

## **Hastings Area Public Schools - ISD 200 School Board Meeting Agenda**

Wednesday, November 18, 2020  
Regular Meeting  
Virtual-Zoom

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- I. **Call Meeting to Order**
  - a. Attendance
- II. **Motion to approve the agenda/table file**
  - a. Approval of the minutes from the October 28th, 2020 Regular Board Meeting
- III. **Recognition of visitors**
- IV. **Announcements and Recognitions**
- V. **Items for Discussion**
  - a. OPEB Presentation
  - b. 2020 Hastings ISD 200 Audit
  - c. 2021-2022 Budget Adjustments  
**Speaker(s):** Bob McDowell and Jen Seubert
  - d. Policies for first reading:
    - i. Policy 416 Drug and Alcohol Testing
    - ii. Policy 417 Chemical Use and Abuse
    - iii. Policy 432 Hastings Employee Social Media
    - iv. Policy 601 School District Curriculum and Instruction Goals
    - v. Policy 603 Curriculum Development
    - vi. Policy 606 Textbooks and Instructional Materials
    - vii. Policy 607 Organization of Grade Levels
  - e. Policies for second reading and possible approval
    - i. Policy 419 Tobacco-Free Environment; Possession and Use of Tobacco, Tobacco-Related Devices, and Electronic Delivery Devices; Vaping Awareness and Prevention Instruction
    - ii. Policy 516 Student Medication
    - iii. Policy 609 Religion
    - iv. Policy 616 School District System Accountability
- VI. **Administrative Reports**
  - a. Superintendent
  - b. Fundraising Report
  - c. Building Construction Fund Project Update
  - d. Student Enrollment
  - e. Policy Committee
- VII. **Action Items**
  - a. Consent Agenda
    - i. Bills Payable
    - ii. Personnel Report
    - iii. Changes to the Pay Equity Review
  - b. Items for Individual Action
    - i. PERA Irrevocable Trust (Fund 45)
    - ii. Pension/ASL Funds Contribution
    - iii. 2019 - 2020 Audit Report
    - iv. Budget Reductions: Non-Class size adjustments

- v. Policy 419 - Tobacco-Free Environment; Possession and Use of Tobacco, Tobacco-Related Devices, and Electronic Delivery Devices; Vaping Awareness and Prevention Instruction
- vi. Policy 516 Student Medication
- vii. Policy 609 - Religion
- viii. Policy 616 Scvhschool district system accountability
- c. Policies for approval
  - i. Policy 102 Equal Educational Opportunity
  - ii. Policy 401 Equal Employment Opportunity
  - iii. Policy 402 Disability Nondiscrimination
  - iv. Policy 413 Harassment and Violence
  - v. Policy 521 Student Disability Nondiscrimination
  - vi. Policy 522 Student Sex Nondiscrimination
  - vii. Policy 528 Student Parental, Family, and Marital Status Nondiscrimination
  - viii. Policy 604 Inclusive Education Program
  - ix. Policy 722 Public Data Requests

VIII. **Future Meetings**

IX. **Adjournment**

**Board of Education  
Independent School District 200  
Hastings, Minnesota**

A Regular Meeting of the School Board of Independent School District 200, Hastings Minnesota, was held on Wednesday, October 28<sup>th</sup>, 2020 via Zoom video conference.

The meeting was called to order by Kelsey Waits at 6:01 PM. The following members of the School Board were present: Becky Beissel, Brian Davis, Scott Gergen, Lisa Hedin, Stephanie Malm, Dave Pemble, Kelsey Waits and Superintendent Robert McDowell. Members absent: none.

A motion to approve the agenda was made by Stephanie Malm and seconded by Scott Gergen. The vote was: 7 ayes, and 0 nays, motion carried unanimously.

A motion to approve the minutes from the September 23<sup>rd</sup>, 2020 Regular Board Meeting and the minutes from the October 23<sup>rd</sup>, 2020 Special Meeting was made by Brian Davis and seconded by Dave Pemble. The vote was: 7 ayes, 0 nays, motion carried unanimously.

Kelsey Waits took time to welcome and acknowledge those who were attending the Board Meeting via Zoom as well as those watching the meeting remotely.

The time was then turned over to Superintendent McDowell who introduced Kim Hoff, a counselor at the High School, and Melissa Schill, the High School Psychologist. They gave background information about the Peer Helpers group that was created at the High School. Some of the students were present and were introduced to the Board Members and each took some time to share more information about the program and some of the general issues they have helped others work through at school.

The Board then moved on to the first discussion item which was the first readings of the following policies: Policy 419 – Tobacco-Free Environment; Possession and Use of Tobacco, Tobacco-Related Devices, and Electronic Delivery Devices; Vaping Awareness and Prevention Instruction, Policy 516 – Student Medication, Policy 536 – Gender Inclusion, Policy 609 – Religion, and Policy 616 – School District System Accountability.

The next item of discussion was a second reading of Policy 522 – Sex Nondiscrimination Policy, Title IX Grievance Procedure and Process. A motion to move Policy 522 to an action item was made by Lisa Hedin and seconded by Dave Pemble. The vote was: 7 ayes, 0 nays, motion carried unanimously.

The time was turned over to Superintendent McDowell who shared information about the plans for Homecoming week and the High School, an update on the different ongoing construction projects at the Middle School, an update on what has been happening at the elementary schools, and finally an update on how the school district is continuing to monitor the county's COVID-19 numbers and a possible timeline should the learning model need to change due to those numbers.

The time was turned over to Jennifer Seubert, the Director of Business to share an update on the building construction fund update. She also provided more details on the student enrollment and how this information will affect the revised budget in December due to decreasing enrollment.

Stephanie Malm took time to provide a summary of the Policy Committee meetings in October, Kelsey Waits shared an update on the October Facility Committee meeting, and Lisa Hedin provided information regarding the Self-Funded Insurance Committee meeting that happened in October.

The first item of business was to approve the consent agenda. A motion to approve the consent agenda which included a change order for an addition of \$142,045.00 for Corval Construction was made by Dave Pemble and seconded by Becky Beissel. The vote was: 7 ayes, 0 nays, motion carried unanimously.

A motion to approve both the HESA contract and the Health Services contract was made by Scott Gergen and seconded by Brian Davis. The vote was: 7 ayes, 0 nays, motion carried unanimously.

A motion to suspend committing the \$100,000.00 technology set-aside from the General Fund for the 20-21 fiscal year was made by Dave Pemble and seconded by Scott Gergen. The vote was: 7 ayes, 0 nays, motion carried unanimously.

A motion to designate \$100,000.00 from the undesignated fund balance for the 20-21 deficit offset was made by Lisa Hedin and seconded by Stephanie Malm. The vote was: 7 ayes, 0 nays, motion carried unanimously.

A motion to adopt Policy 522 – Sex Nondiscrimination Policy, Title IX Grievance Procedure and Process was made by Stephanie Malm and seconded by Scott Gergen. The vote was: 7 ayes, 0 nays, motion carried unanimously.

With no further business to discuss, a motion to adjourn the meeting was made by Dave Pemble and seconded by Lisa Hedin. The vote was: 7 ayes, 0 nays, motion carried unanimously. The meeting was adjourned at 7:37 PM.

# GASB 75, 73, and 16 Actuarial Valuation Results

Hastings Public Schools and  
Hildi Incorporated - *A Division of USI*  
November 18, 2020

# Agenda

- Post employment benefits under GASB 75, GASB 73 and GASB 16
- Implicit Rate Subsidy
- Actuarial Valuation Process
- GASB 75 - OPEB Results at July 1, 2020
  - Irrevocable OPEB Trust
- GASB 73 – Other Pension Results at July 1, 2020
- GASB 16 – Accumulated Unused Sick Leave Benefits at July 1, 2020
- Preliminary Actuarially Determined Contributions (ADCs) for 2020-2021
- Possible Annual OPEB Levy

# GASB 75 OPEBs for Hastings Public Schools

## Post Retirement Medical

- Implicit Rate Subsidy/Access to Plan post-retirement for all employees under MN Stat. 471.61
- Subsidized benefits available to most Contract Groups (generally to Medicare eligibility)
- Some of the subsidized benefits have sunset clauses/hire date restrictions in place
- There is no implicit rate subsidy liability after Medicare eligibility

564 active participants and 49 retirees in current valuation

# Implicit Rate Subsidy

- Blend retiree claims with active employee claims and “average” the cost - Result is a “blended” rate
- Under GASB the **actual** cost for the retiree portion must be reflected as an implicit rate subsidy
- Creates implicit rate subsidy liability issues, even if the employer does not contribute toward the premium

# Implicit Rate Subsidy – Early Retiree Example



=> \$683

**Blended Premium Charged for the Employer Sponsored Plan**



=> \$1,186

**Age 60 Actual Cost**



=> \$683

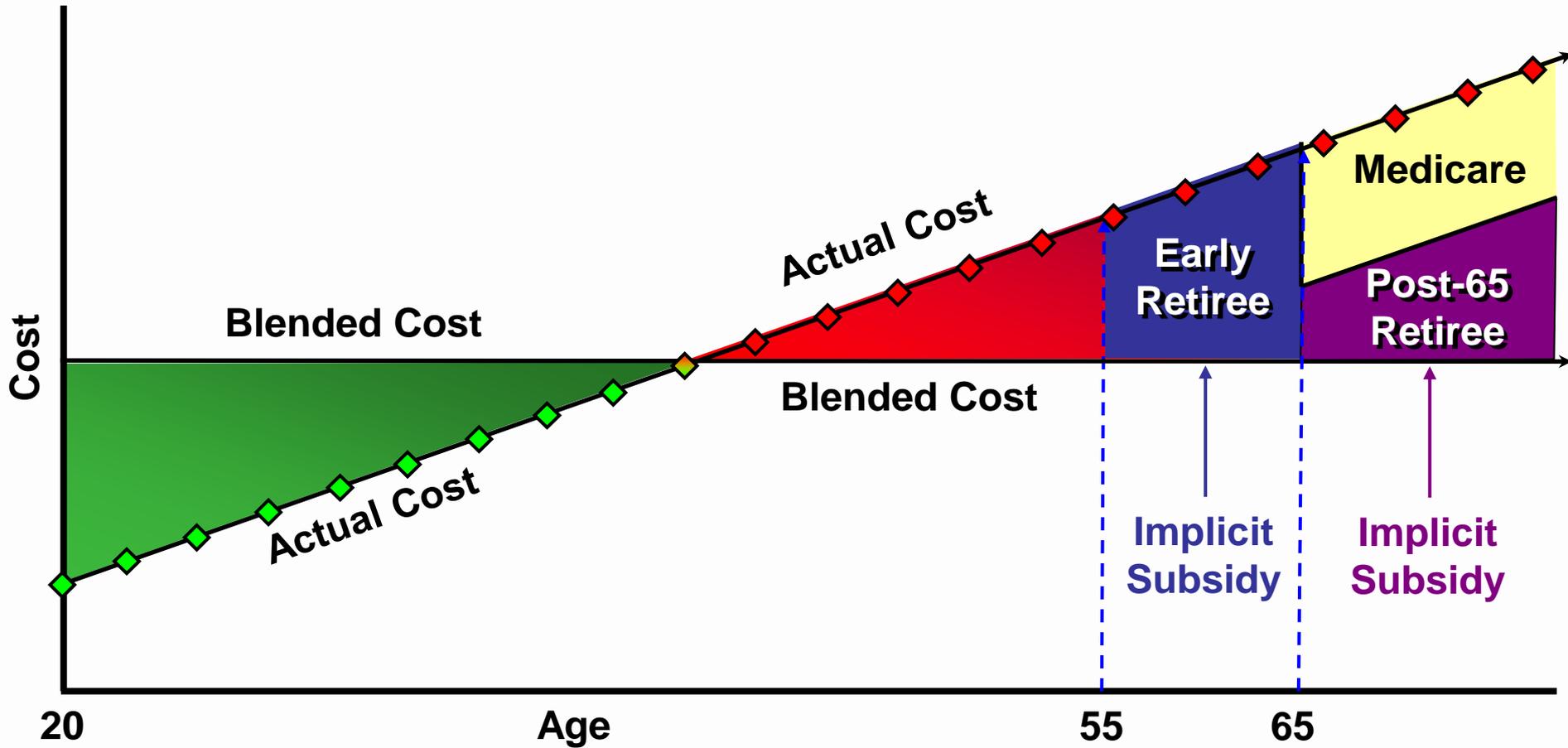
**Retiree Premium**  
(Single)



=> \$503

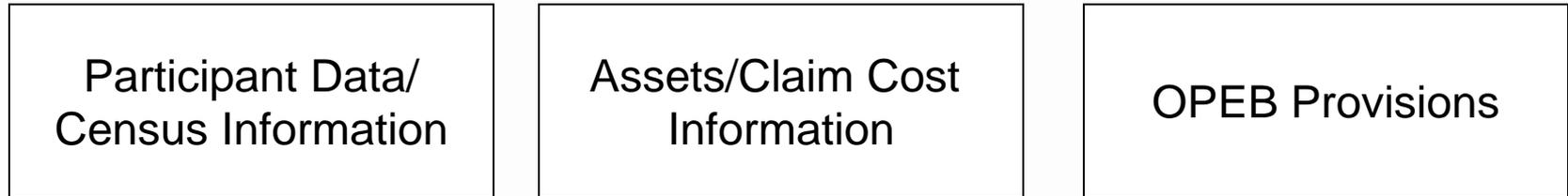
**Implicit Subsidy** } **Employer must recognize liability**

# Implicit Rate Subsidy



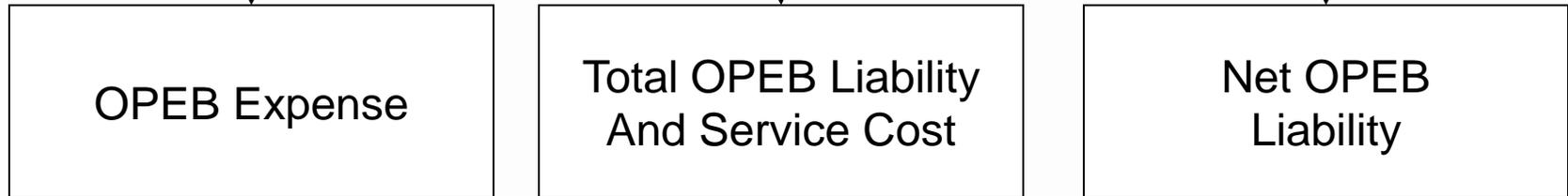
# Actuarial Valuation

## Input Items



**The Actuarial Black Box**

Actuarial Assumptions,  
Actuarial Cost Methods,  
and Actuarial Asset  
Methods



## Results



# GASB 75 (OPEBs) Actuarial Results

## July 1, 2020 Valuation Date

(in millions)

Present Value of Benefits = \$20.8

Actuarial Accrued Liability = \$8.3

(Approximately \$3.6 is Implicit Rate Subsidy Only Liability)

Service Cost without interest = \$0.7

Estimated OPEB Expense = \$0.8

Expected Benefit Payments = \$0.8

# Irrevocable OPEB Trust

## Plan Assets

- Segregated and Restricted in a Trust
- Employer contributions are irrevocable
- Assets are dedicated to providing benefits to retirees/beneficiaries
- Assets are legally protected from creditors

Hastings Public School's OPEB Trust is at \$3.9 million as of July 1, 2020

47% funded for GASB 75 (OPEB) liabilities at July 1, 2020

# GASB 73 “Pension-Like” Post-Employment Benefits for Hastings Public Schools

## Post Retirement “Pension-Like” Benefits

- Severance benefits based on a set number of days or a certain number of days per years of service
- Multiplied by Daily Rate of Pay at Retirement  
(some capped at salary level from a certain year)
- Most of the severance benefits have sunset clauses/hire date restrictions in place

# GASB 73 Actuarial Results

## July 1, 2020 Valuation Date

Other “Pension-Like” Post Employment Benefits

Present Value of Benefits = \$346,890

Actuarial Accrued Liability = \$308,246

Service Cost without interest = \$9,584

Estimated Pension Expense = \$26,482

Expected Benefit Payments = \$118,659



# GASB 16 Other Compensated Absences Post-Employment Benefits for Hastings Public Schools

## Post Retirement Benefits based on Accumulated Unused Sick Leave

- Unused sick leave benefits based on number of days or a certain percentage of the number of days
- Multiplied by Daily Rate of Pay at Retirement  
(some capped at salary level from a certain year)
- Most of the benefits have sunset clauses/hire date restrictions in place

# GASB 16 Actuarial Results

## July 1, 2020 Valuation Date

Post Employment Benefits based on Accumulated Unused Sick Leave

Present Value of Benefits = \$1,228,209

Actuarial Accrued Liability = \$1,031,890

Normal Cost without interest = \$31,789

Expected Benefit Payments = \$304,234



# Actuarially Determined Contribution

## Funding Policy in the new post-employment benefit disclosure environment

How does a district continue to prefund an Irrevocable Trust (health) and Committed for Pension/ASL Accounts?

- It is up to the District and approved by the School Board to define the Actuarial Determined Contribution (ADC.)
- The actuarial determined contributions (ADCs) can be based on service cost + interest cost + an amortization base.
- Amortization period using Average Future Service of the years determined in the study.
- Amortization period using an alternate number of years as determined by the District
- Please see the two handouts showing the possible methods/calculation of an ADC for OPEB and Pension/Unused Sick Leave.

# Possible Annual OPEB Levy

Your District can apply for the Annual OPEB Levy if:

- 1) An unfunded actuarial accrued liability (Net OPEB Liability) exists under GASB 75 for OPEBs
- 2) Sunset clauses exist within the contracts – Districts are allowed to levy by Contract Group
- 3) There is room for an annual levy amount after applying the authority calculation by MDE

Hastings Public Schools' estimated potential 2020-2021 OPEB levy amount is \$210,000  
(to be received in early 2022)



# Contact Information

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President/Consulting Actuary  
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Plan Services*  
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# INDEPENDENT SCHOOL DISTRICT NO. 200 HASTINGS, MINNESOTA

Audit Report  
Year Ended June 30, 2020





# AUDITOR'S ROLE

- **Opinion on Financial Statements**
  - **District Audit**
  
- **Internal Controls and Compliance**
  - **Financial Statement Audits**
  - **Federal “Single Audit”**
  - **State Laws and Regulations**



# AUDIT RESULTS

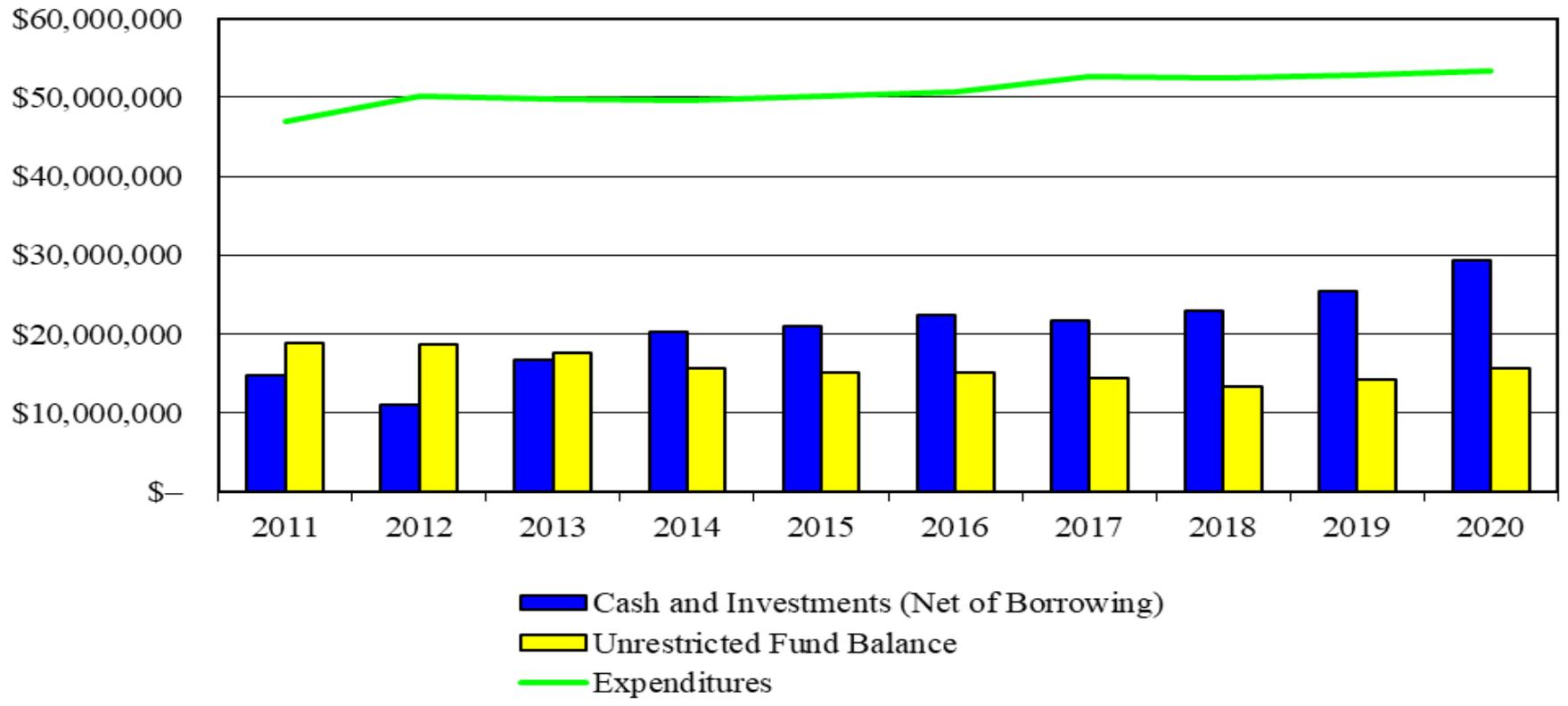
## ■ District Audit

- **Unmodified Opinion on Basic Financial Statements with Paragraph Emphasizing Implementation of New GASB Standard.**
- **Internal Control and Compliance Reports**
  - **No material weakness or instances of noncompliance reported in the current year.**



# GENERAL FUND FINANCIAL POSITION

General Fund Financial Position  
Year Ended June 30,





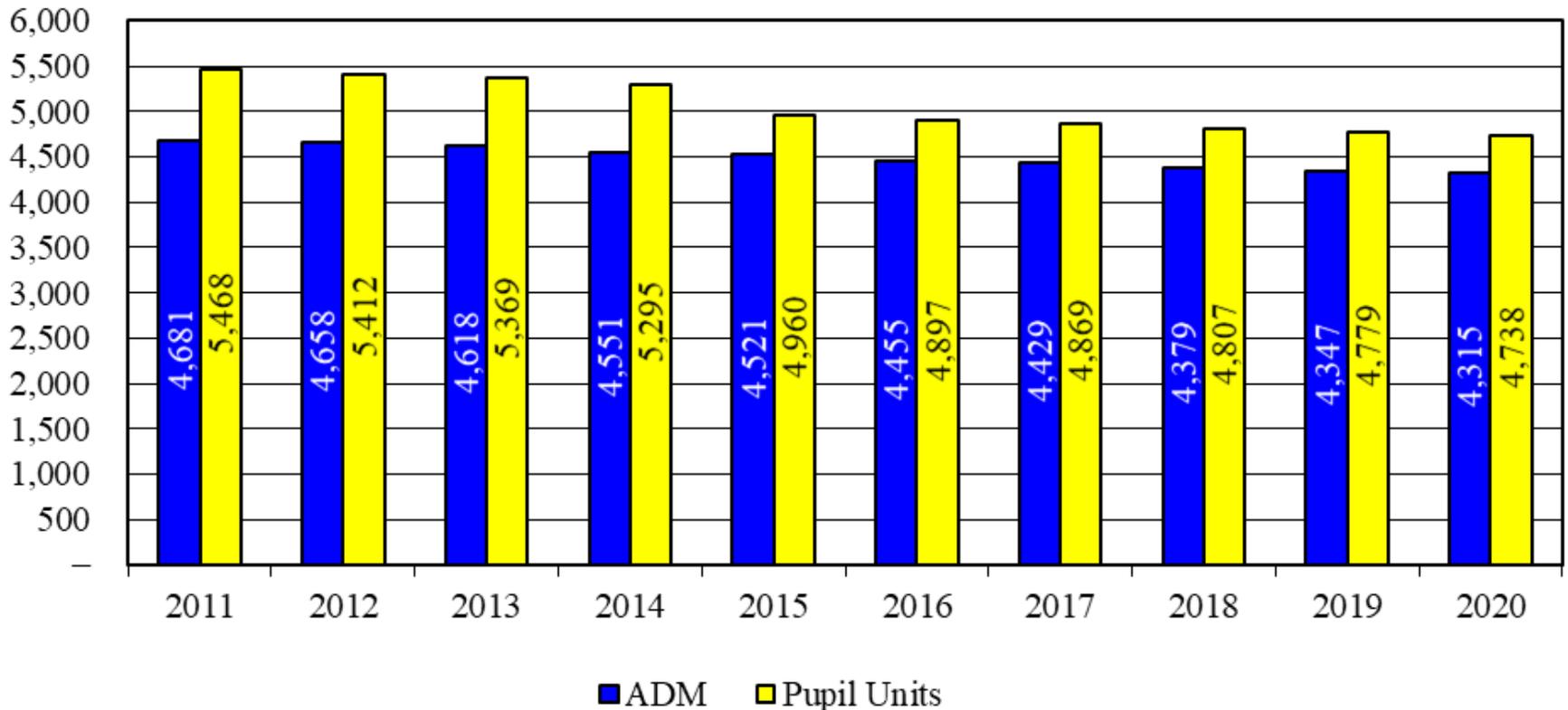
# GENERAL FUND FINANCIAL POSITION

|  | June 30,             |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 |
| Nonspendable fund balances                                       | \$ 298,129           | \$ 303,863           | \$ 464,847           | \$ 494,984           | \$ 301,600           |
| Restricted fund balances (1)                                     | 3,442,221            | 3,779,191            | 4,855,651            | 6,446,999            | 9,002,015            |
| Unrestricted fund balances                                       |                      |                      |                      |                      |                      |
| Committed  | 1,943,440            | 1,658,828            | 1,362,953            | 1,205,417            | 1,244,339            |
| Assigned   | 907,404              | 1,858,265            | -                    | -                    | 480,678              |
| Unassigned   | 12,308,205           | 10,859,746           | 11,986,702           | 13,048,192           | 13,894,381           |
| <b>Total fund balances</b>                                       | <b>\$ 18,899,399</b> | <b>\$ 18,459,893</b> | <b>\$ 18,670,153</b> | <b>\$ 21,195,592</b> | <b>\$ 24,923,013</b> |
| Unrestricted fund balances as a percentage of total expenditures | <u>29.9%</u>         | <u>27.3%</u>         | <u>25.4%</u>         | <u>27.0%</u>         | <u>29.2%</u>         |
| Unassigned fund balances as a percentage of total expenditures   | <u>24.3%</u>         | <u>20.6%</u>         | <u>22.8%</u>         | <u>24.7%</u>         | <u>26.0%</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.

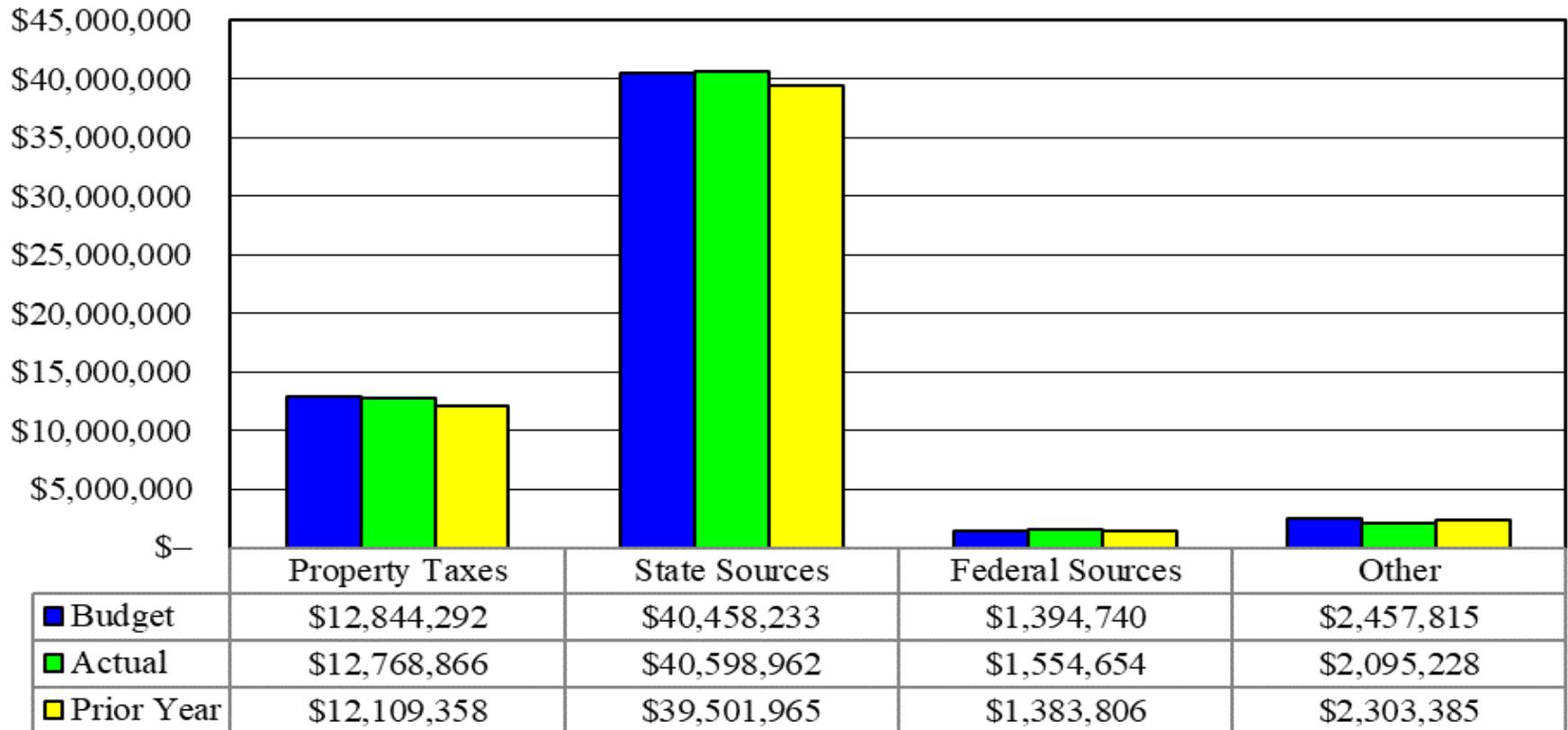
# ADJUSTED ADM AND PUPIL UNITS SERVED

Adjusted ADM and Pupil Units Served



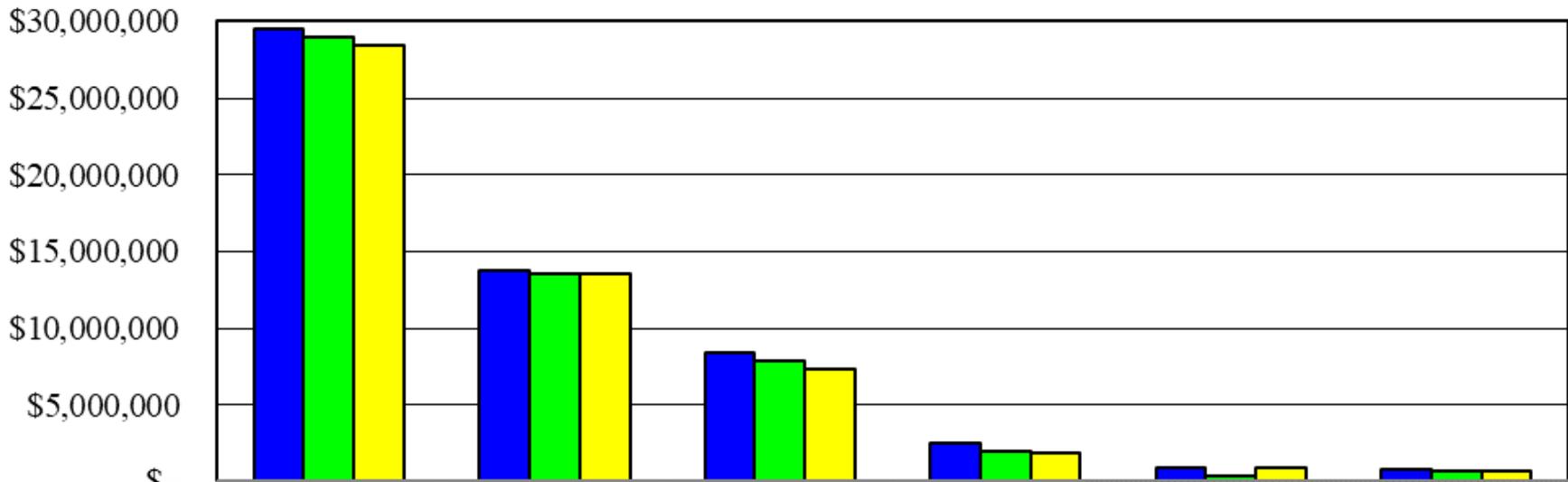
# GENERAL FUND REVENUE

General Fund Revenue



# GENERAL FUND EXPENDITURES

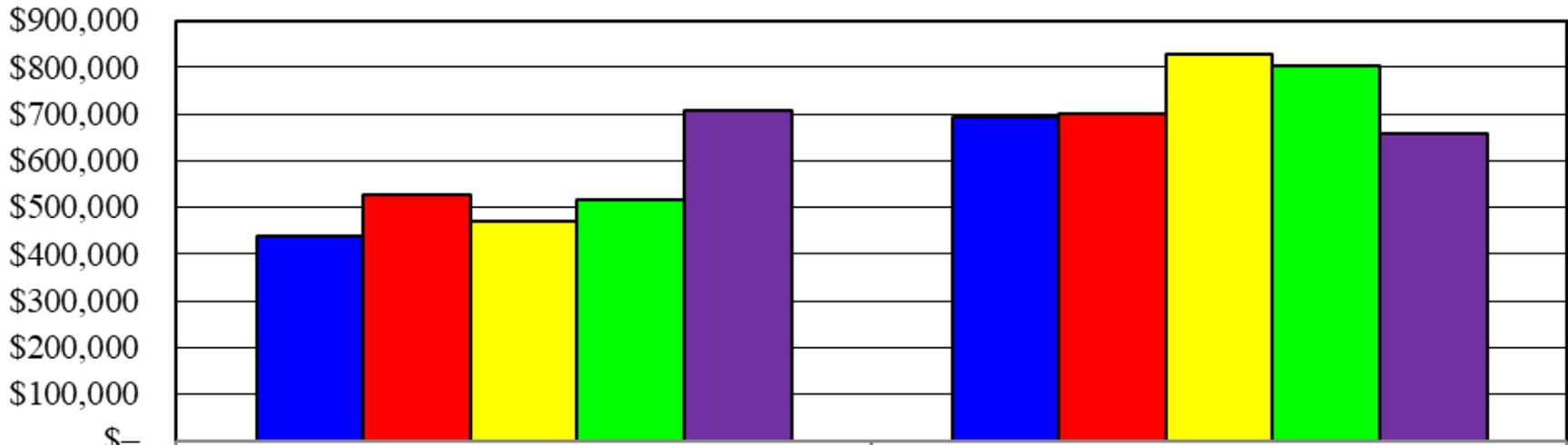
General Fund Expenditures



|              | Salaries     | Employee Benefits | Purchased Services | Supplies and Materials | Capital Expenditures | Other Expenditures |
|--------------|--------------|-------------------|--------------------|------------------------|----------------------|--------------------|
| ■ Budget     | \$29,479,600 | \$13,784,531      | \$8,444,305        | \$2,545,201            | \$935,277            | \$762,974          |
| ■ Actual     | \$28,977,166 | \$13,571,554      | \$7,831,880        | \$1,961,425            | \$403,834            | \$720,714          |
| ■ Prior Year | \$28,451,120 | \$13,507,364      | \$7,375,589        | \$1,890,850            | \$925,690            | \$660,214          |

# OTHER GOVERNMENTAL FUNDS

Other Operating Funds  
 Total Fund Balances



|        | Food Service Special Revenue | Community Service Special Revenue |
|--------|------------------------------|-----------------------------------|
| ■ 2016 | \$438,694                    | \$694,838                         |
| ■ 2017 | \$526,008                    | \$700,913                         |
| ■ 2018 | \$469,469                    | \$828,142                         |
| ■ 2019 | \$514,912                    | \$803,041                         |
| ■ 2020 | \$706,740                    | \$658,953                         |



# INTERNAL SERVICE FUNDS

|                          | June 30,            |                     |                     |
|--------------------------|---------------------|---------------------|---------------------|
|                          | 2018                | 2019                | 2020                |
| Operating revenue        |                     |                     |                     |
| Charges for services     | \$ 8,858,437        | \$ 8,951,421        | \$ 9,230,392        |
| Operating expenses       |                     |                     |                     |
| Health benefit claims    | 7,316,431           | 7,657,239           | 8,148,838           |
| Dental benefit claims    | 571,870             | 587,293             | 501,024             |
| Total operating expenses | <u>7,888,301</u>    | <u>8,244,532</u>    | <u>8,649,862</u>    |
| Operating income         | 970,136             | 706,889             | 580,530             |
| Nonoperating revenue     |                     |                     |                     |
| Investment earnings      | <u>49,149</u>       | <u>98,640</u>       | <u>75,075</u>       |
| Change in net position   | 1,019,285           | 805,529             | 655,605             |
| Net position             |                     |                     |                     |
| Beginning of year        | <u>3,117,156</u>    | <u>4,136,441</u>    | <u>4,941,970</u>    |
| End of year              | <u>\$ 4,136,441</u> | <u>\$ 4,941,970</u> | <u>\$ 5,597,575</u> |



# DISTRICT-WIDE STATEMENT OF NET POSITION

|  | June 30,             |                      | Change              |
|--|----------------------|----------------------|---------------------|
|  | 2020                 | 2019                 |                     |
| Net position – governmental activities       |                      |                      |                     |
| Total fund balances – governmental funds     | \$ 57,999,989        | \$ 69,375,929        | \$ (11,375,940)     |
| Total capital assets, net of depreciation    | 84,744,329           | 71,710,559           | 13,033,770          |
| Bonds payable (including premium/discount)   | (79,587,621)         | (81,241,985)         | 1,654,364           |
| Pension adjustments                          | (46,657,116)         | (44,569,382)         | (2,087,734)         |
| OPEB adjustments                             | (4,610,035)          | (5,053,893)          | 443,858             |
| Other adjustments                            | 3,701,745            | 2,572,996            | 1,128,749           |
| Total net position – governmental activities | <u>\$ 15,591,291</u> | <u>\$ 12,794,224</u> | <u>\$ 2,797,067</u> |
| Net position                                 |                      |                      |                     |
| Net investment in capital assets             | \$ 25,411,922        | \$ 26,788,034        | \$ (1,376,112)      |
| Restricted                                   | 21,165,089           | 17,383,086           | 3,782,003           |
| Unrestricted                                 | <u>(30,985,720)</u>  | <u>(31,376,896)</u>  | <u>391,176</u>      |
| Total net position                           | <u>\$ 15,591,291</u> | <u>\$ 12,794,224</u> | <u>\$ 2,797,067</u> |



# Hastings Public Schools

INDEPENDENT SCHOOL DISTRICT 200  
1000 11<sup>TH</sup> STREET WEST  
HASTINGS, MN 55033-2597

Phone (651) 480-7000  
Fax (651) 480-7004

**BRIDGE TO SUCCESS**

**Dr. Robert McDowell**  
SUPERINTENDENT

Corrective Action Plans and  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2020

**A. FINANCIAL STATEMENT FINDINGS**

None.

**B. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

**C. MINNESOTA LEGAL COMPLIANCE FINDINGS**

None.

**D. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

No audit findings were reported for the year ended June 30, 2019.

INDEPENDENT SCHOOL DISTRICT NO. 200  
HASTINGS, MINNESOTA

Financial Statements and  
Supplemental Information

Year Ended  
June 30, 2020

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INDEPENDENT SCHOOL DISTRICT NO. 200

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INTRODUCTORY SECTION

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INDEPENDENT SCHOOL DISTRICT NO. 200

School Board and Administration  
Year Ended June 30, 2020

**SCHOOL BOARD**

|                | <u>Board Position</u> |
|----------------|-----------------------|
| Kelsey Waits   | Chairperson           |
| Dave Pemble    | Vice Chairperson      |
| Stephanie Malm | Clerk                 |
| Brian Davis    | Treasurer             |
| Becky Beissel  | Director              |
| Scott Gergen   | Director              |
| Lisa Hedin     | Director              |

**ADMINISTRATION**

|                     |  |
|---------------------|--|
| Jeff Pesta          | Interim Superintendent                 |
| Jennifer Seubert    | Director of Business                   |
| Dave Haveman        | Director of Special Services           |
| Kari Gorr           | Director of Community Education        |
| Jennifer Reichel    | Director of Teaching and Learning      |
| Missy Williams      | Director of Technology/Student Systems |
| Brittney Hirschauer | Director of Food and Nutrition         |
| Cameron Peterson    | Director of Buildings and Grounds      |
| Trent Hanson        | Athletic Director                      |

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FINANCIAL SECTION

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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. 200  
Hastings, 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. 200 (the District) as of and for the year ended June 30, 2020, 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, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **EMPHASIS OF MATTER**

As described in Note 1 of the notes to basic financial statements, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, during the year ended June 30, 2020. Our opinion is not modified with respect to this matter.

## **OTHER MATTERS**

### **Required Supplementary Information**

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

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, supplemental information, and other district information, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements of the District. The accompanying Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table is presented for purposes of additional analysis as required by the Minnesota Department of Education, and is also not a required part of the basic financial statements of the District.

(continued)

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

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

### **Prior Year Comparative Information**

We have previously audited the District's 2019 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 1, 2019. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2020 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  
October 13, 2020

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## INDEPENDENT SCHOOL DISTRICT NO. 200

### Management's Discussion and Analysis Year Ended June 30, 2020

This section of Independent School District No. 200's (the District) annual financial statements presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2020. Please read it in conjunction with the other components of the District's annual financial statements.

#### **FINANCIAL HIGHLIGHTS**

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2020 by \$15,591,291 (net position). The District's total net position increased by \$2,480,220 during the fiscal year ended June 30, 2020, excluding the change in accounting principle as discussed below.
- The District recorded a change in accounting principle in the current year with the implementation of the Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. The implementation of this standard changed the way the District reports certain fiduciary activities and student activities that were not previously included within the District reporting entity. The implementation of this standard increased beginning net position in the government-wide statements and beginning fund balance in the General Fund by \$316,847. Fiduciary fund net position was reduced by \$181,366 with the implementation of this standard.
- Government-wide revenues totaled \$67,639,145 and were \$2,480,220 more than expenses of \$65,158,925.
- The General Fund's total fund balance (under the governmental fund presentation) increased \$3,410,574 from the prior year, compared to an increase of \$1,203,192 planned in the budget, excluding the change in accounting principle discussed above.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

- Independent Auditor's Report;
- Management's discussion and analysis;
- Basic financial statements, including the government-wide financial statements, fund financial statements, and the notes to basic financial statements;
- Required supplementary information; and
- 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 (Food Service Special Revenue and Community Service Special Revenue) that do not meet the threshold to be classified as major funds are called nonmajor funds. Detailed financial information for nonmajor funds can be found in the supplemental information section.

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. For Minnesota schools, funds are established in accordance with Uniform Financial Accounting and Reporting Standards in accordance with statutory requirements and accounting principles generally accepted in the United States of America. Some funds are required by state law and by bond covenants. The District can establish other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

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

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

|  | 2020           | 2019           |
|--|----------------|----------------|
| <b>Assets</b>  |                |                |
| Current and other assets                             | \$ 87,356,185  | \$ 99,980,306  |
| Capital assets, net of depreciation                  | 84,744,329     | 71,710,559     |
| Total assets   | \$ 172,100,514 | \$ 171,690,865 |
| <b>Deferred outflows of resources</b>                |                |                |
| Pension plan deferments                              | \$ 24,271,146  | \$ 36,429,275  |
| OPEB plan deferments                                 | 318,670        | 142,652        |
| Total deferred outflows of resources                 | \$ 24,589,816  | \$ 36,571,927  |
| <b>Liabilities</b>                                   |                |                |
| Current and other liabilities                        | \$ 6,850,426   | \$ 8,776,024   |
| Long-term liabilities, including due within one year | 117,402,225    | 120,085,781    |
| Total liabilities                                    | \$ 124,252,651 | \$ 128,861,805 |
| <b>Deferred inflows of resources</b>                 |                |                |
| Property taxes levied for subsequent year            | \$ 17,029,693  | \$ 17,096,456  |
| Pension plan deferments                              | 39,602,699     | 49,262,084     |
| OPEB plan deferments                                 | 213,996        | 248,223        |
| Total deferred inflows of resources                  | \$ 56,846,388  | \$ 66,606,763  |
| <b>Net position</b>                                  |                |                |
| Net investment in capital assets                     | \$ 25,411,922  | \$ 26,788,034  |
| Restricted   | 21,165,089     | 17,383,086     |
| Unrestricted   | (30,985,720)   | (31,376,896)   |
| Total net position                                   | \$ 15,591,291  | \$ 12,794,224  |

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 liabilities for long-term severance, pension, and other post-employment benefits (OPEB), which impacts the unrestricted portion of net position.

The District's decrease in net investment in capital assets is due mostly to the relationship between the rate at which the District's capital assets are being added, depreciated, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets. The increase in net position restricted for capital asset acquisition, debt service, food service, and other purposes contributed to the change in this portion of net position. The change in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans contributed to the change in deferred outflows of resources, long-term liabilities, deferred inflows of resources, and unrestricted net position.

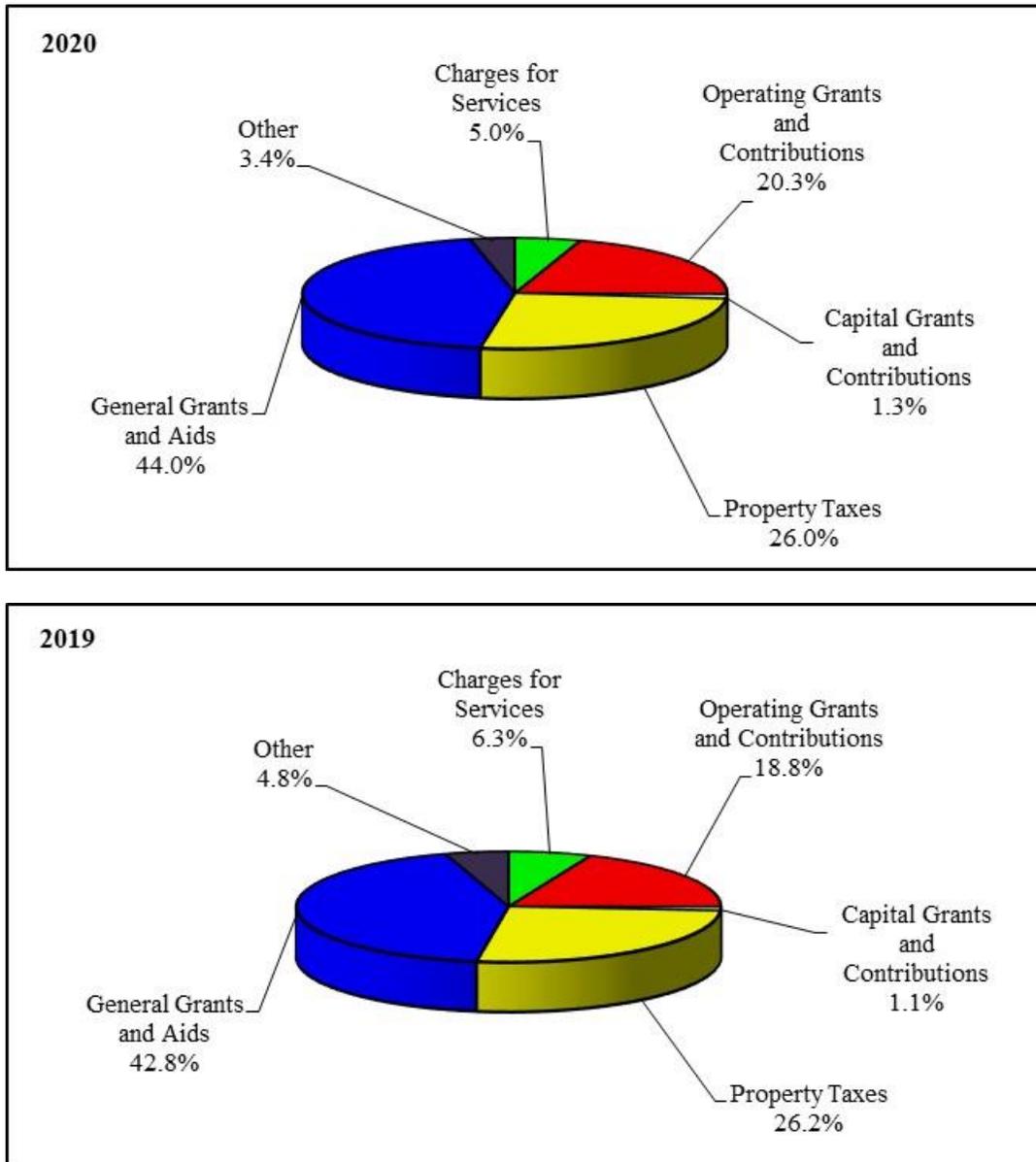
Table 2 presents a summarized version of the District's Statement of Activities:

| <b>Table 2</b>                                    |                      |                      |
|---|----------------------|----------------------|
| <b>Summary Statement of Activities</b>            |                      |                      |
| <b>for the Years Ended June 30, 2020 and 2019</b> |                      |                      |
|   | <u>2020</u>          | <u>2019</u>          |
| <b>Revenues</b>                                   |                      |                      |
| Program revenues                                  |                      |                      |
| Charges for services                              | \$ 3,360,629         | \$ 4,118,293         |
| Operating grants and contributions                | 13,726,805           | 12,235,426           |
| Capital grants and contributions                  | 862,308              | 729,163              |
| General revenues                                  |                      |                      |
| Property taxes                                    | 17,613,604           | 16,999,275           |
| General grants and aids                           | 29,798,462           | 27,705,649           |
| Other   | 2,277,337            | 3,147,273            |
| Total revenues                                    | <u>67,639,145</u>    | <u>64,935,079</u>    |
| <b>Expenses</b>                                   |                      |                      |
| Administration                                    | 2,262,429            | 1,404,057            |
| District support services                         | 2,195,839            | 2,294,604            |
| Elementary and secondary regular instruction      | 27,184,936           | 16,615,404           |
| Vocational education instruction                  | 530,229              | 325,871              |
| Special education instruction                     | 10,384,851           | 6,778,030            |
| Instructional support services                    | 2,567,306            | 1,920,560            |
| Pupil support services                            | 5,782,886            | 4,974,160            |
| Sites and buildings                               | 6,986,173            | 6,373,550            |
| Fiscal and other fixed cost programs              | 262,784              | 134,045              |
| Food service                                      | 2,366,461            | 2,254,813            |
| Community service                                 | 2,454,245            | 2,135,915            |
| Interest and fiscal charges on debt               | 2,180,786            | 2,292,777            |
| Total expenses                                    | <u>65,158,925</u>    | <u>47,503,786</u>    |
| Change in net position                            | 2,480,220            | 17,431,293           |
| Net position – beginning, as previously reported  | 12,794,224           | (4,637,069)          |
| Change in accounting principle                    | 316,847              | –                    |
| Net position – beginning, as restated             | <u>13,111,071</u>    | <u>(4,637,069)</u>   |
| Net position – ending                             | <u>\$ 15,591,291</u> | <u>\$ 12,794,224</u> |

This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal. The significant increase in expenses reflects the change in the PERA and the TRA multiple-employer defined benefit pension plans, impacting functional areas based on salary and benefit levels.

Figure A shows further analysis of these revenue sources:

**Figure A – Sources of Revenues for Fiscal Years 2020 and 2019**



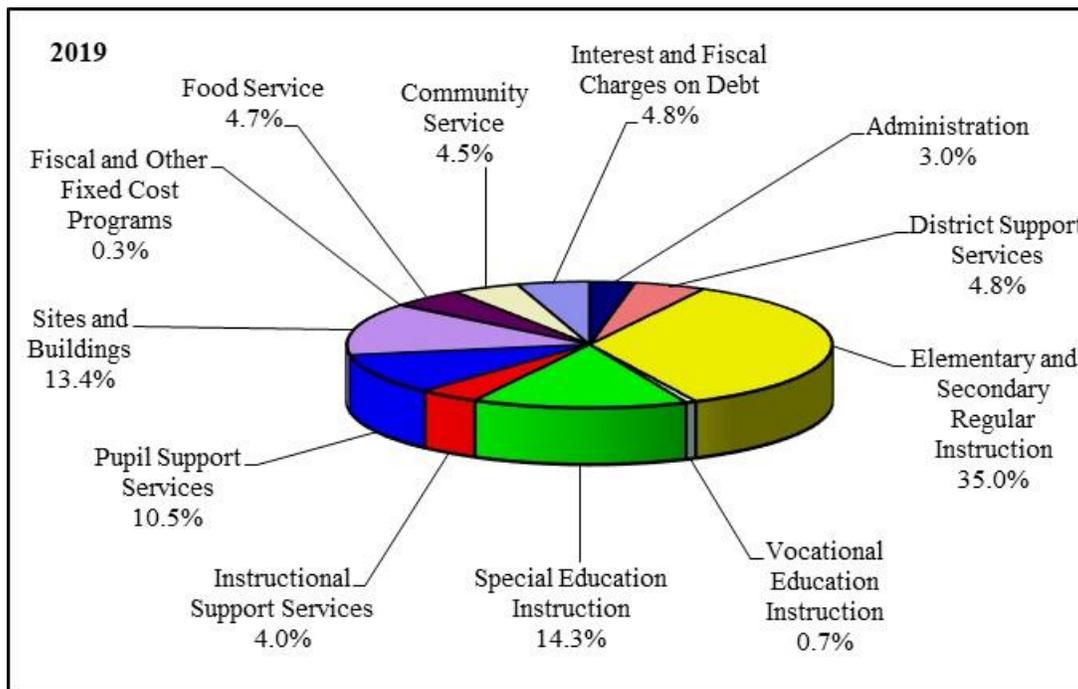
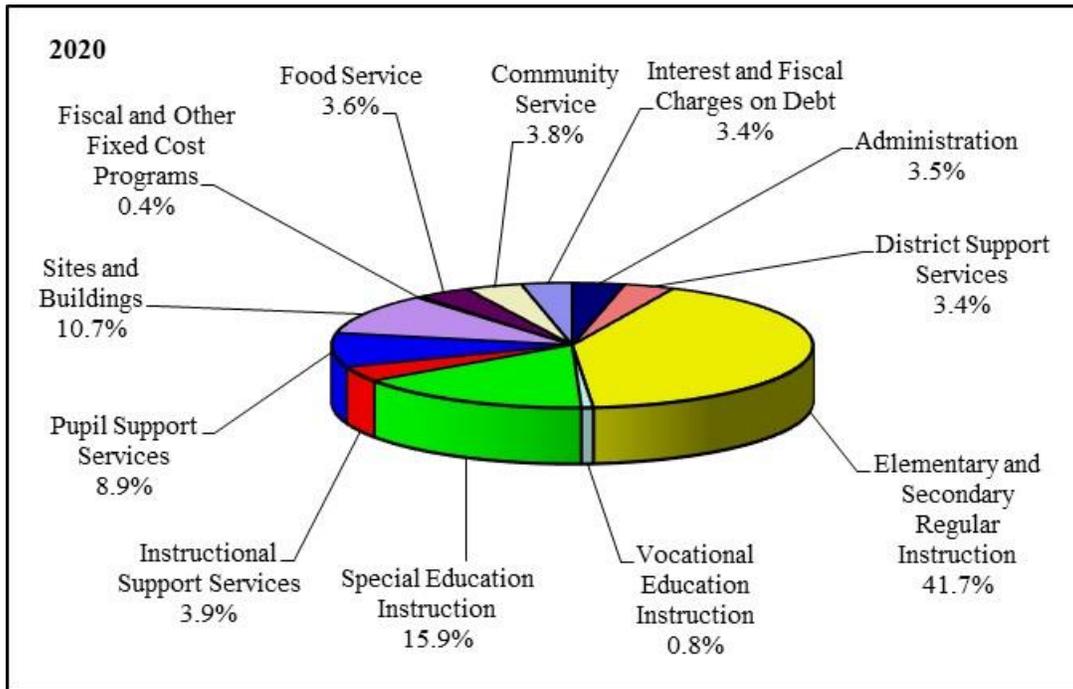
The largest share of the District’s revenue is received from the state, including the general education aid formula and most of the operating grants.

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

Charges for services were down from the prior year directly related to the COVID-19 pandemic beginning in March through the end of the fiscal year.

Figure B shows further analysis of these expense functions:

**Figure B – Expenses for Fiscal Years 2020 and 2019**



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

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

|  | <u>2020</u>          | <u>2019</u>          | <u>Change</u>          |
|--|----------------------|----------------------|------------------------|
| Major funds                              |                      |                      |                        |
| General                                  | \$ 24,923,013        | \$ 21,195,592        | \$ 3,727,421           |
| Capital Projects – Building Construction | 20,674,351           | 36,936,075           | (16,261,724)           |
| Debt Service                             | 11,036,932           | 9,926,309            | 1,110,623              |
| Nonmajor funds                           |                      |                      |                        |
| Food Service Special Revenue             | 706,740              | 514,912              | 191,828                |
| Community Service Special Revenue        | <u>658,953</u>       | <u>803,041</u>       | <u>(144,088)</u>       |
| Total governmental funds                 | <u>\$ 57,999,989</u> | <u>\$ 69,375,929</u> | <u>\$ (11,375,940)</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, 2020, the District's governmental funds reported combined fund balances of \$57,999,989, a decrease of \$11,375,940 in comparison with the prior year. Approximately 24.0 percent of this amount (\$13,894,381) 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 committed to indicate that it is 1) not in spendable form (\$321,282), 2) restricted for particular purposes (\$42,059,309), 3) committed for particular purposes (\$1,244,339), or 4) assigned for particular purpose (\$480,678).

Changes in the table above are discussed on the following pages.

## ANALYSIS OF THE GENERAL FUND

Table 4 summarizes the amendments to the General Fund budget:

|              | <u>Original Budget</u> | <u>Final Budget</u>  | <u>Increase<br/>(Decrease)</u> | <u>Percent Change</u> |
|--------------|------------------------|----------------------|--------------------------------|-----------------------|
| Revenues     | <u>\$ 56,555,977</u>   | <u>\$ 57,155,080</u> | <u>\$ 599,103</u>              | <u>1.1%</u>           |
| Expenditures | <u>\$ 54,770,676</u>   | <u>\$ 55,951,888</u> | <u>\$ 1,181,212</u>            | <u>2.2%</u>           |

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

Table 5 summarizes the operating results of the General Fund:

|  | <u>2020 Actual</u>  | <u>Over (Under)<br/>Final Budget</u> |                | <u>Over (Under)<br/>Prior Year</u> |                |
|--|---------------------|--------------------------------------|----------------|------------------------------------|----------------|
|  |                     | <u>Amount</u>                        | <u>Percent</u> | <u>Amount</u>                      | <u>Percent</u> |
| Revenue                                | \$ 57,017,710       | \$ (137,370)                         | (0.2%)         | \$ 1,719,196                       | 3.1%           |
| Expenditures                           | <u>53,466,573</u>   | <u>(2,485,315)</u>                   | (4.4%)         | <u>655,746</u>                     | 1.2%           |
| Excess of revenue<br>over expenditures | 3,551,137           | 2,347,945                            |                | 1,063,450                          |                |
| Other financing sources (uses)         | <u>(140,563)</u>    | <u>(140,563)</u>                     |                | <u>(178,315)</u>                   |                |
| Net change in fund balances            | <u>\$ 3,410,574</u> | <u>\$ 2,207,382</u>                  |                | <u>\$ 885,135</u>                  |                |

The fund balance of the General Fund increased \$3,410,574, compared to an increase of \$1,203,192 approved in the final budget. As previously discussed, the District reported a change in accounting principle that increased beginning fund balance by \$316,847.

General Fund revenues for 2020 increased \$1,719,196, or 3.1 percent, compared to the prior year, and were \$137,370, or 0.2 percent, under budget. The increase over the prior year was primarily due to funding improvements for general education and special education state sources and more property tax revenue as approved with the annual levy. Other local sources were less than projected, due to the COVID-19 pandemic and less fees and charges for services received, compared to budget.

General Fund expenditures were 4.4 percent under budget, which was spread across several programs and object categories. Expenditures were up slightly from the prior year as planned in the budget. Expenditures were under budget in nearly every program and object series. Efforts by all departments and budget managers to spend within their approved appropriations contributed to the favorable expenditure variance to budget.

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

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

The Capital Projects – Building Construction Fund ended the year with \$20,674,351 of fund balance restricted for building construction. District taxpayers approved the issuance of the 2018A General Obligation School Building Bonds on November 7, 2017, to be used to finance the acquisition and betterment of school sites and facilities within the District. Capital outlay spending in this fund totaled \$16,918,547 for the current year.

### **Debt Service Fund**

Debt Service Fund revenues exceeded expenditures by \$1,110,623 in the current year, compared to a \$1,207,335 fund balance increase anticipated in the budget. The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. The remaining fund balance of \$11,036,932 at June 30, 2020, is available for meeting future debt service obligations.

### **Other Governmental Funds**

The Food Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing equity by \$191,828, compared to a planned fund balance decrease of \$32,187.

The Community Service Special Revenue Fund ended the year with expenditures exceeding revenues and other financing sources, decreasing equity by \$144,088, compared to a planned fund balance decrease of \$129,505. Revenues and expenditures were less than budgeted amounts, due to less program participation caused by the COVID-19 pandemic. The District approved a transfer of \$140,563 from the General Fund to help support current year program costs.

### **Internal Service Funds**

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

Operating revenues for the internal service funds for fiscal 2020 totaled \$9,230,392. This is an increase from the fiscal year 2019 operating revenue level of \$8,951,421. Nonoperating revenues totaled \$75,075, which is a decrease from the fiscal year 2019 nonoperating revenue of \$98,640. Operating expenses totaled \$8,649,862, which represents an increase from fiscal year 2019 operating expenditures of \$8,244,532, due to more health benefit claims.

The net position for all internal service funds as of June 30, 2020 was \$5,597,575, which represents an increase of \$655,605 over the prior 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 ended June 30, 2020 and 2019:

|                               | <u>2020</u>          | <u>2019</u>          | <u>Change</u>        |
|-------------------------------|----------------------|----------------------|----------------------|
| Land                          | \$ 4,140,377         | \$ 3,834,377         | \$ 306,000           |
| Construction in progress      | 23,307,258           | 12,163,888           | 11,143,370           |
| Improvements                  | 16,360,219           | 14,452,708           | 1,907,511            |
| Buildings                     | 97,747,914           | 94,484,053           | 3,263,861            |
| Furniture and equipment       | 10,209,228           | 10,073,218           | 136,010              |
| Less accumulated depreciation | <u>(67,020,667)</u>  | <u>(63,297,685)</u>  | <u>(3,722,982)</u>   |
| Total                         | <u>\$ 84,744,329</u> | <u>\$ 71,710,559</u> | <u>\$ 13,033,770</u> |
| Depreciation expense          | <u>\$ 3,732,751</u>  | <u>\$ 3,599,407</u>  | <u>\$ 133,344</u>    |

By the end of 2020, 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 2020, 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 the notes to basic financial statements.

## Long-Term Liabilities

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

|                                  | <u>2020</u>           | <u>2019</u>           | <u>Change</u>         |
|----------------------------------|-----------------------|-----------------------|-----------------------|
| General obligation bonds payable | \$ 105,240,000        | \$ 108,295,000        | \$ (3,055,000)        |
| Unamortized premium/discount     | (25,652,379)          | (27,053,015)          | 1,400,636             |
| Capital leases payable           | 419,137               | 616,615               | (197,478)             |
| Net pension liability            | 31,325,563            | 31,736,573            | (411,010)             |
| Net OPEB liability               | 4,714,709             | 4,948,322             | (233,613)             |
| Severance benefits payable       | 1,189,887             | 1,384,417             | (194,530)             |
| Compensated absences payable     | <u>165,308</u>        | <u>157,869</u>        | <u>7,439</u>          |
| Total                            | <u>\$ 117,402,225</u> | <u>\$ 120,085,781</u> | <u>\$ (2,683,556)</u> |

The changes in general obligation bonds payable, capital leases payable, and unamortized premium/discount in the table above are primarily due to principal payments and amortization during fiscal year 2020 as planned in the approved repayment schedules.

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

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):

|                         |                       |
|-------------------------|-----------------------|
| District's market value | \$ 3,454,749,225      |
| Limit rate              | <u>15.0%</u>          |
| Legal debt limit        | <u>\$ 518,212,384</u> |

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

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

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

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 \$129, or 2 percent, per pupil to the formula for fiscal year 2021.

The COVID-19 pandemic has impacted how the District provides instruction. The District completed the 2019–2020 school year with distance learning. Increased expenditures for personal protective equipment, sanitation supplies, and technology are expected in the upcoming fiscal year.

The amount of funding a district receives is also dependent on the number of students it serves, meaning attracting and retaining students is critical to the District's financial well-being. The COVID-19 pandemic will impact how many students the District attracts and maintains. Students choosing to enroll in other online schools, private school options, or kindergarten families choosing to wait a year, will mean less revenue for the District.

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

These financial statements are designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Independent School District No. 200, 1000 – 11th Street West, Hastings, Minnesota 55033.

BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Net Position  
as of June 30, 2020  
(With Partial Comparative Information as of June 30, 2019)

|  | Governmental Activities |                       |
|--|-------------------------|-----------------------|
|  | 2020                    | 2019                  |
| <b>Assets</b>  |                         |                       |
| Cash and temporary investments                                     | \$ 62,135,233           | \$ 75,600,417         |
| Receivables  |                         |                       |
| Current taxes  | 10,034,234              | 9,821,879             |
| Delinquent taxes   | 248,331                 | 194,550               |
| Accounts and interest  | 249,531                 | 598,580               |
| Due from other governmental units                                  | 4,459,643               | 4,313,587             |
| Due from post-employment benefits trust                            | 4,967                   | –                     |
| Inventory  | 13,004                  | 18,875                |
| Prepaid items  | 308,278                 | 728,050               |
| Restricted assets – temporarily restricted                         |                         |                       |
| Cash and investments for debt service                              | 9,902,964               | 8,704,368             |
| Capital assets   |                         |                       |
| Not depreciated  | 27,447,635              | 15,998,265            |
| Depreciated, net of accumulated depreciation                       | 57,296,694              | 55,712,294            |
| Total capital assets, net of accumulated depreciation              | <u>84,744,329</u>       | <u>71,710,559</u>     |
| Total assets   | 172,100,514             | 171,690,865           |
| Deferred outflows of resources                                     |                         |                       |
| Pension plan deferments  | 24,271,146              | 36,429,275            |
| OPEB plan deferments   | 318,670                 | 142,652               |
| Total deferred outflows of resources                               | <u>24,589,816</u>       | <u>36,571,927</u>     |
| Total assets and deferred outflows of resources                    | <u>\$ 196,690,330</u>   | <u>\$ 208,262,792</u> |
| <b>Liabilities</b>   |                         |                       |
| Salaries payable   | \$ 1,753,917            | \$ 1,676,678          |
| Accounts and contracts payable                                     | 2,119,820               | 4,025,336             |
| Accrued interest payable   | 291,364                 | 354,102               |
| Due to other governmental units                                    | 119,726                 | 123,947               |
| Unearned revenue   | 1,887,109               | 1,732,587             |
| Severance benefits payable   | 160,538                 | 398,867               |
| Claims incurred, but not reported                                  | 517,952                 | 464,507               |
| Long-term liabilities  |                         |                       |
| Due within one year  | 3,709,295               | 3,715,616             |
| Due in more than one year  | 113,692,930             | 116,370,165           |
| Total long-term liabilities  | <u>117,402,225</u>      | <u>120,085,781</u>    |
| Total liabilities  | 124,252,651             | 128,861,805           |
| Deferred inflows of resources                                      |                         |                       |
| Property taxes levied for subsequent year                          | 17,029,693              | 17,096,456            |
| Pension plan deferments  | 39,602,699              | 49,262,084            |
| OPEB plan deferments   | 213,996                 | 248,223               |
| Total deferred inflows of resources                                | <u>56,846,388</u>       | <u>66,606,763</u>     |
| <b>Net position</b>  |                         |                       |
| Net investment in capital assets                                   | 25,411,922              | 26,788,034            |
| Restricted for   |                         |                       |
| Capital asset acquisition  | 7,863,491               | 5,750,922             |
| Debt service   | 10,792,652              | 9,613,999             |
| Food service   | 706,740                 | 514,912               |
| Community service  | 663,682                 | 807,176               |
| Other purposes (state and other funding restrictions)              | 1,138,524               | 696,077               |
| Unrestricted   | (30,985,720)            | (31,376,896)          |
| Total net position   | <u>15,591,291</u>       | <u>12,794,224</u>     |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 196,690,330</u>   | <u>\$ 208,262,792</u> |

INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Activities  
 Year Ended June 30, 2020  
 (With Partial Comparative Information for the Year Ended June 30, 2019)

| Functions/Programs                               | 2020                 |                         |  |  | 2019   |  |
|--|----------------------|-------------------------|--|--|--|--|
|  | Expenses             | Program Revenues        |  |  | Net (Expense)<br>Revenue and<br>Changes in<br>Net Position | Net (Expense)<br>Revenue and<br>Changes in<br>Net Position |
|  |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                                 | Governmental<br>Activities                                 |
| Governmental activities                          |                      |                         |  |  |  |  |
| Administration                                   | \$ 2,262,429         | \$ -                    | \$ -                                     | \$ -                                   | \$ (2,262,429)   | \$ (1,404,057)   |
| District support services                        | 2,195,839            | -                       | 4,937                                    | -                                      | (2,190,902)  | (2,281,408)  |
| Elementary and secondary<br>regular instruction  | 27,184,936           | 558,269                 | 3,355,978                                | -                                      | (23,270,689)   | (13,021,477)   |
| Vocational education<br>instruction              | 530,229              | 149                     | 6,965                                    | -                                      | (523,115)  | (301,640)  |
| Special education<br>instruction                 | 10,384,851           | 350,460                 | 7,087,633                                | -                                      | (2,946,758)  | 155,344  |
| Instructional support<br>services                | 2,567,306            | -                       | 620,676                                  | -                                      | (1,946,630)  | (1,289,027)  |
| Pupil support services                           | 5,782,886            | 44,588                  | 198,597                                  | -                                      | (5,539,701)  | (4,779,898)  |
| Sites and buildings                              | 6,986,173            | 95,744                  | 450,419                                  | 862,308                                | (5,577,702)  | (4,964,037)  |
| Fiscal and other fixed cost<br>programs          | 262,784              | -                       | 136,859                                  | -                                      | (125,925)  | (134,045)  |
| Food service                                     | 2,366,461            | 1,023,128               | 1,526,333                                | -                                      | 183,000  | 89,534   |
| Community service                                | 2,454,245            | 1,288,291               | 338,408                                  | -                                      | (827,546)  | (197,416)  |
| Interest and fiscal charges                      | 2,180,786            | -                       | -  | -                                      | (2,180,786)  | (2,292,777)  |
| <b>Total governmental<br/>activities</b>         | <b>\$ 65,158,925</b> | <b>\$ 3,360,629</b>     | <b>\$ 13,726,805</b>                     | <b>\$ 862,308</b>                      | <b>(47,209,183)</b>  | <b>(30,420,904)</b>  |
| General revenues                                 |                      |                         |  |  |  |  |
| Taxes  |                      |                         |  |  |  |  |
| Property taxes, for general purposes             |                      |                         |  |  | 12,788,817   | 12,126,755   |
| Property taxes, for community service            |                      |                         |  |  | 445,411  | 456,102  |
| Property taxes, for debt service                 |                      |                         |  |  | 4,379,376  | 4,416,418  |
| General grants and aids                          |                      |                         |  |  | 29,798,462   | 27,705,649   |
| Other general revenues                           |                      |                         |  |  | 621,460  | 720,489  |
| Investment earnings                              |                      |                         |  |  | 1,655,877  | 2,426,784  |
| Total general revenues                           |                      |                         |  |  | 49,689,403   | 47,852,197   |
| Change in net position                           |                      |                         |  |  | 2,480,220  | 17,431,293   |
| Net position – beginning, as previously reported |                      |                         |  |  | 12,794,224   | (4,637,069)  |
| Change in accounting principle                   |                      |                         |  |  | 316,847  | -  |
| Net position – beginning, as restated            |                      |                         |  |  | 13,111,071   | (4,637,069)  |
| Net position – ending                            |                      |                         |  |  | \$ 15,591,291  | \$ 12,794,224  |

INDEPENDENT SCHOOL DISTRICT NO. 200

Balance Sheet  
 Governmental Funds  
 as of June 30, 2020  
 (With Partial Comparative Information as of June 30, 2019)

|  | General Fund         | Capital Projects –<br>Building<br>Construction Fund | Debt<br>Service Fund | Nonmajor Funds      |
|--|----------------------|---|----------------------|---------------------|
| <b>Assets</b>  |                      |   |                      |                     |
| Cash and temporary investments   | \$ 29,384,607        | \$ 21,060,715                                       | \$ 3,024,653         | \$ 1,631,593        |
| Cash and investments held by trustee   | –                    | –   | 9,902,964            | –                   |
| Receivables  |                      |   |                      |                     |
| Current taxes  | 7,139,862            | –   | 2,633,227            | 261,145             |
| Delinquent taxes   | 174,935              | –   | 66,673               | 6,723               |
| Accounts and interest  | 129,230              | 87,379  | –                    | 15,705              |
| Due from other governmental units  | 4,237,810            | –   | 13,767               | 208,066             |
| Due from other funds   | 4,967                | –   | –                    | –                   |
| Inventory  | –                    | –   | –                    | 13,004              |
| Prepaid items  | 301,600              | –   | –                    | 6,678               |
|  | <u>41,373,011</u>    | <u>21,148,094</u>                                   | <u>15,641,284</u>    | <u>2,142,914</u>    |
| <b>Total assets</b>  | <b>\$ 41,373,011</b> | <b>\$ 21,148,094</b>                                | <b>\$ 15,641,284</b> | <b>\$ 2,142,914</b> |
| <b>Liabilities</b>   |                      |   |                      |                     |
| Salaries payable   | \$ 1,629,425         | \$ –  | \$ –                 | \$ 124,492          |
| Accounts and contracts payable   | 1,633,658            | 473,743   | –                    | 12,419              |
| Due to other governmental units  | 119,726              | –   | –                    | –                   |
| Due to other funds   | 1,707                | –   | –                    | –                   |
| Unearned revenue   | 773,798              | –   | –                    | 176,249             |
| Severance benefits payable   | 160,538              | –   | –                    | –                   |
| <b>Total liabilities</b>   | <u>4,318,852</u>     | <u>473,743</u>                                      | <u>–</u>             | <u>313,160</u>      |
| <b>Deferred inflows of resources</b>   |                      |   |                      |                     |
| Property taxes levied for subsequent year                                      | 12,013,093           | –   | 4,557,268            | 459,332             |
| Unavailable revenue – delinquent taxes   | 118,053              | –   | 47,084               | 4,729               |
| <b>Total deferred inflows of resources</b>                                     | <u>12,131,146</u>    | <u>–</u>  | <u>4,604,352</u>     | <u>464,061</u>      |
| <b>Fund balances</b>   |                      |   |                      |                     |
| Nonspendable   | 301,600              | –   | –                    | 19,682              |
| Restricted   | 9,002,015            | 20,674,351  | 11,036,932           | 1,346,011           |
| Committed  | 1,244,339            | –   | –                    | –                   |
| Assigned   | 480,678              | –   | –                    | –                   |
| Unassigned   | 13,894,381           | –   | –                    | –                   |
| <b>Total fund balances</b>   | <u>24,923,013</u>    | <u>20,674,351</u>                                   | <u>11,036,932</u>    | <u>1,365,693</u>    |
| <b>Total liabilities, deferred inflows<br/>of resources, and fund balances</b> | <b>\$ 41,373,011</b> | <b>\$ 21,148,094</b>                                | <b>\$ 15,641,284</b> | <b>\$ 2,142,914</b> |

Total Governmental Funds

| 2020                 | 2019                 |
|----------------------|----------------------|
| \$ 55,101,568        | \$ 70,949,668        |
| 9,902,964            | 8,704,368            |
| 10,034,234           | 9,821,879            |
| 248,331              | 194,550              |
| 232,314              | 571,823              |
| 4,459,643            | 4,313,587            |
| 4,967                | —                    |
| 13,004               | 18,875               |
| 308,278              | 539,484              |
| <u>\$ 80,305,303</u> | <u>\$ 95,114,234</u> |
| <br>                 |                      |
| \$ 1,753,917         | \$ 1,676,678         |
| 2,119,820            | 4,025,336            |
| 119,726              | 123,947              |
| 1,707                | 1,466,995            |
| 950,047              | 805,997              |
| 160,538              | 398,867              |
| <u>5,105,755</u>     | <u>8,497,820</u>     |
| <br>                 |                      |
| 17,029,693           | 17,096,456           |
| 169,866              | 144,029              |
| <u>17,199,559</u>    | <u>17,240,485</u>    |
| <br>                 |                      |
| 321,282              | 558,359              |
| 42,059,309           | 54,563,961           |
| 1,244,339            | 1,205,417            |
| 480,678              | —                    |
| 13,894,381           | 13,048,192           |
| <u>57,999,989</u>    | <u>69,375,929</u>    |
| <br>                 |                      |
| <u>\$ 80,305,303</u> | <u>\$ 95,114,234</u> |

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INDEPENDENT SCHOOL DISTRICT NO. 200

Reconciliation of the Balance Sheet to the  
Statement of Net Position  
Governmental Funds  
as of June 30, 2020  
(With Partial Comparative Information as of June 30, 2019)

|  | <u>2020</u>          | <u>2019</u>          |
|--|----------------------|----------------------|
| Total fund balances – governmental funds   | \$ 57,999,989        | \$ 69,375,929        |
| 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   | 151,764,996          | 135,008,244          |
| Accumulated depreciation   | (67,020,667)         | (63,297,685)         |
| Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance as other financing sources and uses. |                      |                      |
| General obligation bonds payable   | (105,240,000)        | (108,295,000)        |
| Unamortized premium/discount   | 25,652,379           | 27,053,015           |
| Capital leases payable   | (419,137)            | (616,615)            |
| Net pension liability  | (31,325,563)         | (31,736,573)         |
| Net OPEB liability   | (4,714,709)          | (4,948,322)          |
| Severance benefits payable   | (1,189,887)          | (1,384,417)          |
| Compensated absences payable   | (165,308)            | (157,869)            |
| Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.  | (291,364)            | (354,102)            |
| 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.                                      | 5,597,575            | 4,941,970            |
| 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   | 24,271,146           | 36,429,275           |
| Deferred outflows of resources – OPEB plan deferments  | 318,670              | 142,652              |
| Deferred inflows of resources – pension plan deferments  | (39,602,699)         | (49,262,084)         |
| Deferred inflows of resources – OPEB plan deferments   | (213,996)            | (248,223)            |
| Deferred inflows of resources – unavailable revenue – delinquent taxes   | 169,866              | 144,029              |
| Total net position – governmental activities   | <u>\$ 15,591,291</u> | <u>\$ 12,794,224</u> |

INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2020  
 (With Partial Comparative Information for the Year Ended June 30, 2019)

|   | General Fund         | Capital Projects –<br>Building<br>Construction Fund | Debt<br>Service Fund | Nonmajor Funds      |
|---|----------------------|---|----------------------|---------------------|
| <b>Revenue</b>                                      |                      |   |                      |                     |
| Local sources                                       |                      |   |                      |                     |
| Property taxes                                      | \$ 12,768,866        | \$ –  | \$ 4,374,084         | \$ 444,817          |
| Investment earnings                                 | 424,558              | 656,823   | 471,220              | 28,201              |
| Other   | 1,670,670            | –   | –                    | 2,311,419           |
| State sources                                       | 40,598,962           | –   | 137,682              | 536,604             |
| Federal sources                                     | 1,554,654            | –   | –                    | 1,378,137           |
| Total revenue                                       | <u>57,017,710</u>    | <u>656,823</u>                                      | <u>4,982,986</u>     | <u>4,699,178</u>    |
| <b>Expenditures</b>                                 |                      |   |                      |                     |
| Current   |                      |   |                      |                     |
| Administration                                      | 2,172,932            | –   | –                    | –                   |
| District support services                           | 2,200,331            | –   | –                    | –                   |
| Elementary and secondary<br>regular instruction     | 25,561,925           | –   | –                    | –                   |
| Vocational education instruction                    | 510,323              | –   | –                    | –                   |
| Special education instruction                       | 10,020,576           | –   | –                    | –                   |
| Instructional support services                      | 2,496,436            | –   | –                    | –                   |
| Pupil support services                              | 5,703,537            | –   | –                    | –                   |
| Sites and buildings                                 | 4,314,726            | –   | –                    | –                   |
| Fiscal and other fixed cost programs                | 262,784              | –   | –                    | –                   |
| Food service  | –                    | –   | –                    | 2,312,934           |
| Community service                                   | –                    | –   | –                    | 2,423,654           |
| Capital outlay                                      | –                    | 16,918,547  | –                    | 55,413              |
| Debt service  |                      |   |                      |                     |
| Principal   | 197,478              | –   | 3,055,000            | –                   |
| Interest and fiscal charges                         | 25,525               | –   | 817,363              | –                   |
| Total expenditures                                  | <u>53,466,573</u>    | <u>16,918,547</u>                                   | <u>3,872,363</u>     | <u>4,792,001</u>    |
| Excess (deficiency) of revenue<br>over expenditures | 3,551,137            | (16,261,724)  | 1,110,623            | (92,823)            |
| <b>Other financing sources (uses)</b>               |                      |   |                      |                     |
| Sale of capital assets                              | –                    | –   | –                    | –                   |
| Transfer in   | –                    | –   | –                    | 140,563             |
| Transfer out  | (140,563)            | –   | –                    | –                   |
| Total other financing sources (uses)                | <u>(140,563)</u>     | <u>–</u>  | <u>–</u>             | <u>140,563</u>      |
| Net change in fund balances                         | 3,410,574            | (16,261,724)  | 1,110,623            | 47,740              |
| <b>Fund balances</b>                                |                      |   |                      |                     |
| Beginning of year, as previously reported           | 21,195,592           | 36,936,075  | 9,926,309            | 1,317,953           |
| Change in accounting principle                      | 316,847              | –   | –                    | –                   |
| Beginning of year, as restated                      | <u>21,512,439</u>    | <u>36,936,075</u>                                   | <u>9,926,309</u>     | <u>1,317,953</u>    |
| End of year   | <u>\$ 24,923,013</u> | <u>\$ 20,674,351</u>                                | <u>\$ 11,036,932</u> | <u>\$ 1,365,693</u> |

Total Governmental Funds

| 2020                 | 2019                 |
|----------------------|----------------------|
| \$ 17,587,767        | \$ 16,976,880        |
| 1,580,802            | 2,328,144            |
| 3,982,089            | 4,798,530            |
| 41,273,248           | 40,263,065           |
| 2,932,791            | 2,193,352            |
| <u>67,356,697</u>    | <u>66,559,971</u>    |
| 2,172,932            | 2,081,046            |
| 2,200,331            | 2,362,597            |
| 25,561,925           | 25,215,879           |
| 510,323              | 475,840              |
| 10,020,576           | 9,725,713            |
| 2,496,436            | 2,487,308            |
| 5,703,537            | 5,287,361            |
| 4,314,726            | 4,817,225            |
| 262,784              | 134,045              |
| 2,312,934            | 2,290,782            |
| 2,423,654            | 2,436,622            |
| 16,973,960           | 11,707,292           |
| 3,252,478            | 3,119,112            |
| 842,888              | 960,664              |
| <u>79,049,484</u>    | <u>73,101,486</u>    |
| (11,692,787)         | (6,541,515)          |
| -                    | 40,252               |
| 140,563              | -                    |
| (140,563)            | -                    |
| <u>-</u>             | <u>40,252</u>        |
| (11,692,787)         | (6,501,263)          |
| 69,375,929           | 75,877,192           |
| 316,847              | -                    |
| <u>69,692,776</u>    | <u>75,877,192</u>    |
| <u>\$ 57,999,989</u> | <u>\$ 69,375,929</u> |

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INDEPENDENT SCHOOL DISTRICT NO. 200

Reconciliation of the Statement of  
Revenue, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
Governmental Funds  
Year Ended June 30, 2020  
(With Partial Comparative Information for the Year Ended June 30, 2019)

|  | <u>2020</u>         | <u>2019</u>          |
|--|---------------------|----------------------|
| Total net change in fund balances – governmental funds   | \$(11,692,787)      | \$ (6,501,263)       |
| 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  | 16,766,521          | 12,124,331           |
| Depreciation expense   | (3,732,751)         | (3,599,407)          |
| 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. |                     |                      |
|  | –                   | (69,966)             |
| Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.   |                     |                      |
| General obligation bonds payable   | 3,055,000           | 2,930,000            |
| Capital leases payable   | 197,478             | 189,112              |
| Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.                |                     |                      |
|  | (1,400,636)         | (1,381,812)          |
| 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  | 411,010             | 57,167,006           |
| Net OPEB liability   | 233,613             | 380,502              |
| Severance benefits payable   | 194,530             | 439,542              |
| Compensated absences payable   | (7,439)             | (15,521)             |
| 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.  |                     |                      |
|  | 62,738              | 49,699               |
| 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.             |                     |                      |
|  | 655,605             | 805,529              |
| 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   | (12,158,129)        | (12,278,514)         |
| Deferred outflows of resources – OPEB plan deferments  | 176,018             | 142,652              |
| Deferred inflows of resources – pension plan deferments  | 9,659,385           | (32,754,272)         |
| Deferred inflows of resources – OPEB plan deferments   | 34,227              | (218,720)            |
| Deferred inflows of resources – unavailable revenue – delinquent taxes   | <u>25,837</u>       | <u>22,395</u>        |
| Change in net position – governmental activities   | <u>\$ 2,480,220</u> | <u>\$ 17,431,293</u> |

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INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 General Fund  
 Year Ended June 30, 2020

|  | Budgeted Amounts    |                     | Actual               | Over (Under)<br>Final Budget |
|--|---------------------|---------------------|----------------------|------------------------------|
|  | Original            | Final               |                      |                              |
| Revenue                                      |                     |                     |                      |                              |
| Local sources                                |                     |                     |                      |                              |
| Property taxes                               | \$ 12,825,036       | \$ 12,844,292       | \$ 12,768,866        | \$ (75,426)                  |
| Investment earnings                          | 282,000             | 284,150             | 424,558              | 140,408                      |
| Other  | 1,696,126           | 2,173,665           | 1,670,670            | (502,995)                    |
| State sources                                | 40,371,111          | 40,458,233          | 40,598,962           | 140,729                      |
| Federal sources                              | 1,381,704           | 1,394,740           | 1,554,654            | 159,914                      |
| Total revenue                                | <u>56,555,977</u>   | <u>57,155,080</u>   | <u>57,017,710</u>    | <u>(137,370)</u>             |
| Expenditures                                 |                     |                     |                      |                              |
| Current                                      |                     |                     |                      |                              |
| Administration                               | 2,134,321           | 2,286,769           | 2,172,932            | (113,837)                    |
| District support services                    | 2,058,007           | 2,164,636           | 2,200,331            | 35,695                       |
| Elementary and secondary regular instruction | 26,265,465          | 26,798,790          | 25,561,925           | (1,236,865)                  |
| Vocational education instruction             | 505,571             | 526,701             | 510,323              | (16,378)                     |
| Special education instruction                | 10,012,102          | 10,034,532          | 10,020,576           | (13,956)                     |
| Instructional support services               | 2,512,077           | 2,862,317           | 2,496,436            | (365,881)                    |
| Pupil support services                       | 5,737,661           | 5,741,255           | 5,703,537            | (37,718)                     |
| Sites and buildings                          | 5,188,425           | 5,075,927           | 4,314,726            | (761,201)                    |
| Fiscal and other fixed cost programs         | 134,045             | 237,959             | 262,784              | 24,825                       |
| Debt service                                 |                     |                     |                      |                              |
| Principal                                    | 197,478             | 197,478             | 197,478              | –                            |
| Interest and fiscal charges                  | 25,524              | 25,524              | 25,525               | 1                            |
| Total expenditures                           | <u>54,770,676</u>   | <u>55,951,888</u>   | <u>53,466,573</u>    | <u>(2,485,315)</u>           |
| Excess of revenue over expenditures          | 1,785,301           | 1,203,192           | 3,551,137            | 2,347,945                    |
| Other financing sources (uses)               |                     |                     |                      |                              |
| Transfer out                                 | –                   | –                   | (140,563)            | (140,563)                    |
| Net change in fund balances                  | <u>\$ 1,785,301</u> | <u>\$ 1,203,192</u> | <u>3,410,574</u>     | <u>\$ 2,207,382</u>          |
| Fund balances                                |                     |                     |                      |                              |
| Beginning of year, as previously reported    |                     |                     | 21,195,592           |                              |
| Change in accounting principle               |                     |                     | 316,847              |                              |
| Beginning of year, as restated               |                     |                     | <u>21,512,439</u>    |                              |
| End of year                                  |                     |                     | <u>\$ 24,923,013</u> |                              |

INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Net Position  
 Internal Service Funds  
 as of June 30, 2020  
 (With Partial Comparative Information as of June 30, 2019)

|                                   | <u>2020</u>         | <u>2019</u>         |
|-----------------------------------|---------------------|---------------------|
| Assets                            |                     |                     |
| Current assets                    |                     |                     |
| Cash and temporary investments    | \$ 7,033,665        | \$ 4,650,749        |
| Receivables                       |                     |                     |
| Accounts and interest             | 17,217              | 26,757              |
| Due from other funds              | 1,707               | 1,466,995           |
| Prepaid items                     | -                   | 188,566             |
| Total current assets              | <u>7,052,589</u>    | <u>6,333,067</u>    |
| Liabilities                       |                     |                     |
| Current liabilities               |                     |                     |
| Unearned revenue                  | 937,062             | 926,590             |
| Claims incurred, but not reported | 517,952             | 464,507             |
| Total current liabilities         | <u>1,455,014</u>    | <u>1,391,097</u>    |
| Net position                      |                     |                     |
| Unrestricted                      | <u>\$ 5,597,575</u> | <u>\$ 4,941,970</u> |

INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Revenue, Expenses, and Changes in Net Position  
 Internal Service Funds  
 Year Ended June 30, 2020  
 (With Partial Comparative Information for the Year Ended June 30, 2019)

|                                       | <u>2020</u>         | <u>2019</u>         |
|---------------------------------------|---------------------|---------------------|
| Operating revenue                     |                     |                     |
| Charges for services                  |                     |                     |
| Contributions from governmental funds | \$ 9,230,392        | \$ 8,951,421        |
| Operating expenses                    |                     |                     |
| Health benefit claims                 | 8,148,838           | 7,657,239           |
| Dental benefit claims                 | 501,024             | 587,293             |
| Total operating expenses              | <u>8,649,862</u>    | <u>8,244,532</u>    |
| Operating income                      | 580,530             | 706,889             |
| Nonoperating revenue                  |                     |                     |
| Investment earnings                   | <u>75,075</u>       | <u>98,640</u>       |
| Change in net position                | 655,605             | 805,529             |
| Net position                          |                     |                     |
| Beginning of year                     | <u>4,941,970</u>    | <u>4,136,441</u>    |
| End of year                           | <u>\$ 5,597,575</u> | <u>\$ 4,941,970</u> |

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INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Cash Flows  
 Internal Service Funds  
 Year Ended June 30, 2020  
 (With Partial Comparative Information for the Year Ended June 30, 2019)

|   | <u>2020</u>         | <u>2019</u>         |
|---|---------------------|---------------------|
| Cash flows from operating activities  |                     |                     |
| Contributions from governmental funds   | \$ 9,250,404        | \$ 8,939,858        |
| Payment for health claims   | (7,905,280)         | (7,113,205)         |
| Payment for dental claims   | (502,571)           | (587,473)           |
| Net cash flows from operating activities  | <u>842,553</u>      | <u>1,239,180</u>    |
| Cash flows from noncapital financing activities                                       |                     |                     |
| Cash received from (paid to) other funds  | 1,465,288           | (1,463,389)         |
| Cash flows from investing activities  |                     |                     |
| Investment income received  | <u>75,075</u>       | <u>98,640</u>       |
| Net change in cash and cash equivalents   | 2,382,916           | (125,569)           |
| Cash and cash equivalents   |                     |                     |
| Beginning of year   | <u>4,650,749</u>    | <u>4,776,318</u>    |
| End of year   | <u>\$ 7,033,665</u> | <u>\$ 4,650,749</u> |
| Reconciliation of operating income to net cash flows from operating activities        |                     |                     |
| Operating income  | \$ 580,530          | \$ 706,889          |
| Adjustments to reconcile operating income to net cash flows from operating activities |                     |                     |
| Changes in assets and liabilities   |                     |                     |
| Accounts receivable   | 9,540               | (26,757)            |
| Prepaid items   | 188,566             | 564,925             |
| Unearned revenue  | 10,472              | 15,194              |
| Claims incurred, but not reported   | <u>53,445</u>       | <u>(21,071)</u>     |
| Net cash flows from operating activities  | <u>\$ 842,553</u>   | <u>\$ 1,239,180</u> |

INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Fiduciary Net Position  
as of June 30, 2020

|  | Post-Employment<br>Benefits<br>Trust Fund | Other<br>Private-Purpose<br>Trust Fund |
|--|---|--|
|  | <u>                    </u>               | <u>                    </u>            |
| Assets   |   |  |
| Investments held by trustee, at fair value           |   |  |
| SBI – external investment pool                       | \$ 3,878,570                              | \$ –                                   |
| Guaranteed investment contract                       | –   | 110,907                                |
|  | <u>                    </u>               | <u>                    </u>            |
| Total assets   | 3,878,570                                 | 110,907                                |
| Liabilities  |   |  |
| Due to other funds                                   | <u>          4,967</u>                    | <u>                    –</u>           |
| Net position   |   |  |
| Held in trust for employee benefits and scholarships | <u>          \$ 3,873,603</u>             | <u>          \$ 110,907</u>            |

Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2020

|   | Post-Employment<br>Benefits<br>Trust Fund | Other<br>Private-Purpose<br>Trust Fund |
|---|---|--|
|   | <u>                    </u>               | <u>                    </u>            |
| Additions                                 |   |  |
| Contributions                             |   |  |
| Employer                                  | \$ 1,070,485                              | \$ –                                   |
| Investment earnings                       | 51,146                                    | 3,055                                  |
| Total additions                           | <u>          1,121,631</u>                | <u>                  3,055</u>         |
| Deductions                                |   |  |
| Scholarships and other deductions         | –   | 65,332                                 |
| Benefits                                  | <u>          391,508</u>                  | <u>                    –</u>           |
| Total deductions                          | <u>          391,508</u>                  | <u>                  65,332</u>        |
| Change in net position                    | 730,123                                   | (62,277)                               |
| Net position                              |   |  |
| Beginning of year, as previously reported | 3,143,480                                 | 354,550                                |
| Change in accounting principle            | –   | (181,366)                              |
| Beginning of year, as restated            | <u>          3,143,480</u>                | <u>                  173,184</u>       |
| End of year                               | <u>          \$ 3,873,603</u>             | <u>          \$ 110,907</u>            |

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 200

Notes to Basic Financial Statements  
June 30, 2020

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

**A. Organization**

Independent School District No. 200 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. The District is governed by a School Board elected by voters of 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.

**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. Aggregated information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements.

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

- 1. Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues, including property taxes, to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to funding formulas established by Minnesota Statutes. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.
- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term obligations, 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: the District has a Pension (and Other Employee Benefit) Trust Fund and a Private-Purpose Trust Fund. 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 the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Capital Projects – Building Construction Fund** – The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities.

**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.

#### **Nonmajor Governmental Funds**

**Food Service Special Revenue Fund** – The Food Service Special Revenue Fund is used primarily to record financial activities of the District’s child nutrition program.

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

#### **Proprietary Funds**

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

#### **Fiduciary Funds**

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

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

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

### **E. Budgetary Information**

The School Board adopts an annual budget for all governmental funds prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end. Actual expenditures in the Capital Projects – Building Construction Fund and Debt Service Fund exceeded budgeted appropriations by \$639,005 and \$700, respectively, during the year ended June 30, 2020. Revenues in excess of budget and available fund balance covered these variances.

### **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 are not pooled, and earnings on these proceeds are allocated directly to the fund.

Cash and investments held by trustee include balances held in segregated accounts established for specific purposes. In the Debt Service Fund, these assets represent amounts held in the qualified school construction bond payment escrow account, the use of which is restricted by bond covenants. In the Post-Employment Benefits Trust Fund, this represents assets contributed to an irrevocable trust established to finance the District's liability for post-employment benefits. In the Other Private-Purpose Trust Fund, this represents resources with certain use restrictions held by trustee. Interest earned on these investments is allocated directly to the escrow accounts.

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

Investments are generally stated at fair value, except for investments in 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. Repurchase agreement and guaranteed investment contract investments are valued on a cost-basis measure; and, therefore, are not subject to the fair value disclosure. 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.

### **H. Inventories**

Inventories are recorded using the consumption method of accounting and consist of purchased food and surplus commodities received from the federal government. Purchased food inventory is recorded at cost on a first-in, first-out basis. 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 expenses/expenditures 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 \$711,069 of the property tax levy collectible in 2020 as revenue to the District in fiscal year 2019–2020. The remaining portion of the taxes collectible in 2020 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 in the current year.

### **K. Capital Assets**

Capital assets that are purchased or constructed by the District are recorded at historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. The District defines capital assets as those with an initial, individual cost of \$5,000 or more, 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.

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

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

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

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

### **M. Compensated Absences**

Under the terms of collectively bargained contracts, eligible employees accrue vacation and sick leave at varying rates, portions of which may be carried over to future years. Employees are reimbursed for unused, accrued vacation to the limit specified in their labor contract or School Board policy upon termination. Unused sick leave enters into the calculation of severance benefits for some employees upon termination. Compensated absences are accrued when earned in the government-wide financial statements. Compensated absences are accrued in governmental fund financial statements only to the extent they have been used or otherwise matured prior to year-end, due to employee termination or similar circumstances.

### **N. Severance Benefits**

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

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

### **O. State-Wide Pension Plans**

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

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

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.

### **P. Other Post-Employment Benefits (OPEB) Plan**

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, except for money market investments and certain investments that have a maturity at the time of purchase of one year or less, which are reported at amortized cost.

### **Q. 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 plans reported 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, difference 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 represent 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)

### R. Net Position

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

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

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

### S. 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 director of business 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 they are needed.

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

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

### T. Restricted Assets

Restricted assets are cash and cash equivalents and the related interest receivable whose use is limited by legal requirements such as a bond indenture. Restricted assets are reported only in the government-wide financial statements. In the fund financial statements, these assets have been reported as “cash and investments held by trustee.”

### U. 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.

### V. Risk Management and Self-Insurance

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

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

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

|      | Balance –<br>Beginning<br>of Year | Charges and<br>Changes<br>in Estimates | Claim<br>Payments | Balance –<br>End of Year |
|------|-----------------------------------|--|-------------------|--------------------------|
| 2019 | \$ 22,260                         | \$ 587,293                             | \$ 587,473        | \$ 22,080                |
| 2020 | \$ 22,080                         | \$ 501,024                             | \$ 502,571        | \$ 20,533                |

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

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

|      | Balance –<br>Beginning<br>of Year | Charges and<br>Changes<br>in Estimates | Claim<br>Payments | Balance –<br>End of Year |
|------|-----------------------------------|--|-------------------|--------------------------|
| 2019 | \$ 463,318                        | \$ 7,657,239                           | \$ 7,678,130      | \$ 442,427               |
| 2020 | \$ 442,427                        | \$ 8,148,838                           | \$ 8,093,846      | \$ 497,419               |

**W. 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, 2019, 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.

**X. Change in Accounting Principle**

During the year ended June 30, 2020, the District adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes new criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements by accounting for the extracurricular student activity funds in the General Fund and its governmental activities, rather than as a separate reporting entity as it has in the past. The District also previously presented a trust fund for scholarship activity, which has also been combined into the General Fund and its governmental activities with the implementation of this new standard. This standard required retroactive implementation, which resulted in the restatement of fund balance in the General Fund and net position of governmental activities as of June 30, 2019. The restatement resulted in an increase in fund balance and net position of \$316,847 as of July 1, 2019. The Fiduciary Fund statements include a reduction of \$181,366 for the amount moved to the General Fund.

## NOTE 2 – DEPOSITS AND INVESTMENTS

### A. Components of Cash and Investments

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

|                                |                      |
|--------------------------------|----------------------|
| Deposits                       | \$ 726,524           |
| Investments                    | <u>75,301,150</u>    |
| Total deposits and investments | <u>\$ 76,027,674</u> |

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

|  |                      |
|--|----------------------|
| Statement of Net Position                  |                      |
| Cash and temporary investments             | \$ 62,135,233        |
| Restricted assets – temporarily restricted |                      |
| Cash and investments for debt service      | 9,902,964            |
| Statement of Fiduciary Net Position        |                      |
| Investments held by trustee                |                      |
| Post-Employment Benefits Trust Fund        | 3,878,570            |
| Other Private-Purpose Trust Fund           | <u>110,907</u>       |
| Total deposits and investments             | <u>\$ 76,027,674</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 was \$726,524. At year-end, all deposits were fully covered by federal deposit insurance, surety bonds, or 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:

| Deposits/Investments                                      | Credit Risk |        | Fair Value<br>Measurements | Maturity<br>Duration | Total                |
|---|-------------|--------|----------------------------|----------------------|----------------------|
|   | Rating      | Agency |                            |                      |                      |
| U.S. treasuries   | N/A         | N/A    | Level 1                    | 1–5 years            | \$ 17,308,028        |
| Repurchase agreement                                      | A           | S&P    | N/A                        | 1–5 years            | 9,902,964            |
| Guaranteed investment contract                            | N/R         | N/A    | N/A                        | 1–5 years            | 110,907              |
| Investment pools/mutual funds                             |             |        |                            |                      |                      |
| Minnesota School District Liquid Asset Fund               | AAA         | S&P    | Amortized cost             | N/A                  | 32,100,681           |
| Minnesota School District Liquid Asset Fund – Term Series | AAA         | Fitch  | Amortized cost             | < 1 year             | 12,000,000           |
| Minnesota State Board of Investment Retirement Money Fund | N/R         | N/A    | Amortized cost             | N/A                  | <u>3,878,570</u>     |
| Total investments   |             |        |                            |                      | <u>\$ 75,301,150</u> |

N/A – Not Applicable

N/R – Not Rated

The Minnesota School District Liquid Asset Fund (MSDLAF) and the Minnesota State Board of Investment Retirement Money Fund are regulated by Minnesota Statutes and are external investment pools, which are not registered with the Securities and Exchange Commission. The District’s investment in the MSDLAF is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. The District’s investment in the Minnesota State Board of Investment Retirement Money Fund 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 no redemption notice is required except for the MSDLAF – MAX Class investment pool, which has a redemption notice period of 14 days. MSDLAF Term Series investments have a maturity of 60 days to 1 year and early withdrawal may result in substantial early redemption penalties.

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. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form; and, therefore, are not subject to custodial credit risk disclosures. 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 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

**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. At June 30, 2020, the District’s investment portfolio includes the following percentages of specific issuers:

|                      |       |
|----------------------|-------|
| Repurchase Agreement | 13.2% |
|----------------------|-------|

**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 asset activity for the current year ended is as follows:

|                                       | Balance –<br>Beginning<br>of Year | Additions     | Deletions | Completed<br>Construction | Balance –<br>End of Year |
|---------------------------------------|-----------------------------------|---------------|-----------|---------------------------|--------------------------|
| Capital assets, not depreciated       |                                   |               |           |                           |                          |
| Land                                  | \$ 3,834,377                      | \$ 306,000    | \$ –      | \$ –                      | \$ 4,140,377             |
| Construction in progress              | 12,163,888                        | 16,225,530    | –         | (5,082,160)               | 23,307,258               |
| Total capital assets, not depreciated | 15,998,265                        | 16,531,530    | –         | (5,082,160)               | 27,447,635               |
| Capital assets, depreciated           |                                   |               |           |                           |                          |
| Improvements                          | 14,452,708                        | 80,818        | –         | 1,826,693                 | 16,360,219               |
| Buildings                             | 94,484,053                        | 8,394         | –         | 3,255,467                 | 97,747,914               |
| Furniture and equipment               | 10,073,218                        | 145,779       | (9,769)   | –                         | 10,209,228               |
| Total capital assets, depreciated     | 119,009,979                       | 234,991       | (9,769)   | 5,082,160                 | 124,317,361              |
| Less accumulated depreciation for     |                                   |               |           |                           |                          |
| Improvements                          | (7,426,411)                       | (744,861)     | –         | –                         | (8,171,272)              |
| Buildings                             | (48,557,781)                      | (2,553,199)   | –         | –                         | (51,110,980)             |
| Furniture and equipment               | (7,313,493)                       | (434,691)     | 9,769     | –                         | (7,738,415)              |
| Total accumulated depreciation        | (63,297,685)                      | (3,732,751)   | 9,769     | –                         | (67,020,667)             |
| Net capital assets, depreciated       | 55,712,294                        | (3,497,760)   | –         | 5,082,160                 | 57,296,694               |
| Total capital assets, net             | \$ 71,710,559                     | \$ 13,033,770 | \$ –      | \$ –                      | \$ 84,744,329            |

Depreciation expense was charged to the following governmental functions:

|  |              |
|--|--------------|
| Administration                               | \$ 1,118     |
| District support services                    | 5,159        |
| Elementary and secondary regular instruction | 1,495,715    |
| Special education instruction                | 1,305        |
| Community service                            | 1,250        |
| Instructional support services               | 7,969        |
| Pupil support services                       | 75,076       |
| Sites and buildings                          | 2,145,159    |
| Total depreciation expense                   | \$ 3,732,751 |

### 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<br>Maturity | Principal<br>Outstanding |
|--|------------|---------------|----------------|-------------------|--------------------------|
| 2009A Taxable School Building Bonds        | 12/30/2009 | 2.00%         | \$ 16,750,000  | 02/01/2025        | \$ 16,750,000            |
| 2011A Alternative Facility Refunding Bonds | 12/15/2011 | 2.00–2.35%    | \$ 3,430,000   | 02/01/2024        | 1,350,000                |
| 2014A School Building Refunding Bonds      | 11/25/2014 | 3.00–6.00%    | \$ 17,540,000  | 02/01/2022        | 5,610,000                |
| 2016A School Building Refunding Bonds      | 05/26/2016 | 2.00%         | \$ 1,965,000   | 02/01/2030        | 1,450,000                |
| 2018A School Building Bonds                | 03/28/2018 | 2.37–3.93%    | \$ 80,080,000  | 02/01/2041        | 80,080,000               |
| Total general obligation bonds payable     |            |               |                |                   | \$ 105,240,000           |

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

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 are equal to 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.

With the exception of the 2018A School Building Bonds, all general obligation bonds are serial bonds, which require semiannual payments of principal and/or interest from the date the bonds were issued. The Series 2018A School Building Bonds are capital appreciation bonds, which are issued at a discount and accrete to their face value at maturity. Interest expense is recognized through the annual amortization of the discount. All debt service payments are reported as principal payments on the governmental fund financial statements.

The District’s 2009A bonds were issued as Qualified School Construction Bonds – Tax Credit Bonds. The 2.00 percent interest rate reflected in the table on the previous page represents the supplemental coupon interest rate for which the District is responsible. Investors who hold these bonds are also eligible for a tax credit from the federal government, allowing the bonds to be issued at a lower rate of interest and cost to the District.

**B. Capital Leases Payable**

The District has purchased various assets through capitalized lease/purchase agreements. Annual principal and interest on these leases will be paid from the General Fund. The leases are secured by the original property purchased and includes terms that upon default all rental payments may become due and payable. The lessor also may repossess the property and seek full recovery of any losses upon default.

The District currently has the following capital leases payable outstanding:

| Asset Leased   | Asset Value<br>Capitalized | Interest Rate | Lease Date | Final<br>Maturity | Principal<br>Outstanding |
|--|----------------------------|---------------|------------|-------------------|--------------------------|
| Park maintenance facility; jointly leased with the City of Hastings; final purchase option of \$1 at end of lease term | \$ 1,140,750               | 3.00–4.00%    | 08/01/2002 | 02/01/2022        | \$ 162,000               |
| John F. Kennedy Elementary School media center and related equipment   | \$ 1,400,000               | 5.04%         | 10/11/2006 | 01/01/2022        | <u>257,137</u>           |
| Total capital leases payable   |                            |               |            |                   | <u><u>\$ 419,137</u></u> |

The assets acquired through capital leases are as follows:

|                               | Buildings                  | Equipment               | Total                      |
|-------------------------------|----------------------------|-------------------------|----------------------------|
| Assets                        | \$ 2,296,238               | \$ 244,512              | \$ 2,540,750               |
| Less accumulated depreciation | <u>(888,687)</u>           | <u>(190,846)</u>        | <u>(1,079,533)</u>         |
|                               | <u><u>\$ 1,407,551</u></u> | <u><u>\$ 53,666</u></u> | <u><u>\$ 1,461,217</u></u> |

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

### C. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including pensions, OPEB, severance benefits, and compensated absences. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are financed primarily from the General Fund. The District has also established an Employee Benefits Trust Fund to finance OPEB obligations.

District employees participate in 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 following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans for the current year:

| Pension Plans                        | Pension Liabilities  | Deferred Outflows of Resources | Deferred Inflows of Resources | Pension Expense     |
|--------------------------------------|----------------------|--------------------------------|-------------------------------|---------------------|
| State-wide, multiple-employer – PERA | \$ 5,843,915         | \$ 745,028                     | \$ 1,252,306                  | \$ 617,628          |
| State-wide, multiple-employer – TRA  | 25,202,879           | 23,501,884                     | 38,348,779                    | 4,273,083           |
| Single-employer – District           | 278,769              | 24,234                         | 1,614                         | (83,853)            |
| Total                                | <u>\$ 31,325,563</u> | <u>\$ 24,271,146</u>           | <u>\$ 39,602,699</u>          | <u>\$ 4,806,858</u> |

### D. Minimum Debt Payments

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

| Year Ending<br>June 30, | General Obligation Bonds |                     | Capital Leases    |                  |
|-------------------------|--------------------------|---------------------|-------------------|------------------|
|                         | Principal                | Interest            | Principal         | Interest         |
| 2021                    | \$ 3,195,000             | \$ 675,088          | \$ 205,727        | \$ 16,376        |
| 2022                    | 3,340,000                | 528,987             | 213,410           | 7,461            |
| 2023                    | 3,495,000                | 374,915             | –                 | –                |
| 2024                    | 3,505,000                | 364,125             | –                 | –                |
| 2025                    | 20,265,000               | 353,100             | –                 | –                |
| 2026–2030               | 23,375,000               | 46,300              | –                 | –                |
| 2031–2035               | 23,425,000               | –                   | –                 | –                |
| 2036–2040               | 23,425,000               | –                   | –                 | –                |
| 2041                    | 1,215,000                | –                   | –                 | –                |
|                         | <u>\$ 105,240,000</u>    | <u>\$ 2,342,515</u> | <u>\$ 419,137</u> | <u>\$ 23,837</u> |

### E. Changes in Long-Term Liabilities

|                                  | Balance –<br>Beginning<br>of Year | Additions           | Retirements         | Balance –<br>End of Year | Due Within<br>One Year |
|----------------------------------|-----------------------------------|---------------------|---------------------|--------------------------|------------------------|
| General obligation bonds payable | \$ 108,295,000                    | \$ –                | \$ 3,055,000        | \$ 105,240,000           | \$ 3,195,000           |
| Unamortized premium/discount     | (27,053,015)                      | –                   | (1,400,636)         | (25,652,379)             | –                      |
| Total bonds payable              | 81,241,985                        | –                   | 1,654,364           | 79,587,621               | 3,195,000              |
| Capital leases payable           | 616,615                           | –                   | 197,478             | 419,137                  | 205,727                |
| Net pension liability            | 31,736,573                        | 2,798,879           | 3,209,889           | 31,325,563               | –                      |
| Net OPEB liability               | 4,948,322                         | 915,013             | 1,148,626           | 4,714,709                | –                      |
| Severance benefits payable       | 1,384,417                         | 24,431              | 218,961             | 1,189,887                | 143,260                |
| Compensated absences payable     | 157,869                           | 503,695             | 496,256             | 165,308                  | 165,308                |
|                                  | <u>\$ 120,085,781</u>             | <u>\$ 4,242,018</u> | <u>\$ 6,925,574</u> | <u>\$ 117,402,225</u>    | <u>\$ 3,709,295</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 below since the District has specific authority to future resources for such deficits.

### A. Classifications

At year-end, a summary of the District’s governmental fund balance classifications are as follows:

|  | General Fund         | Building<br>Construction<br>Fund | Debt Service<br>Fund | Nonmajor<br>Funds   | Total                |
|--|----------------------|----------------------------------|----------------------|---------------------|----------------------|
| <b>Nonspendable</b>                            |                      |                                  |                      |                     |                      |
| Inventory                                      | \$ –                 | \$ –                             | \$ –                 | \$ 13,004           | \$ 13,004            |
| Prepaid items                                  | 301,600              | –                                | –                    | 6,678               | 308,278              |
| Total nonspendable                             | 301,600              | –                                | –                    | 19,682              | 321,282              |
| <b>Restricted</b>                              |                      |                                  |                      |                     |                      |
| Student activities                             | 131,566              | –                                | –                    | –                   | 131,566              |
| Scholarships                                   | 214,277              | –                                | –                    | –                   | 214,277              |
| Staff development                              | 254,767              | –                                | –                    | –                   | 254,767              |
| Operating capital                              | 3,961,611            | –                                | –                    | –                   | 3,961,611            |
| Area learning center                           | 15,791               | –                                | –                    | –                   | 15,791               |
| Gifted and talented                            | 225,170              | –                                | –                    | –                   | 225,170              |
| Basic skills                                   | 2,970                | –                                | –                    | –                   | 2,970                |
| Safe schools levy                              | 152,049              | –                                | –                    | –                   | 152,049              |
| Long-term facilities maintenance               | 3,901,880            | –                                | –                    | –                   | 3,901,880            |
| Medical Assistance                             | 141,934              | –                                | –                    | –                   | 141,934              |
| Building construction                          | –                    | 20,674,351                       | –                    | –                   | 20,674,351           |
| Qualified school construction<br>bond payments | –                    | –                                | 9,902,964            | –                   | 9,902,964            |
| Debt service                                   | –                    | –                                | 1,133,968            | –                   | 1,133,968            |
| Food service                                   | –                    | –                                | –                    | 690,338             | 690,338              |
| Community education programs                   | –                    | –                                | –                    | 404,475             | 404,475              |
| Early childhood family<br>education programs   | –                    | –                                | –                    | 154,747             | 154,747              |
| School readiness                               | –                    | –                                | –                    | 63,084              | 63,084               |
| Community service                              | –                    | –                                | –                    | 33,367              | 33,367               |
| Total restricted                               | 9,002,015            | 20,674,351                       | 11,036,932           | 1,346,011           | 42,059,309           |
| <b>Committed</b>                               |                      |                                  |                      |                     |                      |
| Separation/retirement benefits                 | 309,795              | –                                | –                    | –                   | 309,795              |
| Technology                                     | 934,544              | –                                | –                    | –                   | 934,544              |
| Total committed                                | 1,244,339            | –                                | –                    | –                   | 1,244,339            |
| <b>Assigned</b>                                |                      |                                  |                      |                     |                      |
| Subsequent year budget                         | 480,678              | –                                | –                    | –                   | 480,678              |
| <b>Unassigned</b>                              |                      |                                  |                      |                     |                      |
|  | 13,894,381           | –                                | –                    | –                   | 13,894,381           |
| <b>Total</b>                                   | <b>\$ 24,923,013</b> | <b>\$ 20,674,351</b>             | <b>\$ 11,036,932</b> | <b>\$ 1,365,693</b> | <b>\$ 57,999,989</b> |

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

### **B. Minimum Fund Balance Policy**

The School Board has formally adopted a fund balance policy regarding the minimum unassigned fund balance for the General Fund and the minimum restricted fund balance for the Food Service Special Revenue Fund and Community Service Special Revenue Fund. The policy establishes that the District will strive to maintain a minimum unassigned General Fund balance of two months of operating expenditures, a minimum restricted Food Service Special Revenue Fund balance of \$100,000, and a minimum restricted Community Service Special Revenue Fund balance of \$100,000.

## **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 the Defined Contribution Plan administered by the state of Minnesota.

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

### **B. Benefits Provided**

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

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

#### **1. GERS Benefits**

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for 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.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the post-retirement increase will be equal to 50.0 percent of the cost of living adjustment announced by the Social Security Administration, with the minimum increase of at least 1.0 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit at least one month but less than a full year as of the June 30 before the effective date of the increase, will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under the Rule of 90 are exempt from the delay to normal retirement.

#### **2. TRA Benefits**

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

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

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

### Tier I Benefits

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

With these provisions:

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

### 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.

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

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

**C. Contributions**

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

**1. GERF Contributions**

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2020 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, 2020, were \$555,283. 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, |          |          |          |          |          |
|-------------------------|---------------------|----------|----------|----------|----------|----------|
|                         | 2018                |          | 2019     |          | 2020     |          |
|                         | Employee            | Employer | Employee | Employer | Employee | Employer |
| <b>Basic Plan</b>       | 11.00 %             | 11.50 %  | 11.00 %  | 11.71 %  | 11.00 %  | 11.92 %  |
| <b>Coordinated Plan</b> | 7.50 %              | 7.50 %   | 7.50 %   | 7.71 %   | 7.50 %   | 7.92 %   |

The District’s contributions to the TRA for the plan’s fiscal year ended June 30, 2020, were \$1,836,816. The District’s contributions were equal to the required contributions for each year as set by state statutes.

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

|  | <i>in thousands</i>      |
|--|--------------------------|
| Employer contributions reported in the TRA’s CAFR Statement of Changes in Fiduciary Net Position | \$ 403,300               |
| Add employer contributions not related to future contribution efforts                            | (688)                    |
| Deduct the TRA’s contributions not included in allocation  | <u>(486)</u>             |
| Total employer contributions   | 402,126                  |
| Total nonemployer contributions  | <u>35,588</u>            |
| Total contributions reported in the Schedule of Employer and Nonemployer Pension Allocations     | <u><u>\$ 437,714</u></u> |

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

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

**D. Pension Costs**

**1. GERF Pension Costs**

At June 30, 2020, the District reported a liability of \$5,843,915 for its proportionate share of the GERF’s net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2018, through June 30, 2019, relative to the total employer contributions received from all of the PERA’s participating employers. The District’s proportionate share was 0.1057 percent at the end of the measurement period and 0.1072 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                           | \$ 5,843,915 |
| State’s proportionate share of the net pension liability associated with the District | \$ 181,659   |

For the year ended June 30, 2020, the District recognized pension expense of \$604,023 for its proportionate share of the GERF’s pension expense. In addition, the District recognized an additional \$13,605 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota’s contribution of \$16 million to the GERF.

At June 30, 2020, 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:

|   | <u>Deferred<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> |
|---|---|--|
| Differences between expected and actual economic experience             | \$ 165,388                                    | \$ –   |
| Changes in actuarial assumptions  | –   | 471,542                                      |
| Differences between projected and actual investment earnings            | –   | 613,016                                      |
| Changes in proportion   | 24,357  | 167,748                                      |
| District’s contributions to the GERF subsequent to the measurement date | <u>555,283</u>                                | <u>–</u>                                     |
| Total   | <u>\$ 745,028</u>                             | <u>\$ 1,252,306</u>                          |

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

A total of \$555,283 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to the GERS pensions will be recognized in pension expense as follows:

| Year Ending<br>June 30, | Pension<br>Expense<br>Amount |
|-------------------------|------------------------------|
| 2021                    | \$ (372,876)                 |
| 2022                    | \$ (559,567)                 |
| 2023                    | \$ (139,532)                 |
| 2024                    | \$ 9,414                     |

**2. TRA Pension Costs**

At June 30, 2020, the District reported a liability of \$25,202,879 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2019, 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 0.3954 percent at the end of the measurement period and 0.4024 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                              | \$ 25,202,879 |
| State's proportionate share of the net pension liability<br>associated with the District | \$ 2,230,422  |

For the year ended June 30, 2020, the District recognized pension expense of \$4,103,544. It also recognized \$169,539 as an increase 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, 2020, 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<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience            | \$ –                                 | \$ 622,047                          |
| Changes in actuarial assumptions                                       | 21,665,068                           | 34,093,921                          |
| Difference between projected and actual investment earnings            | –                                    | 2,127,266                           |
| Changes in proportion  | –                                    | 1,505,545                           |
| District’s contributions to the TRA subsequent to the measurement date | <u>1,836,816</u>                     | <u>–</u>                            |
| Total  | <u>\$ 23,501,884</u>                 | <u>\$ 38,348,779</u>                |

A total of \$1,836,816 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, 2021. 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<br>June 30, | Pension<br>Expense<br>Amount |
|-------------------------|------------------------------|
| 2021                    | \$ 916,822                   |
| 2022                    | \$ (410,128)                 |
| 2023                    | \$ (10,033,311)              |
| 2024                    | \$ (7,037,095)               |
| 2025                    | \$ (119,999)                 |

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2019, 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 GERP 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, 2019 valuations were based on the results of actuarial experience studies. The most recent four-year experience study in the GERP plan was completed in 2019. Economic assumptions were updated in 2018, based on a review of inflation and investment return assumptions. The most recent experience study in the TRA plan was completed in 2015, with economic assumptions updated in 2017.

The following changes in actuarial assumptions and plan provisions occurred in 2019:

### 1. GERP

#### CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2017 to MP-2018.

#### CHANGES IN PLAN PROVISIONS

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

### 2. TRA

#### CHANGES IN ACTUARIAL ASSUMPTIONS

- None.

The Minnesota State Board of Investment, which manages the investments of the PERA, 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 equity      | 35.5 %            | 5.10 %                                 |
| Private markets      | 25.0              | 5.90 %                                 |
| Fixed income         | 20.0              | 0.75 %                                 |
| International equity | 17.5              | 5.30/5.90 %                            |
| Cash equivalents     | 2.0               | – %                                    |
| Total                | 100.0 %           |  |

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

### F. Discount Rate

#### 1. GERF

The discount rate used to measure the total pension liability in 2019 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. There was no change since the prior measurement. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2019 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:

|   | <u>1% Decrease in<br/>Discount Rate</u> | <u>Discount Rate</u> | <u>1% Increase in<br/>Discount Rate</u> |
|---|---|----------------------|---|
| GERF discount rate  | 6.50%                                   | 7.50%                | 8.50%                                   |
| District's proportionate share of<br>the GERF net pension liability | \$ 9,607,084                            | \$ 5,843,915         | \$ 2,736,673                            |
| TRA discount rate   | 6.50%                                   | 7.50%                | 8.50%                                   |
| District's proportionate share of<br>the TRA net pension liability  | \$ 40,179,552                           | \$ 25,202,879        | \$ 12,854,834                           |

## **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](http://www.mnpera.org); by writing to the PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103; or by calling (651) 296-7460 or (800) 652-9026.

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

### **I. Subsequent Events and the COVID-19 Pandemic Subsequent to Year-End**

The United States and global markets experienced declines in values, resulting from uncertainty caused by COVID-19. The resulting declines are expected to have a negative impact on the PERA's and the TRA's discount rate, as well as the value of each plan's investments. Any impact caused by the resulting declines have not been included in the schedules as of June 30, 2019.

## **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 is closed to new entrants with eligible groups requiring set hire dates in the contract to be eligible for these benefits. The plan does not issue a publicly available financial report.

These benefits are summarized as follows:

**Administrator Pension Benefits** – For eligible administrators (with at least 10 years of service, hired before July 1, 2009, and at least 50 years of age), the District pays a lump sum benefit equal to 80 days' pay.

**Other Pension Benefits** – The District offers pension benefits to several other employee groups. Eligible employees (with at least 12 years of service and at least 55 years of age) can earn a pension benefit that differs by bargaining unit.

**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:

|   |                  |
|---|------------------|
| Retirees and beneficiaries receiving benefits | 24               |
| Active plan members                           | <u>73</u>        |
| Total members                                 | <u><u>97</u></u> |

**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, 2020, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                              |       |
|------------------------------|-------|
| Discount rate                | 2.40% |
| 20-year municipal bond yield | 2.40% |
| 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 2.40 percent. The District discount rate used in the prior measurement date was 3.10 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<br/>Liability</u> |
|----------------------|------------------------------------|
| Beginning balance    | \$ 515,071                         |
| Changes for the year |                                    |
| Service cost         | 13,110                             |
| Interest             | 14,128                             |
| Assumption changes   | 4,035                              |
| Plan changes         | (121,593)                          |
| Benefit payments     | <u>(145,982)</u>                   |
| Total net changes    | <u>(236,302)</u>                   |
| Ending balance       | <u>\$ 278,769</u>                  |

Plan provision changes since the prior measurement date included the following:

- The teachers’ percentage of the 60 days of pay severance benefit and the \$2,500 lump sum if on schedule B, which are paid to a 403(b) plan, decreased from 25 percent for married participants and 50 percent for single participants to zero percent for all participants. Therefore, future teachers are no longer assumed to have this pension benefit.
- The community education coordinators’ percentage of the 60 days of pay severance benefit paid to a 403(b) plan decreased from 70 percent to 40 percent.
- The principals’ percentage of the 80 days of pay severance benefit paid to a 403(b) plan decreased from 60 percent to 50 percent.

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 3.10 percent to 2.40 percent.

**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<br/>Discount Rate</u> | <u>Discount<br/>Rate</u> | <u>1% Increase in<br/>Discount Rate</u> |
|-------------------------|---|--------------------------|---|
| Pension discount rate   | 1.40%                                   | 2.40%                    | 3.40%                                   |
| Total pension liability | \$ 284,485                              | \$ 278,769               | \$ 273,002                              |

**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 a negative pension expense of \$83,853. 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<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience | \$ 20,033                            | \$ –                                |
| Changes in actuarial assumptions                            | 4,201                                | 1,614                               |
| Total   | <u>\$ 24,234</u>                     | <u>\$ 1,614</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<br>June 30, | Pension<br>Expense<br>Amount |
|-------------------------|------------------------------|
| 2021                    | \$ 10,505                    |
| 2022                    | \$ 12,115                    |

**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 earlier of eight years or until the employee reaches the age of eligibility for Medicare. Benefits paid by the District differ by bargaining unit and date of hire, with some contracts specifying a certain dollar amount per month, and some covering premium costs as defined within each collective bargaining agreement. Retirees not eligible for these district-paid premium benefits must pay the full district premium rate for their coverage.

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

**C. Contributions**

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District has established the Post-Employment Benefits Trust Fund to finance these obligations and uses an actuarial determined contribution amount to establish contribution amounts paid to the trust.

**D. Membership**

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

|   |                   |
|---|-------------------|
| Retirees and beneficiaries receiving benefits | 56                |
| Active plan members                           | <u>526</u>        |
| Total members                                 | <u><u>582</u></u> |

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

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

The District’s net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018. The components of the net OPEB liability of the District at year-end were as follows:

|  |                     |
|--|---------------------|
| Total OPEB liability   | \$ 8,588,312        |
| Plan fiduciary net position  | <u>(3,873,603)</u>  |
| District’s net OPEB liability  | <u>\$ 4,714,709</u> |
| Plan fiduciary net position as a percentage<br>of the total OPEB liability | <u>45.10%</u>       |

**F. Actuarial Methods and Assumptions**

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

|                                      |   |
|--------------------------------------|---|
| Discount rate                        | 2.20%                                       |
| Expected long-term investment return | 1.20% (net of investment expenses)          |
| 20-year municipal bond yield         | 2.40%                                       |
| Inflation rate                       | 2.50%                                       |
| Salary increases                     | 3.00%                                       |
| Healthcare trend rate                | 6.25% in 2019 grading to 5.00% over 5 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.

| <u>Asset Class</u>   | <u>Target Allocation</u> | <u>Long-Term Expected Rate of Return</u> |
|----------------------|--------------------------|--|
| NR Money Market Fund | 100.00 %                 | 1.20 %                                   |

**G. Rate of Return**

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 1.60 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 2.20 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 2.70 percent.

### I. Changes in the Net OPEB Liability

|  | Total OPEB<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net OPEB<br>Liability<br>(a-b) |
|--|--------------------------------|---------------------------------------|--------------------------------|
| Beginning balance                                  | \$ 8,091,802                   | \$ 3,143,480                          | \$ 4,948,322                   |
| Changes for the year                               |                                |                                       |                                |
| Service cost                                       | 647,785                        | –                                     | 647,785                        |
| Interest   | 226,851                        | –                                     | 226,851                        |
| Assumption changes                                 | 224,454                        | –                                     | 224,454                        |
| Plan changes                                       | 77,313                         | –                                     | 77,313                         |
| Contributions – paid through trust                 | –                              | 1,070,485                             | (1,070,485)                    |
| Contributions – paid through operating funds       | –                              | 288,385                               | (288,385)                      |
| Projected investment return                        | –                              | 37,721                                | (37,721)                       |
| Differences between expected and actual experience | –                              | 13,425                                | (13,425)                       |
| Benefit payments – paid through trust              | (391,508)                      | (391,508)                             | –                              |
| Benefit payments – paid through operating funds    | (288,385)                      | (288,385)                             | –                              |
| Total net changes                                  | <u>496,510</u>                 | <u>730,123</u>                        | <u>(233,613)</u>               |
| Ending balance                                     | <u>\$ 8,588,312</u>            | <u>\$ 3,873,603</u>                   | <u>\$ 4,714,709</u>            |

Plan provision changes since the prior measurement date included the following:

- Administrators and principals now receive their direct subsidized benefit paid in a single lump sum upon retirement rather than having the payments spread out for eight years or until Medicare eligibility, if earlier.
- The teachers' percentage of the 60 days of pay severance benefit and the \$2,500 lump sum if on schedule B, which are paid to a healthcare savings plan, increased from 75 percent for married participants or 50 percent for single participants to 100 percent for all participants.
- The community education coordinators' percentage of the 60 days of pay severance benefit paid to a healthcare savings plan increased from 30 percent to 60 percent for all participants.
- The principals' percentage of the 80 days of pay severance benefit paid to a healthcare savings plan increased from 40 percent to 50 percent for all participants.

Assumption changes since the prior measurement date include the following:

- The expected long-term investment return was updated from 0.80 percent to 1.20 percent.
- The discount rate was changed from 2.70 percent to 2.20 percent.

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

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

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

|                    | <u>1% Decrease in<br/>Discount Rate</u> | <u>Discount<br/>Rate</u> | <u>1% Increase in<br/>Discount Rate</u> |
|--------------------|---|--------------------------|---|
| OPEB discount rate | 1.20%                                   | 2.20%                    | 3.20%                                   |
| Net OPEB liability | \$ 5,161,352                            | \$ 4,714,709             | \$ 4,266,235                            |

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

|                            | <u>1% Decrease in<br/>Healthcare Trend Rate</u> | <u>Healthcare Trend Rate</u>              | <u>1% Increase in<br/>Healthcare Trend Rate</u> |
|----------------------------|---|---|---|
| OPEB healthcare trend rate | 5.25% decreasing to<br>4.00% over 5 years       | 6.25% decreasing to<br>5.00% over 5 years | 7.25% decreasing to<br>6.00% over 5 years       |
| Net OPEB liability         | \$ 3,744,114                                    | \$ 4,714,709                              | \$ 5,867,707                                    |

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

For the current year ended, the District recognized OPEB expense of \$915,012. 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<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> |
|--|---|--|
| Differences between expected and actual economic experience  | \$ –  | \$ 154,884                                   |
| Changes in actuarial assumptions                             | 318,670                                       | –  |
| Differences between projected and actual investment earnings | –   | 59,112                                       |
| Total  | <u>\$ 318,670</u>                             | <u>\$ 213,996</u>                            |

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<br/>June 30,</u> | <u>OPEB<br/>Expense<br/>Amount</u> |
|---------------------------------|------------------------------------|
| 2021                            | \$ 786                             |
| 2022                            | \$ 2,151                           |
| 2023                            | \$ 8,502                           |
| 2024                            | \$ 19,937                          |
| 2025                            | \$ 22,622                          |
| Thereafter                      | \$ 50,676                          |

## NOTE 9 – FLEXIBLE BENEFIT PLAN

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

Before the beginning of the Plan year, which is from 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.

Payments of insurance premiums (health, dental, life, and disability) are made by the District directly to the designated insurance companies. These payments are accounted for in the General Fund. Amounts withheld for medical reimbursement and dependent care are deposited into a separate district checking account. Payments are made by the District to participating employees upon submitting a request for reimbursement of eligible expenses incurred by the employee. The medical reimbursement and dependent care activity are included in the financial statements of the General Fund.

All plan property 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 10 – INTERFUND BALANCES AND TRANSACTIONS

### Interfund Receivables and Payables

The District had the following interfund receivables and payables at June 30, 2020:

|                                     | <u>Due From<br/>Other Funds</u> | <u>Due To<br/>Other Funds</u> |
|-------------------------------------|---------------------------------|-------------------------------|
| General Fund                        | \$ 4,967                        | \$ 1,707                      |
| Internal Service Fund               |                                 |                               |
| Health Benefits Self-Insurance Fund | 1,707                           | –                             |
| Post-Employment Benefits Trust Fund | <u>–</u>                        | <u>4,967</u>                  |
|                                     | <u>\$ 6,674</u>                 | <u>\$ 6,674</u>               |

These balances represent interfund amounts between the funds above, due to the timing of payments made to the self-insured internal service fund and for amounts due from the trust for allowable OPEB expenditures. Such interfund balances are reported in the fund financial statements, but are eliminated as necessary in the government-wide financial statements.

## NOTE 10 – INTERFUND BALANCES AND TRANSACTIONS (CONTINUED)

### Interfund Transfers

During the year, the General Fund transferred \$140,563 to the Community Service Special Revenue Fund. This transfer was approved by the School Board to assist in financing activities, due to losses incurred, due to the COVID-19 pandemic. Such interfund transfers are reported in the fund financial statements, but are eliminated in the government-wide financial statements.

## NOTE 11 – OPERATING LEASES

At times, the District leases additional space for instructional purposes. The District is obligated on two leases with monthly payments of \$2,833 and \$743, through August 2026 and April 2025, respectively. Operating expenditures for the year ended June 30, 2020 were \$53,486.

Future lease commitments are as follows:

| Year Ending<br>June 30, | Amount     |
|-------------------------|------------|
| 2021                    | \$ 42,916  |
| 2022                    | 42,916     |
| 2023                    | 42,916     |
| 2024                    | 42,916     |
| 2025                    | 41,430     |
| 2026                    | 34,000     |
| 2027                    | 5,666      |
|                         | <hr/>      |
|                         | \$ 252,760 |

## NOTE 12 – COMMITMENTS AND CONTINGENCIES

### A. Federal and State Revenues

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of funds which may be disallowed by the agency 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.

### C. Construction Contracts

At June 30, 2020, the District had commitments totaling \$3,839,040 under construction contracts for which the work was not yet completed.

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

### **D. Purchase Power Commitment**

#### **Solar Gardens**

During fiscal year 2019, the District entered into five community solar garden subscription agreements with Northfield Solar, 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 to receive bill credits associated with the energy production.

During fiscal year 2019, the District entered into four community solar garden subscription agreements with Walcott Solar, LLC. The District is committed to purchasing up to 21 percent of the annual delivered energy of the solar systems for a period of 25 years from the commercial operation date to receive bill credits associated with the energy production.

During fiscal year 2019, the District entered into two community solar garden subscription agreements with Warsaw Solar, 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 to receive bill credits associated with the energy production.

## **NOTE 13 – SUBSEQUENT EVENTS**

The COVID-19 pandemic has caused economic and financial market volatility in the United States and around the world, along with significant business and operational disruptions for many organizations. Due to the unknown breadth and duration of this pandemic, any potential impact it may have on the District's future operations and financial condition cannot be determined at this time and has not been reflected in these financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 200

Public Employees Retirement Association Pension Benefits Plan  
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability  
 Year Ended June 30, 2020

| 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 Net Pension Liability | Proportionate Share of the District's State of Minnesota's Net Pension Liability | District's Covered Payroll | District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|-------------------------------|--|--|---|--|--|----------------------------|--|--|
| 06/30/2015                    | 06/30/2014                                   | 0.1286%  | \$ 6,040,984  | \$ -   | \$ 6,040,984   | \$ 6,804,594               | 88.78%   | 78.70%   |
| 06/30/2016                    | 06/30/2015                                   | 0.1153%  | \$ 5,975,445  | \$ -   | \$ 5,975,445   | \$ 6,994,238               | 85.43%   | 78.20%   |
| 06/30/2017                    | 06/30/2016                                   | 0.1093%  | \$ 8,874,618  | \$ 115,877   | \$ 8,990,495   | \$ 6,932,017               | 128.02%  | 68.90%   |
| 06/30/2018                    | 06/30/2017                                   | 0.1105%  | \$ 7,054,247  | \$ 88,690  | \$ 7,142,937   | \$ 7,154,260               | 98.60%   | 75.90%   |
| 06/30/2019                    | 06/30/2018                                   | 0.1072%  | \$ 5,947,016  | \$ 195,044   | \$ 6,142,060   | \$ 7,165,086               | 83.00%   | 79.50%   |
| 06/30/2020                    | 06/30/2019                                   | 0.1057%  | \$ 5,843,915  | \$ 181,659   | \$ 6,025,574   | \$ 7,479,622               | 78.13%   | 80.20%   |

Public Employees Retirement Association Pension Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2020

| 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                    | \$ 500,712                         | \$ 500,712  | \$ -                             | \$ 6,994,238    | 7.16%  |
| 06/30/2016                    | \$ 523,339                         | \$ 523,339  | \$ -                             | \$ 6,932,017    | 7.55%  |
| 06/30/2017                    | \$ 533,833                         | \$ 533,833  | \$ -                             | \$ 7,154,260    | 7.46%  |
| 06/30/2018                    | \$ 537,692                         | \$ 537,692  | \$ -                             | \$ 7,165,086    | 7.50%  |
| 06/30/2019                    | \$ 560,972                         | \$ 560,972  | \$ -                             | \$ 7,479,622    | 7.50%  |
| 06/30/2020                    | \$ 555,283                         | \$ 555,283  | \$ -                             | \$ 7,408,264    | 7.50%  |

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. 200

Teachers Retirement Association Pension Benefits Plan  
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability  
 Year Ended June 30, 2020

| 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 | 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                                  | 0.4710%  | \$ 21,703,341   | \$ 1,526,697   | \$ 23,230,038  | \$ 21,500,732              | 100.94%  | 81.50%   |
| 06/30/2016                    | 06/30/2015                                  | 0.4210%  | \$ 26,043,014   | \$ 3,194,156   | \$ 29,237,170  | \$ 21,588,619              | 120.63%  | 76.80%   |
| 06/30/2017                    | 06/30/2016                                  | 0.4095%  | \$ 97,675,521   | \$ 9,804,006   | \$107,479,527  | \$ 21,687,680              | 450.37%  | 44.88%   |
| 06/30/2018                    | 06/30/2017                                  | 0.4064%  | \$ 81,124,812   | \$ 7,842,332   | \$ 88,967,144  | \$ 22,207,364              | 365.31%  | 51.57%   |
| 06/30/2019                    | 06/30/2018                                  | 0.4024%  | \$ 25,274,486   | \$ 2,374,579   | \$ 27,649,065  | \$ 22,236,542              | 113.66%  | 78.07%   |
| 06/30/2020                    | 06/30/2019                                  | 0.3954%  | \$ 25,202,879   | \$ 2,230,422   | \$ 27,433,301  | \$ 22,442,914              | 112.30%  | 78.21%   |

Teachers Retirement Association Pension Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2020

| 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                    | \$ 1,608,790                       | \$ 1,608,790  | \$ -                             | \$ 21,588,619   | 7.45%  |
| 06/30/2016                    | \$ 1,611,529                       | \$ 1,611,529  | \$ -                             | \$ 21,687,680   | 7.43%  |
| 06/30/2017                    | \$ 1,643,942                       | \$ 1,643,942  | \$ -                             | \$ 22,207,364   | 7.40%  |
| 06/30/2018                    | \$ 1,670,554                       | \$ 1,670,554  | \$ -                             | \$ 22,236,542   | 7.51%  |
| 06/30/2019                    | \$ 1,736,302                       | \$ 1,736,302  | \$ -                             | \$ 22,442,914   | 7.74%  |
| 06/30/2020                    | \$ 1,836,816                       | \$ 1,836,816  | \$ -                             | \$ 23,195,558   | 7.92%  |

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. 200

Pension Benefits Plan  
 Schedule of Changes in the District's Total  
 Pension Liability and Related Ratios  
 Year Ended June 30, 2020

|   | District Fiscal Year-End Date |                     |                     |                     |
|---|-------------------------------|---------------------|---------------------|---------------------|
|   | 2017                          | 2018                | 2019                | 2020                |
| Total pension liability   |                               |                     |                     |                     |
| Service cost  | \$ 26,629                     | \$ 25,175           | \$ 15,237           | \$ 13,110           |
| Interest  | 25,786                        | 22,605              | 24,016              | 14,128              |
| Assumption changes  | –                             | (6,465)             | 3,025               | 4,035               |
| Plan changes  | –                             | –                   | (183,682)           | (121,593)           |
| Differences between expected and actual experience                  | –                             | –                   | 40,067              | –                   |
| Benefit payments  | (179,784)                     | (141,206)           | (108,112)           | (145,982)           |
| Net change in total pension liability                               | (127,369)                     | (99,891)            | (209,449)           | (236,302)           |
| Total pension liability – beginning of year                         | 951,780                       | 824,411             | 724,520             | 515,071             |
| Total pension liability – end of year                               | <u>\$ 824,411</u>             | <u>\$ 724,520</u>   | <u>\$ 515,071</u>   | <u>\$ 278,769</u>   |
| Covered-employee payroll  | <u>\$ 5,087,909</u>           | <u>\$ 5,397,763</u> | <u>\$ 4,004,082</u> | <u>\$ 4,124,204</u> |
| Total pension liability as a percentage of covered-employee payroll | <u>16.20%</u>                 | <u>13.42%</u>       | <u>12.86%</u>       | <u>6.76%</u>        |

Note 1: The District has not established a trust fund to finance its single-employer 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 added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 200

Other Post-Employment Benefits Plan  
 Schedule of Changes in the District's Net  
 OPEB Liability and Related Ratios  
 Year Ended June 30, 2020

|   | District Fiscal Year-End Date |               |               |               |
|---|-------------------------------|---------------|---------------|---------------|
|   | 2017                          | 2018          | 2019          | 2020          |
| Total OPEB liability  |                               |               |               |               |
| Service cost  | \$ 534,410                    | \$ 550,441    | \$ 580,810    | \$ 647,785    |
| Interest  | 231,847                       | 234,610       | 235,877       | 226,851       |
| Assumption changes  | –                             | –             | 163,031       | 224,454       |
| Plan changes  | –                             | –             | 216,862       | 77,313        |
| Differences between expected and actual experience                      | –                             | –             | (206,512)     | –             |
| Benefit payments  | (724,150)                     | (649,343)     | (895,888)     | (679,893)     |
| Net change in total OPEB liability                                      | 42,107                        | 135,708       | 94,180        | 496,510       |
| Total OPEB liability – beginning of year                                | 7,819,807                     | 7,861,914     | 7,997,622     | 8,091,802     |
| Total OPEB liability – end of year                                      | 7,861,914                     | 7,997,622     | 8,091,802     | 8,588,312     |
| Plan fiduciary net position   |                               |               |               |               |
| Contributions   | 1,482,818                     | 1,321,646     | 1,292,045     | 1,358,870     |
| Investment earnings   | 9,220                         | 35,677        | 78,525        | 51,146        |
| Benefit payments  | (724,150)                     | (649,343)     | (895,888)     | (679,893)     |
| Net change in plan fiduciary net position                               | 767,888                       | 707,980       | 474,682       | 730,123       |
| Plan fiduciary net position – beginning of year                         | 1,192,930                     | 1,960,818     | 2,668,798     | 3,143,480     |
| Plan fiduciary net position – end of year                               | 1,960,818                     | 2,668,798     | 3,143,480     | 3,873,603     |
| Net OPEB liability  | \$ 5,901,096                  | \$ 5,328,824  | \$ 4,948,322  | \$ 4,714,709  |
| Plan fiduciary net position as a percentage of the total OPEB liability | 24.94%                        | 33.37%        | 38.85%        | 45.10%        |
| Covered-employee payroll  | \$ 26,909,244                 | \$ 28,548,017 | \$ 28,581,553 | \$ 29,439,000 |
| Net OPEB liability as a percentage of covered-employee payroll          | 21.93%                        | 18.67%        | 17.31%        | 16.02%        |

Note: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2017. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 200

Other Post-Employment Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2020

|   | District Fiscal Year-End Date |               |               |               |
|---|-------------------------------|---------------|---------------|---------------|
|   | 2017                          | 2018          | 2019          | 2020          |
| Actuarially Determined Contribution (ADC)                 | \$ 1,110,247                  | \$ 1,110,247  | \$ 1,070,485  | \$ 1,070,485  |
| Contributions in relation to the ADC                      | 1,110,247                     | 1,110,247     | 1,070,485     | 1,070,485     |
| Contribution deficiency (excess)                          | \$ —                          | \$ —          | \$ —          | \$ —          |
| Covered-employee payroll                                  | \$ 26,909,244                 | \$ 28,548,017 | \$ 28,581,553 | \$ 29,439,000 |
| Contributions as a percentage of covered-employee payroll | 4.13%                         | 3.89%         | 3.75%         | 3.64%         |

Note: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2017. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 200

Other Post-Employment Benefits Plan  
Schedule of Investment Returns  
Year Ended June 30, 2020

| <u>Year</u> | <u>Annual<br/>Money-Weighted<br/>Rate of Return,<br/>Net of<br/>Investment Expense</u> |
|-------------|--|
| 2017        | 0.77 %   |
| 2018        | 1.80 %   |
| 2019        | 2.90 %   |
| 2020        | 1.60 %   |

Note: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2017. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

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INDEPENDENT SCHOOL DISTRICT NO. 200

Notes to Required Supplementary Information  
June 30, 2020

**PERA – GENERAL EMPLOYEES RETIREMENT FUND**

**2019 CHANGES IN PLAN PROVISIONS**

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

**2019 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The mortality projection scale was changed from MP-2017 to MP-2018.

**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.

INDEPENDENT SCHOOL DISTRICT NO. 200

Notes to Required Supplementary Information (continued)  
June 30, 2020

**PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)**

**2017 CHANGES IN PLAN PROVISIONS**

- The state's contribution for the Minneapolis Employees Retirement Fund equals \$16.0 million in 2017 and 2018, and \$6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21.0 million to \$31.0 million in calendar years 2019 to 2031. The state's contribution changed from \$16.0 million to \$6.0 million in calendar years 2019 to 2031.

**2017 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2016 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2015 CHANGES IN PLAN PROVISIONS**

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Retirement Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the state's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

**2015 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

INDEPENDENT SCHOOL DISTRICT NO. 200

Notes to Required Supplementary Information (continued)  
June 30, 2020

**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. 200

Notes to Required Supplementary Information (continued)  
June 30, 2020

**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. 200

Notes to Required Supplementary Information (continued)  
June 30, 2020

**PENSION BENEFITS PLAN**

**2020 CHANGES IN PLAN PROVISIONS**

- The teachers' percentage of the 60 days of pay severance benefit and the \$2,500 lump sum if on schedule B, which are paid to a 403(b) plan, decreased from 25 percent for married participants and 50 percent for single participants to zero percent for all participants. Therefore, future teachers are no longer assumed to have this pension benefit.
- The community education coordinators' percentage of the 60 days of pay severance benefit paid to a 403(b) plan decreased from 70 percent to 40 percent.
- The principals' percentage of the 80 days of pay severance benefit paid to a 403(b) plan decreased from 60 percent to 50 percent.

**2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.10 percent to 2.40 percent.

**2019 CHANGES IN PLAN PROVISIONS**

- For eligible teachers, the percentage of the 60 days of pay severance benefit paid to a 403(b) plan (and, therefore, included under GASB Statement No. 73), decreased from 75 percent for all participants, to 25 percent for married participants, and 50 percent for single participants.
- Teachers listed on schedule B of the contract are now eligible to receive a \$2,500 lump sum payable upon retirement at the same percentages as described above.

**2019 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The mortality tables were 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 discount rate was changed from 3.50 percent to 3.10 percent.

**2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

INDEPENDENT SCHOOL DISTRICT NO. 200

Notes to Required Supplementary Information (continued)  
June 30, 2020

**OTHER POST-EMPLOYMENT BENEFITS PLAN**

**2020 CHANGES IN PLAN PROVISIONS**

- Administrators and principals now receive their direct subsidized benefit paid in a single lump sum upon retirement rather than having the payments spread out for eight years or until Medicare eligibility, if earlier.
- The teachers' percentage of the 60 days of pay severance benefit and the \$2,500 lump sum if on schedule B, which are paid to a healthcare savings plan, increased from 75 percent for married participants or 50 percent for single participants to 100 percent for all participants.
- The community education coordinators' percentage of the 60 days of pay severance benefit paid to a healthcare savings plan increased from 30 percent to 60 percent for all participants.
- The principals' percentage of the 80 days of pay severance benefit paid to a healthcare savings plan increased from 40 percent to 50 percent for all participants.

**2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The expected long-term investment return was updated from 0.80 percent to 1.20 percent.
- The discount rate was changed from 2.70 percent to 2.20 percent.

**2019 CHANGES IN PLAN PROVISIONS**

- For eligible teachers, the percentage of the 60 days of pay severance benefit paid to a Health Care Savings Plan (and, therefore, included under GASB Statement Nos. 74 and 75), increased from 25 percent for all participants, to 75 percent for married participants, and 50 percent for single participants.
- Teachers listed on schedule B of the contract are now eligible to receive a \$2,500 lump sum payable upon retirement at the same percentages as described above.
- The district-paid single premiums for the superintendent changed from being based on the Triple Gold Plan to the Comp Basic Plan.

INDEPENDENT SCHOOL DISTRICT NO. 200

Notes to Required Supplementary Information (continued)  
June 30, 2020

**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 tables were 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 updated from 0.20 percent to 0.80 percent.
- The discount rate was changed from 2.90 percent to 2.70 percent.

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SUPPLEMENTAL INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 200

Nonmajor Governmental Funds  
 Combining Balance Sheet  
 as of June 30, 2020

|  | <u>Special Revenue Funds</u> |                          | <u>Total</u>        |
|--|------------------------------|--------------------------|---------------------|
|  | <u>Food Service</u>          | <u>Community Service</u> |                     |
| <b>Assets</b>  |                              |                          |                     |
| Cash and temporary investments   | \$ 663,665                   | \$ 967,928               | \$ 1,631,593        |
| Receivables  |                              |                          |                     |
| Current taxes  | -                            | 261,145                  | 261,145             |
| Delinquent taxes   | -                            | 6,723                    | 6,723               |
| Accounts and interest  | -                            | 15,705                   | 15,705              |
| Due from other governmental units  | 147,766                      | 60,300                   | 208,066             |
| Inventory  | 13,004                       | -                        | 13,004              |
| Prepaid items  | 3,398                        | 3,280                    | 6,678               |
|  | <u>827,833</u>               | <u>1,315,081</u>         | <u>2,142,914</u>    |
| <b>Liabilities</b>   |                              |                          |                     |
| Salaries payable   | \$ 11,159                    | \$ 113,333               | \$ 124,492          |
| Accounts and contracts payable   | 6,571                        | 5,848                    | 12,419              |
| Unearned revenue   | 103,363                      | 72,886                   | 176,249             |
| Total liabilities  | <u>121,093</u>               | <u>192,067</u>           | <u>313,160</u>      |
| <b>Deferred inflows of resources</b>                                       |                              |                          |                     |
| Property taxes levied for subsequent year                                  | -                            | 459,332                  | 459,332             |
| Unavailable revenue – delinquent taxes                                     | -                            | 4,729                    | 4,729               |
| Total deferred inflows of resources  | <u>-</u>                     | <u>464,061</u>           | <u>464,061</u>      |
| <b>Fund balances</b>   |                              |                          |                     |
| Nonspendable for inventory   | 13,004                       | -                        | 13,004              |
| Nonspendable for prepaid items   | 3,398                        | 3,280                    | 6,678               |
| Restricted   | 690,338                      | 655,673                  | 1,346,011           |
| Total fund balances  | <u>706,740</u>               | <u>658,953</u>           | <u>1,365,693</u>    |
|  | <u>\$ 827,833</u>            | <u>\$ 1,315,081</u>      | <u>\$ 2,142,914</u> |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> |                              |                          |                     |
|  | <u>\$ 827,833</u>            | <u>\$ 1,315,081</u>      | <u>\$ 2,142,914</u> |

INDEPENDENT SCHOOL DISTRICT NO. 200

Nonmajor Governmental Funds  
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Year Ended June 30, 2020

|  | Special Revenue Funds |                   | Total               |
|--|-----------------------|-------------------|---------------------|
|  | Food Service          | Community Service |                     |
| Revenue  |                       |                   |                     |
| Local sources                                    |                       |                   |                     |
| Property taxes                                   | \$ -                  | \$ 444,817        | \$ 444,817          |
| Investment earnings                              | 9,325                 | 18,876            | 28,201              |
| Other  | 1,023,128             | 1,288,291         | 2,311,419           |
| State sources                                    | 148,196               | 388,408           | 536,604             |
| Federal sources                                  | 1,378,137             | -                 | 1,378,137           |
| Total revenue                                    | <u>2,558,786</u>      | <u>2,140,392</u>  | <u>4,699,178</u>    |
| Expenditures                                     |                       |                   |                     |
| Current  |                       |                   |                     |
| Food service                                     | 2,312,934             | -                 | 2,312,934           |
| Community service                                | -                     | 2,423,654         | 2,423,654           |
| Capital outlay                                   | 54,024                | 1,389             | 55,413              |
| Total expenditures                               | <u>2,366,958</u>      | <u>2,425,043</u>  | <u>4,792,001</u>    |
| Excess (deficiency) of revenue over expenditures | 191,828               | (284,651)         | (92,823)            |
| Other financing sources                          |                       |                   |                     |
| Transfer in                                      | -                     | 140,563           | 140,563             |
| Net change in fund balances                      | 191,828               | (144,088)         | 47,740              |
| Fund balances                                    |                       |                   |                     |
| Beginning of year                                | <u>514,912</u>        | <u>803,041</u>    | <u>1,317,953</u>    |
| End of year                                      | <u>\$ 706,740</u>     | <u>\$ 658,953</u> | <u>\$ 1,365,693</u> |

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INDEPENDENT SCHOOL DISTRICT NO. 200

General Fund  
Comparative Balance Sheet  
as of June 30, 2020 and 2019

|  | <u>2020</u>          | <u>2019</u>          |
|--|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |
| Cash and temporary investments   | \$ 29,384,607        | \$ 26,941,842        |
| Receivables  |                      |                      |
| Current taxes  | 7,139,862            | 6,993,421            |
| Delinquent taxes   | 174,935              | 134,092              |
| Accounts and interest  | 129,230              | 387,864              |
| Due from other governmental units                                      | 4,237,810            | 4,234,154            |
| Due from other funds   | 4,967                | -                    |
| Prepaid items  | <u>301,600</u>       | <u>494,984</u>       |
| Total assets   | <u>\$ 41,373,011</u> | <u>\$ 39,186,357</u> |
| <b>Liabilities</b>   |                      |                      |
| Salaries payable   | \$ 1,629,425         | \$ 1,540,440         |
| Accounts and contracts payable   | 1,633,658            | 1,604,998            |
| Due to other governmental units  | 119,726              | 123,947              |
| Due to other funds   | 1,707                | 1,466,995            |
| Unearned revenue   | 773,798              | 672,158              |
| Severance benefits payable   | <u>160,538</u>       | <u>398,867</u>       |
| Total liabilities  | 4,318,852            | 5,807,405            |
| <b>Deferred inflows of resources</b>                                   |                      |                      |
| Property taxes levied for subsequent year                              | 12,013,093           | 12,085,258           |
| Unavailable revenue – delinquent taxes                                 | <u>118,053</u>       | <u>98,102</u>        |
| Total deferred inflows of resources                                    | 12,131,146           | 12,183,360           |
| <b>Fund balances</b>   |                      |                      |
| Nonspendable for prepaid items   | 301,600              | 494,984              |
| Restricted for student activities                                      | 131,566              | -                    |
| Restricted for scholarships  | 214,277              | -                    |
| Restricted for staff development                                       | 254,767              | 293,272              |
| Restricted for operating capital                                       | 3,961,611            | 3,407,310            |
| Restricted for area learning center                                    | 15,791               | -                    |
| Restricted for gifted and talented                                     | 225,170              | 206,147              |
| Restricted for basic skills  | 2,970                | 8,396                |
| Restricted for safe schools levy                                       | 152,049              | -                    |
| Restricted for long-term facilities maintenance                        | 3,901,880            | 2,343,612            |
| Restricted for medical assistance                                      | 141,934              | 188,262              |
| Committed for separation/retirement benefits                           | 309,795              | 370,873              |
| Committed for technology   | 934,544              | 834,544              |
| Assigned for subsequent year budget                                    | 480,678              | -                    |
| Unassigned   | <u>13,894,381</u>    | <u>13,048,192</u>    |
| Total fund balances  | <u>24,923,013</u>    | <u>21,195,592</u>    |
| Total liabilities, deferred inflows<br>of resources, and fund balances | <u>\$ 41,373,011</u> | <u>\$ 39,186,357</u> |

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INDEPENDENT SCHOOL DISTRICT NO. 200

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2020  
 (With Comparative Actual Amounts for the Year Ended June 30, 2019)

|   | 2020              |                   | 2019                   |                   |
|---|-------------------|-------------------|------------------------|-------------------|
|   | Budget            | Actual            | Over (Under)<br>Budget | Actual            |
| <b>Revenue</b>  |                   |                   |                        |                   |
| Local sources   |                   |                   |                        |                   |
| Property taxes  | \$ 12,844,292     | \$ 12,768,866     | \$ (75,426)            | \$ 12,109,358     |
| Investment earnings                                   | 284,150           | 424,558           | 140,408                | 513,023           |
| Other   | 2,173,665         | 1,670,670         | (502,995)              | 1,790,362         |
| State sources   | 40,458,233        | 40,598,962        | 140,729                | 39,501,965        |
| Federal sources                                       | 1,394,740         | 1,554,654         | 159,914                | 1,383,806         |
| Total revenue   | <u>57,155,080</u> | <u>57,017,710</u> | <u>(137,370)</u>       | <u>55,298,514</u> |
| <b>Expenditures</b>                                   |                   |                   |                        |                   |
| Current   |                   |                   |                        |                   |
| Administration  |                   |                   |                        |                   |
| Salaries  | 1,551,243         | 1,445,574         | (105,669)              | 1,379,293         |
| Employee benefits                                     | 610,982           | 582,773           | (28,209)               | 580,136           |
| Purchased services                                    | 56,710            | 83,919            | 27,209                 | 63,858            |
| Supplies and materials                                | 31,338            | 24,162            | (7,176)                | 21,835            |
| Capital expenditures                                  | –                 | 833               | 833                    | –                 |
| Other expenditures                                    | 36,496            | 35,671            | (825)                  | 35,924            |
| Total administration                                  | <u>2,286,769</u>  | <u>2,172,932</u>  | <u>(113,837)</u>       | <u>2,081,046</u>  |
| District support services                             |                   |                   |                        |                   |
| Salaries  | 887,927           | 882,868           | (5,059)                | 909,397           |
| Employee benefits                                     | 556,833           | 650,560           | 93,727                 | 675,028           |
| Purchased services                                    | 292,453           | 282,250           | (10,203)               | 254,922           |
| Supplies and materials                                | 330,496           | 301,001           | (29,495)               | 379,767           |
| Capital expenditures                                  | 800               | 1,332             | 532                    | 761               |
| Other expenditures                                    | 96,127            | 82,320            | (13,807)               | 142,722           |
| Total district support services                       | <u>2,164,636</u>  | <u>2,200,331</u>  | <u>35,695</u>          | <u>2,362,597</u>  |
| Elementary and secondary<br>regular instruction       |                   |                   |                        |                   |
| Salaries  | 15,979,451        | 15,771,508        | (207,943)              | 15,501,030        |
| Employee benefits                                     | 7,692,900         | 7,485,166         | (207,734)              | 7,506,027         |
| Purchased services                                    | 1,163,007         | 1,019,958         | (143,049)              | 999,149           |
| Supplies and materials                                | 1,590,490         | 969,185           | (621,305)              | 770,750           |
| Capital expenditures                                  | 161,334           | 190,126           | 28,792                 | 310,183           |
| Other expenditures                                    | 211,608           | 125,982           | (85,626)               | 128,740           |
| Total elementary and secondary<br>regular instruction | <u>26,798,790</u> | <u>25,561,925</u> | <u>(1,236,865)</u>     | <u>25,215,879</u> |

INDEPENDENT SCHOOL DISTRICT NO. 200

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual (continued)  
 Year Ended June 30, 2020  
 (With Comparative Actual Amounts for the Year Ended June 30, 2019)

|  | 2020       |            | 2019                   |           |
|--|------------|------------|------------------------|-----------|
|  | Budget     | Actual     | Over (Under)<br>Budget | Actual    |
| Expenditures (continued)               |            |            |                        |           |
| Current (continued)                    |            |            |                        |           |
| Vocational education instruction       |            |            |                        |           |
| Salaries                               | 291,919    | 284,965    | (6,954)                | 262,727   |
| Employee benefits                      | 151,012    | 147,452    | (3,560)                | 135,908   |
| Purchased services                     | 74,105     | 60,635     | (13,470)               | 48,637    |
| Supplies and materials                 | 8,000      | 15,458     | 7,458                  | 26,653    |
| Other expenditures                     | 1,665      | 1,813      | 148                    | 1,915     |
| Total vocational education instruction | 526,701    | 510,323    | (16,378)               | 475,840   |
| Special education instruction          |            |            |                        |           |
| Salaries                               | 6,587,555  | 6,483,181  | (104,374)              | 6,405,542 |
| Employee benefits                      | 2,837,553  | 2,793,922  | (43,631)               | 2,705,236 |
| Purchased services                     | 386,183    | 542,866    | 156,683                | 353,490   |
| Supplies and materials                 | 127,412    | 92,804     | (34,608)               | 150,233   |
| Capital expenditures                   | 3,140      | 8,331      | 5,191                  | 9,210     |
| Other expenditures                     | 92,689     | 99,472     | 6,783                  | 102,002   |
| Total special education instruction    | 10,034,532 | 10,020,576 | (13,956)               | 9,725,713 |
| Instructional support services         |            |            |                        |           |
| Salaries                               | 1,617,999  | 1,575,072  | (42,927)               | 1,544,611 |
| Employee benefits                      | 743,460    | 706,758    | (36,702)               | 707,376   |
| Purchased services                     | 372,161    | 85,435     | (286,726)              | 96,838    |
| Supplies and materials                 | 114,700    | 112,758    | (1,942)                | 124,848   |
| Capital expenditures                   | 2,249      | —          | (2,249)                | 349       |
| Other expenditures                     | 11,748     | 16,413     | 4,665                  | 13,286    |
| Total instructional support services   | 2,862,317  | 2,496,436  | (365,881)              | 2,487,308 |
| Pupil support services                 |            |            |                        |           |
| Salaries                               | 1,010,757  | 982,031    | (28,726)               | 947,394   |
| Employee benefits                      | 440,513    | 446,387    | 5,874                  | 430,672   |
| Purchased services                     | 4,234,577  | 4,110,294  | (124,283)              | 3,788,178 |
| Supplies and materials                 | 47,425     | 119,045    | 71,620                 | 109,083   |
| Capital expenditures                   | 3,210      | 20,860     | 17,650                 | 6,305     |
| Other expenditures                     | 4,773      | 24,920     | 20,147                 | 5,729     |
| Total pupil support services           | 5,741,255  | 5,703,537  | (37,718)               | 5,287,361 |

INDEPENDENT SCHOOL DISTRICT NO. 200

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual (continued)  
 Year Ended June 30, 2020  
 (With Comparative Actual Amounts for the Year Ended June 30, 2019)

|  | 2020                |                      | 2019                   |                      |
|--|---------------------|----------------------|------------------------|----------------------|
|  | Budget              | Actual               | Over (Under)<br>Budget | Actual               |
| Expenditures (continued)                   |                     |                      |                        |                      |
| Current (continued)                        |                     |                      |                        |                      |
| Sites and buildings                        |                     |                      |                        |                      |
| Salaries                                   | 1,552,749           | 1,551,967            | (782)                  | 1,501,126            |
| Employee benefits                          | 751,278             | 758,536              | 7,258                  | 766,981              |
| Purchased services                         | 1,707,150           | 1,488,564            | (218,586)              | 1,636,472            |
| Supplies and materials                     | 295,340             | 327,012              | 31,672                 | 307,681              |
| Capital expenditures                       | 764,544             | 182,352              | (582,192)              | 598,882              |
| Other expenditures                         | 4,866               | 6,295                | 1,429                  | 6,083                |
| Total sites and buildings                  | <u>5,075,927</u>    | <u>4,314,726</u>     | <u>(761,201)</u>       | <u>4,817,225</u>     |
| Fiscal and other fixed cost programs       |                     |                      |                        |                      |
| Purchased services                         | 157,959             | 157,959              | –                      | 134,045              |
| Other expenditures                         | 80,000              | 104,825              | 24,825                 | –                    |
| Total fiscal and other fixed cost programs | <u>237,959</u>      | <u>262,784</u>       | <u>24,825</u>          | <u>134,045</u>       |
| Debt service                               |                     |                      |                        |                      |
| Principal                                  | 197,478             | 197,478              | –                      | 189,112              |
| Interest and fiscal charges                | 25,524              | 25,525               | 1                      | 34,701               |
| Total debt service                         | <u>223,002</u>      | <u>223,003</u>       | <u>1</u>               | <u>223,813</u>       |
| Total expenditures                         | <u>55,951,888</u>   | <u>53,466,573</u>    | <u>(2,485,315)</u>     | <u>52,810,827</u>    |
| Excess of revenue over expenditures        | 1,203,192           | 3,551,137            | 2,347,945              | 2,487,687            |
| Other financing sources (uses)             |                     |                      |                        |                      |
| Sale of capital assets                     | –                   | –                    | –                      | 37,752               |
| Transfer out                               | –                   | (140,563)            | (140,563)              | –                    |
| Total other financing sources (uses)       | <u>–</u>            | <u>(140,563)</u>     | <u>(140,563)</u>       | <u>37,752</u>        |
| Net change in fund balances                | <u>\$ 1,203,192</u> | 3,410,574            | <u>\$ 2,207,382</u>    | 2,525,439            |
| Fund balances                              |                     |                      |                        |                      |
| Beginning of year, as previously reported  |                     | 21,195,592           |                        | 18,670,153           |
| Change in accounting principle             |                     | 316,847              |                        | –                    |
| Beginning of year, as restated             |                     | <u>21,512,439</u>    |                        | <u>18,670,153</u>    |
| End of year                                |                     | <u>\$ 24,923,013</u> |                        | <u>\$ 21,195,592</u> |

INDEPENDENT SCHOOL DISTRICT NO. 200

Food Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2020 and 2019

|                                     | <u>2020</u>              | <u>2019</u>              |
|-------------------------------------|--------------------------|--------------------------|
| <b>Assets</b>                       |                          |                          |
| Cash and temporary investments      | \$ 663,665               | \$ 531,506               |
| Receivables                         |                          |                          |
| Accounts and interest               | -                        | 2,141                    |
| Due from other governmental units   | 147,766                  | -                        |
| Inventory                           | 13,004                   | 18,875                   |
| Prepaid items                       | <u>3,398</u>             | <u>28,925</u>            |
| Total assets                        | <u><u>\$ 827,833</u></u> | <u><u>\$ 581,447</u></u> |
| <b>Liabilities</b>                  |                          |                          |
| Salaries payable                    | \$ 11,159                | \$ 15,053                |
| Accounts and contracts payable      | 6,571                    | 7,152                    |
| Unearned revenue                    | <u>103,363</u>           | <u>44,330</u>            |
| Total liabilities                   | 121,093                  | 66,535                   |
| <b>Fund balances</b>                |                          |                          |
| Nonspendable for inventory          | 13,004                   | 18,875                   |
| Nonspendable for prepaid items      | 3,398                    | 28,925                   |
| Restricted for food service         | <u>690,338</u>           | <u>467,112</u>           |
| Total fund balances                 | <u><u>706,740</u></u>    | <u><u>514,912</u></u>    |
| Total liabilities and fund balances | <u><u>\$ 827,833</u></u> | <u><u>\$ 581,447</u></u> |

INDEPENDENT SCHOOL DISTRICT NO. 200

Food Service Special Revenue Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2020  
 (With Comparative Actual Amounts for the Year Ended June 30, 2019)

|  | 2020               |                   | Over (Under)      | 2019              |
|--|--------------------|-------------------|-------------------|-------------------|
|  | Budget             | Actual            | Budget            | Actual            |
| Revenue  |                    |                   |                   |                   |
| Local sources                                    |                    |                   |                   |                   |
| Investment earnings                              | \$ 6,030           | \$ 9,325          | \$ 3,295          | \$ 12,484         |
| Other – primarily meal sales                     | 1,413,097          | 1,023,128         | (389,969)         | 1,408,020         |
| State sources                                    | 125,144            | 148,196           | 23,052            | 126,781           |
| Federal sources                                  | 811,940            | 1,378,137         | 566,197           | 809,546           |
| Total revenue                                    | <u>2,356,211</u>   | <u>2,558,786</u>  | <u>202,575</u>    | <u>2,356,831</u>  |
| Expenditures                                     |                    |                   |                   |                   |
| Current  |                    |                   |                   |                   |
| Salaries   | 843,705            | 834,287           | (9,418)           | 833,893           |
| Employee benefits                                | 268,357            | 268,948           | 591               | 250,332           |
| Purchased services                               | 112,200            | 103,273           | (8,927)           | 103,743           |
| Supplies and materials                           | 1,061,426          | 1,060,231         | (1,195)           | 1,041,978         |
| Other expenditures                               | 62,710             | 46,195            | (16,515)          | 60,836            |
| Capital outlay                                   | 40,000             | 54,024            | 14,024            | 23,106            |
| Total expenditures                               | <u>2,388,398</u>   | <u>2,366,958</u>  | <u>(21,440)</u>   | <u>2,313,888</u>  |
| Excess (deficiency) of revenue over expenditures | (32,187)           | 191,828           | 224,015           | 42,943            |
| Other financing sources                          |                    |                   |                   |                   |
| Sale of capital assets                           | –                  | –                 | –                 | 2,500             |
| Net change in fund balances                      | <u>\$ (32,187)</u> | <u>191,828</u>    | <u>\$ 224,015</u> | <u>45,443</u>     |
| Fund balances                                    |                    |                   |                   |                   |
| Beginning of year                                |                    | <u>514,912</u>    |                   | <u>469,469</u>    |
| End of year                                      |                    | <u>\$ 706,740</u> |                   | <u>\$ 514,912</u> |

INDEPENDENT SCHOOL DISTRICT NO. 200

Community Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2020 and 2019

|  | <u>2020</u>         | <u>2019</u>         |
|--|---------------------|---------------------|
| <b>Assets</b>  |                     |                     |
| Cash and temporary investments   | \$ 967,928          | \$ 1,134,876        |
| Receivables  |                     |                     |
| Current taxes  | 261,145             | 254,515             |
| Delinquent taxes   | 6,723               | 5,441               |
| Accounts and interest  | 15,705              | 34,628              |
| Due from other governmental units                                      | 60,300              | 49,917              |
| Prepaid items  | <u>3,280</u>        | <u>15,575</u>       |
| Total assets   | <u>\$ 1,315,081</u> | <u>\$ 1,494,952</u> |
| <b>Liabilities</b>   |                     |                     |
| Salaries payable   | \$ 113,333          | \$ 121,185          |
| Accounts and contracts payable   | 5,848               | 20,641              |
| Unearned revenue   | <u>72,886</u>       | <u>89,509</u>       |
| Total liabilities  | 192,067             | 231,335             |
| <b>Deferred inflows of resources</b>                                   |                     |                     |
| Property taxes levied for subsequent year                              | 459,332             | 456,441             |
| Unavailable revenue – delinquent taxes                                 | <u>4,729</u>        | <u>4,135</u>        |
| Total deferred inflows of resources                                    | 464,061             | 460,576             |
| <b>Fund balances</b>   |                     |                     |
| Nonspendable for prepaid items   | 3,280               | 15,575              |
| Restricted for community education programs                            | 404,475             | 471,087             |
| Restricted for early childhood family education programs               | 154,747             | 127,752             |
| Restricted for school readiness  | 63,084              | 161,256             |
| Restricted for community service                                       | <u>33,367</u>       | <u>27,371</u>       |
| Total fund balances  | <u>658,953</u>      | <u>803,041</u>      |
| Total liabilities, deferred inflows<br>of resources, and fund balances | <u>\$ 1,315,081</u> | <u>\$ 1,494,952</u> |

INDEPENDENT SCHOOL DISTRICT NO. 200

Community Service Special Revenue Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2020  
 (With Comparative Actual Amounts for the Year Ended June 30, 2019)

|  | 2020                |                   | Over (Under)<br>Budget | 2019              |
|--|---------------------|-------------------|------------------------|-------------------|
|  | Budget              | Actual            |                        | Actual            |
| Revenue  |                     |                   |                        |                   |
| Local sources                                    |                     |                   |                        |                   |
| Property taxes                                   | \$ 455,741          | \$ 444,817        | \$ (10,924)            | \$ 455,605        |
| Investment earnings                              | 16,000              | 18,876            | 2,876                  | 29,225            |
| Other – primarily tuition and fees               | 1,500,333           | 1,288,291         | (212,042)              | 1,600,148         |
| State sources                                    | 395,529             | 388,408           | (7,121)                | 338,351           |
| Total revenue                                    | <u>2,367,603</u>    | <u>2,140,392</u>  | <u>(227,211)</u>       | <u>2,423,329</u>  |
| Expenditures                                     |                     |                   |                        |                   |
| Current  |                     |                   |                        |                   |
| Salaries   | 1,433,286           | 1,469,115         | 35,829                 | 1,429,657         |
| Employee benefits                                | 596,891             | 598,612           | 1,721                  | 533,248           |
| Purchased services                               | 329,165             | 233,467           | (95,698)               | 326,408           |
| Supplies and materials                           | 83,991              | 78,101            | (5,890)                | 94,533            |
| Other expenditures                               | 51,774              | 44,359            | (7,415)                | 52,776            |
| Capital outlay                                   | 2,001               | 1,389             | (612)                  | 11,808            |
| Total expenditures                               | <u>2,497,108</u>    | <u>2,425,043</u>  | <u>(72,065)</u>        | <u>2,448,430</u>  |
| Excess (deficiency) of revenue over expenditures | (129,505)           | (284,651)         | (155,146)              | (25,101)          |
| Other financing sources                          |                     |                   |                        |                   |
| Transfer in                                      | <u>–</u>            | <u>140,563</u>    | <u>140,563</u>         | <u>–</u>          |
| Net change in fund balances                      | <u>\$ (129,505)</u> | <u>(144,088)</u>  | <u>\$ (14,583)</u>     | <u>(25,101)</u>   |
| Fund balances                                    |                     |                   |                        |                   |
| Beginning of year                                |                     | <u>803,041</u>    |                        | <u>828,142</u>    |
| End of year                                      |                     | <u>\$ 658,953</u> |                        | <u>\$ 803,041</u> |

INDEPENDENT SCHOOL DISTRICT NO. 200

Capital Projects – Building Construction Fund  
 Comparative Balance Sheet  
 as of June 30, 2020 and 2019

|                                      | <u>2020</u>          | <u>2019</u>          |
|--------------------------------------|----------------------|----------------------|
| Assets                               |                      |                      |
| Cash and temporary investments       | \$ 21,060,715        | \$ 39,181,430        |
| Receivables                          |                      |                      |
| Accounts and interest                | <u>87,379</u>        | <u>147,190</u>       |
| Total assets                         | <u>\$ 21,148,094</u> | <u>\$ 39,328,620</u> |
| Liabilities                          |                      |                      |
| Accounts and contracts payable       | \$ 473,743           | \$ 2,392,545         |
| Fund balances                        |                      |                      |
| Restricted for building construction | <u>20,674,351</u>    | <u>36,936,075</u>    |
| Total liabilities and fund balances  | <u>\$ 21,148,094</u> | <u>\$ 39,328,620</u> |

INDEPENDENT SCHOOL DISTRICT NO. 200

Capital Projects – Building Construction Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2020  
 (With Comparative Actual Amounts for the Year Ended June 30, 2019)

|                             | 2020                   |                      |                        | 2019                 |
|-----------------------------|------------------------|----------------------|------------------------|----------------------|
|                             | Budget                 | Actual               | Over (Under)<br>Budget | Actual               |
| Revenue                     |                        |                      |                        |                      |
| Local sources               |                        |                      |                        |                      |
| Investment earnings         | \$ 422,108             | \$ 656,823           | \$ 234,715             | \$ 1,323,108         |
| Expenditures                |                        |                      |                        |                      |
| Capital outlay              |                        |                      |                        |                      |
| Salaries                    | –                      | 77,349               | 77,349                 | –                    |
| Employee benefits           | –                      | 37,873               | 37,873                 | –                    |
| Purchased services          | 2,360,874              | 666,956              | (1,693,918)            | 1,153,612            |
| Supplies and materials      | 397,000                | 475,650              | 78,650                 | 280,995              |
| Capital expenditures        | 13,521,668             | 15,660,719           | 2,139,051              | 10,237,771           |
| Total expenditures          | <u>16,279,542</u>      | <u>16,918,547</u>    | <u>639,005</u>         | <u>11,672,378</u>    |
| Net change in fund balances | <u>\$ (15,857,434)</u> | (16,261,724)         | <u>\$ (404,290)</u>    | (10,349,270)         |
| Fund balances               |                        |                      |                        |                      |
| Beginning of year           |                        | <u>36,936,075</u>    |                        | <u>47,285,345</u>    |
| End of year                 |                        | <u>\$ 20,674,351</u> |                        | <u>\$ 36,936,075</u> |

INDEPENDENT SCHOOL DISTRICT NO. 200

Debt Service Fund  
Comparative Balance Sheet  
as of June 30, 2020 and 2019

|  | <u>2020</u>          | <u>2019</u>          |
|--|----------------------|----------------------|
| Assets   |                      |                      |
| Cash and temporary investments                             | \$ 3,024,653         | \$ 3,160,014         |
| Cash and investments held by trustee                       | 9,902,964            | 8,704,368            |
| Receivables  |                      |                      |
| Current taxes  | 2,633,227            | 2,573,943            |
| Delinquent taxes   | 66,673               | 55,017               |
| Due from other governmental units                          | <u>13,767</u>        | <u>29,516</u>        |
| Total assets   | <u>\$ 15,641,284</u> | <u>\$ 14,522,858</u> |
| Deferred inflows of resources                              |                      |                      |
| Property taxes levied for subsequent year                  | \$ 4,557,268         | \$ 4,554,757         |
| Unavailable revenue – delinquent taxes                     | <u>47,084</u>        | <u>41,792</u>        |
| Total deferred inflows of resources                        | 4,604,352            | 4,596,549            |
| Fund balances  |                      |                      |
| Restricted for qualified school construction bond payments | 9,902,964            | 8,704,368            |
| Restricted for debt service                                | <u>1,133,968</u>     | <u>1,221,941</u>     |
| Total fund balances  | <u>11,036,932</u>    | <u>9,926,309</u>     |
| Total deferred inflows of resources<br>and fund balances   | <u>\$ 15,641,284</u> | <u>\$ 14,522,858</u> |

INDEPENDENT SCHOOL DISTRICT NO. 200

Debt Service Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2020  
 (With Comparative Actual Amounts for the Year Ended June 30, 2019)

|                             | 2020                |                      | Over (Under)<br>Budget | 2019                |
|-----------------------------|---------------------|----------------------|------------------------|---------------------|
|                             | Budget              | Actual               |                        | Actual              |
| Revenue                     |                     |                      |                        |                     |
| Local sources               |                     |                      |                        |                     |
| Property taxes              | \$ 4,371,889        | \$ 4,374,084         | \$ 2,195               | \$ 4,411,917        |
| Investment earnings         | 387,244             | 471,220              | 83,976                 | 450,304             |
| State sources               | 319,865             | 137,682              | (182,183)              | 295,968             |
| Total revenue               | <u>5,078,998</u>    | <u>4,982,986</u>     | <u>(96,012)</u>        | <u>5,158,189</u>    |
| Expenditures                |                     |                      |                        |                     |
| Debt service                |                     |                      |                        |                     |
| Principal                   | 3,055,000           | 3,055,000            | –                      | 2,930,000           |
| Interest                    | 814,488             | 814,488              | –                      | 923,088             |
| Fiscal charges and other    | 2,175               | 2,875                | 700                    | 2,875               |
| Total expenditures          | <u>3,871,663</u>    | <u>3,872,363</u>     | <u>700</u>             | <u>3,855,963</u>    |
| Net change in fund balances | <u>\$ 1,207,335</u> | 1,110,623            | <u>\$ (96,712)</u>     | 1,302,226           |
| Fund balances               |                     |                      |                        |                     |
| Beginning of year           |                     | <u>9,926,309</u>     |                        | <u>8,624,083</u>    |
| End of year                 |                     | <u>\$ 11,036,932</u> |                        | <u>\$ 9,926,309</u> |

INDEPENDENT SCHOOL DISTRICT NO. 200

Internal Service Funds  
 Combining Statement of Net Position  
 as of June 30, 2020

(With Comparative Totals as of June 30, 2019)

|                                   | Health Benefits<br>Self-Insurance | Dental<br>Self-Insurance | Totals              |                     |
|-----------------------------------|-----------------------------------|--------------------------|---------------------|---------------------|
|                                   |                                   |                          | 2020                | 2019                |
| <b>Assets</b>                     |                                   |                          |                     |                     |
| Current assets                    |                                   |                          |                     |                     |
| Cash and temporary investments    | \$ 6,132,352                      | \$ 901,313               | \$ 7,033,665        | \$ 4,650,749        |
| Receivables                       |                                   |                          |                     |                     |
| Accounts and interest             | 13,464                            | 3,753                    | 17,217              | 26,757              |
| Due from other funds              | 1,707                             | –                        | 1,707               | 1,466,995           |
| Prepaid items                     | –                                 | –                        | –                   | 188,566             |
| Total current assets              | <u>6,147,523</u>                  | <u>905,066</u>           | <u>7,052,589</u>    | <u>6,333,067</u>    |
| <b>Liabilities</b>                |                                   |                          |                     |                     |
| Current liabilities               |                                   |                          |                     |                     |
| Unearned revenue                  | 865,926                           | 71,136                   | 937,062             | 926,590             |
| Claims incurred, but not reported | <u>497,419</u>                    | <u>20,533</u>            | <u>517,952</u>      | <u>464,507</u>      |
| Total current liabilities         | <u>1,363,345</u>                  | <u>91,669</u>            | <u>1,455,014</u>    | <u>1,391,097</u>    |
| <b>Net position</b>               |                                   |                          |                     |                     |
| Unrestricted                      | <u>\$ 4,784,178</u>               | <u>\$ 813,397</u>        | <u>\$ 5,597,575</u> | <u>\$ 4,941,970</u> |

INDEPENDENT SCHOOL DISTRICT NO. 200

Internal Service Funds  
 Combining Statement of Revenue, Expenses, and Changes in Net Position  
 Year Ended June 30, 2020  
 (With Comparative Totals for the Year Ended June 30, 2019)

|                                       | Health Benefits<br>Self-Insurance | Dental<br>Self-Insurance | Totals              |                     |
|---------------------------------------|-----------------------------------|--------------------------|---------------------|---------------------|
|                                       |                                   |                          | 2020                | 2019                |
| Operating revenue                     |                                   |                          |                     |                     |
| Charges for services                  |                                   |                          |                     |                     |
| Contributions from governmental funds | \$ 8,492,155                      | \$ 738,237               | \$ 9,230,392        | \$ 8,951,421        |
| Operating expenses                    |                                   |                          |                     |                     |
| Health benefit claims                 | 8,148,838                         | -                        | 8,148,838           | 7,657,239           |
| Dental benefit claims                 | -                                 | 501,024                  | 501,024             | 587,293             |
| Total operating expenses              | <u>8,148,838</u>                  | <u>501,024</u>           | <u>8,649,862</u>    | <u>8,244,532</u>    |
| Operating income                      | 343,317                           | 237,213                  | 580,530             | 706,889             |
| Nonoperating revenue                  |                                   |                          |                     |                     |
| Investment earnings                   | <u>63,963</u>                     | <u>11,112</u>            | <u>75,075</u>       | <u>98,640</u>       |
| Change in net position                | 407,280                           | 248,325                  | 655,605             | 805,529             |
| Net position                          |                                   |                          |                     |                     |
| Beginning of year                     | <u>4,376,898</u>                  | <u>565,072</u>           | <u>4,941,970</u>    | <u>4,136,441</u>    |
| End of year                           | <u>\$ 4,784,178</u>               | <u>\$ 813,397</u>        | <u>\$ 5,597,575</u> | <u>\$ 4,941,970</u> |

INDEPENDENT SCHOOL DISTRICT NO. 200

Internal Service Funds  
 Combining Statement of Cash Flows  
 Year Ended June 30, 2020

(With Comparative Totals for the Year Ended June 30, 2019)

|   | Health Benefits     | Dental            | Totals              |                     |
|---|---------------------|-------------------|---------------------|---------------------|
|   | Self-Insurance      | Self-Insurance    | 2020                | 2019                |
| Cash flows from operating activities  |                     |                   |                     |                     |
| Contributions from governmental funds   | \$ 8,514,992        | \$ 735,412        | \$ 9,250,404        | \$ 8,939,858        |
| Payment for health claims   | (7,905,280)         | –                 | (7,905,280)         | (7,113,205)         |
| Payment for dental claims   | –                   | (502,571)         | (502,571)           | (587,473)           |
| Net cash flows from operating activities  | <u>609,712</u>      | <u>232,841</u>    | <u>842,553</u>      | <u>1,239,180</u>    |
| Cash flows from noncapital financing activities                                       |                     |                   |                     |                     |
| Cash received from (paid to) other funds  | 1,465,288           | –                 | 1,465,288           | (1,463,389)         |
| Cash flows from investing activities  |                     |                   |                     |                     |
| Investment income received  | <u>63,963</u>       | <u>11,112</u>     | <u>75,075</u>       | <u>98,640</u>       |
| Net change in cash and cash equivalents   | 2,138,963           | 243,953           | 2,382,916           | (125,569)           |
| Cash and cash equivalents   |                     |                   |                     |                     |
| Beginning of year   | <u>3,993,389</u>    | <u>657,360</u>    | <u>4,650,749</u>    | <u>4,776,318</u>    |
| End of year   | <u>\$ 6,132,352</u> | <u>\$ 901,313</u> | <u>\$ 7,033,665</u> | <u>\$ 4,650,749</u> |
| Reconciliation of operating income to net cash flows from operating activities        |                     |                   |                     |                     |
| Operating income  | \$ 343,317          | \$ 237,213        | \$ 580,530          | \$ 706,889          |
| Adjustments to reconcile operating income to net cash flows from operating activities |                     |                   |                     |                     |
| Changes in assets and liabilities   |                     |                   |                     |                     |
| Accounts receivable   | 10,274              | (734)             | 9,540               | (26,757)            |
| Prepaid items   | 188,566             | –                 | 188,566             | 564,925             |
| Unearned revenue  | 12,563              | (2,091)           | 10,472              | 15,194              |
| Claims incurred, but not reported   | <u>54,992</u>       | <u>(1,547)</u>    | <u>53,445</u>       | <u>(21,071)</u>     |
| Net cash flows from operating activities  | <u>\$ 609,712</u>   | <u>\$ 232,841</u> | <u>\$ 842,553</u>   | <u>\$ 1,239,180</u> |

OTHER DISTRICT INFORMATION

(UNAUDITED)

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INDEPENDENT SCHOOL DISTRICT NO. 200

Government-Wide Revenue by Type  
Last Ten Fiscal Years

| Year Ended<br>June 30, | Program Revenues        |  |  | General Revenues     |                            |                  | Total                 |
|------------------------|-------------------------|--|--|----------------------|----------------------------|------------------|-----------------------|
|                        | Charges<br>for Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Property Taxes       | General Grants<br>and Aids | Other            |                       |
| 2011                   | \$ 3,724,333<br>6%      | \$ 10,319,357<br>18%                     | \$ 310,781<br>1%                       | \$ 20,201,956<br>35% | \$ 22,653,306<br>39%       | \$ 854,058<br>1% | \$ 58,063,791<br>100% |
| 2012                   | 3,922,937<br>7%         | 10,268,099<br>18%                        | 375,922<br>1%                          | 15,789,051<br>27%    | 26,982,445<br>46%          | 771,111<br>1%    | 58,109,565<br>100%    |
| 2013                   | 3,856,759<br>7%         | 10,215,627<br>17%                        | 428,743<br>1%                          | 16,159,269<br>28%    | 26,932,243<br>46%          | 821,086<br>1%    | 58,413,727<br>100%    |
| 2014                   | 4,042,600<br>7%         | 9,700,668<br>17%                         | 444,399<br>1%                          | 11,077,815<br>19%    | 31,534,952<br>55%          | 753,316<br>1%    | 57,553,750<br>100%    |
| 2015                   | 3,885,622<br>6%         | 10,712,602<br>18%                        | 631,776<br>1%                          | 14,788,145<br>25%    | 29,051,658<br>49%          | 888,475<br>1%    | 59,958,278<br>100%    |
| 2016                   | 4,104,289<br>7%         | 10,752,785<br>18%                        | 581,462<br>1%                          | 14,860,942<br>24%    | 29,677,738<br>49%          | 987,823<br>1%    | 60,965,039<br>100%    |
| 2017                   | 4,168,300<br>7%         | 11,387,922<br>18%                        | 591,344<br>1%                          | 15,488,690<br>24%    | 30,353,285<br>48%          | 1,262,523<br>2%  | 63,252,064<br>100%    |
| 2018                   | 4,026,078<br>6%         | 11,920,793<br>19%                        | 696,517<br>1%                          | 15,529,521<br>25%    | 29,082,752<br>47%          | 1,456,441<br>2%  | 62,712,102<br>100%    |
| 2019                   | 4,118,293<br>6%         | 12,235,426<br>19%                        | 729,163<br>1%                          | 16,999,275<br>26%    | 27,705,649<br>43%          | 3,147,273<br>5%  | 64,935,079<br>100%    |
| 2020                   | 3,360,629<br>5%         | 13,726,805<br>20%                        | 862,308<br>1%                          | 17,613,604<br>26%    | 29,798,462<br>44%          | 2,277,337<br>4%  | 67,639,145<br>100%    |

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. 200

Government-Wide Expenses by Function  
Last Ten Fiscal Years

| Year Ended<br>June 30, | Administration     | District<br>Support<br>Services | Elementary<br>and Secondary<br>Regular<br>Instruction | Vocational<br>Education<br>Instruction | Special<br>Education<br>Instruction | Instructional<br>Support<br>Services | Pupil<br>Support<br>Services |
|------------------------|--------------------|---------------------------------|---|--|-------------------------------------|--------------------------------------|------------------------------|
| 2011                   | \$ 1,863,847<br>3% | \$ 1,301,742<br>2%              | \$ 24,148,073<br>45%                                  | \$ 410,482<br>1%                       | \$ 7,924,713<br>15%                 | \$ 2,778,758<br>5%                   | \$ 4,218,889<br>8%           |
| 2012                   | 1,730,478<br>3%    | 1,298,390<br>2%                 | 25,227,603<br>46%                                     | 366,967<br>1%                          | 7,893,986<br>14%                    | 2,828,048<br>5%                      | 4,072,674<br>7%              |
| 2013                   | 1,845,607<br>3%    | 1,457,467<br>3%                 | 25,504,409<br>45%                                     | 363,312<br>1%                          | 8,119,773<br>14%                    | 3,109,616<br>5%                      | 4,378,574<br>8%              |
| 2014                   | 1,874,660<br>3%    | 1,755,557<br>3%                 | 26,136,997<br>46%                                     | 356,546<br>1%                          | 8,208,614<br>14%                    | 2,632,108<br>5%                      | 4,151,997<br>7%              |
| 2015                   | 1,849,066<br>3%    | 2,155,222<br>4%                 | 25,170,374<br>45%                                     | 464,611<br>1%                          | 7,901,819<br>14%                    | 2,427,942<br>4%                      | 4,546,866<br>8%              |
| 2016                   | 1,970,042<br>3%    | 1,985,969<br>4%                 | 24,958,657<br>44%                                     | 425,570<br>1%                          | 8,434,244<br>15%                    | 2,352,003<br>4%                      | 4,825,890<br>9%              |
| 2017                   | 2,608,262<br>4%    | 2,355,525<br>3%                 | 33,921,752<br>47%                                     | 604,125<br>1%                          | 11,769,806<br>16%                   | 2,694,663<br>4%                      | 5,563,727<br>8%              |
| 2018                   | 2,594,303<br>4%    | 2,011,967<br>3%                 | 32,841,811<br>46%                                     | 558,124<br>1%                          | 11,765,337<br>16%                   | 2,865,606<br>4%                      | 5,682,936<br>8%              |
| 2019                   | 1,404,057<br>3%    | 2,294,604<br>5%                 | 16,615,404<br>35%                                     | 325,871<br>1%                          | 6,778,030<br>14%                    | 1,920,560<br>4%                      | 4,974,160<br>10%             |
| 2020                   | 2,262,429<br>3%    | 2,195,839<br>3%                 | 27,184,936<br>42%                                     | 530,229<br>1%                          | 10,384,851<br>16%                   | 2,567,306<br>4%                      | 5,782,886<br>9%              |

| Sites and Buildings | Fiscal and Other Fixed Cost Programs | Food Service       | Community Service  | Interest and Fiscal Charges | Total                 |
|---------------------|--------------------------------------|--------------------|--------------------|-----------------------------|-----------------------|
| \$ 4,831,742<br>9%  | \$ 102,716<br>-                      | \$ 2,228,895<br>4% | \$ 2,299,354<br>4% | \$ 1,984,974<br>4%          | \$ 54,094,185<br>100% |
| 4,949,529<br>9%     | 109,331<br>-                         | 2,217,248<br>4%    | 2,436,126<br>5%    | 1,911,300<br>4%             | 55,041,680<br>100%    |
| 5,383,025<br>10%    | 121,757<br>-                         | 2,206,579<br>4%    | 2,335,021<br>4%    | 1,763,434<br>3%             | 56,588,574<br>100%    |
| 5,909,227<br>10%    | 142,790<br>-                         | 2,243,816<br>4%    | 2,510,184<br>4%    | 1,571,564<br>3%             | 57,494,060<br>100%    |
| 5,892,224<br>11%    | 141,222<br>-                         | 2,187,739<br>4%    | 2,157,802<br>4%    | 1,201,505<br>2%             | 56,096,392<br>100%    |
| 5,915,779<br>10%    | 149,378<br>-                         | 2,155,169<br>4%    | 2,352,022<br>4%    | 1,065,352<br>2%             | 56,590,075<br>100%    |
| 6,117,443<br>9%     | 146,114<br>-                         | 2,343,078<br>3%    | 2,626,053<br>4%    | 795,895<br>1%               | 71,546,443<br>100%    |
| 6,097,165<br>8%     | 142,637<br>-                         | 2,411,792<br>3%    | 2,557,143<br>4%    | 1,837,153<br>3%             | 71,365,974<br>100%    |
| 6,373,550<br>13%    | 134,045<br>-                         | 2,254,813<br>5%    | 2,135,915<br>5%    | 2,292,777<br>5%             | 47,503,786<br>100%    |
| 6,986,173<br>11%    | 262,784<br>-                         | 2,366,461<br>4%    | 2,454,245<br>4%    | 2,180,786<br>3%             | 65,158,925<br>100%    |

INDEPENDENT SCHOOL DISTRICT NO. 200

Schedule of Changes in Fund Equity  
Year Ended June 30, 2020

|   | Balance –<br>June 30, 2019 | Revenue              | Expenses/<br>Expenditures | Other Financing<br>Sources (Uses) |
|---|----------------------------|----------------------|---------------------------|-----------------------------------|
| <b>Governmental funds</b>                                     |                            |                      |                           |                                   |
| <b>General Fund</b>   |                            |                      |                           |                                   |
| Nonspendable for prepaid items                                | \$ 494,984                 | \$ –                 | \$ –                      | \$ –                              |
| Restricted for student activities                             | –                          | 218,842              | 222,757                   | –                                 |
| Restricted for scholarships                                   | –                          | 137,736              | 104,825                   | –                                 |
| Restricted for staff development                              | 293,272                    | 613,113              | 651,618                   | –                                 |
| Restricted for operating capital                              | 3,407,310                  | 1,702,115            | 1,147,814                 | –                                 |
| Restricted for learning and development                       | –                          | 933,249              | 933,249                   | –                                 |
| Restricted for area learning center                           | –                          | 531,846              | 516,055                   | –                                 |
| Restricted for gifted and talented                            | 206,147                    | 61,598               | 42,575                    | –                                 |
| Restricted for basic skills                                   | 8,396                      | 715,750              | 721,176                   | –                                 |
| Restricted for achievement and integration                    | –                          | 267,075              | 267,075                   | –                                 |
| Restricted for safe schools levy                              | –                          | 435,790              | 283,741                   | –                                 |
| Restricted for long-term facilities maintenance               | 2,343,612                  | 1,833,441            | 275,173                   | –                                 |
| Restricted for Medical Assistance                             | 188,262                    | 234,298              | 280,626                   | –                                 |
| Committed for separation/retirement benefits                  | 370,873                    | 237,389              | 298,467                   | –                                 |
| Committed for technology                                      | 834,544                    | 100,000              | –                         | –                                 |
| Assigned for subsequent year budget                           | –                          | –                    | –                         | –                                 |
| Unassigned  | 13,048,192                 | 48,995,468           | 47,721,422                | (140,563)                         |
| <b>Total General Fund</b>                                     | <b>21,195,592</b>          | <b>57,017,710</b>    | <b>53,466,573</b>         | <b>(140,563)</b>                  |
| <b>Capital Projects – Building Construction Fund</b>          |                            |                      |                           |                                   |
| Restricted for building construction                          | 36,936,075                 | 656,823              | 16,918,547                | –                                 |
| <b>Debt Service Fund</b>                                      |                            |                      |                           |                                   |
| Restricted for qualified school construction<br>bond payments | 8,704,368                  | 1,198,596            | –                         | –                                 |
| Restricted for debt service                                   | 1,221,941                  | 3,784,390            | 3,872,363                 | –                                 |
| <b>Total Debt Service Fund</b>                                | <b>9,926,309</b>           | <b>4,982,986</b>     | <b>3,872,363</b>          | <b>–</b>                          |
| <b>Nonmajor funds</b>   |                            |                      |                           |                                   |
| <b>Food Service Special Revenue Fund</b>                      |                            |                      |                           |                                   |
| Nonspendable for inventory                                    | 18,875                     | –                    | –                         | –                                 |
| Nonspendable for prepaid items                                | 28,925                     | –                    | –                         | –                                 |
| Restricted for food service                                   | 467,112                    | 2,558,786            | 2,366,958                 | –                                 |
| <b>Total Food Service Special Revenue Fund</b>                | <b>514,912</b>             | <b>2,558,786</b>     | <b>2,366,958</b>          | <b>–</b>                          |
| <b>Community Service Special Revenue Fund</b>                 |                            |                      |                           |                                   |
| Nonspendable for prepaid items                                | 15,575                     | –                    | –                         | –                                 |
| Restricted for community education                            | 471,087                    | 1,171,222            | 1,390,692                 | 140,563                           |
| Restricted for ECFE   | 127,752                    | 312,888              | 285,893                   | –                                 |
| Restricted for school readiness                               | 161,256                    | 471,363              | 569,535                   | –                                 |
| Restricted for adult basic education                          | –                          | 14,161               | 14,161                    | –                                 |
| Restricted for community service                              | 27,371                     | 170,758              | 164,762                   | –                                 |
| <b>Total Community Service Special Revenue Fund</b>           | <b>803,041</b>             | <b>2,140,392</b>     | <b>2,425,043</b>          | <b>140,563</b>                    |
| <b>Total nonmajor funds</b>                                   | <b>1,317,953</b>           | <b>4,699,178</b>     | <b>4,792,001</b>          | <b>140,563</b>                    |
| <b>Total governmental funds</b>                               | <b>\$ 69,375,929</b>       | <b>\$ 67,356,697</b> | <b>\$ 79,049,484</b>      | <b>\$ –</b>                       |
| <b>Total internal service funds</b>                           | <b>\$ 4,941,970</b>        | <b>\$ 9,305,467</b>  | <b>\$ 8,649,862</b>       | <b>\$ –</b>                       |
| <b>Total fiduciary funds</b>                                  | <b>\$ 3,498,030</b>        | <b>\$ 1,124,686</b>  | <b>\$ 456,840</b>         | <b>\$ –</b>                       |
| <b>Total all funds</b>  | <b>\$ 77,815,929</b>       | <b>\$ 77,786,850</b> | <b>\$ 88,156,186</b>      | <b>\$ –</b>                       |

(1) Other changes represent the impact for the required adjustments made directly to or between equity balances.

| Other<br>Changes (1) | Balance – June 30, 2020 |               |              |            |               |               |
|----------------------|-------------------------|---------------|--------------|------------|---------------|---------------|
|                      | Nonspendable            | Restricted    | Committed    | Assigned   | Unassigned    | Total         |
| \$ (193,384)         | \$ 301,600              | \$ –          | \$ –         | \$ –       | \$ –          | \$ 301,600    |
| 135,481              | –                       | 131,566       | –            | –          | –             | 131,566       |
| 181,366              | –                       | 214,277       | –            | –          | –             | 214,277       |
| –                    | –                       | 254,767       | –            | –          | –             | 254,767       |
| –                    | –                       | 3,961,611     | –            | –          | –             | 3,961,611     |
| –                    | –                       | –             | –            | –          | –             | –             |
| –                    | –                       | 15,791        | –            | –          | –             | 15,791        |
| –                    | –                       | 225,170       | –            | –          | –             | 225,170       |
| –                    | –                       | 2,970         | –            | –          | –             | 2,970         |
| –                    | –                       | –             | –            | –          | –             | –             |
| –                    | –                       | 152,049       | –            | –          | –             | 152,049       |
| –                    | –                       | 3,901,880     | –            | –          | –             | 3,901,880     |
| –                    | –                       | 141,934       | –            | –          | –             | 141,934       |
| –                    | –                       | –             | 309,795      | –          | –             | 309,795       |
| –                    | –                       | –             | 934,544      | –          | –             | 934,544       |
| 480,678              | –                       | –             | –            | 480,678    | –             | 480,678       |
| (287,294)            | –                       | –             | –            | –          | 13,894,381    | 13,894,381    |
| 316,847              | 301,600                 | 9,002,015     | 1,244,339    | 480,678    | 13,894,381    | 24,923,013    |
| –                    | –                       | 20,674,351    | –            | –          | –             | 20,674,351    |
| –                    | –                       | 9,902,964     | –            | –          | –             | 9,902,964     |
| –                    | –                       | 1,133,968     | –            | –          | –             | 1,133,968     |
| –                    | –                       | 11,036,932    | –            | –          | –             | 11,036,932    |
| (5,871)              | 13,004                  | –             | –            | –          | –             | 13,004        |
| (25,527)             | 3,398                   | –             | –            | –          | –             | 3,398         |
| 31,398               | –                       | 690,338       | –            | –          | –             | 690,338       |
| –                    | 16,402                  | 690,338       | –            | –          | –             | 706,740       |
| (12,295)             | 3,280                   | –             | –            | –          | –             | 3,280         |
| 12,295               | –                       | 404,475       | –            | –          | –             | 404,475       |
| –                    | –                       | 154,747       | –            | –          | –             | 154,747       |
| –                    | –                       | 63,084        | –            | –          | –             | 63,084        |
| –                    | –                       | –             | –            | –          | –             | –             |
| –                    | –                       | 33,367        | –            | –          | –             | 33,367        |
| –                    | 3,280                   | 655,673       | –            | –          | –             | 658,953       |
| –                    | 19,682                  | 1,346,011     | –            | –          | –             | 1,365,693     |
| \$ 316,847           | \$ 321,282              | \$ 42,059,309 | \$ 1,244,339 | \$ 480,678 | \$ 13,894,381 | \$ 57,999,989 |
| \$ –                 | \$ –                    | \$ –          | \$ –         | \$ –       | \$ 5,597,575  | \$ 5,597,575  |
| \$ (181,366)         | \$ –                    | \$ 3,984,510  | \$ –         | \$ –       | \$ –          | \$ 3,984,510  |
| \$ 135,481           | \$ 321,282              | \$ 46,043,819 | \$ 1,244,339 | \$ 480,678 | \$ 19,491,956 | \$ 67,582,074 |

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INDEPENDENT SCHOOL DISTRICT NO. 200

General Fund Revenue by Source  
Last Ten Fiscal Years

| Year Ended<br>June 30, | Local Property<br>Tax Levies | State Revenue        | Federal Revenue    | Other Local and<br>Miscellaneous | Total                 |
|------------------------|------------------------------|----------------------|--------------------|----------------------------------|-----------------------|
| 2011                   | \$ 14,883,424<br>31%         | \$ 29,434,587<br>61% | \$ 2,552,124<br>5% | \$ 1,625,765<br>3%               | \$ 48,495,900<br>100% |
| 2012                   | 10,504,449<br>22%            | 33,963,601<br>70%    | 2,083,915<br>4%    | 1,704,053<br>4%                  | 48,256,018<br>100%    |
| 2013                   | 10,582,664<br>22%            | 34,452,780<br>70%    | 1,784,438<br>4%    | 1,756,240<br>4%                  | 48,576,122<br>100%    |
| 2014                   | 5,918,595<br>12%             | 38,579,442<br>81%    | 1,549,206<br>3%    | 1,659,843<br>4%                  | 47,707,086<br>100%    |
| 2015                   | 9,365,294<br>19%             | 37,335,270<br>74%    | 1,516,393<br>3%    | 1,879,711<br>4%                  | 50,096,668<br>100%    |
| 2016                   | 9,798,433<br>19%             | 37,812,961<br>74%    | 1,641,821<br>3%    | 1,955,051<br>4%                  | 51,208,266<br>100%    |
| 2017                   | 10,471,784<br>20%            | 37,841,928<br>72%    | 1,586,923<br>3%    | 2,400,724<br>5%                  | 52,301,359<br>100%    |
| 2018                   | 10,554,430<br>20%            | 38,603,564<br>73%    | 1,465,955<br>3%    | 2,152,547<br>4%                  | 52,776,496<br>100%    |
| 2019                   | 12,109,358<br>22%            | 39,501,965<br>71%    | 1,383,806<br>3%    | 2,303,385<br>4%                  | 55,298,514<br>100%    |
| 2020                   | 12,768,866<br>22%            | 40,598,962<br>71%    | 1,554,654<br>3%    | 2,095,228<br>4%                  | 57,017,710<br>100%    |

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. 200

General Fund Expenditures by Function  
Last Ten Fiscal Years

| Year Ended<br>June 30, | Administration     | District<br>Support Services | Elementary<br>and Secondary<br>Regular<br>Instruction | Vocational<br>Education<br>Instruction | Special<br>Education<br>Instruction |
|------------------------|--------------------|------------------------------|---|--|-------------------------------------|
| 2011                   | \$ 1,868,145<br>4% | \$ 1,272,045<br>3%           | \$ 23,218,752<br>49%                                  | \$ 409,795<br>1%                       | \$ 7,929,697<br>17%                 |
| 2012                   | 1,729,083<br>3%    | 1,270,784<br>3%              | 24,569,989<br>49%                                     | 366,280<br>1%                          | 7,892,117<br>16%                    |
| 2013                   | 1,844,212<br>4%    | 1,433,845<br>3%              | 24,518,726<br>49%                                     | 362,625<br>1%                          | 8,117,904<br>16%                    |
| 2014                   | 1,873,265<br>4%    | 1,743,160<br>3%              | 25,272,925<br>51%                                     | 355,859<br>1%                          | 8,206,745<br>17%                    |
| 2015                   | 1,895,402<br>4%    | 2,164,509<br>4%              | 25,242,041<br>50%                                     | 477,491<br>1%                          | 8,116,701<br>16%                    |
| 2016                   | 2,059,314<br>4%    | 2,008,846<br>4%              | 25,155,422<br>50%                                     | 445,121<br>1%                          | 8,784,185<br>17%                    |
| 2017                   | 1,996,016<br>4%    | 2,336,102<br>4%              | 25,527,643<br>48%                                     | 479,280<br>1%                          | 9,384,751<br>18%                    |
| 2018                   | 2,068,932<br>4%    | 2,010,721<br>4%              | 25,344,321<br>48%                                     | 446,943<br>1%                          | 9,612,490<br>18%                    |
| 2019                   | 2,081,046<br>4%    | 2,362,597<br>4%              | 25,215,879<br>48%                                     | 475,840<br>1%                          | 9,725,713<br>18%                    |
| 2020                   | 2,172,932<br>4%    | 2,200,331<br>4%              | 25,561,925<br>48%                                     | 510,323<br>1%                          | 10,020,576<br>19%                   |

| <u>Instructional<br/>Support Services</u> | <u>Pupil<br/>Support Services</u> | <u>Sites and<br/>Buildings</u> | <u>Other Programs</u> | <u>Total</u>          |
|---|-----------------------------------|--------------------------------|-----------------------|-----------------------|
| \$ 2,765,357<br>6%                        | \$ 4,250,510<br>9%                | \$ 4,827,134<br>10%            | \$ 519,302<br>1%      | \$ 47,060,737<br>100% |
| 3,004,578<br>6%                           | 4,109,593<br>8%                   | 6,722,805<br>13%               | 525,520<br>1%         | 50,190,749<br>100%    |
| 3,076,991<br>6%                           | 4,386,514<br>9%                   | 5,521,894<br>11%               | 536,192<br>1%         | 49,798,903<br>100%    |
| 2,574,497<br>5%                           | 4,117,338<br>8%                   | 4,985,299<br>10%               | 459,350<br>1%         | 49,588,438<br>100%    |
| 2,414,824<br>5%                           | 4,595,894<br>9%                   | 4,932,216<br>10%               | 362,087<br>1%         | 50,201,165<br>100%    |
| 2,401,199<br>5%                           | 4,852,011<br>9%                   | 4,648,106<br>9%                | 372,786<br>1%         | 50,726,990<br>100%    |
| 2,130,338<br>4%                           | 5,323,904<br>10%                  | 5,196,028<br>10%               | 369,679<br>1%         | 52,743,741<br>100%    |
| 2,422,443<br>5%                           | 5,492,878<br>10%                  | 4,805,716<br>9%                | 361,792<br>1%         | 52,566,236<br>100%    |
| 2,487,308<br>5%                           | 5,287,361<br>10%                  | 4,817,225<br>9%                | 357,858<br>1%         | 52,810,827<br>100%    |
| 2,496,436<br>5%                           | 5,703,537<br>10%                  | 4,314,726<br>8%                | 485,787<br>1%         | 53,466,573<br>100%    |

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INDEPENDENT SCHOOL DISTRICT NO. 200

School Tax Levies and Tax Rates by Fund  
Last Ten Fiscal Years

| <u>Year Collectible</u>   | <u>General Fund</u> | <u>Community<br/>Service Special<br/>Revenue Fund</u> | <u>Debt<br/>Service Fund</u> | <u>Total All Funds</u> |
|---------------------------|---------------------|---|------------------------------|------------------------|
| <b>Levies</b>             |                     |   |                              |                        |
| 2011                      | \$ 10,232,119       | \$ 456,162  | \$ 5,141,452                 | \$ 15,829,733          |
| 2012                      | 10,626,122          | 436,296   | 5,150,568                    | 16,212,986             |
| 2013                      | 10,258,240          | 454,789   | 4,951,625                    | 15,664,654             |
| 2014                      | 9,207,500           | 483,853   | 5,030,958                    | 14,722,311             |
| 2015                      | 9,714,417           | 499,863   | 4,652,538                    | 14,866,818             |
| 2016                      | 10,423,283          | 481,906   | 4,603,536                    | 15,508,725             |
| 2017                      | 10,492,023          | 460,462   | 4,547,484                    | 15,499,969             |
| 2018                      | 12,059,860          | 460,216   | 4,635,541                    | 17,155,617             |
| 2019                      | 12,786,544          | 456,441   | 4,554,757                    | 17,797,742             |
| 2020                      | 12,724,162          | 459,332   | 4,557,268                    | 17,740,762             |
| <b>Tax capacity rates</b> |                     |   |                              |                        |
| 2011                      | 5.800               | 1.300   | 15.000                       | 22.100                 |
| 2012                      | 7.444               | 1.405   | 16.586                       | 25.435                 |
| 2013                      | 6.433               | 1.472   | 16.027                       | 23.932                 |
| 2014                      | 5.568               | 1.534   | 15.950                       | 23.052                 |
| 2015                      | 5.957               | 1.456   | 13.552                       | 20.965                 |
| 2016                      | 6.491               | 1.369   | 13.078                       | 20.938                 |
| 2017                      | 6.601               | 1.260   | 12.444                       | 20.305                 |
| 2018                      | 7.191               | 1.206   | 12.148                       | 20.545                 |
| 2019                      | 6.936               | 1.106   | 11.037                       | 19.079                 |
| 2020                      | 6.543               | 1.042   | 10.339                       | 17.924                 |
| <b>Market value rates</b> |                     |   |                              |                        |
| 2011                      | 0.26630             | —   | —                            | 0.26630                |
| 2012                      | 0.28618             | —   | —                            | 0.28618                |
| 2013                      | 0.29482             | —   | —                            | 0.29482                |
| 2014                      | 0.26005             | —   | —                            | 0.26005                |
| 2015                      | 0.25310             | —   | —                            | 0.25310                |
| 2016                      | 0.25990             | —   | —                            | 0.25990                |
| 2017                      | 0.24713             | —   | —                            | 0.24713                |
| 2018                      | 0.27360             | —   | —                            | 0.27360                |
| 2019                      | 0.26713             | —   | —                            | 0.26713                |
| 2020                      | 0.24540             | —   | —                            | 0.24540                |

Note: A tax rate based on market value is used primarily for a portion of the District's referendum levy.

Source: State of Minnesota School Tax Report

INDEPENDENT SCHOOL DISTRICT NO. 200

Tax Capacities and Market Values  
Last Ten Fiscal Years

| For Taxes<br>Collectible | Net Tax Capacities |                 |               |                    |              |
|--------------------------|--------------------|-----------------|---------------|--------------------|--------------|
|                          | Agricultural       | Nonagricultural | Tax Increment | Fiscal Disparities |              |
|                          |                    |                 |               | Contribution       | Distribution |
| 2011                     | \$ 3,353,675       | \$ 28,385,234   | \$ (21,231)   | \$ (2,168,556)     | \$ 5,260,137 |
| 2012                     | 3,435,895          | 25,617,500      | (20,765)      | (2,083,524)        | 4,746,222    |
| 2013                     | 3,763,358          | 24,458,851      | (35,103)      | (2,074,059)        | 4,521,252    |
| 2014                     | 4,536,167          | 24,479,752      | (35,103)      | (2,076,187)        | 4,398,833    |
| 2015                     | 4,703,776          | 26,784,271      | (34,299)      | (2,065,857)        | 4,424,908    |
| 2016                     | 4,657,795          | 28,203,015      | (35,804)      | (2,089,915)        | 4,387,137    |
| 2017                     | 4,737,094          | 29,121,658      | (37,071)      | (2,147,819)        | 4,713,531    |
| 2019                     | 4,424,031          | 31,109,870      | (42,326)      | (2,185,626)        | 4,863,570    |
| 2019                     | 4,457,032          | 33,468,378      | (40,964)      | (2,274,942)        | 5,181,636    |
| 2020                     | 4,581,792          | 35,893,363      | (44,974)      | (2,338,310)        | 5,623,410    |

Note: Market value is used primarily for extension of the District's referendum levy.

Source: State of Minnesota School Tax Report

| <u>Total Taxable</u> | <u>Market Value</u> |
|----------------------|---------------------|
| \$ 34,809,259        | \$ 2,622,101,000    |
| 31,695,328           | 2,515,779,954       |
| 30,634,299           | 2,397,722,755       |
| 31,303,462           | 2,401,009,358       |
| 33,812,799           | 2,617,414,487       |
| 35,122,228           | 2,744,276,124       |
| 36,387,393           | 2,825,969,272       |
| 38,169,519           | 3,008,697,650       |
| 40,791,140           | 3,228,265,650       |
| 43,715,281           | 3,454,749,225       |

INDEPENDENT SCHOOL DISTRICT NO. 200

Property Tax Levies and Receivables  
Last Ten Fiscal Years

| <u>Taxes Collectible</u> | <u>Original Levy</u> |                           |                             |                     |
|--------------------------|----------------------|---------------------------|-----------------------------|---------------------|
|                          | <u>Local Spread</u>  | <u>Fiscal Disparities</u> | <u>Property Tax Credits</u> | <u>Total Spread</u> |
| 2011                     | \$ 13,137,617        | \$ 2,272,525              | \$ 419,591                  | \$ 15,829,733       |
| 2012                     | 14,040,163           | 2,172,823                 | –                           | 16,212,986          |
| 2013                     | 13,306,779           | 2,357,875                 | –                           | 15,664,654          |
| 2014                     | 12,431,201           | 2,243,572                 | 47,538                      | 14,722,311          |
| 2015                     | 12,750,903           | 2,046,914                 | 69,001                      | 14,866,818          |
| 2016                     | 13,528,921           | 1,908,701                 | 71,103                      | 15,508,725          |
| 2017                     | 13,349,545           | 2,080,731                 | 69,693                      | 15,499,969          |
| 2018                     | 14,998,707           | 2,059,911                 | 96,999                      | 17,155,617          |
| 2019                     | 15,229,169           | 2,345,200                 | 223,373                     | 17,797,742          |
| 2020                     | 15,055,392           | 2,434,704                 | 250,666                     | 17,740,762          |

Note 1: A portion of the total spread levy is paid through various property tax credits, which are paid through state aids. Legislative changes beginning with taxes collectible in 2012 significantly changed the calculation of tax credits applied and paid through state aids.

Note 2: Delinquent taxes are written off after seven years.

Source: State of Minnesota School Tax Report

Uncollected Taxes Receivable as of June 30, 2020

| Delinquent        |         | Current              |         |
|-------------------|---------|----------------------|---------|
| Amount            | Percent | Amount               | Percent |
| \$ -              | - %     | \$ -                 | - %     |
| -                 | -       | -                    | -       |
| -                 | -       | -                    | -       |
| 150,897           | 1.02    | -                    | -       |
| 34,600            | 0.23    | -                    | -       |
| 18,835            | 0.12    | -                    | -       |
| 9,020             | 0.06    | -                    | -       |
| 5,833             | 0.03    | -                    | -       |
| 29,146            | 0.16    | -                    | -       |
| -                 | -       | 10,034,234           | 56.56   |
| <u>\$ 248,331</u> |         | <u>\$ 10,034,234</u> |         |

INDEPENDENT SCHOOL DISTRICT NO. 200

Students Served  
Last Ten Fiscal Years

| Year Ended<br>June 30, | Average Daily Membership (ADM)      |              |            |           |       | Total<br>Pupil Units |
|------------------------|-------------------------------------|--------------|------------|-----------|-------|----------------------|
|                        | Handicapped and<br>Pre-Kindergarten | Kindergarten | Elementary | Secondary | Total |                      |
| 2011                   | 47                                  | 260          | 2,030      | 2,344     | 4,681 | 5,468                |
| 2012                   | 45                                  | 319          | 1,959      | 2,335     | 4,658 | 5,412                |
| 2013                   | 44                                  | 291          | 2,016      | 2,267     | 4,618 | 5,369                |
| 2014                   | 53                                  | 275          | 1,984      | 2,239     | 4,551 | 5,295                |
| 2015                   | 59                                  | 279          | 1,988      | 2,195     | 4,521 | 4,960                |
| 2016                   | 69                                  | 237          | 1,944      | 2,205     | 4,455 | 4,897                |
| 2017                   | 74                                  | 260          | 1,893      | 2,201     | 4,429 | 4,869                |
| 2018                   | 74                                  | 257          | 1,908      | 2,141     | 4,379 | 4,807                |
| 2019                   | 75                                  | 233          | 1,876      | 2,163     | 4,347 | 4,779                |
| 2020                   | 75                                  | 253          | 1,868      | 2,119     | 4,315 | 4,738                |

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

Note 2 ADM is weighted as follows in computing pupil units:

|                             | Pre-Kindergarten | Handicapped<br>Kindergarten | Half-Day<br>Kindergarten | Full-Day<br>Kindergarten | Elementary<br>1-3 | Elementary<br>4-6 | Secondary |
|-----------------------------|------------------|-----------------------------|--------------------------|--------------------------|-------------------|-------------------|-----------|
| Fiscal 2011<br>through 2014 | 1.250            | 1.000                       | 0.612                    | 0.612                    | 1.115             | 1.060             | 1.300     |
| Fiscal 2015<br>through 2020 | 1.000            | 1.000                       | 0.550                    | 1.000                    | 1.000             | 1.000             | 1.200     |

Source Minnesota Department of Education student reporting system

SINGLE AUDIT AND OTHER REQUIRED REPORTS

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INDEPENDENT SCHOOL DISTRICT NO. 200

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

| Federal Grantor/Pass-Through Grantor/Program Title      | Federal<br>CFDA No. | Federal Expenditures | Noncash<br>Assistance      |
|---|---------------------|----------------------|----------------------------|
| <b>U.S. Department of Agriculture</b>                   |                     |                      |                            |
| Passed through Minnesota Department of Education        |                     |                      |                            |
| Child nutrition cluster                                 |                     |                      |                            |
| School Breakfast Program                                | 10.553              | \$ 70,457            |                            |
| National School Lunch Program                           | 10.555              | 554,460              | \$ 164,327                 |
| COVID-19 – Summer Food Service Program for Children     | 10.559              | <u>753,220</u>       |                            |
| Total child nutrition cluster                           |                     |                      | \$ 1,378,137               |
| Team Nutrition Grants                                   | 10.574              |                      | 1,990                      |
| <b>U.S. Department of Education</b>                     |                     |                      |                            |
| Passed through Minnesota Department of Education        |                     |                      |                            |
| Special education cluster                               |                     |                      |                            |
| Special Education Grants to States                      | 84.027              | 971,474              |                            |
| Special Education Preschool Grants                      | 84.173              | <u>28,897</u>        |                            |
| Total special education cluster                         |                     |                      | 1,000,371                  |
| Special Education – Grants for Infants and Families     | 84.181              |                      | 24,328                     |
| Title I Grants to Local Educational Agencies            | 84.010              |                      | 415,000                    |
| Supporting Effective Instruction State Grants           | 84.367              |                      | 108,036                    |
| Passed through Intermediate School District No. 917     |                     |                      |                            |
| Career and Technical Education – Basic Grants to States | 84.048              |                      | <u>6,918</u>               |
| Total federal awards                                    |                     |                      | <u><u>\$ 2,934,780</u></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. 200  
Hastings, 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. 200 (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 13, 2020.

**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) as a basis for designing 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

(continued)

## COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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  
October 13, 2020



**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 ON COMPLIANCE FOR**  
**EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL**  
**OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the School Board and Management of  
Independent School District No. 200  
Hastings, Minnesota

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

We have audited Independent School District No. 200’s (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget’s *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, 2020. 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, 2020.

## **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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

## **PURPOSE OF THIS REPORT**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Minneapolis, Minnesota  
October 13, 2020

INDEPENDENT AUDITOR'S REPORT  
ON MINNESOTA LEGAL COMPLIANCE

To the School Board and Management of  
Independent School District No. 200  
Hastings, 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. 200 (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 13, 2020.

**MINNESOTA LEGAL COMPLIANCE**

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 contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, insofar as they relate to accounting matters. 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, insofar as they relate to accounting matters.

**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  
October 13, 2020

INDEPENDENT SCHOOL DISTRICT NO. 200

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2020

**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?        Yes   X   None reported

Type of auditor’s report issued on compliance for major programs?

  X   Unmodified  
       Qualified  
       Adverse  
       Disclaimer

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?        Yes   X   No

Programs tested as major programs:

| Program or Cluster(s)   | CFDA No. |
|---|----------|
| The U.S. Department of Agriculture – child nutrition cluster consisting of: |          |
| – School Breakfast Program  | 10.553   |
| – National School Lunch Program   | 10.555   |
| – Summer Food Service Program for Children                                  | 10.559   |

Threshold for distinguishing type A and B programs:   \$ 750,000  

Does the auditee qualify as a low-risk auditee?   X   Yes        No

INDEPENDENT SCHOOL DISTRICT NO. 200

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2020

**B. FINANCIAL STATEMENT FINDINGS**

None.

**C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

**D. MINNESOTA LEGAL COMPLIANCE FINDINGS**

None.

INDEPENDENT SCHOOL DISTRICT NO. 200

Uniform Financial Accounting and Reporting Standards  
Compliance Table  
June 30, 2020

|                          |  | Audit         | UFARS         | Audit – UFARS |
|--------------------------|--|---------------|---------------|---------------|
| <b>General Fund</b>      |  |               |               |               |
| Total revenue            |  | \$ 57,017,710 | \$ 57,017,710 | \$ –          |
| Total expenditures       |  | \$ 53,466,573 | \$ 53,466,574 | \$ (1)        |
| Nonspendable             |  |               |               |               |
| 460                      | Nonspendable fund balance              | \$ 301,600    | \$ 301,600    | \$ –          |
| Restricted               |  |               |               |               |
| 401                      | Student Activities                     | \$ 131,566    | \$ 131,566    | \$ –          |
| 402                      | Scholarships                           | \$ 214,277    | \$ 214,277    | \$ –          |
| 403                      | Staff development                      | \$ 254,767    | \$ 254,767    | \$ –          |
| 407                      | Capital projects levy                  | \$ –          | \$ –          | \$ –          |
| 408                      | Cooperative revenue                    | \$ –          | \$ –          | \$ –          |
| 413                      | Projects funded by COP                 | \$ –          | \$ –          | \$ –          |
| 414                      | Operating debt                         | \$ –          | \$ –          | \$ –          |
| 416                      | Levy reduction                         | \$ –          | \$ –          | \$ –          |
| 417                      | Taconite building maintenance          | \$ –          | \$ –          | \$ –          |
| 424                      | Operating capital                      | \$ 3,961,611  | \$ 3,961,611  | \$ –          |
| 426                      | \$25 taconite                          | \$ –          | \$ –          | \$ –          |
| 427                      | Disabled accessibility                 | \$ –          | \$ –          | \$ –          |
| 428                      | Learning and development               | \$ –          | \$ –          | \$ –          |
| 434                      | Area learning center                   | \$ 15,791     | \$ 15,791     | \$ –          |
| 435                      | Contracted alternative programs        | \$ –          | \$ –          | \$ –          |
| 436                      | State approved alternative program     | \$ –          | \$ –          | \$ –          |
| 438                      | Gifted and talented                    | \$ 225,170    | \$ 225,170    | \$ –          |
| 440                      | Teacher development and evaluation     | \$ –          | \$ –          | \$ –          |
| 441                      | Basic skills programs                  | \$ 2,970      | \$ 2,970      | \$ –          |
| 448                      | Achievement and integration            | \$ –          | \$ –          | \$ –          |
| 449                      | Safe schools levy                      | \$ 152,049    | \$ 152,049    | \$ –          |
| 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       | \$ 3,901,880  | \$ 3,901,880  | \$ –          |
| 472                      | Medical assistance                     | \$ 141,934    | \$ 141,934    | \$ –          |
| 473                      | PPP loans                              | \$ –          | \$ –          | \$ –          |
| 474                      | EIDL loans                             | \$ –          | \$ –          | \$ –          |
| 464                      | Restricted fund balance                | \$ –          | \$ –          | \$ –          |
| 475                      | Title VII – Impact Aid                 | \$ –          | \$ –          | \$ –          |
| 476                      | PILT                                   | \$ –          | \$ –          | \$ –          |
| Committed                |  |               |               |               |
| 418                      | Committed for separation               | \$ 309,795    | \$ 309,795    | \$ –          |
| 461                      | Committed fund balance                 | \$ 934,544    | \$ 934,544    | \$ –          |
| Assigned                 |  |               |               |               |
| 462                      | Assigned fund balance                  | \$ 480,678    | \$ 480,678    | \$ –          |
| Unassigned               |  |               |               |               |
| 422                      | Unassigned fund balance                | \$ 13,894,381 | \$ 13,894,382 | \$ (1)        |
| <b>Food Service</b>      |  |               |               |               |
| Total revenue            |  | \$ 2,558,786  | \$ 2,558,786  | \$ –          |
| Total expenditures       |  | \$ 2,366,958  | \$ 2,366,958  | \$ –          |
| Nonspendable             |  |               |               |               |
| 460                      | Nonspendable fund balance              | \$ 16,402     | \$ 16,402     | \$ –          |
| Restricted               |  |               |               |               |
| 452                      | OPEB liability not in trust            | \$ –          | \$ –          | \$ –          |
| 474                      | EIDL loans                             | \$ –          | \$ –          | \$ –          |
| 464                      | Restricted fund balance                | \$ 690,338    | \$ 690,338    | \$ –          |
| Unassigned               |  |               |               |               |
| 463                      | Unassigned fund balance                | \$ –          | \$ –          | \$ –          |
| <b>Community Service</b> |  |               |               |               |
| Total revenue            |  | \$ 2,140,392  | \$ 2,140,392  | \$ –          |
| Total expenditures       |  | \$ 2,425,043  | \$ 2,425,043  | \$ –          |
| Nonspendable             |  |               |               |               |
| 460                      | Nonspendable fund balance              | \$ 3,280      | \$ 3,280      | \$ –          |
| Restricted               |  |               |               |               |
| 426                      | \$25 taconite                          | \$ –          | \$ –          | \$ –          |
| 431                      | Community education                    | \$ 404,475    | \$ 404,475    | \$ –          |
| 432                      | ECFE                                   | \$ 154,747    | \$ 154,747    | \$ –          |
| 440                      | Teacher development and evaluation     | \$ –          | \$ –          | \$ –          |
| 444                      | School readiness                       | \$ 63,084     | \$ 63,084     | \$ –          |
| 447                      | Adult basic education                  | \$ –          | \$ –          | \$ –          |
| 452                      | OPEB liability not in trust            | \$ –          | \$ –          | \$ –          |
| 473                      | PPP loans                              | \$ –          | \$ –          | \$ –          |
| 474                      | EIDL loans                             | \$ –          | \$ –          | \$ –          |
| 464                      | Restricted fund balance                | \$ 33,367     | \$ 33,367     | \$ –          |
| Unassigned               |  |               |               |               |
| 463                      | Unassigned fund balance                | \$ –          | \$ –          | \$ –          |

INDEPENDENT SCHOOL DISTRICT NO. 200

Uniform Financial Accounting and Reporting Standards  
Compliance Table (continued)  
June 30, 2020

|                                      | Audit         | UFARS         | Audit – UFARS |
|--------------------------------------|---------------|---------------|---------------|
| <b>Building Construction</b>         |               |               |               |
| Total revenue                        | \$ 656,823    | \$ 656,823    | \$ –          |
| Total expenditures                   | \$ 16,918,547 | \$ 16,918,546 | \$ 1          |
| Nonspendable                         |               |               |               |
| 460 Nonspendable fund balance        | \$ –          | \$ –          | \$ –          |
| Restricted                           |               |               |               |
| 407 Capital projects levy            | \$ –          | \$ –          | \$ –          |
| 413 Projects funded by COP           | \$ –          | \$ –          | \$ –          |
| 467 Long-term facilities maintenance | \$ –          | \$ –          | \$ –          |
| 464 Restricted fund balance          | \$ 20,674,351 | \$ 20,674,351 | \$ –          |
| Unassigned                           |               |               |               |
| 463 Unassigned fund balance          | \$ –          | \$ –          | \$ –          |
| <b>Debt Service</b>                  |               |               |               |
| Total revenue                        | \$ 4,982,986  | \$ 4,982,987  | \$ (1)        |
| Total expenditures                   | \$ 3,872,363  | \$ 3,872,363  | \$ –          |
| Nonspendable                         |               |               |               |
| 460 Nonspendable fund balance        | \$ –          | \$ –          | \$ –          |
| Restricted                           |               |               |               |
| 425 Bond refundings                  | \$ –          | \$ –          | \$ –          |
| 433 Max effort loan                  | \$ –          | \$ –          | \$ –          |
| 451 QZAB payments                    | \$ 9,902,964  | \$ 9,902,964  | \$ –          |
| 467 Long-term facilities maintenance | \$ –          | \$ –          | \$ –          |
| 464 Restricted fund balance          | \$ 1,133,968  | \$ 1,133,968  | \$ –          |
| Unassigned                           |               |               |               |
| 463 Unassigned fund balance          | \$ –          | \$ –          | \$ –          |
| <b>Trust</b>                         |               |               |               |
| Total revenue                        | \$ 3,055      | \$ 3,055      | \$ –          |
| Total expenditures                   | \$ 65,332     | \$ 65,332     | \$ –          |
| 401 Student activities               | \$ –          | \$ –          | \$ –          |
| 402 Scholarships                     | \$ –          | \$ –          | \$ –          |
| 422 Net position                     | \$ 110,907    | \$ 110,907    | \$ –          |
| <b>Custodial Fund</b>                |               |               |               |
| Total revenue                        | \$ –          | \$ –          | \$ –          |
| Total expenditures                   | \$ –          | \$ –          | \$ –          |
| 401 Student activities               | \$ –          | \$ –          | \$ –          |
| 402 Scholarships                     | \$ –          | \$ –          | \$ –          |
| 448 Achievement and integration      | \$ –          | \$ –          | \$ –          |
| 464 Restricted fund balance          | \$ –          | \$ –          | \$ –          |
| <b>Internal Service</b>              |               |               |               |
| Total revenue                        | \$ 9,305,467  | \$ 9,305,467  | \$ –          |
| Total expenditures                   | \$ 8,649,862  | \$ 8,649,861  | \$ 1          |
| 422 Net position                     | \$ 5,597,575  | \$ 5,597,575  | \$ –          |
| <b>OPEB Revocable Trust Fund</b>     |               |               |               |
| Total revenue                        | \$ –          | \$ –          | \$ –          |
| Total expenditures                   | \$ –          | \$ –          | \$ –          |
| 422 Net position                     | \$ –          | \$ –          | \$ –          |
| <b>OPEB Irrevocable Trust Fund</b>   |               |               |               |
| Total revenue                        | \$ 1,121,631  | \$ 1,121,631  | \$ –          |
| Total expenditures                   | \$ 391,508    | \$ 391,509    | \$ (1)        |
| 422 Net position                     | \$ 3,873,603  | \$ 3,873,603  | \$ –          |
| <b>OPEB Debt Service Fund</b>        |               |               |               |
| Total revenue                        | \$ –          | \$ –          | \$ –          |
| Total expenditures                   | \$ –          | \$ –          | \$ –          |
| Nonspendable                         |               |               |               |
| 460 Nonspendable fund balance        | \$ –          | \$ –          | \$ –          |
| Restricted                           |               |               |               |
| 425 Bond refundings                  | \$ –          | \$ –          | \$ –          |
| 464 Restricted fund balance          | \$ –          | \$ –          | \$ –          |
| Unassigned                           |               |               |               |
| 463 Unassigned fund balance          | \$ –          | \$ –          | \$ –          |

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

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Management Report

for

Independent School District No. 200  
Hastings, Minnesota

June 30, 2020

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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. 200  
Hastings, Minnesota

We have prepared this management report in conjunction with our audit of Independent School District No. 200, Hastings, Minnesota's (the District) financial statements for the year ended June 30, 2020. 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 District's financial reporting process comments resulting from our audit 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  
October 13, 2020

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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, 2020. 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 basic financial statements for the year ended June 30, 2020:

- We have issued an unmodified opinion on the District's basic financial statements. Our report included a paragraph emphasizing the District's implementation of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* during the year. Our opinion was not modified with respect to this matter. This change is further described in Note 1 to 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 perfect, and those controls which protect the District's funds from such things as fraud and accounting errors need to be continually reviewed by your management and modified as necessary.
- The results of our testing disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.
- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our tests indicate that the District has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no deficiencies in the District's internal controls over compliance that we considered to be material weaknesses with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no findings based on our testing of the District's compliance with Minnesota laws and regulations.

## **OTHER OBSERVATIONS AND RECOMMENDATIONS**

### **Impact of Novel Coronavirus (COVID-19)**

Starting in March 2020, the onset of the novel coronavirus (COVID-19) pandemic caused substantial volatility in economic conditions and tremendous disruption in the way schools, governments, businesses, and individuals function. Minnesota school districts may experience the impact of this pandemic in a myriad of financial areas, such as: declines in investment rates of return, cash flow issues, significant increases in the number and frequency of employees working remotely, challenges in processing general and payroll disbursements, disruption of prescribed internal control procedures, delays in internal and external financial reporting, and new compliance requirements attached to current and potential federal relief subsidies. As your District continues to adapt to the new normal of operating in a post-COVID-19 world, the assessment of and responses to new risks that may accompany operational changes will be critical to the safeguarding of resources and sound financial stewardship. We encourage management and governance to include a robust financial risk assessment process when planning responses to these challenges, and to reassess and adapt internal controls over financial transactions and reporting to align with significant changes made to daily operations, even those intended to be temporary.

### **Electronic Funds Transfer Fraud**

As the use of electronic funds transfers and payment methods has become more prevalent, we have seen increases in both the incidences of fraud related to these transactions and the dollar amounts involved. Unfortunately, operational changes related to the COVID-19 pandemic, including greater reliance on technology and more employees working remotely, tend to increase risk in this area. We urge districts to carefully review controls over these transactions, and consider best practices to address this risk, such as:

- Ensuring segregation of duties over these transactions by involving more than one employee in the process.
- Requiring multi-factor authentication of requests for electronic payments from new vendors or for changes in wiring instructions for existing vendors. It is recommended that changes for existing vendors be verified with the vendor through trusted contact information used previously for that vendor, not as provided in the change request, to verify the accuracy of the change.
- Educate employees on the controls in place to protect the organization's financial assets and ensure management is supportive and accepting of the processes in place. These scams are often initiated using the profile of a supervisor. Employees must be comfortable questioning unusual transactions or requests, and instructed not to circumvent internal control procedures regardless of whom they believe initiated the transaction.
- Recommended cyber security measures, such as limiting network access and requiring robust passwords that are changed regularly, should be implemented and followed by all district employees, not just those directly involved with financial transactions.
- Review insurance policies to understand the coverage provided for financial losses due to cybersecurity risks, and evaluate whether they provide adequate coverage based on management's assessment of these risks.

### **Post-Employment Benefits Trust Fund**

The District has established and contributed to a fiduciary trust fund. The establishment of a trust fund is recommended as a financing tool in the GASB standard on other post-employment benefit (OPEB) liabilities and was created by the District in anticipation of the requirement to implement this standard.

Legislation has provided districts with express authority in Minnesota law permitting the creation of these trust funds by school districts for OPEB obligations; however, this authority was not extended to pension obligations. We recommend that the District review the status of the District's trust funds with legal counsel to ensure the authority provided to school districts through legislation is consistent with the trust the District established prior to this express authority being granted.

## **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, 2020. However, the District implemented the following governmental accounting standard during the fiscal year ended June 30, 2020:

- GASB Statement No. 84, *Fiduciary Activities*, which established criteria for identifying fiduciary activities of 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. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities.

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

## **ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS**

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

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

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

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

The District has recorded activity for OPEB and pension benefits. These obligations are calculated using actuarial methodologies primarily 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.

#### **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.

#### **DISAGREEMENTS WITH MANAGEMENT**

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

#### **MANAGEMENT REPRESENTATIONS**

We have requested certain representations from management that are included in the management representation letter dated October 13, 2020.

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

We were not engaged to report on the introductory section and other district information, 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 selected 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.

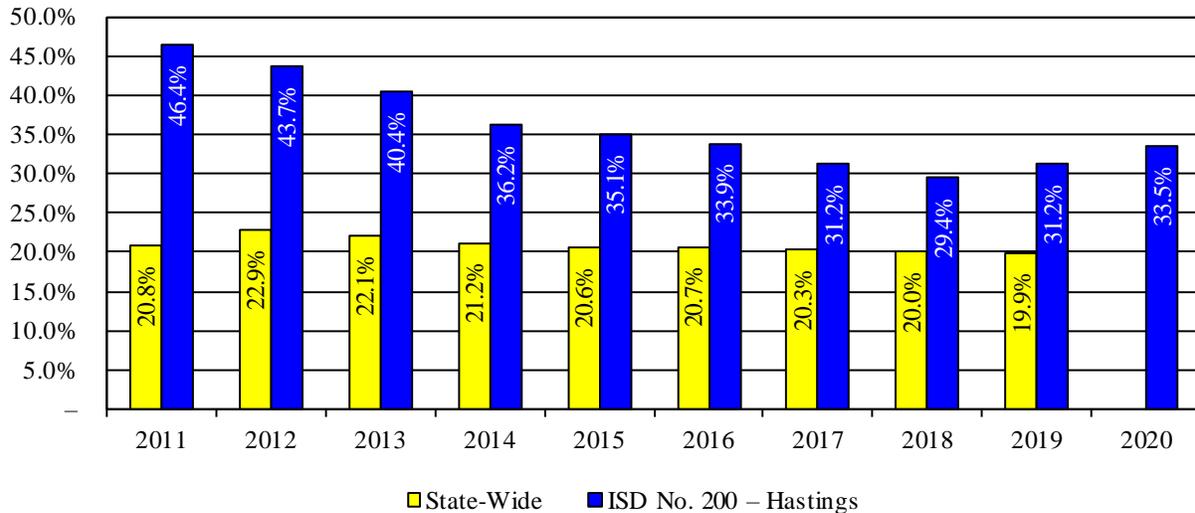
The table below presents a summary of the formula allowance for the past decade and as approved for the next year. The amount of the formula allowance and the percentage change from year-to-year excludes temporary funding changes, the “roll-in” of aids that were previously funded separately, and changes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

| Fiscal Year<br>Ended June 30, | Formula Allowance |                     |
|-------------------------------|-------------------|---------------------|
|                               | Amount            | Percent<br>Increase |
| 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.

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



Note: State-wide information is not available for fiscal 2020.

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 and funding stabilized in subsequent years, this ratio decreased gradually to 19.9 percent at the end of fiscal 2019.

The District's unrestricted operating fund balance as a percentage of operating expenditures was 33.5 percent at the end of the current year, as compared to 31.2 percent at June 30, 2019.

Having an appropriate fund balance is an important factor in assessing the District's financial health because a government, like any organization, requires a certain amount of equity to operate. It is important to review fund balance levels on an ongoing basis to ensure a sufficient equity reserve is available to support programs and cash flow of the District.

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.

| <b>Governmental Funds Revenue per Student (ADM) Served</b>   |                  |                  |                  |                  |                        |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------------|------------------|------------------|
|  | State-Wide       |                  | Metro Area       |                  | ISD No. 200 – Hastings |                  |                  |
|  | 2018             | 2019             | 2018             | 2019             | 2018                   | 2019             | 2020             |
| <b>General Fund</b>  |                  |                  |                  |                  |                        |                  |                  |
| Property taxes   | \$ 2,024         | \$ 2,140         | \$ 2,638         | \$ 2,796         | \$ 2,378               | \$ 2,750         | \$ 2,932         |
| Other local sources  | 520              | 556              | 433              | 454              | 485                    | 523              | 481              |
| State  | 9,614            | 9,883            | 9,625            | 9,885            | 8,698                  | 8,972            | 9,322            |
| Federal  | 450              | 475              | 474              | 499              | 330                    | 314              | 357              |
| <b>Total General Fund</b>  | <u>12,608</u>    | <u>13,054</u>    | <u>13,170</u>    | <u>13,634</u>    | <u>11,891</u>          | <u>12,559</u>    | <u>13,092</u>    |
| <b>Special revenue funds</b>   |                  |                  |                  |                  |                        |                  |                  |
| Food Service   | 559              | 559              | 554              | 556              | 529                    | 535              | 588              |
| Community Service  | 642              | 676              | 752              | 797              | 545                    | 550              | 491              |
| Debt Service Fund  | 1,128            | 1,229            | 1,120            | 1,287            | 1,122                  | 1,172            | 1,144            |
| <b>Total revenue</b>   | <u>\$ 14,937</u> | <u>\$ 15,518</u> | <u>\$ 15,596</u> | <u>\$ 16,274</u> | <u>\$ 14,087</u>       | <u>\$ 14,816</u> | <u>\$ 15,315</u> |
| ADM served per MDE School District Profiles Report (current year estimated)                                  |                  |                  |                  |                  | <u>4,438</u>           | <u>4,403</u>     | <u>4,355</u>     |
| Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds. |                  |                  |                  |                  |                        |                  |                  |
| Source of state-wide and metro area data: School District Profiles Report published by the MDE               |                  |                  |                  |                  |                        |                  |                  |

ADM used in the table above is based on enrollments consistent with those used in the MDE School District Profiles Report, which include extended time ADM, and may differ from ADM reported in other tables.

The mix of local and state revenues vary from year to year primarily based on funding formulas and the state’s financial condition. The mix of revenue components from district to district varies, due to factors such as the strength of property values, mix of property types, operating and bond referendums, enrollment trends, density of population, types of programs offered, and countless other criteria.

Changes in enrollment also impact comparisons in the table above and on the next page when revenue and expenditures are based on fixed costs, such as debt levies and principal and interest on outstanding indebtedness.

The District’s revenues per ADM have been below both the metro area and state-wide averages in recent years.

The District earned \$66,699,874 in the governmental funds reflected above in fiscal 2020, an increase of \$1,463,011 (2.2 percent) from the prior year. Total revenue per ADM served increased by \$499 (3.4 percent) per student. The increase in the basic formula allowance as discussed earlier, improved special education funding, along with increase in the approved levy, contributed to the change in General Fund sources. Significant programing changes and increased federal funding with the COVID-19 pandemic contributed to the change in the Food Service Special Revenue Fund. The pandemic required a decrease in program participation resulting in a reduction in other local revenues in the Community Service Special Revenue Fund.

The following table reflects similar comparative data available from the MDE for all governmental fund expenditures, excluding the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds. Other financing uses, such as bond refundings and transfers, are also excluded.

| <b>Governmental Funds Expenditures per Student (ADM) Served</b>  |                  |                  |                  |                  |                        |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------------|------------------|------------------|
|  | State-Wide       |                  | Metro Area       |                  | ISD No. 200 – Hastings |                  |                  |
|  | 2018             | 2019             | 2018             | 2019             | 2018                   | 2019             | 2020             |
| <b>General Fund</b>  |                  |                  |                  |                  |                        |                  |                  |
| Administration and district support  | \$ 1,031         | \$ 1,065         | \$ 1,045         | \$ 1,078         | \$ 919                 | \$ 1,009         | \$ 1,004         |
| Elementary and secondary<br>regular instruction  | 5,646            | 5,787            | 5,976            | 6,112            | 5,667                  | 5,657            | 5,826            |
| Vocational education instruction   | 170              | 180              | 154              | 165              | 101                    | 108              | 117              |
| Special education instruction  | 2,298            | 2,380            | 2,418            | 2,505            | 2,165                  | 2,207            | 2,299            |
| Instructional support services   | 658              | 669              | 748              | 751              | 545                    | 565              | 573              |
| Pupil support services   | 1,118            | 1,178            | 1,209            | 1,282            | 1,232                  | 1,199            | 1,305            |
| Sites and buildings and other  | 936              | 960              | 896              | 907              | 1,008                  | 1,039            | 1,060            |
| Total General Fund – noncapital  | 11,857           | 12,219           | 12,446           | 12,800           | 11,637                 | 11,784           | 12,184           |
| General Fund capital expenditures  | 658              | 721              | 636              | 675              | 208                    | 210              | 93               |
| Total General Fund   | 12,515           | 12,940           | 13,082           | 13,475           | 11,845                 | 11,994           | 12,277           |
| <b>Special revenue funds</b>   |                  |                  |                  |                  |                        |                  |                  |
| Food Service   | 553              | 561              | 545              | 556              | 543                    | 526              | 544              |
| Community Service  | 640              | 675              | 750              | 799              | 516                    | 556              | 557              |
| Debt Service Fund  | 1,308            | 1,313            | 1,230            | 1,308            | 873                    | 876              | 889              |
| Total expenditures   | <u>\$ 15,016</u> | <u>\$ 15,489</u> | <u>\$ 15,607</u> | <u>\$ 16,138</u> | <u>\$ 13,777</u>       | <u>\$ 13,952</u> | <u>\$ 14,267</u> |
| ADM served per MDE School District Profiles Report (current year estimated)                                  |                  |                  |                  |                  | <u>4,438</u>           | <u>4,403</u>     | <u>4,355</u>     |
| Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds. |                  |                  |                  |                  |                        |                  |                  |
| Source of state-wide and metro area data: School District Profiles Report published by the MDE               |                  |                  |                  |                  |                        |                  |                  |

Expenditure patterns also vary from district to district for various reasons. Factors affecting the comparison include the growth cycle or maturity of the District, average employee experience, availability of funding, population density, and even methods of allocating costs.

The District’s expenditures per ADM have also been below the averages presented above in recent years.

The District spent \$62,130,937 in the governmental funds reflected above in fiscal 2020, an increase of \$701,829 (1.1 percent) from the prior year. On a per student basis, with declining enrollment, this represents an increase of \$315 (2.3 percent). General Fund expenditures increased \$283 per student; mainly in elementary and secondary regular instruction (\$169 per student), pupil support services (\$106 per student), and special education instruction (\$92 per student). Capital spending in the General Fund decreased by \$117 due to project timing.

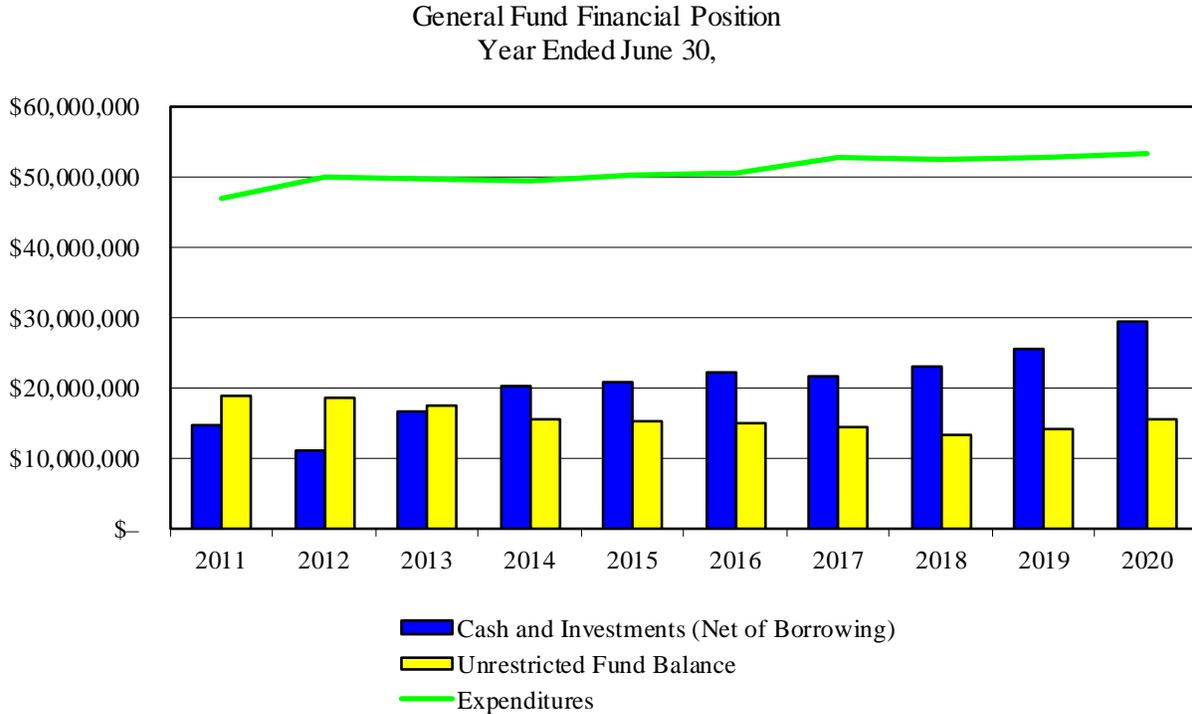
## SUMMARY

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 increased reliance on local revenue sources like voter-approved operating referenda and user fees to maintain district programs. The recent COVID-19 pandemic has and will continue to create additional financial challenges, as districts struggle to provide a safe and effective learning experience for their students under unprecedented circumstances.

## FINANCIAL TRENDS OF YOUR DISTRICT

### GENERAL FUND FINANCIAL POSITION

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



The District ended fiscal year 2020 with a General Fund cash balance of \$29,387,867 (net of borrowing and interfund receivables and payables), an increase of \$3,913,020 from the previous year. Unrestricted fund balance (consisting of any committed, assigned, and unassigned fund balances) at year-end totaled \$15,619,398, an increase of \$1,365,789.

During fiscal year 2020, the District reported a change in accounting principle increasing fund balance by \$316,847 to report student activity and scholarship activity in the General Fund.

Legislatively-approved changes in the metering of state aid payments to school districts and in the tax shift significantly impacted cash and investment balances in certain years presented in the above graph.

## GENERAL FUND COMPONENTS OF FUND BALANCE

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

|   | June 30,             |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 |
| Nonspendable fund balances  | \$ 298,129           | \$ 303,863           | \$ 464,847           | \$ 494,984           | \$ 301,600           |
| Restricted fund balances (1)  | 3,442,221            | 3,779,191            | 4,855,651            | 6,446,999            | 9,002,015            |
| Unrestricted fund balances  |                      |                      |                      |                      |                      |
| Committed   | 1,943,440            | 1,658,828            | 1,362,953            | 1,205,417            | 1,244,339            |
| Assigned  | 907,404              | 1,858,265            | -                    | -                    | 480,678              |
| Unassigned  | 12,308,205           | 10,859,746           | 11,986,702           | 13,048,192           | 13,894,381           |
| Total fund balances   | <u>\$ 18,899,399</u> | <u>\$ 18,459,893</u> | <u>\$ 18,670,153</u> | <u>\$ 21,195,592</u> | <u>\$ 24,923,013</u> |
| Unrestricted fund balances as a percentage of total expenditures  | <u>29.9%</u>         | <u>27.3%</u>         | <u>25.4%</u>         | <u>27.0%</u>         | <u>29.2%</u>         |
| Unassigned fund balances as a percentage of total expenditures  | <u>24.3%</u>         | <u>20.6%</u>         | <u>22.8%</u>         | <u>24.7%</u>         | <u>26.0%</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. |                      |                      |                      |                      |                      |

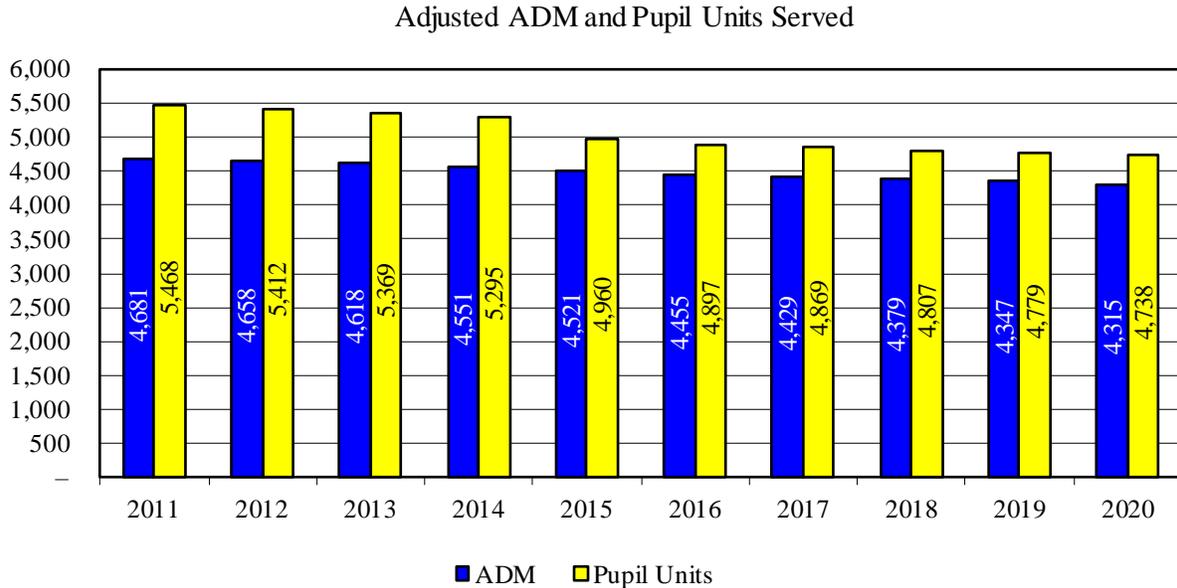
The table above reflects the total General Fund unrestricted fund balance and percentages, which differs from those used in the previous discussion of state-wide fund balances, which are based on a state formula.

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

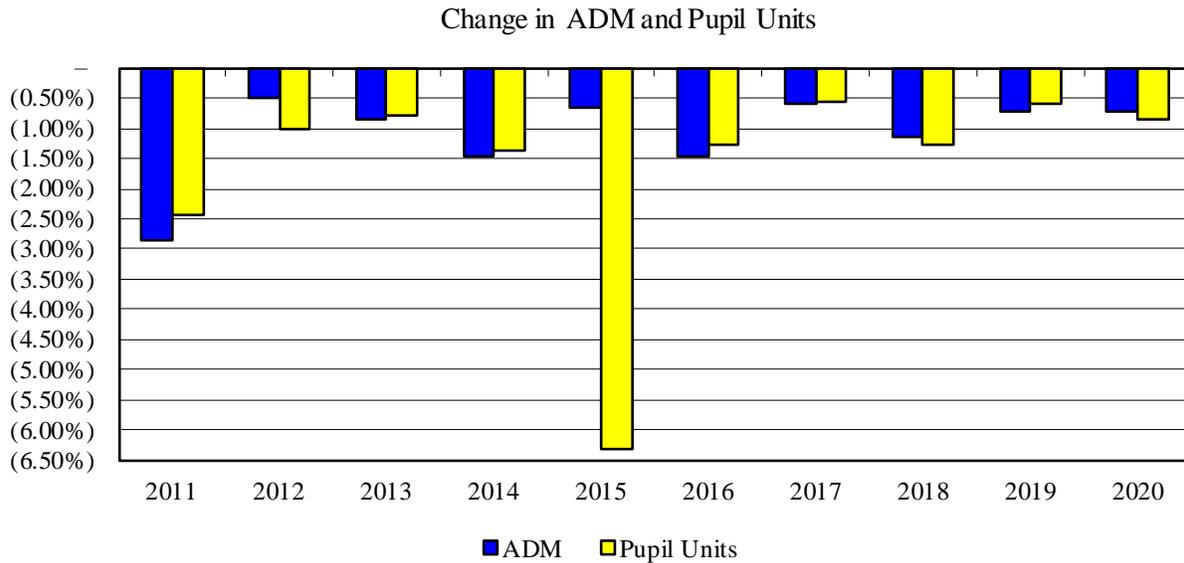
At June 30, 2020, unrestricted fund balances in the General Fund represented 29.2 percent of annual expenditures, or about 15 weeks of operations assuming level spending throughout the year.

## AVERAGE DAILY MEMBERSHIP (ADM) AND PUPIL UNITS

The following graph presents the District's ADM and pupil units served for the past 10 years:



The following graph shows the rate of change in ADM served by the District from year to year, along with the change in the resulting pupil units:



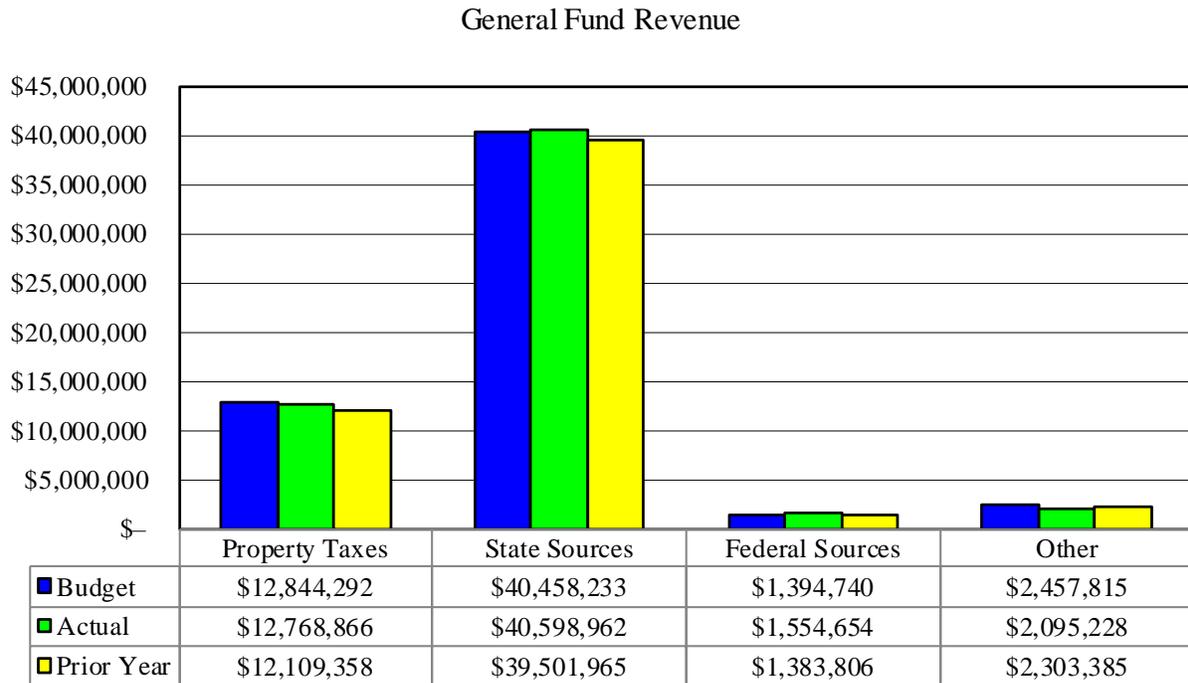
The change in pupil units for 2015 includes the effect of legislative reductions to pupil units.

ADM is a measure of students attending class, which is then converted to pupil units (the base for determining revenue) using a statutory formula. Not only is the original budget based on ADM estimates, the final audited financial statements are based on updated, but still estimated, ADM since the counts are not finalized until around January of the following year. When viewing revenue budget variances, one needs to consider these ADM changes, the impact of the prior year final adjustments which affect this year's revenue, and also the final adjustments caused by open enrollment gains and losses.

The District served an estimated ADM of 4,315 in 2020, a decrease of 32 ADM, or 0.7 percent, from the prior year.

## GENERAL FUND REVENUES

The following graph presents the District's General Fund revenues for 2020:



Total General Fund revenues were \$57,017,710 for the year ended June 30, 2020, which was \$137,370 (0.2 percent) under the final budget and \$1,719,196 (3.1 percent) more than the prior year.

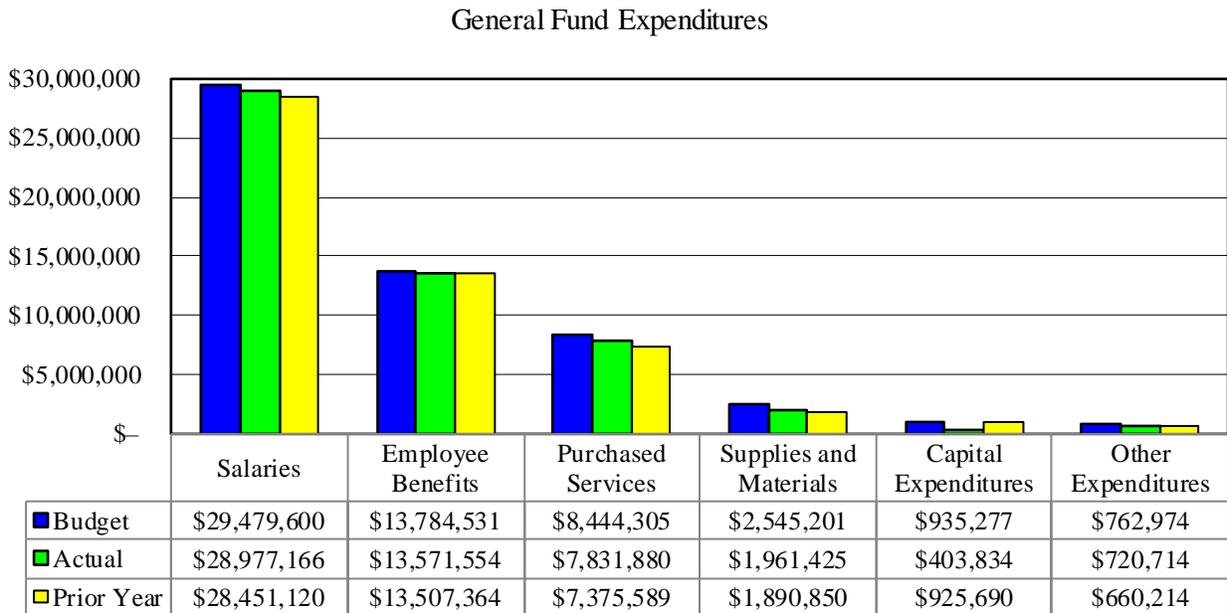
The variance to budget was primarily in other local sources, which were \$362,587 under budget. Lost fees and charges due to the COVID-19 pandemic caused other sources fall short of budget. Conservative budgeting for investment earnings partially offset the decrease within the other sources category in the above graph.

The increase from the prior year was primarily in state sources and property taxes for improvements in the general education funding formula, special education funding, safe schools funding, and additional achievement and integration funding sources.

The graph above reflects the concentration of state sources (71.2 percent) followed by property taxes (22.4 percent) recognized to finance General Fund operations.

## GENERAL FUND EXPENDITURES

The following graph presents the District's General Fund expenditures for 2020:



Total General Fund expenditures were \$53,466,573 for the year ended June 30, 2020, which was \$2,485,315 (4.4 percent) under the final budget, and \$655,746 (1.2 percent) higher than the prior year.

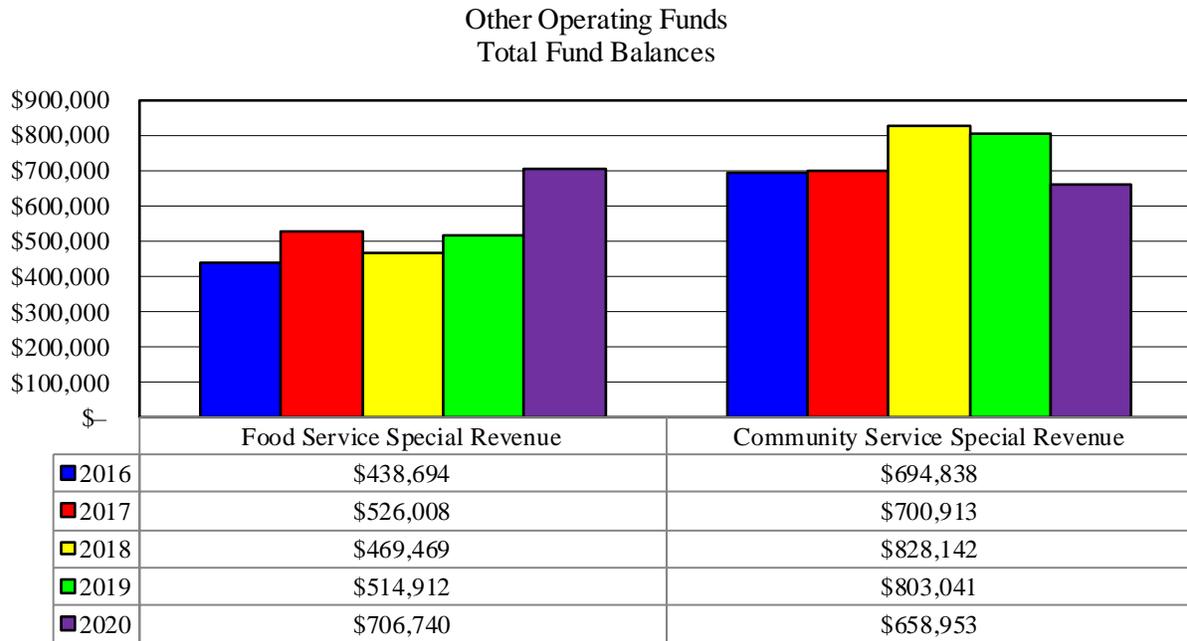
As presented in the graph above, expenditures were less than projected in all categories and spread across district programs.

Salaries and employee benefits, which account for 79.6 percent of General Fund spending, were \$590,236 (1.4 percent) over the prior year and \$715,411 (1.7 percent) under budget.

Conservative budgeting and spending delays due to the COVID-19 pandemic contributed to the budget savings in the remaining categories presented in the above graph.

## 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 2020 with a fund balance increase of \$191,828, compared to a budgeted decrease of \$32,187. Actual revenues were above projected amounts by \$202,575, while actual expenditures were less than budget by \$21,440. Programing changes allowed under the federal summer food service program for children during the ongoing COVID-19 pandemic increased revenues and expenditures over the prior year and was not anticipated in the budget. The Food Service Special Revenue Fund had a year-end fund balance of \$706,740, representing 29.9 percent of annual expenditures totaling \$2,366,958.

### Community Service Special Revenue Fund

The District's Community Service Special Revenue Fund ended fiscal 2020 with a fund balance decrease of \$144,088, compared to a budgeted spend down of \$129,505. Actual revenues were less than projected amounts by \$227,211, while actual expenditures were less than budget by \$72,065. Program participation was significantly impacted by the COVID-19 pandemic causing both revenues and expenditures to be under budget and lower than the prior year. The District approved a \$140,563 transfer from the General Fund to help offset a portion of the lost revenues in the current year. The Community Service Special Revenue Fund had a year-end fund balance of \$658,953, representing 27.2 percent of annual expenditures totaling \$2,425,043.

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. The District has been able to maintain healthy, stable fund balances in both funds.

## Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund ended the year with a fund balance decrease of \$16,261,724, compared to a decrease of \$15,857,434 anticipated in the budget. Capital outlay expenditures were more than budget, due to the timing of project costs. At year-end, \$20,674,351 of fund balance remains restricted for capital projects.

## Debt Service Fund

The funding of debt service is controlled in accordance with each outstanding debt issue’s financing plan. It is important to remember that resources of the Debt Service Fund are dedicated to payment of outstanding debt obligations of the District.

Total fund balance in the Debt Service Fund increased by \$1,110,623 in the current year, which was \$96,712 less than the increase anticipated in the budget. The Debt Service Fund balance increase is due to restricted debt levies made in the current year to finance future qualified school construction bond payments. At June 30, 2020, this fund had a fund balance of \$11,036,932 available for future debt service needs.

## Proprietary Funds – Internal Service Funds

The District uses internal service funds to account for health and dental insurance offered by the District to its employees as self-insured plans. The following table presents the combined activity reported for the past three fiscal years for the internal service funds:

|                          | June 30,            |                     |                     |
|--------------------------|---------------------|---------------------|---------------------|
|                          | 2018                | 2019                | 2020                |
| Operating revenue        |                     |                     |                     |
| Charges for services     | \$ 8,858,437        | \$ 8,951,421        | \$ 9,230,392        |
| Operating expenses       |                     |                     |                     |
| Health benefit claims    | 7,316,431           | 7,657,239           | 8,148,838           |
| Dental benefit claims    | 571,870             | 587,293             | 501,024             |
| Total operating expenses | <u>7,888,301</u>    | <u>8,244,532</u>    | <u>8,649,862</u>    |
| Operating income         | 970,136             | 706,889             | 580,530             |
| Nonoperating revenue     |                     |                     |                     |
| Investment earnings      | <u>49,149</u>       | <u>98,640</u>       | <u>75,075</u>       |
| Change in net position   | 1,019,285           | 805,529             | 655,605             |
| Net position             |                     |                     |                     |
| Beginning of year        | <u>3,117,156</u>    | <u>4,136,441</u>    | <u>4,941,970</u>    |
| End of year              | <u>\$ 4,136,441</u> | <u>\$ 4,941,970</u> | <u>\$ 5,597,575</u> |

## Post-Employment Benefits Trust Fund

The District has established a Post-Employment Benefits Trust Fund to account for an irrevocable trust account established to finance the District’s liability for post-employment healthcare benefits. At year-end, trust net position of \$3,873,603 is available for future OPEB payments.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

|   | June 30,             |                      | Change              |
|---|----------------------|----------------------|---------------------|
|   | 2020                 | 2019                 |                     |
| Net position – governmental activities              |                      |                      |                     |
| Total fund balances – governmental funds            | \$ 57,999,989        | \$ 69,375,929        | \$ (11,375,940)     |
| Total capital assets, net of depreciation           | 84,744,329           | 71,710,559           | 13,033,770          |
| Bonds payable (including premium/discount)          | (79,587,621)         | (81,241,985)         | 1,654,364           |
| Pension adjustments                                 | (46,657,116)         | (44,569,382)         | (2,087,734)         |
| OPEB adjustments                                    | (4,610,035)          | (5,053,893)          | 443,858             |
| Other adjustments                                   | 3,701,745            | 2,572,996            | 1,128,749           |
| <b>Total net position – governmental activities</b> | <b>\$ 15,591,291</b> | <b>\$ 12,794,224</b> | <b>\$ 2,797,067</b> |
| Net position  |                      |                      |                     |
| Net investment in capital assets                    | \$ 25,411,922        | \$ 26,788,034        | \$ (1,376,112)      |
| Restricted  | 21,165,089           | 17,383,086           | 3,782,003           |
| Unrestricted  | (30,985,720)         | (31,376,896)         | 391,176             |
| <b>Total net position</b>                           | <b>\$ 15,591,291</b> | <b>\$ 12,794,224</b> | <b>\$ 2,797,067</b> |

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

Total net position increased by \$2,797,067 during fiscal 2020, which includes a change in accounting principle of \$316,847, as previously discussed for the General Fund. The District's net investment in capital assets decreased by \$1,376,112. The change in this category of net position typically depends on the relationship between the rate at which the District is adding additional capital assets, the rate capital assets are being depreciated, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets.

Restricted net position increased over the prior year, with the largest increase in amounts restricted for capital asset acquisition, debt service, food service, and other state funding restricted purposes. The change in unrestricted net position includes changes in the District's proportionate share of the Public Employees Retirement Association and the Teachers Retirement Association pension plan liabilities and related deferments. The improved financial position of the General Fund, as previously discussed, also contributed to the increase in unrestricted net position.

## LEGISLATIVE SUMMARY

The 2020 Minnesota Legislature session was expected to be short and focused on making tweaks to the biennial budget. By early March, it became clear the session would unfold differently than anyone could have predicted. As the novel coronavirus (COVID-19) spread reached Minnesota, Governor Walz issued an Executive Order declaring a peacetime emergency. The declaration was enacted, which allowed his administration to quickly impose measures aimed at mitigating the COVID-19 health threat. These measures, which were issued through dozens of executive orders over the months that would follow, included: closing schools and requiring instruction be provided through distance learning; allowing schools to offer summer programs and extended school year services through distance learning or a hybrid model; requiring districts to deliver meals and instructional materials; requiring districts to provide childcare for essential workers, and authorizing fund transfers and flexibility in the use of revenues for districts to cover school-age care, transportation, and other COVID-19 related costs.

The following is a brief summary of specific legislative changes from the 2020 regular and special sessions or previous legislative sessions impacting Minnesota school districts in future years.

**Coronavirus Aid, Relief, and Economic Security (CARES) Act** – The CARES Act provides federal economic relief to protect the American people from the public health and economic impacts of COVID-19.

The CARES Act Education Stabilization Fund provided two major sources of funding for schools that may be used for expenditures incurred from March 13, 2020 through September 30, 2022:

### **1. Governor’s Emergency Education Relief (GEER) Fund:**

These funds were allocated to support efforts in getting children back to school in the fall, while prioritizing the safety of students and staff. These funds support operational costs, such as: cleaning supplies and disinfectant sprayers, screening supplies, personal protective equipment, and increased transportation costs associated with transporting students in a socially distant manner. These funds also support student, family, and educator needs, such as technology devices and internet access, technology training, tutors or mentors to address learning loss, translation services, school-age care for essential workers, and professional development focused on learning models. To spend funds from this source, an expenditure must be a reasonably necessary expense that is directly related to the COVID-19 pandemic, and the expenditure must not be one that was planned for in the current school year budget.

### **2. Elementary and Secondary School Emergency Relief (ESSER) Fund.**

These funds are divided into two streams: a formula-based allocation and state-directed grants. The formula-based allocation to districts and charter schools is based on their allocations under Title I, Part A of the Elementary and Secondary Education Act (ESEA). These funds can be used for a wide range of expenses to meet local needs.

State-directed grants, provided to districts and charter schools that do not receive a formula-based allocation, districts and charter schools that receive less than \$10,000 from their formula-based allocation, and districts and charter schools whose share of students from historically underserved populations is more than their share of other ESSER funds, can be used for a combination of supplementing GEER funds for summer school programming, supporting mental health, and meeting the needs of historically underserved populations.

The CARES Act also provided funding through the Coronavirus Relief Fund (CRF). These funds were allocated to districts and charter schools based on a two-part formula: 1) 60 percent for operating costs based on average daily membership (ADM) as reported for the 2018-2019 school year, and 2) 40 percent for student, family and staff support costs allocated based 40 percent on ADM and 60 percent on the historically underserved population of students each district or charter school serves. The expenditure of these funds is not required to match the 60 percent/40 percent allocation breakdown, and may be used for costs incurred between July 1, 2020 and December 31, 2020.

**General Education Revenue** – The Legislature had previously approved annual increases of 2 percent to the basic general education formula allowance for the fiscal year (FY) 2020–2021 biennium. The per pupil allowance will increase \$129 to \$6,567 for FY 2021.

**Compensatory Revenue** – The requirement to reserve a portion of compensatory revenue for extended time programming is eliminated beginning in FY 2021.

**Special Education Revenue** – The Legislature had previously approved enhancements to special education funding designed to hold the state average cross subsidy per pupil constant at the FY 2019 level of \$82 per ADM for FY 2021. The changes included:

- Establishing a new component of the state special education funding formula, known as cross subsidy reduction aid. 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 6.43 percent for 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.
- 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 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 schools where special education expenditures have fallen or grown slowly since FY 2016 do not benefit disproportionately from the hold harmless guarantee compared to other schools. 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.
- The 2020 Legislature added that for FY 2020, expenditures for employees and contracted services that would have been eligible for state aid in the absence of school closure due to COVID-19 must be included as eligible expenditures for calculation of aid and for tuition billing, regardless of whether special education services were actually provided during the closure.

**Achievement and Integration Revenue** – School districts are authorized to carry over any unspent balance of their approved achievement and integration budget from FY 2020 into FY 2021. If spent for approved purposes in FY 2021, the districts would generate additional FY 2021 revenue over and above the regular formula limitations.

**Operating Referendum/Local Optional Revenue** – Effective for the tax levy payable in FY 2021, the operating referendum and local optional 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.

**Fund Transfers** – For fiscal years 2020 and 2021 only, a school district, charter school, or a cooperative unit may transfer any funds not already assigned or encumbered by staff salary and benefits, or otherwise encumbered by federal law, from any accounts or operating fund to the undesignated balance in any other operating fund. A fund transfer is allowed if the transfer meets the following criteria from Minnesota Laws 2020, Chapter 116/House File 4415 Article 3 Section 8:

1. The transfer does not increase state aid obligations to the district or school or result in additional property tax authority for the district.
2. A transfer is limited to the operating funds of a school district, charter school, or cooperative unit.
3. A school board must approve any fund or account transfer before the reporting deadline for the respective fiscal year.
4. A school district, charter, school, or cooperative unit must maintain accounting records for the purposes of this section that are sufficient to document both the specific funds transferred and use of those funds. The accounting records are subject to auditor review.
5. Any execution of this flexibility must not interfere with or jeopardize funding per federal requirements.
6. Any transfer must not interfere with the equitable delivery of distance learning or social distancing models.

**Debt Service Payments** – For FY 21 only, a school district unable to make a required debt service payment due to a delay in property tax receipts may apply for modified cash flow payments from the state under Minnesota Statutes, Section 127A.45.

**Pension Benefit Reforms** – The 2018 pension bill included a number of reforms to the various defined benefit pension plans across the state. Employer contribution rates were increased for the Teachers Retirement Association (TRA) plan (a total increase of 1.25 percent phased in over a 6-year period beginning in FY 2019) and the St. Paul Teachers Retirement Fund Association (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.

**Workers' Compensation Claims – COVID-19 Presumption** – The Legislature added several provisions to state unemployment statutes related to COVID-19, including a presumption that an employee who contracts COVID-19 has an occupational disease arising out of and in the course of employment if the employee works in one of the specified occupations and has a confirmed case of COVID-19. Covered occupations include nurses, healthcare workers, and workers required to provide childcare for first responders and healthcare workers under Executive Orders 20-02 and 20-19.

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## ACCOUNTING AND AUDITING UPDATES

The following is a summary of GASB standards expected to be implemented in the next few years. Due to the COVID-19 pandemic, the GASB has delayed the original implementation dates of these and other standards as described below.

### **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 the 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 fiscal years beginning after June 15, 2021.

### **GASB STATEMENT NO. 92, *OMNIBUS 2020***

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other post-employment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for post-employment benefits

- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to post-employment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

The requirements of this statement are effective for fiscal years beginning after June 15, 2021. Earlier application is encouraged.

**GASB STATEMENT NO. 96, *SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS***

This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability.

This statement provides an exception for short-term SBITAs with a maximum possible term under the SBITA contract of 12 months, including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

***GASB STATEMENT NO. 97, CERTAIN COMPONENT UNIT CRITERIA, AND ACCOUNTING AND FINANCIAL REPORTING FOR INTERNAL REVENUE CODE SECTION 457 DEFERRED COMPENSATION PLANS—AN AMENDMENT OF GASB STATEMENT NO. 14 AND NO. 84, AND A SUPERSESSION OF GASB STATEMENT NO. 32***

The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other post-employment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this statement that (1) exempt primary governments that perform the duties that a government board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans, and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this statement.

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# Budget Adjustments

**November 18, 2020**



## Guiding Change: 2020-21 Budget Adjustments (Desirable, Feasible, Sustainable)

### Hastings Public Schools Mission Statement:

The mission of the Hastings Public Schools, working in partnership with the family and the community, is to educate individuals to be responsible, lifelong learners who possess the skills, knowledge, creativity, sense of self-worth, and ethical values necessary to thrive in a rapidly changing, culturally diverse, global society.

| Context and Current Reality  | Desired Results  | Unacceptable Means  |
|--|--|---|
| <p><b>External and Internal:</b></p> <ul style="list-style-type: none"> <li>● We have a very strong music program.</li> <li>● We are committed to equity focused programming.</li> <li>● Our enrollment continues to decline as larger classes graduate.</li> <li>● Deficit of \$1.7m 2020-2021.</li> <li>● Anticipated deficit of \$1.4m 2021-2022.</li> <li>● We have a supportive and engaged community for programming, athletics, scholarships, etc.</li> <li>● Our Health Care (self-funded) future is unknown.</li> <li>● Our schools are becoming more diverse</li> <li>● Future state funding is unknown.</li> <li>● We support and prepare students for multiple options once graduated.</li> <li>● Additional staffing was approved for mental health/special services.</li> <li>● Unknown tax collection for second half of year.</li> <li>● 2013-14 budget adjustments were substantive at the elementary and middle school levels, and included site closures, and school day/schedule modifications.</li> </ul> | <p><b>What do we want?</b></p> <ul style="list-style-type: none"> <li>● A balanced and sustainable budget through 2024.</li> <li>● All programming will meet all three criteria of desirable, feasible, and sustainable.</li> <li>● Outcomes developed through multiple voices.</li> <li>● Decisions will be made with an equity lens and a lens of removing systemic racism.</li> <li>● Mental Health programming and support will be overtly recognizable.</li> <li>● Allied Arts will continue k-4.</li> <li>● Fine arts programming will continue to be a showcase program for the district.</li> <li>● Athletic programming meets all three criteria of desirable, feasible, and sustainable.</li> <li>● Career pathways will continue, albeit looking different from the current model.</li> <li>● Daily schedules will meet all three criteria of desirable, feasible, and sustainable.</li> <li>● All departments will meet all three criteria of desirable, feasible, and sustainable.</li> <li>● Class sizes at or slightly higher than the mean of regional Metro ECSU, if sustainable.</li> <li>● District dollars align to program priorities.</li> </ul> | <p><b>What won't we do? What will we not impact?</b></p> <ul style="list-style-type: none"> <li>● We won't violate federal/state law.</li> <li>● We won't do anything that would impact the health and safety of our staff and students.</li> </ul> |

# Updated Adjustment Options for 2021-2022

| 2021-2022          |                 |
|--------------------|-----------------|
| Deficit Assumption | -\$1.2M -\$1.7M |

Board Discussions

October 7

October 21

October 28

November 4

Communications and Information

Survey

Website

Raider Updates

# Non-Class Size Adjustment Options for 2021-2022

| Adjustment Area                            | Specifics  | Actual Adjustment |
|--|--|-------------------|
| Decrease memberships/dues/fees             | Technology software fees for performance matters (\$10,000), Microsoft licensing (\$20,000), membership to SEE (\$5,800)   | \$35,800          |
| Reduce building supply budgets             | 25% from each site for the 2021 school year  | \$230,348         |
| Reduce club expenses                       | This will take place through internal attrition of clubs that do not run as well as combining some clubs into one (HS: Eliminate School Newspaper & Variety Show, MS: Eliminate Book Orders, 3D Printing, Combine Student Council & U-Crew, reduce Asst. Speech Coach) | \$23,291          |
| Decrease high school security-After School | This will only impact the inside security and modifications will be made for staffing support  | \$24,805          |
| Reduce support staff at HS/MS              | Reduction of two student support positions MS (\$55,338) and one support position at HS (\$59,241)   | \$114,579         |
| Suspend technology contribution            | Board vote to suspend the transfer from the general fund to a committed account  | \$100,000         |
| Utilize fund balance (amount variable)     | Board vote to designate money as an expense for the 2021 school year.  | \$200,000         |
| <b>Total</b>                               |  | <b>\$728,823</b>  |

# Class Size Adjustment Options for 2021-2022

|  |   |                    |
|--|---|--------------------|
| Elementary staffing changes                          | Through staffing model, reduce 3 non-tenured staff.   | \$190,674          |
| Middle school staffing changes                       | Through staffing model, reduce 2 FTE at 5th/6th grade, 1 FTE at 7th/8th, 1 FTE media  | \$323,995          |
| High School 7 period day with class size adjustments | Through staffing model, reduce 9.4-9.8 FTE. Will impact almost every content area to varying degrees (Dependent upon registration). | \$900,000          |
| High School 6 period day with decreased options      |   |                    |
| <b>Total</b>   |   | <b>\$1,414,669</b> |

# Class Size Adjustment Options for 2021-2022

|  |   |                  |
|--|---|------------------|
| Elementary staffing changes                          | Through staffing model, reduce (2) non-tenured staff.   | \$127,116        |
| Middle school staffing changes                       | Through staffing model, reduce 2 FTE at 5th/6th grade, 1 FTE at 7th/8th, 1 FTE media (3)  | \$251,100        |
| High School 7 period day with class size adjustments | Through staffing model, reduce 9.4-9.8 FTE. Will impact almost every content area to varying degrees (Dependent upon registration). (7) | \$594,063        |
| <b>Total</b>   |   | <b>\$972,279</b> |

# Staffing Adjustments

| FTE based on formula |         |      |           |
|----------------------|---------|------|-----------|
| Level                | Current | 2021 | Reduction |
| HS                   | 65.5    | 56.5 | -9.0      |
| MS                   | 61.1    | 55.9 | -5.2*     |
| ELEM                 | 69      | 64   | -5**      |

\*Includes 1.2 FTE Hired for 20-21 Only

\*\*Includes 2 FTE Hired for 20-21 Only

| Grade | Current Averages | Metro ECSU 2021 |
|-------|------------------|-----------------|
| K     | 20.6             | 20.9            |
| 1     | 20.0             | 21.7            |
| 2     | 19.0             | 23.0            |
| 3     | 21.8             | 24.2            |
| 4     | 21.3             | 25.3            |

| Subject        | Grade | Current Averages | Metro ECSU 2021 |
|----------------|-------|------------------|-----------------|
| ELA            | 5     | 24.8             | 26.7            |
|                | 6-8   | 28.2             | 26.9            |
|                | 9-12  | 24.5             | 27.4            |
| Math           | 5     | 24.8             | 26.7            |
|                | 6-8   | 28.4             | 26.7            |
|                | 9-12  | 25.8             | 27.5            |
| Science        | 5     | 24.8             | 26.7            |
|                | 6-8   | 27.6             | 29.2            |
|                | 9-12  | 25.5             | 27.6            |
| Social Studies | 5     | 24.8             | 26.7            |
|                | 6-8   | 26.8             | 29.0            |
|                | 9-12  | 27.7             | 29.2            |



## 416 DRUG AND ALCOHOL TESTING

### I. PURPOSE

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

### II. GENERAL STATEMENT OF POLICY

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



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

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

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

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

#### **B. Definitions**

1. "Actual Knowledge" means actual knowledge by the school district that a driver has used alcohol or controlled substances based on: (a) direct observation of the employee's use (not observation of behavior sufficient to warrant reasonable suspicion testing); (b) information provided by a previous employer; (c) a traffic citation; or (d) an employee's admission, except when made in connection with a qualified employee self-admission program.
2. "Alcohol Screening Device" (ASD) means a breath or saliva device, other than an Evidential Breath Testing Device (EBT), that is approved by the National Highway Traffic Safety Administration and placed on its Conforming Products List for such devices.
3. "Breath Alcohol Technician" (BAT) means an individual who instructs and assists individuals in the alcohol testing process and who operates the EBT.
4. "Commercial Motor Vehicle" (CMV) includes a vehicle which is designed to transport 16 or more passengers, including the driver.
5. "Designated Employer Representative" (DER) means a designated school



district representative authorized to take immediate action to remove employees from safety-sensitive duties, to make required decisions in the testing and evaluation process, and to receive test results and other communications for the school district.

6. “Department of Transportation” (DOT) means United States Department of Transportation.
7. “Driver” is any person who operates a CMV, including full-time, regularly employed drivers, casual, intermittent or occasional drivers, leased drivers, and independent owner-operator contractors.
8. “Evidential Breath Testing Device” (EBT) means a device approved by the National Highway Traffic Safety Administration for the evidentiary testing of breath for alcohol concentration and placed on its Conforming Products List for such devices.
9. “Medical Review Officer” (MRO) means a licensed physician responsible for receiving and reviewing laboratory results generated by the school district’s drug testing program and for evaluating medical explanations for certain drug tests.
10. “Refusal to Submit” (to an alcohol or controlled substances test) means that a driver: (a) fails to appear for any test within a reasonable time, as determined by the school district, consistent with applicable DOT regulations, after being directed to do so; (b) fails to remain at the testing site until the testing process is complete; (c) fails to provide a urine specimen or an adequate amount of saliva or breath for any DOT drug or alcohol test; (d) fails to permit the observation or monitoring of the driver’s provision of a specimen in the case of a directly observed or monitored collection in a drug test; (e) fails to provide a sufficient breath specimen or sufficient amount of urine when directed and a determination

has been made that no adequate medical explanation for the failure exists; (f) fails or declines to take an additional test as directed; (g) fails to

undergo a medical examination or evaluation, as directed by the MRO or the DER; (h) fails to cooperate with any part of the testing process (e.g., refuses to empty pockets when so directed by the collector, behaves in a confrontational way that disrupts the collection process, fails to wash hands after being directed to do so by the collector, fails to sign the certification on the forms); (i) fails to follow the observer’s instructions, in an observed collection, to raise the driver’s clothing above the waist, lower clothing and underpants, and to turn around to permit the observer to determine if the driver has any type of prosthetic or other device that could be used to interfere with the collection process; (j) possesses or wears a prosthetic or other device that could be used to interfere with the collection process; (k)



admits to the collector or MRO that the driver adulterated or substituted the specimen; or (I) is reported by the MRO as having a verified adulterated or substituted test result. An applicant who fails to appear for a pre-employment test, who leaves the testing site before the pre-employment testing process commences, or who does not provide a urine specimen because he or she has left before it commences is not deemed to have refused to submit to testing.

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

#### C. Policy and Educational Materials

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



should be in the form of Attachment A to this policy. The school district will maintain the original signed certificate and will provide a copy to the driver if the driver so requests.

D. Alcohol and Controlled Substances Testing Program Manager

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

E. Specific Prohibitions for Drivers

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



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

8. Positive, Adulterated, or Substituted Test for Controlled Substance. No driver shall report for duty, remain on duty, or perform a safety-sensitive function if the driver tests positive for controlled substances, **including medical cannabis**, or has adulterated or substituted a test specimen for controlled substances.

9. General Prohibition. Drivers are also subject to the general policies and procedures of the school district which prohibit the possession, transfer, sale, exchange, reporting to work under the influence of drugs or alcohol, and consumption of drugs or alcohol while at work or while on school district premises or operating any school district vehicle, machinery, or equipment.

F. Other Alcohol-Related Conduct

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

G. Prescription Drugs

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

H. Testing Requirements

1. Pre-Employment Testing

a. A driver applicant shall undergo testing for [alcohol and] controlled substances, **including medical cannabis**, before the first time the driver performs safety-sensitive functions for the school district.

b. Tests shall be conducted only after the applicant has received a



conditional offer of employment.

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

## 2. Post-Accident Testing

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



- f. If a post-accident alcohol test is not administered within eight (8) hours following the accident or a post-accident controlled substances test is not administered within thirty-two (32) hours following the accident, the school district shall cease attempts to administer the test, and prepare and maintain on file a record stating the reasons for not administering the test.

3. Random Testing

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

4. Reasonable Suspicion Testing

- a. The school district shall require a driver to submit to an alcohol test and/or controlled substances, including medical cannabis, test when a supervisor or school district official, who has been trained in accordance with the regulations, has reasonable suspicion to believe that the driver has used alcohol and/or controlled substances, including medical cannabis, on duty or within four (4) hours before coming on duty. The test shall be done as soon as practicable following the observation of the behavior indicative of the use of controlled substances or alcohol.





establishes a presumption that the driver or driver applicant would test positive if a test were conducted and makes the driver or driver applicant subject to discipline or disqualification under this policy.

- c. A driver applicant who refuses to submit to testing shall be disqualified from further consideration for the conditionally offered position.
- d. An employee who refuses to submit to testing shall not be permitted to perform safety-sensitive functions and will be considered insubordinate and subject to disciplinary action, up to

and including dismissal. If an employee is offered an opportunity to return to a DOT safety-sensitive duty, the employee will be evaluated by an SAP and must submit to a return-to-duty test prior to being considered for reassignment to safety-sensitive functions.

- e. Drivers or driver applicants who refuse to submit to required testing will be required to sign Attachment C to this policy.

## I. Testing Procedures

### 1. Drug Testing

- a. Drug testing is conducted by analyzing a donor's urine specimen. Split urine samples will be collected in accordance with federal regulations. The donor will provide a urine sample at a designated collection site. The collection site personnel will then pour the sample into two sample bottles, labeled "primary" and "split," seal the specimen bottles, complete the chain of custody form, and prepare the specimen bottles for shipment to the testing laboratory for analysis. The specimen preparation shall be conducted in sight of the donor.

- b. If the donor is unable to provide the appropriate quantity of urine, the collection site person shall instruct the individual to drink up to forty (40) ounces of fluid distributed reasonably through a period

of up to three (3) hours to attempt to provide a sample. If the individual is still unable to provide a complete sample, the test shall be discontinued and the school district notified. The DER shall refer the donor for a medical evaluation to determine if the donor's inability to provide a specimen is genuine or constitutes a refusal to test. For pre-employment testing, the school district may elect to not have a referral made, and revoke the employment offer.

- c. Drug test results are reported directly to the MRO by the testing



laboratory. The MRO reports the results to the DER. If the results are negative, the school district is informed and no further action is necessary. If the test result is confirmed positive, adulterated, substituted, or invalid, the MRO shall give the donor an opportunity to discuss the test result. The MRO will contact the donor directly, on a confidential basis, to determine whether the donor wishes to discuss the test result. The MRO shall notify each donor that the donor has seventy-two (72) hours from the time of

notification in which to request a test of the split specimen at the donor's expense. No split specimen testing is done for an invalid result.

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



(72) hours of being instructed to do so by the DER; or

- (3) The MRO and the DER, after making and documenting all reasonable efforts, have not been able to contact the donor within ten (10) days of the date the confirmed test result was received from the laboratory.

## 2. Alcohol Testing

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

## J. Driver/Driver Applicant Rights

1. All drivers and driver applicants subject to the controlled substances testing provisions of this policy who receive a confirmed positive test result for the use of controlled substances have the right to request, at the driver’s or driver applicant’s expense, a confirming retest of the split urine sample. If the confirming retest is negative, no adverse action will be taken against the driver, and a driver applicant will be considered for employment.
2. The school district will not discharge a driver who, for the first time, receives a confirmed positive drug or alcohol test UNLESS:
  - a. The school district has first given the employee an opportunity to participate in, at the employee’s own expense or pursuant to



coverage under an employee benefit plan, either a drug or alcohol counseling or rehabilitation program, whichever is more appropriate, as determined by the school district after consultation with the SAP; and

- b. The employee refuses to participate in the recommended program, or fails to successfully complete the program as evidenced by withdrawal before its completion or by a positive test result on a confirmatory test after completion of the program.
- c. This limitation on employee discharge does not bar discharge of an employee for reasons independent of the first confirmed positive test result.

K. Testing Laboratory

The testing laboratory for controlled substances will be **[name, address, telephone number]**, which is a laboratory certified by the Department of Health and Human Services – SAMHSA to perform controlled substances testing pursuant to federal regulations.

L. Confidentiality of Test Results

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

M. Recordkeeping Requirements and Retention of Records

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

Basic records 5 years

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



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

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

N. Training

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

O. Consequences of Prohibited Conduct and Enforcement

1. Removal. The school district shall remove a driver who has engaged in prohibited conduct from safety-sensitive functions. A driver shall not be permitted to return to safety-sensitive functions until and unless the return-to-duty requirements of federal DOT regulations have been completed.
2. Referral, Evaluation, and Treatment
  - a. A driver or driver applicant who has engaged in prohibited conduct shall be provided a listing of SAPs readily available to the driver or applicant and acceptable to the school district.
  - b. If the school district offers a driver an opportunity to return to a DOT safety-sensitive duty following a violation, the driver must be evaluated by an SAP and the driver is required to successfully comply with the SAP’s evaluation recommendations (education, treatment, follow-up evaluation(s), and/or ongoing services). The school district is not required to provide an SAP evaluation or any subsequent recommended education or treatment.
  - c. Drivers are responsible for payment for SAP evaluations and services unless a collective bargaining agreement or employee benefit plan provides otherwise.
  - d. Drivers who engage in prohibited conduct also are required to comply with follow-up testing requirements.



3. Disciplinary Action

- a. Any driver who refuses to submit to post-accident, random, reasonable suspicion, or follow-up testing not only shall not perform or continue to perform safety-sensitive functions, but also may be subject to disciplinary action, which may include immediate suspension without pay and/or immediate discharge.
- b. Drivers who test positive with verification of a confirmatory test or are otherwise found to be in violation of this policy or the federal regulations shall be subject to disciplinary action, which may include immediate suspension without pay and/or immediate discharge.
- c. Nothing in this policy limits or restricts the right of the school district to discipline or discharge a driver for conduct which not only constitutes prohibited conduct under this policy but also violates the school district's other rules or policies.

P. Other Testing

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

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

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

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

1. General Limitations



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

2. Job Applicant Testing

The school district may request or require any job applicant whose position does not require a commercial driver's license to undergo drug and alcohol testing, provided a job offer has been made to the applicant and the same test is requested or required of all job applicants conditionally offered employment for that position. If a job applicant has received a job offer which is contingent on the applicant's passing drug and alcohol testing, the school district may not withdraw the offer based on a positive test result from an initial screening test that has not been verified by a confirmatory test. In the event the job offer is subsequently withdrawn, the school district shall notify the job applicant of the reason

for its action.

3. Random Testing

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

4. Reasonable Suspicion Testing

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

- a. is under the influence of drugs or alcohol;
- b. has violated the school district's written work rules prohibiting the use, possession, sale, or transfer of drugs or alcohol while the employee is working or while the employee is on the school district's premises or operating the school district's vehicles, machinery, or equipment;



- c. has sustained a personal injury, as that term is defined in Minn. Stat. § 176.011, Subd. 16, or has caused another employee to sustain a personal injury; or
- d. has caused a work-related accident or was operating or helping to operate machinery, equipment, or vehicles involved in a work-related accident.

5. Treatment Program Testing

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

6. Routine Physical Examination Testing

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

B. No Legal Duty to Test

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

C. Definitions

1. "Drug" means a controlled substance as defined in Minnesota Statutes, including medical cannabis, regardless of enrollment in the state registry program.
2. "Drug and alcohol testing," "drug or alcohol testing," and "drug or alcohol test" mean analysis of a body component sample according to the standards established under one of the programs listed in Minn. Stat. § 181.953, Subd. 1, for the purpose of measuring the presence or absence of drugs, alcohol, or their metabolites in the sample tested.



3. “Other Employees” means any persons, independent contractors, or persons working for an independent contractor who perform services for the school district for compensation, either full time or part time, in whatever form, except for persons whose positions require a commercial driver’s license, and includes both professional and nonprofessional personnel. Persons whose positions require a commercial driver’s license are primarily governed by the provisions of the school district’s drug and alcohol testing policy relating to school bus drivers (Section III.). To the extent that the drug and alcohol testing of persons whose positions require a commercial driver’s license is not mandated by federal law and

regulations, such testing shall be governed by Section IV. of this policy and the drivers shall fall within this definition of “other employees.”

4. “Job applicant” means a person, independent contractor, or person working for an independent contractor who applies to become an employee of the school district in a position that does not require a commercial driver’s license, and includes a person who has received a job offer made contingent on the person’s passing drug or alcohol testing. Job applicants for positions requiring a commercial driver’s license are governed by the provisions of the school district’s drug and alcohol testing policy relating to school bus drivers (Section III.).
5. “Positive test result” means a finding of the presence of drugs, alcohol, or their metabolites in the sample tested in levels at or above the threshold detection levels contained in the standards of one of the programs listed in Minn. Stat. § 181.953, Subd. 1.
6. “Random selection basis” means a mechanism for selection of employees that:
  - a. results in an equal probability that any employee from a group of employees subject to the selection mechanism will be selected; and
  - b. does not give the school district discretion to waive the selection of any employee selected under the mechanism.
7. “Reasonable suspicion” means a basis for forming a belief based on specific facts and rational inferences drawn from those facts.
8. “Safety-sensitive position” means a job, including any supervisory or management position, in which an impairment caused by drug or alcohol usage would threaten the health or safety of any person.

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



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

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

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

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

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

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

E. Reliability and Fairness Safeguards

1. Pretest Notice

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

2. Notice of Test Results

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

3. Notice of and Right to Test Result Report

Within three (3) working days after receipt of a test result report from the



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

4. Notice of and Right to Explain Positive Test Result

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

5. Notice of and Right to Request Confirmatory Retests

- a. If an employee or job applicant has a positive test result on a confirmatory test, the school district shall provide him or her with notice of the test results and, at the same time, written notice of the right to request a confirmatory retest of the original sample at his or her expense.
- b. An employee or job applicant may request a confirmatory retest of the original sample at his or her own expense after notice of a positive test result on a confirmatory test. Within five (5) working days after notice of the confirmatory test result, the employee or job applicant shall notify the school district in writing of his or her intention to obtain a confirmatory retest. Within three (3) working days after receipt of the notice, the school district shall notify the original testing laboratory that the employee or job applicant has requested the laboratory to conduct the confirmatory retest or to transfer the sample to another laboratory licensed under Minn. Stat. § 181.953, Subd. 1 to conduct the confirmatory retest. The original testing laboratory shall ensure that appropriate chain-of-custody



procedures are followed during transfer of the sample to the other laboratory. The confirmatory retest must use the same drug or alcohol threshold detection levels as used in the original confirmatory test. If the confirmatory retest does not confirm the original positive test result, no adverse personnel action based on the original confirmatory test may be taken against the employee or job applicant.

6. If an employee or job applicant has a positive test result on a confirmatory test, the school district, at the time of providing notice of the test results, shall also provide written notice to inform him or her of other rights provided under Sections F. or G., below, whichever is applicable.

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

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

1. The school district may not discharge, discipline, discriminate against, request, or require rehabilitation of an employee on the basis of a positive test result from an initial screening test that has not been verified by a confirmatory test.
2. In the case of a positive test result on a confirmatory test, the employee shall be subject to discipline which includes, but is not limited to, immediate suspension without pay and immediate discharge, pursuant to the provisions of this policy.
3. The school district may not discharge an employee for whom a positive test result on a confirmatory test was the first such result for the employee on a drug or alcohol test requested by the school district, unless the following conditions have been met:
  - a. The school district has first given the employee an opportunity to participate in, at the employee's own expense or pursuant to coverage under an employee benefit plan, either a drug or alcohol counseling or rehabilitation program, whichever is more appropriate, as determined by the school district after consultation with a certified chemical abuse counselor or a physician trained in the diagnosis and treatment of chemical dependency; and
  - b. The employee has either refused to participate in the counseling or rehabilitation program or has failed to successfully complete the program, as evidenced by withdrawal from the program before its completion or by a positive test result on a confirmatory test after



completion of the program.

4. Notwithstanding Paragraph 1., the school district may temporarily suspend the tested employee or transfer that employee to another position at the same rate of pay pending the outcome of the confirmatory test and, if requested, the confirmatory retest, provided the school district believes that it is reasonably necessary to protect the health or safety of the employee, co-employees or the public. An employee who has been suspended without pay must be reinstated with back pay if the outcome of

the confirmatory test or requested confirmatory retest is negative.

5. The school district may not discharge, discipline, discriminate against, request, or require rehabilitation of an employee on the basis of medical history information or the employee's status as a patient enrolled in the medical cannabis registry program revealed to the school district, unless the employee was under an affirmative duty to provide the information before, upon, or after hire, or failing to do so would violate federal law or regulations or cause the school district to lose money or licensing-related benefit under federal law or regulations.
6. The school district may not discriminate against any employee in termination, discharge, or any term of condition of employment or otherwise penalize an employee based upon an employee registered patient's positive drug test for cannabis components or metabolites, unless the employee used, possessed, or was impaired by medical cannabis on school district property during the hours of employment.
7. An employee must be given access to information in his or her personnel file relating to positive test result reports and other information acquired in the drug and alcohol testing process and conclusions drawn from and actions taken based on the reports or other acquired information.

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

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

H. Chain-of-Custody Procedures

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



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

I. Privacy, Confidentiality and Privilege Safeguards

1. Privacy Limitations

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

2. Confidentiality Limitations

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

3. Exceptions to Privacy and Confidentiality Disclosure Limitations

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

4. Privilege



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

J. Notice of Testing Policy to Affected Employees

The school district shall provide written notice of this drug and alcohol testing policy to all affected employees upon adoption of the policy, to a previously non-

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

V. **POSTING**

The school district shall post notice in an appropriate and conspicuous location on its premises that it has adopted a drug and alcohol testing policy and that copies of the

policy are available for inspection during regular business hours by its employees or job applicants in its personnel office or other suitable locations.

**Legal References:**

Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)  
Minn. Stat. Ch. 43A (State Personnel Management)  
Minn. Stat. § 152.22 (Medical Cannabis; Definitions)  
Minn. Stat. § 152.23 (Medical Cannabis; Limitations)  
Minn. Stat. § 152.32 (Protections for Registry Program Participation)  
Minn. Stat. §§ 181.950-181.957 (Drug and Alcohol Testing in the Workplace)  
Minn. Stat. § 221.031 (Motor Carrier Rules)  
49 U.S.C. § 31306 (Omnibus Transportation Employee Testing Act of 1991)  
49 U.S.C. § 521(b) (Civil and Criminal Penalties for Violations)  
49 C.F.R. Parts 40 and 382 (Department of Transportation Rules Implementing Omnibus Transportation Employee Testing Act of 1991)

**Cross-References:**

MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)  
MSBA/MASA Model Policy 406 (Public and Private Personnel Data)  
MSBA/MASA Model Policy 417 (Chemical Use and Abuse)  
MSBA/MASA Model Policy 418 (Drug-Free Workplace/Drug-Free School)



*Hastings Public School District  
ISD #200*

*Policy Reviewed: 11/10/2020*

*Policy Adopted:*

*Policy Revised:*



## 417 CHEMICAL USE AND ABUSE

~~*[Note: This policy reflects mandatory provisions of state and federal law and is not discretionary.]*~~

### I. PURPOSE

The school board recognizes that chemical use and abuse constitutes a grave threat to the physical and mental well-being of students and employees and significantly impedes the learning process. Chemical use and abuse also creates significant problems for society in general. The school board believes that the public school has a role in education, intervention, and prevention of chemical use and abuse. The purpose of this policy is to assist the school district in its goal to prevent chemical use and abuse by providing procedures for education and intervention.

### II. GENERAL STATEMENT OF POLICY

- A. Use of controlled substances, medical cannabis, toxic substances, and alcohol is prohibited in the school setting in accordance with school district policies with respect to a Drug-Free Workplace/Drug-Free School.
- B. The policy of this school district is to provide an instructional program in every elementary and secondary school in chemical abuse and the prevention of chemical dependency.
- C. The school district shall establish and maintain in every school a chemical abuse preassessment team. The team is responsible for addressing reports of chemical abuse problems and making recommendations for appropriate responses to the individual reported cases.
- D. The superintendent, with the advice of the school board, shall be responsible for establishing a school and community advisory team to address chemical abuse problems in the district, as necessary.
- E. The school district shall establish and maintain a program to educate and assist employees, students and others in understanding this policy and the goals of achieving drug-free schools and workplaces.

~~*[Note: Comprehensive drug prevention programs are required to be adopted and carried out by school districts pursuant to the Safe and Drug-Free Schools and Communities Act. In addition, school districts are required by the Drug-Free Workplace Act to establish drug-free awareness programs for school district employees. Further, state law authorizes school*~~



~~districts to provide instructional programs in chemical abuse and the prevention of chemical dependency.]~~

### III. DEFINITIONS

- A. “Chemical abuse” means use of any psychoactive or mood-altering chemical substance, without compelling medical reason, in a manner that induces mental, emotional, or physical impairment and causes socially dysfunctional or socially disordering behavior, to the extent that the student’s normal function in academic, school, or social activities is chronically impaired.
- B. “Chemicals” includes, but is not limited to, alcohol, toxic substances, medical cannabis, and controlled substances as defined in the school district’s Drug-Free Workplace/Drug-Free School policy.
- C. “Use” includes to sell, buy, manufacture, distribute, dispense, use, or be under the influence of alcohol and/or controlled substances, whether or not for the purpose of receiving remuneration.
- D. “School location” includes any school building or on any school premises; on any school-owned vehicle or in any other school-approved vehicle used to transport students to and from school or school activities; off-school property at any school-sponsored or school-approved activity, event, or function, such as a field trip or athletic event, where students are under the jurisdiction of the school district; or during any period of time such employee is supervising students on behalf of the school district or otherwise engaged in school district business.

### IV. STUDENTS

- A. Instruction
  - 1. Every school shall provide an instructional program in chemical abuse and the prevention of chemical dependency. The school district may involve parents, students, health care professionals, state department staff, and members of the community in developing the curriculum.

~~*[Note: The Safe and Drug-Free Schools and Communities Act requires school districts to adopt and carry out a comprehensive drug and violence prevention program with funds received. Since a comprehensive drug prevention program is required and a school district is specifically authorized by state law to provide instructional programs in chemical abuse and the prevention of chemical dependency, this should be a component of each school district’s mandatory program. In addition, the Safe and Drug-Free Schools and Communities Act specifies additional items which may be included as part of the mandatory comprehensive drug prevention program. Some of the suggested items relating to instruction or training are detailed in Paragraphs 2. through 6. below and a*~~



*school district may wish to adopt one or all of the listed components as part of its mandatory program.]*

2. Each school shall have age-appropriate and developmentally based activities that:
  - a. address the consequences of violence and the illegal use of drugs, as appropriate;
  - b. promote a sense of individual responsibility;
  - c. teach students that most people do not illegally use drugs;
  - d. teach students to recognize social and peer pressure to use drugs illegally and the skills for resisting illegal drug use;
  - e. teach students about the dangers of emerging drugs;
  - f. engage students in the learning process; and
  - g. incorporate activities in secondary schools that reinforce prevention activities implemented in elementary schools.
3. Each school shall have activities that involve families, community sectors (which may include appropriately trained seniors), and a variety of drug and violence prevention providers in setting clear expectations against violence and illegal use of drugs and appropriate consequences for violence and illegal use of drugs.
4. Each school shall disseminate drug and violence prevention information within the school and to the community.
5. Each school shall have professional development and training for, and involvement of, school personnel, student services personnel, parents, and interested community members in prevention, education, early identification and intervention, mentoring, or rehabilitation referral, as related to drug and violence prevention.
6. Each school shall have drug and violence prevention activities that may include the following:
  - a. Community-wide planning and organizing activities to reduce violence and illegal drug use, which may include gang activity prevention.



- b. The hiring and mandatory training, based on scientific research, of school security personnel who interact with students in support of youth drug and violence prevention activities under this policy that are implemented in the school.
- c. Conflict resolution programs, including peer mediation programs that educate and train peer mediators and a designated faculty supervisor, and youth anti-crime and anti-drug councils and activities.
- d. Counseling, mentoring, referral services, and other student assistance practices and programs, including assistance provided by qualified school-based mental health services providers and the training of teachers by school-based mental health services providers in appropriate identification and intervention techniques for students at risk of violent behavior and illegal use of drugs.
- e. Programs that encourage students to seek advice from, and to confide in, a trusted adult regarding concerns about violence and illegal drug use.

**B. Reports of Chemical Use and Abuse**

1. In the event that a school district employee knows that a student is abusing, possessing, transferring, distributing, or selling chemicals in a school location:
  - a. The employee shall immediately either take the student to an administrator or notify an appropriate administrator of the observation and continue to observe the student until the administrator arrives.
  - b. The administrator will notify the student's parents. If there is a medical emergency, the administrator will notify the school nurse and/or outside medical personnel as appropriate.
  - c. The administrator will notify law enforcement officials, the student's counselor, and the chemical preassessment team.
  - d. The administrator and/or law enforcement officials will confiscate the chemicals and/or conduct a search of the student's person, effects, locker, vehicle, or areas within the student's control. Searches by school district officials shall be in accordance with school board policies regarding search and seizure.
  - e. The school district will take appropriate disciplinary action in



compliance with the student discipline code. Such discipline may include immediate suspension, initiation of expulsion proceedings, and/or referral to a detoxification center or medical center.

2. If a school district employee has reason to believe that a student is abusing, possessing, transferring, distributing, or selling chemicals:
  - a. The employee shall notify the building administrator or a member of the preassessment team and shall describe the basis for the suspicion. The building administrator and/or team will determine what action should be taken. Action may include conducting an investigation, gathering data, scheduling a conference with the student or parents, or providing a meeting between a single member of the team and the student to discuss the behaviors that have been reported and attempting to ascertain facts regarding chemical abuse.
  - b. The team may determine there is no chemical abuse. If the team determines there is chemical abuse, the team will select an appropriate course of action, which may include referral to a school counselor; referral to a treatment program; referral for screening, assessment, and treatment planning; participation in support groups; or other appropriate measures.
3. Students involved in the abuse, possession, transfer, distribution, or sale of chemicals shall be suspended in compliance with the student discipline policy and the Pupil Fair Dismissal Act, Minn. Stat. § 121A.40-121A.56, and proposed for expulsion.
4. Searches by school district officials in connection with the abuse, possession, transfer, distribution, or sale of chemicals will be conducted in accordance with school board policies related to search and seizure.

C. Preassessment Team

1. Every school shall have a chemical abuse preassessment team designated by the superintendent or designee. The team will be composed of classroom teachers, administrators, and other appropriate professional staff to the extent they exist in each school, such as the school nurse, school counselor or psychologist, social worker, chemical abuse specialist, or others.
2. The team is responsible for addressing reports of chemical abuse problems and making recommendations for appropriate responses to the individual reported cases.
3. Within forty-five (45) days after receiving an individual reported case, the



team shall make a determination whether to provide the student and, in the case of a minor, the student's parents with information about school and community services in connection with chemical abuse.

D. Data Practices

1. Student data may be disclosed without consent in health and safety emergencies pursuant to Minn. Stat. § 13.32 and applicable federal law and regulations.
2. Destruction of Records
  - a. If the preassessment team decides not to provide a student and, in the case of a minor, the student's parents with information about school or community services in connection with chemical abuse, records created or maintained by the team about the student shall be destroyed not later than six (6) months after the determination is made.
  - b. If the team decides to provide the student and, in the case of a minor or a dependent student, the student's parents with such information, records created or maintained by the team about the student shall be destroyed not later than six (6) months after the student is no longer enrolled in the district.
  - c. This section shall govern destruction of records notwithstanding provisions of the Records Management Act, Minn. Stat. § 138.163.

E. Consent

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

F. School and Community Advisory Team

1. The superintendent, with the advice of the school board, shall establish a school and community advisory team to address chemical abuse problems. The advisory team will be composed of representatives from the school pre assessment teams to the extent possible, law enforcement agencies, county attorney's office, social service agencies, chemical abuse treatment programs, parents, and the business community.
2. The advisory team shall:
  - a. build awareness of the problem within the community, identify



available treatment and counseling programs for students, and develop good working relationships and enhance communication between the schools and other community agencies; and

- b. develop a written procedure clarifying the notification process to be used by the chemical abuse pre assessment team when a student is believed to be in possession of or under the influence of alcohol or a controlled substance. The procedure must include contact with the student and the student's parents or guardian in the case of a minor student.

## V. EMPLOYEES

- A. The superintendent or designee shall undertake and maintain a drug-free awareness and prevention program to inform employees, students, and others about:
  1. The dangers and health risks of chemical abuse in the workplace/school.
  2. The school district's drug-free workplace/drug-free school policy.
  3. Any available drug or alcohol counseling, treatment, rehabilitation, re-entry, and/or assistance programs available to employees and/or students.
  4. The penalties that may be imposed on employees for drug abuse violations.
- B. The superintendent or designee shall notify any federal granting agency required to be notified under the Drug-Free Workplace Act within ten (10) days after receiving notice of a conviction of an employee for a criminal drug statute violation occurring in the workplace. To facilitate the giving of such notice, any employee aware of such a conviction shall report the same to the superintendent.

~~*[Note: Notification to the federal granting agency within ten (10) days is required by the Drug Free Workplace Act. 41 U.S.C. § 8103.]*~~

### *Legal References:*

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



34 C.F.R. Part 84 (Government-wide Requirements for Drug-Free Workplace)

***Cross References:***

MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)

MSBA/MASA Model Policy 416 (Drug and Alcohol Testing)

MSBA/MASA Model Policy 418 (Drug-Free Workplace/Drug Free School)

MSBA/MASA Model Policy 502 (Search of Student Lockers, Desks, Personal Possessions, and Student's Person)

MSBA/MASA Model Policy 506 (Student Discipline)

MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil Records)

MSBA/MASA Model Policy 527 (Student Use and Parking of Motor Vehicles; Patrols, Inspections, and Searches)

*Policy Reviewed: 11/10/2020*

*Policy Adopted:*

*Policy Revised:*



## 432 Employee Use of Online Social Media

### I. Purpose

District 200 recognizes the value and increasing role of online social media. The purpose of this regulation is to address the use of social media in the classroom and also to provide guidance to employees on the maintenance of professional ethics and boundaries when utilizing social media in their personal and professional lives.

### II. Definitions

- A. **Public online social media** are defined to include: Websites, Web logs (blogs), wikis, social networks, online forums, virtual worlds, and any other interactive social media generally available to the public on the Internet (e.g., Facebook, Twitter, LinkedIn, Flickr, YouTube,, etc.).
- B. **District-approved, password-protected online social media** are interactive media within the district's electronic technologies network or which the district has approved for educational use. The district has greater authority and responsibility to protect minors from inappropriate content and can limit public access within this forum.

### III. Classroom Use of Online Social Media

Teachers may elect to utilize district-approved, password-protected online social media in the classroom for purposes of instruction. Teachers may also elect to use public online social media in the classroom for purposes of instruction. Use of online social media in the classroom is subject to the following:

- A. When using either type of online social media in the classroom, teachers shall instruct students on the appropriate use of such sites as described in Policy 524 Acceptable Use, Each site must ensure that a signed, permission for Student Access to the Internet, is on file for each student using the Internet in the classroom.
- B. Teachers should use caution that private student data, as outlined in Policy 515 Protection and Privacy of Pupil Records, and work is not made public on public online social media sites without written permission.
- C. When utilizing either type of online social media in the classroom, teachers shall ensure compliance with any applicable terms of use of the online social media site.

### IV. Personal Use of Public Online Social Media By Employees



The decision to make personal use of public online social media is left to the discretion of each employee. District 200 does not affirmatively monitor employee use of public online social media; however, it may take appropriate responsive action when it becomes aware of, or suspects, conduct or communication on a public online social media site that adversely affects the workplace or violates applicable professional codes of ethics. Employees will be held responsible for their disclosure, whether purposeful or inadvertent, of confidential or private information, information that violates the privacy rights or other rights of a third party, or for the content of anything communicated by the employee on any online social media site. An employee who fails to comply with the guidance set forth in this regulation may be subject to disciplinary and other consequences, up to and including termination, subject to applicable collective bargaining agreements. For that reason, employees shall observe the following when using public online social media:

- A. Employees must consider their role as school personnel before posting or communicating content that is obscene, profane, vulgar, harassing, threatening, bullying, libelous, or defamatory or that discusses or encourages any illegal activity or the inappropriate use of alcohol, use of illegal drugs, sexual behavior or sexual harassment.
- B. Views expressed on a public online social media site are the employee's alone and do not necessarily reflect the views of District 200. Employees may not act as a spokesperson for the district or post comments as a representative of the district, except as authorized by the superintendent or the superintendent's designee.
- C. Employees may not disclose information on any public online social media site that is private, confidential or proprietary to District 200, its students, or employees or that is protected by data privacy laws or Policy 515, Protection and Privacy of Pupil Records.
- D. Employees may not use or post the District 200 or a school logo on any public online social media site without permission from the superintendent, the school principal, or designee.
- E. District 200 recognizes that student groups or members of the public may create public online social media representing students or groups within the district. When employees, including coaches/advisors, choose to join or engage with these social networking groups, they do so as an employee of the district.
- F. Employees have responsibility for maintaining appropriate employee-student relationships at all times. This includes using professional judgment when necessary for the safety of students online and responding appropriately as a mandated reporter when applicable.

**V. Official School or District Public Online Social Media Sites**

District 200 and individual schools and departments may choose to establish an official presence on



public online social media sites with prior administrative approval. When such a presence is established, an employee shall be designated as the website manager and log-in credentials must be shared with the website manager's supervisor and the school district's coordinator of technology. The website manager is responsible for keeping the website updated and monitoring the content on the website.

Sites may be linked from the school district or school's official District 200 homepage and must otherwise comply with applicable provisions for District Websites. The website manager is responsible for ensuring compliance with applicable records retention requirements.

*References:* Minnesota Administrative Rule 3512.5200, Code of Ethics For School Administrators

Minnesota Administrative Rule 8700.7500, Code of Ethics For Minnesota Teachers

47 U.S.C § 254 (h), Children's Internet Protection Act - Administrative Regulation

Policy 524 Acceptable use of Internet

Policy 515, Protection and Privacy of Pupil Records.

*Policy Reviewed: 11/10/2020*

*Policy Revised:*

*Policy Adopted:*



## 601 SCHOOL DISTRICT CURRICULUM AND INSTRUCTION GOALS

~~[Note: Minn. Stat. § 120B.11 requires school districts to adopt a comprehensive long-term strategic plan that addresses the review of curriculum, instruction, student achievement, and assessment. MSBA/MASA Model Policies 601, 603, and 616 address these statutory requirements. In addition, MSBA/MASA Model Policies 613-615 and 617-620 provide procedures to further implement the requirements of Minn. Stat. § 120B.11.]~~

### I. PURPOSE

The purpose of this policy is to establish broad curriculum parameters for the school district that encompass the Minnesota Academic Standards and federal law and are aligned with creating the world's best workforce.

### II. GENERAL STATEMENT OF POLICY

The policy of the school district is to establish the "World's Best Workforce" in which all learning in the school district should be directed and for which all school district learners should be held accountable.

### III. DEFINITIONS

- A. "Academic standard" means a summary description of student learning in a required content area or elective content area.
- B. "Benchmark" means specific knowledge or skill that a student must master to complete part of an academic standard by the end of the grade level or grade band.
- C. "Curriculum" means district or school adopted programs and written plans for providing students with learning experiences that lead to expected knowledge, skills, and career and college readiness.
- D. "Resources" means the textbooks, online programs and supplementary materials used by educators to deliver the defined curriculum.
- ~~E.D.~~ "Instruction" means methods of providing learning experiences that enable students to meet state and district academic standards and graduation requirements.
- ~~EE.~~ "Performance measures" are measures to determine school district and school site progress in striving to create the World's Best Workforce and must include at least the following:



1. the size of the academic achievement gap and rigorous course taking, including college-level advanced placement, international baccalaureate, postsecondary enrollment options, including concurrent enrollment, other rigorous courses of study or industry certification courses or programs, and enrichment experiences by student subgroup;
2. student performance on the Minnesota Comprehensive Assessments;
3. high school graduation rates; and
4. career and college readiness under Minn. Stat. § 120B.30, Subd. 1.

**G.F.**—“World’s **B**est **W**orkforce” means striving to: meet school readiness goals; have all third-grade students achieve grade-level literacy; close the academic achievement gap among all racial and ethnic groups of students and between students living in poverty and students not living in poverty; have all students attain career and college readiness before graduating from high school; and have all students graduate from high school.

**G.**—“~~Experiential learning~~” means learning for students that includes career exploration through a specific class or course or through work-based experiences such as job shadowing, mentoring, entrepreneurship, service learning, volunteering, internships, other cooperative work experience, youth apprenticeship, or employment.

**Commented [1]:** Not sure we need to include a definition of experiential learning.

#### IV. LONG-TERM STRATEGIC PLAN

- A. The school board, at a public meeting, shall adopt a comprehensive, long-term strategic plan to support and improve teaching and learning that is aligned with creating the world’s best workforce and includes the following:
  1. clearly defined school district and school site goals and benchmarks for instruction and student achievement for all student categories identified in state and federal law;

***[Note: MSBA/MASA Model Policy 601, Section IV.B. and MSBA/MASA Model Policy 616 address this requirement.]***

2. a process to assess and evaluate each student’s progress toward meeting state and local academic standards, assess and identify students for participation in gifted and talented programs and accelerate their instruction, adopt procedures for early admission to kindergarten or first grade of gifted and talented learners which are sensitive to under-represented groups, and identify the strengths and weaknesses of instruction in pursuit of student and school success and curriculum



\_\_\_\_\_ affecting students' progress and growth toward career and college readiness and leading to the world's best workforce;

**Commented [2]:** Just need to eliminate the space within this paragraph.

*~~[Note: MSBA/MASA Model Policy 618 addresses this requirement.]~~*

3. a system to periodically review and evaluate the effectiveness of all instruction and curriculum, taking into account strategies and best practices, student outcomes, principal evaluations under Minn. Stat. § 123B.147, Subd. 3, students' access to effective teachers who are members of populations under-represented among the licensed teachers in the district or school and who reflect the diversity of enrolled students under Minn. Stat. § 120B.35, Subd. 3(b)(2), and teacher evaluations under Minn. Stat. § 122A.40, Subd. 8, or 122A.41, Subd. 5;

*~~[Note: MSBA/MASA Model Policy 616 addresses this requirement.]~~*

4. strategies for improving instruction, curriculum, and student achievement, including the English and, where practicable, the native language development and the academic achievement of English learners;

*~~[Note: MSBA/MASA Model Policy 616 addresses this requirement.]~~*

5. a process to examine the equitable distribution of teachers and strategies to ensure low-income and minority children are not taught at higher rates than other children by inexperienced, ineffective, or out-of-field teachers;
6. education effectiveness practices that integrate high-quality instruction, rigorous curriculum, technology, and a collaborative professional culture that develops and supports teacher quality, performance, and effectiveness; and
7. an annual budget for continuing to implement the school district plan.

B. School district site and school site goals shall include the following:

1. All students will be required to demonstrate essential skills to effectively participate in lifelong learning.\* These skills include the following:

*~~[\*Note: The criteria for acceptable performance in basic skills areas may need to be modified for students with unique learning needs. These modifications will be reflected in the Individualized Education Program (IEP) or Rehabilitation Act Section 504 Accommodation plan.]~~*

- a. reading, writing, speaking, listening, and viewing in the English language;
- b. mathematical and scientific concepts;



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- c. locating, organizing, communicating, and evaluating information and developing methods of inquiry (i.e., problem solving);
  - d. creative and critical thinking, decision making, and study skills;
  - e. work readiness skills;
  - f. global and cultural understanding.
2. Each student will have the opportunity and will be expected to develop and apply essential knowledge that enables that student to:
  - a. live as a responsible, productive citizen and consumer within local, state, national, and global political, social, and economic systems;
  - b. bring many perspectives, including historical, to contemporary issues;
  - c. develop an appreciation and respect for democratic institutions;
  - d. communicate and relate effectively in languages and with cultures other than the student's own;
  - e. practice stewardship of the land, natural resources, and environment;
  - f. use a variety of tools and technology to gather and use information, enhance learning, solve problems, and increase human productivity.
3. Students will have the opportunity to develop creativity and self-expression through visual and verbal images, music, literature, world languages, movement, and the performing arts.
4. School practices and instruction will be directed toward developing within each student a positive self-image and a sense of personal responsibility for:
  - a. establishing and achieving personal and career goals;
  - b. adapting to change;
  - c. leading a healthy and fulfilling life, both physically and mentally;
  - d. living a life that will contribute to the well-being of society;
  - e. becoming a self-directed learner;



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- f. exercising ethical behavior.
5. Students will be given the opportunity to acquire human relations skills necessary to:
    - a. appreciate, understand, and accept human diversity and interdependence;
    - b. address human problems through team effort;
    - c. resolve conflicts with and among others;
    - d. function constructively within a family unit;
    - e. promote a multicultural, gender-fair, disability-sensitive society.

*[Note: School-district and site goals example courtesy of the Winona School District.]*

- C. Every child is reading at or above grade level no later than the end of grade 3, including English learners, and teachers provide comprehensive, scientifically based reading instruction, including a program or collection of instructional practices that is based on valid, replicable evidence showing that, when the programs or practices are used, students can be expected to achieve, at a minimum, satisfactory reading progress. The program or collection of practices must include, at a minimum, effective, balanced instruction in all five areas of reading (phonemic awareness, phonics, fluency, vocabulary development, and reading comprehension), as well as instructional strategies for continuously assessing, evaluating, and communicating the student's reading progress and needs.
  1. The school district must identify, before the end of kindergarten, grade 1, and grade 2, all students who are not reading at grade level. Students identified as not reading at grade level by the end of kindergarten, grade 1, and grade 2 must be screened for characteristics of dyslexia, unless a different reason for the reading difficulty has been identified.
  2. Students in grade 3 or higher who demonstrate a reading difficulty to a classroom teacher must be screened for characteristics of dyslexia, unless a different reason for the reading difficulty has been identified.

*[Note: According to Minnesota statutes, dyslexia screening is to be conducted in a locally determined manner.]*

3. Reading assessments in English and in the predominant languages of district students, where practicable, must identify and evaluate students' areas of academic need related to literacy. The school district also must monitor the progress and provide reading instruction appropriate to the specific needs



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of English learners. The school district must use locally adopted, developmentally appropriate, and culturally responsive assessment and annually report summary assessment results to the Commissioner of Education by July 1.

4. The school district must annually report to the Commissioner of Education by July 1 a summary of the district's efforts to screen and identify students who demonstrate characteristics of dyslexia using screening tools such as those recommended by the Minnesota Department of Education's dyslexia specialist. With respect to students screened or identified under paragraph
  - a. the report must include:
    - i. a summary of the district's efforts to screen for dyslexia;
    - ii. the number of students screened for that reporting year; and
    - iii. the number of students demonstrating characteristics of dyslexia for that year.
5. A student identified as having a reading difficulty must be provided with alternate instruction under Minn. Stat. § 125A.56, Subd. 1.
6. At least annually, the school district must give the parent of each student who is not reading at or above grade level timely information about:
  - a. the student's reading proficiency as measured by a locally adopted assessment;
  - b. reading-related services currently being provided to the student and the student's progress; and
  - c. strategies for parents to use at home in helping their students succeed in becoming grade-level proficient in reading English and their native languages.

This provision may not be used to deny a student's right to a special education evaluation.

7. For each student who is not reading at or above grade level, the school district shall provide reading intervention to accelerate student growth and reach the goal of reading at or above grade level by the end of the current grade and school year. If a student does not read at or above grade level by the end of grade 3, the school district must continue to provide reading intervention until the student reads at grade level. Intervention methods shall encourage family engagement and, where possible, collaboration with



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appropriate school and community programs. Intervention methods may include, but are not limited to, requiring attendance in summer school, intensified reading instruction that may require that the student be removed from the regular classroom for part of the school day, extended day programs, or programs that strengthen students' cultural connections.

~~[Note: School districts are strongly encouraged, but not required, to provide personal learning plans, as provided in Paragraph 8.]~~

8. The school district will provide a personal learning plan for a student who is unable to demonstrate grade-level proficiency, as measured by the statewide reading assessment in grade 3. The school district will determine the format of the personal learning plan in collaboration with the student's educators and other appropriate professionals. The school district will develop the personal learning plan in consultation with the student's parent or guardian. The personal learning plan will address knowledge gaps and skill deficiencies through strategies such as specific exercises and practices during and outside of the school day, periodic assessments, and reasonable timelines. The personal learning plan may include grade retention if it is in the student's best interest. The student's school will maintain and regularly update and modify the personal learning plan until the student reads at grade level. This paragraph does not apply to a student under an Individualized Education Program.

**Legal References:** Minn. Stat. § 120B.018 (Definitions)  
Minn. Stat. § 120B.02 (Educational Expectations for Minnesota Students)  
Minn. Stat. § 120B.11 (School District Process)  
Minn. Stat. § 120B.12 (Reading Proficiently no Later than the End of Grade 3)  
Minn. Stat. § 120B.30, Subd. 1 (Statewide Testing and Reporting System)  
Minn. Stat. § 120B.35, Subd. 3 (Student Academic Achievement and Growth)  
Minn. Stat. § 122A.40, Subd. 8 (Employment; Contracts; Termination)  
Minn. Stat. § 122A.41, Subd. 5 (Teacher Tenure Act; Cities of the First Class; Definitions)  
Minn. Stat. § 123B.147, Subd. 3 (Principals)  
Minn. Stat. § 125A.56, Subd. 1 (Alternate Instruction Required)  
  
20 U.S.C. § 5801, *et seq.* (National Education Goals 2000)  
20 U.S.C. § 6301, *et seq.* (Every Student Succeeds Act)

**Cross References:** MSBA/MASA Model Policy 104 (School District Mission Statement)  
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,



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Modifications, and Exemptions for IEPs, Section 504 Plans, and LEP Students)  
MSBA/MASA Model Policy 616 (School District System Accountability)  
MSBA/MASA Model Policy 618 (Assessment of Student Achievement)

*Policy Reviewed:*

*Policy Adopted:*

*Policy Revised:*



## 603 CURRICULUM DEVELOPMENT

~~*[Note: Minn. Stat. § 120B.11 requires school districts to adopt a comprehensive long-term strategic plan that addresses the review of curriculum, instruction, student achievement, and assessment. MSBA/MASA Model Policies 601, 603, and 616 address these statutory requirements. In addition, MSBA/MASA Model Policies 613-615 and 617-620 provide procedures to further implement the requirements of Minn. Stat. § 120B.11.]*~~

### I. PURPOSE

The purpose of this policy is to provide direction for continuous review and improvement of the school curriculum.

### II. GENERAL STATEMENT OF POLICY

Curriculum development shall be directed toward the fulfillment of the goals and objectives of the education program of the school district.

### III. RESPONSIBILITY

- A. The superintendent shall be responsible for curriculum development and for determining the most effective way of conducting research on the school district's curriculum needs and establishing a long range curriculum development program. Timelines shall be determined by the superintendent that will provide for periodic reviews of each curriculum area.
- B. A district advisory committee shall provide assistance at the request of the superintendent. The advisory committee membership shall be a reflection of the community and, to the extent possible, shall reflect the diversity of the district and its school sites, and shall include parent, teacher, support staff, student, community residents, and administration representation, and shall provide translation to the extent appropriate and practicable. Whenever possible, parents and other community residents shall comprise at least two-thirds of advisory committee members.
- C. Within the ongoing process of curriculum development, the following needs shall be addressed:
  - 1. Provide for articulation of courses of study from kindergarten through grade twelve.



2. Identify minimum objectives for each course and at each elementary grade level.
  3. Provide for continuing evaluation of programs for the purpose of attaining school district objectives.
  4. Provide a program for ongoing monitoring of student progress.
  5. Provide for specific, particular, and special needs of all members of the student community.
  6. Develop a local literacy plan to have every child reading at or above grade level no later than the end of grade 3, including English learners, and teachers providing comprehensive, scientifically based reading instruction consistent with law.
  7. Integrate required and elective course standards in the scope and sequence of the district curriculum.
  8. Meet all applicable requirements of the Minnesota Department of Education and federal law.
- D. Students identified as not reading at grade level by the end of kindergarten, grade 1, and grade 2 must be screened for characteristics of dyslexia. Students in grade 3 or higher who demonstrate a reading difficulty to a classroom teacher must be screened for characteristics of dyslexia, unless a different reason for the reading difficulty has been identified. See Minn. Stat. § 120B.12, Subd. 2.
- E. Students who do not meet or exceed Minnesota academic standards, as measured by the Minnesota Comprehensive Assessments that are administered during high school, shall be informed that admission to a public school is free and available to any resident under 21 years of age or who meets the requirements of Minn. Stat. § 120A.20, Subd. 1(c). A student's plan under this section shall continue while the student is enrolled.
- F. The superintendent shall be responsible for keeping the school board informed of all state-mandated curriculum changes, as well as recommended discretionary changes, and for periodically presenting recommended modifications for school board review and approval.
- G. The superintendent shall have discretionary authority to develop guidelines and directives to implement school board policy relating to curriculum development.

**Legal References:** Minn. Stat. § 120B.10 (Findings; Improving Instruction and Curriculum)  
Minn. Stat. § 120B.11 (School District Process)



Minn. Stat. § 120B.12 (Reading Proficiently no Later than the End of Grade 3)  
Minn. Stat. § 120B.125(f) (Planning for Students' Successful Transition to Postsecondary Education and Employment)  
Minn. Rules Part 3500.0550 (Inclusive Educational Program)  
Minn. Rules Parts 3501.0640-3501.0655 (Academic Standards for Language Arts)  
Minn. Rules Parts 3501.0700-3501.0745 (Academic Standards for Mathematics)  
Minn. Rules Parts 3501.0800-3501.0815 (Academic Standards for the Arts)  
Minn. Rules Parts 3501.0900-3501.0955 (Academic Standards in Science)  
Minn. Rules Parts 3501.1000-3501.1190 (Graduation-Required Assessment for Diploma) (repealed Minn. L. 2013, Ch. 116, Art. 2, § 22)  
Minn. Rules Parts 3501.1200-3501.1210 (Academic Standards for English Language Development)  
Minn. Rules Parts 3501.1300-3501.1345 (Academic Standards for Social Studies)  
Minn. Rules Parts 3501.1400-3501.1410 (Academic Standards for Physical Education)  
20 U.S.C. § 6301, *et seq.* (Every Student Succeeds Act)

***Cross References:***

MSBA/MASA Model Policy 604 (Instructional Curriculum)  
MSBA/MASA Model Policy 605 (Alternative Programs)  
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 616 (School District System Accountability)  
MSBA/MASA Model Policy 617 (School District Ensurance of Preparatory and High School Standards)  
MSBA/MASA Model Policy 618 (Assessment of Student Achievement)  
MSBA/MASA Model Policy 619 (Staff Development for Standards)  
MSBA/MASA Model Policy 620 (Credit for Learning)  
MSBA/MASA Model Policy 623 (Mandatory Summer School Instruction)

*Policy Reviewed:*

*Policy Adopted:*

*Policy Revised:*



## **606 TEXTBOOKS AND INSTRUCTIONAL MATERIALS**

### **I. PURPOSE**

The purpose of this policy is to provide direction for selection of textbooks and instructional materials.

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

The school board recognizes that selection of textbooks and instructional materials is a vital component of the school district's curriculum. The school board also recognizes that it has the authority to make final decisions on selection of all textbooks and instructional materials.

### **III. RESPONSIBILITY OF SELECTION**

- A. While the school board retains its authority to make final decisions on the selection of textbooks and instructional materials, the school board recognizes the expertise of the professional staff and the vital need of such staff to be primarily involved in the recommendation of textbooks and instructional materials. Accordingly, the school board delegates to the superintendent the responsibility to direct the professional staff in formulating recommendations to the school board on textbooks and other instructional materials.
- B. In reviewing textbooks and instructional materials during the selection process, the professional staff shall select materials which:
1. support the goals and objectives of the education programs;
  2. consider the needs, age, and maturity of students;
  3. foster respect and appreciation for cultural diversity and varied opinion;
  4. fit within the constraints of the school district budget;
  5. are in the English language. Another language may be used, pursuant to Minn. Stat. § 124D.61;
  6. permit grade-level instruction for students to read and study America's founding documents, including documents that contributed to the foundation or maintenance of America's representative form of limited



government, the Bill of Rights, our free-market economic system, and patriotism; and

7. do not censor or restrain instruction in American or Minnesota state history or heritage based on religious references in original source documents, writings, speeches, proclamations, or records.

- C. The superintendent shall be responsible for developing procedures and guidelines to establish an orderly process for the review and recommendation of textbooks and other instructional materials by the professional staff. Such procedures and guidelines shall provide opportunity for input and consideration of the views of students, parents, and other interested members of the school district community. This procedure shall be coordinated with the school district's curriculum development effort and may utilize advisory committees.

#### **IV. SELECTION OF TEXTBOOKS AND OTHER INSTRUCTIONAL MATERIALS**

- A. The superintendent shall be responsible for keeping the school board informed of progress on the part of staff and others involved in the textbook and other instructional materials review and selection process.
- B. The superintendent shall present a recommendation to the school board on the selection of textbooks and other instructional materials after completion of the review process as outlined in this policy.

#### **V. RECONSIDERATION OF TEXTBOOKS OR OTHER INSTRUCTIONAL MATERIALS**

- A. The school board recognizes differences of opinion on the part of some members of the school district community relating to certain areas of the instruction program. Interested persons may request an opportunity to review materials and submit a request for reconsideration of the use of certain textbooks or instructional materials.
- B. The superintendent shall be responsible for the development of guidelines and procedures to identify the steps to be followed to seek reconsideration of textbooks or other instructional materials.
- C. The superintendent shall present a procedure to the school board for review and approval regarding reconsideration of textbooks or other instructional materials. When approved by the school board, such procedure shall be an addendum to this policy.



- Legal References:*** Minn. Stat. § 120A.22, Subd. 9 (Compulsory Instruction – Curriculum)  
Minn. Stat. § 120B.235 (American Heritage Education)  
Minn. Stat. § 123B.02, Subd. 2 (General Powers of Independent School Districts)  
Minn. Stat. § 123B.09, Subd. 8 (School Board Responsibilities)  
Minn. Stat. § 124D.59-124D.61 (Limited English Proficiency)  
Minn. Stat. § 127A.10 (State Officials and School Board Members to be Disinterested; Penalty)  
*Hazelwood Sch. Dist. v. Kuhlmeier*, 484 U.S. 260, 108 S.Ct. 562, 98 L.Ed.2d 592 (1988)  
*Pratt v. Independent Sch. Dist. No. 831*, 670 F.2d 771 (8<sup>th</sup> Cir. 1982)
- Cross References:*** MSBA/MASA Model Policy 603 (Curriculum Development)  
MSBA/MASA Model Policy 604 (Instructional Curriculum)

*Policy Reviewed: 11/10/2020*

*Policy Adopted:*

*Policy Revised:*



## 607 ORGANIZATION OF GRADE LEVELS

### I. PURPOSE

The purpose of this policy is to address the grade level organization of schools within the school district.

### II. GENERAL STATEMENT OF POLICY

- A. The policy of the school district is to address the groupings of grade levels as recognized in Minn. Stat. § 120A.05, as follows:

~~*[Note: Each school district should identify within the groupings as defined in Minn. Stat. § 120A.05, how grade levels shall be organized within the school district from the options listed below:*~~

~~*Preschool: Any programming offered for students prior to kindergarten*~~  
~~*Elementary: Kindergarten through grade 4*~~  
~~*Grades prekindergarten through 6*~~  
~~*Middle: Grades 5-8*~~  
~~*Minimum of two consecutive grades above 4th but below 10th*~~  
~~*Secondary: (Grades 7 through 12)*~~  
~~*Junior High Grades through*~~  
~~*Senior High School Grades 9-12 through*~~  
~~*Vocational Grades 7 through 12*~~  
~~*Transitional Programming based on Individual Education Plan*~~  
~~*for students ages 18-21*~~

- B. The superintendent may seek school board approval to administer certain programs on a nongraded basis or a design different from that indicated. Program proposals that seek school board approval must meet all state requirements and reflect the rationale for the modification.
- C. The school district may request documentation that verifies a student falls within the school's minimum and maximum age requirements for admission to publicly funded prekindergarten, preschool, kindergarten, or grades 1 through 12. Documentation may include a passport, a hospital birth record or physician's certificate, a baptismal or religious certificate, an adoption record, health records, immunization records, immigration records, previously verified school records, early childhood screening records, Minnesota Immunization Information Connection records, or an affidavit from a parent.



### III. DEFINITIONS

- A. “Kindergarten” means a program designed for students five years of age on September 1 of the calendar year in which the school year commences that prepares students to enter first grade the following school year.
- B. “Prekindergarten” means a program designed for students younger than five years of age on September 1 of the calendar year in which the school year commences that prepares students to enter kindergarten the following school year.

**Legal References:** Minn. Stat. § 120A.05, Subds. 9, 10a, 11, 13, 17 (Public Schools)  
Minn. Stat. § 120A.20, Subd. 4 (Verification of Age for Admission to Public School)  
Minn. Stat. § 123B.02, Subd. 2 (General Powers of Independent School Districts)

**Cross References:**

*Policy Reviewed:*  
*Policy Adopted:*  
*Policy Revised:*



**419 TOBACCO-FREE ENVIRONMENT; POSSESSION AND USE OF TOBACCO, TOBACCO-RELATED DEVICES, AND ELECTRONIC DELIVERY DEVICES; VAPING AWARENESS AND PREVENTION INSTRUCTION**

**I. PURPOSE**

The purpose of this policy is to maintain a learning and working environment that is tobacco free.

**II. GENERAL STATEMENT OF POLICY**

- A. A violation of this policy occurs when any student, teacher, administrator, other school personnel of the school district, or person smokes or uses tobacco, tobacco-related devices, or carries or uses an activated electronic delivery device in a public school. This prohibition extends to all facilities, whether owned, rented, or leased, and all vehicles that a school district owns, leases, rents, contracts for, or controls. In addition, this prohibition includes vehicles used, in whole or in part, for work purposes, during hours of school operation, if more than one person is present. This prohibition includes all school district property and all off-campus events sponsored by the school district.
- B. A violation of this policy occurs when any elementary school, middle school, or secondary school student possesses any type of tobacco, tobacco-related devices, or electronic delivery devices in a public school. This prohibition extends to all facilities, whether owned, rented, or leased, and all vehicles that a school district owns, leases, rents, contracts for, or controls and includes vehicles used, in whole or in part, for school purposes, during hours of school operation, if more than one person is present. This prohibition includes all school district property and all off-campus events sponsored by the school district.
- C. The school district will act to enforce this policy and to discipline or take appropriate action against any student, teacher, administrator, school personnel, or person who is found to have violated this policy.

**III. DEFINITIONS**

- A. “Electronic delivery device” means any product containing or delivering nicotine, lobelia, or any other substance, whether natural or synthetic, intended for human consumption that can be used by a person to simulate smoking in the delivery of nicotine or any other substance through inhalation of aerosol or vapor from the product. Electronic delivery devices includes but is not limited to devices



manufactured, marketed, or sold as electronic cigarettes, electronic cigars, electronic pipe, vape pens, modes, tank systems, or under any other product name or descriptor. Electronic delivery device includes any component part of a product, whether or not marketed or sold separately. Electronic delivery device excludes drugs, devices, or combination products, as those terms are defined in the Federal Food, Drug, and Cosmetic Act, that are authorized for sale by the United States Food and Drug Administration.

- B. “Heated tobacco product” means a tobacco product that produces aerosols containing nicotine and other chemicals which are inhaled by users through the mouth.
- C. “Tobacco” means cigarettes and any product containing, made, or derived from tobacco that is intended for human consumption, whether chewed, smoked, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, or any component, part, or accessory of a tobacco product, including, but not limited to, cigars; cheroots; stogies; perique; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff; snuff flour; cavendish; plug and twist tobacco; fine cut and other chewing tobacco; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco; and other kinds and forms of tobacco. Tobacco excludes any drugs, devices, or combination products, as those terms are defined in the Federal Food, Drug, and Cosmetic Act, that are authorized for sale by the United States Food and Drug Administration.
- D. “Tobacco-related devices” means cigarette papers or pipes for smoking or other devices intentionally designed or intended to be used in a manner which enables the chewing, sniffing, smoking, or inhalation of vapors aerosol or vapor of tobacco or tobacco products. Tobacco-related devices include components of tobacco-related devices which may be marketed or sold separately.
- E. “Smoking” means inhaling, exhaling, burning, or carrying any lighted or heated cigar, cigarette, pipe, or any other lighted or heated product containing, made, or derived from nicotine, tobacco, marijuana, or other plant, whether natural or synthetic, that is intended for inhalation. Smoking includes carrying or using an activated electronic delivery device.
- F. “Vaping” means using an activated electronic delivery device or heated tobacco product.”

#### **IV. EXCEPTIONS**

- A. A violation of this policy does not occur when an American Indian adult lights tobacco on school district property as a part of a traditional American Indian spiritual or cultural ceremony. An American Indian is a person who is a member of an American Indian tribe as defined under Minnesota law.



- B. A violation of this policy does not occur when an adult non student possesses a tobacco or nicotine product that has been approved by the United States Food and Drug Administration for sale as a tobacco-cessation product, as a tobacco-dependence product, or for other medical purposes, and is being marketed and sold solely for such an approved purpose. Nothing in this exception authorizes smoking or use of tobacco, tobacco-related devices, or electronic delivery devices on school property or at off-campus events sponsored by the school district.

## V. VAPING PREVENTION INSTRUCTION

- A. The school district must provide vaping prevention instruction at least once to students in grades 6 through 8.
- B. The school district may use instructional materials based upon the Minnesota Department of Health's school e-cigarette toolkit or may use other smoking prevention instructional materials with a focus on vaping and the use of electronic delivery devices and heated tobacco products. The instruction may be provided as part of the school district's locally developed health standards.

## VI. ENFORCEMENT

- A. All individuals on school premises shall adhere to this policy.
- B. Students who violate this tobacco-free policy shall be subject to school district discipline procedures.
- C. School district administrators and other school personnel who violate this tobacco-free policy shall be subject to school district discipline procedures.
- D. School district action taken for violation of this policy will be consistent with requirements of applicable collective bargaining agreements, Minnesota or federal law, and school district policies.
- E. Persons who violate this tobacco-free policy may be referred to the building administration or other school district supervisory personnel responsible for the area or program at which the violation occurred.
- F. School administrators may call the local law enforcement agency to assist with enforcement of this policy. Smoking or use of any tobacco product in a public school is a violation of the Minnesota Clean Indoor Air Act and/or the Freedom to Breathe Act of 2007 and is a petty misdemeanor. A court injunction may be instituted against a repeated violator.
- G. No persons shall be discharged, refused to be hired, penalized, discriminated against, or in any manner retaliated against for exercising any right to a smoke-free



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environment provided by the Freedom to Breathe Act of 2007 or other law.

## VII. DISSEMINATION OF POLICY

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

**Legal References:** Minn. Stat. § 120B.238 (Vaping Awareness and Prevention)  
Minn. Stat. §§ 144.411-144.417 (Minnesota Clean Indoor Air Act)  
Minn. Stat. § 609.685 (Sale of Tobacco to Children)  
2007 Minn. Laws Ch. 82 (Freedom to Breathe Act of 2007)

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

*Policy Reviewed: 10.13.2020*

*Policy Adopted:*

*Policy Revised: 10.13.2020*



## **609 RELIGION**

### **I. PURPOSE**

The purpose of this policy is to identify the status of religion as it pertains to the programs of the school district.

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

- A. The school district shall neither promote nor disparage any religious belief or nonbelief. Instead, the school district encourages all students and employees to have appreciation for and tolerance of each other's views.
- B. The school district also recognizes that religion has had and is having a significant role in the social, cultural, political, and historical development of civilization.
- C. The school district recognizes that one of its educational objectives is to increase its students' knowledge and appreciation of music, art, drama, and literature which may have had a religious basis or origin as well as a secular importance.
- D. The school district supports the inclusion of religious music, art, drama, and literature in the curriculum and in school activities provided it is intrinsic to the learning experience and is presented in an objective manner without sectarian indoctrination.
- E. The historical and contemporary values and the origin of various religions, holidays, customs, and beliefs may be explained in an unbiased and nonsectarian manner.

### **III. RESPONSIBILITY**

- A. The superintendent shall be responsible for ensuring that the study of religious materials, customs, beliefs, and holidays in the school district is in keeping with the following guidelines:
  - 1. The proposed activity must have a secular purpose.
  - 2. The primary objective of the activity must be one that neither advances nor inhibits religion.



3. The activity must not foster excessive governmental relationships with religion.
  4. Notwithstanding the foregoing guidelines, reasonable efforts will be made to accommodate any student who wishes to be excused from attendance at school for the purpose of religious instruction or observance of religious holidays.
- B. The superintendent is granted authority to develop and present for school board review and approval directives and guidelines for the purpose of providing further guidance relative to the teaching of materials related to religion. Approved directives and guidelines shall be attached as an addendum to this policy.

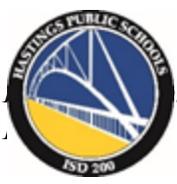
- Legal References:**
- U. S. Const., amend. I
  - Minn. Stat. § 120A.22, Subd. 12(3) (Compulsory Instruction)
  - Minn. Stat. § 120A.35 (Absence From School for Religious Observance)
  - Minn. Stat. § 121A.10 (Moment of Silence)
  - Good News Club v. Milford Central School*, 533 U.S. 98, 121 S.Ct. 2093, 150 L.Ed.2d 151 (2001)
  - Santa Fe Indep. Sch. Dist. v. Doe*, 530 U.S. 290, 120 S.Ct. 2266 (2000)
  - Tangipahoa Parish Bd. of Educ. v. Freiler*, 530 U.S. 1251, 120 S.Ct. 2706 (2000)
  - Lemon v. Kurtzman*, 403 U.S.602, 91 S.Ct. 2105, 29 L.Ed.2d 745 (1971)
  - Child Evangelism Fellowship v. Minneapolis Special Sch. Dist. No. 1*, 690 F.3d 996 (8<sup>th</sup> Cir. 2012)
  - Wigg v. Sioux Falls Sch. Dist.*, 382 F.3d 807 (8<sup>th</sup> Cir. 2004)
  - Doe v. School Dist. of City of Norfolk*, 340 F.3d 605 (8<sup>th</sup> Cir. 2003)
  - Stark v. Independent Sch. Dist. No. 640*, 123 F.3d 1068 (8<sup>th</sup> Cir. 1997)
  - Florey v. Sioux Falls Sch. Dist. 49-5*, 619 F.2d 1311 (8<sup>th</sup> Cir. 1980)
  - Roark v. South Iron R-1 Sch. Dist.*, 573 F.3d 556 (8<sup>th</sup> Cir. 2009)
  - Child Evangelism Fellowship v. Elk River Area Sch. Dist. No. 728*, 599 F.Supp.2d 1136 (D. Minn. 2009)
  - LeVake v. Independent Sch. Dist. No. 656*, 625 N.W.2d 502 (Minn. App. 2001)
  - Minn. Op. Atty. Gen. 169-J (Feb. 14, 1968)
  - Minn. Op. Atty. Gen. 169-K (Oct. 21, 1949)
  - Minn. Op. Atty. Gen. 63 (1940)
  - Minn. Op. Atty. Gen. 120 (1924)
  - Minn. Op. Atty. Gen. 121 (1924)

- Cross References:** MSBA/MASA Model Policy 801 (Equal Access to School Facilities)



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*Policy Reviewed: 10.13.2020  
Policy Adopted:  
Policy Revised: 10.13.2020*



## **616 SCHOOL DISTRICT SYSTEM ACCOUNTABILITY**

### **I. PURPOSE**

The purpose of this policy is to focus public education strategies on a process which promotes higher academic achievement for all students and ensures broad-based community participation in decisions regarding the implementation of the Minnesota Academic Standards and federal law.

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

Implementation of the Minnesota Academic Standards and federal law will require a new level of accountability for the school district. The school district will establish a system to transition to the graduation requirements of the Minnesota Academic Standards. The school district also will establish a system to review and improve instruction, curriculum, and assessment which will include substantial input by students, parents or guardians, and local community members. The school district will be accountable to the public and the state through annual reporting.

### **III. DEFINITIONS**

- A. “Credit” means a student’s successful completion of an academic year of study or a student’s mastery of the applicable subject matter, as determined by the school district.
- B. “Graduation Standards” means the credit requirements and locally adopted content standards or Minnesota Academic Standards that school districts must offer and certify that students complete to be eligible for a high school diploma.
- C. “World’s best workforce” means striving to: meet school readiness goals; have all third grade students achieve grade-level literacy; close the academic achievement gap among all racial and ethnic groups of students and between students living in poverty and students not living in poverty; have all students attain career and college readiness before graduating from high school; and have all students graduate from high school.

### **IV. ESTABLISHMENT OF GOALS; IMPLEMENTATION; EVALUATION AND REPORTING**

- A. School District Goals



1. The school board has established school district-wide goals which provide broad direction for the school district. Incorporated in these goals are the graduation and education standards contained in the Minnesota Academic Standards and federal law. The broad goals shall be reviewed annually and approved by the school board. The school board shall adopt annual goals based on the recommendations of the school district's World's Best Workforce (WBWF) Committee.
2. The WBWF Committee will be established by the school board to ensure active community participation in all phases of planning and improving the instruction and curriculum affecting state and district academic standards.
3. The school district-wide improvement goals should address recommendations identified through the WBWF Committee process. The school district's goal setting process will include consideration of individual site goals. School district goals may also be developed through an education effectiveness program, an evaluation of student progress committee, or through some other locally determined process.
4. Recommendations of the WBWF Committee shall be published annually to the community. The school board shall receive public input and comment and shall adopt or update this policy at least annually.
5. The school board shall annually review and determine if student achievement levels at each school site meet federal expectations.
6. The educational assessment system component utilized by the school board to measure individual students' educational progress must be based, to the extent annual tests are administered, on indicators of achievement growth that show an individual student's prior achievement.

D. Comprehensive Continuous Improvement of Student Achievement

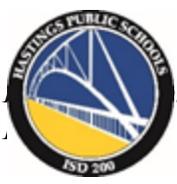
1. By October 15 of each year, the WBWF Committee will meet to advise and assist the school district in the implementation of the school district system accountability and comprehensive continuous improvement process.
2. The WBWF Committee, working in cooperation with other committees of the school district [*District Staff Development, Pre-K Leadership team, American Indian Parent Advisory Committee, Elementary Literacy Committee and Achievement and Integration Implementation Committee*], will provide active community participation in:
  - a. Reviewing the WBWF plan



- b. Identifying district and school improvement goals for recommendation to the school board;
    - c. Making recommendations regarding the evaluation process that will be used to measure school district progress toward its goals;
    - d. Advising the school board about development of the annual budget.
  3. The WBWF Committee shall meet the following criteria:
    - a. The WBWF Committee shall ensure active community participation in all planning for instruction and curriculum affecting Graduation Standards.
    - b. Building teams may be established as subcommittees to develop and implement an education effectiveness plan and to carry out methods to improve instruction, curriculum, and assessments as well as methods to use technology in meeting the school district improvement plan.
    - c. A local plan to evaluate student progress, using a local process, shall be used for developing a plan for assessment of student progress toward the Graduation Standards, as well as program evaluation data for use by the WBWF Committee in the instruction and curriculum review process. This plan shall annually be approved by the school board.
  4. The WBWF Committee shall, when possible, be comprised of at least two-thirds community representatives and shall reflect the diversity of the community. To the extent possible, the WBWF Committee shall reflect the diversity of the school district and its school sites and include teachers, parents, support staff, students, and other community residents. Included in its membership should be:
    - a. The Director of Teaching and Learning (or similar educational leader)
    - b. At least one elementary and secondary Principal representative
    - c. School Board Member
    - d. Student Representative
    - e. One teacher from each instructional level



- f. Two parents from Parent Curriculum Advisory Committee
  - g. At least one resident without school-aged children, non-representative of local business or industry
  - h. At least one resident representative of local business or industry
  - i. District Assessment Coordinator (if different from “a.” above)
5. Translation services should be provided to the extent appropriate and practicable.
  6. The Advisory Committee shall meet the following timeline each year:
    - By October 15: Organizational meeting of the Committee to review the authorizing legislation and/or statutes and the roles and responsibilities of the Committee as determined by the school board; approve annual WBWF goals.
    - By December 15: Share annual WBWF report (outlining progress made in previous school year)
    - Spring/Summer: Review evaluation results and prepare recommendations for revised WBWF goals.
- E. Evaluation of Student Progress Committee. A committee of professional staff shall develop a plan for assessment of student progress toward Literacy by Grade 3, the Graduation Standards, as well as program evaluation data for use by the WBWF Committee to review instruction and curriculum, cultural competencies, including cultural awareness and cross-cultural communication, and student achievement at the school site. This plan shall annually be approved by the school board.
- F. Reporting
1. Consistent with Minn. Stat. § 120B.36, Subd. 1, the school board shall publish a report in the local newspaper with the largest circulation in the district, by mail, or by electronic means on the school district website. The school board shall hold an annual public meeting to review and revise, where appropriate, student achievement goals, local assessment outcomes, plans, strategies, and practices for improving curriculum and instruction and cultural competency and efforts to equitably distribute diverse, effective, experienced, and in-field teachers, and to review school district success in realizing the previously adopted student achievement goals and related benchmarks and the improvement plans leading to the world’s best



workforce. The school board must transmit an electronic summary of its report to the Commissioner in the form and manner the Commissioner determines. The school district shall periodically survey affected constituencies in their native languages, where appropriate and practicable, about their connection to and level of satisfaction with school. The school district shall include the results of this evaluation in its published reports and in its summary report to the Commissioner.

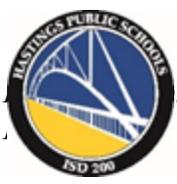
2. The school performance report for a school site and a school district must include performance reporting information and calculate proficiency rates as required by the most recently reauthorized Elementary and Secondary Education Act.

**Legal References:**

Minn. Stat. § 120B.018 (Definitions)  
Minn. Stat. § 120B.02 (Educational Expectations for Minnesota’s Students)  
Minn. Stat. § 120B.11 (School District Process)  
Minn. Stat. § 120B.35 (Student Achievement Levels)  
Minn. Stat. § 120B.36 (School Accountability; Appeals Process)  
Minn. Stat. § 122A.40, Subd. 8 (Employment; Contracts; Termination)  
Minn. Stat. § 122A.41, Subd. 5 (Teacher Tenure Act; Cities of the First Class; Definitions)  
Minn. Stat. § 123B.04 (Site Decision Making Agreement)  
Minn. Stat. § 123B.147, Subd. 3 (Principals)  
Minn. Rules Parts 3501.0640-3501.0655 (Academic Standards for Language Arts)  
Minn. Rules Parts 3501.0700-3501.0745 (Academic Standards for Mathematics)  
Minn. Rules Parts 3501.0800-3501.0815 (Academic Standards for the Arts)  
Minn. Rules Parts 3501.0900-3501.0955 (Academic Standards in Science)  
Minn. Rules Parts 3501.1300-3501.1345 (Academic Standards for Social Studies)  
Minn. Rules Parts 3501.1400-3501.1410 (Academic Standards for Physical Education)  
20 U.S.C. § 6301, *et seq.* (Every Student Succeeds Act)

**Cross References:**

MSBA/MASA Model Policy 104 (School District Mission Statement)  
MSBA/MASA Model Policy 601 (School District Curriculum and Instruction Goals)  
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)



*lic School District*

MSBA/MASA Model Policy 617 (School District Ensurance of Preparatory and High School Standards)

MSBA/MASA Model Policy 618 (Assessment of Student Achievement)

MSBA/MASA Model Policy 619 (Staff Development for Standards)

MSBA/MASA Model Policy 620 (Credit for Learning)

*Policy Reviewed: 10.13.2020*

*Policy Adopted:*

*Policy Revised: 10.13.2020*

## November 2020 Enrollment Snapshot

|                             |             |
|-----------------------------|-------------|
| <i>November 2019</i>        | 4249        |
| <b><i>November 2020</i></b> | <b>4118</b> |

|                                   |      |
|-----------------------------------|------|
| <i>20-21 First Day Enrollment</i> | 4165 |
| <i>19-20 First Day Enrollment</i> | 4322 |
| <i>19-20 Last Day Enrollment</i>  | 4218 |

| <b>Homeschooling Comparison</b>         |                                      |                |                |
|---|--------------------------------------|----------------|----------------|
| <i>School Name</i>                      |                                      | <i>2019-20</i> | <i>2020-21</i> |
| ISD 195 Randolph Schools                | Total Student Enrollment in District | 687            | 704            |
|   | Number of Homeschool Students        | 11             | 31             |
|   | % of Enrollment                      | 1.60%          | 4.40%          |
| ISD 200 Hastings Schools                | Total Student Enrollment in District | 4262           | 4120           |
|   | Number of Homeschool Students        | 118            | 154            |
|   | % of Enrollment                      | 2.77%          | 3.74%          |
| ISD 192 Farmington Schools              | Total Student Enrollment in District | 7288           | 7028           |
|   | Number of Homeschool Students        | 178            | 261            |
|   | % of Enrollment                      | 2.44%          | 3.71%          |
| ISD 194 Lakeville Schools               | Total Student Enrollment in District | 11804          | 11639          |
|   | Number of Homeschool Students        | 304            | 459            |
|   | % of Enrollment                      | 2.58%          | 3.94%          |
| ISD 833 South Washington County Schools | Total Student Enrollment in District | 18530          | 18359          |
|   | Number of Homeschool Students        | 316            | 447            |
|   | % of Enrollment                      | 1.71%          | 2.43%          |



BRIDGE TO SUCCESS

# Hastings Public Schools

INDEPENDENT SCHOOL DISTRICT 200  
1000 11<sup>TH</sup> STREET WEST  
HASTINGS, MN 55033-2597  
Phone (651) 480-7000  
Fax (651) 480-7004

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## Policy Committee Mission

This ad-hoc board committee serves to review current policies and make recommendations for revision or adoption of new policies. The current goal of the committee is to add critical new policies, insure the mandatory annual review of specific policies per statute, and complete a cycle of policy review to insure that the district policy manual is complete and in a standardized format within a two-year period (January, 2022).

## Policy Committee Meeting

Time: November 10, 2020 6:00 PM Central Time (US and Canada)

### 11.10.2020 Meeting

- Review with Jenn:
    - 601 - Curriculum: portrait of a graduate / life-long learning may or may not change how this looks once those guidelines are revised. This will come after we go through our (board) strategic planning. Recommending 601 for first reading/input.
    - 603 - Curriculum Development: minimal changes, recommending first reading/input.
    - 606 - Textbooks and Materials: minimal changes from MSBA model policy and our 2006 policy (except for B.3.). Recommending first reading/input.
    - 607 - Organization of Grade Levels: updates to this policy to include our grade level structure. Recommending first reading/input.
  - Final review for first read in November:
    - Social Media: numbering this policy #432, recommending first reading/input.
  - Review for second read in November
    - 536 - Gender Inclusion Policy: reviewed our draft policy compared to St. Louis Park Policy 536. We took out definition of Gender Binary and added Gender Non-Binary. Added portion discussing privacy and safety. Going through to line up cross-referenced policies. We are adding reporting procedures to cover violations of cross-referenced policies not covered under our equal opportunity policy procedures. Recommending changes and second reading/input.
  - Equity Policy reviewed and discussed this newly drafted policy. Made some refinements to the policy and are asking the Equity team
  - 400 Series: 416 and 417 Hastings policies were compared to MSBA's current model policies. and cross-referenced policies for both policies. Recommending first read and input from board members.
    - 416 - Drug and Alcohol Testing: Added wording to include medical cannabis. Need to add in name and phone number for testing.
    - 417 - Chemical Use and Abuse: Discussion about the School and Community Advisory Team
  - Policies with Position reference updates:
    - All were changed to reference "the Director of Human Resources"
      - 102 - Equal Educational Opportunity
      - 401 - Equal Employment Opportunity
      - 402 - Disability Nondiscrimination
      - 413 - Harassment and Violence
      - 521 - Student Disability Nondiscrimination
      - 522 - Student Sex Nondiscrimination
      - 528 - Student Parental, Family, and Marital Status Nondiscrimination
      - 604 - Inclusive Education Program
      - 722 - Public Data Requests
-

**EXPENDITURE TOTALS**

|  | <u>FY 2021<br/>Budget (ADP)</u> | <u>**Monthly<br/>Expenditures</u> | <u>Year-to-Date<br/>Expenditures</u> | <u>Remaining<br/>Balance</u> |
|--|---------------------------------|-----------------------------------|--------------------------------------|------------------------------|
| General Fund (1)                               | 56,618,740                      | 5,233,072                         | 11,691,618                           | 44,927,122                   |
| Food Service Fund (2)                          | 2,453,693                       | 156,507                           | 379,921                              | 2,073,771                    |
| Community Service Fund (4)                     | 2,757,156                       | 215,397                           | 568,467                              | 2,188,689                    |
| Building Construction Fund (6)                 | 8,006,710                       | 604,728                           | 4,638,211                            | 3,368,499                    |
| Debt Service Fund (7)                          | 3,872,963                       | 0                                 | 339,325                              | 3,533,638                    |
| Student Activities Fund (10)                   | 350,000                         | 1,870                             | 5,815                                | 344,185                      |
| Deferred Accounts-<br>Donations/Misc Fund (11) | 750,930                         | 29,384                            | 108,612                              | 642,318                      |
| Scholarships Fund (12)                         | 95,000                          | 2,000                             | 8,000                                | 87,000                       |
| <b>Totals</b>                                  | <b>\$74,905,192</b>             | <b>\$6,242,958</b>                | <b>\$17,739,969</b>                  | <b>\$57,165,222</b>          |

\*\* Monthly expenditures include payroll, finance and encumbrances.

\*\* Some payments are coded to revenue codes and are not included in above monthly expenditures.

**TRANSFERS**

| <u>Date</u> | <u>From</u>                  | <u>To</u>                 | <u>Amount</u>         | <u>Description</u> |
|-------------|------------------------------|---------------------------|-----------------------|--------------------|
| 10/5/2020   | MSDLAF General               | MSDLAF Payroll            | 1,504,546.95          | Payroll            |
| 10/5/2020   | MSDLAF General               | MSDLAF Flex               | 8,803.63              | Payroll            |
| 10/5/2020   | MSDLAF General               | MSDLAF AP                 | 12,241.37             | Accounts Payable   |
| 10/6/2020   | MSDLAF General               | MSDLAF Payroll            | 125.30                | Payroll            |
| 10/8/2020   | MSDLAF General               | Vermillion Bank           | 2,963.42              | Local Receipts     |
| 10/9/2020   | MSDLAF General               | MSDLAF Health Self Funded | 1,200.00              | Health Insurance   |
| 10/9/2020   | MSDLAF General               | MSDLAF AP                 | 149,724.75            | Accounts Payable   |
| 10/13/2020  | Merchants Bank               | MSDLAF General            | 50,000.00             | Local Receipts     |
| 10/13/2020  | MSDLAF General               | MSDLAF Health Self Funded | 900.00                | Health Insurance   |
| 10/15/2020  | MSDLAF Health Self Funded    | MSDLAF General            | 65.00                 | Health Insurance   |
| 10/15/2020  | MSDLAF General               | MSDLAF AP                 | 291,102.63            | Accounts Payable   |
| 10/19/2020  | MSDLAF GeneralMAX            | MSDLAF General            | 3,000,000.00          | Exchange           |
| 10/19/2020  | MSDLAF Dental Self FundedMAX | MSDLAF Dental Self Funded | 248,000.00            | Exchange           |
| 10/20/2020  | MSDLAF General               | MSDLAF Payroll            | 1,556,596.64          | Payroll            |
| 10/20/2020  | MSDLAF General               | MSDLAF Flex               | 8,802.10              | Payroll            |
| 10/20/2020  | MSDLAF Health Self FundedMAX | MSDLAF Health Self Funded | 500,000.00            | Exchange           |
| 10/21/2020  | MSDLAF GeneralMAX            | MSDLAF General            | 1,000,000.00          | Exchange           |
| 10/22/2020  | MSDLAF General               | MSDLAF Health Self Funded | 732,600.00            | Health Insurance   |
| 10/22/2020  | MSDLAF General               | MSDLAF Health Self Funded | 2,400.00              | Health Insurance   |
| 10/23/2020  | MSDLAF General               | MSDLAF Payroll            | 16,765.08             | Payroll            |
| 10/23/2020  | MSDLAF General               | MSDLAF AP                 | 65,373.63             | Accounts Payable   |
| 10/26/2020  | Merchants Bank               | MSDLAF General            | 25,000.00             | Local Receipts     |
| 10/30/2020  | MSDLAF General               | MSDLAF Health Self Funded | 726,666.67            | Health Insurance   |
| 10/30/2020  | MSDLAF General               | MSDLAF Health Self Funded | 800.00                | Health Insurance   |
| 10/30/2020  | MSDLAF General               | MSDLAF Dental Self Funded | 65,767.38             | Dental Insurance   |
| 10/30/2020  | MSDLAF General               | MSDLAF Scholarship        | 126.00                | Local Receipts     |
|             |                              |                           | <b>\$9,970,570.55</b> |                    |

**PAYROLL DISBURSEMENTS**

|                          |           |            |                    |                          |
|--------------------------|-----------|------------|--------------------|--------------------------|
| Checks & Direct Deposits | 10/1/2020 | 10/31/2020 | 1,752,406          | Pay dates 10/5 and 10/20 |
| Liability Checks & Wires | 10/1/2020 | 10/31/2020 | 1,325,598          | Bd. Share \$347,725      |
| <b>Total</b>             |           |            | <b>\$3,078,004</b> |                          |

**FINANCE DISBURSEMENTS**

|                |           |            |                  |
|----------------|-----------|------------|------------------|
| Checks & Wires | 10/1/2020 | 10/31/2020 | 968,035          |
| <b>Total</b>   |           |            | <b>\$968,035</b> |

**SELF-FUNDED INSURANCE**

|        | <u>Revenue YTD</u> | <u>Expenses YTD</u> | <u>YTD Balance</u> |
|--------|--------------------|---------------------|--------------------|
| Dental | 226,006            | 226,404             | (\$398)            |
| Health | 3,213,898          | 2,551,941           | \$661,957          |

**INDEPENDENT SCHOOL DISTRICT NO. 200**  
**Hastings High School and Middle School**  
 Extra Curricular Student Activity Accounts  
 Statement of Receipts and Disbursements  
 Year ended June 30, 2021  
 Current Statement as of 10/31/2020

| <b>Course Code</b> | <b>Activity Account</b>             | <b>Balance 7/1/2020</b> | <b>Receipts</b>  | <b>Disbursements</b> | <b>Subtotal (Less Interest)</b> | <b>Interest Earned</b> | <b>Balance 6/30/2021</b> |
|--------------------|-------------------------------------|-------------------------|------------------|----------------------|---------------------------------|------------------------|--------------------------|
| 600                | Alpine Ski Team                     | 3.79                    | 0.00             | 0.00                 | 3.79                            | 0.0128                 | <b>3.80</b>              |
| 601                | Art Club                            | 646.11                  | 0.00             | 0.00                 | 646.11                          | 2.1785                 | <b>648.29</b>            |
| 602                | Band                                | 3,488.81                | 347.50           | 13.00                | 3,823.31                        | 12.6371                | <b>3,835.94</b>          |
| 604                | Baseball                            | 6,207.31                | 0.00             | 0.00                 | 6,207.31                        | 20.9294                | <b>6,228.24</b>          |
| 605                | Basketball - Boys                   | 552.87                  | 0.00             | 0.00                 | 552.87                          | 1.8641                 | <b>554.73</b>            |
| 609                | Choir Tour                          | 536.35                  | 0.00             | 0.00                 | 536.35                          | 1.8084                 | <b>538.16</b>            |
| 610                | Cross Country Running               | 3.34                    | 0.00             | 0.00                 | 3.34                            | 0.0113                 | <b>3.35</b>              |
| 612                | Culinary Club                       | 979.74                  | 0.00             | 0.00                 | 979.74                          | 3.3034                 | <b>983.05</b>            |
| 613                | Fellowship Christian Athletes (FCA) | 641.80                  | 0.00             | 0.00                 | 641.80                          | 2.1640                 | <b>643.96</b>            |
| 614                | Football                            | 4,814.12                | 0.00             | 0.00                 | 4,814.12                        | 16.2319                | <b>4,830.35</b>          |
| 615                | Gymnastics                          | 3,504.85                | 0.00             | 0.00                 | 3,504.85                        | 11.8174                | <b>3,516.67</b>          |
| 616                | French Honor Society (FHS)          | 1,754.87                | 0.00             | 0.00                 | 1,754.87                        | 5.9169                 | <b>1,760.78</b>          |
| 619                | Golf - Boys                         | 4,412.63                | 0.00             | 0.00                 | 4,412.63                        | 14.8782                | <b>4,427.51</b>          |
| 624                | Golf - Girls                        | 4,049.34                | 0.00             | 0.00                 | 4,049.34                        | 13.6533                | <b>4,062.99</b>          |
| 622                | Marching Band                       | 24,262.82               | 10,283.52        | 5,652.86             | 28,893.48                       | 96.0055                | <b>28,989.49</b>         |
| <b>675</b>         | <b>INTEREST EARNED</b>              | <b>0.00</b>             | 471.44           | 0.00                 | <b>471.44</b>                   | -                      | <b>0.00</b>              |
| 623                | National Honor Society (NHS)        | 2,475.06                | 200.00           | 0.00                 | 2,675.06                        | 8.8121                 | <b>2,683.87</b>          |
| 625                | Nordic Skiing                       | 4,224.34                | 0.00             | 0.00                 | 4,224.34                        | 14.2434                | <b>4,238.58</b>          |
| 627                | Outdoor Club                        | 406.30                  | 0.00             | 0.00                 | 406.30                          | 1.3699                 | <b>407.67</b>            |
| 618                | Peer Helpers                        | 250.39                  | 0.00             | 0.00                 | 250.39                          | 0.8443                 | <b>251.24</b>            |
| 628                | Prism                               | 7.99                    | 0.00             | 0.00                 | 7.99                            | 0.0269                 | <b>8.02</b>              |
| 631                | Raiders Digest                      | 137.27                  | 0.00             | 0.00                 | 137.27                          | 0.4628                 | <b>137.73</b>            |
| 632                | Show Choir                          | 1,981.11                | 2,512.96         | 445.87               | 4,048.20                        | 11.5050                | <b>4,059.71</b>          |
| 643                | Soccer - Boys                       | 263.59                  | 3,334.84         | 0.00                 | 3,598.43                        | 9.5381                 | <b>3,607.97</b>          |
| 644                | Soccer - Girls                      | 329.14                  | 0.00             | 219.98               | 109.16                          | 0.4822                 | <b>109.65</b>            |
| 647                | Spanish Club                        | 11,957.41               | 0.00             | 147.00               | 11,810.41                       | 39.9741                | <b>11,850.39</b>         |
| 650                | Student Council                     | 20,377.24               | 0.00             | 0.00                 | 20,377.24                       | 68.7067                | <b>20,445.94</b>         |
| 651                | Swimming - Girls                    | 226.39                  | 0.00             | 0.00                 | 226.39                          | 0.7633                 | <b>227.15</b>            |
| 652                | Tennis - Boys                       | 2,584.16                | 0.00             | 0.00                 | 2,584.16                        | 8.7131                 | <b>2,592.87</b>          |
| 653                | Tennis - Girls                      | 107.62                  | 0.00             | 0.00                 | 107.62                          | 0.3629                 | <b>107.99</b>            |
| 655                | Thespians                           | 578.92                  | 0.00             | 0.00                 | 578.92                          | 1.9520                 | <b>580.87</b>            |
| 656                | Track - <del>Boys</del>             | 8,969.52                | 0.00             | 0.00                 | 8,969.52                        | 30.2429                | <b>8,999.76</b>          |
| 654                | Ultimate Frisbee (NEW 20-21)        | 671.52                  | 0.00             | 0.00                 | 671.52                          | 2.2642                 | <b>673.79</b>            |
| 658                | Volleyball                          | 521.03                  | 0.00             | 0.00                 | 521.03                          | 1.7568                 | <b>522.79</b>            |
| 659                | Wrestling                           | 8,865.61                | 0.00             | 0.00                 | 8,865.61                        | 29.8925                | <b>8,895.50</b>          |
| 664                | Middle School Speech                | 269.58                  | 0.00             | 0.00                 | 269.58                          | 0.9090                 | <b>270.49</b>            |
| 665                | Middle School Yearbook              | 2,696.59                | 0.00             | 0.00                 | 2,696.59                        | 9.0922                 | <b>2,705.68</b>          |
| 666                | Middle School Student Council       | 7,806.25                | 0.00             | 80.00                | 7,726.25                        | 26.1131                | <b>7,752.36</b>          |
|                    |                                     | <b>131,565.80</b>       | <b>17,150.26</b> | <b>6,558.71</b>      | <b>142,157.35</b>               | <b>471.4400</b>        | <b>142,157.35</b>        |

INDEPENDENT SCHOOL DISTRICT NO. 200  
HASTINGS, MINNESOTA  
TREASURER'S REPORT TO SCHOOL BOARD

October 2020 Investment Reconciliation - %-104-%

| FUNDS                   | BALANCE<br>BEGINNING<br>OF MONTH | RECEIPTS            | DISBURSEMENTS    | BALANCE<br>END OF<br>MONTH  |
|-------------------------|----------------------------------|---------------------|------------------|-----------------------------|
| GENERAL FUND - 01       | 0.00                             | 6,000,000.00        | 0.00             | 6,000,000.00                |
| BOND FUND - 06          | 8,045,225.49                     | 0.00                | 10,774.00        | 8,034,451.49                |
| SCHOLARSHIP FUND - 12   | 10,000.00                        | 0.00                | 0.00             | 10,000.00                   |
| DENTAL SELF FUNDED - 20 | 248,000.00                       | 248,000.00          | 0.00             | 496,000.00                  |
| HEALTH SELF FUNDED - 21 | 1,000,000.00                     | 1,000,000.00        | 0.00             | 2,000,000.00                |
| <b>TOTALS</b>           | <b>9,303,225.49</b>              | <b>7,248,000.00</b> | <b>10,774.00</b> | <b><u>16,540,451.49</u></b> |

RECONCILEMENT OF TREASURER'S BALANCE WITH BANK

| DESCRIPTION                                | BALANCE<br>PER BANK<br>STATEMENT | OTHER<br>RECONCILING<br>ITEMS | BALANCE PER<br>TREASURER'S<br>BOOKS |
|--|----------------------------------|-------------------------------|-------------------------------------|
| Certificates of Deposit - MSDLAF - General | 0.00                             | 0.00                          | 0.00                                |
| Term - MSDLAF - General                    | 6,000,000.00                     | 0.00                          | 6,000,000.00                        |
| Term - MSDLAF - Bond                       | 0.00                             | 0.00                          | 0.00                                |
| Managed Account - MSDLAF - Bond            | 8,034,451.49                     | 0.00                          | 8,034,451.49                        |
| Scholarship CD                             | 10,000.00                        | 0.00                          | 10,000.00                           |
| Certificates of Deposit - MSDLAF - Dental  | 496,000.00                       | 0.00                          | 496,000.00                          |
| Term - MSDLAF - Health                     | 2,000,000.00                     | 0.00                          | 2,000,000.00                        |
| <b>TREASURER'S BALANCE</b>                 | <b>16,540,451.49</b>             | <b>0.00</b>                   | <b><u>16,540,451.49</u></b>         |

INDEPENDENT SCHOOL DISTRICT NO. 200  
HASTINGS, MINNESOTA  
TREASURER'S REPORT TO SCHOOL BOARD

October 2020 Bank Reconciliation

| FUNDS                      | BALANCE<br>BEGINNING<br>OF MONTH | RECEIPTS            | DISBURSEMENTS          | BALANCE<br>END OF<br>MONTH |
|----------------------------|----------------------------------|---------------------|------------------------|----------------------------|
| GENERAL FUND- 01           | 29,861,010.37                    | 8,496,893.08        | (12,684,327.86)        | 25,673,575.59              |
| FOOD SERVICE FUND - 02     | 664,024.44                       | 75,610.76           | (155,058.98)           | 584,576.22                 |
| COMMUNITY ED - 04          | 808,987.54                       | 201,247.59          | (77,185.19)            | 933,049.94                 |
| BUILDING CONSTRUCTION - 06 | 8,569,199.28                     | 261.93              | (584,480.25)           | 7,984,980.96               |
| DEBT REDEMPTION - 07       | 14,071,756.32                    | 21,241.28           | 1,333,475.67           | 15,426,473.27              |
| STUDENT ACTIVITY FUND -10  | 140,669.76                       | 3,251.98            | (2,564.39)             | 141,357.35                 |
| DEFERRED ACCOUNTS - 11     | 695,903.60                       | 13,683.12           | (10,141.59)            | 699,445.13                 |
| SCHOLARSHIP - 12           | 212,174.59                       | 133.21              | (2,003.03)             | 210,304.77                 |
| TRUST - 18                 | 111,405.64                       | 0.00                | 169.62                 | 111,575.26                 |
| DENTAL SELF FUNDED - 20    | 544,047.15                       | 11.33               | (227,059.74)           | 316,998.74                 |
| HEALTH SELF FUNDED -21     | 3,630,799.71                     | 11,247.49           | (195,912.04)           | 3,446,135.16               |
| OPEB PERA/CE TRUST - 45    | 3,741,552.71                     | 0.00                | (8,198.46)             | 3,733,354.25               |
| <b>TOTALS</b>              | <b>63,051,531.11</b>             | <b>8,823,581.77</b> | <b>(12,613,286.24)</b> | <b>59,261,826.64</b>       |

RECONCILEMENT OF TREASURER'S BALANCE WITH BANK

| DESCRIPTION                | BALANCE<br>PER BANK<br>STATEMENT | OUTSTANDING<br>CHECKS | OUTSTANDING<br>DEPOSITS | OTHER<br>RECONCILING<br>ITEMS | BALANCE PER<br>TREASURER'S<br>BOOKS |
|----------------------------|----------------------------------|-----------------------|-------------------------|-------------------------------|-------------------------------------|
| Merchants Bank             | 86,889.65                        | 0.00                  | 0.00                    | 54.90                         | 86,944.55                           |
| MSDLAF AP                  | 73,114.11                        | (467,406.94)          | 0.00                    | 35.00                         | (394,257.83)                        |
| MSDLAF Payroll             | 135,590.98                       | (36,291.21)           | 0.00                    | 809.36                        | 100,109.13                          |
| MSDLAF Scholarship         | 210,304.77                       | 0.00                  | 0.00                    | 0.00                          | 210,304.77                          |
| MSDLAF General             | 33,206,524.32                    | 0.00                  | 7,901.57                | 0.00                          | 33,214,425.89                       |
| MSDLAF Flex                | 49,444.96                        | 0.00                  | 0.00                    | 0.00                          | 49,444.96                           |
| MSDLAF Dental Self Funded  | 320,298.45                       | (3,299.71)            | 0.00                    | 0.00                          | 316,998.74                          |
| MSDLAF Health Self Funded  | 3,534,057.64                     | (89,764.63)           | 0.00                    | 0.00                          | 3,444,293.01                        |
| MSDLAF Bond Proceeds       | 7,989,142.45                     | (4,161.49)            | 0.00                    | 0.00                          | 7,984,980.96                        |
| Vermillion Bank            | 142,645.69                       | (2,122.93)            | 0.00                    | 0.00                          | 140,522.76                          |
| MidAmerica - CE Trust      | 111,575.26                       | 0.00                  | 0.00                    | 0.00                          | 111,575.26                          |
| OPEB PERA/CE Trust Account | 3,875,853.47                     | 0.00                  | 0.00                    | 0.00                          | 3,875,853.47                        |
| US Bank Escrow             | 10,120,630.97                    | 0.00                  | 0.00                    | 0.00                          | 10,120,630.97                       |
| <b>TREASURER'S BALANCE</b> | <b>59,856,072.72</b>             | <b>(603,046.91)</b>   | <b>7,901.57</b>         | <b>899.26</b>                 | <b>59,261,826.64</b>                |

## HASTINGS PUBLIC SCHOOLS Payment Reg by Bank and Check

| Co   | Bank | Batch  | Pmt No | Check No | Pay Type | Grp Code | Rcd   | Vendor                             | Print | Recon | Void | Curr | Pay/Void    | Amount    |
|------|------|--------|--------|----------|----------|----------|-------|------------------------------------|-------|-------|------|------|-------------|-----------|
|      |      |        |        |          |          |          |       |                                    |       |       |      |      | Date        |           |
| 0200 | MB   | P104MB | 92269  |          | Wire     | 1        | 10229 | MERCHANTS BANK FEES                | No    | Yes   | No   | USD  | 10/15/2020  | 35.01     |
|      |      |        |        |          |          |          |       |                                    |       |       |      |      | Bank Total: | \$35.01   |
| 0200 | USAP | P10415 | 92178  |          | Wire     | 1        | 10920 | AFFINETY - MERCH BANK FEES (WIRE)  | No    | Yes   | No   | USD  | 10/15/2020  | 1,902.72  |
| 0200 | USAP | P10415 | 92179  |          | Wire     | 1        | 9557  | BMO HARRIS BANK NA                 | No    | Yes   | No   | USD  | 10/15/2020  | 8,132.48  |
| 0200 | USAP | P10415 | 92180  |          | Wire     | 1        | 9935  | ELEYO FEES                         | No    | Yes   | No   | USD  | 10/15/2020  | 3,062.85  |
| 0200 | USAP | P10430 | 92336  |          | Wire     | 1        | 3167  | MSDLAF BANK FEES                   | No    | Yes   | No   | USD  | 10/30/2020  | 122.62    |
| 0200 | USAP | P10430 | 92337  |          | Wire     | 1        | 9860  | MINNESOTA STATE RETIREMENT SYST    | No    | No    | No   | USD  | 10/30/2020  | 2,781.25  |
| 0200 | USAP | P01115 | 90253  | 821906   | Check    | 1        | 10831 | R185 RACHAEL MOLSTROM              | Yes   | Yes   | Yes  | USD  | 10/02/2020  | (60.00)   |
| 0200 | USAP | P10230 | 91738  | 823120   | Check    | 1        | 10921 | ON YOUR MARK NUTRITION LLC         | Yes   | Yes   | Yes  | USD  | 10/30/2020  | (95.00)   |
| 0200 | USAP | P10315 | 91859  | 823191   | Check    | 1        | 1156  | BIX PRODUCE COMPANY LLC            | Yes   | Yes   | Yes  | USD  | 10/30/2020  | (875.79)  |
| 0200 | USAP | P10401 | 92097  | 823381   | Check    | 1        | 8057  | BFG SUPPLY CO                      | Yes   | Yes   | No   | USD  | 10/02/2020  | 226.20    |
| 0200 | USAP | P10401 | 92099  | 823382   | Check    | 1        | 9999  | CORNERSTONE ON THE VERMILLION      | Yes   | Yes   | No   | USD  | 10/02/2020  | 700.00    |
| 0200 | USAP | P10401 | 92094  | 823383   | Check    | 1        | 3399  | R1 DALCO                           | Yes   | Yes   | No   | USD  | 10/02/2020  | 864.88    |
| 0200 | USAP | P10401 | 92098  | 823384   | Check    | 1        | 8840  | DEFINITIVE TECHNOLOGY SOLUTIONS    | Yes   | Yes   | No   | USD  | 10/02/2020  | 29.81     |
| 0200 | USAP | P10401 | 92090  | 823385   | Check    | 1        | 1319  | DEMCO                              | Yes   | Yes   | No   | USD  | 10/02/2020  | 833.14    |
| 0200 | USAP | P10401 | 92095  | 823386   | Check    | 1        | 7322  | R1 FERGUSON ENTERPRISES INC # 1657 | Yes   | Yes   | No   | USD  | 10/02/2020  | 55.66     |
| 0200 | USAP | P10401 | 92093  | 823387   | Check    | 1        | 3030  | GROTH MUSIC                        | Yes   | Yes   | No   | USD  | 10/02/2020  | 245.35    |
| 0200 | USAP | P10401 | 92086  | 823388   | Check    | 1        | 10420 | HOPE ENGLISH-SPANISH INTERPRETE    | Yes   | Yes   | No   | USD  | 10/02/2020  | 1,336.50  |
| 0200 | USAP | P10401 | 92096  | 823389   | Check    | 1        | 7721  | R2 INNOVATIVE OFFICE SOLUTIONS     | Yes   | Yes   | No   | USD  | 10/02/2020  | 3,516.83  |
| 0200 | USAP | P10401 | 92089  | 823390   | Check    | 1        | 10928 | KAMI                               | Yes   | No    | No   | USD  | 10/02/2020  | 3,000.00  |
| 0200 | USAP | P10401 | 92088  | 823391   | Check    | 1        | 10916 | R1 PBBS EQUIPMENT CORP             | Yes   | Yes   | No   | USD  | 10/02/2020  | 433.00    |
| 0200 | USAP | P10401 | 92087  | 823392   | Check    | 1        | 10831 | R185 RACHAEL MOLSTROM              | Yes   | Yes   | No   | USD  | 10/02/2020  | 60.00     |
| 0200 | USAP | P10401 | 92091  | 823393   | Check    | 1        | 2275  | RENT & SAVE                        | Yes   | Yes   | No   | USD  | 10/02/2020  | 355.00    |
| 0200 | USAP | P10401 | 92092  | 823394   | Check    | 1        | 2571  | UNIQUE SOFTWARE CORPORATION        | Yes   | Yes   | No   | USD  | 10/02/2020  | 645.00    |
| 0200 | USAP | p10402 | 92169  | 823395   | Check    | 1        | 8045  | ALLINA HOSPITALS & CLINICS         | Yes   | Yes   | No   | USD  | 10/09/2020  | 355.00    |
| 0200 | USAP | p10402 | 92165  | 823396   | Check    | 1        | 7312  | R1 BATTERIES PLUS BULBS            | Yes   | Yes   | No   | USD  | 10/09/2020  | 632.40    |
| 0200 | USAP | p10402 | 92134  | 823397   | Check    | 1        | 10946 | R1 BIMBO BAKERIES USA              | Yes   | Yes   | No   | USD  | 10/09/2020  | 12.20     |
| 0200 | USAP | p10402 | 92140  | 823398   | Check    | 1        | 1156  | BIX PRODUCE COMPANY LLC            | Yes   | Yes   | No   | USD  | 10/09/2020  | 745.11    |
| 0200 | USAP | p10402 | 92167  | 823399   | Check    | 1        | 7937  | BROTHERS FIRE PROTECTION CO        | Yes   | Yes   | No   | USD  | 10/09/2020  | 1,594.76  |
| 0200 | USAP | p10402 | 92125  | 823400   | Check    | 1        | 10626 | CATER, SAMANTHA                    | Yes   | No    | No   | USD  | 10/09/2020  | 11.79     |
| 0200 | USAP | p10402 | 92130  | 823401   | Check    | 1        | 10893 | R16 CENTURY CONDO ASSOCIATION      | Yes   | Yes   | No   | USD  | 10/09/2020  | 20.00     |
| 0200 | USAP | p10402 | 92164  | 823402   | Check    | 1        | 7295  | CENTURYLINK                        | Yes   | Yes   | No   | USD  | 10/09/2020  | 164.10    |
| 0200 | USAP | p10402 | 92141  | 823403   | Check    | 1        | 1257  | COMPUTER INTEGRATION TECHNOLO      | Yes   | Yes   | No   | USD  | 10/09/2020  | 2,405.00  |
| 0200 | USAP | p10402 | 92142  | 823404   | Check    | 1        | 1281  | CRISIS PREVENTION INSTITUTE        | Yes   | Yes   | No   | USD  | 10/09/2020  | 150.00    |
| 0200 | USAP | p10402 | 92163  | 823405   | Check    | 1        | 6745  | CULLIGAN OF STILLWATER             | Yes   | Yes   | No   | USD  | 10/09/2020  | 404.40    |
| 0200 | USAP | p10402 | 92154  | 823406   | Check    | 1        | 2964  | DAVIS, FORSTER                     | Yes   | Yes   | No   | USD  | 10/09/2020  | 220.00    |
| 0200 | USAP | p10402 | 92139  | 823407   | Check    | 1        | 10960 | DEWITT, LAURA                      | Yes   | Yes   | No   | USD  | 10/09/2020  | 28.98     |
| 0200 | USAP | p10402 | 92162  | 823408   | Check    | 1        | 6183  | R1 ECSI INC                        | Yes   | Yes   | No   | USD  | 10/09/2020  | 13,259.66 |

## HASTINGS PUBLIC SCHOOLS

### Payment Reg by Bank and Check

| Co   | Bank | Batch  | Pmt No | Check No | Pay Type | Grp Code | Rcd | Vendor                           | Print | Recon | Void | Curr | Pay/Void   | Amount    |
|------|------|--------|--------|----------|----------|----------|-----|----------------------------------|-------|-------|------|------|------------|-----------|
|      |      |        |        |          |          |          |     |                                  |       |       |      |      | Date       |           |
| 0200 | USAP | p10402 | 92177  | 823409   | Check    | 1 9904   |     | FEIKEMA, CHAD                    | Yes   | Yes   | No   | USD  | 10/09/2020 | 100.00    |
| 0200 | USAP | p10402 | 92170  | 823410   | Check    | 1 8293   |     | GANRUD, PATRICIA                 | Yes   | Yes   | No   | USD  | 10/09/2020 | 23.58     |
| 0200 | USAP | p10402 | 92173  | 823411   | Check    | 1 9092   |     | GAROFOLLO, JOEL DENIS            | Yes   | Yes   | No   | USD  | 10/09/2020 | 55.00     |
| 0200 | USAP | p10402 | 92137  | 823412   | Check    | 1 10955  |     | GEER, JASON                      | Yes   | Yes   | No   | USD  | 10/09/2020 | 125.00    |
| 0200 | USAP | p10402 | 92144  | 823413   | Check    | 1 1478   |     | GOPHER SPORT                     | Yes   | Yes   | No   | USD  | 10/09/2020 | 573.80    |
| 0200 | USAP | p10402 | 92171  | 823414   | Check    | 1 8758   |     | GREEN, MICHAEL                   | Yes   | Yes   | No   | USD  | 10/09/2020 | 20.00     |
| 0200 | USAP | p10402 | 92158  | 823415   | Check    | 1 4980   |     | HANSON, TRENT                    | Yes   | No    | No   | USD  | 10/09/2020 | 100.05    |
| 0200 | USAP | p10402 | 92174  | 823416   | Check    | 1 9118   |     | HARKRADER III, ALAN              | Yes   | No    | No   | USD  | 10/09/2020 | 69.00     |
| 0200 | USAP | p10402 | 92145  | 823417   | Check    | 1 1845   |     | HORIZON COMMERCIAL POOL SUPPLY   | Yes   | Yes   | No   | USD  | 10/09/2020 | 1,642.04  |
| 0200 | USAP | p10402 | 92166  | 823418   | Check    | 1 7721   | R2  | INNOVATIVE OFFICE SOLUTIONS      | Yes   | Yes   | No   | USD  | 10/09/2020 | 1,764.30  |
| 0200 | USAP | p10402 | 92161  | 823419   | Check    | 1 5828   |     | JIM CARLSON LEASING CO.          | Yes   | Yes   | No   | USD  | 10/09/2020 | 600.00    |
| 0200 | USAP | p10402 | 92168  | 823420   | Check    | 1 7981   |     | LIEBOVICH BROS                   | Yes   | Yes   | No   | USD  | 10/09/2020 | 1,586.85  |
| 0200 | USAP | p10402 | 92128  | 823421   | Check    | 1 10827  |     | LOCKDOWN MAGNETS                 | Yes   | Yes   | No   | USD  | 10/09/2020 | 162.50    |
| 0200 | USAP | p10402 | 92175  | 823422   | Check    | 1 9885   |     | MATT HENNING TECH                | Yes   | Yes   | No   | USD  | 10/09/2020 | 1,534.50  |
| 0200 | USAP | p10402 | 92156  | 823423   | Check    | 1 3072   |     | MCAULIFFE PETTY CASH ACCOUNT     | Yes   | Yes   | No   | USD  | 10/09/2020 | 395.52    |
| 0200 | USAP | p10402 | 92172  | 823424   | Check    | 1 9051   |     | MERIDIAN CONSULTING GROUP LLC    | Yes   | Yes   | No   | USD  | 10/09/2020 | 995.00    |
| 0200 | USAP | p10402 | 92124  | 823425   | Check    | 1 10578  | R1  | MINNESOTA DEPT OF HEALTH         | Yes   | Yes   | No   | USD  | 10/09/2020 | 210.00    |
| 0200 | USAP | p10402 | 92160  | 823426   | Check    | 1 5528   |     | MSC INDUSTRIAL SUPPLY INC        | Yes   | Yes   | No   | USD  | 10/09/2020 | 2,321.99  |
| 0200 | USAP | p10402 | 92152  | 823427   | Check    | 1 2795   |     | MTI DISTRIBUTING, INC.           | Yes   | Yes   | No   | USD  | 10/09/2020 | 73.55     |
| 0200 | USAP | p10402 | 92122  | 823428   | Check    | 1 10379  |     | MULLANEY, TERRANCE               | Yes   | Yes   | No   | USD  | 10/09/2020 | 20.00     |
| 0200 | USAP | p10402 | 92146  | 823429   | Check    | 1 2054   |     | NARDINI FIRE EQ. CO. INC.        | Yes   | Yes   | No   | USD  | 10/09/2020 | 433.50    |
| 0200 | USAP | p10402 | 92148  | 823430   | Check    | 1 2235   | R1  | NCS PEARSON INC                  | Yes   | Yes   | No   | USD  | 10/09/2020 | 184.02    |
| 0200 | USAP | p10402 | 92155  | 823431   | Check    | 1 3070   |     | PINECREST PETTY CASH ACCOUNT     | Yes   | Yes   | No   | USD  | 10/09/2020 | 492.88    |
| 0200 | USAP | p10402 | 92147  | 823432   | Check    | 1 2221   |     | PRAXAIR DISTRIBUTION INC.        | Yes   | Yes   | No   | USD  | 10/09/2020 | 33.83     |
| 0200 | USAP | p10402 | 92149  | 823433   | Check    | 1 2251   |     | RATWIK, ROSZAK, & MALONEY P.A.   | Yes   | Yes   | No   | USD  | 10/09/2020 | 6,194.95  |
| 0200 | USAP | p10402 | 92133  | 823434   | Check    | 1 10925  |     | REMMERT EDUCATIONAL CONSULTING   | Yes   | No    | No   | USD  | 10/09/2020 | 3,069.00  |
| 0200 | USAP | p10402 | 92153  | 823435   | Check    | 1 2819   |     | REPUBLIC SERVICES #923           | Yes   | Yes   | No   | USD  | 10/09/2020 | 8,941.48  |
| 0200 | USAP | p10402 | 92123  | 823436   | Check    | 1 10576  | R1  | RIVERSIDE INSIGHTS               | Yes   | Yes   | No   | USD  | 10/09/2020 | 200.00    |
| 0200 | USAP | p10402 | 92129  | 823437   | Check    | 1 10848  | R1  | SAVVAS LEARNING COMPANY LLC      | Yes   | Yes   | No   | USD  | 10/09/2020 | 2,033.88  |
| 0200 | USAP | p10402 | 92136  | 823438   | Check    | 1 10951  |     | SBS TRANSPORTATION, INC          | Yes   | Yes   | No   | USD  | 10/09/2020 | 790.00    |
| 0200 | USAP | p10402 | 92132  | 823439   | Check    | 1 10914  |     | SCHOLASTIC EQUIPMENT COMPANY     | Yes   | Yes   | No   | USD  | 10/09/2020 | 1,702.00  |
| 0200 | USAP | p10402 | 92150  | 823440   | Check    | 1 2352   |     | SCHOOL HEALTH CORPORATION        | Yes   | Yes   | No   | USD  | 10/09/2020 | 329.46    |
| 0200 | USAP | p10402 | 92131  | 823441   | Check    | 1 10903  | R1  | SECURITAS ELECTRONIC SECURITY IM | Yes   | Yes   | No   | USD  | 10/09/2020 | 758.88    |
| 0200 | USAP | p10402 | 92176  | 823442   | Check    | 1 9886   | R1  | STERICYCLE INC                   | Yes   | Yes   | No   | USD  | 10/09/2020 | 31.21     |
| 0200 | USAP | p10402 | 92159  | 823443   | Check    | 1 5445   | R1  | SUMMIT FIRE PROTECTION INC.      | Yes   | Yes   | No   | USD  | 10/09/2020 | 195.00    |
| 0200 | USAP | p10402 | 92157  | 823444   | Check    | 1 3277   |     | UPPER LAKES FOODS, INC           | Yes   | Yes   | No   | USD  | 10/09/2020 | 5,045.33  |
| 0200 | USAP | p10402 | 92126  | 823445   | Check    | 1 10722  | R1  | WALCOTT SOLAR LLC                | Yes   | Yes   | No   | USD  | 10/09/2020 | 24,811.57 |
| 0200 | USAP | p10402 | 92127  | 823446   | Check    | 1 10723  | R1  | WARSAW SOLAR LLC                 | Yes   | Yes   | No   | USD  | 10/09/2020 | 45,726.23 |
| 0200 | USAP | p10402 | 92138  | 823447   | Check    | 1 10956  |     | WEBER, CRAIG                     | Yes   | Yes   | No   | USD  | 10/09/2020 | 125.00    |

## HASTINGS PUBLIC SCHOOLS

### Payment Reg by Bank and Check

| Co   | Bank | Batch  | Pmt No | Check No | Pay Type | Grp Code | Rcd   | Vendor                             | Print | Recon | Void | Curr | Pay/Void   | Amount    |
|------|------|--------|--------|----------|----------|----------|-------|------------------------------------|-------|-------|------|------|------------|-----------|
|      |      |        |        |          |          |          |       |                                    |       |       |      |      | Date       |           |
| 0200 | USAP | p10402 | 92135  | 823448   | Check    | 1        | 10950 | WENZEL, ARINN                      | Yes   | Yes   | No   | USD  | 10/09/2020 | 112.68    |
| 0200 | USAP | p10402 | 92151  | 823449   | Check    | 1        | 2677  | XCEL ENERGY                        | Yes   | Yes   | No   | USD  | 10/09/2020 | 16,097.29 |
| 0200 | USAP | p10402 | 92143  | 823450   | Check    | 1        | 1442  | ZEIEN, CINDY                       | Yes   | No    | No   | USD  | 10/09/2020 | 40.48     |
| 0200 | USAP | P10415 | 92183  | 823451   | Check    | 1        | 10500 | R2 ALBIN ACQUISITION CORP          | Yes   | Yes   | No   | USD  | 10/15/2020 | 120.00    |
| 0200 | USAP | P10415 | 92264  | 823452   | Check    | 1        | 9488  | ALLIED BLACKTOP COMPANY            | Yes   | Yes   | No   | USD  | 10/15/2020 | 43,665.00 |
| 0200 | USAP | P10415 | 92246  | 823453   | Check    | 1        | 7110  | APPLE EDUCATION INC                | Yes   | Yes   | No   | USD  | 10/15/2020 | 199.80    |
| 0200 | USAP | P10415 | 92197  | 823454   | Check    | 1        | 10959 | ARNOLDY, LEIGH                     | Yes   | Yes   | No   | USD  | 10/15/2020 | 118.12    |
| 0200 | USAP | P10415 | 92190  | 823455   | Check    | 1        | 10919 | R1 ARVIG                           | Yes   | Yes   | No   | USD  | 10/15/2020 | 1,205.95  |
| 0200 | USAP | P10415 | 92199  | 823456   | Check    | 1        | 10963 | BIEHL, DANIEL                      | Yes   | Yes   | No   | USD  | 10/15/2020 | 79.00     |
| 0200 | USAP | P10415 | 92194  | 823457   | Check    | 1        | 10946 | R1 BIMBO BAKERIES USA              | Yes   | Yes   | No   | USD  | 10/15/2020 | 158.60    |
| 0200 | USAP | P10415 | 92202  | 823458   | Check    | 1        | 1156  | BIX PRODUCE COMPANY LLC            | Yes   | Yes   | No   | USD  | 10/15/2020 | 1,675.86  |
| 0200 | USAP | P10415 | 92238  | 823459   | Check    | 1        | 5226  | BJORKLUND COMPENSATION CONSUL      | Yes   | Yes   | No   | USD  | 10/15/2020 | 340.00    |
| 0200 | USAP | P10415 | 92235  | 823460   | Check    | 1        | 4426  | BLICK ART MATERIALS                | Yes   | Yes   | No   | USD  | 10/15/2020 | 247.44    |
| 0200 | USAP | P10415 | 92244  | 823461   | Check    | 1        | 6268  | BRAATEN, HAROLD                    | Yes   | Yes   | No   | USD  | 10/15/2020 | 75.00     |
| 0200 | USAP | P10415 | 92250  | 823462   | Check    | 1        | 7937  | BROTHERS FIRE PROTECTION CO        | Yes   | Yes   | No   | USD  | 10/15/2020 | 1,213.20  |
| 0200 | USAP | P10415 | 92198  | 823463   | Check    | 1        | 10962 | BURNS, BRIAN                       | Yes   | No    | No   | USD  | 10/15/2020 | 79.00     |
| 0200 | USAP | P10415 | 92262  | 823464   | Check    | 1        | 9443  | BURROWS, KELLI                     | Yes   | Yes   | No   | USD  | 10/15/2020 | 150.00    |
| 0200 | USAP | P10415 | 92253  | 823465   | Check    | 1        | 8681  | CANVAS HEALTH                      | Yes   | Yes   | No   | USD  | 10/15/2020 | 3,709.56  |
| 0200 | USAP | P10415 | 92203  | 823466   | Check    | 1        | 1214  | CDW GOVERNMENT                     | Yes   | Yes   | No   | USD  | 10/15/2020 | 6,112.40  |
| 0200 | USAP | P10415 | 92236  | 823467   | Check    | 1        | 4811  | CENTER FOR EFFICIENT SCHOOL OPE    | Yes   | Yes   | No   | USD  | 10/15/2020 | 17,875.00 |
| 0200 | USAP | P10415 | 92249  | 823468   | Check    | 1        | 7911  | CENTURYLINK                        | Yes   | No    | No   | USD  | 10/15/2020 | 89.40     |
| 0200 | USAP | P10415 | 92204  | 823469   | Check    | 1        | 1250  | COMCAST                            | Yes   | Yes   | No   | USD  | 10/15/2020 | 110.42    |
| 0200 | USAP | P10415 | 92205  | 823470   | Check    | 1        | 1257  | COMPUTER INTEGRATION TECHNOLO      | Yes   | Yes   | No   | USD  | 10/15/2020 | 370.00    |
| 0200 | USAP | P10415 | 92189  | 823471   | Check    | 1        | 1089  | CONJUGUEMOS                        | Yes   | Yes   | No   | USD  | 10/15/2020 | 95.00     |
| 0200 | USAP | P10415 | 92206  | 823472   | Check    | 1        | 1286  | CUB FOODS                          | Yes   | Yes   | No   | USD  | 10/15/2020 | 169.10    |
| 0200 | USAP | P10415 | 92266  | 823473   | Check    | 1        | 9747  | R1 CULINEX                         | Yes   | Yes   | No   | USD  | 10/15/2020 | 264.43    |
| 0200 | USAP | P10415 | 92232  | 823474   | Check    | 1        | 3399  | R1 DALCO                           | Yes   | Yes   | No   | USD  | 10/15/2020 | 2,644.86  |
| 0200 | USAP | P10415 | 92181  | 823475   | Check    | 1        | 10278 | R1 DECKER                          | Yes   | Yes   | No   | USD  | 10/15/2020 | 44.60     |
| 0200 | USAP | P10415 | 92257  | 823476   | Check    | 1        | 8840  | DEFINITIVE TECHNOLOGY SOLUTIONS    | Yes   | Yes   | No   | USD  | 10/15/2020 | 453.12    |
| 0200 | USAP | P10415 | 92258  | 823477   | Check    | 1        | 8840  | R1 DEFINITIVE TECHNOLOGY SOLUTIONS | Yes   | Yes   | No   | USD  | 10/15/2020 | 144.11    |
| 0200 | USAP | P10415 | 92187  | 823478   | Check    | 1        | 10860 | DEPARTMENT OF TRANSPORTATION       | Yes   | Yes   | No   | USD  | 10/15/2020 | 743.00    |
| 0200 | USAP | P10415 | 92231  | 823479   | Check    | 1        | 3336  | R1 DISCOUNT SCHOOL SUPPLY          | Yes   | Yes   | No   | USD  | 10/15/2020 | 447.06    |
| 0200 | USAP | P10415 | 92243  | 823480   | Check    | 1        | 6190  | R2 EDUCATORS BENEFIT CONSULTANTS   | Yes   | Yes   | No   | USD  | 10/15/2020 | 461.63    |
| 0200 | USAP | P10415 | 92186  | 823481   | Check    | 1        | 10607 | ESGI LLC                           | Yes   | Yes   | No   | USD  | 10/15/2020 | 2,383.00  |
| 0200 | USAP | P10415 | 92268  | 823482   | Check    | 1        | 9964  | FIREFLY COMPUTERS LLC              | Yes   | Yes   | No   | USD  | 10/15/2020 | 12,150.00 |
| 0200 | USAP | P10415 | 92193  | 823483   | Check    | 1        | 10934 | R1 FRANZ REPROGRAPHICS INC         | Yes   | Yes   | No   | USD  | 10/15/2020 | 94.00     |
| 0200 | USAP | P10415 | 92256  | 823484   | Check    | 1        | 8764  | FRANZWA, BRIAN                     | Yes   | Yes   | No   | USD  | 10/15/2020 | 79.00     |
| 0200 | USAP | P10415 | 92259  | 823485   | Check    | 1        | 9092  | GAROFOLLO, JOEL DENIS              | Yes   | Yes   | No   | USD  | 10/15/2020 | 110.00    |
| 0200 | USAP | P10415 | 92200  | 823486   | Check    | 1        | 10966 | GENERATION GENIUS INC              | Yes   | Yes   | No   | USD  | 10/15/2020 | 995.00    |

## HASTINGS PUBLIC SCHOOLS Payment Reg by Bank and Check

| Co   | Bank | Batch  | Pmt No | Check No | Pay Type | Grp Code | Rcd   | Vendor                             | Print | Recon | Void | Curr | Pay/Void   | Amount    |
|------|------|--------|--------|----------|----------|----------|-------|------------------------------------|-------|-------|------|------|------------|-----------|
|      |      |        |        |          |          |          |       |                                    |       |       |      |      | Date       |           |
| 0200 | USAP | P10415 | 92184  | 823487   | Check    | 1        | 10572 | GENESIS TECHNOLOGIES, INC          | Yes   | Yes   | No   | USD  | 10/15/2020 | 2,500.00  |
| 0200 | USAP | P10415 | 92267  | 823488   | Check    | 1        | 9863  | R2 GENUINE PARTS COMPANY           | Yes   | Yes   | No   | USD  | 10/15/2020 | 122.07    |
| 0200 | USAP | P10415 | 92207  | 823489   | Check    | 1        | 1482  | GRAINGER, W.W..                    | Yes   | Yes   | No   | USD  | 10/15/2020 | 1,145.19  |
| 0200 | USAP | P10415 | 92228  | 823490   | Check    | 1        | 3030  | GROTH MUSIC                        | Yes   | Yes   | No   | USD  | 10/15/2020 | 113.03    |
| 0200 | USAP | P10415 | 92229  | 823491   | Check    | 1        | 3058  | HAWTHORNE EDUCATIONAL SERVICE      | Yes   | Yes   | No   | USD  | 10/15/2020 | 98.00     |
| 0200 | USAP | P10415 | 92208  | 823492   | Check    | 1        | 1582  | HILLYARD INC-MINNEAPOLIS           | Yes   | Yes   | No   | USD  | 10/15/2020 | 430.51    |
| 0200 | USAP | P10415 | 92260  | 823493   | Check    | 1        | 9329  | HOMETOWN ACE HARDWARE              | Yes   | Yes   | No   | USD  | 10/15/2020 | 458.53    |
| 0200 | USAP | P10415 | 92185  | 823494   | Check    | 1        | 10592 | HOVEN, MARTY                       | Yes   | Yes   | No   | USD  | 10/15/2020 | 75.00     |
| 0200 | USAP | P10415 | 92233  | 823495   | Check    | 1        | 3584  | INFOPRO LEGAL RESOURCES INC        | Yes   | Yes   | No   | USD  | 10/15/2020 | 2,397.00  |
| 0200 | USAP | P10415 | 92248  | 823496   | Check    | 1        | 7721  | R2 INNOVATIVE OFFICE SOLUTIONS     | Yes   | Yes   | No   | USD  | 10/15/2020 | 9,390.34  |
| 0200 | USAP | P10415 | 92209  | 823497   | Check    | 1        | 1679  | R1 J.W. PEPPER & SON INC           | Yes   | Yes   | No   | USD  | 10/15/2020 | 11.49     |
| 0200 | USAP | P10415 | 92192  | 823498   | Check    | 1        | 10928 | KAMI                               | Yes   | No    | No   | USD  | 10/15/2020 | 2,700.00  |
| 0200 | USAP | P10415 | 92195  | 823499   | Check    | 1        | 10954 | Kanopy Inc.                        | Yes   | Yes   | No   | USD  | 10/15/2020 | 750.00    |
| 0200 | USAP | P10415 | 92245  | 823500   | Check    | 1        | 6786  | KOEHLER & DRAMM                    | Yes   | Yes   | No   | USD  | 10/15/2020 | 284.55    |
| 0200 | USAP | P10415 | 92263  | 823501   | Check    | 1        | 9459  | R1 KONICA MINOLTA                  | Yes   | Yes   | No   | USD  | 10/15/2020 | 3,896.96  |
| 0200 | USAP | P10415 | 92215  | 823502   | Check    | 1        | 2256  | R1 LEARNING A-Z                    | Yes   | Yes   | No   | USD  | 10/15/2020 | 2,032.25  |
| 0200 | USAP | P10415 | 92239  | 823503   | Check    | 1        | 5447  | LOVING GUIDANCE INC                | Yes   | Yes   | No   | USD  | 10/15/2020 | 143.00    |
| 0200 | USAP | P10415 | 92210  | 823504   | Check    | 1        | 1786  | MCTAGUE, JON                       | Yes   | Yes   | No   | USD  | 10/15/2020 | 216.71    |
| 0200 | USAP | P10415 | 92211  | 823505   | Check    | 1        | 1942  | MENARDS                            | Yes   | Yes   | No   | USD  | 10/15/2020 | 226.31    |
| 0200 | USAP | P10415 | 92212  | 823506   | Check    | 1        | 1946  | MESPA                              | Yes   | Yes   | No   | USD  | 10/15/2020 | 125.00    |
| 0200 | USAP | P10415 | 92213  | 823507   | Check    | 1        | 1977  | MINNESOTA COACHES INC              | Yes   | Yes   | No   | USD  | 10/15/2020 | 87,176.45 |
| 0200 | USAP | P10415 | 92196  | 823508   | Check    | 1        | 10958 | MIRACLE RECREATION EQUIPMENT CO    | Yes   | Yes   | No   | USD  | 10/15/2020 | 5,097.00  |
| 0200 | USAP | P10415 | 92234  | 823509   | Check    | 1        | 4163  | MN DEPT OF LABOR & INDUSTRY        | Yes   | Yes   | No   | USD  | 10/15/2020 | 290.00    |
| 0200 | USAP | P10415 | 92188  | 823510   | Check    | 1        | 10887 | R1 MN OCCUPATIONAL HEALTH - LOCKBC | Yes   | Yes   | No   | USD  | 10/15/2020 | 94.00     |
| 0200 | USAP | P10415 | 92201  | 823511   | Check    | 1        | 10967 | R1 MYRA INC                        | Yes   | Yes   | No   | USD  | 10/15/2020 | 45.00     |
| 0200 | USAP | P10415 | 92214  | 823512   | Check    | 1        | 2055  | NASCO                              | Yes   | Yes   | No   | USD  | 10/15/2020 | 157.38    |
| 0200 | USAP | P10415 | 92265  | 823513   | Check    | 1        | 9576  | NOODLETOOLS, INC                   | Yes   | Yes   | No   | USD  | 10/15/2020 | 450.00    |
| 0200 | USAP | P10415 | 92255  | 823514   | Check    | 1        | 8729  | OLANDA, OSCAR                      | Yes   | Yes   | No   | USD  | 10/15/2020 | 125.00    |
| 0200 | USAP | P10415 | 92182  | 823515   | Check    | 1        | 10394 | PLAINVIEW MILK PRODUCTS CO-OP      | Yes   | Yes   | No   | USD  | 10/15/2020 | 4,042.82  |
| 0200 | USAP | P10415 | 92191  | 823516   | Check    | 1        | 10925 | REMMERT EDUCATIONAL CONSULTING     | Yes   | No    | No   | USD  | 10/15/2020 | 3,121.90  |
| 0200 | USAP | P10415 | 92240  | 823517   | Check    | 1        | 5553  | RENNEBERG HARDWOODS INC            | Yes   | Yes   | No   | USD  | 10/15/2020 | 895.85    |
| 0200 | USAP | P10415 | 92252  | 823518   | Check    | 1        | 8633  | RUPP ANDERSON SQUIRES & WALDSF     | Yes   | Yes   | No   | USD  | 10/15/2020 | 352.50    |
| 0200 | USAP | P10415 | 92216  | 823519   | Check    | 1        | 2341  | SCHINDLER ELEVATOR CORP.           | Yes   | Yes   | No   | USD  | 10/15/2020 | 419.07    |
| 0200 | USAP | P10415 | 92217  | 823520   | Check    | 1        | 2350  | R1 SCHOLASTIC INC.                 | Yes   | Yes   | No   | USD  | 10/15/2020 | 163.23    |
| 0200 | USAP | P10415 | 92225  | 823521   | Check    | 1        | 2704  | R2 SCHOLASTIC MAGAZINES            | Yes   | Yes   | No   | USD  | 10/15/2020 | 233.48    |
| 0200 | USAP | P10415 | 92218  | 823522   | Check    | 1        | 2352  | SCHOOL HEALTH CORPORATION          | Yes   | Yes   | No   | USD  | 10/15/2020 | 54.20     |
| 0200 | USAP | P10415 | 92226  | 823523   | Check    | 1        | 2850  | SCHOOL SPECIALTY                   | Yes   | Yes   | No   | USD  | 10/15/2020 | 313.24    |
| 0200 | USAP | P10415 | 92242  | 823524   | Check    | 1        | 6142  | SHI INTERNATIONAL CORP             | Yes   | Yes   | No   | USD  | 10/15/2020 | 23,572.00 |
| 0200 | USAP | P10415 | 92261  | 823525   | Check    | 1        | 9423  | SMILEY, MICHAEL                    | Yes   | Yes   | No   | USD  | 10/15/2020 | 95.99     |

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|------|------|--------|--------|----------|----------|----------|-------|--------------------------------|-------|-------|------|------|------------|-----------|
|      |      |        |        |          |          |          |       |                                |       |       |      |      | Date       |           |
| 0200 | USAP | P10415 | 92254  | 823526   | Check    | 1        | 8684  | SOCIAL THINKING                | Yes   | Yes   | No   | USD  | 10/15/2020 | 107.54    |
| 0200 | USAP | P10415 | 92219  | 823527   | Check    | 1        | 2461  | STATE CHEMICAL SOLUTIONS       | Yes   | Yes   | No   | USD  | 10/15/2020 | 479.05    |
| 0200 | USAP | P10415 | 92220  | 823528   | Check    | 1        | 2465  | STATE SUPPLY CO INC            | Yes   | Yes   | No   | USD  | 10/15/2020 | 639.88    |
| 0200 | USAP | P10415 | 92247  | 823529   | Check    | 1        | 7311  | STEVE WEISS MUSIC INC.         | Yes   | Yes   | No   | USD  | 10/15/2020 | 287.95    |
| 0200 | USAP | P10415 | 92251  | 823530   | Check    | 1        | 8109  | STRATEGIC STAFFING SOLUTIONS   | Yes   | Yes   | No   | USD  | 10/15/2020 | 11,678.00 |
| 0200 | USAP | P10415 | 92237  | 823531   | Check    | 1        | 4836  | R1 TEACHING STRATEGIES LLC     | Yes   | Yes   | No   | USD  | 10/15/2020 | 1,664.40  |
| 0200 | USAP | P10415 | 92227  | 823532   | Check    | 1        | 2873  | THERMO-DYNE, INC               | Yes   | Yes   | No   | USD  | 10/15/2020 | 1,268.41  |
| 0200 | USAP | P10415 | 92221  | 823533   | Check    | 1        | 2558  | R1 TRIARCO ARTS & CRAFTS       | Yes   | Yes   | No   | USD  | 10/15/2020 | 210.61    |
| 0200 | USAP | P10415 | 92222  | 823534   | Check    | 1        | 2559  | TRIO SUPPLY                    | Yes   | Yes   | No   | USD  | 10/15/2020 | 1,677.48  |
| 0200 | USAP | P10415 | 92241  | 823535   | Check    | 1        | 5557  | R1 ULINE SHIPPING SUPPLIES     | Yes   | Yes   | No   | USD  | 10/15/2020 | 825.00    |
| 0200 | USAP | P10415 | 92230  | 823536   | Check    | 1        | 3277  | UPPER LAKES FOODS, INC         | Yes   | Yes   | No   | USD  | 10/15/2020 | 10,865.66 |
| 0200 | USAP | P10415 | 92223  | 823537   | Check    | 1        | 2641  | WESTERN PSYCHOLOGICAL SERVICE  | Yes   | Yes   | No   | USD  | 10/15/2020 | 438.90    |
| 0200 | USAP | P10415 | 92224  | 823538   | Check    | 1        | 2683  | YMCA CAMP ST. CROIX            | Yes   | Yes   | No   | USD  | 10/15/2020 | 542.50    |
| 0200 | USAP | P10403 | 92302  | 823539   | Check    | 1        | 1087  | R1 ASCD                        | Yes   | No    | No   | USD  | 10/23/2020 | 178.00    |
| 0200 | USAP | P10403 | 92326  | 823540   | Check    | 1        | 9590  | B.E. PUBLISHING                | Yes   | No    | No   | USD  | 10/23/2020 | 197.82    |
| 0200 | USAP | P10403 | 92327  | 823541   | Check    | 1        | 9953  | BEHNKE, KERI                   | Yes   | No    | No   | USD  | 10/23/2020 | 8.73      |
| 0200 | USAP | P10403 | 92304  | 823542   | Check    | 1        | 10946 | R1 BIMBO BAKERIES USA          | Yes   | Yes   | No   | USD  | 10/23/2020 | 200.08    |
| 0200 | USAP | P10403 | 92306  | 823543   | Check    | 1        | 1156  | BIX PRODUCE COMPANY LLC        | Yes   | Yes   | No   | USD  | 10/23/2020 | 1,213.62  |
| 0200 | USAP | P10403 | 92305  | 823544   | Check    | 1        | 10968 | CHANDLER, EMILY                | Yes   | No    | No   | USD  | 10/23/2020 | 30.25     |
| 0200 | USAP | P10403 | 92324  | 823545   | Check    | 1        | 8718  | FOOD SERVICE PETTY CASH ACCOUN | Yes   | Yes   | No   | USD  | 10/23/2020 | 35.00     |
| 0200 | USAP | P10403 | 92315  | 823546   | Check    | 1        | 3030  | GROTH MUSIC                    | Yes   | Yes   | No   | USD  | 10/23/2020 | 307.73    |
| 0200 | USAP | P10403 | 92316  | 823547   | Check    | 1        | 3504  | HAGEN, KELLY                   | Yes   | No    | No   | USD  | 10/23/2020 | 43.61     |
| 0200 | USAP | P10403 | 92307  | 823548   | Check    | 1        | 1654  | INDUSTRIAL APPRAISAL COMPANY   | Yes   | No    | No   | USD  | 10/23/2020 | 260.00    |
| 0200 | USAP | P10403 | 92322  | 823549   | Check    | 1        | 7721  | R2 INNOVATIVE OFFICE SOLUTIONS | Yes   | Yes   | No   | USD  | 10/23/2020 | 1,143.77  |
| 0200 | USAP | P10403 | 92303  | 823550   | Check    | 1        | 10895 | R8 KELLI BOEVE                 | Yes   | No    | No   | USD  | 10/23/2020 | 33.65     |
| 0200 | USAP | P10403 | 92321  | 823551   | Check    | 1        | 7465  | LDINFO PUBLISHING              | Yes   | No    | No   | USD  | 10/23/2020 | 998.00    |
| 0200 | USAP | P10403 | 92301  | 823552   | Check    | 1        | 10581 | LESTER, MEGAN                  | Yes   | Yes   | No   | USD  | 10/23/2020 | 107.50    |
| 0200 | USAP | P10403 | 92308  | 823553   | Check    | 1        | 1876  | MALLOY, MONTAGUE, KARNOWSKI,   | Yes   | Yes   | No   | USD  | 10/23/2020 | 29,640.00 |
| 0200 | USAP | P10403 | 92320  | 823554   | Check    | 1        | 6981  | MINNESOTA FFA                  | Yes   | No    | No   | USD  | 10/23/2020 | 195.00    |
| 0200 | USAP | P10403 | 92309  | 823555   | Check    | 1        | 2146  | ORKIN PEST CONTROL INC.        | Yes   | Yes   | No   | USD  | 10/23/2020 | 387.25    |
| 0200 | USAP | P10403 | 92323  | 823556   | Check    | 1        | 8152  | PITNEY BOWES                   | Yes   | No    | No   | USD  | 10/23/2020 | 72.67     |
| 0200 | USAP | P10403 | 92314  | 823557   | Check    | 1        | 2813  | R1 REALLY GOOD STUFF           | Yes   | Yes   | No   | USD  | 10/23/2020 | 28.96     |
| 0200 | USAP | P10403 | 92310  | 823558   | Check    | 1        | 2267  | REGION V COMPUTER SERVICES     | Yes   | Yes   | No   | USD  | 10/23/2020 | 13,592.00 |
| 0200 | USAP | P10403 | 92317  | 823559   | Check    | 1        | 4344  | ROWAN, MARY                    | Yes   | No    | No   | USD  | 10/23/2020 | 34.66     |
| 0200 | USAP | P10403 | 92313  | 823560   | Check    | 1        | 2704  | R2 SCHOLASTIC MAGAZINES        | Yes   | No    | No   | USD  | 10/23/2020 | 317.35    |
| 0200 | USAP | P10403 | 92318  | 823561   | Check    | 1        | 4405  | R1 STEP SAVER INC              | Yes   | Yes   | No   | USD  | 10/23/2020 | 131.56    |
| 0200 | USAP | P10403 | 92311  | 823562   | Check    | 1        | 2476  | STERNAU & ASSOCIATES           | Yes   | No    | No   | USD  | 10/23/2020 | 4,975.00  |
| 0200 | USAP | P10403 | 92325  | 823563   | Check    | 1        | 8720  | SWIVL                          | Yes   | No    | No   | USD  | 10/23/2020 | 75.00     |
| 0200 | USAP | P10403 | 92319  | 823564   | Check    | 1        | 5650  | R1 SYNCHRONY BANK/AMAZON       | Yes   | Yes   | No   | USD  | 10/23/2020 | 9,782.71  |

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|      |      |        |        |          |          |          |     |                                 |       |       |      |      | Date       |           |
| 0200 | USAP | P10403 | 92312  | 823565   | Check    | 1 2519   |     | TEAM SPORTING GOODS             | Yes   | No    | No   | USD  | 10/23/2020 | 1,383.71  |
| 0200 | USAP | P10430 | 92391  | 823566   | Check    | 1 3295   |     | ABC-CLIO                        | Yes   | No    | No   | USD  | 10/30/2020 | 610.00    |
| 0200 | USAP | P10430 | 92384  | 823567   | Check    | 1 2942   |     | ANDERSON, ERIC                  | Yes   | No    | No   | USD  | 10/30/2020 | 79.00     |
| 0200 | USAP | P10430 | 92413  | 823568   | Check    | 1 7110   |     | APPLE EDUCATION INC             | Yes   | No    | No   | USD  | 10/30/2020 | 2,990.00  |
| 0200 | USAP | P10430 | 92339  | 823569   | Check    | 1 10313  |     | BAUSCHELT, PAT                  | Yes   | No    | No   | USD  | 10/30/2020 | 79.00     |
| 0200 | USAP | P10430 | 92348  | 823570   | Check    | 1 10946  | R1  | BIMBO BAKERIES USA              | Yes   | No    | No   | USD  | 10/30/2020 | 204.92    |
| 0200 | USAP | P10430 | 92355  | 823571   | Check    | 1 1156   |     | BIX PRODUCE COMPANY LLC         | Yes   | No    | No   | USD  | 10/30/2020 | 1,775.20  |
| 0200 | USAP | P10430 | 92424  | 823572   | Check    | 1 9702   |     | CARLSON, JEREMY                 | Yes   | No    | No   | USD  | 10/30/2020 | 79.00     |
| 0200 | USAP | P10430 | 92342  | 823573   | Check    | 1 10618  |     | CARLSON, KEATON                 | Yes   | No    | No   | USD  | 10/30/2020 | 79.00     |
| 0200 | USAP | P10430 | 92356  | 823574   | Check    | 1 1214   |     | CDW GOVERNMENT                  | Yes   | No    | No   | USD  | 10/30/2020 | 17,430.03 |
| 0200 | USAP | P10430 | 92408  | 823575   | Check    | 1 6549   |     | CENTENNIAL SCHOOLS ISD 12       | Yes   | No    | No   | USD  | 10/30/2020 | 985.74    |
| 0200 | USAP | P10430 | 92340  | 823576   | Check    | 1 10347  |     | CENTER FOR SPORT & PERFORMANC   | Yes   | No    | No   | USD  | 10/30/2020 | 3,600.00  |
| 0200 | USAP | P10430 | 92395  | 823577   | Check    | 1 3748   |     | CENTERPOINT ENERGY              | Yes   | No    | No   | USD  | 10/30/2020 | 4,563.82  |
| 0200 | USAP | P10430 | 92416  | 823578   | Check    | 1 7332   |     | CENTURYLINK                     | Yes   | No    | No   | USD  | 10/30/2020 | 3,498.77  |
| 0200 | USAP | P10430 | 92357  | 823579   | Check    | 1 1235   |     | CITY OF HASTINGS                | Yes   | No    | No   | USD  | 10/30/2020 | 2,833.34  |
| 0200 | USAP | P10430 | 92388  | 823580   | Check    | 1 3055   |     | CONTINENTAL CLAY COMPANY        | Yes   | No    | No   | USD  | 10/30/2020 | 1,475.00  |
| 0200 | USAP | P10430 | 92412  | 823581   | Check    | 1 6901   |     | COORDINATED BUSINESS SYSTEMS    | Yes   | No    | No   | USD  | 10/30/2020 | 415.04    |
| 0200 | USAP | P10430 | 92358  | 823582   | Check    | 1 1281   |     | CRISIS PREVENTION INSTITUTE     | Yes   | No    | No   | USD  | 10/30/2020 | 2,250.00  |
| 0200 | USAP | P10430 | 92338  | 823583   | Check    | 1 10245  |     | CSTMN LLC                       | Yes   | No    | No   | USD  | 10/30/2020 | 1,863.18  |
| 0200 | USAP | P10430 | 92359  | 823584   | Check    | 1 1286   |     | CUB FOODS                       | Yes   | No    | No   | USD  | 10/30/2020 | 508.29    |
| 0200 | USAP | P10430 | 92393  | 823585   | Check    | 1 3399   | R1  | DALCO                           | Yes   | No    | No   | USD  | 10/30/2020 | 11,910.08 |
| 0200 | USAP | P10430 | 92423  | 823586   | Check    | 1 8840   |     | DEFINITIVE TECHNOLOGY SOLUTIONS | Yes   | No    | No   | USD  | 10/30/2020 | 327.14    |
| 0200 | USAP | P10430 | 92421  | 823587   | Check    | 1 8725   |     | DEMCO, TIMOTHY                  | Yes   | No    | No   | USD  | 10/30/2020 | 79.00     |
| 0200 | USAP | P10430 | 92353  | 823588   | Check    | 1 10980  |     | DRUSZCZAK, PHIL                 | Yes   | No    | No   | USD  | 10/30/2020 | 50.00     |
| 0200 | USAP | P10430 | 92411  | 823589   | Check    | 1 6808   |     | ECKROTH MUSIC                   | Yes   | No    | No   | USD  | 10/30/2020 | 72.58     |
| 0200 | USAP | P10430 | 92415  | 823590   | Check    | 1 7322   | R1  | FERGUSON ENTERPRISES INC # 1657 | Yes   | No    | No   | USD  | 10/30/2020 | 394.05    |
| 0200 | USAP | P10430 | 92360  | 823591   | Check    | 1 1409   |     | FISHER SCIENTIFIC               | Yes   | No    | No   | USD  | 10/30/2020 | 6.89      |
| 0200 | USAP | P10430 | 92396  | 823592   | Check    | 1 3865   |     | FLINN SCIENTIFIC                | Yes   | No    | No   | USD  | 10/30/2020 | 80.05     |
| 0200 | USAP | P10430 | 92397  | 823593   | Check    | 1 3921   |     | FOLLETT SCHOOL SOLUTIONS INC    | Yes   | No    | No   | USD  | 10/30/2020 | 194.32    |
| 0200 | USAP | P10430 | 92405  | 823594   | Check    | 1 5963   | R1  | FRONTLINE TECHNOLOGIES, INC.    | Yes   | No    | No   | USD  | 10/30/2020 | 12,876.42 |
| 0200 | USAP | P10430 | 92425  | 823595   | Check    | 1 9863   | R2  | GENUINE PARTS COMPANY           | Yes   | No    | No   | USD  | 10/30/2020 | 9.08      |
| 0200 | USAP | P10430 | 92361  | 823596   | Check    | 1 1482   |     | GRAINGER, W.W..                 | Yes   | No    | No   | USD  | 10/30/2020 | 4,823.98  |
| 0200 | USAP | P10430 | 92387  | 823597   | Check    | 1 3030   |     | GROTH MUSIC                     | Yes   | No    | No   | USD  | 10/30/2020 | 286.07    |
| 0200 | USAP | P10430 | 92398  | 823598   | Check    | 1 4092   |     | HARDY, RICHARD                  | Yes   | No    | No   | USD  | 10/30/2020 | 89.00     |
| 0200 | USAP | P10430 | 92362  | 823599   | Check    | 1 1582   |     | HILLYARD INC-MINNEAPOLIS        | Yes   | No    | No   | USD  | 10/30/2020 | 16.80     |
| 0200 | USAP | P10430 | 92399  | 823600   | Check    | 1 4232   |     | HIRSCH, JAMES/JAH SCHEDULING    | Yes   | No    | No   | USD  | 10/30/2020 | 298.00    |
| 0200 | USAP | P10430 | 92394  | 823601   | Check    | 1 3584   |     | INFOPRO LEGAL RESOURCES INC     | Yes   | No    | No   | USD  | 10/30/2020 | 2,538.00  |
| 0200 | USAP | P10430 | 92419  | 823602   | Check    | 1 7721   | R2  | INNOVATIVE OFFICE SOLUTIONS     | Yes   | No    | No   | USD  | 10/30/2020 | 118.72    |
| 0200 | USAP | P10430 | 92363  | 823603   | Check    | 1 1679   | R1  | J.W. PEPPER & SON INC           | Yes   | No    | No   | USD  | 10/30/2020 | 177.99    |

## HASTINGS PUBLIC SCHOOLS

### Payment Reg by Bank and Check

| Co   | Bank | Batch  | Pmt No | Check No | Pay Type | Grp Code | Rcd   | Vendor                              | Print | Recon | Void | Curr | Pay/Void   | Amount     |
|------|------|--------|--------|----------|----------|----------|-------|-------------------------------------|-------|-------|------|------|------------|------------|
|      |      |        |        |          |          |          |       |                                     |       |       |      |      | Date       |            |
| 0200 | USAP | P10430 | 92349  | 823604   | Check    | 1        | 10947 | JAYTECH INC                         | Yes   | No    | No   | USD  | 10/30/2020 | 683.81     |
| 0200 | USAP | P10430 | 92344  | 823605   | Check    | 1        | 10895 | r9 JEFFREY MCDONALD                 | Yes   | No    | No   | USD  | 10/30/2020 | 47.10      |
| 0200 | USAP | P10430 | 92401  | 823606   | Check    | 1        | 5085  | KARNAS, MICHAEL                     | Yes   | No    | No   | USD  | 10/30/2020 | 79.00      |
| 0200 | USAP | P10430 | 92410  | 823607   | Check    | 1        | 6786  | KOEHLER & DRAMM                     | Yes   | No    | No   | USD  | 10/30/2020 | 368.32     |
| 0200 | USAP | P10430 | 92422  | 823608   | Check    | 1        | 8761  | MADDIO, MIKE                        | Yes   | No    | No   | USD  | 10/30/2020 | 89.00      |
| 0200 | USAP | P10430 | 92345  | 823609   | Check    | 1        | 10915 | MANN LAKE LTD                       | Yes   | No    | No   | USD  | 10/30/2020 | 2,769.51   |
| 0200 | USAP | P10430 | 92400  | 823610   | Check    | 1        | 4288  | MANN, KEVIN                         | Yes   | No    | No   | USD  | 10/30/2020 | 89.00      |
| 0200 | USAP | P10430 | 92365  | 823611   | Check    | 1        | 1891  | R1 MASBO                            | Yes   | No    | No   | USD  | 10/30/2020 | 110.00     |
| 0200 | USAP | P10430 | 92389  | 823612   | Check    | 1        | 3120  | MASE                                | Yes   | No    | No   | USD  | 10/30/2020 | 225.00     |
| 0200 | USAP | P10430 | 92366  | 823613   | Check    | 1        | 1942  | MENARDS                             | Yes   | No    | No   | USD  | 10/30/2020 | 167.13     |
| 0200 | USAP | P10430 | 92367  | 823614   | Check    | 1        | 1949  | METRO ECSU                          | Yes   | No    | No   | USD  | 10/30/2020 | 190.00     |
| 0200 | USAP | P10430 | 92369  | 823615   | Check    | 1        | 1973  | MINNESOTA CHEMICAL CO. (THE)        | Yes   | No    | No   | USD  | 10/30/2020 | 383.70     |
| 0200 | USAP | P10430 | 92370  | 823616   | Check    | 1        | 1977  | MINNESOTA COACHES INC               | Yes   | No    | No   | USD  | 10/30/2020 | 285,687.54 |
| 0200 | USAP | P10430 | 92351  | 823617   | Check    | 1        | 10958 | MIRACLE RECREATION EQUIPMENT CO     | Yes   | No    | No   | USD  | 10/30/2020 | 34.92      |
| 0200 | USAP | P10430 | 92343  | 823618   | Check    | 1        | 10780 | MN CPR                              | Yes   | No    | No   | USD  | 10/30/2020 | 605.00     |
| 0200 | USAP | P10430 | 92403  | 823619   | Check    | 1        | 5528  | MSC INDUSTRIAL SUPPLY INC           | Yes   | No    | No   | USD  | 10/30/2020 | 208.00     |
| 0200 | USAP | P10430 | 92371  | 823620   | Check    | 1        | 2055  | NASCO                               | Yes   | No    | No   | USD  | 10/30/2020 | 266.75     |
| 0200 | USAP | P10430 | 92364  | 823621   | Check    | 1        | 1882  | OFFICE OF MN IT SERVICES            | Yes   | No    | No   | USD  | 10/30/2020 | 354.45     |
| 0200 | USAP | P10430 | 92354  | 823622   | Check    | 1        | 10981 | OLSEN, KELLY                        | Yes   | No    | No   | USD  | 10/30/2020 | 36.23      |
| 0200 | USAP | P10430 | 92346  | 823623   | Check    | 1        | 10921 | ON YOUR MARK NUTRITION LLC          | Yes   | No    | No   | USD  | 10/30/2020 | 95.00      |
| 0200 | USAP | P10430 | 92409  | 823624   | Check    | 1        | 6638  | PERMA-BOUND BOOKS                   | Yes   | No    | No   | USD  | 10/30/2020 | 2,330.90   |
| 0200 | USAP | P10430 | 92385  | 823625   | Check    | 1        | 2987  | R1 PITSCO                           | Yes   | No    | No   | USD  | 10/30/2020 | 213.75     |
| 0200 | USAP | P10430 | 92414  | 823626   | Check    | 1        | 7142  | REGION 4 AA                         | Yes   | No    | No   | USD  | 10/30/2020 | 1,062.00   |
| 0200 | USAP | P10430 | 92372  | 823627   | Check    | 1        | 2314  | RYAN MECHANICAL                     | Yes   | No    | No   | USD  | 10/30/2020 | 1,950.00   |
| 0200 | USAP | P10430 | 92386  | 823628   | Check    | 1        | 3023  | R1 SAFETY-KLEEN SYSTEMS             | Yes   | No    | No   | USD  | 10/30/2020 | 1,694.45   |
| 0200 | USAP | P10430 | 92373  | 823629   | Check    | 1        | 2341  | SCHINDLER ELEVATOR CORP.            | Yes   | No    | No   | USD  | 10/30/2020 | 300.00     |
| 0200 | USAP | P10430 | 92368  | 823630   | Check    | 1        | 1951  | SCOPE TEKK                          | Yes   | No    | No   | USD  | 10/30/2020 | 1,608.00   |
| 0200 | USAP | P10430 | 92407  | 823631   | Check    | 1        | 6142  | SHI INTERNATIONAL CORP              | Yes   | No    | No   | USD  | 10/30/2020 | 2,170.00   |
| 0200 | USAP | P10430 | 92374  | 823632   | Check    | 1        | 2461  | STATE CHEMICAL SOLUTIONS            | Yes   | No    | No   | USD  | 10/30/2020 | 312.32     |
| 0200 | USAP | P10430 | 92375  | 823633   | Check    | 1        | 2465  | STATE SUPPLY CO INC                 | Yes   | No    | No   | USD  | 10/30/2020 | 68.93      |
| 0200 | USAP | P10430 | 92376  | 823634   | Check    | 1        | 2476  | STERNAU & ASSOCIATES                | Yes   | No    | No   | USD  | 10/30/2020 | 2,323.17   |
| 0200 | USAP | P10430 | 92420  | 823635   | Check    | 1        | 8109  | STRATEGIC STAFFING SOLUTIONS        | Yes   | No    | No   | USD  | 10/30/2020 | 22,746.75  |
| 0200 | USAP | P10430 | 92377  | 823636   | Check    | 1        | 2499  | SUPER DUPER SCHOOL COMPANY          | Yes   | No    | No   | USD  | 10/30/2020 | 1,051.50   |
| 0200 | USAP | P10430 | 92378  | 823637   | Check    | 1        | 2522  | TERRY'S HARDWARE                    | Yes   | No    | No   | USD  | 10/30/2020 | 1,169.46   |
| 0200 | USAP | P10430 | 92350  | 823638   | Check    | 1        | 10952 | R1 THE COUNCIL FOR EXCEPTIONAL CHIL | Yes   | No    | No   | USD  | 10/30/2020 | 800.00     |
| 0200 | USAP | P10430 | 92347  | 823639   | Check    | 1        | 10935 | THE DAVEY TREE EXPERT COMPANY       | Yes   | No    | No   | USD  | 10/30/2020 | 4,965.00   |
| 0200 | USAP | P10430 | 92379  | 823640   | Check    | 1        | 2548  | R1 T-MOBILE                         | Yes   | No    | No   | USD  | 10/30/2020 | 319.47     |
| 0200 | USAP | P10430 | 92417  | 823641   | Check    | 1        | 7351  | TOAY, GRETCHEN                      | Yes   | No    | No   | USD  | 10/30/2020 | 105.00     |
| 0200 | USAP | P10430 | 92380  | 823642   | Check    | 1        | 2558  | R1 TRIARCO ARTS & CRAFTS            | Yes   | No    | No   | USD  | 10/30/2020 | 75.89      |

## HASTINGS PUBLIC SCHOOLS Payment Reg by Bank and Check

| Co   | Bank | Batch  | Pmt No | Check No | Pay Type | Grp Code | Rcd | Vendor                      | Print | Recon | Void | Curr | Pay/Void<br>Date | Amount    |
|------|------|--------|--------|----------|----------|----------|-----|-----------------------------|-------|-------|------|------|------------------|-----------|
| 0200 | USAP | P10430 | 92381  | 823643   | Check    | 1 2559   |     | TRIO SUPPLY                 | Yes   | No    | No   | USD  | 10/30/2020       | 1,436.53  |
| 0200 | USAP | P10430 | 92341  | 823644   | Check    | 1 10570  | R1  | TYSON FOODS INC             | Yes   | No    | No   | USD  | 10/30/2020       | 508.00    |
| 0200 | USAP | P10430 | 92404  | 823645   | Check    | 1 5557   | R1  | ULINE SHIPPING SUPPLIES     | Yes   | No    | No   | USD  | 10/30/2020       | 361.24    |
| 0200 | USAP | P10430 | 92382  | 823646   | Check    | 1 2571   |     | UNIQUE SOFTWARE CORPORATION | Yes   | No    | No   | USD  | 10/30/2020       | 307.00    |
| 0200 | USAP | P10430 | 92418  | 823647   | Check    | 1 7490   |     | UNIVERSITY LANGUAGE CTR INC | Yes   | No    | No   | USD  | 10/30/2020       | 1,491.83  |
| 0200 | USAP | P10430 | 92390  | 823648   | Check    | 1 3277   |     | UPPER LAKES FOODS, INC      | Yes   | No    | No   | USD  | 10/30/2020       | 16,099.80 |
| 0200 | USAP | P10430 | 92402  | 823649   | Check    | 1 5265   |     | WARD, DENNIS                | Yes   | No    | No   | USD  | 10/30/2020       | 89.00     |
| 0200 | USAP | P10430 | 92352  | 823650   | Check    | 1 10973  |     | WELSH, RAYMOND JOHN         | Yes   | No    | No   | USD  | 10/30/2020       | 89.00     |
| 0200 | USAP | P10430 | 92406  | 823651   | Check    | 1 6076   |     | WERNER, DEANNA              | Yes   | No    | No   | USD  | 10/30/2020       | 182.00    |
| 0200 | USAP | P10430 | 92383  | 823652   | Check    | 1 2661   |     | WINSOR LEARNING             | Yes   | No    | No   | USD  | 10/30/2020       | 2,409.00  |
| 0200 | USAP | P10430 | 92392  | 823653   | Check    | 1 3374   | R1  | ZIEGLER INC                 | Yes   | No    | No   | USD  | 10/30/2020       | 1,860.00  |

Bank Total: \$967,999.92

Report Total: \$968,034.93

## HASTINGS PUBLIC SCHOOLS Payment Reg by Bank and Check

| Co   | Bank | Batch  | Pmt No | Check No | Pay Type | Grp Code | Rcd   | Vendor                           | Print | Recon | Void | Curr | Pay/Void   | Amount     |
|------|------|--------|--------|----------|----------|----------|-------|----------------------------------|-------|-------|------|------|------------|------------|
|      |      |        |        |          |          |          |       |                                  |       |       |      |      | Date       |            |
| 0200 | USPR | P214P1 | 92109  |          | Wire     | 1        | 10929 | EDUCATORS BENEFIT CONSULTANTS    | No    | Yes   | No   | USD  | 10/06/2020 | 77,387.36  |
| 0200 | USPR | P214P1 | 92110  |          | Wire     | 1        | 1984  | MINNESOTA DEPT. OF REVENUE       | No    | Yes   | No   | USD  | 10/06/2020 | 48,089.24  |
| 0200 | USPR | P214P1 | 92111  |          | Wire     | 1        | 2016  | MN TRA                           | No    | Yes   | No   | USD  | 10/06/2020 | 159,989.42 |
| 0200 | USPR | P214P1 | 92112  |          | Wire     | 1        | 2705  | EFTPS - TAX PAYMENT              | No    | Yes   | No   | USD  | 10/06/2020 | 296,339.36 |
| 0200 | USPR | P214P1 | 92113  |          | Wire     | 1        | 3283  | MINNESOTA DEPT. OF REVENUE       | No    | Yes   | No   | USD  | 10/06/2020 | 75.00      |
| 0200 | USPR | P214P1 | 92114  |          | Wire     | 1        | 7771  | MINNESOTA PERA (WIRE TRANSFER)   | No    | Yes   | No   | USD  | 10/06/2020 | 43,511.48  |
| 0200 | USPR | P214P2 | 92281  |          | Wire     | 1        | 10929 | EDUCATORS BENEFIT CONSULTANTS    | No    | Yes   | No   | USD  | 10/23/2020 | 78,357.85  |
| 0200 | USPR | P214P2 | 92282  |          | Wire     | 1        | 1984  | MINNESOTA DEPT. OF REVENUE       | No    | Yes   | No   | USD  | 10/23/2020 | 49,705.51  |
| 0200 | USPR | P214P2 | 92283  |          | Wire     | 1        | 2016  | MN TRA                           | No    | Yes   | No   | USD  | 10/23/2020 | 160,470.07 |
| 0200 | USPR | P214P2 | 92284  |          | Wire     | 1        | 2705  | EFTPS - TAX PAYMENT              | No    | Yes   | No   | USD  | 10/23/2020 | 307,576.98 |
| 0200 | USPR | P214P2 | 92285  |          | Wire     | 1        | 3166  | BREMER BANK FEES                 | No    | Yes   | No   | USD  | 10/23/2020 | 196.90     |
| 0200 | USPR | P214P2 | 92286  |          | Wire     | 1        | 3283  | MINNESOTA DEPT. OF REVENUE       | No    | Yes   | No   | USD  | 10/23/2020 | 75.00      |
| 0200 | USPR | P214P2 | 92287  |          | Wire     | 1        | 7771  | MINNESOTA PERA (WIRE TRANSFER)   | No    | Yes   | No   | USD  | 10/23/2020 | 49,826.96  |
| 0200 | USPR | P214P1 | 92107  | 105165   | Check    | 1        | 1529  | HASTINGS EDUCATION ASS'N. MN.    | Yes   | Yes   | No   | USD  | 10/06/2020 | 16,946.01  |
| 0200 | USPR | P214P1 | 92108  | 105166   | Check    | 1        | 9449  | R1 WISCONSIN SUPPORT COLLECTIONS | Yes   | Yes   | No   | USD  | 10/06/2020 | 47.50      |
| 0200 | USPR | P214P2 | 92293  | 105167   | Check    | 1        | 5234  | EDUCATION MINNESOTA              | Yes   | No    | No   | USD  | 10/23/2020 | 26.00      |
| 0200 | USPR | P214P2 | 92289  | 105168   | Check    | 1        | 1529  | HASTINGS EDUCATION ASS'N. MN.    | Yes   | Yes   | No   | USD  | 10/23/2020 | 17,066.97  |
| 0200 | USPR | P214P2 | 92292  | 105169   | Check    | 1        | 4539  | HASTINGS PUBLIC SCHOOLS FOUNDA   | Yes   | No    | No   | USD  | 10/23/2020 | 1,376.50   |
| 0200 | USPR | P214P2 | 92295  | 105170   | Check    | 1        | 7384  | HIGH SCHL FACULTY SCHOLARSHIP    | Yes   | Yes   | No   | USD  | 10/23/2020 | 126.00     |
| 0200 | USPR | P214P2 | 92290  | 105171   | Check    | 1        | 2002  | MINNESOTA TEAMSTERS LOCAL 320    | Yes   | No    | No   | USD  | 10/23/2020 | 2,202.00   |
| 0200 | USPR | P214P2 | 92291  | 105172   | Check    | 1        | 2010  | NCPERS GROUP LIFE INS -157410    | Yes   | No    | No   | USD  | 10/23/2020 | 64.00      |
| 0200 | USPR | P214P2 | 92294  | 105173   | Check    | 1        | 6780  | SEIU LOCAL 284                   | Yes   | No    | No   | USD  | 10/23/2020 | 1,271.47   |
| 0200 | USPR | P214P2 | 92288  | 105174   | Check    | 1        | 10169 | STANDARD INSURANCE COMPANY       | Yes   | No    | No   | USD  | 10/23/2020 | 14,670.15  |
| 0200 | USPR | P214P2 | 92296  | 105175   | Check    | 1        | 8906  | WINGS FINANCIAL CREDIT UNION     | Yes   | No    | No   | USD  | 10/23/2020 | 200.00     |

Bank Total: \$1,325,597.73

Report Total: \$1,325,597.73

## HASTINGS PUBLIC SCHOOLS

### Payment Reg by Bank and Check

| Co   | Bank | Batch  | Pmt No | Check No | Pay Type | Grp Code | Rcd | Vendor                         | Print | Recon | Void | Curr | Pay/Void   | Amount     |
|------|------|--------|--------|----------|----------|----------|-----|--------------------------------|-------|-------|------|------|------------|------------|
|      |      |        |        |          |          |          |     |                                |       |       |      |      | Date       |            |
| 0200 | USBP | P104B1 | 92121  | 903      | Check    | 1 7937   |     | BROTHERS FIRE PROTECTION CO    | Yes   | Yes   | No   | USD  | 10/09/2020 | 10,125.00  |
| 0200 | USBP | P104B1 | 92117  | 904      | Check    | 1 10506  |     | CORVAL CONSTRUCTORS INC        | Yes   | Yes   | No   | USD  | 10/09/2020 | 331,882.76 |
| 0200 | USBP | P104B1 | 92119  | 905      | Check    | 1 10904  |     | EBERT CONSTRUCTION             | Yes   | Yes   | No   | USD  | 10/09/2020 | 215,555.00 |
| 0200 | USBP | P104B1 | 92120  | 906      | Check    | 1 2663   |     | WOLD ARCHITECTS AND ENGNRS INC | Yes   | Yes   | No   | USD  | 10/09/2020 | 17,223.48  |
| 0200 | USBP | P104B1 | 92118  | 907      | Check    | 1 10856  |     | WSB & ASSOCIATES INC.          | Yes   | Yes   | No   | USD  | 10/09/2020 | 780.75     |
| 0200 | USBP | P104B2 | 92274  | 908      | Check    | 1 10530  |     | PETERSON COMPANIES INC         | Yes   | Yes   | No   | USD  | 10/22/2020 | 4,000.00   |
| 0200 | USBP | P104B2 | 92275  | 909      | Check    | 1 2663   |     | WOLD ARCHITECTS AND ENGNRS INC | Yes   | No    | No   | USD  | 10/22/2020 | 4,161.49   |

Bank Total: \$583,728.48

Report Total: \$583,728.48

## HASTINGS PUBLIC SCHOOLS Payment Reg by Bank and Check

| Co   | Bank | Batch  | Pmt No | Check No | Pay Type | Grp Code | Rcd | Vendor                              | Print | Recon | Void | Curr | Pay/Void<br>Date | Amount |
|------|------|--------|--------|----------|----------|----------|-----|-------------------------------------|-------|-------|------|------|------------------|--------|
| 0200 | ACTV | PS1041 | 92116  | 37859    | Check    | 1 10961  |     | STORKAMP, KARI                      | Yes   | Yes   | No   | USD  | 10/09/2020       | 48.18  |
| 0200 | ACTV | PS1042 | 92328  | 37860    | Check    | 1 10974  |     | ACHIEVING DREAMS                    | Yes   | No    | No   | USD  | 10/26/2020       | 693.60 |
| 0200 | ACTV | PS1042 | 92331  | 37861    | Check    | 1 9170   |     | BIZZIE TWIN CITIES - DRY CLEANING A | Yes   | No    | No   | USD  | 10/26/2020       | 570.83 |
| 0200 | ACTV | PS1042 | 92332  | 37862    | Check    | 1 9783   |     | LOCK AND DAM EATERY                 | Yes   | Yes   | No   | USD  | 10/26/2020       | 147.00 |
| 0200 | ACTV | PS1042 | 92330  | 37863    | Check    | 1 5650   | R1  | SYNCHRONY BANK/AMAZON               | Yes   | Yes   | No   | USD  | 10/26/2020       | 245.87 |
| 0200 | ACTV | PS1042 | 92329  | 37864    | Check    | 1 2563   |     | TROPHIES PLUS                       | Yes   | No    | No   | USD  | 10/26/2020       | 645.50 |
| 0200 | ACTV | PS1043 | 92333  | 37865    | Check    | 1 3133   |     | ISD 200                             | Yes   | No    | No   | USD  | 10/30/2020       | 13.00  |
| 0200 | ACTV | PS1043 | 92334  | 37866    | Check    | 1 6891   |     | TRANSFORMATION MUSIC                | Yes   | No    | No   | USD  | 10/30/2020       | 200.00 |

Bank Total: \$2,563.98

Report Total: \$2,563.98

# HASTINGS PUBLIC SCHOOLS

## Payment Reg by Bank and Check

| Co   | Bank | Batch  | Pmt No | Check No | Pay Type | Grp Code | Rcd | Vendor                              | Print | Recon | Void | Curr | Pay/Void<br>Date | Amount                                  |
|------|------|--------|--------|----------|----------|----------|-----|-------------------------------------|-------|-------|------|------|------------------|---|
| 0200 | SCHP | P0412P | 92335  |          | Wire     | 1 3167   |     | MSDLAF BANK FEES                    | No    | Yes   | No   | USD  | 10/30/2020       | 3.03                                    |
| 0200 | SCHP | P0411P | 92115  | 304310   | Check    | 1 10957  |     | CAHILL, KALI / UNIVERSITY OF WISCON | Yes   | Yes   | No   | USD  | 10/07/2020       | 2,000.00                                |
|      |      |        |        |          |          |          |     |                                     |       |       |      |      | Bank Total:      | <input type="text" value="\$2,003.03"/> |
|      |      |        |        |          |          |          |     |                                     |       |       |      |      | Report Total:    | <input type="text" value="\$2,003.03"/> |

## HASTINGS PUBLIC SCHOOLS Dental Self-Funded Summary Period Ending October 31, 2020

Sequence: Crs, Org, Fd

|                         |    |     |     |     |     |     |     |     |                              | 21ADP               |                    |               |             | % YTD        |             | Remaining           |
|-------------------------|----|-----|-----|-----|-----|-----|-----|-----|------------------------------|---------------------|--------------------|---------------|-------------|--------------|-------------|---------------------|
| Description             |    |     |     |     |     |     |     |     |                              | Annual Budget       | Period 202104      | Year To Date  | % YTD       | Encumbrances | + Enc       | Balance             |
| R                       | 20 | 000 | 000 | 000 | 087 | 000 | 422 | 000 | EE Unpaid Premiums           | 0.00                | 0.00               | 0.00          | 0%          | 0.00         | 0%          | 0.00                |
| R                       | 20 | 000 | 000 | 000 | 092 | 000 | 422 | 000 | Interest-Dental              | (3,727.00)          | 19.24              | (649.74)      | 17%         | 0.00         | 17%         | (3,077.26)          |
| R                       | 20 | 000 | 000 | 000 | 095 | 000 | 422 | 000 | Employer Share/Premiums      | (524,028.00)        | (46,306.71)        | (164,828.98)  | 31%         | 0.00         | 31%         | (359,199.02)        |
| R                       | 20 | 000 | 000 | 000 | 097 | 000 | 422 | 000 | Employee Share/Premiums      | (117,849.00)        | (12,508.25)        | (30,705.05)   | 26%         | 0.00         | 26%         | (87,143.95)         |
| R                       | 20 | 000 | 000 | 000 | 098 | 000 | 422 | 000 | Retiree-Cobra Share/Premiurr | (92,838.00)         | (6,952.42)         | (29,822.23)   | 32%         | 0.00         | 32%         | (63,015.77)         |
| E                       | 20 | 005 | 105 | 000 | 301 | 000 | 422 | 000 | Other Fees                   | 0.00                | 0.00               | 0.00          | 0%          | 0.00         | 0%          | 0.00                |
| E                       | 20 | 005 | 105 | 000 | 302 | 000 | 422 | 000 | Claims-Dental                | 583,038.00          | 42,157.55          | 215,831.02    | 37%         | 0.00         | 37%         | 367,206.98          |
| E                       | 20 | 005 | 105 | 000 | 307 | 000 | 422 | 000 | Dental Carrier TPA \$4.15    | 22,958.00           | 1,888.25           | 7,565.45      | 33%         | 0.00         | 33%         | 15,392.55           |
| E                       | 20 | 005 | 105 | 000 | 311 | 000 | 422 | 000 | Consultant-CHS \$1.65        | 9,128.00            | 750.75             | 3,007.95      | 33%         | 0.00         | 33%         | 6,120.05            |
| <b>000 Districtwide</b> |    |     |     |     |     |     |     |     |                              | <b>(123,318.00)</b> | <b>(20,951.59)</b> | <b>398.42</b> | <b>(0%)</b> | <b>0.00</b>  | <b>(0%)</b> | <b>(123,716.42)</b> |
| <b>Report Totals:</b>   |    |     |     |     |     |     |     |     |                              | <b>(123,318.00)</b> | <b>(20,951.59)</b> | <b>398.42</b> | <b>(0%)</b> | <b>0.00</b>  | <b>(0%)</b> | <b>(123,716.42)</b> |

## HASTINGS PUBLIC SCHOOLS Health Self-Funded Summary Period Ending October 31, 2020

Sequence: Crs, Org, Fd

|                                    |    |     |     |     |     |     |     |     |                                | 21ADP             |                       |                     |               | % YTD        | Remaining     |                   |         |
|------------------------------------|----|-----|-----|-----|-----|-----|-----|-----|--------------------------------|-------------------|-----------------------|---------------------|---------------|--------------|---------------|-------------------|---------|
|                                    |    |     |     |     |     |     |     |     |                                | Annual Budget     | Period 202104         | Year To Date        | % YTD         | Encumbrances | + Enc         | Balance           |         |
|                                    |    |     |     |     |     |     |     |     |                                | Description       |                       |                     |               |              |               | + Enc             | Balance |
| R                                  | 21 | 000 | 000 | 000 | 097 | 000 | 422 | 000 | Employee Share/Premiums        | (1,136,940.00)    | (113,170.05)          | (303,329.68)        | 27%           | 0.00         | 27%           | (833,610.32)      |         |
| R                                  | 21 | 000 | 000 | 000 | 098 | 000 | 422 | 000 | Retiree-Cobra Share/Premiurr   | (370,781.00)      | (30,901.25)           | (126,508.84)        | 34%           | 0.00         | 34%           | (244,272.16)      |         |
| R                                  | 21 | 000 | 000 | 000 | 099 | 000 | 422 | 000 | ER/Trust Share for Retirees    | (72,313.00)       | (6,264.18)            | (25,825.22)         | 36%           | 0.00         | 36%           | (46,487.78)       |         |
| R                                  | 21 | 000 | 000 | 000 | 095 | 000 | 422 | 000 | Employer Share/Premiums        | (6,357,720.00)    | (576,331.19)          | (2,012,627.87)      | 32%           | 0.00         | 32%           | (4,345,092.13)    |         |
| R                                  | 21 | 000 | 000 | 000 | 087 | 000 | 422 | 000 | EE Unpaid Premiums             | 0.00              | 0.00                  | 0.00                | 0%            | 0.00         | 0%            | 0.00              |         |
| R                                  | 21 | 000 | 000 | 000 | 092 | 000 | 422 | 000 | Interest -Health               | (41,290.00)       | (90.86)               | (3,206.02)          | 8%            | 0.00         | 8%            | (38,083.98)       |         |
| E                                  | 21 | 005 | 105 | 000 | 314 | 000 | 422 | 000 | Springbuk Fee \$1/pm/pm        | 5,460.00          | 1,389.00              | 2,772.00            | 51%           | 0.00         | 51%           | 2,688.00          |         |
| E                                  | 21 | 005 | 105 | 000 | 307 | 000 | 422 | 000 | Health Carrier TPA             | 234,780.00        | 20,941.00             | 79,722.00           | 34%           | 0.00         | 34%           | 155,058.00        |         |
| E                                  | 21 | 005 | 105 | 000 | 308 | 000 | 422 | 000 | StopLoss                       | 393,793.00        | 34,228.74             | 140,642.98          | 36%           | 0.00         | 36%           | 253,150.02        |         |
| E                                  | 21 | 005 | 105 | 000 | 309 | 000 | 422 | 000 | Fitness reimbursements         | 16,700.00         | 400.00                | 1,160.00            | 7%            | 0.00         | 7%            | 15,540.00         |         |
| E                                  | 21 | 005 | 105 | 000 | 310 | 000 | 422 | 000 | VEBA/Flex Further Fees \$4.5l  | 19,440.00         | 1,858.50              | 6,669.00            | 34%           | 0.00         | 34%           | 12,771.00         |         |
| E                                  | 21 | 005 | 105 | 000 | 311 | 000 | 422 | 000 | Consultant-OneDigital \$40,00l | 40,000.00         | 0.00                  | 20,000.00           | 50%           | 0.00         | 50%           | 20,000.00         |         |
| E                                  | 21 | 005 | 105 | 000 | 312 | 000 | 422 | 000 | DeepView Fees \$5.40/pm/pm     | 0.00              | 0.00                  | 0.00                | 0%            | 0.00         | 0%            | 0.00              |         |
| E                                  | 21 | 005 | 105 | 000 | 317 | 000 | 422 | 000 | Network Fees                   | 21,690.00         | 2,479.46              | 5,984.75            | 28%           | 0.00         | 28%           | 15,705.25         |         |
| E                                  | 21 | 005 | 105 | 000 | 300 | 000 | 422 | 000 | Pharmacy Rebates/Admin Fex     | (114,660.00)      | (9,771.63)            | (36,312.80)         | 32%           | 0.00         | 32%           | (78,347.20)       |         |
| E                                  | 21 | 005 | 105 | 000 | 301 | 000 | 422 | 000 | TrustPoint-Other Fees          | 450.00            | 0.00                  | 0.00                | 0%            | 0.00         | 0%            | 450.00            |         |
| E                                  | 21 | 005 | 105 | 000 | 302 | 000 | 422 | 000 | Claims-Medical                 | 6,387,318.00      | 65,241.16             | 1,287,125.53        | 20%           | 0.00         | 20%           | 5,100,192.47      |         |
| E                                  | 21 | 005 | 105 | 000 | 305 | 000 | 422 | 000 | Claims-Pharmacy/RX             | 1,127,174.00      | 45,347.39             | 311,584.36          | 28%           | 0.00         | 28%           | 815,589.64        |         |
| <b>000 Districtwide</b>            |    |     |     |     |     |     |     |     |                                | <b>153,101.00</b> | <b>(564,643.91)</b>   | <b>(652,149.81)</b> | <b>(426%)</b> | <b>0.00</b>  | <b>(426%)</b> | <b>805,250.81</b> |         |
| R                                  | 21 | 000 | 000 | 000 | 094 | 326 | 422 | 000 | Employer-VEBA Trust Rev        | (678,000.00)      | (742,400.00)          | (742,400.00)        | 109%          | 0.00         | 109%          | 64,400.00         |         |
| R                                  | 21 | 000 | 000 | 000 | 089 | 326 | 422 | 000 | Employer-PCORI-ACA \$2.45      | (2,756.00)        | 0.00                  | 0.00                | 0%            | 0.00         | 0%            | (2,756.00)        |         |
| E                                  | 21 | 005 | 105 | 000 | 301 | 326 | 422 | 000 | Employer-VEBA Trust Pmt.       | 678,000.00        | (6,300.00)            | 726,300.00          | 107%          | 0.00         | 107%          | (48,300.00)       |         |
| E                                  | 21 | 005 | 105 | 000 | 313 | 326 | 422 | 000 | Employer-PCORI- ACA \$2.45     | 2,756.00          | 0.00                  | 2,800.35            | 102%          | 0.00         | 102%          | (44.35)           |         |
| <b>326 District Additional R/E</b> |    |     |     |     |     |     |     |     |                                | <b>0.00</b>       | <b>(748,700.00)</b>   | <b>(13,299.65)</b>  | <b>0%</b>     | <b>0.00</b>  | <b>0%</b>     | <b>13,299.65</b>  |         |
| R                                  | 21 | 000 | 000 | 000 | 088 | 331 | 422 | 000 | P1 Wellness Credit             | (15,000.00)       | 0.00                  | 0.00                | 0%            | 0.00         | 0%            | (15,000.00)       |         |
| E                                  | 21 | 005 | 105 | 000 | 366 | 331 | 422 | 000 | Participation Fees Wellness    | 0.00              | 0.00                  | 0.00                | 0%            | 0.00         | 0%            | 0.00              |         |
| E                                  | 21 | 005 | 105 | 000 | 370 | 331 | 422 | 000 | Rentals & Leases Wellness      | 5,000.00          | 404.40                | 1,617.60            | 32%           | 0.00         | 32%           | 3,382.40          |         |
| E                                  | 21 | 005 | 105 | 000 | 401 | 331 | 422 | 000 | Supplies Wellness              | 7,400.00          | 0.00                  | 1,055.35            | 14%           | 0.00         | 14%           | 6,344.65          |         |
| E                                  | 21 | 005 | 105 | 000 | 314 | 331 | 422 | 000 | Consultant Expense Wellness    | 500.00            | 0.00                  | 0.00                | 0%            | 0.00         | 0%            | 500.00            |         |
| E                                  | 21 | 005 | 105 | 000 | 305 | 331 | 422 | 000 | Consult/Fees For Svc           | 0.00              | 0.00                  | 114.90              | 0%            | 0.00         | 0%            | (114.90)          |         |
| E                                  | 21 | 005 | 105 | 000 | 309 | 331 | 422 | 000 | Wellbeats/JE Fitness Reimb.    | 2,100.00          | 185.06                | 704.52              | 34%           | 0.00         | 34%           | 1,395.48          |         |
| <b>331 P1/Trig Wellness R/E</b>    |    |     |     |     |     |     |     |     |                                | <b>0.00</b>       | <b>589.46</b>         | <b>3,492.37</b>     | <b>0%</b>     | <b>0.00</b>  | <b>0%</b>     | <b>(3,492.37)</b> |         |
| <b>Report Totals:</b>              |    |     |     |     |     |     |     |     |                                | <b>153,101.00</b> | <b>(1,312,754.45)</b> | <b>(661,957.09)</b> | <b>(432%)</b> | <b>0.00</b>  | <b>(432%)</b> | <b>815,058.09</b> |         |

## Personnel Information for Approval

### Employee Resignations/Retirements/Terminations

| Effective Date | Name            | Reason      | Building/Position |
|----------------|-----------------|-------------|-------------------|
| 11/10/2020     | Leah Sturgeon   | Resignation | PSA               |
| 11/4/2020      | Jaclyn Buechner | Resignation | PSA               |

### Employee Leaves

| Effective Date             | Name           | Leave Type        | Building/Position        |
|----------------------------|----------------|-------------------|--------------------------|
| 10/23/2020 -<br>2/18/2020  | Keri Behnke    | FMLA - Extended   | Teacher/MEL, KEL,<br>PEL |
| 12/01/2020 -<br>01/04/2021 | Tamela Moon    | Medical Leave     | Title 1/Kennedy          |
| 11/01/2020 -<br>06/04/2021 | Deb Schumacher | Intermittent FMLA | PSA/MEL                  |
| 05/01/2021 -<br>06/04/2021 | Aleaha Zuzek   | FMLA              | Teacher/MEL              |
| 04/02/2021 -<br>08/23/2021 | Amy Mitchell   | FMLA              | Teacher/KEL              |

### Employee Change in Hours

| Effective Date | Name              | Current Hours | New Hours |
|----------------|-------------------|---------------|-----------|
| 10/22/2020     | Deb Kitt          | 5.25          | 5.75      |
| 10/22/2020     | Kellie McNaughton | 2.75          | 4.25      |

### Employment of the following individuals

| Start Date | Name          | Position/Building                                     | Salary/Rate of Pay |
|------------|---------------|---|--------------------|
| 10/07/2020 | Megan Loesch  | School Aged<br>Childcare Program<br>Specialist/Tilden | \$24.34            |
| 10/26/2020 | April Barry   | Cook/KEL  | \$14.34            |
| 11/12/2020 | Kristin Gable | SpEd Para/KEL   | \$16.23            |



**POSITION DESCRIPTION  
HASTINGS PUBLIC SCHOOLS**

**SECTION I: GENERAL INFORMATION**

|  |                                       |   |
|--|---------------------------------------|---|
| <b>Position Title:</b><br>Director of Human Resources  | <b>Department:</b><br>Human Resources | <b>Bargaining Unit:</b><br>Administrators |
| <b>Immediate Supervisor's Position Title:</b><br>Superintendent  | <b>FLSA Status:</b><br>Exempt         |   |
| <b>Job Summary:</b><br>Under the direction of the Superintendent, the Director of Human Resources plans, directs, and administers HR functions for the District including developing and monitoring HR procedures, employee recruitment and onboarding, following HR related federal and state statutes, contract negotiations processes, interpreting employee contracts; recommending all HR actions, overseeing employee benefits, overseeing employee evaluations procedures, and planning and implement all programs related to HR. |                                       |   |

**SECTION II: ESSENTIAL DUTIES AND RESPONSIBILITIES**

- Plans, directs, and coordinates the recruitment of and hiring procedures for all new staff.
  - a) Responsible for hiring and recruitment software used by all administrative staff.
  - b) Posts open positions placing new staff on the correct lane/step or hourly rate.
  - c) Issues employment letters and contracts for new employees.
  - d) Oversees New Employee Orientation.
  - e) Collection of required employment documentation for hire, background check verification, and benefit enrollment.
  - f) Ensures flow of information for Board agenda and to all necessary departments.
  - g) Update and maintain staffing allocations for all employees groups.
- Plans and directs HR functions for the School District; develops and implement HR related programs, policies and procedures.
  - a) Supports administrators and supervisor regarding HR policies and procedures (e.g. hiring, discipline, evaluations, leaves, termination, and benefits).
  - b) Tracks district-wide evaluation process.
  - c) Stays current with federal and state mandates and regulations relating to HR practices and procedures (FMLA, FLSA, STARS, etc.)
  - d) Coordinates Employee Wellness Program, Employee Assistance Program, and Employee Recognition Program.
- Serves on District negotiations team for all collective bargaining groups or individuals. Formulates proposals, negotiates, administers, and interprets employment contracts, agreement and policies.
  - a) Prepares negotiations prep documents.
  - b) Researches and recommends languages changes, additions and deletions.
  - c) Prepares negotiations proposals relating to employee benefits issued.
  - d) Prepares completed contracts upon settlement.
- Directs the implementation for compliance with a pay equity system (comparable worth); determines appropriate employee salary levels, steps or number of years credit, and process all salary adjustments.
  - a) Monitors creation of new positions and job descriptions, and facilitates assignment of Pay Equity points.

- b) Ensures that new employees are hired at the appropriate step and lane, per specific employee agreements/contracts.
  - c) Verifies lane changes for payroll department.
  - d) Conduct compensation studies and make recommendations for change in classifications, salary ranges and pay structures.
  - e) Ensures accuracy of state Pay Equity reporting procedures.
  - f) Applies for license variances or community expert licenses as needed.
- Administers all employee benefit programs and directly supervises department staff in the daily implementation of all benefit programs.
    - a) Facilitates selection of new benefits' carriers and modifications in current benefits' programs. Analyzes premium costs annually and facilitates Requests for Proposals, when appropriate. Determines when changes to plan design need to be implemented and communicates changes to employees. Facilitates required voting process with unions.
    - b) Facilitates retirement planning for all employees, including severance payments and continuation of benefits for retired staff members.
    - c) Reviews monthly absence reports with HR/PR/Benefits Administrative Assistant.
    - d) Analyzes and applies contract language for various absences and leaves of absence, and FMLA or LTD applicability.
    - e) Work comp renewal and oversees OSHA reporting and daily work comp reporting.
    - f) Oversees unemployment reporting.
  - Investigates all student, parent and employee concerns and grievances.
    - a) Documents investigations, drafts disciplinary letters, and provides final written summary.
    - b) Liaisons with legal representation, on all issues that could lead to employee suspension or termination.
    - c) Provides direction to principals and directors on personnel issues.
    - d) Serves as the district's Human Rights Officer.
  - Implements, coordinates and maintains the district's training system for all required employee trainings, including but not limited to OSHA, Van III, Bullying and HR trainings.
  - Supervises the staff and daily workflow of the Human Resources Department.
  - Performs other duties of a comparable level or type, as required.

**SECTION III: WORK REQUIREMENTS AND CHARACTERISTICS**

|   |   |   |  |                 |
|---|---|---|--|-----------------|
| <b>EDUCATION/KNOWLEDGE REQUIREMENT: Minimum education required to perform adequately in position could reasonably be attained only by completing the following:</b> |   |   |  |                 |
| <b>REQUIRED EDUCATION/TRAINING (choose one)</b>   |   | <b>DEGREE INFORMATION:</b><br>Type of degree: (B.S., M.A., etc.)  |  |                 |
| less than high school diploma   |   | BA  |  |                 |
| High school diploma or GED.   |   | <b>Major field of study or degree emphasis:</b><br>Human Resources.   |  |                 |
| 1 year college  |   |   |  | 2 years college |
| 3 years college   | X |   |  | 4 years college |
| 1st year graduate level   |   | <b>Essential knowledge and specialized subject knowledge required to perform the essential functions of the job:</b><br><ul style="list-style-type: none"> <li>Working knowledge of HR related Federal and State laws and K-12 Minnesota Statutes.</li> <li>Knowledge and best practices regarding labor-management relations, conflict resolution, employee evaluations, progressive discipline, hiring and terminating, and benefits administration.</li> <li>Proficiency regarding use of productivity software, HR and financial systems.</li> <li>Knowledge of district administrative policies and procedures.</li> </ul> |  |                 |
| 2nd year graduate level   |   |   |  |                 |
| Doctorate level   |   |   |  |                 |
| <b>Required Work Experience in Addition to Formal Education/Training:</b><br>At least three years of directly related experience.                                   |   |   |  |                 |
| <b>LICENSE/ CERTIFICATION</b>   |   | <b>Identify licenses/certification required:</b>  |  |                 |

|  |   |
|--|---|
| <b>ESSENTIAL SKILLS REQUIRED TO PERFORM THE WORK</b> | <p><b>Skilled in:</b></p> <ul style="list-style-type: none"> <li>Listening and communication skills.</li> <li>Delegating, managing and overseeing supervisory and non-supervisory personnel.</li> <li>Negotiations Processes and Procedures.</li> <li>Developing, maintaining and streamlining Human Resources processes and procedures.</li> <li>Implementing new programs, processes and procedures (online application systems, employee absences systems, evaluation systems, etc.)</li> <li>Researching and documenting.</li> <li>Human relation, presentational and communication skills needed to advise, negotiate, persuade and interact with representative of outside organizations, district administrators, elected officials, outside governmental agencies, business agents, attorneys, and the public.</li> <li>Coaching and supporting staff.</li> </ul> |
|--|---|

| <b>RESPONSIBILITY FOR DIRECT SUPERVISION OF THE FOLLOWING POSITIONS</b> |                       |
|---|-----------------------|
| <b>Titles of Positions Directly Supervised</b>                          | <b># of Employees</b> |
| Payroll Benefits Supervisor   | 1                     |
| HR/PR/Benefits Admin Asst   | 1                     |
| <b>TOTAL</b>  | <b>2</b>              |
| <b>INDIRECT SUPERVISION:</b>  |                       |
| <b>Number of employees indirectly supervised:</b>                       | <b>Total: 0</b>       |

|                                     |  |
|-------------------------------------|--|
| <b>HAZARDOUS WORKING CONDITIONS</b> | <p><b>Unusual or hazardous working conditions related to performance of duties:</b></p> <p>This is an administrative and supervisory position performing job duties and assignments in a typical district office environment where there are minimal environmental hazards and risks associated with performing the job.</p> |
|-------------------------------------|--|

| <b>PHYSICAL JOB REQUIREMENTS: Indicate according to essential duties/responsibilities</b> |              |                           |                          |                             |
|---|--------------|---------------------------|--------------------------|-----------------------------|
| <b><u>Employee is required to:</u></b>  | <b>Never</b> | <b>1-33% Occasionally</b> | <b>34-66% Frequently</b> | <b>66-100% Continuously</b> |
| <b>Stand</b>  |              | x                         |                          |                             |
| <b>Walk</b>   |              | x                         |                          |                             |
| <b>Sit</b>  |              |                           |                          | x                           |
| <b>Use hands dexterously (use fingers to handle, feel)</b>                                |              |                           |                          | x                           |
| <b>Reach with hands and arms</b>  |              | x                         |                          |                             |
| <b>Climb or balance</b>   | x            |                           |                          |                             |
| <b>Stoop/kneel/crouch or crawl</b>  | x            |                           |                          |                             |
| <b>Talk or hear</b>   |              |                           | x                        |                             |
| <b>Taste or smell</b>   | x            |                           |                          |                             |
| <b>Physical (Lift &amp; carry):<br/>up to 10 pounds</b>                                   |              |                           |                          | x                           |
| <b>up to 25 pounds</b>  | x            |                           |                          |                             |
| <b>up to 50 pounds</b>  | x            |                           |                          |                             |
| <b>up to 75 pounds</b>  | x            |                           |                          |                             |
| <b>up to 100 pounds</b>   | x            |                           |                          |                             |

|                      |   |  |  |  |
|----------------------|---|--|--|--|
| more than 100 pounds | x |  |  |  |
|----------------------|---|--|--|--|

**PHYSICAL JOB REQUIREMENTS: Indicate according to essential duties/responsibilities**

**Physical requirements associated with the position can be best summarized as follows:**

**Light Work:**

Exerting up to 10 pounds of force occasionally and/or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects, including the human body.

**SECTION IV: CLASSIFICATION HISTORY AND APPROVAL**

**This Position Description reflects an accurate and complete description of the duties and responsibilities assigned to the position.**

\_\_\_\_\_  
**Department Head's Signature**

\_\_\_\_\_  
**Date**

**Classification History:**

Created 10/2020

**Date Board Adopted: 11/18/2020**

**Board Approved Revisions:**



**POSITION DESCRIPTION  
HASTINGS PUBLIC SCHOOLS**

**SECTION I: GENERAL INFORMATION**

|  |   |   |
|--|---|---|
| <p><b>Position Title:</b><br/>Lead Instructional Assistant</p>   | <p><b>Department:</b><br/>Instructional Support</p> | <p><b>Bargaining Unit:</b><br/>Title I, AVID<br/>Paraprofessional</p> |
| <p><b>Immediate Supervisor's Position Title:</b><br/>Building Principal or Assistant Dir of Sp Svs.or Program Coordinators</p>   | <p><b>FLSA Status:</b><br/>Non-Exempt</p>           |   |
| <p><b>Job Summary:</b></p> <p>Under the guidance of licensed and professional instructional staff, this classification can represent a broad grouping of varied positions providing lead instructional support to other instructional assistants, tutors, and to provide assistance to children and licensed staff in a variety of academic and program areas. Positions assigned to this classification are expected to have gained or learned basic knowledge, skills and fundamentals of learning theory, child development, behavioral management/modification, and general instructional fundamentals in order to work groups of students or 1:1 in the areas of instructional reinforcement and student learning assistance. Responsibilities and duties are performed under the supervision of licensed instructional personnel and involve assisting and guiding students in the reinforcement of district curriculum and academic subject areas such as AVID, reading, math, science, language or other classroom subjects by implementing behavioral plans, learning strategies, and/or monitoring and enforcing appropriate behavior in accordance with instructional lesson plans and/or student IEP's. Positions assigned to this classification also provide assistance and support in terms of reinforcing learning strategies, note taking, preparing exercises/drill for students which are better suited to their learning needs, recording tests, copying materials for the classroom, correcting individual papers/tests, updating and maintaining classroom records, files and supplies. Depending upon program of assignment, instructional assistants may also assist with daily living skills and health needs for MA billing purposes. Specific duties and responsibilities of any position will vary from program-to-program and building-to-building and the essential duties listed below are intended to be illustrative and representative of the nature and level of duties that might be required of the classification as a whole.</p> <p>Lead Instructional Assistants are required to meet the minimum educational and experience requirements in order to perform instructional support duties under the immediate supervision of a licensed staff person, 2) to provide classroom support in academic reinforcement, tutoring or practice, and 3) to have prior knowledge and experience in the specific program areas, procedures and processes of those program areas assigned too.</p> <p><i>Essential duties outlined below are intended as "representative" examples of the level, nature and decision making expected of positions assigned to this classification. The duties below are not intended to be a comprehensive listing of all duties and tasks performed by the employees assigned to this classification. A classification description, unlike job description or position description, is designed to capture the general expectations, complexity level, and nature of work of any position that may be allocated to this classification.</i></p> |   |   |

**SECTION II: ESSENTIAL DUTIES AND RESPONSIBILITIES**

- Provides mentoring, orientation, scheduling, and resources assistance to other instructional assistants and tutoring staff to provide support to program and/or site coordinators. May participate in team interviews and assistance in the recruitment process, if necessary.

- Reinforces, provides practice and reintroduces reading, math, science, language and other academic instructional subjects, concepts and lessons delivered in the classroom by licensed instructional staff.
  - a) Works with students in the classroom in small groups or on a 1:1 basis.
  - b) Carries out and implements daily objectives to assist the student in learning the material and daily lessons provided by licensed instructional staff.
  - c) May provide assistance to students in daily living skills, health needs and/or hygiene needs, if required.
  - d) Adapts and modifies curriculum to assist students with special needs.
  - e) Assists in the preparation and production of instructional materials.
  - f) Tracks student grades in all coursework.
  - g) Tracks student attendance.
- Monitors, assesses and supervises student behaviors to assure consistent behavioral management consistent with any student IEP or to reinforce appropriate behavior and learning within the classroom. Implements and provides appropriate responses for inappropriate behavior consistent with district philosophy, rules and/or individual behavioral plans under the direction of supervising staff and in accordance with a student's IEP.
- Assists students with daily, weekly or long term assignments; reviews and reinforces concepts and skills that student(s) have not mastered; reviews subject materials to assist students prepare for exams and tests. Provides a proper learning environment in study center and maintains classroom discipline and consequences. Reaches out to teachers, counselors, parents and grade level principal with student issues.
- Documentation and time studies for third-party billing.
- Assists instructional personnel in the preparation of classrooms, daily lesson plans, and activities.
  - a) Assembling classroom materials and supplies needed.
  - b) Assists in transferring and securing students in wheel chairs.
  - c) Assists in setting up ~~assertive~~ technology and equipment.
  - d) Transports students to and from classrooms, buses, etc.
  - e) Assists students with daily living skills or routines.
  - f) Typing tests, handouts or other materials.
  - g) Copying and duplicating materials needed for lesson plans.
  - h) Assists in correcting tests, scoring tests, recording test results, etc.
  - i) Administering medication or addressing health needs under the direction of the Licensed School Nurse.
  - j) May enter student attendance and track student grades, provide progress and behavior updates to parents.
- Meets with and collaborates with other instructional staff to discuss student needs and student progress. Provides input and assists staff in identifying problems, concerns, issues or student progress.
- Contacts parents/guardians via email, phone or in person, as needed for academic and/or behavioral support.
- Performs other duties of a comparable level or type, as required.

**SECTION III: WORK REQUIREMENTS AND CHARACTERISTICS**

|  |   |  |   |
|--|---|--|---|
| <p><b>EDUCATION/KNOWLEDGE REQUIREMENT: Minimum education required to perform adequately in position could reasonably be attained only by completing the following:</b></p>   |   |  |   |
| <p><b>REQUIRED EDUCATION/TRAINING (choose one)</b></p>   |   | <p><b>DEGREE INFORMATION:</b><br/> <b>Type of degree: (B.S., M.A., etc.)</b></p>   |   |
|  | <p><b>less than high school diploma</b></p> |  | <p>HS &amp; Pass Para Pro Test or Highly Qualified Title<br/>                     or AA degree or the completion of 60 post secondary credits in relevant subject areas.</p>  |
| x  | <p><b>High school diploma or GED.</b></p>   |  | <p><b>Major field of study or degree emphasis:</b><br/>                     Child development, human development, learning, behavioral management or closely related area.</p>  |
|  | <p><b>1 year college</b></p>                | <p><b>2 years college</b></p>  |   |
|  | <p><b>3 years college</b></p>               | <p><b>4 years college</b></p>  |   |
|  | <p><b>1st year graduate level</b></p>       |  | <p><b>Essential knowledge and specialized subject knowledge required to perform the essential functions of the job:</b></p> <ul style="list-style-type: none"> <li>• Knowledge of basic math, reading, language, science, or other academic concepts pertinent to area of assignment.</li> <li>• Knowledge of general learning concepts, theories and fundamentals.</li> <li>• Knowledge of child development fundamentals and concepts.</li> <li>• Knowledge of problem solving and conflict resolution techniques.</li> <li>• Knowledge of behavioral management strategies, crisis intervention and methods.</li> <li>• Knowledge of district policies, guidelines, rules or philosophy pertaining to discipline and appropriate student behavior and consequences.</li> </ul> |
|  | <p><b>2nd year graduate level</b></p>       |  |   |
|  | <p><b>Doctorate level</b></p>               |  |   |
| <p><b>Required Work Experience in Addition to Formal Education/Training:</b><br/>                     Requires a minimum of 1-2 years experience in providing instructional support and experience in the specific program area assigned; or an equivalent combination of education and experience to perform the requirements of the job.</p> |   |  |   |
| <p><b>LICENSE/ CERTIFICATION</b></p>   |   | <p><b>Identify licenses/certification required:</b><br/>                     No specific licenses or certification required to gain entry into the classification. District may require specific certifications, courses and/or licenses after hiring depending upon the specific job assignment or needs of the district.</p> |   |

|  |   |
|--|---|
| <b>ESSENTIAL SKILLS REQUIRED TO PERFORM THE WORK</b> | <p><b>Skilled in:</b></p> <ul style="list-style-type: none"> <li>• Skill in supervising student behavior and applying consistent consequences for appropriate and inappropriate behaviors.</li> <li>• Skilled adapting lesson plans to the individual needs of students to facilitate their learning and to assist them in meeting any individual learning plans and objectives</li> <li>• Reading and interpreting documents, administrative policies, manuals, department guidelines and operational procedures.</li> <li>• Writing routine correspondence, routine reports, memos, documents, charts or other correspondence/recording keeping requirements of the job.</li> <li>• Presenting, reintroducing and reinforcing information in 1:1 and/or small group situation to students, parents, staff or other employees concerning district/program routines, policies, rules, learning principles, concepts and other lesson plans.</li> <li>• Taking instruction from and direction from licensed personnel and following classroom/program routines.</li> <li>• Learning and applying academic subject material relevant to their duties and needed in the reinforcement or tutoring of students.</li> <li>• Interacting with and serving as a role model concerning learning and behaviors .</li> <li>• Dealing appropriately with student conflict and behavioral issues consistently and in accordance with district guidelines, disciplinary principles and/or individual student plans.</li> <li>• Reinforcing and assisting students in acquiring or performing basic living skills or health needs.</li> </ul> |
|--|---|

| <b>RESPONSIBILITY FOR DIRECT SUPERVISION OF THE FOLLOWING POSITIONS</b>                             |                       |
|---|-----------------------|
| <b>Titles of Positions Directly Supervised</b>  | <b># of Employees</b> |
| None  |                       |
| <b>TOTAL</b>  |                       |
| <b>INDIRECT SUPERVISION:</b>  |                       |
| <b>Number of employees indirectly supervised:</b><br>Instructional Assistants and/or tutoring staff | <b>Total: 1-5</b>     |

|                                     |  |
|-------------------------------------|--|
| <b>HAZARDOUS WORKING CONDITIONS</b> | <p><b>Unusual or hazardous working conditions related to performance of duties:</b></p> <p>Work is performed typically in a school in a classroom setting. Position holders may be exposed to student conflicts, inappropriate behaviors, acting out behaviors and verbal outbursts depending upon job assignment. The potential for risks and hazards can be minimized given district procedures, job training, risk management procedures of the district, and supervision/direction provided by professional staff.</p> |
|-------------------------------------|--|

| <b>PHYSICAL JOB REQUIREMENTS: Indicate according to essential duties/responsibilities</b> |              |                           |                          |                             |
|---|--------------|---------------------------|--------------------------|-----------------------------|
| <b>Employee is required to:</b>   | <b>Never</b> | <b>1-33% Occasionally</b> | <b>34-66% Frequently</b> | <b>66-100% Continuously</b> |
| <b>Stand</b>  |              |                           | X                        |                             |
| <b>Walk</b>   |              | X                         |                          |                             |
| <b>Sit</b>  |              |                           | X                        |                             |
| <b>Use hands dexterously (use fingers to handle, feel)</b>                                |              | X                         |                          |                             |
| <b>Reach with hands and arms</b>  |              | X                         |                          |                             |
| <b>Climb or balance</b>   | X            |                           |                          |                             |
| <b>Stoop/kneel/crouch or crawl</b>  |              |                           | X                        |                             |
| <b>Talk or hear</b>   |              |                           |                          | X                           |
| <b>Taste or smell</b>   | X            |                           |                          |                             |
| <b>Physical (Lift &amp; carry):<br/>up to 10 pounds</b>                                   |              |                           |                          | X                           |
| <b>up to 25 pounds</b>  |              | X                         |                          |                             |
| <b>up to 50 pounds</b>  |              | X                         |                          |                             |
| <b>up to 75 pounds</b>  | X            |                           |                          |                             |
| <b>up to 100 pounds</b>   | X            |                           |                          |                             |
| <b>more than 100 pounds</b>   | X            |                           |                          |                             |

**PHYSICAL JOB REQUIREMENTS: Indicate according to essential duties/responsibilities**

**Physical requirements associated with the position can be best summarized as follows:**

**Light Work:**  
Exerting up to 20 pounds of force occasionally, and/or up to 10 pounds of force frequently, and/or negligible amount of force constantly to lift, carry, push, pull or otherwise move objects in the performance of the job.

## SECTION IV: CLASSIFICATION HISTORY AND APPROVAL

This Position Description reflects an accurate and complete description of the duties and responsibilities assigned to the position.

\_\_\_\_\_  
**Department Head's Signature**

\_\_\_\_\_  
**Date**

**Classification History:**

Created 9/2020

**Date Board Adopted: 11/18/2020**

**Board Approved Revisions:**



## **102 EQUAL EDUCATIONAL OPPORTUNITY**

### **I. PURPOSE**

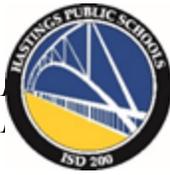
The purpose of this policy is to ensure that equal educational opportunity is provided for all students of the school district. Additionally, Hastings Public Schools affirms the importance of multicultural, gender fair, disability sensitive curriculum and instruction. Furthermore, the District recognizes and adheres to the fact that the students with disabilities are entitled to a free appropriate public education that includes general education, special education and/or related aids and services.

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

- A. It is the school district's policy to provide equal educational opportunity for all students. The school district does not unlawfully discriminate on the basis of race, color, creed, religion, national origin, sex, marital status, parental status, status with regard to public assistance, disability, sexual orientation or age.
- B. The School district prohibits the harassment of any individual for any of the categories listed above. For information about the types of conduct that constitute violation of the school district's policy on harassment and violence and the school district's procedures for addressing such complaints, refer to the school district's policy on harassment and violence.
- C. This policy applies to all areas of education including academics, coursework, co-curricular and extracurricular activities, or other rights or privileges of enrollment.
- D. It is the responsibility of every school district employee to comply with this policy conscientiously.
- E. Any student, parent or guardian having any questions regarding this policy should discuss it with the appropriate school district official as provided by policy. In the absence of a specific designee, an inquiry or a complaint should be referred to the superintendent.

### **III. GRIEVANCE PROCEDURE FOR COMPLAINTS OF DISCRIMINATION**

The following grievance procedure applies to claims of sex, disability, and racial discrimination:



- A. Any person who believes he or she has been the victim of unlawful discrimination or any person with knowledge or belief of conduct that may constitute unlawful discrimination shall report the alleged acts immediately to an appropriate school district official designated by this policy. The complaint must be filed within 90 calendar days of the alleged violation.
- B. The Human Rights Officer is responsible for receiving oral or written complaints of unlawful discrimination toward an employee or student. However, nothing in this policy shall prevent any person from reporting unlawful discrimination toward an employee or student directly with the Human Rights Officer, the school board or other school district official.
- C. The school board hereby designates the [Director of Human Resources](#), 1000 W 11th St, Hastings, MN 55033, as the school district Human Rights Officer(s) to receive reports, complaints, or grievances of unlawful discrimination. If the complaint involves a Human Rights Officer, the complaint shall be filed directly with the [District Superintendent](#).
- D. Upon receipt of a complaint, the Human Rights Officer shall immediately notify the superintendent. If the superintendent is the subject of the complaint, the Human Rights Officer shall immediately notify the school board.
- E. The Human Rights Officer may request, but not insist upon, a written complaint. Alternative means of filing a complaint, such as through a personal interview or by tape recording, shall be made available upon request for qualified persons with a disability. If the complaint is oral, it shall be reduced to writing within 24 hours and forwarded to the superintendent. Failure to do so may result in disciplinary action. The school district encourages the reporting party to complete the complaint form for written complaints. It is available from the principal of each building or the school district office.
- F. The school district shall respect the privacy of the complainant, the individual(s) against whom the complaint is filed, and the witnesses, consistent with the school district's legal obligations to investigate, take appropriate action, and comply with any discovery or disclosure obligations.

#### **IV. Investigation**

- A. The Human Rights Officer, upon receipt of a complaint alleging unlawful discrimination shall promptly undertake an investigation if deemed appropriate. The investigation may be conducted by the Title IX coordinator for complaints of sex discrimination or the Section 504 Coordinator for complaints of disability discrimination, or a school district official or neutral third party designated by the



*Public School District*

Title IX coordinator, Section 504 coordinator or Human Rights Officer. The investigation shall be completed within 30 days of the complaint, unless impracticable.

- 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 other methods deemed pertinent by the investigator.
- C. In determining whether the alleged conduct constitutes a violation of this policy, the school district shall consider the facts and the surrounding circumstances such as the nature of the behavior, past incidents or continuing patterns of behavior, the relationships between the parties involved and the context in which the alleged incident occurred.
- D. The school district may take immediate steps to protect the parties involved in the complaint process, pending completion of an investigation of alleged unlawful discrimination.
- E. Upon completion of the investigation, the school district investigator shall make a written report to the Human Rights Officer. If the complaint involves the Human Rights Officer, the report may be filed directly with the superintendent or the school board. The report shall include the facts, a determination of whether the allegations have been substantiated, whether a violation of this policy has occurred as well as a description of any proposed resolution which may include alternative dispute resolution.
- F. The district shall comply with federal and state law pertaining to retention of records.

## **V. APPEAL**

If the grievance has not been resolved to the satisfaction of the complainant, s/he may appeal to the Human Rights Officer within ten (10) school days of receipt of the findings of the school district investigation. The school district investigator shall conduct a review of the appeal and within ten (10) school days of receipt of the appeal, shall affirm, reverse, or modify the findings of the report. The decision of the school district investigator is final but does not preclude pursuit of alternative complaint procedures noted in the section entitled "Right to Alternative Complaint Procedures".

## **VI. SCHOOL DISTRICT ACTION**



*Public School District*

- A. Upon conclusion of the investigation and receipt of the findings, the school district shall take appropriate action. If it is determined that a violation has occurred, such action may include, but is not limited to, warning, suspension, expulsion, transfer, remediation or termination.

School district action taken for violation of this policy shall be consistent with the 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 shall be reported in writing to the complainant by the school district in accordance with state and federal law regarding data of records privacy.

## **VII. RETALIATION**

The school district shall take appropriate action against any student, teacher, administrator or other school personnel who retaliate against any person who reports alleged unlawful discrimination toward an employee or student or any person who testifies, assists or participates in an investigation or hearing relating to such unlawful discrimination. Retaliation includes, but is not limited to, any form of intimidation or harassment.

## **VIII. CONFLICT OF INTEREST**

If there is conflict of interest with respect to any party affected by this policy, appropriate action shall be taken such as, but not limited to, appointing or contracting with a neutral third party investigator to conduct the investigation or recusal from the process by the person for whom a conflict or potential conflict of interest exists.

## **IX. DISSEMINATION OF POLICY**

The school district shall adopt and public these procedures.

### **TITLE IX COORDINATOR**

Trent Hanson  
200 General Sieben Dr.  
Hastings, MN 55033  
651-480-7596  
[thanson@hastings.k12.mn.us](mailto:thanson@hastings.k12.mn.us)

### **SECTION 504 CORRINATOR**

Megan Miller  
1000 W 11th St.  
Hastings, MN 55033  
651-480-7009  
[mmiller@hastings.k12.mn.us](mailto:mmiller@hastings.k12.mn.us)

## **X. RIGHT TO ALTERNATIVE COMPLAINT PROCEDURES**



*Public School District*

These procedures do not deny the right of any individual to pursue other avenues of recourse, which may include filing charges with the agencies listed below or initiating action in state or federal court.

Claims of discrimination may also be pursued through the following agencies where appropriate:

U.S. Department of Education  
Office for Civil Rights, Region V  
500 W Madison St. - Ste. 1475  
Chicago, IL 60661  
Tel: 312-730-1560  
TDD: 312-730-1609

MN Department of Human Rights  
190 E 5th St.  
St. Paul, MN 55101  
800-657-704  
651-296-5663  
TDD: 651-296-1283

For complaints of employment discrimination:  
Equal Employment Opportunity Commission  
330 S 2nd Ave  
Ste 430  
Minneapolis, MN 55401

This document provides general information and is not to be a substitute for legal advice. Changes in the law, including timelines for filing a complaint, may affect your rights.

### **Legal Reference**

34 C.F.R. Section 104.7(b) (Section 504 of the Rehabilitation Act)  
34 C.F.R. Section 106.8(b) (Title IX of the Education Amendments of the 1972)

### **Resources:**

U.S. Department of Education  
Office for Civil Rights, Region V  
500 W Madison St. - Ste 1475  
Chicago, IL 60661  
Tel: 312-730-1560  
TDD: 312-730-1609



*Hastings Public School District*

***Legal References:***

Minn. Stat. Ch. 363 (Minnesota Human Rights Act)  
Minn. Stat. § 121A.03, Subd. 2 (Sexual, Religious, and  
Racial Harassment and Violence Policy)  
42 U.S.C. § 12101 et seq. (Americans with Disabilities  
Act)  
20 U.S.C. § 1681 et seq. (Title IX of the Education  
Amendments of 1972)

***Cross References:***

MSBA/MASA Model Policy 402 (Disability  
Nondiscrimination)  
MSBA/MASA Model Policy 413 (Harassment and  
Violence)  
MSBA/MASA Model Policy 521 (Student Disability  
Nondiscrimination)  
MSBA/MASA Model Policy 522 (Student Sex  
Nondiscrimination)

*Reviewed:*

*Revised:* 10/27/2020

*Adopted:* 02/20/2008



## **401 EQUAL EMPLOYMENT OPPORTUNITY**

### **I. PURPOSE**

The purpose of this policy is to provide equal employment opportunity for all applicants for school district employment and school district employees.

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

- A. The policy of the school district is to provide equal employment opportunity for all applicants and employees. The school district does not unlawfully discriminate on the basis of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, sexual orientation, age, family care leave status, or veteran status. The school district also makes reasonable accommodations for disabled employees.
- B. The school district prohibits the harassment of any individual for any of the categories listed above. For information about the types of conduct that constitute impermissible harassment and the school district's internal procedures for addressing complaints of harassment, please refer to the school district's policy on harassment and violence.
- C. This policy applies to all areas of employment including hiring, discharge, promotion, compensation, facilities, or privileges of employment.
- D. Every school district employee shall be responsible for following this policy.
- E. Any person having a question regarding this policy should discuss it with the [Director of Human Resources](#) or the [District Superintendent](#).

### **III. GRIEVANCE PROCEDURE FOR COMPLAINTS OF DISCRIMINATION**

The following grievance procedure applies to claims of sex, disability, and racial discrimination:

- A. Any person who believes he or she has been the victim of unlawful discrimination or any person with knowledge or belief of conduct that may constitute unlawful discrimination shall report the alleged acts immediately to an appropriate school district official designated by this policy. The complaint must be filed within 90 calendar days of the alleged violation.
- B. The Human Rights Officer is responsible for receiving oral or written complaints of unlawful discrimination toward an employee or student. However, nothing in this policy shall prevent any person from reporting unlawful discrimination toward



an employee or student directly with the Human Rights Officer, the school board or other school district official.

- C. The school board hereby designates the [Director of Human Resources](#) as the school district Human Rights Officer(s) to receive reports, complaints, or grievances of unlawful discrimination. If the complaint involves a Human Rights Officer, the complaint shall be filed directly with the [District Superintendent](#).
- D. Upon receipt of a complaint, the Human Rights Officer shall immediately notify the superintendent if the superintendent is the subject of the complaint, the Human Rights Officer shall immediately notify the school board.
- E. The Human Rights Officer may request, but not insist upon, a written complaint. Alternative means of filing a complaint, such as through a personal interview or by tape recording, shall be made available upon request for qualified persons with a disability. If the complaint is oral, it shall be reduced to writing within 24 hours and forwarded to the superintendent. Failure to do so may result in disciplinary action. The school district encourages the reporting party to complete the complaint form for written complaints. It is available from the principal of each building or the school district office.
- F. The school district shall respect the privacy of the complainant, the individual(s) against whom the complaint is filed, and the witnesses, consistent with the school district's legal obligations to investigate, take appropriate action, and comply with any discovery or disclosure obligations.

#### IV. INVESTIGATION

- A. The Human Rights Officer, upon receipt of a complaint alleging unlawful discrimination shall promptly undertake an investigation if deemed appropriate. The investigation may be conducted by the Title IX coordinator for complaints of sex discrimination or the Section 504 Coordinator for complaints of disability discrimination, or a school district official or neutral third party designated by the Title IX coordinator, Section 504 coordinator or Human Rights Officer. The investigation shall be completed within 30 days of the complaint, unless impracticable.
- 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 other methods deemed pertinent by the investigator.
- C. In determining whether the alleged conduct constitutes a violation of this policy, the school district shall consider the facts and the surrounding circumstances such as the nature of the behavior, past incidents or continuing patterns of behavior, the



relationships between the parties involved and the context in which the alleged incident occurred.

- D. The school district may take immediate steps to protect the parties involved in the complaint process, pending completion of an investigation of alleged unlawful discrimination.
- E. Upon completion of the investigation, the school district investigator shall make a written report to the Human Rights Officer. If the complaint involves the Human Rights Officer, the report may be filed directly with the superintendent or the school board. The report shall include the facts, a determination of whether the allegations have been substantiated, whether a violation of this policy has occurred as well as a description of any proposed resolution which may include alternative dispute resolution.
- F. The district shall comply with federal and state law pertaining to retention of records.

## **V. APPEAL**

If the grievance has not been resolved to the satisfaction of the complainant, s/he may appeal to the Human Rights Officer within ten (10) school days of receipt of the findings of the school district investigation. The school district investigator shall conduct a review of the appeal and within ten (10) school days of receipt of the appeal, shall affirm, reverse, or modify the findings of the report. The decision of the school district investigator is final but does not preclude pursuit of alternative complaint procedures noted in the section entitled “Right to Alternative Complaint Procedures”.

## **VI. SCHOOL DISTRICT ACTION**

- A. Upon conclusion of the investigation and receipt of the findings, the school district shall take appropriate action. If it is determined that a violation has occurred, such action may include, but is not limited to, warning, suspension, expulsion, transfer, remediation or termination.

School district action taken for violation of this policy shall be consistent with the 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 shall be reported in writing to the complainant by the school district in accordance with state and federal law regarding data of records privacy.

## **VII. RETALIATION**

The school district shall take appropriate action against any student, teacher, administrator or other school personnel who retaliate against any person who reports



alleged unlawful discrimination toward an employee or student or any person who testifies, assists or participates in an investigation or hearing relating to such unlawful discrimination. Retaliation includes, but is not limited to, any form of intimidation or harassment.

### **VIII. CONFLICT OF INTEREST**

If there is conflict of interest with respect to any party affected by this policy, appropriate action shall be taken such as, but not limited to, appointing or contracting with a neutral third party investigator to conduct the investigation or recusal from the process by the person for whom a conflict or potential conflict of interest exists.

### **IX. DISSEMINATION OF POLICY**

The school district shall adopt and public these procedures.

#### **TITLE IX COORDINATOR**

Trent Hanson  
200 General Sieben Dr.  
Hastings, MN 55033  
651-480-7596  
[thanson@hastings.k12.mn.us](mailto:thanson@hastings.k12.mn.us)

#### **SECTION 504 CORRINATOR**

Megan Miller  
1000 W 11th St.  
Hastings, MN 55033  
651-480-7009  
[mmiller@hastings.k12.mn.us](mailto:mmiller@hastings.k12.mn.us)

### **X. 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 agencies listed below or initiating action in state or federal court.

Claims of discrimination may also be pursued through the following agencies where appropriate:

U.S. Department of Education  
Office for Civil Rights, Region V  
500 W Madison St. - Ste. 1475  
Chicago, IL 60661  
Tel: 312-730-1560  
TDD: 312-730-1609

MN Department of Human Rights  
190 E 5th St.  
St. Paul, MN 55101  
800-657-704  
651-296-5663  
TDD: 651-296-1283

For complaints of employment discrimination:



Equal Employment Opportunity Commission  
330 S 2nd Ave  
Ste 430  
Minneapolis, MN 55401

This document provides general information and is not to be a substitute for legal advice. Changes in the law, including timelines for filing a complaint, may affect your rights.

**Legal Reference**

34 C.F.R. Section 104.7(b) (Section 504 of the Rehabilitation Act)  
34 C.F.R. Section 106.8(b) (Title IX of the Education Amendments of the 1972)

**Resources:**

U.S. Department of Education  
Office for Civil Rights, Region V  
500 W Madison St. - Ste 1475  
Chicago, IL 60661  
Tel: 312-730-1560  
TDD: 312-730-1609

Reading Room, U.S. Department of Education, Office for Civil Rights:  
<http://www2.ed.gov/about/offices/list/ocr/publications.html>

***Legal References:***

Minn. Stat. Ch. 363A (Minnesota Human Rights Act)  
29 U.S.C. § 621 et seq. (Age Discrimination in Employment Act)  
29 U.S.C. § 2615 (Family and Medical Leave Act)  
38 U.S.C. § 4211 et seq. (Employment and Training of Veterans)  
38 U.S.C. § 4301 et seq. (Employment and Reemployment Rights of Members of the Uniformed Services)  
42 U.S.C. § 2000e et seq. (Title VII of the Civil Rights Act)  
42 U.S.C. § 12101 et seq. (Equal Opportunity for Individuals with Disabilities)

***Cross References:***

MSBA/MASA Model Policy 402 (Disability Nondiscrimination)  
MSBA/MASA Model Policy 405 (Veteran's Preference)  
MSBA/MASA Model Policy 413 (Harassment and Violence)

*Policy Reviewed:*

*Policy Adopted:*

*Policy Revised:* 10.27/2020



## **402 Disability Nondiscrimination**

### **I. PURPOSE**

The purpose of this policy is to provide a fair employment setting for all persons and to comply with state and federal law.

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

- A. The school district shall not discriminate against qualified individuals with disabilities because of the disabilities of such individuals in regard to job application procedures, hiring, advancement, discharge, compensation, job training, and other terms, conditions, and privileges of employment.
- B. The school district shall not engage in contractual or other arrangements that have the effect of subjecting its qualified applicants or employees with disabilities to discrimination on the basis of disability. The school district shall not exclude or otherwise deny equal jobs or job benefits to a qualified individual because of the known disability of an individual with whom the qualified individual is known to have a relationship or association.
- C. The school district shall make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or employee, unless the accommodation would impose undue hardship on the operation of the business of the school district.
- D. Any job applicant or employee wishing to discuss the need for a reasonable accommodation, or other matters related to a disability or the enforcement and application of this policy, should contact the school district's appointed ADA/Section 504 coordinator.

### **III. GRIEVANCE PROCEDURE FOR COMPLAINTS OF DISCRIMINATION**

The following grievance procedure applies to claims of sex, disability, and racial discrimination:

- A. Any person who believes he or she has been the victim of unlawful discrimination or any person with knowledge or belief of conduct that may constitute unlawful discrimination shall report the alleged acts immediately to an appropriate school district official designated by this policy. The complaint must be filed within 90 calendar days of the alleged violation.
- B. The Human Rights Officer is responsible for receiving oral or written complaints of unlawful discrimination toward an employee or student. However, nothing in



this policy shall prevent any person from reporting unlawful discrimination toward an employee or student directly with the Human Rights Officer, the school board or other school district official.

- C. The school board hereby designates the [Director of Human Resources](#) as the school district Human Rights Officer(s) to receive reports, complaints, or grievances of unlawful discrimination. If the complaint involves a Human Rights Officer, the complaint shall be filed directly with the [District Superintendent](#).
- D. Upon receipt of a complaint, the Human Rights Officer shall immediately notify the superintendent if the superintendent is the subject of the complaint, the Human Rights Officer shall immediately notify the school board.
- E. The Human Rights Officer may request, but not insist upon, a written complaint. Alternative means of filing a complaint, such as through a personal interview or by tape recording, shall be made available upon request for qualified persons with a disability. If the complaint is oral, it shall be reduced to writing within 24 hours and forwarded to the superintendent. Failure to do so may result in disciplinary action. The school district encourages the reporting party to complete the complaint form for written complaints. It is available from the principal of each building or the school district office.
- F. The school district shall respect the privacy of the complainant, the individual(s) against whom the complaint is filed, and the witnesses, consistent with the school district's legal obligations to investigate, take appropriate action, and comply with any discovery or disclosure obligations.

#### IV. INVESTIGATION

- A. The Human Rights Officer, upon receipt of a complaint alleging unlawful discrimination shall promptly undertake an investigation if deemed appropriate. The investigation may be conducted by the Title IX coordinator for complaints of sex discrimination or the Section 504 Coordinator for complaints of disability discrimination, or a school district official or neutral third party designated by the Title IX coordinator, Section 504 coordinator or Human Rights Officer. The investigation shall be completed within 30 days of the complaint, unless impracticable.
- 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 other methods deemed pertinent by the investigator.



- C. In determining whether the alleged conduct constitutes a violation of this policy, the school district shall consider the facts and the surrounding circumstances such as the nature of the behavior, past incidents or continuing patterns of behavior, the relationships between the parties involved and the context in which the alleged incident occurred.
- D. The school district may take immediate steps to protect the parties involved in the complaint process, pending completion of an investigation of alleged unlawful discrimination.
- E. Upon completion of the investigation, the school district investigator shall make a written report to the Human Rights Officer. If the complaint involves the Human Rights Officer, the report may be filed directly with the superintendent or the school board. The report shall include the facts, a determination of whether the allegations have been substantiated, whether a violation of this policy has occurred as well as a description of any proposed resolution which may include alternative dispute resolution.
- F. The district shall comply with federal and state law pertaining to retention of records.

## **V. APPEAL**

If the grievance has not been resolved to the satisfaction of the complainant, s/he may appeal to the Human Rights Officer within ten (10) school days of receipt of the findings of the school district investigation. The school district investigator shall conduct a review of the appeal and within ten (10) school days of receipt of the appeal, shall affirm, reverse, or modify the findings of the report. The decision of the school district investigator is final but does not preclude pursuit of alternative complaint procedures noted in the section entitled "Right to Alternative Complaint Procedures".

## **VI. SCHOOL DISTRICT ACTION**

- A. Upon conclusion of the investigation and receipt of the findings, the school district shall take appropriate action. If it is determined that a violation has occurred, such action may include, but is not limited to, warning, suspension, expulsion, transfer, remediation or termination.

School district action taken for violation of this policy shall be consistent with the 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 shall be reported in writing to the complainant by the school district in accordance with state and federal law regarding data of records privacy.



## VII. RETALIATION

The school district shall take appropriate action against any student, teacher, administrator or other school personnel who retaliate against any person who reports alleged unlawful discrimination toward an employee or student or any person who testifies, assists or participates in an investigation or hearing relating to such unlawful discrimination. Retaliation includes, but is not limited to, any form of intimidation or harassment.

## VIII. CONFLICT OF INTEREST

If there is conflict of interest with respect to any party affected by this policy, appropriate action shall be taken such as, but not limited to, appointing or contracting with a neutral third party investigator to conduct the investigation or recusal from the process by the person for whom a conflict or potential conflict of interest exists.

## IX. DISSEMINATION OF POLICY

The school district shall adopt and public these procedures.

### TITLE IX COORDINATOR

Trent Hanson  
200 General Sieben Dr.  
Hastings, MN 55033  
651-480-7596  
[thanson@hastings.k12.mn.us](mailto:thanson@hastings.k12.mn.us)

### SECTION 504 CORRINATOR

Megan Miller  
1000 W 11th St.  
Hastings, MN 55033  
651-480-7009  
[mmiller@hastings.k12.mn.us](mailto:mmiller@hastings.k12.mn.us)

## X. 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 agencies listed below or initiating action in state or federal court.

Claims of discrimination may also be pursued through the following agencies where appropriate:

U.S. Department of Education  
Office for Civil Rights, Region V  
500 W Madison St. - Ste. 1475  
Chicago, IL 60661  
Tel: 312-730-1560  
TDD: 312-730-1609



Hastings Public School District  
ISD #200

MN Department of Human Rights  
190 E 5th St.  
St. Paul, MN 55101  
800-657-704  
651-296-5663  
TDD: 651-296-1283

For complaints of employment discrimination:  
Equal Employment Opportunity Commission  
330 S 2nd Ave  
Ste 430  
Minneapolis, MN 55401

This document provides general information and is not to be a substitute for legal advice. Changes in the law, including timelines for filing a complaint, may affect your rights.

**Legal Reference**

34 C.F.R. Section 104.7(b) (Section 504 of the Rehabilitation Act)  
34 C.F.R. Section 106.8(b) (Title IX of the Education Amendments of the 1972)

**Resources:**

U.S. Department of Education  
Office for Civil Rights, Region V  
500 W Madison St. - Ste 1475  
Chicago, IL 60661  
Tel: 312-730-1560  
TDD: 312-730-1609

Reading Room, U.S. Department of Education, Office for Civil Rights:  
<http://www2.ed.gov/about/offices/list/ocr/publications.html>

**Legal References:** 29 U.S.C. 794 et seq. (Rehabilitation Act of 1973, § 504)  
42 U.S.C., Ch. 126 § 12112 (Americans with Disabilities Act)  
29 C.F.R. Part 32  
34 C.F.R. Part 104

**Cross References:** MSBA/MASA Model Policy 521 (Student Disability Nondiscrimination)



*Hastings Public School District*  
*ISD #200*

*Policy Reviewed:*

*Policy Adopted:*

*Policy Revised:*        10.27.2020



## **413 HARASSMENT AND VIOLENCE**

### **I. PURPOSE**

The purpose of this policy is to maintain a learning and working environment that is free from harassment and violence on the basis of race, color, creed, religion, national origin, sex, age, marital status, familial status, status with regard to public assistance, sexual orientation, including gender identity or expression, or disability.

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

- A. The policy of the school district is to maintain a learning and working environment that is free from harassment and violence on the basis of race, color, creed, religion, national origin, sex, age, marital status, familial status, status with regard to public assistance, sexual orientation, including gender identity or expression, or disability. The school district prohibits any form of harassment or violence on the basis of race, color, creed, religion, national origin, sex, age, marital status, familial status, status with regard to public assistance, sexual orientation, including gender identity or expression, or disability.
- B. A violation of this policy occurs when any student, teacher, administrator, or other school district personnel harasses a student, teacher, administrator, or other school district personnel or group of students, teachers, administrators, or other school district personnel through conduct or communication based on a person's race, color, creed, religion, national origin, sex, age, marital status, familial status, status with regard to public assistance, sexual orientation, including gender identity or expression, or disability, as defined by this policy. (For purposes of this policy, school district personnel include school board members, school employees, agents, volunteers, contractors, or persons subject to the supervision and control of the district.)
- C. A violation of this policy occurs when any student, teacher, administrator, or other school district personnel inflicts, threatens to inflict, or attempts to inflict violence upon any student, teacher, administrator, or other school district personnel or group of students, teachers, administrators, or other school district personnel based on a person's race, color, creed, religion, national origin, sex, age, marital status, familial status, status with regard to public assistance, sexual orientation, including gender identity or expression, or disability.
- D. The school district will act to investigate all complaints, either formal or informal,



verbal or written, of harassment or violence based on a person's race, color, creed, religion, national origin, sex, age, marital status, familial status, status with regard to public assistance, sexual orientation, including gender identity or expression, or disability, and to discipline or take appropriate action against any student, teacher, administrator, or other school district personnel who is found to have violated this policy.

### III. DEFINITIONS

- A. "Assault" is:
1. an act done with intent to cause fear in another of immediate bodily harm or death;
  2. the intentional infliction of or attempt to inflict bodily harm upon another; or
  3. the threat to do bodily harm to another with present ability to carry out the threat.
- B. "Harassment" prohibited by this policy consists of physical or verbal conduct, including, but not limited to, electronic communications, relating to an individual's or group of individuals' race, color, creed, religion, national origin, sex, age, marital status, familial status, status with regard to public assistance, sexual orientation, including gender identity or expression, or disability when the conduct:
1. has the purpose or effect of creating an intimidating, hostile, or offensive working or academic environment;
  2. has the purpose or effect of substantially or unreasonably interfering with an individual's work or academic performance; or
  3. otherwise adversely affects an individual's employment or academic opportunities.
- C. "Immediately" means as soon as possible but in no event longer than 24 hours.
- D. Protected Classifications; Definitions
1. "Disability" means any condition or characteristic that renders a person a disabled person. A disabled person is any person who:
    - a. has a physical, sensory, or mental impairment which materially limits one or more major life activities;
    - b. has a record of such an impairment; or



- c. is regarded as having such an impairment.
  2. “Familial status” means the condition of one or more minors being domiciled with:
    - a. their parent or parents or the minor’s legal guardian; or
    - b. the designee of the parent or parents or guardian with the written permission of the parent or parents or guardian. The protections afforded against harassment on the basis of family status apply to any person who is pregnant or is in the process of securing legal custody of an individual who has not attained the age of majority.
  3. “Marital status” means whether a person is single, married, remarried, divorced, separated, or a surviving spouse and, in employment cases, includes protection against harassment on the basis of the identity, situation, actions, or beliefs of a spouse or former spouse.
  4. “National origin” means the place of birth of an individual or of any of the individual’s lineal ancestors.
  5. “Sex” includes, but is not limited to, pregnancy, childbirth, and disabilities related to pregnancy or childbirth.
  6. “Sexual orientation” means having or being perceived as having an emotional, physical, or sexual attachment to another person without regard to the sex of that person or having or being perceived as having an orientation for such attachment, or having or being perceived as having a self-image or identity not traditionally associated with one’s biological maleness or femaleness. “Sexual orientation” does not include a physical or sexual attachment to children by an adult.
  7. “Status with regard to public assistance” means the condition of being a recipient of federal, state, or local assistance, including medical assistance, or of being a tenant receiving federal, state, or local subsidies, including rental assistance or rent supplements.
- E. “Remedial response” means a measure to stop and correct acts of harassment or violence, prevent acts of harassment or violence from recurring, and protect, support, and intervene on behalf of a student who is the target or victim of acts of harassment or violence.
- F. Sexual Harassment; Definition
  1. Sexual harassment consists of unwelcome sexual advances, requests for



sexual favors, sexually motivated physical conduct or other verbal or physical conduct or communication of a sexual nature when:

- a. submission to that conduct or communication is made a term or condition, either explicitly or implicitly, of obtaining employment or an education; or
- b. submission to or rejection of that conduct or communication by an individual is used as a factor in decisions affecting that individual's employment or education; or
- c. that conduct or communication has the purpose or effect of substantially or unreasonably interfering with an individual's employment or education, or creating an intimidating, hostile, or offensive employment or educational environment.

2. Sexual harassment may include, but is not limited to:

- a. unwelcome verbal harassment or abuse;
- b. unwelcome pressure for sexual activity;
- c. unwelcome, sexually motivated, or inappropriate patting, pinching, or physical contact, other than necessary restraint of student(s) by teachers, administrators, or other school district personnel to avoid physical harm to persons or property;
- d. unwelcome sexual behavior or words, including demands for sexual favors, accompanied by implied or overt threats concerning  
  
an individual's employment or educational status;
- e. unwelcome sexual behavior or words, including demands for sexual favors, accompanied by implied or overt promises of preferential treatment with regard to an individual's employment or educational status; or
- f. unwelcome behavior or words directed at an individual because of sexual orientation, including gender identity or expression.

G. Sexual Violence; Definition

1. Sexual violence is a physical act of aggression or force or the threat thereof which involves the touching of another's intimate parts or forcing a person to touch any person's intimate parts. Intimate parts, as defined in Minn. Stat. § 609.341, includes the primary genital area, groin, inner thigh,



buttocks, or breast, as well as the clothing covering these areas.

2. Sexual violence may include, but is not limited to:
  - a. touching, patting, grabbing, or pinching another person's intimate parts, whether that person is of the same sex or the opposite sex;
  - b. coercing, forcing, or attempting to coerce or force the touching of anyone's intimate parts;
  - c. coercing, forcing, or attempting to coerce or force sexual intercourse or a sexual act on another; or
  - d. threatening to force or coerce sexual acts, including the touching of intimate parts or intercourse, on another.

#### H. Violence; Definition

Violence prohibited by this policy is a physical act of aggression or assault upon another or group of individuals because of, or in a manner reasonably related to, race, color, creed, religion, national origin, sex, age, marital status, familial status, status with regard to public assistance, sexual orientation, including gender identity or expression, or disability.

### IV. REPORTING PROCEDURES

- A. Any person who believes he or she has been the target or victim of harassment or violence on the basis of race, color, creed, religion, national origin, sex, age, marital status, familial status, status with regard to public assistance, sexual orientation, including gender identity or expression, or disability by a student, teacher, administrator, or other school district personnel, or any person with knowledge or belief of conduct which may constitute harassment or violence prohibited by this policy toward a student, teacher, administrator, or other school district personnel or group of students, teachers, administrators, or other school district personnel should report the alleged acts immediately to an appropriate school district official designated by this policy. A person may report conduct which may constitute harassment or violence 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 from the school district office, but oral reports shall be considered complaints as well.



- C. Nothing in this policy shall prevent any person from reporting harassment or violence 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.
  
- D. In Each School Building. The building principal, the principal's designee, or the building supervisor (hereinafter the "building report taker") is the person responsible for receiving oral or written reports of harassment or violence prohibited by this policy at the building level. Any adult school district personnel who receives a report of harassment or violence prohibited by this policy shall inform the building report taker immediately. 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.
  
- E. A teacher, school administrator, volunteer, contractor, or other school employee shall be particularly alert to possible situations, circumstances, or events that might include acts of harassment or violence. Any such person who witnesses, observes, receives a report of, or has other knowledge or belief of conduct that may constitute harassment or violence shall make reasonable efforts to address and resolve the harassment or violence and shall inform the building report taker immediately. School district personnel who fail to inform the building report taker of conduct that may constitute harassment or violence or who fail to make reasonable efforts to address and resolve the harassment or violence in a timely manner may be subject to disciplinary action.
  
- F. Upon receipt of a report, the building report taker must notify the school district human rights officer immediately, without screening or investigating the report. The building report taker 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 building report taker to the human rights officer. If the report was given verbally, the building report taker shall personally reduce it to written form within 24 hours and forward it to the human rights officer. Failure to forward any harassment or violence report or complaint as provided herein may result in disciplinary action against the building report taker.
  
- G. In the District. The school board hereby designates:

Deanna Werner  
1000 W 11th St.  
Hastings, MN 55033  
651-480-7002  
dwerner@hastings.k12.mn.us



as the school district human rights officer(s) to receive reports or complaints of harassment or violence prohibited by this policy. If the complaint involves a human rights officer, the complaint shall be filed directly with the [District Superintendent](#).<sup>1</sup>

- H. The school district shall conspicuously post the name of the human rights officer(s), including mailing addresses and telephone numbers.
- I. Submission of a good faith complaint or report of harassment or violence prohibited by this policy will not affect the complainant or reporter's future employment, grades, work assignments, or educational or work environment.
- J. Use of formal reporting forms is not mandatory.
- K. Reports of harassment or violence prohibited by this policy are classified as private educational and/or personnel data and/or confidential investigative data and will not be disclosed except as permitted by law.
- L. 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.
- M. Retaliation against a victim, good faith reporter, or a witness of violence or harassment is prohibited.
- N. False accusations or reports of violence or harassment against another person are prohibited.
- O. A person who engages in an act of violence or harassment, reprisal, retaliation, or false reporting of violence or harassment, or permits, condones, or tolerates violence or harassment 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, or are a party to, prohibited acts of violence or harassment or who engage in reprisal or intentional false reporting 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 violence or harassment or engage in an act of reprisal or intentional false reporting of violence or harassment may result in disciplinary action up to and including termination or discharge.

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<sup>1</sup> In some school districts the superintendent may be the human rights officer. If so, an alternative individual should be designated by the school board.



Consequences for other individuals engaging in prohibited acts of violence or harassment may include, but not be limited to, exclusion from school district property and events and/or termination of services and/or contracts.

## V. INVESTIGATION

- A. By authority of the school district, the human rights officer, within three (3) days of the receipt of a report or complaint alleging harassment or violence prohibited by this policy, shall 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 target or victim, the complainant, and students, teachers, administrators, or other school district personnel pending completion of an investigation of alleged harassment or violence prohibited by this policy.
- E. The alleged perpetrator of the act(s) of harassment or violence shall be allowed the opportunity to present a defense during the investigation or prior to the imposition of discipline or other remedial responses.
- F. 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.

## VI. SCHOOL DISTRICT ACTION

- A. Upon completion of an investigation that determines a violation of this policy 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 requirements of applicable collective bargaining agreements, Minnesota and federal law, and applicable school district policies and regulations.

- B. 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 targets or victims of harassment or violence and the parent(s) or guardian(s) of alleged perpetrators of harassment or violence who have been involved in a reported and confirmed harassment or violence incident of the remedial or disciplinary action taken, to the extent permitted by law.
- C. In order to prevent or respond to acts of harassment or violence 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) 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 acts of harassment or violence.

## **VII. RETALIATION OR REPRISAL**

The school district will discipline or take appropriate action against any student, teacher, administrator, or other school district personnel who commits an act of reprisal or who retaliates against any person who asserts, alleges, or makes a good faith report of alleged harassment or violence prohibited by this policy, who testifies, assists, or participates in an investigation of retaliation or alleged harassment or violence, or who testifies, assists, or participates in a proceeding or hearing relating to such harassment or violence. 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 harassment or violence. Remedial responses to the harassment or violence shall be tailored to the particular incident and nature of the conduct.

## **VIII. 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.

## **IX. HARASSMENT OR VIOLENCE AS ABUSE**



- A. Under certain circumstances, alleged harassment or violence may also be possible abuse under Minnesota law. If so, the duties of mandatory reporting under Minn. Stat. § 626.556 may be applicable.
- B. Nothing in this policy will prohibit the school district from taking immediate action to protect victims of alleged harassment, violence, or abuse.

## **X. DISSEMINATION OF POLICY AND TRAINING**

- A. This policy shall be conspicuously posted throughout each school building in areas accessible to students and staff members.
- B. This policy shall be given to each school district employee and independent contractor who regularly interacts with students at the time of initial employment with the school district.
- C. This policy shall appear in the student handbook.
- D. The school district will develop a method of discussing this policy with students and employees.
- E. The school district may implement violence prevention and character development education programs to prevent and 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, resourcefulness, and/or sexual abuse prevention.
- F. This policy shall be reviewed at least annually for compliance with state and federal law.

**Legal References:** Minn. Stat. § 120B.232 (Character Development Education)  
Minn. Stat. § 120B.234 (Child Sexual Abuse Prevention Education)  
Minn. Stat. § 121A.03, Subd. 2 (Sexual, Religious, and Racial Harassment and Violence Policy)  
Minn. Stat. § 121A.031 (School Student Bullying Policy)  
Minn. Stat. Ch. 363A (Minnesota Human Rights Act)  
Minn. Stat. § 609.341 (Definitions)  
Minn. Stat. § 626.556 *et seq.* (Reporting of Maltreatment of Minors)  
20 U.S.C. §§ 1681-1688 (Title IX of the Education Amendments of 1972)  
29 U.S.C. § 621 *et seq.* (Age Discrimination in Employment Act)  
29 U.S.C. § 794 (Rehabilitation Act of 1973, § 504)  
42 U.S.C. § 1983 (Civil Action for Deprivation of Rights)  
42 U.S.C. § 2000d *et seq.* (Title VI of the Civil Rights Act of 1964)  
42 U.S.C. § 2000e *et seq.* (Title VII of the Civil Rights Act)



42 U.S.C. § 12101 *et seq.* (Americans with Disabilities Act)

**Cross References:** MSBA/MASA Model Policy 102 (Equal Educational Opportunity)  
MSBA/MASA Model Policy 401 (Equal Employment Opportunity)  
MSBA/MASA Model Policy 402 (Disability Nondiscrimination Policy)  
MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)  
MSBA/MASA Model Policy 406 (Public and Private Personnel Data)  
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 506 (Student Discipline)  
MSBA/MASA Model Policy 514 (Bullying Prohibition Policy)  
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 528 (Student Parental, Family, and Marital Status Nondiscrimination)

*Policy Reviewed: 06.24.2020*

*Policy Adopted: 07.22.2020*

*Policy Revised: 07.17.2020*



## **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, need special services, accommodations, or programs in order that such learners may receive a free appropriate public education.

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

- A. Disabled students are protected from discrimination on the basis of a disability.
- B. It is the responsibility of the school district to identify and evaluate learners who, within the intent of Section 504 of the Rehabilitation Act of 1973, need special services, accommodations, or programs in order that such learners may receive a free appropriate public education.
- C. For this policy, a learner who is protected under Section 504 is one who:
  - 1. has a physical or mental impairment that substantially limits one or more major life activities, including learning; or
  - 2. has a record of such 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, comments, or complaints should contact the Director of Special Services regarding grievances or hearing requests regarding disability issues. This person is the school district's ADA/504 Coordinator.

**Director of Special Services**

Megan Miller  
1000 W 11th St  
Hastings, MN 55033  
651-480-7009  
[mmiller@hastings.k12.mn.us](mailto:mmiller@hastings.k12.mn.us)



#### IV. GRIEVANCE PROCEDURE FOR COMPLAINTS OF DISCRIMINATION

The following grievance procedure applies to claims of sex, disability, and racial discrimination:

- A. Any person who believes he or she has been the victim of unlawful discrimination or any person with knowledge or belief of conduct that may constitute unlawful discrimination shall report the alleged acts immediately to an appropriate school district official designated by this policy. The complaint must be filed within 90 calendar days of the alleged violation.
- B. The Human Rights Officer is responsible for receiving oral or written complaints of unlawful discrimination toward an employee or student. However, nothing in this policy shall prevent any person from reporting unlawful discrimination toward an employee or student directly with the Human Rights Officer, the school board or other school district official.
- C. The school board hereby designates the [Director of Human Resources](#) as the school district Human Rights Officer(s) to receive reports, complaints, or grievances of unlawful discrimination. If the complaint involves a Human Rights Officer, the complaint shall be filed directly with the [District Superintendent](#).
- D. Upon receipt of a complaint, the Human Rights Officer shall immediately notify the superintendent if the superintendent is the subject of the complaint, the Human Rights Officer shall immediately notify the school board.
- E. The Human Rights Officer may request, but not insist upon, a written complaint. Alternative means of filing a complaint, such as through a personal interview or by tape recording, shall be made available upon request for qualified persons with a disability. If the complaint is oral, it shall be reduced to writing within 24 hours and forwarded to the superintendent. Failure to do so may result in disciplinary action. The school district encourages the reporting party to complete the complaint form for written complaints. It is available from the principal of each building or the school district office.
- F. The school district shall respect the privacy of the complainant, the individual(s) against whom the complaint is filed, and the witnesses, consistent with the school district's legal obligations to investigate, take appropriate action, and comply with any discovery or disclosure obligations.

#### V. INVESTIGATION



- A. The Human Rights Officer, upon receipt of a complaint alleging unlawful discrimination shall promptly undertake an investigation if deemed appropriate. The investigation may be conducted by the Title IX coordinator for complaints of sex discrimination or the Section 504 Coordinator for complaints of disability discrimination, or a school district official or neutral third party designated by the Title IX coordinator, Section 504 coordinator or Human Rights Officer. The investigation shall be completed within 30 days of the complaint, unless impracticable.
- 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 other methods deemed pertinent by the investigator.
- C. In determining whether the alleged conduct constitutes a violation of this policy, the school district shall consider the facts and the surrounding circumstances such as the nature of the behavior, past incidents or continuing patterns of behavior, the relationships between the parties involved and the context in which the alleged incident occurred.
- D. The school district may take immediate steps to protect the parties involved in the complaint process, pending completion of an investigation of alleged unlawful discrimination.
- E. Upon completion of the investigation, the school district investigator shall make a written report to the Human Rights Officer. If the complaint involves the Human Rights Officer, the report may be filed directly with the superintendent or the school board. The report shall include the facts, a determination of whether the allegations have been substantiated, whether a violation of this policy has occurred as well as a description of any proposed resolution which may include alternative dispute resolution.
- F. The district shall comply with federal and state law pertaining to retention of records.

## **VI. APPEAL**

If the grievance has not been resolved to the satisfaction of the complainant, s/he may appeal to the Human Rights Officer within ten (10) school days of receipt of the findings of the school district investigation. The school district investigator shall conduct a review of the appeal and within ten (10) school days of receipt of the appeal, shall affirm, reverse, or modify the findings of the report. The decision of the school district investigator is final but does not preclude pursuit of alternative complaint procedures noted in the section entitled "Right to Alternative Complaint Procedures".

## **VII. SCHOOL DISTRICT ACTION**



- A. Upon conclusion of the investigation and receipt of the findings, the school district shall take appropriate action. If it is determined that a violation has occurred, such action may include, but is not limited to, warning, suspension, expulsion, transfer, remediation or termination.

School district action taken for violation of this policy shall be consistent with the 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 shall be reported in writing to the complainant by the school district in accordance with state and federal law regarding data of records privacy.

### **VIII. RETALIATION**

The school district shall take appropriate action against any student, teacher, administrator or other school personnel who retaliate against any person who reports alleged unlawful discrimination toward an employee or student or any person who testifies, assists or participates in an investigation or hearing relating to such unlawful discrimination. Retaliation includes, but is not limited to, any form of intimidation or harassment.

### **IX. CONFLICT OF INTEREST**

If there is conflict of interest with respect to any party affected by this policy, appropriate action shall be taken such as, but not limited to, appointing or contracting with a neutral third party investigator to conduct the investigation or recusal from the process by the person for whom a conflict or potential conflict of interest exists.

### **X. DISSEMINATION OF POLICY**

The school district shall adopt and public these procedures.

#### **TITLE IX COORDINATOR**

Trent Hanson  
200 General Sieben Dr.  
Hastings, MN 55033  
651-480-7596  
[thanson@hastings.k12.mn.us](mailto:thanson@hastings.k12.mn.us)

#### **SECTION 504 COORDINATOR**

Megan Miller  
1000 W 11th St.  
Hastings, MN 55033  
651-480-7009  
[mmiller@hastings.k12.mn.us](mailto:mmiller@hastings.k12.mn.us)

### **XI. 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 agencies listed below or initiating action in state or federal court.



*Hastings Public School District*  
*ISD #200*

Claims of discrimination may also be pursued through the following agencies where appropriate:

U.S. Department of Education  
Office for Civil Rights, Region V  
500 W Madison St. - Ste. 1475  
Chicago, IL 60661  
Tel: 312-730-1560  
TDD: 312-730-1609

MN Department of Human Rights  
190 E 5th St.  
St. Paul, MN 55101  
800-657-704  
651-296-5663  
TDD: 651-296-1283

For complaints of employment discrimination:  
Equal Employment Opportunity Commission  
330 S 2nd Ave  
Ste 430  
Minneapolis, MN 55401

This document provides general information and is not to be a substitute for legal advice. Changes in the law, including timelines for filing a complaint, may affect your rights.

**Legal Reference**

34 C.F.R. Section 104.7(b) (Section 504 of the Rehabilitation Act)  
34 C.F.R. Section 106.8(b) (Title IX of the Education Amendments of the 1972)

**Resources:**

U.S. Department of Education  
Office for Civil Rights, Region V  
500 W Madison St. - Ste 1475  
Chicago, IL 60661  
Tel: 312-730-1560  
TDD: 312-730-1609

Reading Room, U.S. Department of Education, Office for Civil Rights:  
<http://www2.ed.gov/about/offices/list/ocr/publications.html>



*Hastings Public School District*  
*ISD #200*

***Legal References:*** 29 U.S.C. § 794 et seq. (Rehabilitation Act of 1973, § 504)  
34 C.F.R. Part 104 (Implementing Regulations)

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

*Policy Reviewed:*

*Policy Adopted:*

*Policy Revised:* 10.27.2020



*MSBA/MASA Model Policy 522*

*Orig. 1995  
Rev. 2003*

**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. Every school district employee shall be responsible for complying with this policy.
- C. The school board hereby designates:

Trent Hanson  
200 General Sieben Dr.  
Hastings, MN 55033  
651-480-7597  
thanson@hastings.k12.mn.us

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 [Director of Human Resources](#) 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 [District Superintendent](#).
- E. The school district shall conspicuously post the names of the Title IX coordinator and human rights officer(s), including office addresses and telephone numbers and work email addresses.
- 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)

*Policy Reviewed:* 9/15/2020  
*Policy Adopted:* 10/28/2020  
*Policy Revised:* 10/27/2020



## **528 STUDENT PARENTAL, FAMILY, AND MARITAL STATUS NONDISCRIMINATION**

### **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 there from, 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.
- F. The school board has designated Trent Hanson, 200 General Sieben Dr, Hastings, MN, 55033, 651-480-7596 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.

### III. GRIEVANCE PROCEDURE FOR COMPLAINTS OF DISCRIMINATION

The following grievance procedure applies to claims of sex, disability, and racial discrimination:

- A. Any person who believes he or she has been the victim of unlawful discrimination or any person with knowledge or belief of conduct that may constitute unlawful discrimination shall report the alleged acts immediately to an appropriate school district official designated by this policy. The complaint must be filed within 90 calendar days of the alleged violation.
- B. The Human Rights Officer is responsible for receiving oral or written complaints of unlawful discrimination toward an employee or student. However, nothing in this policy shall prevent any person from reporting unlawful discrimination toward an employee or student directly with the Human Rights Officer, the school board or other school district official.
- C. The school board hereby designates the [Director of Human Resources](#) as the school district Human Rights Officer(s) to receive reports, complaints, or grievances of unlawful discrimination. If the complaint involves a Human Rights Officer, the complaint shall be filed directly with the [District Superintendent](#).
- D. Upon receipt of a complaint, the Human Rights Officer shall immediately notify the superintendent if the superintendent is the subject of the complaint, the Human Rights Officer shall immediately notify the school board.
- E. The Human Rights Officer may request, but not insist upon, a written complaint. Alternative means of filing a complaint, such as through a personal interview or by tape recording, shall be made available upon request for qualified persons with a disability. If the complaint is oral, it shall be reduced to writing within 24 hours and forwarded to the superintendent. Failure to do so may result in disciplinary action. The school district encourages the reporting party to complete the complaint form for written complaints. It is available from the principal of each building or the school district office.
- F. The school district shall respect the privacy of the complainant, the individual(s) against whom the complaint is filed, and the witnesses, consistent with the school district's legal obligations to investigate, take appropriate action, and comply with any discovery or disclosure obligations.



#### **IV. INVESTIGATION**

- A. The Human Rights Officer, upon receipt of a complaint alleging unlawful discrimination shall promptly undertake an investigation if deemed appropriate. The investigation may be conducted by the Title IX coordinator for complaints of sex discrimination or the Section 504 Coordinator for complaints of disability discrimination, or a school district official or neutral third party designated by the Title IX coordinator, Section 504 coordinator or Human Rights Officer. The investigation shall be completed within 30 days of the complaint, unless impracticable.
- 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 other methods deemed pertinent by the investigator.
- C. In determining whether the alleged conduct constitutes a violation of this policy, the school district shall consider the facts and the surrounding circumstances such as the nature of the behavior, past incidents or continuing patterns of behavior, the relationships between the parties involved and the context in which the alleged incident occurred.
- D. The school district may take immediate steps to protect the parties involved in the complaint process, pending completion of an investigation of alleged unlawful discrimination.
- E. Upon completion of the investigation, the school district investigator shall make a written report to the Human Rights Officer. If the complaint involves the Human Rights Officer, the report may be filed directly with the superintendent or the school board. The report shall include the facts, a determination of whether the allegations have been substantiated, whether a violation of this policy has occurred as well as a description of any proposed resolution which may include alternative dispute resolution.
- F. The district shall comply with federal and state law pertaining to retention of records.

#### **V. APPEAL**

If the grievance has not been resolved to the satisfaction of the complainant, s/he may appeal to the Human Rights Officer within ten (10) school days of receipt of the findings of the school district investigation. The school district investigator shall conduct a review of the appeal and within ten (10) school days of receipt of the appeal, shall affirm, reverse, or modify the findings of the report. The decision of the school district



investigator is final but does not preclude pursuit of alternative complaint procedures noted in the section entitled “Right to Alternative Complaint Procedures”.

## **VI. SCHOOL DISTRICT ACTION**

- A. Upon conclusion of the investigation and receipt of the findings, the school district shall take appropriate action. If it is determined that a violation has occurred, such action may include, but is not limited to, warning, suspension, expulsion, transfer, remediation or termination.

School district action taken for violation of this policy shall be consistent with the 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 shall be reported in writing to the complainant by the school district in accordance with state and federal law regarding data of records privacy.

## **VII. RETALIATION**

The school district shall take appropriate action against any student, teacher, administrator or other school personnel who retaliate against any person who reports alleged unlawful discrimination toward an employee or student or any person who testifies, assists or participates in an investigation or hearing relating to such unlawful discrimination. Retaliation includes, but is not limited to, any form of intimidation or harassment.

## **VIII. CONFLICT OF INTEREST**

If there is conflict of interest with respect to any party affected by this policy, appropriate action shall be taken such as, but not limited to, appointing or contracting with a neutral third party investigator to conduct the investigation or recusal from the process by the person for whom a conflict or potential conflict of interest exists.

## **IX. DISSEMINATION OF POLICY**

The school district shall adopt and public these procedures.

### **TITLE IX COORDINATOR**

Trent Hanson  
200 General Sieben Dr.  
Hastings, MN 55033  
651-480-7596  
[thanson@hastings.k12.mn.us](mailto:thanson@hastings.k12.mn.us)

### **SECTION 504 CORRINATOR**

Megan Miller  
1000 W 11th St.  
Hastings, MN 55033  
651-480-7009  
[mmiller@hastings.k12.mn.us](mailto:mmiller@hastings.k12.mn.us)



## X. 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 agencies listed below or initiating action in state or federal court.

Claims of discrimination may also be pursued through the following agencies where appropriate:

U.S. Department of Education  
Office for Civil Rights, Region V  
500 W Madison St. - Ste. 1475  
Chicago, IL 60661  
Tel: 312-730-1560  
TDD: 312-730-1609

MN Department of Human Rights  
190 E 5th St.  
St. Paul, MN 55101  
800-657-704  
651-296-5663  
TDD: 651-296-1283

For complaints of employment discrimination:  
Equal Employment Opportunity Commission  
330 S 2nd Ave  
Ste 430  
Minneapolis, MN 55401

This document provides general information and is not to be a substitute for legal advice. Changes in the law, including timelines for filing a complaint, may affect your rights.

### **Legal Reference**

34 C.F.R. Section 104.7(b) (Section 504 of the Rehabilitation Act)  
34 C.F.R. Section 106.8(b) (Title IX of the Education Amendments of the 1972)

### **Resources:**

U.S. Department of Education  
Office for Civil Rights, Region V  
500 W Madison St. - Ste 1475  
Chicago, IL 60661  
Tel: 312-730-1560  
TDD: 312-730-1609



Hastings Public School District  
ISD #200

Reading Room, U.S. Department of Education, Office for Civil Rights:  
<http://www2.ed.gov/about/offices/list/ocr/publications.html>

***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)

*Policy Reviewed:*

*Policy Adopted:*

*Policy Revised:* 10.27.2020



## **604 INCLUSIVE EDUCATION PROGRAM**

### **I. PURPOSE**

The purpose of this policy is to inform students, teachers and parents of the District's commitment to provide equal educational opportunities to all students attending District schools regardless of their cultural or socioeconomic background, gender, or disability. Additionally, Hastings Public Schools affirms the importance of multicultural, gender fair, disability sensitive curriculum and instruction. Furthermore, the District recognizes and adheres to the fact that students with disabilities are entitled to a free appropriate public education that includes general education, special education and/or related aids and services.

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

The School Board of the Hastings Public Schools is committed to providing equal educational opportunities for all students in the District, regardless of gender, disability, cultural or socio-economic background. Further, the Board is committed to delivering an inclusive educational program which encourages understanding and nondiscriminatory treatment of people of all cultures, socioeconomic background, gender and disabilities. The superintendent is directed to establish procedures for the implementation of this policy.

### **III. DEFINITIONS**

For the purpose of the policy, the following terms have the meaning given them in this section:

- A. Inclusive educational program: one that employs a curriculum that is developed and delivered so that students and staff gain an understanding and appreciation of the cultural diversity of the United States, the historical and contemporary contributions of women and men to society, the historical and contemporary contributions to society by people with disabilities.
- B. Instruction: a teacher-led process, which transforms well-planned curriculum into student learning. Instruction is standards-focused teaching for the purpose of providing meaningful learning experiences that enable all students to master academic content and achieve personal goals.
- C. Curriculum: a written plan including standards, benchmarks, essential questions, an assessment plan, instructional resources and strategies, and time allocations for emphasis and pacing for the content to be taught.
- D. Core Instructional Materials: resources recommended through a District process,



approved by the School Board and used by teachers to provide a required common content for students to achieve intended learning.

- E. Supplementary Materials: resources determined by teachers and principals, as monitored by the Superintendent or designee, which supplement the core materials and provide for different student needs as required to meet the intended student learning.

#### **IV. REGULATIONS**

The District's Inclusive Educational Program must be in compliance with Minnesota's Multicultural, Gender-fair Curriculum Rule 3500.0550, adopted by the State in December 1988 and printed in the State Register May 30, 1989. Renamed Inclusive Educational Program, 1995.

#### **V. EDUCATION PROCESS**

- A. In an attempt to reduce and/or eliminate stereotyping, prejudice, and discrimination, the curriculum developed shall promote experiences in multicultural gender-fair activities which prepare students to live productively in a multicultural pluralistic society.
- B. Development of the District's Inclusive Educational Program will occur as part of the District curriculum review process.

#### **VI. GRIEVANCE PROCEDURE FOR COMPLAINTS OF DISCRIMINATION**

The following grievance procedure applies to claims of sex, disability, and racial discrimination:

- A. Any person who believes he or she has been the victim of unlawful discrimination or any person with knowledge or belief of conduct that may constitute unlawful discrimination shall report the alleged acts immediately to an appropriate school district official designated by this policy. The complaint must be filed within 90 calendar days of the alleged violation.
- B. The Human Rights Officer is responsible for receiving oral or written complaints of unlawful discrimination toward an employee or student. However, nothing in this policy shall prevent any person from reporting unlawful discrimination toward an employee or student directly with the Human Rights Officer, the school board or other school district official.
- C. The school board hereby designates the [Director of Human Resources](#) as the school district Human Rights Officer(s) to receive reports, complaints, or grievances of unlawful discrimination. If the complaint involves a Human Rights Officer, the complaint shall be filed directly with the [District Superintendent](#).



- D. Upon receipt of a complaint, the Human Rights Officer shall immediately notify the superintendent if the superintendent is the subject of the complaint, the Human Rights Officer shall immediately notify the school board.
- E. The Human Rights Officer may request, but not insist upon, a written complaint. Alternative means of filing a complaint, such as through a personal interview or by tape recording, shall be made available upon request for qualified persons with a disability. If the complaint is oral, it shall be reduced to writing within 24 hours and forwarded to the superintendent. Failure to do so may result in disciplinary action. The school district encourages the reporting party to complete the complaint form for written complaints. It is available from the principal of each building or the school district office.
- F. The school district shall respect the privacy of the complainant, the individual(s) against whom the complaint is filed, and the witnesses, consistent with the school district's legal obligations to investigate, take appropriate action, and comply with any discovery or disclosure obligations.

## VII. INVESTIGATION

- A. The Human Rights Officer, upon receipt of a complaint alleging unlawful discrimination shall promptly undertake an investigation if deemed appropriate. The investigation may be conducted by the Title IX coordinator for complaints of sex discrimination or the Section 504 Coordinator for complaints of disability discrimination, or a school district official or neutral third party designated by the Title IX coordinator, Section 504 coordinator or Human Rights Officer. The investigation shall be completed within 30 days of the complaint, unless impracticable.
- 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 other methods deemed pertinent by the investigator.
- C. In determining whether the alleged conduct constitutes a violation of this policy, the school district shall consider the facts and the surrounding circumstances such as the nature of the behavior, past incidents or continuing patterns of behavior, the relationships between the parties involved and the context in which the alleged incident occurred.
- D. The school district may take immediate steps to protect the parties involved in the complaint process, pending completion of an investigation of alleged unlawful discrimination.



- E. Upon completion of the investigation, the school district investigator shall make a written report to the Human Rights Officer. If the complaint involves the Human Rights Officer, the report may be filed directly with the superintendent or the school board. The report shall include the facts, a determination of whether the allegations have been substantiated, whether a violation of this policy has occurred as well as a description of any proposed resolution which may include alternative dispute resolution.
- F. The district shall comply with federal and state law pertaining to retention of records.

### **VIII. APPEAL**

If the grievance has not been resolved to the satisfaction of the complainant, s/he may appeal to the Human Rights Officer within ten (10) school days of receipt of the findings of the school district investigation. The school district investigator shall conduct a review of the appeal and within ten (10) school days of receipt of the appeal, shall affirm, reverse, or modify the findings of the report. The decision of the school district investigator is final but does not preclude pursuit of alternative complaint procedures noted in the section entitled “Right to Alternative Complaint Procedures”.

### **IX. SCHOOL DISTRICT ACTION**

- A. Upon conclusion of the investigation and receipt of the findings, the school district shall take appropriate action. If it is determined that a violation has occurred, such action may include, but is not limited to, warning, suspension, expulsion, transfer, remediation or termination.

School district action taken for violation of this policy shall be consistent with the 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 shall be reported in writing to the complainant by the school district in accordance with state and federal law regarding data of records privacy.

### **X. RETALIATION**

The school district shall take appropriate action against any student, teacher, administrator or other school personnel who retaliate against any person who reports alleged unlawful discrimination toward an employee or student or any person who testifies, assists or participates in an investigation or hearing relating to such unlawful discrimination. Retaliation includes, but is not limited to, any form of intimidation or harassment.

### **XI. CONFLICT OF INTEREST**



If there is conflict of interest with respect to any party affected by this policy, appropriate action shall be taken such as, but not limited to, appointing or contracting with a neutral third party investigator to conduct the investigation or recusal from the process by the person for whom a conflict or potential conflict of interest exists.

## **XII. DISSEMINATION OF POLICY**

The school district shall adopt and public these procedures.

### **TITLE IX COORDINATOR**

Trent Hanson  
200 General Sieben Dr.  
Hastings, MN 55033  
651-480-7596  
[thanson@hastings.k12.mn.us](mailto:thanson@hastings.k12.mn.us)

### **SECTION 504 CORRINATOR**

Megan Miller  
1000 W 11th St.  
Hastings, MN 55033  
651-480-7009  
[mmiller@hastings.k12.mn.us](mailto:mmiller@hastings.k12.mn.us)

## **XIII. 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 agencies listed below or initiating action in state or federal court.

Claims of discrimination may also be pursued through the following agencies where appropriate:

U.S. Department of Education  
Office for Civil Rights, Region V  
500 W Madison St. - Ste. 1475  
Chicago, IL 60661  
Tel: 312-730-1560  
TDD: 312-730-1609

MN Department of Human Rights  
190 E 5th St.  
St. Paul, MN 55101  
800-657-704  
651-296-5663  
TDD: 651-296-1283

For complaints of employment discrimination:  
Equal Employment Opportunity Commission  
330 S 2nd Ave  
Ste 430  
Minneapolis, MN 55401



*Hastings Public School District*  
*ISD #200*

This document provides general information and is not to be a substitute for legal advice. Changes in the law, including timelines for filing a complaint, may affect your rights.

**Legal Reference**

34 C.F.R. Section 104.7(b) (Section 504 of the Rehabilitation Act)

34 C.F.R. Section 106.8(b) (Title IX of the Education Amendments of the 1972)

**Resources:**

U.S. Department of Education  
Office for Civil Rights, Region V  
500 W Madison St. - Ste 1475  
Chicago, IL 60661  
Tel: 312-730-1560  
TDD: 312-730-1609

Reading Room, U.S. Department of Education, Office for Civil Rights:  
<http://www2.ed.gov/about/offices/list/ocr/publications.html>

***Legal References:*** Minnesota Rules Part 3500.0550 Inclusive Education Program

***Cross References:*** Policy # 603 Instructional and Curricular Program Review and Improvement  
Policy # 606 Instructional Material and Selection

*Policy Reviewed:*

*Policy Adopted:*

*Policy Revised:* 10.27.2020



## 722 PUBLIC DATA REQUESTS

### I. PURPOSE

The school district recognizes its responsibility relative to the collection, maintenance, and dissemination of public data as provided in state statutes.

### II. GENERAL STATEMENT OF POLICY

The school district will comply with the requirements of the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13 (MGDPA), and Minn. Rules Parts 1205.0100 - 1205.2000 in responding to requests for public data.

### III. DEFINITIONS

#### A. Government Data:

“Government Data” means all recorded information that the school district has, including paper, email, flash drives, CDs, DVDs, photographs, etc.

#### B. Inspection

“Inspection” means the visual inspection of paper and similar types of government data.

#### C. Public Data

“Public data” means all government data collected, created, received, maintained, or disseminated by the school district, unless classified by statute, temporary classification pursuant to statute, or federal law, as nonpublic or protected nonpublic; or, with respect to data on individuals, as private or confidential.

#### D. Responsible Authority

“Responsible authority” means the individual designated by the school board as the individual responsible for the collection, use, and dissemination of any set of data on individuals, government data, or summary data, unless otherwise provided by state law. Until an individual is designated by the school board, the responsible authority is the superintendent.

#### E. 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 an individual is ascertainable.

#### **IV. REQUESTS FOR PUBLIC DATA**

- A. All requests for Public Data must be made in writing directed to the responsible authority.
  - 1. A request for public data must include the following information:
    - a. Date the request is made;
    - b. A clear description of the data requested;
    - c. Identification of the form in which the data is to be provided (e.g., inspection, copying, both inspection and copying, etc.); and
    - d. Method to contact the requestor (such as phone number, address, or email address).
  - 2. A requestor is not required to explain the reason for the data request.
  - 3. The identity of the requestor is public, if provided, but cannot be required by the government entity.
  - 4. The responsible authority may seek clarification from the requestor if the request is not clear before providing a response to the data request.
- B. The responsible authority will respond to a data request at reasonable times and places as follows.
  - 1. The responsible authority will respond to a data request at reasonable times and places as follows:
    - a. The requested data does not exist; or
    - b. The requested data does exist but either all or a portion of the data is not accessible to the requestor; or



- i. If the responsible authority determines that the requested data is classified so that access to the requestor is denied, the responsible authority will inform the requester of the determination in writing, as soon thereafter as possible, and shall cite the specific statutory section, temporary classification, or specific provision of federal law on which the determination is based.
    - ii. Upon the request of a requestor who is denied access to data, the responsible authority shall certify in writing that the request has been denied and cite the specific statutory section, temporary classification, or specific provision of federal law upon which the denial was based.
  - c. The requested data does exist and provide arrangements for inspection of the data, identify when the data will be available for pick-up, or indicate that the data will be sent by mail. If the requestor does not appear at the time and place established for inspection of the data or the data is not picked up within ten (10) business days after the requestor is notified, the school district will conclude that the data is no longer wanted and will consider the request closed.
2. The school district's response time may be affected by the size and complexity of the particular request, including necessary redactions of the data, and also by the number of requests made within a particular period of time.
3. The school district will provide an explanation of technical terminology, abbreviations, or acronyms contained in the responsive data on request.
4. The school district is not required by the MGDPA to create or collect new data in response to a data request, or to provide responsive data in a specific form or arrangement if the school district does not keep the data in that form or arrangement.
5. The school district is not required to respond to questions that are not about a particular data request or requests for data in general.

## **V. REQUEST FOR SUMMARY DATA**



*Public School District*

- A. A request for the preparation of summary data shall be made in writing directed to the responsible authority.
  1. A request for the preparation of summary data must include the following information:
    - a. Date the request is made;
    - b. A clear description of the data requested;
    - c. Identify the form in which the data is to be provided (e.g., inspection, copying, both inspection and copying, etc.); and
    - d. Method to contact requester (phone number, address, or email address).
- B. The responsible authority will respond within ten (10) business days of the receipt of a request to prepare summary data and inform the requestor of the following:
  1. The estimated costs of preparing the summary data, if any; and
  2. The summary data requested; or
  3. A written statement describing a time schedule for preparing the requested summary data, including reasons for any time delays; or
  4. A written statement describing the reasons why the responsible authority has determined that the requestor's access would compromise the private or confidential data.
- C. The school district may require the requestor to pre-pay all or a portion of the cost of creating the summary data before the school district begins to prepare the summary data.

## **VI. COSTS**

### **A. Public Data**

1. The school district will charge for copies provided as follows:
  - a. 100 or fewer pages of black and white, letter or legal sized paper copies will be charged at 25 cents for a one-sided copy or 50 cents for a two-sided copy.



- b. The process of making copies or other materials are charged based upon the actual cost of searching for and retrieving the data and making the copies.
  - i. The actual cost of retrieving and making copies includes employee/vendor time, the cost of the materials onto which the data is copied and mailing costs (if any).
  - ii. Also, if the school district does not have the capacity to make the copies, retrieve the information, e.g., photographs, the actual cost paid by the school district to an outside vendor will be charged.
2. All charges must be paid for in cash in advance of receiving the copies.

B. Summary Data

1. Any costs incurred in the preparation of summary data shall be paid by the requestor prior to preparing or supplying the summary data.
2. The school district may assess costs associated with the preparation of summary data as follows:
  - a. The cost of materials, including paper, the cost of the labor required to prepare the copies, any schedule of standard copying charges established by the school district, any special costs necessary to produce such copies from a machine-based record-keeping system, including computers and microfilm systems;
  - b. The school district may consider the reasonable value of the summary data prepared and, where appropriate, reduce the costs assessed to the requestor.

**The Data Practices Contact is the Director of Human Resources.**



Public School District

*Legal References:*

*Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)*

*Cross References:*

*MSBA/MASA Model Policy 406 (Public and Private Personnel Data)*

*MSBA/MASA Model Policy 515 (Protection and Privacy of Pupil Records)*

Policy Reviewed:

Policy Revised: 10/29/2020

Policy Adopted: 06/19/2019

***Future Meetings***

| <b>Date - Time</b>   | <b>Description</b>          | <b>Location</b> |
|----------------------|-----------------------------|-----------------|
| 11/24/2020 - 6:00 PM | Policy Committee Meeting    | Zoom            |
| 12/2/2020 - 6:00 PM  | Optional Board Work Session | Zoom            |
| 12/3/2020 - 4:30 PM  | Policy Committee Meeting    | Zoom            |
| 12/9/2020 - 6:00 PM  | Regular Board Meeting       | Zoom            |
| 12/11/2020 - 9:00 AM | Facility Committee Meeting  | Zoom            |
| 12/15/2020 - 6:00 PM | Policy Committee Meeting    | Zoom            |
| 12/16/2020 - 3:30 PM | Insurance Committee Meeting | Zoom            |
| 2/17/2021 - 3:30 PM  | Insurance Committee Meeting | Zoom            |