | 11,528               |
| 2010                   | 148   | 636          | 4,357      | 4,685     | 9,826  | 11,393               |
| 2011                   | 160   | 675          | 4,386      | 4,549     | 9,770  | 11,287               |
| 2012                   | 156   | 654          | 4,364      | 4,411     | 9,585  | 11,069               |
| 2013                   | 211   | 768          | 4,295      | 4,302     | 9,576  | 10,976               |
| 2014                   | 191   | 730          | 4,323      | 4,224     | 9,468  | 10,864               |
| 2015                   | 192   | 670          | 4,319      | 4,122     | 9,303  | 10,127               |
| 2016                   | 209   | 600          | 4,253      | 4,059     | 9,121  | 9,933                |
| 2017                   | 273   | 555          | 4,174      | 4,113     | 9,114  | 9,857                |

Note 1: Student enrollment numbers are estimated for the most recent fiscal year.

Note 2: Beginning in fiscal 2004, ADM is limited to 1.0 ADM per student.

Note 3: ADM is weighted as follows in computing pupil units:

|                             | Pre-Kindergarten | Handicapped<br>Kindergarten | Kindergarten | Elementary<br>1-3 | Elementary<br>4-6 | Secondary |
|-----------------------------|------------------|-----------------------------|--------------|-------------------|-------------------|-----------|
| Fiscal 2002<br>through 2007 | 1.250            | 1.000                       | 0.557        | 1.115             | 1.060             | 1.300     |
| Fiscal 2008<br>through 2014 | 1.250            | 1.000                       | 0.612        | 1.115             | 1.060             | 1.300     |
| Fiscal 2015<br>through 2016 | 1.000            | 1.000                       | 1.00         | 1.00              | 1.00              | 1.20      |
| Fiscal 2016<br>through 2017 | 1.000            | 1.000                       | 1.00         | 1.00              | 1.00              | 1.20      |

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
EXPENDITURES PER STUDENT  
YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

|                                    | <u>State Average<br/>2016</u> | <u>ISD No. 191<br/>2016</u> |
|------------------------------------|-------------------------------|-----------------------------|
| Expenditures Per Student (ADM) (1) |                               |                             |
| General Fund:                      |                               |                             |
| District Level Administration      | \$ 498                        | \$ 456                      |
| School Level Administration        | 463                           | 595                         |
| Regular Instruction                | 5,147                         | 5,531                       |
| Career and Technical Instruction   | 158                           | 151                         |
| Special Education                  | 2,182                         | 2,599                       |
| Student Activities/Athletics       | 318                           | 232                         |
| Instructional Support Services     | 622                           | 1,003                       |
| Pupil Support Services             | 352                           | 310                         |
| Operations, Maintenance, and Other | 890                           | 917                         |
| Student Transportation             | 668                           | 732                         |
| Equipment                          | 475                           | 207                         |
| Land and Buildings                 | <u>125</u>                    | <u>83</u>                   |
| Total General Fund Expenditures    | <u>\$ 11,898</u>              | <u>\$ 12,816</u>            |
| ADM Used Per Profile Model Format  |                               | <u><u>9,358</u></u>         |

(1) Average daily membership (ADM) is a measure of student attendance.

Note: School District Profiles Report not available for June 30, 2017.

Source: Minnesota Department of Education School District Profiles Report

**INDEPENDENT SCHOOL DISTRICT NO. 191  
BURNSVILLE, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS AND OTHER REQUIRED REPORTS**

**JUNE 30, 2017**

**INDEPENDENT SCHOOL DISTRICT NO. 191  
BURNSVILLE, MINNESOTA  
TABLE OF CONTENTS  
JUNE 30, 2017**

**SINGLE AUDIT AND OTHER REQUIRED REPORTS**

|   |   |
|---|---|
| INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> | 1 |
| INDEPENDENT AUDITORS' 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      | 3 |
| SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  | 6 |
| NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS   | 7 |
| INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE  | 8 |
| SCHEDULE OF FINDINGS AND QUESTIONED COSTS   | 9 |

**EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS**

|   |    |
|---|----|
| INDEPENDENT AUDITORS' REPORT  | 12 |
| STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  | 14 |
| NOTES TO EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS                                      | 16 |
| EXTRACURRICULAR STUDENT ACTIVITY FUNDS INTERNAL CONTROL LETTER                          | 17 |
| INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE MANUAL FOR ACTIVITY FUND ACCOUNTING | 18 |
| SCHEDULE OF FINDINGS AND CORRECTIVE ACTION  | 19 |

## **SINGLE AUDIT AND OTHER REQUIRED REPORTS**



**INDEPENDENT AUDITORS' 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**

School Board  
Independent School District No. 191  
Burnsville, Minnesota

We have audited, in accordance with the 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. 191, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Independent School District No. 191's basic financial statements, and have issued our report thereon dated December 6, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Independent School District No. 191'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 Independent School District No. 191's internal control. Accordingly, we do not express an opinion on the effectiveness of Independent School District No. 191's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 a certain 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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Independent School District No. 191'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*.

**Independent School District No. 191's Response to Findings**

Independent School District No. 191's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Independent School District No. 191'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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Independent School District No. 191's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
December 6, 2017



**INDEPENDENT AUDITORS' 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**

School Board  
Independent School District No. 191  
Burnsville, Minnesota

**Report on Compliance for Each Major Federal Program**

We have audited Independent School District No. 191's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Independent School District No. 191's major federal programs for the year ended June 30, 2017. Independent School District No. 191's major federal programs are identified in the summary of auditors' 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.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Independent School District No. 191'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 Independent School District No. 191'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 Independent School District No. 191's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Independent School District No. 191 complied, in all material respects, with the types of compliance requirements referred to above 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 Independent School District No. 191 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Independent School District No. 191'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 Independent School District No. 191'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.

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.

School Board  
Independent School District No. 191  
Burnsville, Minnesota

**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 Independent School District No. 191 as of and for the year ended June 30, 2017, and our report thereon dated December 6, 2017, which expressed an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Independent School District No. 191's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis 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 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.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
December 6, 2017

**INDEPENDENT SCHOOL DISTRICT NO. 191  
BURNSVILLE, MINNESOTA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2017**

| Federal Agency/Pass-Through<br>Grantor/Program Title    | Pass-Through<br>Entity Number | Federal<br>CFDA<br>Number | Federal<br>Expenditures |
|---|-------------------------------|---------------------------|-------------------------|
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>                   |                               |                           |                         |
| Passed Through Minnesota Department of Education:       |                               |                           |                         |
| School Breakfast Program                                | 01-0492-000-000               | {a} 10.553                | \$ 926,282              |
| National School Lunch Program                           | 01-0492-000-000               | {a} 10.555                | 2,222,221               |
| After School Snack Program                              | 01-0492-000-000               | {a} 10.555                | 27,484                  |
| Food Distribution (& Commodity Rebate Program):         |                               |                           |                         |
| Cash Assistance   | 01-0492-000-000               | {a} 10.555                | 86,647                  |
| Noncash Assistance                                      | 01-0492-000-000               | {a} 10.555                | 345,443                 |
| Summer Food Service Program                             | 01-0492-000-000               | {a} 10.559                | 166,903                 |
| Fresh Fruit and Vegetable Program                       | 01-0492-000-000               | 10.582                    | 62,404                  |
| Total U.S. Department of Agriculture                    |                               |                           | <u>3,837,384</u>        |
| <b>U.S. DEPARTMENT OF EDUCATION</b>                     |                               |                           |                         |
| Passed Through Minnesota Department of Education:       |                               |                           |                         |
| Title I - Part A  | 01-0492-000-000               | 84.010                    | 1,476,426               |
| Title II - Improving Teacher Quality                    | 01-0492-000-000               | 84.367                    | 231,724                 |
| Title III, Part A - English Language Acquisition Grants | 01-0492-000-000               | 84.365                    | 241,234                 |
| Adult Education - Basic Grants to States                | 01-0492-000-000               | 84.002                    | 31,112                  |
| IDEA, Part B - Special Education Grants to States       | 01-0492-000-000               | {b} 84.027                | 2,659,249               |
| Special Education - Preschool Grants                    |                               | {b} 84.173                | 55,849                  |
| Special Education - Grants for Infants and Families     |                               | 84.181                    | 71,552                  |
| Total U. S. Department of Education                     |                               |                           | <u>4,767,146</u>        |
| Passed Through Independent School District No. 196:     |                               |                           |                         |
| Career and Technical Education - Basic Grants to States | *                             | 84.048                    | <u>27,073</u>           |
| Total Federal Awards                                    |                               |                           | <u>\$ 8,631,603</u>     |

{a} = Child Nutrition Cluster Total = \$3,774,980

{b} = Special Education Cluster Total = \$2,715,098

\* Pass-through entity number is unknown

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**INDEPENDENT SCHOOL DISTRICT NO. 191  
BURNSVILLE, MINNESOTA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2017**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Independent School District No. 191 under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of Independent School District No. 191, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Independent School District No. 191.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Independent School District No. 191 does not charge indirect costs to its federal programs, however if they were to charge indirect costs they would use the indirect cost rate provided to them by the Minnesota Department of Education (the pass-through entity) rather than use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



**INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE**

School Board  
Independent School District No. 191  
Burnsville, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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. 191 as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated December 6, 2017.

The *Minnesota Legal Compliance Audit Guide for School Districts* promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, covers seven main 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 study included all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that Independent School District No. 191 failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for School Districts*, except for item 2017-002 in the schedule of findings and questioned costs. 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 School's noncompliance with the above-referenced provisions.

Independent School District No. 191's response to the compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Independent School District No. 191's response was not subject to auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the *Minnesota Legal Compliance Audit Guide for School Districts* and the results of that testing, and not to provide an opinion on the effectiveness of the Schools compliance. Accordingly, this communication is not suitable for any other purpose.

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
December 6, 2017

**INDEPENDENT SCHOOL DISTRICT NO. 191  
BURNSVILLE, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2017**

---

**Section I – Summary of Auditors’ Results**

---

**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified?     x     yes            no
  - Significant deficiency(ies) identified?            yes     x     none reported
3. Noncompliance material to financial statements noted?            yes     x     no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified?            yes     x     no
  - Significant deficiency(ies) identified?            yes     x     none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?            yes     x     no

**Identification of Major Federal Programs**

| <b>CFDA Number(s)</b> | <b>Name of Federal Program or Cluster</b> |
|-----------------------|---|
| 84.010                | Title I, Part A                           |
| 84.027 and 84.173     | Special Education Cluster                 |

- Dollar threshold used to distinguish between Type A and Type B programs: \$     \$750,000
- Auditee qualified as low-risk auditee?            yes     x     no

**INDEPENDENT SCHOOL DISTRICT NO. 191  
BURNSVILLE, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

---

***Section II – Financial Statement Findings***

---

**FINDING: 2017-001      MATERIAL AUDIT ADJUSTMENT**

**Condition:**                    The audit firm proposed, and the District posted to its general ledger accounts, a material adjusting journal entry for food service receipts which had not been recorded.

**Criteria:**                    The District should have controls in place to prevent or detect a material misstatement in the annual financial statements in a timely manner.

**Effect:**                      The potential exists that a material misstatement could occur in the financial statements and not be prevented or detected by the District's internal controls.

**Cause:**                      The District has had turnover in their Business Office in the current year, and they are still in the process of training staff to identify all of the required procedures.

**Recommendation:**        We recommend the District continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year-end balances in accordance with Generally Accepted Accounting Principles (GAAP).

**CORRECTIVE ACTION PLAN (CAP):**

**Explanation of Disagreement with Audit Finding:**

There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:**

The Executive Director of Business Services and Director of Accounting will continue training staff on financial procedures and responsibilities.

**Official Responsible for Ensuring CAP:**

The Executive Director of Business Services and Director of Accounting will be the officials responsible for ensuring the CAP.

**Planned Completion Date for CAP:**

The planned completion date is June 30, 2018.

**Plan to Monitor Completion of CAP:**

The Board of Education will be monitoring this corrective action plan.

**INDEPENDENT SCHOOL DISTRICT NO. 191  
BURNSVILLE, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

---

***Section III – Findings and Questioned Costs – Major Federal Programs***

---

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

---

***Section IV – Prior Year Findings***

---

There were no findings in the prior year that were required to be reported.

---

***Section V – Minnesota Legal Compliance Findings***

---

**FINDING: 2017-002      TIMELY PAYMENT OF BILLS**

**Condition:**                      Minnesota statute 471.425, subdivision 2, requires prompt payment of local government bills. Payment is required within the contract period or the standard payment period of 35 days from receipt of the invoice. If payment is not made within this period, the government entity must voluntarily pay interest on those bills not paid in a timely manner. The interest rate is 1-½ percent per month or part of a month. Of a sample of 40 disbursements selected for transaction testing, we noted two invoices which were not paid within 35 days.

**Recommendation:**            Management should take care that all personnel involved in the receiving or payment of bills are familiar with the related requirements.

**CORRECTIVE ACTION PLAN (CAP):**

**Explanation of Disagreement with Audit Finding:**

There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:**

The District will immediately implement the recommendation.

**Officials Responsible for Ensuring CAP:**

Lisa Rider, Executive Director of Business Services, and Robin Pikal, Director of Accounting, are the officials responsible for ensuring implementation of the corrective action plan.

**Planned Completion Date for CAP:**

The planned completion date for the CAP is January 1, 2018.

**Plan to Monitor Completion of CAP:**

The Board of Education and administration will be monitoring this corrective action plan.

## **EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS**

## INDEPENDENT AUDITORS' REPORT

School Board, Advisors, and Students  
Independent School District No. 191  
Burnsville, Minnesota

### **Report on the Financial Statement**

We have audited the statement of cash receipts and disbursements of the Student Activity Funds of Independent School District No. 191 as of and for the year ended June 30, 2017, and the related note to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the regulatory basis of accounting described in the note to the financial statements; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements 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 statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the financial statements 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 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 auditors' 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 modified audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in the note to the financial statements, to meet the financial reporting requirements of the Minnesota Department of Education, the financial statements are prepared by Independent School District No. 191 in accordance with the financial reporting provisions of the accounting practices prescribed or permitted by the Minnesota Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in the note to the financial statements and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Student Activity Funds of Independent School District No. 191 as of June 30, 2017, or changes in financial position for the year then ended.

***Basis for Qualified Opinion on Regulatory Basis of Accounting***

We were unable to audit cash receipts because the District has not established procedures to provide assurance that all cash collections are recorded in the accounting records. We were unable to obtain sufficient appropriate audit evidence about the completeness of cash receipts by other auditing procedures.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the possible effect of the matter discussed in the Basis for Qualified Opinion on Regulatory Basis paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of the Student Activity Funds of Independent School District No. 191 as of June 30, 2017, and the receipts and disbursements for the year then ended in accordance with the basis of accounting described in the note to the financial statements.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
December 6, 2017

**INDEPENDENT SCHOOL DISTRICT NO. 191  
BURNSVILLE, MINNESOTA  
EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

|                               | Beginning<br>Balance | Receipts | Disbursements | Ending<br>Balance |
|-------------------------------|----------------------|----------|---------------|-------------------|
| <b>BURNSVILLE SENIOR HIGH</b> |                      |          |               |                   |
| 3-D Printing Club             | \$ -                 | \$ 18    | \$ -          | 18                |
| Art                           | 2                    | -        | -             | 2                 |
| AVID Student Club             | -                    | 1,509    | -             | 1,509             |
| Auto Club                     | 1,384                | 2,933    | 1,778         | 2,539             |
| Band                          | 28,149               | 146,307  | 132,840       | 41,616            |
| Boys Tennis                   | 2,632                | 305      | 2,093         | 844               |
| Boys Track                    | 5,674                | 4,056    | 8,137         | 1,593             |
| Chorus                        | 7,932                | 11,721   | 12,550        | 7,103             |
| Close-Up                      | 1,956                | 11       | -             | 1,967             |
| Culinary Club                 | -                    | 4,771    | 1,970         | 2,801             |
| DECA                          | 15,007               | 16,963   | 22,634        | 9,336             |
| Diversity                     | 682                  | 4        | -             | 686               |
| Drum Line                     | 8                    | -        | -             | 8                 |
| England Trip                  | -                    | 6,866    | 6,069         | 797               |
| Girls Tennis                  | 2,047                | 2,551    | 3,268         | 1,330             |
| Giving Garden                 | 2,354                | 514      | 1,030         | 1,838             |
| Golf                          | 10,178               | 3,585    | 2,952         | 10,811            |
| International Travel Club     | 550                  | 4        | -             | 554               |
| National Honor Society        | 8,996                | 4,758    | 1,280         | 12,474            |
| Physics Club                  | 6,504                | 4,420    | 4,728         | 6,196             |
| Pine Ridge Exchange Program   | -                    | 1,197    | 693           | 504               |
| Pow Wow                       | -                    | 12,012   | 7,597         | 4,415             |
| Project Pencil                | 407                  | 3        | -             | 410               |
| Prom                          | 16,391               | 16,508   | 17,241        | 15,658            |
| Quiz Bowl                     | 3,042                | 8,110    | 9,899         | 1,253             |
| Robotics - FRC                | 13                   | 2        | -             | 15                |
| SAAC/Athletic                 | 18,993               | 103      | 1,951         | 17,145            |
| Science Fair                  | -                    | 2,018    | 1,545         | 473               |
| Senior Class                  | -                    | 1,630    | 1,399         | 231               |
| STEP Program                  | 590                  | 5        | -             | 595               |
| Showcase                      | 3,981                | 500      | 3,105         | 1,376             |
| Softball                      | 318                  | 2        | -             | 320               |
| Spanish Club                  | 67                   | 1        | -             | 68                |
| Speech                        | 6,148                | 37       | -             | 6,185             |
| Step Team                     | 362                  | 2        | -             | 364               |
| Student Council               | 25,186               | 38,051   | 33,660        | 29,577            |
| Theater                       | 7,044                | 48,758   | 33,592        | 22,210            |
| Video Club                    | 244                  | 1        | -             | 245               |
| Voice                         | 59                   | -        | -             | 59                |
| Weight Club                   | 5,691                | 9,885    | 8,944         | 6,632             |
| WEDay                         | 54                   | 164      | -             | 218               |
| Winterguard                   | -                    | 3,091    | 1,313         | 1,778             |
| #Burnsvillestrong             | 963                  | 1,099    | 168           | 1,894             |
| Total Burnsville Senior High  | 183,608              | 354,457  | 322,436       | 215,629           |

See accompanying Notes to Extracurricular Student Activity Accounts.

**INDEPENDENT SCHOOL DISTRICT NO. 191  
BURNSVILLE, MINNESOTA  
EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (CONTINUED)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

|                                    | Beginning<br>Balance | Receipts          | Disbursements     | Ending<br>Balance |
|------------------------------------|----------------------|-------------------|-------------------|-------------------|
| <b>JOHN METCALF JUNIOR HIGH</b>    |                      |                   |                   |                   |
| Chess Club                         | \$ 2,282             | \$ 5,219          | \$ 4,638          | \$ 2,863          |
| Metcalf Dance Line                 | 17                   | 293               | 310               | -                 |
| Music                              | 1,530                | 781               | 1,562             | 749               |
| Student Senate                     | 2,113                | 2,113             | 2,620             | 1,606             |
| Washington DC Trip                 | 10                   | -                 | 10                | -                 |
| Total John Metcalf Junior High     | 5,952                | 8,406             | 9,140             | 5,218             |
| <b>JOSEPH NICOLLET JUNIOR HIGH</b> |                      |                   |                   |                   |
| Band                               | 874                  | 4,459             | 3,674             | 1,659             |
| Breakfast Club                     | 1,369                | 388               | 521               | 1,236             |
| Drama Club                         | 6,018                | 704               | 1,490             | 5,232             |
| Student Council                    | 1,430                | 7,246             | 4,736             | 3,940             |
| Total Joseph Nicollet Junior High  | 9,691                | 12,797            | 10,421            | 12,067            |
| <b>EAGLE RIDGE JUNIOR HIGH</b>     |                      |                   |                   |                   |
| Student Council                    | 7,428                | 14,543            | 19,782            | 2,189             |
| England                            | 3,756                | 2,996             | 6,751             | 1                 |
| Chess Club                         | 680                  | 17                | -                 | 697               |
| Environmental Club                 | 628                  | 17                | -                 | 645               |
| Total Eagle Ridge Junior High      | 12,492               | 17,573            | 26,533            | 3,532             |
| <b>ELEMENTARY SCHOOLS</b>          |                      |                   |                   |                   |
| Gideon Pond                        | 2,400                | 1,219             | 2,773             | 846               |
| Edward Neill                       | 2,400                | -                 | 400               | 2,000             |
| MW Savage                          | 610                  | 1,000             | 836               | 774               |
| Sioux Trail                        | 1,367                | -                 | 1,367             | -                 |
| Vista View                         | 2,665                | 1,065             | 3,189             | 541               |
| William Byrne                      | (63)                 | 1,063             | 217               | 783               |
| Rahn                               | 3,779                | 1,000             | 2,050             | 2,729             |
| Sky Oaks                           | 1,852                | -                 | 1,852             | -                 |
| Hidden Valley                      | 1,553                | 1,000             | 1,685             | 868               |
| Harriet Bishop                     | 10,659               | 25,933            | 17,755            | 18,837            |
| Total Elementary Schools           | 27,222               | 32,280            | 32,124            | 27,378            |
| <b>DISTRICT TOTAL</b>              | <b>\$ 238,965</b>    | <b>\$ 425,513</b> | <b>\$ 400,654</b> | <b>\$ 263,824</b> |

See accompanying Notes to Extracurricular Student Activity Accounts.

**INDEPENDENT SCHOOL DISTRICT NO. 191  
BURNSVILLE, MINNESOTA  
NOTES TO EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS  
JUNE 30, 2017**

**NOTE 1 BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

Extracurricular student activity account 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 fund-raising events.

The accounts of the Student Activity Fund are maintained, and the accompanying financial statements have been prepared, on the regulatory basis of accounting as permitted by the Minnesota Department of Education. Consequently, receipts are recognized when received rather than when earned, and disbursements are recognized when paid rather than when the obligations are incurred.

**NOTE 2 DEPOSITS AND INVESTMENTS**

All cash and investments of the student activity accounts are held in demand accounts.

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to it. The School does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits.

Minnesota Statutes require that all District deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance.

Authorized collateral includes certain state or local government obligations, obligations of the U.S. Treasury and U.S. agencies, irrevocable standby letter of credit issued by the Federal Home Loan Bank accompanied by written evidence that the Federal Home Loan Bank's public debt is rated "AA" or better by Moody's or Standard & Poor's Corporation, and certificates of deposit insured by the FDIC.

Minnesota statutes require that securities pledged as collateral be held in safekeeping by the District Treasurer or in a financial institution (as agent for the District) other than that furnishing the collateral.

All student activity bank deposits are covered by deposit insurance or are collateralized by securities held by the District or its Agent in the District's name.



School Board, Advisers, and Students  
Independent School District No. 191  
Burnsville, Minnesota

In planning and performing our audit of the statement of cash receipts and disbursements of the extracurricular student activity funds of Independent School District No. 191 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 Independent School District No. 191's internal control over financial reporting (internal control) as a basis for designing our auditing 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 Independent School District No. 191's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity'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 discussed below, we identified a certain 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Independent School District No. 191's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the schedule of findings and corrective action as item 2017-004 to be a material weakness.

This communication is intended solely for the information and use of management and others within Independent School District No. 191, and is not intended to be, and should not be, used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
December 6, 2017



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE  
MANUAL FOR ACTIVITY FUND ACCOUNTING**

School Board, Advisors, and Students  
Independent School District No. 191  
Burnsville, Minnesota

**Report on Compliance**

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 Student Activity Funds of Independent School District No. 191 as of and for the year ended June 30, 2017, and the related note to the financial statements, which collectively comprises the basic financial statements, and have issued our report thereon dated December 6, 2017. We expressed an adverse opinion on accounting principles generally accepted in the United States of America because the financial statements are prepared on a basis of accounting that demonstrates compliance with the regulatory basis of accounting prescribed or permitted by the Minnesota Department of Education, which differs from accounting principles generally accepted in the United States of America. In addition, our report on the regulatory basis of accounting is qualified because the District has not established procedures to provide assurance that all cash collections are recorded in the accounting records.

The *Manual for Activity Fund Accounting* (MAFA), issued by the Minnesota Department of Education, provides uniform financial accounting and reporting standards for student activities. We have performed auditing procedures to test compliance with the provisions of this manual.

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 item 2017-003. 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 written response to the legal compliance finding identified in our audit is described in the Schedule of Findings and Responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
December 6, 2017

**INDEPENDENT SCHOOL DISTRICT NO. 191  
BURNSVILLE, MINNESOTA  
EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS  
SCHEDULE OF FINDINGS AND CORRECTIVE ACTION  
JUNE 30, 2017**

**FINDINGS AND CORRECTIVE ACTION**

**EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS**

**2017-003 Inactive Accounts**

**Condition** – Sixteen of the District's student activity accounts were inactive during fiscal year 2017 and need to be closed to be in compliance with the *Manual for Activity Fund Accounting*.

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

**CORRECTIVE ACTION PLAN (CAP):**

**Explanation of Disagreement with Audit Findings:**

There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:**

The District will continue to work on closing accounts that were inactive for the entire fiscal year and have remained inactive through December 31 after fiscal year-end. Any remaining balances will be transferred to another district account at the direction of the Activity Fund Advisor. The District will also continue to monitor activity throughout the year to avoid having any inactive accounts as of the fiscal year-end.

**Official Responsible for Ensuring CAP:**

The Director of Accounting is the official responsible for ensuring corrective action of the deficiency.

**Planned Completion Date for CAP:**

The planned completion date is June 30, 2018.

**Plan to Monitor Completion of CAP:**

The Board of Education will be monitoring this corrective action plan.

**INDEPENDENT SCHOOL DISTRICT NO. 191  
BURNSVILLE, MINNESOTA  
EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS  
SCHEDULE OF FINDINGS AND CORRECTIVE ACTION (CONTINUED)  
JUNE 30, 2017**

**FINDINGS FOR INTERNAL CONTROL OVER FINANCIAL REPORTING OF STUDENT ACTIVITY ACCOUNTS**

**FINDING 2017-004**

**PROCEDURES TO PROVIDE ASSURANCE THAT ALL CASH COLLECTIONS ARE RECORDED IN THE ACCOUNTING RECORDS**

**Condition** – The District has not established accounting procedures to provide assurance that all cash collections are recorded in the accounting records. The District records student activity revenues on the cash basis and does not have an accounting system and internal controls in place to ensure student activity revenues and receipts have been properly recorded.

**Effect** – The potential exists that a material misstatement could occur in the financial statements and not be prevented or detected by the District's internal controls.

**CORRECTIVE ACTION PLAN (CAP):**

**Explanation of Disagreement with Audit Findings:** There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:** The District records student activity revenues on the cash basis and does not have an accounting system and internal controls in place to ensure student activity revenues and receipts have been properly recorded. In consideration of the guiding principles under which the student activity funds were established, the District provides opportunities for substantial student involvement in the selection, direction, and management of fundraisers. This student involvement, although of great value to those students, is an inherent internal control weakness. The District has determined the costs of implementing controls over fundraising activities, in light of the multiple locations and times of these activities, outweigh the benefits; therefore, the District will continue to rely on activity fund advisors for appropriate oversight and supervision, but will not, at this time, implement procedures and policies to provide for detail internal control processes at each fund raising location and activity.

**Official Responsible for Ensuring CAP:** The Director of Accounting is the official responsible for carrying out the corrective action plan.

**Planned Completion Date for CAP:** The CAP will be carried out as part of each annual audit, therefore, the CAP is ongoing.

**Plan to Monitor Completion of CAP:** The corrective action plan will be monitored each year by the District financial staff and Board of Education as a part of the process of developing the annual audit report.



**Future Ready. Community Strong.**

**Agenda VI.G.  
December 14, 2017**

**To:** Board of Education  
Superintendent Cindy Amoroso

**From:** Lisa Rider, Executive Director of Business Services

**Date:** December 5, 2017

**Re:** Combined Precincts

**Recommendation:** that the Board adopts a resolution establishing combined polling places for certain 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.

The resolution is being brought to you because Sec. 14. Minnesota Statutes 2016, section 205A.11, subdivision 2, is amended to read:

Subd. 2. **Combined polling place.** (a) When no other election is being held in two or more precincts on the day of a school district election, the school board may designate one or more combined polling places at which the voters in those precincts may vote in the school district election.

(b) By December 31 of each year, the school board must designate, by resolution, combined polling places. The combined polling places designated in the resolution are the polling places for the following calendar year, unless a change is made:

- (1) pursuant to section 204B.175; or
- (2) because a polling place has become unavailable.

(c) If the school board designates combined polling places pursuant to this subdivision, polling places must be designated throughout the district, taking into account both geographical distribution and population distribution. A combined polling place must be at a location designated for use as a polling place by a county or municipality.

We are combining 29 precincts into 7 precincts for school district elections. The only precinct change is from Hidden Valley Elementary to Glendale United Methodist Church because this location was designated by municipality and Hidden Valley Elementary was not designated as a polling place by the City of Savage.

EXTRACT OF MINUTES OF A MEETING  
OF THE SCHOOL BOARD  
OF INDEPENDENT SCHOOL DISTRICT NO. 191  
(BURNSVILLE-EAGAN-SAVAGE)  
STATE OF MINNESOTA

HELD: DECEMBER 14, 2017

Pursuant to due call and notice thereof, a regular meeting of the School Board of Independent School District No. 191 (Burnsville-Eagan-Savage), State of Minnesota, was duly held in said district on the 14th day of December, 2017, at 6:30 o'clock p.m., for the purpose in part, of establishing combined polling places for school district elections not held on the day of a statewide election.

The following members were present:

and the following were absent:

Member \_\_\_\_\_ moved the adoption of the following resolution:

RESOLUTION ESTABLISHING COMBINED POLLING PLACES FOR CERTAIN  
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. 191, 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 may establish a combined polling place for several precincts for school elections not held on the day of a statewide election. The following combined polling places are hereby established to serve the

precincts specified for all school district special and general elections not held on the same day as a statewide election:

COMBINED POLLING PLACE: Edward Neill Elementary School  
13409 Upton Avenue  
Burnsville, MN 55337

This combined polling place serves all territory in Independent School District No. 191 located in the City of Burnsville, P-02, P-07, P-11, P-12 and P-16; Dakota County, Minnesota.

COMBINED POLLING PLACE: Gideon Pond Elementary School  
613 E. 130<sup>th</sup> Street  
Burnsville, MN 55337

This combined polling place serves all territory in Independent School District No. 191 located in the City of Burnsville, P-06, P-08, P-09 and P-14; Dakota County, Minnesota.

COMBINED POLLING PLACE: John Metcalf Middle School  
2250 Diffley Road  
Burnsville, MN 55337

This combined polling place serves all territory in Independent School District No. 191 located in the City of Eagan, P-04, P-5A, P-5B, P-9A and P-9B; Dakota County, Minnesota.

COMBINED POLLING PLACE: Sioux Trail Elementary School  
2801 River Hills Drive  
Burnsville, MN 55337

This combined polling place serves all territory in Independent School District No. 191 located in the City of Apple Valley, P-5A, and the City of Burnsville, P-01, P-05 and P-10; Dakota County, Minnesota.

COMBINED POLLING PLACE: Vista View Elementary School  
13109 County Road 5  
Burnsville, MN 55337

This combined polling place serves all territory in Independent School District No. 191 located in the City of Burnsville, P-03, P-04 and P-17; Dakota County, Minnesota.

COMBINED POLLING PLACE: Harriet Bishop Elementary School  
14400 O'Connell Road  
Savage, MN 55378

This combined polling place serves all territory in Independent School District No. 191 located in the City of Savage, P-3, P-4, and P-8; Scott County, Minnesota.





NOTICE OF CHANGE IN POLLING PLACE LOCATION  
INDEPENDENT SCHOOL DISTRICT NO. 191  
(BURNSVILLE-EAGAN-SAVAGE)  
STATE OF MINNESOTA

Dear Voter:

If you live in one of the precincts listed below, you will vote at the combined polling place listed below for school district elections in Independent School District No. 191:

| <u>Precinct</u>   | <u>School District Combined Polling Place</u>  |
|---|--|
| City of Burnsville,<br>P-02, P-07, P-11, P-12 and P-16                      | Edward Neill Elementary School<br>13409 Upton Avenue<br>Burnsville, MN 55337             |
| City of Burnsville,<br>P-06, P-08, P-09 and P-14                            | Gideon Pond Elementary School<br>613 E. 130 <sup>th</sup> Street<br>Burnsville, MN 55337 |
| City of Eagan,<br>P-04, P-5A, P-5B, P-9A and P-9B                           | John Metcalf Middle School<br>2250 Diffley Road<br>Burnsville, MN 55337                  |
| City of Apple Valley,<br>P-5A<br>City of Burnsville,<br>P-01, P-05 and P-10 | Sioux Trail Elementary School<br>2801 River Hills Drive<br>Burnsville, MN 55337          |
| City of Burnsville,<br>P-03, P-04 and P-17                                  | Vista View Elementary School<br>13109 County Road 5<br>Burnsville, MN 55337              |
| City of Savage,<br>P-3, P-4, and P-8  | Harriet Bishop Elementary School<br>14400 O'Connell Road<br>Savage, MN 55378             |
| City of Savage,<br>P-1, P-2 and P-7<br>City of Shakopee,<br>P-4 and P-12A   | Glendale United Methodist Church<br>13550 Glendale Road<br>Savage, MN 55378              |

Please note that this notice applies only to school district elections not held on the day of a statewide election. Municipal or state elections may be held at a different location. If you wish further information on school district polling place locations, contact the school district or the County Auditor.

/s/ \_\_\_\_\_  
Clerk  
Independent School District No. 191  
(Burnsville-Eagan-Savage)



**Agenda VI.H.  
December 14, 2017**

**To: Members, Board of Education**

**From: Lisa K. Rider, Executive Director of Business Services**

**Date: December 7, 2017**

**Re: Approve agreement between ISD 191 and the City of Burnsville,  
Television Studio**

**RECOMMENDATION:** That the Board of Education approves the agreement between ISD 191 and the City of Burnsville to continue operation of a shared television studio through December 31, 2022 and authorizes the Superintendent to sign the agreement.

Beginning in 2008, the School District entered into a three-year agreement with the City of Burnsville to share video equipment and a television studio located within Burnsville High School for operation of Burnsville Community Television. This agreement was updated and renewed for three years in 2011 and 2014. We have worked with City of Burnsville staff to update a renewal of the agreement which currently ends December 31, 2017 for an additional five-year term.

The updated Joint Powers Agreement maintains the joint relationship between the School District and City, in which the School District maintains the studio facility, office space and associated utilities and provides them to the City at no charge. In return, the City provides video/communications equipment that is shared with the School District at no charge.

The partnership is intended to promote the shared use of resources and educational opportunities for School District students, while providing a home for the City's television operation.

The City of Burnsville plans to have this agreement on December 19, 2017 consent agenda. I have attached a draft copy of the agreement for your review. Any questions or comments are invited.

I recommend approval of the agreement between ISD 191 and the City of Burnsville for an additional five years.

Attachment: Agreement between ISD 191 and the City of Burnsville

## **AGREEMENT**

**THIS AGREEMENT**, dated this 14<sup>th</sup> and 19th day of December, 2017, is between **BURNSVILLE-EAGAN-SAVAGE SCHOOL DISTRICT 191** ("School District") and the **CITY OF BURNSVILLE**, a Minnesota municipal corporation ("City").

**WHEREAS**, the City requires a location for its communications equipment and staff for the production of programs in connection with Burnsville Television; and

**WHEREAS**, the School District has offered to provide studio and office space to the City for the production of programming for Burnsville Television;

**WHEREAS**, the City and the School District have agreed to partner in the sharing of the School District's studio space and equipment and the sharing of the City's communications equipment;

**WHEREAS**, the parties desire to promote a shared use of resources and educational opportunities for School District students in the use of the City's equipment.

**NOW, THEREFORE**, in consideration of the mutual undertakings herein, the parties agree as follows:

**1. TERM**

This Agreement shall commence on Jan. 1, 2018, and shall continue through Dec. 31, 2022, unless otherwise renewed by the parties through a written amendment of this Agreement or terminated as provided under this Agreement.

**2. SCHOOL DISTRICT AND CITY CONTRIBUTIONS**

A. The School District will provide a communications studio for the City's use for Burnsville Community Television broadcasting at Burnsville High School, together with adjoining office space for up to three City communications employees (the studio and office space shall collectively be referred to herein as the "Studio Facility"). Except for the City contributions in this section, the School District will provide and maintain the Studio Facility and the following utilities and services at no cost to the City: electricity, internet, heating, cooling, telephone, refuse disposal, cleaning and building maintenance services, parking for City employees and volunteers, use of restrooms.

B. The School District and the City shall share in the cost of maintaining and providing cable/fiber connections to the studio and the existing "live television feed" locations within the school campus. Any cable/fiber that is damaged by either entity or their contractors will be repaired at the sole cost of the initiating entity.

C. All work on the school district campus requiring on-site service by the Cable Franchise company must be requested through the City's Communications Coordinator as an official "local franchise authority" request. The City should be notified at least five (5) days in advance of needed service in order to process the request with the company in a timely manner.

D. The School District has made certain facility improvements to the Studio Facility as set forth in the attached Exhibit A (hereinafter "School District owned Studio Facility Improvements and Equipment"), the cost of such improvements was paid by the School District, and maintenance and upkeep of these improvements and equipment will remain the responsibility of the School District. During the term of this Agreement, the School District and the City will share the use of the Studio Facility and Equipment.

E. During the term of this Agreement, the School District and the City will also share in the use of Studio and Portable equipment housed within the Studio Facility. "City owned Communications Equipment" is set forth in attached Exhibit B. The City will be responsible for the repairs and maintenance of all "City owned Communications Equipment."

F. The City will be responsible for new television and studio audio/visual equipment purchases maintenance and resulting ownership of said new or replacement equipment. If requested by the School District to explore a joint purchase, the City and the School District shall meet to review capital improvements and purchases requested and/or made by either the City or the School District and update Exhibit A and B as necessary.

G. The School District agrees to notify the City in writing at least five (5) days in advance of any planned disruption of service or operation of more than one (1) business day. This includes any building, construction or maintenance projects that directly impact the City's typical use of or access to the studio and cable television connections. Prior to execution of this agreement, City staff will provide to the School District accurate and current contact information (including phone and email) for City Staff who utilize the studio. School District staff will also provide access to appropriate City staff to the internal school communications web page. It will be the responsibility of City staff to connect with School staff to ensure access to the internal school website with calendar and notifications.

**3. CABLE CHANNEL UTILIZATION**

One cable television channel will be made available for exclusive use by the School District for the duration of this agreement. The use of this channel will remain uninterrupted barring regulatory changes at the state or federal level or Cable Franchise company decisions adversely affecting the City's control and usage of its cable operations.

**4. STUDIO FACILITY USE**

The City's use of the Studio Facility is subject to the following:

A. During the term of this agreement, the studio and all associated equipment will be managed by City staff. Use of the studio and its equipment by School District employees, students, non-staff volunteers or non-staff members of the public shall be coordinated and scheduled with City staff through the designated School District liaison. All facility and equipment users shall be trained and certified by City staff prior to utilizing the studio facility or associated equipment.

B. During the school year, City use shall occur between the hours of 6 a.m. and 11 p.m. Monday-Friday and 6:30 a.m. to 3 p.m. on Saturday unless notified otherwise seven (7) days in advance. This includes external door access, internal studio access and accessibility to elevators. During summer hours, City use shall occur between the hours of 6:30 a.m. and 10 p.m. Monday-Friday. Access required outside of these hours will be coordinated by the City in advance through the school's custodial office or facility use calendar.

C. City use shall comply with School District rules and policies in the use of the Studio Facility and any other School District property.

D. The School District shall provide City staff with a copy of their visitor policy at the time of execution of this agreement, and immediately upon any changes to the policy. Access to the studio by non-staff members of the public (certified volunteers, public access users, class takers, etc.) shall be allowed only via city staff member escort.

**5. RECORDS AVAILABILITY AND RETENTION**

Pursuant to Minn. Stat. §16C.05, Subd. 5, the School District agrees that the City, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of the School District and involve transactions relating to this Agreement.

**6. DATA PRACTICES**

All data collected, created, received, maintained, or disseminated or used for any purposes in the course of this Agreement by each party is governed by the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as amended, the Minnesota Rules implementing such act now in force or as adopted, as well as federal regulations on data privacy.

**7. INDEMNIFICATION**

Each party agrees that it will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of the other party and the results thereof. Each party's liability shall be governed by the

provisions of Minnesota Statute Chapter 466 and other applicable law as modified hereby.

**8. CITY EMPLOYEES**

City employees authorized to use the Studio Facility shall be City employees and shall not be considered employees of the School District for any purpose, including, but not limited to salaries, wages, other compensation or fringe benefits, workers compensation, unemployment compensation, PERA, Social Security, liability insurance, keeping of personnel records, termination of employment, individual contracts or other contractual rights. City employees will provide training on equipment and studio operations as well as guidance on District video operations to School District employees only when authorized by the School District Communications Office. All requests for training and use of the studio facility and equipment by School District staff and students should be coordinated with City staff via the School District Communications Office or Media teacher.

**9. INSURANCE**

The School District will provide and maintain during the term of this Agreement general liability and property insurance policies or coverage against claims for personal injury, death, or property damage occurring in connection with the use and occupancy of the Studio Facility and other areas authorized for use by the City. The City will provide and maintain during the term of this Agreement adequate insurance coverage for the equipment owned by the City included in the Studio Facility. The City shall provide a certificate of insurance to the School District showing their General Liability, Automobile, Workers' Compensation and Property coverage as it relates to the equipment and staff housed within the Studio Facility.

**10. SUBCONTRACTING**

Neither party shall enter into any subcontract for performance of any services contemplated under this Agreement without the prior approval of the other party and subject to such conditions and provisions as they may deem necessary.

**11. NONDISCRIMINATION**

During the performance of this Agreement, the parties agree to the following: No person shall, on the grounds of race, color, religion, age, sex, disability, marital status, public assistance status, creed or national origin be excluded from full employment rights in, participation in, be denied the benefits of or be otherwise subjected to discrimination under any and all applicable federal and state laws against discrimination.

**12. TERMINATION**

This Agreement may be terminated with or without cause, following 6 months written notice by any party. Upon termination, the capital assets contained in Exhibit "A" considered "School District owned Studio Facility Improvements and Equipment" will be retained by the School District. The capital assets contained in Exhibit "B" considered "City owned Communications Equipment" (unless

otherwise noted) will be retained by the City. Capital purchases made after the adoption of this agreement will be updated annually and reflected on Exhibits “A” and “B” as appropriate.

**13. SURRENDER OF POSSESSION**

The City agrees that at the expiration or cancellation of this Agreement, the City will yield up possession of the Studio Facility in as good of order and condition as when same were entered by the City, reasonable wear, tear and damage by the elements alone expected. Upon surrendering possession of the Property, the City agrees to remove all property belonging to the City, including the “City owned Communications Equipment” outlined in Exhibit “B”.

**14. NOTICES**

All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed given if personally delivered or mailed, certified mail, return receipt requested, to the following addresses:

If to City: City of Burnsville  
Heather Johnston  
City Manager  
100 Civic Center Parkway  
Burnsville, MN 55337

With Copy to: Burnsville City Attorney  
Campbell Knutson P.A.  
317 Eagandale Office Center  
1380 Corporate Center Curve  
Eagan, MN 55121

If to School District: Burnsville-Eagan-Savage School District 191  
Lisa Rider  
Executive Director of Business Services  
200 West Burnsville Parkway  
Burnsville, MN 55337

**15. WAIVER OF DEFAULT**

Any waiver by either party of a default under the provisions of this Agreement by the other party will not operate or be construed as a waiver of a subsequent default.

**16. INVALIDITY OF PROVISIONS**

If any term or provision of this Agreement or any application hereof to any person or circumstance is to any extent found to be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable will

not be effected thereby and each term and provision of this Agreement will be valid and be enforced to the fullest extent permitted by law.

**17. ENTIRE AGREEMENT**

This instrument herein contains the entire and only agreement between the parties and no oral statements or representations or prior written matter not contained in this instrument will have any force and effect. This Agreement cannot be modified in any way except by writing executed by both parties.

**18. GOVERNING LAW**

This Agreement will be governed exclusively by the provisions hereof and by the laws of the State of Minnesota, as the same from time to time exists.

**IN WITNESS WHEREOF**, the parties have hereunto set their hands as of the day and year first above written.

Dated: \_\_\_\_\_

**CITY OF BURNSVILLE**

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

By: \_\_\_\_\_  
City Manager

Dated: \_\_\_\_\_

**INDEPENDENT SCHOOL DISTRICT 191**

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

Its \_\_\_\_\_







**Agenda VI.I.  
December 14, 2017**

**To: Members, Board of Education**

**From: Lisa K. Rider, Executive Director of Business Services**

**Date: December 7, 2017**

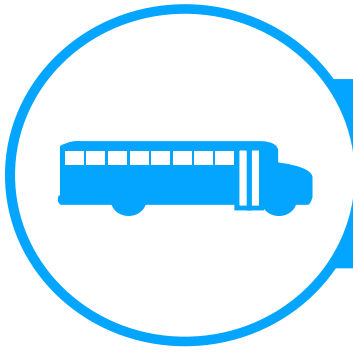
**Re: Approve agreement between ISD 191 and K12 Transportation**

**RECOMMENDATION:** That the Board of Education approves the agreement between ISD 191 and K12 Transportation to continue our partnership for transportation routing and oversight effective July 1, 2018.

Since November 2012, the School District has utilized the services of K12 Transportation, a division of Center for Efficient School Operations to route our transportation needs and provide oversight to the full scope of transportation needs within our district. The agreement allows us access to a team of routers for regular, special education, Homeless and Care & Treatment needs. This partnership has proven very useful to ISD 191 in the past as we established a more functional contract, changed tiers related to start times at our buildings and dealt with driver shortages and their impact on the entire system. The assistance for any transportation system study is available to us through the agreement as well as in the process of a transportation RFP.

This agreement replaced an in-house department functioning with three additional people than we currently have in place. The cost for the agreement is \$15,453/monthly plus reimbursables for printing and mailing representing a zero percent increase through June 2020 with the assumption of a 1% annual increase thereafter. Termination of the agreement requires 180 days of notice.

Attachment: Agreement between ISD 191 and K12 Transportation



# K12 TRANSPORTATION

A DIVISION OF CESO

## DISTRICT

---

Lisa Rider, Exec Dir of Business Services  
Burnsville-Eagan-Savage School District  
200 W. Burnsville Parkway  
Burnsville, MN 55337

## CONTACT

---

Lance Libengood, Chief Executive Officer  
K12 Transportation Management Services, LLC  
1667 Snelling Ave N #400  
St. Paul, MN 55108  
612.208.5959 | [www.ceso.us](http://www.ceso.us)

November 22, 2017

Re: Transportation Oversight & Routing Services

Dear Ms. Rider,

Thank you for the opportunity to continue partnering with Burnsville-Eagan-Savage School District. The mission statement for our company is “Partnering with School Districts to help keep Educational Dollars in the Classroom”, and K12 Transportation is very excited to continue this work with your district. Currently we partner with over 25 school districts in Minnesota in the area of school transportation, and we will continue to be committed to District 191 at that same high level. The primary benefit of our transportation management model is that the district receives a “Team” approach to school transportation. This approach allows our services to be comprehensive and include all aspects of pupil transportation while providing a high level of customer service to all involved. I am confident that this structure is a benefit to your organization and helps produce the results that you are looking for in your transportation program.

The following is what K12 Transportation Management Services, LLC, will provide to Burnsville-Eagan-Savage School District:

### **1.0 Scope of Work**

- Oversight of all transportation functions.
- Regular and special education routing services to assure maximum efficiencies and safety for all routes.
- Coordinate and oversee all contracted routes, including Homeless and Care &



**4.0 Authorization to Proceed**

Please sign and return one original to K12 Transportation Management Services, LCC as authorization to proceed. Once we receive the signed proposal we will return a final contract to you for your records and begin with the implementation stages of this agreement.

I have carefully reviewed the above proposal and attached General Conditions, and authorize K12 Transportation Management Services, LLC to proceed.

**Customer**

Lisa Rider  
Burnsville-Eagan-Savage School District  
200 W. Burnsville Parkway  
Burnsville, MN 55337

**Professional**

Lance Libengood, CEO  
K12 Transportation  
1667 Snelling Avenue N #400  
St. Paul, MN 55108

\_\_\_\_\_  
**Authorized Signature                      Date**

\_\_\_\_\_  
**Authorized Signature                      Date**

\_\_\_\_\_  
**Authorized Printed Name                  Date**

\_\_\_\_\_  
**Authorized Printed Name                  Date**

# General Conditions

The following general conditions are made a part of K12 Transportation Services, LLC (the "professional") proposal (the "proposal"). The term "customer" refers to school district for which the professional is providing services.

To the extent that the proposal conflicts with the terms delineated in the general conditions, the terms in the general conditions shall control.

## A. Responsibilities

Professional will provide services as enumerated in the proposal with the care and skill ordinarily exercised by reputable members of its profession practicing under similar conditions during the period of this proposal and in the same locality.

Along with the scope of work identified in the proposal customer and professional agree to the following:

### A.1. Information

Customer will provide all information necessary and access to staff and facilities as needed so that work can be conducted by professional in an economical, timely and safe manner.

### A.2. Payment for Services

The fees and reimbursables listed in the proposal is the amount owed to the professional for the products and services provided by professional under this agreement.

Invoices will be submitted to customer every month for work performed during the month. The customer shall make payments no later than thirty days after receipt of the invoice. All invoices unpaid for over thirty days will bear interest and a collection fee of eighteen percent annually, compounded monthly. Payment maybe withheld only if this agreement is breached and a written notice has been provided within forty-five days of receiving the invoice that is in dispute.

## B. Disputes

Disputes under this agreement will be promptly resolved in good faith through negotiation. All claims, disputes, differences not resolved through negotiation shall be resolved in accordance with the commercial rules of the American Arbitration Assoc. in effect at that time.

## C. Indemnity & Insurance

### C.1. Indemnity

Professional shall indemnify and hold harmless Customer against losses, damages and claims, demands, actions, costs (including reasonable attorney fees), and fines of any kind resulting from any breach of this Agreement by professional, its employees, agents, subcontractors or licensees, of their obligation under this Agreement, or from any negligence or misconduct by professional, its employees, agents, subcontractors or licensees, but only for the proportion of damages which is equal to Professional's proportion of the total fault which directly caused the damages.

Customer shall indemnify and hold harmless Professional against losses, damages and claims, demands, actions, costs (including reasonable attorney fees), and fines of any kind resulting from any breach of this Agreement by Customer, its employees, agents, subcontractors or licensees, of their obligation under this Agreement, or from any negligence or misconduct by Customer, its employees, agents, subcontractors or licensees, but only for the proportion of damages which is equal to Customer's proportion of the total fault which directly caused the damages.

### C.2. Insurance

- (1) Professional carries coverage and limits of liability insurance for the professional's own negligence as required by law and district requirements. These may include, but are not limited to the following:

- (a) Workers Compensation with statutory benefits.
- (b) Employers' liability
- (c) Comprehensive General Liability with the following coverage:
  - I. Bodily Injury
  - II. Property Damage
  - III. Personal Injury

## IV. General Aggregate

- V. Product
- VI. Fire Damage
- VII. Medical Expenses
- (d) Automobile insurance covering all owned, non-owned or hired automobiles used in connection with the work covering bodily injury and property damage.
- (e) Physical Loss insurance sufficient to cover loss or damage to Professional's owned or leased equipment.
- (f) Professional Liability (claims made) with the following coverage:
- (g) Contractor Pollution Liability (claims made)
- (h) Excess Umbrella Liability. Professional's Excess Umbrella Liability policy provides coverage in addition to each of the coverages listed above including Comprehensive General Liability, Professional Liability and Contractor Pollution Liability.

## D. Termination

Neither party will have a right to terminate this agreement for convenience unless a termination fee in the amount of the remaining contract is paid to the terminated party. After the initial term, renegotiation of this contract can be requested by either party for the following school year with 180 days notice.



**Agenda VI.J.  
December 14, 2017**

**To:** Board of Education, Members  
Cindy Amoroso, Superintendent

**From:** Bob VandenBoom, Director

**Date:** December 6, 2017

**Re:** Adopt a Resolution to Fully Fund Special Education Services (Federal)

**RECOMMENDATION:** that the Board of Education adopts a resolution to fully fund Special Education Services (Federal).

A roll call vote will be taken.

!

EXTRACT OF MINUTES OF A MEETING  
OF THE SCHOOL BOARD  
OF INDEPENDENT SCHOOL DISTRICT NO. 191  
(BURNSVILLE-EAGAN-SAVAGE)  
STATE OF MINNESOTA

Pursuant to due call and notice thereof, a regular meeting of the School Board of Independent School District No. 191 (Burnsville-Eagan-Savage), State of Minnesota, was duly held in said district on the 14th day of December, 2017, at 6:30 o'clock p.m.

The following members were present:

and the following were absent:

Member \_\_\_\_\_ moved the adoption of the following resolution:

**RESOLUTION TO FULLY FUND SPECIAL EDUCATION SERVICES  
(FEDERAL)**

WHEREAS, local boards of education place a very high priority on ensuring that ALL students receive high quality special education programs and instruction; and

WHEREAS, in 1975 Congress enacted the Education for All Handicapped Children Act (P.L. 94-142) now known as The Individuals with Disabilities Act IDEA to: improve access to education for children with disabilities by guaranteeing a Free Appropriate Public Education (FAPE) in the least restrictive environment; assure that the rights of children with disabilities and their parents are protected; assist States and school systems to provide for the education of all children with disabilities; and to assess and assure the effectiveness of efforts to educate all children with disabilities; and

WHEREAS, when IDEA became law in 1975, the federal government promised to fund 40 percent of the additional cost of educating children with disabilities; and yet the federal government has failed to adequately fund the mandated programs and services arising under IDEA, never providing more than 15 percent of the additional cost; and

WHEREAS, sufficient federal funding for IDEA would significantly enhance the ability of local school systems to provide an excellent education for all students; and

WHEREAS, the special education cross-subsidy continues to be a major obstacle for Minnesota School Districts to grapple with, due to the growing number of students receiving special education, more specialized services and rising costs associated with those services and inadequate funding; and

WHEREAS, the state special education funding system has not kept pace with the rising cost of mandated services and supports for students with special needs; and,

WHEREAS, the cross-subsidy for Minnesota school districts for FY2016 is \$679 million; a 5.6 percent increase from FY2015; and

WHEREAS, between rising need and insufficient state and federal aid, the amount of funding school districts as a whole in Minnesota will be forced to pay for special education costs will reach an average of \$815 per student in FY17;

NOW, THEREFORE, BE IT RESOLVED, that we urge the President and Legislature to strenuously advocate for significant increases in federal special education funding and meaningful special education reforms at the federal and state levels; and

NOW, THEREFORE, BE IT RESOLVED, that the State of Minnesota calls upon the Congress of the United States to pass appropriate legislation in order to increase funding for federal special education mandates to meet the urgent financial special education needs of our cities and towns; and

BE IT FURTHER RESOLVED, that the Secretary of the Senate cause a copy of this resolution to be delivered to all United States Representatives and Senators representing Minnesota in the Congress of the United States.

The motion for the adoption of the foregoing resolution was duly seconded by \_\_\_\_\_ . On a roll call vote, the following voted in favor:

and the following voted against:

whereupon said resolution was declared duly passed and adopted.





**Future Ready. Community Strong.**

**Agenda VI.K.  
December 14, 2017**

**To:** Board of Education, Members  
Cindy Amoroso, Superintendent

**From:** Bob VandenBoom, Director

**Date:** December 6, 2017

**Re:** Adopt a Resolution to Fully Fund Special Education Services (Minnesota)

**RECOMMENDATION:** that the Board of Education adopts a resolution to fully fund Special Education Services (Minnesota).

A roll call vote will be taken.

!

EXTRACT OF MINUTES OF A MEETING  
OF THE SCHOOL BOARD  
OF INDEPENDENT SCHOOL DISTRICT NO. 191  
(BURNSVILLE-EAGAN-SAVAGE)  
STATE OF MINNESOTA

Pursuant to due call and notice thereof, a regular meeting of the School Board of Independent School District No. 191 (Burnsville-Eagan-Savage), State of Minnesota, was duly held in said district on the 14th day of December, 2017, at 6:30 o'clock p.m.

The following members were present:

and the following were absent:

Member \_\_\_\_\_ moved the adoption of the following resolution:

**RESOLUTION TO FULLY FUND SPECIAL EDUCATION SERVICES  
(MINNESOTA)**

WHEREAS, local boards of education place a very high priority on ensuring that ALL students receive high quality special education programs and instruction; and

WHEREAS, in 1975 Congress enacted the Education for All Handicapped Children Act (P.L. 94-142) now known as The Individuals with Disabilities Act IDEA to: improve access to education for children with disabilities by guaranteeing a Free Appropriate Public Education (FAPE) in the least restrictive environment; assure that the rights of children with disabilities and their parents are protected; assist States and school systems to provide for the education of all children with disabilities; and to assess and assure the effectiveness of efforts to educate all children with disabilities; and

WHEREAS, when IDEA became law in 1975, the federal government promised to fund 40 percent of the additional cost of educating children with disabilities; and yet the federal government has failed to adequately fund the mandated programs and services arising under IDEA, never providing more than 15 percent of the additional cost; and

WHEREAS, sufficient federal funding for IDEA would significantly enhance the ability of local school systems to provide an excellent education for all students; and

WHEREAS, the special education cross-subsidy continues to be a major obstacle for Minnesota School Districts to grapple with, due to the growing number of students receiving special education, more specialized services and rising costs associated with those services and inadequate funding; and

WHEREAS, the state special education funding system has not kept pace with the rising cost of mandated services and supports for students with special needs; and,

WHEREAS, the cross-subsidy for school districts for FY2016 is \$679 million; a 5.6 percent increase from FY2015; and

WHEREAS, between rising need and insufficient state and federal aid, the amount of funding school districts as a whole in Minnesota will be forced to pay for special education costs will reach an average of \$815 per student in FY17;

NOW, THEREFORE, BE IT RESOLVED, that we urge the Governor and Legislature to strenuously advocate for significant increases in federal special education funding and meaningful special education reforms at the federal and state levels; and

NOW, THEREFORE BE IT RESOLVED that there is an urgency the Minnesota Legislature to convene a task force to work on special education funding, specifically with a focus on the impacts of the new special education funding formulas, the projected cross-subsidy and recommendations with a timeline to eliminate the cross-subsidy.

The motion for the adoption of the foregoing resolution was duly seconded by \_\_\_\_\_ . On a roll call vote, the following voted in favor:

and the following voted against:

whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA )

)SS

COUNTY OF DAKOTA )

I, the undersigned, being the duly qualified and acting Clerk of Independent School District No. 191 (Burnsville-Eagan-Savage), Dakota and Scott Counties, Minnesota, hereby certify that the attached and foregoing is a full, true and correct transcript of the minutes of a meeting of the school board of said district duly called and held on the date therein indicated, so far as such minutes relate to the resolution to fully fund Special Education Services (Minnesota).

WITNESS MY HAND officially as such clerk this 14 day of December, 2017.

---