



EDEN PRAIRIE SCHOOLS

Inspiring each student every day

SCHOOL BOARD Regular Business Meeting

Monday, November 25, 2019

6:00 PM

MEETING AGENDA

*The mission of Eden Prairie Schools is to inspire each student to learn continuously so they are empowered
To reach personal fulfillment and contribute purposefully to our ever-changing world.*

1. **Convene: 6:00 p.m.** (Roll Call)
Call to Order:
School Board Roll Call
Karla Bratrud, Dave Espe, Elaine Larabee, Holly Link, Adam Seidel, Terri Swartout
2. **Pledge of Allegiance: 6:00 p.m.**
3. **Agenda Review and Approval: 6:05 p.m.** (Action)
Approval of the agenda for the Monday, November 25, 2019 meeting of the School Board of Independent School District 272, Eden Prairie Schools.

Motion _____ Seconded _____
4. **Approval of Previous Minutes: 6:05 p.m.** (Action)
Approval of the Unofficial Minutes from the October 28, 2019 Regular Business Meeting and the November 13, 2019 Brief Business Meeting.

Motion _____ Seconded _____

 - A. October 28, 2019 Unofficial Minutes - Regular Business Meeting 4
 - B. November 13, 2019 Unofficial Minutes - School Board Brief Business Meeting 9
5. **Public Comment: 6:10 p.m.** (Information)
6. **Announcements: 6:20 p.m.** (Information)
7. **Spotlight on Success: 6:25 p.m.** (Information)
Eden Prairie High School - Eagle Voice: Student-led Crowd-sourced Innovation
8. **Board Education & Required Reporting: 6:35 p.m.** (Information)
 - A. 2018-19 Audited Financial Presentation 10
 - 1) 2018-19 Audited Financial Executive Summary 22
 - 2) Audit: Comprehensive Annual Financial Report (Full Report listed under Appendix "A", Item #1)
 - 3) Audit: Management Report (Full Report listed under Appendix "A", Item #2)
 - 4) Audit: Special Purpose Audit Reports (Full Report listed under Appendix "A", Item #3)
 - 5) Audit: Student Activity Audit Report (Full Report listed under Appendix "A", Item #4)
9. **Board Work: 6:55 p.m.** (Action)
 - A. Policy Monitoring
 - 1) **Executive Limitations (EL)** (Action)
 - a. EL 2.9 Communication and Support to the School Board (Semi-annual) 24

OI Motion _____ Seconded _____
Evidence Motion _____ Seconded _____
 - B. Required Board Action
 - 1) Record of Board Self-Evaluation (Action)
 - a. Record of Board Policy Monitoring - Ends & Executive Limitations 40
Motion _____ Seconded _____
 - b. Record of Board Self-Evaluation - Governance Policies 44
Motion _____ Seconded _____

10. **Superintendent Consent Agenda: 7:10 p.m.** **(Action)**
Management items the Board would not act upon in Policy Governance, but require Board approval from outside entities.
- Motion _____ Seconded _____
- A. Monthly Reports
- 1) Resolution of Acceptance of Donations 50
- 2) Human Resources Report 51
- 3) Business Services Reports
- a. Board Business 53
- b. Expenditures/Revenue Financial Report 54
- B. Summary Update of General District Policies (*Individual Listing of Policies located under Appendix "B"*) 55
11. **Superintendent's Incidental Information Report: 7:15 p.m.** **(Information)**
Incidental Information is considered as "nice to know" information regarding district business. Monitoring and decision-making information are handled elsewhere on the agenda. These items are not open for debate, but rather for awareness and understanding. (Supports EL 2.9 in general and 2.9.6 specifically)
- A. Business Partnerships Update - Pathways 57
- B. Community Conversations - School Schedules 65
12. **Board Action on Committee Reports & Minutes: 7:30 p.m.** **(Action)**
- A. Board Development Committee (D. Espe, H. Link, E. Larabee)
- B. Approval - School Board Treasurer's Report **(Action)** 66
- Motion _____ Seconded _____
- C. Community Linkage Committee (K. Bratrud, T. Swartout) **(Action)**
- 1) School Board Website Language Change **(Action)** 67
- Motion _____ Seconded _____
- 2) CLC Meeting Minutes for November 8, 2019 **(Action)** 68
- Motion _____ Seconded _____
- D. Negotiations Committee (E. Larabee, A. Seidel)
- E. Policy Committee (E. Larabee, A. Seidel, T. Swartout)
13. **Other Board Updates (AMSD, ISD 287): 7:45 p.m.** **(Information)**
- A. AMSD (Association of Metropolitan Schools) - T. Swartout
- B. ISD 287 (Intermediate School District 287) - A. Seidel
14. **Closed Session: Annual Review and Review of Fiscal Year 2018-19 Superintendent Goals - 7:55 p.m.** **(Action)**
- Pursuant to MN Statue 13D.05, Subd.3(a): A public body may close a meeting to evaluate the performance of an individual who is subject to its authority.*
- MOTION** by _____, **Seconded** by _____ to move into Closed Session at _____ p.m.
- MOTION** by _____, **Seconded** by _____ to move out of Closed Session and the resume regular Business Meeting at _____ p.m.
15. **Board Work Plan: 8:15 p.m.**
- A. "Proposed" Work Plan Changes Document **(Action)** 70
- Motion _____ Seconded _____
- B. 2019-20 Annual Work Plan 71
16. **Adjournment: _____ p.m.** **(Action)**
 MOTION to adjourn the Monday, November 25, 2019 Meeting of the Eden Prairie School Board at _____ p.m.
 Motion _____ Seconded _____
17. **Appendix "A" (Reference #8A, 2-5)**
- A. 2018-19 Audited Financial Presentation - See Appendix "A" (Individual Listing of Reports)
- 1) Comprehensive Annual Financial Report 82
- 2) Management Report 254

3) Special Purpose Audit Reports	284
4) Student Activity Audit Report	310
18. Appendix "B" (Reference #10, Item B)	
A. General District Policies	
1) District Policy 501 School Weapons Policy	328
2) District Policy 502 Search of Student Locker, Desks, Personal Possessions, and Student's Person	333
3) District Policy 503 Student Attendance	336
4) District Policy 505 Distribution of Nonschool-Sponsored Materials on School Premises by Students and Employees	345
5) District Policy 507 Corporal Punishment	351
6) District Policy 508 Extended School Year for Certain Students with Individualized Education Programs	352
7) District Policy 509 Enrollment of Nonresident Students	354
8) District Policy 512 School-Sponsored Student Publications and Activities	359
9) District Policy 513 Student Promotion, Retention, and Program Design	363
10) District Policy 514 Bullying Prohibition Policy	366
11) District Policy 515 Protection and Privacy of Pupil Records	376
a. District Policy 515-F Public Notice & Juvenile Justice System Request for Information	406
12) District Policy 516 Student Medication	414
13) District Policy 517 Student Recruiting	418
14) District Policy 518 DNR-DNI Orders	420
15) District Policy 519 Interviews of Student by Outside Agencies	421
16) District Policy 520 Student Surveys	424
17) Student Surveys 521 Student Disability Nondiscrimination	430
a. District Policy 521-F Student Disability Discrimination Grievance Report Form	432
b. District Policy 521-P Service Animal Procedures	434
18) District Policy 522 Student Sex Nondiscrimination (Title IX)	439
a. District Policy 522-F Unlawful Sex Discrimination Towards a Student Report - Form	443
19) District Policy 525 Violence Prevention (Applicable to Students and Staff)	444
20) District Policy 526 Hazing Prohibition	449
21) District Policy 527 Students Use and Parking of Motor Vehicles; Patrols, Inspections and Searches	455
22) District Policy 528 Student Parental, Family, and Marital Status Nondiscrimination	459
23) District Policy 531 The Pledge of Allegiance	461
24) District Policy 533 Wellness	462
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26) District Policy 580 Outside Agency Access to Students	473
19. Addendum - Attachment added to Item #8, A, 1	

INDEPENDENT SCHOOL DISTRICT 272 ~ EDEN PRAIRIE SCHOOLS
UNOFFICIAL MINUTES OF THE OCTOBER 28, 2019
SCHOOL BOARD MEETING

A Regular Business Meeting of the Independent School District 272, Eden Prairie Schools, was held on October 28, 2019 in the Administrative Services Center, EDC Meeting Room, 8100 School Road, Eden Prairie, MN 55344.

1. Convene: 6:00 p.m.

Call to Order: School Board Roll Call

Present: Karla Bratrud, Dave Espe, Elaine Larabee, Holly Link, Adam Seidel, Terri Swartout

Present: Superintendent Swanson

2. Pledge of Allegiance: 6:00 p.m.

3. Agenda Review and Approval: MOTION by D. Espe, **Seconded** by T. Swartout to approve the agenda for the Monday, October 28, 2019 meeting of the School Board of Independent School District 272, Eden Prairie Schools – Passed Unanimously

4. Approval of Previous Minutes: MOTION by A. Seidel, **Seconded** by K. Bratrud to approve the Unofficial Minutes from the September 23, 2019 Regular Business Meeting and the October 14, 2019 Brief Business Meeting – Passed Unanimously

A. September 23, 2019 Regular Business Meeting

B. October 14, 2019 Brief Business Meeting

5. Public Comment: None to Report

6. Announcements: “Eagle Excellence”

- The Eden Prairie High School Boys’ Cross-Country Team advances to the state meet as [Section 6AA champions](#). They also won the Lake Conference cross country title.
- Liesel Paulsen, Abby Jirele and Ella Bakken advance to the [state Girls’ Cross-Country meet](#) as individual qualifiers.
- Oct. 21-25 was [National School Bus Safety Week](#). Our transportation staff does wonderful work to keep our kids safe on the bus every day.
- We celebrated National School Lunch week, Oct. 14-18, 2019. Eden Prairie Schools sources many ingredients from local farms, our breads are baked daily in our in-house bakery, and food service staff make our fresh soups and sauces from scratch. Thanks to the hard work of our Child Nutrition staff, school lunch is a healthy, wholesome option!
- [Twenty-six EPHS students were named National Merit Commended Students and EPHS senior Laura Balboa was named the National Hispanic Recognition Program Scholar](#) for 2019-20. EPHS will honor the scholars on Nov. 8, 2019.
- CMS Math Teacher Susan Michael was inducted into [Luther College Athletic Hall of Fame](#).
- 2018-19 CMS students Avik Garg, Rohil Garg, Siona Kaura, Shruthi Kundoor, Melody Li and Brandon Sattler were recognized this October by Northwestern University Midwest Academic Talent Search (NUMATS) for high PSAT, ACT and SAT scores. Read [more](#).
- Eden Prairie High School Orchestra has been given the Meritorious Orchestra Program Award by the Minnesota String and Orchestra Teachers Association recognizing the growth and development of the Eden Prairie String program.
- Carmen Casper is the [Youth in Music](#) recipient from EPHS.
- The Eden Prairie High School Band was awarded second place at the [Youth in Music Marching Band Championships](#) at US Bank Stadium.
- CMS eighth grader Teddy Townsend was featured on [ESPN](#) for his game winning goal.

- Eden Prairie High School freshman [Sterling Rouleau](#), competitive climber, earned first place in Male Youth Group B (2005-2006) in Boulderfest North at Minneapolis Bouldering Project on Sept. 28.
- EPHS senior Helen Nguyen, sophomore Abirami Rajasekaran and freshman Harini Senthilkumar will receive the [Target Women in Science and Technology \(TWIST\) EPIC Award](#) (Engaged, Passionate, Innovative and Curious in STEM) on Oct. 25 at Target headquarters in Minneapolis. Twenty-five recipients were selected from around the state and EPHS tops the list of awardees.
- Cedar Ridge Kindergarten teacher Jen Heyer will be recognized as [2019 Minnesota Environmental Educator of the Year](#) by the Minnesota Association for Environmental Education.

7. **Spotlight on Success:** Forest Hills Elementary - Math Talk

8. **Board Work:**

A. Required Board Action

B. Policy Monitoring

1) Ends: 1.1, 1.2, 1.3 Evidence (2018-19) - Executive Summary

a. Ends 1.1 - Each student graduates and is academically prepared to progress to multiple opportunities after high school. **MOTION** by A. Seidel, **Seconded** by H. Link, the overall Evidence *does not* support the OI – Passed Unanimously

(1) Ends 1.1.1 - Each student is reading at grade level by the end of third grade. **MOTION** by A. Seidel, **Seconded** by H. Link, the Evidence supports the OI – Passed Unanimously

(2) Ends 1.1.2 - Each student achieves individual growth expectations and proficiency annually in, but not limited to, Language Arts, Math and Science. **MOTION** by A. Seidel, **Seconded** K. Bratrud, the Evidence *does not* support the OI – Passed Unanimously

(3) Ends 1.1.3 - Each student receives a broad-based education that exceeds the Minnesota State Graduation Requirements. **MOTION** by A. Seidel, **Seconded** by D. Espe, Evidence does support the OI – Passed Unanimously

b. Ends 1.2 - Each student has the 21st century skills needed to succeed in the global economy. **MOTION** by H. Link, **Seconded** by A. Seidel, Evidence support the OI – Motion failed, 3 to 3 **MOTION** by K. Bratrud, **Seconded** by A. Seidel, Evidence supports the OI with the exception of Grades K-6 – Passed 5-1; KB,DE,HL,EL,TS – Yes; AS – No

c. Ends 1.3 - Each student has the knowledge that citizens and residents of the United States need to contribute positively to society. **MOTION** A. Seidel, **Seconded** by K. Bratrud, Evidence supports the OI – Passed Unanimously

2) Executive Limitations (EL)

a. EL 2.4: Treatment of Staff

MOTION by H. Link, **Seconded** by A. Seidel, to accept by exception, the overall Global Constraint of the OI is reasonable – Passed Unanimously

MOTION by A. Seidel, **Seconded** by T. Swartout, to accept by exception, the Evidence support the Global Constraint of the OI – Passed Unanimously

b. EL 2.8: Compensation and Benefits

MOTION by A. Seidel, **Seconded** by D. Espe, to accept by exception, the overall Global Constraint of the OI is reasonable – Passed Unanimously

MOTION by H. Link, **Seconded** by A. Seidel, to accept by exception, the Evidence support the Global Constraint of the OI – Passed Unanimously

3) Governance Process (GP)

- a. GP 4.0: Global Governance Commitment – **MOTION** by H. Link, **Seconded** by T. Swartout, Board is compliant – Passed Unanimously
- b. GP 4.1: Governing Style **MOTION** by A. Seidel, **Seconded** by H. Link, Board is compliant – Passed Unanimously
- c. GP 4.2: School Board Job Products **MOTION** by H. Link, **Seconded** by K. Bratrud, Board is compliant – Passed Unanimously
- d. GP 4.3: Annual Work Plan **MOTION** by D. Espe, **Seconded** by A. Seidel, Board is compliant – Passed Unanimously
- e. GP 4.9: Governance Investment **MOTION** by H. Link, **Seconded** by A. Seidel, Board is compliant – Passed Unanimously
- C. School Board Policy Revisions/Changes
 - 1) EL 2.2.9 - Treatment of Students (*Language Change*) – **MOTION** by K. Bratrud, **Seconded** by T. Swartout to approve language change as presented – Passed Unanimously
 - 2) BMD 3.3.5: Superintendent Accountability and Performance (Change Time-frame Monitored for EL 2.9) – **MOTION** by A. Seidel, **Seconded** by H. Link to approve monitoring frequency change presented by the Policy Committee – Passed Unanimously
 - 3) GP 4.4.1: Officer Roles (*Language Change*) – **MOTION** by A. Seidel, **Seconded** by H. Link to approve the language change presented by the Policy Committee – Passed Unanimously
- D. Record of Board Self-valuation
 - 1) Record of Board Policy Monitoring - Ends & EL's – **MOTION** by H. Link, **Seconded** T. Swartout to accept record as presented – Passed Unanimously
 - 2) Record of Board Self-Evaluation - Governance Policies – **MOTION** by D. Espe, **Seconded** T. Swartout to accept record as presented – Passed Unanimously
- E. Future Board Workshop Topics & Timelines – Timelines plotted on the Work Plan Changes Document, Item 14 A.
- F. **MOTION** by A. Seidel, **Seconded** by H. Link to transfer the overall responsibility of scheduling yearly School Board Site Visits from the Community Linkage Committee to District Administration under the structure as discussed – Passed 5-1; DE,HL,EL,TS,AS – Yes; KB - No
- 9. **Superintendent Consent Agenda: MOTION** by D. Espe, **Seconded** by A. Seidel to approve the Superintendent's Consent Agenda as presented – Passed Unanimously
 - A. Monthly Reports
 - 1) Resolution of Acceptance of Donations
 - 2) Human Resources Report
 - 3) Business Services Reports
 - a. Board Business
 - b. Expenditure and Revenue Financial Report
 - (1) July 2019
 - (2) August 2019
 - (3) September 2019
 - B. Summary Update of General District Policies - See Appendix "A" (Individual Listing of Policies)
- 10. **Board Education & Required Reporting:** None to Report
- 11. **Superintendent's Incidental Information Report** – Jason Mutzenberger

A. Enrollment Report as of October 1, 2019

- 1) Executive Summary
- 2) Kindergarten Capture Rate
- 3) 10-01-19 Enrollment History by Sites
- 4) 10-01-019 Enrollment History Totals
- 5) Official October 1, 2019 Enrollment Count

B. World's Best Workforce Report & Achievement Integration - Summary of Progress Fiscal Year 2018-19 – Michelle Ament

12. Board Action on Committee Reports & Minutes:

A. Board Development Committee – Scheduling New Board Training

B. Community Linkage Committee – Update to Board

- 1) Community Linkage Committee Meeting Minutes for 9/30/19 – **MOTION** by H. Link, **Seconded** D. Espe to accept as presented – Passed Unanimously
- 2) Community Linkage Committee Meeting Minutes for 10/21/19 – **MOTION** by H. Link, **Seconded** by D. Espe to accept as presented – Passed Unanimously

C. Negotiations Committee – None to Report

D. Policy Committee – None to Report

- 1) Policy Committee Meeting Minutes for 9/27/19 – **MOTION** by A. Seidel, **Seconded** T. Swartout, as amended, changing the Committee title referenced on the document to Policy Committee Minutes – Passed Unanimously

13. Other Board Updates (AMSD, ISD 287)

- A. AMSD (Association of Metropolitan Schools) – Brief update provided
- B. ISD 287 (Intermediate School District 287) – Brief update provided

14. Board Work Plan: **8:30 p.m.**

- A. "Proposed" Work Plan Changes Document – **MOTION** by H. Link, **Seconded** by A. Seidel to approve changes listed/presented – Passed Unanimously

Eden Prairie School Board
2019 & 2020 WORK PLAN CHANGES
"Proposed" WORK PLAN CHANGES
October 28, 2019

Date of Meeting/Workshop	Changes Requested
Monday, November 4, 2019 – Workshop	Add: <ul style="list-style-type: none"> • Site Visits Interest Discussion • Website Addition Discussion • Board Policy Governance Training Discussion – Setting Timetables
Wednesday, November 13, 2019	Add: <ul style="list-style-type: none"> • Approval – Board Policy Governance Training Timetable
Monday, November 25, 2019	Add: <ul style="list-style-type: none"> • Community Listening Session (5:00 – 5:45 p.m.)
Monday, December 9, 2019	
Monday, January 6, 2020 – Annual Organization Mtg. & Workshop	Add: <ul style="list-style-type: none"> • Finance 101 • Engagement Strategies
Monday, January 27, 2020	

Monday, February 10, 2020 – Workshop	Add: <ul style="list-style-type: none"> Levy's and Schedule Transportation: Funding & Options School-Wide Enrichment Model (SEM) – Initial
Monday, February 24, 2020	
Monday, March 9, 2020 – Workshop	Add: <ul style="list-style-type: none"> Communications
Monday, March 23, 2020	
Monday, April 13, 2020 – Workshop	
Monday, April 27, 2020	
Monday, May 4, 2020 – Workshop	Add: <ul style="list-style-type: none"> School-Wide Enrichment Model (SEM) – Follow-up
Monday, May 18, 2020	
Monday, June 8, 2020 – Workshop	
Monday, June 22, 2020	
Placeholder – General Board Work	
<ul style="list-style-type: none"> 2020-2021 School Year (August) Schedule School Site Visit Cultural Proficiency Continuum Work MN Student Survey Report (to Board Development Committee) 	
Placeholder – Policy Review	

B. 2019-20 Annual Work Plan

15. **Adjournment:** **MOTION** by T. Swartout, **Seconded** by D. Espe to adjourn at 8:31 p.m.

16. **Appendix "A" (Reference #9, Item #B)**

A. Appendix "A"

- 1) District Policy 427 Workload Limits for Certain Special Education Teachers
- 2) District Policy 423 Employee-Student Relationships
- 3) District Policy 418 Drug-Free Workplace Drug-Free School
- 4) District Policy 417 Chemical Use-Abuse
- 5) District Policy 415 Mandated Reporting of Maltreatment of Vulnerable Adults
- 6) District Policy 412 Expense Reimbursement
- 7) District Policy 410 Family-Medical Leave Policy
- 8) District Policy 408 Subpoena of a School District Employee
- 9) District Policy 407 Employee Right to Know-Exposure to Hazardous Substances
- 10) District Policy 406 Public-Private Personnel Data
- 11) District Policy 406-F Employee Authorization for Release of Information Form
- 12) District Policy 405 Veterans Preference
- 13) District Policy 404 Employee Background Checks
- 14) District Policy 404-F1 Informed Consent & Notice-Orange Tree
- 15) District Policy 404-F2 Informed Consent & Notice

Adam Seidel – Board Clerk

**INDEPENDENT SCHOOL DISTRICT 272 ~ EDEN PRAIRIE SCHOOLS
UNOFFICIAL MINUTES OF THE NOVEMBER 13, 2019
SCHOOL BOARD MEETING**

A Brief Business Meeting of the Independent School District 272, Eden Prairie Schools, was held on November 13, 2019 in the Administrative Services Center, EDC Meeting Room, 8100 School Road, Eden Prairie, MN 55344.

1. **Convene:** 7:30 a.m.

Call to Order: School Board Roll Call

Present: Karla Bratrud, Elaine Larabee, Holly Link, Adam Seidel, Terri Swartout

Not Present: Dave Espe

Present: Superintendent Josh Swanson

2. **Agenda Review and Approval:** **MOTION** by A. Seidel, **Seconded** by T. Swartout to approve the agenda for the Wednesday, November 13, 2019 Brief Business meeting of the School Board of Independent School District 272, Eden Prairie Schools – Passed Unanimously

3. **Board Work**

A. Required Board Action

- 1) Resolution Canvassing Returns of Votes of School District Elections: **MOTION** by A. Seidel, **Seconded** by K. Bratrud that the Eden Prairie School Board of Independent School District No. 272 approves and adopts the resolution canvassing returns of votes of School District General and Special Elections as presented:

1. Holly Link	Yes	4. Karla Bratrud	Yes
2. Elaine Larabee	Yes	5. Adam Seidel	Yes
3. Terri Swartout	Yes		

MOTION Passed 5-0

- 2) Resolution Authorizing Issuance of Certificates of Election and Directing the School District Clerk to Perform other Election Related Duties: **MOTION** by A. Seidel, **Seconded** by H. Link that the Eden Prairie School Board of Independent School District No. 272 approves and adopts the resolution authorizing Issuance of Certificates of Election and directing the School District Clerk to perform other Election Related duties as presented:

1. Holly Link	Yes	4. Karla Bratrud	Yes
2. Elaine Larabee	Yes	5. Adam Seidel	Yes
3. Terri Swartout	Yes		

MOTION Passed 5-0

4. **Adjournment:** **MOTION** by A. Seidel, **Seconded** by H. Link to adjourn at 7:33 a.m. – Passed Unanimously

Adam Seidel – Board Clerk

INDEPENDENT SCHOOL DISTRICT NO. 272 EDEN PRAIRIE, MINNESOTA

**Audit Report
Year Ended June 30, 2019**

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



AUDIT RESULTS – FINANCIAL STATEMENT AUDIT

- **Unmodified Opinion on Basic Financial Statements**
- **No Findings related to Internal Control or Compliance over Financial Reporting**
- **One Minnesota Legal Compliance Finding**
 - 4 of 40 disbursements tested not paid within 35 days



AUDIT RESULTS – FEDERAL SINGLE AUDIT

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

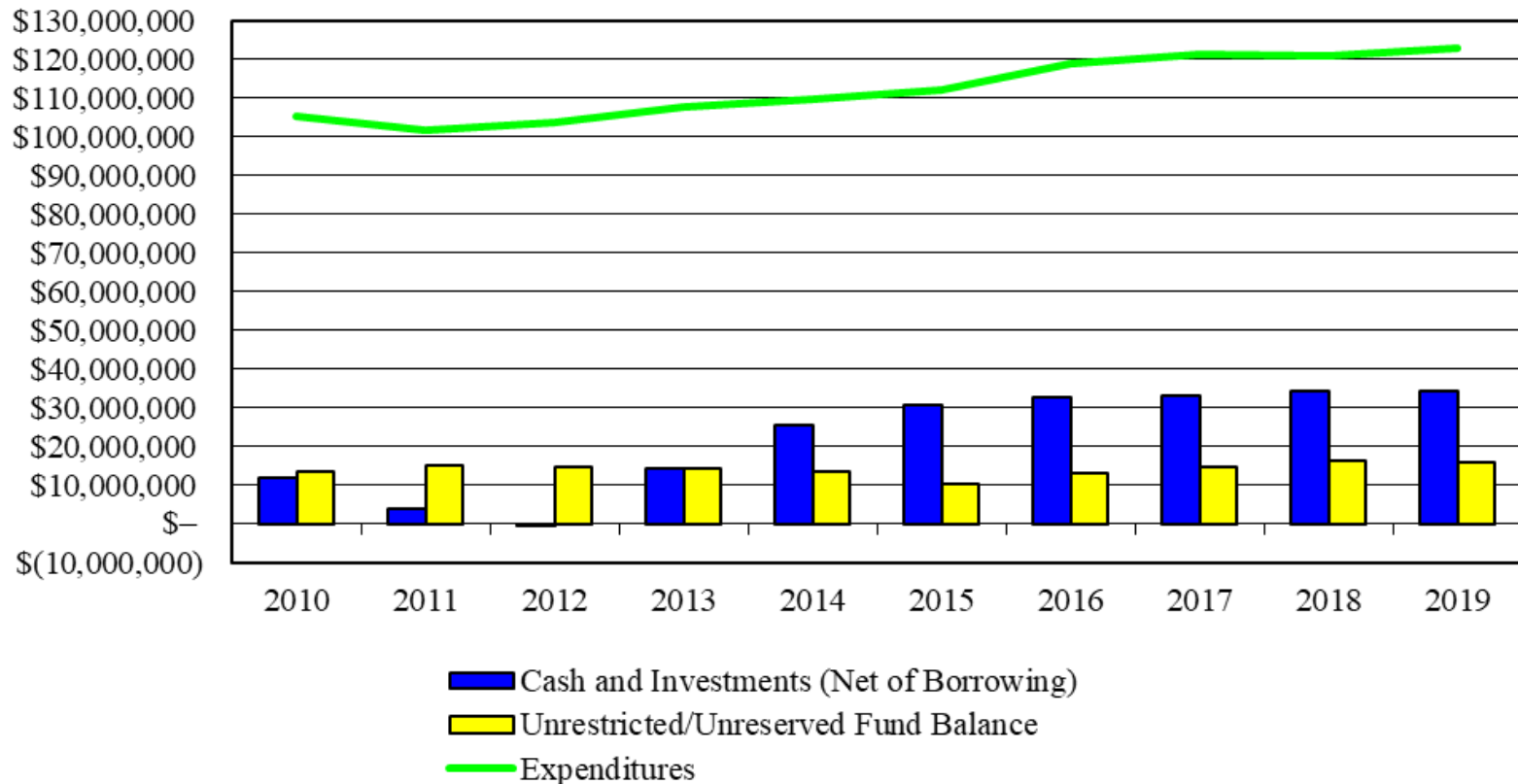
- **Federal Internal Control Deficiencies and Compliance**
 - Controls over special tests and provisions – District did not accurately complete the verification testing packet for free and reduced-price applications

AUDIT RESULTS – STUDENT ACTIVITY AUDIT

- **Reported cash balances, receipts, and disbursements are fairly presented**
 - Opinion is qualified for a limitation related to the completeness of cash receipts reported
- **Internal Controls**
 - The District reports student activities on a cash basis and internal controls are not sufficient to assure that all cash receipts have been recorded
- **Compliance with *Manual for Activity Fund Accounting***
 - 1 of 5 disbursements tested lacked the signature of the student representative, advisor, and building principal as defined in the *Manual for Activity Fund Accounting*

GENERAL FUND FINANCIAL POSITION

General Fund Financial Position
 Year Ended June 30,

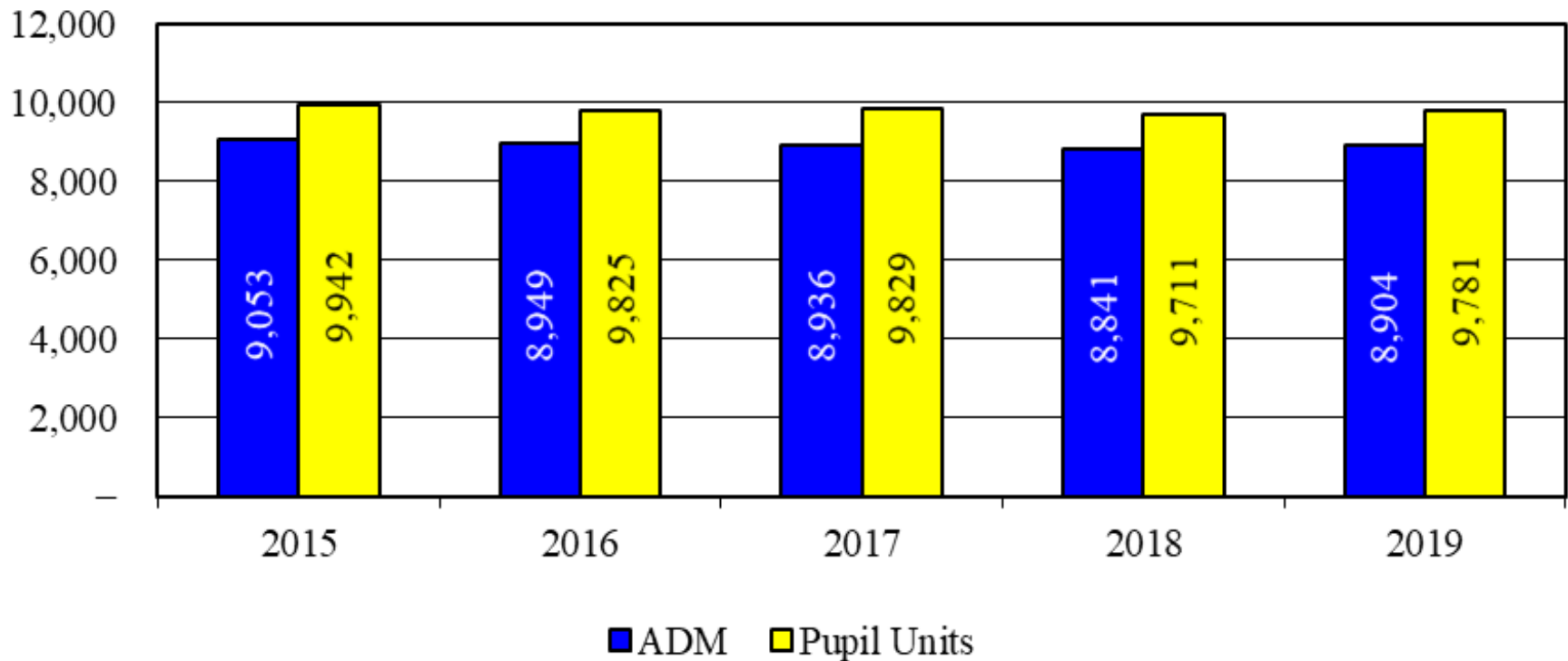


GENERAL FUND FINANCIAL POSITION

	June 30,		
	2017	2018	2019
Nonspendable fund balances	\$ 717,276	\$ 145,362	\$ 1,676,290
Restricted fund balances	1,852,903	2,106,412	1,403,680
Unrestricted fund balances			
Assigned	2,409,257	1,685,452	2,826,715
Unassigned	14,655,207	16,349,250	15,751,476
 Total fund balance	 \$ 19,634,643	 \$ 20,286,476	 \$ 21,658,161
 Total expenditures	 \$ 121,237,792	 \$ 120,809,427	 \$ 122,810,797
 Unrestricted fund balances as a percentage of expenditures	 14.1%	 14.9%	 15.1%
 Unassigned fund balances as a percentage of expenditures	 12.1%	 13.5%	 12.8%

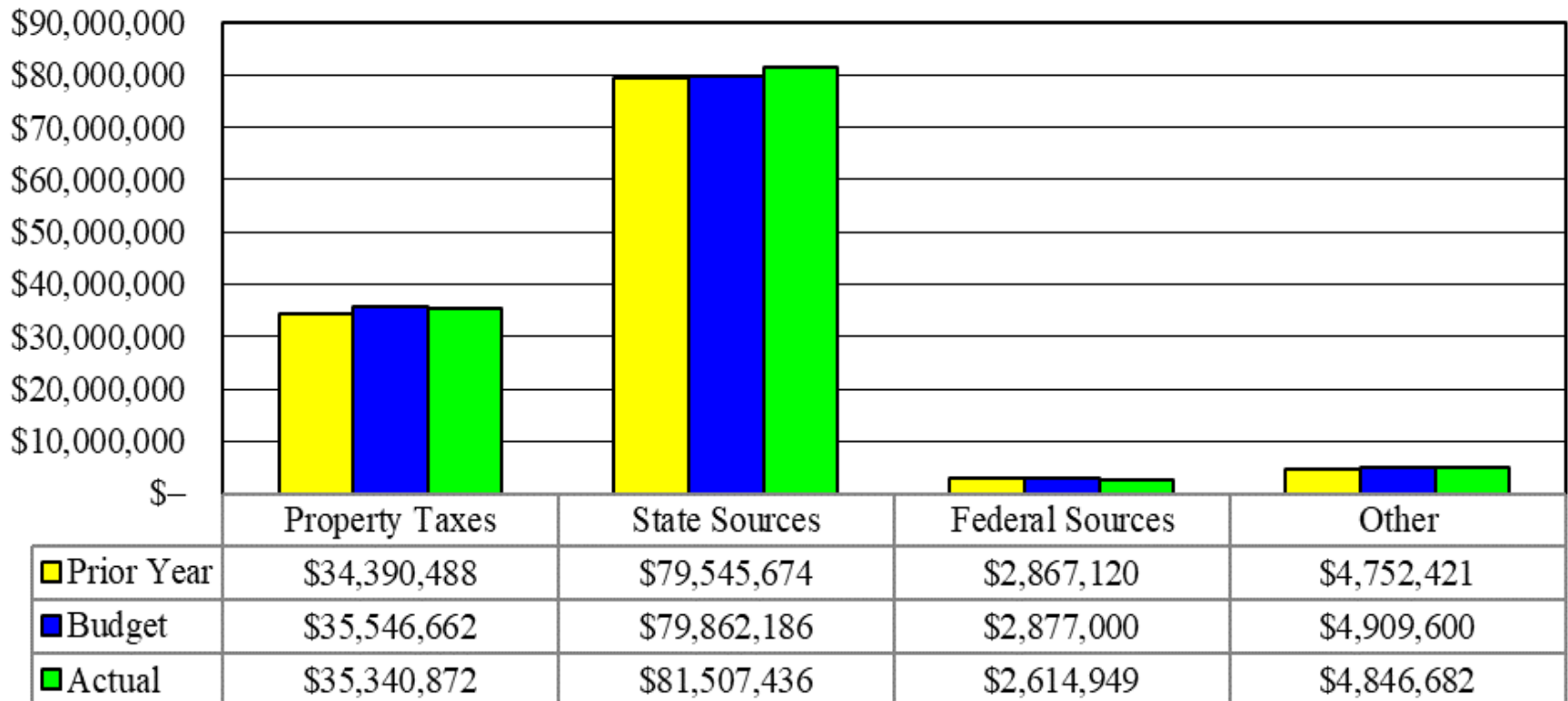
ADJUSTED ADM AND PUPIL UNITS SERVED

Adjusted ADM and Pupil Units Served



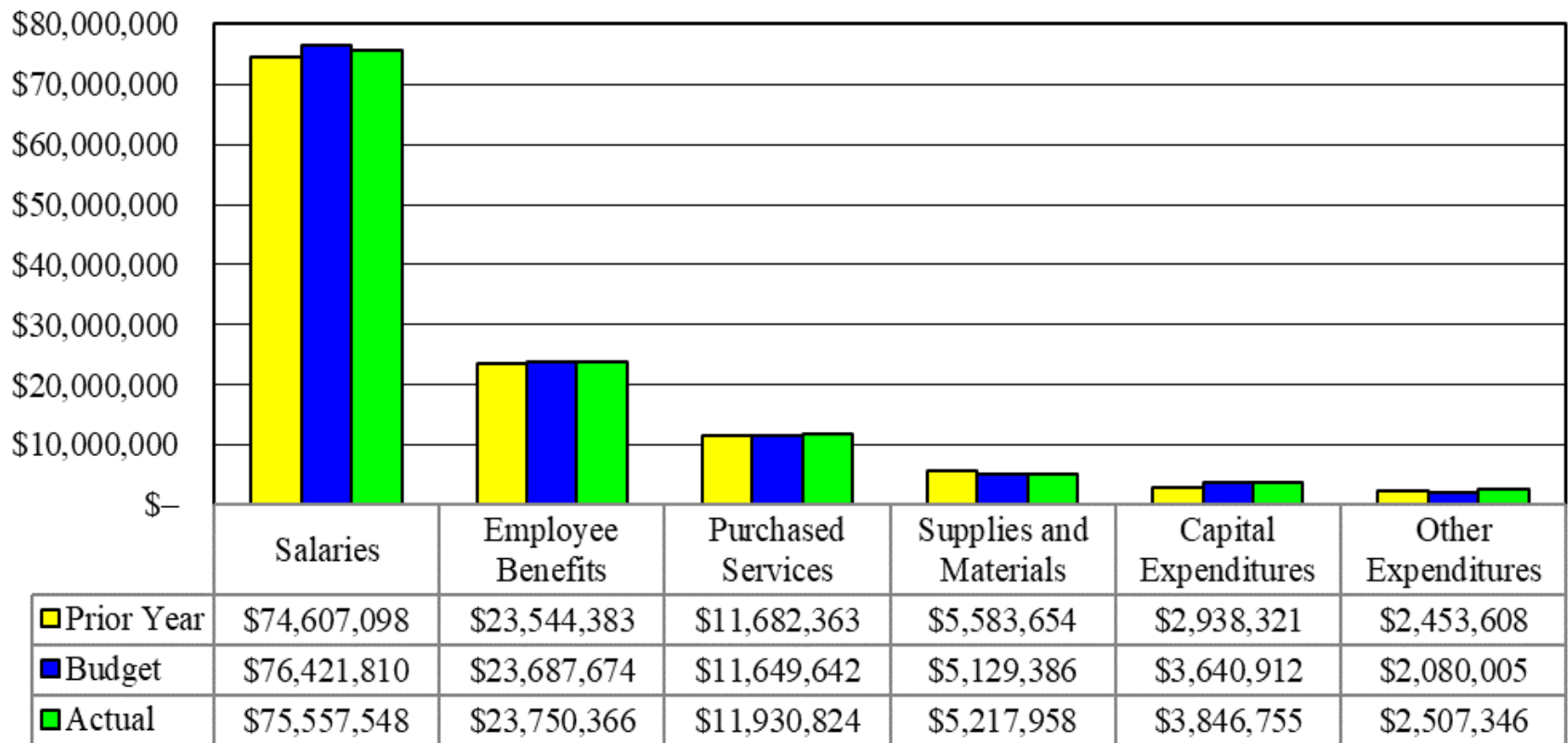
GENERAL FUND REVENUE

General Fund Revenue



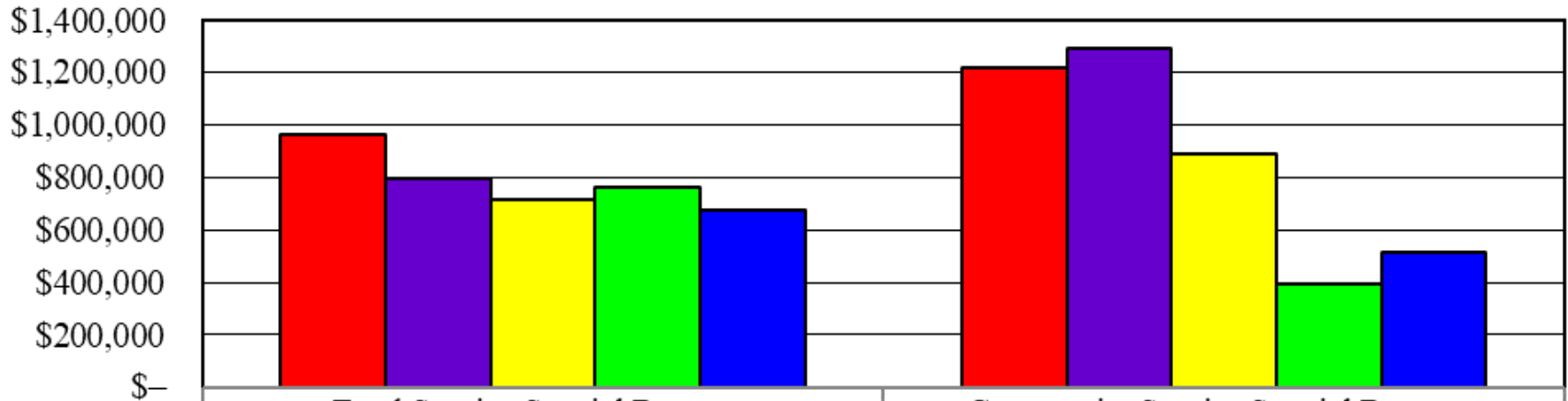
GENERAL FUND EXPENDITURES

General Fund Expenditures



OTHER OPERATING FUNDS – YEAR-END FUND BALANCES

Other Operating Funds
 Total Fund Balances



	Food Service Special Revenue	Community Service Special Revenue
2015	\$961,763	\$1,218,558
2016	\$794,950	\$1,291,373
2017	\$712,332	\$888,231
2018	\$764,922	\$395,507
2019	\$676,389	\$516,454

DISTRICT-WIDE STATEMENT OF NET POSITION

	June 30,		
	2019	2018	Change
Net position – governmental activities			
Total fund balances – governmental funds	\$ 34,143,364	\$ 28,257,873	\$ 5,885,491
OPEB asset, net of deferments	2,844,280	2,208,090	636,190
Total capital assets, net of depreciation	94,565,500	96,756,117	(2,190,617)
Bonds and leases payable	(65,628,840)	(64,361,473)	(1,267,367)
Pension liability, net of deferments	(114,432,540)	(142,578,052)	28,145,512
Other adjustments	2,514,121	503,043	2,011,078
Total net position – governmental activities	<u>\$ (45,994,115)</u>	<u>\$ (79,214,402)</u>	<u>\$ 33,220,287</u>
Net position			
Net investment in capital assets	\$ 38,506,213	\$ 41,716,939	\$ (3,210,726)
Restricted	3,450,332	3,970,336	(520,004)
Unrestricted	<u>(87,950,660)</u>	<u>(124,901,677)</u>	<u>36,951,017</u>
Total net position	<u>\$ (45,994,115)</u>	<u>\$ (79,214,402)</u>	<u>\$ 33,220,287</u>



November 25, 2019

To: Dr. Josh Swanson
From: Business Office
Re: FY18-19 Annual Financial Audit

We are pleased to present the year-end financial results for fiscal year 2019. There are four documents included in this package; Management Report, Special Purpose Audit Report, Student Activity Report, and the Comprehensive Annual Financial Report (CAFR). The financial reports will be available on the district website for the community following this board meeting.

The CAFR has been prepared following the guidelines provided by the Association of School Business Officials International (ASBO) and the Government Finance Officers Association (GFOA) for their Certificates of Excellence in Financial Reporting Programs. Achieving recognition by these programs provides a clear indication of the District's high standards for financial reporting. The District has received the ASBO Certificate of Excellence for 19 consecutive years. The District also earned the GFOA Certificate for the 5th consecutive year.

The District hired Malloy Montague Karnowski Radosevich & Co., P.A. (MMKR), an independent audit firm to conduct the financial audit. The auditors have issued a clean unmodified opinion on the audit report, the highest opinion they can provide, indicating the financial statements are fairly stated. The auditors did identify a few audit findings which can be found in the Special Purpose Audit Report on pages 9-10. All findings have already been addressed with the required corrective action plan submitted to the Minnesota Department of Education.

The CAFR contains the Management's Discussion and Analysis (pages 4-15) which provides a narrative overview and analysis of the financial activities during the fiscal year. The Management Report is designed to communicate information relevant to the financing of public education in Minnesota and to provide comments resulting from the audit process. I would encourage you to focus on these pages of the report which provide a great summary of the district's current financial condition.

This presentation also doubles as our year-end financial report to the school board. The general fund finished with an unassigned fund balance of \$17,427,766, which represents 16% of our annual expenditures and an increase of \$933,153 from the prior year. The increase was \$318,826 less than anticipated due to the assignment of \$425,542 for the deficit spending planned in the fiscal year 2019-2020 budget. The 2019-2020 budgeted deficit was pulled from unassigned fund balance and moved to assigned fund balance to ensure transparency in reporting.

We are pleased with the year-end results in all funds across the district, and continue to meet our financial targets as expected. The updated 5-year financial projection will be presented to the board in January 2020.

PROJECTED FUND BALANCES THROUGH JUNE 30, 2019

FUND DESCRIPTION	6/30/2018 AUDITED BALANCE	2018-19 ACTUAL REVENUES	TRANSFERS INTO FUNDS	2018-19 ACTUAL EXPENDITURES	TRANSFERS OUT OF FUNDS	6/30/2019 ACTUAL BALANCE	6/30/2019 PROJECTED BALANCE	DIFFERENCE
GENERAL FUND								
A. UNASSIGNED	16,494,613	109,898,775	-	108,814,365	151,257	17,427,766	17,746,392	(318,626)
B. ASSIGNED								
Site Carryover	374,988	-	-	55,631	-	319,357	374,988	(55,631)
Construction	697,417	475,000	-	-	-	1,172,417	697,417	475,000
Curriculum Adoption	150,000	350,000	-	-	-	500,000	150,000	350,000
Budgeted Deficit	-	425,542	-	-	-	425,542	-	425,542
Student Activities/Fundraising	463,047	1,498,861	-	1,552,509	-	409,399	463,047	(53,648)
C. RESTRICTED/RESERVED - Medical Assistance	675,813	312,860	-	705,150	-	283,523	272,911	10,612
TOTAL GENERAL FUND	18,855,878	112,961,037	-	111,127,655	151,257	20,538,003	19,704,755	833,249
				Total exp including transfers	111,278,912			
CAPITAL								
Operating Capital	752,050	3,424,181	-	3,633,863	-	542,367	368,902	173,465
Assigned - Cell Tower	100,774	67,969	-	95,777	-	72,966	30,556	42,411
LTFM	92,679	1,020,417	-	1,113,095	-	-	18,917	(18,917)
Capital Projects Levy	485,096	6,860,135	-	6,840,408	-	504,823	500,746	4,077
TOTAL CAPITAL OUTLAY	1,430,598	11,372,702	-	11,683,143	-	1,120,156	1,009,876	201,037
FOOD SERVICE	764,922	5,006,505	-	5,095,038	-	676,389	765,642	(89,253)
COMMUNITY SERVICE								
Regular Community Education	295,945	5,247,993	150,000	5,544,346	-	149,593	361,354	(211,761)
LCTS	-	206,683	-	206,683	-	-	-	-
Early Child Family Education	403,883	793,374	-	860,310	-	336,947	409,518	(72,572)
School Readiness	(304,323)	1,550,129	-	1,215,893	-	29,913	(126,700)	156,614
Non Public/Preschool Screening	-	53,651	1,257	54,908	-	-	5,350	(5,350)
TOTAL COMMUNITY SERVICE	395,505	7,851,830	151,257	7,882,139	-	516,453	649,522	(133,070)
		Total rev including transfers	8,003,087					
LONG TERM FACILITIES MAINTENANCE (LTFM)	5,567,296	9,780,286	-	5,778,029	-	9,569,554	877,848	8,691,706
DEBT SERVICE								
Principal & Interest	563,918	14,996,831	-	13,837,944	-	1,722,806	488,123	1,234,683
Post-Employment Benefits	679,753	4,041,629	-	4,721,381	-	-	836,154	(836,154)
TOTAL DEBT SERVICE	1,243,671	19,038,460	-	18,559,325	-	1,722,805	1,324,277	398,529
INTERNAL SERVICE FUND								
Self Funded Medical	1,584,158	13,048,325	-	11,107,101	-	3,525,382	3,334,158	191,224
Self Funded Dental	311,296	1,281,010	-	1,255,773	-	336,534	311,296	25,238
TOTAL INTERNAL SERVICE FUND	1,895,454	14,329,336	-	12,362,874	-	3,861,916	3,645,454	216,462
TRUST & AGENCY								
Post-Employment Benefits Irrevocable Trust	16,380,453	813,574	-	702,747	-	16,491,280	15,630,453	860,827
Flexible Benefits	46,990	636,682	-	683,671	-	-	46,990	(46,990)
Trust & Agency	51,149	12,488	-	8,000	-	55,636	51,149	4,488
TOTAL TRUST & AGENCY	16,478,591	1,462,744	-	1,394,418	-	16,546,917	15,728,591	818,325
TOTAL	46,631,915	181,802,899	151,257	173,882,621	151,257	54,552,193	43,705,965	10,846,228
		Total rev including transfers	181,954,156	Total exp including transfers	174,033,878			
General Fund (Unassigned)	16,494,613	109,898,775	-	108,814,365	151,257	17,427,766	17,746,392	(318,626)
General Fund Balance %	15.6%					16.0%	16.4%	

Eden Prairie School District 272 Superintendent Monitoring Report		
Policy Name: EL 2.9 Communication and Support to the School Board	Monitoring Timeframe: July 2018 2019 - November 2018 2019	Policy Monitoring Column FOR BOARD USE ONLY Compliance rating: <ul style="list-style-type: none"> • OI is/is not reasonable • Data does/does not provide adequate evidence of compliance <i>Include specific evidence for rating conclusion and recommendations.</i>
Policy Quadrant: Executive Limitations	Date of School Board Monitoring: November 19, 2018 November 25, 2019	
		Board member name:
<u>Global Constraint:</u> The Superintendent shall not cause or allow the School Board to be uninformed or unsupported in its work.		(enter rating and reasoning when appropriate)
<u>Operational Interpretation:</u> I interpret this policy to mean that I am ultimately responsible for arranging the logistical, informational and organizational systems necessary for the School Board to be an effective governing body with the support of the Superintendent's Cabinet and Office Staff. I believe the Board's subsequent policies 2.9.1 – 2.9.11 succinctly cover all areas of further interpretation of this global ("parent level") policy leaving no other areas of concern to be addressed in this interpretation.		
<u>Justification:</u> This was developed through reflection and a study of operational interpretations of similar organizations that approached it in a similar fashion.		
<u>Measurement Plan:</u> The organization will be in compliance with EL 2.9 if the Board finds the organization to be in compliance with policies 2.9.1 – 2.9.11.		

<p><u>Evidence:</u> Evidence of compliance is demonstrated by supporting data presented throughout EL Policies 2.9.1-2.9.11.</p>	
<p><u>Statement of Assertion:</u> Report is Reasonable and Evidence supports the Operational Interpretation</p>	
<p>2.9.1 Further, the Superintendent shall not: Neglect to submit monitoring reports required by the School Board in a timely, accurate, and understandable fashion.</p>	
<p><u>Operational Interpretation:</u> Our governance process dictates that the superintendent periodically report on whether the organization has (1) avoided conditions the Board has indicated as unacceptable, and (2) achieved certain end results. This policy requires that those reports, defined by Policy Governance as internal monitoring reports for Executive Limitation and Ends policies, be submitted with the following qualities:</p> <ol style="list-style-type: none"> 1. Timeliness – Timely information is information that is available when it is needed. I interpret this to mean that the reports will be made available to the Board twelve (12) days prior to the Board meeting at which the report will be monitored. 2. Accuracy – Accurate information provides a reliable and valid representation of reality. I interpret this to mean that all data provided will be fact-based and known to be true to the best of our ability. 3. Understandable – I interpret this to mean that the actual reports must be: <ol style="list-style-type: none"> a. Presented in a standardized format that clearly delineates each element of the report (Operational Interpretation, Justification, Measurement, Data, Statement of Compliance); b. Free of unnecessary material not directly related to demonstrating compliance with the policy interpretation; c. Carefully designed to express vast quantities of data that can be assimilated and absorbed by the reader quickly. 	
<p><u>Justification:</u> My interpretation of monitoring reports is guided by our understanding of the Policy Governance model as learned during joint training sessions, documentation reviewed, and shared experience since 2013. My interpretation of timeliness being twelve (12) days prior to monitoring. My interpretation of accuracy and understandable is guided by our joint understanding of the Policy Governance model.</p>	
<p><u>Measurement Plan:</u> Compliance with this policy will be demonstrated by:</p> <ol style="list-style-type: none"> 1. Compliance is achieved when at least 90% of all reports are submitted no less than twelve (12) days before monitoring. 2. The operational interpretations, justifications and data provided are timely, accurate, and provide credibility to my assertions of compliance. 3. The format and content is not unnecessarily complicated as demonstrated by final board action on the report. 	

Evidence:

All monitoring reports have been submitted twelve or more days prior to monitoring. The following table documents submission or board action for each monitoring report from ~~July 2018– November 2018~~ **July 2019- November 2019**.

**Record of Board Policy Monitoring
Ends and Executive Limitations
July 1, 2019 – June 30, 2020**

Monitoring 2018-2019 School Year Data

The purpose of this document is to demonstrate to the owners that the board holds the superintendent accountable to our Ends and ELs.

Policy	Date	Operational Interpretation – Reasonable or not?		Evidence – demonstrates expected progress?		Date to bring back the district’s plan to demonstrate expected progress in the future	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
ENDS							
1.1 Each student graduates and is academically prepared to progress to multiple opportunities after high school	18-19 OI 06/18/18	Yes	Yes				
	18-19 Evidence 10/28/19			No	No		No
	19-20 OI 6/24/19	Yes	Yes				
1.1.1 Each student is reading at grade level by the end of third grade	18-19 OI 06/18/18	Yes	Yes				
	18-19 Evidence 10/28/19			Yes	Yes		Yes
	19-20 OI 6/24/19	Yes	Yes				
1.1.2 Each student achieves individual growth expectations and proficiency annually in, but not limited to, Language Arts, Math and Science	18-19 OI 06/18/18	Yes	Yes				
	18-19 Evidence 10/28/19			No	No		No
	19-20 OI 6/24/19	Yes	Yes				

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Policy	Date	Operational Interpretation – Reasonable or not?		Evidence – demonstrates expected progress?		Date to bring back the district’s plan to demonstrate expected progress in the future	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
ENDS							
1.1.3 Each student receives a broad-based education that exceeds the Minnesota State Graduation Requirements	18-19 OI 06/18/18	Yes	Yes				
	18-19 Evidence 10/28/19			Yes	Yes		Yes
	19-20 OI 6/24/19	Yes	Yes				
1.2 Each student demonstrates the 21 st century skills needed to succeed in the global economy	18-19 OI 06/18/18	Yes	Yes				
	18-19 Evidence 10/28/19			No	No		No
	19-20 OI 6/24/19	Yes	Yes				
1.3 Each student demonstrates the knowledge that citizens and residents of the United States need to contribute positively to society	18-19 OI 06/18/18	Yes	Yes				
	18-19 Evidence 10/28/19			Yes	Yes		Yes
	19-20 OI 6/24/19	Yes	Yes				

Policy	Date	Operational Interpretation – Reasonable or not?		Evidence – supports Operational Interpretation or not?		Date to re-monitor if either the OI is Not Reasonable or If Evidence doesn't support OI	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
EXECUTIVE LIMITATIONS							
EL 2.0 Global Executive Constraint	12/9/19						
EL 2.1 Emergency Superintendent Succession	08/26/19	Yes	Yes	Yes	Yes		Yes
EL 2.2 Treatment of Students	08/26/19	Yes	Yes	Yes	Yes		Yes
EL 2.3 Treatment of Parents	09/23/19	Yes	Yes	Yes	Yes		Yes
EL 2.4 Treatment of Staff	10/28/19	Yes	Yes	Yes	Yes		Yes
EL 2.5 Financial Planning and Budgeting	12/9/19						
EL 2.6 Financial Management and Operations	09/23/19	Yes	Yes	Yes	Yes		Yes
EL 2.7 Asset Protection	08/26/19	Yes	Yes	Yes	Yes		Yes
EL 2.8 Compensation and Benefits	10/28/19	Yes	Yes	Yes	Yes		Yes

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Policy	Date	Operational Interpretation – Reasonable or not?		Evidence – supports Operational Interpretation or not?		Date to re-monitor if either the OI is Not Reasonable or if Evidence doesn't support OI	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
EXECUTIVE LIMITATIONS							
EL 2.9 Communication and Support to the School Board	06/24/19 (Semi-annual)	Yes	Yes	Yes	Yes		Yes
	11/25/19						
	06/22/20 (Semi-annual)						
Statement of Assertion: Report is Reasonable and Evidence supports the Operational Interpretation							
2.9.2 Further, the Superintendent shall not: Be untimely in reporting any actual or anticipated noncompliance with any policy of the School Board.							
Operational Interpretation: I interpret this policy to mean that it is my responsibility to inform the Board if the organization swings significantly out of compliance or is likely to go out of compliance with any Executive Limitation or Ends policy independent of the timing for internal monitoring report. In other words, I will not wait until a monitoring report is due to inform the Board of a compliance issue but will alert the Board as soon as is prudent and possible. I interpret “any policy” to include Executive Limitation and Ends policies.							

<p><u>Justification:</u> I submit this as a reasonable interpretation on the merit of its common sense approach. In a crisis, I must first “secure the situation” and then communicate. Therefore, alerting the Board at my first possible convenience is a logical approach.</p>	
<p><u>Measurement Plan:</u></p> <ol style="list-style-type: none"> 1. Compliance will be measured using three (3) benchmarks: <ol style="list-style-type: none"> a. Administration’s timely notification to the Board of any unanticipated non-compliance with any Board policy prior to the scheduled date of monitoring report review. b. Administration’s adherence to the Monitoring Schedule per the Board Work Plan. c. The Board’s request for additional monitoring. 	
<p><u>Evidence:</u></p> <ol style="list-style-type: none"> 1. There were no instances of unanticipated non-compliance with any Board policy prior to the scheduled date of monitoring report review. 2. See evidence presented for EL 2.9.1. 3. See evidence presented for EL 2.9.1. 	
<p><u>Statement of Assertion:</u> Report is Reasonable and Evidence supports the Operational Interpretation</p>	
<p>2.9.3 Further, the Superintendent shall not: Neglect to submit unbiased information required by the School Board or let the School Board be unaware of relevant trends.</p>	
<p><u>Operational Interpretation:</u> I interpret “unbiased information required by the School Board” to be data that:</p> <ol style="list-style-type: none"> 1. Seeks to provide facts, multiple perspectives, and the positive and/or negative consequences of any proposed action when the School Board requests such information for their deliberations (e.g. considering a new EL or Ends policy; 2. Neither promotes nor suppresses the true nature or logical outcomes that may result from the review of said data <p>“Relevant trends” are interpreted as information that provides the School Board with key insights into emerging educational trends that might better inform the Board as they approach their governance responsibilities.</p>	
<p><u>Justification:</u> The reasonableness of this interpretation is based on my past experience supporting School Board process and an awareness of the key issues facing the School Board and organization.</p>	

<p><u>Measurement Plan:</u></p> <p>Compliance shall be evidenced by:</p> <ol style="list-style-type: none"> 1. The operational interpretations, justifications and data provided are timely, accurate, and provide credibility to my assertions of compliance as evidenced by final board action on the report. 2. The Superintendent shall provide “Incidental Information” reports at the monthly business meetings and assist the Board and Board Development Committee as they develop future focused workshop topics. 	
<p><u>Evidence:</u></p> <ol style="list-style-type: none"> 1. See evidence for 2.9.1. 2. See evidence for 2.9.4. 3. Future Focused Topics Presented <ol style="list-style-type: none"> a. Workshop topics brought forward for scheduling once new members are seated b. Budget Preparation for 19-20 c. Designing Pathways - Facilities Update d. Kindergarten Engagement Process Update e. Morris Leatherman Survey Results f. Designing Pathways Choice for Each Options g. Designing Pathways Facilities, Safety Security, and Personalized Learning Information h. Designing Pathways Financials i. Superintendent Recommendation on Designing Pathways for Facilities, Security, Personalized Learning, and Choice 	
<p><u>Statement of Assertion:</u></p> <p>Report is Reasonable and Evidence support the Operational Interpretation</p>	
<p>2.9.4 Further, the Superintendent shall not: Let the School Board be unaware of any significant incidental information it requires, including district press releases, anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.</p>	
<p><u>Operational Interpretation:</u></p> <p>I interpret this policy to mean that I must inform the School Board of:</p> <ol style="list-style-type: none"> 1. Incidental Information is interpreted as information that is significant to the organization but not information considered by the School Board to be educational or monitoring in nature. I think of it as “nice to know” items. Examples of this might range from the retirement of a staff member to an update on management’s strategic planning process. 2. A threatened or pending lawsuit will be interpreted as a situation where the District has been notified in writing that an individual or group has retained legal representation for purposes of legally challenging the District. 	

<p>3. Material internal or external changes are interpreted to be situations or decisions that a reasonable person would consider to have a significant impact on the district. Examples might include potential changes in state funding, organizational restructuring or process changes, etc.</p> <p>4. The Superintendent is responsible for determining whether the change rises to the level of School Board notification. When in doubt, the Superintendent will consult with the School Board Chair to determine whether an issue is worthy of School Board notification and the proper course of notification.</p>	
<p><u>Justification:</u> The reasonableness of this interpretation is based on my past experience supporting the School Board process.</p>	
<p><u>Measurement Plan:</u> Compliance shall be evidenced by:</p> <ol style="list-style-type: none"> 1. The Superintendent shall provide “Incidental Information” reports at their monthly business meeting. 2. The School Board’s comparison of my notifications of any real or threatened lawsuits against actuals during the period being monitored. 3. The Superintendent adequately informed the Board of material changes during the period being monitored. 	
<p><u>Evidence:</u></p> <ol style="list-style-type: none"> 1. Incidental Information Reports <ol style="list-style-type: none"> a. Preliminary Enrollment Update b. Unaudited Financials c. October 1 Enrollment Summary with Capture Rate, History and Projection by grade level and site d. World’s Best Workforce e. Achievement Integration Summary f. Online Learning 2. The Superintendent notified the Board as needed during the period being monitored. 3. The Superintendent notified the Board as needed during the period being monitored. 	
<p><u>Statement of Assertion:</u> Report is Reasonable and Evidence supports the Operational Interpretation</p>	

<p>2.9.5 Further, the Superintendent shall not: Fail to advise the School Board if, in the Superintendent's opinion, the School Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of School Board behavior that is detrimental to the working relationship between the School Board and the Superintendent.</p>	
<p><u>Operational Interpretation:</u> The Superintendent, while subordinate to the School Board, is empowered to manage the business of the District (otherwise known as the Means) unless specifically directed to do otherwise via the Executive Limitations policies. This policy directs me to advise the School Board if the School Board attempts to guide or influence any management function not specifically entrusted to the School Board. The Policy Governance model will only be successful if both the School Board and Superintendent adhere to its policies and tenants.</p> <p>There is an inherent risk for the Superintendent in advising the School Board it is out of compliance. The Superintendent should be confident that any alleged violation of this policy can be brought forth without fear of retaliation or retribution from the School Board or one of its members.</p>	
<p><u>Justification:</u> In order for Policy Governance to function effectively, both the Superintendent and School Board must understand their roles and practice good governance.</p>	
<p><u>Measurement Plan:</u> Compliance is measured by instances when the Superintendent is compelled to notify the School Board Chair and Vice Chair that one or more School Board members allegedly violated this policy. The Chair and Vice Chair will inform the School Board of any unresolved issues.</p>	
<p><u>Evidence:</u> The Superintendent notified the Board Chair and Vice Chair as needed and appropriate during the period being monitored. During the monitoring period, the Board made no determinations that a violation of this policy has occurred.</p>	
<p><u>Statement of Assertion:</u> Report is Reasonable and Evidence support the Operational Interpretation</p>	

<p>2.9.6 Further, the Superintendent shall not: Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and incidental.</p>	
<p><u>Operational Interpretation:</u></p> <ol style="list-style-type: none"> 1. Information that is unnecessarily complex and/or lengthy is characterized by a reporting style that provides more information than is required, or contains irrelevant information that hinders effective Board deliberation and decision-making. 2. Information provided to the School Board using the principles of Policy Governance should conform and be labeled per the three types indicated in this policy. 3. The following defines the three types of information: <ol style="list-style-type: none"> a. Monitoring information. This category includes internal monitoring reports, external monitoring reports (e.g. annual audit), and data and interpretations collected for direct inspections. b. Decision Preparation. This category is composed of information the School Board requests or the Superintendent proactively supplies (see 2.9.3) to support the School Board in its work. c. Incidental Information. This information covers the gamut...from the “nice to know” events that occur in an organization to updates on management processes. Its purpose is to inform the School Board and is not presented for discussion or input. 	
<p><u>Justification:</u> The interpretations for the types of information were provided during School Board training.</p>	
<p><u>Measurement Plan:</u></p> <ol style="list-style-type: none"> 1. Compliance regarding complexity or length of the information format is measured by compliance with EL 2.9.1. 2. The appropriate placement, discussion, and action (if appropriate) of informational items on the board business meeting and workshop agendas each month. 	
<p><u>Evidence:</u></p> <ol style="list-style-type: none"> 1. See evidence presented for EL 2.9.1. 2. Evidence of compliance is demonstrated by Board action to approve meeting agendas during the period being monitored. 	
<p><u>Statement of Assertion:</u> Report is Reasonable and Evidence support the Operational Interpretation</p>	

2.9.7 Further, the Superintendent shall not: Provide a mechanism for official School Board, officer, or committee communications that is ineffective.	
<p><u>Operational Interpretation:</u></p> <ol style="list-style-type: none"> 1. An ineffective communication mechanism is interpreted as: <ol style="list-style-type: none"> a. Inefficient in reaching School Board members in a timely manner b. Unproductive in assisting School Board members in carrying out their duties c. Unsuccessful in clearly relaying the desired information and resulting actions for official School Board, officer, or committee communications are those defined as those mechanisms that provide timely, accurate, and understandable information that assists School Board members in carrying out their duties. <p>Therefore, I interpret this policy to mean that I must provide the School Board a system for connecting effectively to the organization and to necessary governing information (e.g. School Board meeting materials, past documents).</p>	
<p><u>Justification:</u></p> <p>The operational interpretation is justified by the School Board’s own selection of BoardBook and MS Outlook as technology solutions and the District website as the repository for official public documents.</p>	
<p><u>Measurement Plan:</u></p> <p>Compliance will be measured by the School Board’s use of BoardBook, MS Outlook, and the District website and feedback regarding their user experience.</p>	
<p><u>Evidence:</u></p> <p>The Board has continued to use BoardBook, MS Outlook, and the District website as its main communication and information solutions.</p>	
<p><u>Statement of Assertion:</u></p> <p>Report is Reasonable and Evidence support the Operational Interpretation</p>	

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<p>2.9.8 Further, the Superintendent shall not: Communicate with individual School Board members in addressing official School Board business except when responding to officers or committees duly charged by the School Board.</p>	
<p><u>Operational Interpretation:</u> Elected members of the School Board have binding authority only when acting as a School Board legally in session except where specific authority is provided to School Board members or officers individually. Generally, the School Board is not bound by an action or statement on the part of an individual School Board member unless the action is specifically directed or authorized by the School Board.</p>	
<p><u>Justification:</u> Minnesota Law provides for the specific powers and function of elected School Board members. Minnesota Statute §123.33 School Board Powers Minnesota Statute §123.34 School District Officers Minnesota Statute §123.35 General Powers BMD 3.1.2 provides guidance and instruction outlining the authority that an individual School Board member can exert upon the Superintendent.</p>	
<p><u>Measurement Plan:</u> Compliance is measured by the number of instances when the Superintendent is compelled to report to the School Board Chair and Vice Chair, School Board member non-compliance of BMD 3.1.1. The Chair and Vice Chair will inform the School Board of any unresolved issues.</p>	
<p><u>Evidence:</u> The Superintendent notified the Board Chair and Vice Chair as needed and appropriate during the period being monitored. During the monitoring period, the Board made no determinations that a violation of this policy has occurred.</p>	
<p><u>Statement of Assertion:</u> Report is Reasonable and Evidence support the Operational Interpretation</p>	

2.9.9 Further, the Superintendent shall not: Neglect to supply for the School Board’s consent agenda, along with applicable supporting information, all decisions delegated to the Superintendent yet required by law, regulation, or contract to be School Board-approved.	
<u>Operational Interpretation:</u> I interpret this policy to mean that the new School Board agenda template developed through our current governance process transition will include one “consent agenda” area and that I am responsible for bringing any items onto the agenda in this section. Items listed will include reference as to the reason School Board approval is required and any governance policies the item might reference. I interpret “consent agenda” items differently from “Required School Board Decision” items on the agenda template. “Required School Board Decisions” are items requiring School Board approval AND their deliberative involvement.	
<u>Justification:</u> My interpretation of this policy is based on the Policy Governance model.	
<u>Measurement Plan:</u> Compliance with this policy shall be evidenced by the proper identification and placement of the items described in this policy on School Board agendas during the period being monitored.	
<u>Evidence:</u> 1. Evidence of compliance is demonstrated by Board action to approve meeting agendas during the period being monitored.	
<u>Statement of Assertion:</u> Report is Reasonable and Evidence support the Operational Interpretation	
2.9.10 Further, the Superintendent shall not: Allow the School Board to be unaware of potential consequences to the district posed by pending legislation or regulation.	
<u>Operational Interpretation:</u> I interpret this policy to mean that potential consequences of pending or realized legislation can be positive or negative and are the result of actions of the state and/or federal government. Pending legislation are those items that are introduced to the legislature in the form of new bills or modification to existing legislation. Regulations are the interpretation of enacted legislation by government entities charged with the responsibility of operationalizing approved legislation. Legislation and regulations are imposed upon the District as a political entity. The District is a political entity that is responsible to the State of Minnesota and the Federal government, and therefore is required to conform to and implement either direct	

<p>legislation or the interpretation of legislation by government agencies. Pending legislation and resulting changes to expectations or established practices at the local level need to be communicated to the Board of Education.</p> <p>Therefore, my job related to this policy is to make sure the School Board is made aware of legislative impact to this district. I will normally use my “Incidental Report” to make the School Board aware of such situations unless the legislation causes the organization to go out of compliance. In such cases, the School Board may be informed via an Out of Compliance Email Alert.</p>	
<p><u>Justification:</u> I consider my interpretation to be justified based on a common understanding of public education regulation and legislation.</p>	
<p><u>Measurement Plan:</u> Compliance with this policy is evidenced by the multiple means by which the Board is kept apprised of proposed state and federal legislation or regulation, as well as inquiries from individual board members seeking further understanding or clarification of pending legislation.</p>	
<p><u>Evidence:</u> The Board is copied in on email updates from AMSD and MSBA on a regular basis. The Superintendent also forwards additional information from MASA and AASA as needed and appropriate.</p>	
<p><u>Statement of Assertion:</u> Report is Reasonable and Evidence support the Operational Interpretation</p>	
<p>2.9.11 Further, the Superintendent shall not: Send letters or surveys under the School Board’s name or on behalf of the School Board without School Board approval.</p>	
<p><u>Operational Interpretation:</u> It is not uncommon for information to be disseminated or gathered on behalf of the District as a whole or “on behalf of” the School Board. Due to the separation of duties as evidenced by School Board Policy, it is inherent upon Administration to clearly identify the source of the request and to whom the information will be divulged when sharing, communicating, or collecting data.</p> <ol style="list-style-type: none"> 1. Neither Superintendent nor any school employee may represent the “School Board” in any letter sent to stakeholders without the express approval of the School Board via official School Board approval. 2. The Superintendent and designees shall clearly declare the origin and potential use of any survey seeking input from owners, and under no circumstance represent the request for information on behalf of the School Board without School Board approval. 	

<p><u>Justification:</u> Policy Governance theory and policy clearly indicates the roles of the School Board and Superintendent which is the driving rationale for this interpretation.</p>	
<p><u>Measurement Plan:</u> Compliance with this policy will be evidenced by:</p> <ol style="list-style-type: none"> 1. The existence of any formal requests by the Superintendent for School Board signoff of letters, etc. during the monitoring period. 2. Surveys undertaken by the Administration do not attribute the Board as requesters or recipients of the collected data. 	
<p><u>Evidence:</u></p> <ol style="list-style-type: none"> 1. There were no requests by the Superintendent to have the Board sign off on any letters. 2. There were no surveys undertaken that were attributed to the Board as requestors. 	
<p><u>Statement of Assertion:</u> Report is Reasonable and Evidence support the Operational Interpretation</p>	
<p>School Board member's summarizing comments:</p>	

**Record of Board Policy Monitoring
Ends and Executive Limitations
July 1, 2019 – June 30, 2020**

Monitoring 2018-2019 School Year Data

The purpose of this document is to demonstrate to the owners that the board holds the superintendent accountable to our Ends and ELs.

Policy	Date	Operational Interpretation – Reasonable or not?		Evidence – demonstrates expected progress?		Date to bring back the district’s plan to demonstrate expected progress in the future	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
ENDS							
1.1 Each student graduates and is academically prepared to progress to multiple opportunities after high school	18-19 OI 06/18/18	Yes	Yes				
	18-19 Evidence 10/28/19			No	No		No
	19-20 OI 6/24/19	Yes	Yes				
1.1.1 Each student is reading at grade level by the end of third grade	18-19 OI 06/18/18	Yes	Yes				
	18-19 Evidence 10/28/19			Yes	Yes		Yes
	19-20 OI 6/24/19	Yes	Yes				
1.1.2 Each student achieves individual growth expectations and proficiency annually in, but not limited to, Language Arts, Math and Science	18-19 OI 06/18/18	Yes	Yes				
	18-19 Evidence 10/28/19			No	No		No
	19-20 OI 6/24/19	Yes	Yes				

Policy	Date	Operational Interpretation – Reasonable or not?		Evidence – demonstrates expected progress?		Date to bring back the district’s plan to demonstrate expected progress in the future	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
ENDS							
1.1.3 Each student receives a broad-based education that exceeds the Minnesota State Graduation Requirements	18-19 OI 06/18/18	Yes	Yes				
	18-19 Evidence 10/28/19			Yes	Yes		Yes
	19-20 OI 6/24/19	Yes	Yes				
1.2 Each student demonstrates the 21 st century skills needed to succeed in the global economy	18-19 OI 06/18/18	Yes	Yes				
	18-19 Evidence 10/28/19			No	No		No
	19-20 OI 6/24/19	Yes	Yes				
1.3 Each student demonstrates the knowledge that citizens and residents of the United States need to contribute positively to society	18-19 OI 06/18/18	Yes	Yes				
	18-19 Evidence 10/28/19			Yes	Yes		Yes
	19-20 OI 6/24/19	Yes	Yes				

Policy	Date	Operational Interpretation – Reasonable or not?		Evidence – supports Operational Interpretation or not?		Date to re-monitor if either the OI is Not Reasonable or if Evidence doesn’t support OI	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
EXECUTIVE LIMITATIONS							
EL 2.0 Global Executive Constraint	12/9/19						
EL 2.1 Emergency Superintendent Succession	08/26/19	Yes	Yes	Yes	Yes		Yes
EL 2.2 Treatment of Students	08/26/19	Yes	Yes	Yes	Yes		Yes
EL 2.3 Treatment of Parents	09/23/19	Yes	Yes	Yes	Yes		Yes
EL 2.4 Treatment of Staff	10/28/19	Yes	Yes	Yes	Yes		Yes
EL 2.5 Financial Planning and Budgeting	12/9/19						
EL 2.6 Financial Management and Operations	09/23/19	Yes	Yes	Yes	Yes		Yes
EL 2.7 Asset Protection	08/26/19	Yes	Yes	Yes	Yes		Yes
EL 2.8 Compensation and Benefits	10/28/19	Yes	Yes	Yes	Yes		Yes

Policy	Date	Operational Interpretation – Reasonable or not?		Evidence – supports Operational Interpretation or not?		Date to re-monitor if either the OI is Not Reasonable or if Evidence doesn’t support OI	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
EXECUTIVE LIMITATIONS							
EL 2.9 Communication and Support to the School Board	06/24/19 (Semi-annual)	Yes	Yes	Yes	Yes		Yes
	11/25/19						
	06/22/20 (Semi-annual)						

**Record of Board Self-Evaluation
Governance Policies
(July 1, 2019 – June 30, 2020)**

Monitoring July 1, 2018 – June 30, 2019 School Year Data

**The purpose of this document is to demonstrate to the owners that the Board is accountable to our
Board Management Delegation and Governance Process policies.**

Policy	Date of Self- Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
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BOARD-MANAGEMENT DELEGATION (BMD) POLICIES

3.0 Single Point of Connection	09/23/2019	Yes			Yes
3.1 Unity of Control	09/23/2019	Yes			Yes
3.1.1	09/23/2019	Yes			Yes
3.1.2	09/23/2019	Yes			Yes
3.1.3	09/23/2019	Yes			Yes
3.2 Delegation to the Superintendent	09/23/2019	Yes			Yes
3.2.1	09/23/2019	Yes			Yes
3.2.2	09/23/2019	Yes			Yes
3.2.3	09/23/2019	Yes			Yes
3.2.4	09/23/2019	Yes			Yes
3.3 Superintendent Accountability and Performance	09/23/2019	Yes			Yes
3.3.1	09/23/2019	Yes			Yes
3.3.2	09/23/2019	Yes			Yes
3.3.3	09/23/2019	Yes			Yes
3.3.4	09/23/2019	Yes			Yes
3.3.5	09/23/2019	Yes			Yes

**Record of Board Self-Evaluation
Governance Policies
(July 1, 2019 – June 30, 2020)**

Monitoring July 1, 2018 – June 30, 2019 School Year Data

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Policy	Date of Self- Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
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GOVERNANCE PROCESS (GP) POLICIES

4.0 Global Governance Commitment	10/28/2019	Yes			Yes
4.0.1	10/28/2019	Yes			Yes
4.0.2	10/28/2019	Yes			Yes
4.1 Governing Style	10/28/2019	Yes			Yes
4.1.1	10/28/2019	Yes			Yes
4.1.2	10/28/2019	Yes			Yes
4.1.3	10/28/2019	Yes			Yes
4.1.4	10/28/2019	Yes			Yes
4.1.5	10/28/2019	Yes			Yes
4.1.6	10/28/2019	Yes			Yes
4.2 School Board Job Products	10/28/2019	Yes			Yes
4.2.1	10/28/2019	Yes			Yes
4.2.2	10/28/2019	Yes			Yes
4.2.2 - A	10/28/2019	Yes			Yes
4.2.2 - B	10/28/2019	Yes			Yes
4.2.2 - C	10/28/2019	Yes			Yes
4.2.2 - D	10/28/2019	Yes			Yes
4.2.3	10/28/2019	Yes			Yes

**Record of Board Self-Evaluation
Governance Policies
(July 1, 2019 – June 30, 2020)**

Monitoring July 1, 2018 – June 30, 2019 School Year Data

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Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
4.3 Annual Work Plan	10/28/2019	Yes			Yes
4.3.1	10/28/2019	Yes			Yes
4.3.2	10/28/2019	Yes			Yes
4.3.3	10/28/2019	Yes			Yes
4.4 Officer Roles	09/23/2019	Yes			Yes
4.4.1	09/23/2019	Yes			Yes
4.4.1.1	09/23/2019	Yes			Yes
4.4.1.2	09/23/2019	Yes			Yes
4.4.1.3	09/23/2019	Yes			Yes
4.4.1.4	09/23/2019	Yes			Yes
4.4.1.5	09/23/2019	Yes			Yes
4.4.1.6	09/23/2019	Yes			Yes
4.4.1.7	09/23/2019	Yes			Yes
4.4.1.8	09/23/2019	Yes			Yes
4.4.1.9	09/23/2019	Yes			Yes
4.4.2	09/23/2019	Yes			Yes
4.4.3	09/23/2019	Yes			Yes
4.4.4	09/23/2019	Yes			Yes

**Record of Board Self-Evaluation
Governance Policies
(July 1, 2019 – June 30, 2020)**

Monitoring July 1, 2018 – June 30, 2019 School Year Data

**The purpose of this document is to demonstrate to the owners that the Board is accountable to our
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Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
4.5 School Board Members' Code of Conduct	09/23/2019	Yes			Yes
4.5.1	09/23/2019	Yes			Yes
4.5.2	09/23/2019	Yes			Yes
4.5.2.1	09/23/2019	Yes			Yes
4.5.2.2	09/23/2019	Yes			Yes
4.5.2.3	09/23/2019	Yes			Yes
4.5.3	09/23/2019	Yes			Yes
4.5.3.1	09/23/2019	Yes			Yes
4.5.3.2	09/23/2019	Yes			Yes
4.5.4	09/23/2019	Yes			Yes
4.5.5	09/23/2019	Yes			Yes
4.5.6	09/23/2019	Yes			Yes
4.5.7	09/23/2019	Yes			Yes
4.5.8	09/23/2019	Yes			Yes
4.5.8.1	09/23/2019	Yes			Yes
4.5.8.2	09/23/2019	Yes			Yes
4.5.8.3	09/23/2019	Yes			Yes
4.5.8.4	09/23/2019	Yes			Yes
4.5.8.5	09/23/2019	Yes			Yes
4.5.8.6	09/23/2019	Yes			Yes

**Record of Board Self-Evaluation
Governance Policies
(July 1, 2019 – June 30, 2020)**

Monitoring July 1, 2018 – June 30, 2019 School Year Data

**The purpose of this document is to demonstrate to the owners that the Board is accountable to our
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Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
4.5.8.7	09/23/2019	Yes			Yes
4.6 Process for Addressing School Board Member Violations	09/23/2019	Yes			Yes
4.6.1	09/23/2019	Yes			Yes
4.6.2	09/23/2019	Yes			Yes
4.6.3	09/23/2019	Yes			Yes
4.6.4	09/23/2019	Yes			Yes
4.6.4.1	09/23/2019	Yes			Yes
4.6.4.2	09/23/2019	Yes			Yes
4.7 School Board Committee Principles	09/23/2019	Yes			Yes
4.7.1	09/23/2019	Yes			Yes
4.7.2	09/23/2019	Yes			Yes
4.7.3	09/23/2019	Yes			Yes
4.7.4	09/23/2019	Yes			Yes
4.8 School Board Committee Structure	09/23/2019	Yes			Yes
4.8.1	09/23/2019	Yes			Yes
4.8.2	09/23/2019	Yes			Yes
4.8.3	09/23/2019	Yes			Yes

**Record of Board Self-Evaluation
Governance Policies
(July 1, 2019 – June 30, 2020)**

Monitoring July 1, 2018 – June 30, 2019 School Year Data

**The purpose of this document is to demonstrate to the owners that the Board is accountable to our
Board Management Delegation and Governance Process policies.**

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
4.8.4	09/23/2019	Yes			Yes
4.9 Governance Investment	10/28/2019	Yes			Yes
4.9.1	10/28/2019	Yes			Yes
4.9.1.1	10/28/2019	Yes			Yes
4.9.1.2	10/28/2019	Yes			Yes
4.9.1.3	10/28/2019	Yes			Yes
4.9.2	10/28/2019	Yes			Yes
4.9.3	10/28/2019	Yes			Yes
4.10 Operation of the School Board Governing Rules	09/23/2019	Yes			Yes
4.10.1	09/23/2019	Yes			Yes
4.10.1.1	09/23/2019	Yes			Yes
4.10.1.2	09/23/2019	Yes			Yes

Resolution of Acceptance of Donations

BE IT RESOLVED by the School Board of Independent School District No. 272 that the School Board accepts with appreciation the following contributions and permits their use as designated by the donors:

Cedar Ridge Elementary:

- Donation of \$120.00 – Wells Fargo, LLC Trustee – funds to be used for educational purposes/curriculum

Eden Prairie High School:

- Donation of 3M Supplies (Jennifer Lieber (NAEIR on behalf of 3M – generous donation to be used to continue to serve the students

Robotics Team:

- Donation of \$750.00 – Talon Robotics Sponsorship – funds to be used in support of robotics and STEM in the community
- Donation of \$2000.00 – Talon Robotics Sponsorship – funds to be used in support of robotics and STEM in the community
- Donation of \$7500.00 - Talon Robotics Sponsorship – funds to be used in support of robotics and STEM in the community

Eden Prairie School District:

- Donation of \$120.00 (Mia Williams) – WellFargo YourCause, LLC – funds to be used to support general fund
- Donation of \$ 84.00 (Carrie Twedt) – WellsFargo YourCause, LLC – funds to be used to support general fund

Oak Point Elementary:

- Donation of 3M Supplies (Kelli Novak – 3MGives) – generous donation to be used to support classrooms.

Prairie View Elementary:

- Donation of \$129.49 – PV PTO (Rachel Nave) – funds to be used for playground equipment
- Donation of \$315.00 – Best Buy Employee Giving Program (Justin Fletcher \$225.00 and Employer Match of \$90.00) – funds used to support curriculum
- Donation of \$50.00 – YourCause, LLC Trustee for Wells Fargo Foundation Educational Matching Gifts Program – funds to be used to support curriculum.

SUPERINTENDENT CONSENT AGENDA

A. Semi-Monthly Reports

HUMAN RESOURCES

1. Human Resources - Licensed Staff

a. New Hires

Tomlinson, Justine – Special Education Teacher, 1.0 FTE, Prairie View Elementary, effective 11/4/2019.

b. Change in Assignment

Kor, Elizabeth – Special Education Teacher, 1.0 FTE, Eden Lake Elementary, effective 11/18/2019.

2. Human Resources - Classified Staff

a. New Hires

FOOD SERVICE

Day, Elizabeth – Food Service Assistant I, Eden Prairie High School, 4 hours/day, 5 days/week, 177 days/year, effective 10/25/2019.

Thorsett, David – Food Service Assistant I, District-wide, 4 hours/day, 5 days/week, 177 days/year, effective 10/30/2019.

MSEA

Gates, Jordan – Special Education Paraprofessional, TASSEL, 6 hours/day, 5 days/week, 178 days/year, 10/28/2019.

Hassan, Hodan – Special Education Paraprofessional, Eden Lake Elementary, 5 hours/day, 5 days/week, 178 days/year, effective 11/1/2019.

Kohin, Rahma – Special Education Paraprofessional, Eden Prairie High School, 6.25 hours/day, 5 days/week, 178 days/year, effective 10/28/2019.

Lindgren, Michael – Avid Tutor, Central Middle School, 6 hours/day, 2 days/week, 65 days/year, effective 10/8/2019 through 6/9/2020.

Shah, Sheetal – Kindergarten Paraprofessional, Cedar Ridge Elementary, 2.5 hours/day, 5 days/week, 178 days/year, effective 11/11/2019.

Werk, Kristen – Playground Paraprofessional, Cedar Ridge Elementary, 2.5 hours/day, 5 days/week, 178 days/year, effective 11/5/2019.

Younkin, Sophia – Little Eagles Preschool Paraprofessional, Community Education, 3 hours/day, 3 days/week, 104 days/year, effective 11/12/2019.

TRANSPORTATION

Trejo, Raymundo – Bus Driver, Transportation, 4.83 hours/day, 5 days/week, 178 days/year, effective 11/13/2019.

b. Change in Assignment

CLASS

Kurtz, Jessica – Administrative Assistant, Personalized Learning, Administrative Services Center, 8 hours/day, 5 days/week, 260 days/year, effective 10/28/2019.

MSEA

Ousmane, Aichatou – Special Education Paraprofessional, Eden Lake Elementary, 5.5 hours/day, 5 days/week, 178 days/year, effective 11/4/2019.

Sohail, Fareeha – Lunchroom Paraprofessional, Oak Point Elementary, 3 hours/day, 5 days/week, 178 days/year, effective 10/28/2019.

c. Resignations/Retirements

BUILDING SERVICES

Ward, Bradford – Night Lead Custodian, Forest Hills Elementary, effective 11/4/2019.

CLASS

Awyusuf, Younis – Office Professional – Welcome Center, Administrative Services Center, effective 11/8/2019.

Murray, Desiree – Eagle Zone Program Lead, Community Education, effective 10/25/2019.

Patel, Anar – Clerical Assistant, Cedar Ridge Elementary, effective 10/30/2019.

FOOD SERVICE

Kumari, Aditi – Food Service Assistant I, Central Middle School, effective 11/1/2019.

Prodoehl, Mary – Food Service Assistant I, Prairie View Elementary, effective 10/23/2019.

Ton, Giang – Food Service Assistant I, Central Middle School, effective 11/15/2019.

TRANSPORTATION

Ryther, Margaret – Bus Driver, Transportation, effective 11/1/2019.

Swanson, Lisa – Bus Driver, Transportation, effective 11/15/2019.

Board Business

General Consent Agenda

Approval of Payments, All Funds, October 2019

Check #404357-404590	\$3,243,417.39
Electronic Disbursements	\$5,715,663.08
TOTAL	\$8,959,080.47

Acknowledgment of Electronic Transfers October 2019

INVEST DATE	FROM	TO	INTEREST RATE	MATURITY DATE	PRINCIPAL
09/25/19	PMA Financial	MNTrust	1.950%	10/25/19	\$8,513,623.29
09/25/19	PMA Financial	MNTrust	1.950%	10/25/19	\$2,003,205.48
09/25/19	PMA Financial	MNTrust	1.950%	10/25/19	\$1,752,804.80

**EDEN PRAIRIE SCHOOLS
GENERAL FUNDS
MONTHLY REVENUE/EXPENDITURE REPORT
FOR THE MONTH ENDING: Oct-19**

REVENUES/TRANSFERS IN (BY SOURCE CODE)					
SOURCE	DESCRIPTION	YEAR TO DATE RECEIVED	CURRENT FULL YEAR PROJECTION	THIS YEAR % RECEIVED	LAST YEAR % RECEIVED
001-020	TAXES	\$ 7,391,904	\$ 26,090,721	28.33%	25.91%
021-040	TUITION	-	70,000	0.00%	12.55%
041-089	FEES & ADMISSIONS	498,455	748,500	66.59%	58.58%
090-199	MISC REVENUE	515,332	927,000	55.59%	34.17%
200-399	STATE AID	24,476,364	80,053,775	30.57%	29.24%
400-499	FEDERAL PROGRAMS	9,030	2,647,553	0.34%	0.15%
600-649	SALES	31,064	56,100	55.37%	121.60%
		\$ 32,922,149	\$ 110,593,649	29.77%	28.01%
	CAPITAL OUTLAY	152,744	13,442,987	1.14%	0.84%
	STUDENT ACTIVITIES	1,169,013	1,800,000	64.95%	58.34%
	MEDICAL ASSISTANCE	18,188	300,000	6.06%	2.71%
Revenue Notes:					

EXPENDITURES/TRANSFERS OUT (BY OBJECT CODE)					
OBJECT	DESCRIPTION	YEAR TO DATE EXPENDED	CURRENT FULL YEAR PROJECTION	THIS YEAR % EXPENDED	LAST YEAR % EXPENDED
100	SALARIES	\$ 15,261,084	\$ 75,986,395	20.08%	19.66%
200	BENEFITS	5,130,485	23,987,000	21.39%	21.81%
300	PURCHASED SVCS	2,508,430	7,376,331	34.01%	29.36%
400	SUPPLIES & EQUIPMENT	942,824	3,090,644	30.51%	32.22%
800	OTHER EXPENSES	84,880	213,099	39.83%	49.65%
900	TRANSFERS & CONTINGENCY	-	193,186	0.00%	0.00%
		\$ 23,927,702	\$ 110,846,655	21.59%	21.14%
	CAPITAL OUTLAY	4,916,096	13,438,867	36.58%	67.32%
	STUDENT ACTIVITIES	900,572	1,800,000	50.03%	25.84%
	MEDICAL ASSISTANCE	93,652	464,931	20.14%	42.52%
Expenditure Notes:					

Memorandum

To: Eden Prairie School Board

From: Dr. Josh Swanson

Date: November 25, 2019

Regarding: District Policies

During the 2019-2020 school year we are reviewing every policy in the district. A uniform change following the recommendation of our legal council is the elimination of the legal and MSBA cross references within our policies. The policy language still aligns and complies with all state and federal statutes, but does not directly reference it within the document. Any other changes are noted in the table below.

Policy	Mandatory	Name	Notes for the Board
501	Yes	School Weapons Policy	No Change
502	Yes	Search of Student Lockers, Desks, Personal Possessions, and Student's Person	No change
503	No	Student Attendance	No change
505	No	Distribution of Non-School Sponsored Materials on School Premises by Students and Employees	No change
507	No	Corporal Punishment	No change
508	No	Extended School Year	No change
509	No	Enrollment of Nonresident Students	Minor changes to clarify lottery process
512	No	School-Sponsored Student Publications & Activities	No change
513	No	Student Promotion, Retention and Program Design	Minor Language changes to clarify early entrance
514	Yes	Bullying Prohibition Policy	No change

515	Yes	Protection and Privacy of Pupil Records	Minor language update
516	Yes	Student Medications	No Change
517	No	Student Recruiting	No Change
518	No	DNR	No Change
519	No	Interviews of Students by Outside Agencies	No Change
520	Yes	Student Surveys	No Change
521	Yes	Student Disability Nondiscrimination	No Change
522	Yes	Student Sex Non-Discrimination	Minor changes to clarify language and roles.
525	No	Violence Prevention Applicable to Students and Staff	Changes to reflect current language and practices aligned to PBIS.
526	Yes	Hazing Prohibition	No Changes
527	No	Students Use and Parking of Motor Vehicles; Patrols, Inspections and Searches	Minimal language changes to provide clarity.
528	No	Student Parental, Family, and Marital Status Non-Discrimination	No Change
531	Yes	The Pledge of Allegiance	No Change
533	Yes	Wellness	Minor strikethrough of notes, no content change.
534	Yes	Unpaid Meal Policy	Minor updates
580	No	Outside Agency Access to Students	No Changes



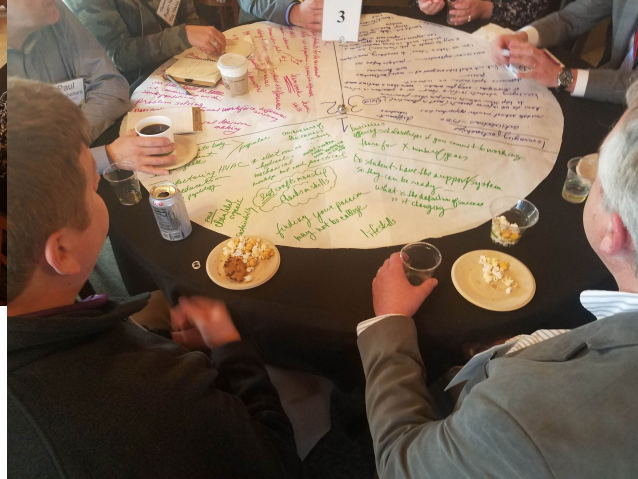
Business Partnerships: Career Pathways



EDEN PRAIRIE SCHOOLS

Inspiring each student every day

May 2, 2019



EDEN PRAIRIE SCHOOLS

Roundtable Dialogue

- *Emerging Industry Demands*
- *Essential Skills to meet Emerging Demands*
- *Partnerships to ensure Post-Secondary Success & Economic Viability*



4 Focus Areas:

1. EPHS Externships
2. Workforce Skill Development
3. Multiple Pathways to Career
4. Chamber Mentor Program

EPS Inspires

Work Group



EDEN PRAIRIE SCHOOLS

Inspiring each student every day

Career Fields, Clusters and Pathways

Minnesota Career Fields, Clusters & Pathways



Example Pathway

Explore Interests

Articulated 9-12 Courses

Grade	Education and Training
12	Senior Capstone ParaPro Certification
12	<ul style="list-style-type: none">- Introduction to Education- Multicultural Education & Human Relations in Schools
11, 12	<ul style="list-style-type: none">- Sociology I- Psychology- Elementary Mentoring- Child Psychology & parenting A & B- Contemporary Relationships- Life Issues
10, 11, 12	<ul style="list-style-type: none">-Creative Writing-Geometry A & B-Intro to Social Justice-Social Dynamics of Gender & Culture-Personal Finance Management
9, 10	<ul style="list-style-type: none">- Algebra I & II A/B- Human Geography- Careers 9/10

Prepare for future

Pre-College Certifications

Earn College Credit



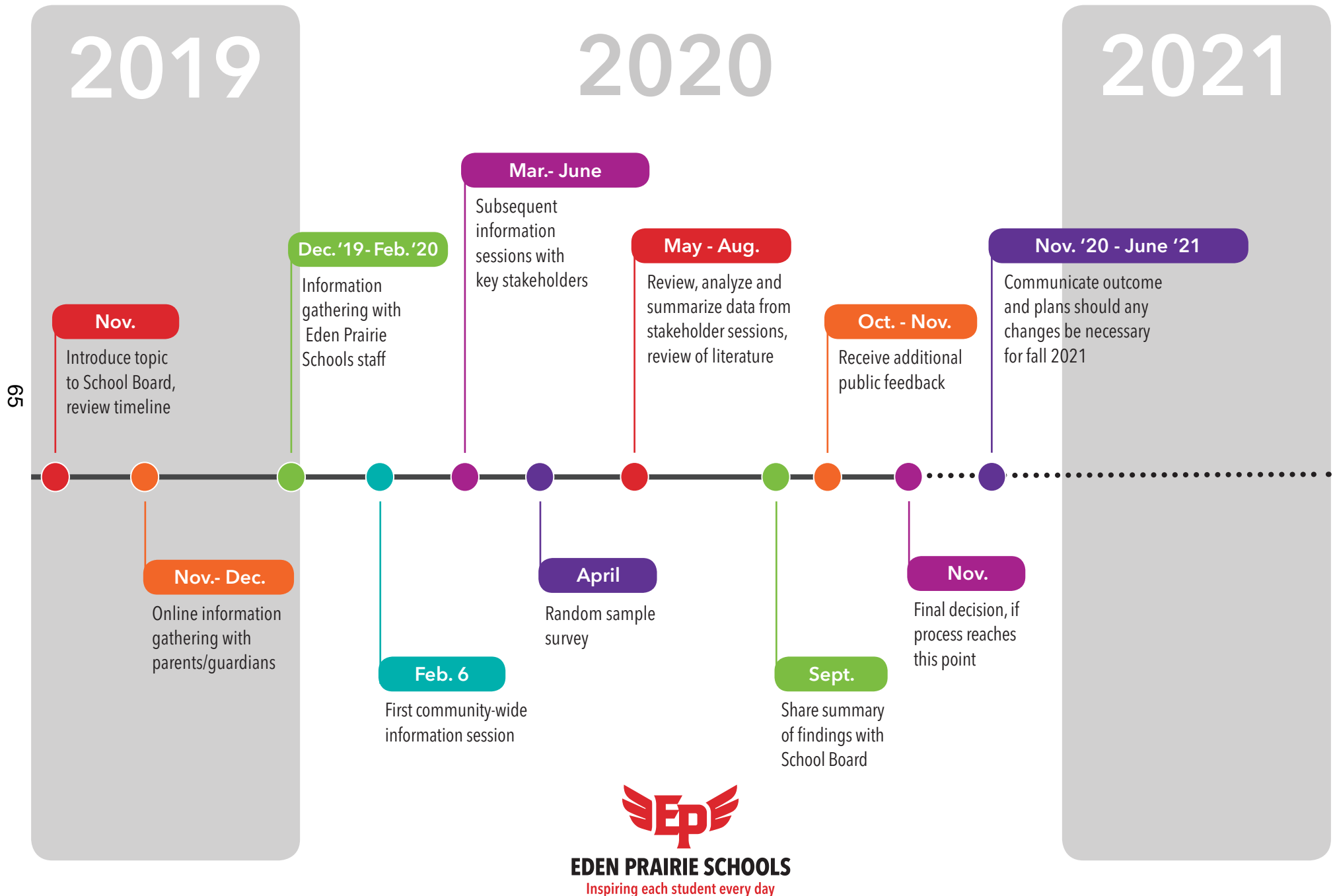
THANK YOU



EDEN PRAIRIE SCHOOLS
Inspiring each student every day

SCHOOL SCHEDULES TIMELINE

Version: November 2019



Budget Category	Description	Fiscal Year 2016-2017 Expenses	Fiscal Year 2017-2018 Expenses	Fiscal Year 2018-2019 Expenses	2018-2019 Board Budget	Underspend Overspend	Approved 2019-2020 Budget
109	Board Member Compensation	\$35,400.00	\$34,850.00	\$36,100.00	36,300.00	\$200.00	36,300.00
210	FICA (Fed Ins Contrib Act)	\$1,270.94	\$1,111.69	\$2,761.74	2,000.00	-\$761.74	2,000.00
214	PERA (Pub Emp Ret Assoc)	\$1,250.00	\$1,162.56	\$1,135.12	1,500.00	\$364.88	1,500.00
270	Workers Comp	\$0.00	\$169.82	-	300.00	\$300.00	300.00
305	Service Fees/Consulting	\$5,598.98	\$2,695.44	3859.35*	13,600.00	\$9,740.65	14,000.00
329	Postge	\$32.32	\$0.00	\$15.40	0.00	-\$15.40	0.00
366	Travel/Conferences	\$3,181.67	\$3,890.00	\$2,115.00	7,000.00	\$4,885.00	6,000.00
398	Chargeback	\$654.37	\$2,083.17	\$393.11	1,500.00	\$1,106.89	1,500.00
401	General Supplies	\$213.47	\$243.65	\$284.92	400.00	\$115.08	400.00
490	Food Cost	\$360.85	\$702.79	\$456.58	600.00	\$143.42	600.00
820	Membership/Dues	\$15,754.00	\$16,067.00	\$16,353.00	16,400.00	\$47.00	16,400.00
	TOTALS	\$63,716.60	\$62,976.12	\$59,614.87	79,600.00	\$16,125.78	79,000.00

*Note: Account 305 service fees/consulting does not reflect the 2019 collective board training. We have not yet received an invoice from the consultant.



**Eden Prairie School Board
Community Linkage Committee
November 8, 2019**

Charter per Board Policy GP 4.8: This committee will facilitate multiple methods of School Board communication with owners that provide input and inform the School Board of ownership values as they relate to School Board policies, as well as provide valuable information to owners.

Website Language Change:

At the last Board workshop our committee also proposed adding a line to our School Board webpage after the line: "If you wish to communicate with the entire Board, please email schoolboard@edenpr.org" The Board suggested we modify our original suggestion, so this is the line we now propose adding: **"All Board members will receive your email; the Board Chair or another designated Board member will respond to emails on the Board's behalf."**

**Eden Prairie School Board
Community Linkage Committee Minutes
November 8, 2019
1:00-2:00 pm- Administrative Services Center**

Charter per Board Policy GP 4.8: This committee will facilitate multiple methods of School Board communication with owners that provide input and inform the School Board of ownership values as they relate to School Board policies, as well as provide valuable information to owners.

Committee Members Present: Terri Swartout, Karla Bratrud
Also Present: Brett Johnson (Senior Director of Communications)

1. Approved Agenda

2. Committee Business

- a. **Inspiring News-** We updated the Message from the Board that was approved to go into the December issue of Inspiring News with the addition of the names of elected School Board members and outgoing Board members so it is ready for publication.
- b. **Senior Center Listening Session-** At the last Board workshop it was agreed that our committee would develop talking points for the Board's visit to the Senior Center on Monday, January 27th from 10:00-11:15 am, around three topics: Election update, Policy Governance, and Designing Pathways. We started work on that and will have it ready to present to the Board at our December 9th workshop. Brett is helping us with information for Designing Pathways.

One Board member suggested we also give the seniors suggestions for how they can get involved in the district. However, we do not know what specific jobs adult volunteers are needed for, so we'd need district staff to tell us if/where they need volunteers before we'd include this in our presentation at the beginning of the listening session.

This is how the event is being advertised by the Senior Center:

COFFEE CONVERSATION WITH EP SCHOOL BOARD Keep informed on what's going on in the Eden Prairie Schools. Current school board members lead this open panel discussion. Bring your questions and leave with a full understanding of what our school district is doing for children in the community. Registration deadline Jan 25. Please pre-register. M Jan 27 10-11:15 a.m. FREE

- c. **Website Edit-** At the last Board workshop our committee also proposed adding a line to our School Board webpage after the line: “If you wish to communicate with the entire Board, please email schoolboard@edenpr.org” The Board suggested we modify our original suggestion, so this is the line we now propose adding: “**All Board members will receive your email; the Board Chair or another designated Board member will respond to emails on the Board’s behalf.**”

3. Items for Board Action

- a. **Senior Center talking points-** Add something about how seniors can volunteer? Who will provide us those details? Or should we skip this?
- b. **Website Edit-** Approve the language in bold above to be added to our School Board page on the district website.

4. **Adjourned-** Next CL Committee Meeting- TBD

Eden Prairie School Board
2019 & 2020 WORK PLAN CHANGES
“Proposed” WORK PLAN CHANGES
November 25, 2019

Date of Meeting/Workshop	Changes Requested
Monday, November 25, 2019	
Monday, December 9, 2019	Add - Community Linkage – Process for Senior Center Listening Session
Monday, January 6, 2020 – Annual Organization Mtg. & Workshop	
Monday, January 27, 2020	
Monday, February 10, 2020 – Workshop	
Monday, February 24, 2020	
Monday, March 9, 2020 – Workshop	
Monday, March 23, 2020	
Monday, April 13, 2020 – Workshop	
Monday, April 27, 2020	
Monday, May 4, 2020 – Workshop	
Monday, May 18, 2020	
Monday, June 8, 2020 – Workshop	
Monday, June 22, 2020	

Placeholder – General Board Work

- 2020-2021 School Year (August) Schedule School Site Visit
- Cultural Proficiency Continuum
- MN Student Survey Report Discussion

Placeholder – Policy Review

EDEN PRAIRIE SCHOOL BOARD
2019-2020 ANNUAL WORK PLAN

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November 25, 2019

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
*****2019***** Board Meeting Mon, July 22, 2019 7:30 AM			<ul style="list-style-type: none"> • Resolution: "Call the General Election" • Schedule Candidate Information Sessions • New School Board Candidate Presentation • School Board Handbook Presentation 		<ul style="list-style-type: none"> • Monthly Reports • Student Handbooks: <ul style="list-style-type: none"> - High School - Middle School - Elementary Schools (Summary Detail Included) 		
School Board "New Candidate" Information Session Monday, July 29, 2019 ASC/EDC, 6:30 – 8:30 p.m.							
School Board "New Candidate" Information Session Monday, August 5, 2019 ASC/EDC, 6:30 – 8:30 p.m.							
School Board Listening Session Monday, August 26, 2019 ASC/Riley Creek Meeting Room, 5:00 – 5:45 p.m.							
Board Meeting Mon, Aug 26, 2019 6:00 PM	<ul style="list-style-type: none"> • EL 2.1 Emergency Supt. Succession • EL 2.2 Treatment of Students • EL 2.7 Asset Protection 		<ul style="list-style-type: none"> • Record of Board Self-Evaluation 		<ul style="list-style-type: none"> • Monthly Reports 		
Post Meeting Board Workshop Mon, Aug 26, 2019							<ul style="list-style-type: none"> • School Board Mtg. Self-Assessment
Brief Business Meeting Mon, Sep 9, 2019 6:00 PM					<ul style="list-style-type: none"> • Contract Agreements 		

EDEN PRAIRIE SCHOOL BOARD
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Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
Board Workshop Mon, Sept 9, 2019 6:15 PM							<ul style="list-style-type: none"> • ADMIN Proposals for FY 2019-20 Workshops • NEW Policy Development Discussion (Ends & EL Policies) • School Board Listening Session Discussion • EL 2.2.9 & EL 2.2.10 Policy Discussion • Policy Monitoring: All BMD Policies • Policy Monitoring: GP's: 4.4, 4.5, 4.6, 4.7, 4.8, & 4.10 • Confirm agenda for next Board Workshop
Board Meeting Mon, Sept 23, 2019 6:00 PM	<ul style="list-style-type: none"> • EL 2.3 Treatment of Parents • EL 2.6 Financial Management & Operations <hr/> <ul style="list-style-type: none"> • All BMD Policies • BMD 3.0 Single Point of Connection • BMD 3.1 Unity of Control • BMD 3.2 Delegation to the Superintendent • BMD 3.3 Superintendent Accountability & Performance 		<ul style="list-style-type: none"> • Approval of Preliminary FY 2020-21 Levy - Tax Levy Comparison - Tax Levy Presentation Pay 20 <hr/> <ul style="list-style-type: none"> • Record of Board Self-Evaluation 		<ul style="list-style-type: none"> • Monthly Reports 	<u>Superintendent Incidentals:</u> <ul style="list-style-type: none"> • FY 2018-19 Year-end Preliminary Financial Report • FY 2019-20 Preliminary Enrollment Report 	

EDEN PRAIRIE SCHOOL BOARD
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Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
	<ul style="list-style-type: none"> •GP 4.4 Officer Roles •GP 4.5 School Board Members Code of Conduct •GP 4.6 Process for Addressing School Board Member Violations •GP 4.7 School Board Committee Principles •GP 4.8 School Board Committee Structure •GP 4.10 Operation of the School Board Governing Rules 						
Post Meeting Board Workshop Mon, Sept 23, 2019							•School Board Mtg. Self-Assessment
Brief Business Meeting Mon, Oct 14, 2019 6:00 PM			Superintendent Contract				

EDEN PRAIRIE SCHOOL BOARD
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November 25, 2019

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
Board Workshop Mon, Oct 14, 2019 6:10 PM							<ul style="list-style-type: none"> •Administration: Setting Stage for FY 2020-21 Budget Guidelines •Policy Monitoring: GP 4.0, 4.1, 4.2, 4.3, 4.9 •School Board Website Review/Discussion: Board Pages •First Draft Update – Community Linkage “Inspiring News” •Discussion: Role/Responsibility of Scheduling/ Coordinating Board School Site Visits •Confirm agenda for next Board Workshop
Board Meeting Mon, Oct 28, 2019 6:00 PM	<ul style="list-style-type: none"> •BMD 3.3.5 •Ends 1.1, 1.2, 1.3 Evidence (FY 2018-19) •EL 2.2.9 •EL 2.4 Treatment of Staff •EL 2.8 Compensation and Benefits •GP 4.0 Global Governance Commitment •GP 4.1 Governing Style 		<ul style="list-style-type: none"> •Future Board Workshop Topics •Board Instructions/ Directions for School Site Visits •Record of Board Self-Evaluation 		<ul style="list-style-type: none"> •Monthly Reports 	<u>Superintendent Incidentals:</u> <ul style="list-style-type: none"> •Enrollment Report as of Oct. 1, 2019 -Exec. Summary -Capture Rate -History & Projection Totals -Official October 1 Enrollment Count •World’s Best Workforce Report 	

EDEN PRAIRIE SCHOOL BOARD
2019-2020 ANNUAL WORK PLAN

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November 25, 2019

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
	<ul style="list-style-type: none"> •GP 4.2 School Board Job Products •GP 4.3 Annual Work Plan •GP 4.4.1 •GP 4.9 Governance Investment 					<ul style="list-style-type: none"> •FY 2018-2019 Achievement Integration Progress Report 	
Post Meeting Board Workshop Mon, Oct 28, 2019							<ul style="list-style-type: none"> •School Board Mtg. Self-Assessment
Board Workshop <u>Mon, Nov 4, 2019</u> 6:00 PM*							<ul style="list-style-type: none"> •FY 2019-2020 Superintendent Goal Setting Discussion •“New Policy Introductions” •Review of Treasurer’s Annual Report •First Draft Update/ Discussion – Community Linkage Presentations for Off-site Listening Session (i.e. Senior Group) •Discussion: Board Monitoring Process and Communication •Site Visit Interest – Discussion •Website Addition Discussion •Board Policy Governance Training Discussion (Setting Timetables) •Confirm agenda for next Board Workshop

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EDEN PRAIRIE SCHOOL BOARD
2019-2020 ANNUAL WORK PLAN

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Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
Brief Business Meeting Wed, Nov 13, 2019 7:30 AM			<ul style="list-style-type: none"> • Resolution Approving Canvassing of Elections • <i>Community Linkage Presentation for Off-site Listening Session</i> • <i>Board Policy Governance Training Timetable</i> 				
School Board Listening Session Monday, November 25, 2019 ASC/Riley Creek Meeting Room, 5:00 – 5:45 p.m.							
Board Meeting Mon, Nov 25, 2019 6:00 PM	<ul style="list-style-type: none"> • EL 2.9 Communication and Support to the School Board 	<ul style="list-style-type: none"> • <i>Closed Session:</i> Review of FY 2018-19 Superintendent Goals & Annual Review -Minn. Stat. 13D.05, Subd. 3 	<ul style="list-style-type: none"> • FY 2019-20 Superintendent Goal Setting • Record of Board Self-Evaluation 	<ul style="list-style-type: none"> • Treasurer's Report • End & EL's Policy Monitoring Process • <i>Board Development Committee – Governance Training Proposal</i> 	<ul style="list-style-type: none"> • Monthly Reports 	<ul style="list-style-type: none"> • FY 2018-19 Audited Financial Presentation 	
Post Meeting Board Workshop Mon, Nov 25, 2019							<ul style="list-style-type: none"> • School Board Mtg. Self-Assessment
Board Meeting Mon, Dec 9, 2019 6:00 PM	<ul style="list-style-type: none"> • EL 2.5 Financial Planning and Budgeting • EL 2.0 Global Executive Constraint 		<ul style="list-style-type: none"> • Approval of Final FY 2020-21 Levy • Record of Board Self-Evaluation 	<ul style="list-style-type: none"> • <i>Community Linkage Senior Citizen Listening Presentation for Discussion at the January 2020 Workshop</i> 	<ul style="list-style-type: none"> • Monthly Reports 	<ul style="list-style-type: none"> • Truth in Taxation Hearing 	
Post Meeting Board Workshop Mon, Dec 9, 2019							<ul style="list-style-type: none"> • School Board Mtg. Self-Assessment

*November Meeting dates changed due to Veteran's Day on Monday, November 11, 2019

EDEN PRAIRIE SCHOOL BOARD
2019-2020 ANNUAL WORK PLAN

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Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
<p>*****2020*****</p> <p>Annual Organizational Meeting Mon, Jan 6, 2020 6:00 PM</p>			<ul style="list-style-type: none"> • 2019 Annual Organizational Mtg. <ul style="list-style-type: none"> - Election of Officers - School Board Compensation - School Board Calendar • Approval of School Board Meeting Calendar: Jul 1, 2020 through Jun 30, 2020 • Resolution for Combined Polling Places for the General Elections • Appointment of Intermediate District 287 Representative 		<ul style="list-style-type: none"> • 2019 Annual School District Organizational Items: <ul style="list-style-type: none"> - School District Newspaper - School District Depository/Financial Institutions - Money Wire Transfers - Early Claims Payment - School District Legal Counsel - School District Responsible Authority - Deputy Clerk & Deputy Treasurer - Facsimile Signature Authorization - Authorization for Superintendent to Sign Contracts - Local Education Agency (LEA) Representative - MDE Designation of Identified Official with Authority (IoWA) 		
<p>Board Workshop Mon, Jan 6, 2020 6:15 PM Convene following the Annual Organizational Meeting</p>							<ul style="list-style-type: none"> • 2020 Committees & Outside Organization Discussion • Budget: 5-Year Financial Forecast • Finance 101

EDEN PRAIRIE SCHOOL BOARD
2019-2020 ANNUAL WORK PLAN

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Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
							<ul style="list-style-type: none"> Engagement Strategies Confirm agenda for next Board Workshop
Board Meeting Mon, Jan 27, 2020 6:00 PM		<ul style="list-style-type: none"> FY 2020-21 School Calendar (<i>Draft</i>) FY 2021-22 School Calendar (<i>Preliminary</i>) FY 2020-21 Budget Timelines – <i>First Reading</i> FY 2020-21 Budget Assumptions – <i>First Reading</i> 	<ul style="list-style-type: none"> FY 2019-20 Mid-Year Budget Approval Record of Board Self-Evaluation 	<ul style="list-style-type: none"> 2020 School Board Committee & Outside Organization Assignments 	<ul style="list-style-type: none"> Monthly Reports FY 2020-21 Bus Purchase Pay Equity District Policy 721 Bids - Seek 		
Post Meeting Board Workshop Mon, Jan 27, 2020							<ul style="list-style-type: none"> School Board Meeting Self-Assessment
Board Workshop Mon, Feb 10, 2020 6:00 PM							<ul style="list-style-type: none"> Levy's & Schedule Transportation: Funding & Options School Wide Enrichment Model (SEM) –1 Confirm agenda for next Board Workshop
Board Meeting Mon, Feb 24, 2020 6:00 PM					<ul style="list-style-type: none"> Monthly Reports Approval of FY 2020-21 School Calendar 		

EDEN PRAIRIE SCHOOL BOARD
2019-2020 ANNUAL WORK PLAN

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November 25, 2019

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
			•Record of Board Self-Evaluation		•Approval of Preliminary FY 2021-22 School Calendar		
Post Meeting Board Workshop Mon, Feb 24, 2020							•School Board Meeting Self-Assessment
Board Workshop Mon, Mar 09, 2020 6:00 PM							•Communications •Confirm agenda for next Board Workshop
Board Meeting Mon, Mar 23, 2020 6:00 PM		•FY 2020-21 Capital Budget – <i>First Reading</i>	•Resolution to Release Probationary Teachers •Final FY 2020-21 Budget Assumptions <hr/> •Record of Board Self-Evaluation		•Monthly Reports •Achievement & Integration Budget		
Post Meeting Board Workshop Mon, Mar 23, 2020							•School Board Meeting Self-Assessment
Board Workshop Mon, Apr 13, 2020 6:00 PM							•FY 2020-2021 Annual Work Plan Calendar Discussion •FY 2020-2021 School Board Meeting Calendar Discussion

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Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
							<ul style="list-style-type: none"> • FY 2020-2021 School Board Budget Discussion • Confirm agenda for next Board Workshop
Board Meeting Mon, Apr 27, 2020 6:00 PM		<ul style="list-style-type: none"> • FY 2020-21 School Board Work Plan – <i>First Reading</i> • Closed Session: Negotiation Strategy • FY 2020-21 School Board Budget – <i>First Reading</i> 	<ul style="list-style-type: none"> • Approval of FY 2020-21 Capital Budget • Approval of FY 2020-21 School Board Meeting Calendar • Record of Board Self-Evaluation 		<ul style="list-style-type: none"> • Monthly Reports 		
Post Meeting Board Workshop Mon, Apr 27, 2020							<ul style="list-style-type: none"> • School Board Meeting Self-Assessment
Board Workshop Mon, May 04, 2020* 6:00 PM							<ul style="list-style-type: none"> • School Wide Enrichment Model (SEM)-2 • Confirm agenda for next Board Workshop
Board Meeting Mon, May 18, 2020* 6:00 PM		<ul style="list-style-type: none"> • FY 2020-21 Budget – <i>First Reading</i> 	<ul style="list-style-type: none"> • Approval of FY 2020-21 School Board Work Plan • Approval of FY 2020-21 School Board Budget 		<ul style="list-style-type: none"> • Monthly Reports • MSHSL Resolution for Membership • Approval of FY 2020-21 School Meal Prices 		

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EDEN PRAIRIE SCHOOL BOARD
2019-2020 ANNUAL WORK PLAN

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November 25, 2019

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
			<hr/> <ul style="list-style-type: none"> Record of Board Self-Evaluation 				
Post Meeting Board Workshop Mon, May 18, 2020*							<ul style="list-style-type: none"> School Board Meeting Self-Assessment
Board Workshop Mon, June 08, 2020 6:00 PM							<ul style="list-style-type: none"> General Fund Budget Q&A Confirm agenda for next Board Workshop
Board Meeting Mon, June 22, 2020 6:00 PM	<ul style="list-style-type: none"> Ends 1.1, 1.2, 1.3 OI 		<ul style="list-style-type: none"> Approval of FY 2020-21 Budget ISD 287 10-Year Facilities Maintenance Resolution <hr/> <ul style="list-style-type: none"> Record of Board Self-Evaluation 		<ul style="list-style-type: none"> Monthly Reports EPS 10-Year Facilities Maintenance Plan Q-Comp Annual Report Annual Review of District Mandated Policies Approval of Updated District Policies 		
Post Meeting Board Workshop Mon, Jun 22, 2020							<ul style="list-style-type: none"> School Board Meeting Self-Assessment

*May Meeting dates changed due to Memorial Day

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EDEN PRAIRIE SCHOOLS
Inspiring each student every day

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2019

INDEPENDENT SCHOOL DISTRICT NO. 272
EDEN PRAIRIE, MINNESOTA

8100 School Road
Eden Prairie, MN 55344

Prepared by
Finance Department

Jason Mutzenberger • Executive Director of Business Services

Matt Hippen • Director of Finance

Nicole Johnson • Finance Coordinator

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INDEPENDENT SCHOOL DISTRICT NO. 272

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INDEPENDENT SCHOOL DISTRICT NO. 272

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SECTION I – INTRODUCTORY SECTION



EDEN PRAIRIE SCHOOLS

Inspiring each student every day

November 13, 2019

To the Citizens of the School District, Board of Education, and Employees of the School District:

PREFACE

The Comprehensive Annual Financial Report (CAFR) of Independent School District No. 272, Eden Prairie Public Schools (the District) is submitted for the fiscal year ended June 30, 2019. The District's administration accepts total responsibility for the accuracy, completeness, and fairness in presentation of the enclosed financial reports. An independent firm of certified public accountants audits this report.

Independent School District No. 272, also known as Eden Prairie Schools, is an instrumentality of the state of Minnesota established to function as an educational institution. The elected School Board is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the School Board and is responsible for administrative control of the District. There are no other entities for which the District is considered financially accountable.

These financial statements incorporate the requirements of Statement No. 34 of the Governmental Accounting Standards Board (GASB) entitled *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This standard, issued in June 1999, creates a reporting model of financial information and disclosure, which is comprehensive and attempts to closely reflect the reporting model required for private industry. The reader will notice that two government-wide basic financial statements created by this standard, the Statement of Net Position and the Statement of Activities, do not contain numerous columns for various funds that have been seen in past governmental financial statements. These two statements consolidate much of the information contained in fund-based financial statements of the past into statements which tend to answer the question: "Is the District better or worse off financially than it was in the previous year?" A comparison of net position should help the reader in answering that question.

Also required as a part of required supplementary information (RSI) by GASB Statement No. 34 is a management's discussion and analysis (MD&A), which allows the District to explain in layman's terms its financial position and results of operations of the past fiscal year. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The District is required to undergo an annual audit of its Federal Financial Assistance (Single Audit) in accordance with *Government Auditing Standards*, as issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Uniform Guidance. Information related to the Single Audit is issued separately and is not included in this report.

DISTRICT GOALS

School District Mission: Inspire each student to learn continuously so they are empowered to reach personal fulfillment and contribute purposefully to our ever-changing world.

The School Board governs under a Policy Governance model, which provides a clear differentiation between governance and management responsibilities in organizations. Within this governance structure, the School Board has set parameters in the areas of Board Management Delegation, Executive Limitations (EL), and Ends Policies. The School Board has overall control of the organization. Through its policies, the Superintendent is the School Board's link to operational achievement and conduct, so that all authority and accountability of staff, as far as the School Board is concerned, is considered the authority and accountability of the Superintendent. The School Board's EL defines the parameters within which the Superintendent works, outlining the expectations and limitations of the organization.

Executive Limitations

The Superintendent shall not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, unethical, imprudent, or in violation of commonly accepted business and professional practices.

1. Emergency Superintendent Succession
2. Treatment of Students
3. Treatment of Parents
4. Treatment of Staff
5. Financial Management and Operations
6. Financial Condition and Activities
7. Asset Protection
8. Compensation and Benefits
9. Communication and Support to the School Board

Ends Policies

Eden Prairie Schools exist so that each student obtains an outstanding education that prepares them for their next stage of life in a manner that justifies the resources expended.

1. Each student graduates and is academically prepared to progress to multiple opportunities after high school.
2. Each student has the 21st century skills needed to succeed in the global economy.
3. Each student has the knowledge that citizens and residents of the United States need to contribute positively to society.

DISTRICT FISCAL FRAMEWORK

The District has been functioning under financial constraints over the past several years as a result of:

- Flat to slightly declining enrollment
- Insufficient increases in state funding
- Inflationary pressures on key expenditure areas

The District has been proactively planning for conditions affecting school funding considering:

- State economic and political conditions
- Enrollment projections and trends
- Necessary budget adjustments and expenditure reductions

Strong community partnerships have enhanced the success of the District. The Citizen's Financial Advisory Committee continues to function as a key committee guiding the District's financial planning and long-term outlook on investment decisions. This committee's purpose is to assist the District in financial analysis and long-range financial planning. Specifically, the purposes of the committee are as follows:

- To inform members on school district finances
- Engage in discussion of financial goals
- Empower members as ambassadors
- Advise administration on the financial direction to support the mission of Eden Prairie Schools

LOCAL ECONOMIC CONDITION

Eden Prairie is a relatively stable suburban area southwest of the twin cities of Minneapolis and St. Paul that covers 36 square miles with an estimated population of 63,726. Eden Prairie residents enjoy amenities, including transportation, employment opportunities, housing, educational institutions, and a quality school district.

Learners in the District attend eight district sites. The District operates six kindergarten through sixth grade elementary schools with five boundary schools and a Spanish Immersion School. The Eagle Heights Spanish Immersion School is housed in the same building as the Oak Point Elementary School. Eden Prairie's seventh and eighth graders attend Central Middle School, while Eden Prairie High School is home to students in Grades 9 through 12. The District also has a thriving Education Center, which houses the Family Center, Early Childhood Special Education, TASSEL Transition Program, and Community Education programs for learners of all ages. In total, district-owned instruction and administrative buildings account for 1,851,588 square feet of space with an average age of 30 years.

As one of the largest employers in the city with approximately 1,500 staff members, the District plays a dual role in economic development. The highly skilled staff remains focused on the mission: "Inspire each student to learn continuously so they are empowered to reach personal fulfillment and contribute purposefully to our ever-changing world." The District's commitment to quality and service is among the reasons it operates its own student transportation system and food service program. Buildings and grounds staff members are responsible for maintaining the facilities to ensure a healthy and safe learning environment. A dedicated auxiliary staff, including a wide variety of positions such as lunchroom/playground supervisors, computer assistants, network managers, special education inclusion assistants, secretarial/clerical staff, and health assistants, collaborate in advancing our goals.

The District has a long reputation for fiscal soundness and efficiency. District expenditures per pupil are consistently among the lowest in Hennepin County, while maintaining high achievement standards in both academic and extracurricular activities. A Citizen's Financial Advisory Committee meets bimonthly to review and provide advice on fiscal and budget processes.

DISTRICT ECONOMIC CONDITION

The referendum that was passed in 2014 includes an inflation escalation clause that gives financial stability to protect the District against inflation. The District has built up a strong General Fund unassigned fund balance by increasing revenues with the referendum passage, as well as limiting expenditures by finding efficiencies in normal school operations. The District's board policy establishes the District will strive to maintain a minimum unassigned General Fund balance of 8.0 percent of annual budgeted expenditures to ensure financial health and viability. Each year, the School Board is presented with a 5-year financial forecast that considers enrollment projections, expense increases, efficiencies, and other financial assumptions. Additionally, the District has a finance committee comprised of school board member(s), community members, and staff that review a range of finance related elements several times per year. This ensures that the District is planning for the current reality, as well as the future.

In May 2019, Eden Prairie voters approved a bond referendum request for \$39.9 million. The referendum request was based on three years of planning, public input, and research, and allows Eden Prairie to:

- **Ensure more children are prepared for kindergarten** by moving our 4-year old preschool programs from various locations into the neighborhood elementary schools.
- **Support greater academic achievement** by redesigning classrooms across the District to support a more flexible learning environment and personalized learning, helping students develop in-demand skills, like collaboration, creativity, communication, and critical thinking.
- **Improve the middle school learning experience** by moving 6th graders from the elementary schools to a more age-appropriate environment at the middle school tailored to their academic needs.
- **Improve safety and security** across all eight schools by adding protective glass, lock down equipment, internal communication systems, and additional exterior security.

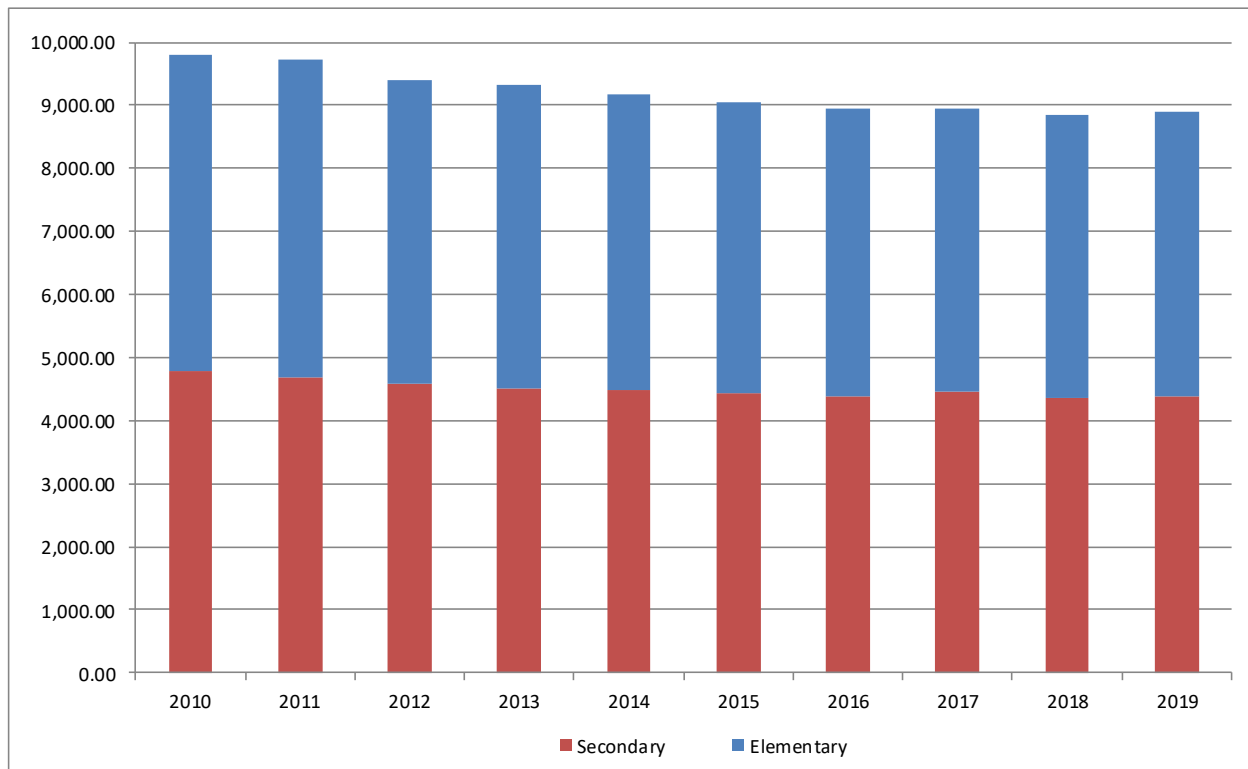
ENROLLMENT

Enrollment is a critical factor in determining funding levels. Approximately 66 percent of the General Fund revenue is enrollment driven. During fiscal year 2019, enrollment increased by just over 63 average daily memberships to 8,904.

Student Enrollment (Average Daily Membership)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Pre-K and HCP-K	86.12	85.34	89.25	106.10	104.31	123.38	126.05	116.98	121.66	152.89
Reg K	661.80	663.98	578.66	629.48	560.27	595.08	561.73	561.06	564.94	560.86
Elementary	4,279.36	4,270.65	4,150.02	4,080.75	4,006.32	3,889.68	3,880.82	3,791.63	3,804.19	3,807.93
Secondary	4,774.44	4,694.38	4,593.11	4,500.90	4,492.37	4,445.20	4,380.66	4,466.26	4,350.39	4,382.74
Total Students for Aid	9,801.72	9,714.35	9,411.04	9,317.23	9,163.27	9,053.34	8,949.26	8,935.93	8,841.18	8,904.42
Percent Change	0.12%	-0.89%	-3.12%	-1.00%	-1.65%	-1.20%	-1.15%	-0.15%	-1.06%	0.72%

Student Enrollment (Average Daily Membership)



The continued graduation of comparably large student cohorts coupled with smaller incoming kindergarten cohorts led to a 0.5 percent decline in enrollment over the past three years. While the District experienced a small enrollment gain in fiscal year 2019, that trend is not expected to continue in future years. The enrollment and demographic changes presented above offer both financial and strategic challenges and opportunities for the District.

INTERNAL CONTROL STRUCTURE AND BUDGETARY CONTROL

The District complies with the Uniform Financial Accounting and Reporting Standards (UFARS) for Minnesota Schools. The UFARS, established in 1976, dictates a modified accrual basis of accounting. An audited annual financial report must be provided to the Minnesota Department of Education by December 31, subsequent to year-end on June 30.

The District has established a system of internal controls that provide reasonable assurance that assets are safeguarded from misuse or losses. Reasonable assurance means the cost of controls is weighed against the benefits received. The District utilizes an integrated payroll/finance system for all financial recordkeeping. Encumbrances, or open purchase orders, are used as a budgetary control tool and are charged against line item budgets when issued. To accurately track and report financial activities with a focus on site-based accounting, approximately 20,000 accounts have been defined within the District's chart of accounts. Each site and department administrator has access to the finance system to extract reports and review detailed budget activity specific to their area of responsibility. The District's administration receives and reviews monthly financial reports. These reports are also presented to the School Board and are publicly available as part of the School Board's meeting materials.

The District's budgeting process begins with a review and estimation of the projected student enrollment. Student enrollment is the main driver of the allocation of the unrestricted revenue resources. A majority of the budgeting decisions are made centrally, including staffing, capital expenditures, and infrastructure improvements. Budget managers receive an allocation for site or department-specific needs. The District adopts an annual budget for all governmental funds that is prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level.

INDEPENDENT AUDIT AND CERTIFICATE OF EXCELLENCE

State statutes require an annual audit by independent certified public accountants. The accounting firm of Malloy, Montague, Karnowski, Radosovich & Co., P.A. was selected by the District's School Board to conduct the annual audit.

This report has been prepared following the guidelines provided by the Association of School Business Officials (ASBO) International and the Government Finance Officers Association (GFOA) for their Certificates of Excellence in Financial Reporting Programs. Achieving recognition by these programs provides a clear indication of the District's high standards for financial reporting. The District intends to submit this CAFR to the ASBO International and the GFOA Certificate Programs for consideration. The District has received the ASBO International Certificate of Excellence in Financial Reporting for the CAFR for the last 19 financial years and the GFOA Certificate of Achievement for Excellence in Financial Reporting for the past five.

ACKNOWLEDGMENTS

We acknowledge the efforts of the entire Business Office staff in providing complete and accurate data for this CAFR.

Sincerely,

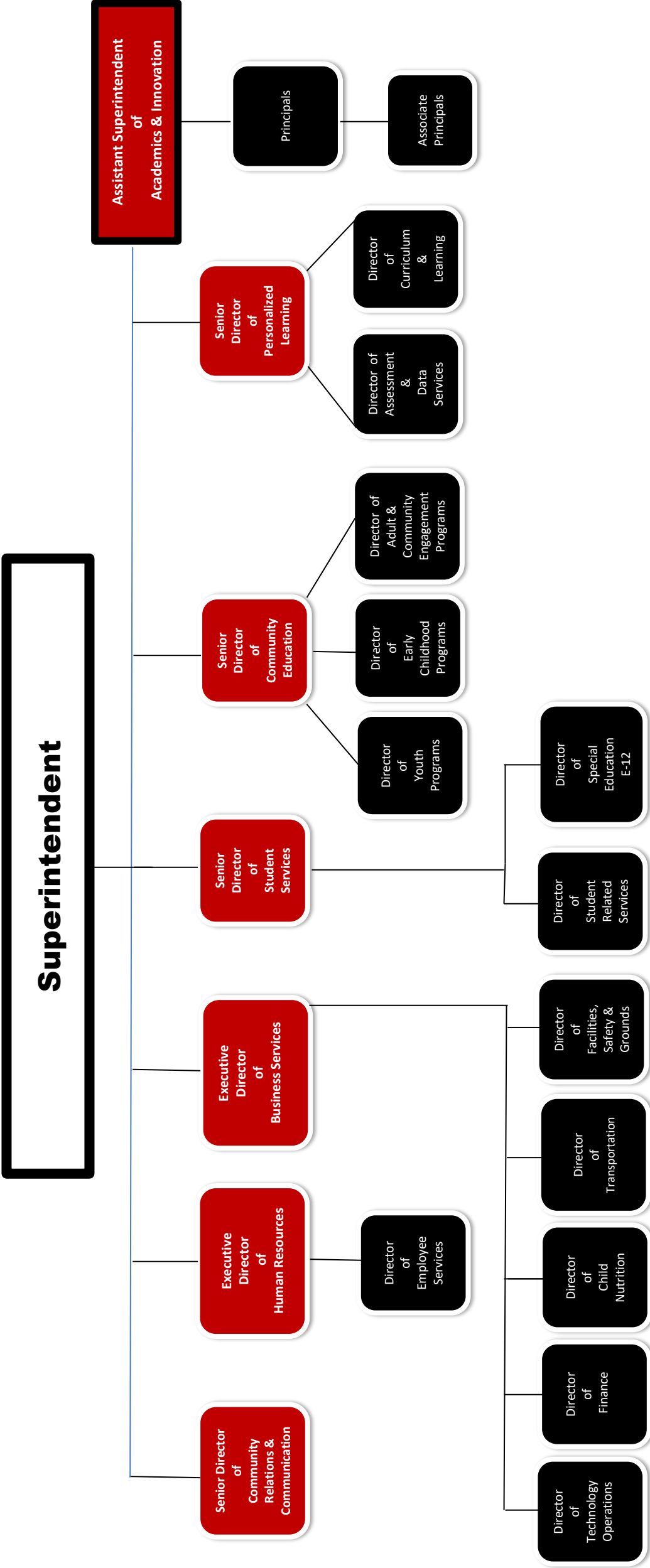


Dr. Josh Swanson
Superintendent



Jason Mutzenberger
Executive Director of Business Services

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INDEPENDENT SCHOOL DISTRICT NO. 272

School Board and Administration
Year Ended June 30, 2019

SCHOOL BOARD

	<u>Board Position</u>
Elaine Larabee	Chairperson
Lauren Crandall	Vice Chairperson
Holly Link	Treasurer
Adam Seidel	Clerk
Karla Bratud	Director
David Espe	Director
Terri Swartout	Director

ADMINISTRATION

Dr. Joshua Swanson	Superintendent
Dr. Stacie Stanley	Assistant Superintendent of Academics and Innovation
Jason Mutzenberger	Executive Director of Business Services
Thomas May	Executive Director of Human Resources
Dr. Shawn Hoffman-Bram	Senior Director of Community Education
Michelle Ament	Senior Director of Personalized Learning
Dr. Christina Bemboom	Director of Student Support Services
Brett Johnson	Senior Director of Community Relations and Communication



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

**Eden Prairie Independent
School District #272**

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.**

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



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

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Eden Prairie Independent School
District #272, Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrell

Executive Director/CEO

SECTION II – FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of
Independent School District No. 272
Eden Prairie, 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. 272 (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

(continued)

OPINIONS

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the general and major special revenue funds for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, supplemental information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

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

Prior Year Comparative Information

We have previously audited the District's 2018 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated November 8, 2018. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
November 13, 2019

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INDEPENDENT SCHOOL DISTRICT NO. 272

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

This section of Independent School District No. 272's (the District) Comprehensive Annual Financial Report (CAFR) presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2019. Please read it in conjunction with the other components of the District's CAFR.

FINANCIAL HIGHLIGHTS

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2019 by \$45,994,115 (net position deficit). The District's total net position increased by \$33,220,287 during the fiscal year ended June 30, 2019.
- Government-wide revenues totaled \$141,957,650 and were \$33,220,287 more than expenses of \$108,737,363.
- The General Fund's total fund balance (under the governmental fund presentation) increased \$1,371,685 from the prior year, to a year-end balance of \$21,658,161, compared to a \$428,155 increase planned in the budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or major funds, rather than the District as a whole.

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

The District maintains the following kinds of funds:

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1 Summary Statement of Net Position as of June 30, 2019 and 2018		
	2019	2018
Assets		
Current and other assets	\$ 102,403,642	\$ 87,502,635
Capital assets, net of depreciation	94,565,500	96,756,117
Total assets	<u>\$ 196,969,142</u>	<u>\$ 184,258,752</u>
Deferred outflows of resources		
Pension plan deferments	\$ 94,275,892	\$ 126,168,425
OPEB plan deferments	136,698	—
Total deferred outflows of resources	<u>\$ 94,412,590</u>	<u>\$ 126,168,425</u>
Liabilities		
Current and other liabilities	\$ 15,547,892	\$ 14,369,644
Long-term liabilities, including due within one year	149,640,226	290,826,319
Total liabilities	<u>\$ 165,188,118</u>	<u>\$ 305,195,963</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 42,436,019	\$ 40,664,553
Pension plan deferments	125,462,651	43,126,878
OPEB plan deferments	4,289,059	654,185
Total deferred inflows of resources	<u>\$ 172,187,729</u>	<u>\$ 84,445,616</u>
Net position		
Net investment in capital assets	\$ 38,506,213	\$ 41,716,939
Restricted	3,450,332	3,970,336
Unrestricted	(87,950,660)	(124,901,677)
Total net position	<u>\$ (45,994,115)</u>	<u>\$ (79,214,402)</u>

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

Total net position increased by \$33,220,287 from current year operating results. Much of the increase is attributable to the change in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans, which contributed to the change in deferred outflows, long-term liabilities, deferred inflows, and unrestricted net position.

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

Table 2 Summary Statement of Activities for the Years Ended June 30, 2019 and 2018		
	2019	2018
Revenues		
Program revenues		
Charges for services	\$ 10,708,599	\$ 9,005,810
Operating grants and contributions	20,140,103	20,056,189
Capital grants and contributions	1,194,380	2,562,744
General revenues		
Property taxes	45,055,788	43,183,425
General grants and aids	61,010,762	63,786,229
Other	3,848,018	3,086,404
Total revenues	141,957,650	141,680,801
Expenses		
Administration	2,852,678	4,520,405
District support services	6,583,609	5,860,095
Elementary and secondary regular instruction	37,173,654	80,606,299
Vocational education instruction	2,020,289	2,799,977
Special education instruction	14,259,908	26,612,680
Instructional support services	7,114,901	8,946,008
Pupil support services	8,559,073	10,510,787
Sites and buildings	15,317,919	15,048,481
Fiscal and other fixed cost programs	476,818	381,996
Food service	4,917,671	4,983,613
Community service	7,449,706	6,674,630
Interest and fiscal charges	2,011,137	2,181,273
Total expenses	108,737,363	169,126,244
Change in net position	33,220,287	(27,445,443)
Net position – beginning	(79,214,402)	(51,768,959)
Net position – ending	<u><u>\$ (45,994,115)</u></u>	<u><u>\$ (79,214,402)</u></u>

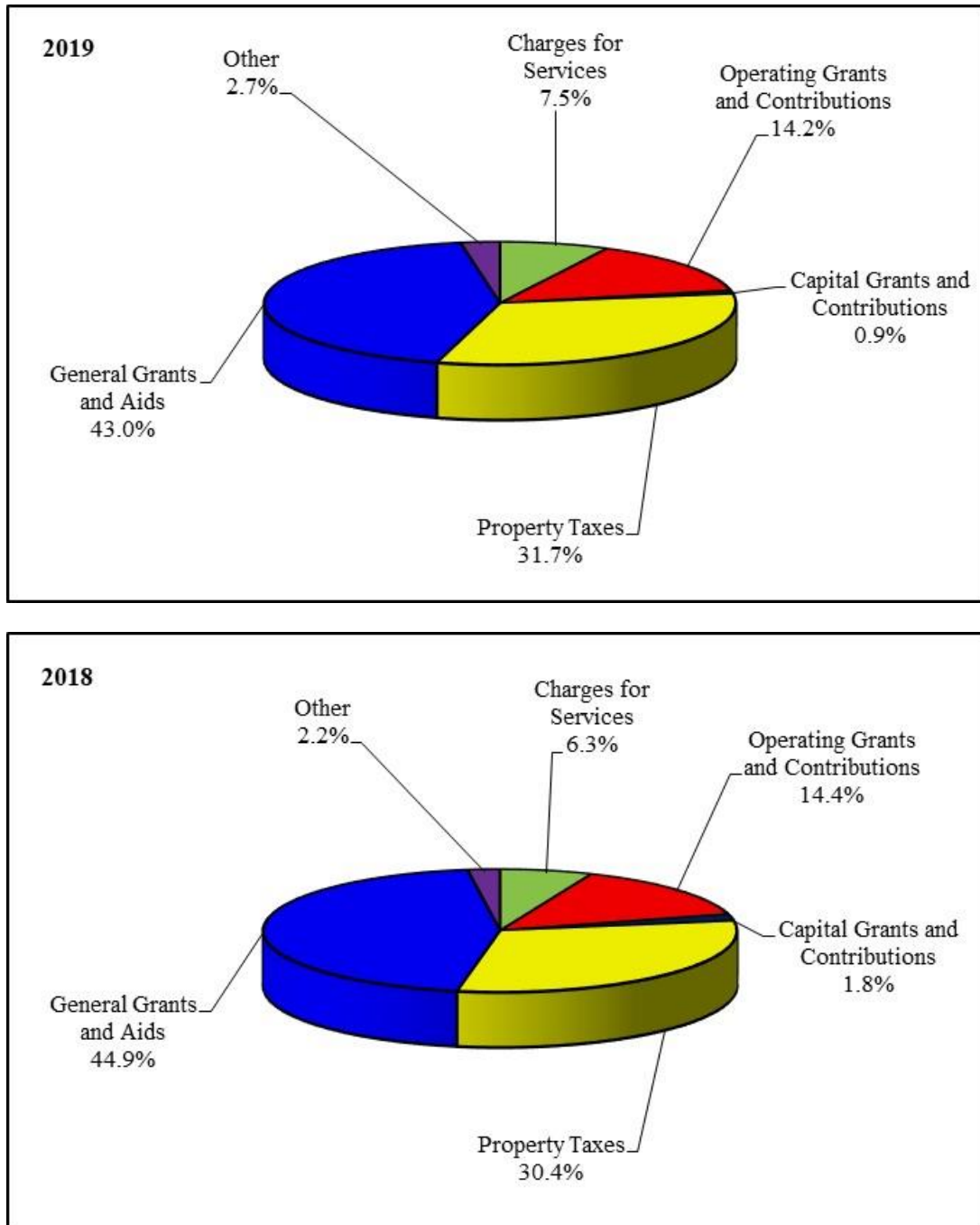
This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

Governmental activities revenues increased \$276,849 (0.2 percent) from the previous year, primarily attributable to improvements in the general education funding.

Governmental activity expenses decreased \$60,388,881 (35.7 percent) from last year, mainly due to the change in the PERA and the TRA multiple-employer defined benefit pension plans mentioned earlier.

Figure A shows further analysis of these revenue sources:

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

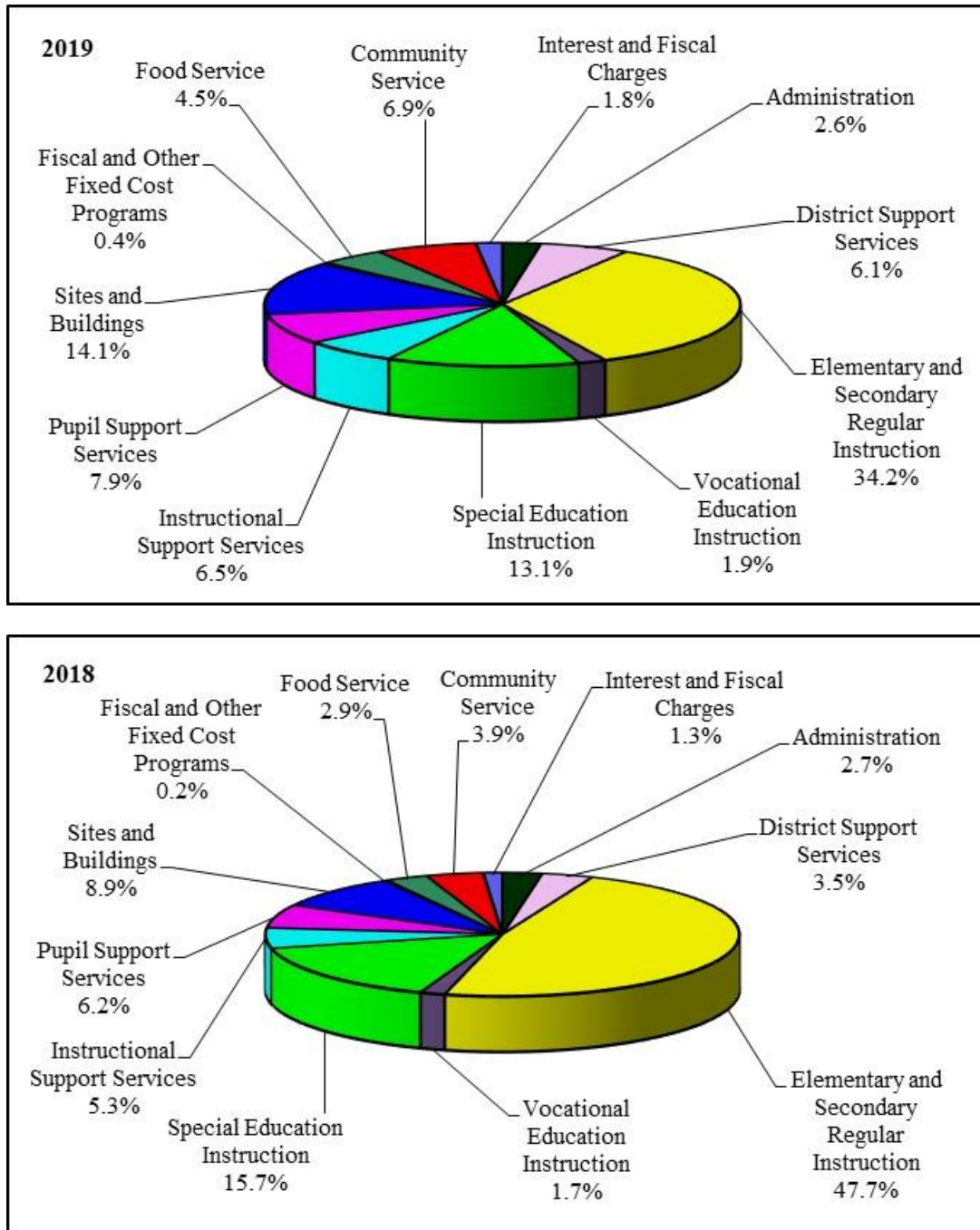


The largest share of the District's revenue is received from the state, including the general education aid formula and most of the operating grants.

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

Figure B shows further analysis of these expense functions:

Figure B – Expenses for Fiscal Years 2019 and 2018



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

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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Table 3 Governmental Fund Balances as of June 30, 2019 and 2018			
	2019	2018	Increase (Decrease)
Major funds			
General	\$ 21,658,161	\$ 20,286,476	\$ 1,371,685
Food Service	676,389	764,922	(88,533)
Community Service	516,454	395,507	120,947
Capital Projects – Building			
Construction	9,569,553	5,567,295	4,002,258
Debt Service	1,722,807	1,243,673	479,134
Total governmental funds	<u>\$ 34,143,364</u>	<u>\$ 28,257,873</u>	<u>\$ 5,885,491</u>

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

At June 30, 2019, the District's governmental funds reported combined fund balances of \$34,143,364, an increase of \$5,885,491 in comparison with the prior year. Approximately 46.1 percent of this amount (\$15,751,476) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either nonspendable, restricted, or assigned to indicate that it is 1) not in spendable form (\$1,844,698), 2) restricted for particular purposes (\$13,720,475), or 3) assigned for particular purposes (\$2,826,715). The majority of the increase was the result of the District issuing the 2019A General Obligation Facilities Maintenance Bond to finance long-term facilities maintenance projects.

ANALYSIS OF THE GENERAL FUND

Table 4 summarizes the amendments to the General Fund budget:

Table 4 General Fund Budget				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Revenues and other financing sources	<u>\$ 122,620,536</u>	<u>\$ 123,195,448</u>	<u>\$ 574,912</u>	<u>0.5%</u>
Expenditures and other financing uses	<u>\$ 122,767,293</u>	<u>\$ 122,767,293</u>	<u>\$ —</u>	<u>—</u>

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

Table 5 summarizes the operating results of the General Fund:

Table 5 General Fund Operating Results					
	<u>2019 Actual</u>	<u>Over (Under) Final Budget</u>		<u>Over (Under) Prior Year</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenue and other financing sources	\$ 124,333,739	\$ 1,138,291	0.9%	\$ 2,694,060	2.2%
Expenditures and other financing uses	<u>122,962,054</u>	<u>194,761</u>	0.2%	<u>1,974,208</u>	1.6%
Net change in fund balances	<u>\$ 1,371,685</u>	<u>\$ 943,530</u>		<u>\$ 719,852</u>	

The fund balance of the General Fund increased \$1,371,685 compared to a planned increase of \$428,155 approved in the final budget.

General Fund revenues and other financing sources for 2019 increased \$2,694,060 (2.2 percent), compared to the prior year, and were \$1,138,291 (0.9 percent) more than budget. The largest revenue variance occurred in state sources, which was \$1,645,250 more than projected in the budget. Favorable variances in special education funding sources, along with the PERA and the TRA pension pass-through contributions, contributed to revenues surpassing budget. This was offset by other local sources, which were \$546,328 less than projected in the budget, mainly in fundraising for activity accounts.

The increase from the prior year was mainly due to improvements in the general education funding formula.

Total General Fund expenditures and other financing uses for 2019 increased \$1,974,208 (1.6 percent) from the prior year. Current year expenditures and other financing uses of \$122,962,054 were \$194,761 (0.2 percent) over budget. The expenditure variance was spread across several programs and object categories of the General Fund.

The increase from the previous year was mainly due to the additional expenditures related to alternative learning centers and contractual salary increases.

COMMENTS ON SIGNIFICANT ACTIVITIES IN OTHER MAJOR FUNDS

Food Service Fund

The Food Service Special Revenue Fund ended the year with expenditures exceeding revenues, decreasing total fund balance by \$88,533, compared to a budgeted fund balance increase of \$720. This variance was due to a decrease in meal sales that was not anticipated in the budget.

Community Service Fund

The Community Service Special Revenue Fund ended the year with revenues and other financing sources exceeding expenditures by \$120,947, compared to a planned fund balance increase of \$254,017. Revenues and expenditures were under budget, due to the enrollment in the new Eagle Zone program being less than anticipated.

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities. At June 30, 2019, the District had a fund balance of \$9,569,553 restricted for long-term facilities maintenance. Fund balance increased \$4,002,258 during the year, due to the issuance of bonds to finance long-term facilities maintenance projects.

Debt Service Fund

The Debt Service Fund revenues and other financing sources exceeded expenditures and other financing uses by \$479,134 in the current year. The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. The remaining fund balance of \$1,722,807 at June 30, 2019 is restricted for meeting future debt service obligations.

COMMENTS ON OTHER FUNDS

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District maintains two internal service funds. These funds are used to account for the District's self-insured health and dental benefits insurance activities. The net position balance for all internal service funds as of June 30, 2019 was \$3,861,914, which represents a \$1,966,461 increase from the prior year. This was mainly due to more employees enrolling in the health insurance plans, an increase in the health benefit claims, and an increase in the health insurance premiums charged to the governmental funds in the current year.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

Table 6 shows the District's capital assets, together with changes from the previous year. The table also shows the total depreciation expense for fiscal years ending June 30, 2019 and 2018:

Table 6			
Capital Assets			
	<u>2019</u>	<u>2018</u>	<u>Change</u>
Land	\$ 6,774,893	\$ 6,798,693	\$ (23,800)
Construction in progress	2,908,007	1,192,175	1,715,832
Land improvements	9,881,519	9,723,841	157,678
Buildings and improvements	207,602,551	205,377,630	2,224,921
Equipment	25,003,366	23,388,685	1,614,681
Capital leased equipment	6,443,694	6,443,694	—
Less accumulated depreciation	<u>(164,048,530)</u>	<u>(156,168,601)</u>	<u>(7,879,929)</u>
Total	<u>\$ 94,565,500</u>	<u>\$ 96,756,117</u>	<u>\$ (2,190,617)</u>
Depreciation expense	<u>\$ 7,879,929</u>	<u>\$ 8,807,570</u>	<u>\$ (927,641)</u>

By the end of 2019, the District had invested in a broad range of capital assets, including school buildings, athletic facilities, and other equipment for various instructional programs (see Table 6).

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2019, consistent with the activity of the Capital Projects – Building Construction Fund discussed on the previous page.

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

Additional details about capital assets can be found in Note 3 in the notes to basic financial statements.

Long-Term Liabilities

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

Table 7 Outstanding Long-Term Liabilities			
	2019	2018	Change
General obligation bonds payable	\$ 63,630,000	\$ 60,645,000	\$ 2,985,000
Unamortized premiums/discount	1,239,056	1,099,640	139,416
Capital lease payable	759,784	2,616,833	(1,857,049)
Net pension liability	83,245,781	225,619,599	(142,373,818)
Compensated absences payable	765,605	845,247	(79,642)
Total	<u>\$ 149,640,226</u>	<u>\$ 290,826,319</u>	<u>\$ (141,186,093)</u>

The change in general obligation bonds payable is due to the scheduled principal payments offset by the sale of facilities maintenance bonds in the current year.

The decrease in capital lease payable is due to the scheduled principal payments during fiscal year 2019.

The difference in the net pension liability reflects the change in the District's proportionate share of the state-wide PERA and TRA pension plans.

The state limits the amount of general obligation debt the District can issue to 15 percent of the market value of all taxable property within the District's corporate limits (see Table 8):

Table 8 Limitations on Debt	
District's market value	\$ 10,023,705,675
Limit rate	<u>15.0%</u>
Legal debt limit	<u>\$ 1,503,555,851</u>

Additional details of the District's long-term debt activity can be found in Note 4 in the notes to basic financial statements.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This CAFR is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Services Department, Independent School District No. 272, 8100 School Road, Eden Prairie, Minnesota 55344.

BASIC FINANCIAL STATEMENTS

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INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Governmental Activities	
	2019	2018
Assets		
Cash and temporary investments	\$ 57,544,426	\$ 51,339,823
Receivables		
Current taxes	23,185,762	20,289,873
Delinquent taxes	380,856	395,907
Accounts and interest	521,769	208,174
Due from other governmental units	11,226,743	11,099,582
Due from post-employment benefit trust	702,747	1,006,882
Inventory	118,178	108,557
Prepaid items	1,726,520	191,562
Net OPEB asset	6,996,641	2,862,275
Capital assets		
Not depreciated	9,682,900	7,990,868
Depreciated, net of accumulated depreciation	84,882,600	88,765,249
Total capital assets, net of accumulated depreciation	<u>94,565,500</u>	<u>96,756,117</u>
Total assets	196,969,142	184,258,752
Deferred outflows of resources		
Pension plan deferments	94,275,892	126,168,425
OPEB plan deferments	136,698	—
Total deferred outflows of resources	<u>94,412,590</u>	<u>126,168,425</u>
Total assets and deferred outflows of resources	<u>\$ 291,381,732</u>	<u>\$ 310,427,177</u>
Liabilities		
Salaries payable	\$ 5,225,267	\$ 5,263,473
Accounts and contracts payable	5,992,564	5,536,271
Accrued interest payable	963,044	943,070
Due to other governmental units	622,339	357,126
Claims payable	689,614	504,704
Unearned revenue	2,055,064	1,765,000
Long-term liabilities		
Due within one year	6,740,402	8,529,420
Due in more than one year	142,899,824	282,296,899
Total long-term liabilities	<u>149,640,226</u>	<u>290,826,319</u>
Total liabilities	165,188,118	305,195,963
Deferred inflows of resources		
Property taxes levied for subsequent year	42,436,019	40,664,553
Pension plan deferments	125,462,651	43,126,878
OPEB plan deferments	4,289,059	654,185
Total deferred inflows of resources	<u>172,187,729</u>	<u>84,445,616</u>
Net position		
Net investment in capital assets	38,506,213	41,716,939
Restricted for		
Capital asset acquisition	1,120,157	1,430,599
Food service	676,389	764,922
Community service	525,422	709,556
Debt service	844,841	389,446
Other purposes (state and other funding restrictions)	283,523	675,813
Unrestricted	(87,950,660)	(124,901,677)
Total net position	<u>(45,994,115)</u>	<u>(79,214,402)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 291,381,732</u>	<u>\$ 310,427,177</u>

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 272

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

		2019		
Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Administration	\$ 2,852,678	\$ —	\$ —	\$ —
District support services	6,583,609	—	—	—
Elementary and secondary regular instruction	37,173,654	1,048,161	3,584,853	—
Vocational education instruction	2,020,289	—	3,000	—
Special education instruction	14,259,908	312,860	12,987,363	—
Instructional support services	7,114,901	—	—	—
Pupil support services	8,559,073	119,335	969,027	—
Sites and buildings	15,317,919	80,657	—	1,194,380
Fiscal and other fixed cost programs	476,818	—	—	—
Food service	4,917,671	3,298,481	1,627,328	—
Community service	7,449,706	5,849,105	968,532	—
Interest and fiscal charges	2,011,137	—	—	—
Total governmental activities	<u>\$ 108,737,363</u>	<u>\$ 10,708,599</u>	<u>\$ 20,140,103</u>	<u>\$ 1,194,380</u>
General revenue				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for community service				
Property taxes, levied for debt service				
General grants and aids				
Other general revenues				
Investment earnings				
Total general revenues				
Change in net position				
Net position – beginning				
Net position – ending				

	2018
Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Governmental Activities	Governmental Activities
\$ (2,852,678)	\$ (4,520,405)
(6,583,609)	(5,860,095)
(32,540,640)	(75,711,024)
(2,017,289)	(2,796,977)
(959,685)	(12,963,121)
(7,114,901)	(8,946,008)
(7,470,711)	(9,701,487)
(14,042,882)	(12,362,648)
(476,818)	(381,996)
8,138	(19,726)
(632,069)	(2,056,741)
(2,011,137)	(2,181,273)
(76,694,281)	(137,501,501)
35,330,344	34,452,614
836,313	839,740
8,889,131	7,891,071
61,010,762	63,786,229
2,905,552	2,566,249
942,466	520,155
109,914,568	110,056,058
33,220,287	(27,445,443)
(79,214,402)	(51,768,959)
<u>\$ (45,994,115)</u>	<u>\$ (79,214,402)</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	General Fund	Food Service Special Revenue Fund	Community Service Special Revenue Fund
Assets			
Cash and temporary investments	\$ 33,695,445	\$ 798,544	\$ 1,444,797
Receivables			
Current taxes	18,750,030	—	486,573
Delinquent taxes	286,810	—	8,968
Accounts and interest	325,718	2,581	169,443
Due from other governmental units	11,138,357	23,239	65,074
Due from other funds	702,747	—	—
Inventory	—	118,178	—
Prepaid items	1,676,290	—	50,230
	<u>\$ 66,575,397</u>	<u>\$ 942,542</u>	<u>\$ 2,225,085</u>
Liabilities			
Salaries payable	\$ 5,027,295	\$ 9,447	\$ 188,525
Accounts and contracts payable	5,208,243	49,131	102,141
Due to other governmental units	622,339	—	—
Unearned revenue	268,201	207,575	429,208
Total liabilities	11,126,078	266,153	719,874
Deferred inflows of resources			
Property taxes levied for subsequent year	33,504,348	—	979,789
Unavailable revenue – delinquent taxes	286,810	—	8,968
Total deferred inflows of resources	33,791,158	—	988,757
Fund balances			
Nonspendable	1,676,290	118,178	50,230
Restricted	1,403,680	558,211	466,224
Assigned	2,826,715	—	—
Unassigned	15,751,476	—	—
Total fund balances	21,658,161	676,389	516,454
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 66,575,397</u>	<u>\$ 942,542</u>	<u>\$ 2,225,085</u>

Capital Projects – Building Construction Fund	Debt Service Fund	Total Governmental Funds	
		2019	2018
\$ 10,192,117	\$ 5,711,915	\$ 51,842,818	\$ 47,927,536
–	3,949,159	23,185,762	20,289,873
–	85,078	380,856	395,907
10,485	13,542	521,769	208,174
–	73	11,226,743	11,099,582
–	–	702,747	1,006,882
–	–	118,178	108,557
–	–	1,726,520	191,562
<u>\$ 10,202,602</u>	<u>\$ 9,759,767</u>	<u>\$ 89,705,393</u>	<u>\$ 81,228,073</u>
\$ –	\$ –	\$ 5,225,267	\$ 5,263,473
633,049	–	5,992,564	5,536,271
–	–	622,339	357,126
–	–	904,984	752,870
<u>633,049</u>	<u>–</u>	<u>12,745,154</u>	<u>11,909,740</u>
–	7,951,882	42,436,019	40,664,553
–	85,078	380,856	395,907
<u>–</u>	<u>8,036,960</u>	<u>42,816,875</u>	<u>41,060,460</u>
–	–	1,844,698	300,119
9,569,553	1,722,807	13,720,475	10,227,375
–	–	2,826,715	1,685,452
–	–	15,751,476	16,044,927
<u>9,569,553</u>	<u>1,722,807</u>	<u>34,143,364</u>	<u>28,257,873</u>
<u>\$ 10,202,602</u>	<u>\$ 9,759,767</u>	<u>\$ 89,705,393</u>	<u>\$ 81,228,073</u>

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INDEPENDENT SCHOOL DISTRICT NO. 272

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
as of June 30, 2019
(With Partial Comparative Information as of June 30, 2018)

	2019	2018
Total fund balances – governmental funds	\$ 34,143,364	\$ 28,257,873
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	258,614,030	252,924,718
Accumulated depreciation	(164,048,530)	(156,168,601)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable.		
General obligation bonds payable	(63,630,000)	(60,645,000)
Unamortized premiums/discount	(1,239,056)	(1,099,640)
Capital lease payable	(759,784)	(2,616,833)
Net pension liability	(83,245,781)	(225,619,599)
Compensated absences payable	(765,605)	(845,247)
Net OPEB asset reported in the Statement of Net Position does not require the use of current financial resources and is not reported in the governmental funds.	6,996,641	2,862,275
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	3,861,914	1,895,453
Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.	(963,044)	(943,070)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	94,275,892	126,168,425
Deferred outflows of resources – OPEB plan deferments	136,698	–
Deferred inflows of resources – pension plan deferments	(125,462,651)	(43,126,878)
Deferred inflows of resources – OPEB plan deferments	(4,289,059)	(654,185)
Deferred inflows of resources – unavailable revenue – delinquent taxes	380,856	395,907
Total net position – governmental activities	<u>\$ (45,994,115)</u>	<u>\$ (79,214,402)</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	General Fund	Food Service Special Revenue Fund	Community Service Special Revenue Fund
Revenue			
Local sources			
Property taxes	\$ 35,340,872	\$ —	\$ 837,071
Investment earnings	633,410	14,490	5,739
Other	4,213,272	3,364,687	6,242,872
State sources	81,507,436	147,729	766,148
Federal sources	2,614,949	1,479,599	—
Total revenue	124,309,939	5,006,505	7,851,830
Expenditures			
Current			
Administration	3,821,305	—	—
District support services	6,614,803	—	—
Elementary and secondary regular instruction	55,929,788	—	—
Vocational education instruction	2,621,806	—	—
Special education instruction	20,817,558	—	—
Instructional support services	8,816,341	—	—
Pupil support services	10,058,348	—	—
Sites and buildings	11,583,684	—	—
Fiscal and other fixed cost programs	476,818	—	—
Food service	—	4,999,856	—
Community service	200,870	—	7,881,560
Capital outlay	—	95,182	580
Debt service			
Principal	1,857,049	—	—
Interest and fiscal charges	12,427	—	—
Total expenditures	122,810,797	5,095,038	7,882,140
Excess (deficiency) of revenue over expenditures	1,499,142	(88,533)	(30,310)
Other financing sources (uses)			
Debt issued	—	—	—
Refunding debt issued	—	—	—
Premium on debt issued	—	—	—
(Discount) on debt issued	—	—	—
Payment on refunded debt	—	—	—
Sale of capital assets	23,800	—	—
Transfers in	—	—	151,257
Transfers (out)	(151,257)	—	—
Total other financing sources (uses)	(127,457)	—	151,257
Net change in fund balances	1,371,685	(88,533)	120,947
Fund balances			
Beginning of year	20,286,476	764,922	395,507
End of year	\$ 21,658,161	\$ 676,389	\$ 516,454

See notes to basic financial statements

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Capital Projects – Building Construction Fund	Debt Service Fund	Total Governmental Funds	
		2019	2018
\$ –	\$ 8,892,896	\$ 45,070,839	\$ 43,113,033
135,551	84,701	873,891	502,542
–	–	13,820,831	11,841,851
–	593	82,421,906	80,447,376
–	–	4,094,548	4,260,545
<u>135,551</u>	<u>8,978,190</u>	<u>146,282,015</u>	<u>140,165,347</u>
–	–	3,821,305	3,742,489
–	–	6,614,803	5,793,381
–	–	55,929,788	56,621,307
–	–	2,621,806	2,226,472
–	–	20,817,558	21,373,181
–	–	8,816,341	7,421,018
–	–	10,058,348	9,481,647
–	–	11,583,684	11,870,809
–	–	476,818	381,996
–	–	4,999,856	4,872,931
–	–	8,082,430	6,252,847
5,778,029	–	5,873,791	4,391,705
–	6,460,000	8,317,049	7,767,965
–	2,389,331	2,401,758	2,577,313
<u>5,778,029</u>	<u>8,849,331</u>	<u>150,415,335</u>	<u>144,775,061</u>
(5,642,478)	128,859	(4,133,320)	(4,609,714)
9,670,157	324,843	9,995,000	–
–	8,410,000	8,410,000	–
–	575,432	575,432	–
(25,421)	–	(25,421)	–
–	(8,960,000)	(8,960,000)	–
–	–	23,800	83,976
–	–	151,257	178,419
–	–	(151,257)	(178,419)
<u>9,644,736</u>	<u>350,275</u>	<u>10,018,811</u>	<u>83,976</u>
4,002,258	479,134	5,885,491	(4,525,738)
<u>5,567,295</u>	<u>1,243,673</u>	<u>28,257,873</u>	<u>32,783,611</u>
<u>\$ 9,569,553</u>	<u>\$ 1,722,807</u>	<u>\$ 34,143,364</u>	<u>\$ 28,257,873</u>

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INDEPENDENT SCHOOL DISTRICT NO. 272

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

	2019	2018
Total net change in fund balances – governmental funds	\$ 5,885,491	\$ (4,525,738)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	5,713,112	4,745,990
Capital contributions	–	1,559,500
Depreciation expense	(7,879,929)	(8,807,570)
A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balances.	(23,800)	–
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
General obligation bonds payable	(9,995,000)	–
Refunding bonds payable	(8,410,000)	–
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	15,420,000	5,895,000
Capital lease payable	1,857,049	1,872,965
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.	(19,974)	104,877
Debt issuance premiums are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.	(139,416)	291,163
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Net pension liability	142,373,818	51,403,366
Net OPEB asset	4,134,366	(426,245)
Compensated absences payable	79,642	502,625
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.	1,966,461	2,421,376
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	(31,892,533)	(44,713,184)
Deferred outflows of resources – OPEB plan deferments	136,698	–
Deferred inflows of resources – pension plan deferments	(82,335,773)	(37,757,227)
Deferred inflows of resources – OPEB plan deferments	(3,634,874)	(82,733)
Deferred inflows of resources – unavailable revenue – delinquent taxes	(15,051)	70,392
Change in net position – governmental activities	\$ 33,220,287	\$ (27,445,443)

See notes to basic financial statements

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INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Property taxes	\$ 35,075,736	\$ 35,546,662	\$ 35,340,872	\$ (205,790)
Investment earnings	150,000	150,000	633,410	483,410
Other	5,286,504	4,759,600	4,213,272	(546,328)
State sources	79,231,296	79,862,186	81,507,436	1,645,250
Federal sources	2,877,000	2,877,000	2,614,949	(262,051)
Total revenue	122,620,536	123,195,448	124,309,939	1,114,491
Expenditures				
Current				
Administration	3,805,053	3,725,423	3,821,305	95,882
District support services	7,017,096	6,928,056	6,614,803	(313,253)
Elementary and secondary regular instruction	56,975,404	57,485,786	55,929,788	(1,555,998)
Vocational education instruction	1,909,962	2,018,761	2,621,806	603,045
Special education instruction	20,694,117	20,490,657	20,817,558	326,901
Community service	—	—	200,870	200,870
Instructional support services	8,354,238	8,175,517	8,816,341	640,824
Pupil support services	9,830,593	9,956,209	10,058,348	102,139
Sites and buildings	11,377,144	11,609,544	11,583,684	(25,860)
Fiscal and other fixed cost programs	684,210	350,000	476,818	126,818
Debt service				
Principal	1,845,561	1,845,561	1,857,049	11,488
Interest and fiscal charges	23,915	23,915	12,427	(11,488)
Total expenditures	122,517,293	122,609,429	122,810,797	201,368
Excess of revenue over expenditures	103,243	586,019	1,499,142	913,123
Other financing sources (uses)				
Sale of capital assets	—	—	23,800	23,800
Transfers (out)	(250,000)	(157,864)	(151,257)	6,607
Total other financing sources (uses)	(250,000)	(157,864)	(127,457)	30,407
Net change in fund balances	\$ (146,757)	\$ 428,155	1,371,685	\$ 943,530
Fund balances				
Beginning of year			20,286,476	
End of year			\$ 21,658,161	

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Food Service Special Revenue Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Investment earnings	\$ 2,000	\$ 2,000	\$ 14,490	\$ 12,490
Other – primarily meal sales	3,488,803	3,488,803	3,364,687	(124,116)
State sources	172,425	172,425	147,729	(24,696)
Federal sources	1,451,750	1,451,750	1,479,599	27,849
Total revenue	<u>5,114,978</u>	<u>5,114,978</u>	<u>5,006,505</u>	<u>(108,473)</u>
Expenditures				
Current				
Salaries	1,895,163	1,895,163	2,001,336	106,173
Employee benefits	886,570	886,570	805,921	(80,649)
Purchased services	232,500	232,500	281,311	48,811
Supplies and materials	2,020,025	2,020,025	1,899,498	(120,527)
Other expenditures	5,000	5,000	11,790	6,790
Capital outlay	75,000	75,000	95,182	20,182
Total expenditures	<u>5,114,258</u>	<u>5,114,258</u>	<u>5,095,038</u>	<u>(19,220)</u>
Net change in fund balances	<u>\$ 720</u>	<u>\$ 720</u>	(88,533)	<u>\$ (89,253)</u>
Fund balances				
Beginning of year			<u>764,922</u>	
End of year			<u>\$ 676,389</u>	

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Community Service Special Revenue Fund
Year Ended June 30, 2019

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
Revenue				
Local sources				
Property taxes	\$ 829,351	\$ 829,351	\$ 837,071	\$ 7,720
Investment earnings	—	—	5,739	5,739
Other – primarily tuition and fees	6,893,350	6,893,350	6,242,872	(650,478)
State sources	659,302	659,302	766,148	106,846
Total revenue	8,382,003	8,382,003	7,851,830	(530,173)
Expenditures				
Current				
Salaries	4,437,603	4,438,603	4,880,847	442,244
Employee benefits	1,180,414	1,180,414	1,448,913	268,499
Purchased services	1,898,405	1,898,405	1,250,449	(647,956)
Supplies and materials	587,403	586,403	298,339	(288,064)
Other expenditures	174,161	174,161	3,012	(171,149)
Capital outlay	—	—	580	580
Total expenditures	8,277,986	8,277,986	7,882,140	(395,846)
Excess (deficiency) of revenue over expenditures	104,017	104,017	(30,310)	(134,327)
Other financing sources				
Transfers in	150,000	150,000	151,257	1,257
Net change in fund balances	\$ 254,017	\$ 254,017	120,947	\$ (133,070)
Fund balances				
Beginning of year			395,507	
End of year			\$ 516,454	

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	<u>2019</u>	<u>2018</u>
Assets		
Current assets		
Cash and temporary investments	\$ 5,701,608	\$ 3,412,287
Liabilities		
Current liabilities		
Unearned revenue	1,150,080	1,012,130
Claims payable	<u>689,614</u>	<u>504,704</u>
Total current liabilities	<u>1,839,694</u>	<u>1,516,834</u>
Net position		
Unrestricted	<u>\$ 3,861,914</u>	<u>\$ 1,895,453</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	<u>2019</u>	<u>2018</u>
Operating revenue		
Charges for services		
Contributions from governmental funds	\$ 14,260,761	\$ 13,611,757
Operating expenses		
Health benefit claims	11,107,103	9,946,365
Dental benefit claims	<u>1,255,772</u>	<u>1,261,629</u>
Total operating expenses	<u>12,362,875</u>	<u>11,207,994</u>
Operating income	1,897,886	2,403,763
Nonoperating revenue		
Investment earnings	<u>68,575</u>	<u>17,613</u>
Change in net position	1,966,461	2,421,376
Net position		
Beginning of year	<u>1,895,453</u>	<u>(525,923)</u>
End of year	<u>\$ 3,861,914</u>	<u>\$ 1,895,453</u>

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INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Cash Flows
Internal Service Fund
Year Ended June 30, 2019
(With Partial Comparative Information for the Year Ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Contributions from governmental funds	\$ 14,398,711	\$ 13,543,474
Payment for health claims	(10,928,103)	(10,620,710)
Payment for dental claims	(1,249,862)	(1,261,507)
Net cash flows from operating activities	<u>2,220,746</u>	<u>1,661,257</u>
Cash flows from investing activities		
Investment income received	<u>68,575</u>	<u>17,613</u>
Net change in cash and cash equivalents	2,289,321	1,678,870
Cash and cash equivalents		
Beginning of year	<u>3,412,287</u>	<u>1,733,417</u>
End of year	<u><u>\$ 5,701,608</u></u>	<u><u>\$ 3,412,287</u></u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$ 1,897,886	\$ 2,403,763
Adjustments to reconcile operating income to net cash flows from operating activities		
Changes in assets and liabilities		
Unearned revenue	137,950	(68,283)
Claims payable	<u>184,910</u>	<u>(674,223)</u>
Net cash flows from operating activities	<u><u>\$ 2,220,746</u></u>	<u><u>\$ 1,661,257</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Fiduciary Net Position
as of June 30, 2019

	Private-Purpose Trust Fund	Employee Benefit Trust Funds
Assets		
Cash and temporary investments	\$ 55,462	\$ —
Receivables		
Accounts and interest	175	39,115
Investments, at fair value		
Treasury securities	—	1,824,986
Mortgage-backed securities	—	50,023
Corporate obligations	—	2,351,100
International corporate obligations	—	4,615
Equities	—	4,130,691
Real estate investment trusts	—	52,076
Mutual funds	—	8,741,421
Total assets	<u>55,637</u>	<u>17,194,027</u>
Liabilities		
Due to governmental funds	<u>—</u>	<u>702,747</u>
Net position		
Restricted for scholarships	55,637	—
Restricted for OPEB	<u>—</u>	<u>16,491,280</u>
Total net position	<u>\$ 55,637</u>	<u>\$ 16,491,280</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Private-Purpose Trust Fund	Employee Benefit Trust Funds
Additions		
Contributions		
Plan participants	\$ —	\$ 636,682
Gifts and donations	11,500	—
Investment earnings		
Total investment earnings	988	941,393
Less investment expense	—	127,819
Net investment earnings	988	813,574
Total additions	12,488	1,450,256
Deductions		
Scholarships	8,000	—
Employee benefits	—	683,671
OPEB	—	702,747
Total deductions	8,000	1,386,418
Change in net position	4,488	63,838
Net position		
Beginning of year	51,149	16,427,442
End of year	\$ 55,637	\$ 16,491,280

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INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Basic Financial Statements June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Independent School District No. 272 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. A School Board elected by the voters of the District governs the District. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

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

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

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

C. Government-Wide Financial Statement Presentation

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. Generally, the effect of material interfund activity has been removed from the government-wide financial statements. Transactions representing interfund services provided and used are not eliminated in the consolidation process to the government-wide financial statements.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

D. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

1. **Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues, including property taxes, to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to funding formulas established by Minnesota Statutes. Food service sales, community education tuition, and other miscellaneous revenues (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.
2. **Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Description of Funds

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

Major Governmental Funds

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

Food Service Special Revenue Fund – The Food Service Special Revenue Fund is primarily used to account for the District's child nutrition program, which is financed through revenue from meal sales, state aids, and federal grants.

Community Service Special Revenue Fund – The Community Service Special Revenue Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, adult or early childhood programs, or other similar services. These activities are financed by program fees and tuition, property tax levies, and state aids.

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

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and payment of general obligation debt principal, interest, and related costs. The regular debt service account is used for all general obligation debt service except for the financial activities of the other post-employment benefits (OPEB) debt service account. The OPEB debt service account was used for the 2009 taxable OPEB bond issue, which matured in fiscal 2019.

Proprietary Funds

Internal Service Funds – The internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District's internal service funds are used to account for dental and health insurance benefits offered by the District to its employees as self-insured plans.

Fiduciary Funds

Trust Funds – Trust funds are used to administer resources received and held by the District as a custodian or trustee for others. The District maintains a Private-Purpose Trust Fund to account for resources held to award scholarships to former students; an Employee Benefits Trust Fund to account for resources held for employee cafeteria plan benefits; and a Post-Employment Benefits Trust Fund to account for resources held in an irrevocable trust to fund post-employment insurance benefits for eligible employees and retirees.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Information

Each June, the School Board adopts an annual budget for the following fiscal year for all governmental funds. The budget for each fund is prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. For the year ended June 30, 2019, actual expenditures exceeded budgeted appropriations in the following funds:

Fund	Budgeted Expenditures	Actual Expenditures	Excess
General	\$ 122,609,429	\$ 122,810,797	\$ 201,368
Capital Projects – Building Construction	\$ 4,719,448	\$ 5,778,029	\$ 1,058,581
Debt Service	\$ 8,726,970	\$ 8,849,331	\$ 122,361

The excess expenditures were approved by the School Board as required by Minnesota Statutes, and were financed with revenues in excess of budget, other financing sources, or available fund balances.

F. Cash and Temporary Investments

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Receivables

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

At June 30, 2019, the District reported the following receivables due from other governmental units:

Due from the MDE	\$ 11,142,225
Due from other Minnesota school districts	33,107
Due from Hennepin County	50,471
Due from other governmental units	<u>940</u>
Total due from other governmental units	<u>\$ 11,226,743</u>

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. Surplus commodities are stated at standardized costs, as determined by the U.S. Department of Agriculture.

I. Prepaid Items

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

J. Property Taxes

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes \$3,916,108 of the property tax levy collectible in 2019 as revenue to the District in fiscal year 2018–2019. The remaining portion of the taxes collectible in 2019 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 acquisition value at the date of donation. The District defines capital assets as those with an initial, individual cost of \$3,000 or more for assets acquired through June 30, 2015 and \$5,000 or more for assets acquired thereafter, 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. The District does not possess material amounts of infrastructure capital assets, such as sidewalks or parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

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

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. If material, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums or discounts on debt issuances are reported as other financing sources or uses, respectively, in the current period.

M. Employee Benefits

- 1. Compensated Absences** – Under the terms of certain collectively bargained contracts, eligible employees accrue vacation and sick leave at varying rates. Vacation and sick pay are accrued in the governmental funds to the extent they have been used or otherwise matured prior to year-end. Because teachers are not eligible for vacation pay and amounts accrued to other employees are forfeited if not taken by January 1 of the following year, no long-term vacation liabilities are recorded in the financial statements. Some employee bargaining groups are eligible to be compensated for unused sick leave upon termination subject to certain conditions. Convertible sick leave is recorded as a liability in the government-wide financial statements as it is earned and it becomes probable that it will vest at some point in the future.
- 2. Early Retirement Incentive** – The District provides early retirement incentive benefits to eligible employee groups in accordance with provisions in certain collectively bargained contracts based on years of service and/or minimum age requirements. No individual can receive benefits in excess of one year's salary. Benefits are accrued in the governmental funds as they become due and payable. See the Defined Benefit Pension Plan – District note for further information.
- 3. Post-Employment Healthcare Benefits** – The District provides post-employment healthcare benefits to eligible employee groups in accordance with provisions in certain collectively bargained contracts based on years of service and/or minimum age requirements. For eligible retirees, the District pays health insurance premiums until the retiree reaches age 65 in an amount equal to active employee health insurance premiums. See the Other Post-Employment Benefits (OPEB) Plan note for further information.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For purposes of measuring the net OPEB liability (asset), deferred outflows/inflows of resources, and OPEB expense, information about the fiduciary net position of the District's OPEB plan and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

4. **State-Wide Pension Plans** – District employees participate in cost-sharing, multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA), to which the District contributes. See the Defined Benefit Pension Plans – State-Wide note for further information.

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

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

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

N. Risk Management and Self-Insurance

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no reductions in the District's insurance coverage in fiscal year 2019.
2. **Self-Insurance** – The District has established two internal service funds to account for and finance its self-insured risk of loss for respective employee dental and health insurance plans. Under these plans, the internal service funds provide coverage to participating employees and their dependents for various dental and healthcare costs as described in the plans.

The District makes premium payments that include both employer and employee contributions to the internal service funds on behalf of program participants based on rates determined by insurance company estimates of monthly claims paid for each coverage class, plus stop-loss health and dental insurance premium costs and administrative service charges. Any excess of the premiums above claims remaining is used to establish a reserve for future claims.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

<u>Year Ended June 30,</u>	<u>Balance – Beginning of Year</u>	<u>Charges and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance – End of Year</u>
2018	\$ 28,582	\$ 1,261,629	\$ 1,261,507	\$ 28,704
2019	\$ 28,704	\$ 1,255,772	\$ 1,249,862	\$ 34,614

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

<u>Year Ended June 30,</u>	<u>Balance – Beginning of Year</u>	<u>Charges and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance – End of Year</u>
2018	\$ 1,150,345	\$ 9,946,365	\$ 10,620,710	\$ 476,000
2019	\$ 476,000	\$ 11,107,103	\$ 10,928,103	\$ 655,000

O. Deferred Outflows/Inflows of Resources

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Net Position

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

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

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

Q. Fund Balance Classifications

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Use of Estimates

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

S. Prior Period Comparative Financial Information/Reclassification

The basic financial statements include certain prior year partial comparative information in total, but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2018, from which the summarized information was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

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

Deposits	\$ 9,838,226
Investments	64,910,340
Cash on hand	<u>6,234</u>
Total	<u><u>\$ 74,754,800</u></u>

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

Statement of Net Position	
Cash and temporary investments	\$ 57,544,426
Statement of Fiduciary Net Position	
Cash and temporary investments	
Private-Purpose Trust Fund	55,462
Investments	
Employee Benefit Trust Funds	<u>17,154,912</u>
Total	<u><u>\$ 74,754,800</u></u>

B. Deposits

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

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

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

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

At year-end, the carrying amount and bank balance of the District’s deposits were both \$9,838,226. At June 30, 2019, all deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the District’s agent in the District’s name.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments

The District has the following investments at year-end:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk – Maturity Duration in Years				Total
	Rating	Agency		No Maturity Date	Less Than 1	1 to 5	6 to 10	
District investments								
U.S treasury securities	AA	S&P	Level 2	\$ –	\$ 786,909	\$ –	\$ –	\$ 786,909
MNTrust Investment Shares Portfolio	AAA	S&P	N/A	\$ 24,952,176	\$ –	\$ –	\$ –	24,952,176
MNTrust Term Series		Not rated	N/A	\$ –	\$ 18,750,000	\$ –	\$ –	18,750,000
MNTrust Limited Term Duration	AAA	S&P	N/A	\$ 1,500,000	\$ –	\$ –	\$ –	1,500,000
MSDLAF Liquid Class	AAA	S&P	N/A	\$ 1,766,343	\$ –	\$ –	\$ –	1,766,343
OPEB trust investments								
U.S. treasury securities	AAA	Moody's	Level 1	\$ –	\$ –	\$ 1,824,986	\$ –	1,824,986
Mortgage-backed securities	AAA	S&P	Level 1	\$ –	\$ –	\$ 50,023	\$ –	50,023
Corporate obligations	AAA	S&P	Level 1	\$ –	\$ –	\$ 106,403	\$ –	106,403
Corporate obligations	AA	S&P	Level 1	\$ –	\$ –	\$ 307,077	\$ –	307,077
Corporate obligations	A	S&P	Level 1	\$ –	\$ 150,683	\$ 761,683	\$ –	912,366
Corporate obligations	A	Moody's	Level 1	\$ –	\$ –	\$ 263,383	\$ –	263,383
Corporate obligations	BAA	Moody's	Level 1	\$ –	\$ –	\$ 170,745	\$ –	170,745
Corporate obligations	BBB	S&P	Level 1	\$ –	\$ 100,114	\$ 413,076	\$ 77,936	591,126
International corporate obligations		Not rated	Level 1	\$ 4,615	\$ –	\$ –	\$ –	4,615
Equities		Not rated	Level 1	\$ 4,130,691	\$ –	\$ –	\$ –	4,130,691
Real estate investment trusts		Not rated	Level 2	\$ 52,076	\$ –	\$ –	\$ –	52,076
Investment pools/mutual funds		Not rated	Level 1	\$ 7,496,666	\$ –	\$ –	\$ –	7,496,666
Real asset mutual funds		Not rated	Level 2	\$ 1,244,755	\$ –	\$ –	\$ –	1,244,755
Total investments								<u>\$ 64,910,340</u>

N/A – Not Applicable

The Minnesota Trust (MNTrust) Investment Shares Portfolio, MNTrust Term Series, MNTrust Limited Term Duration, and the Minnesota School District Liquid Asset Fund (MSDLAF) Liquid Class are external investment pools not registered with the Securities and Exchange Commission regulated by Minnesota Statutes. The District's investments in these investment pools are measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. For the MSDLAF Liquid Class investment pool, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required. MNTrust Term Series are intended to be held until maturity; withdrawal prior to maturity will require seven days' notice of redemption and will likely carry a penalty, which could be substantial in that it would be intended to allow the Term Series to recoup any associated penalties, charges, losses, or other costs associated with the early redemption of the investments therein.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

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

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

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

NOTE 3 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019 is as follows:

	Balance – Beginning of Year	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated					
Land	\$ 6,798,693	\$ –	\$ (23,800)	\$ –	\$ 6,774,893
Construction in progress	1,192,175	3,782,976	–	(2,067,144)	2,908,007
Total capital assets, not depreciated	7,990,868	3,782,976	(23,800)	(2,067,144)	9,682,900
Capital assets, depreciated					
Land improvements	9,723,841	5,396	–	152,282	9,881,519
Buildings and improvements	205,377,630	310,059	–	1,914,862	207,602,551
Equipment	23,388,685	1,614,681	–	–	25,003,366
Capital leased equipment	6,443,694	–	–	–	6,443,694
Total capital assets, depreciated	244,933,850	1,930,136	–	2,067,144	248,931,130
Less accumulated depreciation for					
Land improvements	(5,622,351)	(317,521)	–	–	(5,939,872)
Buildings and improvements	(128,346,037)	(5,364,340)	–	–	(133,710,377)
Equipment	(16,717,409)	(1,237,178)	–	–	(17,954,587)
Capital leased equipment	(5,482,804)	(960,890)	–	–	(6,443,694)
Total accumulated depreciation	(156,168,601)	(7,879,929)	–	–	(164,048,530)
Net capital assets, depreciated	88,765,249	(5,949,793)	–	2,067,144	84,882,600
Total capital assets, net	<u>\$ 96,756,117</u>	<u>\$ (2,166,817)</u>	<u>\$ (23,800)</u>	<u>\$ –</u>	<u>\$ 94,565,500</u>

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

Administration	\$ 966
District support services	119,126
Elementary and secondary regular instruction	3,834,101
Special education instruction	30,086
Instructional support services	1,103
Pupil support services	732,925
Sites and buildings	3,020,073
Food service	88,261
Community service	53,288
Total depreciation expense	<u>\$ 7,879,929</u>

NOTE 4 – LONG-TERM LIABILITIES

A. General Obligation Bonds Payable

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

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
General obligation bonds payable					
Alternative facilities bonds	02/17/2011	4.000–4.375%	\$ 11,000,000	02/01/2027	\$ 10,800,000
Capital facilities bond	02/17/2011	2.000–4.000%	1,070,000	02/01/2021	220,000
School building refunding bonds	09/27/2011	3.000–5.000%	11,520,000	02/01/2020	2,105,000
Alternative facilities bonds	02/27/2013	2.000–2.250%	11,000,000	02/01/2024	10,850,000
Alternative facilities bonds	04/07/2015	3.000%	10,310,000	02/01/2028	10,310,000
Facilities maintenance bonds	02/22/2017	3.000–4.000%	10,940,000	02/01/2032	10,940,000
Alternative facilities refunding bonds	11/15/2018	5.000%	8,410,000	02/01/2022	8,410,000
Facilities maintenance bonds	03/21/2019	2.875–4.000%	9,995,000	02/01/2036	9,995,000
Total general obligation bonds payable					<u>\$ 63,630,000</u>

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

In November 2018, the District issued \$8,410,000 of General Obligation Alternative Facilities Refunding Bonds, Series 2018A. The proceeds of this issue were used to refund, in advance of their stated maturities, the 2020 through 2022 maturities of the District's Alternative Facilities Bonds, Series 2009A, on the February 1, 2019 call date of the refunded issue. This current refunding will reduce the District's total future debt service payments by \$516,070 and will result in present value savings of \$488,187. The difference between the carrying amount of the refunded debt and its reacquisition price was not material, and was included in current year expense on the government-wide financial statements.

B. Capital Leases Payable

On September 17, 2012, the District entered a master lease purchase agreement with Apple, Inc. for iPads and MacBooks. The District acquires equipment from time to time under this master agreement as needed. Each lease "schedule" added under this master lease agreement adds equipment to the lease and carries its own lease term and payment schedule. The lease schedules have interest rates ranging from zero percent to 0.99 percent and mature in fiscal year 2020. Upon payment in full of all scheduled lease payments, the lessor's (Apple, Inc.) interest in the equipment is transferred to the District, free and clear of any right or interest of Apple, Inc. The General Fund will be used to liquidate this liability. If the District does not pay the lease payments on the date which payments are due, the District shall pay lessor a charge at the rate of 12.00 percent per annum or the highest lawful rate, whichever is less, from such due date until paid. If the District breaches any term of this agreement, the lessor may require that the District return the equipment and pay any and all amounts which may then be due and payable under the lease, plus all lease payments remaining through the end of the then current fiscal period.

At June 30, 2019, the total cost of the leased equipment capitalized through this agreement is \$6,443,694, with accumulated depreciation of \$6,443,694.

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

C. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including: compensated absences, pensions, and OPEB; the details of which are discussed elsewhere in these notes. Such benefits are financed primarily from the General Fund or a trust fund established by the District to finance OPEB obligations.

District employees participate in three defined benefit pension plans, including two state-wide, cost-sharing, multiple-employer plans administered by the PERA and the TRA, and one single-employer plan administered by the District. The net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the year ended June 30, 2019, are as follows:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
State-wide, multiple-employer – PERA	\$ 20,553,821	\$ 4,905,004	\$ 5,033,063	\$ 968,012
State-wide, multiple-employer – TRA	62,338,290	89,326,777	120,421,866	(26,901,592)
Single-employer – District	353,670	44,111	7,722	56,656
Total	<u>\$ 83,245,781</u>	<u>\$ 94,275,892</u>	<u>\$ 125,462,651</u>	<u>\$ (25,876,924)</u>

D. Changes in Long-Term Liabilities

	Balance – Beginning of Year	Additions	Retirements	Balance – End of Year	Due Within One Year
General obligation bonds payable	\$ 60,645,000	\$ 18,405,000	\$ 15,420,000	\$ 63,630,000	\$ 5,810,000
Unamortized premiums/discount	1,099,640	550,011	410,595	1,239,056	–
Capital lease payable	2,616,833	–	1,857,049	759,784	759,784
Net pension liability	225,619,599	2,128,633	144,502,451	83,245,781	–
Compensated absences payable	845,247	52,704	132,346	765,605	170,618
	<u>\$ 290,826,319</u>	<u>\$ 21,136,348</u>	<u>\$ 162,322,441</u>	<u>\$ 149,640,226</u>	<u>\$ 6,740,402</u>

E. Minimum Debt Payments

Minimum principal and interest payments for general obligation bonds and capital leases are as follows:

Year Ending June 30,	General Obligation Bonds		Capital Leases	
	Principal	Interest	Principal	Interest
2020	\$ 5,810,000	\$ 2,245,338	\$ 759,784	\$ 870
2021	5,755,000	1,973,300	–	–
2022	5,690,000	1,751,450	–	–
2023	4,515,000	1,513,250	–	–
2024	4,550,000	1,380,163	–	–
2025–2029	20,150,000	4,634,263	–	–
2030–2034	13,060,000	1,741,662	–	–
2035–2036	4,100,000	196,975	–	–
	<u>\$ 63,630,000</u>	<u>\$ 15,436,401</u>	<u>\$ 759,784</u>	<u>\$ 870</u>

NOTE 5 – FUND BALANCES

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

A. Classifications

At June 30, 2019, a summary of the District's governmental fund balance classifications are as follows:

	General Fund	Food Service Special Revenue Fund	Community Service Special Revenue Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Total
Nonspendable						
Inventory	\$ –	\$ 118,178	\$ –	\$ –	\$ –	\$ 118,178
Prepaid items	1,676,290	–	50,230	–	–	1,726,520
Total nonspendable	1,676,290	118,178	50,230	–	–	1,844,698
Restricted						
Capital projects levy	504,823	–	–	–	–	504,823
Operating capital	615,334	–	–	–	–	615,334
Medical Assistance	283,523	–	–	–	–	283,523
Long-term facilities maintenance	–	–	–	9,569,553	–	9,569,553
Food service	–	558,211	–	–	–	558,211
Community education programs	–	–	99,364	–	–	99,364
Early childhood family education programs	–	–	336,947	–	–	336,947
School readiness	–	–	29,913	–	–	29,913
Debt service	–	–	–	–	1,722,807	1,722,807
Total restricted	1,403,680	558,211	466,224	9,569,553	1,722,807	13,720,475
Assigned						
Site carryover	319,357	–	–	–	–	319,357
Activity accounts	409,399	–	–	–	–	409,399
Construction	1,172,417	–	–	–	–	1,172,417
Curriculum adoption	500,000	–	–	–	–	500,000
Subsequent year's budget	425,542	–	–	–	–	425,542
Total assigned	2,826,715	–	–	–	–	2,826,715
Unassigned	15,751,476	–	–	–	–	15,751,476
Total	<u>\$ 21,658,161</u>	<u>\$ 676,389</u>	<u>\$ 516,454</u>	<u>\$ 9,569,553</u>	<u>\$ 1,722,807</u>	<u>\$ 34,143,364</u>

B. Minimum Unassigned Fund Balance Policy

The School Board has formally adopted a fund balance policy regarding the minimum unassigned fund balance for the General Fund. The policy establishes the District will strive to maintain a minimum unassigned General Fund balance of 8.0 percent of annual budgeted expenditures. At June 30, 2019, the unassigned fund balance of the General Fund was 16.4 percent of fiscal 2019 unassigned expenditures.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

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

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

2. Teachers Retirement Association (TRA)

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

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

B. Benefits Provided

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

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

1. GERF Benefits

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

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

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

2. TRA Benefits

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

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

Tier I Benefits

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

With these provisions:

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

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

Tier II Benefits

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

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

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

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2019 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District's contributions to the GERF for the year ended June 30, 2019, were \$1,983,618. The District's contributions were equal to the required contributions as set by state statutes.

2. TRA Contributions

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

	Year Ended June 30,							
	2017		2018		2019			
	Employee	Employer	Employee	Employer	Employee	Employer	Employee	Employer
Basic Plan	11.00 %	11.50 %	11.00 %	11.50 %	11.00 %	11.71 %		
Coordinated Plan	7.50 %	7.50 %	7.50 %	7.50 %	7.50 %	7.71 %		

The District's contributions to the TRA for the plan's fiscal year ended June 30, 2019, were \$4,196,913. The District's contributions were equal to the required contributions for each year as set by state statutes.

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

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

	<i>in thousands</i>
Employer contributions reported in the TRA's CAFR Statement of Changes in Fiduciary Net Position	\$ 378,728
Add employer contributions not related to future contribution efforts	522
Deduct the TRA's contributions not included in allocation	<u>(471)</u>
Total employer contributions	378,779
Total nonemployer contributions	<u>35,588</u>
Total contributions reported in the Schedule of Employer and Nonemployer Pension Allocations	<u>\$ 414,367</u>

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

D. Pension Costs

1. GERF Pension Costs

At June 30, 2019, the District reported a liability of \$20,553,821 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of the PERA's participating employers. The District's proportionate share was 0.3705 percent at the end of the measurement period and 0.3681 percent for the beginning of the period.

The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The amounts recognized by the District as its proportionate share of the net pension liability, the direct aid, and total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 20,553,821
State's proportionate share of the net pension liability associated with the District	\$ 674,285

For the year ended June 30, 2019, the District recognized pension expense of \$810,770 for its proportionate share of the GERF's pension expense. In addition, the District recognized an additional \$157,242 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the GERF.

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 540,658	\$ 587,493
Changes in actuarial assumptions	1,924,197	2,299,200
Difference between projected and actual investment earnings	—	2,146,370
Changes in proportion	456,531	—
District's contributions to the GERF subsequent to the measurement date	1,983,618	—
Total	<u>\$ 4,905,004</u>	<u>\$ 5,033,063</u>

A total of \$1,983,618 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to the GERF pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2020	\$ 923,916
2021	\$ (983,642)
2022	\$ (1,622,961)
2023	\$ (428,990)

2. TRA Pension Costs

At June 30, 2019, the District reported a liability of \$62,338,290 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Special School District No. 1, Minneapolis Public Schools. The District's proportionate share was 0.9925 percent at the end of the measurement period and 1.0112 percent for the beginning of the period.

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

District's proportionate share of the net pension liability	\$ 62,338,290
State's proportionate share of the net pension liability associated with the District	\$ 5,856,612

For the year ended June 30, 2019, the District recognized negative pension expense of \$22,814,067. It also recognized \$4,087,525 as a decrease to pension expense (and grant revenue) for the support provided by direct aid.

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 735,854	\$ 1,278,210
Changes in actuarial assumptions	83,443,640	106,712,849
Difference between projected and actual investment earnings	–	4,679,920
Changes in proportion	950,370	7,750,887
District's contributions to the TRA subsequent to the measurement date	4,196,913	–
Total	<u>\$ 89,326,777</u>	<u>\$ 120,421,866</u>

A total of \$4,196,913 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to the TRA pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2020	\$ 5,611,550
2021	\$ 2,766,625
2022	\$ (591,741)
2023	\$ (25,609,088)
2024	\$ (17,469,348)

E. Actuarial Assumptions

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

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

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

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

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

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

1. GERP

CHANGES IN ACTUARIAL ASSUMPTIONS

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

CHANGES IN PLAN PROVISIONS

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

2. TRA

CHANGES IN ACTUARIAL ASSUMPTIONS

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

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

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

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

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

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

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

F. Discount Rate

1. GERF

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

2. TRA

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

G. Pension Liability Sensitivity

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
GERF discount rate	6.50%	7.50%	8.50%
District's proportionate share of the GERF net pension liability	\$ 33,402,591	\$ 20,553,821	\$ 9,947,529
TRA discount rate	6.50%	7.50%	8.50%
District's proportionate share of the TRA net pension liability	\$ 98,930,614	\$ 62,338,290	\$ 32,149,864

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

H. Pension Plan Fiduciary Net Position

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

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

NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT

A. Plan Description

The District provides pension benefits to certain eligible employees through its Pension Benefits Plan, a single-employer defined benefit plan administered by the District. All pension 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.

These benefits are summarized as follows:

Administrative Supervisory Technical (AST) Employees Pension Benefits – AST employees hired before July 1, 1998 are eligible to receive an additional retirement incentive benefit. AST employees accumulate four days of credit for each full year of service to the District. The benefit is based on an employee's rate of pay, less any cumulative employer tax sheltered annuity contributions, with a limitation on total benefits to an individual of 50 percent of base annual salary. Benefits are paid out in a lump sum of 60 percent to a voluntary employees' beneficiary association (VEBA) account (OPEB) and 40 percent to a 403(b) account (pension).

Principal Pension Benefits – Principals hired before July 1, 2016 are eligible to receive an additional retirement incentive benefit. Principals accumulate four days of credit for each full year of service to the District. The benefit is based on an employee's rate of pay, less any cumulative employer tax sheltered annuity contributions, with a limitation on total benefits to an individual of 50 percent of base annual salary. Benefits are paid out in a lump sum to a 403(b) account.

Eden Prairie Supervisors and Specialists (EPSS) Pension Benefits – EPSS employees hired before July 1, 1999 are eligible to receive an additional retirement incentive benefit. EPSS employees accumulate one day of credit for each full year of service to the District from July 1, 1989. Employees who have completed at least 18 years of continuous service with the District and are at least age 55, the benefit increases to the maximum of one day of credit for each full year of service to the District from July 1, 1989 or 30 days. The benefit is based on an employee's rate of pay, less any cumulative employer tax sheltered annuity contributions, with a limitation on total benefits to an individual of 50 percent of base annual salary. Benefits are paid out in a lump sum of 50 percent to a VEBA account (OPEB) and 50 percent to a 403(b) account (pension).

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

B. Contributions and Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District has not established a trust fund to finance these pension benefits.

C. Membership

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

Active plan members	19
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D. Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial valuation date of July 1, 2018, and a measurement date as of June 30, 2019, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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

Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale. The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

E. Discount Rate

The discount rate used to measure the total pension liability was 3.10 percent. The District discount rate used in the prior measurement date was 3.50 percent. Since the plan is not funded, the discount rate is equal to the 20-year municipal bond rate, which was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds, as of the measurement date.

NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)**F. Changes in the Total Pension Liability**

	<u>Total Pension Liability</u>
Beginning balance – July 1, 2018	\$ 266,474
Changes for the year	
Service cost	24,635
Interest	9,931
Assumption changes	7,441
Plan changes	17,075
Differences between expected and actual experience	42,973
Benefit payments	(14,859)
Total net changes	<u>87,196</u>
Ending balance – June 30, 2019	<u><u>\$ 353,670</u></u>

Plan changes since the prior measurement date include the following:

- The EPSS post-employment lump sum benefit was changed from 100.00 percent paid to a VEBA, to 50.00 percent paid to a VEBA, and 50.00 percent paid to the 403(b) plan.

Assumption changes since the prior measurement date include the following:

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

G. Total Pension Liability Sensitivity to Discount Rate Changes

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Pension discount rate	2.10%	3.10%	4.10%
Total pension liability	\$ 374,194	\$ 353,670	\$ 333,559

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

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

For the current year ended, the District recognized pension expense of \$56,656. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to this pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 37,601	\$ –
Changes in actuarial assumptions	6,510	7,722
Total	<u>\$ 44,111</u>	<u>\$ 7,722</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to this pension plan, will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2020	\$ 5,015
2021	\$ 5,015
2022	\$ 5,015
2023	\$ 5,015
2024	\$ 5,015
Thereafter	\$ 11,314

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

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

The District administers a defined benefit Post-Employment Benefits Trust Fund. The assets of the plan are reported in the District's financial report in the Post-Employment Benefits Trust Fund, established by the District to finance these obligations. The plan assets may be used only for the payment of benefits of the plan, in accordance with the terms of the plan. The plan does not issue a publicly available financial report.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

B. Benefits Provided

All retirees of the District upon retirement have the option under state law to continue their medical insurance coverage through the District. For members of certain employee groups, the District pays for all or part of the eligible retiree's premiums for medical insurance from the time of retirement until the employee reaches age 65. Retirees not eligible for these district-paid premium benefits must pay the full district premium rate for their coverage.

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

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District contributes 100 percent of the cost of the negotiated current year premiums for specified coverage levels of eligible retired plan members and their spouses. The District has established the Post-Employment Benefits Trust Fund to finance these obligations. The Post-Employment Benefits Trust Fund reimbursed the General Fund for the actual cost of medical insurance premiums paid for retirees and the implicit rate subsidy for the year ended June 30, 2019.

D. Membership

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

Retirees and beneficiaries receiving benefits	108
Active plan members	<u>1,342</u>
Total members	<u><u>1,450</u></u>

E. Net OPEB Liability (Asset) of the District

The District's net OPEB (asset) was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB (asset) was determined by an actuarial valuation as of that date. The components of the net OPEB (asset) of the District at year-end were as follows:

Total OPEB liability	\$ 9,494,639
Plan fiduciary net position	<u>(16,491,280)</u>
District's net OPEB liability (asset)	<u><u>\$ (6,996,641)</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>173.7%</u></u>

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

F. Assumptions Actuarial Methods and Assumptions

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

Discount rate	6.10%
Expected long-term investment return	6.10% (net of investment expenses)
20-year municipal bond yield	3.10%
Inflation rate	2.50%
Salary increases	3.00%
Medical trend rate	6.50% grading to 5.00% over 6 years

Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.

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

The District's policy in regard to the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes allowable under state statutes.

The long-term expected rate of return on OPEB plan investments was set based on the plan's target investment allocation described below, along with long-term return expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Fixed income	30.00 %	3.10 %
Domestic equity	38.00	7.70 %
International equity	12.00	8.30 %
Real estate	10.00	7.10 %
Other (event driven hedge, equity hedge)	10.00	5.70 %
Total	100.00 %	6.10 %

G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 5.00 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

H. Discount Rate

The discount rate used to measure the total OPEB liability was 6.10 percent. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy, have also been considered. The District discount rate used in the prior measurement date was 6.30 percent.

I. Changes in the Net OPEB Liability (Asset)

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Beginning balance – July 1, 2018	\$ 13,518,178	\$ 16,380,453	\$ (2,862,275)
Changes for the year			
Service cost	417,686	–	417,686
Interest	853,059	–	853,059
Assumption changes	159,481	–	159,481
Plan changes	(13,266)	–	(13,266)
Contributions – employer	–	100,000	(100,000)
Projected investment return	–	999,208	(999,208)
Differences between expected and actual experience	(4,637,752)	(185,634)	(4,452,118)
Benefit payments – employer financed	(100,000)	(100,000)	–
Benefit payments – paid by trust	(702,747)	(702,747)	–
Total net changes	<u>(4,023,539)</u>	<u>110,827</u>	<u>(4,134,366)</u>
Ending balance – June 30, 2019	<u>\$ 9,494,639</u>	<u>\$ 16,491,280</u>	<u>\$ (6,996,641)</u>

Assumption changes since the prior measurement date include the following:

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The expected long-term investment return was changed from 6.30 percent to 6.10 percent.
- The discount rate was changed from 6.30 percent to 6.10 percent.

Plan changes since the prior measurement date include the following:

- The EPSS post-employment lump sum benefit was changed from 100.00 percent paid to a VEBA to 50.00 percent paid to a VEBA and 50.00 percent paid to a 403(b) plan.
- The Classified Administrative and Support Staff post-employment subsidized benefit was extended through June 30, 2019.
- A subsidized lump sum benefit of \$1,000 payable to a VEBA was added for Minnesota School Employees Association paraprofessionals retiring before June 30, 2019.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**J. Net OPEB Liability (Asset) Sensitivity to Discount and Healthcare Cost Trend Rate Changes**

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	5.10%	6.10%	7.10%
Net OPEB liability (asset)	\$ (6,527,222)	\$ (6,996,641)	\$ (7,439,560)

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

	<u>1% Decrease in Healthcare Trend Rate</u>	<u>Healthcare Trend Rate</u>	<u>1% Increase in Healthcare Trend Rate</u>
OPEB healthcare trend rate	5.50% decreasing to 4.00% over 6 years	6.50% decreasing to 5.00% over 6 years	7.50% decreasing to 6.00% over 6 years
Net OPEB liability (asset)	\$ (7,627,652)	\$ (6,996,641)	\$ (6,276,179)

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

For the current year ended, the District recognized negative OPEB expense of \$536,190. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ —	\$ 3,975,216
Changes in actuarial assumptions	136,698	74,292
Differences between projected and actual investment earnings	—	239,551
Total	<u>\$ 136,698</u>	<u>\$ 4,289,059</u>

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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

<u>Year Ending June 30,</u>	<u>OPEB Expense Amount</u>
2020	\$ (794,461)
2021	\$ (794,457)
2022	\$ (651,595)
2023	\$ (617,486)
2024	\$ (654,609)
Thereafter	\$ (639,753)

L. Summarized Financial Information

Statement of Fiduciary Net Position

Assets	
Receivables	
Accounts and interest	\$ 39,115
Investments, at fair value	
Treasury securities	1,824,986
Mortgage-backed securities	50,023
Corporate obligations	2,351,100
International corporate obligations	4,615
Equities	4,130,691
Real estate investment trusts	52,076
Mutual funds	8,741,421
Total assets	<u>17,194,027</u>
Liabilities	
Due to governmental funds	<u>702,747</u>
Net position	
Restricted for OPEB	<u><u>\$ 16,491,280</u></u>

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

Statement of Changes in Fiduciary Net Position

Additions		
Investment earnings		
Total investment earnings	\$	941,393
Less investment expense		<u>127,819</u>
Net investment earnings		813,574
Deductions		
OPEB		<u>702,747</u>
Change in net position		110,827
Net position		
Beginning of year		<u>16,380,453</u>
End of year	\$	<u><u>16,491,280</u></u>

NOTE 9 – FLEXIBLE BENEFIT PLAN

A. Plan Description

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

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

All assets of the Plan are held in a separate bank account and are administered by an employee of the District. Payments of insurance premiums (health, dental, life, and disability) are made by the District directly to the designated service providers and are accounted for primarily in the District's General Fund. The medical reimbursement and dependent care activity in the financial statements is accounted for in the Employee Benefits Trust Fund.

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

NOTE 9 – FLEXIBLE BENEFIT PLAN (CONTINUED)

B. Summarized Financial Information

Statement of Fiduciary Net Position

Assets	\$	—
Liabilities		<u>—</u>
Net position	\$	<u><u>—</u></u>

Statement of Changes in Fiduciary Net Position

Additions		
Contributions		
Plan participants	\$	636,682
Deductions		
Employee benefits		<u>683,671</u>
Change in net position		(46,989)
Net position		
Beginning of year		<u>46,989</u>
End of year	\$	<u><u>—</u></u>

NOTE 10 – INTERFUND BALANCES AND TRANSACTIONS

The General Fund had a receivable of \$702,747 due from the Post-Employment Benefits Trust Fund at June 30, 2019, to reimburse OPEB payments the General Fund made during the year. Because fiduciary fund activity is not included in the government-wide financial statements, this receivable is included as due from the Post-Employment Benefit Trust Fund in the governmental activities on the Statement of Net Position.

The District transferred \$151,257 from the General Fund to the Community Service Special Revenue Fund to help finance various program costs. Such transfers are eliminated in the government-wide financial statements.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A. Federal and State Programs

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 fund. 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.

B. Legal Claims

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

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

C. Education Center Lease

The District has a lease agreement with the City of Eden Prairie for use of 51,315 square feet of space housing the District's Education Center. This site houses nearly all of the District's programs and administration for the following programs: Community Education, Family Education, and Early Childhood Special Education. In June 2014, the District signed an extension of this lease commencing on June 1, 2014 and extending through May 31, 2024. Annual lease payments are due on September 1st of each year. The District may cancel this lease at any time with 12 months' notice if the School Board does not appropriate or budget moneys sufficient to pay the lease payments coming due after the current levy appropriation.

If not cancelled, future minimum lease payments for the initial lease term are as follows:

Year Ending June 30,	Base Rent	Improvement Rent	Total
2020	\$ 368,442	\$ 21,185	\$ 389,627
2021	377,165	–	377,165
2022	386,915	–	386,915
2023	396,665	–	396,665
2024	406,415	–	406,415
	<u>\$ 1,935,602</u>	<u>\$ 21,185</u>	<u>\$ 1,956,787</u>

Expenditures under the operating lease for the year ended June 30, 2019 was \$486,318.

D. Construction Contracts

At June 30, 2019, the District had commitments totaling \$1,411,920 under various construction contracts for which the work was not yet completed.

E. Purchase Power Commitment

Solar Gardens

During fiscal year 2016, the District entered into five community solar garden subscription agreements with SunE Nesvold, LLC. The District is committed to purchasing up to 40 percent of the annual delivered energy of the solar systems for a period of 25 years from the commercial operation date of January 1, 2018.

During fiscal year 2017, the District entered into five community solar garden subscription agreements with SunE Feely, LLC. The District is committed to purchasing up to 20 percent of the annual delivered energy of the solar systems for a period of 25 years from the expected commercial operation date of January 2019.

During fiscal year 2017, the District entered into five community solar garden subscription agreements with Randolph CSG 1, LLC. The District is committed to purchasing up to 20 percent of the annual delivered energy of the solar systems for a period of 25 years from the expected commercial operation date of February 2019.

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Solar Panels

During fiscal year 2018, the District entered into various power purchase agreements to purchase the energy generated by solar panels contributed to the District and installed on various buildings of the District. At June 30, 2019, the equipment capitalized through these agreements is \$1,559,500, with accumulated depreciation of \$207,933. Future power purchase payments are as follows:

Year Ending June 30,	Amount
2020	\$ 34,845
2021	36,402
2022	38,033
2023	39,735
2024	41,513
2025–2029	237,153
2030–2034	153,949
2035–2038	100,705
	<u>\$ 682,335</u>

NOTE 12 – SUBSEQUENT EVENTS

In July 2019, the District issued \$37,765,000 of General Obligation School Building Bonds, Series 2019B. The bonds bear interest rates ranging from 3.00–5.00 percent and mature in 2040.

In July 2019, the District entered into a capital lease for technology equipment totaling \$977,550 with an interest rate of zero percent and payments over three years. The lease matures in July 2021.

NOTE 13 – GASB STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 84, *Fiduciary Activities*, is intended to enhance consistency and comparability of fiduciary activity reporting by state and local governments. It is also meant to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries.

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

The MDE has also issued guidance for implementing this standard, which will impact the reporting of extracurricular student activity accounts previously not under School Board control, beginning in the 2019–2020 fiscal year. This new guidance provided by the MDE will require the activities currently presented separately in this financial statement to be operated under School Board control and reported as part of the District’s General Fund for the year ending June 30, 2020.

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REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 272

Public Employees Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2019

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.3926%	\$ 18,442,381	\$ —	\$ 18,442,381	\$ 20,638,451	89.36%	78.70%
06/30/2016	06/30/2015	0.3524%	\$ 18,263,198	\$ —	\$ 18,263,198	\$ 20,684,774	88.29%	78.20%
06/30/2017	06/30/2016	0.3631%	\$ 29,481,919	\$ 385,105	\$ 29,867,024	\$ 22,396,905	131.63%	68.90%
06/30/2018	06/30/2017	0.3681%	\$ 23,499,261	\$ 295,507	\$ 23,794,768	\$ 23,755,883	98.92%	75.90%
06/30/2019	06/30/2018	0.3705%	\$ 20,553,821	\$ 674,285	\$ 21,228,106	\$ 24,941,557	82.41%	79.50%

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

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 1,527,411	\$ 1,527,411	\$ —	\$ 20,684,774	7.38%
06/30/2016	\$ 1,679,027	\$ 1,679,027	\$ —	\$ 22,396,905	7.50%
06/30/2017	\$ 1,778,675	\$ 1,778,675	\$ —	\$ 23,755,883	7.49%
06/30/2018	\$ 1,867,386	\$ 1,867,386	\$ —	\$ 24,941,557	7.49%
06/30/2019	\$ 1,983,618	\$ 1,983,618	\$ —	\$ 26,428,327	7.51%

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Teachers Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2019

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	1.1120%	\$ 51,240,159	\$ 3,604,593	\$ 54,844,752	\$ 50,758,363	100.95%	81.50%
06/30/2016	06/30/2015	1.0058%	\$ 62,218,677	\$ 7,631,910	\$ 69,850,587	\$ 51,428,891	120.98%	76.80%
06/30/2017	06/30/2016	1.0364%	\$247,206,129	\$ 24,812,446	\$272,018,575	\$ 54,216,148	455.96%	44.88%
06/30/2018	06/30/2017	1.0112%	\$201,853,864	\$ 19,511,695	\$221,365,559	\$ 54,659,806	369.29%	51.57%
06/30/2019	06/30/2018	0.9925%	\$ 62,338,290	\$ 5,856,612	\$ 68,194,902	\$ 54,876,205	113.60%	78.07%

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

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 3,828,390	\$ 3,828,390	\$ —	\$ 51,428,891	7.44%
06/30/2016	\$ 4,043,043	\$ 4,043,043	\$ —	\$ 54,216,148	7.46%
06/30/2017	\$ 4,085,938	\$ 4,085,938	\$ —	\$ 54,659,806	7.48%
06/30/2018	\$ 4,106,891	\$ 4,106,891	\$ —	\$ 54,876,205	7.48%
06/30/2019	\$ 4,196,913	\$ 4,196,913	\$ —	\$ 54,469,575	7.71%

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Pension Benefits Plan
Schedule of Changes in the District's
Total Pension Liability and Related Ratios
Year Ended June 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability			
Service cost	\$ 24,635	\$ 30,311	\$ 31,507
Interest	9,931	9,186	11,500
Assumption changes	7,441	(10,298)	—
Plan changes	17,075	—	—
Difference between expected and actual experience	42,973	—	—
Benefit payments	<u>(14,859)</u>	<u>(97,642)</u>	<u>(145,219)</u>
Net change in total pension liability	87,196	(68,443)	(102,212)
Total pension liability – beginning of year	<u>266,474</u>	<u>334,917</u>	<u>437,129</u>
Total pension liability – end of year	<u><u>\$ 353,670</u></u>	<u><u>\$ 266,474</u></u>	<u><u>\$ 334,917</u></u>
Covered-employee payroll	<u><u>\$ 2,307,920</u></u>	<u><u>\$ 2,629,505</u></u>	<u><u>\$ 2,478,561</u></u>
Total pension liability as a percentage of covered-employee payroll	<u><u>15.32%</u></u>	<u><u>10.13%</u></u>	<u><u>13.51%</u></u>

Note 1: The District has not established a trust fund to finance GASB Statement No. 73 related benefits.

Note 2: The District implemented GASB Statement No. 73 for the year ended June 30, 2017. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 272

Other Post-Employment Benefits Plan
Schedule of Changes in the District's Net
OPEB Liability and Related Ratios
Year Ended June 30, 2019

	2019	2018	2017
Total OPEB liability			
Service cost	\$ 417,686	\$ 541,720	\$ 542,422
Interest	853,059	790,171	766,806
Assumption changes	159,481	(104,010)	–
Plan changes	(13,266)	389,295	–
Differences between expected and actual experience	(4,637,752)	–	–
Benefit payments – employer-financed	(100,000)	–	(132,324)
Benefit payments – paid by trust	(702,747)	(1,006,882)	(714,186)
Net change in total OPEB liability	(4,023,539)	610,294	462,718
Total OPEB liability – beginning of year	13,518,178	12,907,884	12,445,166
Total OPEB liability – end of year	9,494,639	13,518,178	12,907,884
Plan fiduciary net position			
Contributions – employer	100,000	–	132,324
Investment earnings	999,208	1,020,373	1,645,487
Differences between expected and actual experience	(185,634)	170,558	–
Benefit payments – employer-financed	(100,000)	–	(132,324)
Benefit payments – paid by trust	(702,747)	(1,006,882)	(714,186)
Net change in plan fiduciary net position	110,827	184,049	931,301
Plan fiduciary net position – beginning of year	16,380,453	16,196,404	15,265,103
Plan fiduciary net position – end of year	16,491,280	16,380,453	16,196,404
Net OPEB liability (asset)	\$ (6,996,641)	\$ (2,862,275)	\$ (3,288,520)
Fiduciary net position as a percentage of the total OPEB liability	173.69%	121.17%	125.48%
Covered-employee payroll	\$ 76,440,507	\$ 75,075,856	\$ 72,889,181
Net OPEB (asset) as a percentage of covered-employee payroll	(9.15%)	(3.81%)	(4.51%)

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Other Post-Employment Benefits Plan
Schedule of Investment Returns
Year Ended June 30, 2019

<u>Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2017	10.78%
2018	7.40%
2019	5.00%

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Required Supplementary Information
June 30, 2019

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN PLAN PROVISIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

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

TEACHERS RETIREMENT ASSOCIATION (TRA)

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 272

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

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

- The general wage growth assumption was lowered from 3.50 percent to 2.85 percent for 10 years, followed by 3.25 percent thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.
- The single discount rate changed from 4.66 percent to 5.12 percent.

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 272

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

PENSION BENEFITS PLAN

2019 CHANGES IN PLAN PROVISIONS

- The Eden Prairie Supervisor and Specialist post-employment lump sum benefit was changed from 100.00 percent paid to a VEBA, to 50.00 percent paid to a VEBA, and 50.00 percent paid to the 403(b) plan.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.90 percent to 3.50 percent.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

OTHER POST-EMPLOYMENT BENEFITS PLAN

2019 CHANGES IN PLAN PROVISIONS

- The Eden Prairie Supervisor and Specialist post-employment lump sum benefit was changed from 100.00 percent paid to a VEBA, to 50.00 percent paid to a VEBA, and 50.00 percent paid to the 403(b) plan.
- The Classified Administrative and Support Staff post-employment subsidized benefit was extended through June 30, 2019.
- A subsidized lump sum benefit of \$1,000 payable to a VEBA was added for MSEA paraprofessionals retiring before June 30, 2019.

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The expected long-term investment return was changed from 6.30 percent to 6.10 percent.
- The discount rate was changed from 6.30 percent to 6.10 percent.

2018 CHANGES IN PLAN PROVISIONS

- An early retirement incentive was offered for teachers retiring at the end of the 2017–2018 school year. Teachers retiring after age 55 with 10 years of service will receive \$15,000 placed in a VEBA account. Plan A teachers (hired before October 1, 1993) receive the payment on June 30, 2023. Plan B teachers receive the payment no later than June 30, 2018.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 6.10 percent to 6.30 percent.
- The discount rate was changed from 6.10 percent to 6.30 percent.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from RP-2000 projected to 2014 with Scale BB, to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and the retirement table for only employees eligible to retire with Rule of 90 also were updated.
- The discount rate was changed from 5.50 percent to 6.10 percent.

SUPPLEMENTAL INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	2019	2018
Assets		
Cash and temporary investments	\$ 33,695,445	\$ 33,480,404
Receivables		
Current taxes	18,750,030	15,889,330
Delinquent taxes	286,810	297,338
Accounts and interest	325,718	127,446
Due from other governmental units	11,138,357	10,990,801
Due from other funds	702,747	1,006,882
Prepaid items	1,676,290	145,362
Total assets	<u>\$ 66,575,397</u>	<u>\$ 61,937,563</u>
Liabilities		
Salaries payable	\$ 5,027,295	\$ 5,149,570
Accounts and contracts payable	5,208,243	4,639,045
Due to other governmental units	622,339	350,336
Unearned revenue	268,201	286,191
Total liabilities	<u>11,126,078</u>	<u>10,425,142</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	33,504,348	30,928,607
Unavailable revenue – delinquent taxes	286,810	297,338
Total deferred inflows of resources	<u>33,791,158</u>	<u>31,225,945</u>
Fund balances		
Nonspendable for prepaid items	1,676,290	145,362
Restricted for capital projects levy	504,823	485,096
Restricted for operating capital	615,334	852,824
Restricted for Medical Assistance	283,523	675,813
Restricted for long-term facilities maintenance	–	92,679
Assigned for site carryover	319,357	374,988
Assigned for activity accounts	409,399	463,047
Assigned for construction	1,172,417	697,417
Assigned for curriculum adoption	500,000	150,000
Assigned for subsequent year's budget	425,542	–
Unassigned	15,751,476	16,349,250
Total fund balances	<u>21,658,161</u>	<u>20,286,476</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 66,575,397</u>	<u>\$ 61,937,563</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	2019		2018	
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 35,546,662	\$ 35,340,872	\$ (205,790)	\$ 34,390,488
Investment earnings	150,000	633,410	483,410	350,364
Other	4,759,600	4,213,272	(546,328)	4,402,057
State sources	79,862,186	81,507,436	1,645,250	79,545,674
Federal sources	2,877,000	2,614,949	(262,051)	2,867,120
Total revenue	123,195,448	124,309,939	1,114,491	121,555,703
Expenditures				
Current				
Administration				
Salaries	2,763,346	2,808,605	45,259	2,750,031
Employee benefits	820,827	868,145	47,318	893,115
Purchased services	70,900	72,453	1,553	34,345
Supplies and materials	3,850	5,152	1,302	5,048
Capital expenditures	—	3,935	3,935	—
Other expenditures	66,500	63,015	(3,485)	59,950
Total administration	3,725,423	3,821,305	95,882	3,742,489
District support services				
Salaries	2,404,043	2,390,930	(13,113)	2,179,989
Employee benefits	720,154	772,811	52,657	672,413
Purchased services	1,803,717	1,898,732	95,015	1,725,796
Supplies and materials	932,639	1,043,316	110,677	821,634
Capital expenditures	1,045,003	490,063	(554,940)	370,144
Other expenditures	22,500	18,951	(3,549)	23,405
Total district support services	6,928,056	6,614,803	(313,253)	5,793,381
Elementary and secondary regular instruction				
Salaries	40,440,634	39,720,721	(719,913)	39,512,444
Employee benefits	12,002,543	11,928,301	(74,242)	12,089,344
Purchased services	3,059,198	1,660,714	(1,398,484)	1,889,674
Supplies and materials	1,800,377	2,051,372	250,995	2,612,441
Capital expenditures	120,766	224,070	103,304	220,135
Other expenditures	62,268	344,610	282,342	297,269
Total elementary and secondary regular instruction	57,485,786	55,929,788	(1,555,998)	56,621,307

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	2019		Over (Under) Budget	2018
	Budget	Actual		Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	1,147,755	1,259,331	111,576	1,028,250
Employee benefits	327,920	351,885	23,965	298,240
Purchased services	521,000	921,621	400,621	807,263
Supplies and materials	21,750	71,808	50,058	82,906
Other expenditures	336	17,161	16,825	9,813
Total vocational education instruction	2,018,761	2,621,806	603,045	2,226,472
Special education instruction				
Salaries	14,068,768	13,660,985	(407,783)	13,972,045
Employee benefits	4,234,236	4,261,709	27,473	4,283,437
Purchased services	1,832,377	2,526,201	693,824	2,737,694
Supplies and materials	122,860	82,420	(40,440)	88,016
Capital expenditures	207,116	192,225	(14,891)	203,009
Other expenditures	25,300	94,018	68,718	88,980
Total special education instruction	20,490,657	20,817,558	326,901	21,373,181
Community service				
Salaries	—	150,583	150,583	—
Employee benefits	—	50,287	50,287	—
Total community service	—	200,870	200,870	—
Instructional support services				
Salaries	5,297,320	5,246,907	(50,413)	5,028,708
Employee benefits	1,488,958	1,534,755	45,797	1,434,358
Purchased services	738,819	1,143,282	404,463	703,713
Supplies and materials	439,505	115,467	(324,038)	132,559
Capital expenditures	194,990	725,179	530,189	85,843
Other expenditures	15,925	50,751	34,826	35,837
Total instructional support services	8,175,517	8,816,341	640,824	7,421,018
Pupil support services				
Salaries	5,818,417	5,819,461	1,044	5,695,847
Employee benefits	2,478,307	2,478,531	224	2,355,425
Purchased services	155,680	212,665	56,985	342,181
Supplies and materials	845,405	857,008	11,603	793,529
Capital expenditures	654,000	663,070	9,070	266,646
Other expenditures	4,400	27,613	23,213	28,019
Total pupil support services	9,956,209	10,058,348	102,139	9,481,647

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	2019			2018
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	4,481,527	4,500,025	18,498	4,439,784
Employee benefits	1,614,729	1,503,942	(110,787)	1,518,051
Purchased services	3,117,951	3,018,338	(99,613)	3,059,701
Supplies and materials	963,000	991,415	28,415	1,047,521
Capital expenditures	1,419,037	1,548,213	129,176	1,792,544
Other expenditures	13,300	21,751	8,451	13,208
Total sites and buildings	11,609,544	11,583,684	(25,860)	11,870,809
Fiscal and other fixed cost programs				
Purchased services	350,000	476,818	126,818	381,996
Debt service				
Principal	1,845,561	1,857,049	11,488	1,872,965
Interest and fiscal charges	23,915	12,427	(11,488)	24,162
Total debt service	1,869,476	1,869,476	—	1,897,127
Total expenditures	122,609,429	122,810,797	201,368	120,809,427
Excess of revenue over expenditures	586,019	1,499,142	913,123	746,276
Other financing sources (uses)				
Sale of capital assets	—	23,800	23,800	83,976
Transfers (out)	(157,864)	(151,257)	6,607	(178,419)
Total other financing sources (uses)	(157,864)	(127,457)	30,407	(94,443)
Net change in fund balances	\$ 428,155	1,371,685	\$ 943,530	651,833
Fund balances				
Beginning of year		20,286,476		19,634,643
End of year		\$ 21,658,161		\$ 20,286,476

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	<u>2019</u>	<u>2018</u>
Assets		
Cash and temporary investments	\$ 798,544	\$ 791,065
Receivables		
Accounts and interest	2,581	3,120
Due from other governmental units	23,239	32,730
Inventory	<u>118,178</u>	<u>108,557</u>
Total assets	<u>\$ 942,542</u>	<u>\$ 935,472</u>
Liabilities		
Salaries payable	\$ 9,447	\$ 8,810
Accounts and contracts payable	49,131	29,127
Unearned revenue	<u>207,575</u>	<u>132,613</u>
Total liabilities	<u>266,153</u>	<u>170,550</u>
Fund balances		
Nonspendable for inventory	118,178	108,557
Restricted for food service	<u>558,211</u>	<u>656,365</u>
Total fund balances	<u>676,389</u>	<u>764,922</u>
Total liabilities and fund balances	<u>\$ 942,542</u>	<u>\$ 935,472</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	2019			2018
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	\$ 2,000	\$ 14,490	\$ 12,490	\$ 9,675
Other – primarily meal sales	3,488,803	3,364,687	(124,116)	3,453,049
State sources	172,425	147,729	(24,696)	157,789
Federal sources	1,451,750	1,479,599	27,849	1,393,425
Total revenue	<u>5,114,978</u>	<u>5,006,505</u>	<u>(108,473)</u>	<u>5,013,938</u>
Expenditures				
Current				
Salaries	1,895,163	2,001,336	106,173	1,933,995
Employee benefits	886,570	805,921	(80,649)	760,168
Purchased services	232,500	281,311	48,811	256,792
Supplies and materials	2,020,025	1,899,498	(120,527)	1,911,067
Other expenditures	5,000	11,790	6,790	10,909
Capital outlay	75,000	95,182	20,182	88,417
Total expenditures	<u>5,114,258</u>	<u>5,095,038</u>	<u>(19,220)</u>	<u>4,961,348</u>
Net change in fund balances	<u>\$ 720</u>	<u>(88,533)</u>	<u>\$ (89,253)</u>	<u>52,590</u>
Fund balances				
Beginning of year		<u>764,922</u>		<u>712,332</u>
End of year		<u>\$ 676,389</u>		<u>\$ 764,922</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	<u>2019</u>	<u>2018</u>
Assets		
Cash and temporary investments	\$ 1,444,797	\$ 1,329,792
Receivables		
Current taxes	486,573	378,606
Delinquent taxes	8,968	9,726
Accounts and interest	169,443	4,439
Due from other governmental units	65,074	63,423
Prepaid items	<u>50,230</u>	<u>46,200</u>
Total assets	<u><u>\$ 2,225,085</u></u>	<u><u>\$ 1,832,186</u></u>
Liabilities		
Salaries payable	\$ 188,525	\$ 105,093
Accounts and contracts payable	102,141	143,370
Due to other governmental units	—	6,790
Unearned revenue	<u>429,208</u>	<u>334,066</u>
Total liabilities	719,874	589,319
Deferred inflows of resources		
Property taxes levied for subsequent year	979,789	837,634
Unavailable revenue – delinquent taxes	<u>8,968</u>	<u>9,726</u>
Total deferred inflows of resources	988,757	847,360
Fund balances (deficits)		
Nonspendable for prepaid items	50,230	46,200
Restricted for community education programs	99,364	249,746
Restricted for early childhood family education programs	336,947	403,884
Restricted for school readiness	29,913	—
Unassigned – school readiness restricted account deficit	<u>—</u>	<u>(304,323)</u>
Total fund balances	<u><u>516,454</u></u>	<u><u>395,507</u></u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 2,225,085</u></u>	<u><u>\$ 1,832,186</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	2019			2018
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 829,351	\$ 837,071	\$ 7,720	\$ 838,786
Investment earnings	—	5,739	5,739	12,349
Other – primarily tuition and fees	6,893,350	6,242,872	(650,478)	3,986,745
State sources	659,302	766,148	106,846	743,824
Total revenue	8,382,003	7,851,830	(530,173)	5,581,704
Expenditures				
Current				
Salaries	4,438,603	4,880,847	442,244	3,754,962
Employee benefits	1,180,414	1,448,913	268,499	1,087,671
Purchased services	1,898,405	1,250,449	(647,956)	1,158,173
Supplies and materials	586,403	298,339	(288,064)	242,596
Other expenditures	174,161	3,012	(171,149)	9,445
Capital outlay	—	580	580	—
Total expenditures	8,277,986	7,882,140	(395,846)	6,252,847
Excess (deficiency) of revenue over expenditures	104,017	(30,310)	(134,327)	(671,143)
Other financing sources				
Transfers in	150,000	151,257	1,257	178,419
Net change in fund balances	\$ 254,017	120,947	\$ (133,070)	(492,724)
Fund balances				
Beginning of year		395,507		888,231
End of year		\$ 516,454		\$ 395,507

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	<u>2019</u>	<u>2018</u>
Assets		
Cash and temporary investments	\$ 10,192,117	\$ 6,221,419
Receivables		
Accounts and interest	10,485	57,987
Due from other governmental units	<u>—</u>	<u>12,618</u>
Total assets	<u>\$ 10,202,602</u>	<u>\$ 6,292,024</u>
Liabilities		
Accounts and contracts payable	\$ 633,049	\$ 724,729
Fund balances		
Restricted for long-term facilities maintenance	<u>9,569,553</u>	<u>5,567,295</u>
Total liabilities and fund balances	<u>\$ 10,202,602</u>	<u>\$ 6,292,024</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	2019			2018
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	\$ 30,000	\$ 135,551	\$ 105,551	\$ 84,386
Expenditures				
Capital outlay				
Purchased services	4,719,448	5,778,029	1,058,581	4,303,288
Excess (deficiency) of revenue over expenditures	(4,689,448)	(5,642,478)	(953,030)	(4,218,902)
Other financing sources (uses)				
Debt issued	–	9,670,157	9,670,157	–
(Discount) on debt issued	–	(25,421)	(25,421)	–
Total other financing sources (uses)	–	9,644,736	9,644,736	–
Net change in fund balances	\$ (4,689,448)	4,002,258	\$ 8,691,706	(4,218,902)
Fund balances				
Beginning of year		5,567,295		9,786,197
End of year		\$ 9,569,553		\$ 5,567,295

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INDEPENDENT SCHOOL DISTRICT NO. 272

Debt Service Fund
Balance Sheet by Account
as of June 30, 2019
(With Comparative Totals as of June 30, 2018)

	Regular Debt Service Account	OPEB Debt Service Account	Totals	
			2019	2018
Assets				
Cash and temporary investments	\$ 5,711,915	\$ —	\$ 5,711,915	\$ 6,104,856
Receivables				
Current taxes	3,949,159	—	3,949,159	4,021,937
Delinquent taxes	85,078	—	85,078	88,843
Accounts and interest	13,542	—	13,542	15,182
Due from other governmental units	73	—	73	10
Total assets	<u>\$ 9,759,767</u>	<u>\$ —</u>	<u>\$ 9,759,767</u>	<u>\$ 10,230,828</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	\$ 7,951,882	\$ —	\$ 7,951,882	\$ 8,898,312
Unavailable revenue – delinquent taxes	85,078	—	85,078	88,843
Total deferred inflows of resources	<u>8,036,960</u>	<u>—</u>	<u>8,036,960</u>	<u>8,987,155</u>
Fund balances				
Restricted for debt service	<u>1,722,807</u>	<u>—</u>	<u>1,722,807</u>	<u>1,243,673</u>
Total deferred inflows of resources and fund balances	<u>\$ 9,759,767</u>	<u>\$ —</u>	<u>\$ 9,759,767</u>	<u>\$ 10,230,828</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

		2019	
		Actual	
	Budget	Regular Debt Service Account	OPEB Debt Service Account
Revenue			
Local sources			
Property taxes	\$ 8,807,576	\$ 4,891,882	\$ 4,001,014
Investment earnings	—	44,103	40,598
State sources	—	577	16
Total revenue	<u>8,807,576</u>	<u>4,936,562</u>	<u>4,041,628</u>
Expenditures			
Debt service			
Principal	6,460,000	2,705,000	3,755,000
Interest	2,263,370	2,047,457	215,913
Fiscal charges and other	3,600	125,487	474
Total expenditures	<u>8,726,970</u>	<u>4,877,944</u>	<u>3,971,387</u>
Excess (deficiency) of revenue over expenditures	80,606	58,618	70,241
Other financing sources (uses)			
Debt issued	—	324,843	—
Refunding debt issued	—	8,410,000	—
Premium on debt issued	—	575,432	—
Payment on refunded debt	—	(8,960,000)	—
Transfers in	—	749,994	—
Transfers (out)	—	—	(749,994)
Total other financing sources (uses)	<u>—</u>	<u>1,100,269</u>	<u>(749,994)</u>
Net change in fund balances	<u>\$ 80,606</u>	1,158,887	(679,753)
Fund balances			
Beginning of year		<u>563,920</u>	<u>679,753</u>
End of year		<u>\$ 1,722,807</u>	<u>\$ —</u>

		2018
Total	Over (Under) Budget	Actual
\$ 8,892,896	\$ 85,320	\$ 7,883,759
84,701	84,701	45,768
593	593	89
8,978,190	170,614	7,929,616
6,460,000	—	5,895,000
2,263,370	—	2,549,551
125,961	122,361	3,600
8,849,331	122,361	8,448,151
128,859	48,253	(518,535)
324,843	324,843	—
8,410,000	8,410,000	—
575,432	575,432	—
(8,960,000)	(8,960,000)	—
749,994	749,994	—
(749,994)	(749,994)	—
350,275	350,275	—
479,134	\$ 398,528	(518,535)
1,243,673		1,762,208
\$ 1,722,807		\$ 1,243,673

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Health Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals	
			2019	2018
Assets				
Current assets				
Cash and temporary investments	\$ 5,232,258	\$ 469,350	\$ 5,701,608	\$ 3,412,287
Liabilities				
Current liabilities				
Unearned revenue	1,051,877	98,203	1,150,080	1,012,130
Claims payable	655,000	34,614	689,614	504,704
Total current liabilities	<u>1,706,877</u>	<u>132,817</u>	<u>1,839,694</u>	<u>1,516,834</u>
Net position				
Unrestricted	<u>\$ 3,525,381</u>	<u>\$ 336,533</u>	<u>\$ 3,861,914</u>	<u>\$ 1,895,453</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Health Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals	
			2019	2018
Operating revenue				
Charges for services				
Contributions from governmental funds	\$ 12,986,425	\$ 1,274,336	\$ 14,260,761	\$ 13,611,757
Operating expenses				
Health benefit claims	11,107,103	—	11,107,103	9,946,365
Dental benefit claims	—	1,255,772	1,255,772	1,261,629
Total operating expenses	<u>11,107,103</u>	<u>1,255,772</u>	<u>12,362,875</u>	<u>11,207,994</u>
Operating income	1,879,322	18,564	1,897,886	2,403,763
Nonoperating revenue				
Investment earnings	<u>61,901</u>	<u>6,674</u>	<u>68,575</u>	<u>17,613</u>
Change in net position	1,941,223	25,238	1,966,461	2,421,376
Net position				
Beginning of year	<u>1,584,158</u>	<u>311,295</u>	<u>1,895,453</u>	<u>(525,923)</u>
End of year	<u>\$ 3,525,381</u>	<u>\$ 336,533</u>	<u>\$ 3,861,914</u>	<u>\$ 1,895,453</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Health Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals	
			2019	2018
Cash flows from operating activities				
Contributions from governmental funds	\$ 13,113,411	\$ 1,285,300	\$ 14,398,711	\$ 13,543,474
Payment for health benefit claims	(10,928,103)	—	(10,928,103)	(10,620,710)
Payment for dental benefit claims	—	(1,249,862)	(1,249,862)	(1,261,507)
Net cash flows from operating activities	2,185,308	35,438	2,220,746	1,661,257
Cash flows from investing activities				
Investment income received	61,901	6,674	68,575	17,613
Net change in cash and cash equivalents	2,247,209	42,112	2,289,321	1,678,870
Cash and cash equivalents				
Beginning of year	2,985,049	427,238	3,412,287	1,733,417
End of year	\$ 5,232,258	\$ 469,350	\$ 5,701,608	\$ 3,412,287
Reconciliation of operating income to net cash flows from operating activities				
Operating income	\$ 1,879,322	\$ 18,564	\$ 1,897,886	\$ 2,403,763
Adjustments to reconcile operating income to net cash flows from operating activities				
Changes in assets and liabilities				
Unearned revenue	126,986	10,964	137,950	(68,283)
Claims payable	179,000	5,910	184,910	(674,223)
Net cash flows from operating activities	\$ 2,185,308	\$ 35,438	\$ 2,220,746	\$ 1,661,257

INDEPENDENT SCHOOL DISTRICT NO. 272

Employee Benefit Trust Funds
Combining Statement of Fiduciary Net Position
as of June 30, 2019

	Employee Benefits Trust Fund	Post-Employment Benefits Trust Fund	Totals
Assets			
Receivables			
Accounts and interest	\$ —	\$ 39,115	\$ 39,115
Investments, at fair value			
Treasury securities	—	1,824,986	1,824,986
Mortgage-backed securities	—	50,023	50,023
Corporate obligations	—	2,351,100	2,351,100
International corporate obligations	—	4,615	4,615
Equities	—	4,130,691	4,130,691
Real estate investment trusts	—	52,076	52,076
Mutual funds	—	8,741,421	8,741,421
Total assets	—	17,194,027	17,194,027
Liabilities			
Due to governmental funds	—	702,747	702,747
Net position			
Restricted for OPEB	\$ —	\$ 16,491,280	\$ 16,491,280

INDEPENDENT SCHOOL DISTRICT NO. 272

Employee Benefit Trust Funds
Combining Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2019

	Employee Benefits Trust Fund	Post-Employment Benefits Trust Fund	Totals
Additions			
Contributions			
Plan participants	\$ 636,682	\$ —	\$ 636,682
Investment earnings			
Total investment earnings	—	941,393	941,393
Less investment expense	—	127,819	127,819
Net investment earnings	—	813,574	813,574
Total additions	636,682	813,574	1,450,256
Deductions			
Employee benefits	683,671	—	683,671
OPEB	—	702,747	702,747
Total deductions	683,671	702,747	1,386,418
Change in net position	(46,989)	110,827	63,838
Net position			
Beginning of year	46,989	16,380,453	16,427,442
End of year	\$ —	\$ 16,491,280	\$ 16,491,280

SECTION III – STATISTICAL SECTION (UNAUDITED)

STATISTICAL SECTION (UNAUDITED)

This section of Independent School District No. 272's (the District) Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Indicators

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

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

INDEPENDENT SCHOOL DISTRICT NO. 272

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

				Fiscal Year
	2010	2011	2012	2013
Governmental activities				
Net investment in capital assets	\$ 28,961,979	\$ 31,238,048	\$ 37,922,925	\$ 41,721,166
Restricted	4,496,085	4,458,122	3,827,113	4,933,513
Unrestricted	10,950,127	14,590,499	14,591,609	13,424,028
Total governmental activities net position	<u>\$ 44,408,191</u>	<u>\$ 50,286,669</u>	<u>\$ 56,341,647</u>	<u>\$ 60,078,707</u>

Note 1: The District implemented GASB Statement No. 68 in fiscal 2015. The District reported a change in accounting principle as a result of implementing this standard that decreased unrestricted net position by approximately \$80.1 million. Prior years were not restated.

Note 2: The District implemented GASB Statement Nos. 73, 74, and 75 in fiscal 2017. The District reported a change in accounting principle as a result of implementing these standards that decreased net position by approximately \$11.3 million. Prior years were not restated.

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 46,150,573	\$ 49,968,770	\$ 46,495,778	\$ 43,813,793	\$ 41,716,939	\$ 38,506,213
5,314,896	4,820,097	4,148,442	4,598,772	3,970,336	3,450,332
<u>12,945,749</u>	<u>(65,730,130)</u>	<u>(59,580,118)</u>	<u>(100,181,524)</u>	<u>(124,901,677)</u>	<u>(87,950,660)</u>
<u><u>\$ 64,411,218</u></u>	<u><u>\$ (10,941,263)</u></u>	<u><u>\$ (8,935,898)</u></u>	<u><u>\$ (51,768,959)</u></u>	<u><u>\$ (79,214,402)</u></u>	<u><u>\$ (45,994,115)</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Fiscal Year			
	2010	2011	2012	2013
Governmental activities				
Expenses				
Administration	\$ 4,143,352	\$ 3,995,200	\$ 4,138,483	\$ 4,453,035
District support services	3,894,235	3,054,468	3,237,176	3,223,136
Elementary and secondary regular instruction	52,116,355	50,112,864	49,895,524	53,349,424
Vocational education instruction	2,058,781	1,832,713	1,869,260	1,746,242
Special education instruction	17,379,807	17,219,661	17,253,839	17,062,035
Instructional support services	5,872,358	5,308,108	6,096,063	5,583,066
Pupil support services	8,374,135	8,436,663	8,905,444	8,630,429
Sites and buildings	14,845,097	16,928,520	15,980,936	14,734,120
Fiscal and other fixed cost programs	285,524	271,816	281,021	290,451
Food service	4,279,727	4,284,420	4,511,845	4,633,990
Community service	4,859,368	4,868,967	5,042,537	5,439,220
Interest and fiscal charges	3,836,347	3,562,030	3,164,787	3,211,059
Total governmental activities expenses	121,945,086	119,875,430	120,376,915	122,356,207
Program revenues				
Charges for services				
Elementary and secondary regular instruction	1,204,157	1,262,449	1,469,962	1,359,191
Special education instruction	—	—	—	—
Instructional support services	2,656	—	—	—
Pupil support services	206,265	189,926	165,634	173,782
Sites and buildings	30,683	36,313	61,642	80,293
Food service	3,701,874	3,394,632	3,166,996	3,118,787
Community service	2,346,409	2,277,723	2,788,349	3,324,895
Operating grants and contributions	23,013,592	16,624,548	17,088,039	17,795,374
Capital grants and contributions	2,375,195	3,176,925	3,446,645	1,040,292
Total governmental activities program revenues	32,880,831	26,962,516	28,187,267	26,892,614
Net (expense) revenue	(89,064,255)	(92,912,914)	(92,189,648)	(95,463,593)
General revenues and other changes in net position				
Taxes				
Property taxes, levied for general purposes	26,165,030	37,366,027	23,222,475	25,272,782
Property taxes, levied for community service	1,469,042	1,838,319	1,203,912	1,332,721
Property taxes, levied for building construction	—	—	—	499,999
Property taxes, levied for debt service	13,477,263	12,004,142	13,271,401	13,328,797
General grants and aids	51,934,801	46,802,152	59,604,896	58,089,586
Unrestricted investment earnings	262,057	90,399	29,272	40,833
Gain on sale of capital assets	—	—	—	—
Miscellaneous	602,290	690,353	912,670	635,935
Total general revenues and other changes in net position	93,910,483	98,791,392	98,244,626	99,200,653
Change in net position	\$ 4,846,228	\$ 5,878,478	\$ 6,054,978	\$ 3,737,060

2014	2015	2016	2017	2018	2019
\$ 3,659,478	\$ 3,318,266	\$ 3,827,612	\$ 4,736,758	\$ 4,520,405	\$ 2,852,678
6,767,218	6,168,708	5,337,689	5,682,115	5,860,095	6,583,609
53,878,287	53,765,254	59,627,119	82,848,774	80,606,299	37,173,654
1,698,280	1,845,940	1,929,401	2,875,255	2,799,977	2,020,289
17,107,046	18,620,390	19,886,753	27,120,384	26,612,680	14,259,908
7,971,692	7,201,154	7,722,877	9,535,521	8,946,008	7,114,901
9,376,195	9,119,888	8,897,020	10,719,258	10,510,787	8,559,073
11,067,099	11,811,681	13,696,744	14,574,619	15,048,481	15,317,919
368,206	329,667	252,593	312,351	381,996	476,818
4,908,136	4,919,568	4,893,018	5,084,197	4,983,613	4,917,671
5,811,208	4,156,097	4,492,095	6,168,308	6,674,630	7,449,706
2,743,155	2,034,145	2,442,183	2,315,611	2,181,273	2,011,137
125,356,000	123,290,758	133,005,104	171,973,151	169,126,244	108,737,363
4,084,921	1,385,244	1,455,096	1,086,487	1,308,532	1,048,161
433,841	463,135	883,511	843,310	326,560	312,860
—	—	—	—	—	—
148,748	127,424	128,862	120,717	118,929	119,335
71,671	38,760	83,193	38,813	123,089	80,657
3,090,246	3,046,821	3,183,516	3,282,523	3,414,483	3,298,481
3,462,217	2,131,108	2,427,585	2,946,131	3,714,217	5,849,105
18,304,009	17,531,443	19,955,518	20,243,863	20,056,189	20,140,103
383,805	886,495	869,776	744,095	2,562,744	1,194,380
29,979,458	25,610,430	28,987,057	29,305,939	31,624,743	32,043,082
(95,376,542)	(97,680,328)	(104,018,047)	(142,667,212)	(137,501,501)	(76,694,281)
16,665,577	25,962,472	33,216,511	33,659,448	34,452,614	35,330,344
721,453	1,171,597	1,006,495	1,011,306	839,740	836,313
—	—	—	—	—	—
12,206,366	12,320,333	7,746,601	7,833,737	7,891,071	8,889,131
68,326,914	60,176,831	61,289,944	65,912,935	63,786,229	61,010,762
238,990	35,877	98,806	240,592	520,155	942,466
22,966	—	—	—	—	—
1,526,787	2,749,324	2,665,055	2,492,689	2,566,249	2,905,552
99,709,053	102,416,434	106,023,412	111,150,707	110,056,058	109,914,568
\$ 4,332,511	\$ 4,736,106	\$ 2,005,365	\$ (31,516,505)	\$ (27,445,443)	\$ 33,220,287

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INDEPENDENT SCHOOL DISTRICT NO. 272

Governmental Activities Tax Revenues by Source and Levy Type
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Fiscal Year	Property Tax				
	General Purposes	Community Service	Capital Projects – Building Construction	Debt Service	Total
2010	\$ 26,165,030	\$ 1,469,042	\$ –	\$ 13,477,263	\$ 41,111,335
2011	37,366,027	1,838,319	–	12,004,142	51,208,488
2012	23,222,475	1,203,912	–	13,271,401	37,697,788
2013	25,272,782	1,332,721	499,999	13,328,797	40,434,299
2014	16,665,577	721,453	–	12,206,366	29,593,396
2015	25,962,472	1,171,597	–	12,320,333	39,454,402
2016	33,216,511	1,006,495	–	7,746,601	41,969,607
2017	33,659,448	1,011,306	–	7,833,737	42,504,491
2018	34,452,614	839,740	–	7,891,071	43,183,425
2019	35,330,344	836,313	–	8,889,131	45,055,788

Note: The change in “tax shift” as approved in legislation impacted the amount of tax revenue recognized in fiscal years 2011 and 2014. Changes in the amount of revenue recognized due to the tax shift are offset by an adjustment to state aid payments by an equal amount.

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Fiscal Year			
	2010	2011	2012	2013
General Fund				
Nonspendable	\$ 259,349	\$ 278,350	\$ 337,027	\$ 244,799
Restricted	1,920,583	2,514,651	1,880,684	684,054
Assigned	2,509,358	2,830,859	804,305	708,318
Unassigned	<u>10,672,253</u>	<u>12,132,508</u>	<u>13,936,928</u>	<u>13,722,291</u>
Total General Fund	<u>\$ 15,361,543</u>	<u>\$ 17,756,368</u>	<u>\$ 16,958,944</u>	<u>\$ 15,359,462</u>
All other governmental funds				
Nonspendable	\$ 104,048	\$ 118,730	\$ 113,711	\$ 145,478
Restricted	9,267,346	15,507,318	22,525,907	15,744,487
Unassigned, reported in Special revenue funds	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total all other governmental funds	<u>\$ 9,371,394</u>	<u>\$ 15,626,048</u>	<u>\$ 22,639,618</u>	<u>\$ 15,889,965</u>
Total all governmental funds	<u>\$ 24,732,937</u>	<u>\$ 33,382,416</u>	<u>\$ 39,598,562</u>	<u>\$ 31,249,427</u>

2014	2015	2016	2017	2018	2019
\$ 952,663	\$ 422,808	\$ 462,195	\$ 717,276	\$ 145,362	\$ 1,676,290
810,854	1,256,917	1,207,446	1,871,785	2,106,412	1,403,680
1,834,953	3,036,146	2,727,888	2,409,257	1,685,452	2,826,715
11,824,573	10,281,140	13,111,310	14,636,325	16,349,250	15,751,476
<u>\$ 15,423,043</u>	<u>\$ 14,997,011</u>	<u>\$ 17,508,839</u>	<u>\$ 19,634,643</u>	<u>\$ 20,286,476</u>	<u>\$ 21,658,161</u>
\$ 111,767	\$ 154,926	\$ 199,906	\$ 186,341	\$ 154,757	\$ 168,408
10,746,472	15,064,990	9,241,713	13,284,487	8,120,963	12,316,795
—	(184,509)	(321,863)	(321,860)	(304,323)	—
<u>\$ 10,858,239</u>	<u>\$ 15,035,407</u>	<u>\$ 9,119,756</u>	<u>\$ 13,148,968</u>	<u>\$ 7,971,397</u>	<u>\$ 12,485,203</u>
<u>\$ 26,281,282</u>	<u>\$ 30,032,418</u>	<u>\$ 26,628,595</u>	<u>\$ 32,783,611</u>	<u>\$ 28,257,873</u>	<u>\$ 34,143,364</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Fiscal Year			
	2010	2011	2012	2013
Revenues				
Local sources				
Property taxes	\$ 41,031,054	\$ 51,404,212	\$ 40,992,041	\$ 40,508,045
Investment earnings	405,512	90,399	29,272	40,807
Other	7,950,879	7,851,396	8,799,079	9,315,124
State sources	66,602,464	62,158,520	71,410,243	72,240,750
Federal sources	10,721,124	4,445,105	5,313,914	4,062,261
Total revenues	126,711,033	125,949,632	126,544,549	126,166,987
Expenditures				
Current				
Administration	4,077,932	3,968,529	4,126,012	4,544,080
District support services	3,838,206	3,366,929	3,203,924	3,221,560
Elementary and secondary regular instruction	48,095,266	45,677,557	46,664,877	52,948,572
Vocational education instruction	2,058,781	1,832,713	1,869,260	1,746,242
Special education instruction	17,342,047	17,024,148	17,263,273	17,046,948
Instructional support services	5,998,444	5,713,290	6,116,035	5,575,141
Pupil support services	7,522,119	8,089,888	8,244,509	8,322,069
Sites and buildings	12,233,537	12,576,180	12,692,387	13,580,178
Fiscal and other fixed cost programs	285,524	271,816	281,021	290,451
Food service	4,217,195	4,237,186	4,448,639	4,695,697
Community service	4,806,808	4,816,407	4,989,977	5,386,661
Capital outlay	9,303,142	9,001,838	10,217,981	5,459,202
Debt service				
Principal	9,677,141	8,850,329	9,813,895	9,632,857
Interest and fiscal charges	4,439,057	4,042,152	3,993,854	4,391,302
Total expenditures	133,895,199	129,468,962	133,925,644	136,840,960
Excess of revenues over (under) expenditures	(7,184,166)	(3,519,330)	(7,381,095)	(10,673,973)
Other financing sources (uses)				
Sale of capital assets	—	—	—	—
Insurance recovery proceeds	—	—	—	—
Capital lease issued	—	—	—	3,865,771
Debt issued	—	12,070,000	11,520,000	25,170,000
Premium on debt issued	—	98,809	2,077,241	684,067
Payment on refunded debt	—	—	—	(27,695,000)
Transfer in	461,382	608,124	509,805	513,349
Transfer (out)	(461,382)	(608,124)	(509,805)	(513,349)
Total other financing sources (uses)	—	12,168,809	13,597,241	2,024,838
Net change in fund balances	\$ (7,184,166)	\$ 8,649,479	\$ 6,216,146	\$ (8,649,135)
Debt service as a percentage of noncapital expenditures	11.1%	10.5%	11.0%	11.0%

2014	2015	2016	2017	2018	2019
\$ 29,522,943	\$ 39,380,714	\$ 42,043,669	\$ 42,513,230	\$ 43,113,033	\$ 45,070,839
238,771	35,818	98,544	235,548	502,542	873,891
12,469,887	10,254,894	11,199,258	11,196,024	11,841,851	13,820,831
82,458,725	74,137,366	77,667,614	78,997,964	80,447,376	82,421,906
4,032,872	3,987,082	4,075,184	4,366,037	4,260,545	4,094,548
128,723,198	127,795,874	135,084,269	137,308,803	140,165,347	146,282,015
3,721,836	3,339,290	3,584,683	3,685,730	3,742,489	3,821,305
6,578,632	6,252,752	5,494,082	5,420,285	5,793,381	6,614,803
52,490,337	52,144,459	57,391,706	57,571,373	56,621,307	55,929,788
1,855,742	1,868,424	1,946,168	2,198,932	2,226,472	2,621,806
17,512,064	18,874,537	19,999,874	19,933,386	21,373,181	20,817,558
7,803,481	7,278,407	7,755,337	7,470,572	7,421,018	8,816,341
8,983,572	9,048,612	9,002,606	9,574,415	9,481,647	10,058,348
8,831,002	8,953,223	11,225,225	10,607,283	11,870,809	11,583,684
368,206	329,667	252,593	312,351	381,996	476,818
5,080,318	4,806,685	4,834,354	4,903,381	4,872,931	4,999,856
5,758,648	4,052,806	4,469,778	5,547,410	6,252,847	8,082,430
4,945,754	6,069,185	5,738,416	6,830,546	4,391,705	5,873,791
11,313,922	13,544,547	7,424,957	9,790,936	7,767,965	8,317,049
3,291,854	2,915,695	2,760,168	2,583,448	2,577,313	2,401,758
138,535,368	139,478,289	141,879,947	146,430,048	144,775,061	150,415,335
(9,812,170)	(11,682,415)	(6,795,678)	(9,121,245)	(4,609,714)	(4,133,320)
22,966	1,935,052	70,551	1,389,100	83,976	23,800
871,675	—	—	—	—	—
3,949,384	2,925,198	3,321,304	2,620,690	—	—
—	10,310,000	—	10,940,000	—	18,405,000
—	263,301	—	326,471	—	550,011
—	—	—	—	—	(8,960,000)
345,710	213,684	187,683	162,423	178,419	151,257
(345,710)	(213,684)	(187,683)	(162,423)	(178,419)	(151,257)
4,844,025	15,433,551	3,391,855	15,276,261	83,976	10,018,811
\$ (4,968,145)	\$ 3,751,136	\$ (3,403,823)	\$ 6,155,016	\$ (4,525,738)	\$ 5,885,491
11.3%	12.6%	7.7%	9.0%	7.4%	7.4%

INDEPENDENT SCHOOL DISTRICT NO. 272

General Governmental Tax Revenues by Source and Levy Type
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Fiscal Year	Property Tax				
	General Fund	Community Service Fund	Capital Projects – Building Construction	Debt Service Fund	Total
2010	\$ 26,113,936	\$ 1,466,173	\$ –	\$ 13,450,945	\$ 41,031,054
2011	37,508,844	1,845,345	–	12,050,023	51,404,212
2012	26,516,728	1,203,912	–	13,271,401	40,992,041
2013	25,323,714	1,334,894	499,999	13,349,438	40,508,045
2014	16,618,372	719,110	–	12,185,461	29,522,943
2015	25,919,031	1,168,409	–	12,293,274	39,380,714
2016	33,239,697	1,010,283	–	7,793,689	42,043,669
2017	33,662,761	1,012,447	–	7,838,022	42,513,230
2018	34,390,488	838,786	–	7,883,759	43,113,033
2019	35,340,872	837,071	–	8,892,896	45,070,839

Note: The change in “tax shift” as approved in legislation impacted the amount of tax revenue recognized in fiscal years 2011 and 2014. Changes in the amount of revenue recognized due to the tax shift are offset by an adjustment to state aid payments by an equal amount.

INDEPENDENT SCHOOL DISTRICT NO. 272

Assessed and Actual Value of Taxable Property
Last Ten Fiscal Years

Payable Year	(1) Residential Property	(1) Commercial Property	(1) Total Assessed Value	(2) Estimated Actual Taxable Value	Total Direct Tax Rate
2010	\$ 7,157,914,400	\$ 1,840,890,500	\$ 8,998,804,900	\$ 9,235,410,000	25.96 %
2011	6,673,993,300	1,691,119,900	8,365,113,200	8,595,831,400	28.42
2012	6,207,699,397	1,717,671,300	7,925,370,697	8,166,688,156	29.29
2013	6,311,618,573	1,860,094,000	8,171,712,573	7,909,976,999	29.07
2014	6,402,140,621	1,914,628,600	8,316,769,221	8,004,131,794	27.82
2015	6,585,945,500	2,041,177,200	8,627,122,700	8,402,678,939	22.03
2016	6,412,304,300	2,666,034,900	9,078,339,200	8,898,122,781	20.95
2017	6,839,600,000	2,793,643,700	9,633,243,700	9,129,810,474	21.87
2018	6,929,195,500	2,943,607,000	9,872,802,500	9,476,978,643	20.53
2019	6,809,813,100	3,399,801,800	10,209,614,900	9,927,938,697	20.76

(1) Source: City of Eden Prairie assessor. Includes all properties within the city boundaries. This breakdown is not available for property within school district boundaries. Residential includes single-family homes, townhomes and condominiums, and all other property, including vacant land, farm, utilities, personal property, and railroad property. Commercial property above includes both commercial and industrial property.

(2) Source: Hennepin County. Includes all properties within the school district boundaries.

INDEPENDENT SCHOOL DISTRICT NO. 272

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

Tax Collection Calendar Year	ISD No. 272 Direct Rate (1)				Overlapping Rates	
	General Fund	Community Service	General Obligation Debt Service	Total Direct School Tax Rate	City of Bloomington	City of Chanhassen
2010	12.601%	1.289%	12.069%	25.959%	39.771%	25.185%
2011	12.642%	1.248%	14.530%	28.420%	43.088%	26.604%
2012	13.365%	1.423%	14.504%	29.292%	44.776%	28.532%
2013	12.911%	1.623%	14.533%	29.067%	47.207%	28.429%
2014	12.514%	1.329%	13.974%	27.817%	50.545%	27.817%
2015	12.349%	1.109%	8.572%	22.030%	47.336%	24.634%
2016	11.824%	1.041%	8.083%	20.948%	45.909%	24.253%
2017	13.100%	0.844%	7.921%	21.865%	42.484%	23.856%
2018	11.331%	0.791%	8.403%	20.525%	42.127%	22.667%
2019	12.789%	0.874%	7.093%	20.756%	41.581%	21.105%

(1) Tax capacity rate method.

(2) Special districts includes Metropolitan Mosquito Control District, Metropolitan Council, and Metro Transit.

Sources: Overlapping rate data provided by the District's financial advisor, Ehlers & Associates, and the School Tax Report from the County Auditor's office.

City of Eden Prairie	City of Edina	Special Districts (2)	Hennepin County	Three Rivers Park District	Other	Total Eden Prairie Resident
28.742%	22.972%	2.620%	42.056%	3.499%	3.499%	106.375%
31.239%	24.660%	2.949%	45.840%	3.765%	3.765%	115.978%
33.250%	26.247%	3.084%	48.231%	3.943%	2.941%	120.741%
34.617%	27.216%	3.242%	49.461%	4.054%	4.187%	124.628%
34.709%	27.920%	3.335%	49.959%	4.169%	4.547%	124.536%
33.954%	26.605%	3.006%	46.398%	3.789%	2.990%	112.167%
32.327%	27.137%	2.899%	45.356%	3.601%	4.263%	109.394%
32.667%	28.271%	2.821%	44.087%	3.365%	4.390%	109.195%
32.526%	27.849%	2.683%	42.808%	3.161%	4.333%	106.036%
31.690%	27.499%	2.542%	41.861%	2.961%	3.047%	102.857%

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INDEPENDENT SCHOOL DISTRICT NO. 272

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2019			2010		
	Net Tax Capacity	Rank	Percentage of Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
United Healthcare Services, Inc.	\$ 3,092,230	1	2.47 %	\$ —	—	— %
CAPREF Eden Prairie LLC (Eden Prairie Mall)	1,859,250	2	1.48	2,604,500	2	2.08
DCHR Acquisition LLC (C.H. Robinson Campus)	1,063,350	3	0.85	—	—	—
REEP-MF Fountain Place LLC (Fountain Place Apts.)	1,010,001	4	0.81	—	—	—
FPACP3 Eden, LLC (Arrive Eden Prairie Apts.)	937,376	5	0.75	—	—	—
AGNL Health (Optum Campus)	898,500	6	0.72	—	—	—
FPA/WC Parkway (Renew Eden Prairie)	690,100	7	0.55	—	—	—
Lifetouch, Inc.	634,482	8	0.51	842,622	4	0.67
EP Senior Housing LLC (Summit Place Senior Campus)	605,451	9	0.48	—	—	—
Park at City West Apts.	577,539	10	0.46	—	—	—
Liberty Property Ltd	—	—	—	3,236,770	1	2.58
ADC Telecommunications Inc.	—	—	—	1,057,210	3	0.84
Geneva Office Exchange LLC	—	—	—	749,250	5	0.60
Kraus-Anderson, Inc.	—	—	—	656,960	6	0.52
Gelco Corp	—	—	—	611,430	7	0.49
Flying Cloud Office Inc.	—	—	—	595,430	8	0.47
First Industrial, LP	—	—	—	582,776	9	0.46
LT Landlord, LLC	—	—	—	558,500	10	0.44
Total principal taxpayers	11,368,279		9.08	11,495,448		9.16
All other taxpayers	113,859,121		90.92	114,011,166		90.84
Total	\$ 125,227,400		100.00 %	\$ 125,506,614		100.00 %

Source: City of Eden Prairie

INDEPENDENT SCHOOL DISTRICT NO. 272

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

For Taxes Collectible	Taxes Levied for the Fiscal Year					Collected Within the First Year of Levy	
	General Fund Basic Levy	Community Service Levy	Debt Service Levy	OPEB/Pension Levy	Total Tax Levy	Current Tax Collection	Percentage of Levy
2010	\$ 28,093,064	\$ 1,309,775	\$ 11,232,990	\$ 1,036,573	\$ 41,672,402	\$ 20,510,475	49.2 %
2011	26,602,500	1,168,806	12,814,385	798,972	41,384,663	20,380,373	49.2
2012	25,975,642	1,281,184	12,593,426	472,886	40,323,138	20,152,524	50.0
2013	25,444,223	1,419,490	11,189,819	1,521,684	39,575,216	19,897,572	50.3
2014	25,529,344	1,175,946	11,573,877	1,175,946	39,455,113	19,796,741	50.2
2015	33,319,644	1,022,125	4,092,167	3,808,316	42,242,252	20,739,473	49.1
2016	33,574,885	1,030,212	4,079,271	3,920,004	42,604,372	21,408,517	50.2
2017	34,640,296	852,158	3,968,095	4,029,712	43,490,261	21,844,359	50.2
2018	35,153,927	837,634	4,890,176	4,008,136	44,889,873	24,600,000	54.8
2019	37,754,091	979,789	7,951,882	—	46,685,762	23,500,000	50.3

Note: Delinquent taxes are written off after seven years.

Source: State of Minnesota School Tax Report

Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Percent
	Total Tax Collection	Percentage of Levy		
\$ 21,161,927	\$ 41,672,402	100.0 %	\$ —	— %
21,004,290	41,384,663	100.0	—	—
20,162,568	40,315,092	100.0	8,046	—
19,617,334	39,514,906	99.8	60,310	0.2
19,633,741	39,430,482	99.9	24,631	0.1
21,496,033	42,235,506	100.0	6,746	—
21,143,248	42,551,765	99.9	52,607	0.1
21,568,407	43,412,766	99.8	77,495	0.2
20,138,852	44,738,852	99.7	151,021	0.3
—	23,500,000	50.3	—	—
			<u>\$ 380,856</u>	

INDEPENDENT SCHOOL DISTRICT NO. 272

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Capital Improvement Loans	Capital Leases	Special Assessments Payable	Total Primary Government		
2010	\$ 83,001,078	\$ 1,491,709	\$ —	\$ 137,362	\$ 84,630,149	— %	\$ 1,352
2011	86,307,559	1,306,380	—	80,547	87,694,486	—	1,442
2012	89,894,608	1,112,485	—	32,325	91,039,418	—	1,477
2013	77,926,451	909,628	2,812,956	4,105	81,653,140	—	1,317
2014	67,533,863	697,395	5,365,651	—	73,596,909	—	1,187
2015	67,926,290	475,351	4,573,346	—	72,974,987	—	1,163
2016	62,311,892	243,044	6,047,000	—	68,601,936	—	1,096
2017	67,930,803	—	4,489,798	—	72,420,601	—	1,133
2018	61,744,640	—	2,616,833	—	64,361,473	—	1,019
2019	64,869,056	—	759,784	—	65,628,840	—	1,030

(1) Presented net of issuance premiums and discounts.

(2) Personal income information for residents living within the District is not available.

(3) See Demographics and Economic Statistics table for source of estimated population.

Note: Details regarding the District's outstanding debt can be found in the notes to basic financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 272

Ratio of Net General Obligation Bonded Debt
to Market Value and Net General Obligation Bonded Debt
per Capita
Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt (1)	Less Debt Service Funds on Hand (2)	Net Bonded Debt	Estimated Actual Taxable Value (3)	Percent of Net Debt to Estimated Actual Taxable Value	Estimated Population (4)	Net Bonded Debt per Capita
2010	\$ 83,001,078	\$ 2,080,062	\$ 80,921,016	\$9,235,410,000	0.88 %	62,604	\$ 1,293
2011	86,307,559	1,920,513	84,387,046	8,595,831,400	0.98	60,797	1,388
2012	89,894,608	15,477,778	74,416,830	8,166,688,156	0.91	61,657	1,207
2013	77,926,451	1,859,579	76,066,872	7,909,976,999	0.96	62,004	1,227
2014	67,533,863	1,079,474	66,454,389	8,004,131,794	0.83	62,004	1,072
2015	67,926,290	1,718,842	66,207,448	8,402,678,939	0.79	62,729	1,055
2016	62,311,892	1,475,305	60,836,587	8,898,122,781	0.68	62,593	972
2017	67,930,803	1,762,208	66,168,595	9,129,810,474	0.72	63,914	1,035
2018	61,744,640	1,243,673	60,500,967	9,476,978,643	0.64	63,163	958
2019	64,869,056	1,722,807	63,146,249	9,927,938,697	0.64	63,726	991

(1) Presented net of issuance premiums and discounts.

(2) Includes all restricted fund balances in the Debt Service Fund. We believe this is the most accurate and consistent representation of the resources restricted for debt service as it includes crossover refunding bond proceeds held in escrow when applicable, which are not included in the governmental activities net position restricted for debt service, due to the conversion for full accrual accounting.

(3) See Assessed and Actual Value of Taxable Property table for estimated actual taxable value.

(4) See Demographics and Economic Statistics table for source of estimated population.

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

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INDEPENDENT SCHOOL DISTRICT NO. 272

Direct and Overlapping Debt
as of June 30, 2019

Governmental Unit	2018–2019 Taxable Net Tax Capacity	Bonded Debt	Percent Allocable to ISD No. 272	Portion Allocable to ISD No. 272
Independent School District No. 272	\$ 112,000,738	\$ 65,628,840	100.00 %	\$ 65,628,840
Overlapping debt				
Hennepin County	1,979,015,644	1,049,340,000	5.66	59,386,348
City of Bloomington	154,095,368	55,975,000	0.30	170,484
City of Chanhassen	46,567,438	9,045,000	1.99	179,905
City of Eden Prairie	118,601,324	30,230,000	92.40	27,933,427
City of Edina	136,082,956	45,010,000	0.76	340,411
Metropolitan Council	4,268,355,428	263,285,000	2.62	6,908,598
Three Rivers Park District	1,392,585,502	53,385,000	8.04	4,293,542
Total overlapping debt				<u>99,212,715</u>
Total direct and overlapping debt				<u>\$ 164,841,555</u>

Note: The percentage of overlapping debt applicable is estimated using taxable net tax capacity values. Applicable percentages were estimated by determining the portion of the overlapping entity's taxable net tax capacity value that is within the District's boundaries and dividing it by the overlapping government's total taxable net tax capacity value.

Source: Taxable value data used to estimate applicable percentages and debt outstanding data provided by the District's financial advisor, Ehlers & Associates.

INDEPENDENT SCHOOL DISTRICT NO. 272

Legal Debt Margin Information
Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year			
	2010	2011	2012	2013
Debt limit	\$ 1,446,763	\$ 1,260,243	\$ 1,188,806	\$ 1,174,647
Total debt applicable to the limit	81,965	85,370	87,270	75,315
Legal debt margin	\$ 1,364,798	\$ 1,174,873	\$ 1,101,536	\$ 1,099,332
Total debt applicable to the limit as a percentage of debt limit	5.67%	6.77%	7.34%	6.41%

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

Source: State of Minnesota School Tax Report

2014	2015	2016	2017	2018	2019
\$ 1,247,515	\$ 1,285,487	\$ 1,354,606	\$ 1,388,302	\$ 1,438,249	\$ 1,503,556
65,610	66,315	60,970	66,540	60,645	63,630
<u>\$ 1,181,905</u>	<u>\$ 1,219,172</u>	<u>\$ 1,293,636</u>	<u>\$ 1,321,762</u>	<u>\$ 1,377,604</u>	<u>\$ 1,439,926</u>
5.26%	5.16%	4.50%	4.79%	4.22%	4.23%

Legal Debt Margin Calculation for Fiscal Year 2019

Market value	\$ 10,023,706
Debt limit (15% of market value)	1,503,556
Debt applicable to the limit	
General obligation bonds	<u>63,630</u>
Legal debt margin	<u>\$ 1,439,926</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	City of Eden Prairie			School Enrollment	Unemployment Rate
	Population	Personal Income (1)	Per Capita Personal Income (1)		
2010	62,604 (2)	\$ —	\$ —	9,596	5.8 %
2011	60,797	—	—	9,487	5.2
2012	61,657	—	—	9,162	5.2
2013	62,004	—	—	9,046	4.7
2014	62,004	—	—	9,011	4.0
2015	62,729	—	—	8,941	2.4
2016	62,593	—	—	8,844	2.3
2017	63,914	—	—	8,835	2.6
2018	63,163	—	—	8,780	2.4
2019	63,726	—	—	8,861	2.6

(1) Personal income information for residents living within the District is not available.

(2) Information from the U.S. Census Bureau.

Source: City of Eden Prairie

INDEPENDENT SCHOOL DISTRICT NO. 272

Principal Employers
Current Year and Nine Years Ago

Employer	Fiscal Year					
	2019			2010		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Optum	3,312	1	19.45 %	—	—	— %
Eden Prairie Mall LLC / Homart Development	2,310	2	13.57	2,424	1	19.68
C.H. Robinson	2,200	3	12.92	1,312	5	10.65
Starkey Labs	2,000	4	11.75	1,400	4	11.37
Emerson Process Management	1,500	5	8.81	—	—	—
ISD No. 272 (Eden Prairie)	1,477	6	8.67	1,493	2	12.12
Element Fleet Management	1,200	7	7.05	—	—	—
Super Valu Stores, Inc.	1,100	8	6.46	1,476	3	11.99
MTS Systems Corporation	1,000	9	5.87	704	9	5.72
City of Eden Prairie	929	10	5.46	—	—	—
CIGNA Behavioral Health, Inc.	—	—	—	1,040	6	8.45
Ingenix, Inc.	—	—	—	950	7	7.71
Kroll Ontrack	—	—	—	815	8	6.62
GE Capital Fleet Services	—	—	—	700	10	5.68
Total	<u>17,028</u>		<u>100.00 %</u>	<u>12,314</u>		<u>100.00 %</u>
Total ISD No. 272 population (see the Demographic and Economic Statistics)	<u>63,726</u>			<u>62,604</u>		
Percent of principal employers to total ISD No. 272 population	<u>26.7%</u>			<u>19.7%</u>		

Note: Total number of employees working for employers in the District's boundaries is not readily available. The District has provided total population to provide a comparison to reference between current year and nine years ago.

Source: Ehlers & Associates

INDEPENDENT SCHOOL DISTRICT NO. 272

Employees by Classification
Last Ten Fiscal Years

Licensed Employees	Fiscal Year			
	2010	2011	2012	2013
Administrative staff	20.0	19.8	19.8	20.8
Support service staff	60.3	56.4	57.7	55.8
Classroom teachers	583.7	561.6	553.7	540.5
Special education teachers	48.2	40.4	54.0	43.1
Total	712.2	678.2	685.2	660.2

Source: Minnesota Department of Education STARS report (October 1)

2014	2015	2016	2017	2018	2019
23.7	24.5	24.5	20.8	19.8	21.0
56.6	51.0	53.0	51.9	53.5	54.8
548.9	544.9	570.7	558.2	557.2	558.8
21.7	19.0	20.7	25.5	34.1	34.6
650.9	639.4	668.9	656.4	664.6	669.2

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INDEPENDENT SCHOOL DISTRICT NO. 272

Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Total Governmental Funds Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio
2010	9,596	\$ 133,895,199	\$ 13,953	(6.2) %	583.7	16.4
2011	9,487	129,468,962	13,647	(2.2)	561.6	16.9
2012	9,162	133,925,644	14,618	7.1	553.7	16.5
2013	9,046	136,840,960	15,127	3.5	540.5	16.7
2014	9,011	138,535,368	15,374	1.6	548.9	16.4
2015	8,941	139,478,289	15,600	1.5	544.9	16.4
2016	8,844	141,879,947	16,043	2.8	570.7	15.5
2017	8,835	146,430,048	16,574	3.3	558.2	15.8
2018	8,780	144,775,061	16,489	(0.5)	557.2	15.8
2019	8,861	150,415,335	16,975	2.9	558.8	15.9

Note: Enrollment is as of October 1.

Source: District records

INDEPENDENT SCHOOL DISTRICT NO. 272

School Building Information
Last Ten Fiscal Years

	Fiscal Year			
	2010	2011	2012	2013
Elementary Schools				
Eden Lake (1987)				
Enrollment (1)	893.45	853.94	812.58	940.20
Square feet	110,469	110,469	110,469	110,469
Forest Hills (1972)				
Enrollment (1)	586.24	582.25	548.82	654.51
Square feet	93,000	93,000	93,000	93,000
Prairie View (1965)				
Enrollment (1)	645.83	559.10	542.05	651.84
Square feet	95,063	95,063	95,063	95,063
Cedar Ridge (1987)				
Enrollment (1)	868.36	904.32	707.59	842.69
Square feet	115,599	115,599	115,599	115,599
Oak Point Facility (1990)				
Square feet	278,887	278,887	278,887	278,887
Oak Point Elementary				
Enrollment (1)	1,378.78	1,336.08	1,305.10	795.10
Eagle Heights Spanish Immersion (2)				
Enrollment (1)	565.51	692.48	806.28	830.92
Middle School				
Central Middle School (1960)				
Enrollment (1)	1,456.77	1,450.82	1,416.84	1,396.94
Square feet	242,699	242,699	242,699	242,699
High School				
Eden Prairie High School (1981)				
Enrollment (1)	3,201.26	3,107.86	3,022.32	2,934.10
Square feet	689,771	689,771	689,771	689,771
Total enrollment	9,596.20	9,486.85	9,161.58	9,046.30
Total square feet	1,625,488	1,625,488	1,625,488	1,625,488
Athletics				
Football fields	2	2	2	2
Soccer fields	5	5	5	5
Running tracks	2	2	2	2
Baseball/softball	2	2	2	2
Swimming pools	1	1	1	1
Playgrounds	6	6	6	6

(1) Enrollment reflects average daily membership (ADM) served by site. Resident students served under tuition agreements are excluded from this enrollment data.

(2) Eagle Heights Spanish Immersion School was housed partially at the Oak Point facility from 2009 to 2012.

Source: Square footage, capacity, and athletic statistics are derived from district records. Enrollment was obtained from a combination of district records and school ADM reports available on the Minnesota Department of Education website.

2014	2015	2016	2017	2018	2019
900.91	881.27	727.95	803.15	823.88	773.34
110,469	110,469	110,469	110,469	110,469	110,469
724.90	752.10	773.48	636.19	650.28	694.65
93,000	93,000	93,000	93,000	93,000	93,000
658.30	657.17	682.87	709.83	727.42	728.39
95,063	95,063	95,063	95,063	95,063	95,063
776.56	750.92	723.29	673.38	631.72	641.40
115,599	115,599	115,599	115,599	115,599	115,599
278,887	278,887	278,887	278,887	278,887	278,887
782.16	757.16	757.58	738.30	740.28	742.68
814.63	808.76	814.13	824.38	830.05	825.85
1,424.11	1,415.40	1,377.65	1,368.09	1,341.93	1,317.97
242,699	242,699	242,699	242,699	242,699	242,699
2,929.31	3,026.64	2,893.37	2,989.96	2,937.77	2,962.76
689,771	689,771	689,771	689,771	689,771	689,771
9,010.88	9,049.42	8,750.32	8,743.28	8,683.33	8,687.04
1,625,488	1,625,488	1,625,488	1,625,488	1,625,488	1,625,488
2	2	2	2	2	2
5	5	5	5	5	5
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
6	6	6	6	6	6

INDEPENDENT SCHOOL DISTRICT NO. 272

Food Service
School Lunch Program Data
Last Ten Fiscal Years

Year Ended June 30,	Program Adult Meals	Meals Served Students	Full Price Meals Served	Free Meals Served	Reduced-Price Meals Served
2010	26,207	971,678	724,201	205,915	41,562
2011	29,850	959,409	695,428	220,201	43,780
2012	26,234	896,075	643,794	210,399	41,882
2013	23,978	833,667	577,623	218,766	37,278
2014	7,789	797,641	534,096	224,999	38,546
2015	5,633	845,853	578,949	222,388	44,516
2016	3,707	811,294	546,690	219,430	45,174
2017	4,083	798,449	543,414	210,444	44,591
2018	17,224	782,399	524,985	213,101	44,313
2019	17,556	770,876	518,229	211,279	41,368

Year Ended June 30,	Student Regular Lunch Prices		
	Elementary	Middle	High School (1)
2010	\$ 2.35	\$ 2.60	\$ 2.60
2011	2.40	2.65	2.65
2012	2.40	2.65	2.65
2013	2.40	2.65	2.65
2014	2.50	2.75	2.75
2015	2.60	2.85	2.85
2016	2.70	3.05	3.05
2017	2.70	3.05	3.05
2018	2.85	3.20	3.20
2019	2.85	3.20	3.20

(1) Includes new generation and ethnic food options.

INDEPENDENT SCHOOL DISTRICT NO. 272

Student Enrollment
Last Ten Fiscal Years

Year Ended June 30,	Average Daily Membership (ADM) (for Students Served or Tuition Paid)					Total Pupil Units
	Pre-Kindergarten and Handicapped Kindergarten	Kindergarten	Elementary	Secondary	Total	
2010	86.12	661.80	4,279.36	4,774.44	9,801.72	11,367.79
2011	85.34	663.98	4,270.65	4,694.38	9,714.35	11,251.77
2012	89.25	578.66	4,150.02	4,593.11	9,411.04	10,941.60
2013	106.10	629.48	4,080.75	4,500.90	9,317.23	10,794.31
2014	104.31	560.27	4,006.32	4,492.37	9,163.27	10,662.17
2015	123.38	595.08	3,889.68	4,445.20	9,053.34	9,942.38
2016	126.05	561.73	3,880.82	4,380.66	8,949.26	9,825.39
2017	116.98	561.06	3,791.63	4,466.26	8,935.93	9,829.18
2018	121.66	564.94	3,804.19	4,350.39	8,841.18	9,711.27
2019	152.89	560.86	3,807.93	4,382.74	8,904.42	9,780.97

Note 1: Student enrollment numbers are estimated for the most recent fiscal year.

Note 2: Beginning in fiscal 2015, changes in ADM weightings as noted below reduced the calculated pupil units.

Note 3: ADM is weighted as follows in computing pupil units:

	Pre-Kindergarten	Handicapped Kindergarten	Half-Day Kindergarten	Full-Day Kindergarten	Elementary 1-3	Elementary 4-6	Secondary
Fiscal 2010 through 2014	1.250	1.000	0.612	0.612	1.115	1.060	1.300
Fiscal 2015 through 2019	1.000	1.000	0.550	1.000	1.000	1.000	1.200

Source: Minnesota Department of Education student reporting system

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Management Report
for
Independent School District No. 272
Eden Prairie, Minnesota
June 30, 2019

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PRINCIPALS

Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

To the School Board and Management of
Independent School District No. 272
Eden Prairie, Minnesota

We have prepared this management report in conjunction with our audit of Independent School District No. 272's (the District) financial statements for the year ended June 30, 2019. We have organized this report into the following sections:

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

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

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

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

Minneapolis, Minnesota
November 13, 2019

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AUDIT SUMMARY

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

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

AUDIT OPINION AND FINDINGS

Based on our audit of the District's financial statements for the year ended June 30, 2019:

- We have issued an unmodified opinion on the District's basic financial statements.
- We reported no deficiencies in the District's internal control over financial reporting that we considered to be material weaknesses. It should be understood that internal controls are never perfected, and those controls, which protect the District's funds from such things as fraud and accounting errors, need to be continually reviewed by management and modified as necessary.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our tests indicate that the District has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported one matter involving the internal controls over compliance and its operation that we consider to be a significant deficiency in our testing of major federal programs:
 1. For the child nutrition cluster federal program, the District did not have adequate controls in place to assure compliance with special tests and provisions requirements for the accurate completion of verification testing for error-prone free and reduced-price applications.

- We reported one finding based on our testing of the District’s compliance with Minnesota laws and regulations:
 1. For 4 of 40 disbursements tested, the District was not in compliance with Minnesota Statutes requiring payment of invoices within 35 days from the receipt of goods or services, or the invoice for goods or services, for districts with governing boards that meet at least once a month.

EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS

In accordance with Minnesota Statutes, the District’s School Board has elected not to exercise control over the transactions of the extracurricular student activity accounts maintained at various district sites. Consequently, the cash receipts and disbursements of the District’s extracurricular student activity accounts are reported in a separate set of financial statements, rather than being reported within the District’s General Fund. We have issued an opinion on these separate financial statements, stating that they fairly present the cash balances and cash receipts and disbursements of these accounts as of and for the year ended June 30, 2019, in accordance with the financial reporting provisions of the Minnesota Department of Education (MDE) (regulatory basis of accounting). Our opinion was qualified for a limitation related to the completeness of cash receipts reported.

We reported one deficiency involving internal control over financial reporting for the District’s extracurricular student activities that we consider to be a material weakness:

- The District reports student activities on a cash basis, and has not established procedures to assure that all cash collections are recorded in the accounting records. Procedures, such as the use and reconciliation of prenumbered receipts, prenumbered admission tickets for events, and inventory controls over items sold for fundraisers, would help strengthen the controls in this area.

We also issued a report on compliance with the MDE’s *Manual for Activity Fund Accounting*, in which we reported one finding:

- We identified 1 of 5 student activity disbursement transactions tested that lacked the signature of the student representative, the advisor, and the building principal (or his/her designee) as defined in the *Manual for Activity Fund Accounting*.

FOLLOW-UP ON PRIOR YEAR FINDINGS AND RECOMMENDATIONS

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

- During our audit of the year ended June 30, 2018, we noted that the District did not have sufficient controls in place to ensure adequate and timely documentation of time and effort was created and retained to support salary costs charged to the special education cluster and Title I federal programs. Based on our testing in the current year, the District implemented adequate procedures to correct this prior year finding.

SIGNIFICANT ACCOUNTING POLICIES

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

No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2019. However, the District implemented the following governmental accounting standard during the fiscal year ended June 30, 2019:

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

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

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

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

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

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

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

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

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

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

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

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

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

DISAGREEMENTS WITH MANAGEMENT

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

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

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

CORRECTED AND UNCORRECTED MISSTATEMENTS

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

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated November 13, 2019.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

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

OTHER AUDIT FINDINGS OR ISSUES

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

OTHER MATTERS

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

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

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

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FUNDING PUBLIC EDUCATION IN MINNESOTA

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

BASIC GENERAL EDUCATION REVENUE

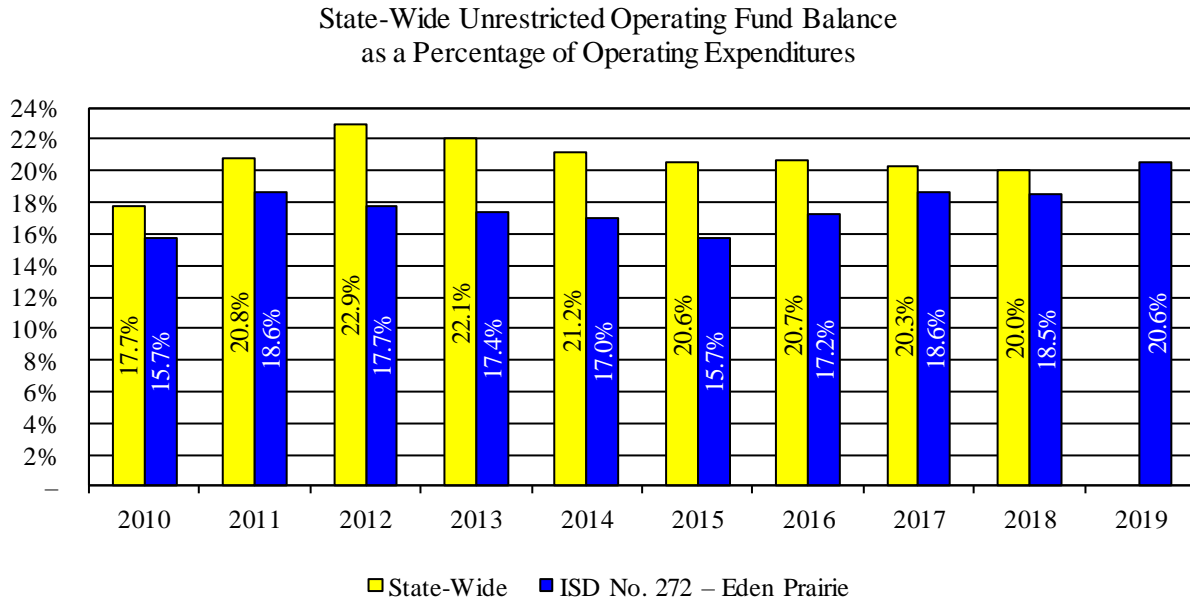
The largest single funding source for Minnesota school districts is basic general education aid. Each year, the Legislature sets a basic formula allowance. Total basic general education revenue is calculated by multiplying the formula allowance by the number of pupil units for which a district is entitled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

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

Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
2010	\$ 5,124	– %
2011	\$ 5,124	– %
2012	\$ 5,174	1.0 %
2013	\$ 5,224	1.0 %
2014	\$ 5,302	1.5 %
2015	\$ 5,831	2.0 %
2016	\$ 5,948	2.0 %
2017	\$ 6,067	2.0 %
2018	\$ 6,188	2.0 %
2019	\$ 6,312	2.0 %
2020	\$ 6,438	2.0 %
2021	\$ 6,567	2.0 %

STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

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



Note: State-wide information is not available for fiscal 2019.

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

During the economic downturn that began in 2008, the average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts increased, peaking at 22.9 percent at the end of fiscal 2012. This trend reflected districts' efforts to limit budget cuts, retain educational programs, and maintain adequate operating cash flow during a period of uncertain funding. As the state's economic condition improved in subsequent years, this ratio has gradually decreased to 20.0 percent at the end of fiscal 2018.

As of June 30, 2019, this ratio was 20.6 percent for the District, as compared to 18.5 percent at the end of the previous year.

The table below shows a comparison of governmental fund revenue per ADM received by Minnesota school districts and your district. Revenues for all governmental funds are included, except for the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds. Other financing sources, such as proceeds from sales of capital assets, insurance recoveries, bond sales, loans, and interfund transfers, are also excluded.

Governmental Funds Revenue per Student (ADM) Served								
	State-Wide		Metro Area		ISD No. 272 – Eden Prairie			
	2017	2018	2017	2018	2017	2018	2019	
General Fund								
Property taxes	\$ 1,933	\$ 2,024	\$ 2,516	\$ 2,638	\$ 3,729	\$ 3,862	\$ 3,936	
Other local sources	515	520	423	433	528	534	540	
State	9,386	9,614	9,387	9,625	8,660	8,933	9,078	
Federal	450	450	480	474	321	322	291	
Total General Fund	12,284	12,608	12,806	13,170	13,238	13,651	13,845	
Special revenue funds								
Food Service	561	559	557	554	545	563	558	
Community Service	628	642	733	752	552	627	874	
Debt Service Fund	1,119	1,128	1,118	1,120	440	442	550	
Total revenue	<u>\$ 14,592</u>	<u>\$ 14,937</u>	<u>\$ 15,214</u>	<u>\$ 15,596</u>	<u>\$ 14,775</u>	<u>\$ 15,283</u>	<u>\$ 15,827</u>	
ADM served per MDE School District Profiles Report (current year estimated)					<u>9,028</u>	<u>8,905</u>	<u>8,979</u>	
Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.								
Source of state-wide and seven-county metro area data: School District Profiles Report published by the MDE								

ADM used in the table above and on the next page are based on enrollments consistent with those used in the MDE School District Profiles Report, which include extended time ADM, and may differ from ADM reported in other tables.

The mix of local and state revenues vary from year to year primarily based on funding formulas and the state's financial condition. The mix of revenue components from district to district varies, due to factors such as the strength of property values, mix of property types, operating and bond referendums, enrollment trends, density of population, types of programs offered, and countless other criteria.

The District earned \$142,104,836 in the governmental funds reflected above in fiscal 2019, an increase of \$6,020,261 (4.4 percent) from the prior year, or an increase of \$544 per ADM served. Total General Fund revenue increased \$194 per ADM. General Fund state revenue increased \$145 per ADM, resulting from the increase in the basic general education formula allowance discussed earlier. Property tax revenues in the General Fund increased \$74 per ADM, due to the increased property tax levy. Community Service Special Revenue Fund revenues increased \$247 per ADM, due to increased tuition and fees related to the new Eagle Zone program in the current year. Debt Service Fund revenue also increased, due to increased property tax levies for debt service.

The following table reflects similar comparative data available from the MDE for all governmental fund expenditures, excluding the Capital Projects – Building Construction Fund and Post-Employment Benefits Debt Service Fund. Other financing uses, such as bond refundings and transfers, are also excluded.

Governmental Funds Expenditures per Student (ADM) Served								
	State-Wide		Metro Area		ISD No. 272 – Eden Prairie			
	2017	2018	2017	2018	2017	2018	2019	
General Fund								
District and school administration	\$ 991	\$ 1,031	\$ 996	\$ 1,045	\$ 995	\$ 1,029	\$ 1,107	
Elementary and secondary regular instruction	5,539	5,646	5,887	5,976	6,075	6,334	6,204	
Vocational education instruction	166	170	153	154	244	250	292	
Special education instruction	2,225	2,298	2,334	2,418	2,185	2,377	2,297	
Community education	–	–	–	–	–	–	22	
Instructional support services	660	658	765	748	827	824	901	
Pupil support services	1,074	1,118	1,165	1,209	981	1,035	1,046	
Sites and buildings and other	906	936	870	896	1,590	1,388	1,379	
Total General Fund – noncapital	11,561	11,857	12,170	12,446	12,897	13,237	13,248	
General Fund capital expenditures	627	658	592	636	532	330	428	
Total General Fund	12,188	12,515	12,762	13,082	13,429	13,567	13,676	
Special revenue funds								
Food Service	550	553	545	545	554	557	567	
Community Service	611	640	713	750	614	702	878	
Debt Service Fund	1,359	1,308	1,323	1,230	463	517	543	
Total expenditures	<u>\$ 14,708</u>	<u>\$ 15,016</u>	<u>\$ 15,343</u>	<u>\$ 15,607</u>	<u>\$ 15,060</u>	<u>\$ 15,343</u>	<u>\$ 15,664</u>	
ADM served per MDE School District Profiles Report (current year estimated)					<u>9,028</u>	<u>8,905</u>	<u>8,979</u>	
Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.								
Source of state-wide and seven-county metro area data: School District Profiles Report published by the MDE								

Expenditure patterns also vary from district to district for various reasons. Factors affecting the comparison include the growth cycle or maturity of the District, average employee experience, availability of funding, population density, and even methods of allocating costs. The differences from program to program reflect the District's particular character, such as its community service programs, as well as the fluctuations from year to year for such things as capital expenditures.

The District spent \$140,665,919 in the governmental funds reflected above in fiscal 2019, an increase of \$4,034,434 (3.0 percent) from the prior year, or an increase of \$321 per ADM served. General Fund expenditures, excluding capital, increased \$11 per ADM, with higher expenditures for district and school administration (\$78 per ADM) and instructional support services (\$77 per ADM), offset by a decrease in elementary and secondary regular instruction (\$130 per ADM). General Fund capital expenditures increased \$98 per ADM, mainly due to the timing of projects that will fluctuate from year-to-year. Community Service Special Revenue Fund expenditures increased \$176 per ADM, consistent with the expanded programming previously discussed. Debt Service Fund expenditures increased \$26 per ADM, as scheduled for outstanding bond issues.

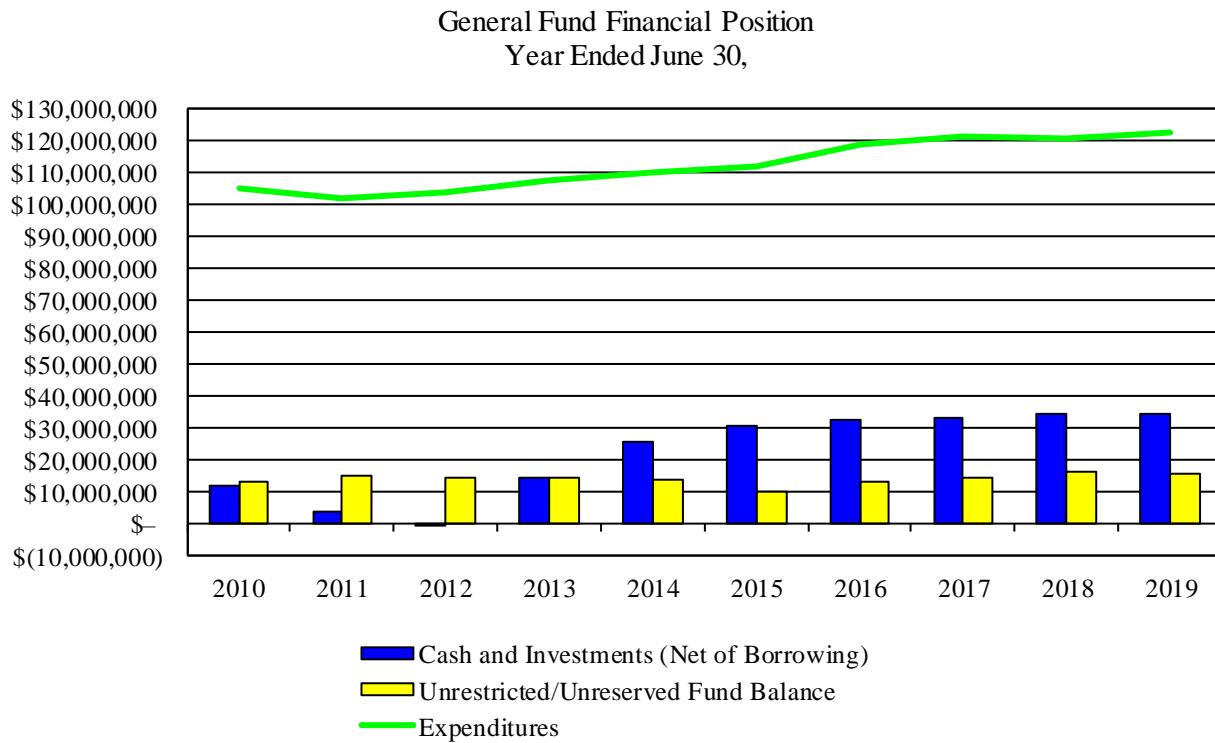
SUMMARY

Funding for Minnesota school districts generally has not kept pace with inflation and an increasing need for services, despite recent enhancements to the basic general education state aid formula and other categorical aids. This has often increased districts reliance on local revenue sources like voter-approved operating referenda and user fees to maintain programs. Many districts are also beginning to experience delays in collecting property tax revenues due to higher abatements, as more commercial property taxpayers are appealing the assessed values of brick-and-mortar facilities, due to rapid expansion of e-commerce. School boards and district administrators continue to face many challenges in providing the best education within the limits of the resources available.

FINANCIAL TRENDS OF YOUR DISTRICT

GENERAL FUND FINANCIAL POSITION

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



The General Fund cash balance (adjusted for interfund borrowing) at the end of fiscal year 2019 was \$34,398,192, a decrease of \$89,094 from the prior year.

Total fund balance at year-end was \$21,658,161, an increase of \$1,371,685, as compared to a budgeted increase of \$428,155. The year-end unassigned fund balance, excluding restricted account deficits, was \$15,751,476.

Changes in the metering of state aid payments to school districts and in the tax shift, as legislatively-approved, has significantly impacted cash and investment balances in the years presented in the graph above.

GENERAL FUND COMPONENTS OF FUND BALANCE

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

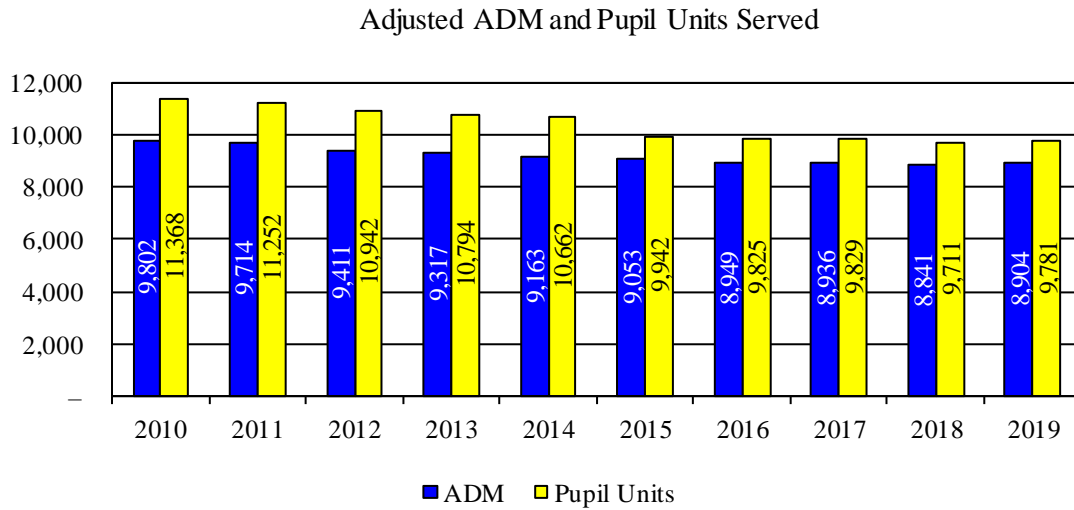
	June 30,				
	2015	2016	2017	2018	2019
Nonspendable fund balances	\$ 422,808	\$ 462,195	\$ 717,276	\$ 145,362	\$ 1,676,290
Restricted fund balances (1)	1,236,064	1,207,446	1,852,903	2,106,412	1,403,680
Unrestricted fund balances					
Assigned	3,036,146	2,727,888	2,409,257	1,685,452	2,826,715
Unassigned	10,301,993	13,111,310	14,655,207	16,349,250	15,751,476
Total fund balance	<u>\$ 14,997,011</u>	<u>\$ 17,508,839</u>	<u>\$ 19,634,643</u>	<u>\$ 20,286,476</u>	<u>\$ 21,658,161</u>
Total expenditures	<u>\$ 112,060,646</u>	<u>\$ 118,790,022</u>	<u>\$ 121,237,792</u>	<u>\$ 120,809,427</u>	<u>\$ 122,810,797</u>
Unrestricted fund balances as a percentage of expenditures	<u>11.9%</u>	<u>13.3%</u>	<u>14.1%</u>	<u>14.9%</u>	<u>15.1%</u>
Unassigned fund balances as a percentage of expenditures	<u>9.2%</u>	<u>11.0%</u>	<u>12.1%</u>	<u>13.5%</u>	<u>12.8%</u>
(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.					

The table above reflects unrestricted and unassigned balances as a percentage of total General Fund expenditures, which differs from those in the previous discussion of state-wide fund balances, which are based on a state formula.

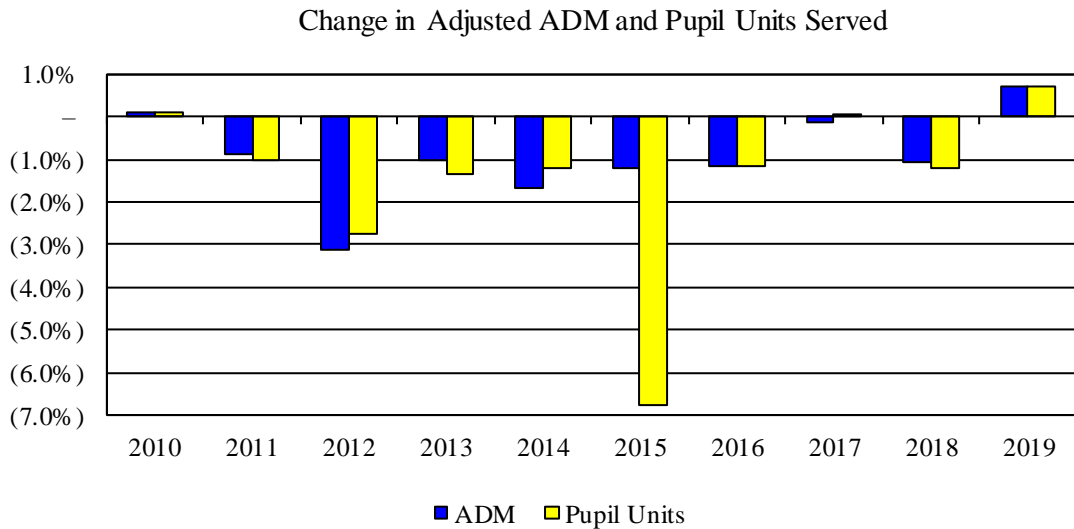
The resources represented by this fund balance are critical to a district's ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion against the impact of unexpected costs or funding shortfalls. At June 30, 2019, unrestricted fund balances in the General Fund represented 15.1 percent of annual expenditures, or less than eight weeks of operations, assuming level spending throughout the year.

AVERAGE DAILY MEMBERSHIP (ADM) AND PUPIL UNITS

The following graph presents the District's adjusted ADM and pupil units served for the past 10 years:



The following graph shows the rate of change in ADM served by the District from year-to-year, along with the change in the resulting pupil units:



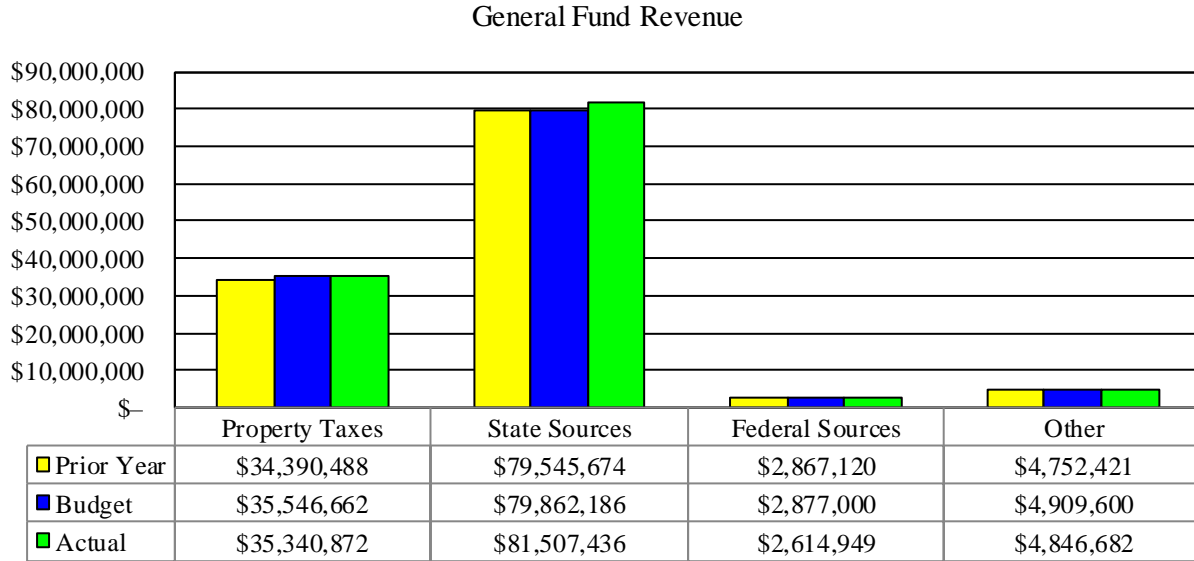
Note: The change in pupil units for 2015 includes the effect of legislative reductions to pupil units.

ADM is a measure of students attending class, which is converted to pupil units (the base for determining revenue) using a statutory formula. Not only is the original budget based on ADM estimates, the final audited financial statements are based on updated, but still estimated, ADM since the counts are not finalized until around January of the following year. When viewing revenue budget variances, one needs to consider these ADM changes, the impact of the prior year final adjustments which affect this year's revenue, and also the final adjustments caused by open enrollment gains and losses.

The District served an estimated adjusted ADM of 8,904 in 2019, an increase of 63 (0.7 percent) from the previous year. The resulting pupil units served by the District increased by 70 to 9,781.

GENERAL FUND REVENUES

The following graph summarizes the District's General Fund revenue for 2019:

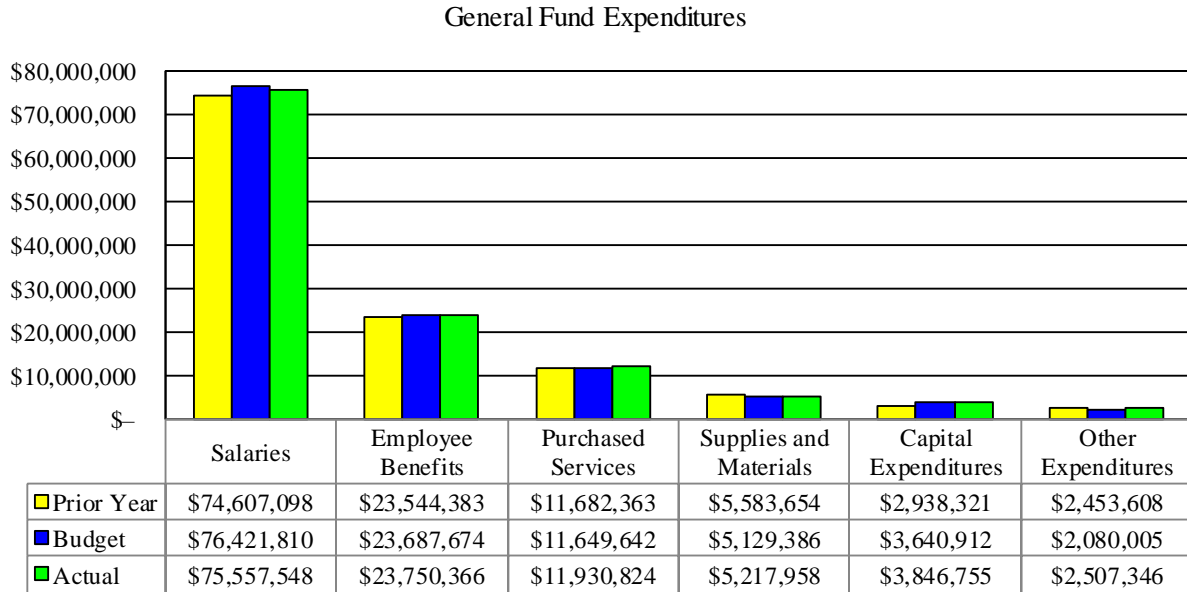


Total General Fund revenues were \$124,309,939 for the year ended June 30, 2019, which was \$1,114,491 (0.9 percent) over the final budget. State sources were \$1,645,250 over budget, mainly due to state special education aid revenues exceeding projections by \$839,033, and due to the General Fund portion (\$447,606) of the state contribution to the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) on behalf of the District, for which neither the revenue nor the offsetting expenditures were included in the budget. Revenue from other local sources was \$546,328 under budget, due to fundraising revenue from activity accounts being less than anticipated in the budget.

General Fund total revenues were \$2,754,236 (2.3 percent) more than the previous year. Revenue from state sources was \$1,961,762 higher than the prior year, due primarily to improvements in the general education funding formula. Property tax revenue increased \$950,384, due to the increased property tax levy and a decrease in cancellations and abatements in the current year.

GENERAL FUND EXPENDITURES

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

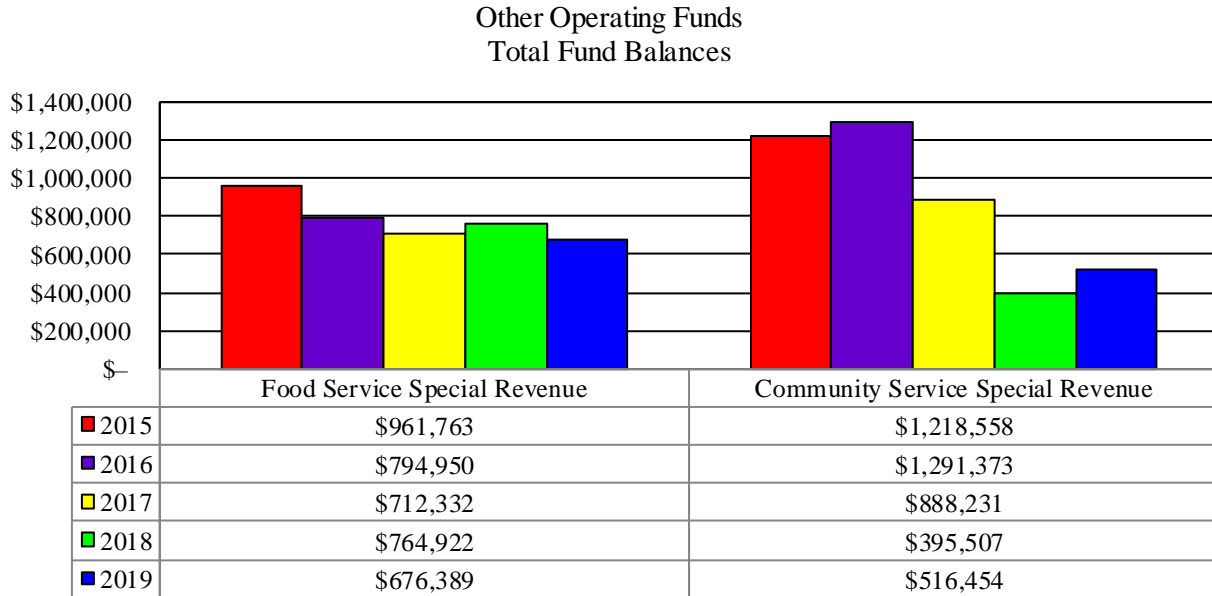


Total General Fund expenditures for 2019 were \$122,810,797, an increase of \$2,001,370 (1.7 percent) from the prior year. Personnel-related costs were \$1,156,433 (1.2 percent) higher than last year, mainly due to contracted increases in salaries and benefits. Capital expenditures were \$908,434 higher than the previous year, mainly due to additional expenditures for technology products and additional bus purchases in the current year.

Total General Fund expenditures were over budget by \$201,368 (0.2 percent) in 2019, which was spread across several programs and object categories. The largest variance was in elementary and secondary regular instruction, which was \$1,555,998 under budget, mainly in student activities and quality compensation (Q Comp). This variance was offset by vocational education instruction and instructional support services, which were over budget \$603,045 and \$640,824, respectively.

OTHER FUNDS OF THE DISTRICT

The following graph shows what is referred to as the other operating funds. The remaining nonoperating funds are only included in narrative form below, since their level of fund balance can fluctuate significantly, due to such things as issuing and spending the proceeds of refunding or building bonds and, therefore, the trend of fund balance levels is not necessarily a key indicator of financial health. It does not mean that these funds cannot experience financial trouble or that their fund balances are unimportant.



Food Service Special Revenue Fund

The District's Food Service Special Revenue Fund ended fiscal 2019 with a fund balance of \$676,389, which is a decrease of \$88,533 from last year, compared to a budgeted increase of \$720. Food service revenue was \$5,006,505, which was under budget by \$108,473, mainly in meal sales. Total expenditures of \$5,095,038 were \$19,220 under budget, as supplies and materials were less than projected.

Community Service Special Revenue Fund

The District's Community Service Special Revenue Fund ended the year with a fund balance of \$516,454, an increase of \$120,947 from the prior year, compared to a budgeted increase of \$254,017. Revenues and expenditures increased \$2,270,126 and \$1,629,293, respectively, due to the new Eagle Zone program in the current year, but were under budget as enrollment was less than anticipated.

Over the years, we have emphasized to our clients that food service and community service operations should be self-sustaining, and should not become an additional burden on general education funds.

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund experienced a fund balance increase of \$4,002,258 in fiscal 2019, compared to a budgeted decrease of \$4,689,448, due to the issuance of bonds to finance long-term facilities maintenance projects that were not included in the budget. The year-end fund balance of \$9,569,553 is restricted for the long-term facilities maintenance program.

Debt Service Fund

The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. Fund balance increased \$479,134 in 2019 to a year-end balance of \$1,722,807, which is restricted to the payment of outstanding debt obligations of the District.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

	June 30,		
	2019	2018	Change
Net position – governmental activities			
Total fund balances – governmental funds	\$ 34,143,364	\$ 28,257,873	\$ 5,885,491
OPEB asset, net of deferments	2,844,280	2,208,090	636,190
Total capital assets, net of depreciation	94,565,500	96,756,117	(2,190,617)
Bonds and leases payable	(65,628,840)	(64,361,473)	(1,267,367)
Pension liability, net of deferments	(114,432,540)	(142,578,052)	28,145,512
Other adjustments	2,514,121	503,043	2,011,078
Total net position – governmental activities	<u>\$ (45,994,115)</u>	<u>\$ (79,214,402)</u>	<u>\$ 33,220,287</u>
Net position			
Net investment in capital assets	\$ 38,506,213	\$ 41,716,939	\$ (3,210,726)
Restricted	3,450,332	3,970,336	(520,004)
Unrestricted	<u>(87,950,660)</u>	<u>(124,901,677)</u>	<u>36,951,017</u>
Total net position	<u>\$ (45,994,115)</u>	<u>\$ (79,214,402)</u>	<u>\$ 33,220,287</u>

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

Total net position increased \$33,220,287 in fiscal 2019. The District's net investment in capital assets decreased \$3,210,726 this year. The change in this category of net position is typically determined by the relationship between the depreciation of capital assets and the repayment of the debt issued to construct or acquire the assets.

Restricted net position decreased \$520,004, primarily in amounts restricted for capital asset acquisition, community service, and other state funding restrictions.

Unrestricted net position increased \$36,951,017, mainly due to changes in the District's proportionate share of the PERA and the TRA pension plan liabilities and related deferments.

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LEGISLATIVE SUMMARY

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

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

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

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

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

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

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

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

School Building Bond Agricultural Tax Credit – Effective for taxes beginning with the payable 2018 levy (FY 2019), a tax credit on all property classified as agricultural (excluding the house, garage, and one acre of an agricultural homestead) was provided equal to 40 percent of the tax on the property attributable to school district building bond levies. The appropriation for this tax credit is \$34.8 million for FY 2019, \$45.2 million for FY 2020, and \$52.5 million for FY 2021. The 2019 Legislature increased the credit percentage to 50 percent for the levy payable in 2020, 55 percent for payable in 2021, 60 percent for payable in 2022, and 70 percent for payable in 2023 and thereafter.

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

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

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

Pension Benefit Reforms – The 2018 pension bill included a number of reforms to the various defined benefit pension plans across the state, including the plans administered by the Teachers Retirement Association (TRA), St. Paul Teachers Retirement Fund Association (SPTRFA), and the Public Employees Retirement Association. Employer contribution rates were increased for the TRA plan (a total increase of 1.25 percent phased in over a 6-year period beginning in FY 2019) and the SPTRFA plan (a total increase of 2.50 percent phased in over a 6-year period beginning in FY 2019). Employee contribution rates were also increased by 0.25 percent beginning in FY 2024 for the TRA plan and beginning in FY 2023 for the SPTRFA plan. The pension adjustment component of the general education aid formula was increased by an amount equal to the product of the salaries paid to members of these two plans times the district's pension adjustment rate for the fiscal year to help offset the cost of the employer contribution increases.

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

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

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ACCOUNTING AND AUDITING UPDATES

GASB STATEMENT NO. 84, *FIDUCIARY ACTIVITIES*

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

This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The Minnesota Department of Education has also issued guidance for implementing this standard, which will impact the reporting of extracurricular student activity accounts previously not under board control, and potentially other fiduciary funds, beginning in the 2019–2020 fiscal year.

GASB STATEMENT NO. 87, *LEASES*

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

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

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

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

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

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

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

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

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

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

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

GASB STATEMENT NO. 91, *CONDUIT DEBT OBLIGATIONS*

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

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

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

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

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

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

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EDEN PRAIRIE SCHOOLS

Inspiring each student every day

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INDEPENDENT SCHOOL DISTRICT NO. 272
EDEN PRAIRIE, MINNESOTA

Special Purpose Audit Reports

Year Ended
June 30, 2019

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INDEPENDENT SCHOOL DISTRICT NO. 272

Special Purpose Audit Reports
Year Ended June 30, 2019

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INDEPENDENT SCHOOL DISTRICT NO. 272

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

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures	Noncash Assistance
U.S. Department of Agriculture			
Passed through Minnesota Department of Education			
Child nutrition cluster			
National School Lunch Program	10.555	\$ 1,324,744	\$ 285,943
School Breakfast Program	10.553	<u>154,855</u>	
Total child nutrition cluster		\$ 1,479,599	
U.S. Department of Education			
Passed through Minnesota Department of Education			
Special education cluster			
Special Education Grants to States	84.027	1,436,777	
Special Education Preschool Grants	84.173	<u>54,805</u>	
Total special education cluster		1,491,582	
Special Education – Grants for Infants and Families	84.181	59,440	
Title I Grants to Local Educational Agencies	84.010	658,736	
Supporting Effective Instruction State Grants	84.367	190,943	
English Language Acquisition State Grants	84.365	111,936	
Passed through Independent School District No. 284			
Career and Technical Education – Basic Grants to States	84.048	<u>47,860</u>	
Total federal awards		<u>\$ 4,040,096</u>	

Note 1: The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the *OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the District's basic financial statements.

Note 2: All pass-through entities listed above use the same CFDA numbers as the federal grantors to identify these grants, and have not assigned any additional identifying numbers.

Note 3: The District did not elect to use the 10 percent de minimis indirect cost rate.

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

To the School Board and Management of
Independent School District No. 272
Eden Prairie, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 272 (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2019.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

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

Malloy, Montague, Karnowski, Radosevich & Co., P. A.
Minneapolis, Minnesota
November 13, 2019

PRINCIPALS

Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
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Victoria L. Holinka, CPA/CMA
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Kalen T. Karnowski, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the School Board and Management of
Independent School District No. 272
Eden Prairie, Minnesota

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited Independent School District No. 272's (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

(continued)

OPINION ON EACH MAJOR FEDERAL PROGRAM

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to on the previous page that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to on the previous page. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001 that we consider to be a significant deficiency.

DISTRICT'S RESPONSE TO FINDING

The District's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

PURPOSE OF THIS REPORT

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

(continued)

REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 13, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Malloy, Montague, Karnowski, Radosevich & Co., P. A.
Minneapolis, Minnesota
November 13, 2019

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PRINCIPALS

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Kalen T. Karnowski, CPA

INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

To the School Board and Management of
Independent School District No. 272
Eden Prairie, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 272 (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2019.

MINNESOTA LEGAL COMPLIANCE

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

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for School Districts*, except as described in the Schedule of Findings and Questioned Costs as item 2019-002. 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 provision.

DISTRICT'S RESPONSE TO FINDING

The District's response to the legal compliance finding identified in our audit has been included in the Schedule of Findings and Questioned Costs. The District's response was not subject to the auditing procedures applied in our 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 compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.
Minneapolis, Minnesota
November 13, 2019

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INDEPENDENT SCHOOL DISTRICT NO. 272

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

A. SUMMARY OF AUDIT RESULTS

This summary is formatted to provide federal granting agencies and pass-through agencies answers to specific questions regarding the audit of federal awards.

Financial Statements

What type of auditor's report is issued? X Unmodified
 Qualified
 Adverse
 Disclaimer

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None reported

Noncompliance material to the financial statements noted? Yes X No

Federal Awards

Internal controls over major federal award programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? X Yes None reported

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

U.S. Department of Agriculture – child nutrition cluster Unmodified
U.S. Department of Education – special education cluster Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X Yes No

Programs tested as major programs:

Program or Cluster(s)	CFDA No.
The U.S. Department of Agriculture – child nutrition cluster consisting of:	
– School Breakfast Program	10.553
– National School Lunch Program	10.555
The U.S. Department of Education – special education cluster consisting of:	
– Special Education Grants to States	84.027
– Special Education Preschool Grants	84.173

Threshold for distinguishing type A and B programs. \$ 750,000

Does the auditee qualify as a low-risk auditee? Yes X No

INDEPENDENT SCHOOL DISTRICT NO. 272

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

B. FINANCIAL STATEMENT FINDINGS

None.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE – U.S. DEPARTMENT OF AGRICULTURE, PASSED THROUGH MINNESOTA DEPARTMENT OF EDUCATION, CHILD NUTRITION CLUSTER – CFDA NOS. 10.553 AND 10.555

2019-001 Internal Control Over Compliance With Federal Special Tests and Provisions

Criteria – 7 CFR § 245.6a requires Independent School District No. 272 (the District) to establish and maintain effective internal control over compliance with requirements applicable to federal programs, including child nutrition cluster special tests and provisions requirements.

Condition – During our audit, we noted that the District did not have sufficient controls in place within its child nutrition cluster federal program to ensure compliance with the federal special tests and provisions requirement to accurately complete the verification testing packet for error-prone free and reduced-price applications.

Questioned Costs – None noted.

Context – The deficiency in control pertains to this program tested in the current year. This was not a statistically valid sample.

Repeat Finding – This is a current year and prior year finding.

Cause – Due to a lack of review by qualified district personnel, the District's verification testing of error-prone free and reduced-price lunch applications failed to identify one application that had been approved for incorrect levels of service.

Effect – This could be viewed as a violation of the award agreement.

Recommendation – We recommend that the District review its internal control procedures relating to the verification of free and reduced-price applications for special tests and provision requirements for the child nutrition cluster federal programs.

View of Responsible Official and Planned Corrective Actions – The District agrees with the finding. The District will review its procedures relating to special tests and provisions for its child nutrition cluster federal programs. The District has separately issued a Corrective Action Plan related to this finding.

INDEPENDENT SCHOOL DISTRICT NO. 272

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

D. MINNESOTA LEGAL COMPLIANCE FINDINGS

2019-002 Payment of Invoices

Criteria – Minnesota Statutes § 471.425 requires prompt payment of local government bills within a standard payment period of 35 days from the receipt of goods and services, or the invoice for goods or services, for districts with governing boards that meet at least once a month. If such obligations are not paid within the appropriate time period, districts must pay interest on the unpaid obligations at the rate of 1.5 percent per month or part of a month.

Condition – Four of forty disbursements selected for testing were not paid within the required thirty-five days from the receipt of goods and services.

Questioned Costs – Not applicable.

Context – Four of forty disbursements tested were not paid within the required thirty-five-day period.

Repeat Finding – This is a current year and prior year finding.

Cause – This was an oversight by district personnel.

Effect – The District did not pay these claims within the time frame allowed by state statutes.

Recommendation – We recommend that the District review its procedures for paying invoices to ensure that all bills are paid within the statutory time limit.

View of Responsible Official and Planned Corrective Actions – The District agrees with the finding. The District will review its procedures relating to processing disbursements to ensure compliance in the future. The District has separately issued a Corrective Action Plan related to this finding.

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INDEPENDENT AUDITOR'S REPORT ON
UNIFORM FINANCIAL ACCOUNTING AND
REPORTING STANDARDS COMPLIANCE TABLE

To the School Board and Management of
Independent School District No. 272
Eden Prairie, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 272 (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2019.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table is presented for purposes of additional analysis as required by the Minnesota Department of Education (MDE), and is not a required part of the basic financial statements of the District. The UFARS Compliance Table is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the UFARS Compliance Table is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(continued)

The purpose of this report on the UFARS Compliance Table required by the MDE is solely to describe the scope of our testing of the UFARS Compliance Table and the results of that testing based on our audit. Accordingly, this report is not suitable for any other purpose.

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

Minneapolis, Minnesota

November 13, 2019

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INDEPENDENT SCHOOL DISTRICT NO. 272

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

		Audit	UFARS	Audit – UFARS
General Fund				
Total revenue		\$ 124,309,939	\$ 124,309,939	\$ –
Total expenditures		\$ 122,810,797	\$ 122,810,798	\$ (1)
Nonspendable				
460	Nonspendable fund balance	\$ 1,676,290	\$ 1,676,290	\$ –
Restricted				
403	Staff development	\$ –	\$ –	\$ –
406	Health and safety	\$ –	\$ –	\$ –
407	Capital projects levy	\$ 504,823	\$ 504,823	\$ –
408	Cooperative revenue	\$ –	\$ –	\$ –
413	Projects funded by COP	\$ –	\$ –	\$ –
414	Operating debt	\$ –	\$ –	\$ –
416	Levy reduction	\$ –	\$ –	\$ –
417	Taconite building maintenance	\$ –	\$ –	\$ –
423	Certain teacher programs	\$ –	\$ –	\$ –
424	Operating capital	\$ 615,334	\$ 615,334	\$ –
426	\$25 taconite	\$ –	\$ –	\$ –
427	Disabled accessibility	\$ –	\$ –	\$ –
428	Learning and development	\$ –	\$ –	\$ –
434	Area learning center	\$ –	\$ –	\$ –
435	Contracted alternative programs	\$ –	\$ –	\$ –
436	State approved alternative program	\$ –	\$ –	\$ –
438	Gifted and talented	\$ –	\$ –	\$ –
440	Teacher development and evaluation	\$ –	\$ –	\$ –
441	Basic skills programs	\$ –	\$ –	\$ –
448	Achievement and integration	\$ –	\$ –	\$ –
449	Safe schools levy	\$ –	\$ –	\$ –
450	Pre-kindergarten	\$ –	\$ –	\$ –
451	QZAB payments	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
453	Unfunded severance and retirement levy	\$ –	\$ –	\$ –
459	Basic skills extended time	\$ –	\$ –	\$ –
467	Long-term facilities maintenance	\$ –	\$ –	\$ –
472	Medical Assistance	\$ 283,523	\$ 283,523	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
475	Title VII – Impact Aid	\$ –	\$ –	\$ –
476	PILT	\$ –	\$ –	\$ –
Committed				
418	Committed for separation	\$ –	\$ –	\$ –
461	Committed fund balance	\$ –	\$ –	\$ –
Assigned				
462	Assigned fund balance	\$ 2,826,715	\$ 2,826,714	\$ 1
Unassigned				
422	Unassigned fund balance	\$ 15,751,476	\$ 15,751,476	\$ –
Food Service				
Total revenue		\$ 5,006,505	\$ 5,006,505	\$ –
Total expenditures		\$ 5,095,038	\$ 5,095,038	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ 118,178	\$ 118,178	\$ –
Restricted				
452	OPEB liability not in trust	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ 558,211	\$ 558,211	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
Community Service				
Total revenue		\$ 7,851,830	\$ 7,851,830	\$ –
Total expenditures		\$ 7,882,140	\$ 7,882,139	\$ 1
Nonspendable				
460	Nonspendable fund balance	\$ 50,230	\$ 50,230	\$ –
Restricted				
426	\$25 taconite	\$ –	\$ –	\$ –
431	Community education	\$ 99,364	\$ 99,363	\$ 1
432	ECFE	\$ 336,947	\$ 336,947	\$ –
440	Teacher development and evaluation	\$ –	\$ –	\$ –
444	School readiness	\$ 29,913	\$ 29,913	\$ –
447	Adult basic education	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –

INDEPENDENT SCHOOL DISTRICT NO. 272

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

		Audit	UFARS	Audit – UFARS
Building Construction				
Total revenue		\$ 135,551	\$ 135,551	\$ –
Total expenditures		\$ 5,778,029	\$ 5,778,029	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
407	Capital projects levy	\$ –	\$ –	\$ –
413	Projects funded by COP	\$ –	\$ –	\$ –
467	Long-term facilities maintenance	\$ 9,569,553	\$ 9,569,553	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
Debt Service				
Total revenue		\$ 4,936,562	\$ 4,936,562	\$ –
Total expenditures		\$ 4,877,944	\$ 4,877,944	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
425	Bond refundings	\$ –	\$ –	\$ –
433	Max effort loan	\$ –	\$ –	\$ –
451	QZAB payments	\$ –	\$ –	\$ –
467	Long-term facilities maintenance	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ 1,722,807	\$ 1,722,807	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
Trust				
Total revenue		\$ 649,170	\$ 649,170	\$ –
Total expenditures		\$ 691,671	\$ 691,671	\$ –
422	Net position	\$ 55,637	\$ 55,637	\$ –
Internal Service				
Total revenue		\$ 14,329,336	\$ 14,329,336	\$ –
Total expenditures		\$ 12,362,875	\$ 12,362,874	\$ 1
422	Net position	\$ 3,861,914	\$ 3,861,914	\$ –
OPEB Revocable Trust Fund				
Total revenue		\$ –	\$ –	\$ –
Total expenditures		\$ –	\$ –	\$ –
422	Net position	\$ –	\$ –	\$ –
OPEB Irrevocable Trust Fund				
Total revenue		\$ 813,574	\$ 813,574	\$ –
Total expenditures		\$ 702,747	\$ 702,747	\$ –
422	Net position	\$ 16,491,280	\$ 16,491,280	\$ –
OPEB Debt Service Fund				
Total revenue		\$ 4,041,628	\$ 4,041,628	\$ –
Total expenditures		\$ 3,971,387	\$ 3,971,388	\$ (1)
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
425	Bond refundings	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –

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

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EDEN PRAIRIE SCHOOLS

Inspiring each student every day

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INDEPENDENT SCHOOL DISTRICT NO. 272
EDEN PRAIRIE, MINNESOTA

Extracurricular Student Activity Accounts
Financial Report

Year Ended
June 30, 2019

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PRINCIPALS

Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of
Independent School District No. 272
Eden Prairie, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statement of Independent School District No. 272 (the District), which comprises the statement of cash receipts and disbursements of the extracurricular student activity accounts as of and for the year ended June 30, 2019, and the related notes to the extracurricular student activity accounts financial statement.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

(continued)

BASIS FOR QUALIFIED OPINION

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

QUALIFIED OPINION

In our opinion, except for the possible effects of the matter discussed in the “Basis for Qualified Opinion” paragraph, the financial statement referred to on the previous page presents fairly, in all material respects, the cash balances of the District’s extracurricular student activity accounts as of June 30, 2019, and the cash receipts and disbursements for the year then ended, in accordance with the financial reporting provisions of the MDE described in Note 1 of the notes to extracurricular student activity accounts financial statement.

EMPHASIS OF MATTER

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

BASIS OF ACCOUNTING

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

RESTRICTION ON USE

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

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

Minneapolis, Minnesota
November 13, 2019

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Balance – June 30, 2018	Receipts and Transfers In	Disbursements and Transfers Out	Balance – June 30, 2019
Eden Prairie High School				
Class of 2018	\$ 5,189	\$ 8,499	\$ 1,883	\$ 11,805
Key Club	8,248	9,095	8,024	9,319
National Honor Society	5,008	6,521	5,025	6,504
Prom	3,955	56,840	57,842	2,953
Student Council	4,503	2,135	11,149	(4,511)
Total	<u>26,903</u>	<u>83,090</u>	<u>83,923</u>	<u>26,070</u>
Central Middle School				
Student Council	6,000	–	379	5,621
Administration				
Interest	<u>3,976</u>	<u>1,068</u>	<u>1,005</u>	<u>4,039</u>
	<u>\$ 36,879</u>	<u>\$ 84,158</u>	<u>\$ 85,307</u>	<u>\$ 35,730</u>

See notes to extracurricular student activity accounts financial statement

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INDEPENDENT SCHOOL DISTRICT NO. 272

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The accounts of Independent School District No. 272's (the District) extracurricular student activity accounts are maintained, and the accompanying financial statement has been prepared, in accordance with financial reporting provisions of the Minnesota Department of Education (MDE), which constitutes a regulatory basis of accounting that differs from accounting principles generally accepted in the United States of America. Under this regulatory basis of accounting, receipts are recorded when received rather than when earned, and disbursements are recognized when paid rather than when the obligations are incurred.

NOTE 2 – CASH AND INVESTMENTS

The District has the following investments at year-end:

Investment Type	Credit Risk		Total
	Rating	Agency	
Investment pools/mutual funds			
MNTrust Investment Shares Portfolio	AAA	S&P	\$ 3,271
Minnesota School District Liquid Asset Fund	AAAm	S&P	32,459
Total investments			<u>\$ 35,730</u>

The Minnesota School District Liquid Asset Fund and the MNTrust Investment Shares Portfolio are external investment pools not registered with the Securities and Exchange Commission regulated by Minnesota Statutes. The District's investments in these investment pools are measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. For these investment pools, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required.

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

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

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

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

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

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

NOTE 3 – GASB STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 84, *Fiduciary Activities*, is intended to enhance consistency and comparability of fiduciary activity reporting by state and local governments. It is also meant to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries.

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

The MDE has also issued guidance for implementing this standard, which will impact the reporting of extracurricular student activity accounts previously not under School Board control, beginning in the 2019–2020 fiscal year. This new guidance provided by the MDE will require the activities currently presented separately in this financial statement to be operated under School Board control and reported as part of the District’s General Fund for the year ending June 30, 2020.

OTHER REQUIRED REPORTS

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INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING

To the School Board and Management of
Independent School District No. 272
Eden Prairie, Minnesota

In planning and performing our audit of the statement of cash receipts and disbursements of the extracurricular student activity accounts of Independent School District No. 272 (the District) as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Corrective Action as finding 2019-001 to be a material weakness.

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

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

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

Minneapolis, Minnesota
November 13, 2019

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

To the School Board and Management of
Independent School District No. 272
Eden Prairie, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statement of cash receipts and disbursements of the extracurricular student activity accounts of Independent School District No. 272 (the District) as of and for the year ended June 30, 2019, and the related notes to the extracurricular student activity accounts financial statement, and have issued our report thereon dated November 13, 2019. The financial statement is prepared, in a manner that demonstrates compliance with the regulatory basis of accounting prescribed by the Minnesota Department of Education (MDE), which differs from accounting principles generally accepted in the United States of America. Our report on the regulatory basis of accounting is qualified for a restriction on the scope of our audit resulting from the accounting system relating to cash receipts, which allows us only to audit cash collections that are recorded.

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

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the MAFA, except as described in the Schedule of Findings and Corrective Action as finding 2019-002. 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 response to the legal compliance finding identified in our audit has been included in the Schedule of Findings and Corrective Action. The District's response was not subject to the auditing procedures applied in our audit of the financial statement and, accordingly, we express no opinion on it.

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

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

Minneapolis, Minnesota
November 13, 2019

INDEPENDENT SCHOOL DISTRICT NO. 272

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

FINDINGS AND CORRECTIVE ACTION

2019-001 MATERIAL WEAKNESS IN INTERNAL CONTROLS – CASH RECEIPTS

Criteria – Management is responsible for establishing and maintaining a system of internal controls sufficient to reduce to an acceptable level, the possibility that a material misstatement of Independent School District No. 272's (the District) financial statement will not be prevented, or detected and corrected, on a timely basis.

Condition – The District reports the cash receipts and disbursements of its extracurricular student activity accounts on the cash basis. The internal controls at the District's school sites are not sufficient to assure that all cash receipts have been recorded.

Type of Finding – Current year and prior year finding.

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

Corrective Action Plan

Actions Planned – The District's Director of Finance regularly reviews and communicates internal controls over extracurricular student activity account transactions along with the personnel at the District's school sites that maintain such accounts. The District will continue this process, and will be implementing these changes to be consistent and compliant with other General Fund receipts with the required transition to account for student activities within the General Fund for the year ending June 30, 2020.

Official Responsible – The District's Director of Finance.

Planned Completion Date – June 30, 2020.

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

Plan to Monitor – The District's Director of Finance will oversee the continued review, training, and evaluation of internal controls over the recording of extracurricular student activity account receipts at the District's school sites, and the implementation of any control procedure modification.

INDEPENDENT SCHOOL DISTRICT NO. 272

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

FINDINGS AND CORRECTIVE ACTION (CONTINUED)

2019-002 CHECK REQUEST AUTHORIZATION

Criteria – *Manual for Activity Fund Accounting (MAFA)*.

Condition – The MAFA requires check requests to be approved by the student representative, the advisor, and the building principal (or his/her designee). We noted 1 of 5 disbursement transactions we tested within the student activity accounts that lacked having all three approvals as required.

Type of Finding – Current year finding.

Recommendation – It is our recommendation that the individuals responsible for overseeing these accounts review the guidelines for proper approval of check requests per the MAFA.

Corrective Action Plan

Actions Planned – The District will work with the individuals responsible for overseeing student activities to improve controls and correct findings identified during the audit. The District will be implementing these changes to be consistent and compliant with other General Fund check requests with the required transition to account for student activities within the General Fund for the year ended June 30, 2020.

Official Responsible – The District's Director of Finance and Student Activity Advisors.

Planned Completion Date – June 30, 2020.

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

Plan to Monitor – The District's Director of Finance and Student Activity Advisors will review the procedures and internal controls over student activity funds at each site where student activity accounts are maintained, in order to comply with requirements of the MAFA.

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501 SCHOOL WEAPONS POLICY

I. PURPOSE

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

II. GENERAL STATEMENT OF POLICY

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

III. DEFINITIONS

A. “Weapon”

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

- #### **B. “School Location”**
- includes any school building or grounds, whether leased, rented, owned or controlled by the school, locations of school activities or trips, bus stops, school buses or school vehicles, school-contracted vehicles, the area of

entrance or departure from school premises or events, all locations where school-related functions are conducted, and anywhere students are under the jurisdiction of the school district.

- C. “Possession” means having a weapon on one’s person or in an area subject to one’s control in a school location.

IV. EXCEPTIONS

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

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

C. Policy Application to Instructional Equipment/Tools

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

D. Firearms in School Parking Lots and Parking Facilities

A school district may not prohibit the lawful carry or possession of firearms in a school parking lot or parking facility. For purposes of this policy, the “lawful” carry or possession of a firearm in a school parking lot or parking facility is specifically limited to nonstudent permit-holders authorized under Minn. Stat. § 624.714 to carry a pistol in the interior of a vehicle or outside the motor vehicle for the purpose of directly placing a firearm in, or retrieving it from, the trunk or rear area of the vehicle. Any possession or carry of a firearm beyond the immediate vicinity of a permit-holder’s vehicle shall constitute a violation of this policy.

V. CONSEQUENCES FOR STUDENT WEAPON POSSESSION/ USE/ DISTRIBUTION

- A. The school district does not allow the possession, use or distribution of weapons by students. Consequently, the minimum consequence for students possessing, using or distributing weapons shall include:
1. immediate out-of-school suspension;

2. confiscation of the weapon;
 3. immediate notification of police;
 4. parent or guardian notification; and
 5. recommendation to the superintendent of dismissal for a period of time not to exceed one year.
- B. Pursuant to Minnesota law, a student who brings a firearm, as defined by federal law, to school will be expelled for at least one year. The school board may modify this requirement on a case-by-case basis.

C. Administrative Discretion

While the school district does not allow the possession, use or distribution of weapons by students, the superintendent may use discretion in determining whether, under the circumstances, a course of action other than the minimum consequences specified above is warranted. If so, other appropriate action may be taken, including consideration of a recommendation for lesser discipline.

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

A. Employees

1. An employee who violates the terms of this policy is subject to disciplinary action, including nonrenewal, suspension, or discharge as deemed appropriate by the school board.
2. Sanctions against employees, including nonrenewal, suspension, or discharge shall be pursuant to and in accordance with applicable statutory authority, collective bargaining agreements, and school district policies.
3. When an employee violates the weapons policy, law enforcement may be notified, as appropriate.

B. Other Nonstudents

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

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

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

502 SEARCH OF STUDENT LOCKERS, DESKS, PERSONAL POSSESSIONS, AND STUDENT'S PERSON

I. PURPOSE

The purpose of this policy is to provide for a safe and healthful educational environment by enforcing the school district's policies against contraband.

II. GENERAL STATEMENT OF POLICY

A. Lockers and Personal Possessions Within a Locker

Pursuant to Minnesota statutes, school lockers are the property of the school district. At no time does the school district relinquish its exclusive control of lockers provided for the convenience of students. Inspection of the interior of lockers may be conducted by school officials for any reason at any time, without notice, without student consent, and without a search warrant. The personal possessions of students within a school locker may be searched only when school officials have a reasonable suspicion that the search will uncover evidence of a violation of law or school rules. As soon as practicable after the search of a student's personal possessions, the school officials must provide notice of the search to students whose lockers were searched unless disclosure would impede an ongoing investigation by police or school officials.

B. Desks

School desks are the property of the school district. At no time does the school district relinquish its exclusive control of desks provided for the convenience of students. Inspection of the interior of desks may be conducted by school officials for any reason at any time, without notice, without student consent, and without a search warrant.

C. Personal Possessions and Student's Person

The personal possessions of students and/or a student's person may be searched when school officials have a reasonable suspicion that the search will uncover a violation of law or school rules. The search will be reasonable in its scope and intrusiveness.

D. It shall be a violation of this policy for students to use lockers and desks for unauthorized purposes or to store contraband. It shall be a violation for students to carry contraband on their person or in their personal possessions.

III. DEFINITIONS

- A. “Contraband” means any unauthorized item possession of which is prohibited by school district policy and/or law. It includes but is not limited to weapons and “look-alikes,” alcoholic beverages, controlled substances and “look-alikes,” overdue books and other materials belonging to the school district, and stolen property.
- B. “Personal possessions” includes but is not limited to purses, backpacks, bookbags, packages, and clothing.
- C. “Reasonable suspicion” means that a school official has grounds to believe that the search will result in evidence of a violation of school district policy, rules, and/or law. Reasonable suspicion may be based on a school official’s personal observation, a report from a student, parent or staff member, a student’s suspicious behavior, a student’s age and past history or record of conduct both in and out of the school context, or other reliable sources of information.
- D. “Reasonable scope” means that the scope and/or intrusiveness of the search is reasonably related to the objectives of the search. Factors to consider in determining what is reasonable include the seriousness of the suspected infraction, the reliability of the information, the necessity of acting without delay, the existence of exigent circumstances necessitating an immediate search and further investigation (e.g. to prevent violence, serious and immediate risk of harm or destruction of evidence), and the age of the student.

IV. PROCEDURES

- A. School officials may inspect the interiors of lockers and desks for any reason at any time, without notice, without student consent, and without a search warrant.
- B. School officials may inspect the personal possessions of a student and/or a student’s person based on a reasonable suspicion that the search will uncover a violation of law or school rules. A search of personal possessions of a student and/or a student’s person will be reasonable in its scope and intrusiveness.
- C. As soon as practicable after a search of personal possessions within a locker pursuant to this policy, the school officials must provide notice of the search to students whose possessions were searched unless disclosure would impede an ongoing investigation by police or school officials.
- D. Whenever feasible, a search of a person shall be conducted in private by a school official of the same sex. A second school official of the same sex shall be present as an observer during the search of a person whenever feasible.
- E. A strip search is a search involving the removal of coverings or clothing from private areas. Mass strip searches, or body cavity searches, are prohibited. Strip

searches will be conducted only in circumstances involving imminent danger.

- F. A school official conducting any other search may determine when it is appropriate to have a second official present as an observer.
- G. A copy of this policy will be printed in the student handbook or disseminated in any other way which school officials deem appropriate. The school district shall provide a copy of this policy to a student when the student is given use of a locker.

V. DIRECTIVES AND GUIDELINES

School administration may establish reasonable directives and guidelines which address specific needs of the school district, such as use of tape in lockers, standards of cleanliness and care, posting of pin-ups and posters which may constitute sexual harassment, etc.

VI. SEIZURE OF CONTRABAND

If a search yields contraband, school officials will seize the item and, where appropriate, turn it over to legal officials for ultimate disposition.

VII. VIOLATIONS

A student found to have violated this policy and/or the directives and guidelines implementing it shall be subject to discipline in accordance with the school district's Student Discipline Policy, which may include suspension, exclusion, or expulsion, and the student may, when appropriate, be referred to legal officials.

Legal References: ~~U. S. Const., amend. IV~~
~~Minn. Const., art. I, § 10~~
~~New Jersey v. T.L.O., 469 U.S. 325, 105 S.Ct. 733, 83 L.Ed.2d 720 (1985)~~
~~Minn. Stat. § 121A.72 (School Locker Policy)~~

Cross References: ~~MSBA/MASA Model Policy 417 (Chemical Use and Abuse)~~
~~MSBA/MASA Model Policy 418 (Drug-Free Workplace/Drug-Free School)~~
~~MSBA/MASA Model Policy 501 (School Weapons)~~
~~MSBA/MASA Model Policy 506 (Student Discipline)~~

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MSBA/MASA Model Policy 503

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~~Orig. 1995~~

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503 STUDENT ATTENDANCE

I. PURPOSE

- A. The school board believes that regular school attendance is directly related to success in academic work, benefits students socially, provides opportunities for important communications between teachers and students, and establishes regular habits of dependability important to the future of the student. The purpose of this policy is to encourage regular school attendance. It is intended to be positive and not punitive.
- B. This policy also recognizes that class attendance is a joint responsibility to be shared by the student, parent or guardian, teacher, and administrators. This policy will assist students in attending class.

II. GENERAL STATEMENT OF POLICY

A. Responsibilities

1. Student's Responsibility

It is the student's right to be in school. It is also the student's responsibility to attend all assigned classes and study halls every day that school is in session and to be aware of and follow the correct procedures when absent from an assigned class or study hall. Finally, it is the student's responsibility to request any missed assignments due to an absence.

2. Parent or Guardian's Responsibility

It is the responsibility of the student's parent or guardian to ensure the student is attending school, to inform the school in the event of a student absence, and to work cooperatively with the school and the student to solve any attendance problems that may arise.

3. Teacher's Responsibility

It is the teacher's responsibility to take daily attendance and to maintain accurate attendance records in each assigned class and study hall. It is also the teacher's responsibility to be familiar with all procedures governing attendance and to apply these procedures uniformly. It is also the teacher's responsibility to provide any student who has been absent with any missed assignments upon request. Finally, it is the teacher's responsibility to work cooperatively with the student's parent or guardian and the student to solve any attendance problems that may arise.

4. Administrator's Responsibility

- A. It is the administrator's responsibility to require students to attend all assigned classes and study halls. It is also the administrator's responsibility for knowing the procedures governing attendance and to apply these procedures uniformly to all students. The administrator assures maintenance of accurate records on student attendance, and the preparation of a list of the previous day's absences stating the status of each. Finally, it is the administrator's responsibility to inform the student's parent or guardian of the student's attendance and to work cooperatively with them and the student to solve attendance problems.
- B. In accordance with the Minnesota Compulsory Instruction Law, Minn. Stat. § 120A.22, the students of the school district are REQUIRED to attend all assigned classes and/or study halls every day school is in session, unless the student has been excused by the school board from attendance because the student has already completed state and school district standards required to graduate from high school, has withdrawn, or has a valid excuse for absence.

B. Attendance Procedures

Attendance procedures are approved administratively and the attendance procedures will be included in student handbooks.

1. Excused Absences

- a. The following reasons shall be sufficient to constitute excused absences:

- (1) Illness.
- (2) Serious illness in the student's immediate family.

- (3) A death or funeral in the student's immediate family or of a close friend or relative.
- (4) Medical, dental, or orthodontic treatment, or a counseling appointment.
- (5) Court appearances occasioned by family or personal action.
- (6) Religious instruction not to exceed three hours in any week.
- (7) Physical emergency conditions such as fire, flood, storm, etc.
- (8) Official school field trip or other school-sponsored outing.
- (9) Removal of a student pursuant to a suspension
- (10) Family emergencies.
- (11) Active duty in any military branch of the United States.
- (12) A student's condition that requires ongoing treatment for a mental health diagnosis.
- (13) Family vacation (limited to 5 days per year) handled as excused absences and students will be permitted to complete make-up work
- (14) Religious observance

Excused Absence Procedures

- (1) In order for an absence to be excused, a parent needs to call the school attendance line prior to, or the day of the absence. The parent needs to state when the child will be absent and explain the reason for the absence.
- (2) Students whose absences are excused are required to make up assignments missed or to complete alternative assignments as deemed appropriate by the classroom teacher.
- (3) Work missed because of absence must be made up within 2 days from the date of the student's return to school. Any work not completed within this period shall result in "no credit" for missed assignments. However, the building principal or the classroom teacher may extend the

time allowed for completion of make-up work in the case of an extended illness or other extenuating circumstances.

Students who accumulate excessive absences, even when excused, will work with the school staff and parents to develop a plan to assure attendance at school daily.

2. Unexcused Absences

A. The following are examples of absences which will not be excused:

- (1) Truancy. An absence by a student which was not approved by the parent and/or the school district.
- (2) Any absence in which the student failed to comply with any reporting requirements of the school district's attendance procedures.
- (3) Work at home.
- (4) Work at a business, except under a school-sponsored work release program.
- (5) Vacations with family without prior notice and exceeding 5 days.
- (6) Any other absence not included under the attendance procedures set out in this policy.

B. Unexcused Absence Procedures

- (1) Absences resulting from official suspension will be handled in accordance with the Pupil Fair Dismissal Act, Minn. Stat. §§ 121A.40-121A.56.
- (2) Days during which a student is suspended from school shall not be counted in a student's total cumulated unexcused absences.
- (3) School district staff will work with the parent/guardian, student and the Hennepin County Attorney's office be@school process, the Hennepin County Attorney's office will follow with necessary legal action to ensure attendance at school.

- (4) If unexcused absences continue after following the be@school process, the Hennepin County Attorney's office will follow with necessary legal action to ensure attendance at school.
- (5) Along with following the Hennepin County Attorney's be@school programs, the student or his or her parent/guardian may, within a reasonable time, request a conference with school officials regarding the student's absences and the prescribed discipline. The notification will state that the school strongly urges the student's parent/guardian to request such a conference.

C. Tardiness

1. Definition: Students are expected to be in their assigned area at the start of school or the start of class. Failure to do so constitutes tardiness.
2. Tardiness Information: The procedures for reporting tardiness, as well as additional information, is found in the student handbooks.

D. Participation in Extracurricular Activities and School-Sponsored On-the-Job Training Programs:

1. This policy applies to all students involved in any extracurricular activity scheduled either during or outside the school day and any school- sponsored on-the-job training programs.
2. School-initiated absences will be accepted and participation permitted.
3. A student may not participate in any activity or program if he or she has an unexcused absence from any class during the day.
4. If a student is suspended from any class, he or she may not participate in any activity or program that day.
5. If a student is absent from school due to medical reasons, he or she must present a physician's statement or a statement from the student's parent or guardian clearing the student for participation that day. The note must be presented to the coach or advisor before the student participates in the activity or program.

6. Students who will miss school regularly due to enrichment activities must seek prior approval in order for those absences to be excused. Families to whom this applies may contact the building principal for further information.

III. DISSEMINATION OF POLICY

Copies of this policy shall be made available to all students and parents at the commencement of each school year through the Student Handbook. This policy shall also be available upon request in each principal's office.

IV. REQUIRED REPORTING

A. Continuing Truant

Minn. Stat. § 260A.02 provides that a continuing truant is a student who is subject to the compulsory instruction requirements of Minn. Stat. § 120A.22 and is absent from instruction in a school, as defined in Minn. Stat. § 120A.05, without valid excuse within a single school year for:

1. Three (3) days if the child is in elementary school; or
2. Three or more class periods on three (3) days if the child is in middle school, junior high school, or high school.

B. Reporting Responsibility

When a student is initially classified as a continuing "truant," Minn. Stat. § 260A.03 provides that the school attendance officer or other designated school official shall notify the student's parent or legal guardian, by first class mail or other reasonable means, of the following:

1. That the child is truant;
2. That the parent or guardian should notify the school if there is a valid excuse for the child's absences;
3. That the parent or guardian is obligated to compel the attendance of the child at school pursuant to Minn. Stat. § 120A.22 and parents or guardians who fail to meet this obligation may be subject to prosecution under Minn. Stat. § 120A.34.

4. That this notification serves as the notification required by Minn. Stat. § 120A.34;
5. That alternative educational programs and services may be available in the child's enrolling or resident district.
6. That the parent or guardian has the right to meet with appropriate school personnel to discuss solutions to the student's truancy.
7. That if the child continues to be truant, the parent and child may be subject to juvenile court proceedings under Minn. Stat. Ch. 260;
8. That if the child is subject to juvenile court proceedings, the child may be subject to suspension, restriction, or delay of the child's driving privilege pursuant to Minn. Stat. § 260C.201; and
9. That it is recommended that the parent or guardian accompany the child to school and attend classes with the child for one day.

C. Habitual Truant

1. A habitual truant is a child under the age of 17 years who is absent from attendance at school without lawful excuse for seven school days per school year if the child is in elementary school or for one or more class periods on seven school days per school year if the child is in middle school, junior high school, or high school, or a child who is 17 years of age who is absent from attendance at school without lawful excuse for one or more class periods on seven school days per school year and who has not lawfully withdrawn from school.
2. A school district attendance officer shall refer a habitual truant child and the child's parent or legal guardian to appropriate services and procedures, under Minn. Stat. Ch. 260A.

V. **ONLINE LEARNING ATTENDANCE**

A. Attendance

1. Attendance in online courses will be defined as active engagement in weekly coursework that makes progress toward completing all course requirements.
 - a. The following expectations define active engagement and making progress:
 - i. Students will complete 85% of the assigned work each week.

- ii. Students will make progress at a rate that ensures that they will complete the course by the course end date.
 - iii. Students will spend, on average, ten (10) to fifteen (15) hours per week engaged in coursework. The minimum expectation is seven (7) hours per week.
- b. Students will complete work that is their own, in accordance with Eden Prairie High Schools Handbook: Academic Integrity Policy.
 - i. Students that violate this policy will not receive credit or attendance for the submitted work.
2. Students will review, revise and resubmit work that has been returned to the student when it does not meet the assignment requirements.
3. Students will engage in timely and appropriate communication with the course instructor. This could be done in a variety of forms: email, messaging through the LMS, phone calls, visiting during office hours, other forms determined by the course instructor that has been clearly listed in a syllabus. Students will be held to the same communication requirements as the course instructor.
4. Students who are unable to login during the course week will need a parent or guardian to contact the course instructor to make them aware of illness or other personal or family emergencies.

B. Truancy

1. Students will be considered truant from school in accordance to the Truancy Policy listed in Section IV: Required Reporting.

~~Legal References:~~ ~~Minn. Stat. § 120A.05 (Definitions)~~
~~Minn. Stat. § 120A.22 (Compulsory Instruction)~~
~~Minn. Stat. § 120A.24 (Reporting)~~
~~Minn. Stat. § 120A.26 (Enforcement and Prosecution)~~
~~Minn. Stat. § 120A.34 (Violations; Penalties)~~
~~Minn. Stat. §§ 121A.40-121A.56 (Pupil Fair Dismissal Act)~~ ~~Minn. Stat. § 260A.02~~
~~(Definitions)~~
~~Minn. Stat. § 260A.03 (Notice to Parent or Guardian When Child is~~
~~Continuing Truant)~~
~~Minn. Stat. § 260C.007, Subd. 19 (Habitual Truant Defined)~~
~~Minn. Stat. § 260C.201 (Dispositions; Children in Need of Protection or~~
~~Services or Neglected and in Foster Care)~~

~~*Goss v. Lopez*, 419 U.S. 565, 95 S.Ct. 729 (1975)~~
~~*Slocum v. Holton Board of Education*, 429 N.W.2d 607 (Mich. App. Ct. 1988)~~
~~*Campbell v. Board of Education of New Milford*, 475 A.2d 289 (Conn. 1984)~~
~~*Hamer v. Board of Education of Township High School District No. 113*, 66 Ill. App.3d 7, 383 N.E.2d 231 (1978)~~
~~*Gutierrez v. School District R-1*, 585 P.2d 935 (Co. Ct. App. 1978)~~
~~*Knight v. Board of Education*, 38 Ill. App. 3d 603, 348 N.E.2d 299 (1976)~~
~~*Dorsey v. Bale*, 521 S.W.2d 76 (Ky. 1975)~~

~~**Cross References:** MSBA/MASA Model Policy 506 (Student Discipline)~~

505 DISTRIBUTION OF NONSCHOOL-SPONSORED MATERIALS ON SCHOOL PREMISES BY STUDENTS AND EMPLOYEES

I. PURPOSE

The purpose of this policy is to protect the exercise of students' and employees' free speech rights, taking into consideration the educational objectives and responsibilities of the school district.

II. GENERAL STATEMENT OF POLICY

- A. The school district recognizes that students and employees have the right to express themselves on school property. This protection includes the right to distribute, at a reasonable time and place and in a reasonable manner, nonschool-sponsored material.
- B. To protect First Amendment rights, while at the same time preserving the integrity of the educational objectives and responsibilities of the school district, the school board adopts the following regulations and procedures regarding distribution of nonschool-sponsored material on school property and at school activities.

III. DEFINITIONS

- A. "Distribute" or "Distribution" means circulation or dissemination of material by means of handing out free copies, selling or offering copies for sale, accepting donations for copies, posting or displaying material, or placing material in internal staff or student mailboxes.
- B. "Nonschool-sponsored material" or "unofficial material" includes all materials or objects intended for distribution, except school newspapers, employee newsletters, literary magazines, yearbooks, and other publications funded and/or sponsored or authorized by the school. Examples of nonschool-sponsored materials include, but are not limited to, leaflets, brochures, buttons, badges, flyers, petitions, posters, and underground newspapers whether written by students or employees or others, and tangible objects.

C. “Obscene to minors” means:

1. The average person, applying contemporary community standards, would find that the material, taken as a whole, appeals to the prurient interest of minors of the age to whom distribution is requested;
2. The material depicts or describes, in a manner that is patently offensive to prevailing standards in the adult community concerning how such conduct should be presented to minors of the age to whom distribution is requested, sexual conduct such as intimate sexual acts (normal or perverted), masturbation, excretory functions, or lewd exhibition of the genitals; and
3. The material, taken as a whole, lacks serious literary, artistic, political, or scientific value for minors.

D. “Minor” means any person under the age of eighteen (18).

E. “Material and substantial disruption” of a normal school activity means:

1. Where the normal school activity is an educational program of the district for which student attendance is compulsory, “material and substantial disruption” is defined as any disruption which interferes with or impedes the implementation of that program.
2. Where the normal school activity is voluntary in nature (including, without limitation, school athletic events, school plays and concerts, and lunch periods) “material and substantial disruption” is defined as student rioting, unlawful seizures of property, conduct inappropriate to the event, participation in a school boycott, demonstration, sit-in, stand-in, walk-out, or other related forms of activity.

In order for expression to be considered disruptive, there must exist specific facts upon which the likelihood of disruption can be forecast, including past experience in the school, current events influencing student activities and behavior, and instances of actual or threatened disruption relating to the written material in question.

F. “School activities” means any activity sponsored by the school including, but not limited to, classroom work, library activities, physical education classes, official assemblies and other similar gatherings, school athletic contests, band concerts, school plays and other theatrical productions, and in-school lunch periods.

G. “Libelous” is a false and unprivileged statement about a specific individual that tends to harm the individual’s reputation or to lower that individual in the esteem of the community.

IV. GUIDELINES

- A. Students and employees of the school district have the right to distribute, at reasonable times and places as set forth in this policy, and in a reasonable manner, non-school-sponsored material.
- B. Requests for distribution of nonschool-sponsored material will be reviewed by the administration on a case-by-case basis. However, distribution of the materials listed below is always prohibited. Material is prohibited that:
 - 1. is obscene to minors;
 - 2. is libelous or slanderous;
 - 3. is pervasively indecent or vulgar or contains any indecent or vulgar language or representations, with a determination made as to the appropriateness of the material for the age level of students to which it is intended;
 - 4. advertises or promotes any product or service not permitted to minors by law;
 - 5. advocates violence or other illegal conduct;
 - 6. constitutes insulting or fighting words, the very expression of which injures or harasses other people (e.g., threats of violence, defamation of character or of a person's race, religious, or ethnic origin);
 - 7. presents a clear and present likelihood that, either because of its content or the manner of distribution, it will cause a material and substantial disruption of the proper and orderly operation and discipline of the school or school activities will cause the commission of unlawful acts or the violation of lawful school regulations.
- C. Distribution by students and employees of nonschool-sponsored materials on school district property are subject to reasonable time, place, and manner restrictions set forth below. In making decisions regarding the time, place, and manner of distribution, the administration will consider factors including, but not limited to, the following:
 - 1. whether the material is educationally related;
 - 2. the extent to which distribution is likely to cause disruption of or interference with the school district's educational objectives, discipline, or school activities;

3. whether the materials can be distributed from the office or other isolated location so as to minimize disruption of traffic flow in hallways;
4. the quantity or size of materials to be distributed;
5. whether distribution would require assignment of school district staff, use of school district equipment, or other resources;
6. whether distribution would require that non-school persons be present on the school grounds;
7. whether the materials are a solicitation for goods or services not requested by the recipients.

V. TIME, PLACE, AND MANNER OF DISTRIBUTION

- A. No nonschool-sponsored material shall be distributed during and at the place of a normal school activity if it is reasonably likely to cause a material and substantial disruption of that activity.
- B. Distribution of nonschool-sponsored material is prohibited when it blocks the safe flow of traffic within corridors and entrance ways of the school, and school parking lots. Distribution shall not impede entrance to or exit from school premises in any way.
- C. No one shall coerce a student or staff member to accept any publication.
- D. The time, place, and manner of distribution will be solely within the discretion of the administration, consistent with the provisions of this policy.

VI. PROCEDURES

- A. Any student or employee wishing to distribute (as defined in this policy) nonschool-sponsored material must first submit for approval a copy of the material to the principal at least 24 hours in advance of desired distribution time, together with the following information:
 1. Name and phone number of the person submitting the request and, if a student, the room number of his or her first-period class.
 2. Date(s) and time(s) of day intended for distribution.
 3. Location where material will be distributed.

4. If intended for students, the grade(s) of students to whom the distribution is intended.
- B. Within one school day, the principal will review the request and render a decision. In the event that permission to distribute the material is denied or limited, the person submitting the request should be informed in writing of the reasons for the denial or limitation.
- C. If the person submitting the request does not receive a response within one school day, the person shall contact the office to verify that the lack of response was not due to an inability to locate the person.
- D. If the person is dissatisfied with the decision of the principal, the person may submit a written request for appeal to the superintendent. If the person does not receive a response within three (3) school days (not counting Saturdays, Sundays, and holidays) of submitting the appeal, the person shall contact the office of the Superintendent to verify that the lack of response is not due to an inability to locate the person.
- E. Permission or denial of permission to distribute material does not imply approval or disapproval of its contents by either the school, the administration of the school, the school board, or the individual reviewing the material submitted.

VII. DISCIPLINARY ACTION

- A. Distribution by any student of nonschool-sponsored material prohibited herein or in violation of the provisions of time, place, and manner of distribution as described above will be halted and disciplinary action will be taken in accordance with the school district's Student Discipline Policy.
- B. Distribution by any employee of nonschool-sponsored material prohibited herein or in violation of the provisions of time, place, and manner of distribution as described above will be halted and appropriate disciplinary action will be taken, in accordance with any individual contract, collective bargaining agreement, school district policies and procedures, and/or governing statute.
- C. Any other party violating this policy will be requested to leave the school property immediately and, if necessary, the police will be called.

VIII. NOTICE OF POLICY TO STUDENTS AND EMPLOYEES

A copy of this policy will be published in student handbooks and posted in school buildings.

IX. IMPLEMENTATION

The school district administration may develop any additional guidelines and procedures necessary to implement this policy for submission to the school board for approval. Upon approval by the school board, such guidelines and procedures shall be an addendum to this policy.

Legal References: ~~U.S. Const., amend. I~~

~~Hazelwood School District v. Kuhlmeier, 484 U.S. 260, 108 S.Ct. 562, 98 L.Ed.2d 592 (1988)~~

~~Bethel Sch. Dist. No. 403 v. Fraser, 478 U.S. 675, 106 S.Ct. 3159, 9L.Ed.2d 549 (1986)~~

~~Tinker v. Des Moines Indep. Sch. Dist., 393 U.S. 503, 89 S.Ct. 733, 21 L.Ed.2d 731 (1969)~~

~~Bystrom v. Fridley High School, 822 F.2d 747 (8th Cir. 1987)~~

~~Roark v. South Iron R-1 School Dist., 573 F.3d 556 (8th Cir. 2009)~~

~~Victory Through Jesus Sports Ministry Foundation v. Lee's Summit R-7 School Dist., 640 F.3d 329 (8th Cir. 2011)~~

Cross References: ~~MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)~~

~~MSBA/MASA Model Policy 506 (Student Discipline)~~

~~MSBA/MASA Model Policy 512 (School-Sponsored Student Publications)~~

~~MSBA/MASA Model Policy 904 (Distribution of Materials on School District Property by Non-school Persons)~~

507 CORPORAL PUNISHMENT

I. PURPOSE

The purpose of this policy is to describe limitations on corporal punishment of students.

II. GENERAL STATEMENT OF POLICY

No-employee or agent of the school district shall cause corporal punishment to be inflicted upon a student to reform unacceptable conduct or as a penalty for unacceptable conduct. As used in this policy, the term “corporal punishment” means conduct involving hitting or spanking a person with or without an object, or unreasonable physical force that causes bodily harm or substantial emotional harm.

III. EXCEPTIONS

A teacher or school principal may use reasonable force when it is necessary under the circumstances to correct or restrain a student or prevent bodily harm or death to another. Other school district employees, school bus drivers, or other agents of a school district may use reasonable force when necessary under the circumstances to restrain a student or prevent bodily harm or death to another.

IV. VIOLATION

Employees who violate the provisions of this policy shall be subject to disciplinary action as appropriate. Any such disciplinary action shall be made pursuant to and in accordance with applicable statutory authority, collective bargaining agreements and school district policies. Violation of this policy may also result in civil or criminal liability for the employee.

Legal References: Minn. Stat. § 121A.58 (Corporal Punishment)
~~Minn. Stat. § 121A.582 (Student Discipline; Reasonable Force) Minn. Stat. § 123B.25~~
~~(Actions Against Districts and Teachers) Minn. Stat. § 609.06~~
~~Subd. 1 (6)(7) (Authorized Use of Force)~~

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

508 EXTENDED SCHOOL YEAR FOR CERTAIN STUDENTS WITH INDIVIDUALIZED EDUCATION PROGRAMS

~~*[Note: The provisions of this policy substantially reflect statutory and regulatory requirements.]*~~

I. PURPOSE

The purpose of this policy is to ensure that the school district complies with the overall requirements of law as mandated for certain students subject to individualized education programs (IEPs) when necessary to provide a free appropriate public education (FAPE).

II. GENERAL STATEMENT OF POLICY

- A. Extended School Year Services Must Be Available to Provide a FAPE. The school district shall provide extended school year (ESY) services to a student who is the subject of an IEP if the student's IEP team determines the services are necessary during a break in instruction in order to provide a FAPE.
- B. Extended School Year Determination. At least annually, the IEP team must determine that a student is in need of ESY services if the student meets any of the following conditions:
 - 1. There will be significant regression of a skill or acquired knowledge from the student's level of performance on an annual goal that requires more than the length of the break in instruction to recoup unless the IEP team determines a shorter time for recoupment is more appropriate; OR
 - 2. Services are necessary for the student to attain and maintain self-sufficiency because of the critical nature of the skill addressed by an annual goal, the student's age and level of development, and the timeliness for teaching the skill; OR
 - 3. The IEP team otherwise determines, given the student's unique needs, that ESY services are necessary to ensure the pupil receives a FAPE.
- C. Required Factors Schools Must Consider in Making ESY Determinations. The IEP team must decide ESY eligibility using information including:
 - 1. Prior observations of the student's regression and recoupment over the summer;

2. Observations of the student's tendency to regress over extended breaks in instruction during the school year; and
 3. Experience with other students with similar instructional needs.
- D. Additional Factors to Consider, Where Relevant. In making its determination of ESY needs, the following factors must be considered, where relevant:
1. The student's progress and maintenance of skills during the regular school year.
 2. The student's degree of impairment.
 3. The student's rate of progress.
 4. The student's behavioral or physical problems.
 5. The availability of alternative resources.
 6. The student's ability and need to interact with nondisabled peers.
 7. The areas of the student's curriculum which need continuous attention.
 8. The student's vocational needs.
- E. No Unilateral Decisions. In the course of providing ESY services to children with disabilities, the school district may not unilaterally limit the type, amount, or duration of those services.
- F. Services to Nonresident Students Temporarily Placed in School District. A school district may provide ESY services to nonresident children with disabilities temporarily placed in the school district in accordance with applicable state law.

Legal References: ~~Minn. Stat. § 125A.14 (Extended School Year)~~
~~Minn. Rules Part 3525.0755~~
~~20 U.S.C. § 1400 et seq. (Individuals with Disabilities Education Improvement Act of 2004)~~
~~34 C.F.R. Part 300~~

Cross References:

Adopted: March 26, 2013

~~MSBA/MASA Model Policy 509~~

~~Orig. 1995~~

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~~Rev. 2015-2016~~

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509 ENROLLMENT OF NONRESIDENT STUDENTS

I. PURPOSE

The school district desires to participate in the Enrollment Options Program established by Minn. Stat. § 124D.03. The purpose of this policy is to set forth the application and exclusion procedures used by the school district in making said determination.

II. GENERAL STATEMENT OF POLICY

A. Eligibility. Applications for enrollment under the Enrollment Options (Open Enrollment) Law will be approved provided that acceptance of the application will not exceed the capacity of a program, excluding special education services; class; grade level; or school building as established by school board resolution and provided that:

1. space is available for the applicant under enrollment cap standards established by school board policy or other directive; and
2. in considering the capacity of a grade level, the school district may only limit the enrollment of nonresident students to a number not less than the lesser of:
(a) one percent of the total enrollment at each grade level in the school district;
or (b) the number of school district resident students at that grade level enrolled in a nonresident school district in accordance with Minn. Stat. § 124D.03.
3. the applicant is not otherwise excluded by action of the school district because of previous conduct in another school district.

B. Standards that may be used for rejection of application. In addition to the provisions of Paragraph II.A., the school district may refuse to allow a pupil who is expelled under Minn. Stat. § 121A.45 to enroll during the term of the expulsion if the student was expelled for:

1. possessing a dangerous weapon, including a weapon, device, instruments, material, or substance, animate or inanimate, that is used for, or is readily

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- capable of, causing death or serious bodily injury, with the exception of a pocket knife with a blade less than two and one-half inches in length, at school or a school function;
 2. possessing or using an illegal drug at school or a school function;
 3. selling or soliciting the sale of a controlled substance while at school or a school function; or
 4. committing a third-degree assault involving assaulting another and inflicting substantial bodily harm.
- C. Standards that may not be used for rejection of application. The school district may not use the following standards in determining whether to accept or reject an application for open enrollment:
1. previous academic achievement of a student;
 2. athletic or extracurricular ability of a student;
 3. disabling conditions of a student;
 4. a student's proficiency in the English language;
 5. the student's district of residence except where the district of residence is directly included in an enrollment options strategy included in an approved achievement and integration program; or
 6. previous disciplinary proceedings involving the student. This shall not preclude the school district from proceeding with exclusion as set out in Section F. of this policy.
- D. Application. The student and parent or guardian must complete and submit a School District Enrollment Options Program application developed by the Minnesota Department of Education ~~(that enrollment form follows this policy)~~ and available on their website (education.mn.gov). Go to "Students and Families," then, under "School Choice," select "Open Enrollment." The form is entitled "General Statewide Enrollment Options Application for K-12 and Early Childhood Special Education."
- E. Lotteries. If a school district has more applications than available seats at a specific grade level, it must hold an impartial lottery following the January 15 deadline to determine which students will receive seats. Siblings of currently ~~enrolled students~~;
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~~applications related to an approved integration and achievement plan, and children of the school district's staff must receive priority in the lottery. The district must give priority to enrolling siblings of currently enrolled students, students whose applications are related to an approved integration and achievement plan, children of the school district's staff, and students residing in that part of the municipality (a statutory or home rule charter city or town) where:~~

- ~~1. the student's resident district does not operate a school building;~~
- ~~2. the municipality is located partially or fully within the boundaries of at least five school districts;~~
- ~~3. the nonresident district in which the student seeks to enroll operates one or more school buildings within the municipality; and~~
- ~~4. no other nonresident, independent, special, or common school district operates a school building within the municipality.~~

The process for the school district lottery must be established by school board policy and posted on the school district's website.

F. Exclusion

1. Administrator's initial determination. If a school district administrator knows or has reason to believe that an applicant has engaged in conduct that has subjected or could subject the applicant to expulsion or exclusion under law or school district policy, the administrator will transmit the application to the superintendent with a recommendation of whether exclusion proceedings should be initiated.
2. Superintendent's review. The superintendent may make further inquiries. If the superintendent determines that the applicant should be admitted, he or she will notify the applicant and the school board chair. If the superintendent determines that the applicant should be excluded, the superintendent will notify the applicant and determine whether the applicant wishes to continue the application process. Although an application may not be rejected based on previous disciplinary proceedings, the school district reserves the right to initiate exclusion procedures pursuant to the Minnesota Pupil Fair Dismissal Act as warranted on a case-by-case basis.

G. Termination of Enrollment

1. The school district may terminate the enrollment of a nonresident student enrolled under an enrollment options program pursuant to Minn. Stat. §

124D.03 or 124D.08 at the end of a school year if the student meets the definition of a habitual truant, the student has been provided appropriate services for truancy under Minn. Ch. 260A, and the student's case has been referred to juvenile court. A "habitual truant" is a child under 17 years of age who is absent from attendance at school without lawful excuse for seven school days in a school year if the child is in elementary school or for one or more class periods on seven school days in a school year if the child is in middle school, junior high school, or high school, or a child who is 17 years of age who is absent from attendance at school without lawful excuse for one or more class periods on seven school days in a school year and who has not lawfully withdrawn from school under Minn. Stat. § 120A.22, Subd. 8.

2. The school district may also terminate the enrollment of a nonresident student over 17 years of age if the student is absent without lawful excuse for one or more periods on 15 school days and has not lawfully withdrawn from school under Minn. Stat. § 120A.22, Subd. 8.
3. A student who has not applied for and been accepted for open enrollment pursuant to this policy and does not otherwise meet the residency requirements for enrollment may be terminated from enrollment and removed from school. Prior to removal from school, the school district will send to the student's parents a written notice of the school district's belief that the student is not a resident of the school district. The notice shall include the facts upon which the belief is based and notice to the parents of their opportunity to provide documentary evidence, in person or in writing, of residency to the superintendent or the superintendent's designee. The superintendent or the superintendent's designee will make the final determination as to the residency status of the student.

- H. Notwithstanding the requirement that an application must be approved by the board of the nonresident district, a student who has been enrolled in a district, who is identified as homeless, and whose parent or legal guardian moves to another district, or who is placed in foster care in another school district, may continue to enroll in the nonresident district without the approval of the board of the nonresident district. The approval of the board of the student's resident district is not required.

Legal References: ~~Minn. Stat. § 120A.22, Subd. 3(e) (Residency Determined)~~
~~Minn. Stat. § 120A.22, Subd. 8 (Withdrawal from School)~~
~~Minn. Stat. § 121A.40-121A.56 (The Pupil Fair Dismissal Act)~~
~~Minn. Stat. § 124D.03 (Enrollment Options Program)~~

~~Minn. Stat. § 124D.08 (School Board Approval to Enroll in Nonresident District)~~

~~Minn. Stat. § 124D.68 (High School Graduation Incentives Program) Minn. Ch. 260A (Truancy)~~

~~Minn. Stat. § 260C.007, Subd. 19 (Habitual Truant Defined) Minn. Op. Atty. Gen. 169-f (Aug. 13, 1986)~~

~~Indep. Sch. Dist. No. 623 v. Minn. Dept. of Educ., Co. No. A05-361, 2005~~

~~WL 3111963 (Minn. Ct. App. 2005) (unpublished)~~

Cross References: ~~MSBA/MASA Model Policy 506 (Student Discipline)~~

~~MSBA/MASA Model Policy 517 (Student Recruiting)~~

~~MSBA Service Manual, Chapter 5, Various Educational Programs~~

512 SCHOOL-SPONSORED STUDENT PUBLICATIONS AND ACTIVITIES

I. PURPOSE

The purpose of this policy is to protect students' rights to free speech in production of official school publications, paper or electronic, and activities while at the same time balancing the school district's role in supervising student publications and the operation of public schools.

II. GENERAL STATEMENT OF POLICY

- A. The school district may exercise editorial control over the style and content of student expression in school-sponsored publications and activities.
- B. Expressions and representations made by students in school-sponsored publications and activities are not expressions of official school district policy. Faculty advisors shall supervise student writers to ensure compliance with the law and school district policies.
- C. Students who believe their right to free expression has been unreasonably restricted in an official student publication or activity may seek review of the decision by the building principal. The principal shall issue a decision no later than three (3) school days after review is requested.
 - 1. Students producing official school publications and activities shall be under the supervision of a faculty advisor and the school principal. Official publications and activities shall be subject to the guidelines set forth below.
 - 2. Official school publications may be distributed at reasonable times and locations.

III. DEFINITIONS

- A. "Distribution" means circulation or dissemination of material by means of handing out free copies, selling or offering copies for sale, accepting donations for copies, posting or displaying material, ~~or~~ placing materials in internal staff or student mailboxes, or through electronic means.

- B. “Official school publications” means school newspapers, yearbooks, or material produced in communications, journalism, or other writing classes as a part of the curriculum.
- C. “Obscene to minors” means:
1. The average person, applying contemporary community standards, would find that the material, taken as a whole, appeals to the prurient interest of minors of the age to whom distribution is requested;
 2. The material depicts or describes, in a manner that is patently offensive to prevailing standards in the adult community concerning how such conduct should be presented to minors of the age to whom distribution is requested, sexual conduct such as intimate sexual acts (normal or perverted), masturbation, excretory functions, or lewd exhibition of the genitals; and
 3. The material, taken as a whole, lacks serious literary, artistic, political, or scientific value for minors.
- D. “Minor” means any person under the age of eighteen (18).
- E. “Material and substantial disruption” of a normal school activity means:
1. Where the normal school activity is an educational program of the school district for which student attendance is compulsory, “material and substantial disruption” is defined as any disruption which interferes with or impedes the implementation of that program.
 2. Where the normal school activity is voluntary in nature (including, without limitation, school athletic events, school plays and concerts, and lunch periods) “material and substantial disruption” is defined as student rioting, unlawful seizures of property, conduct inappropriate to the event, participation in a school boycott, demonstration, sit-in, stand-in, walk-out, or other related forms of activity.
 3. In order for expression to be considered disruptive, there must exist specific facts upon which the likelihood of disruption can be forecast, including past experience in the school, current events influencing student activities and behavior, and instances of actual or threatened disruption relating to the written material in question.
- F. “School activities” means any activity of students sponsored by the school including, but not limited to, classroom work, library activities, physical education classes, official assemblies and other similar gatherings, school athletic contests, band concerts, school plays and other theatrical productions, and in- school lunch periods.

- G. “Libelous” is a false and unprivileged statement about a specific individual that tends to harm the individual’s reputation or to lower that individual in the esteem of the community.

IV. GUIDELINES

- A. Expression in an official school publication or school-sponsored activity is prohibited when the material:
1. is obscene to minors;
 2. is libelous or slanderous;
 3. advertises or promotes any product or service not permitted for minors by law;
 4. encourages students to commit illegal acts or violate school regulations or substantially disrupts the orderly operation of school or school activities;
 5. expresses or advocates sexual, racial, or religious harassment or violence or prejudice;
 6. is distributed or displayed in violation of time, place, and manner regulations.
- B. Expression in an official school publication or school-sponsored activity is subject to editorial control by the school district over the style and content so long as the school district’s actions are reasonably related to legitimate pedagogical concerns. These may include, but are not limited to, the following:
1. assuring that participants learn whatever lessons the activity is designed to teach;
 2. assuring that readers or listeners are not exposed to material that may be inappropriate for their level of maturity;
 3. assuring that the views of the individual speaker are not erroneously attributed to the school;
 4. assuring that the school is not associated with any position other than neutrality on matters of political controversy;
 5. assuring that the sponsored student speech cannot reasonably be perceived to advocate conduct otherwise inconsistent with the shared values of a

civilized social order;

6. assuring that the school is not associated with expression that is, for example, ungrammatical, poorly written, inadequately researched, biased or prejudiced, vulgar or profane, or unsuitable for immature audiences.

C. Time, Place, and Manner of Distribution

Students shall be permitted to distribute written materials at school as follows:

1. Time

Distribution shall be limited to times as approved by the building administration.

2. Place

Written materials may be distributed in locations so as not to interfere with the normal flow of traffic within the school hallways, walkways, entry ways, and parking lots. Distribution shall not impede entrance to or exit from school premises in any way.

3. Manner

No one shall induce or coerce a student or staff member to accept a student publication.

Legal References: ~~U. S. Const., amend. I
Hazelwood School District v. Kuhlmeier, 484 U.S. 260, 108 S.Ct. 562, 98
L.Ed.2d 592 (1988)
Bostrom v. Fridley High School, I.S.D. No. 14, 822 F. 2d 747 (8th Cir. 1987)
Morse v. Frederick, 551 U.S. 393, 127 S.Ct. 2618, 168 L.Ed.2d 290 (2007)~~

Cross References: ~~MSBA/MASA Model Policy 505 (Distribution of Nonschool-Sponsored
Materials on School Premises by Students and Employees) MSBA/MASA Model
Policy 506 (Student Discipline)
MSBA/MASA Model Policy 904 (Distribution of Materials on School
District Property by Nonschool Persons)~~

513 STUDENT PROMOTION, RETENTION, AND PROGRAM DESIGN

I. PURPOSE

The purpose of this policy is to provide guidance to professional staff, parents and students regarding student promotion, retention and program design.

II. GENERAL STATEMENT OF POLICY

The school board expects all students to achieve at an acceptable level of proficiency. Parental involvement and responsive interventions and assessments shall be coordinated and utilized to the greatest extent possible to help students succeed in school.

A. Promotion

Students who achieve at levels deemed acceptable by local and state standards shall be promoted to the next grade level at the completion of each school year.

B. Retention

Retention of a student may be considered when professional staff and/or parents feel that it is in the best interest of the student. Physical development, maturity, and emotional factors shall be considered as well as scholastic achievement. The principal's decision shall be final.

C. Program Design

1. The superintendent, with participation of the professional staff and parents, shall develop and implement programs to challenge students that are consistent with the needs of students at every level. A process to assess and evaluate students for program assignment shall be developed in coordination with such programs. Opportunities for special programs and placement outside of the school district shall also be developed as additional options. All programs will be aligned with creating the world's best workforce.

2. The school district will adopt guidelines for assessing and identifying students for participation in gifted and talented programs. The guidelines should include the use of:
 - a. multiple objective criteria; and
 - b. assessments and procedures that are valid and reliable, fair, and based on current theory and research. Assessments and procedures should be sensitive to under-represented groups, including, but not limited to, low-income, minority, twice-exceptional, and English learners.
3. The school district will adopt procedures for the academic acceleration of gifted and talented students. These procedures will include how the school district will:
 - a. assess a student's readiness and motivation for acceleration;
 - b. match the level, complexity, and pace of the curriculum to a student to achieve the best type of academic acceleration for that student;
 - b. physical development, maturity, and emotional factors shall be considered as well as scholastic achievement.
4. The school district will adopt procedures which describe the comprehensive evaluation in cognitive, social, and emotional development domains to help determine a child's ability to meet kindergarten grade expectations and progress to first grade in the subsequent year for early admission to kindergarten or first grade of gifted and talented learners. **The comprehensive evaluation must use valid and reliable instrumentation, be aligned with state kindergarten expectations, and include a parental report and teacher observations of the child's knowledge, skills, and abilities.** The procedures must be sensitive to under-represented groups.

Legal References: ~~Minn. Stat. § 120B.15 (Gifted and Talented Program)~~
~~Minn. Stat. § 123B.143, Subd. 1 (Superintendents)~~

Cross References: ~~MSBA/MASA Model Policy 613 (Graduation Requirements)~~
~~MSBA/MASA Model Policy 614 (School District Testing Plan and Procedure)~~

~~MSBA/MASA Model Policy 615 (Testing Accommodations, Modifications, and Exemptions for IEPs, Section 504 Plans, and LEP Students)~~

~~MSBA/MASA Model Policy 617 (School District Insurance of Preparatory and High School Standards)~~

~~MSBA/MASA Model Policy 618 (Assessment of Student Achievement) MSBA/MASA Model
Policy 620 (Credit for Learning)~~

514 BULLYING PROHIBITION POLICY

I. PURPOSE

A safe and civil environment is needed for students to learn and attain high academic standards and to promote healthy human relationships. Bullying, like other violent or disruptive behavior, is conduct that interferes with a student's ability to learn and/or a teacher's ability to educate students in a safe environment. The school district cannot monitor the activities of students at all times and eliminate all incidents of bullying between students, particularly when students are not under the direct supervision of school personnel. However, to the extent such conduct affects the educational environment of the school district and the rights and welfare of its students and is within the control of the school district in its normal operations, the school district intends to prevent bullying and to take action to investigate, respond to, and to remediate and discipline for those acts of bullying which have not been successfully prevented. The purpose of this policy is to assist the school district in its goal of preventing and responding to acts of bullying, intimidation, violence, reprisal, retaliation, and other similar disruptive and detrimental behavior.

II. GENERAL STATEMENT OF POLICY

- A. An act of bullying, by either an individual student or a group of students, is expressly prohibited on school premises, on school district property, at school functions or activities, or on school transportation. This policy applies not only to students who directly engage in an act of bullying but also to students who, by their indirect behavior, condone or support another student's act of bullying. This policy also applies to any student whose conduct at any time or in any place constitutes bullying or other prohibited conduct that interferes with or obstructs the mission or operations of the school district or the safety or welfare of the student or other students, or materially and substantially interferes with a student's educational opportunities or performance or ability to participate in school functions or activities or receive school benefits, services, or privileges. This policy also applies to an act of cyberbullying regardless of whether such act is committed on or off school district property and/or with or without the use of school district resources.
- B. No teacher, administrator, volunteer, contractor, or other employee of the school district shall permit, condone, or tolerate bullying.

- C. Apparent permission or consent by a student being bullied does not lessen or negate the prohibitions contained in this policy.
- D. Retaliation against a victim, good faith reporter, or a witness of bullying is prohibited.
- E. False accusations or reports of bullying against another student are prohibited.
- F. A person who engages in an act of bullying, reprisal, retaliation, or false reporting of bullying or permits, condones, or tolerates bullying shall be subject to discipline or other remedial responses for that act in accordance with the school district's policies and procedures, including the school district's discipline policy (See MSBA/MASA Model Policy 506). The school district may take into account the following factors:
 - 1. The developmental ages and maturity levels of the parties involved;
 - 2. The levels of harm, surrounding circumstances, and nature of the behavior;
 - 3. Past incidences or past or continuing patterns of behavior;
 - 4. The relationship between the parties involved; and
 - 5. The context in which the alleged incidents occurred.

Consequences for students who commit prohibited acts of bullying may range from remedial responses or positive behavioral interventions up to and including suspension and/or expulsion. The school district shall employ research-based developmentally appropriate best practices that include preventative and remedial measures and effective discipline for deterring violations of this policy, apply throughout the school district, and foster student, parent, and community participation.

Consequences for employees who permit, condone, or tolerate bullying or engage in an act of reprisal or intentional false reporting of bullying may result in disciplinary action up to and including termination or discharge.

Consequences for other individuals engaging in prohibited acts of bullying may include, but not be limited to, exclusion from school district property and events.

- G. The school district will act to investigate all complaints of bullying reported to the school district and will discipline or take appropriate action against any student, teacher, administrator, volunteer, contractor, or other employee of the school district who is found to have violated this policy.

III. DEFINITIONS

For purposes of this policy, the definitions included in this section apply.

- A. “Bullying” means intimidating, threatening, abusive, or harming conduct that is objectively offensive and:
1. an actual or perceived imbalance of power exists between the student engaging in the prohibited conduct and the target of the prohibited conduct, and the conduct is repeated or forms a pattern; or
 2. materially and substantially interferes with a student’s educational opportunities or performance or ability to participate in school functions or activities or receive school benefits, services, or privileges.

The term, “bullying,” specifically includes cyberbullying as defined in this policy.

- B. “Cyberbullying” means bullying using technology or other electronic communication, including, but not limited to, a transfer of a sign, signal, writing, image, sound, or data, including a post on a social network Internet website or forum, transmitted through a computer, cell phone, or other electronic device. The term applies to prohibited conduct which occurs on school premises, on school district property, at school functions or activities, on school transportation, or on school computers, networks, forums, and mailing lists, or off school premises to the extent that it substantially and materially disrupts student learning or the school environment.
- C. “Immediately” means as soon as possible but in no event longer than 24 hours.
- D. “Intimidating, threatening, abusive, or harming conduct” means, but is not limited to, conduct that does the following:
1. Causes physical harm to a student or a student’s property or causes a student to be in reasonable fear of harm to person or property;
 2. Under Minnesota common law, violates a student’s reasonable expectation of privacy, defames a student, or constitutes intentional infliction of emotional distress against a student; or
 3. Is directed at any student or students, including those based on a person’s actual or perceived race, ethnicity, color, creed, religion, national origin, immigration status, sex, marital status, familial status, socioeconomic status, physical appearance, sexual orientation including gender identity and expression, academic status related to student performance, disability, or status with regard to public assistance, age, or any additional characteristic defined in the Minnesota Human Rights Act (MHRA).

However, prohibited conduct need not be based on any particular characteristic defined in this paragraph or the MHRA.

- E. “On school premises, on school district property, at school functions or activities, or on school transportation” means all school district buildings, school grounds, and school property or property immediately adjacent to school grounds, school bus stops, school buses, school vehicles, school contracted vehicles, or any other vehicles approved for school district purposes, the area of entrance or departure from school grounds, premises, or events, and all school-related functions, school-sponsored activities, events, or trips. School district property also may mean a student’s walking route to or from school for purposes of attending school or school-related functions, activities, or events. While prohibiting bullying at these locations and events, the school district does not represent that it will provide supervision or assume liability at these locations and events.
- F. “Prohibited conduct” means bullying or cyberbullying as defined in this policy or retaliation or reprisal for asserting, alleging, reporting, or providing information about such conduct or knowingly making a false report about bullying.
- G. “Remedial response” means a measure to stop and correct prohibited conduct, prevent prohibited conduct from recurring, and protect, support, and intervene on behalf of a student who is the target or victim of prohibited conduct.
- H. “Student” means a student enrolled in a public school or a charter school.

IV. REPORTING PROCEDURE

- A. Any person who believes he or she has been the target or victim of bullying or any person with knowledge or belief of conduct that may constitute bullying or prohibited conduct under this policy shall report the alleged acts immediately to an appropriate school district officials designated by this policy. A person may report bullying anonymously. However, the school district may not rely solely on an anonymous report to determine discipline or other remedial responses.
- B. The school district encourages the reporting party or complainant to use the report form available from the principal or building supervisor of each building or available in the school district office, but oral reports shall be considered complaints as well.
- C. The building principal, the principal’s designee, or the building supervisor (hereinafter the “building report taker”) is the person responsible for receiving reports of bullying or other prohibited conduct at the building level. Any person may report bullying or other prohibited conduct directly to a school district human rights officer or the superintendent. If the complaint involves the building report taker, the complaint shall be made or filed directly with the superintendent or the school district human rights officer by the reporting party or complainant.

The building report taker shall ensure that this policy and its procedures, practices, consequences, and sanctions are fairly and fully implemented and shall serve as the primary contact on policy and procedural matters. The building report taker or a third party designated by the school district shall be responsible for the investigation. The building report taker shall provide information about available community resources to the target or victim of the bullying or other prohibited conduct, the perpetrator, and other affected individuals as appropriate.

- D. A teacher, school administrator, volunteer, contractor, or other school employee shall be particularly alert to possible situations, circumstances, or events that might include bullying. Any such person who witnesses, observes, receives a report of, or has other knowledge or belief of conduct that may constitute bullying or other prohibited conduct shall make reasonable efforts to address and resolve the bullying or prohibited conduct and shall inform the building report taker immediately. School district personnel who fail to inform the building report taker of conduct that may constitute bullying or other prohibited conduct or who fail to make reasonable efforts to address and resolve the bullying or prohibited conduct in a timely manner may be subject to disciplinary action.
- E. Reports of bullying or other prohibited conduct are classified as private educational and/or personnel data and/or confidential investigative data and will not be disclosed except as permitted by law. The building report taker, in conjunction with the responsible authority, shall be responsible for keeping and regulating access to any report of bullying and the record of any resulting investigation.
- F. Submission of a good faith complaint or report of bullying or other prohibited conduct will not affect the complainant's or reporter's future employment, grades, work assignments, or educational or work environment.
- G. The school district will respect the privacy of the complainant(s), the individual(s) against whom the complaint is filed, and the witnesses as much as possible, consistent with the school district's obligation to investigate, take appropriate action, and comply with any legal disclosure obligations.

V. SCHOOL DISTRICT ACTION

- A. Within three days of the receipt of a complaint or report of bullying or other prohibited conduct, the school district shall undertake or authorize an investigation by the building report taker or a third party designated by the school district.
- B. The building report taker or other appropriate school district officials may take immediate steps, at their discretion, to protect the target or victim of the bullying or other prohibited conduct, the complainant, the reporter, and students or others,

pending completion of an investigation of the bullying or other prohibited conduct, consistent with applicable law.

- C. The alleged perpetrator of the bullying or other prohibited conduct shall be allowed the opportunity to present a defense during the investigation or prior to the imposition of discipline or other remedial responses.
- D. Upon completion of an investigation that determines that bullying or other prohibited conduct has occurred, the school district will take appropriate action. Such action may include, but is not limited to, warning, suspension, exclusion, expulsion, transfer, remediation, termination, or discharge. Disciplinary consequences will be sufficiently severe to try to deter violations and to appropriately discipline prohibited conduct. Remedial responses to the bullying or other prohibited conduct shall be tailored to the particular incident and nature of the conduct and shall take into account the factors specified in Section II.F. of this policy. School district action taken for violation of this policy will be consistent with the requirements of applicable collective bargaining agreements; applicable statutory authority, including the Minnesota Pupil Fair Dismissal Act; the student discipline policy (See MSBA/MASA Model Policy 506) and other applicable school district policies; and applicable regulations.
- E. The school district is not authorized to disclose to a victim private educational or personnel data regarding an alleged perpetrator who is a student or employee of the school district. School officials will notify the parent(s) or guardian(s) of students who are targets of bullying or other prohibited conduct and the parent(s) or guardian(s) of alleged perpetrators of bullying or other prohibited conduct who have been involved in a reported and confirmed bullying incident of the remedial or disciplinary action taken, to the extent permitted by law.
- F. In order to prevent or respond to bullying or other prohibited conduct committed by or directed against a child with a disability, the school district shall, when determined appropriate by the child's individualized education program (IEP) team or Section 504 team, allow the child's IEP or Section 504 plan to be drafted to address the skills and proficiencies the child needs as a result of the child's disability to allow the child to respond to or not to engage in bullying or other prohibited conduct.

VI. RETALIATION OR REPRISAL

The school district will discipline or take appropriate action against any student, teacher, administrator, volunteer, contractor, or other employee of the school district who commits an act of reprisal or who retaliates against any person who asserts, alleges, or makes a good faith report of alleged bullying or prohibited conduct, who provides information about bullying or prohibited conduct, who testifies, assists, or participates in an investigation of alleged bullying or prohibited conduct, or who testifies, assists, or participates in a proceeding or hearing relating to such bullying or prohibited conduct.

Retaliation includes, but is not limited to, any form of intimidation, reprisal, harassment, or intentional disparate treatment. Disciplinary consequences will be sufficiently severe to deter violations and to appropriately discipline the individual(s) who engaged in the prohibited conduct. Remedial responses to the prohibited conduct shall be tailored to the particular incident and nature of the conduct and shall take into account the factors specified in Section II.F. of this policy.

VII. TRAINING AND EDUCATION

- A. The school district shall discuss this policy with school personnel and volunteers and provide appropriate training to school district personnel regarding this policy. The school district shall establish a training cycle for school personnel to occur during a period not to exceed every three school years. Newly employed school personnel must receive the training within the first year of their employment with the school district. The school district or a school administrator may accelerate the training cycle or provide additional training based on a particular need or circumstance. This policy shall be included in employee handbooks, training materials, and publications on school rules, procedures, and standards of conduct, which materials shall also be used to publicize this policy.
- B. The school district shall require ongoing professional development, consistent with Minn. Stat. § 122A.60, to build the skills of all school personnel who regularly interact with students to identify, prevent, and appropriately address bullying and other prohibited conduct. Such professional development includes, but is not limited to, the following:
 - 1. Developmentally appropriate strategies both to prevent and to immediately and effectively intervene to stop prohibited conduct;
 - 2. The complex dynamics affecting a perpetrator, target, and witnesses to prohibited conduct;
 - 3. Research on prohibited conduct, including specific categories of students at risk for perpetrating or being the target or victim of bullying or other prohibited conduct in school;
 - 4. The incidence and nature of cyberbullying; and
 - 5. Internet safety and cyberbullying.
- C. The school district annually will provide education and information to students regarding bullying, including information regarding this school district policy prohibiting bullying, the harmful effects of bullying, and other applicable initiatives to prevent bullying and other prohibited conduct.

- D. The administration of the school district is directed to implement programs and other initiatives to prevent bullying, to respond to bullying in a manner that does not stigmatize the target or victim, and to make resources or referrals to resources available to targets or victims of bullying.
- E. The administration is encouraged to provide developmentally appropriate instruction and is directed to review programmatic instruction to determine if adjustments are necessary to help students identify and prevent or reduce bullying and other prohibited conduct, to value diversity in school and society, to develop and improve students' knowledge and skills for solving problems, managing conflict, engaging in civil discourse, and recognizing, responding to, and reporting bullying or other prohibited conduct, and to make effective prevention and intervention programs available to students.

The administration must establish strategies for creating a positive school climate and use evidence-based social-emotional learning to prevent and reduce discrimination and other improper conduct.

The administration is encouraged, to the extent practicable, to take such actions as it may deem appropriate to accomplish the following:

1. Engage all students in creating a safe and supportive school environment;
 2. Partner with parents and other community members to develop and implement prevention and intervention programs;
 3. Engage all students and adults in integrating education, intervention, and other remedial responses into the school environment;
 4. Train student bystanders to intervene in and report incidents of bullying and other prohibited conduct to the schools' primary contact person;
 5. Teach students to advocate for themselves and others;
 6. Prevent inappropriate referrals to special education of students who may engage in bullying or other prohibited conduct; and
 7. Foster student collaborations that, in turn, foster a safe and supportive school climate.
- F. The school district may implement violence prevention and character development education programs to prevent or reduce policy violations. Such programs may offer instruction on character education including, but not limited to, character qualities such as attentiveness, truthfulness, respect for authority, diligence, gratefulness, self-discipline, patience, forgiveness, respect for others, peacemaking, and resourcefulness.

- G. The school district shall inform affected students and their parents of rights they may have under state and federal data practices laws to obtain access to data related to an incident and their right to contest the accuracy or completeness of the data. The school district may accomplish this requirement by inclusion of all or applicable parts of its protection and privacy of pupil records policy (See MSBA/MASA Model Policy 515) in the student handbook.

VIII. NOTICE

- A. The school district will give annual notice of this policy to students, parents or guardians, and staff, and this policy shall appear in the student handbook.
- B. This policy or a summary thereof must be conspicuously posted in the administrative offices of the school district and the office of each school.
- C. This policy must be given to each school employee and independent contractor who regularly interacts with students at the time of initial employment with the school district.
- D. Notice of the rights and responsibilities of students and their parents under this policy must be included in the student discipline policy (See MSBA/MASA Model Policy 506) distributed to parents at the beginning of each school year.
- E. This policy shall be available to all parents and other school community members in an electronic format in the language appearing on the school district's or a school's website.
- F. The school district shall provide an electronic copy of its most recently amended policy to the Commissioner of Education.

IX. POLICY REVIEW

To the extent practicable, the school board shall, on a cycle consistent with other school district policies, review and revise this policy. The policy shall be made consistent with Minn. Stat. § 121A.031 and other applicable law. Revisions shall be made in consultation with students, parents, and community organizations.

~~Legal References:~~ ~~Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)~~
~~Minn. Stat. § 120A.05, Subds. 9, 11, 13, and 17 (Definition of Public School)~~
~~Minn. Stat. § 120B.232 (Character Development Education)~~
~~Minn. Stat. § 121A.03 (Sexual, Religious and Racial Harassment and Violence)~~
~~Minn. Stat. § 121A.031 (School Student Bullying Policy)~~
~~Minn. Stat. § 121A.0311 (Notice of Rights and Responsibilities of Students and Parents under the Safe and Supportive Minnesota Schools Act)~~
~~Minn. Stat. §§ 121A.40-121A.56 (Pupil Fair Dismissal Act)~~
~~Minn. Stat. § 121A.69 (Hazing Policy)~~

~~Minn. Stat. § 124D.10 Ch. 124E (Charter School)~~
~~Minn. Stat. Ch. 363A (Minnesota Human Rights Act)~~
~~20 U.S.C. § 1232g *et seq.* (Family Educational Rights and Privacy Act)~~
~~34 C.F.R. §§ 99.1–99.67 (Family Educational Rights and Privacy)~~

Cross References: ~~MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)~~
 ~~MSBA/MASA Model Policy 413 (Harassment and Violence)~~
~~MSBA/MASA Model Policy 414 (Mandated Reporting of Child Neglect or Physical or Sexual Abuse)~~
~~MSBA/MASA Model Policy 415 (Mandated Reporting of Maltreatment of Vulnerable Adults)~~
 ~~MSBA/MASA Model Policy 423 (Employee-Student Relationships)~~
 ~~MSBA/MASA Model Policy 501 (School Weapons Policy)~~
 ~~MSBA/MASA Model Policy 506 (Student Discipline)~~
 ~~MSBA/MASA Model Policy 507 (Corporal Punishment)~~
~~MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil Records)~~
 ~~MSBA/MASA Model Policy 521 (Student Disability Nondiscrimination)~~
 ~~MSBA/MASA Model Policy 522 (Student Sex Nondiscrimination)~~
~~MSBA/MASA Model Policy 524 (Internet Acceptable Use and Safety Policy)~~
 ~~MSBA/MASA Model Policy 525 (Violence Prevention)~~
 ~~MSBA/MASA Model Policy 526 (Hazing Prohibition)~~
~~MSBA/MASA Model Policy 529 (Staff Notification of Violent Behavior by Students)~~
 ~~MSBA/MASA Model Policy 709 (Student Transportation Safety Policy)~~
 ~~MSBA/MASA Model Policy 711 (Video Recording on School Buses)~~
~~MSBA/MASA Model Policy 712 (Video Surveillance Other Than on Buses)~~

Adopted: August 14, 2012

MSBA/MASA Model Policy 515

Orig. 1995

Revised: ~~August 12, 2014~~

Rev. 2013

~~Revised:~~ June 26, 2017

515 PROTECTION AND PRIVACY OF PUPIL RECORDS

I. PURPOSE

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

II. GENERAL STATEMENT OF POLICY

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

III. DEFINITIONS

A. Authorized Representative

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

B. Biometric Record

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

C. Dates of Attendance

“Dates of attendance,” as referred to in “Directory Information,” means the period of time during which a student attends or attended a school or schools in the school district, including attendance in person or by paper correspondence, satellite, internet or other

electronic communication technologies for students who are not in the classroom, and including the period during which a student is working under a work-study program. The term does not include specific daily records of a student's attendance at a school or schools in the school district.

D. Directory Information

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

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

E. Education Records

1. What constitutes "education records." Education records means those records which: (1) are directly related to a student; and (2) are maintained by the school district or by a party acting for the school district.
2. What does not constitute an education record. The term, "education records," does not include:
 - a. Records of instructional personnel which:
 - (1) are in the sole possession of the maker of the record; and

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

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

- d. Records relating to an eligible student, or a student attending an institution of post-secondary education, which are:
 - (1) made or maintained by a physician, psychiatrist, psychologist, or other recognized professional or paraprofessional acting in his or her professional or paraprofessional capacity or assisting in that capacity;
 - (2) made, maintained, or used only in connection with the provision of treatment to the student; and
 - (3) disclosed only to individuals providing the treatment; provided that the records can be personally reviewed by a physician or other appropriate professional of the student's choice. For the purpose of this definition, "treatment" does not include remedial educational activities or activities that are a part of the program of instruction within the school district.

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

F. Eligible Student

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

G. Juvenile Justice System

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

H. Legitimate Educational Interest

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

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

I. Parent

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

J. Personally Identifiable

"Personally identifiable" means that the data or information includes, but is not limited to: (a) a student's name; (b) the name of the student's parent or other family member; (c) the address of the student or student's family; (d) a personal identifier such as the student's social security number or student number or biometric record; (e) other direct identifiers, such as the student's date of birth, place of birth, and mother's maiden name; (f) other information that, alone or in combination, is linked or linkable to a specific student that would allow a reasonable person in the school community, who does not

have personal knowledge of the relevant circumstances, to identify the student with reasonable certainty; or (g) information requested by a person who the school district reasonably believes knows the identity of the student to whom the education record relates.

K. Record

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

L. Responsible Authority

“Responsible authority” means Superintendent. ~~Curt L. Tryggstad.~~

M. Student

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

N. School Official

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

O. Summary Data

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

P. Other Terms and Phrases

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

IV. GENERAL CLASSIFICATION

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

V. STATEMENT OF RIGHTS

A. Rights of Parents and Eligible Students

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

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

B. Eligible Students

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

C. Disabled Students

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

VI. DISCLOSURE OF EDUCATION RECORDS

A. Consent Required for Disclosure

1. The school district shall obtain a signed and dated written informed consent of the parent of a student or the eligible student before disclosing personally identifiable information from the education records of the student, except as provided herein.
2. The written consent required by this subdivision must be signed and dated by the parent of the student or the eligible student giving the consent and shall include:
 - a. a specification of the records to be disclosed;
 - b. the purpose or purposes of the disclosure;
 - c. the party or class of parties to whom the disclosure may be made;
 - d. the consequences of giving informed consent; and
 - e. if appropriate, a termination date for the consent.
3. When a disclosure is made under this subdivision:
 - a. if the parent or eligible student so requests, the school district shall provide him or her with a copy of the records disclosed; and
 - b. if the parent of a student who is not an eligible student so requests, the school district shall provide the student with a copy of the records disclosed.
4. A signed and dated written consent may include a record and signature in electronic form that:
 - a. identifies and authenticates a particular person as the source of the electronic consent; and
 - b. indicates such person's approval of the information contained in the electronic consent.
5. If the responsible authority seeks an individual's informed consent to the release of private data to an insurer or the authorized representative of an insurer,

informed consent shall not be deemed to have been given unless the statement is:

- a. in plain language;
- b. dated;
- c. specific in designating the particular persons or agencies the data subject is authorizing to disclose information about the data subject;
- d. specific as to the nature of the information the subject is authorizing to be disclosed;
- e. specific as to the persons or agencies to whom the subject is authorizing information to be disclosed;
- f. specific as to the purpose or purposes for which the information may be used by any of the parties named in Clause e. above, both at the time of the disclosure and at any time in the future; and
- g. specific as to its expiration date which should be within a reasonable time, not to exceed one year except in the case of authorizations given in connection with applications for: (i) life insurance or noncancellable or guaranteed renewable health insurance and identified as such, two years after the date of the policy, or (ii) medical assistance under Minn. Stat. Ch. 256B or Minnesota Care under Minn. Stat. Ch. 256L, which shall be ongoing during all terms of eligibility, for individualized education program health-related services provided by a school district that are subject to third party reimbursement.

6. Eligible Student Consent

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

B. Prior Consent for Disclosure Not Required

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

1. To other school officials, including teachers, within the school district whom the school district determines have a legitimate educational interest in such records;
2. To a contractor, consultant, volunteer, or other party to whom the school district has outsourced institutional services or functions provided that the outside party:

- a. performs an institutional service or function for which the school district would otherwise use employees;
 - b. is under the direct control of the school district with respect to the use and maintenance of education records; and
 - c. will not disclose the information to any other party without the prior consent of the parent or eligible student and uses the information only for the purposes for which the disclosure was made.
- 3. To officials of other schools, school districts, or post-secondary educational institutions in which the student seeks or intends to enroll, or is already enrolled, as long as the disclosure is for purposes related to the student's enrollment or transfer. The records shall include information about disciplinary action taken as a result of any incident in which the student possessed or used a dangerous weapon, and with proper annual notice (see Section XIX.), suspension and expulsion information. The records also shall include a copy of any probable cause notice or any disposition or court order under Minn. Stat. § 260B.171, unless the data are required to be destroyed under Minn. Stat. § 120A.22, Subd. 7(c) or § 121A.75. On request, the school district will provide the parent or eligible student with a copy of the education records which have been transferred and provide an opportunity for a hearing to challenge the content of those records in accordance with Section XV. of this policy;
- 4. To authorized representatives of the Comptroller General of the United States, the Attorney General of the United States, the Secretary of the U.S. Department of Education, or the Commissioner of the State Department of Education or his or her representative, subject to the conditions relative to such disclosure provided under federal law;
- 5. In connection with financial aid for which a student has applied or has received, if the information is necessary for such purposes as to:
 - a. determine eligibility for the aid;
 - b. determine the amount of the aid;
 - c. determine conditions for the aid; or
 - d. enforce the terms and conditions of the aid.

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

6. To state and local officials or authorities to whom such information is specifically allowed to be reported or disclosed pursuant to state statute adopted:
 - a. before November 19, 1974, if the allowed reporting or disclosure concerns the juvenile justice system and such system's ability to effectively serve the student whose records are released; or
 - b. after November 19, 1974, if the reporting or disclosure allowed by state statute concerns the juvenile justice system and the system's ability to effectively serve, prior to adjudication, the student whose records are released, provided the officials and authorities to whom the records are disclosed certify in writing to the school district that the data will not be disclosed to any other party, except as provided by state law, without the prior written consent of the parent of the student. At a minimum, the school district shall disclose the following information to the juvenile justice system under this paragraph: a student's full name, home address, telephone number, and date of birth; a student's school schedule, attendance record, and photographs, if any; and parents' names, home addresses, and telephone numbers.
7. To organizations conducting studies for or on behalf of educational agencies or institutions for the purpose of developing, validating, or administering predictive tests, administering student aid programs, or improving instruction; provided that the studies are conducted in a manner which does not permit the personal identification of parents or students by individuals other than representatives of the organization who have a legitimate interest in the information, the information is destroyed when no longer needed for the purposes for which the study was conducted, and the school district enters into a written agreement with the organization that: (a) specifies the purpose, scope, and duration of the study or studies and the information to be disclosed; (b) requires the organization to use personally identifiable information from education records only to meet the purpose or purposes of the study as stated in the written agreement; (c) requires the organization to conduct the study in a manner that does not permit personal identification of parents and students by anyone other than representatives of the organization with legitimate interests; and (d) requires the organization to destroy all personally identifiable information when information is no longer needed for the purposes for which the study was conducted and specifies the time period in which the information must be destroyed. For purposes of this provision, the term, "organizations," includes, but is not limited to, federal, state, and local agencies and independent organizations. In the event the Department of Education determines that a third party outside of the school district to whom information is disclosed violates this provision, the school district may not allow that third party access to personally identifiable information from education records for at least five (5) years;
8. To accrediting organizations in order to carry out their accrediting functions;
9. To parents of a student eighteen (18) years of age or older if the student is a dependent of the parents for income tax purposes;

10. To comply with a judicial order or lawfully issued subpoena, provided, however, that the school district makes a reasonable effort to notify the parent or eligible student of the order or subpoena in advance of compliance therewith so that the parent or eligible student may seek protective action, unless the disclosure is in compliance with a federal grand jury subpoena, or any other subpoena issued for law enforcement purposes, and the court or other issuing agency has ordered that the existence or the contents of the subpoena or the information furnished in response to the subpoena not be disclosed, or the disclosure is in compliance with an ex parte court order obtained by the United States Attorney General (or designee not lower than an Assistant Attorney General) concerning investigations or prosecutions of an offense listed in 18 U.S.C. § 2332b(g)(5)(B) an act of domestic or international terrorism as defined in 18 U.S.C. § 2331, or a parent is a party to a court proceeding involving child abuse and neglect or dependency matters, and the order is issued in the context of the proceeding. If the school district initiates legal action against a parent or student, it may disclose to the court, without a court order or subpoena, the education records of the student that are relevant for the school district to proceed with the legal action as plaintiff. Also, if a parent or eligible student initiates a legal action against the school district, the school district may disclose to the court, without a court order or subpoena, the student's education records that are relevant for the school district to defend itself;
11. To appropriate parties, including parents of an eligible student, in connection with an emergency if knowledge of the information is necessary to protect the health, including the mental health, or safety of the student or other individuals. The decision is to be based upon information available at the time the threat occurs that indicates that there is an articulable and significant threat to the health or safety of a student or other individuals. In making a determination whether to disclose information under this section, the school district may take into account the totality of the circumstances pertaining to a threat and may disclose information from education records to any person whose knowledge of the information is necessary to protect the health or safety of the student or other students. A record of this disclosure must be maintained pursuant to Section XIII.E. of this policy. In addition, an educational agency or institution may include in the education records of a student appropriate information concerning disciplinary action taken against the student for conduct that posed a significant risk to the safety or well-being of that student, other students, or other members of the school community. This information may be disclosed to teachers and school officials within the school district and/or teachers and school officials in other schools who have legitimate educational interests in the behavior of the student;
12. To the juvenile justice system if information about the behavior of a student who poses a risk of harm is reasonably necessary to protect the health or safety of the student or other individuals;
13. Information the school district has designated as "directory information" pursuant to Section VII. of this policy;

14. To military recruiting officers and post-secondary educational institutions pursuant to Section XI. of this policy;
15. To the parent of a student who is not an eligible student or to the student himself or herself;
16. To appropriate health authorities to the extent necessary to administer immunization programs and for bona fide epidemiologic investigations which the commissioner of health determines are necessary to prevent disease or disability to individuals in the public educational agency or institution in which the investigation is being conducted;
17. To volunteers who are determined to have a legitimate educational interest in the data and who are conducting activities and events sponsored by or endorsed by the educational agency or institution for students or former students;
18. To the juvenile justice system, on written request that certifies that the information will not be disclosed to any other person except as authorized by law without the written consent of the parent of the student:
 - a. the following information about a student must be disclosed: a student's full name, home address, telephone number, date of birth; a student's school schedule, daily attendance record, and photographs, if any; and any parents' names, home addresses, and telephone numbers;
 - b. the existence of the following information about a student, not the actual data or other information contained in the student's education record, may be disclosed provided that a request for access must be submitted on the statutory form and it must contain an explanation of why access to the information is necessary to serve the student: (1) use of a controlled substance, alcohol, or tobacco; (2) assaultive or threatening conduct that could result in dismissal from school under the Pupil Fair Dismissal Act; (3) possession or use of weapons or look-alike weapons; (4) theft; or (5) vandalism or other damage to property. Prior to releasing this information, the principal or chief administrative officer of a school who receives such a request must, to the extent permitted by federal law, notify the student's parent or guardian by certified mail of the request to disclose information. If the student's parent or guardian notifies the school official of an objection to the disclosure within ten (10) days of receiving certified notice, the school official must not disclose the information and instead must inform the requesting member of the juvenile justice system of the objection. If no objection from the parent or guardian is received within fourteen (14) days, the school official must respond to the request for information.

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

19. To the principal where the student attends and to any counselor directly supervising or reporting on the behavior or progress of the student if it is information from a disposition order received by a superintendent under Minn. Stat. § 260B.171, Subd. 3. The principal must notify the counselor immediately and must place the disposition order in the student's permanent education record. The principal also must notify immediately any teacher or administrator who directly supervises or reports on the behavior or progress of the student whom the principal believes needs the information to work with the student in an appropriate manner, to avoid being needlessly vulnerable, or to protect other persons from needless vulnerability. The principal may also notify other school district employees, substitutes, and volunteers who are in direct contact with the student if the principal determines that these individual need the information to work with the student in an appropriate manner, to avoid being needlessly vulnerable, or to protect other persons from needless vulnerability. Such notices from the principal must identify the student, outline the offense, and describe any conditions of probation about which the school must provide information if this information is provided in the disposition order. Disposition order information received is private educational data received for the limited purpose of serving the educational needs of the student and protecting students and staff. The information may not be further disseminated by the counselor, teacher, administrator, staff member, substitute, or volunteer except as necessary to serve the student, to protect students and staff, or as otherwise required by law, and only to the student or the student's parent or guardian;
20. To the principal where the student attends if it is information from a peace officer's record of children received by a superintendent under Minn. Stat. § 260B.171, Subd. 5. The principal must place the information in the student's education record. The principal also must notify immediately any teacher, counselor, or administrator directly supervising the student whom the principal believes needs the information to work with the student in an appropriate manner, to avoid being needlessly vulnerable, or to protect other persons from needless vulnerability. The principal may also notify other district employees, substitutes, and volunteers who are in direct contact with the student if the principal determines that these individuals need the information to work with the student in an appropriate manner, to avoid being needlessly vulnerable, or to protect other persons from needless vulnerability. Such notices from the principal must identify the student and describe the alleged offense if this information is provided in the peace officer's notice. Peace officer's record information received is private educational data received for the limited purpose of serving the educational needs of the student and protecting students and staff. The information must not be further disseminated by the counselor, teacher administrator, staff member, substitute, or volunteer except to communicate with the student or the student's parent or guardian as necessary to serve the student, to protect students and staff, or as otherwise required by law.

The principal must delete the peace officer's record from the student's education record, destroy the data, and make reasonable efforts to notify any teacher, counselor, staff member, administrator, substitute, or volunteer who received information from the peace officer's record if the county attorney determines not

to proceed with a petition or directs the student into a diversion or mediation program or if a juvenile court makes a decision on a petition and the county attorney or juvenile court notifies the superintendent of such action; or

21. To the Secretary of Agriculture, or authorized representative from the Food and Nutrition Service or contractors acting on behalf of the Food and Nutrition Service, for the purposes of conducting program monitoring, evaluations, and performance measurements of state and local educational and other agencies and institutions receiving funding or providing benefits of one or more programs authorized under the National School Lunch Act or the Child Nutrition Act of 1966 for which the results will be reported in an aggregate form that does not identify any individual, on the conditions that: (a) any data collected shall be protected in a manner that will not permit the personal identification of students and their parents by other than the authorized representatives of the Secretary; and (b) any personally identifiable data shall be destroyed when the data are no longer needed for program monitoring, evaluations, and performance measurements.
22. To an agency caseworker or other representative of a State or local child welfare agency, or tribal organization (as defined in section ~~450b of Title 25~~ **25 U.S.C. § 5304**), who has the right to access a student's case plan, as defined and determined by the State or tribal organization, when such agency or organization is legally responsible, in accordance with State or tribal law, for the care and protection of the student, provided that the education records, or the personally identifiable information contained in such records, of the student will not be disclosed by such agency or organization, except to an individual or entity engaged in addressing the student's education needs and authorized by such agency or organization to receive such disclosure and such disclosure is consistent with the State or tribal laws applicable to protecting the confidentiality of a student's education records.

C. Nonpublic School Students

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

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

VII. RELEASE OF DIRECTORY INFORMATION

A. Classification

Directory information is public except as provided herein.

B. Former Students

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

C. Present Students and Parents

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

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

to disclose the student's name, identifier, or school district e-mail address in a class in which the student is enrolled; or

- b. prevent the school district from requiring a student to wear, to display publicly, or to disclose a student ID card or badge that exhibits information that may be designated as directory information and that has been properly designated by the school district as directory information.

- 4. The school district shall not disclose or confirm directory information without meeting the written consent requirements contained in Section VI.A. of this policy if a student's social security number or other non-directory information is used alone or in combination with other data elements to identify or help identify the student or the student's records.

D. Procedure for Obtaining Nondisclosure of Directory Information

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

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

E. Duration

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

VIII. DISCLOSURE OF PRIVATE RECORDS

A. Private Records

For the purposes herein, education records are records which are classified as private data on individuals by state law and which are accessible only to the student who is the subject of the data and the student's parent if the student is not an eligible student. The school district may not disclose private records or their contents except as summary data, or except as provided in Section VI. of this policy, without the prior written consent of the parent or the eligible student. The school district will use reasonable methods to identify and authenticate the identity of parents, students, school officials,

and any other party to whom personally identifiable information from education records is disclosed.

B. Private Records Not Accessible to Parent

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

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

C. Private Records Not Accessible to Student

Students shall not be entitled to access to private data concerning financial records and statements of the student's parent or any information contained therein.

IX. DISCLOSURE OF CONFIDENTIAL RECORDS

A. Confidential Records

Confidential records are those records and data contained therein which are made not

public by state or federal law, and which are inaccessible to the student and the student's parents or to an eligible student.

B. Reports Under the Maltreatment of Minors Reporting Act

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

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

C. Investigative Data

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

1. The school district may make any data classified as protected non-public or confidential pursuant to this subdivision accessible to any person, agency, or the public if the school district determines that such access will aid the law enforcement process, promote public health or safety, or dispel widespread rumor or unrest.
2. A complainant has access to a statement he or she provided to the school district.
3. Parents or eligible students may have access to investigative data of which the student is the subject, but only to the extent the data is not inextricably intertwined with data about other school district students, school district employees, and/or attorney data as defined in Minn. Stat. § 13.393.
4. Once a civil investigation becomes inactive, civil investigative data becomes public unless the release of the data would jeopardize another pending civil legal action, except for those portions of such data that are classified as not public data under state or federal law. Any civil investigative data presented as evidence in court or made part of a court record shall be public. For purposes of this provision, a civil investigation becomes inactive upon the occurrence of any of the following events:

- a. a decision by the school district, or by the chief attorney for the school district, not to pursue the civil legal action. However, such investigation may subsequently become active if the school district or its attorney decides to renew the civil legal action;
 - b. the expiration of the time to file a complaint under the statute of limitations or agreement applicable to the civil legal action; or
 - c. the exhaustion or expiration of rights of appeal by either party to the civil legal action.
5. A “pending civil legal action” for purposes of this subdivision is defined as including, but not limited to, judicial, administrative, or arbitration proceedings.

D. Chemical Abuse Records

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

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

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

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

- A. The school district will release the names, addresses, and home telephone numbers of students in grades 11 and 12 to military recruiting officers and post-secondary educational institutions within sixty (60) days after the date of the request unless a parent or eligible student has refused in writing to release this data pursuant to Paragraph C. below.
- B. Data released to military recruiting officers under this provision:
 - 1. may be used only for the purpose of providing information to students about military service, state and federal veterans’ education benefits, and other career and educational opportunities provided by the military; and
 - 2. cannot be further disseminated to any other person except personnel of the recruiting services of the armed forces.

- C. A parent or eligible student has the right to refuse the release of the name, address, or home telephone number to military recruiting officers and post-secondary educational institutions. To refuse the release of the above information to military recruiting officers and post-secondary educational institutions, a parent or eligible student must notify the building principal in writing by October 1 of each year. The written request must include the following information:
1. Name of student and parent, as appropriate;
 2. Home address;
 3. Student's grade level;
 4. School presently attended by student;
 5. Parent's legal relationship to student, if applicable;
 6. Specific category or categories of information which are not to be released to military recruiting officers and post-secondary educational institutions; and
 7. Specific category or categories of information which are not to be released to the public, including military recruiting officers and post-secondary educational institutions.
- D. Annually, the school district will provide public notice by any means that are reasonably likely to inform the parents and eligible students of their rights to refuse to release the names, addresses, and home phone numbers of students in grades 11 and 12 without prior consent.
- E. A parent or eligible student's refusal to release the above information to military recruiting officers and post-secondary educational institutions does not affect the school district's release of directory information to the rest of the public, which includes military recruiting officers and post-secondary educational institutions. In order to make any directory information about a student private, the procedures contained in Section VII. of this policy also must be followed. Accordingly, to the extent the school district has designated the name, address, phone number, and grade level of students as directory information, absent a request from a parent or eligible student not to release such data, this information will be public data and accessible to members of the public, including military recruiting officers and post-secondary educational institutions.

XII. LIMITS ON REDISCLOSURE

A. Redisclosure

Consistent with the requirements herein, the school district may only disclose personally identifiable information from the education records of a student on the condition that the party to whom the information is to be disclosed will not disclose the information to any other party without the prior written consent of the parent of the student or the eligible

student, except that the officers, employees, and agents of any party receiving personally identifiable information under this section may use the information, but only for the purposes for which the disclosure was made.

B. Redisclosure Not Prohibited

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

C. Classification of Disclosed Data

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

D. Notification

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

XIII. RESPONSIBLE AUTHORITY; RECORD SECURITY; AND RECORD KEEPING

A. Responsible Authority

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

B. Record Security

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

C. Plan for Securing Student Records

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

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

D. Review of Written Plan for Securing Student Records

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

E. Record Keeping

1. The principal shall, for each request for and each disclosure of personally identifiable information from the education records of a student, maintain a record with the education records of the student which indicates:
 - a. the parties who have requested or received personally identifiable information from the education records of the student;
 - b. the legitimate interests these parties had in requesting or obtaining the information; and

- c. the names of the state and local educational authorities and federal officials and agencies listed in Section VI.B.4. of this policy that may make further disclosures of personally identifiable information from the student's education records without consent.
- 2. In the event the school district discloses personally identifiable information from an education record of a student pursuant to Section XII.B. of this policy, the record of disclosure required under this section shall also include:
 - a. the names of the additional parties to which the receiving party may disclose the information on behalf of the school district;
 - b. the legitimate interests under Section VI. of this policy which each of the additional parties has in requesting or obtaining the information; and
 - c. a copy of the record of further disclosures maintained by a state or local educational authority or federal official or agency listed in Section VI.B.4. of this policy in accordance with 34 C.F.R. § 99.32 and to whom the school district disclosed information from an education record. The school district shall request a copy of the record of further disclosures from a state or local educational authority or federal official or agency to whom education records were disclosed upon a request from a parent or eligible student to review the record of requests for disclosure.
- 3. Section XIII.E.1. does not apply to requests by or disclosure to a parent of a student or an eligible student, disclosures pursuant to the written consent of a parent of a student or an eligible student, requests by or disclosures to other school officials under Section VI.B.1. of this policy, to requests for disclosures of directory information under Section VII. of this policy, or to a party seeking or receiving the records as directed by a federal grand jury or other law enforcement subpoena and the issuing court or agency has ordered that the existence or the contents of the subpoena or the information provided in response to the subpoena not be disclosed or as directed by an ex parte court order obtained by the United States Attorney General (or designee not lower than an Assistant Attorney General) concerning investigations or prosecutions of an offense listed in 18. U.S.C. § 2332b(g)(5)(B) or an act of domestic or international terrorism.
- 4. The record of requests of disclosures may be inspected by:
 - a. the parent of the student or the eligible student;
 - b. the school official or his or her assistants who are responsible for the custody of the records; and
 - c. the parties authorized by law to audit the record-keeping procedures of the school district.
- 5. The school district shall record the following information when it discloses

personally identifiable information from education records under the health or safety emergency exception:

- a. the articulable and significant threat to the health or safety of a student or other individual that formed the basis for the disclosure; and
 - b. the parties to whom the school district disclosed the information.
6. The record of requests and disclosures shall be maintained with the education records of the student as long as the school district maintains the student's education records.

XIV. RIGHT TO INSPECT AND REVIEW EDUCATION RECORDS

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

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

B. Response to Request for Access

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

C. Right to Inspect and Review

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

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

D. Form of Request

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

E. Collection of Student Records

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

F. Records Containing Information on More Than One Student

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

G. Authority to Inspect or Review

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

H. Fees for Copies of Records

1. The school district shall charge a reasonable fee for providing photocopies or printed copies of records unless printing a copy is the only method to provide for the inspection of data. In determining the amount of the reasonable fee, the school district shall consider the following:
 - a. the cost of materials, including paper, used to provide the copies;
 - b. the cost of the labor required to prepare the copies;
 - c. any schedule of standard copying charges established by the school district in its normal course of operations;
 - d. any special costs necessary to produce such copies from machine based record-keeping systems, including but not limited to computers and microfilm systems; and
 - e. mailing costs.
2. If 100 or fewer pages of black and white, letter or legal size paper copies are

requested, actual costs shall not be used, and, instead, the charge shall be no more than 25 cents for each page copied.

3. The cost of providing copies shall be borne by the parent or eligible student.
4. The responsible authority, however, may not impose a fee for a copy of an education record made for a parent or eligible student if doing so would effectively prevent or, in the case of a student with a disability, impair the parent or eligible student from exercising their right to inspect or review the student's education records.

XV. REQUEST TO AMEND RECORDS; PROCEDURES TO CHALLENGE DATA

A. Request to Amend Education Records

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

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

B. Right to a Hearing

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

1. If, as a result of the hearing, the school district decides that the information is inaccurate, misleading, or otherwise in violation of the privacy or other rights of the student, it shall amend the education records of the student accordingly and so inform the parent of the student or the eligible student in writing.
2. If, as a result of the hearing, the school district decides that the information is not

inaccurate, misleading, or otherwise in violation of the privacy or other rights of the student, it shall inform the parent or eligible student of the right to place a statement in the record commenting on the contested information in the record or stating why he or she disagrees with the decision of the school district, or both.

3. Any statement placed in the education records of the student under Subdivision B., of this section shall:
 - a. be maintained by the school district as part of the education records of the student so long as the record or contested portion thereof is maintained by the school district; and
 - b. if the education records of the student or the contested portion thereof is disclosed by the school district to any party, the explanation shall also be disclosed to that party.

C. Conduct of Hearing

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

D. Appeal

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

XVI. PROBLEMS ACCESSING DATA

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

XVII. COMPLAINTS FOR NONCOMPLIANCE WITH FERPA

A. Where to File Complaints

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

B. Content of Complaint

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

XVIII. WAIVER

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

XIX. ANNUAL NOTIFICATION OF RIGHTS

A. Contents of Notice

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

1. That the parent or eligible student has a right to inspect and review the student's education records and the procedure for inspecting and reviewing education records;
2. That the parent or eligible student has a right to seek amendment of the student's education records to ensure that those records are not inaccurate, misleading, or otherwise in violation of the student's privacy or other rights and the procedure

for requesting amendment of records;

3. That the parent or eligible student has a right to consent to disclosures of personally identifiable information contained in the student's education records, except to the extent that federal and state law and the regulations promulgated thereunder authorize disclosure without consent;
4. That the parent or eligible student has a right to file a complaint with the U.S. Department of Education regarding an alleged failure by the school district to comply with the requirements of FERPA and the rules promulgated thereunder;
5. The criteria for determining who constitutes a school official and what constitutes a legitimate educational interest for purposes of disclosing education records to other school officials whom the school district has determined to have legitimate educational interests; and
6. That the school district forwards education records on request to a school in which a student seeks or intends to enroll or is already enrolled as long as the disclosure is for purposes related to the student's enrollment or transfer and that such records may include suspension and expulsion records pursuant to the federal Every Student Succeeds Act and, if applicable, a student's history of violent behavior.

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

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

C. Notification to Parents or Eligible Students Who are Disabled

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

XX. DESTRUCTION AND RETENTION OF RECORDS

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

XXI. COPIES OF POLICY

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

~~**Legal References:** Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)~~
~~Minn. Stat. Ch. 14 (Administrative Procedures Act)~~
~~Minn. Stat. § 120A.22 (Compulsory Instruction)~~
~~Minn. Stat. § 121A.40-121A.56 (The Pupil Fair Dismissal Act)~~
~~Minn. Stat. § 121A.75 (Sharing Disposition Order and Peace Officer Records)~~

~~Minn. Stat. § 127A.852 (Military-Connected Youth Identifier)~~
~~Minn. Stat. § 144.341-144.347 (Consent of Minors for Health Services)~~
~~Minn. Stat. § 260B.171, Subds. 3 and 5 (Disposition Order and Peace Officer Records of Children)~~
~~Minn. Stat. § 363A.42 (Public Records; Accessibility)~~
~~Minn. Stat. § 626.556 (Reporting of Maltreatment of Minors)~~
~~Minn. Rules Parts 1205.0100-1205.2000 (Data Practices)~~
~~10 U.S.C. § 503(b) and (c) (Enlistments; Recruiting Campaigns; Compilation of Directory Information)~~
~~18 U.S.C. § 2331 (Definitions)~~
~~18 U.S.C. § 2332b (Acts of Terrorism Transcending National Boundaries)~~
~~20 U.S.C. § 1232g *et seq.* (Family Educational Rights and Privacy Act)~~
~~20 U.S.C. § 6301 *et seq.* (Every Student Succeeds Act)~~
~~20 U.S.C. § 7908 (Armed Forces Recruiting Information)~~
~~26 U.S.C. §§ 151 and 152 (Internal Revenue Code)~~
~~34 C.F.R. §§ 99.1-99.67 (Family Educational Rights and Privacy)~~
~~34 C.F.R. § 300.610-300.627 (Confidentiality of Information)~~
~~42 C.F.R. § 2.1 *et seq.* (Confidentiality of Drug Abuse Patient Records)~~
~~*Gonzaga University v. Doe*, 536 U.S. 273, 122 S.Ct. 2268, 153 L.Ed. 2d 309 (2002)~~

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

PUBLIC NOTICE

Independent School District No. 272 gives notice to parents of students currently in attendance in the District, and eligible students currently in attendance in the District, of their rights regarding pupil records.

1. Parents and eligible students are hereby informed that they have the following rights:
 - a. That a parent or eligible student has a right to inspect and review the student's education records. A parent or eligible student should submit to the school district a written request to inspect education records which identify as precisely as possible the record or records he or she wishes to inspect. The parent or eligible student will be notified of the time and place where the records may be inspected;
 - b. That the parent or eligible student has a right to seek amendment of the student's education records to ensure that those records are not inaccurate, misleading, or otherwise in violation of the student's privacy or other rights. A parent or eligible student may ask the school district to amend a record that they believe is inaccurate or misleading. The request shall be in writing, identify the item the parent or eligible student believes to be inaccurate, misleading or in violation of the privacy or other rights of the student, shall state the reason for this belief, and shall specify the correction the parent or eligible student wishes the school district to make. The request shall be signed by the parent or eligible student. If the school district decides not to amend the record as requested by the parent or eligible student, the school district will notify the parent or eligible student of the decision and advise him or her of the right to a hearing regarding the request for amendment. Additional information regarding the hearing procedures will be provided to the parent or eligible student when notified of the right to a hearing;
 - c. That the parent or eligible student has a right to consent to disclosures of personally identifiable information contained in the student's education records, except to the extent that federal and state law and the regulations promulgated thereunder authorize disclosures without consent;
 - d. That the school district may disclose education records to other school officials within the school district if the school district has determined they have legitimate educational interests. For purposes of such disclosure, a "school official" is a person employed by the school district as an administrator, supervisor, instructor, or support staff member (including health or medical staff and law enforcement unit personnel) or other employee; a person serving on the school board; a person or company with whom the school district has consulted to perform a specific task (such as an attorney, auditor, medical consultant, therapist, public information officer or data practices compliance official); or a parent or student serving on an official committee, such as a disciplinary or grievance committee; or any individual assisting a school official in the performance of his or her tasks. A school official has a "legitimate educational interest" if the individual needs to review an education record in order to fulfill his or her professional responsibility and includes, but is not limited to, an interest directly related to classroom instruction, teaching, student achievement and progress, discipline of a student and student health and welfare and the ability to respond to a request for educational data;

- e. That the school district forwards education records on request to a school in which a student seeks or intends to enroll, including information about disciplinary action taken as a result of any incident in which the student possessed or used a dangerous weapon, suspension and expulsion information pursuant to section 4155 of the federal No Child Left Behind Act [and data regarding a student's history of violent behavior,] and any disposition order which adjudicates the student as delinquent for committing an illegal act on school district property and certain other illegal acts;
 - f. That the parent or eligible student has a right to file a complaint with the U.S. Department of Education regarding an alleged failure by the school district to comply with the requirements of 20 U.S.C. § 1232g, and the rules promulgated thereunder, the name and address of the office that administers the Family Education Rights and Privacy Act is:

Family Policy Compliance Office
U.S. Department of Education
400 Maryland Avenue, S.W.
Washington, D.C. 20202-4605
 - g. That the parent or eligible student has a right to obtain a copy of the school district's policy regarding the protection and privacy of pupil records; and
 - h. That copies of the school district's policy regarding the protection and privacy of school records are located at the Superintendent's Office located in the Administrative Offices of Eden Prairie School District, 8100 School Road, Eden Prairie, MN 55344.
2. Independent School District No. 272 has adopted a school board policy in order to comply with state and federal laws regarding education records. The policy does the following:
- a. It classifies records as public, private or confidential.
 - b. It establishes procedures and regulations to permit parents or students to inspect and review a student's education records. These procedures include the method of determining fees for copies, a listing of the locations of these education records, and the identity of the individuals in charge of the records.
 - c. It establishes procedures and regulations to allow parents or students to request the amendment of a student's education records to ensure that the records are not inaccurate, misleading, or otherwise in violation of the student's privacy or other rights.
 - d. It establishes procedures and regulations for access to and disclosure of education records.
 - e. It establishes procedures and regulations for safeguarding the privacy of education records and for obtaining prior written consent of the parent or student when required prior to disclosure.
3. Copies of the school board policy and accompanying procedures and regulations are available to parents and students upon written request to the Superintendent.
4. Pursuant to applicable law, Independent School District No. 272 gives notice to parents of students currently in attendance in the school district, and eligible students currently in attendance in the school district, of their rights regarding "directory information."

“Directory information” includes the following information relating to a student: the student’s name; address; telephone number; electronic mail address; photograph; date and place of birth; major field of study; dates of attendance; grade level; enrollment status; participation in officially recognized activities and sports; weight and height of members of athletic teams; degrees, honors and awards received; the most recent educational agency or institution attended by the student; and other similar information. “Directory information” also includes the name, address and telephone number of the student’s parent(s). “Directory information” does not include identifying information on a student’s religion, race, color, social position or nationality.

- a. **THE INFORMATION LISTED ABOVE SHALL BE PUBLIC INFORMATION WHICH THE SCHOOL DISTRICT MAY DISCLOSE FROM THE EDUCATION RECORDS OF A STUDENT OR INFORMATION REGARDING A PARENT.**
- b. **SHOULD THE PARENT OF A STUDENT OR THE STUDENT SO DESIRE, ANY OR ALL OF THE LISTED INFORMATION WILL NOT BE DISCLOSED WITHOUT THE PARENT’S OR ELIGIBLE STUDENT’S PRIOR WRITTEN CONSENT EXCEPT TO SCHOOL OFFICIALS AS PROVIDED UNDER FEDERAL LAW.**
- c. **IN ORDER TO MAKE ANY OR ALL OF THE DIRECTORY INFORMATION LISTED ABOVE “PRIVATE” (I.E. SUBJECT TO CONSENT PRIOR TO DISCLOSURE), THE PARENT OR ELIGIBLE STUDENT MUST MAKE A WRITTEN REQUEST TO THE BUILDING PRINCIPAL WITHIN THIRTY (30) DAYS AFTER THE DATE OF THE LAST PUBLICATION OF THIS NOTICE. THIS WRITTEN REQUEST MUST INCLUDE THE FOLLOWING INFORMATION:**
 - (1) **NAME OF STUDENT AND PARENT, AS APPROPRIATE;**
 - (2) **HOME ADDRESS;**
 - (3) **SCHOOL PRESENTLY ATTENDED BY STUDENT;**
 - (4) **PARENT’S LEGAL RELATIONSHIP TO STUDENT, IF APPLICABLE;**
 - (5) **SPECIFIC CATEGORY OR CATEGORIES OF DIRECTORY INFORMATION WHICH IS NOT TO BE MADE PUBLIC WITHOUT THE PARENT’S OR ELIGIBLE STUDENT’S PRIOR WRITTEN CONSENT.**

5. Pursuant to applicable law, Independent School District No. 272 hereby gives notice to parents of secondary students and eligible secondary students of their rights regarding release of information to military recruiting officers. The school district must release the names, addresses, and home telephone numbers of secondary students to military recruiting officers within sixty (60) days after the date of the request. Data released to military recruiting officers under this provision may be used only for the purpose of providing information to students about military service, state and federal veterans’ education benefits, and other career and educational opportunities provided by

the military and cannot be further disseminated to any other person except personnel of the recruiting services of the armed forces.

SHOULD THE PARENT OF A STUDENT OR THE ELIGIBLE STUDENT SO DESIRE, ANY OR ALL OF THE LISTED INFORMATION WILL NOT BE DISCLOSED TO MILITARY RECRUITING OFFICERS WITHOUT PRIOR CONSENT.

IN ORDER TO REFUSE THE RELEASE OF THIS INFORMATION WITHOUT PRIOR CONSENT, THE PARENT OR ELIGIBLE STUDENT MUST MAKE A WRITTEN REQUEST TO THE BUILDING PRINCIPAL, BY OCTOBER 1st OF EACH YEAR. THIS WRITTEN REQUEST MUST INCLUDE THE FOLLOWING INFORMATION:

- (1) NAME OF STUDENT AND PARENT, AS APPROPRIATE;**
- (2) HOME ADDRESS;**
- (3) STUDENT'S GRADE LEVEL;**
- (4) SCHOOL PRESENTLY ATTENDED BY STUDENT;**
- (5) PARENT'S LEGAL RELATIONSHIP TO STUDENT, IF APPLICABLE;**
- (6) SPECIFIC CATEGORY OR CATEGORIES OF INFORMATION WHICH ARE NOT TO BE RELEASED TO MILITARY RECRUITERS WITHOUT PRIOR CONSENT;**
- (7) SPECIFIC CATEGORY OR CATEGORIES OF DIRECTORY INFORMATION WHICH ARE NOT TO BE RELEASED TO THE PUBLIC, INCLUDING MILITARY RECRUITERS.**

INDEPENDENT SCHOOL DISTRICT NO. 272
EDEN PRAIRIE, MINNESOTA

Dated: _____ Chair: _____



JUVENILE JUSTICE SYSTEM REQUEST FOR INFORMATION

Family Educational Rights and Privacy Act
Minnesota Government Data Practices Act, Minn. Stat. § 13.32, Subds. 3(i) and 8(a)

DATE/TIME OF REQUEST: _____

TO: _____
(Superintendent of school district or chief administrative officer of school)

FROM: _____
(Requester's name/agency)

STUDENT: _____

BASIS FOR REQUEST:

- _____ Juvenile delinquency investigation/prosecution
- _____ Child protection assessment/investigation
- _____ Investigation/filing of CHIPS or delinquency petition

RESPONSE TO REQUEST:

The school must provide the following information on request:

INFORMATION REQUESTED: *(mark all that apply)* **RESPONSE PROVIDED:** *(yes / no)*

_____ Student's full name	_____
_____ Home address	_____
_____ Telephone number	_____
_____ Date of birth	_____
_____ Student's school schedule	_____
_____ Attendance record	_____
_____ Photographs, if any; and	_____
_____ Parents' names, home addresses, and telephone numbers	_____

A record of the written request and of the release must be maintained in the student's file.

CERTIFICATION: The undersigned certifies that he or she is a member of the juvenile justice system. The requested data are needed by the juvenile justice system so it may effectively serve, prior to adjudication, the student whose records are released. The undersigned will not disclose the information received to any other party, except as provided under state law, without prior written consent as required by Code of Federal Regulations, title 34, section 99.38(b). The undersigned further certifies that he or she understands that, by signing this request, he or she is subject to the penalties in Minn. Stat. § 13.09.

Signature/Title



JUVENILE JUSTICE SYSTEM REQUEST FOR INFORMATION

Family Educational Rights and Privacy Act
Minnesota Government Data Practices Act, Minn. Stat. § 13.32, Subds. 3(i) and 8(b)

DATE/TIME OF REQUEST: _____

TO: _____
(Superintendent of school district or chief administrative officer of school)

FROM: _____
(Requester's name/agency)

STUDENT: _____

BASIS FOR REQUEST:

- _____ Juvenile delinquency investigation/prosecution
- _____ Child protection assessment/investigation
- _____ Investigation/filing of CHIPS or delinquency petition

REASON FOR REQUEST:

(Requester must describe why information regarding existence of the data marked below is necessary to effectively serve the student)

RESPONSE TO REQUEST:

The school must indicate whether it has data on the student that document any activity or behavior marked by the requester.

INFORMATION REQUESTED: (*mark all that apply*) **RESPONSE PROVIDED:** (*yes / no*)

Indicate whether you have data that document the student's:

- | | | |
|-------|--|-------|
| _____ | Use of a controlled substance, alcohol, or tobacco | _____ |
| _____ | Assaultive or threatening conduct as defined in Minn. Stat. § 13.32, Subd. 8 | _____ |
| _____ | Possession or use of weapons or look-alike weapons | _____ |
| _____ | Theft | _____ |
| _____ | Vandalism and damage to property | _____ |

CERTIFICATION: The undersigned certifies that he or she is a member of the juvenile justice system. The requested data are needed by the juvenile justice system so it may effectively serve, prior to adjudication, the student whose records are released. The undersigned will not disclose the information received to any other party, except as provided under state law, without prior written consent as required by Code of Federal Regulations, title 34, section 99.38(b). The undersigned further certifies that he or she understands that, by signing this request, he or she is subject to the penalties in Minn. Stat. § 13.09.

Signature/Title

~~*[Note: A principal or chief administrative officer of a school who receives such a request to disclose information about a student to the juvenile justice system shall, to the extent permitted by federal law, notify the student's parent or guardian by certified mail of the request to disclose information before disclosing the information. If the student's parent or guardian notifies the principal or chief administrative officer within ten (10) days of receiving the certified notice that the parent or guardian objects to the disclosure, the principal or chief administrative officer must not disclose the information. The principal or chief administrative officer must inform the requesting member of the juvenile justice system of the objection. If no objection from the parent or guardian is received within fourteen (14) days, the principal or chief administrative officer must respond to the data request.]*~~

516 STUDENT MEDICATION

I. PURPOSE

The purpose of this policy is to set forth the provisions that must be followed when administering nonemergency prescription medication to students at school.

II. GENERAL STATEMENT OF POLICY

The school district acknowledges that some students may require prescribed drugs or medication during the school day. The school district's licensed school nurse, trained health clerk, principal, or teacher will administer prescribed medications, except any form of medical cannabis, in accordance with law and school district procedures.

III. REQUIREMENTS

- A. The administration of prescription medication or drugs at school requires a completed signed request from the student's parent. An oral request must be reduced to writing within two school days, provided that the school district may rely on an oral request until a written request is received.
- B. An "Administering Prescription Medications" form must be completed annually (once per school year) and/or when a change in the prescription or requirements for administration occurs. Prescription medication as used in this policy does not include any form of medical cannabis as defined in Minn. Stat. § 152.22, Subd. 6.
- C. Prescription medication must come to school in the original container labeled for the student by a pharmacist in accordance with law, and must be administered in a manner consistent with the instructions on the label.
- D. The school nurse may request to receive further information about the prescription, if needed, prior to administration of the substance.
- E. Prescription medications are not to be carried by the student, but will be left with the appropriate school district personnel. Exceptions to this requirement are: prescription asthma medications self-administered with an inhaler (See Part J.5. below), and medications administered as noted in a written agreement between the school district and the parent or as specified in an IEP (individualized education program), Section 504 plan, or IHP (individual health plan).

- F. The school must be notified immediately by the parent or student 18 years old or older in writing of any change in the student's prescription medication administration. A new medical authorization or container label with new pharmacy instructions shall be required immediately as well.
- G. For drugs or medicine used by children with a disability, administration may be as provided in the IEP, Section 504 plan or IHP.
- H. The school nurse, or other designated person, shall be responsible for the filing of the Administering Prescription Medications form in the health records section of the student file. The school nurse, or other designated person, shall be responsible for providing a copy of such form to the principal and to other personnel designated to administer the medication.
- I. Procedures for administration of drugs and medicine at school and school activities shall be developed in consultation with a school nurse, a licensed school nurse, or a public or private health organization or other appropriate party (if appropriately contracted by the school district under Minn. Stat. § 121A.21). The school district administration shall submit these procedures and any additional guidelines and procedures necessary to implement this policy to the school board for approval. Upon approval by the school board, such guidelines and procedures shall be an addendum to this policy.
- J. Specific Exceptions:
 - 1. Special health treatments and health functions such as catheterization, tracheostomy suctioning, and gastrostomy feedings do not constitute administration of drugs and medicine;
 - 2. Emergency health procedures, including emergency administration of drugs and medicine are not subject to this policy;
 - 3. Drugs or medicine provided or administered by a public health agency to prevent or control an illness or a disease outbreak are not governed by this policy;
 - 4. Drugs or medicines used at school in connection with services for which a minor may give effective consent are not governed by this policy;
 - 5. Drugs or medicines that are prescription asthma or reactive airway disease medications can be self-administered by a student with an asthma inhaler if:
 - a. the school district has received a written authorization from the pupil's parent permitting the student to self-administer the medication;

- b. the inhaler is properly labeled for that student; and
- c. the parent has not requested school personnel to administer the medication to the student.

The parent must submit written authorization for the student to self-administer the medication each school year. In a school that does not have a school nurse or school nursing services, the student's parent or guardian must submit written verification from the prescribing professional which documents that an assessment of the student's knowledge and skills to safely possess and use an asthma inhaler in a school setting has been completed.

If the School District employs a school nurse or provides school nursing services under another arrangement, the school nurse or other appropriate party must assess the student's knowledge and skills to safely possess and use an asthma inhaler in a school setting and enter into the student's school health record a plan to implement safe possession and use of asthma inhalers;

6. Medications:

- a. that are used off school grounds;
- b. that are used in connection with athletics or extracurricular activities; or
- c. that are used in connection with activities that occur before or after the regular school day are not governed by this policy.

7. Nonprescription Medication. A secondary student may possess and use nonprescription pain relief in a manner consistent with the labeling, if the school district has received written authorization from the student's parent or guardian permitting the student to self-administer the medication. The parent or guardian must submit written authorization for the student to self-administer the medication each school year. The school district may revoke a student's privilege to possess and use nonprescription pain relievers if the school district determines that the student is abusing the privilege. This provision does not apply to the possession or use of any drug or product containing ephedrine or pseudoephedrine as its sole active ingredient or as one of its active ingredients. Except as stated in this paragraph, only prescription medications are governed by this policy.

8. At the start of each school year or at the time a student enrolls in school, whichever is first, a student's parent, school staff, including those responsible for student health care, and the prescribing medical professional must develop and implement an individualized written health

plan for a student who is prescribed epinephrine that enables the student to:

- a. possess epinephrine auto-injectors; or
- b. if the parent and prescribing medical professional determine the student is unable to possess the epinephrine, have immediate access to of epinephrine auto-injectors in close proximity to the student at all times during the instructional day.

The plan must designate the school staff responsible for implementing the student's health plan, including recognizing anaphylaxis and administering injectors of epinephrine auto-injectors when required, consistent with state law. This health plan may be included in a student's § 504 plan.

- K. "Parent" for students 18 years old or older is the student.
- L. Districts and schools may obtain and possess epinephrine auto-injectors to be maintained and administered by school personnel to a student or other individual if, in good faith, it is determined that person is experiencing anaphylaxis regardless of whether the student or other individual has a prescription for an epinephrine auto-injector. The administration of an epinephrine auto-injector in accordance with this section is not the practice of medicine.

A district or school may enter into arrangements with manufacturers of epinephrine auto-injectors to obtain epinephrine auto-injectors at fair-market, free, or reduced prices. A third party, other than a manufacturer or supplier, may pay for a school's supply of epinephrine auto-injectors.

Legal References: ~~Minn. Stat. § 13.32 (Student Health Data)~~
~~Minn. Stat. § 121A.21 (Hiring of Health Personnel)~~
~~Minn. Stat. § 121A.22 (Administration of Drugs and Medicine)~~
~~Minn. Stat. § 121A.221 (Possession and Use of Asthma Inhalers by Asthmatic Students)~~
~~Minn. Stat. § 121A.222 (Possession and Use of Nonprescription Pain Relievers by Secondary Students)~~
~~Minn. Stat. § 121A.2205 (Possession and Use of Epinephrine Auto-Injectors ; Model Policy)~~
~~Minn. Stat. § 121A.2207 (Life-Threatening Allergies in Schools; Stock Supply of Epinephrine Auto-Injectors)~~
~~Minn. Stat. § 151.212 (Label of Prescription Drug Containers)~~
~~Minn. Stat. § 152.22 (Medical Cannabis; Definitions)~~
~~Minn. Stat. § 152.23 (Medical Cannabis; Limitations)~~
~~20 U.S.C. § 1400 et seq. (Individuals with Disabilities Education Improvement Act of 2004)~~
~~29 U.S.C. § 794 et seq. (Rehabilitation Act of 1973, § 504)~~

Cross References: ~~MSBA/MASA Model Policy 418 (Drug-Free Workplace/Drug-Free School)~~

517 STUDENT RECRUITING

I. PURPOSE

The purpose of this policy is to prevent school district employees from exerting undue influence for purposes of securing or retaining the attendance of a student in a school.

II. GENERAL STATEMENT OF POLICY

- A. It is the policy of the school district to encourage employees to make available to all interested people information regarding the school district, its schools, programs, policies, and procedures. The purpose of such activity is to assist in the process of fully informed decision making regarding school enrollment and to enhance the visibility and image of the school district.
- B. At the same time, the school district recognizes that the scope of such activity is limited by statutory authority and bylaws of the Minnesota State High School League. Accordingly, it shall be a violation of this policy for employees to exert undue influence for purposes of securing or retaining the attendance of a student in a school or to compete with another school district for the enrollment of students.
- C. Employees are further prohibited from encouraging others to engage in such conduct on behalf of the school district.

III. DEFINITION

- A. The terms “undue influence” or “competing for enrollment” shall include initiating any oral or written contact with a student from another school district who participates in a school-sponsored sport or activity which solicits the student’s transfer to participate in a sport or activity.
- B. The terms shall also include the awarding of tuition, allowance for board and/or room, allowance for transportation, priority in assignments of jobs, cash or gifts in any form, or any other privilege or consideration if not similarly available to all students.

IV. PROCEDURES

- A. The school district shall adhere to specific standards for acceptance and rejection of applications for open enrollment. Standards may include the capacity of a program, class, school building, or the statutory limits to nonresident enrollment in a particular grade level, or whether the student is currently expelled for (1) possessing a dangerous weapon, as defined under federal law, at a school or school function; (2) possession or using an illegal drug at school or at a school function; (3) selling or soliciting the sale of a controlled substance while at school or a school function; or committing a first, second or third degree assault as described in state law. Standards for acceptance and rejection of open-enrollment applications are subject to the Graduation Incentives Program and may not include previous academic achievement, athletic or other extracurricular ability, disabling conditions, proficiency in the English language, previous disciplinary proceedings, or the student's district of residence.
- B. Employees who violate the provisions of the policy shall be subject to disciplinary action as appropriate. Any such disciplinary action shall be made pursuant to and in accordance with applicable statutory authority, collective bargaining agreements, school district policies, and the bylaws of the Minnesota High School League, as applicable.

Legal References: ~~Minn. Stat. § 124D.03 (Enrollment Options Program)~~
 ~~Minn. Stat. § 124D.68 (Graduation Incentives Program)~~
 ~~Minnesota State High School League Bylaws~~

Cross References: ~~MSBA/MASA Model Policy 509 (Enrollment of Nonresident Students)~~
 ~~MSBA Service Manual, Chapter 10, Minnesota State High School League (MSHSL)~~

~~Revised:~~

518 DNR-DNI ORDERS

I. PURPOSE

The school district recognizes that it is serving students with complex health needs. The school district also recognizes that school district staff may be confronted with requests to withhold emergency care of a student in the event of a life threatening situation at school or school activities or be presented with Do Not Resuscitate/Do Not Intubate (DNR-DNI) orders. The purpose of this policy is to provide guidance to school district staff and parents or guardians in these situations.

II. GENERAL STATEMENT OF POLICY

- A. The primary mission of the school district is education. DNR-DNI orders are medical documents. School district staff will not accept or honor requests to withhold emergency care or DNR-DNI orders. The school district will not convey such orders to emergency medical personnel.
- B. School district staff will provide reasonable emergency care and assistance when a student is undergoing a medical emergency during school or school activities.
- C. School district staff will activate emergency medical services (911) as soon as possible when a student is undergoing a medical emergency during school or school activities.
- ~~D. The parent/guardian will be notified of the emergency as soon as possible.~~
- E. Notwithstanding this school district policy, IEP and Section 504 teams must develop individualized medical emergency care plans for students when appropriate in accordance with state and federal law. DNI/DNR orders will not be incorporated into either a student's Individual Education Plan or Individual Health Plan.
- F. Parents/guardians who request that emergency care be withheld for their child or who present DNR-DNI orders, shall be advised of and shall be given a copy of this policy.

Legal References: ~~29 U.S.C. § 794 et seq. (Rehabilitation Act of 1973, § 504)~~
~~42 U.S.C. §§ 12101-12213 (Americans with Disabilities Act)~~

Cross References:

519 INTERVIEWS OF STUDENTS BY OUTSIDE AGENCIES

I. PURPOSE

There are occasions in which persons other than school district officials and employees find it necessary to speak with a student during the school day. Student safety and disruption of the educational program is of concern to the school district. The purpose of this policy is to establish the procedures for access to students by authorized individuals during the school day.

II. GENERAL STATEMENT OF POLICY

- A. Generally, students may not be interviewed during the school day by persons other than a student's parents, school district officials, employees and/or agents, except as otherwise provided by law and/or this policy.
- B. Requests from law enforcement officers and those other than a student's parents, school district officials, employees and/or agents to interview students shall be made through the principal's office. Upon receiving a request, it shall be the responsibility of the principal to determine whether the request will be granted. Prior to granting a request, the principal shall attempt to contact the student's parents to inform them of the request, except where otherwise prohibited by law.

III. INTERVIEWS CONDUCTED UNDER THE MALTREATMENT OF MINORS ACT

- A. In the case of an investigation pursuant to the Maltreatment of Minors Act, Minn. Stat. § 626.556, Subd. 10, a local welfare agency, the agency responsible for investigating the report, and a local law enforcement agency may interview, without parental consent, an alleged victim and any minors who currently reside with or who have resided with the alleged perpetrator. The interview may take place at school and during school hours. School district officials will work with the local welfare agency, the agency responsible for investigating the report, or law enforcement agency to select a place appropriate for the interview. The interview may take place outside the presence of the perpetrator or parent, legal custodian, guardian, or school district official.

- B. If the interview took place or is to take place on school district property, an order of the juvenile court pursuant to Minn. Stat. § 626.556, Subd. 10 (c) may specify that school district officials may not disclose to the parent, legal custodian, or guardian the contents of the notification of intent to interview the child on school district property and/or any other related information regarding the interview that may be a part of the child's record. The school district official must receive a copy of the order from the local welfare or law enforcement agency.
- C. When the local welfare agency, local law enforcement agency, or agency responsible for assessing or investigating a report of maltreatment determines that an interview should take place on school district property, school district officials must receive written notification of intent to interview the child on school district property prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school district property. Where the interviews are conducted by the local welfare agency, the notification must be signed by the chair of the local social services agency or the chair's designee. The notification is private educational data on the student. School district officials may not disclose to the parent, legal custodian or guardian the contents of the notification or any other related information regarding the interview until notified in writing by the local welfare or law enforcement agency that the investigation or assessment has been concluded, unless a school employee or agent is alleged to have maltreated the child. Until school district officials receive said notification, all inquiries regarding the nature of the investigation or assessment should be directed to the local welfare or law enforcement agency or the agency responsible for assessing or investigating a report of maltreatment shall be solely responsible for any disclosure regarding the nature of the assessment or investigation.
- D. School district officials shall have discretion to reasonably schedule the time, place, and manner of an interview by a local welfare or local law enforcement agency on school district premises. However, where the alleged perpetrator is believed to be a school district official or employee, the local welfare or local law enforcement agency will have discretion to determine where the interview will be held. The interview must be conducted not more than 24 hours after the receipt of the notification unless another time is considered necessary by agreement between the school district officials and the local welfare or law enforcement agency. However, school district officials must yield to the discretion of the local welfare or law enforcement agency concerning other persons in attendance at the interview. School district officials will make every effort to reduce the disruption to the educational program of the child, other students, or school staff when an interview is conducted on school district premises.

- E. Students shall not be taken from school district property without the consent of the principal and without proper warrant.

Legal References: Minn. Stat. § 13.32 (Educational Data)
~~Minn. Stat. § 626.556, Subd. 10(c) and (d) (Duties of Local Welfare Agency and Local Law Enforcement Agency Upon Receipt of a Report)~~

Cross References: ~~MSBA/MASA Model Policy 103 (Complaints — Students, Employees, Parents, Other Persons)~~
~~MSBA/MASA Model Policy 414 (Mandated Reporting of Child Neglect or Physical or Sexual Abuse)~~
~~MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil Records)~~
~~Eden Prairie District Policy 580 (Outside Agency Access to Students)~~

520 STUDENT SURVEYS

I. PURPOSE

Occasionally the school district utilizes surveys to obtain student opinions and information about students. The purpose of this policy is to establish the parameters of information that may be sought in student surveys.

II. GENERAL STATEMENT OF POLICY

Student surveys may be conducted as determined necessary by the school district. Surveys, analyses and evaluations conducted as part of any program funded through the U.S. Department of Education must comply with 20 U.S.C. § 1232h.

III. STUDENT SURVEYS IN GENERAL

- A. Student surveys will be conducted anonymously and in an indiscernible fashion. No mechanism will be used for identifying the participating student in any way. No attempt will be made in any way to identify a student survey participant. There will be no requirement that the student return the survey, and no record of the student's returning a survey will be maintained.
- B. The superintendent or designee may choose not to approve any survey that seeks probing personal and/or sensitive information that could result in identifying the survey participant, or is discriminatory in nature based on age, race, color, sex, disability, religion, or national origin.
- C. Surveys containing questions pertaining to the student's or the student's parent(s) or guardian(s) personal beliefs or practices in sex, family life, morality and religion will not be administered to any student unless the parent or guardian of the student is notified in writing that such survey is to be administered and the parent or guardian of the student gives written permission for the student to participate or has the opportunity to opt out of the survey depending upon how the survey is funded. Any and all documents containing the written permission of a parent for a student to participate in a survey will be maintained by the school district in a file separate from the survey responses.

- D. Although the survey is conducted anonymously, potential exists for personally identifiable information to be provided in response thereto. To the extent that personally identifiable information of a student is contained in his or her responses to a survey, the school district will take appropriate steps to ensure the data is protected in accordance with Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act), 20 U.S.C. § 1232g (Family Educational Rights and Privacy Act) and 34 C.F.R. Part 99.
- E. The school district must not impose an academic or other penalty on a student who opts out of participating in a student survey.

IV. STUDENT SURVEYS CONDUCTED AS PART OF DEPARTMENT OF EDUCATION PROGRAM

- A. All instructional materials, including teacher's manuals, films, tapes, or other supplementary material which will be used in connection with any survey, analysis, or evaluation as part of any program funded in whole or in part by the U.S. Department of Education, shall be available for inspection by the parents or guardians of the students.
- B. No student shall be required, as part of any program funded in whole or in part by the U.S. Department of Education, without the prior consent of the student (if the student is an adult or emancipated minor), or in the case of an unemancipated minor, without the prior written consent of the parent, to submit to a survey that reveals information concerning:
 - 1. political affiliations or beliefs of the student or the student's parent;
 - 2. mental and psychological problems of the student or the student's family;
 - 3. sex behavior or attitudes;
 - 4. illegal, antisocial, self-incriminating, or demeaning behavior;
 - 5. critical appraisals of other individuals with whom respondents have close family relationships;
 - 6. legally recognized privileged or analogous relationships, such as those of lawyers, physicians, and ministers;
 - 7. religious practices, affiliations, or beliefs of the student or the student's parent; or
 - 8. income (other than that required by law to determine eligibility for participation in a program or for receiving financial assistance under such

program).

- C. A school district that receives funds under any program funded by the U.S. Department of Education shall develop local policies consistent with Sections V.A and IV.B. above, concerning student privacy, parental access to information, and administration of certain physical examinations to minors.

1. The following policies are to be adopted in consultation with parents:

- a. The right of a parent to inspect, on request, a survey, including an evaluation, created by a third party before the survey is administered or distributed by a school to a student, including procedures for granting a parent's request for reasonable access to such survey within a reasonable period of time after the request is received.

“Parent” means a legal guardian or other person acting in loco parentis (in place of a parent), such as a grandparent or stepparent with whom the child lives, or a person who is legally responsible for the welfare of the child.

- b. Arrangements to protect student privacy in the event of the administration or distribution of a survey, including an evaluation, to a student which contains one or more of the items listed in Section IV.B., above, including the right of a parent of a student to inspect, on request, any such survey.

- c. The right of a parent of a student to inspect, on request, any instructional material used as part of the educational curriculum for the student and procedures for granting a request by a parent for such access within a reasonable period of time after the request is received.

“Instructional material” means instructional content that is provided to a student, regardless of format, including printed or representational materials, audio-visual materials, and materials in electronic or digital formats (i.e., materials accessible through the Internet). The term does not include academic tests or academic assessments.

- d. The administration of physical examinations or screenings that the school district may administer to a student. This provision does not

apply to a survey administered to a student in accordance with the Individuals with Disabilities Education Act (20 U.S.C. § 1400, et seq.).

- e. The collection, disclosure, or use of personal information collected from students for the purpose of marketing or for selling that information (or otherwise providing the information to others for that purpose), including arrangements to protect student privacy that are provided by the school district in the event of such collection, disclosure, or use.
 - (1) “Personal information” means individually identifiable information including a student or parent’s first and last name; a home or other physical address (including street name and the name of the city or town); a telephone number; or a Social Security identification number.
 - (2) This provision does not apply to the collection, disclosure, or use of personal information collected from students for the exclusive purpose of developing, evaluating, or providing educational products or services for, or to, students or educational institutions, such as:
 - (a) college or other post-secondary education recruitment or military;
 - (b) book clubs, magazines, and programs providing access to low cost literary products;
 - (c) curriculum and instructional materials used by elementary and secondary schools;
 - (d) tests and assessments used by elementary schools and secondary schools to provide cognitive, evaluative, diagnostic, clinical, aptitude, or achievement information about students, or to generate other statistically useful data for the purpose of securing such tests and assessments and the subsequent analysis and public release of the aggregate data from such tests and assessments;
 - (e) the sale by students of products or services to raise funds for school-related or education-related activities; and

(f) student recognition programs.

- (3) The right of a parent to inspect, on request, any instrument used in the collection of information, as described in Section IV.C.1., Subparagraph e., above, before the instrument is administered or distributed to a student and procedures for granting a request by a parent for reasonable access to such an instrument within a reasonable period of time after the request is received.

D. The policies adopted under Section IV.C. Subparagraph 1., above, shall provide for reasonable notice of the adoption or continued use of such policies directly to parents of students enrolled in or served by the school district.

1. The notice will be provided at least annually, at the beginning of the school year, and within a reasonable period of time after any substantive change in a policy.
2. The notice will provide parents with an opportunity to opt out of participation in the following activities:
 - (a) Activities involving the collection, disclosure, or use of personal information collected from students for the purpose of marketing or for selling that information, or otherwise providing that information to others for that purpose.
 - (b) The administration of any third-party survey (non-Department of Education funded) containing one or more of the items contained in Section IV.B., above.
 - (c) Any nonemergency, invasive physical examination or screening that is required as a condition of attendance, administered by the school and scheduled by the school in advance, and not necessary to protect the immediate health and safety of the student or other students.

“Invasive physical examination” means any medical examination that involves the exposure of private body parts, or act during such examination that includes incision, insertion, or injection into the body, but does not include a hearing, vision, or scoliosis screening.

3. The notice will advise students of the specific or approximate dates during the school year when the activities in Section IV.C.2., Subparagraph b., above, are scheduled, or expected to be scheduled.

4. The notice provisions shall not be construed to preempt applicable provisions of state law that require parental notification and do not apply to any physical examination or screening that is permitted or required by applicable state law, including physical examinations or screenings that are permitted without parental notification.

V. NOTICE

- A. The school district must give parents and students notice of this policy at the beginning of each school year and after making substantive changes to this policy.
- B. The school district must inform parents at the beginning of the school year if the district or school has identified specific or approximate dates for administering surveys and give parents reasonable notice of planned surveys scheduled after the start of the school year. The school district must give parents direct, timely notice when their students are scheduled to participate in a student survey by United States mail, e-mail, or another direct form of communication.
- C. The school district must give parents the opportunity to review the survey and to opt their students out of participating in the survey.

~~**Legal References:** Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)
Minn. Stat. § 121A.065 (District Surveys to Collect Student Information; Parent Notice and Opportunity for Opting Out)
20 U.S.C. § 1232g (Family Educational Rights and Privacy Act)
20 U.S.C. § 1232h (Protection of Pupil Rights)
34 C.F.R. § 99 (Family Educational Rights and Privacy Act Regulations)
Gonzaga University v. Doe, 536 U.S. 273, 122 S.Ct. 2268, 153 L.Ed. 2d 309 (2002)
C.N. v. Ridgewood Bd. of Educ., 430 F.3d 159 (3rd Cir. 2005)
Fields v. Palmdale School Dist., 427 F.3d 1197 (9th Cir. 2005)~~

~~**Cross References:** MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil Records)
MSBA/MASA Model Policy 521 (Student Disability Nondiscrimination) MSBA/MASA Model Policy 522 (Student Sex Nondiscrimination)~~

521 STUDENT DISABILITY NONDISCRIMINATION

I. PURPOSE

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

II. GENERAL STATEMENT OF POLICY

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

III. COORDINATOR

Persons who have questions or comments should contact the Director of Student Services at the Eden Prairie School District No. 272, 8100 School Road, Eden Prairie, MN, 952-975-7000. This person supervises the school district's Americans with Disabilities Act/Section 504 Coordinator. Persons who wish to make a complaint regarding a disability discrimination matter may use the accompanying Student Disability Discrimination Grievance Report Form. The form should be given to the ADA/Section 504 coordinator.

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

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



STUDENT DISABILITY DISCRIMINATION GRIEVANCE REPORT FORM

General Statement of Policy Prohibiting Disability Discrimination

Eden Prairie SD 272 believes all persons are to be treated with respect and dignity and maintains a firm policy prohibiting all forms of discrimination on the basis of a disability. Discrimination on the basis of a disability will not be tolerated under any circumstances.

Complainant: _____

Home Address: _____

Work Address: _____

Home Phone: _____ Work Phone: _____

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

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

because _____

Date of alleged incident(s): _____

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

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

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

Location of the incident(s): _____

List any witnesses that were present: _____



EDEN PRAIRIE SCHOOLS

Inspiring each student every day

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

(Complainant Signature)

(Date)

Received by: _____

(Date)

This form should be submitted to the 504 coordinator at your school.

Service Animal Procedures

This document establishes district procedures governing the presence and use of service animals on district property and at district-sponsored events.

I. GENERAL STATEMENT

Service animals are permitted to accompany individuals with a disability to public events or within public areas of the district, consistent with the Americans with Disabilities Act, 28 CFR 35, Minn. Stat. §§ 256C, and 363A.19. Use of a service animal on district property is subject to the following procedures.

II. DEFINITIONS

- A. “Service animal” means any dog, or in specific circumstances, a miniature horse, that is individually trained to do work or perform tasks for the benefit of an individual with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability. Other species of animals, whether wild or domestic, trained or untrained, are not service animals for the purposes of this definition. The work or tasks performed by a service animal must be directly related to the individual’s disability. The crime deterrent effects of an animal’s presence and/ or the provision of emotional support, well-being, comfort, or companionship does not constitute work or tasks for the purposes of this definition.
- B. “Handler” means an individual with a disability who uses a service animal. In the case of an individual who is unable to care for and supervise the service animal for reasons such as age or disability, handler means the person who cares for and supervises the animal on that individual’s behalf. District personnel cannot be responsible for the handling responsibilities of a service animal.

III. REQUIREMENTS FOR ALL SERVICE ANIMALS

- A. The service animal must be required for the individual with a disability.
- B. The service animal must be individually trained to do work or tasks for the benefit of the individual with a disability, as described in II. A.
- C. The service animal must have a harness, leash, or other tether, unless either the handler is unable because of a disability to use a harness, leash, or other tether, or the use of a harness, leash or other tether would interfere with the service animal’s safe, effective performance of work or tasks, in which case the service animal must be otherwise under the handler’s control.

- D. The service animal must be housebroken.
- E. The handler is responsible for the care and supervision of a service animal, including walking the animal or responding to the animal's need to relieve itself.
- F. The district is not responsible for providing a staff member to walk the service animal or to provide any other care or assistance to the animal.
- G. In the case of an individual who is unable to care for and/or supervise their service animal, the parent/guardian of the individual is responsible for arranging for such care and supervision.

IV. REQUESTING USE OF A SERVICE ANIMAL

- A. Requests for students with a disability to be accompanied by a service animal must be submitted to the Principal of the school the student attends, in writing, using the attached form. The Principal will notify the Executive Director of Student Services of the request. Requests from district employees must be submitted to the Director of Human Resources. No student or employee may bring a service animal onto district property or to a district-sponsored event without the prior written approval of the appropriate administrator.
- B. Requests must identify the need for the service animal as it relates to the individual's disability and describe the work or tasks that the service animal is trained to perform.
- C. Owners of a service dog must provide proof of current vaccinations for rabies and DHPP (Distemper, Hepatitis, Peroinfluenza, Parvovirus), and any other vaccinations depending on local veterinary recommendations. Owners of a service miniature horse must provide proof of current vaccinations for rabies and any other vaccinations depending on local veterinary recommendations.

V. ADDITIONAL PROVISIONS FOR SERVICE MINIATURE HORSES

Requests to permit a service miniature horse to accompany an individual with a disability on district property or at a district-sponsored event will be handled on a case-by-case basis, considering these additional factors:

- A. The type, size, and weight of the miniature horse and whether the facility can accommodate these features; and
- B. Whether the miniature horse's presence in a specific facility compromises health and safety.

VI. EXCLUSIONS/REMOVALS OF SERVICE ANIMALS

The district retains the discretion to exclude or remove a service animal from its property if:

- A. Any of the previously listed conditions are not met.

- B. The service animal is out of control and/or the animal's handler does not effectively control the animal's behavior.
- C. The service animal's presence or behavior fundamentally alters the functions of the district; and/or,
- D. The service animal poses a significant health or safety risk to others that cannot be eliminated by reasonable accommodations.

VII. LIABILITY

The owner of the service animal is responsible for any harm or injury to an individual, and for any property damage caused by the service animal while on district property.

Legal References:

~~Individuals with Disabilities Education Act, 20 U.S.C. § 1401 *et seq.*~~

~~Section 504 of the Rehabilitation Act of 1973~~

~~28 C.F.R. 35.104, 35.136 (2011) (Regulations to the ADA)~~

~~Minn. Stat. § 256C.01 -- .02 (Public Accommodations)~~

~~Minn. Stat. § 363A.19 (Minnesota Human Rights Act)~~

Supports: Eden Prairie School District Policy # 521

Approved by Cabinet: 11/12/2014

Approval Request Form For Use of a Service Animal

Date: _____

Student Name: _____

Parent name(s) and contact information: _____

Building: _____

Type of service animal:

Name of service animal:

____ Letter from Physician is attached.

Documentation attached that the service animal is:

____ Properly trained and licensed.

____ Properly and currently vaccinated.

____ Under the control of a properly trained handler. Name of handler: _____

____ Covered by adequate liability insurance.

Service Animal Registration/ Agreement

Owner: _____ Student: _____

Type of service animal: _____

___ Request for approval form is attached.

___ Letter from Physician is attached.

Documentation attached that the service animal is:

___ Properly trained and licensed.

___ Properly and currently vaccinated.

___ Under the control of a properly trained handler. Name of handler: _____

___ Covered by adequate liability insurance.

I have read and understand the Eden Prairie Schools Service Animal Procedure and will abide by the terms of the procedure.

I understand that if my service animal is: out of control and/or the animal's handler does not effectively control the animal's behavior; is not housebroken or the animal's presence or behavior fundamentally interferes in the functions of the School District; or poses a direct threat to the health and safety of others that cannot be eliminated by reasonable modifications, the School District has the discretion to exclude or remove my service animal from its property.

I agree to be responsible for any and all damage to School District property, personal property, and any injuries to individuals caused by my service animal. I agree to indemnify, defend and hold harmless Eden Prairie Schools from and against any and all claims, actions, suits, judgments and demands brought by any party arising on account of, or in connection with, any activity of or damage caused by my service animal.

Owner signature: _____

Date: _____

Eden Prairie Executive Director

Student Support Services: _____ Date: _____

Note: This Registration/ Agreement is valid until the end of the current school year. It must be renewed prior to the start of each subsequent school year or whenever a different service animal will be used.

522 STUDENT SEX NONDISCRIMINATION

I. PURPOSE

Students are protected from discrimination on the basis of sex pursuant to Title IX of the Education Amendments of 1972 and the Minnesota Human Rights Act. The purpose of this policy is to provide equal educational opportunity for all students and to prohibit discrimination on the basis of sex.

II. GENERAL STATEMENT OF POLICY

- A. The school district provides equal educational opportunity for all students, and does not unlawfully discriminate on the basis of sex. No student will be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination under any educational program or activity operated by the school district on the basis of sex.
- B. ~~It is the responsibility of every~~ Every school district employee ~~shall be responsible for to comply~~ing with this policy.
- C. The school board hereby designates the ~~Activity Director of Eden Prairie High School, 17185 Valley View Road, Eden Prairie, MN, (952) 975-8000~~ Assistant Superintendent at the Administrative Services Center 8100 School Road, Eden Prairie, MN 952-975-7156 as its Title IX coordinator. This employee coordinates the school district's efforts to comply with and carry out its responsibilities under Title IX.
- D. Any student, parent or guardian having questions regarding the application of Title IX and its regulations and/or this policy should discuss them with the Title IX coordinator. Questions relating solely to Title IX and its regulations may be referred to the Assistant Secretary for Civil Rights of the United States Department of Education. In the absence of a specific designee, an inquiry or complaint should be referred to the superintendent or the school district human rights officer.

III. REPORTING GRIEVANCE PROCEDURES

- A. Any student who believes he or she has been the victim of unlawful sex discrimination by a teacher, administrator or other school district personnel, or any person with knowledge or belief of conduct which may constitute unlawful sex discrimination toward a student should report the alleged acts immediately to an appropriate school district official designated by this policy or may file a

grievance. The school district encourages the reporting party or complainant to use the report form available from the principal of each building or available from the school district office, but oral reports shall be considered complaints as well. Nothing in this policy shall prevent any person from reporting unlawful sex discrimination toward a student directly to a school district human rights officer or to the superintendent.

- B. In Each School Building. The building principal is the person responsible for receiving oral or written reports or grievances of unlawful sex discrimination toward a student at the building level. Any adult school district personnel who receives a report of unlawful sex discrimination toward a student shall inform the building principal immediately.
- C. Upon receipt of a report or grievance, the principal must notify the school district human rights officer immediately, without screening or investigating the report. The principal may request, but may not insist upon a written complaint. A written statement of the facts alleged will be forwarded as soon as practicable by the principal to the human rights officer. If the report was given verbally, the principal shall personally reduce it to written form within 24 hours and forward it to the human rights officer. Failure to forward any report or complaint of unlawful sex discrimination toward a student as provided herein may result in disciplinary action against the principal. If the complaint involves the building principal, the complaint shall be made or filed directly with the superintendent or the school district human rights officer by the reporting party or complainant.
- D. The school board hereby designates the Executive Director of Human Resource, 8100 School Road, Eden Prairie, MN, (952) 975-7000 as the school district human rights officer(s) to receive reports, complaints or grievances of unlawful sex discrimination toward a student. If the complaint involves a human rights officer, the complaint shall be filed directly with the superintendent.
- E. The school district shall conspicuously post the name of the Title IX coordinator and human rights officer(s), including office mailing addresses and telephone numbers.
- F. Submission of a good faith complaint, grievance or report of unlawful sex discrimination toward a student will not affect the complainant or reporter's future employment, grades or work assignments.
- G. Use of formal reporting forms is not mandatory.
- H. The school district will respect the privacy of the complainant, the individual(s) against whom the complaint is filed, and the witnesses as much as possible, consistent with the school district's legal obligations to investigate, to take appropriate action, and to conform with any discovery or disclosure obligations.

IV. INVESTIGATION

- A. By authority of the school district, the human rights officer, upon receipt of a report, complaint or grievance alleging unlawful sex discrimination toward a student shall promptly undertake or authorize an investigation. The investigation may be conducted by school district officials or by a third party designated by the school district.
- B. The investigation may consist of personal interviews with the complainant, the individual(s) against whom the complaint is filed, and others who may have knowledge of the alleged incident(s) or circumstances giving rise to the complaint. The investigation may also consist of any other methods and documents deemed pertinent by the investigator.
- C. In determining whether alleged conduct constitutes a violation of this policy, the school district should consider the surrounding circumstances, the nature of the behavior, past incidents or past or continuing patterns of behavior, the relationships between the parties involved and the context in which the alleged incidents occurred. Whether a particular action or incident constitutes a violation of this policy requires a determination based on all the facts and surrounding circumstances.
- D. In addition, the school district may take immediate steps, at its discretion, to protect the complainant, pupils, teachers, administrators or other school personnel pending completion of an investigation of alleged unlawful sex discrimination toward a student.
- E. The investigation will be completed as soon as practicable. The school district human rights officer shall make a written report to the superintendent upon completion of the investigation. If the complaint involves the superintendent, the report may be filed directly with the school board. The report shall include a determination of whether the allegations have been substantiated as factual and whether they appear to be violations of this policy.

V. SCHOOL DISTRICT ACTION

- A. Upon conclusion of the investigation and receipt of a report, the school district will take appropriate action. Such action may include, but is not limited to, warning, suspension, exclusion, expulsion, transfer, remediation, termination or discharge. School district action taken for violation of this policy will be consistent with requirements of applicable collective bargaining agreements, Minnesota and federal law and school district policies.
- B. The result of the school district's investigation of each complaint filed under these procedures will be reported in writing to the complainant by the school district in accordance with state and federal law regarding data or records privacy.

VI. REPRISAL

The school district will discipline or take appropriate action against any pupil, teacher, administrator or other school personnel who retaliates against any person who reports alleged unlawful sex discrimination toward a student or any person who testifies, assists or participates in an investigation, or who testifies, assists or participates in a proceeding or hearing relating to such unlawful sex discrimination. Retaliation includes, but is not limited to, any form of intimidation, reprisal or harassment.

VII. RIGHT TO ALTERNATIVE COMPLAINT PROCEDURES

These procedures do not deny the right of any individual to pursue other avenues of recourse which may include filing charges with the Minnesota Department of Human Rights, initiating civil action or seeking redress under state criminal statutes and/or federal law, or contacting the Office of Civil Rights for the United States Department of Education.

VIII. DISSEMINATION OF POLICY AND EVALUATION

- A. This policy shall be made available to all students, parents/guardians of students, staff members, employee unions and organizations.
- B. The school district shall review this policy and the school district's operation for compliance with state and federal laws prohibiting discrimination on a continuous basis.

~~**Legal References:** Minn. Stat. § 121A.04 (Athletic Programs; Sex Discrimination)
Minn. Stat. Ch. 363A (Minnesota Human Rights Act)
20 U.S.C. §§ 1681-1688 (Title IX of the Education Amendments of 1972)
34 C.F.R. Part 106 (Implementing Regulations of Title IX)~~

~~**Cross References:** MSBA/MASA Model Policy 102 (Equal Educational Opportunity)
MSBA/MASA Model Policy 413 (Harassment and Violence)
MSBA/MASA Model Policy 528 (Student Parental, Family, and Marital Status
Nondiscrimination)~~

INDEPENDENT SCHOOL DISTRICT NO. 272**UNLAWFUL SEX DISCRIMINATION TOWARD A STUDENT**General Statement of Policy Prohibiting Unlawful Sex Discrimination Toward a Student

Independent School District No. 272 maintains a firm policy prohibiting all forms of unlawful sex discrimination. All students are to be treated with respect and dignity. Unlawful sex discrimination by any teacher, administrator or other school personnel will not be tolerated under any circumstances.

Complainant: _____

Home Address: _____

Work Address: _____

Home Phone: _____ Work Phone: _____

Date of Alleged Incident(s): _____

Name of person you believe unlawfully discriminated toward you or a student on the basis of sex: _____

If the alleged unlawful sex discrimination was toward another person, identify that person: _____

Describe the incident(s) as clearly as possible, including such things as: what force, if any, was used; any verbal statements (i.e. threats, requests, demands, etc.); what, if any, physical contact was involved; etc. (Attach additional pages if necessary): _____

Where and when did the incident(s) occur: _____

List any witnesses that were present: _____

This complaint is filed based on my honest belief that _____ has unlawfully discriminated against me or a student on the basis of sex. I hereby certify that the information I have provided in this complaint is true, correct and complete to the best of my knowledge and belief.

(Complainant Signature)

(Date)

Received by: _____

525 VIOLENCE PREVENTION [APPLICABLE TO STUDENTS AND STAFF]

I. PURPOSE

The purpose of this policy is to recognize that violence has increased and to identify measures that the school district will take in an attempt to maintain a learning and working environment that is free from violent and disruptive behavior.

The school board is committed to promoting healthy human relationships and learning environments that are physically and psychologically safe for all members of the school community. It further believes that students are the first priority and they should be protected from physical or emotional harm during school activities and on school grounds, buses, or field trips while under school district supervision.

II. GENERAL STATEMENT OF POLICY

- A. The policy of the school district is to strictly enforce its weapons policy (Policy 501).
- B. The policy of the school district is to act promptly in investigating all acts, or formal or informal complaints, of violence and take appropriate disciplinary action against any student or staff member who is found to have violated this policy or any related policy.
- C. The administration will periodically review discipline policies and procedures, prepare revisions if necessary, and submit them to the school board for review and adoption.
- D. The school district will implement approved violence prevention strategies to promote safe and secure learning environments, to diminish violence in our schools, and to aid in the protection of children whose health or welfare may be jeopardized through acts of violence.

III. IMPLEMENTATION OF POLICY

- A. The school board will review and approve policies to prevent and address violence in our schools. The superintendent or designee will develop procedures to effectively implement the school weapons and violence prevention policies. It shall be incumbent on all students and staff to observe all policies and report

violations to the school administration.

- B. The school board and administration will inform staff and students annually of policies and procedures related to violence prevention and weapons.
- C. The school district will act promptly to investigate all acts and formal and informal complaints of violence and take appropriate disciplinary action against any student or staff member who is found to have violated this policy or any related policy.
- D. The consequences set forth in the school weapons policy (Policy 501) will be imposed upon any student or nonstudent who possesses, uses or distributes a weapon when in a school location.
- E. The consequences set forth in the school hazing policy (Policy 526) will be imposed upon any student or staff member who commits an act against a student or staff member; or coerces a student or staff member into committing an act, that creates a substantial risk of harm to a person in order for the student or staff member to be initiated into or affiliated with an organization, or for any other purpose.
- F. Students who engage in assault or violent behavior will be removed from the classroom immediately and for a period of time deemed appropriate by the principal, in consultation with the teacher, pursuant to the student discipline policy (Policy 506).
- G. Students with disabilities may be expelled for behavior unrelated to their disabilities, subject to the procedural safeguards required by the Individuals with Disabilities Education Act (IDEA), Section 504 of the Rehabilitation Act of 1973, and the Pupil Fair Dismissal Act.
- H. Procedures will be developed for the referral of any person in violation of this policy or the weapons policy to the local law enforcement agency in accordance with Minn. Stat. § 121A.05.
- I. Students who wear objectionable emblems, signs, words, objects, or pictures on clothing communicating a message that is racist, sexist, or otherwise derogatory to a protected minority group or which connotes gang membership or that approves, advances, or provokes any form of religious, racial, or sexual harassment or violence against other individuals as defined in the harassment and violence policy (Policy 413) will be subject to the procedures set forth in the student dress and appearance policy (Policy 504). “Gang” as used in this policy means any ongoing organization, association, or group of three or more persons, whether formal or informal, having as one of its primary activities the commission of one or more criminal acts, which has an identifiable name or identifying sign or symbol, and whose members individually or collectively engage in or whose

members engaged in a pattern of criminal gang activity. A “pattern of gang activity” means the commission, attempt to commit, conspiring to commit, or solicitation of two or more criminal acts, provided the criminal acts were committed on separate dates or by two or more persons who are members of or belong to the same criminal street gang.

- J. This policy is not intended to abridge the rights of students to express political, religious, philosophical, or similar opinions by wearing apparel on which such messages are stated. Such messages are acceptable as long as they are not lewd, vulgar, obscene, defamatory, profane, denote gang affiliation, advocate harassment or violence against others, are likely to disrupt the education process, or cause others to react in a violent or illegal manner (Policy 504).

IV. PREVENTION STRATEGIES

The school district has adopted and will implement the following prevention strategies promote safe and secure learning environments, to diminish violence in our schools, and to aid in the protection of children whose health or welfare may be jeopardized through acts of violence.

- A. Adopt a district crisis management policy to address potential violent crisis situations in the district.
- B. Provide training in recognition, prevention, and safe responses to violence and development of a positive school climate.
- C. Promote student safety responsibility by encouraging the reporting of suspicious individuals and unusual activities on school grounds.
- D. ~~Establish~~ Use of positive behavior intervention strategies that provide clear school rules that prevent and deter violence.
- E. ~~Develop~~ Use of adopted curriculum that teaches social skills such as maintaining self-control, building communications skills, forming friendships, resisting peer pressure, being appropriately assertive, forming positive relationships with adults, and resolving conflict in nonviolent ways.
- F. Develop curriculum that teaches critical viewing and listening skills in analyzing mass media to recognize stereotypes, distinguish fact from fantasy, and identify differences in behavior and values that conflict with their own.
- G. ~~Develop a~~ Continued use of staff photo or and name identification system using identification badges for quick identification of unauthorized people on campus.

- H. Require all visitors to check-in the main office upon their arrival and state their business at the school. A visitor badge may be issued for easy identification that the visitor is authorized to be present in the school building.
- I. Establish conflict resolution training, conflict management, or peer mediation programs for staff and students to teach conservative approaches to settling disputes.

V. STUDENT SUPPORT

- A. Students will have access to school-based student service professionals, when available, including counselors, nurses, social workers, and psychologists who are knowledgeable in methods to assist students with violence prevention and intervention.
- B. Students will be apprised of school board policies designed to protect their personal safety.
- C. Students will be provided with information as to school district and building rules regarding weapons and violence.
- D. Students will be informed of resources for violence prevention and proper reporting.

VI. PERSONNEL

- A. School district personnel shall comply with the school weapons policy (Policy 501) and the school hazing policy (Policy 526).
- B. School district personnel shall be knowledgeable of violence prevention policies and report any violation to school administration immediately. School district personnel will be informed annually as to school district and building rules regarding weapons and violence prevention.
- C. School district personnel or agents of the school district shall not engage in emotionally abusive acts including malicious shouting, ridicule, and/or threats or other forms of corporal punishment (Policy 507).

~~**Legal References:** Minn. Stat. § 13.43, Subd. 16 (School District or Charter School Disclosure of Violence or Inappropriate Sexual Contact) Minn. Stat. § 120B.22 (Violence Prevention Education) Minn. Stat. § 120B.232 (Character Development Education) Minn. Stat. § 121A.035 (Crisis Management Policy)~~

~~Minn. Stat. § 121A.05 (Policy to Refer Firearms Possessor) Minn. Stat. §§
 121A.40-121A.56 (Pupil Fair Dismissal Act) Minn. Stat. §
 121A.44 (Expulsion for Possession of Firearm)
 Minn. Stat. § 121A.61 (Discipline and Removal of Students from Class)
 Minn. Stat. § 121A.64 (Notification)
 Minn. Stat. § 121A.69 (Hazing Policy)
 Minn. Stat. § 181.967, Subd. 5 (School District Disclosure of Violence or
 Inappropriate Sexual Contact)
 18 U.S.C. § 921 (Definition of Firearm)
 20 U.S.C. § 1400 et seq. (Individuals with Disabilities Education
 Improvement Act of 2004)
 29 U.S.C. § 794 et seq. (Rehabilitation Act of 1973, § 504)
 Tinker v. Des Moines Indep. Sch. Dist., 393 U.S. 503, 89 S.Ct. 733, 21
 L.Ed.2d 731 (1969)
 Stephenson v. Davenport Cmty. Sch. Dist., 110 F.3d 1303 (8th Cir. 1997)
 McIntire v. Bethel School, 804 F.Supp. 1415, 78 Educ. L.Rep. 828 (W.D. Okla. 1992)
 Olesen v. Board of Educ. of Sch. Dist. No. 228, 676 F.Supp. 820, 44 Educ. L.Rep. 205 (N.D. Ill.
 1987)~~

Cross References:

MSBA/MASA Model Policy 413 (Harassment and Violence)
 MSBA/MASA Model Policy 501 (School Weapons Policy)
 MSBA/MASA Model Policy 504 (Student Dress and Appearance)
 MSBA/MASA Model Policy 506 (Student Discipline)
 MSBA/MASA Model Policy 507 (Corporal Punishment)
 MSBA/MASA Model Policy 514 (Bullying Prohibition Policy)
 MSBA/MASA Model Policy 526 (Hazing Prohibition)
 MSBA/MASA Model Policy 529 (Staff Notification of Violent Behavior by Students)

526 HAZING PROHIBITION

I. PURPOSE

The purpose of this policy is to maintain a safe learning environment for students and staff that is free from hazing. Hazing activities of any type are inconsistent with the educational goals of the school district and are prohibited at all times.

II. GENERAL STATEMENT OF POLICY

- A. No student, teacher, administrator, volunteer, contractor, or other employee of the school district shall plan, direct, encourage, aid, or engage in hazing.
- B. No teacher, administrator, volunteer, contractor, or other employee of the school district shall permit, condone, or tolerate hazing.
- C. Apparent permission or consent by a person being hazed does not lessen the prohibitions contained in this policy.
- D. Retaliation against a victim, good faith reporter, or a witness of hazing is prohibited.
- E. False accusations or reports of hazing against a student, teacher, administrator, volunteer, contractor, or other employee are prohibited.
- F. A person who engages in an act of hazing, reprisal, retaliation, or false reporting of hazing or permits, condones, or tolerates hazing shall be subject to discipline or other remedial responses for that act in accordance with the school district's policies and procedures.

Consequences for students who commit, tolerate, or are a party to prohibited acts of hazing may range from remedial responses or positive behavioral interventions up to and including suspension and/or expulsion.

Consequences for employees who permit, condone, or tolerate hazing or engage in an act of reprisal or intentional false reporting of hazing may result in disciplinary action up to and including termination or discharge.

Consequences for other individuals engaging in prohibited acts of hazing may include, but not be limited to, exclusion from school district property and events and/or termination of services and/or contracts.

- G. This policy applies to hazing that occurs during and after school hours, on or off school premises or property, at school functions or activities, or on school transportation.
- H. A person who engages in an act that violates school policy or law in order to be initiated into or affiliated with a student organization shall be subject to discipline for that act.
- I. The school district will act to investigate all complaints of hazing and will discipline or take appropriate action against any student, teacher, administrator, volunteer, contractor, or other employee of the school district who is found to have violated this policy.

III. DEFINITIONS

- A. “Hazing” means committing an act against a student, or coercing a student into committing an act, that creates a substantial risk of harm to a person, in order for the student to be initiated into or affiliated with a student organization, or for any other school-related purpose. The term hazing includes, but is not limited to:
 - 1. Any type of physical brutality such as whipping, beating, striking, branding, electronic shocking, or placing a harmful substance on the body.
 - 2. Any type of physical activity such as sleep deprivation, exposure to weather, confinement in a restricted area, calisthenics, or other activity that subjects the student to an unreasonable risk of harm or that adversely affects the mental or physical health or safety of the student.
 - 3. Any activity involving the consumption of any alcoholic beverage, drug, tobacco product, or any other food, liquid, or substance that subjects the student to an unreasonable risk of harm or that adversely affects the mental or physical health or safety of the student.
 - 4. Any activity that intimidates or threatens the student with ostracism, that subjects a student to extreme mental stress, embarrassment, shame, or humiliation, that adversely affects the mental health or dignity of the student or discourages the student from remaining in school.
 - 5. Any activity that causes or requires the student to perform a task that involves violation of state or federal law or of school district policies or regulations.
- B. “Immediately” means as soon as possible but in no event longer than 24 hours.
- C. “On school premises or school district property, or at school functions or activities, or on school transportation” means all school district buildings, school grounds, and school property or property immediately adjacent to school grounds,

school bus stops, school buses, school vehicles, school contracted vehicles, or any other vehicles approved for school district purposes, the area of entrance or departure from school grounds, premises, or events, and all school-related functions, school-sponsored activities, events, or trips. School district property also may mean a student's walking route to or from school for purposes of attending school or school-related functions, activities, or events. While prohibiting hazing at these locations and events, the school district does not represent that it will provide supervision or assume liability at these locations and events.

- D. "Remedial response" means a measure to stop and correct hazing, prevent hazing from recurring, and protect, support, and intervene on behalf of a student who is the target or victim of hazing.
- E. "Student" means a student enrolled in a public school or a charter school.
- F. "Student organization" means a group, club, or organization having students as its primary members or participants. It includes grade levels, classes, teams, activities, or particular school events. A student organization does not have to be an official school organization to come within the terms of this definition.

IV. REPORTING PROCEDURES

- A. Any person who believes he or she has been the target or victim of hazing or any person with knowledge or belief of conduct which may constitute hazing shall report the alleged acts immediately to an appropriate school district official designated by this policy. A person may report hazing anonymously. However, the school district may not rely solely on an anonymous report to determine discipline or other remedial responses.
- B. The school district encourages the reporting party to use the report form available from the principal or building supervisor of each building or available from the school district office, but oral reports shall be considered complaints as well.

The building principal, the principal's designee, or the building supervisor (hereinafter the "building report taker") is the person responsible for receiving reports of hazing at the building level. Any adult school district personnel who receives a report of hazing prohibited by this policy shall inform the building report taker immediately. Any person may report hazing directly to a school district human rights officer or to the superintendent. If the complaint involves the building report taker, the complaint shall be made or filed directly with the superintendent or the school district human rights officer by the reporting party or complainant.

The building report taker shall ensure that this policy and its procedures, practices, consequences, and sanctions are fairly and fully implemented and shall serve as a primary contact on policy and procedural matters.

- C. A teacher, administrator, volunteer, contractor, and other school employees shall be particularly alert to possible situations, circumstances, or events which might include hazing. Any such person who witnesses, observes, receives a report of, or has other knowledge or belief of conduct which may constitute hazing shall make reasonable efforts to address and resolve the hazing and shall inform the building report taker immediately. School district personnel who fail to inform the building report taker of conduct that may constitute hazing, or who fail to make reasonable efforts to address and resolve the hazing in a timely manner, may be subject to disciplinary action.
- D. Submission of a good faith complaint or report of hazing will not affect the complainant or reporter's future employment, grades, work assignments, or educational or work environment.
- E. Reports of hazing are classified as private educational and/or personnel data and/or confidential investigative data and will not be disclosed except as permitted by law. The building report taker, in conjunction with the responsible authority, shall be responsible for keeping and regulating access to any report of hazing and the record of any resulting investigation.
- F. The school district will respect the privacy of the complainant(s), the individual(s) against whom the complaint is filed, and the witnesses as much as possible, consistent with the school district's legal obligations to investigate, to take appropriate action, and to comply with any discovery or disclosure obligations.

V. SCHOOL DISTRICT ACTION

- A. Within three (3) days of the receipt of a complaint or report of hazing, the school district shall undertake or authorize an investigation by school district officials or a third party designated by the school district.
- B. The building report taker or other appropriate school district officials may take immediate steps, at their discretion, to protect the target or victim of the hazing, the complainant, the reporter, and students; or others pending completion of an investigation of alleged hazing prohibited by this policy.
- C. The alleged perpetrator of the hazing shall be allowed the opportunity to present a defense during the investigation or prior to the imposition of discipline or other remedial responses.
- D. Upon completion of an investigation that determines hazing has occurred, the school district will take appropriate action. Such action may include, but is not limited to, warning, suspension, exclusion, expulsion, transfer, remediation, termination, or discharge. Disciplinary consequences will be sufficiently severe to try to deter violations and to appropriately discipline prohibited behavior. School district action taken for violation of this policy will be consistent with the

requirements of applicable collective bargaining agreements; applicable statutory authority, including the Minnesota Pupil Fair Dismissal Act; and applicable school district policies and regulations.

- E. The school district is not authorized to disclose to a victim private educational or personnel data regarding an alleged perpetrator who is a student or employee of the school district. School officials will notify the parent(s) or guardian(s) of students who are targets or victims of hazing and the parent(s) or guardian(s) of alleged perpetrators of hazing who have been involved in a reported and confirmed hazing incident of the remedial or disciplinary action taken, to the extent permitted by law.
- F. In order to prevent or to respond to hazing committed by or directed against a child with a disability, the school district shall, where determined appropriate by the child's individualized education program (IEP) team or Section 504 team, allow the child's IEP or Section 504 plan to be drafted to address the skills and proficiencies the child needs as a result of the child's disability to allow the child to respond to or not to engage in hazing.

VI. RETALIATION OR REPRISAL

The school district will discipline or take appropriate action against any student, teacher, administrator, volunteer, contractor, or other employee of the school district who commits an act of reprisal or who retaliates against any person who asserts, alleges, or makes a good faith report of alleged hazing who provides information about hazing, who testifies, assists, or participates in an investigation of alleged hazing, or who testifies, assists, or participates in a proceeding or hearing relating to such hazing. Retaliation includes, but is not limited to, any form of intimidation, reprisal, harassment, or intentional disparate treatment. Disciplinary consequences will be sufficiently severe to deter violations and to appropriately discipline the individual(s) who engaged in the prohibited conduct. Remedial responses to the prohibited conduct shall be tailored to the particular incident and nature of the conduct.

VII. DISSEMINATION OF POLICY

- A. This policy shall appear in each school's student handbook and in each school's building and staff handbooks.
- B. The school district will develop a method of discussing this policy with students and employees.

Legal References: Minn. Stat. § 121A.031 (School Student Bullying Policy)
Minn. Stat. § 121A.0311 (Notice of the Rights and Responsibilities of Students and Parents
Under the Safe and Supportive Minnesota Schools Act)
Minn. Stat. § 121A.40-121A.56 (Pupil Fair Dismissal Act)
Minn. Stat. § 121A.69 (Hazing Policy)

Cross References: MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal
 of School District Employees)
MSBA/MASA Model Policy 413 (Harassment and Violence)
MSBA/MASA Model Policy 506 (Student Discipline)
MSBA/MASA Model Policy 514 (Bullying Prohibition Policy)
MSBA/MASA Model Policy 525 (Violence Prevention [Applicable to Students and Staff])

527 STUDENT USE AND PARKING OF MOTOR VEHICLES; PATROLS, INSPECTIONS, AND SEARCHES

I. PURPOSE

The purpose of this policy is to provide guidelines for use and parking of motor vehicles by students in school district locations, to maintain order and discipline in the schools and to protect the health, safety and welfare of students and school personnel.

II. GENERAL STATEMENT OF POLICY

~~It is the~~ The policy of this school district ~~is~~ to allow the limited use and parking of motor vehicles by students in school district locations. ~~It is the~~ The position of the school district ~~is~~ that a fair and equitable district-wide student motor vehicle policy will contribute to the quality of the student's educational experience, will maintain order and discipline in the schools, and will protect the health, safety and welfare of students and school personnel. This policy applies to all students in the school district.

III. DEFINITIONS

- A. "Contraband" means any unauthorized item possession of which is prohibited by school district policy and/or law. It includes but is not limited to weapons and "look- alikes," alcoholic beverages, controlled substances and "look-alikes," overdue books and other materials belonging to the school district, and stolen property.
- B. "Reasonable suspicion" means that a school official has grounds to believe that the search will result in evidence of a violation of school district policy, rules, and/or law. Reasonable suspicion may be based on a school official's personal observation, a report from a student, parent or staff member, a student's suspicious behavior, a student's age and past history or record of conduct both in and out of the school context, or other reliable sources of information.
- C. "Reasonable scope" means that the scope and/or intrusiveness of the search is reasonably related to the objectives of the search. Factors to consider in determining what is reasonable include the seriousness of the suspected infraction, the reliability of the information, the necessity of acting without delay, the existence of exigent circumstances necessitating an immediate search and further investigation (e.g. to prevent violence, serious and immediate risk of harm or

destruction of evidence), and the age of the student.

- D. “School district location” means property that is owned, rented, leased, or borrowed by the school district for school purposes, as well as property immediately adjacent to such property that may be used for parking or gaining access to such property. A school district location also shall include 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.

IV. STUDENT USE OF MOTOR VEHICLES IN SCHOOL DISTRICT LOCATIONS

Students generally are not permitted to use motor vehicles during the school day in any school district location. Students may use motor vehicles on the high school campus during the school day only if there is an emergency and permission has been granted to the student by the high school principal or designee to use a motor vehicle. Students are permitted to use motor vehicles in school district locations outside of the school day only on the high school campus.

V. STUDENT PARKING OF MOTOR VEHICLES IN SCHOOL DISTRICT LOCATIONS

- A. Students are permitted to park in a school district location as a matter of privilege, not of right. Students driving a motor vehicle to a high school campus may park the motor vehicle in the parking lot designated for student parking only. Students will not park vehicles in driveways, on private property, or in [other designated areas, e.g. parking lots designated for use only by staff or by the general public].
- B. When there are unauthorized vehicles parked on school district property, school officials may:
 - 1. move the vehicle or require the driver or other person in charge of the vehicle to move it off school district property; or
 - 2. if unattended, provide for the removal of the vehicle, at the expense of the owner or operator, to the nearest convenient garage or other place of safety off of school district property.

VI. PATROLS, INSPECTIONS AND SEARCHES

School officials may conduct routine patrols of school district locations and routine inspections of the exteriors of the motor vehicles of students. In addition, the interiors of motor vehicles of students in school district locations may be searched when school officials have a reasonable suspicion that the search will uncover a violation of law and/or school policy or rule.

A. Patrols and Inspections

School officials may conduct routine patrols of student parking lots and other school district locations and routine inspections of the exteriors of the motor vehicles of students. Such patrols and inspections may be conducted without notice, without student consent, and without a search warrant.

B. Search of Interior of Student Motor Vehicle

The interiors of motor vehicles of students in school district locations, including glove or trunk compartments, may be searched when school officials have a reasonable suspicion that the search will uncover a violation of law and/or school policy or rule. The search will be reasonable in its scope and intrusiveness. Such searches may be conducted without notice, without consent, and without a search warrant. A student will be subject to withdrawal of parking privileges and to discipline if the student refuses to open a locked motor vehicle under the student's control or its compartments upon the request of a school official.

C. Prohibition of Contraband and Interference with Patrols, Inspections, Searches and/or Seizures

~~It shall be a~~ A violation of this policy occurs when for students to store or carry contraband in motor vehicles in a school district location or to interfere with patrols, inspections, searches and/or seizures as provided by this policy.

D. Seizure of Contraband

If a search yields contraband, school officials will seize the item and may turn it over to legal officials for ultimate disposition when appropriate.

E. Dissemination of Policy

A copy of this policy will be printed in the student handbook or disseminated in any other way which school officials deem appropriate.

VII. DIRECTIVES AND GUIDELINES

The superintendent or designee shall develop reasonable directives and guidelines which address specific needs of the school district related to student use and parking of motor vehicles in school district locations, such as a permit system and parking regulations. Approved directives and guidelines are provided annually and are referenced on the High School's website.

VIII. VIOLATIONS

A student found to have violated this policy and/or the directives and guidelines implementing it shall be subject to withdrawal of parking privileges and/or to discipline in accordance with the school district's Student Discipline Policy, which may include suspension, exclusion, or expulsion. In addition, the student may be referred to legal officials when appropriate.

~~Legal References:~~ ~~U. S. Const., amend. IV~~

~~Minn. Const., art. I, §10~~

~~Minn. Stat. § 123B.02, Subds. 1 and 5 (General Powers of Independent School Districts)~~

~~New Jersey v. T.L.O., 469 U.S. 325, 105 S.Ct. 733, 83 L.Ed.2d 720 (1985)~~

~~Cross-References:~~ ~~MSBA/MASA Model Policy 417 (Chemical Use and Abuse)~~

~~MSBA/MASA Model Policy 418 (Drug-Free Workplace/Drug-Free School)~~

~~MSBA/MASA Model Policy 501 (School Weapons Policy)~~

~~MSBA/MASA Model Policy 502 (Search of Student Lockers, Desks, Personal Possessions, and Student's Person)~~

~~MSBA/MASA Model Policy 506 (Student Discipline)~~

528 STUDENT PARENTAL, FAMILY, AND MARITAL STATUS NONDISCRIMINATION

~~[Note: The provisions of this policy substantially reflect statutory requirements.]~~

I. PURPOSE

Students are protected from discrimination on the basis of sex and marital status pursuant to Title IX of the Education Amendments of 1972 and the Minnesota Human Rights Act. This includes discrimination on the basis of pregnancy. The purpose of this school district policy is to provide equal educational opportunity for all students and to prohibit discrimination on the grounds of sex, parental, family, or marital status.

II. GENERAL STATEMENT OF POLICY

- A. The school district provides equal educational opportunity for all students, and will not apply any rule concerning a student's actual or potential parental, family, or marital status which treats students differently on the basis of sex.
- B. The school district will not discriminate against any student, or exclude any student from its education program or activity, including any class or extracurricular activity, on the basis of such students' pregnancy, childbirth, false pregnancy, termination of pregnancy or recovery therefrom, unless the student requests voluntarily to participate in a separate portion of the program or activity of the recipient.
- C. The school district may require such a student to obtain the certification of a physician that the student is physically and emotionally able to continue participation in the normal education program or activity so long as such a certification is required of all students for other physical or emotional conditions requiring the attention of a physician.
- D. The school district will ensure that any separate and voluntary instructional program is comparable to that offered to non-pregnant students.

- E. It is the responsibility of every school district employee to comply with this policy. The Superintendent has designated the Assistant Superintendent, 8100 School Road, Eden Prairie Schools, Eden Prairie, MN, 952-975-7156, as its Title IX Coordinator. This employee coordinates the school district's efforts to comply with and carry out its responsibilities under Title IX.
- G. Any student, parent or guardian having questions regarding the application of Title IX and its regulations and/or this policy should discuss them with the Title IX coordinator. Questions relating solely to Title IX and its regulations may be referred to the Assistant Secretary for Civil Rights of the United States Department of Education. In the absence of a specific designee, an inquiry or complaint should be referred to the superintendent or the school district human rights officer.
- H. Any reports of unlawful discrimination under this policy will be handled, investigated and acted upon in the manner specified in Policy 522 – Student Sex Nondiscrimination.

Legal References: ~~Minn. Stat. Ch. 363A (Minnesota Human Rights Act)~~
~~20 U.S.C. §§ 1681-1688 (Title IX of the Education Amendments of 1972)~~
~~34 C.F.R. Part 106 (Implementing Regulations of Title IX)~~

Cross References: ~~MSBA/MASA Model Policy 102 (Equal Educational Opportunity)~~
~~MSBA/MASA Model Policy 413 (Harassment and Violence)~~
~~MSBA/MASA Model Policy 522 (Student Sex Nondiscrimination)~~

Adopted: August 14, 2012

~~MSBA/MASA Model Policy 531~~

~~Orig. 2003~~

~~Revised:~~

~~Rev. 2003~~

531 THE PLEDGE OF ALLEGIANCE

I. PURPOSE

The school board recognizes the need to display an appropriate United States flag and to provide instruction to students in the proper etiquette, display, and respect of the flag. The purpose of this policy is to provide for recitation of the Pledge of Allegiance and instruction in school to help further that end.

II. GENERAL STATEMENT OF POLICY

Students in this school district shall recite the Pledge of Allegiance to the flag of the United States of America one or more times each week. The recitation shall be conducted:

- A. By each individual classroom teacher or the teacher's surrogate; or
- B. Over a school intercom system by a person designated by the school principal or other person having administrative control over the school.

III. EXCEPTIONS

Anyone who does not wish to participate in reciting the Pledge of Allegiance for any personal reasons may elect not to do so. Students and school personnel must respect another person's right to make that choice.

IV. INSTRUCTION

Students will be instructed in the proper etiquette toward, correct display of, and respect for the flag, and in patriotic exercises.

Legal References: ~~Minn. Stat. § 121A.11, Subd. 3 (Pledge of Allegiance)~~
 ~~Minn. Stat. § 121A.11, Subd. 4 (Instruction)~~

Cross References:

533 WELLNESS

~~[Note: All school districts that participate in the National School Lunch and School Breakfast Programs are required by the Healthy, Hunger-Free Kids Act of 2010 to have a wellness policy that includes standards and nutrition guidelines for foods and beverages made available to students on campus during the school day, as well as, specific goals for nutrition promotion and education, physical activity, and other school-based activities that to promote student wellness. The Act requires the involvement of parents, students, representatives of the school food authority, teachers of physical education, school health professionals, the school board, school administrators, and the public in the development, implementation, and periodic review and update of the wellness policy. The Act also requires a plan for measuring implementation of the policy and reporting wellness policy content and implementation issues to the public, as well as the designation of at least one person charged with responsibility for the implementation and oversight of the wellness policy to ensure the school district is in compliance with the policy.]~~

I. PURPOSE

The purpose of this policy is to set forth methods that promotes student wellness, prevent and reduce childhood obesity, and assure that school meals and other food and beverages sold and otherwise made available on the school campus during the school day are consistent with applicable minimum local, state, and federal standards.

II. GENERAL STATEMENT OF POLICY

- A. The school board recognizes that nutrition promotion and education, physical activity, and other school-based activities that promote student wellness are essential components of the educational process and that good health fosters student attendance and learning.
- B. The school environment should promote students' health, well-being, and ability to learn by encouraging healthy eating and physical activity.
- C. The school district encourages the involvement of parents, students, representatives of the school food authority, teachers, school health professionals, the school board, school administrators, and the general public in the development, implementation, and periodic review and update of the school district's wellness policy.
- D. Children need access to healthy foods and opportunities to be physically active in order to grow, learn, and thrive.

- E. All students in grades K-12 will have opportunities, support, and encouragement to be physically active on a regular basis.
- F. Qualified food service personnel will provide students with access to a variety of affordable, nutritious, and appealing foods that meet the health and nutrition needs of students; try to accommodate the religious, ethnic, and cultural diversity of the student body in meal planning; and will provide clean, safe, and pleasant settings and adequate time for students to eat.

III. WELLNESS GOALS

~~*[Note: The Act requires that wellness policies include goals for nutrition promotion and education, physical activity, and other school-based activities that promote student wellness.]*~~

A. Nutrition Promotion and Education

- 1. The school district will encourage and support healthy eating by students and engage in nutrition promotion that is:
 - a. offered as part of a comprehensive program designed to provide students with the knowledge and skills necessary to promote and protect their health;
 - b. part of health education classes, as well as classroom instruction in subjects such as math, science, language arts, social sciences, and elective subjects, where appropriate; and
 - c. enjoyable, developmentally appropriate, culturally relevant, and includes participatory activities, such as contests, promotions, taste testing, and field trips.
- 2. The school district will encourage all students to make age appropriate, healthy selections of foods and beverages, including those sold individually outside the reimbursable school meal programs, such as through a la carte lines, vending machines, fundraising events, concession stands, and student stores.

B. Physical Activity

- 1. Students need opportunities for physical activity and to fully embrace regular physical activity as a personal behavior. Toward that end, health and physical education will reinforce the knowledge and self-management skills needed to maintain a healthy lifestyle and reduce sedentary activities, such as watching television;

2. Opportunities for physical activity will be incorporated into other subject lessons, where appropriate; and
3. Classroom teachers will provide short physical activity breaks between lessons or classes, as appropriate.

C. Communications with Parents

1. The school district recognizes that parents and guardians have a primary role in promoting their children's health and well-being.
2. The school district will support parents' efforts to provide a healthy diet and daily physical activity for their children.
3. The school district encourages parents to pack healthy lunches and snacks and refrain from including beverages and foods without nutritional value.
4. The school district will provide information about physical education and other school-based physical activity opportunities and will support parents' efforts to provide their children with opportunities to be physically active outside of school.

IV. STANDARDS AND NUTRITION GUIDELINES

~~*[Note: The Act requires that school districts have standards, selected by the school district, for all foods available on the school campus during the school day with the objective of promoting student health and reducing childhood obesity. For foods and beverages sold to students during the school day on school campus, the Act requires that school districts also have nutrition guidelines.]*~~

A. School Meals

~~*[Note: The Act specifically requires that the wellness policy contain standards and nutrition guidelines for all foods and beverages sold to students during the school day that are consistent with the meal requirements for lunches and after-school snacks set forth in 7 C.F.R. § 210.10 and the meal requirements for breakfasts set forth in 7 C.F.R. § 220.8.]*~~

1. The school district will provide healthy and safe school meal programs that comply with all applicable federal, state, and local laws, rules, and regulations.
2. Food service personnel will provide students with access to a variety of affordable, nutritious, and appealing foods that meet the health and nutrition needs of students.

3. Food service personnel will try to accommodate the religious, ethnic, and cultural diversity of the student body in meal planning.
4. Food service personnel will provide clean, safe, and pleasant settings and adequate time for students to eat.
5. Food service personnel will take every measure to ensure that student access to foods and beverages meets or exceeds all applicable federal, state, and local laws, rules, and regulations and that reimbursable school meals meet USDA nutrition standards.
6. Food service personnel shall adhere to all applicable federal, state, and local food safety and security guidelines.
7. The school district will make every effort to eliminate any social stigma attached to, and prevent the overt identification of, students who are eligible for free and reduced-price school meals.
8. The school district will provide students access to hand washing or hand sanitizing before they eat meals or snacks.
9. The school district will make every effort to provide students with sufficient time to eat after sitting down for school meals and will schedule meal periods at appropriate times during the school day.
10. The school district will discourage tutoring, club, or organizational meetings or activities during mealtimes unless students may eat during such activities.

B. School Food Service Program/Personnel

1. The school district shall designate an appropriate person to be responsible for the school district's food service program, whose duties shall include the creation of nutrition guidelines and procedures for the selection of foods and beverages made available on campus to ensure food and beverage choices are consistent with current USDA guidelines.
2. As part of the school district's responsibility to operate a food service program, the school district will provide continuing professional development for all food service personnel in schools.

C. Competitive Foods and Beverages

1. All foods and beverages sold on school grounds to students, outside of reimbursable meals, are considered "competitive foods." Competitive foods include items sold a la carte in the cafeteria, from vending machines, school stores, and for in-school fundraisers.

2. All competitive foods will meet the USDA Smart Snacks in School (Smart Snacks) nutrition standards and any applicable state nutrition standards, at a minimum. Smart Snacks aim to improve student health and well-being, increase consumption of healthful foods during the school day, and create an environment that reinforces the development of healthy eating habits.
3. Before and Aftercare (child care) programs must also comply with the school district's nutrition standards unless they are reimbursable under USDA school meals program, in which case they must comply with all applicable USDA standards.

D. Other Foods and Beverages Made Available to Students

1. Student wellness will be a consideration for all foods offered, but not sold, to students on the school campus, including those foods provided through:
 - a. Celebrations and parties. The school district will provide a list of healthy party ideas to parents and teachers, including non-food celebration ideas.

~~*[Note: Healthy party ideas are available from the USDA.]*~~

- b. Classroom snacks brought by parents. The school district will provide to parents a list of suggested foods and beverages that meet Smart Snacks nutrition standards.
2. Rewards and incentives. Schools will not use foods or beverages as rewards for academic performance or good behavior (unless this practice is allowed by a student's individual education plan or behavior intervention plan) and will not withhold food or beverages as punishment.
3. Fundraising. The school district will make available to parents and teachers a list of suggested healthy fundraising ideas.

E. Food and Beverage Marketing in Schools

1. School-based marketing will be consistent with nutrition education and health promotion.
2. Schools will restrict food and beverages marketing to the promotion of only those foods and beverages that meet the Smart Snacks nutrition standards.

V. WELLNESS LEADERSHIP AND COMMUNITY INVOLVEMENT

A. Wellness Coordinator

~~*[Note: The Act requires that local school wellness policies identify the position of the local education agency or school official(s) responsible for the implementation and oversight of the local school wellness policy.]*~~

1. The superintendent will designate a school district official to oversee the school district's wellness-related activities (Wellness Coordinator). The Wellness Coordinator will ensure that each school implements the policy.
2. The principal of each school, or a designated school official, will ensure compliance within the school and will report to the Wellness Coordinator regarding compliance matters upon request.

B. Public Involvement

~~*[Note: The Act requires a description of the manner in which parents, students, representatives of the school food authority, teachers of physical education, school health professionals, the school board, school administrators, and the general public are provided an opportunity to participate in the development, implementation, and periodic review and update of the local school wellness policy.]*~~

1. The Wellness Coordinator will permit parents, students, representatives of the school food authority, teachers of physical education, school health professionals, the school board, school administrators, and the general public to participate in the development, implementation, and periodic review and update of the wellness policy.
2. The Wellness Coordinator will hold meetings, from time to time, for the purpose of discussing the development, implementation, and periodic review and update of the wellness policy. All meeting dates and times will be posted on the school district's website and will be open to the public.

VI. POLICY IMPLEMENTATION AND MONITORING

A. Implementation and Publication

~~*[Note: The Act requires a description of the plan for measuring the implementation of the local school wellness policy.]*~~

1. After approval by the school board, the wellness policy will be implemented throughout the school district.
2. The school district will post its wellness policy on its website, to the extent it maintains a website.

~~[Note: Per Minn. Stat. § 121A.215, when available, a school district must post its current local school wellness policy on its website.]~~

B. Annual Reporting

~~[Note: The Act requires that school districts inform the public about the content and implementation of the local wellness policy and make the policy and any updates to the policy available to the public on an annual basis.]~~

The Wellness Coordinator will annually inform the public about the content and implementation of the wellness policy and make the policy and any updates to the policy available to the public.

C. Triennial Assessment

~~[Note: The Act requires a triennial assessment of schools' compliance with the wellness policy. The Act also requires school districts to inform the public about progress toward meeting the goals of the wellness policy by making the triennial assessment available to the public in an accessible and easily understood manner.]~~

1. At least once every three years, the school district will evaluate compliance with the wellness policy to assess the implementation of the policy and create a report that includes the following information:
 - a. the extent to which schools under the jurisdiction of the school district are in compliance with the wellness policy;
 - b. the extent to which the school district's wellness policy compares to model local wellness policies; and
 - c. a description of the progress made in attaining the goals of the school district's wellness policy.
2. The Wellness Coordinator will be responsible for conducting the triennial assessment.
3. The triennial assessment report shall be posted on the school district's website or otherwise made available to the public.

D. Recordkeeping

~~[Note: The Act requires school districts to retain records to document compliance with the requirements of 7 C.F.R. § 210.30.]~~

The school district will retain records to document compliance with the requirements of the wellness policy. The records to be retained include, but are not limited to:

1. The school district's written wellness policy.
2. Documentation demonstrating compliance with community involvement requirements, including requirements to make the local school wellness policy and triennial assessments available to the public.
3. Documentation of the triennial assessment of the local school wellness policy for each school under the school district's jurisdiction efforts to review and update the wellness policy (including an indication of who is involved in the update and methods the school district uses to make stakeholders aware of their ability to participate on the Wellness Committee).

Legal References: ~~Minn. Stat. § 121A.215 (Local School District Wellness Policy)~~
~~42 U.S.C. § 1751 et seq. (Healthy and Hunger-Free Kids Act)~~
~~42 U.S.C. § 1758b (Local School Wellness Policy)~~
~~42 U.S.C. § 1771 et seq. (Child Nutrition Act of 1966)~~
~~7 U.S.C. § 5341 (Establishment of Dietary Guidelines)~~
~~7 C.F.R. § 210.10 (School Lunch Program Regulations)~~
~~7 C.F.R. § 220.8 (School Breakfast Program Regulations)~~

Local Resources: ~~Minnesota Department of Education, www.education.state.mn.us~~
~~Minnesota Department of Health, www.health.state.mn.us~~
~~County Health Departments~~
~~Action for Healthy Kids Minnesota, www.actionforhealthykids.org~~
~~United States Department of Agriculture, www.fns.usda.gov~~

~~Revised:~~

534 UNPAID MEAL CHARGES

I. PURPOSE

The purpose of this policy is to ensure that students receive healthy and nutritious meals through the school district's nutrition program and that school district employees, families, and students have a shared understanding of expectations regarding meal charges. The policy seeks to allow students to receive the nutrition they need to stay focused during the school day and minimize identification of students with insufficient funds to pay for school meals as well as to maintain the financial integrity of the school nutrition program.

II. PAYMENT OF MEALS

- A. Students have use of a meal account. When the balance reaches zero, a student may charge no more than 2 meals in grades K-8 and 1 meal in grades 9-12 to this account. When an account reaches this limit, a student shall not be allowed to charge ~~further meals or a~~ la carte items until the negative account balance is paid. Families may add money to students' accounts (e.g., electronic payment options on the district web site, pay at the school office, or cashier during meal times).
- B. If the school district receives school lunch aid under Minn. Stat. § 124D.111, it must make lunch available without charge to all participating students who qualify for free or reduced-price meals regardless of account balance.
- C. The school district may provide an alternate meal that meets federal and state requirements to a student who does not have sufficient funds in the student's account or cannot pay cash for a meal. The school district will accommodate special dietary needs with respect to alternate meals. The cost of the alternative meal will be at a reduced rate and be charged to the student's account or otherwise charged to the student.
- D. When a student has a negative account balance, the student will not be allowed to charge ~~a snack items~~ or a la carte items.
- E. If a parent or guardian chooses to send in one payment that is to be divided between sibling accounts, the parent or guardian must specify how the funds are to be distributed to the students' accounts. Funds may not be transferred between sibling accounts unless written permission and/or phone call is received from the parent or guardian.

III. LOW OR NEGATIVE ACCOUNT BALANCES – NOTIFICATION

- A. The school district will make reasonable efforts to notify families when meal account balances are low or fall below zero.
- B. Families will be notified of an outstanding negative balance once the negative balance reaches 2 meals in grades K-8 and 1 meal in grades 9-12. Families will be notified by an automated ~~calling~~-system, phone call, email or letter sent home.
- C. Reminders for payment of outstanding student meal balances will not demean or stigmatize any student participating in the school lunch program.

IV. UNPAID MEAL CHARGES

- A. The school district will make reasonable efforts to communicate with families to resolve the matter of unpaid charges. Where appropriate, families may be encouraged to apply for free and reduced-price meals for their children.
- B. The school district will make reasonable efforts to collect unpaid meal charges classified as delinquent debt. Unpaid meal charges are designated as delinquent debt when payment is overdue, the debt is considered collectable, and efforts are being made to collect it.
- C. Negative balances of more than 2 meals in grades K-8 and 1 meal in grades 9-12, not paid prior to end of the school year, ~~will~~ may be turned over to the superintendent or superintendent's designee for collection. Collection options may include, but are not limited to, use of collection agencies, claims in the conciliation court, or any other legal method permitted by law.
- D. The school district may not enlist the assistance of non-school district employees, such as volunteers, to engage in debt collection efforts.

V. COMMUNICATION OF POLICY

- A. This policy and any pertinent supporting information shall be provided in writing (i.e., mail, email, back-to-school packet, student handbook, etc.) to:
 - 1. all households at or before the start of each school year;
 - 2. students and families who transfer into the school district, at the time of enrollment; and
 - 3. all school district personnel who are responsible for enforcing this policy.
- B. The school district may post the policy on the school district's website, in addition to providing the required written notification described above.

Legal References: ~~Minn. Stat. § 124D.111, Subd. 4~~
~~42 U.S.C. § 1751 *et seq.* (Healthy and Hunger-Free Kids Act)~~
~~7 C.F.R. § 210 *et seq.* (School Lunch Program Regulations)~~
~~7 C.F.R. § 220.8 (School Breakfast Program Regulations)~~
~~USDA Policy Memorandum SP 46-2016, Unpaid Meal Charges: Local Meal Charge Policies (2016)~~
~~USDA Policy Memorandum SP 47-2016, Unpaid Meal Charges: Clarification on Collection of Delinquent Meal Payments (2016)~~
~~USDA Policy Memorandum SP 23-2017, Unpaid Meal Charges: Guidance and Q&A~~

580 OUTSIDE AGENCY ACCESS TO STUDENTS

I. PURPOSE

Schools receive requests from outside providers such as private tutors, mental health practitioners, life coaches, and individual/family services to access students during the school day. This may include both instructional times and non-instructional times such as lunch or recess. The purpose of this policy is to establish the procedures for access to students by authorized individuals during the school day.

II. GENERAL STATEMENT OF POLICY

- A. Generally, students may not be accessed during the school day by persons other than a student's parents, school district officials, employees and/or agents, except as otherwise provided by law and/or this policy.
- B. Requests from law enforcement officers and those other than a student's parents, school district officials, employees and/or agents to interview students shall be made through the principal's office. Upon receiving a request, it shall be the responsibility of the principal to determine whether the request will be granted. Prior to granting a request, the principal shall attempt to contact the student's parents to inform them of the request, except where otherwise prohibited by law.

III. ACCESS TO STUDENTS BY OUTSIDE PROVIDERS

- A. Only specific agencies, contracted by the district, can meet with Eden Prairie Students on site. A partial list includes Teens Alone, Cornerstone, and school-based mental health therapists from Washburn Center for Children. Principals need to contact Student Support Services for the full list of agencies contracted by the district.
- B. Other Agencies' requests to meet with students during the school days are not permissible due to the following contra-indicators:
 - 1. Liability: We do not know the providers nor do we have criminal background checks on them.
 - 2. We cannot ensure appropriate District practices and policies are met by the practitioner.

3. Loss of instructional time.
 4. Inconsistencies in implementation of this practice, causing discontent from providers.
 5. Lack of space available for private discussions.
 6. Parents are typically not available for follow up or support after the appointment.
- C. When agencies or parents initiate permission for agency staff to meet with students during the school day for counseling they will be notified our practice is not to allow agencies to meet with students during the school day in school facilities.
- D. Hennepin County staff will be given access to students during the school day for services such as truancy prevention, support from probation officers and other county assigned services that are required to be accessible to students. If a request is made by Hennepin County staff to meet with students it must be verified and documented that the services are ordered by Hennepin County and provided by their staff or an agency they contract with to act on behalf of the county.
- E. A school district counselor, social worker, nurse, or school psychologist may request that an outside agency staff meet alone with a student. These requests have been made in the past. Written permission from the parent for one of the above exceptions is preferred but not required. Verbal consent/notification will constitute permission. A record documenting the name of parent or guardian authorizing the visit, and date consent was given needs to be maintained. In rare situations, with consultation and approval by building principal, the staff may request for an agency to meet with a student without parent permission. No student information from school personnel will be disclosed to outside providers without a written release from a parent unless authorized by the Government Data Practices Act and/or FERPA.

Legal References: ~~Minn. Stat. § 13.32 (Educational Data)~~

Cross Reference: ~~MSBA Model Policy 519 (Interviews of Students by Outside Agencies)~~
~~MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil Records)~~