



2018-2019 Annual Report



Vision

To be an innovative, sustainable model of academic excellence that creates well-rounded, lifelong learners and global citizens.

Mission

We provide accelerated curricula in all subjects with an emphasis on math and science.

Math and Science Academy

A Minnesota Public Charter School

**8430 Woodbury Crossing
Woodbury, Minnesota 55125
651-578-7507
www.mnmsa.org**

2018-2019 ANNUAL REPORT

**Submitted to:
Student Achievement Minnesota (SAM)
MSA's Authorizer
Liz Wynne**

**Submission date:
September 30th, 2019**



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Introduction

The Math and Science Academy (MSA) opened in the fall of the 1999-2000 school year and serves students grades six through twelve. MSA places tremendous value on a school design based on curriculum, standards driven, and collaboratively run. The curriculum places emphasis in the areas of math and science with a balance of humanities. The MSA standard requires that students achieve beyond current state mandates and testing criteria. MSA students are required to complete a math program through calculus and a science program that includes biology, chemistry, physics, as well as one additional science course. Additionally, all students at MSA must take Social Studies and English every year, as well as four years of Spanish. MSA requires at least one year of high school fine arts, a half year of physical education, and health in the 9th grade. MSA also boasts a music program which includes choir, a string orchestra, and jazz band. In addition, MSA students can enhance their learning experience by participating in a variety of after school activities (see Appendix A).

It is the MSA's policy to provide an equal educational opportunity for all students. The Math and Science Academy does not 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. Thus far, after seventeen graduating classes, only seven seniors have failed to graduate on time. Moreover, while the state of Minnesota has led the nation in ACT scores in past five years with an average composite of 21.9, the average composite MSA ACT score over the past five years has been 28.2.

In the spring of 2015, the MSA Board of Directors renewed its mission, vision, core values while updating its strategic planning. MSA's Strategic Plan has been updated and revised annually since then. The mission, vision and core values of MSA are:

Vision

To be an innovative, sustainable model of academic excellence that creates well-rounded, lifelong learners and global citizens.

Mission

We provide accelerated curricula in all subjects, with an emphasis on math and science.

Our Core Values

- **Honesty:** MSA's community exhibits fairness, cooperation, integrity, and honesty. MSA students and staff take responsibility for their actions.
- **Community:** MSA maintains small class sizes and a small school feel.
- **Respect:** MSA's community respects others and their views, while fostering a safe environment where every voice is heard, and individuals are free to take risks.
- **Teamwork:** MSA encourages networking, collaboration, and open communication between all members of our community. MSA encourages students, their families, and staff to invest their time and resources to serve the MSA community.
- **Excellence:** MSA continuously evaluates and improves programs to ensure the highest quality in teaching and learning. MSA empowers students to develop independence through organization, time management, and self-discipline.

Governance

MSA is governed by a Board of Directors (BOD) that is comprised of a membership in accord with Minnesota statute and consists of four (4) licensed teachers who are employed by MSA at .5 FTE or above, three (3) parents (or legal guardians) of enrolled students, two (2) community members, and a non-voting student enrolled at MSA in grades 9-12. The Director and Chief Financial Officer sit on the board as ex-officio, non-voting members. MSA BOD elections are normally held each year on the first Tuesday in April (The actual date is set by the BOD on the recommendation of the BOD Election Committee.). Board of Directors are elected for 3 year terms, with three terms expiring each year.

MSA Board Meetings are typically held on the third Monday of each month. The BOD routinely conducts workshops before the regular meetings to address the larger issues, thereby giving the community a chance to participate with respect to all issues brought before the board.

The 2018-2019 BOD members are listed below in order of officers and term expiration date.

Name	Board Position	Group	Date Seated	Term Expiration	State Required Board Training Completed
Ken Thielman	Chair	Community Member	Jun 2016	Jun 2019	Yes – 7
Lisa Anderson	Vice-Chair	Teacher Member	Jun 2017	Jun 2020	Yes - 12
Mona Hayashi	Treasurer	Parent Member	Jun 2016	Jun 2019	Yes – 1,2,5
Rita Winchester	Secretary	Parent Member	Jun 2017	Resigned Nov, 1 2018 Jun 2020	Yes – 11
Jeff Eng	Secretary	Parent Member	Jun 2018	Jun 2021	Yes – 8,9,10
Cheri Howe		Teacher Member	Jun 2016	Jun 2019	Yes – 7
Noah Langseth		Teacher Member	Jun 2018	Jun 2021	Yes – 11
Judy Seeberger		Teacher Member	Jun 2018	Jun 2021	Yes – 13,14
Ramesh Aki		Parent Member	Jan 2019	June 2020	Yes – 14
Alexandria Ledo		Community Member	Jun 2018	Jun 2020	Yes - 12
Arnav Khandelwal		Student Representative	Jun 2018	Jun 2019	N/A
John Gawarecki	Director Ex-Officio	School District	N/A	N/A	Yes – 3,4,6,11
Judith Darling	CFO Ex-Officio	School District	N/A	N/A	Yes – 1

1 Completed Charter School Finance Training August 17, 2014.

2 Completed Charter School Board Training: Board Governance, Employment Law. Finance Matters - October 14, 2014.

3 Completed Charter School Board Training: Board Governance, Employment Law. Finance Matters - August 4, 2015

4 Completed Charter School Board Training Employment in Charter Schools - December 2, 2015.

5 Completed Charter School Finance Matters Training, March 14, 2016.

6 Completed Charter School Board Training Governance, and Employment Law - April 14, 2016.

7 Completed Charter School Board Training: Board Governance, Employment Law. Finance Matters - August 9, 2016.

8 Completed Charter School Board Training: Governance – November 29, 2016.

- 9 Completed Charter School Board Training: School Finance – February 27, 2017.
- 10 Completed Charter School Board Training: Governance and Employment in Charter Schools – March 11, 2017.
- 11 Completed Charter Training: Board Governance, Financial Matters, Employment Matters – August 8, 2017.
- 12 Completed Charter Training: Board Governance, Financial Matters, Employment Matters – October 14, 2017
- 13 Completed Charter School Board Training: School Governance – September 12, 2018
- 14 Completed Charter Training: Board Governance, Financial Matters, Employment Matters – January 16, 2019.

MSA School Management & Administrative Team

John Gawarecki	Director	
Tom Johnston	Assistant Director, Middle School	
Shannon Froberg	Assistant Director, Activities	
Judith Darling	Financial Manager	BerganKDV
Joell Pundsack	MARSS/Student Data Coordinator	
Ken LaCasse	Business Manager	
Christine Morrison	Office Manager	
Amanda Stout	Office Manager	
Emily Graveen	Academic Counselor	
Kirstin Knutson	Academic Counselor	
Justin Gehring	Technology Coordinator	JR Computer Associates

School Director Biography

John Gawarecki was hired as the Director of MSA to begin in July 2015. He serves as an ex-officio member of the MSA Board of Directors. John has a BS, in Natural Sciences and MA in Educational Leadership and is a licensed Minnesota teacher in Physical Sciences and Coaching (File Folder #361839). He is completing an additional MA in Educational Administration and pursuing his Superintendent’s license. John has over twenty years of experience in the education field with fifteen years of experience in public charter schools. (See Director Development Plan, Appendix B.)

Teaching Staff Information

For the 2018-2019 school year, 100% of the MSA teaching staff were recognized as highly qualified and fully licensed. To prepare for the 2018-2019 school year with three teachers not returning, and two teaching support staff member not returning, the school hired 10 new staff members, which was composed of four new teachers (one which was part time), a middle school counselor, and five teaching support staff. A list of the courses and electives that are offered to students can be found in Appendix C.

Teacher Staff

Full Name	MN License No.	Licensure Area	Teaching Assignments
Jean Rose Albers	474829	5-8 Science 9-12 Life Sciences	Anatomy 9-12 th grade Biology
Lisa Marie Anderson	369704	7-12 Social Studies	7-9 th grade Social Studies
Markell Carroll Anderson	486511	K-12 English As A Second Language K-12 Spanish	8-12 th Spanish
Jacob Thomas Bukkila	500998	5-8 Science 9-12 Physics	8 th grade Physical Science 11-12 th grade Physics
Margaret Catherine Vincent Burggraaff	376388	7-12 Grade English/Language Arts	9-12 th grade English
Anne Marie Cardenas	430525	5-8 Science 9-12 Chemistry	9-12 th Chemistry
Michael Frederick Fillbrandt	455271	K-12 Dance and Theater 5-12 Communication Arts/Literature	6 th grade English
Mark Harold Greseth	488183	5-8 Science 9-12 Life Sciences	Life Science Physical Science
Angela Hope Haverland	489352	K-12 Academic and Behavioral Strategist	6-8 th grade Special Education
Caitlin Ann Kender Harper	480782	5-12 Mathematics	6-9 th grade Mathematics
Cortney Harrity	488089	K-12 Academic and Behavioral Strategist	8-12 th grade Special Education
Amanda Margaret Henkels (Chambers)	484282	5-12 Communication Arts/Literature 7-12 Spanish	7-9 th grade Spanish
Jennifer J. Heydt-Nelson	413292	K-12 Visual Arts	8-12 th grade Art
Jessica Elisabeth Heydt-Nelson	453570	5-12 Social Studies	8-12 th grade Social Studies
Cheryl Ann Howe	415900	K-6 Elementary Education 5-8 Science	6-8 th grade Science
Hannah Jo Kostichka	488152	K-12 Academic and Behavioral Strategist	6-8 th grade Special Education
Michelle Marie Kurkoski	416675	5-12 Social Studies	9-10 th grade Social Studies
Noah Kendall Langseth	460701	5-12 Mathematics	6-9 th grade Mathematics
Kassie Lynn Larson	451897	K-12 Spanish	6-8 th grade Spanish
Molly Elizabeth Molitor	427302	K-12 Physical Education 5-12 Health Education	6-9 th grade Physical Education 7 th and 9 th grade Health
Kerry Ann O'Keefe	482091	K-12 Visual Art	6-8 th grade Art
Lucy Kate Nordstrom	507352	5-12 Social Studies – All	7-10 th grade Social Studies
Michelle Nicole Richards	403184	7-12 English/Language Arts	7 th grade English
Tara Elizabeth Richert	475492	K-12 Physical Education 5-12 Health Education	6-7 th grade Physical Education 6-7 th grade Health
Catherine Rae Roath	448473	5-12 Social Studies	6-12 th grade Social Studies
Heather M Rosemann	449491	5-12 Communication Arts/Literature	10-12 th grade English
Jenna Leeann Rosvold (Babb)	482486	K-12 Spanish	6-10 th grade Spanish
Judith Ann Mlinar Seeberger	484500	5-12 Communication Arts/Literature	6-9 th grade English
Jerry Clark Shelton	264285	K-12 Music	6-12 th grade Music
Cheryle Teresa Ward	446450	K-12 English as a Second Language 5-12 Communication Arts/Literature	7-8 th grade English
Sheryl Jean White	483388	5-12 Mathematics	7-11 th grade Mathematics
Aaron Paul Wojahn	441093	5-12 Mathematics	8-11 th grade Mathematics
Lauren June Zachman	442513	5-12 Mathematics	10-12 th grade Mathematics

Non-Licensed Teaching Support Staff

Name	Area of Assignment
Charles Akyigyina	Special Education Assistant
Denice Fair	Study Hall Monitor
Debra Fleischhacker	Special Education Assistant
Milli Gupta	Special Education Assistant
Tom Harper	Special Education Assistant
Aron Hellner	Special Education Assistant
April McClernan	Special Education Assistant
Kris Nelson	Special Education Assistant
Michael Palony	Special Education Assistant
Missie Tyler	Special Education Assistant
Deborah Webster	Special Education Assistant

School Enrollment Procedures

General Statement of Enrollment

It is the Math and Science Academy's policy to provide equal educational opportunity for all students. The Math and Science Academy 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.

Admission Requirements

The policy of the Math and Science Academy is to enroll a student who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, pupils will be accepted by lot. The Math and Science Academy gives preference for enrollment to a sibling of an enrolled pupil and to a foster child of that pupil's parents and may give preference for enrolling children of the school's teachers before accepting other pupils by lot. The Math and Science Academy does not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability.

TERMINOLOGY

Admission—the process of a student applying for enrollment. Admission is subject to capacity. A student must be admitted before the student may enroll.

Admitted student—a student who submitted a timely application for enrollment (i.e., during the open enrollment period) and who is offered a seat.

Enrollment—the process of a student accepting a seat, which was offered. Enrolled student—a student who accepted a seat, which was offered, by timely submission of enrollment paperwork.

Staff - employees of Math and Science Academy.

Admission Policies & Procedures

Math and Science Academy establishes the following Admissions and Lottery Policy.

Policy Statement: Admission to Math & Science Academy is open to all students, without regard to ability, race, religion, or any other factors, other than the capacity of the program, class, grade level, or building.

(1) Each school year, the Board of Directors:

- a. Initiates around December 15th the open enrollment period applicable to the following school year's admissions.
- b. Posts on the Math and Science Academy website around December 15th :
 - (i) Math and Science Academy's enrollment application applicable to the following school year, and
 - (ii) the Admissions and Lottery Policy.
- c. Establishes and publishes at the February board meeting, the available enrollment by grade applicable to the following school year.

(2) Prior to the beginning of the open enrollment period, the school provides notice of the open enrollment period to parents and staff so that siblings of currently enrolled students and children of staff may submit an application.

(3) During the month of January, the school asks families to complete a "Letter of Intent" form.

(4) Each enrollment application received is date-stamped and also either time-stamped or sequentially stamped by number designating the order in which applications were received for each such date.

(5) All applications received during the open enrollment period are automatically accepted for enrollment (i.e. admitted) unless more applications are received than the available capacity established by the Board for the applicable grade(s). In this situation, all submitted applications for such grade(s) are placed in the lottery; however, siblings of currently enrolled or admitted students and children of staff employed in school have preference.

(6) Siblings who submit an application are automatically admitted unless the number of sibling applications exceed the available capacity established by the Board for the applicable grade(s). If the number of sibling applications exceeds available capacity in any grade, a sibling lottery is held for each such grade. Siblings are admitted to the school in the order in which they are drawn in that lottery. If all available capacity in a grade is filled by siblings, the sibling lottery continues and establishes the sibling waiting list, which has preference over both the staff-children waiting list and the general waiting list.

(7) Children of staff employed at the school who submit an application before the expiration of the open enrollment period, are automatically admitted provided that all siblings (of already admitted students) who submitted an application are admitted, and provided there is available capacity as determined by the Board for the applicable grade(s). If the number of children of staff exceeds the available capacity established by the Board for any grade (and after all siblings of admitted students who submitted an application are admitted), a staff-children lottery is held. Children of staff are admitted to the school in the order in which they are drawn in the lottery. If all available capacity in a grade is filled by children of staff, the staff-children lottery continues to establish the staff-children waiting list for each such grade, which has preference over the general waiting list.

(8) If the number of applications received during the open enrollment period exceeds available capacity established by the Board for any grade (and after siblings of admitted students who submitted applications are already admitted or establish a sibling waiting list, and after all children of staff employed at the school who submitted an application are already admitted or establish a staff-children waiting list), the school conducts a general lottery. All applications for each such grade(s) (excluding applications from siblings of already admitted students and excluding applications from children of staff employed at the school) received before the expiration of the enrollment period are included in the general lottery. Students are admitted to the school in the order in which they are drawn in the lottery, as long as there is available capacity as determined by the Board for the applicable grade(s). If all available capacity in any grade is filled, the lottery continues and establishes the general waiting list for each such grade in the order drawn, until all applications are drawn. If a student is admitted through the general lottery and that student has one or more siblings in other grades also subject to a lottery, those siblings are automatically admitted as long as available capacity as determined by the Board remains in the applicable grade(s).

(9) Applicants are automatically admitted as long as there is available capacity as established by the Board in the applicable grade and siblings continue to have preference, in the order received. If, or once, there is no available capacity in any grade, applications are added to the applicable waiting list for each such grade, in the order received.

(10) The school conducts all lotteries through a method of random selection.

General Admission Procedures:

(1) **Order of Admission:** Siblings of Already Admitted Students, then Children of Staff Employed at the School, then General Admissions.

(2) **Waiting list does not carry over from year to year:** Each waiting list is valid only for the school year for which it is drawn and does not carry over to subsequent years.

(3) **Multiple births (twins, triplets, etc.):** Each student seeking admission completes an application (i.e. not one application for the family). In a lottery situation, each student receives an individual number/lot in the lottery.

(4) **Lottery Grade Order:** Applicable lotteries occur from lowest grade to highest grade.

(5) **Race/Ethnicity Reporting:** If parent, guardian, or student self-identification methods are not possible, or the family declines to answer the questions, the Director or designee will utilize the best information they possess to determine the students race/ethnicity for reporting purposes, as required by Minn. Statute 120 B.35.

Foreign Exchange Student Admission Procedures:

ADMISSIONS STATEMENT: Admission to Math & Science Academy is open to all foreign exchange students, without regard to race, or religion. Exchange student admission will be influenced by the capacity of the program, class, grade level, and building capacities.

Eligibility Determination: When MSA has a vacancy in grades 10 through 12 after following all of its general admission procedures, it may fill any remaining vacancies with an exchange student who meets the following requirements.

- (1) The foreign exchange pupil must meet the program requirements for the J-visa student cultural exchange program and;
- (2) The foreign exchange pupil must be a participant in a cultural exchange program registered with the Office of the Secretary of State under Minnesota State Statute 5A.02.

15 Consecutive School Day Absences Procedures:

When a student has 15 consecutive school day absences during the regular school year, regardless if they are excused or unexcused, without receiving instruction in the home or hospital shall be dropped from the roll and classified as withdrawn pursuant with Minn. Stat. § 126C.05, Subd. 8. When this situation arises, MSA will follow the following procedures:

- (1) Prior to the 15th consecutive absence, the school will notify the parent/guardian of the student to determine if the student intends on returning to MSA.
- (2) Once the 15th consecutive school day absence has occurred during the regular school year, regardless if they are excused or unexcused the school will determine if the student has formally withdrawn or has been expelled in accordance with the Pupil Fair Dismissal Act.

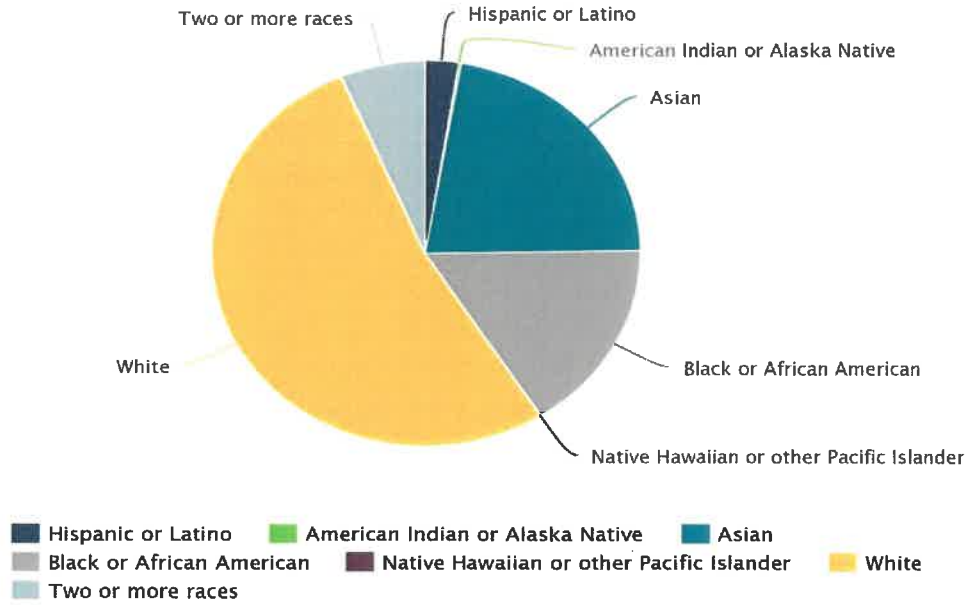
Student Demographics

All student demographic information is taken from the [Minnesota Report Card](#).

Enrollment by Race/Ethnicity

Student Population:	526	
American Indian:	1	0.2%
Asian:	116	22.1%
Hispanic:	13	2.5%
Black/African American:	85	16.2%
White:	277	52.7.0%
Two or More Races	34	6.5%

Student Demographics by Race/Ethnicity

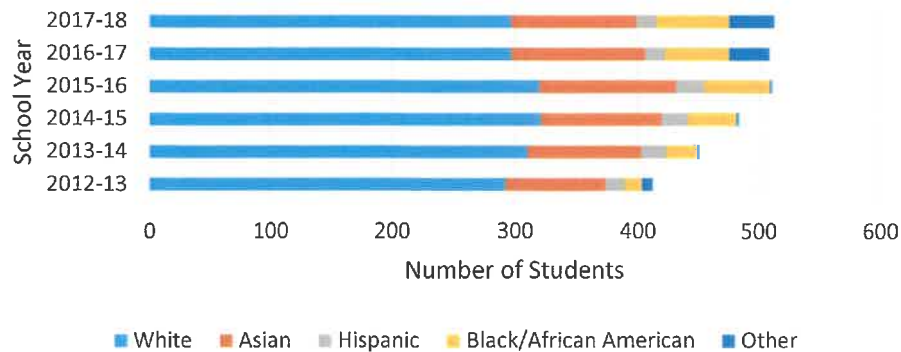


Enrollment by Special Population

Special Education:	46	8.7%
Free/Reduced Lunch:	27	5.1%
English Learner	4	0.8%
Homeless	0	0.0%

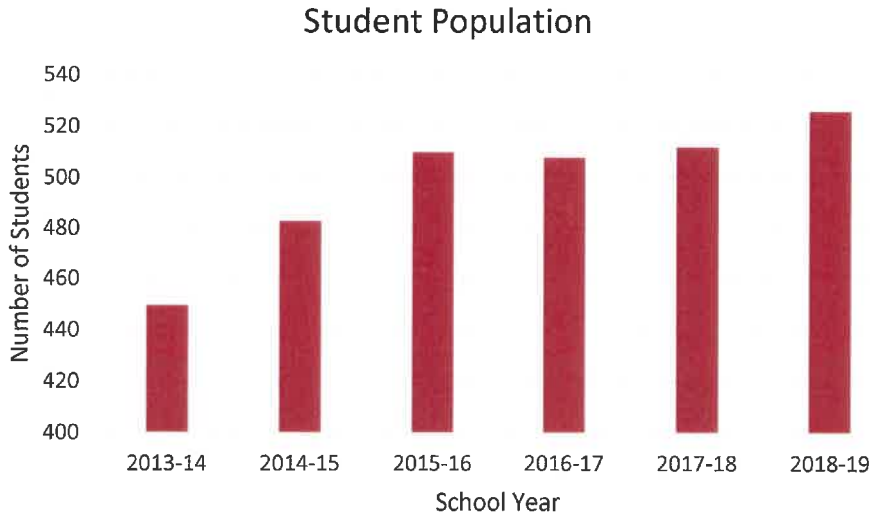
MSA has seen a large shift in its diversity over the past several years. While the number of white students has averaged 300 students for the past five years, the composition of its student population has increased by 34 Asian students since the 2012-13 school year and its Black/African American student population has grown by 71 students over the same time period. In the past seven school years, MSA has gone from a white student population of 71% to its current level of 52.7%.

Student Population Composition



Open Enrollment

MSA is a public charter school that accepts all students for open enrollment in the 6th through 12th grade levels. MSA typically has waiting lists for each of its grades. The enrollment capacity for each grade is set by the MSA Board of Directors each year. Over the past six years, MSA has seen its student population grow, with it peaking at 526 students for the 2018-19 school year.



Student Enrollment-Related Information

MSA continued to see strong interest from families wanting to send their children to the school. The total enrollment of 526, which increased by 14 from the previous year, was influenced by the increase of the junior and sophomore classes. Gains in these classes were offset by a decrease of one student in the senior class. The middle school grades remained constant for the third year in a row.

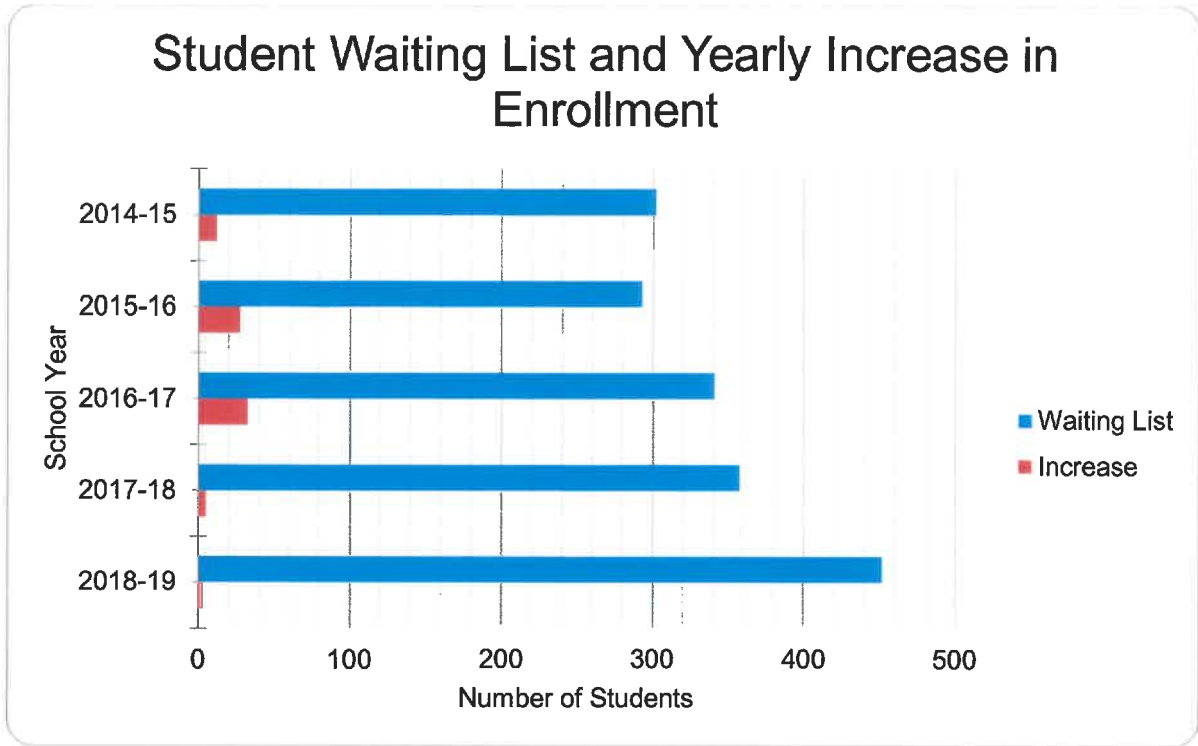
Student Enrollment by Grade Level

Grade	6 th Grade	7 th Grade	8 th Grade	9 th Grade	10 th Grade	11 th Grade	12 th Grade	Total
Totals	88	88	88	76	70	62	54	526

Waiting List of Students by Grade

The waiting list in the previous year was 358, and after increasing the MSA student population for the current year, the waiting list continued to rise. MSA saw an increase of its waiting list by an additional 94 students from the previous year even though it increased its enrollment. The majority of the additional waiting list students were from the middle school grades, where a total increase of 85 students was observed. The following chart shows MSA’s continued waiting list growth, even though enrollment was increased.

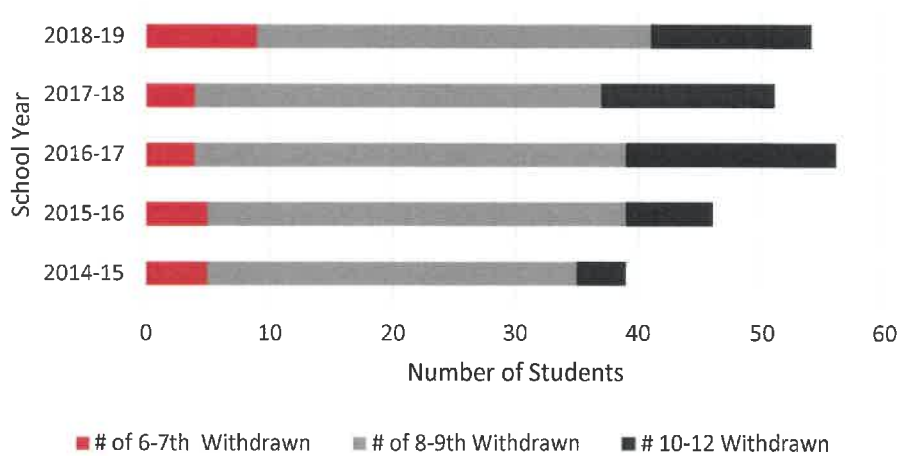
Student Waiting List and Yearly Increase in Enrollment



Withdrawn Students

MSA saw a historical continuation with the grade that had the highest number of students that withdrew from the school being the 9th grade. There were 29 students that withdrew as compared to 7 in the next highest grade. The rate of withdraw from the 6th and 7th grade students also saw an increase from the prior school year.

Student Withdrawals



See Appendix D for comparison enrollment statistics between school years. Data on the Students Withdrawn chart represents student withdraws as of June 30th of each year.

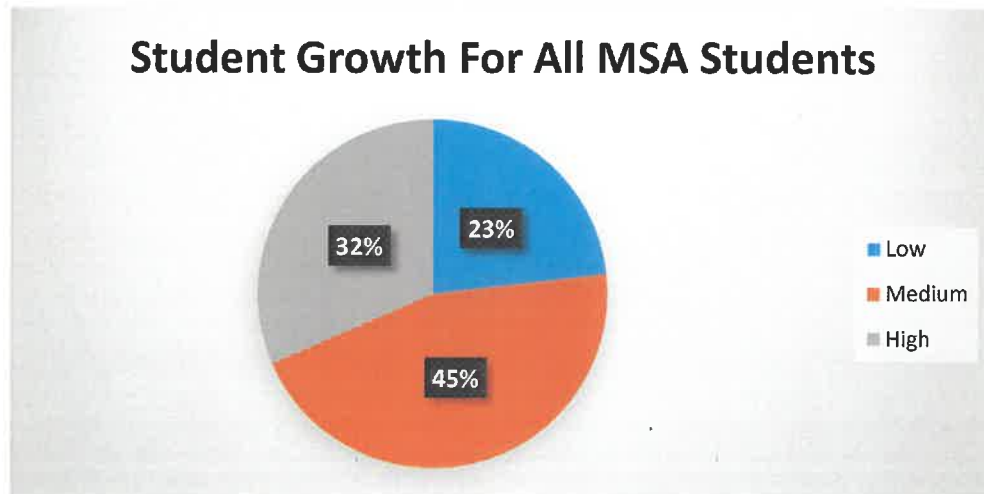
Academic Accountability and Performance Data

During the 2016-17 school year, the Minnesota Department of Education (MDE) started to track school's accountability and performance in several different means. MDE continued to track a school's graduation rate of which MSA continued to have an exceptional rate. MSA graduated 100% of its general education student population.

MDE also tracked school's growth by looking at the growth of all students along with the growth of students as compiled by last year's student proficiency status. MDE also continued to use the MCAs to track student performance and proficiency at meeting academic standards. The following is a summary of these areas.

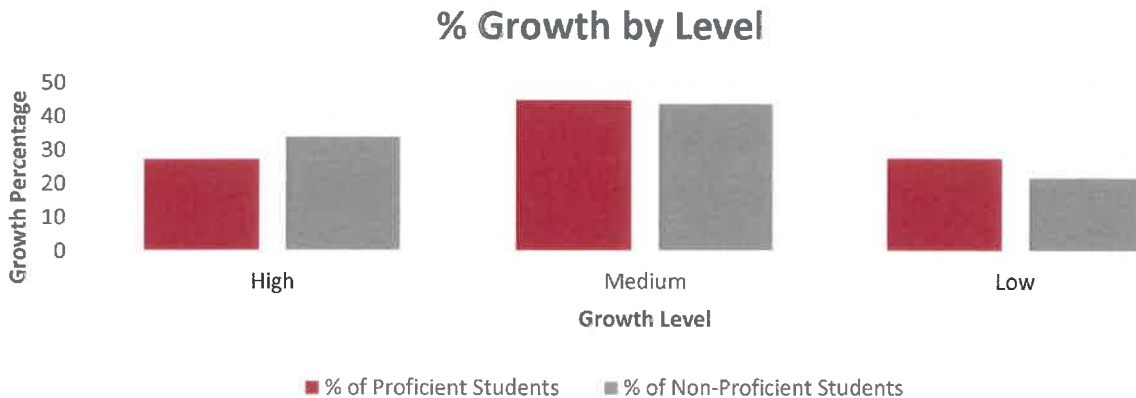
Growth by Students

MSA students displayed a high growth rate when looked at as an entire student body. MSA's students displayed that they were not only growing, but growing at a much higher rate than by the low growth rate, as can be seen on the following graph.



Growth by Previous Year's Proficiency Status for All Students

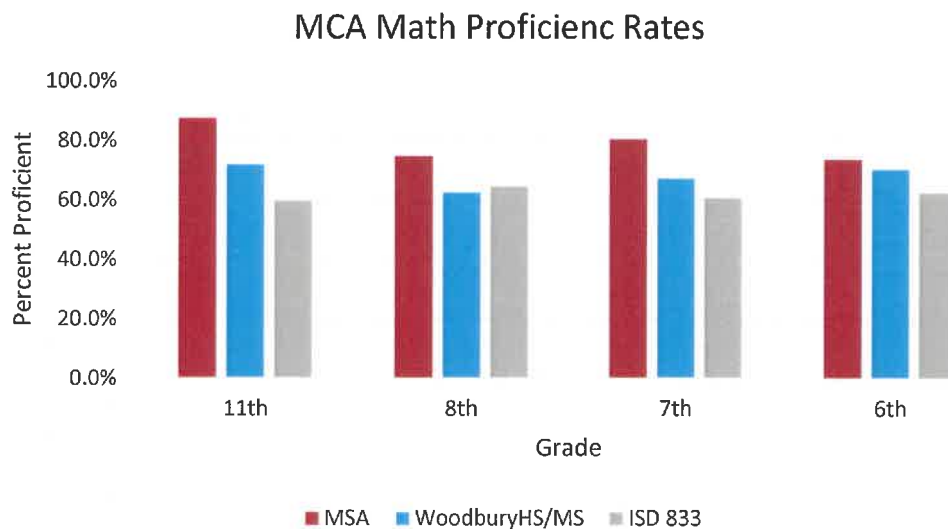
During the 2018-19 school year, MSA's students had a growth level that was higher than its low growth level. This can be equated into students not just knowing the standard at a modest level, but having a mastery of the material. In each subgroup, MSA students performed at a higher than the low level rate.



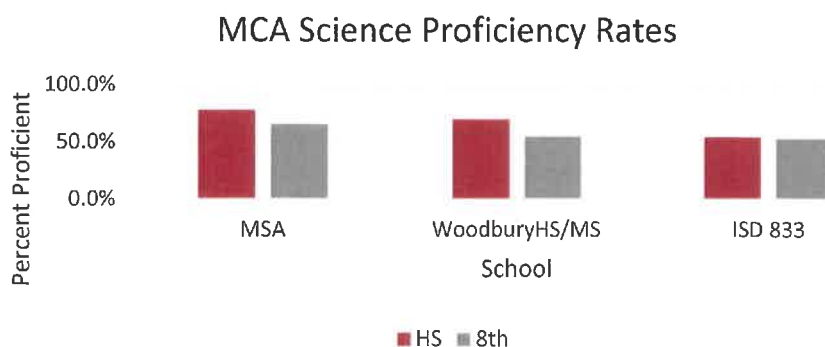
MCA Results

During the past five years, MSA has averaged well over a 20% proficiency rate **above** the state average in Math, Reading, and Science for high school students and middle school students! The 2018-19 school year saw a continuation of this pattern. As you can see from the following comparisons, MSA's MCA results, as compared to the neighboring public schools and district, offer some very remarkable reflections of student achievement in proficiency rates.

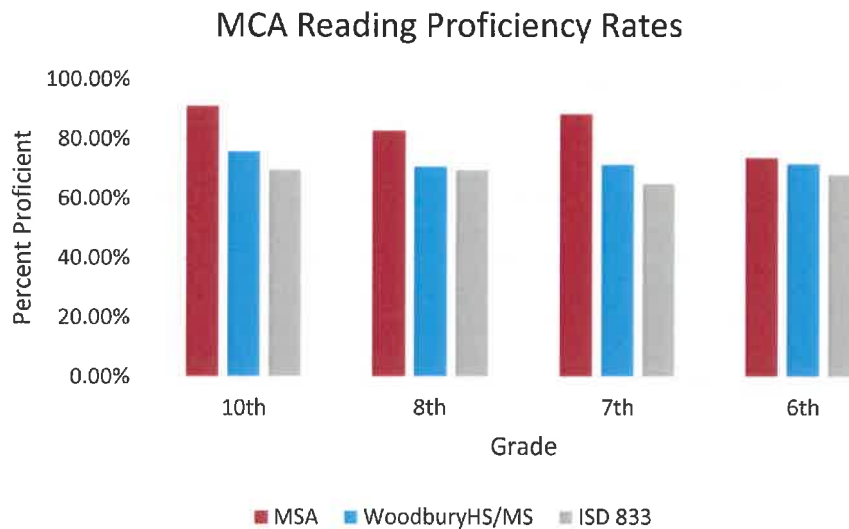
In the area of Math, MSA students scored proficient or higher by an average of 23.5% higher than the state average! MSA high school students averaged a proficiency rate that was 42.7% higher than the state average for the same age group of students! MCA results for math in grades 6, 7, and 8 showed that 37.8% of students exceeded the standards, while 76.5% of the students were proficient or above the standards. In 11th grade, 87.5% of the students met the standards and 67.9% exceeded the standards.



In science, MSA students scored an average proficiency rate higher 32.6% higher than the state average for all students. MSA high school students met or exceeded the science standards at a rate that was over 15% higher than the highest scoring local traditional public high school. Of the 75 high school MSA students that took the test, 9 students tested at the partially meets achievement level. All other students met or exceeded the Science Standards. In the 8th grade 19.8% exceeded the standard as compared to the 8.1% that did not meet the standard.



When looking at reading standards, MSA students averaged a proficiency rate that was 15.6% above the local traditional public school. MSA’s high school students had a 91.3% proficiency rate in meeting standards, which was 15% higher than the highest scoring local traditional public high school. When looking at all grades tested, 275 students were proficient while 53 students were not at the proficient level. Of the 275 students who were proficient, 160 students exceeded the standards. Students who exceeded standards represented 48.8% of the student population.



MCA High School Results

When comparing MSA high school MCA results with neighboring high schools and other similar charter high schools, MSA was the only school that was at least 88% proficient in each of the three areas tested. The following chart shows MSA’s MCA high school proficiency rates for the past five years where the first number for each subject area is the percent of students who were proficient at the subject’s standards, and the second number is the percent of students who exceeded the standard (E).

Year	Math	Reading	Science
2015	94%/86.0% E	93.3%/61.0% E	93.2%/47.9 % E All H.S.
2016	95.7%/70% E	95.3%/61% E	91.9%/40.5% E All H.S.
2017	89.1%/58.2% E	89.6%/51.7% E	91.7%/46.6% E
2018	95.5%/56.8 E	90.5%/52.3% E	88.0%/44.0% E
2019	87.7%/67.9% E	91.3%/59.4% E	78.1%/39.7% E

ACT Results

Our most recent ACT results showed consistently high scores. MSA students taking the test averaged a composite score of 27.7, which was the top average in the state of Minnesota for the second year in a row! MSA students averaged a score of 27.4 in English, 27.3 in Math, 27.8 in Reading, and 27.8 in Science.

The combined college readiness percentage, which is a measure that gives an indication of a student's readiness for taking all college courses, was up two percentage points from the previous year to 78% for MSA seniors. This represents a three year high for MSA.

PSAT Results

Each year, about 3.5 million students across the nation take the PSAT test. Its goal is to assess student's readiness for college and those students who score exceptionally well may be considered for the National Merit Scholarship. MSA had six students qualify for National Merit Scholarships with three reaching the Semifinalist level and one winning a national scholarship. MSA's results for the PSAT follow.

Juniors in the area of **ERW** (Evidenced based Reading and Writing):

- The average score was 602 on a scale of 160 to 760.
- 97% of MSA student test takers met the ERW Benchmark.

Juniors in the area of **Math**:

- The average score was 612 on a scale of 160 to 760.
- 93% of MSA students met the Math Benchmark.

Selection Index for Juniors:

- The average score was 1217 on a scale of 320 to 1520.
- With 91% of MSA students meeting both Benchmarks.

10th Grade students in the area of **ERW** (Evidenced based Reading and Writing):

- The average score was 568 on a scale of 160 to 760.
- With 93% of MSA students meeting the ERW Benchmark.

10th Grade students in the area of **Math**:

- The average score was 566 on a scale of 160 to 760.
- With 85% of MSA students meeting the Math Benchmark.

Selection Index for 10th Graders:

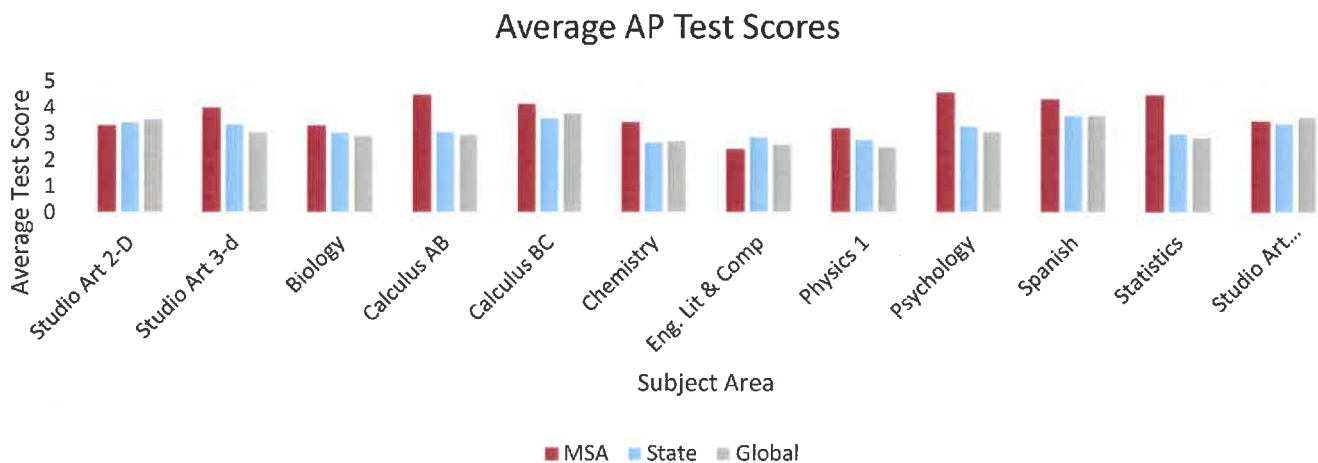
- The average score was 1134 on a scale of 320 to 1520.
- With 83% of MSA students meeting both Benchmarks.

Advanced Placement (AP) Test Results

Each year MSA students in grades 9 through 12 are given the opportunity to take an AP exam in the subject area they are enrolled in if it is an AP approved course. For AP courses, most colleges will give credit to students when they achieve a score of 3 or higher. MSA students were successful at obtaining this level on 86.7% of their tests! Because some colleges will require a score of a 4 for credit, MSA strives to have

students achieve at least a 4 on their tests. To that end, MSA can claim that 58.2% of MSA students taking AP exams obtained that level. In comparison to state and global average scores,

MSA students averaged an AP score that outperformed the average state and global average in 10 of the 12 subject areas with Chemistry and Calculus AB showing the greatest difference. MSA students in Psychology, Statistics, and Calculus BC did exceedingly well when compared to the state and global average.



While MSA students experienced great success taking the AP exams, MSA also had the largest number of AP exams taken this year by its students. Overall, MSA had 158 tests taken this year, as compared to 151 tests taken last year.

If you want to look at our student’s test scores and how they compare to previous year’s performances, you may find this data in Appendix E.

Comprehensive Educational Program Before During and After School

Not only does MSA stress such core curriculum areas as math, science, English, social studies, and Spanish, but the school also boasts music art programs. In addition, MSA students can enhance their educational experience by participating in a variety of after school activities including being a member of a number Minnesota State High School League (MSHSL) team, as well as club level activities such as boys volleyball, academic teams, theater, National Honor Society, Student Council, Academic Triathlon, Lego League Robotics, Spanish Club, Art Club, international field trip offerings, and other various school-sponsored social events and dances. MSA placed several athletes in the MSHSL State competitions this year.

Along with all the events sponsored by MSA, MSA also partners with the YMCA to offer a before school program for grades 6-8. For grades 9-12, MSA offers a before school study hall. Both of these programs operate from 7:00am to 9:00 am on days school is in session.

To assist students who might need additional assistance, MSA offers several opportunities for students to utilize. The Link Crew is a high school activity that mentors middle school students to aide in transitioning into MSA. The National Honor Society offers a tutoring service for students who are identified by their teachers as needing assistance in individual subject areas. MSA also began to offer an extended day program from 4:00pm to 5:00 pm for students who need additional assistance in subject areas and it is taught by licensed school teachers. This program was implemented during the second semester with 45 students taking advantage of the program by year's end.

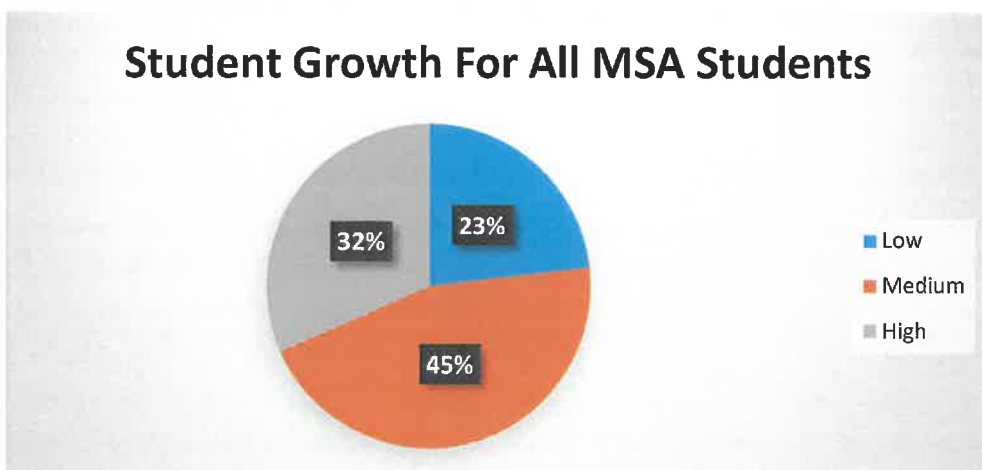
Operational Performance

MSA has a demonstrated record of providing a rigorous and successful education program for all students. Due to the relatively small size of MSA's identifiable groups, it has been less relevant to disaggregate our student data within the typical demographic categories of ethnicity, or educational programs. One of the advantages of our small class sizes is that MSA staff are able to sufficiently use individual student data to track each student's progress. It is our practice to specifically identify and address the needs of individual students not making adequate progress. MSA World's Best Workforce Report can be found in Appendix F.

In addition to each teacher conducting individual tracking, teachers attend monthly meetings where teachers of the same grade level students share their observations of students who are of concern in their classroom so that common trends can be identified and addressed. Students identified during these meetings as having multiple concerns are then entered into an additional support program initiated by one of the concerned teachers.

Student Growth & Student Group Performance

Utilizing MDE's model for tracking growth, MSA growth results show a growth rate that is has a large amount of medium growth followed by high growth and the low growth group being the smallest. Combined, the high and medium growth rates are at a rate that is over three times higher than the low growth rate for students.



Due to small sample sizes of student cell groupings, MSA has only two cell groupings, Asian, and Black/African American, that it can breakdown its results into. When these cells are looked at, MSA excels in its results as compared to the state average.

While looking at MSA’s fastest growing group, Asians, we see that MSA students are exceeding the state level on all measured subjects. MSA students are exceeding the level for Math at a rate that is over 25% higher than that of the state level. In Reading, MSA Asian student are exceeding the standards at rate that is over 32% higher than the state level. While looking at Science, we see that MSA is exceeding the state proficiency rate by 27%.

The following charts show MSA’s Achievement Levels for all of its Asian students tested in the past year in each discipline area along with the state achievement levels.

Math Achievement Levels

	Exceeds	Meets	Partially Meets	Does Not Meet
MSA	53.2%	27.8%	CTSTR	CTSTR
State	25.3%	29.9%	21.3%	23.5%

Reading Achievement Levels

	Exceeds	Meets	Partially Meets	Does Not Meet
MSA	51.1%	36.4%	CTSTR	CTSTR
State	18.6%	36.4%	20.6%	24.4%

Science Achievement Levels

	Exceeds	Meets	Partially Meets	Does Not Meet
MSA	33.3%	38.9%	10.6%	8.2%
State	11.4%	33.8%	25.3%	29.5%

MSA’s second fastest cell group had enough students in it to collect data and compare it with state data as well. MSA’s Black/African American cell displayed similar results to its other students in that they exceeded state averages. When all tests were taken into account, this cell of MSA students exceeded at a rate **more than 5 times** that of the state average. With the new reporting method, a proficiency rate of CTSTR meant that the reporting cell was less than 10 so no numbers were reported.

The following charts display how MSA’s Achievement Levels for all of its Black/African American students compared to other Black/African American students across the state.

MCA Math Achievement Levels

	Exceeds	Meets	Partially Meets	Does Not Meet
MSA	CTSTR	45.8%	CTSTR	CTSTR
State	6.6%	20.7%	22.5%	50.2%

MCA Reading Achievement Levels

	Exceeds	Meets	Partially Meets	Does Not Meet
MSA	20.8%	47.2%	20.8%	CTSTR
State	6.9%	27.8%	21.8%	43.5%

MCA Science Achievement Levels

	Exceeds	Meets	Partially Meets	Does Not Meet
MSA	CTSTR	35.7%	CTSTR	CTSTR
State	2.7%	19.3%	22.9%	55.1%

Because of the number of students in each of MSA’s previous graduating classes did not contain a large enough quantity of any group cell members, MSA does not have specific graduation data concerning each of these areas as that cell compares to the student body as a whole. Last year, MSA did, however, graduate all of its students who comprised these cells.

MSA Parent Team Involvement

MSA is a community created and operated school that benefits from a well-organized and engaged Parent Team Organization (PTO). The PTO is not an official committee of the MSA Board of Directors (BOD) and provides a means for parents to meet together and work to support MSA. The PTO provides a forum for parent discussion and can be a mechanism for developing recommendations for the BOD. All parents and guardians of MSA students are automatically members of the PTO and are invited to attend regularly scheduled meetings. Some activities that have received financial support from the PTO in the past include various school clubs and teams, school play, prom, teacher conference dinners, Mol Day, Pi Day, transportation for field trips, school landscaping, all-school assemblies, and Lego robotics.

MSA also solicits input from its families by issuing an annual family satisfaction survey (See Appendix G). For this year's survey, many questions were simplified and became more direct with a comment question following it. The participation of the survey included 93 participants.

From the survey, it is apparent that there is a strong sense that MSA offers curriculum that is above average, as all subject areas rated above average, with the science curriculum leading the ratings with 80.43% of parents identifying the program as above average or exceptional, while the math curriculum was slightly behind with 77.78% and English had 75.0 % of parents identifying these programs as above average or exceptional.

In the area of school functioning, parents continued to rate the academic rigor of the courses as the highest area followed by student safety. The area that received the lowest rating of the areas identified was teacher communication with parents. When asked how often they contacted school personnel, over 81% of the responding parents stated they contacted school personnel at least on a weekly basis. Of the parents returning a survey, almost 88% said they were satisfied with the school.

Innovative Practices and Implementation

One of the most significant contributing factors in student academic performance is the effectiveness of classroom instruction. With quality instruction in mind, MSA considers professional development and advancing educational best practices critical. To ensure that each MSA teacher has the opportunity for individual professional growth, faculty are encouraged to seek professional development and leadership opportunities (internal and external to MSA) in their academic fields and are monetarily rewarded for their accomplishments.

MSA teachers are required to align their curriculum with both state standards, and national standards where appropriate. MSA curriculum and instruction are modified as needed by individual teachers and with the guidance and oversight of the MSA Board of Directors. MSA conducted a school-wide review of its curriculum over the past year to ensure the proper scope and sequencing is in place for its students.

At MSA, teachers drive staff development decisions in cooperation with the director and the MSA board. This year's staff development focused on special needs students and implementation of accommodations and modification for these students into the classroom. An increase in our course variety and adding new electives and additional AP classes was implemented (see Appendix C).

Future Plans and Program Challenges

Please note that Appendix H contains the Director Goals and Authorizer Goals.

Our biggest challenges are:

1. Financial – maintaining a sustainable school for years to follow. Future years will bring higher salaries and benefits than what the state and federal funds supply. How do we meet this need?
2. Maintaining our academic rigor and success while meeting the needs of a growing population of higher needs students with lower academic capabilities.
3. Retaining our students from middle school to high school. The majority of the students that MSA tends to lose is during this transition due to a lack of activities and its size.
4. Providing alternatives for our students before the beginning of the school day while maintaining the safety and security of everyone at MSA.

5. Finding adequate parking space for our students who live outside of the busing area and for our PSEO students who need to return to campus for classes in the spring.
6. Providing study space on campus for the numerous PSEO students that we have.

Finances

The **FY19 Audit** was conducted during July 2019, and was presented at the September 2019 Board of Directors meeting. The audit results are included in Appendix I.

Fund Balance: The School had another positive year financially as the fund balance in the General Fund increased by over twenty-two thousand dollars. The ending fund balance total was over two million dollars representing just under 40% of expenditures. This is an important aspect in the MSA's financial well-being since a healthy fund balance is a cushion against unanticipated expenditures, enrollment declines, state aid metering changes and funding deficiencies. MSA once again had a "clean" audit.

See Appendix I for a copy of the 2018-2019 financial statements, which are contained within the annual audit.

MSA's Long Range Budget Plan can be located in Appendix J and reflects a budget that has allowed for continued modest student growth while maintaining a positive fund balance. In the year school year 2019-20, it is projected that MSA would maintain a positive budget with the addition of two teachers.

Strategic Plan

MSA's BOD spent numerous hours looking at the Vision, Mission, Core Values, and Strategic Plan. While the Mission statement did not change, there was a move in the Vision of the school to focus on the math and science academic focus of the school. During discussions, it was also determined that the Core Values needed to be updated to more accurately reflect the values of the school. Finally, the BOD decided to make the Strategic Plan more reflective of its new Vision and Core Values. A copy of the current Strategic Plan can be found in Appendix K.

Authorizer Information

Since opening in the fall of 1999, The Math and Science Academy, MSA has had an authorizer. We had no significant issues to keep MSA from receiving our 5-year contract instead of the 3 year contract. Our authorizer is Student Achievement of Minnesota (SAM). SAM's director is Liz Wynne, 763-557-6676, lizwynne2@gmail.com, P.O. Box 581639, Minneapolis, MN 55458-1639.

Non-Profit Status

Attorney General - [Lori Swanson](#)
Minnesota Attorney General's Office
1400 Bremer Tower - 445 Minnesota Street - St. Paul, MN 55101

Organization Name	MATH AND SCIENCE ACADEMY
Organization Type	TRUST
Contact Person	JOHN GAWARECKI
Address	8430 WOODBURY CROSSING
City	WOODBURY
State	MN
Zip Code	55125
IRS Code 501(c)	03
Purpose or Description	To promote effective education for students at the Math and Science Academy charter school.
Phone Number	(651) 578-7507
Status	ACTIVE

EDITOR:

John Gawarecki
Director, Math and Science Academy
jgawarecki@mnmsa.org
651-308-2017

LETTERING OPPORTUNITIES

Students may earn the following letters: Boys Cross Country, Girls Cross Country, Girls Volleyball, Boy Soccer, Girls Soccer, Football, Trap Team, Boys Basketball, Girls Basketball, Girls Nordic Ski, Boys Nordic Ski, Boys Track, Girls Track, Girls Badminton, Boys Volleyball, Robotics, Drama, Debate, Speech, National Honor Society, Student Council, Newspaper, Yearbook, Earth Club, Performing Arts, and Earth Club.

MSHSL SPORTS

FALL

Boys Cross County
Girls Cross Country
Girls Volleyball
Trap Team
Football
Boys Soccer
Girls Soccer

WINTER

Boys Basketball
Girls Nordic Ski
Girls Basketball
Boys Nordic Ski

SPRING

Girls Track
Boys Track
Girls Badminton
Boys Volleyball
Trap Team

MIDDLE SCHOOL CLUBS

Math League, Academic Triathlon, Lego League, GSA, Choir, Jazz Band, Show Choir, Orchestra, Computer Club, Social Justice Club, Africa Club, Cinematography Club, Spanish Club, Chess Club, Art Club, Battle of Books, Earth Club, and Knitting Club.

HIGH SCHOOL CLUBS

GSA, Physics Club, Biology Club, FTC, Business Club, Order of Phoenix, Jazz Band, Show Choir, Orchestra, Computer Club, Social Justice, Africa Club, Cinematography Club, Spanish Club, Chess Club, Art Club, SWEnext Club, Earth Club and Knitting Club.

MSA DIRECTOR DEVELOPMENT PLAN

Preface:

Minnesota Statutes, Section 124E.12, subdivision 2 states: The board of directors and an individual who does not hold a valid administrative license and who serves in an administrative, supervisory, or instructional leadership position shall develop a professional development plan. Documentation of the implementation of the professional development plan of these persons shall be included in the school's annual report.

Plan	Results	Next Year's Goal
Obtain principal licensure in Minnesota. a. Have a written plan in place and submit to the BOD that addresses work toward licensure as a principal.	Written plan was presented to the Board at the October 2018 meeting and revisited during the March 2019 meeting. Plan was adjusted due to Building D leasing opportunity.	Continue with pursuit of licensure.
Complete at least one professional development opportunity in general management (general or particular to charter schools) that covers any of the following: human resource management, teambuilding and/or conflict management.	Attended the Employment Law Conference in November, Charter Law Conference in August, and 504 and Special Education Law Conference in March.	Attend at least two professional development opportunities.
Attend three MACS regional director meetings.	Attended all regional director meetings offered by MACS and the MACS Annual Meeting.	Continue to attend regional meetings.

MSA 2018-19 Courses, Electives, and Enrichment Courses

ENGLISH

English 6 (6th grade)
 English 7 (7th grade)
 English 8 (8th grade)
 Literature & Composition (9th grade)
 British World Literature (10th grade)
 American Literature (11/12th grade)
 Research Writing (10-12th grade)
 Composition (10-12th grade)
 Study Skills (6th grade)
 Study Skills (7-9th grade)
 Alternative Literature (9-12th grade) EL
 Speech (9-12th grade) EL
 Poetry (7-8th grade) EC
 Speech (7-8th grade) EC
 Young Adult Literature (7-8th grade) EC
 AP Literature & Comp (11/12th grade) EL

ART

Art & Creativity (6th grade) EC
 Art 8 (8th grade)
 Art & Technology (7-8th grade) EC
 Drawing (9-12th grade) EL
 Painting (9-12th grade) EL
 Digital Visual Communications I (9-12th) EL
 Digital Visual Communications II (9-12th) EL
 Sculpture & Craft (9-12th grade) EL
 Ceramics (9-12th grade) EL
 AP Studio Art (10-12th grade) EL

PERFORMING ARTS

Concert Band (6th grade) EC
 Wind Band (7-8th grade) EL
 Wind Ensemble (9-12th grade) EL
 World of Music/Drumming (6th grade) EC
 Choir for credit (9-12th grade) zero hour EL
 Symphony for credit (9-12th grade) zero hour EL
 Wind Ensemble online for credit (9-12th) EL

SPANISH

Intro to Spanish (teacher recommendation)
 Spanish 6 (6th grade)
 Spanish 7 (7th grade)
 Spanish I (8th grade)
 Spanish II (9th grade)
 Spanish III (10th grade)
 Spanish IV (11/12th grade)
 AP Spanish Language (11/12th grade) EL

MATH

Pre-algebra (6th grade)
 Algebra I (7th grade)
 Algebra II (8th grade)
 Algebra III (9th grade)
 Pre-calculus (10th grade)
 Calculus (11/12th grade)
 AP Calculus AB (10-12th grade) EL
 AP Calculus BC (11/12th grade) EL
 AP Statistics (10-12th grade) EL
 Math Skills (6th grade) teacher recommended
 Personal Finance (9-12th grade) EL

HEALTH/PE

PE 6 (6th grade)
 PE 7 (7th grade)
 PE 8 (8th grade)
 PE 9 (9th grade)
 Health 7 (7th grade)
 Health 9 (9th grade)

SOCIAL STUDIES

MN History (6th grade)
 US Studies (7th grade)
 Global Studies (8th grade)
 Ancient World History and Geography (9th grade)
 Modern World History and Human Geography (10th)
 American History (11/12th grade)
 Political Science (12th grade)
 Economics (12th grade)
 Sociology (10-12th grade) EL
 AP Psychology (11th/12th grade) EL

SCIENCE

Life Science (6th grade)
 Earth Science (7th grade)
 Physical Science (8th grade)
 Biology (9th grade)
 Chemistry (10th grade)
 Physics (11th/12th grade)
 Engineering (8th grade) EC
 Anatomy & Physiology (10-12th grade) EL
 Bio-engineering (9-12th grade) EL
 Engineering I (9-12th grade) EL
 Engineering II (9-12th grade) EL
 Taste of Science (9-12th grade) EL
 AP Biology (9-12th grade) EL
 AP Chemistry (9-12th grade) EL
 AP Physics (9-12th grade) EL

EL: Elective class for high school students. High school students choose electives.

EC: Enrichment course for middle school students. Middle school students are assigned electives with the exception of Band.

**Enrollment Numbers from 2013-14 to 2018-19
Student Enrollment (Startof school year)**

Grade Level	2014-15		2015-16		2016-17		2017-18		2018-19	
	Student Count	Change	Student Count	Change	Student Count	Change	Student Count	Change	Student Count	Change
6th Grade	79	-1.12%	85	7.59%	88	3.53%	88	0.00%	88	0.00%
7th Grade	90	-1.12%	84	-6.67%	88	4.76%	88	0.00%	88	0.00%
8th Grade	87	-1.12%	88	1.15%	88	0.00%	88	0.00%	88	0.00%
9th Grade	74	30.91%	74	0.00%	73	-1.35%	73	0.00%	76	4.11%
10th Grade	61	41.67%	67	9.84%	62	-7.46%	66	6.45%	70	6.06%
11th Grade	50	-28.89%	56	12.00%	62	10.71%	54	-12.90%	62	14.81%
12th Grade	30	-14.29%	50	66.67%	53	6.00%	55	3.77%	54	-1.82%
TOTAL	471	2.78%	504	7.01%	514	1.98%	512	-0.39%	526	2.73%

Waiting List (After lottery)

Grade Level	2014-15		2015-16		2016-17		2017-18		2018-19	
	Student Count	Change	Student Count	Change	Student Count	Change	Student Count	Change	Student Count	Change
6th Grade	152	27.73%	124	-18.42%	146	17.74%	174	19.18%	226	29.89%
7th Grade	74	4.23%	67	-9.46%	87	29.85%	75	-13.79%	92	22.67%
8th Grade	25	-21.88%	44	76.00%	44	0.00%	42	-4.55%	58	38.10%
9th Grade	44	76.00%	43	-2.27%	41	-4.65%	58	41.46%	40	-31.03%
10th Grade	3	-72.73%	7	133.33%	11	57.14%	4	-63.64%	23	475.00%
11th Grade	2	-66.67%	8	300.00%	9	12.50%	5	-44.44%	11	120.00%
12th Grade	2	N/A	0	N/A	3	N/A	0	N/A	2	N/A
TOTAL	302	N/A	293	-2.98%	341	16.38%	358	4.99%	452	26.26%

Students Withdrawn (As of June 30th, 2019)

Grade Level	2014-15		2015-16		2016-17		2017-18		2018-19	
	Student Count	Change	Student Count	Change	Student Count	Change	Student Count	Change	Student Count	Change
6th Grade	2	N/A	1	-1	2	1	0	-2	3	3
7th Grade	3	N/A	4	1	2	-2	4	2	6	2
8th Grade	23	N/A	23	0	7	-16	4	-3	3	-1
9th Grade	7	N/A	11	4	28	17	29	1	29	0
10th Grade	2	N/A	7	5	14	7	5	-9	7	2
11th Grade	2	N/A	0	-2	3	3	4	1	4	0
12th Grade	0	N/A	0	0	0	0	5	5	2	-3
TOTAL	39	N/A	46	7	56	10	51	-5	54	3

Appendix E

MCA

	Math (11th)	Reading (10th)	Writing (9th)	Science
2010	94.1%/94.1%*	96.6%/96.6%*	100%/100% *	89.4%/34% E All H.S.
2011	96.2%/96.2%*	97.1%/76.5% E	100%/100% *	82.1%/33% E 8th and 9th
2012	75%/42.9% E	100%/71.4% E	100%/100% *	97.7%/55.8% E H.S.
2013	92%/40% E	96%/68% E	100%/100% *	94.5%/55.6% E H.S.
2014	100%/81% E	96%/73% E	N/A	90.0%/54% E H.S.
2015	94%/86.0% E	93.3%/61.0% E	N/A	93.2%/47.9 % E H.S.
2016	95.7%/70% E	95.3%/61% E	N/A	91.9%/40.5% E H.S.
2017	89.1%/58.2% E	89.6%/51.7% E	N/A	91.8%/46.6% E H.S.
2018	95.5%/56.8%E	90.9%/50.9%E	N/A	88.0%/44.0%E HS
2019	87.7%/67.9% E	91.3%/59.4% E	N/A	78.1%/39.7% E

Average ACT Scores

	English	Math	Reading	Science	Composite
2008	25.5 L	25.7	26.7	24.2 L	
2009	28.1	27.5	30.0 H	27.5	
2010	29.3	26.6	29.0	28.2 H	
2011	29.3	28.9 H	28.3	28.2 H	
2012	27.6	25.5 L	27.8	26.5	
2013	29.4	26.9	27.9	27.3	
2014	28.2	26.5	25.0 L	25.4	26.4
2015	29.5 H	28.7	28.6	28.0	28.8
2016	28.8	27.8	28.6	28.4 H	28.5
2017	27.5	27.1	27.6	27.8	27.6
2018	28.4	27.8	29	27.7	28.4
2019	27.4	27.3	27.8	27.8	27.7

Percent of ACT Tested Students Ready for College-Level Course Work

	College English	College Algebra	College Social Studies	College Biology	All Four
2009	96%	89%	93%	89%	78%
2010	100% H	95%	100% H	90%	90% H
2011	100% H	100% H	90%	90%	84%
2012	100% H	88%	96%	83%	79%
2013	100% H	82% L	93%	93%	82%
2014	100% H	91%	74% L	87%	65%
2015	100% H	97%	87%	97% H	87%
2016	98%	90%	90%	92%	86%
2017	95%	85%	87%	93%	76%
2018	98%	88%	88%	82%	73%
2019	97%	90%	79%	84%	78%

MCA

1st number = Percent Proficient
 E = Exceeds
 * = Passed

ACT

L = Lowest
 H = Highest

World's Best Workforce 2018-2019

Goal #1

Black/African American students at MSA (all grades) will have a proficiency rate of 81.5% (meets or exceeds) or better on the 2019 MCA math test.

Result: Goal not met. Black/African American students at MSA (all grades) had a proficiency rate of 66.0% on the 2019 MCA math test. This proficiency rate is a drop of 6.5% from 2018. This drop corresponds to an overall drop in math proficiency at MSA of 2.6%.

Goal #2

Black/African American students at MSA (all grades) will have a proficiency rate of 87.8% (meets or exceeds) or better on the 2019 MCA reading test.

Result: Goal not met. Black/African American students at MSA (all grades) had a proficiency rate of 69.3% on the 2019 MCA reading test. This proficiency rate is a drop of 5.1% from 2018. This drop corresponds to an overall drop in reading proficiency at MSA of 3.3%.

Goal #3

MSA's seniors will have an average composite ACT score of 28 or higher for the 2018-2019 school year.

Result: Goal not met. MSA's seniors had an average composite score of 27.7. That being said, this number may change. As of 9/18/19, the score of 27.7 only reflects the scores of students who took the ACT at MSA. MSA will be notified in October 2019 of the scores of students who took the ACT at a different site.

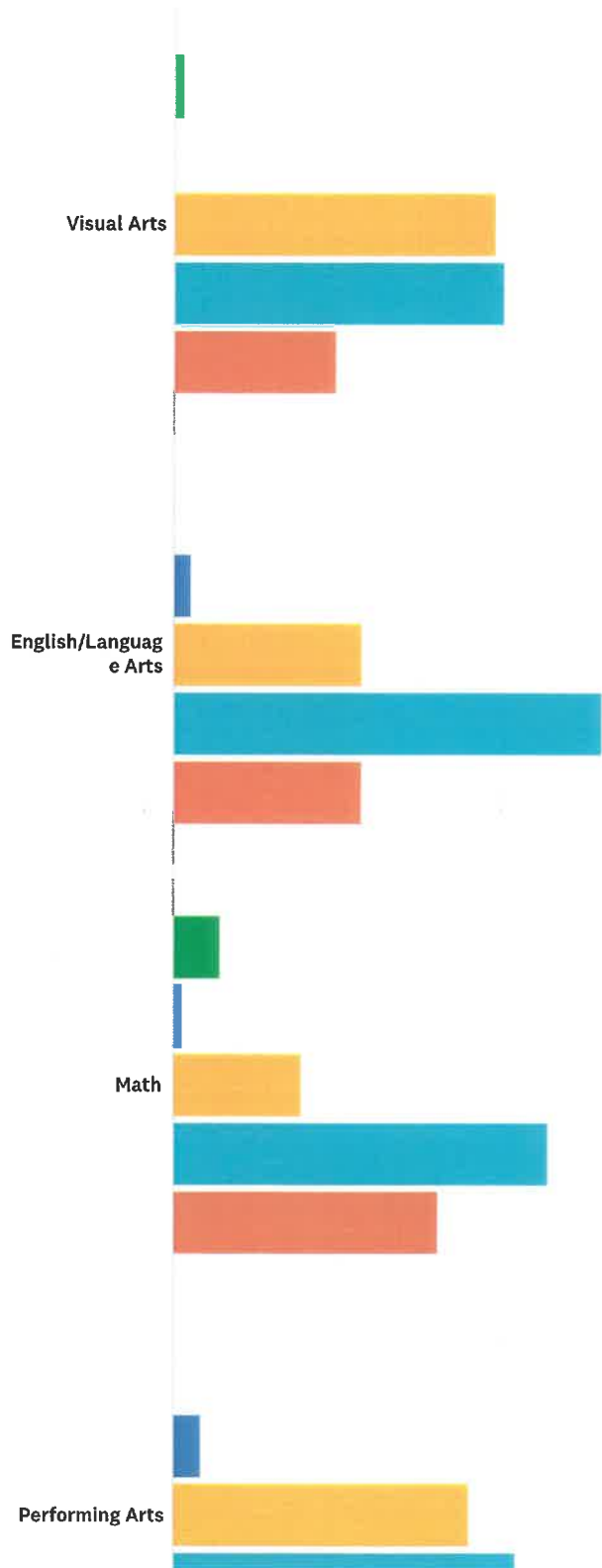
Goal #4

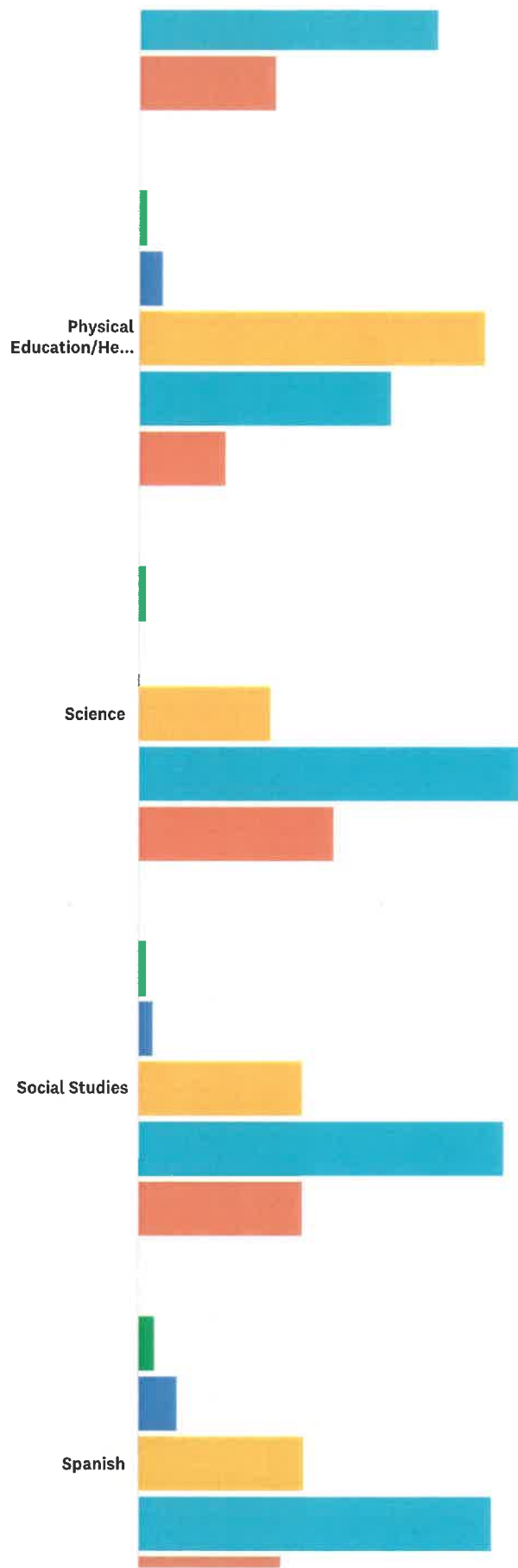
All seniors who begin the year at MSA will graduate in the spring of 2019.

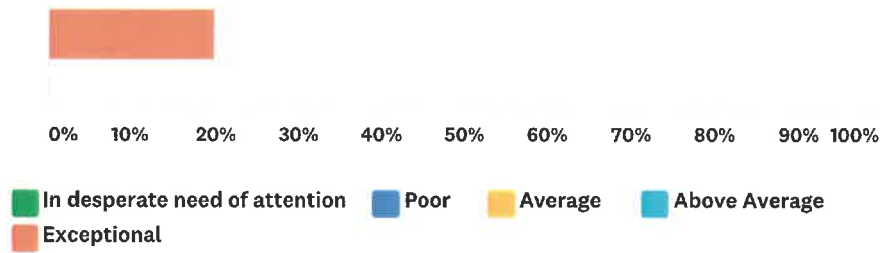
Result: Goal not met. MSA had 51 out of 54 seniors graduate that began the year at MSA. Of the three who did not graduate, 1 student transferred to another high school and graduated on time. The other two students continued with special education services in their home district. Of those two students, one has since graduated.

How would you rate MSA's curriculum offerings in the following areas?

Answered: 93 Skipped: 0



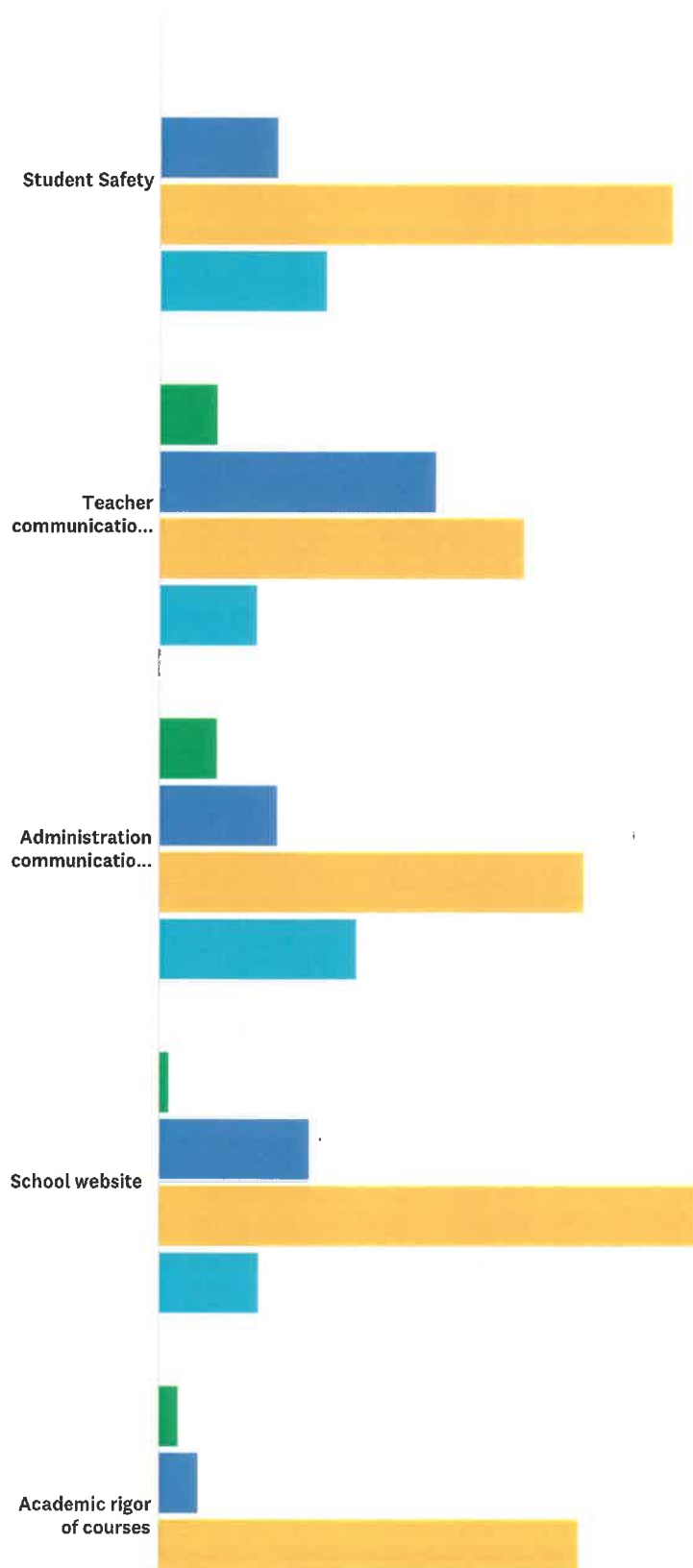


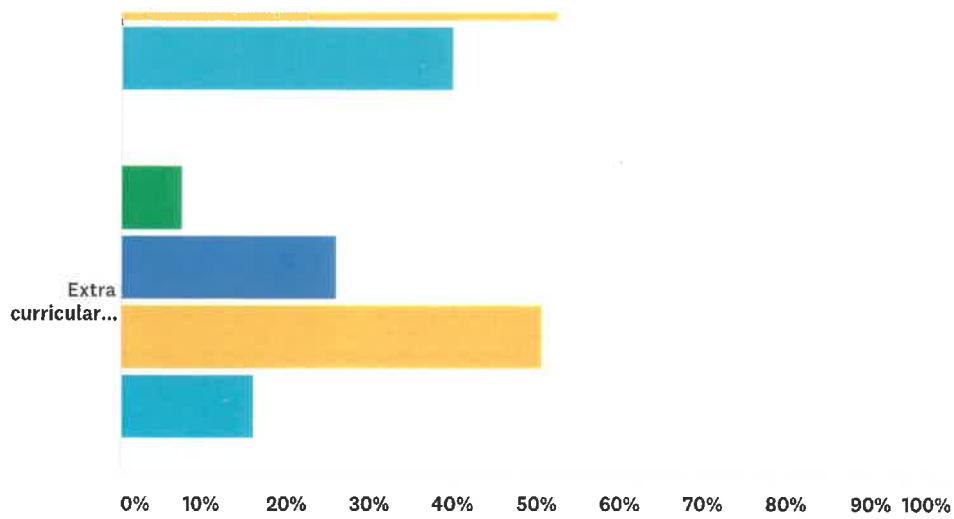


	IN DESPERATE NEED OF ATTENTION	POOR	AVERAGE	ABOVE AVERAGE	EXCEPTIONAL	TOTAL
Visual Arts	1.09% 1	0.00% 0	39.13% 36	40.22% 37	19.57% 18	92
English/Language Arts	0.00% 0	2.17% 2	22.83% 21	52.17% 48	22.83% 21	92
Math	5.56% 5	1.11% 1	15.56% 14	45.56% 41	32.22% 29	90
Performing Arts	0.00% 0	3.37% 3	35.96% 32	41.57% 37	19.10% 17	89
Physical Education/Health	1.10% 1	3.30% 3	48.35% 44	35.16% 32	12.09% 11	91
Science	1.09% 1	0.00% 0	18.48% 17	53.26% 49	27.17% 25	92
Social Studies	1.09% 1	2.17% 2	22.83% 21	51.09% 47	22.83% 21	92
Spanish	2.20% 2	5.49% 5	23.08% 21	49.45% 45	19.78% 18	91

Please rate your satisfaction for the following school areas.

Answered: 81 Skipped: 12



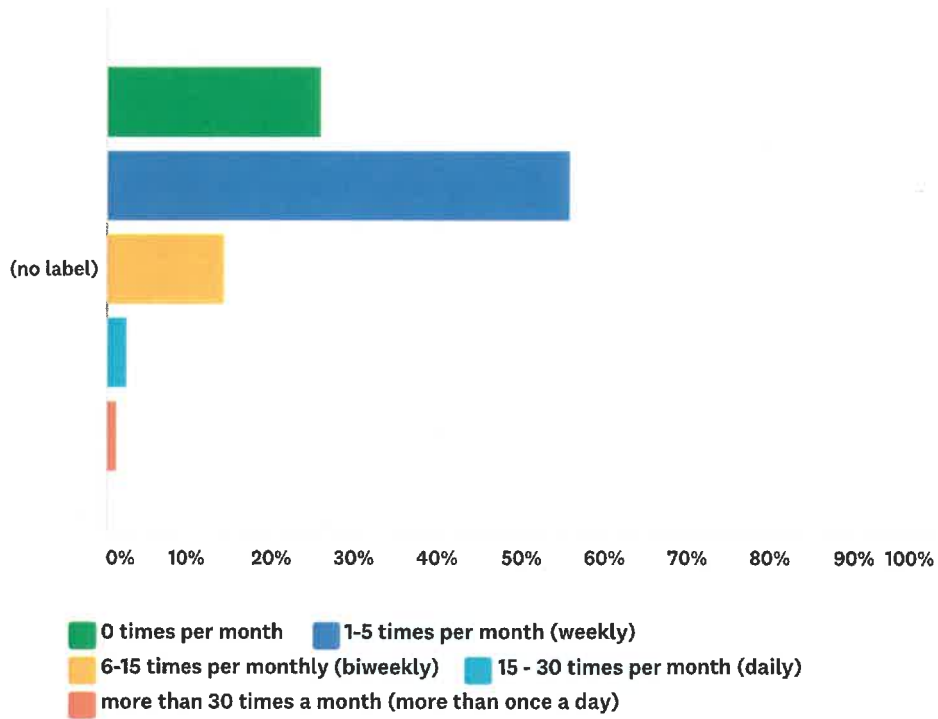


■ Needs immediate attention
 ■ Needs some attention
■ Meets my expectations
 ■ Exceeds my expectations

	NEEDS IMMEDIATE ATTENTION	NEEDS SOME ATTENTION	MEETS MY EXPECTATIONS	EXCEEDS MY EXPECTATIONS	TOTAL	WEIGHTED AVERAGE
Student Safety	0.00% 0	14.81% 12	64.20% 52	20.99% 17	81	3.06
Teacher communication with parents	7.41% 6	34.57% 28	45.68% 37	12.35% 10	81	2.63
Administration communication with parents	7.41% 6	14.81% 12	53.09% 43	24.69% 20	81	2.95
School website	1.25% 1	18.75% 15	67.50% 54	12.50% 10	80	2.91
Academic rigor of courses	2.50% 2	5.00% 4	52.50% 42	40.00% 32	80	3.30
Extra curricular activities	7.41% 6	25.93% 21	50.62% 41	16.05% 13	81	2.75

On average, how often do you communicate with school personnel (teachers or support staff) ?

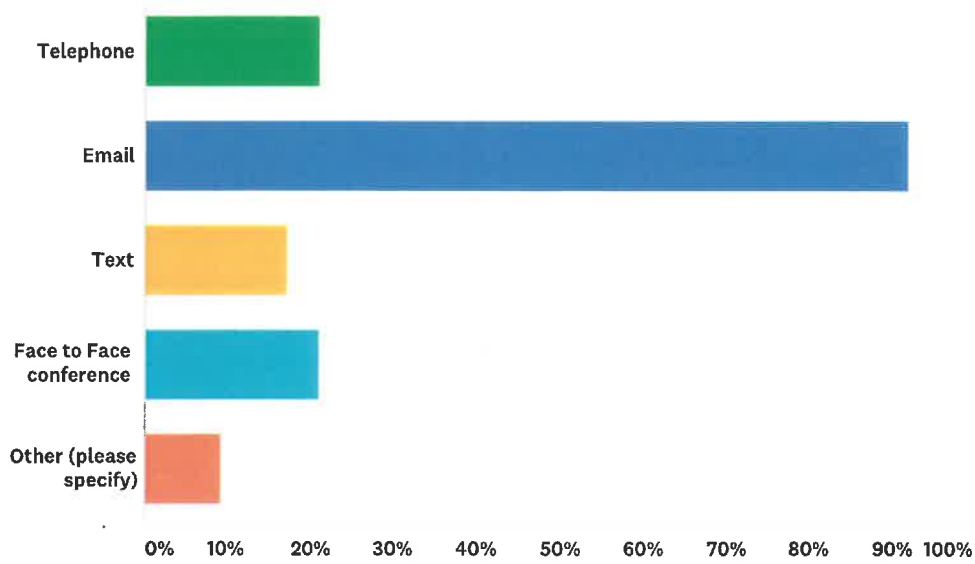
Answered: 77 Skipped: 16



	0 TIMES PER MONTH	1-5 TIMES PER MONTH (WEEKLY)	6-15 TIMES PER MONTHLY (BIWEEKLY)	15 - 30 TIMES PER MONTH (DAILY)	MORE THAN 30 TIMES A MONTH (MORE THAN ONCE A DAY)	TOTAL	WEIGHTED AVERAGE
(no label)	25.97%	55.84%	14.29%	2.60%	1.30%	77	1.97
	20	43	11	2	1		

What is your preferred mode of communication?

Answered: 76 Skipped: 17



ANSWER CHOICES

Telephone
Email
Text
Face to Face conference
Other (please specify)

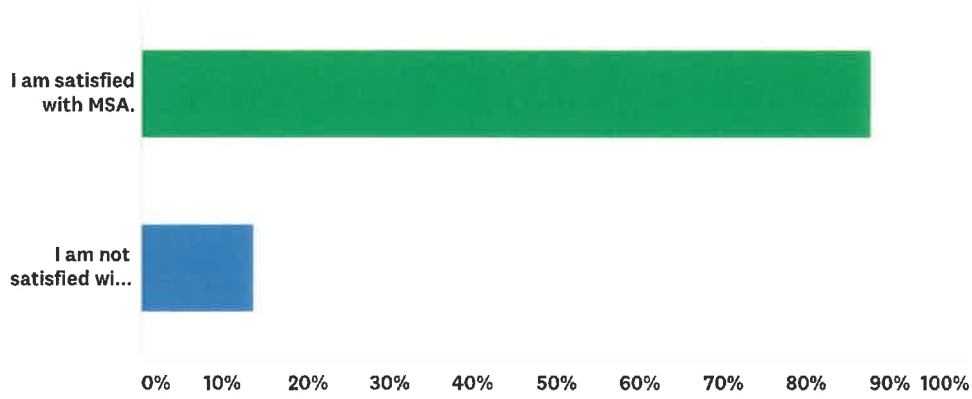
RESPONSES

21.05% 16
92.11% 70
17.11% 13
21.05% 16
9.21% 7

Total Respondents: 76

Overall, how satisfied are you with MSA?

Answered: 74 Skipped: 19



ANSWER CHOICES

RESPONSES

I am satisfied with MSA.

87.84%

65

I am not satisfied with MSA.

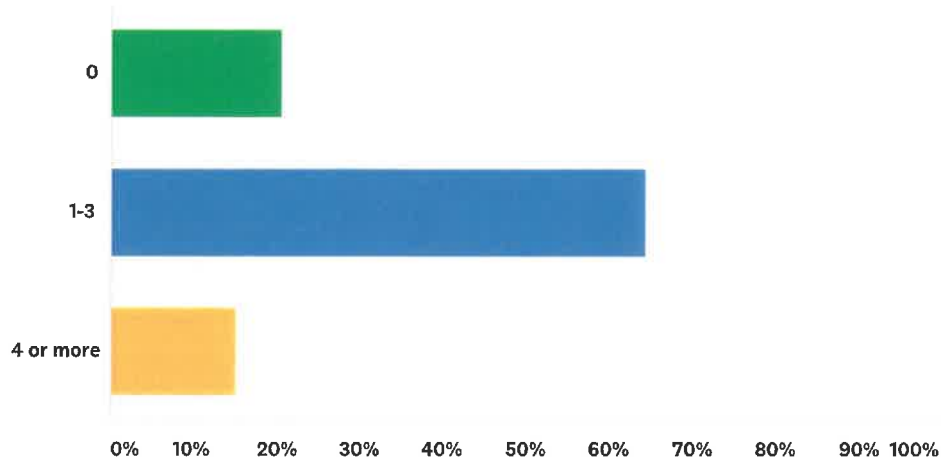
13.51%

10

Total Respondents: 74

How many extra-curricular activities did your student participate in this year?

Answered: 73 Skipped: 20



ANSWER CHOICES

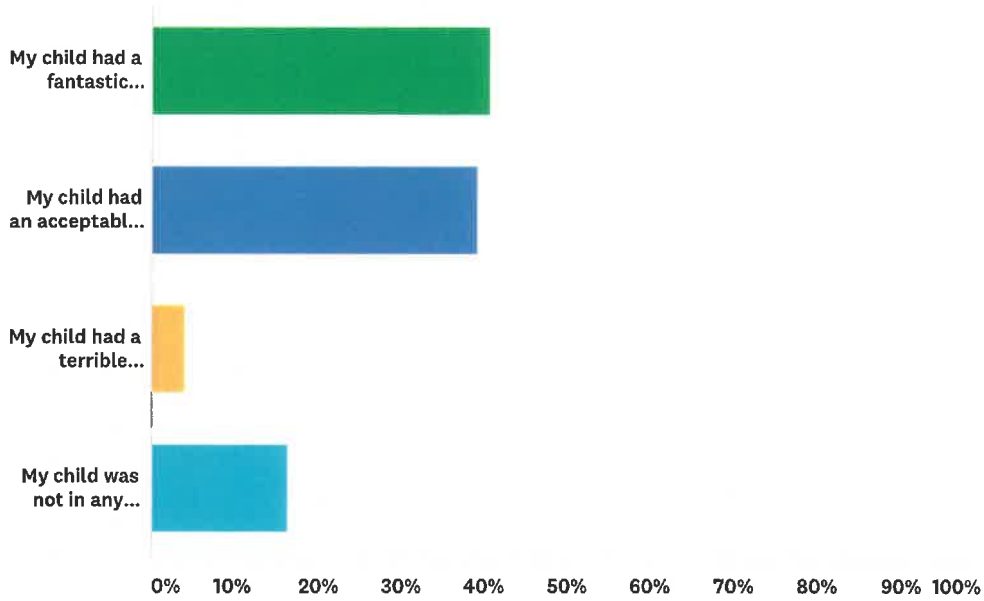
0
1-3
4 or more
TOTAL

RESPONSES

20.55%	15
64.38%	47
15.07%	11
	73

What statement best describes your child's experience in their extra-curricular activities this year?

Answered: 74 Skipped: 19



ANSWER CHOICES

RESPONSES

My child had a fantastic experience.	40.54%	30
My child had an acceptable experience.	39.19%	29
My child had a terrible experience.	4.05%	3
My child was not in any extra-curricular activities.	16.22%	12
TOTAL		74

Additional questions from the survey which contained comments from parents include the following.

What specific comments do you have concerning MSA's curriculum offerings?

Please share any comments you might have concerning MSA's extra-curricular activities.

One improvement that I would like to see at MSA is..

What is your biggest concern about MSA?

What is MSA's best attribute?

What can MSA do to improve it's communication with you?

If you are unsatisfied with MSA please explain why

Authorizer Goals

Goal 1 - Proficiency

Math and Science Academy (MSA) will score 90% or above in proficiency on the 10th grade reading, and 11th grade math, for Fiscal Years 2015-18. (High school science will be included when it becomes a graduation requirement.)

Goal 2 - Comparative Proficiency

Math and Science Academy will meet or exceed South Washington County Schools, and the State for grades 6, 7, 8, 9, 10, and 11 on the Math and Reading MCA tests offered, for Fiscal Years 2015-2018.

Goal 3 - Growth

Math and Science Academy's MMR rating (Z score) will exceed, or not go below 10%, of the 2013 Z score, for Fiscal Years 2015-2018. The 2013 Z score is 0.129.

Goal 4 - Achievement Gap Reduction

By the conclusion of FY 2017, for both reading and math, the proficiency rate for each subgroup for which the School has publicly-reportable.sufficient counts in 2013 will be no less than:

{One-half of (100 - 2013 subgroup proficiency rate)} + 2013 subgroup proficiency rate
and by the conclusion of FY 2018, the rates achieved in FY2017 will be exceeded.

In addition, by the conclusion fo FY2018, the difference between the non-FRL proficiency rate in the School, and the FRL proficiency rate will be no greater than five percentage points for both reading and math.

Goal 5 - Nationally Normed Assessments

For Fiscal Years 2015-2018, students taking the PSAT will score, by grade, as follows:

- a. 10th grade - 75%
- b. 11th grade - 85%

For Fiscal Years 2015-2018, students taking the ACT will score, by subject area, as follows:

- a. College English - 95%
- b. College Algebra - 90%
- c. College Social Studies - 90%
- d. Science - 80%

Goal 6 - Professional Development

For Fiscal Years 2015-2019, all teachers will participate in professional development, determined by the administration and staff. Staff and administration will select a minimum of one staff development day, devoted to school-wide professional development. Attainment of this goal will be documented by attendance and a survey as to applicability of the professional development.

Goal 7 - Parental Satisfaction

1. At least 85% of all parents returning the annual survey will indicate overall satisfaction with Math and Science Academy.
2. At least three concerns (those noted in 10% or more of returned surveys) will have formal plans, developed by the school, to address them. Progress toward the plans will be documented on an annual basis.

MSA Director Goals for 2018 – 2019 School Year

1. Student Academic Achievement

- a. Meet the academic goals outlined by SAM, and report them to the BOD.
- b. Develop an intervention plan for students who struggle academically, especially transfer students (a “safety net”) that is school wide (i.e. regular teacher hours for help, tutoring program, etc.), and communicate the existence of this plan to the school community and include the in MSA’s student and parent handbook. Have extended day tutoring begin in October.

2. Instructional Leadership

- a. Offer to hold at least two stakeholder/community meetings on curricula for the PTO.
- b. For drug prevention and education, implement at least three drug searches (one each quarter) with a follow-up with students after each search. Include additional student education following each search.

3. Human Resources

- a. Develop measurable, annual goals for the Assistant Directors and Academic Counselor. Communicate these goals to the BOD by the November BOD meeting and give updates on progress made toward the goals at every BOD meeting.
- b. Develop measurable, annual goals for all Administrative Office Staff.

- c. Conduct a formal, annual evaluation of all Administrative Personnel.
- d. Conduct a climate assessment before Winter Break for the Special Education department. Report results to the BOD and develop a plan to address any issues in a timely manner.
- e. Conduct one mid-year climate assessment for teachers and one mid-year climate assessment for administration. Report results to the BOD and develop a plan to address any issues in a timely manner.

4. Professional and Community Relationships

- a. Collect school community (parents and staff) satisfaction feedback (survey) mid-year (first week of January) and at the end of the school year (end of May) to monitor community satisfaction with MSA's administrative team as well as the school's culture and climate. At least 85% of all parents and staff returning the survey will indicate overall satisfaction with MSA. Report results to the BOD and develop a formal plan to address those noted in 10% or more of returned surveys. Progress on the plans will be reported at each regularly scheduled BOD meeting.
- b. Offer to present a formal "Q and A with the Director" at three PTO meetings.
- c. Monitor Tell Glaedr and Ask Glaedr. Report received complaints and their resolutions quarterly. Provide an end of school year report compiling the findings.
- d. Implement at least three unique community-building events or activities for parents, students, and staff.

5. Resource Management

- a. Develop guidelines with the BOD and AFC for an overall fundraising plan, as well as report overall fundraising progress to the BOD in June.
- b. Update the capital assessment report, and update the plan for anticipated capital expenditures (buildings, grounds, etc.) and present progress to the BOD in April.
- c. Investigate options for offering a coding/programming course by the January BOD meeting.

6. Administrative Performance

- a. Maintain Advanced Placement (AP) course offerings. Report status to the BOD in the

Spring 2019 and Fall 2019.

b. Document reasons why students do not return to the school and share the results with the BOD.

c. Document reasons why students enroll at MSA and why students return each year.

Report results to the BOD in May.

d. Develop a more robust crisis management plan with training needs identified to ensure the safety and security of students and staff. Develop a security plan for Building C and coordinate this plan with the other buildings.

e. Update the BOD on progress made on the IDP 2017 – 2018 plan in October 2018 and February 2019.

1. Obtain principal licensure in Minnesota

i. Have a written plan in place and submit to the BOD that addresses work toward licensure as a superintendent/principal. Plan should list milestones (classes) and time to be completed. Due October 31, 2017. Update BOD on progress as appropriate.

ii. Complete at least one professional development opportunity in general management (general or particular to charter schools) that covers any of the following: human resource management, teambuilding and/or conflict management.

2. Attend three MACS regional director meetings.

3. Sign up and participate in Kraus Anderson HR 360.



CliftonLarsonAllen LLP
CLAconnect.com

Appendix I

September 9, 2019

Members of the Board of Directors
Charter School No. 4043
Math and Science Academy
Woodbury, Minnesota

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

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

CliftonLarsonAllen LLP

A handwritten signature in black ink that reads "Dennis Hoogeveen".

Dennis Hoogeveen, CPA
Principal

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043**

EXECUTIVE AUDIT SUMMARY (EAS)

JUNE 30, 2019

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
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YEAR ENDED JUNE 30, 2019**

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**EXECUTIVE AUDIT SUMMARY (EAS)
FOR
MATH AND SCIENCE ACADEMY
YEAR ENDED JUNE 30, 2019**

AUDIT FINDINGS AND RESULTS

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

Yellow Book Comments – No compliance issues were noted in our review of laws, regulations, contracts, grant agreements, or other matters that could have significant financial implications to the School.

Internal Controls – There were no material weaknesses noted in the current year related to internal controls.

Legal Compliance – No compliance issues were reported with respect to Minnesota Statutes related to charter schools and UFARS accounting.

Enrollment – For fiscal 2018-19, Math and Science Academy served a net average daily membership of 483.57 (or 562.69 pupil units). For fiscal year 2017-18, the School had served an average daily membership of 471.28 (or 547.94 pupil units).

Fund Balance – For fiscal 2018-19, the fund balance in the General Fund increased by \$22,870. The fund balance ended at \$2,121,092 as of June 30, 2019. The ending fund balance represents 37.9% of expenditures incurred for the year and is an important aspect in the School’s financial well-being since a healthy fund balance represents things such as cashflow, as a cushion against unanticipated expenditures, enrollment declines, state aid metering changes, program expansion costs, funding deficiencies and aid prorations at the state level and similar problems.

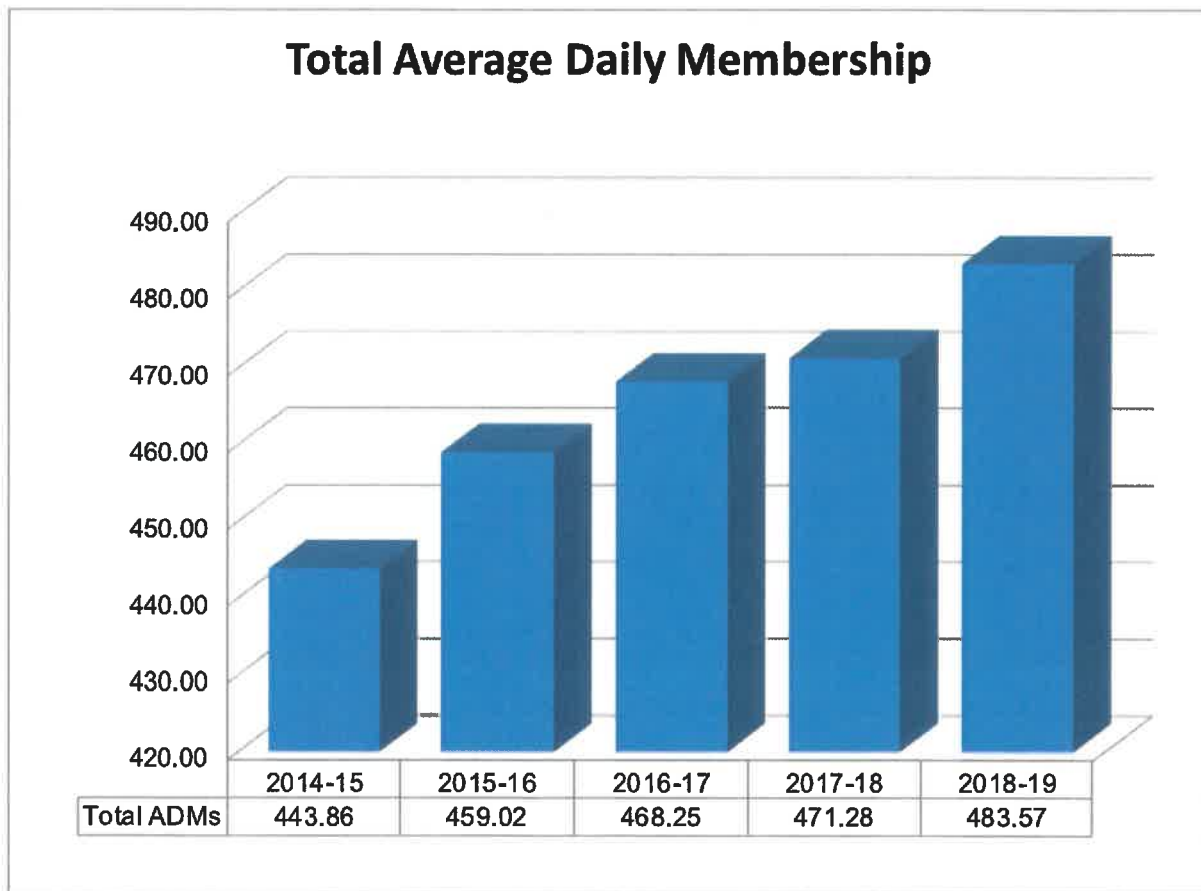
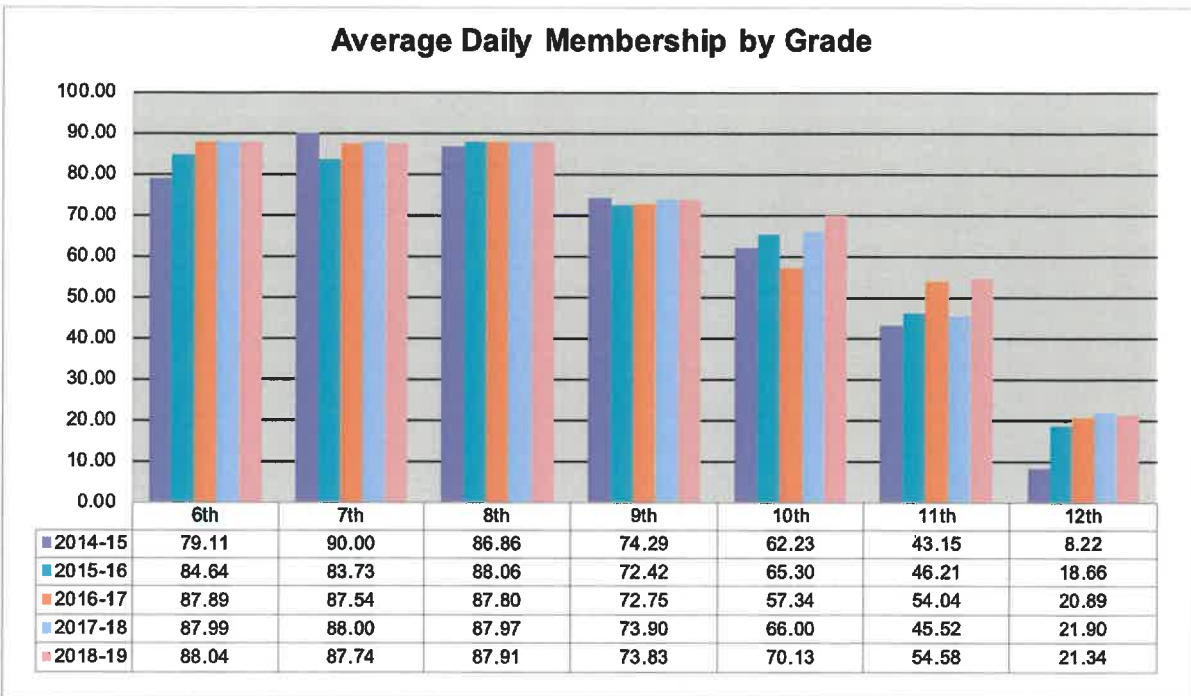
Budget to Actual – Total General Fund revenues on a net basis were \$65,152 (or 1.2%) higher than the budgeted amount while total expenditures were \$47,881 (or 0.9%) higher than had been budgeted. As part of any budget update initiated for fiscal 2019-20, the Board will want to take these variances into consideration in order to limit budget differences to every extent possible. We generally like to recommend that budget variances in a charter school environment (which is more volatile than in a traditional school environment but on a much smaller scale) be limited to 1% to 2% on either side of zero.

AUDIT FINDINGS AND RESULTS (CONTINUED)

MSA Building Company – The School's financial statements include the activity of the Building Company as a component unit. No separate financial statements are issued for the Building Company; however, a separate Form 990 is filed.

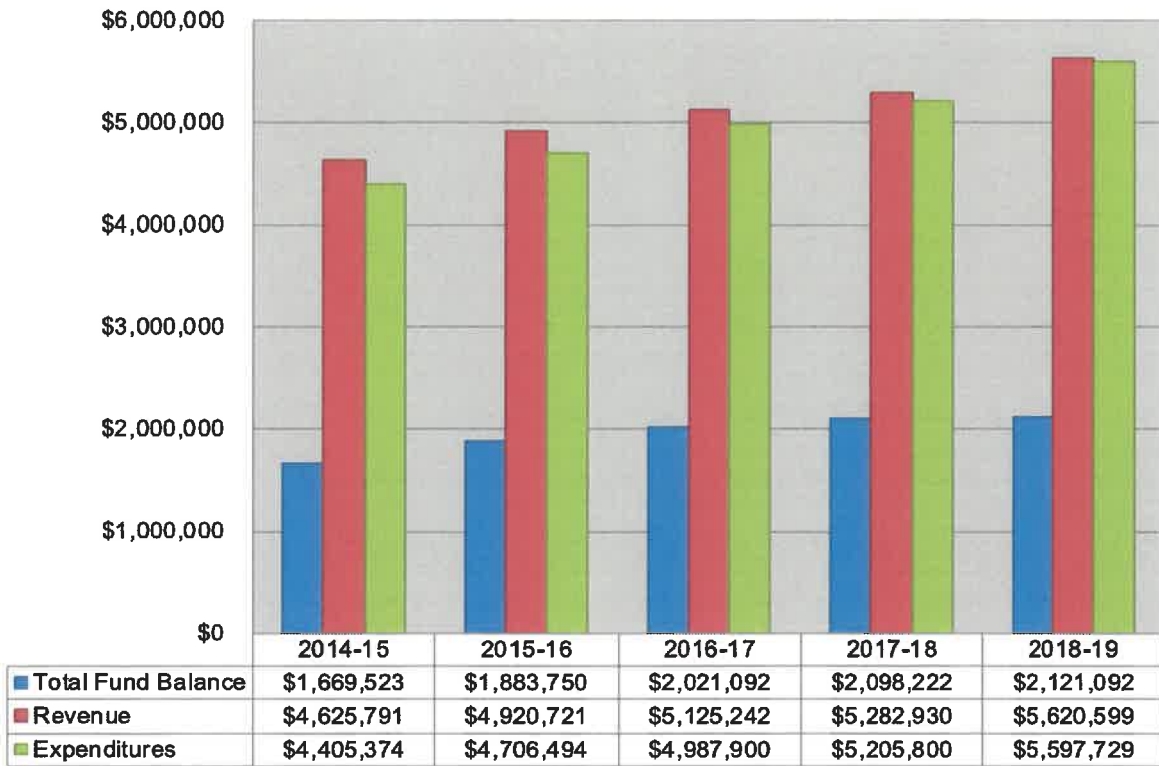
Building Company Debt Covenant Compliance – We want to take this opportunity to remind the Building Company Board that there are some general debt covenants that were agreed to as part of the Loan and Trust Agreements made between Math and Science Academy, the MSA Building Company, the City of Woodbury, and the U.S. Bank Trust National Association (as trustee). Some examples include the submission of audited financial statements within a certain timeframe, the submission of quarterly enrollment, current budget and financial information, and the submission of quarterly long-term budget model forecasting information. We are not aware of any non-compliance with such requirements through the date of our audit report, but it is important that the Board continue to monitor, review and accept responsibility for ensuring the ongoing compliance with all covenants that were agreed to as part of the financing arrangements related to the purchase of the building and subsequent improvements.

FINANCIAL TRENDS

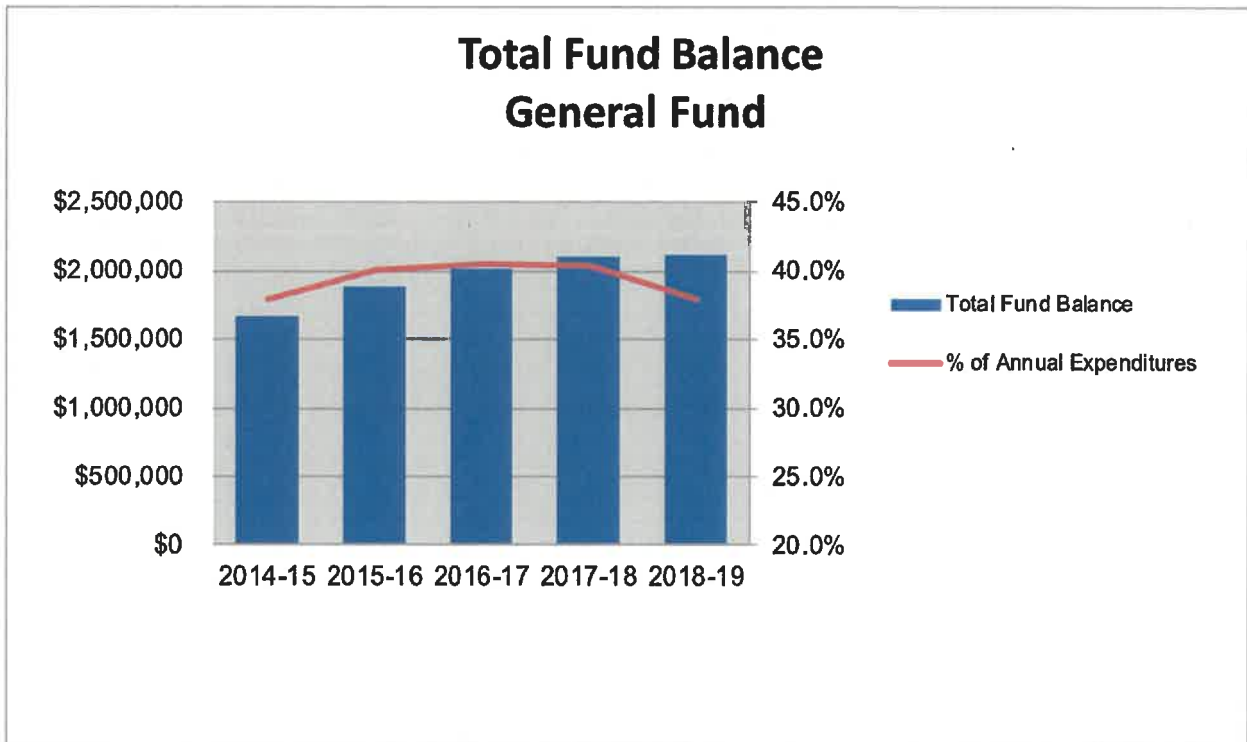
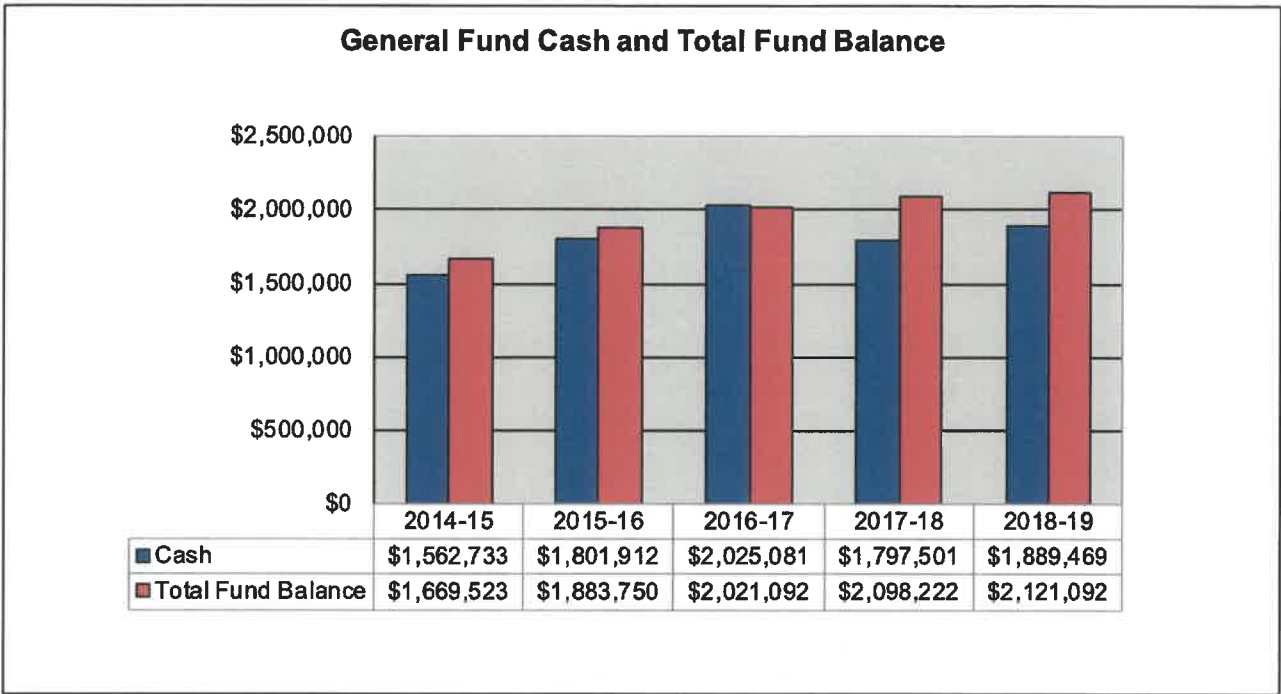


FINANCIAL TRENDS (CONTINUED)

Revenue, Expenditures, and Fund Balance - General Fund



FINANCIAL TRENDS (CONTINUED)





APPENDIX A

FORMAL REQUIRED COMMUNICATIONS

Board of Directors
Charter School No. 4043
Math and Science Academy
Woodbury, Minnesota

We have audited the financial statements of the governmental activities and each major fund of Math and Science Academy (the School) as of and for the year ended June 30, 2019, and have issued our report thereon dated August 27, 2019. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

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

No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2019.

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

Accounting estimates

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

Qualitative aspects of accounting practices (continued)

Accounting estimates (continued)

The most sensitive estimates affecting the financial statements were:

- Due from Minnesota Department of Education
- Due from Federal through the Minnesota Department of Education
- Estimated useful lives of depreciable capital assets
- Estimated proportionate share of PERA's and TRA's net pension liability

Management's estimate of the due from Minnesota Department of Education is based on amounts anticipated to be received from the state for various aid entitlements for fiscal 2018-19. The most significant of these is the aid portion of general education revenue. General education revenue and certain other revenues are computed by applying an allowance per student to the number of students served by the School. Student attendance is accumulated in a statewide database – MARSS. Because of the complexity of student accounting and because of certain enrollment options, student information is input by other school districts and the MARSS data for fiscal year 2019 is not finalized until well into the next fiscal year. MDE calculates amounts owed to the School for special education excess cost tuition billing and adds the amount to the School's special education aid. Because the tuition amounts are based on estimated information, final entitlements are not expected to be known until well into the following fiscal year. Management expects any differences between estimated and actual data will be insignificant.

Management's estimate of due from Federal through the Minnesota Department of Education is based on amounts anticipated to be received through the state for various federal aid entitlements for fiscal 2018-19. Many federal entitlements require that supporting financial reporting information be provided both in the UFARS accounting system and also the SERVS reporting system. To the extent that these two separate systems are not in agreement and reported in a timely manner, the estimated aid entitlement may be adversely affected. Management expects any differences between estimated and actual data will be insignificant.

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

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

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

Qualitative aspects of accounting practices (continued)

Financial statement disclosures

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

Difficulties encountered in performing the audit

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

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following summarizes uncorrected misstatements of the financial statements.

There was one uncorrected misstatement that relates to the statement of net position.

DR	Deferral of Refunding Bond Costs	\$50,778
CR	Net Investment in Capital Assets	\$50,778

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated August 27, 2019.

Management consultations with other independent accountants

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

Significant issues discussed with management prior to engagement

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

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Other information in documents containing audited financial statements

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

With respect to the supplementary information accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated August 27, 2019.

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

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



CliftonLarsonAllen LLP

Minneapolis, Minnesota
August 27, 2019

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2019

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
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INTRODUCTORY SECTION

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
SCHOOL BOARD AND ADMINISTRATION
JUNE 30, 2019**

SCHOOL BOARD

NAME	TERM ON BOARD EXPIRATION	BOARD POSITION
Ken Thielman	June 30, 2019	Board Chair
Lisa Anderson	June 30, 2020	Vice Chair
Mona Hayashki	June 30, 2019	Treasurer
Ramesh Aki	June 30, 2020	Secretary
Cheri Howe	June 30, 2019	Teacher Member
Noah Langseth	June 30, 2020	Teacher Member
Judy Seeberger	June 30, 2021	Teacher Member
Alexandria Ledo	June 30, 2021	Member
Jeffrey Eng	June 30, 2021	Member
John Gawarecki	-	Ex Officio
Judith Darling	-	Ex Officio

MSA BUILDING COMPANY

NAME	TERM ON BOARD EXPIRATION	BOARD POSITION
John Gawarecki	June 30, 2019	President
Joell Pundsack	June 30, 2019	Secretary
Mona Hayashi	June 30, 2019	Treasurer
Cheri Howe	June 30, 2019	Member

ADMINISTRATION

John Gawarecki

Administrator/Director

School Office:

Charter School No. 4043
Math and Science Academy
8430 Woodbury Crossing
Woodbury, MN 55125
(651) 578-7507

FINANCIAL SECTION



CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Members of the Board of Directors
Math and Science Academy
Charter School No. 4043
Woodbury, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Math and Science Academy as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Math and Science Academy's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Math and Science Academy as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Prior Year Information

We have previously audited Math and Science Academy's 2018 financial statements of the governmental activities and each major fund, and we expressed an unmodified opinion on those audited financial statements in our report dated August 28, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Math and Science Academy's basic financial statements. The Uniform Financial Accounting and Reporting Standards Compliance Table as listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Uniform Financial Accounting and Reporting Standards Compliance Table is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 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 financial statements or to the 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.

Members of the Board of Directors
Math and Science Academy
Charter School No. 4043

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2019, on our consideration of Math and Science Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Math and Science Academy'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 Math and Science Academy's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
August 27, 2019

REQUIRED SUPPLEMENTARY INFORMATION

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

This section of Math and Science Academy – Charter School No. 4043's (the School) annual financial report presents our discussion and analysis of the School's financial performance during the fiscal year that ended on June 30, 2019. Please read it in conjunction with the School's financial statements, which immediately follow this section. Certain comparative information between the current year (2018-2019) and the prior year (2017-2018) is required to be presented in the Management's Discussion and Analysis.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2018-2019 fiscal years include the following:

- The fund balance of the General Fund increased \$22,870 from the prior year for an ending fund balance of \$2,121,092 at June 30, 2019.
- Total General Fund revenues were \$5,620,599 as compared to \$5,597,729 of expenditures.
- The fund balance of the Building Company decreased \$6,969 from the prior year for an ending fund balance of \$1,243,651 at June 30, 2019.
- The School's Net Position increased by \$1,014,321. This increase is directly attributable to the impact of pension entries consisting of changes in actuarial assumptions, changes in the School's proportionate share, and differences between projected and actual investment earnings which affected the School's net pension liability of the General Employees Retirement Plan of Public Employees Retirement Association and the Teachers Retirement Fund and related deferred inflows and deferred outflows of resources.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplementary information. The basic financial statements include two kinds of statements that present different views of the School:

- The first two statements are *School-wide financial statements* that provide both *short-term* and *long-term* information about the School's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School, reporting the School's operations in *more detail* than the School-wide statements.
- *Governmental funds statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.

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

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

School-Wide Statements

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

The two School-wide statements report the School's *net position* and how they have changed. Net position – the difference between the School's assets, deferred outflows of resources, deferred inflows of resources, and liabilities – is one way to measure the School's financial health or *position*.

- Over time, increases or decreases in the School's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the School you need to consider additional nonfinancial factors such as changes in the School's creditworthiness and the condition of school buildings and other facilities.

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

- *Governmental Activities* – Most of the School's basic services are included here, such as regular and special education and administration. State aids finance most of these activities.

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The School may establish other funds to control and manage money for a blended component unit such as the Math and Science Academy Building Company.

The School has the following fund type:

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

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

Net Position

The School's *combined* net position was a deficit of \$415,912 on June 30, 2019 (see Table A-1).

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

	Governmental Activities as of June 30,		Percentage Change
	2019	2018	
Current and Other Assets	\$ 3,892,615	\$ 3,804,044	2.33 %
Capital Assets	8,697,586	8,708,325	(0.12)
Total Assets	<u>12,590,201</u>	<u>12,512,369</u>	0.62
Deferred Outflows of Resources	3,060,093	4,271,406	(28.36)
Current Liabilities	764,574	682,403	12.04
Long-Term Liabilities	11,373,334	16,360,846	(30.48)
Total Liabilities	<u>12,137,908</u>	<u>17,043,249</u>	(28.78)
Deferred Inflows of Resources	<u>3,911,140</u>	<u>1,153,601</u>	239.04
Net Position:			
Net Investment in Capital Assets	(194,374)	(374,968)	(48.16)
Restricted	856,136	855,224	0.11
Unrestricted	(1,060,516)	(1,893,331)	(43.99)
Total Net Position	<u>\$ (398,754)</u>	<u>\$ (1,413,075)</u>	(71.78)

The School's net position increased by \$1,014,321. This increase is directly attributable to the impact of pension entries required for changes in actuarial assumptions, changes in the School's proportionate share, and differences between projected and actual investment earnings which affected the School's net pension liability of the General Employees Retirement Plan of Public Employees Retirement Association and the Teachers Retirement Fund and related deferred inflows and deferred outflows of resource.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

Changes in Net Position

The School's total entity-wide revenues were \$5,499,365 for the year ended June 30, 2019 (see Table A-2). State formula aid accounted for 68% of total revenue for the year. The remaining 32% came from other general and program revenues.

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

	Governmental Activities for the Fiscal Year Ended June 30,		Percentage Change
	2019	2018	
Revenues			
<u>Program Revenues</u>			
Charges for Services	\$ 150,407	\$ 169,199	(11.11)%
Operating Grants and Contributions	1,384,784	1,364,683	1.47
<u>General Revenues</u>			
Unrestricted State Aid	3,751,588	3,613,589	3.82
Investment Earnings	47,449	9,479	400.57
Other	165,137	135,193	22.15
Total Revenues	<u>5,499,365</u>	<u>5,292,143</u>	3.92
Expenses			
Administration	125,233	244,847	(48.85)
District Support Services	462,351	494,568	(6.51)
Regular Instruction	1,948,301	3,388,452	(42.50)
Special Education Instruction	583,291	653,831	(10.79)
Instructional Support Services	299,906	416,782	(28.04)
Pupil Support Services	67,641	107,567	(37.12)
Sites and Buildings	509,767	414,927	22.86
Fiscal and Other Fixed Cost Programs	54,350	60,196	(9.71)
Interest and Fiscal Charges on Long-Term Liabilities	434,204	439,931	(1.30)
Total Expenses	<u>4,485,044</u>	<u>6,221,101</u>	(27.91)
Change in Net Position	1,014,321	(928,958)	
Beginning Net Position	(1,413,075)	(484,117)	
Ending Net Position	<u>\$ (398,754)</u>	<u>\$ (1,413,075)</u>	

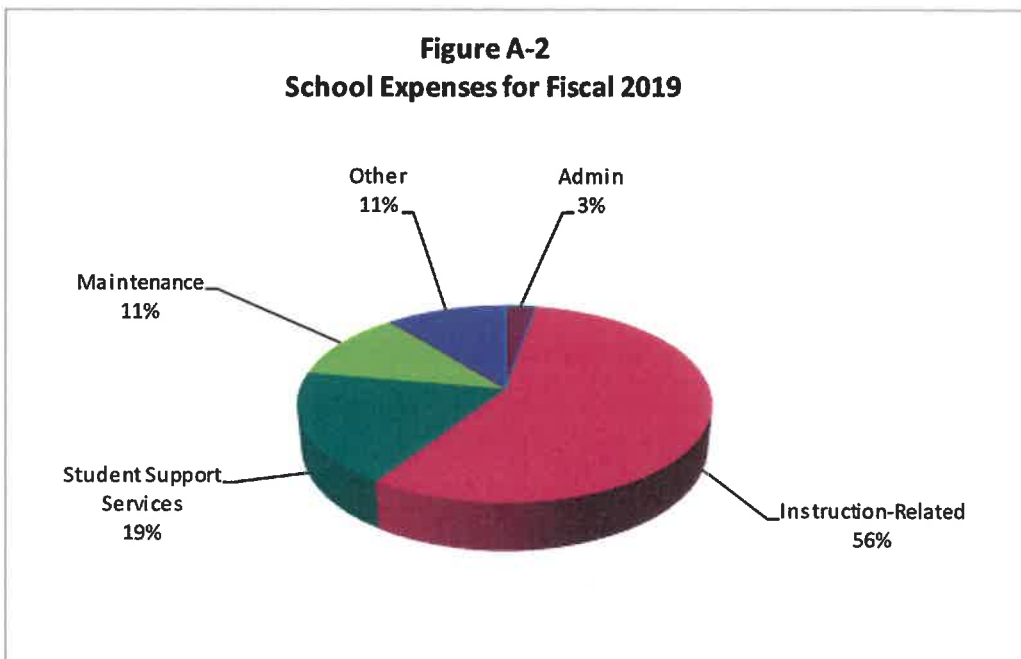
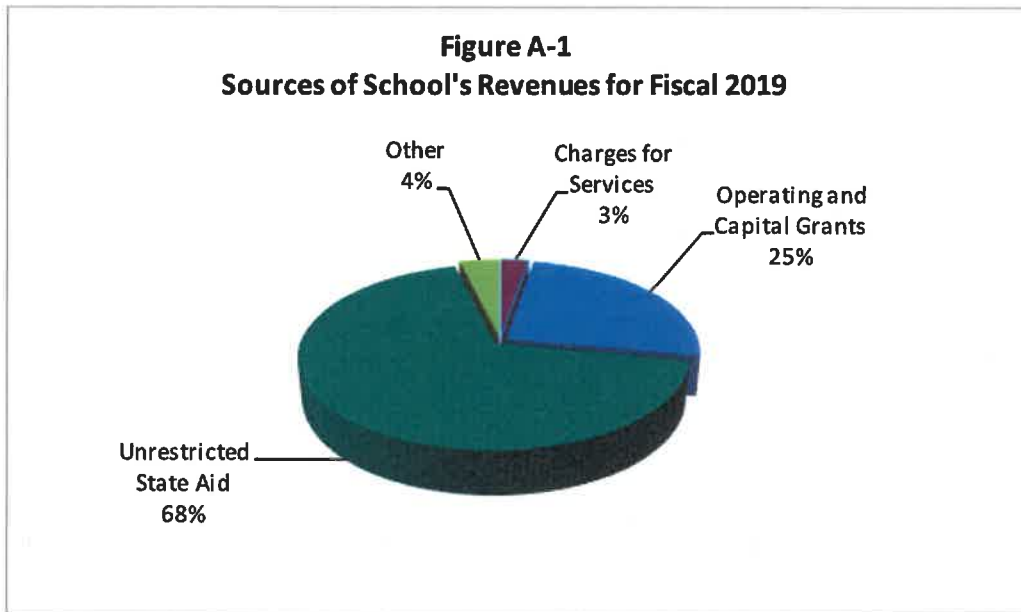
Total revenues exceeded expenses increasing the net position by \$1,104,321. Revenues held fairly steady at \$5.5M. The total cost of all programs and services was \$4,485,044 which is a decrease over prior year of \$1,736,057 or 27.9%. The substantial decrease in the net amount of pension expense for fiscal 2018-19 from the prior year makes meaningful comparisons between the two years difficult. Analysis between the current year and prior year's revenues and expenditures will be performed on the fund level financial statements, which are not impacted by the pension expense (see Tables A-5 and A-6).

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

Changes in Net Position (Continued)

The cost of all *governmental* activities this year was \$4,485,044.

- Some of the cost was paid by the users of the School's programs (\$150,407).
- The federal government, state government, and private grant funds subsidized certain programs with grants and contributions (\$1,384,784).
- Most of the School's costs were paid for by unrestricted state aid (\$3,751,588).



**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

All governmental funds include not only funds received for the general operation of the School which are used for classroom instruction, but also include resources from the Building Company. Funding for the general operation of the School is controlled by the state.

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

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2019	2018		2019	2018	
Administration	\$ 125,233	\$ 244,847	(48.85)%	\$ 132,472	\$ 244,116	(45.73)%
District Support Services	462,351	494,568	(6.51)	461,477	494,486	(6.68)
Regular Instruction	1,948,301	3,388,452	(42.50)	1,892,085	3,204,534	(40.96)
Special Education Instruction	583,291	653,831	(10.79)	(42,989)	132,695	(132.40)
Instructional Support Services	299,906	416,782	(28.04)	299,906	415,817	(27.88)
Pupil Support Services	67,641	107,567	(37.12)	77,539	107,240	(27.70)
Sites and Buildings	509,767	414,927	22.86	75,013	28,135	166.62
Fiscal and Other Fixed Cost Programs	54,350	60,196	(9.71)	54,350	60,196	(9.71)
Interest and Fiscal Charges on Long-Term Liabilities	434,204	439,931	(1.30)	-	-	N/A
Total	<u>\$ 4,485,044</u>	<u>\$ 6,221,101</u>	(27.91)	<u>\$ 2,949,853</u>	<u>\$ 4,687,219</u>	(37.07)

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

The financial performance of the School as a whole is reflected in its governmental funds. Revenues for the School's governmental funds were \$6,391,832 while total expenditures were \$6,375,931. This contributed to a *combined* fund balance of \$3,364,743 which is \$15,901 higher than last year's ending fund balance of \$3,348,842.

GENERAL FUND

The General Fund includes the primary operations of the School in providing educational services to students from grade 6 through grade 12 including activities and capital outlay projects.

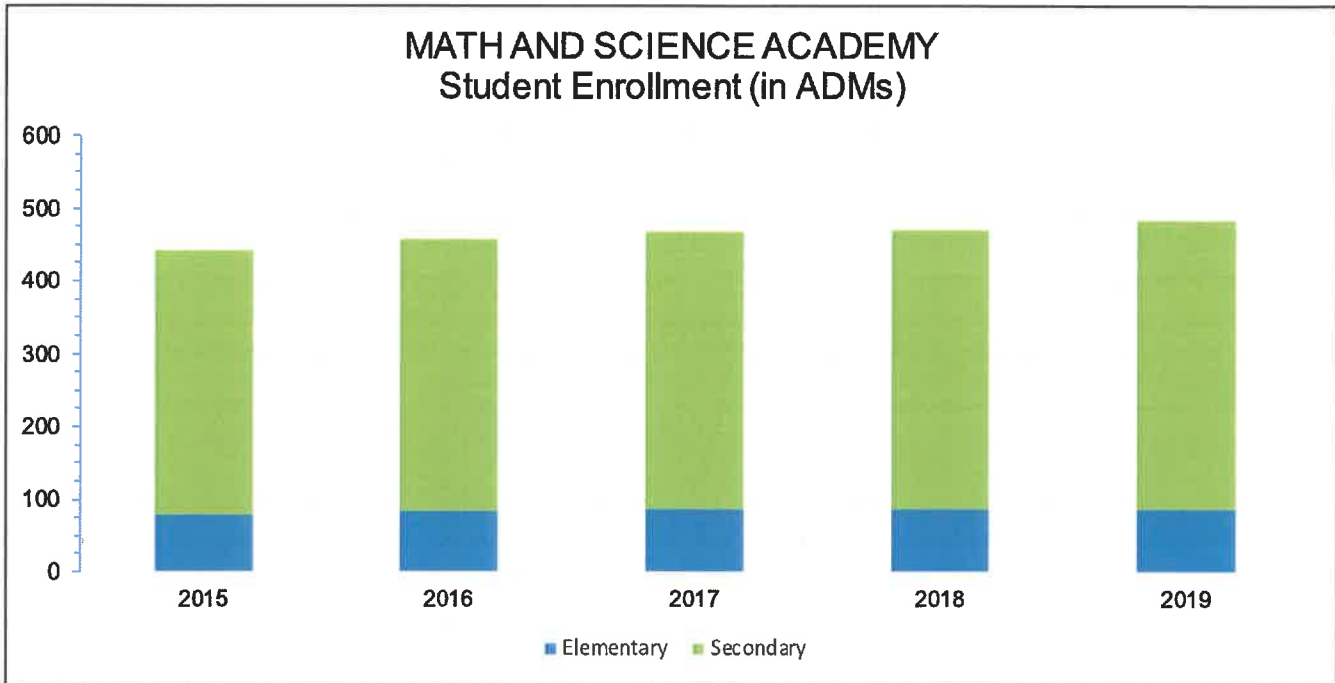
A large percentage of General Fund operational revenue is controlled by a complex set of state funding formulas resulting in the local school board having no meaningful authority to determine the level of resources.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

ENROLLMENT

Enrollment is a critical factor in determining revenue with a very high percentage of General Fund revenue being determined by enrollment. The following chart shows that the number of students has increased modestly over the last five years.

**Table A-4
Five-Year Enrollment Trend
Average Daily Membership (ADM)**



Since opening in 1999, the School has experienced excellent stability in average daily membership. The average enrollment during 2018-2019 was 484 students, which was an increase of approximately 12 students over the prior year.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

The following schedule presents a summary of General Fund Revenues.

**Table A-5
General Fund Revenues**

	Year Ended		Change	
	June 30, 2019	June 30, 2018	Increase (Decrease)	Percent Change
Local Sources:				
Earnings on Investments	\$ 27,129	\$ 888	\$ 26,241	2955.07 %
Other	312,232	304,392	7,840	2.58
State Sources	5,203,888	4,906,915	296,973	6.05
Federal Sources	77,350	70,735	6,615	9.35
Total General Fund Revenue	<u>\$ 5,620,599</u>	<u>\$ 5,282,930</u>	<u>\$ 337,669</u>	6.39

Basic general education revenue is determined by multiple complex state formulas, largely enrollment driven, and consists of a specified minimum amount with variables such as socioeconomic indicators driving additional funding. For Minnesota charter schools the majority of all funding is made up of general education aid, special education aid and charter school lease aid. Other revenue consists of federal and private grant funding that is often expenditure driven.

Total General Fund Revenue increased by \$337,669 from the previous year. State revenue increased \$296,973 primarily as a result of the increase in enrollment and the increase in special education revenue. Earnings on investments increased \$26,241 as a result of rising interest rates and investing excess cash in CD's instead of cash accounts. Federal and other revenue was consistent with the prior year.

The following schedule presents a summary of General Fund Expenditures.

**Table A-6
General Fund Expenditures**

	Year Ended		Change	
	June 30, 2019	June 30, 2018	Increase (Decrease)	Percent Change
Salaries	\$ 2,514,841	\$ 2,259,243	\$ 255,598	11.31 %
Employee Benefits	829,797	730,368	99,429	13.61
Purchased Services	1,728,913	1,714,022	14,891	0.87
Supplies and Materials	286,233	320,615	(34,382)	(10.72)
Capital Expenditures	176,067	123,784	52,283	42.24
Other Expenditures	61,878	57,768	4,110	7.11
Total General Fund Expenditures	<u>\$ 5,597,729</u>	<u>\$ 5,205,800</u>	<u>\$ 391,929</u>	7.53

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

Total General Fund expenditures increased \$391,929 from the previous year. The vast majority of this increase can be seen in salaries and benefits. The increase of \$255,598 in salaries was due to increases in salaries, the increase in staffing, and an increase in performance based stipends. The increase in employee benefits in the amount of \$99,429 was both the result of salaries increasing but also the result of the continuing increase in health insurance costs.

Capital Expenditures increased over prior year by \$52,283. There were a substantial amount of Chromebooks purchased this year with many of them being purchased with proceeds from the Annual Fund.

Unassigned fund balance is the single best measure of overall financial health. General Fund unassigned fund balance was \$1,870,858 at June 30, 2019. The total fund balance (which includes \$231,534 of prepaid items and \$18,700 related to student activities) of \$2,121,092 represents 37.9% of annual expenditures.

General Fund Budgetary Highlights

The budget is approved prior to the beginning of the fiscal year. The School then may revise the annual operating budget in the fall and then again mid-year. These budget amendments fall into two main categories:

- Implementing budgets for specially funded projects, which include both federal and state grants and reinstating unexpended funds being carried over from the prior fiscal year.
- Legislation passes subsequent to budget adoption, changes necessitated by employment agreements, and increases in appropriations for significant unbudgeted costs.

Actual revenues were higher than budgeted with a variance of \$65,152 or 1.2%.

Actual expenditures were higher than budgeted with a variance of \$47,881 or 0.9%. The majority of this variance is found in the areas of Special Education and Capital Outlay. Special Education expenditures (which are driven by student needs and are basically offset by Special Education revenue) were over budget by \$47,040. Capital Outlay was over budget by \$16,956 as a result of additional technology equipment being purchased.

The differences between budget and actual revenues and expenditures resulted in a surplus for the year of \$22,870 which was \$17,271 higher than budgeted.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

OTHER MAJOR FUNDS

Expenditures exceeded revenues in the Building Company Fund by \$6,969. This is primarily because the amount required for debt service payments, capital outlay expenditures, and fiscal agent and other expenditures that were required and incurred during the fiscal year exceeded the amount received for lease payments.

In fiscal year 2013, the MSA Building Company issued \$9,950,000 of bonds (Series 2012A and Series 2012B). The proceeds from the sale of the bonds were used for three purposes as follows: to finance the costs of acquiring, constructing and equipping of a second site; to improve the current facility; and to refund the 2002 Series bonds. The new building is a three-story, 30,400 square foot building and consists of a gymnasium and 10 classrooms.

From the standpoint of maintaining current operating expenditures within the range of annual revenue and maintaining a sound fund balance, the Building Company Fund continues to operate on a sound financial basis.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of the 2018-2019 fiscal year, the School and related building company had invested \$11,259,638, in a broad range of capital assets, including the school building, computer and other equipment (see Table A-7). More detailed information about capital assets can be found in Note 3 to the financial statements. Total depreciation expense for the year was \$284,602.

**Table A-7
Capital Assets**

	<u>2019</u>	<u>2018</u>	<u>Percentage Change</u>
MSA Building Company			
Land	\$ 990,625	\$ 990,625	- %
Buildings and Improvements	9,363,416	9,239,103	1.3
Furniture and Equipment	86,989	86,989	-
Math and Science Academy			
Buildings and Leasehold Improvements	252,953	252,953	-
Furniture and Equipment	565,655	532,749	6.2
Less: Accumulated Depreciation	<u>(2,562,052)</u>	<u>(2,394,094)</u>	7.0
Total District Capital Assets	<u>\$ 8,697,586</u>	<u>\$ 8,708,325</u>	(0.1)

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

Long-Term Liabilities

At year-end, the School had a net amount of \$9,242,773 in bonds and related net bond premiums outstanding as well as a net pension liability of \$2,330,561.

**Table A-8
The School's Long-Term Liabilities**

	<u>2019</u>	<u>2018</u>	<u>Percentage Change</u>
General Obligation Bonds	\$ 9,030,000	\$ 9,220,000	(2.1)%
Net Bond Premium and Discount	212,773	221,488	(3.9)
Net Pension Liability	<u>2,330,561</u>	<u>7,109,358</u>	(67.2)
Total Long-Term Liabilities	<u>\$ 11,573,334</u>	<u>\$ 16,550,846</u>	(30.1)
 Long-Term Liabilities:			
Due Within One Year	\$ 200,000	\$ 190,000	
Due in More Than One Year	<u>11,373,334</u>	<u>16,360,846</u>	
Total	<u>\$ 11,573,334</u>	<u>\$ 16,550,846</u>	

FACTORS BEARING ON THE SCHOOL'S FUTURE

The School is dependent on the state of Minnesota for its revenue authority. The 2019 Legislative session ended with schools receiving a 2% increase to the general education formula for both FY 2020 and FY 2021. The holdback will continue at its current level of 10%.

The School will strive to maintain its long-standing commitment to academic excellence and educational opportunity for students within a framework of financial fiduciary responsibility.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our constituents, state oversight agencies, lenders, customers, legislative leaders, and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Math and Science Academy No. 4043, 8430 Woodbury Crossing, Woodbury, Minnesota, 55125.

BASIC FINANCIAL STATEMENTS

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
STATEMENT OF NET POSITION
JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	Governmental Activities	
	2019	2018
ASSETS		
Cash and Investments	\$ 1,944,716	\$ 1,819,703
Cash with Fiscal Agent	1,188,404	1,256,999
Receivables:		
Other Governments	521,371	574,060
Other	6,590	11,512
Prepaid Items	231,534	141,770
Capital Assets:		
Land and Construction in Progress	990,625	990,625
Other Capital Assets, Net of Depreciation	7,706,961	7,717,700
Total Assets	12,590,201	12,512,369
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows - Pensions	3,060,093	4,271,406
 LIABILITIES		
Salaries Payable	416,705	321,949
Accounts and Contracts Payable	111,167	133,253
Accrued Interest Payable	36,702	37,201
Long-Term Liabilities:		
Net Pension Liability	2,330,561	7,109,358
Other Long-Term Liabilities Due Within One Year	200,000	190,000
Other Long-Term Liabilities Due in More Than One Year	9,042,773	9,251,488
Total Liabilities	12,137,908	17,043,249
 DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - Pensions	3,911,140	1,153,601
 NET POSITION		
Net Investment in Capital Assets	(194,374)	(374,968)
Restricted for:		
Building Company	856,136	855,224
Unrestricted	(1,060,516)	(1,893,331)
Total Net Position	\$ (398,754)	\$ (1,413,075)

See accompanying Notes to Basic Financial Statements.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

Functions	2019			2018	
	Expenses	Program Revenues		Net Revenue (Expense) and Change in Net Position	Net Revenue (Expense) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Total	Total
				Governmental Activities	Governmental Activities
Governmental Activities					
Administration	\$ 125,233	\$ -	\$ (7,239)	\$ (132,472)	\$ (244,116)
District Support Services	462,351	-	874	(461,477)	(494,486)
Regular Instruction	1,948,301	150,407	(94,191)	(1,892,085)	(3,204,534)
Special Education Instruction	583,291	-	626,280	42,989	(132,695)
Instructional Support Services	299,906	-	-	(299,906)	(415,817)
Pupil Support Services	67,641	-	(9,898)	(77,539)	(107,240)
Sites and Buildings	509,767	-	434,754	(75,013)	(28,135)
Fiscal and Other Fixed Cost Programs	54,350	-	-	(54,350)	(60,196)
Interest and Fiscal Charges on Long-Term Liabilities	434,204	-	434,204	-	-
Total School District	<u>\$ 4,485,044</u>	<u>\$ 150,407</u>	<u>\$ 1,384,784</u>	(2,949,853)	(4,687,219)
General Revenues					
State Aid Not Restricted to Specific Purposes				3,751,588	3,613,589
Earnings on Investments				47,449	9,479
Miscellaneous				165,137	135,193
Total General Revenues				<u>3,964,174</u>	<u>3,758,261</u>
Change in Net Position				1,014,321	(928,958)
Net Position - Beginning				(1,413,075)	(484,117)
Net Position - Ending				<u>\$ (398,754)</u>	<u>\$ (1,413,075)</u>

See accompanying Notes to Basic Financial Statements.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	Major Funds		Total Governmental Funds	
	General	Building Company	2019	2018
ASSETS				
Cash and Investments	\$ 1,889,469	\$ 55,247	\$ 1,944,716	\$ 1,819,703
Cash with Fiscal Agent	-	1,188,404	1,188,404	1,256,999
Receivables:				
Due from Minnesota Department of Education	517,535	-	517,535	568,451
Due from Federal through Minnesota Department of Education	3,836	-	3,836	5,609
Due from Other Funds	-	-	-	7,512
Other Receivables	6,590	-	6,590	11,512
Prepays	231,534	-	231,534	141,770
Total Assets	\$ 2,648,964	\$ 1,243,651	\$ 3,892,615	\$ 3,811,556
LIABILITIES AND FUND BALANCE				
Liabilities:				
Salaries Payable	\$ 315,892	\$ -	\$ 315,892	\$ 244,081
Payroll Deductions and Employer Contributions Payable	100,813	-	100,813	77,868
Accounts and Contracts Payable	111,167	-	111,167	133,253
Due to Other Funds	-	-	-	7,512
Total Liabilities	527,872	-	527,872	462,714
Fund Balance:				
Nonspendable:				
Prepays	231,534	-	231,534	141,770
Restricted for:				
Building Company	-	1,243,651	1,243,651	1,250,620
Assigned for:				
Student Groups	18,700	-	18,700	27,317
Unassigned	1,870,858	-	1,870,858	1,929,135
Total Fund Balance	2,121,092	1,243,651	3,364,743	3,348,842
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 2,648,964	\$ 1,243,651	\$ 3,892,615	\$ 3,811,556

See accompanying Notes to Basic Financial Statements.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	2019	2018
Total Fund Balance for Governmental Funds	\$ 3,364,743	\$ 3,348,842
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	990,625	990,625
Buildings and Improvements, Net of Accumulated Depreciation	7,357,793	7,448,384
Equipment, Net of Accumulated Depreciation	349,168	269,316
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
	(36,702)	(37,201)
The School's Net Pension Liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances year-end are:		
Net Pension Liability	(2,330,561)	(7,109,358)
Deferred Inflows of Resources - Pensions	(3,911,140)	(1,153,601)
Deferred Outflows of Resources - Pensions	3,060,093	4,271,406
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long term - are reported in the statement of net position. Balances at year-end are:		
Bonds Payable	(9,030,000)	(9,220,000)
Unamortized Premiums	(212,773)	(221,488)
Total Net Position of Governmental Activities	\$ (398,754)	\$ (1,413,075)

See accompanying Notes to Basic Financial Statements.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	Major Funds		Total Governmental	
	General	Building Company	2019	2018
REVENUES				
Local Sources:				
Earnings and Investments	\$ 27,129	\$ 20,320	\$ 47,449	\$ 9,479
Other	312,232	750,913	1,063,145	1,086,919
State Sources	5,203,888	-	5,203,888	4,906,915
Federal Sources	77,350	-	77,350	70,735
Total Revenues	<u>5,620,599</u>	<u>771,233</u>	<u>6,391,832</u>	<u>6,074,048</u>
EXPENDITURES				
Current:				
Administration	176,837	-	176,837	178,695
District Support Services	460,005	-	460,005	466,891
Elementary and Secondary Regular Instruction	2,442,811	-	2,442,811	2,306,885
Special Education Instruction	667,570	-	667,570	552,443
Instructional Support Services	312,906	-	312,906	292,875
Pupil Support Services	98,094	-	98,094	77,956
Sites and Buildings	1,229,561	-	1,229,561	1,178,584
Fiscal and Other Fixed Cost Programs	33,878	20,472	54,350	60,196
Capital Outlay	176,067	124,312	300,379	227,389
Debt Service:				
Principal	-	190,000	190,000	185,000
Interest and Fiscal Charges	-	443,418	443,418	449,093
Total Expenditures	<u>5,597,729</u>	<u>778,202</u>	<u>6,375,931</u>	<u>5,976,007</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	22,870	(6,969)	15,901	98,041
FUND BALANCES				
Beginning of Year	<u>2,098,222</u>	<u>1,250,620</u>	<u>3,348,842</u>	<u>3,250,801</u>
End of Year	<u>\$ 2,121,092</u>	<u>\$ 1,243,651</u>	<u>\$ 3,364,743</u>	<u>\$ 3,348,842</u>

See accompanying Notes to Basic Financial Statements.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019	2018
Net Change in Fund Balance - Total Governmental Funds	\$ 15,901	\$ 98,041
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation exceeded capital outlays in the current period is:</p>		
Capital Outlays	277,645	215,077
Loss on Disposal of Capital Assets	(3,782)	(1,105)
Depreciation Expense	(284,602)	(268,160)
<p>Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expense on the statement of activities is measured by the change in the net pension liability and the related deferred inflows and outflows of resources.</p>		
	809,945	(1,166,973)
<p>The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:</p>		
Repayment of Bond Principal	190,000	185,000
Change in Accrued Interest - General Obligation Bonds	499	447
Amortization of Bond Premium	8,715	8,715
	8,715	8,715
Total	\$ 1,014,321	\$ (928,958)

See accompanying Notes to Basic Financial Statements.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Earnings and Investments	\$ 945	\$ 14,250	\$ 27,129	\$ 12,879
Other	294,300	294,304	312,232	17,928
State Sources	4,952,709	5,174,899	5,203,888	28,989
Federal Sources	69,384	71,994	77,350	5,356
Total Revenues	<u>5,317,338</u>	<u>5,555,447</u>	<u>5,620,599</u>	<u>65,152</u>
EXPENDITURES				
Current:				
Administration	167,245	169,475	176,837	7,362
District Support Services	444,926	451,917	460,005	8,088
Elementary and Secondary Regular Instruction	2,454,986	2,451,740	2,442,811	(8,929)
Special Education Instruction	553,468	620,530	667,570	47,040
Instructional Support Services	321,004	316,618	312,906	(3,712)
Pupil Support Services	79,738	115,875	98,094	(17,781)
Sites and Buildings	1,169,542	1,230,382	1,229,561	(821)
Fiscal and Other Fixed Cost Programs	31,200	34,200	33,878	(322)
Capital Outlay	82,940	159,111	176,067	16,956
Total Expenditures	<u>5,305,049</u>	<u>5,549,848</u>	<u>5,597,729</u>	<u>47,881</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 12,289</u>	<u>\$ 5,599</u>	22,870	<u>\$ 17,271</u>
FUND BALANCE				
Beginning of Year			<u>2,098,222</u>	
End of Year			<u>\$ 2,121,092</u>	

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Charter School No. 4043 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. Financial Reporting Entity

Charter School No. 4043, also known as Math and Science Academy (the School), is a nonprofit corporation that was formed on June 26, 1998, in accordance with Minnesota Statutes. The School is sponsored by Student Achievement Minnesota, LLC and is operating under a contract extending through June 30, 2024. The primary objectives of the School are to provide intense math and science experiences to middle and secondary students which is balanced with a strong humanities and art program. The focus of the program is to provide a hands-on, interdisciplinary, and in-depth approach that demonstrates to students that more math and science concepts can be retained and understood than traditionally accepted. The governing body consists of a board of directors composed of up to nine members elected by voters of the general membership of the School (consisting of all staff members and parents of students enrolled in the School) to serve two-year staggered terms.

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

Component units are legally separate entities for which the School 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 include 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.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Financial Reporting Entity (Continued)

Based on these criteria, there is one organization that is considered to be a component unit of the School. MSA Building Company (the Building Company) is a Minnesota nonprofit corporation holding Internal Revenue Service classification as a 501(c)(3) tax-exempt organization which owns the real estate and building that is leased by the School for its operations. The Building Company is governed by a separate board appointed by the Board of the School. Although it is legally separate from the School, the Building Company is reported as if it were part of the School (as a blended component unit) because its sole purpose is to acquire, construct, and own an educational site which is leased to the School. No separate financial statements of the Building Company are issued. The building is leased to Math and Science Academy under the terms of a long-term agreement. All long-term debt related to the purchase of the building and property and all capital assets related to the school site are the responsibility of and are under the ownership of MSA Building Company.

Aside from its sponsorship, Student Achievement Minnesota, LLC has no authority, control, power, or administrative responsibilities over Math and Science Academy. Therefore, the School is not considered a component unit of Student Achievement Minnesota, LLC.

Extracurricular student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside of school hours. In accordance with Minnesota Statutes, school boards can elect to either control or not control extracurricular activities. The School Board has elected to control extracurricular activities; therefore, the extracurricular student activity accounts are included in the School's basic financial statements as part of the General Fund.

C. Basic Financial Statement Presentation

The School-wide financial statements (i.e. the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the School.

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. Other items not properly included among program revenues are reported instead as general revenues.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statement Presentation (Continued)

The School applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position is available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities. Generally, the effect of material interfund activity has been removed from the School-wide financial statements.

D. Measurement Focus and Basis of Accounting

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

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. State revenue is recognized in the year to which it applies according to Minnesota Statutes and GAAP. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Other miscellaneous revenue (except investment earnings) is recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

2. Recording of Expenditures

Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates.

Description of Funds

As required by state statute, the School operates as a nonprofit corporation under Minnesota Statutes §317A. However, state law also requires that the School comply with Uniform Financial Accounting and Reporting Standards for Minnesota School Districts (UFARS) which mandates the use of a governmental fund accounting structure. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Descriptions of the funds included in this report are as follows:

Major Governmental Funds

General Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the School, as well as the capital related activities such as maintenance of facilities and equipment purchases.

Building Company Special Revenue Fund

Accounts for all activities of MSA Building Company. This includes accounting for the proceeds and uses of resources borrowed for the purpose of purchasing and building the school site, the receipt of lease payments from the School, as well as the debt service payments required under the terms of the related long-term mortgage loans.

Income Taxes

The School is classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and comparable sections of the Minnesota income tax statutes.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgeting

Budgets presented in this report for comparison to actual amounts are presented in accordance with GAAP. Each June, the School Board adopts an annual budget for the following fiscal year for the General Fund. A budget is not adopted for the Special Revenue Fund. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Administrative Director submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board.

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels. Budgeted amounts include a mid-year budget amendment that changed revenue and expenditures budgets as follows:

	<u>Original Budget</u>	<u>Amendments</u>	<u>Amended Budget</u>
<u>Revenues</u>			
General Fund	\$ 5,317,338	\$ 238,109	\$ 5,555,447
<u>Expenditures</u>			
General Fund	5,305,049	244,799	5,549,848

At the end of each fiscal year, if the General Fund has a net unassigned deficit fund balance, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota schools which excludes certain restricted balances specified in Minnesota Statutes, exceeding 2.5% of expenditures, a condition referred to as "statutory operating debt" exists. That debt requires retirement through the accumulation of subsequent operating surpluses in accordance with a "special operating plan" approved by the Commissioner of the Department of Education.

F. Cash and Investments

Investments are stated at their fair value as determined by quoted market prices, except for money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less which are recorded at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Accounts Receivable

Represents amounts receivable from individuals, firms, and corporations for goods and services furnished by the School. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are reported using the consumption method and recorded as an expense or expenditure at the time of consumption.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School has one item that qualifies for reporting in this category related to pensions.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School has one item that qualifies for reporting in this category related to pensions.

J. Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at acquisition value at the date of donation. The School maintains a threshold level of \$2,000 or more for capitalizing capital assets. 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.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

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

Capital assets not being depreciated include land and construction in process.

The School does not possess any material amounts of infrastructure capital assets. Items such as sidewalks and other land improvements are considered to be part of the cost of buildings or other improvable property.

K. 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.

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

L. Pensions

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

TRA has a special funding situation created by direct aid contributions made by the state of Minnesota, city of Minneapolis, and Minneapolis School District. This direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the state of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015. Additional information can be found in Note 7.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Accrued Employee Benefits

Unpaid Sick and Personal Leave

Unpaid sick and personal leave has not been accrued in any funds as these benefits do not vest to employees.

N. Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements such as a bond indenture. Restricted assets in these financial statements are labeled "Cash with Fiscal Agent".

O. Fund Balance

In the fund financial statements, governmental funds report nonspendable portions of fund balance related to prepaids, inventories, long-term receivables, and corpus on any permanent fund. Restricted funds are constrained from outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the School Board. Assigned funds are funds that are neither restricted nor committed. Unassigned fund balances are considered the remaining amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the default spending priority per GASB Statement No. 54 is to use committed, assigned, and then unassigned fund balance.

P. Risk Management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; workers' compensation and natural disasters. The School purchases commercial insurance coverage for such risks.

There has been no significant reduction in insurance coverage from the previous year in any of the School's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Net Position

Net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows in the School-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulation depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the School-wide financial statement when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

R. Comparative Data

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the School's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

NOTE 2 DEPOSITS AND INVESTMENTS

A. Deposits

The School maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as "Cash and Investments." In accordance with applicable Minnesota Statutes, the School maintains deposits at depository banks authorized by the School's Board.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits.

Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds.

Authorized collateral 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.

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JUNE 30, 2019**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

The School's carrying and bank balances of deposits at June 30, 2019 were \$1,889,469 and \$2,023,062, respectively. The carrying and bank balances of the Building Company's deposits at June 30, 2019 were both \$55,247. All deposits were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

B. Investments

The School may also invest idle funds as authorized by Minnesota Statutes as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less
- General obligations rated "A" or better; revenue obligations rated "AA" or better
- General obligations of the Minnesota Housing Finance Agency rate "A" or better
- Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories
- Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers

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JUNE 30, 2019**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

At June 30, 2019, the Building Company's investment balances were as follows:

Investments Held by Trustee

Type	Total	Maturity Duration in Years		Rating
		Less Than 1		
First American Treasury Obligations				
Money Market Fund - Class D	\$ 1,188,404	\$	1,188,404	Aaa-mf

These investments are held by an escrow agent in accordance with escrow agreements established with the sale of the Lease Revenue Bonds Mortgage Loan Series 2012. The interest rates on these investments range from 0% to 4.5%. The money market fund investment is invested in the First American Treasury Obligations Fund which is rated Aaa-mf by Moody's Investors Service.

Interest Rate Risk and Credit Risk

The School does not have a formal investment policy to address these risks.

Concentration of Credit Risk

The School places no limit on the amount that the School may invest in any one issuer.

The deposits and investments are presented in the financial statements as follows:

Cash and Investments - Statement of Net Position	\$ 1,944,716
Cash and Investments Held by Trustee - Statement of Net Position	1,188,404
Total Cash and Investments	<u>\$ 3,133,120</u>

C. Fair Value Measurements

The School uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The School follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the School has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

**MATH AND SCIENCE ACADEMY
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Fair Value Measurements (Continued)

Financial assets and liabilities recorded on the statement of net position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

The School did not hold and investments measured at fair value as of June 30, 2019. The money market fund investments held by the Building Company's escrow agent are valued at amortized cost.

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Building Company				
Land	\$ 990,625	\$ -	\$ -	\$ 990,625
Capital Assets, Being Depreciated:				
Building Company				
Buildings and Improvements	9,239,103	124,313	-	9,363,416
Furniture and Equipment	86,989	-	-	86,989
Charter School				
Building and Leasehold Improvements	252,953	-	-	252,953
Furniture and Equipment	532,749	153,332	(120,426)	565,655
Total Capital Assets, Being Depreciated	10,111,794	277,645	(120,426)	10,269,013
Accumulated Depreciation for:				
Building Company				
Buildings and Improvements	(2,012,748)	(199,877)	-	(2,212,625)
Furniture and Equipment	(73,380)	(3,187)	-	(76,567)
Charter School				
Building and Leasehold Improvements	(30,924)	(15,027)	-	(45,951)
Furniture and Equipment	(277,042)	(66,511)	116,644	(226,909)
Total Accumulated Depreciation	(2,394,094)	(284,602)	116,644	(2,562,052)
Total Capital Assets, Being Depreciated, Net	7,717,700	(6,957)	(3,782)	7,706,961
Governmental Activities Capital Assets, Net	<u>\$ 8,708,325</u>	<u>\$ (6,957)</u>	<u>\$ (3,782)</u>	<u>\$ 8,697,586</u>

**MATH AND SCIENCE ACADEMY
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 3 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions of the School as follows:

Governmental Activities	
District Support Services	\$ 1,478
Regular Instruction	218,234
Special Education Instruction	998
Instructional Support Services	45,006
Sites and Buildings	18,886
Total Depreciation Expense, Governmental Activities	<u>\$ 284,602</u>

NOTE 4 SHORT-TERM BORROWING

The School amended an existing financing agreement on March 28, 2013, and increased the maximum working capital advances to \$300,000 and increased the amount of general education funding from the Minnesota Department of Education used to secure the loan from \$200,000 to \$300,000. On October 13, 2018, the School extended the agreement through October 13, 2019. The above terms and maximum working capital advances remained the same as the previous agreement, but the variable interest rate was amended to 1% above the Wall Street Journal Prime Rate with a minimum rate of 5.25%. No borrowing took place under the terms of this line of credit during fiscal year 2019.

NOTE 5 LONG-TERM LIABILITIES

Bonds Payable

Issue Date	Net Interest Rate	Original Issue	Final Maturity	Principal Outstanding	
				Due Within One Year	Total
12/1/2012	2.40% - 5.00%	\$ 9,765,000	12/1/2043	\$ 200,000	\$ 9,030,000
Premium on Bonds Payable				-	212,773
Total				<u>\$ 200,000</u>	<u>\$ 9,242,773</u>

Lease Revenue Bonds Mortgage Loan Series 2012 Issues – MSA Building Company obtained a \$9,950,000 mortgage loan from lease revenue bond proceeds sold by the city of Woodbury to refinance the remaining balance of the Lease Revenue Bonds Series 2002A which had been issued to refinance two previous mortgage loans related to the construction and equipping of the educational site owned by the Building Company and leased to Math and Science Academy. The 2012 loan proceeds were used to refinance a combined remaining principal of \$3,970,000 on the 2002 mortgage loan. The city of Woodbury issued two separate bond issues as follows: \$9,765,000 of nontaxable lease revenue bonds (Series 2012A).

**MATH AND SCIENCE ACADEMY
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JUNE 30, 2019**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable (Continued)

The bond proceeds were placed in an escrow account controlled by U.S. Bank Trust under the terms of a trust agreement between the city of Woodbury and U.S. Bank Trust used by the Building Company to: (i) refund the outstanding Lease Revenue Bonds Series 2002A bond issues, (ii) finance the costs of acquiring, constructing, and equipping of an approximately 30,400 square-foot addition to the existing school building, (iii) finance various improvements to the Schoolhouse, (iv) pay interest on the Series 2012 Bonds through June 1, 2013, and (v) pay costs of issuing the Series 2012 Bonds.

The resulting loan is payable in semi-annual installments of principal and interest beginning December 1, 2013 through December 1, 2043. The note is based on annual interest rates that increase from 2.4% to 5.0% (the rates of the related lease revenue bonds) and is secured by a mortgage agreement covering the related land, school building, and building contents as well as the assignment of all lease revenue. The loan is also guaranteed by Math and Science Academy.

Following are maturities of long-term debt for each of the next five years ending June 30 and thereafter:

<u>Year Ending June 30,</u>	<u>Revenue Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 200,000	\$ 437,025
2021	205,000	429,844
2022	215,000	422,111
2023	220,000	413,790
2024	230,000	403,750
2025-2029	1,335,000	1,829,875
2030-2034	1,700,000	1,452,250
2035-2039	2,160,000	972,000
2040-2045	2,765,000	359,375
Total	<u>\$ 9,030,000</u>	<u>\$ 6,720,020</u>

Changes in long-term debt are as follows:

	June 30, 2018	Additions	Retirements	June 30, 2019	Principal Due Within One Year
Series 2012A Lease Revenue Bonds	\$ 9,220,000	\$ -	\$ 190,000	\$ 9,030,000	\$ 200,000
Premium on Bonds Payable	221,488	-	8,715	212,773	-
Total	<u>\$ 9,441,488</u>	<u>\$ -</u>	<u>\$ 198,715</u>	<u>\$ 9,242,773</u>	<u>\$ 200,000</u>

**MATH AND SCIENCE ACADEMY
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6 DEFINED BENEFIT PENSION PLANS

Substantially all employees of the Math and Science Academy are required by state law to belong to pension plans administered by Teachers' Retirement Association (TRA) or Public Employees' Retirement Association (PERA), all of which are administered on a statewide basis. Disclosures relating to these plans follow:

A. Plan Description

The School participates in the following defined benefit pension plans administered by the Public Employees Retirement Association (PERA) and Teachers Retirement Fund (TRA). PERA's and TRA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes. PERA and TRA's defined benefit pension plans are tax-qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan (General Employees Plan (Accounted for in the General Employees Fund))

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 School other than teachers are covered by the General Employees Plan. General Employees Plan members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

2. Teachers Retirement Fund (TRA)

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

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

**MATH AND SCIENCE ACADEMY
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided

PERA and TRA provide retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature.

PERA: Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90% funded for two consecutive years are given 2.5% increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% increases.

TRA: Postretirement benefit increases are provided to eligible benefit recipients each January. The TRA increase is 2.0%. After the TRA funded ratio exceeds 90% for two consecutive years, the annual postretirement benefit will increase to 2.5%.

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

1. General Employees Plan Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first 10 years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first 10 years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

2. TRA Benefits

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

**MATH AND SCIENCE ACADEMY
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

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

Tier 1 Benefits

Tier 1	Step Rate Formula	Percentage
Basic	First Ten Years of Service	2.2% per Year
	All Years After	2.7% per Year
Coordinated	First Ten Years if Service Years Are Up to July 1, 2006	1.2% per Year
	First Ten Years if Service Years Are July 1, 2006 or After	1.4% per Year
	All Other Years of Service if Service Years Are Up to July 1, 2006	1.7% per Year
	All Other Years of Service if Service Years Are July 1, 2006 or After	1.9% per Year

With these provisions:

- (a) Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- (b) 3.0% per year early retirement reduction factor for all years under normal retirement age.
- (c) Unreduced benefits for early retirement under a Rule-of-90 (age plus allowable service equals 90 or more).

or

Tier II Benefits

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

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

Six different types of annuities are available to members upon retirement. The No Refund Life Plan is a lifetime annuity that ceases upon the death of the retiree – no survivor annuity is payable. A retiring member may also choose to provide survivor benefits to a designated beneficiary(ies) by selecting one of the five plans that have survivorship features.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

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.

C. Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2019. In fiscal year 2019. The School was required to contribute 7.5% for Coordinated Plan members. The School's contributions to the General Employees Fund for the plan's fiscal year ended June 30, 2019 were \$34,688. The School's contributions were equal to the required contributions for each year as set by state statute.

2. TRA Contributions

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year were:

	2019		2018	
	Employee	Employer	Employee	Employer
Basic	11.00 %	11.71 %	11.00 %	11.50 %
Coordinate	7.50	7.71	7.50	7.50

The School's contributions to TRA for the plan's fiscal year ended June 30, 2019 were \$150,414. The School's contributions were equal to the required contributions for each year as set by state statute.

**MATH AND SCIENCE ACADEMY
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs

1. General Employees Fund Pension Costs

At June 30, 2019, the School reported a liability of \$310,665 for its proportionate share of the General Employees Fund's net pension liability. The School's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million to the fund during the General Employees Fund's fiscal year 2018. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the School totaled \$10,043. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017 through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. As of the June 30, 2018 measurement date, the School's proportion was .0056%, which was an increase of .0007% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School recognized pension expense of \$35,042 for its proportionate share of General Employees Plan's pension expense. It also recognized \$2,342 as pension expense for the support provided by direct aid.

At June 30, 2019, the School reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 8,223	\$ 9,061
Changes in Actuarial Assumptions	29,676	34,907
Net Difference Between Projected and Actual		
Earnings on Plan Investments	-	31,745
Changes in Proportion and Differences		
Between District Contributions and		
Proportionate Share of Contributions	39,891	33,812
District Contributions Subsequent to the		
Measurement Date	34,688	-
Total	<u>\$ 112,478</u>	<u>\$ 109,525</u>

A total of \$34,688 reported as deferred outflows of resources related to pensions resulting from School contributions to General Employees Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

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NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued):

1. General Employees Fund Pension Costs (Continued)

Other amounts reported as deferred outflows and inflows of resources related to General Employees Plan pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2020	\$ 25,582
2021	(14,354)
2022	(36,479)
2023	(6,484)
2024	-
Thereafter	-

2. TRA Pension Costs

At June 30, 2019, the School reported a liability of \$2,019,896 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's contributions to TRA in relation to total system contributions including direct aid from the state of Minnesota, city of Minneapolis, and Minneapolis School District. The School's proportionate share was .0322% at the end of the measurement period and .0336% for the beginning of the period.

The pension liability amount reflected a reduction due to direct aid provided to TRA. The amount recognized by the School 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 School were as follows:

Description	Amount
School's Proportionate Share of the TRA Net Pension Liability	\$ 2,019,896
State's Proportionate Share of the Net Pension Liability Associated with the School	189,879

**MATH AND SCIENCE ACADEMY
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NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

For the year ended June 30, 2019, the School recognized pension expense of \$(659,887). It also recognized \$11,445 as pension expense for the support provided by direct aid.

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 21,545	\$ 40,733
Changes in Actuarial Assumptions	2,608,060	3,444,173
Net Difference Between Projected and Actual		
Earnings on Plan Investments	-	156,642
Changes in Proportion and Differences		
Between District Contributions and		
Proportionate Share of Contributions	167,597	160,067
District Contributions Subsequent to the		
Measurement Date	150,414	-
Total	<u>\$ 2,947,616</u>	<u>\$ 3,801,615</u>

A total of \$150,414 reported as deferred outflows of resources related to pensions resulting from School contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to TRA will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2020	\$ 234,791
2021	122,651
2022	(5,452)
2023	(781,586)
2024	(574,817)
Thereafter	-

The School recognized total pension expenses of \$708,716 for all of the pension plans in which it participates. This includes \$11,445 and \$2,342 in TRA and GERF, respectfully, related to direct aid recognized as pension expense.

**MATH AND SCIENCE ACADEMY
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions

The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.50% per Year	2.50%
Active Member Payroll Growth	3.25% per Year	2.85 - 9.25%
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 were based on RP 2014 tables, with slight adjustments to fit PERA's and TRA's experience. Cost of living benefit increases for retirees are assumed to be 1.0% per year for all future years for the General Employees Plan. Cost of living benefit increases for retirees are assumed to be 2.0% per year for all future years for the TRA.

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan and TRA was completed in 2015.

The following changes in actuarial assumptions for General Employees Fund occurred in 2018:

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60.0% for vested and nonvested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability, and 3.0% for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

The following changes in actuarial assumptions for TRA occurred in 2018:

- The cost of living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.5%, but remain at 2.0% for all future years.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the nonvested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.00% to 7.50%.
- The price inflation assumption was lowered from 2.75% to 2.50%.

**MATH AND SCIENCE ACADEMY
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NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

- The payroll growth assumption was lowered from 3.50% to 3.00%.
- The general wage growth assumption was lowered from 3.50% to 2.85% for 10 years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36 %	5.10 %
International Equity	17	5.30
Bonds	20	0.75
Alternative Assets	25	5.90
Cash	2	-
Totals	100 %	

F. Discount Rate

The discount rate used to measure the PERA General Employees Plan liability in 2018 was 7.50%. 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 positions of the General Employees Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

G. Pension Liability Sensitivity

The following presents the School'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 School's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
<u>GERF Discount Rate</u>	6.50%	7.50%	8.50%
School's Proportionate Share of the GERF Net Pension Liability	\$ 504,870	\$ 310,665	\$ 150,354
<u>TRA Discount Rate</u>	6.50%	7.50%	8.50%
School's Proportionate Share of the TRA Net Pension Liability	\$ 3,205,567	\$ 2,019,896	\$ 1,041,725

H. Pension Plan Fiduciary Net Position

Detailed information about the General Employees Fund fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

Detailed information about TRA's fiduciary net position is available in a separately issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org, by writing to TRA at 60 Empire Drive, Suite 400, St. Paul, Minnesota, 55103-4000; or by calling 651-296-2409 or 1-800-657-3669.

NOTE 7 STEWARDSHIP AND ACCOUNTABILITY

Excess of Expenditures Over Budget

	Budget	Expenditures	Excess
General Fund	\$ 5,549,848	\$ 5,597,729	\$ 47,881

These overages are considered by School management to be the result of necessary expenditures critical to operations and were approved by the Board.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8 COMMITMENTS AND CONTINGENCIES

A. Federal and State Programs

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

B. Pledged State Revenues

The School has pledged all funds, monies, grants, or other distributions received by the School from the state of Minnesota with respect to general student funding, state building lease aid payments, state distributions of Federal Title I funds, or any other funding sources, net of operating expenses of the School required under state or federal laws to provide required educational program expenditures, to repay the \$9,765,000 2012A lease revenue bonds issued by the Building Company in November of 2012. Proceeds from the bonds provided financing for the acquiring, construction, and equipping of the education facility located at 8430 Woodbury Crossing, Woodbury, Minnesota. The bonds are payable solely from lease revenues paid by the School to the Building Company revenues and are payable through 2043. Annual principal and interest payments on the bonds during the year ended June 30, 2019 required 81% of net lease revenues. The total principal and interest remaining to be paid on the bonds is \$15,750,020. Principal and interest paid for the current year and total lease revenues paid to the Building Company were \$633,418 and \$750,913, respectively.

C. Lease Commitments and Terms – Math and Science Building Company

The School leases its two main educational sites at 8430 Woodbury Crossing and 8460 Woodbury Crossing, Woodbury, Minnesota from the MSA Building Company (a blended component unit). Under the terms of the revised lease agreement, the lease term is for the period beginning June 1, 2002 and ending December 31, 2043. The School has an option to extend the lease term for an unlimited number of consecutive 10-year lease periods either on the same lease terms or as agreed upon with the Building Company.

The net annual base rent for the term of the lease agreement is directly tied to the debt service requirements of the MSA Building Company, including amounts held in escrow as part of the respective loan agreements. In addition, the School is responsible for all interior and exterior repair and maintenance costs as well as all utility costs.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8 COMMITMENTS AND CONTINGENCIES (CONTINUED)

C. Lease Commitments and Terms – Math and Science Building Company

The total amount of rent incurred by the School to MSA Building Company under the terms of the main lease agreement and which qualified for lease aid was \$750,913 for fiscal 2019. The School qualified for state charter school lease aid based on a statutory cap of 90% of the lower of actual UFARS lease expenditures or the MDE approved net lease amount, or \$883,592. This entitlement is subject to proration by the Minnesota Department of Education to the extent the overall funding that has been provided is insufficient to meet all amounts owed to Minnesota charter schools. Future amounts to be requested for state lease aid from the Minnesota Department of Education may vary due to financing arrangements, which are subject to change.

A schedule of lease commitments is as follows:

<u>Year Ending June 30,</u>	<u>Scheduled Lease Payments 8430 Woodbury Crossing Building A & B</u>
2020	\$ 689,375
2021	690,094
2022	689,356
2023	688,908
2024	688,625
2025 - 2029	3,447,229
2030 - 2034	3,444,751
2035 - 2039	3,437,167
2040 and On	3,042,020
Total	<u>\$ 16,817,525</u>

The School's ability to make payments under its lease agreements is dependent on its revenues which are in turn, largely dependent on sufficient enrollments being served at the School and on sufficient state aids per student being authorized and received from the state of Minnesota. The School believes that its enrollments and aid entitlements will be sufficient to meet the lease obligations as they become due.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8 COMMITMENTS AND CONTINGENCIES (CONTINUED)

D. Lease Commitments and Terms – Woodbury Crossing Offices, LLP

In August 2017 the School entered into a lease agreement with Woodbury Crossing Offices, LLP at its main educational site at 8490 Woodbury Crossing, Woodbury. The term of the lease is for four years and 10 months from August 2017.

The School is responsible for all obligations which are normally imposed on the owner of the real estate with respect to the Premises which may accrue during the term including, without limitation, responsibility for the payment of all real estate taxes, special assessments, insurance premiums and repair, replacement and maintenance costs and expenses in connection therewith (except as otherwise expressly set forth with the agreement), and that the Rent and all payments to be made to lessor are to be net to Lessor, without deductions or offsets of any kind or nature whatsoever.

A schedule of lease commitments is as follows:

<u>Year Ending June 30,</u>	<u>Scheduled Lease Payments 8490 Woodbury Crossing Building C</u>
2020	\$ 63,654
2021	65,564
2022	67,530
Total	\$ 196,748

The School's ability to make payments under its lease agreements is dependent on its revenues which are in turn, largely dependent on sufficient enrollments being served at the School and on sufficient state aids per student being authorized and received from the state of Minnesota. The School believes that its enrollments and aid entitlements will be sufficient to meet the lease obligations as they become due.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8 COMMITMENTS AND CONTINGENCIES (CONTINUED)

E. Lease Commitments and Terms – Robert Engstrom Companies

In December 2018 the School entered into a lease agreement with Robert Engstrom Companies at its main educational site at 8500 Woodbury Crossing, Woodbury. The term of the lease is for three years and six months beginning December 2018 and ending June 30, 2022.

The School is responsible for all obligations which are normally imposed on the owner of the real estate with respect to the Premises which may accrue during the term including, without limitation, responsibility for the payment of all real estate taxes, special assessments, insurance premiums and repair, replacement and maintenance costs and expenses in connection therewith (except as otherwise expressly set forth with the agreement), and that the Rent and all payments to be made to lessor are to be net to Lessor, without deductions or offsets of any kind or nature whatsoever.

A schedule of lease commitments is as follows:

<u>Year Ending June 30.</u>	<u>Scheduled Lease Payments 8500 Woodbury Crossing Building D</u>
2020	\$ 97,644
2021	100,573
2022	103,591
Total	<u>\$ 301,808</u>

The School's ability to make payments under its lease agreements is dependent on its revenues which are in turn, largely dependent on sufficient enrollments being served at the School and on sufficient state aids per student being authorized and received from the state of Minnesota. The School believes that its enrollments and aid entitlements will be sufficient to meet the lease obligations as they become due.

REQUIRED SUPPLEMENTARY INFORMATION

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
TRA SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
LAST FIVE MEASUREMENT PERIODS***

**TRA Schedule of the School's Proportionate Share
of the Net Pension Liability**

	Measurement Date June 30,				
	2018	2017	2016	2015	2014
School's Proportion of the Net Pension Liability	0.0322%	0.0336%	0.0322%	0.0310%	0.0333%
School's Proportionate Share of the Net Pension Liability	\$ 2,019,896	\$ 6,707,170	\$ 7,680,468	\$ 1,917,657	\$ 1,534,440
State's Proportionate Share of the Net Pension Liability Associated with School	189,879	647,516	770,221	235,202	107,817
Total	<u>\$ 2,209,775</u>	<u>\$ 7,354,686</u>	<u>\$ 8,450,689</u>	<u>\$ 2,152,859</u>	<u>\$ 1,642,257</u>
School's Covered Payroll	\$ 1,786,013	\$ 1,787,200	\$ 1,712,307	\$ 1,582,227	\$ 1,513,629
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	113.10%	375.29%	448.55%	121.20%	101.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.07%	51.57%	44.88%	76.80%	81.50%

* This schedule presents information for the years available, and will eventually include 10 years of information.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
TRA SCHEDULE OF SCHOOL CONTRIBUTIONS
LAST FIVE FISCAL YEARS***

TRA Schedule of School Contributions

	Fiscal Year Ended June 30,				
	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 150,414	\$ 133,951	\$ 134,040	\$ 128,423	\$ 118,667
Contributions in Relation to the Statutorily Required Contribution	(150,414)	(133,951)	(134,040)	(128,423)	(118,667)
Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's Covered Payroll	\$ 1,950,895	\$ 1,786,013	\$ 1,787,200	\$ 1,712,307	\$ 1,582,227
Contributions as a Percentage of Covered Payroll	7.71%	7.50%	7.50%	7.50%	7.50%

* This schedule presents information for the years available, and will eventually include 10 years of information.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
PERA SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
LAST FIVE MEASUREMENT PERIODS***

**PERA Schedule of the School's Proportionate
Share of the Net Pension Liability**

	Measurement Date June 30,				
	2018	2017	2016	2015	2014
School's Proportion of the Net Pension Liability	0.0056%	0.0063%	0.0054%	0.0045%	0.0042%
School's Proportionate Share of the Net Pension Liability	\$ 310,665	\$ 402,188	\$ 438,453	\$ 233,213	\$ 197,295
State's Proportionate Share of the Net Pension Liability Associated with School	10,043	5,021	5,757	-	-
Total	<u>\$ 320,708</u>	<u>\$ 407,209</u>	<u>\$ 444,210</u>	<u>\$ 233,213</u>	<u>\$ 197,295</u>
School's Covered Payroll	\$ 367,480	\$ 392,480	\$ 346,507	\$ 265,356	\$ 214,828
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	84.54%	102.47%	126.54%	87.89%	91.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.50%	75.90%	68.90%	78.20%	78.70%

* This schedule presents information for the years available, and will eventually include 10 years of information.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
PERA SCHEDULE OF SCHOOL CONTRIBUTIONS
LAST FIVE FISCAL YEARS***

PERA Schedule of School Contributions

	Fiscal Year Ended June 30,				
	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 34,688	\$ 27,561	\$ 29,436	\$ 25,988	\$ 19,570
Contributions in Relation to the Statutorily Required Contribution	<u>(34,688)</u>	<u>(27,561)</u>	<u>(29,436)</u>	<u>(25,988)</u>	<u>(19,570)</u>
Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's Covered Payroll	\$ 462,507	\$ 367,480	\$ 392,480	\$ 346,507	\$ 265,356
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.38%	7.25%

* This schedule presents information for the years available, and will eventually include 10 years of information.

SUPPLEMENTARY INFORMATION

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS
COMPLIANCE TABLE
JUNE 30, 2019**

	AUDIT	UFARS	DIFFERENCE
01 GENERAL FUND			
Total Revenue	\$ 5,620,599	\$ 5,620,600	\$ (1)
Total Expenditures	5,597,729	5,597,730	(1)
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	231,534	231,534	-
<i>Restricted:</i>			
403 Staff Development	-	-	-
405 Deferred Maintenance	-	-	-
406 Health and Safety	-	-	-
407 Capital Project Levy	-	-	-
408 Cooperative Programs	-	-	-
413 Projects Funded by COP	-	-	-
414 Operating Debt	-	-	-
416 Levy Reduction	-	-	-
417 Taconite Building Maintenance	-	-	-
424 Operating Capital	-	-	-
426 \$25 Taconite	-	-	-
427 Disabled Accessibility	-	-	-
428 Learning and Development	-	-	-
434 Area Learning Center	-	-	-
435 Contracted Alternative Programs	-	-	-
436 State-Approved Alternative Programs	-	-	-
438 Gifted and Talented	-	-	-
440 Teacher Development and Evaluations	-	-	-
441 Basic Skills Programs	-	-	-
445 Career and Technical Programs	-	-	-
448 Achievement and Integration	-	-	-
449 Sage Schools Crime Levy	-	-	-
451 QZAB Payments	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
453 Unfunded Severance & Retirement Levy	-	-	-
464 Restricted Fund Balance	-	-	-
<i>Committed:</i>			
418 Committed for Separation	-	-	-
461 Committed Fund Balance	-	-	-
<i>Assigned:</i>			
462 Assigned Fund Balance	18,700	18,700	-
<i>Unassigned:</i>			
422 Unassigned Fund Balance	1,870,858	1,870,858	-
02 FOOD SERVICE			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	-	-	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
04 COMMUNITY SERVICE			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
426 \$25 Taconite	-	-	-
431 Community Education	-	-	-
432 E.C.F.E.	-	-	-
440 Teacher Development and Evaluations	-	-	-
444 School Readiness	-	-	-
447 Adult Basic Education	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	-	-	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-

OTHER REQUIRED REPORTS



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

Members of the Board of Directors
Math and Science Academy
Charter School No. 4043
Woodbury, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, financial statements of the governmental activities and each major fund of Math and Science Academy as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated August 27, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Minneapolis, Minnesota
August 27, 2019



CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Members of the Board of Directors
Math and Science Academy
Charter School No. 4043
Woodbury, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Math and Science Academy as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated August 27, 2019.

The *Minnesota Legal Compliance Audit Guide for Charter Schools* promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, identifies two main categories of compliance to be tested in audits of charter schools: uniform financial accounting and reporting standards and charter schools. Our study included the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that Math and Science Academy failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Charter Schools*. 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 Math and Science Academy's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the *Minnesota Legal Compliance Audit Guide for Charter Schools* and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
August 27, 2019

**Math and Science Academy
Long-Range Budget Projection Model
April 7, 2019**

	Working Budget				
	Actual 2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Enrollment Projections					
Number of Students Grade 6	88	88	88	88	88
Number of Students Grade 7	88	88	88	88	88
Number of Students Grade 8	88	88	88	88	88
Number of Students Grade 9	74	74	75	75	75
Number of Students Grade 10	66	70	70	70	70
Number of Students Grade 11	55	62	64	65	65
<i>Less Adjustment for Grade 11 PSEO</i>	(9)	(7)	(11)	(11)	(7)
Adjusted ADM for Grade 11	46	55	53	54	59
Number of Students Grade 12	55	54	57	60	60
<i>Less Adjustment for Grade 12 PSEO</i>	(33)	(33)	(32)	(36)	(36)
Adjusted ADM for Grade 12	22	21	25	24	24
Total Enrollment/Headcount	514	524	530	534	534
Total ADM	471	484	487	485	492
Total Number of Current Year Pupil Units (WADM)	547.94	562.73	566.40	566.02	572.20

State Revenue Assumptions and Calculations

General Education Revenue					
State Averages Per Pupil Unit	6,187.90	6,311.66	6,437.90	6,566.65	6,697.99
Inflation Rate Assumption-Basic only	2.0%	2.0%	2.0%	2.0%	2.0%
Basic Excluding Transportation	\$5,899.92	\$6,017.92	\$6,138.28	\$6,261.04	\$6,386.26
Gifted and Talented	13.00	13.00	13.00	13.00	13.00
Sparsity	29.52	29.80	29.80	29.80	29.80
Operating Capital	226.41	226.59	226.59	226.59	226.59
Equity	120.95	117.35	117.35	117.35	117.35
Referendum	175.25	170.45	170.45	170.45	170.45
Transition Allowance	0.00	0.67	0.67	0.67	0.67
Extended Time	16.18	15.62	16.18	16.18	16.18
Per Pupil Unit State Revenue	6,481.23	6,591.40	6,712.32	6,835.08	6,960.30
Less Pension Adjustment	0.00	0.00	0.00	0.00	0.00
Total Per Pupil Unit State Revenue	\$6,481.23	\$6,591.40	\$6,712.32	\$6,835.08	\$6,960.30
Total General Education State Revenue	3,551,313	3,709,178	3,801,884	3,868,764	3,982,686

**Math and Science Academy
Long-Range Budget Projection Model
April 7, 2019**

	Actual				Working Budget					
	2017-2018		2018-2019		2019-2020		2020-2021		2021-2022	
	3%	Per 1-4-17	3%	Per 1/9/18	4%	per 1-8-19	4%	estimate	4%	estimate
Compensatory Revenue										
A: Number of Students prior yr. (current year for 1st year)	508		512		524		530		534	
B: Number of Free Lunch Students prior yr. (or current year for 1st yr.)	17		17		22		22		22	
C: Number of Reduced Lunch Students prior yr. (current yr. for 1st yr.)	8		4		5		5		5	
D: Adjusted Counts = 100% Free, 50% Reduced - (A)	21.00		19.13		24.50		24.79		24.98	
E: Concentration Portion	0.04		0.04		0.05		0.05		0.05	
F: Concentration Factor (lessor of 1 or Conc. Portion/.8)	0.05		0.05		0.06		0.06		0.06	
G: PU = .6 * D * F	0.65		0.54		0.86		0.87		0.88	
H: Initial Revenue	3,483		2,935		4,812		4,981		5,134	
Miscellaneous Adjustment (Rounding)	(6)		(35)							
Calculated Compensatory State Revenue ((A) x (B))	3,476		2,900		4,812		4,981		5,134	

	3%	Per 1-4-17	3%	Per 1/9/18	4%	per 1-8-19	4%	estimate	4%	estimate
Building Lease Aid: Lessor of line a or b below:										
ADM Including PSEO	514		524		530		534		534	
WADM Including PSEO	599		643		618		623		623	
Lease Aid Expense	869,853		883,592		902,864		909,872		909,872	
a) Lease Aid Rev at \$1,314 per pupil unit	787,131		844,324		812,578		818,885		818,885	
b) Lease Aid Rev at 90% of Lease Expense	782,868		795,233		812,578		818,885		818,885	
Lessor of \$1,314/p.u. or 90% of lease payment	782,868		795,233		812,578		818,885		818,885	
Estimated Proration of Lease Aid Revenue	99.7%		100.0%		100.0%		100.0%		100.0%	
Total Prorated Building Lease Aid Revenue	780,519		795,233		812,578		818,885		818,885	
Lease Aid Revenue per pupil unit (after proration)	1303		1238		1314		1314		1314	

	3%	Per 1-4-17	3%	Per 1/9/18	4%	per 1-8-19	4%	estimate	4%	estimate
Long-Term Facilities Maintenance Revenue										
Revenue per Adjusted Pupil Unit	85		132		132		132		132	
Total Long-Term Facilities Maintenance Revenue	46,109		74,280		74,765		74,714		75,530	

	3%	Per 1-4-17	3%	Per 1/9/18	4%	per 1-8-19	4%	estimate	4%	estimate
Special Education Revenue										
State Special Education Aid and Tuition Billing	449,266		527,835		543,076		570,927		600,190	

	3%	Per 1-4-17	3%	Per 1/9/18	4%	per 1-8-19	4%	estimate	4%	estimate
EL Revenue										
Prior Year EL Eligible ADM	3		1		9		1		1	
Current Year EL Eligible ADM	1		9		1		1		1	
ADM Served	471		484		487		486		492	
Adjusted EL ADM	1		9		3		1		1	
EL Marginal Cost Pupils	20		20		20		20		20	
EL Revenue	14,080		14,080		14,080		14,080		14,080	
Concentration Portion	0.0021		0.0186		0.0021		0.0021		0.0020	
EL Concentration Revenue	5		364		4		4		4	
Total EL Aid	14,085		14,444		14,084		14,084		14,084	

Math and Science Academy
Long-Range Budget Projection Model
April 7, 2019

Actual Working Budget
2017-2018 **2018-2019** **2019-2020** **2020-2021** **2021-2022**

Revenue Summary and Projections

State Aids					
General Education Revenue	3,551,313	3,709,178	3,801,884	3,868,764	3,982,686
Pension Adjustment Revenue	0	3,777			
LEP Aid	14,085	14,444	14,084	14,084	14,084
Compensatory Revenue	3,476	2,900	4,812	4,981	5,134
Subtotal	3,568,874	3,730,299	3,820,780	3,887,830	4,001,905
Building Lease Aid	780,519	795,233	812,578	818,885	818,885
Long-Term Facilities Maintenance Revenue	46,109	74,280	74,765	74,714	75,530
Prior Year Over/Under accruals/Rounding Adjustment	22,960	(36)	0	0	0
Special Education Aid	449,266	527,835	543,076	570,927	600,190
Endowment Aid	18,115	19,637	18,653	18,771	18,758
Other Miscellaneous State Aid (Inc. Gov Wide Pension)	21,071	12,000	15,000	15,000	15,000
Total State Aids	4,906,915	5,159,249	5,284,853	5,386,127	5,530,268
Federal Revenue					
Federal Special Ed	68,154	64,153	65,400	66,700	68,000
Title II Funds	2,581	7,841	8,000	8,200	8,400
Total Federal Revenue	70,735	71,994	73,400	74,900	76,400
Other Revenue					
Fees from Patrons: Milk, Graduation Gear, AP Exam (005-050)	22,581	23,000	23,600	24,100	24,800
Fees From Patrons: Study Hall (920-050)	4,670	6,200	6,400	6,500	6,700
Fees from Students/ Field Trip (105-050)	59,435	62,200	63,900	65,100	67,100
Interest Revenue	888	14,250	14,250	14,250	14,250
Annual Fund (255)/Capital Campaign/Dragon Dinner	89,950	119,365	85,000	75,000	75,000
Donations and Miscellaneous Grants, Tech FR	5,596	775	0	0	0
Miscellaneous Income/Sale of Equipment	641	1,000	0	0	0
Year Book Revenues	3,536	3,600	3,700	3,800	3,900
Insurance Recovery (625)	0	3,305	0	0	0
Student Activity Revenue	117,983	120,000	123,200	125,600	129,500
Total Other Revenue	305,280	353,695	320,050	314,350	321,250
Total Revenue	5,282,930	5,584,938	5,678,303	5,775,377	5,927,918
Formula Check	5,282,930	5,584,938	5,678,303	5,775,377	5,927,918
Per Audit	5,282,930				

Math and Science Academy
Long-Range Budget Projection Model
April 7, 2019

Actual Working Budget
2017-2018 2018-2019 2019-2020 2020-2021 2021-2022

Expenditure Calculations

	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Inflation Assumptions						
Salaries						
Other costs	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Budget Calculations						
100 Salaries	32.2%	32.5%	33.4%	33.9%	34.4%	
200 Benefits	1,920,697	2,043,210	2,121,058	2,163,500	2,251,800	
100 Extracurricular Stipends	618,286	663,045	709,058	734,064	775,283	
305 Contracted Services	53,040	62,044	74,064	75,500	77,000	
315 Repairs and Maintenance for Computers	234,682	224,670	254,195	259,100	267,100	
320 Communications Services	33,533	36,000	39,400	40,582	41,799	
329 Postage	20,490	21,970	22,620	23,100	23,800	
330 Utilities	4,155	4,150	4,300	4,400	4,500	
340 Insurance	101,659	116,200	118,465	120,800	123,200	
350 Repairs and Maintenance	27,687	34,200	36,400	37,100	37,800	
360 Field Trip Transportation	112,016	117,500	120,600	122,900	126,700	
366/368 Travel and conferences (some moved to Stipends)	10,801	10,800	11,100	11,300	11,600	
369 Field Trip Admissions	33,045	40,500	29,600	30,200	31,100	
	49,747	51,400	52,800	53,800	55,500	
Lease Payments per Amended Lease (Nov 2012)	686,562	707,002	707,625	708,344	707,606	
8490 Woodbury Crossing (Bldg C)	70,369	61,800	63,654	65,564	67,531	
8490 Woodbury Crossing Real Estate Taxes (Bldg C)	14,742	18,674	19,421	20,198	21,006	
8500 Woodbury Crossing (Bldg D)		55,300	97,644	100,573	103,591	
Amount to Repair and Replacement Fund/Max Lease Aid	98,180	40,816	14,520	15,194	10,139	
370 Total Lease Expense	869,853	883,592	902,864	909,872	909,872	
370 Other Rentals and Operating Leases	648	1,040	1,100	1,100	1,100	
380 Computer and Tech Related Hardware Rental	24,157	24,496	35,300	36,000	37,100	
389 Staff Tuition Reimbursement	1,000	0	0	0	0	
401/455/465 General Supplies	38,753	40,000	31,000	31,600	32,600	
401 Maintenance Supplies	24,709	28,000	28,700	29,300	30,200	
405 Non-Instructional Computer Software & Licensing	18,279	18,936	19,400	19,800	20,400	
406 Instructional Software Licensing	10,873	17,000	17,400	17,700	18,200	
430/456/466 Instructional Supplies	48,944	35,900	36,800	37,500	38,700	
460 Textbooks and Workbooks	39,250	44,800	34,800	35,500	36,600	
461 Standardized Tests	22,185	23,000	23,600	24,100	24,800	
490 Food	36	1,000	1,000	1,000	1,000	
505/506 Capitalized Technology Software	0	5,500	5,600	5,700	5,900	
520 Bldg Improvements	14,685	0	0	0	0	

Math and Science Academy
Long-Range Budget Projection Model
April 7, 2019

	Working Budget				
	Actual 2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
530 Furniture and Other Equipment	22,806	50,400	15,000	15,300	15,800
555/556 Technology Hardware (Capitalized)	21,809	63,532	50,200	51,200	52,800
740 Interest Expense	0	0	0	0	0
820 Dues and Memberships	37,559	37,566	38,200	38,900	40,100
898 Scholarships	0	0	500	500	500
Annual Fund (255)/Capital Campaign	75,158	119,365	40,000	75,000	75,000
State Special Ed Expenditures / ESY	483,082	567,565	590,300	613,900	638,500
Federal Special Ed Expenditures (Inc. ARRA)	68,154	64,153	65,400	66,700	68,000
Title II Funds	2,581	7,841	8,000	8,200	8,400
Student Activity Expenses	149,484	100,000	123,200	125,600	129,500
Pension Expense (Offset by Revenues)	11,957	12,000	15,000	15,000	15,000
Total Expenditures	5,205,800	5,571,375	5,677,025	5,835,819	6,027,255
Formula Check	5,205,800	5,571,375	5,677,025	5,835,818	6,027,254
Per Audit	5,205,800				

Annual Surplus	77,130	13,562	1,278	(60,442)	(99,336)
Per Audit	77,130				

Beginning fund Balance	2,021,092	2,098,222	2,111,784	2,113,062	2,052,620
Per Audit	2,021,092	2,098,222	2,111,784	2,113,062	2,052,620

Ending Fund Balance	2,098,222	2,111,784	2,113,062	2,052,620	1,953,284
Per Audit	2,098,222	2,111,784	2,113,062	2,052,620	1,953,284

Fund Balance Percentage of Annual Expenditures	40.3%	37.9%	37.2%	35.2%	32.4%
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Math and Science Academy 2017-20 Strategic Plan

Approved 3/21/17

Approved 4/15/19

Vision

To be an innovative, sustainable model of academic excellence that creates well-rounded, lifelong learners and global citizens.

Mission

We provide accelerated curricula in all subjects, with an emphasis on math and science.

Core Values

- **Honesty:** MSA's community exhibits fairness, cooperation, integrity, and honesty. MSA students and staff take responsibility for their actions.
- **Community:** MSA maintains small class sizes and a small school feel.
- **Respect:** MSA's community respects others and their views, while fostering a safe environment where every voice is heard, and individuals are free to take risks.
- **Teamwork:** MSA encourages networking, collaboration, and open communication between all members of our community. MSA encourages students, their families, and staff to invest their time and resources to serve the MSA community.
- **Excellence:** MSA continuously evaluates and improve programs to ensure the highest quality in teaching and learning. MSA empowers students to develop independence through organization, time management, and self-discipline.

Math and Science Academy 3-Year Strategic Priorities

PURPOSE

To fulfill the school's mission, vision, and values in order to better serve its students, staff, and families.

STRATEGIC PRIORITIES

<p>INCREASE MISSION-DRIVEN ACADEMIC PROGRAMMING</p> <p><i>Enhance MSA's distinction for academic excellence through rigor and technology, and focus on academic mission.</i></p>	<p>ACHIEVE TEACHER AND STAFF EXCELLENCE</p> <p><i>Build on MSA's reputation for educational quality by recruiting, training and retaining quality teachers and staff.</i></p>	<p>MAINTAIN AND ENHANCE A ROBUST MSA COMMUNITY</p> <p><i>Cultivate cohesiveness through communication and collaboration with parents, between teachers and staff, and through purposeful mixed-grade interactions.</i></p> <p><i>Broaden MSA's community base by increasing alumni connections, and establishing a Woodbury presence.</i></p>	<p>SUPPORT MEASURES TO MAKE MSA FINANCIALLY SUSTAINABLE</p> <p><i>Create and monitor a plan for MSA's financial sustainability through measured expansion (building, teacher, and student growth), and fundraising.</i></p>	<p>ENSURE OPERATIONAL EXCELLENCE</p> <p><i>Focus on meeting stakeholder expectations by strengthening the operational effectiveness of MSA.</i></p>
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CORE INITIATIVES (red type indicates the BOD has reviewed that section)

<ul style="list-style-type: none"> Maintain and enhance academic rigor Improve and increase STEM programming Explore and promote innovative opportunities in academic programming 	<ul style="list-style-type: none"> Recruitment Professional development Retention 	<ul style="list-style-type: none"> Cultivate small school ethos Cultivate diversity awareness Expand MSA community base 	<ul style="list-style-type: none"> Measured expansion Fundraising 	<ul style="list-style-type: none"> Administrative Communications Marketing
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PERFORMANCE INDICATORS

<p>1. Maximize enrollment in AP in core areas of the curriculum, possibly by alternating some courses every other year. Currently offering 10 AP courses; will review offerings to see what can be offered every other year.</p> <p>2. Review the math and science course offerings, compare to other schools who have an accelerated math and science curriculum, and note, and correct deficiencies, if any (<i>revisit later</i>)</p>	<p>1. Provide new and existing teachers and staff updated job descriptions and job performance review process</p> <p>2. Provide professional development opportunities on how technology and Skyward can be used in the classroom and how to use it.</p> <p>3. Review teacher induction (mentoring) program, note and correct any deficiencies, if any</p> <p>4. Make it a priority to engage teacher voice during decision making processes (<i>conduct meetings with director and teacher BOD members to share feedback/ideas</i>)</p> <p>5. Update, clarify, and communicate a clear evaluation system/observation process for teachers and staff.</p> <p>6. Minimize teacher room changes during the class day.</p>	<p>1. Continue bridging opportunities between buildings and grades through a community building task force.</p> <p>2. Implement a student buddy system/mentoring program for all new students. (<i>LINK is in place, but need another opportunity for new older students; possibly match up with student they shadowed (would need to be sure all have someone they are connected to-counselor driven)</i>)</p> <p>3. Provide opportunities for middle school students to connect with high school students (<i>“fair idea-highlight HS projects, MS students invited to see; advisory match student grades and have dual advisory and share HS experience - counselor driven; celebration time 8th and HS student group</i>)</p> <p>4. Look for service opportunities for students to have an impact on school operations. (<i>recycling, groundskeeping, TA, LINKS, mentor for new older students; school service learning?</i>)</p>	<p>1. Choose and implement a smart growth option and review annually to ensure that each yearly budget does not result in a deficit. <i>Options are reviewed annually to ensure the budget does not result in a deficit.</i></p> <p>2. Increase student capacity size by relocating or replication at another location by 2024. Expansion committee is currently looking at this.</p> <p>3. Target average student-to-teacher ratio of no more than 22:1.</p> <p>4. Ensure that building space is best utilized to provide adequate space for students to learn. <i>There is adequate space for learning, and flexible study and group space in all buildings.</i></p> <p>5. Develop a strategic 3-5 year MSA fundraising plan. Has not been addressed.</p> <p>6. Continue GTTM as the main fundraising vehicle to facilitate the AFC annual goal. <i>GTTM is our</i></p>	<p>1. Continue to develop a cohesive and collaborative administration team.</p> <p>2. Continue to ensure clear roles and responsibilities for administrative staff.</p> <p>3. Continue to develop a communications plan which would include target audiences (teachers, support staff, parents, students, alumni, Woodbury community, other), messages for each audience, and a deliberate outreach plan.</p> <p>4. *Develop and communicate a “brand” for the school including marketing materials. <i>The Communications Task Force in tandem with the School Expansion Committee will explore areas such as school branding and an outreach plan.</i></p> <p>5. Enhance and update database of what scholarships MSA students received, what colleges MSA students attended and where MSA students volunteered.</p>
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		<p>5. Continue class specific celebrations 6th and 9th grade (picnics, etc.)</p> <p>6. Celebrate student diversity and increase cultural competence. (Spanish/Asian/African clubs are planning a cultural event in 2019)</p> <p>7. *Develop an active MSA alumni network. The network is being cultivated, a Facebook group has been created, and there is a database-Justin G. is the point person); create a LinkedIn opportunity</p> <p>8. Increase City of Woodbury community and business outreach and connections by joining Chamber of Commerce and other civic organizations. MSA has joined the Woodbury Chamber of Commerce.</p> <p>9. Increase MSA student volunteer opportunities in the Woodbury and surrounding communities (senior housing, library, YMCA, etc.) A student-run Cheers for volunteers club offers opportunities for students: Feed the Starving Children; making knitted goods for those in need, etc.</p>	<p>main fundraising event. We met this year's goal of \$50,000; the AFC continues to work on other fundraising event, such as the Dragon Dinner.</p> <p>7. Develop marketing piece for MSA that explains charter school funding and needs for the school community. Has not been addressed.</p>	<p>*We continue to create an alumni database for marketing and outreach interests.</p>
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