

Agenda

1. **CALL TO ORDER** (Action)
2. **APPROVAL OF GENERAL MEETING AGENDA** (Action)
3. **OPEN FORUM** (Information)
4. **APPROVAL OF CONSENT AGENDA** (Action)
 - 4.1. General Board Meeting Minutes from December 10, 2015
 - 4.2. Routine Human Resources Activities for January 28, 2016
 - 4.3. Teachers on Call (TOC) Contract
 - 4.4. Minnesota Organization on Fetal Alcohol Syndrome Grant Agreement
 - 4.5. School Superintendents Association and National Joint Powers Alliance – Kids Emergency Relief Program Mini Grant
 - 4.6. Target Field Trip Grant
 - 4.7. Math and Science Partnership Grant
5. **SHARE THE SUCCESS & RECOGNITION** (Information)
 - 5.1. January 28th Kudos!
6. **BUSINESS SERVICES & LABOR RELATIONS REPORT - (45 minutes)**
 - 6.1. Financial Report
 - 6.1.1. FY15 Audit Report (Action)
 - 6.1.2. Approval of Routine Monthly Finance Report - November 2015 (Action)
 - 6.1.3. Approval of Routine Monthly Finance Report - December 2015 (Action)
 - 6.2. Facilities Report - None
 - 6.3. Human Resource Report - None
7. **SUPERINTENDENT'S REPORT - (30 minutes)** (Information)
 - 7.1. January 11th Critical Conversation About Safety and Cost of Special Education
 - 7.2. Intermediate Legislative Platform
 - 7.3. What Board Members Should Know About 287's Focus on Member Districts
8. **INSTRUCTIONAL REPORT - None**
9. **BOARD BUSINESS - (15 minutes)** (Information)
 - 9.1. Policy Review & Revision - None
 - 9.2. Update on MOA Ratification Process
 - 9.3. **Closed Session**
 - 9.4. Board Reports
 - 9.4.1. Chair Report
 - 9.4.1.1. Superintendent Evaluation
 - 9.4.2. All State School Board Presentation to Ann Bremer
 - 9.4.3. AMSD Report (Ann Bremer)
 - 9.4.3.1. January 2016 AMSD Newsletter
 - 9.4.4. NSBA 76th Annual Conference, April 9-11, 2016

- 9.4.5. Report on recent Local 2209/Board breakfast
- 9.4.6. Preview of upcoming Get on the Bus at Edgewood - February 23, 2016
- 9.5. District News
 - 9.5.1. School Board Planning Calendar
 - 9.5.2. January 28, 2016 Board Event Calendar
 - 9.5.3. 2015-2016 Get on the Bus & Local 2209/Board Breakfast Schedule
- 9.6. Once Around the Table
- 10. **ADJOURNMENT**

DISTRICT 287 REGULAR BOARD MEETING
Intermediate District 287
December 10, 2015
MINUTES

1. CALL TO ORDER

Chair Ann Bremer called the regular meeting to order at 6:33 PM in the District Service Center Board Room. A quorum was declared with the following members in attendance:

286	Brooklyn Center	Jeffrey Palm
272	Eden Prairie	Carol Bomben
273	Edina	Regina Neville
270	Hopkins	Laura Ronbeck
276	Minnetonka	Karen Filla
278	Orono	Michèle Kunz
279	Osseo	Dean Henke
280	Richfield	Nancy Rowley
281	Robbinsdale	Sherry Tyrrell
283	St. Louis Park	Nancy Gores
284	Wayzata	Carter Peterson
277	Westonka	Ann Bremer

Absent:

Guests:

287 Administration: Sandra Lewandowski, Michelle Axell, Anne Becker, Mae Hawkins, Rachel Hicks, Tina Houck, Chad Maxa, Jennifer Nelson, Elisabeth Rogers, Gloria Wilder, and Wauneen Mgeni

287 Staff Members: Sherri Ramsden, Doug Booth, and Julie Tuorila

Board Chair Bremer and the Board recognized the outstanding service of one outgoing Board member, Carter Peterson from Wayzata.

Intermediate District 287 School Board congratulated Board Chair Bremer on receiving the "All State School Board" award from the Minnesota School Board Association.

2. APPROVAL OF GENERAL MEETING AGENDA

The general meeting agenda was presented for approval. *Motion by Ann Bremer, seconded by Michèle Kunz, to approve the meeting agenda. All in favor. Motion carried unanimously.*

3. OPEN FORUM FOR COMMUNITY COMMENTS

4. APPROVAL OF CONSENT AGENDA

The Consent Agenda was presented for approval. The Consent Agenda included the general meeting minutes from November 12, 2015, 2016 Liaison Officer Services Agreement between City of Minnetonka and Intermediate District 287, Minnesota Child Care Resource & Referral Network for North Education Center, Minnesota Child Care Resource & Referral Network for South Education Center, and the Routine Human Resource Activities for December 10, 2015. *Motion by Ann Bremer, seconded by Carol Bomben, to approve the Consent Agenda as presented. Motion carried.*

5. SHARE THE SUCCESS & RECOGNITIONS

Superintendent Lewandowski announced several recognitions: 1) Sherri Ramsden, a Physical Therapist in 287's Itinerant Services received the "Above & Beyond" Employee Award, 2) Melissa Brandenburg and Erin Doherty, two North Education Center teachers who have received the TIES Exceptional Teacher Award, 3) Minnesota Partnership for Collaborative Curriculum (MPCC) received a 2015 Local Government Innovation Award, 4) North Education Center and South Education Center Early Learning Centers received National NAEYC Accreditation, and 5) North Education Center Academy and South Education Center Academy was awarded the Think Small Grants.

6. SUPERINTENDENT'S REPORT - None

7. INSTRUCTIONAL REPORT

Ms. Jennifer Nelson, Director of Planning & Improvement and Doug Booth, Local 2209 Vice-President presented to the Board on the Minnesota’s Q-Comp law changes. This change encouraged Local 2209 and 287 to jointly submit an application to the Minnesota Department of Education (MDE) for a Q-Comp program that can begin in 2016-2017.

8. ADMINISTRATIVE SERVICE REPORTS

Financial Report

Ms. Mae Hawkins, Executive Director of Business Services, presented the monthly financial report for October 2015. *Motion by Ann Bremer, seconded by Michèle Kunz, to approve the October 2015 monthly financial reports as presented. All in favor. Motion carried unanimously.*

Mae presented and recommended approval of the unaudited fund balance for FY15. The overall fund balance at June 30, 2015 was \$6,485,489 or (8.37%). *Motion by Ann Bremer, seconded by Michèle Kunz, to approve the unaudited fund balance for FY15 as presented. All in favor. Motion carried unanimously.*

Facilities Report – None

Human Resources Report - None

9. BOARD BUSINESS

Policy Review & Revision – None

Chair Report

Ms. Anne Becker, General Counsel, and Ms. Mae Hawkins, Executive Director of Business Services, updated the Board on changing the Memorandum of Agreement (MOA) amendment between 287 timeline and the impact/reasoning on the major part of the MOA.

Board Chair Bremer, Board Vice-Chair Bomben, Board Treasurer Kunz, and Board members Peterson and Ronbeck, updated the Board on the *Get on the Bus* event, which was recently held at the South Education Center.

Board Chair Bremer presented and recommended approval of the 2015-2016 Board nominating committee. *Motion by Ann Bremer, seconded by Michèle Kunz, to approve 2015-2016 Board nominating committee as presented. All in favor. Motion carried unanimously.*

At the recommendation of Board Chair Bremer, *a motion was made by Ann Bremer, seconded by Karen Filla, to forgo the January 14 General Board Meeting. All in favor. Motion carried unanimously.*

Board Chair Bremer reminded the Board about the upcoming MSBA Conference January 14-15, 2016.

Board Chair Bremer reminded the Board about the upcoming NSBA Annual Conference April 9-11, 2016.

Superintendent Lewandowski briefly updated the Board on the January 11, 2016 Policy Maker and Education Leaders event.

AMSD Report - None

Once Around the Table - None

10. ADJOURNMENT

Motion was heard and seconded to adjourn the meeting. Meeting adjourned at 8:37 PM.

The next general meeting will be held on January 28, 2016, at 6:30 PM in the DSC Board Room.

Submitted by
Wauneen Mgeni
Secretary to the Board

Signed: Chair _____

Clerk _____

Date _____

Date _____

**ROUTINE HUMAN RESOURCES ACTIVITIES FOR THE INTERMEDIATE DISTRICT 287
SCHOOL BOARD – January 28, 2016**

1. New Hires:

A. Additional Positions due to Increased Enrollment

- Lauren Yurek, Instructor ASD at North Education Center, effective January 4, 2016 – Step 3, Lane 2 BA +10– 1.0 FTE.
- Diana Lundeen-Hornung, Instructor ASD at North Education Center, effective January 4, 2016 – Step 1, Lane 1 BA – 1.0 FTE.
- Jamie Anderson, School Social Worker at North Education Center, effective December 21, 2015 – Step 7, Lane 5 MA – 1.0 FTE.
- Tammy Bussman, (current Instructor) Behavior Intervention Specialist at North Education Center, effective January 8, 2016 – Step 11, Lane 8 MA+30 – 1.0 FTE.
- Ra'Shaun Sivels, Education Assistant at North Education Center, effective January 6, 2016 – Step 10, Lane 4 +90 credits - .875 FTE.
- Helena Doe-Brown, Education Assistant at North Education Center, effective January 4, 2016 – Step 10, Lane 1 – .875 FTE.
- Steven Johnson, Education Assistant at Northwest Tech Center, effective January 4, 2016 – Step 10, Lane 4 +90 credits– .875 FTE.
- Micah Watkins, Education Assistant at South Education Center, effective January 11, 2016 – Step 4, Lane 7 BA +20 – .875 FTE.
- Alvin Chambers, Education Assistant at North Education Center, effective January 13, 2016 – Step 10, Lane 4 +90 credits – .875 FTE.

B. Replacement for Transfers

- Vicki Richardson, Education Assistant at Edgewood Education Center, **for L. Jennings-Holmes**, effective December 4, 2015 – Step 10, Lane 4 +90 credits – .875 FTE.
- Quita Curtis, Education Assistant at Prairie Care Brooklyn Park, **for T. Huettle**, effective December 16, 2015 - Step 9, Lane 3 +30 credits - .875 FTE.
- Barak Zierhut, Education Assistant at North Education Center, **for N. Dakagboi**, effective January 4, 2016 – Step 3, Lane 5 BA – .875 FTE.

C. Replacement for Separations

- Julius Clark, Education Assistant at West Education Center, **for S. Reeves**, effective December 9, 2015 – Step 7, Lane 2 +15 credits – .875 FTE.
- Andrea Lipovetz, (current substitute) Education Assistant at South Education Center, **for D. Calvert**, effective December 1, 2015 – Step 10, Lane 3 +30 credits – .875 FTE.
- Luvinya Watson, Education Assistant at South Education Center, **for K. Akitoye**, effective December 16, 2015 – Step 7, Lane 4 +90 credits– .875 FTE.

- Robert Eppinger, Education Assistant at West Education Center, for **D. Nelson**, effective January 4, 2016 Step 9, Lane 4 +90 credits- .875 FTE.

D. New Position

- Antwayn Hunter, (current Education Assistant) Student/Staff Safety Specialist for District-wide services, effective January 4, 2016 – Unaffiliated 12 month 1.0 FTE

2. Temporary Hires/Assignments:

A. Assignments

- Hilda Orieny, (current Education Assistant) Instructor EBD at Edgewood Education Center, effective November 30, 2015 through February 29, 2016.
- Jeremy Bauernfiend, (current Education Assistant) Behavior Intervention Specialist at North Education Center, effective December 15, 2015 through June 30, 2016.
- Joshua Navarrete, (current Education Assistant) Instructor EBD at North Education Center, effective December 15, 2015 through June 30, 2016.
- Candace Leopold, Instructor Nursing Assistant at Eden Prairie Campus, effective January 7, 2016 through January 23, 2016.
- Georgeann Wobschall, Instructor for Homebound Services, effective January 4, 2016 through March 11, 2016.
- Natalie Haugen, (current Education Assistant) Instructor ASD at North Education Center, effective January 8, 2016 through June 30, 2016.

B. Northern Star Online/Independent Study Program

- Jan DePuy
- George Schoenborn
- Kayla Klobe
- Mark Wiese

C. Substitutes

- Angela Bui
- Beth Besonen
- Shirley NeePaye
- John Wiley for Food Service
- Roderick Pierce

D. Termination of Temporary Hire

-

3. Extended Leaves of Absence:

- Alfreda Cooper, Education Assistant at North Education Center, .875 FTE effective December 14, 2015 through February 26, 2016 – corrected dates from December 11, 2015 HR Board Report.

- Marisa Grady, Education Assistant at South Education Center, .875 FTE effective January 5, 2016 through June 10, 2016.
- Jeremy Bauernfiend, Education Assistant at North Education Center to accept a temporary teaching position, .875 FTE effective December 15, 2015 through June 10, 2016.
- Heather Kenney, Education Assistant at North Education Center, .875 FTE effective December 18, 2015 through June 10, 2016.
- Joshua Navarrete, Education Assistant at North Education Center to accept a temporary teaching position, .875 FTE effective December 15, 2015 through June 10, 2016.
- William Schwartz, Education Assistant at South Education Center extending leave of absence through June 30, 2016. Leave of absence was previously scheduled to end on December 22, 2015.
- Natalie Haugen, Education Assistant at North Education Center to accept a temporary teaching position, .875 FTE effective January 8, 2016 through June 10, 2016.

4. Separations:

A. Dismissal

- Monica Estrada, Clerical at West Education Center, during her probationary period effective January 22, 2016.

B. Resignation

- Veronica Tucker, Education Assistant at West Education Center, effective January 8, 2016.
- Dawn M Olson, Interpreter for Itinerant Services, effective December 18, 2015.
- Christine Blood, Education Assistant at North Education Center, effective December 22, 2015.
- Antwayn Hunter, Education Assistant at West Education Center to accept an Unaffiliated Position, effective January 1, 2016.
- Eric Rios, Education Assistant at Prairie Care Maple Grove, effective January 29, 2016.
- Sarah Bullhead, Education Assistant at North Education Center, effective February 3, 2016.
- Kari Nollendorfs, Instructor English at Omegon, effective June 30, 2016.
- Ryan K. Ward, Education Assistant at North Education Center, effective January 11, 2016.

C. Retirement (Regular/Disability)

- Jean O'Reilly, Education Assistant at Northwest Tech Center, effective December 22, 2015.
- Kathy Lettas-Cornwall, Instructor DCD/SP at Northwest Tech Center, effective June 30, 2017.

5. Other:

- RECOMMEND the Board's approval to credit, Nicole Christensen, Instructor P/H at Edgewood Education Center, with one (1) day of additional sick leave. This day has been donated by the staff member listed below who has authorized the District to reduce her individual sick leave balance by one (1) day.

Leanne Kopisca-Steffens

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INTER-OFFICE MEMORANDUM

Date: January 28, 2016

To: Sandra Lewandowski, Superintendent

From: Michelle Axell, Director of Human Resources

Re: Recommendation of Board Acceptance of the Teachers on Call Partnership

Local 2209 members and District administrators have been concerned about the number of instructional staff vacancies that are filled by substitutes on any given day (“fill rate”) for several years. After investigating all internal options to improve the fill rate, HR and instructional leaders decided to explore substitute placement services. Several member districts use these placement services and have reported consistently high fill rates and satisfaction with the quality of the substitute pool.

We met with two different substitute staffing services to evaluate them according to a variety of criteria and identified Teachers On Call (TOC) to be the most advantageous for the District. Therefore, the District will be partnering with Teachers On Call for several reasons, including:

- Ability to continue to use the Aesop automated system to facilitate substitute placements;
- Placement of appropriately trained and experienced substitutes in special educational settings as evidenced by their current partnerships with Intermediate Districts 916 & 917;
- Specialized recruiting efforts to expand the pool of substitutes available to the District;
- Customized services to meet the District’s substitute staffing needs and manage staff absences;
- Streamlining and consolidation of the District’s and each school’s internal processes to manage placement of substitutes;
- Training opportunities;
- Availability of benefits for permanent substitutes;
- Ability to continue to place the best of our current substitutes to fill vacancies in our programs.

Intermediate District 287 and Teachers on Call agree to contract for substitute staffing services for a period of 18 months – January 1, 2016 through June 30, 2017. The start date for placement of substitutes through TOC will be March 1, 2016.

Intermediate District 287

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INTER-OFFICE MEMORANDUM

Date: January 28, 2016

To: Sandra Lewandowski, Superintendent

From: Mae L. Hawkins, Executive Director of Business Services

Re: Recommendation for Board Acceptance of the Minnesota Organization on Fetal Alcohol Syndrome Grant Agreement

Intermediate District 287 has been awarded \$2,500.00 from the Minnesota Organization on Fetal Alcohol Syndrome (MOFAS). The money will be used to carry out “049 Prevention Fairs” for our high-risk alternative students at North Education Center, South Education Center, West Alternative and HTC-Gateway programs. Parallel events serving parents will be held at NEC, SEC, and WALT parent nights so parents can reinforce the “049” message to students and build overall community awareness. This grant is effective from 1/1/2016 through 6/30/2016.

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INTER-OFFICE MEMORANDUM

Date: January 28, 2016

To: Sandra Lewandowski, Superintendent

From: Mae L. Hawkins, Executive Director of Business Services

Re: Recommendation for Board Acceptance of the School Superintendents Association and National Joint Powers Alliance – Kids Emergency Relief Program mini Grant

Intermediate District 287 has been awarded \$2,000.00 from the School Superintendents Association and National Joint Powers Alliance. The grant funds will be used for urgent needs (winter cold weather gear, personal hygiene items, and eyeglass replacement or medication needs) of our elementary and middle school setting IV special education students at North Education Center. The grant will run from January 15, 2016 – June 30, 2016.

Intermediate District 287

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INTER-OFFICE MEMORANDUM

Date: January 28, 2016

To: Sandra Lewandowski, Superintendent

From: Mae L. Hawkins, Executive Director of Business Services

Re: Recommendation for Board Acceptance of the Target Field Trip Grant

Intermediate District 287 has been awarded \$700.00 from Target Field Trip Grant. The grant will be used to send students from West Education Center to Fort Snelling Base Camp in May. This project will provide a community-based instructional opportunity for our students to practice leadership, teamwork, and emotional regulation skills as they participate in a variety of team-building activities. The grant will run from January 1, 2016 – June 30, 2016.

Intermediate District 287

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INTER-OFFICE MEMORANDUM

Date: January 28, 2016

To: Sandra Lewandowski, Superintendent

From: Mae L. Hawkins, Executive Director of Business Services

Re: Recommendation for Board Acceptance of the Math and Science Partnership Grant

Intermediate District 287 has been awarded \$425,000.00 from the Minnesota Department of Education – Title II, Part B of the Elementary and Secondary Education Act (ESEA) toward Math & Science Partnerships. Intermediate District 287 is the fiscal host for the partnership that will offer high quality professional development in Grades K-2 Number Sense. Partners include the regional education agencies—Intermediate Districts 287 and 916 and the Metro Education Cooperative Service Unit (ECSU); higher education partners—the University of Minnesota (U of M) and Normandale Community College, and Local Education Agencies (LEAs)—Eden Prairie, Osseo and Roseville. This grant runs from January 13, 2016 through September 30, 2016.

287 KUDOS!

Jan. 28 2016
Success & Recognition



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Above & Beyond Honoree: Rosie Palan

Rosie Palan is a School Psychologist who has served Edgewood students for the past three years. She's considered the "go-to" person for struggling students and has a special way of supporting, listening and encouraging them. Rosie is known for her poise, professionalism and problem-solving, and has taken on leadership opportunities to positively impact even more students.

287 Awarded Fetal Alcohol Syndrome Prevention Grant

287 was one of 17 organizations statewide awarded a 2016 Minnesota Organization on Fetal Alcohol Syndrome Grant. The \$2,500 grant will support students and efforts around FASD prevention.

Arts Learning Grant Awarded to 287

The Minnesota State Arts Board awarded 287 a 2015 Arts Learning Grant to continue our work with COMPAS, a statewide, non-profit arts organization, funded through an Arts Learning Grant by the Minnesota State Arts Board. The arts residency program joins local musicians with students and teachers to collaborate and enhance arts learning in school. Soli Hughes, a resident musician who has been working with 287 students, has been involved in educational music residencies for over twenty years.

287 Receives AASA-NJPA Helping Kids Program Mini Grant

287 was one of 28 school districts awarded a \$2,000 grant from the School Superintendents Association (AASA) and National Joint Powers Alliance (NJPA) as part of the Helping Kids Program. The grant can be used for immediate needs that directly impact students.

287 KUDOS!

Jan. 28, 2016
Success & Recognition



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February 1-5 is National School Counselor's Week

National School Counseling Week 2016, "School Counseling: The Recipe for Success," will be celebrated from Feb. 1-5, 2016

**INTERMEDIATE DISTRICT 287
PLYMOUTH, MINNESOTA
BOARD OF EDUCATION**

Regular Meeting – January 28, 2016

AGENDA SECTION: BUSINESS SERVICES REPORT

**ITEM: Recommendation for Board Acceptance of the Audited
Financial Report for the Year Ended June 30, 2015**

PRESENTED BY: Mae L. Hawkins, Executive Director of Business Services

1. Background Information

Jim Eichten, Managing Partner of MMKR, Certified Public Accountants & Co., P.A. will present the District’s audited Financial Report for the year ended June 30, 2015.

2. Fiscal Impact/Funding Source:

3. RECOMMENDED ACTION:

The Board accepts the audited financial report for the year ended June 30, 2015.

Motion by: _____ Yes ____ Passed ____

Second by: _____ Yes ____ Failed ____

Abstentions: _____

INTERMEDIATE DISTRICT NO. 287
PLYMOUTH, MINNESOTA

Financial Statements and
Supplemental Information

Year Ended
June 30, 2015

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Table of Contents

	Page
INTRODUCTORY SECTION	
BOARD OF DIRECTORS AND ADMINISTRATION	1
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	2–4
MANAGEMENT’S DISCUSSION AND ANALYSIS	5–16
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements	
Governmental Funds	
Balance Sheet	19
Reconciliation of the Balance Sheet to the Statement of Net Position	20
Statement of Revenue, Expenditures, and Changes in Fund Balances	21
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	22
Statement of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	23
Proprietary Fund	
Internal Service Fund	
Statement of Net Position	24
Statement of Revenue, Expenses, and Changes in Net Position	25
Statement of Cash Flows	26
Fiduciary Funds	
Statement of Fiduciary Net Position	27
Statement of Changes in Fiduciary Net Position	27
Notes to Basic Financial Statements	28–56
REQUIRED SUPPLEMENTARY INFORMATION	
Defined Benefit Pension Plans – GERF/TRA Retirement Funds	
Schedule of District’s and Non-Employer Proportionate Share of Net Pension Liability	57
Schedule of District Contributions	58
Schedules of Funding Progress	
Other Post-Employment Benefits Plan	59
Pension Benefits Plan	59

INTERMEDIATE DISTRICT NO. 287

Table of Contents (continued)

	Page
SUPPLEMENTAL INFORMATION	
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds	
Combining Balance Sheet	60
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	61
General Fund	
Comparative Balance Sheet	62
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	63
Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account	64–65
Schedules of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	
Career and Technical Education Account	66
Academic Education Account	67
Special Education Account	68
District-Wide Account	69
Severance and Property Account	70
Student Clubs Account	71
Food Service Special Revenue Fund	
Comparative Balance Sheet	72
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	73
Community Service Special Revenue Fund	
Comparative Balance Sheet	74
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	75
Debt Service Fund	
Comparative Balance Sheet	76
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	77
OTHER DISTRICT INFORMATION	
Government-Wide Revenue by Type	78
Government-Wide Expenses by Function	79–80
General Fund Revenue by Source	81

INTERMEDIATE DISTRICT NO. 287

Table of Contents (continued)

	Page
SINGLE AUDIT AND OTHER REQUIRED REPORTS	
Schedule of Expenditures of Federal Awards	82
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	83–84
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133	85–86
Independent Auditor's Report on Minnesota Legal Compliance	87
Schedule of Findings and Questioned Costs	88–89
Uniform Financial Accounting and Reporting Standards Compliance Table	90–91

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INTRODUCTORY SECTION

INTERMEDIATE DISTRICT NO. 287

Board of Directors and Administration
as of June 30, 2015

BOARD OF DIRECTORS

<u>Board of Directors</u>	<u>Member District</u>	<u>Position on Board</u>
Ann Bremer	Westonka	Chairperson
Carol Bomben	Eden Prairie	Vice Chairperson
Michèle Kunz	Orono	Treasurer
Nancy Rowley	Richfield	Clerk
Karen Filla	Minnetonka	Director
Nancy Gores	St. Louis Park	Director
Dean Henke	Osseo	Director
Regina Neville	Edina	Director
Jeffrey Palm	Brooklyn Center	Director
Carter Peterson	Wayzata	Director
Laura Ronbeck	Hopkins	Director
Sherry Tyrrell	Robbinsdale	Director

ADMINISTRATION

Sandra Lewandowski	Superintendent
Colleen Baumtrog	Executive Director of Planning and Improvement
Anne Becker	General Counsel/Executive Director of Labor Relations
Mae Hawkins	Executive Director of Business Services
Elisabeth Lodge Rogers	Executive Director of Special Services and Educational Programs
Chad Maxa	Executive Director of Technology and Innovation
Michael Cowles	Director of Facilities
Christina Houck	Director of Mental Health and Partnerships
Jennifer McIntyre	Director of Special Education
Jon Voss	Director of Teaching and Learning
Gloria Wilder	Director of Finance
David Anderson	Finance Manager

FINANCIAL SECTION

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PRINCIPALS

Thomas M. Montague, CPA
Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of
Intermediate District No. 287
Plymouth, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Intermediate District No. 287 (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

(continued)

OPINIONS

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

EMPHASIS OF MATTER

As described in Note 1 of the notes to basic financial statements, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, during the year ended June 30, 2015. Our opinion is not modified with respect to this matter.

OTHER MATTERS

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, supplemental information, and other district information, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the District. The accompanying Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table is presented for purposes of additional analysis as required by the Minnesota Department of Education, and is also not a required part of the basic financial statements of the District.

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

(continued)

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

Prior Year Comparative Information

We have previously audited the District's 2014 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 11, 2014. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
December 21, 2015

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INTERMEDIATE DISTRICT NO. 287

Management's Discussion and Analysis Year Ended June 30, 2015

This section of Intermediate District No. 287's (the District) annual financial statements presents Management's Discussion and Analysis (MD&A) of the District's financial performance during the fiscal year ended June 30, 2015. We encourage readers to consider the financial information presented here in conjunction with the other components of the District's annual financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- Independent Auditor's Report;
- Management's Discussion and Analysis;
- Basic financial statements, including the government-wide financial statements, fund financial statements, and the notes to basic financial statements;
- Required supplementary information; and
- Combining and individual fund statements and schedules, presented as supplemental information.

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

In the government-wide financial statements, the District's activities are all shown in one category titled "governmental activities." These activities, including career and technical education, academic education, special education, student clubs, administrative support services, operations and maintenance, food service, and community service, are primarily financed with tuition, membership fees, access fees, and operating grants.

FUND FINANCIAL STATEMENTS

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

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by state law and by bond covenants.
- The District may establish other funds to control and manage money for particular purposes.

The District maintains the following kinds of funds:

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

Proprietary Funds – The District maintains one type of proprietary fund. The Internal Service Fund is used as an accounting device to accumulate and allocate costs internally among the District's various functions. The District uses its Internal Service Fund to account for its dental self-insurance activities. These services have been included within governmental activities in the government-wide financial statements.

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

	2015	2014
Assets		
Current and other assets	\$ 23,802,013	\$ 22,813,573
Restricted assets	5,084,808	3,745,412
Capital assets, net of accumulated depreciation	74,138,777	77,132,474
Total assets	\$ 103,025,598	\$ 103,691,459
Deferred outflows of resources		
Pension plan deferments – PERA and TRA	\$ 9,530,253	\$ –
Liabilities		
Current and other liabilities	\$ 8,599,518	\$ 9,283,704
Long-term liabilities, including due within one year	122,987,847	83,780,044
Total liabilities	\$ 131,587,365	\$ 93,063,748
Deferred inflows of resources		
Pension plan deferments – PERA and TRA	\$ 12,517,712	\$ –
Net position		
Net investment in capital assets	\$ 2,718,148	\$ 3,568,822
Restricted	6,050,915	4,312,985
Unrestricted	(40,318,289)	2,745,904
Total net position	\$ (31,549,226)	\$ 10,627,711

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

Total net position decreased by \$42,176,937, which reflects an increase of \$2,986,137 from current year operating results, while a change in accounting principle reduced unrestricted net position by \$45,163,074. The net investment in capital assets decreased by \$850,674, mainly due to an additional year of depreciation. Restricted net position increased by \$1,737,930, as a result of an increase in the amount restricted for debt service. The unrestricted portion of net position decreased \$43,064,193 in the current year. The decrease in unrestricted net position was mainly due to the change in accounting principle for the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, which requires the inclusion of a proportionate share of the Teachers Retirement Association (TRA) pension fund's unfunded liability and the Public Employees Retirement Association (PERA) pension fund's unfunded liability in each contributing government's financial statements. This change in accounting principle for pensions significantly increased deferred outflows of resources, long-term liabilities, and deferred inflows of resources, as presented in the table above.

The increase in restricted assets is the result of payments to the sinking fund which will be used to pay a portion of the North Education Center's (NEC) outstanding debt.

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

	2015	2014
Revenue		
Program revenues		
Charges for services	\$ 23,560,298	\$ 23,543,538
Operating grants and contributions	55,382,586	53,222,921
General revenues		
General grants and aids	5,175,838	5,118,720
Other general revenues	799,531	577,467
Investment earnings	152,814	112,646
Total revenue	85,071,067	82,575,292
Expenses		
Career and technical education	1,204,770	1,764,840
Academic education	10,771,569	11,274,730
Special education	49,436,189	49,225,704
Student clubs	29,074	34,837
Administrative support services and operations and maintenance	15,884,064	16,507,110
Food service	771,783	671,461
Community service	152,350	181,463
Interest and fiscal charges on debt	3,835,131	3,901,822
Total expenses	82,084,930	83,561,967
Change in net position	2,986,137	(986,675)
Net position – beginning, as previously reported	10,627,711	11,614,386
Change in accounting principle	(45,163,074)	–
Net position – beginning, restated	(34,535,363)	11,614,386
Net position – ending	\$ (31,549,226)	\$ 10,627,711

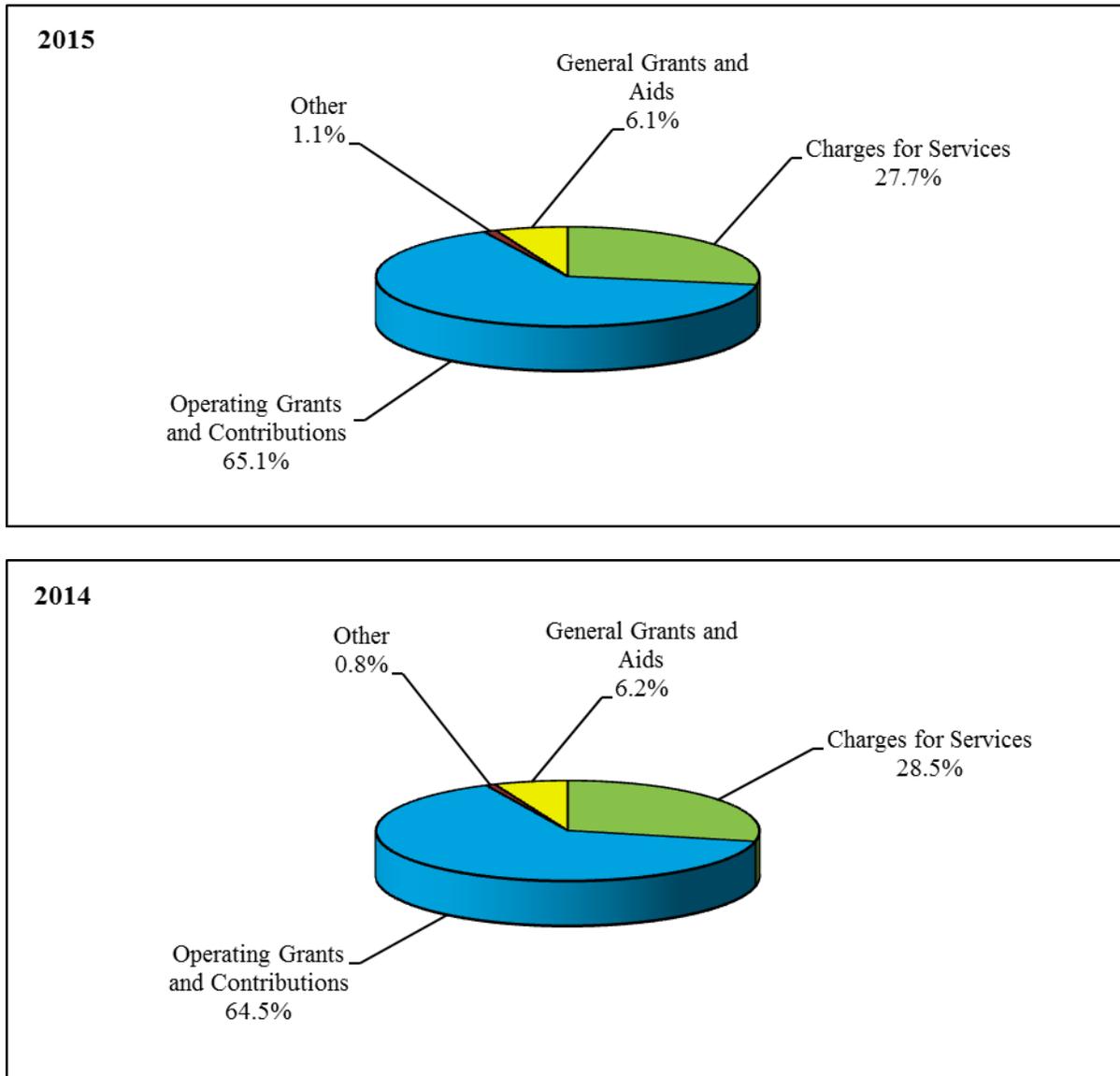
This statement is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

The District's total revenues were \$85,071,067 for the year ended June 30, 2015. Charges for services account for 27.7 percent of total revenues for the year while operating grants and contributions accounted for 65.1 percent. General grants and aids accounted for 6.1 percent of the total revenue and are mainly from pass-through levies for debt service and the federal reimbursement received for interest payments made on the Build America Bonds.

The total cost of all programs and services was \$82,084,930, which is less than fiscal 2014 by \$1,477,037. The District experienced decreases in all program areas except for special education and food service, mainly due to budget adjustments related to projected student enrollments being lower in 2014–2015 than 2013–2014. The special education programs experienced a slight increase of 0.4 percent related to increases in employee related costs. The food service program experienced an increase in both revenues and expenditures as the District added a kitchen at a school site that had previously been served by a contracted service.

Figures A and B show further analysis of these revenue sources and expense functions:

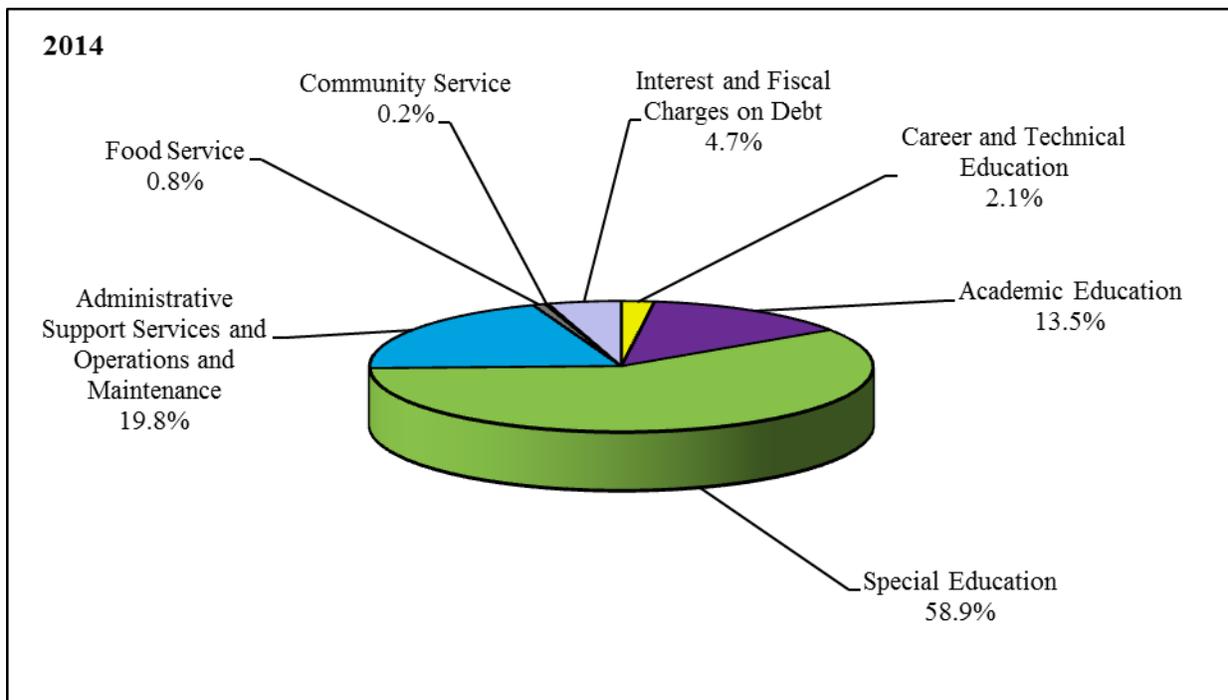
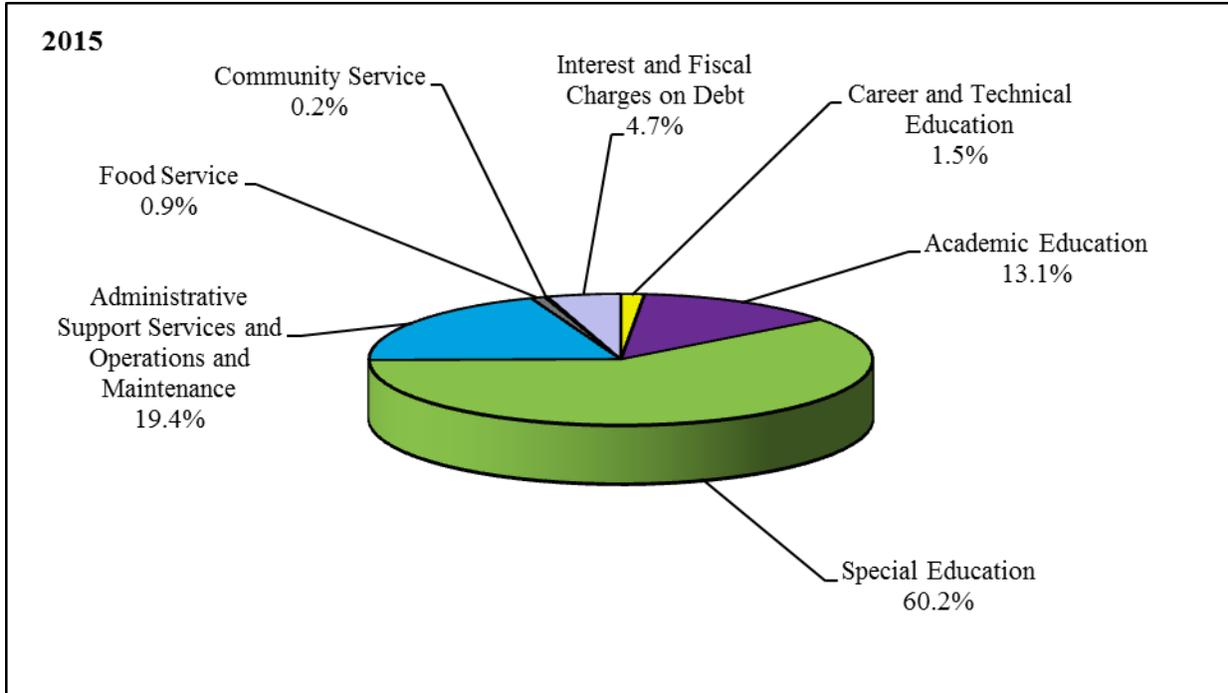
Figure A – Sources of Revenues for Fiscal Years 2015 and 2014



The largest share of the District’s revenue results from services to member and nonmember school districts that normally result in tuition charges and service fees. Special education tuition billing has been processed through the Minnesota Department of Education (MDE) since 2009. The MDE adjusts aid payments, taking them from districts served by the District and paying the District directly. Because these dollars flow through the state, they are classified as an operating grant rather than a charge for services.

The above graphs show the stability in funding sources between the two years due to the District’s continuous work with the MDE and member districts to establish greater predictability, timeliness, and stability in revenues by improving processes and communication.

Figure B – Expenses for Fiscal Years 2015 and 2014



The District's expenses are predominately in categories that correlate directly to providing instruction, which includes: special education, academic education, and career and technical education, comprising 74.8 percent of the total. Total expenses for the year in administrative support services and operations and maintenance were 19.4 percent, which include administrative, business and instructional support services, building operations, and maintenance. Debt service expenses related to financing of facilities were 4.7 percent of total expenses.

Table 3 presents the net cost of governmental activities by functional activity of the District:

	2015		2014	
	Total Cost of Services	Net (Expenses Over) Revenues From Services	Total Cost of Services	Net (Expenses Over) Revenues From Services
Governmental activities				
Career and technical education	\$ 1,204,770	\$ 28,839	\$ 1,764,840	\$ (272,993)
Academic education	10,771,569	(1,083,632)	11,274,730	(1,347,078)
Special education	49,436,189	1,001,600	49,225,704	(1,236,451)
Student clubs	29,074	4,271	34,837	3,990
Administrative support services and operations and maintenance	15,884,064	1,146,554	16,507,110	358,407
Food service	771,783	(328,754)	671,461	(309,398)
Community service	152,350	(75,793)	181,463	(90,163)
Interest and fiscal charges on debt	3,835,131	(3,835,131)	3,901,822	(3,901,822)
Total	<u>\$ 82,084,930</u>	<u>\$ (3,142,046)</u>	<u>\$ 83,561,967</u>	<u>\$ (6,795,508)</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is also reflected in its governmental funds. Table 4 shows the change in total fund balances of each of the District's governmental funds:

	2015	2014	Increase (Decrease)
Major funds			
General	\$ 15,263,526	\$ 13,643,384	\$ 1,620,142
Debt Service Fund	<u>5,121,534</u>	<u>3,774,686</u>	<u>1,346,848</u>
Total governmental funds	<u>\$ 20,385,060</u>	<u>\$ 17,418,070</u>	<u>\$ 2,966,990</u>

The Board of Director’s fund balance policy states: “To ensure the financial strength and stability of the District, the Board of Directors will endeavor to maintain an unassigned fund balance of at least 6 to 8 percent of the District’s General Fund operating budget, excluding operating capital programs.”

The District transferred an amount to an assigned fund balance for severance to continue to fund future severance obligations. The District also has an assigned fund balance for MDE special education state aid tuition appeals and medical assistance (MA) revenue totaling \$1,646,636. This is in recognition of the potential for additional calculation changes in these areas by state agencies.

Analysis of the General Fund

Table 5 presents a summary of General Fund revenues:

	<u>2015</u>	<u>2014</u>	<u>Amount of Increase (Decrease)</u>
Local sources			
Pass-through levies	\$ 3,151,287	\$ 2,800,789	\$ 350,498
Tuition	20,430,978	19,448,574	982,404
Investment earnings	7,291	12,964	(5,673)
Other	3,072,016	4,680,374	(1,608,358)
State sources	51,522,895	49,297,310	2,225,585
Federal sources	<u>928,060</u>	<u>654,280</u>	<u>273,780</u>
 Total General Fund revenues	 <u>\$ 79,112,527</u>	 <u>\$ 76,894,291</u>	 <u>\$ 2,218,236</u>

The District received approximately \$3.2 million in property taxes that were levied for by their member districts. The pass-through levies are authorized in Minnesota Statutes to cover the District’s lease costs, safe schools initiatives, and health and safety programs. The increase in tuition revenue was primarily due to additional MA revenues received. State sources increased \$2.2 million, due to an increase in enrollment in the Northern Star Online Learning Program and special education tuition billing revenues to cover costs of student educational programming needs. The decrease of \$1.6 million in other revenues is mainly due to the reduction of county and other miscellaneous revenues.

Table 6 presents a summary of General Fund expenditures:

	2015	2014	Amount of Increase (Decrease)
Salaries	\$ 46,140,295	\$ 45,689,827	\$ 450,468
Employee benefits	17,265,104	16,490,367	774,737
Purchased services	9,003,725	8,346,601	657,124
Supplies and materials	1,189,421	1,329,483	(140,062)
Capital expenditures	1,181,471	1,934,469	(752,998)
Other expenditures	309,567	322,642	(13,075)
Debt service	2,028,396	2,046,089	(17,693)
Total General Fund expenditures	<u>\$ 77,117,979</u>	<u>\$ 76,159,478</u>	<u>\$ 958,501</u>

The increase in expenditures of \$958,501 from the prior year is mainly due to a slight increase in overall salaries and in health insurance costs for benefits provided to employees. The main reasons for the increase in purchased services costs were due to contracting for specific services to meet the needs of special education and contracted staff related to the Math and Science Grant.

Table 7 shows the General Fund unassigned fund balance as compared to expenditures:

	2011	2012	2013	2014	2015
Unrestricted – unassigned fund balance	\$4,757,797	\$6,187,960	\$6,310,491	\$6,393,048	\$6,485,489
Unassigned fund balance as a percentage of noncapital related expenditures	6.7%	7.8%	8.5%	8.4%	8.4%

Unassigned fund balance as a percentage of noncapital related expenditures is one key measurement of a district's financial health. The unassigned fund balance of \$6,485,489 at June 30, 2015 represents 8.4 percent of annual expenditures. The District continues to monitor its fund balances closely. The Board of Director's policy sets a goal of at least 6 to 8 percent for the unassigned fund balance as a percentage of noncapital-related expenditures.

General Fund Budgetary Highlights

Table 8 summarizes the General Fund budget to actual comparison:

	Original Budget	Final Budget	Actual	Over (Under) Final Budget	
				Amount	Percent
Revenue and other financing sources	<u>\$ 77,014,632</u>	<u>\$ 77,576,736</u>	<u>\$ 79,148,484</u>	<u>\$ 1,571,748</u>	<u>2.0%</u>
Expenditures and other financing uses	<u>\$ 77,526,003</u>	<u>\$ 77,858,747</u>	<u>\$ 77,528,342</u>	<u>\$ (330,405)</u>	<u>(0.4%)</u>

Revenues were mainly over budget from special education third party revenue, higher state aid revenue, and greater than expected enrollment. The District is required to adopt an operating budget prior to the beginning of its fiscal year, referred to above as the original budget. During the year, the District might amend that budget for known changes in circumstances such as enrollment levels, grant funding, and employee contract settlements.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, debt principal, interest, and related costs.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

Table 9 shows the District's capital assets, together with changes from the previous year. The table also shows total depreciation expense for fiscal years ending June 30, 2015 and 2014:

	2015	2014	Net Change
Land	\$ 10,865,963	\$ 10,865,963	\$ -
Buildings	75,866,367	75,712,723	153,644
Equipment	3,863,228	3,783,678	79,550
Construction in progress	275,819	-	275,819
Less accumulated depreciation	<u>(16,732,600)</u>	<u>(13,229,890)</u>	<u>(3,502,710)</u>
Total	<u>\$ 74,138,777</u>	<u>\$ 77,132,474</u>	<u>\$ (2,993,697)</u>
Depreciation expense	<u>\$ 3,577,390</u>	<u>\$ 3,578,716</u>	<u>\$ (1,326)</u>

Long-Term Liabilities

Table 10 illustrates the components of the District's long-term liabilities, together with the change from the prior year:

	<u>2015</u>	<u>2014</u>	Increase (Decrease)
Capital leases payable	\$ 22,929,558	\$ 23,712,556	\$ (782,998)
Certificates of participation payable	48,440,000	49,800,000	(1,360,000)
Premium (discount) on debt issued	51,071	51,096	(25)
Severance benefits payable	6,441,637	7,056,817	(615,180)
Compensated absences payable	501,004	512,488	(11,484)
Net OPEB obligation	2,576,124	2,446,963	129,161
Net pension obligation	152,017	200,124	(48,107)
Net pension liability – PERA*	14,801,819	–	14,801,819
Net pension liability – TRA*	27,094,617	–	27,094,617
Total	<u>\$ 122,987,847</u>	<u>\$ 83,780,044</u>	<u>\$ 39,207,803</u>

*Reflects current year change in accounting principle; prior year balances were not restated.

As previously discussed, the District recorded a change in accounting principle in the current year for reporting the District's participation in the PERA and TRA pension plans. Information needed to restate previous periods was not readily available; therefore, prior period amounts were not restated.

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District is dependent on selling services to independent school districts throughout the state of Minnesota for its revenue. The majority of this revenue is generated through services provided to the member independent school districts of the District. For the past few years, legislated revenue increases to these members for providing educational services have not been sufficient to meet instructional program needs and increased costs due to inflation. The District continuously endeavors to control costs and also meet the needs of its member districts by providing specialized programs for their students, as demonstrated by the current fiscal year's financial statements including only a 1.3 percent increase in total cost of services and a flat unreserved – unassigned fund balance percentage.

One member district has given notice of its intent to withdraw membership as of June 30, 2017.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

These financial statements are designed to provide our citizens, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about these statements or need additional financial information, contact the Business Services Office, Intermediate District No. 287, 1820 North Xenium Lane, Plymouth, Minnesota 55441.

BASIC FINANCIAL STATEMENTS

INTERMEDIATE DISTRICT NO. 287

Statement of Net Position
as of June 30, 2015
(With Partial Comparative Information as of June 30, 2014)

	Governmental Activities	
	2015	2014
Assets		
Cash and temporary investments	\$ 13,130,936	\$ 11,747,106
Receivables		
Accounts and interest	404,229	597,828
Due from other governmental units	10,108,049	10,335,129
Inventory	4,223	2,579
Prepaid items	154,576	130,931
Restricted assets – temporarily restricted		
Cash and investments for debt service	5,084,808	3,745,412
Capital assets, net of depreciation		
Not depreciated	11,141,782	10,865,963
Depreciated, net of accumulated depreciation	62,996,995	66,266,511
Total capital assets, net of accumulated depreciation	<u>74,138,777</u>	<u>77,132,474</u>
Total assets	103,025,598	103,691,459
Deferred outflows of resources		
Pension plan deferments – PERA and TRA	<u>9,530,253</u>	<u>–</u>
Total assets and deferred outflows of resources	<u>\$ 112,555,851</u>	<u>\$ 103,691,459</u>
Liabilities		
Salaries and compensated absences payable	\$ 5,860,752	\$ 5,860,986
Accounts and contracts payable	1,114,954	770,392
Accrued interest payable	585,555	610,310
Due to other governmental units	796,220	1,818,131
Unearned revenue	242,037	223,885
Long-term liabilities		
Due within one year	3,457,528	3,387,774
Due in more than one year	119,530,319	80,392,270
Total long-term liabilities	<u>122,987,847</u>	<u>83,780,044</u>
Total liabilities	131,587,365	93,063,748
Deferred inflows of resources		
Pension plan deferments – PERA and TRA	12,517,712	–
Net position		
Net investment in capital assets	2,718,148	3,568,822
Restricted for		
State funding restrictions	929,381	538,299
Debt service	5,121,534	3,774,686
Unrestricted	(40,318,289)	2,745,904
Total net position	<u>(31,549,226)</u>	<u>10,627,711</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 112,555,851</u>	<u>\$ 103,691,459</u>

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Statement of Activities
 Year Ended June 30, 2015
 (With Partial Comparative Information for the Year Ended June 30, 2014)

Functions/Programs	2015			2014	
	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Governmental Activities
Governmental activities					
Career and technical education	\$ 1,204,770	\$ 1,210,708	\$ 22,901	\$ 28,839	\$ (272,993)
Academic education	10,771,569	5,801,641	3,886,296	(1,083,632)	(1,347,078)
Special education	49,436,189	11,040,950	39,396,839	1,001,600	(1,236,451)
Student clubs	29,074	–	33,345	4,271	3,990
Administrative support services and operations and maintenance	15,884,064	5,336,490	11,694,128	1,146,554	358,407
Food service	771,783	94,141	348,888	(328,754)	(309,398)
Community service	152,350	76,368	189	(75,793)	(90,163)
Interest and fiscal charges on debt	3,835,131	–	–	(3,835,131)	(3,901,822)
Total governmental activities	<u>\$ 82,084,930</u>	<u>\$ 23,560,298</u>	<u>\$ 55,382,586</u>	(3,142,046)	(6,795,508)
General revenues					
General grants and aids				5,175,838	5,118,720
Other general revenues				799,531	577,467
Investment earnings				152,814	112,646
Total general revenues				<u>6,128,183</u>	<u>5,808,833</u>
Change in net position				2,986,137	(986,675)
Net position – beginning, as previously reported				10,627,711	11,614,386
Change in accounting principle				(45,163,074)	–
Net position – beginning, as restated				<u>(34,535,363)</u>	<u>11,614,386</u>
Net position – ending				<u>\$ (31,549,226)</u>	<u>\$ 10,627,711</u>

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Balance Sheet
 Governmental Funds
 as of June 30, 2015
 (With Partial Comparative Information as of June 30, 2014)

	General Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds	
				2015	2014
Assets					
Cash and temporary investments	\$ 12,593,581	\$ 36,726	\$ -	\$ 12,630,307	\$ 11,270,810
Cash and investments held by trustee	-	5,084,808	-	5,084,808	3,745,412
Receivables					
Accounts and interest	402,503	-	1,726	404,229	597,828
Due from other funds	9,883	-	-	9,883	3,137
Due from other governmental units	10,095,632	-	12,417	10,108,049	10,335,129
Inventory	-	-	4,223	4,223	2,579
Prepaid items	149,666	-	4,910	154,576	130,931
Total assets	\$ 23,251,265	\$ 5,121,534	\$ 23,276	\$ 28,396,075	\$ 26,085,826
Liabilities					
Salaries and compensated absences payable	\$ 5,841,000	\$ -	\$ 6,921	\$ 5,847,921	\$ 5,852,211
Due to other funds	-	-	9,883	9,883	3,137
Accounts and contracts payable	1,111,648	-	3,306	1,114,954	770,392
Due to other governmental units	796,067	-	153	796,220	1,818,131
Unearned revenue	239,024	-	3,013	242,037	223,885
Total liabilities	7,987,739	-	23,276	8,011,015	8,667,756
Fund balances					
Nonspendable	149,666	-	-	149,666	130,931
Restricted	882,202	5,121,534	-	6,003,736	4,270,075
Assigned	7,746,169	-	-	7,746,169	6,624,016
Unassigned	6,485,489	-	-	6,485,489	6,393,048
Total fund balances	15,263,526	5,121,534	-	20,385,060	17,418,070
Total liabilities and fund balances	\$ 23,251,265	\$ 5,121,534	\$ 23,276	\$ 28,396,075	\$ 26,085,826

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
as of June 30, 2015

(With Partial Comparative Information as of June 30, 2014)

	<u>2015</u>	<u>2014</u>
Total fund balances – governmental funds	\$ 20,385,060	\$ 17,418,070
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	90,871,377	90,362,364
Accumulated depreciation	(16,732,600)	(13,229,890)
Governmental funds do not report a liability for accrued interest on long-term debt until due and payable.		
	(585,555)	(610,310)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable.		
Capital leases payable	(22,929,558)	(23,712,556)
Certificates of participation payable	(48,440,000)	(49,800,000)
Unamortized premium/discount on debt issued	(51,071)	(51,096)
Severance benefits payable	(6,441,637)	(7,056,817)
Compensated absences payable	(501,004)	(512,488)
Net other post-employment benefit obligation	(2,576,124)	(2,446,963)
Net pension obligation	(152,017)	(200,124)
Net pension liability – PERA	(14,801,819)	–
Net pension liability – TRA	(27,094,617)	–
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows – PERA and TRA pension plans	9,530,253	–
Deferred inflows – PERA and TRA pension plans	(12,517,712)	–
The Internal Service Fund is used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service Fund are included in the governmental activities in the Statement of Net Position.		
	<u>487,798</u>	<u>467,521</u>
Total net position – governmental activities	<u>\$ (31,549,226)</u>	<u>\$ 10,627,711</u>

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2015
 (With Partial Comparative Information for the Year Ended June 30, 2014)

	General Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds	
				2015	2014
Revenue					
Local sources					
Pass-through levies	\$ 3,151,287	\$ 3,655,627	\$ -	\$ 6,806,914	\$ 6,410,771
Tuition	20,430,978	-	14,319	20,445,297	19,482,885
Investment earnings	7,291	145,523	-	152,814	112,646
Other	3,072,016	-	156,190	3,228,206	4,806,223
State sources	51,522,895	-	16,497	51,539,392	49,306,850
Federal sources	928,060	1,520,211	332,387	2,780,658	2,446,681
Total revenue	<u>79,112,527</u>	<u>5,321,361</u>	<u>519,393</u>	<u>84,953,281</u>	<u>82,566,056</u>
Expenditures					
Current					
Career and technical education	1,211,785	-	-	1,211,785	1,403,840
Academic education	9,863,612	-	-	9,863,612	10,244,375
Special education	48,946,253	-	-	48,946,253	47,125,000
Student clubs	29,074	-	-	29,074	34,837
Administrative support services and operations and maintenance	15,038,859	-	-	15,038,859	15,305,337
Food service	-	-	777,192	777,192	671,461
Community service	-	-	152,564	152,564	181,607
Debt service					
Principal	782,998	1,360,000	-	2,142,998	2,063,126
Interest and fiscal charges	1,245,398	2,614,513	-	3,859,911	3,947,403
Total expenditures	<u>77,117,979</u>	<u>3,974,513</u>	<u>929,756</u>	<u>82,022,248</u>	<u>80,976,986</u>
Excess (deficiency) of revenue over expenditures	1,994,548	1,346,848	(410,363)	2,931,033	1,589,070
Other financing sources (uses)					
Transfers in	-	-	410,363	410,363	399,705
Transfers (out)	(410,363)	-	-	(410,363)	(399,705)
Sale of assets	35,957	-	-	35,957	19,402
Total other financing sources (uses)	<u>(374,406)</u>	<u>-</u>	<u>410,363</u>	<u>35,957</u>	<u>19,402</u>
Net change in fund balances	1,620,142	1,346,848	-	2,966,990	1,608,472
Fund balances					
Beginning of year	<u>13,643,384</u>	<u>3,774,686</u>	<u>-</u>	<u>17,418,070</u>	<u>15,809,598</u>
End of year	<u>\$ 15,263,526</u>	<u>\$ 5,121,534</u>	<u>\$ -</u>	<u>\$ 20,385,060</u>	<u>\$ 17,418,070</u>

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
Year Ended June 30, 2015
(With Partial Comparative Information for the Year Ended June 30, 2014)

	2015	2014
Total net change in fund balances – governmental funds	\$ 2,966,990	\$ 1,608,472
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	585,017	1,019,386
Depreciation expense	(3,577,390)	(3,578,716)
Repayment of long-term debt principal does not affect the change in net position. However, it reduces fund balances.		
Capital lease payable	782,998	743,126
Certificates of participation payable	1,360,000	1,320,000
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.		
	24,755	23,052
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Net pension liability – PERA	2,352,458	–
Net pension liability – TRA	3,992,148	–
A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balances.		
	(1,324)	(10,166)
The Internal Service Fund is used by management to charge the costs of certain activities to individual funds. The change in net position of the Internal Service Fund is included in the governmental activities in the Statement of Activities.		
	20,277	70,003
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses or interest and fiscal charges.		
	25	22,529
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Severance benefits payable	615,180	(1,712,349)
Compensated absences payable	11,484	(64,323)
Net other post-employment benefit obligation	(129,161)	(418,343)
Net pension obligation	48,107	(9,346)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows – PERA and TRA pension plans	6,452,285	–
Deferred inflows – PERA and TRA pension plans	(12,517,712)	–
Change in net position – governmental activities	<u>\$ 2,986,137</u>	<u>\$ (986,675)</u>

See notes to basic financial statements

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INTERMEDIATE DISTRICT NO. 287

Statement of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
Year Ended June 30, 2015

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Pass-through levies	\$ 3,085,750	\$ 2,988,258	\$ 3,151,287	\$ 163,029
Tuition	19,175,832	18,817,645	20,430,978	1,613,333
Investment earnings	5,000	15,000	7,291	(7,709)
Other	3,219,038	3,582,903	3,072,016	(510,887)
State sources	50,820,122	51,170,333	51,522,895	352,562
Federal sources	703,890	1,002,597	928,060	(74,537)
Total revenue	<u>77,009,632</u>	<u>77,576,736</u>	<u>79,112,527</u>	<u>1,535,791</u>
Expenditures				
Current				
Career and technical education	1,157,078	1,154,775	1,211,785	57,010
Academic education	9,405,414	9,758,291	9,863,612	105,321
Special education	49,114,355	48,611,727	48,946,253	334,526
Student clubs	27,700	27,700	29,074	1,374
Administrative support services and operations and maintenance				
Annual costs	15,255,091	15,791,889	15,038,859	(753,030)
Debt service				
Principal	782,770	782,770	782,998	228
Interest and fiscal charges	1,323,709	1,271,709	1,245,398	(26,311)
Total expenditures	<u>77,066,117</u>	<u>77,398,861</u>	<u>77,117,979</u>	<u>(280,882)</u>
Excess (deficiency) of revenue over expenditures	(56,485)	177,875	1,994,548	1,816,673
Other financing sources (uses)				
Transfers (out)	(459,886)	(459,886)	(410,363)	49,523
Sale of assets	5,000	-	35,957	35,957
Total other financing sources (uses)	<u>(454,886)</u>	<u>(459,886)</u>	<u>(374,406)</u>	<u>85,480</u>
Net change in fund balances	<u>\$ (511,371)</u>	<u>\$ (282,011)</u>	1,620,142	<u>\$ 1,902,153</u>
Fund balances				
Beginning of year			<u>13,643,384</u>	
End of year			<u>\$ 15,263,526</u>	

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Statement of Net Position
Proprietary Fund
Internal Service Fund
as of June 30, 2015

(With Partial Comparative Information as of June 30, 2014)

	<u>2015</u>	<u>2014</u>
Current assets		
Cash and temporary investments	\$ 500,629	\$ 476,296
Current liabilities		
Claims payable	<u>12,831</u>	<u>8,775</u>
Net position		
Unrestricted	<u>\$ 487,798</u>	<u>\$ 467,521</u>

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Statement of Revenue, Expenses, and Changes in Net Position
 Proprietary Fund
 Internal Service Fund
 Year Ended June 30, 2015
 (With Partial Comparative Information for the Year Ended June 30, 2014)

	<u>2015</u>	<u>2014</u>
Operating revenue		
Contributions from governmental funds	\$ 558,135	\$ 563,673
Operating expenses		
Dental benefit claims and expenses	<u>537,858</u>	<u>493,670</u>
Change in net position	20,277	70,003
Net position		
Beginning of year	<u>467,521</u>	<u>397,518</u>
End of year	<u><u>\$ 487,798</u></u>	<u><u>\$ 467,521</u></u>

See notes to basic financial statements

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INTERMEDIATE DISTRICT NO. 287

Statement of Cash Flows
 Proprietary Fund
 Internal Service Fund
 Year Ended June 30, 2015

(With Partial Comparative Information for the Year Ended June 30, 2014)

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Received from assessments made to other funds	\$ 558,135	\$ 563,673
Payments for dental claims	<u>(533,802)</u>	<u>(489,662)</u>
Net cash provided by operating activities	24,333	74,011
Cash and temporary investments		
Beginning of year	<u>476,296</u>	<u>402,285</u>
End of year	<u>\$ 500,629</u>	<u>\$ 476,296</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 20,277	\$ 70,003
Increase (decrease) in claims payable	<u>4,056</u>	<u>4,008</u>
Net cash provided by operating activities	<u>\$ 24,333</u>	<u>\$ 74,011</u>

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Statement of Fiduciary Net Position
as of June 30, 2015

	Employee Benefit Trust Fund	Scholarship Private-Purpose Trust Fund
	<u> </u>	<u> </u>
Assets		
Cash and temporary investments	\$ 61,865	\$ 100,314
Prepaid items	4,678	-
Total assets	<u>66,543</u>	<u>100,314</u>
Liabilities	<u>55,859</u>	<u>-</u>
Net position		
Held in trust for flexible benefits	<u>\$ 10,684</u>	
Held in trust for scholarships		<u>\$ 100,314</u>

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2015

	Employee Benefit Trust Fund	Scholarship Private-Purpose Trust Fund
	<u> </u>	<u> </u>
Additions		
Plan member contributions	\$ 523,661	\$ -
Donations	-	3,275
Total additions	<u>523,661</u>	<u>3,275</u>
Deductions		
Benefits to plan members	536,559	-
Scholarships awarded	-	21,275
Total deductions	<u>536,559</u>	<u>21,275</u>
Change in net position	(12,898)	(18,000)
Net position		
Beginning of year	<u>23,582</u>	<u>118,314</u>
End of year	<u>\$ 10,684</u>	<u>\$ 100,314</u>

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Notes to Basic Financial Statements
June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The financial statements of Intermediate District No. 287 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The District is an instrumentality of the state of Minnesota established to function as an educational institution. The District's Board of Directors is responsible for legislative and fiscal control of the District. A superintendent is appointed by the Board of Directors and is responsible for administrative control of the District.

B. Reporting Entity

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

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

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

C. Government-Wide Financial Statement Presentation

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Certain indirect costs have been included as part of the program expenses reported for the various functional activities. 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 internally directed revenues are reported as general revenues.

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

The District applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available. Depreciation expense is included as a direct expense in the functional areas that utilize the related capital assets. Interest on debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements. The Proprietary Fund (Internal Service Fund) is presented in the proprietary fund financial statements. Because the principal users of the internal services are the District's governmental activities, the financial statement of the Proprietary Fund (Internal Service Fund) is consolidated into the governmental activities in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity. Fiduciary funds are presented in the fiduciary fund financial statements by type. Since, by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's Internal Service Fund is charges to employees for insurance. Operating expenses for the internal service funds include the cost of services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The District's only proprietary fund is the Internal Service Fund, which provides services to the governmental funds.

Governmental funds 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 accounting principles generally accepted in the United States of America. Federal revenue is recorded in the year in which the related expenditure is made. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. Other revenue is considered available if collected within 60 days after year-end. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

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

Description of Funds

The existence of the various district funds has been established by the Minnesota Department of Education (MDE). Each fund is accounted for as an independent entity. A description of the funds included in this report is 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. The District has included in the General Fund subdivisions to account for revenue and expenditures for career and technical education, academic education, special education, district-wide (including administrative support services and operations and maintenance), severance and property, and student clubs.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and payment of, debt principal, interest, and related costs.

Nonmajor Governmental Funds

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

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

Proprietary Fund

Internal Service Fund – The Internal Service Fund is used to account for and finance the uninsured risk of loss of the District’s employee dental plan.

Fiduciary Fund

Employee Benefit Trust Fund – The Employee Benefit Trust Fund is used to administer resources received and held by the District as the trustee for others. The Employee Benefit Trust Fund includes the District’s flexible benefit plan (Internal Revenue Code § 125 Cafeteria Plan).

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgeting

Each June, the Board of Directors adopts an annual budget for the following fiscal year for the General Fund, Food Service Special Revenue Fund, Community Service Special Revenue Fund, and Debt Service Fund. The budget for each fund is prepared on the same basis of accounting as the financial statements. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end. Expenditures exceeded budgeted amounts in the Debt Service Fund by \$6,405 and in the Food Service Special Revenue Fund by \$31,495.

F. Cash and Investments

Cash and temporary investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes. In the Debt Service Fund, the cash is restricted for debt payments. Interest earned on these investments was allocated directly to those accounts.

Investments are generally stated at fair value, except for investments in 2a7-like external investment pools, which are stated at amortized cost. Short-term, highly liquid debt instruments (including commercial paper, bankers' acceptance, and U.S. treasury and agency obligations) purchased with a remaining maturity of one year or less are also reported at amortized cost. Investment income is accrued at the Balance Sheet date.

G. Receivables

All receivables are shown net of any allowance for uncollectibles; however, no allowance has been recorded. The District believes all receivables are fully collectible within one year.

H. Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market. Inventories are recorded as expenditures when items are used or sold.

I. Prepaid Items

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

J. Capital Assets

Capital assets are capitalized at historical cost or estimated historical cost for purchased or constructed assets. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$5,000 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital assets are recorded in the government-wide financial statements, 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 purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary, ranging from 20 to 50 years for buildings, and 4 to 15 years for equipment.

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

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

K. Unearned Revenue

Unearned revenue consists of tuition for fiscal 2016, West Suburban Summer School classes collected with spring registration, gifts and grants for the fiscal 2016 school year, and balances remaining in student lunch accounts.

L. Long-Term Obligations

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

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

M. Compensated Absences Payable

- 1. Vacation Pay** – Employees are entitled to vacation based on length of employment, portions of which may be carried over to future years. Employees are reimbursed for any unused, accrued vacation and related benefits upon termination. Vacation pay is accrued when earned or incurred in the government-wide financial statements. Unused vacation pay is accrued in governmental fund financial statements only when it has matured due to employee termination or similar circumstances.
- 2. Sick Pay** – Substantially all district employees are entitled to sick leave at various rates. Unused sick leave enters into the calculation of early retirement incentive and convertible sick leave payments for some employees upon termination.

N. Severance Benefits

The District provides lump sum severance or retirement pay to eligible employees in accordance with provisions in certain collectively bargained contracts.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Members of certain employee groups within the District, including teachers, may become eligible to receive lump sum severance or retirement pay benefits. Eligibility for these benefits is based on years of service and/or minimum age requirements. The amount of the severance or retirement benefit is calculated by converting a portion of unused accumulated sick leave. No employee can receive severance or retirement benefits that exceed one year's salary. Members of certain employee groups may also elect to receive district matching contributions paid into a tax-deferred matching contribution plan. The amount of any severance or retirement benefit due an individual is reduced by the total matching contributions made by the District to such a plan over the course of that individual's employment.

Severance or retirement benefits are required to be paid out over a 21-month period following the effective date of retirement. Retirement benefits for eligible teachers are paid into a post-employment healthcare savings plan, administered by the Minnesota State Retirement System. For other employees, severance benefits are paid into a pay deferral plan or healthcare savings plan as directed by the individual retirees. Severance is recorded as a liability in the government-wide financial statements as it is earned and it becomes probable that it will vest at some point in the future. Severance or retirement pay is accrued in the governmental fund financial statements only when it becomes due and payable.

O. State-Wide Pension Plans

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

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

P. Tuition Billings

The District's policy is to recognize tuition revenue in the fiscal year that corresponds with the fiscal year in which the educational services are rendered to resident districts. Therefore, tuition revenue for the year ended June 30, 2015 represents services performed during the 2014–2015 fiscal year.

Special education, career and technical education, and academic tuition billings are based on a determination of the general education, categorical aids, prior legislative formulas for cooperation revenue, and any other pertinent levy dollars as provided by legislation to each student's resident local school district.

Q. Risk Management

- 1. General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage in fiscal 2015.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. **Self-Insurance** – The District has an Internal Service Fund to account for and finance its uninsured risk of loss for an employee dental plan. The Internal Service Fund is funded by the District, employee contributions, and interest income (if any). The claims liability of \$12,831 reported in the Internal Service Fund at June 30, 2015 is based on the requirement that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the loss can be reasonably estimated. Changes in the Internal Service Fund’s claim liability were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
June 30, 2014	\$ 4,767	\$ 493,670	\$ 489,662	\$ 8,775
June 30, 2015	\$ 8,775	\$ 537,858	\$ 533,802	\$ 12,831

R. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred outflows of resources related to pensions reported in the government-wide Statement of Net Position. This deferred outflow results from differences between expected and actual experience, changes of assumptions, the difference between projected and actual earnings on pension plan investments, and from contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension standards.

In addition to liabilities, statements of financial position or balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item which qualifies for reporting in this category.

This deferred inflow results from differences between expected and actual experience, changes of assumptions, and the difference between projected and actual earnings on pension plan investments. These amounts are deferred and amortized as required under pension standards.

S. Statement of Cash Flows

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

T. Restricted Assets

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

V. Net Position

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

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

W. Fund Balance Classifications

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

X. Prior Period Comparative Financial Information/Reclassification

The basic financial statements include certain prior year partial comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2014, from which the summarized information was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Y. Change in Accounting Principle

During the year ended June 30, 2015, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. GASB Statement No. 68 included major changes in how employers account for pension benefit expenses and liabilities. In financial statements prepared using the economic resources measurement focus and accrual basis of accounting (government-wide and proprietary funds), an employer is required to recognize a liability for its share of the net pension liability provided through the pension plan. An employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources for its share related to pensions. This standard required retroactive implementation, which resulted in the restatement of net position as of June 30, 2014. The net position of governmental activities in the government-wide financial statements as of June 30, 2014 was decreased by \$45,163,074. This change reflects the District's proportionate share of the net pension liabilities (\$48,241,042 decrease in net position) and related deferred outflows of resources (\$3,077,968 increase in net position) for the PERA and TRA pension plans, which are now reported by employers under current guidance. Certain amounts necessary to fully restate fiscal year 2014 financial information are not determinable; therefore, prior year comparative amounts have not been restated.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Deposits

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the Board of Directors.

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

The District’s deposit policies do not further limit depository choices.

At year-end, the carrying amount of the District’s deposits was \$9,514,908 while the balance on the bank records was \$9,514,908. At June 30, 2015, all deposits were insured or collateralized by securities held by the District’s agent in the District’s name.

B. Cash on Hand

Cash in the possession of the District, consisting of petty cash and change funds, totaled \$480 at year-end.

C. Investments

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

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

Concentration Risk – This is the risk associated with investing a significant portion of the District’s investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District’s investment policies do not address concentration risk. At June 30, 2015, the District’s investments portfolio includes the following percentages of specific issuers:

Repurchase agreement	
Citigroup Global Markets	57.4%

This asset is being held by a trustee as required in the debt issuance documents for the certificates of participation issued by the District. This asset will be used to pay future debt service.

D. Summary Information

The following table presents the District’s deposit and investment balances at June 30, 2015, and information relating to potential investment risks:

Investment Type	Credit Risk		Interest	Carrying Value
	Credit Rating	Rating Agency	Rate Risk Maturity Date	
Repurchase agreement				
Citigroup Global Markets	AAA	S&P	> 10 years	\$ 5,084,808
Investment pools/mutual funds				
Minnesota School District Liquid Asset Fund				
Liquid portfolio	AAA	S&P	N/A	<u>3,777,727</u>
Total investments				8,862,535
Deposits				9,514,908
Cash on hand				<u>480</u>
Total cash and investments				<u><u>\$ 18,377,923</u></u>

N/A – Not Applicable

The underlying security for the repurchase agreement is a guaranteed investment contract rated AAA by S&P. The Minnesota School District Liquid Asset Fund (MSDLAF) is regulated by Minnesota Statutes and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the same regulatory rules of the SEC under rule 2a7. The District’s investment in the MSDLAF is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

Cash and temporary investments – Statement of Net Position	\$ 13,130,936
Restricted assets – cash and investments for debt service – Statement of Net Position	5,084,808
Cash and investments – Statement of Fiduciary Net Position	
Employee Benefit Trust Fund	61,865
Scholarship Private-Purpose Trust Fund	<u>100,314</u>
 Total cash and investments	 <u><u>\$ 18,377,923</u></u>

NOTE 3 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2015 is as follows:

	Balance – Beginning of Year	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated					
Land	\$ 10,865,963	\$ –	\$ –	\$ –	\$ 10,865,963
Construction in progress	<u>–</u>	<u>275,819</u>	<u>–</u>	<u>–</u>	<u>275,819</u>
Total capital assets, not depreciated	10,865,963	275,819	–	–	11,141,782
Capital assets, depreciated					
Buildings	75,712,723	153,644	–	–	75,866,367
Equipment	<u>3,783,678</u>	<u>155,554</u>	<u>(76,004)</u>	<u>–</u>	<u>3,863,228</u>
Total capital assets, depreciated	79,496,401	309,198	(76,004)	–	79,729,595
Less accumulated depreciation for					
Buildings	(10,166,397)	(3,065,929)	–	–	(13,232,326)
Equipment	<u>(3,063,493)</u>	<u>(511,461)</u>	<u>74,680</u>	<u>–</u>	<u>(3,500,274)</u>
Total accumulated depreciation	<u>(13,229,890)</u>	<u>(3,577,390)</u>	<u>74,680</u>	<u>–</u>	<u>(16,732,600)</u>
Net capital assets, depreciated	<u>66,266,511</u>	<u>(3,268,192)</u>	<u>(1,324)</u>	<u>–</u>	<u>62,996,995</u>
Total capital assets, net	<u><u>\$ 77,132,474</u></u>	<u><u>\$ (2,992,373)</u></u>	<u><u>\$ (1,324)</u></u>	<u><u>\$ –</u></u>	<u><u>\$ 74,138,777</u></u>

Depreciation expense for the year ended June 30, 2015 was charged to the following governmental functions:

Career and technical education	\$ 37,158
Academic education	1,113,907
Special education	1,322,423
Administrative support services and operations and maintenance	<u>1,103,902</u>
Total depreciation expense	<u><u>\$ 3,577,390</u></u>

NOTE 4 – LONG-TERM LIABILITIES

A. Components and Changes in Long-Term Liabilities

	June 30, 2014	Change in Accounting Principle*	Additions	Retirements	June 30, 2015	Due Within One Year
Capital leases payable	\$ 23,712,556	\$ –	\$ –	\$ 782,998	\$ 22,929,558	\$ 825,010
Certificates of participation payable	49,800,000	–	–	1,360,000	48,440,000	1,405,000
Unamortized premium/discount on debt issued	51,096	–	–	25	51,071	–
Severance benefits payable	7,056,817	–	335,933	951,113	6,441,637	726,514
Compensated absences payable	512,488	–	641,963	653,447	501,004	501,004
Net other post-employment benefit obligation (See Note 6)	2,446,963	–	950,264	821,103	2,576,124	–
Net pension obligation (See Note 7)	200,124	–	44,431	92,538	152,017	–
Net pension liability – PERA	–	17,154,277	1,199,282	3,551,740	14,801,819	–
Net pension liability – TRA	–	31,086,765	1,878,686	5,870,834	27,094,617	–
	<u>\$ 83,780,044</u>	<u>\$ 48,241,042</u>	<u>\$ 5,050,559</u>	<u>\$ 14,083,798</u>	<u>\$ 122,987,847</u>	<u>\$ 3,457,528</u>

*Adjustment is part of the change in accounting principle described earlier in these notes.

B. Descriptions of Long-Term Liabilities

1. Capital Leases Payable – The following capital leases are outstanding as of June 30, 2015:

Issue	Issue Date	Interest Rate	Original Issue	Final Maturity	Principal Outstanding
Capital leases payable					
North Vector	02/15/2005	5.37%	\$ 96,000	01/15/2025	\$ 60,157
South Education Center – construction	10/10/2006	5.30%	\$ 25,400,000	11/01/2032	22,869,401
Total capital leases payable					<u>\$ 22,929,558</u>

The assets acquired through the capital leases have been recorded in capital assets within building and equipment costs of \$25,496,000. The building and equipment costs are depreciated using the straight-line method over the life of the leases. The lease obligations will be repaid through the General Fund. Certain future pass-through levies of the member districts have been pledged for the payment of these capital leases.

2. Certificates of Participation (COP) Payable – The following certificates of participation are outstanding as of June 30, 2015:

Issue	Issue Date	Interest Rate	Original Issue	Final Maturity	Principal Outstanding
Certificates of participation payable					
Refunding Certificate of Participation – 2009A (Bren Road)	07/15/2009	1.65–5.00%	\$ 8,570,000	02/01/2025	\$ 5,805,000
Refunding Certificate of Participation – 2010C (SEC Land)	06/30/2010	2.00–4.25%	\$ 7,405,000	02/01/2028	5,935,000
Certificate of Participation – 2010A	01/07/2010	2.40%	\$ 3,200,000	02/01/2020	1,715,000
Certificate of Participation – 2010B (Build America Bonds – Direct Pay)	01/07/2010	5.48%	\$ 2,050,000	02/01/2025	2,050,000
Certificate of Participation – 2010E (Qualified School Construction Bonds – Direct Pay)	11/18/2010	6.00%	\$ 29,790,000	02/01/2029	29,790,000
Certificate of Participation – 2011A	05/19/2011	3.00–4.20%	\$ 4,075,000	02/01/2026	3,145,000
Total certificates of participation payable					<u>\$ 48,440,000</u>

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

The certificates of participation will be repaid by the Debt Service Fund. The District’s 2010B Certificates of Participation were issued as Build America Bonds – Direct Pay, and the District’s 2010E Certificates of Participation were issued as Qualified School Construction Bonds – Direct Pay for which the District will receive federal tax credits toward the interest payments on these debt issues. Certain future pass-through levies of the member districts have been pledged for the payment of these certificates. A portion of the District’s annual payments are being held in an escrow account that is being held for payment of future debt service.

3. **Severance Benefits Payable** – Severance benefits payable consist of early retirement incentive benefits payable to employees. Severance benefit liabilities are paid by the General Fund. Annual payments to retire the severance benefit liabilities have not been determined and will depend on actual employee turnover.
4. **Compensated Absences Payable** – Compensated absences payable represent accrued vacation payable at year-end. Compensated absences are paid by the General Fund. Annual payments to retire compensated absences payable have not been determined and will depend on employee turnover and actual employee absences.
5. **Other Long-Term Liabilities** – The District offers a number of benefits to its employees, including: pensions and OPEB. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are financed primarily from the General Fund.

C. Minimum Debt Payments

Minimum annual principal and interest payments required to retire capital leases payable and certificates of participation are as follows:

Year Ending June 30,	Capital Leases		Certificates of Participation	
	Principal	Interest	Principal	Interest
2016	\$ 825,010	\$ 1,203,386	\$ 1,405,000	\$ 2,556,446
2017	869,277	1,159,120	1,450,000	2,510,756
2018	915,918	1,112,478	1,505,000	2,459,506
2019	965,062	1,063,335	1,560,000	2,403,981
2020	1,016,842	1,011,554	1,620,000	2,340,771
2021–2025	5,963,551	4,178,430	9,140,000	10,604,434
2026–2030	7,700,212	2,402,503	31,760,000	7,295,430
2031–2035	4,673,686	377,672	–	–
	<u>\$ 22,929,558</u>	<u>\$ 12,508,478</u>	<u>\$ 48,440,000</u>	<u>\$ 30,171,325</u>

NOTE 5 – FUND BALANCES

A. Classifications

At June 30, 2015, a summary of the District’s governmental fund balance classifications are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Nonspendable			
Prepaid items	\$ 149,666	\$ –	\$ 149,666
Restricted			
Health and safety	94	–	94
Basic skills	317,124	–	317,124
Safe schools	564,984	–	564,984
Debt service	–	5,121,534	5,121,534
Total restricted	<u>882,202</u>	<u>5,121,534</u>	<u>6,003,736</u>
Assigned			
Severance	5,445,665	–	5,445,665
MDE appeal	1,646,636	–	1,646,636
Property	245,581	–	245,581
Student clubs	47,179	–	47,179
Vehicle depreciation	28,587	–	28,587
Self-insurance	76,299	–	76,299
Collaborative curriculum project	256,222	–	256,222
Total assigned	<u>7,746,169</u>	<u>–</u>	<u>7,746,169</u>
Unassigned	<u>6,485,489</u>	<u>–</u>	<u>6,485,489</u>
Total	<u>\$ 15,263,526</u>	<u>\$ 5,121,534</u>	<u>\$ 20,385,060</u>

B. Fund Balance Policy

The Board of Directors has formally adopted a fund balance policy regarding the unassigned fund balance for the General Fund. The policy establishes that the District will endeavor to maintain an unassigned fund balance of at least 6 to 8 percent of the District’s General Fund operating budget, excluding operating capital programs. At June 30, 2015, the unassigned fund balance of the General Fund was 8.4 percent of total current year expenditures.

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

The District provides post-employment benefits to certain eligible employees through the District's Other Post-Employment Benefits (OPEB) Plan, a single-employer defined benefit plan administered by the District. There are 779 active plan participants and 30 retired plan participants. All post-employment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report. These benefits are summarized as follows:

Post-Employment Insurance Benefits – All retirees of the District have the option under state law to continue their medical insurance coverage through the District from the time of retirement until the employee reaches the age of eligibility for Medicare. For benefit eligible employees, the District continues to contribute its portion of health insurance costs for retired employees for a specified amount of time as defined within the guidelines of each employee group agreement. Benefits paid by the District differ by employee group, with some contracts specifying a certain dollar amount per month, and some covering a percentage of premium costs. Retirees not eligible for these district-paid premium benefits must pay the full district premium rate for their coverage upon retirement, if they wish to continue their coverage.

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

B. Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to pre-fund benefits as determined periodically by the District. There are no invested plan assets accumulated for payment of future benefits.

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

C. Annual OPEB Cost and Net OPEB Obligation

The District’s annual OPEB cost (expense) is calculated based on annual required contributions (ARC) of the District, an amount determined on an actuarially determined basis in accordance with the parameters of GASB Statement No. 45. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the District’s annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the District’s net OPEB obligation to the plan:

ARC	\$ 988,660
Interest on net OPEB obligation	86,136
Adjustment to ARC	(124,532)
Annual OPEB cost (expense)	<u>950,264</u>
Contributions made	<u>821,103</u>
Increase in net OPEB obligation	129,161
Net OPEB – beginning of year	<u>2,446,963</u>
Net OPEB – end of year	<u><u>\$ 2,576,124</u></u>

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the past three years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$ 1,090,783	\$ 566,874	52.0%	\$ 2,028,620
June 30, 2014	\$ 953,759	\$ 535,416	56.1%	\$ 2,446,963
June 30, 2015	\$ 950,264	\$ 821,103	86.4%	\$ 2,576,124

D. Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$9,327,173, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,327,173. The covered payroll (annual payroll of active employees covered by the plan) was \$37,767,517, and the ratio of the UAAL to the covered payroll was 24.7 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress following the notes to basic financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS PLAN (OPEB) (CONTINUED)

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included: a 4.0 percent investment rate of return (net of administrative expenses) based on the District's own investments; an inflation rate of 3.0 percent; a 3.8 percent rate of projected salary increases; an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after 6 years. The UAAL is being amortized on a level dollar basis over a 30-year open period.

NOTE 7 – PENSION BENEFITS PLAN

A. Plan Description

The District provides post-employment pension benefits to certain eligible employees through the District's Pension Benefits Plan, a single-employer defined benefit plan administered by the District. As of July 1, 2013 there were 70 active plan participants. All pension benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report. These benefits are summarized as follows:

The District offers pension benefits to several individuals and employee groups. Eligible employees (contracts stipulate a minimum number of years of service and a minimum age), can earn a lump sum pension benefit that differs by individual and bargaining unit. Some contracts also reduce the pension benefits by the total matching contribution made by the District to the employee's qualified retirement account over the course of that individual's employment with the District.

B. Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to pre-fund benefits as determined periodically by the District. There are no invested plan assets accumulated for the payment of future benefits.

NOTE 7 – PENSION BENEFITS PLAN (CONTINUED)

C. Annual Pension Cost and Net Pension Obligation

The District's annual pension cost (expense) is calculated based on ARC of the District, an amount determined on an actuarially determined basis in accordance with the parameters of GASB Statement Nos. 27 and 50. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the District's annual pension cost for the current year, the amount actually contributed to the plan, and the changes in the District's net pension obligation to the plan:

ARC	\$	47,832
Interest on net pension obligation		7,631
Adjustment to ARC		(11,032)
Annual pension cost (expense)		<u>44,431</u>
Contributions made		<u>92,538</u>
Increase in net pension obligation		(48,107)
Net pension obligation – beginning of year		<u>200,124</u>
Net pension obligation – end of year	\$	<u><u>152,017</u></u>

The District's annual pension cost, the percentage of annual pension cost contributed to the plan, and the net pension obligation for the past three years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Employer Contribution</u>	<u>Percentage of Annual Pension Cost Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2013	\$ 40,611	\$ 30,211	74.4%	\$ 190,778
June 30, 2014	\$ 44,431	\$ 35,085	79.0%	\$ 200,124
June 30, 2015	\$ 44,431	\$ 92,538	208.3%	\$ 152,017

D. Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$371,252, and the actuarial value of assets was \$0, resulting in a UAAL of \$371,252. The covered payroll (annual payroll of active employees covered by the plan) was \$37,767,517 and the ratio of the UAAL to the covered payroll was 1.0 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability occurrence of events far into the future. Examples include assumptions about future employment and mortality. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress following the notes to basic financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE 7 – PENSION BENEFITS PLAN (CONTINUED)

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included: a 4.0 percent investment rate of return (net of administrative expenses) based on the District's own investments; an inflation rate of 3.0 percent; and a 3.8 percent salary increase for all members. The UAAL is being amortized on a level dollar basis over a 30-year open period.

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

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

All full-time and certain part-time employees of the District other than teachers are covered by the General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

2. Teachers Retirement Association (TRA)

The TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota Statutes, Chapters 354 and 356. The TRA is a separate statutory entity 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 cities of Duluth and 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 Colleges and Universities (MnSCU) may elect TRA coverage within one year of eligible employment. Alternatively, these teachers may elect coverage through the Defined Contribution Retirement Plan (DCR) administered by MnSCU.

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

B. Benefits Provided

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

- **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 percent funded for two consecutive years are given 2.5 percent increases. Members in plans that have not exceeded 90 percent funded, or have fallen below 80 percent, are given 1 percent increases.
- **TRA** – Post-retirement benefit increases are provided to eligible benefit recipients each January. The TRA increase is 2.0 percent. After the TRA funded ratio exceeds 90 percent for two consecutive years, the annual post-retirement benefit will increase to 2.5 percent.

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

1. GERF Benefits

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

2. TRA Benefits

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

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

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Tier I Benefits

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

With these provisions:

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

Tier II Benefits

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

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

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

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Basic Plan members and Coordinated Plan members were required to contribute 9.1 percent and 6.5 percent, respectively, of their annual covered salary in calendar year 2014. Coordinated Plan members contributed 6.5 percent of pay in 2015. In calendar year 2014, the District was required to contribute 11.78 percent of pay for Basic Plan members and 7.25 percent for Coordinated Plan members. In 2015, employer rates increased to 7.5 percent in the Coordinated Plan. The District’s contributions to the GERF for the plan’s fiscal year ended June 30, 2015, were \$1,263,957. The District’s contributions were equal to the required contributions for each year as set by state statutes.

2. TRA Contributions

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

	Year Ended June 30,			
	2014		2015	
	Employee	Employer	Employee	Employer
Basic Plan	10.5%	11.0%	11.0%	11.5%
Coordinated Plan	7.0%	7.0%	7.5%	7.5%

The District’s contributions to the TRA for the plan’s fiscal year ended June 30, 2015, were \$2,013,921. The District’s contributions were equal to the required contributions for each year as set by state statutes.

D. Pension Costs

1. GERF Pension Costs

At June 30, 2015, the District reported a liability of \$14,801,819 for its proportionate share of the GERF’s net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2013, through June 30, 2014, relative to the total employer contributions received from all of the PERA’s participating employers. At June 30, 2014, the District’s proportion was 0.3151 percent.

For the year ended June 30, 2015, the District recognized pension expense of \$1,093,625 for its proportionate share of the GERF’s pension expense.

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

At June 30, 2015, the District reported its proportionate share of the GERF’s deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 227,162	\$ –
Changes in actuarial assumptions	1,525,475	–
Differences between projected and actual investment earnings	–	3,999,438
District's contributions to the GERF subsequent to the measurement date	<u>1,263,957</u>	<u>–</u>
 Total	 <u>\$ 3,016,594</u>	 <u>\$ 3,999,438</u>

A total of \$1,263,957 reported as deferred outflows of resources related to pensions resulting from district contributions to the GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to the GERF pensions will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2016	\$ (415,647)
2017	\$ (415,647)
2018	\$ (415,647)
2019	\$ (999,860)

2. TRA Pension Costs

At June 30, 2015, the District reported a liability of \$27,094,617 for its proportionate share of the TRA’s net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions to the TRA in relation to total system contributions including direct aid from the state of Minnesota, City of Minneapolis, and Special School District No. 1, Minneapolis Public Schools. The District’s proportionate share was 0.5880 percent at the end of the measurement period and 0.5419 percent for the beginning of the period.

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

District’s proportionate share of net pension liability	\$ 27,094,617
State’s proportionate share of the net pension liability associated with the District	\$ 1,906,176

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

A change in benefit provisions that affected the measurement of the total pension liability since the prior measurement date was an increase of the contribution rates for both the member and employer.

For the year ended June 30, 2015, the District recognized pension expense of \$1,905,074. It also recognized \$83,153 as pension expense for the support provided by direct aid.

At June 30, 2015, the District reported its proportionate share of the TRA’s deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 2,311,904	\$ –
Difference between projected and actual investment earnings	–	8,518,274
Changes in proportion and differences between contributions made and the District’s proportionate share of contributions	2,187,834	–
District’s contributions to the TRA subsequent to the measurement date	<u>2,013,921</u>	<u>–</u>
Total	<u>\$ 6,513,659</u>	<u>\$ 8,518,274</u>

A total of \$2,013,921 reported as deferred outflows of resources related to pensions resulting from district contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to TRA will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Pension Expense Amount</u>
2016	\$ (1,190,166)
2017	\$ (1,190,166)
2018	\$ (1,190,166)
2019	\$ (1,190,166)
2020	\$ 742,128

E. Actuarial Assumptions

The total pension liability in the June 30, 2014, actuarial valuation was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

<u>Assumptions</u>	<u>GERF</u>	<u>TRA</u>
Inflation	2.75% per year	3.0%
Active member payroll growth	3.50% per year	3.75% based on years of service
Investment rate of return	7.90%	8.25%

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP-2000 tables for males or females, as appropriate, with slight adjustments.

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of actuarial experience studies. The actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2004, to June 30, 2008, and a limited scope experience study dated August 29, 2014. The limited scope experience study addressed only inflation and long-term rate of return for the GASB Statement No. 67 valuation.

The following changes in actuarial assumptions for the GERS occurred in 2014: as of July 1, 2013, the post-retirement benefit increase rate was assumed to increase from 1.0 percent to 2.5 percent on January 1, 2046. As of July 1, 2014, the post-retirement benefit increase rate was assumed to increase from 1.0 percent to 2.5 percent on January 1, 2031.

There was a change in actuarial assumptions that affected the measurement of the total liability for the TRA since the prior measurement date. Post-retirement benefit adjustments are now assumed to increase from 2.0 percent annually to 2.5 percent annually once the legally specified criteria are met. This is estimated to occur July 1, 2034.

The long-term expected rate of return on pension plan investments is 7.9 percent for the GERS and 8.25 percent for the TRA. The Minnesota State Board of Investment, which manages the investments of the PERA and the TRA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages.

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

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

F. Discount Rate

The discount rate used to measure the total pension liability was 7.9 percent for the GERS and 8.25 percent for the TRA. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in the statute. Based on those assumptions, each of the pension plan's fiduciary net positions were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

G. Pension Liability Sensitivity

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	6.90%	7.90%	8.90%
District's proportionate share of the GERF net pension liability	\$ 23,861,130	\$ 14,801,819	\$ 7,348,138
TRA discount rate	7.25%	8.25%	9.25%
District's proportionate share of the TRA net pension liability	\$ 44,778,123	\$ 27,094,617	\$ 12,352,686

H. Pension Plan Fiduciary Net Position

Detailed information about the GERF's fiduciary net position is available in a separately-issued PERA financial report. That report may be obtained on the PERA website at www.mnpera.org; by writing to the PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088; or by calling (651) 296-7460 or (800) 652-9026.

Detailed information about the TRA's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at the TRA website at www.MinnesotaTRA.org; by writing to the TRA at 60 Empire Drive, Suite 400, St. Paul, Minnesota 55103-2088; or by calling (651) 296-2409 or (800) 657-3669.

NOTE 9 – FLEXIBLE BENEFIT PLAN

The District offers its employees a flexible benefit plan (cafeteria plan) (the Plan) created in accordance with Internal Revenue Code § 125. All employee groups of the District are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing pre-tax dollars withheld from payroll checks to the Plan for healthcare and dependant care benefits.

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

Payments of insurance premiums (health and dental) are made by the District directly to the designated insurance companies. These payments are made on a monthly basis and are accounted for in the General Fund.

NOTE 9 – FLEXIBLE BENEFIT PLAN (CONTINUED)

Amounts withheld for medical reimbursement and dependant care are paid by the District and maintained by an outside administrator on a monthly basis. Payments are made by the outside administrator to participating employees upon submitting a request for reimbursement of eligible expenses incurred by the employee. The medical reimbursement and dependant care activity is included in the financial statements as an Employee Benefit Trust Fund.

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

NOTE 10 – OPERATING LEASES

The District is leasing equipment, buildings, and space in several locations. The District incurred costs of \$527,218 for operating leases during the year ended June 30, 2015. These leases are scheduled to expire on various dates through 2019. Many of the leases are negotiated on a yearly basis and payment commitments extend out one year. The following is a summary of minimum lease payment commitments for all operating leases:

Year Ending June 30,	Amount
2016	\$ 362,306
2017	356,476
2018	331,654
2019	58,004
	<u>\$ 1,108,440</u>

NOTE 11 – INTERFUND TRANSFERS AND BALANCES

A. Interfund Transfers

At June 30, 2015, the District’s Food Service Special Revenue Fund and Community Service Special Revenue Fund received a transfer in of \$334,167 and \$76,196, respectively, from the General Fund. This transfer was made to fund current year operations in these funds.

B. Interfund Loans

At June 30, 2015, the District’s Food Service and Community Service Special Revenue Funds had interfund payables to the General Fund totaling \$3,427 and \$6,456, respectively.

Interfund transfers and balances are reported in the fund financial statements and are eliminated in the entity-wide financial statements.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Federal and State Revenue

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

B. Legal Contingencies

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

C. Member District Withdrawal

Independent School District No. 276 (ISD No. 276) gave notice to the District that they will withdraw as a member of the District effective during fiscal 2017. As a result of this withdrawal, the District will need to enter into an agreement with ISD No. 276 to determine if any claims by ISD No. 276 exist pursuant to the joint powers agreement which governs the operation of the District.

D. State Tuition Billing Revenue

At June 30, 2015, the District reported a balance due from other governmental units of approximately \$3.4 million related to amounts receivable from the MDE for state aids from the state's special education tuition billing process.

Special education state aid revenue includes amounts related to tuition billings to other school districts for special education services which are computed using formulas derived by the MDE. Because of the timing of the MDE's calculations, these final aid amounts for fiscal 2015 have not been finalized. The amount of the receivable and revenue recorded for fiscal 2015 for state special education aid is calculated using preliminary information available to the District.

The District has reported a \$1,646,636 assigned fund balance for appeals of MDE tuition calculations and Medical Assistance revenue calculation changes in the General Fund. This was reported to recognize the potential for additional calculation changes in these aid categories by state agencies.

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REQUIRED SUPPLEMENTARY INFORMATION

INTERMEDIATE DISTRICT NO. 287

Defined Benefit Pension Plans
 Schedule of District's and Non-Employer Proportionate Share of Net Pension Liability
 GERF/TRA Retirement Funds
 June 30, 2015

Public Employees Retirement Association

	<u>2014</u>
District's proportion of the net pension liability (asset)	<u>0.3151%</u>
District's proportionate share of the net pension liability (asset)	<u>\$ 14,801,819</u>
District's covered-employee payroll	<u>\$ 16,777,909</u>
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>88.22%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>78.70%</u>

Teachers Retirement Association

District's proportion of the net pension liability (asset)	<u>0.5880%</u>
District's proportionate share of the net pension liability (asset) (a)	<u>\$ 27,094,617</u>
District's proportionate share of the state of Minnesota's proportionate share of the net pension liability (b)	<u>1,906,176</u>
Proportionate share of the net pension liability and the District's share of the state of Minnesota's share of the net pension liability (a + b)	<u>\$ 29,000,793</u>
District's covered-employee payroll	<u>\$ 26,838,372</u>
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>100.95%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>81.50%</u>

Note: The District implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2014 measurement date). This information is not available for previous fiscal years.

INTERMEDIATE DISTRICT NO. 287

Defined Benefit Pension Plans
Schedule of District Contributions
GERF/TRA Retirement Funds
June 30, 2015

Public Employees Retirement Association

	<u>2015</u>
Statutorily required contribution	\$ 1,263,957
Contributions in relation to the statutorily required contributions	<u>1,263,957</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 17,124,370</u>
Contributions as a percentage of covered-employee payroll	<u>7.38%</u>

Teachers Retirement Association

Statutorily required contribution	\$ 2,013,921
Contributions in relation to the statutorily required contributions	<u>2,013,921</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 26,851,536</u>
Contributions as a percentage of covered-employee payroll	<u>7.50%</u>

Note: The District implemented GASB Statement No. 68 in fiscal 2015. This information is not available for previous fiscal years.

INTERMEDIATE DISTRICT NO. 287

Schedules of Funding Progress
June 30, 2015

The following schedules present trend information about the amounts contributed to the Other Post-Employment Benefits Plan and Pension Benefits Plan of Intermediate District No. 287:

Other Post-Employment Benefits Plan

Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Payroll
July 1, 2009	\$ 7,189,279	\$ -	\$ 7,189,279	- %	\$ 33,086,201	21.7 %
July 1, 2011	\$ 9,532,459	\$ -	\$ 9,532,459	- %	\$ 34,915,812	27.3 %
July 1, 2013	\$ 9,327,173	\$ -	\$ 9,327,173	- %	\$ 37,767,517	24.7 %

Pension Benefits Plan

Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Payroll
July 1, 2009	\$ 364,568	\$ -	\$ 364,568	- %	\$ 33,086,201	1.1 %
July 1, 2011	\$ 409,117	\$ -	\$ 409,117	- %	\$ 34,915,812	1.2 %
July 1, 2013	\$ 371,252	\$ -	\$ 371,252	- %	\$ 37,767,517	1.0 %

SUPPLEMENTAL INFORMATION

INTERMEDIATE DISTRICT NO. 287

Nonmajor Governmental Funds
 Combining Balance Sheet
 as of June 30, 2015

	Food Service Special Revenue Fund	Community Service Special Revenue Fund	Total
Assets			
Receivables			
Accounts and interest	\$ 541	\$ 1,185	\$ 1,726
Due from other governmental units	10,588	1,829	12,417
Inventory	4,223	-	4,223
Prepaid items	-	4,910	4,910
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 15,352</u>	<u>\$ 7,924</u>	<u>\$ 23,276</u>
Liabilities			
Salaries and compensated absences payable	\$ 6,921	\$ -	\$ 6,921
Due to other funds	3,427	6,456	9,883
Accounts and contracts payable	1,838	1,468	3,306
Due to other governmental units	153	-	153
Unearned revenue	3,013	-	3,013
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 15,352</u>	<u>\$ 7,924</u>	<u>\$ 23,276</u>

INTERMEDIATE DISTRICT NO. 287

Nonmajor Governmental Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended June 30, 2015

	Food Service Special Revenue Fund	Community Service Special Revenue Fund	Total
Revenue			
Local sources			
Tuition	\$ –	\$ 14,319	\$ 14,319
Other	94,141	62,049	156,190
State sources	16,497	–	16,497
Federal sources	332,387	–	332,387
Total revenue	<u>443,025</u>	<u>76,368</u>	<u>519,393</u>
Expenditures			
Current			
Food service	777,192	–	777,192
Community service	–	152,564	152,564
Total expenditures	<u>777,192</u>	<u>152,564</u>	<u>929,756</u>
Excess (deficiency) of revenue over expenditures	(334,167)	(76,196)	(410,363)
Other financing sources			
Transfers in	<u>334,167</u>	<u>76,196</u>	<u>410,363</u>
Net change in fund balance	–	–	–
Fund balances			
Beginning of year	<u>–</u>	<u>–</u>	<u>–</u>
End of year	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>

INTERMEDIATE DISTRICT NO. 287

General Fund
Comparative Balance Sheet
as of June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets		
Cash and temporary investments	\$ 12,593,581	\$ 11,191,991
Receivables		
Accounts and interest	402,503	593,855
Due from other funds	9,883	3,137
Due from other governmental units	10,095,632	10,313,527
Prepaid items	<u>149,666</u>	<u>130,931</u>
Total assets	<u>\$ 23,251,265</u>	<u>\$ 22,233,441</u>
Liabilities		
Salaries and compensated absences payable	\$ 5,841,000	\$ 5,849,649
Accounts and contracts payable	1,111,648	761,132
Due to other governmental units	796,067	1,759,865
Unearned revenue	<u>239,024</u>	<u>219,411</u>
Total liabilities	7,987,739	8,590,057
Fund balances		
Nonspendable for prepaid items	149,666	130,931
Restricted for health and safety	94	94
Restricted for basic skills	317,124	104,312
Restricted for safe schools	564,984	390,983
Assigned for severance	5,445,665	5,303,564
Assigned for MDE appeal	1,646,636	650,000
Assigned for property	245,581	246,685
Assigned for student clubs	47,179	42,910
Assigned for vehicle depreciation	28,587	43,587
Assigned for self-insurance	76,299	76,299
Assigned for collaborative curriculum project	256,222	260,971
Unassigned	<u>6,485,489</u>	<u>6,393,048</u>
Total fund balances	<u>15,263,526</u>	<u>13,643,384</u>
Total liabilities and fund balances	<u>\$ 23,251,265</u>	<u>\$ 22,233,441</u>

INTERMEDIATE DISTRICT NO. 287

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2015
 (With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Over (Under) Budget	2014
	Budget	Actual		Actual
Revenue				
Local sources				
Pass-through levies	\$ 2,988,258	\$ 3,151,287	\$ 163,029	\$ 2,800,789
Tuition	18,817,645	20,430,978	1,613,333	19,454,708
Investment earnings	15,000	7,291	(7,709)	12,964
Other	3,582,903	3,072,016	(510,887)	4,674,240
State sources	51,170,333	51,522,895	352,562	49,297,310
Federal sources	1,002,597	928,060	(74,537)	654,280
Total revenue	<u>77,576,736</u>	<u>79,112,527</u>	<u>1,535,791</u>	<u>76,894,291</u>
Expenditures				
Current				
Career and technical education	1,154,775	1,211,785	57,010	1,403,840
Academic education	9,758,291	9,863,612	105,321	10,244,375
Special education	48,611,727	48,946,253	334,526	47,125,000
Student clubs	27,700	29,074	1,374	34,837
Administrative support services and operations and maintenance				
Annual costs	15,791,889	15,038,859	(753,030)	15,305,337
Debt service				
Principal	782,770	782,998	228	743,126
Interest and fiscal charges	1,271,709	1,245,398	(26,311)	1,302,963
Total expenditures	<u>77,398,861</u>	<u>77,117,979</u>	<u>(280,882)</u>	<u>76,159,478</u>
Excess of revenue over expenditures	177,875	1,994,548	1,816,673	734,813
Other financing sources (uses)				
Transfers (out)	(459,886)	(410,363)	49,523	(399,705)
Sale of assets	—	35,957	35,957	19,402
Total other financing sources (uses)	<u>(459,886)</u>	<u>(374,406)</u>	<u>85,480</u>	<u>(380,303)</u>
Net change in fund balances	<u>\$ (282,011)</u>	1,620,142	<u>\$ 1,902,153</u>	354,510
Fund balances				
Beginning of year		<u>13,643,384</u>		<u>13,288,874</u>
End of year		<u>\$ 15,263,526</u>		<u>\$ 13,643,384</u>

INTERMEDIATE DISTRICT NO. 287

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account
 Year Ended June 30, 2015

	Career and Technical <u>Education Account</u>	Academic <u>Education Account</u>	Special <u>Education Account</u>
Revenue			
Local sources			
Pass-through levies	\$ 129,262	\$ 73,656	\$ -
Tuition	1,081,111	4,672,420	12,740,985
Investment earnings	197	-	8,013
Other	1,137	1,690,146	129,286
State sources	-	3,244,631	37,510,675
Federal sources	20,600	-	-
Total revenue	<u>1,232,307</u>	<u>9,680,853</u>	<u>50,388,959</u>
Expenditures			
Current			
Career and technical education	1,211,785	-	-
Academic education	-	9,863,612	-
Special education	-	-	48,946,253
Student clubs	-	-	-
Administrative support services and operations and maintenance	-	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>1,211,785</u>	<u>9,863,612</u>	<u>48,946,253</u>
Excess (deficiency) of revenue over expenditures	20,522	(182,759)	1,442,706
Other financing sources (uses)			
Intrafund transfers	-	30,824	(172,925)
Transfers (out)	-	-	-
Sale of assets	-	-	35,660
Total other financing sources (uses)	<u>-</u>	<u>30,824</u>	<u>(137,265)</u>
Net change in fund balances	20,522	(151,935)	1,305,441
Fund balances (deficit)			
Beginning of year	<u>160,731</u>	<u>(190,121)</u>	<u>6,488,158</u>
End of year	<u>\$ 181,253</u>	<u>\$ (342,056)</u>	<u>\$ 7,793,599</u>

<u>District-Wide Account</u>	<u>Severance and Property Account</u>	<u>Student Clubs Account</u>	<u>Total</u>
\$ 2,948,369	\$ -	\$ -	\$ 3,151,287
1,936,462	-	-	20,430,978
(919)	-	-	7,291
1,218,104	-	33,343	3,072,016
10,767,589	-	-	51,522,895
907,460	-	-	928,060
<u>17,777,065</u>	<u>-</u>	<u>33,343</u>	<u>79,112,527</u>
-	-	-	1,211,785
-	-	-	9,863,612
-	-	-	48,946,253
-	-	29,074	29,074
15,037,755	1,104	-	15,038,859
782,998	-	-	782,998
1,245,398	-	-	1,245,398
<u>17,066,151</u>	<u>1,104</u>	<u>29,074</u>	<u>77,117,979</u>
710,914	(1,104)	4,269	1,994,548
-	142,101	-	-
(410,363)	-	-	(410,363)
297	-	-	35,957
<u>(410,066)</u>	<u>142,101</u>	<u>-</u>	<u>(374,406)</u>
300,848	140,997	4,269	1,620,142
<u>1,591,457</u>	<u>5,550,249</u>	<u>42,910</u>	<u>13,643,384</u>
<u>\$ 1,892,305</u>	<u>\$ 5,691,246</u>	<u>\$ 47,179</u>	<u>\$ 15,263,526</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – Career and Technical Education Account
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2015
 (With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015			2014
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Pass-through levies	\$ 100,000	\$ 129,262	\$ 29,262	\$ 166,868
Tuition	1,083,029	1,081,111	(1,918)	1,302,598
Investment earnings	–	197	197	224
Other	–	1,137	1,137	1,749
Federal sources	20,600	20,600	–	22,128
Total revenue	<u>1,203,629</u>	<u>1,232,307</u>	<u>28,678</u>	<u>1,493,567</u>
Expenditures				
Career and technical education				
Salaries and wages	758,773	841,578	82,805	1,074,567
Employee benefits	206,332	209,431	3,099	224,900
Purchased services	93,310	85,750	(7,560)	42,806
Supplies and materials	75,538	60,566	(14,972)	48,311
Capital expenditures	20,720	9,022	(11,698)	13,060
Other	102	5,438	5,336	196
Total expenditures	<u>1,154,775</u>	<u>1,211,785</u>	<u>57,010</u>	<u>1,403,840</u>
Net change in fund balances	<u>\$ 48,854</u>	20,522	<u>\$ (28,332)</u>	89,727
Fund balances				
Beginning of year		<u>160,731</u>		<u>71,004</u>
End of year		<u>\$ 181,253</u>		<u>\$ 160,731</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – Academic Education Account
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2015
 (With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Over (Under)	2014
	Budget	Actual	Budget	Actual
Revenue				
Local sources				
Pass-through levies	\$ 60,000	\$ 73,656	\$ 13,656	\$ 57,881
Tuition	4,607,139	4,672,420	65,281	4,891,774
Other	1,715,484	1,690,146	(25,338)	2,226,983
State sources	2,946,132	3,244,631	298,499	2,793,081
Total revenue	<u>9,328,755</u>	<u>9,680,853</u>	<u>352,098</u>	<u>9,969,719</u>
Expenditures				
Academic education				
Salaries and wages	6,263,168	6,244,918	(18,250)	6,648,622
Employee benefits	2,184,840	2,165,280	(19,560)	2,128,667
Purchased services	1,187,988	1,339,875	151,887	1,269,788
Supplies and materials	100,928	96,176	(4,752)	103,802
Capital expenditures	16,300	12,580	(3,720)	24,524
Other	5,067	4,783	(284)	68,972
Total expenditures	<u>9,758,291</u>	<u>9,863,612</u>	<u>105,321</u>	<u>10,244,375</u>
Excess (deficiency) of revenue over expenditures	(429,536)	(182,759)	246,777	(274,656)
Other financing sources (uses)				
Intrafund transfers	<u>–</u>	<u>30,824</u>	<u>30,824</u>	<u>228,604</u>
Net change in fund balances	<u>\$ (429,536)</u>	<u>(151,935)</u>	<u>\$ 277,601</u>	<u>(46,052)</u>
Fund balances (deficit)				
Beginning of year		<u>(190,121)</u>		<u>(144,069)</u>
End of year		<u>\$ (342,056)</u>		<u>\$ (190,121)</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – Special Education Account
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2015
 (With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		2014	
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Tuition	\$ 11,543,927	\$ 12,740,985	\$ 1,197,058	\$ 11,704,653
Investment earnings	15,000	8,013	(6,987)	18,022
Other	100,505	129,286	28,781	89,827
State sources	37,280,373	37,510,675	230,302	36,198,539
Total revenue	<u>48,939,805</u>	<u>50,388,959</u>	<u>1,449,154</u>	<u>48,011,041</u>
Expenditures				
Special education				
Current				
Salaries and wages	32,261,048	33,098,438	837,390	32,136,807
Employee benefits	13,151,832	12,881,885	(269,947)	12,254,271
Purchased services	2,288,809	2,206,587	(82,222)	1,973,669
Supplies and materials	582,391	510,092	(72,299)	508,958
Capital expenditures	305,627	235,377	(70,250)	234,181
Other	22,020	13,874	(8,146)	17,114
Debt service				
Interest and fiscal charges	4,311	–	(4,311)	–
Total expenditures	<u>48,616,038</u>	<u>48,946,253</u>	<u>330,215</u>	<u>47,125,000</u>
Excess (deficiency) of revenue over expenditures	323,767	1,442,706	1,118,939	886,041
Other financing sources (uses)				
Intrafund transfers	–	(172,925)	(172,925)	(572,739)
Sale of assets	–	35,660	35,660	18,687
Total other financing sources (uses)	<u>–</u>	<u>(137,265)</u>	<u>(137,265)</u>	<u>(554,052)</u>
Net change in fund balances	<u>\$ 323,767</u>	1,305,441	<u>\$ 981,674</u>	331,989
Fund balances				
Beginning of year		<u>6,488,158</u>		<u>6,156,169</u>
End of year		<u>\$ 7,793,599</u>		<u>\$ 6,488,158</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – District-Wide Account
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2015
 (With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Over (Under) Budget	2014
	Budget	Actual		Actual
Revenue				
Local sources				
Pass-through levies	\$ 2,828,258	\$ 2,948,369	\$ 120,111	\$ 2,576,040
Tuition	1,583,550	1,936,462	352,912	1,555,683
Investment earnings (charges)	–	(919)	(919)	(5,282)
Other	1,739,214	1,218,104	(521,110)	2,316,856
State sources	10,943,828	10,767,589	(176,239)	10,305,690
Federal sources	981,997	907,460	(74,537)	632,152
Total revenue	<u>18,076,847</u>	<u>17,777,065</u>	<u>(299,782)</u>	<u>17,381,139</u>
Expenditures				
Current				
Administrative support services and operations and maintenance				
Salaries and wages	5,776,861	5,955,361	178,500	5,829,831
Employee benefits	2,029,354	2,008,508	(20,846)	1,882,529
Purchased services	5,917,549	5,371,513	(546,036)	5,060,338
Supplies and materials	668,884	522,587	(146,297)	668,412
Capital expenditures	1,128,488	924,492	(203,996)	1,662,704
Other	270,753	256,398	(14,355)	201,523
Allocated costs	(1,079,101)	(1,104)	1,077,997	(828,691)
Debt service				
Principal	782,770	782,998	228	743,126
Interest and fiscal charges	1,267,398	1,245,398	(22,000)	1,302,963
Total expenditures	<u>16,762,956</u>	<u>17,066,151</u>	<u>303,195</u>	<u>16,522,735</u>
Excess (deficiency) of revenue over expenditures	1,313,891	710,914	(602,977)	858,404
Other financing sources (uses)				
Intrafund transfers	–	–	–	(285,305)
Transfers (out)	(459,886)	(410,363)	49,523	(399,705)
Sale of assets	–	297	297	715
Total other financing sources (uses)	<u>(459,886)</u>	<u>(410,066)</u>	<u>49,820</u>	<u>(684,295)</u>
Net change in fund balances	<u>\$ 854,005</u>	300,848	<u>\$ (553,157)</u>	174,109
Fund balances				
Beginning of year		<u>1,591,457</u>		<u>1,417,348</u>
End of year		<u>\$ 1,892,305</u>		<u>\$ 1,591,457</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – Severance and Property Account
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2015
 (With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015			2014
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current				
Administrative support services and operations and maintenance				
Allocated costs	<u>1,079,101</u>	<u>1,104</u>	<u>(1,077,997)</u>	<u>828,691</u>
Excess (deficiency) of revenue over expenditures	(1,079,101)	(1,104)	1,077,997	(828,691)
Other financing sources				
Intrafund transfers	<u>-</u>	<u>142,101</u>	<u>142,101</u>	<u>629,440</u>
Net change in fund balances	<u>\$ (1,079,101)</u>	<u>140,997</u>	<u>\$ 1,220,098</u>	<u>(199,251)</u>
Fund balances				
Beginning of year		<u>5,550,249</u>		<u>5,749,500</u>
End of year		<u>\$ 5,691,246</u>		<u>\$ 5,550,249</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – Student Clubs Account
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2015
 (With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Over (Under) Budget	2014
	Budget	Actual		Actual
Revenue				
Local sources				
Other	\$ 27,700	\$ 33,343	\$ 5,643	\$ 38,825
Expenditures				
Current				
Student clubs				
Pupil support services	<u>27,700</u>	<u>29,074</u>	<u>1,374</u>	<u>34,837</u>
Net change in fund balances	<u>\$ –</u>	<u>4,269</u>	<u>\$ 4,269</u>	<u>3,988</u>
Fund balances				
Beginning of year		<u>42,910</u>		<u>38,922</u>
End of year		<u>\$ 47,179</u>		<u>\$ 42,910</u>

INTERMEDIATE DISTRICT NO. 287

Food Service Special Revenue Fund
 Comparative Balance Sheet
 as of June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets		
Cash and temporary investments	\$ –	\$ 49,545
Receivables		
Accounts and interest	541	230
Due from other governmental units	10,588	14,585
Inventory	<u>4,223</u>	<u>2,579</u>
Total assets	<u>\$ 15,352</u>	<u>\$ 66,939</u>
Liabilities		
Salaries and compensated absences payable	6,921	–
Due to other funds	3,427	–
Accounts and contracts payable	1,838	4,199
Due to other governmental units	153	58,266
Unearned revenue	<u>3,013</u>	<u>4,474</u>
Total liabilities	<u>\$ 15,352</u>	<u>\$ 66,939</u>

INTERMEDIATE DISTRICT NO. 287

Food Service Special Revenue Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2015
 (With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015			2014
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other – primarily meal sales	\$ 88,675	\$ 94,141	\$ 5,466	\$ 68,860
State sources	11,000	16,497	5,497	9,540
Federal sources	284,550	332,387	47,837	283,663
Total revenue	<u>384,225</u>	<u>443,025</u>	<u>58,800</u>	<u>362,063</u>
Expenditures				
Current				
Food service	<u>745,697</u>	<u>777,192</u>	<u>31,495</u>	<u>671,461</u>
Excess (deficiency) of revenue over expenditures	(361,472)	(334,167)	27,305	(309,398)
Other financing sources				
Transfers in	<u>361,472</u>	<u>334,167</u>	<u>(27,305)</u>	<u>309,398</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balances				
Beginning of year		<u>-</u>		<u>-</u>
End of year		<u>\$ -</u>		<u>\$ -</u>

INTERMEDIATE DISTRICT NO. 287

Community Service Special Revenue Fund
 Comparative Balance Sheet
 as of June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets		
Receivables		
Accounts and interest	\$ 1,185	\$ 3,743
Due from other governmental units	1,829	7,017
Prepaid items	<u>4,910</u>	<u>—</u>
Total assets	<u>\$ 7,924</u>	<u>\$ 10,760</u>
Liabilities		
Salaries and compensated absences payable	\$ —	\$ 2,562
Due to other funds	6,456	3,137
Accounts and contracts payable	<u>1,468</u>	<u>5,061</u>
Total liabilities	<u>\$ 7,924</u>	<u>\$ 10,760</u>

INTERMEDIATE DISTRICT NO. 287

Community Service Special Revenue Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2015
 (With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015			2014
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Tuition	\$ 21,244	\$ 14,319	\$ (6,925)	\$ 28,177
Other	59,000	62,049	3,049	63,123
Total revenue	<u>80,244</u>	<u>76,368</u>	<u>(3,876)</u>	<u>91,300</u>
Expenditures				
Current				
Community service	<u>178,658</u>	<u>152,564</u>	<u>(26,094)</u>	<u>181,607</u>
Excess (deficiency) of revenue over expenditures	(98,414)	(76,196)	22,218	(90,307)
Other financing sources				
Transfers in	<u>98,414</u>	<u>76,196</u>	<u>(22,218)</u>	<u>90,307</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balances				
Beginning of year		<u>-</u>		<u>-</u>
End of year		<u>\$ -</u>		<u>\$ -</u>

INTERMEDIATE DISTRICT NO. 287

Debt Service Fund
 Comparative Balance Sheet
 as of June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets		
Cash and temporary investments	\$ 36,726	\$ 29,274
Cash and investments held by trustee	<u>5,084,808</u>	<u>3,745,412</u>
Total assets	<u>\$ 5,121,534</u>	<u>\$ 3,774,686</u>
Fund balances		
Restricted for debt service	<u>\$ 5,121,534</u>	<u>\$ 3,774,686</u>

INTERMEDIATE DISTRICT NO. 287

Debt Service Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2015
 (With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Over (Under) Budget	2014
	Budget	Actual		Actual
Revenue				
Local sources				
Pass-through levies	\$ 3,636,247	\$ 3,655,627	\$ 19,380	\$ 3,609,982
Investment earnings	147,844	145,523	(2,321)	99,682
Federal sources	1,521,030	1,520,211	(819)	1,508,738
Total revenue	<u>5,305,121</u>	<u>5,321,361</u>	<u>16,240</u>	<u>5,218,402</u>
Expenditures				
Debt service				
Principal	1,360,000	1,360,000	-	1,320,000
Interest	2,599,107	2,599,107	-	2,638,532
Fiscal charges and other	9,001	15,406	6,405	5,908
Total expenditures	<u>3,968,108</u>	<u>3,974,513</u>	<u>6,405</u>	<u>3,964,440</u>
Net change in fund balances	<u>\$ 1,337,013</u>	1,346,848	<u>\$ 9,835</u>	1,253,962
Fund balances				
Beginning of year		<u>3,774,686</u>		<u>2,520,724</u>
End of year		<u>\$ 5,121,534</u>		<u>\$ 3,774,686</u>

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OTHER DISTRICT INFORMATION

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INTERMEDIATE DISTRICT NO. 287

Government-Wide Revenue by Type
Last Ten Fiscal Years

Year Ended June 30,	Program Revenues		General Revenues	Total
	Charges for Services	Operating Grants and Contributions		
2006	\$ 49,930,353 90.6%	\$ 2,906,526 5.3%	\$ 2,260,010 4.1%	\$ 55,096,889 100.0%
2007	55,612,063 94.9%	2,103,610 3.6%	897,863 1.5%	58,613,536 100.0%
2008	56,134,852 94.3%	2,250,947 3.8%	1,112,200 1.9%	59,497,999 100.0%
2009	36,419,310 51.4%	34,258,992 48.4%	160,493 0.2%	70,838,795 100.0%
2010	32,677,313 46.6%	37,212,152 53.1%	205,766 0.3%	70,095,231 100.0%
2011	31,551,418 39.2%	47,437,971 58.8%	1,655,682 2.0%	80,645,071 100.0%
2012	25,187,923 30.8%	50,953,848 62.3%	5,631,369 6.9%	81,773,140 100.0%
2013	24,693,241 31.0%	49,209,282 61.8%	5,662,277 7.1%	79,564,800 100.0%
2014	23,543,538 28.5%	53,222,921 64.5%	5,808,833 7.0%	82,575,292 100.0%
2015	23,560,298 27.7%	55,382,586 65.1%	6,128,183 7.2%	85,071,067 100.0%

Note: In fiscal 2009, the state of Minnesota converted special education tuition billing to a state-wide system. This caused the charges for services to be converted to operating grants and contributions.

INTERMEDIATE DISTRICT NO. 287

Government-Wide Expenses by Function
Last Ten Fiscal Years

Year Ended June 30,	Career and Technical Education	Academic Education	Special Education	Student Clubs	Administrative Support Services and Operations and Maintenance
2006	\$ 4,706,613 8.4%	\$ 6,772,182 12.1%	\$ 38,064,507 68.1%	\$ 44,698 0.1%	\$ 5,335,417 9.5%
2007	3,660,269 6.3%	7,392,457 12.6%	41,075,618 69.9%	37,721 0.1%	4,318,523 7.3%
2008	3,174,598 5.3%	7,709,078 12.9%	43,046,317 71.8%	34,590 0.1%	3,485,015 5.8%
2009	2,031,279 3.0%	7,369,185 12.8%	41,461,900 60.4%	30,182 -	14,507,409 21.1%
2010	1,799,980 2.6%	7,414,031 10.8%	42,834,001 62.4%	33,230 0.1%	14,177,454 20.7%
2011	1,701,554 2.4%	8,685,176 12.2%	43,571,799 61.1%	37,220 -	14,456,449 20.2%
2012	2,089,610 2.5%	9,765,874 11.5%	47,330,201 56.0%	28,059 -	19,944,160 23.6%
2013	1,545,389 2.0%	9,836,410 12.6%	46,711,262 59.9%	29,161 -	15,030,687 19.3%
2014	1,764,840 2.1%	11,274,730 13.5%	49,225,704 58.9%	34,837 -	16,507,110 19.8%
2015	1,204,770 1.5%	10,771,569 13.1%	49,436,189 60.2%	29,074 -	15,884,064 19.4%

Note: In fiscal 2009, the state of Minnesota converted special education tuition billing to a state-wide system. This resulted in a movement of expenses to administrative support services and operations and maintenance from career and technical education, academic education, and special education.

<u>Food Service</u>	<u>Community Service</u>	<u>Interest and Fiscal Charges</u>	<u>Total</u>
\$ -	\$ 240,626	\$ 718,712	\$ 55,882,755
-	0.4%	1.3%	100.0%
-	285,398	1,991,349	58,761,335
-	0.5%	3.4%	100.0%
204,638	228,778	2,087,803	59,970,817
0.3%	0.4%	3.5%	100.0%
302,050	289,497	2,603,436	68,594,938
0.4%	0.4%	3.8%	100.0%
271,290	302,778	1,862,426	68,695,190
0.4%	0.4%	2.7%	100.0%
313,772	245,600	2,449,587	71,461,157
0.4%	0.3%	3.4%	100.0%
364,196	214,916	4,890,548	84,627,564
0.4%	0.3%	5.8%	100.0%
590,030	221,269	4,044,542	78,008,750
0.8%	0.3%	5.2%	100.0%
671,461	181,463	3,901,822	83,561,967
0.8%	0.2%	4.7%	100.0%
771,783	152,350	3,835,131	82,084,930
0.9%	0.2%	4.7%	100.0%

INTERMEDIATE DISTRICT NO. 287

General Fund Revenue by Source
Last Ten Fiscal Years

Year Ended June 30,	Pass-Through Levies	Tuition	Federal Revenue	State Revenue	Other Revenue	Total
2006	\$ -	\$ 49,739,735	\$ 1,183,461	\$ 339,795	\$ 3,561,285	\$ 54,824,276
2007	-	53,841,584	1,316,431	187,727	2,997,819	58,343,561
2008	-	54,145,979	1,209,303	523,268	3,286,217	59,164,767
2009	6,134,620	28,370,605	314,578	33,178,712	2,441,764	70,440,279
2010	6,823,078	23,511,263	1,003,070	35,631,298	2,748,921	69,717,630
2011	4,923,538	24,119,591	1,698,976	44,274,425	3,550,539	78,567,069
2012	2,825,406	19,647,575	1,672,281	47,049,421	6,099,715	77,294,398
2013	2,974,288	18,994,895	667,828	46,793,472	4,431,219	73,861,702
2014	2,800,789	19,448,574	654,280	49,297,310	4,693,338	76,894,291
2015	3,151,287	20,430,978	928,060	51,522,895	3,079,307	79,112,527

Note 1: During fiscal year 2009, the District began to report pass-through levies separately. In the past, these amounts were included in tuition.

Note 2: In fiscal 2009, the state of Minnesota converted special education tuition billing to a state-wide system. This caused the tuition to be converted to state revenue.

SINGLE AUDIT AND OTHER REQUIRED REPORTS

INTERMEDIATE DISTRICT NO. 287

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures
U.S. Department of Agriculture		
Passed through Minnesota Department of Education		
Child nutrition cluster		
School Breakfast Program	10.553	\$ 106,574
National School Lunch Program	10.555	223,623
Summer Food Service Program for Children	10.559	<u>2,190</u>
Total child nutrition cluster		332,387
U.S. Department of Education		
Passed through Minnesota Department of Education		
Mathematics and Science Partnerships	84.366	881,981
Improving Teacher Quality State Grants	84.367	5,541
English Language Acquisition State Grants	84.365	19,939
Passed through Independent School District No. 284		
Career and Technical Education – Basic Grants to States	84.048	<u>20,600</u>
Total federal awards		<u><u>\$ 1,260,448</u></u>

Note 1: This Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the District's basic financial statements.

Note 2: Non-monetary assistance of \$5,245 is reported in this schedule, representing the value of commodities received and disbursed for the U.S. Department of Agriculture National School Lunch Program (CFDA No. 10.555).

Note 3: All pass-through entities listed above use the same CFDA numbers as the federal grantors to identify these grants, and have not assigned any additional identifying numbers.

Note 4: The District provided federal awards to subrecipients as follows:

Program Title	Federal CFDA No.	Amount Provided
English Language Acquisition State Grants	84.365	\$ 4,866



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Paul A. Radosevich, CPA
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors and Management of
Intermediate District No. 287
Plymouth, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Intermediate District No. 287 (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 21, 2015.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

(continued)

COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota
December 21, 2015



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors and Management of
Intermediate District No. 287
Plymouth, Minnesota

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited Intermediate District No. 287's (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

(continued)

OPINION ON EACH MAJOR FEDERAL PROGRAM

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to on the previous page that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to on the previous page. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

PURPOSE OF THIS REPORT

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

Minneapolis, Minnesota
December 21, 2015

INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

To the Board of Directors and Management of
Intermediate District No. 287
Plymouth, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Intermediate District No. 287 (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 21, 2015.

MINNESOTA LEGAL COMPLIANCE

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, promulgated by the Office of the State Auditor pursuant to Minnesota Statute § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards for school districts. Our audit included all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

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

Minneapolis, Minnesota
December 21, 2015

INTERMEDIATE DISTRICT NO. 287

Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

A. SUMMARY OF AUDIT RESULTS

This summary is formatted to provide federal granting agencies and pass-through agencies answers to specific questions regarding the audit of federal awards.

Financial Statements

What type of auditor's report is issued? X Unmodified
 Qualified
 Adverse
 Disclaimer

Internal control over financial reporting:

Material weakness(es) identified? Yes X No
 Significant deficiencies identified? Yes X None reported

Noncompliance material to the financial statements noted? Yes X No

Federal Awards

Internal controls over major federal award programs:

Material weakness(es) identified? Yes X No
 Significant deficiencies identified? Yes X None reported

Type of auditor's report issued on compliance for major programs? X Unmodified
 Qualified
 Adverse
 Disclaimer

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? Yes X No

Programs tested as major programs:

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

Threshold for distinguishing type A and B programs. \$ 300,000

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

INTERMEDIATE DISTRICT NO. 287

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2015

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

None.

D. FINDINGS – MINNESOTA LEGAL COMPLIANCE AUDIT

None.

**E. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – MAJOR FEDERAL AWARD
PROGRAMS AUDIT**

No audit findings for the year ended June 30, 2014 were reported.

INTERMEDIATE DISTRICT NO. 287

Uniform Financial Accounting and Reporting Standards
Compliance Table
June 30, 2015

		Audit	UFARS	Audit – UFARS
General Fund				
Total revenue		\$ 79,112,527	\$ 79,112,527	\$ –
Total expenditures		\$ 77,117,979	\$ 77,117,975	\$ 4
Nonspendable				
460	Nonspendable fund balance	\$ 149,666	\$ 149,666	\$ –
Restricted/reserve				
403	Staff development	\$ –	\$ –	\$ –
405	Deferred maintenance	\$ –	\$ –	\$ –
406	Health and safety	\$ 94	\$ 94	\$ –
407	Capital projects levy	\$ –	\$ –	\$ –
408	Cooperative revenue	\$ –	\$ –	\$ –
414	Operating debt	\$ –	\$ –	\$ –
416	Levy reduction	\$ –	\$ –	\$ –
417	Taconite building maintenance	\$ –	\$ –	\$ –
423	Certain teacher programs	\$ –	\$ –	\$ –
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 program	\$ –	\$ –	\$ –
438	Gifted and talented	\$ –	\$ –	\$ –
441	Basic skills programs	\$ 317,124	\$ 317,124	\$ –
445	Career and technical programs	\$ –	\$ –	\$ –
446	First grade preparedness	\$ –	\$ –	\$ –
449	Safe schools levy	\$ 564,984	\$ 564,984	\$ –
450	Pre-kindergarten	\$ –	\$ –	\$ –
451	QZAB payments	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
453	Unfunded severance and retirement levy	\$ –	\$ –	\$ –
Restricted				
464	Restricted fund balance	\$ –	\$ –	\$ –
Committed				
418	Committed for separation	\$ –	\$ –	\$ –
461	Committed fund balance	\$ –	\$ –	\$ –
Assigned				
462	Assigned fund balance	\$ 7,746,169	\$ 7,746,171	\$ (2)
Unassigned				
422	Unassigned fund balance	\$ 6,485,489	\$ 6,485,489	\$ –
Food Service				
Total revenue		\$ 443,025	\$ 443,025	\$ –
Total expenditures		\$ 777,192	\$ 777,191	\$ 1
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
452	OPEB liability not in trust	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
Community Service				
Total revenue		\$ 76,368	\$ 76,368	\$ –
Total expenditures		\$ 152,564	\$ 152,564	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted/reserve				
426	\$25 taconite	\$ –	\$ –	\$ –
431	Community education	\$ –	\$ –	\$ –
432	ECFE	\$ –	\$ –	\$ –
444	School readiness	\$ –	\$ –	\$ –
447	Adult basic education	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
Restricted				
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –

INTERMEDIATE DISTRICT NO. 287

Uniform Financial Accounting and Reporting Standards
Compliance Table (continued)
June 30, 2014

		Audit	UFARS	Audit – UFARS
Building Construction				
Total revenue		\$ -	\$ -	\$ -
Total expenditures		\$ -	\$ -	\$ -
Nonspendable				
460	Nonspendable fund balance	\$ -	\$ -	\$ -
Restricted/reserve				
407	Capital projects levy	\$ -	\$ -	\$ -
409	Alternative facility program	\$ -	\$ -	\$ -
413	Project funded by COP	\$ -	\$ -	\$ -
Restricted				
464	Restricted fund balance	\$ -	\$ -	\$ -
Unassigned				
463	Unassigned fund balance	\$ -	\$ -	\$ -
Debt Service				
Total revenue		\$ 5,321,361	\$ 5,321,361	\$ -
Total expenditures		\$ 3,974,513	\$ 3,974,512	\$ 1
Nonspendable				
460	Nonspendable fund balance	\$ -	\$ -	\$ -
Restricted/reserve				
425	Bond refundings	\$ -	\$ -	\$ -
451	QZAB payments	\$ -	\$ -	\$ -
Restricted				
464	Restricted fund balance	\$ 5,121,534	\$ 5,121,534	\$ -
Unassigned				
463	Unassigned fund balance	\$ -	\$ -	\$ -
Trust				
Total revenue		\$ 526,936	\$ 526,936	\$ -
Total expenditures		\$ 557,834	\$ 557,835	\$ (1)
422	Net position	\$ 110,998	\$ 110,998	\$ -
Internal Service				
Total revenue		\$ 558,135	\$ 558,135	\$ -
Total expenditures		\$ 537,858	\$ 537,857	\$ 1
422	Net position	\$ 487,798	\$ 487,798	\$ -
OPEB Revocable Trust Fund				
Total revenue		\$ -	\$ -	\$ -
Total expenditures		\$ -	\$ -	\$ -
422	Net position	\$ -	\$ -	\$ -
OPEB Irrevocable Trust Fund				
Total revenue		\$ -	\$ -	\$ -
Total expenditures		\$ -	\$ -	\$ -
422	Net position	\$ -	\$ -	\$ -
OPEB Debt Service Fund				
Total revenue		\$ -	\$ -	\$ -
Total expenditures		\$ -	\$ -	\$ -
Nonspendable				
460	Nonspendable fund balance	\$ -	\$ -	\$ -
Restricted				
425	Bond refundings	\$ -	\$ -	\$ -
464	Restricted fund balance	\$ -	\$ -	\$ -
Unassigned				
463	Unassigned fund balance	\$ -	\$ -	\$ -

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

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Management Report

for

Intermediate District No. 287

Plymouth, Minnesota

June 30, 2015

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PRINCIPALS

Thomas M. Montague, CPA
Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA

To the Board of Directors and Management of
Intermediate District No. 287
Plymouth, Minnesota

We have prepared this management report in conjunction with our audit of Intermediate District No. 287's (the District) financial statements for the year ended June 30, 2015. The purpose of this report is to communicate information relevant to the financing of public education in Minnesota and to provide comments resulting from our audit process. We have organized this report into the following sections:

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

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

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

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

Minneapolis, Minnesota
December 21, 2015

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AUDIT SUMMARY

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

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, *GOVERNMENT AUDITING STANDARDS*, AND THE U.S. OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2015, and the related notes to the financial statements. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

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

AUDIT OPINION AND FINDINGS

Based on our audit of the District's financial statements for the year ended June 30, 2015:

- We have issued an unmodified opinion on the District's annual financial statements.
- We noted no matters involving the District's internal control over financial reporting that we consider to be material weaknesses.
- The results of our testing disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.
- We noted that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our tests indicate that the District has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no deficiencies in the District's internal controls over compliance with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no findings based on our testing of the District's compliance with Minnesota laws and regulations.

FOLLOW-UP ON PRIOR YEAR FINDINGS AND RECOMMENDATIONS

As a part of our audit of the District's financial statements for the year ended June 30, 2015, we performed procedures to follow-up on any findings and recommendations that resulted from our prior year audit. In the audit of the year ended June 30, 2014, we noted the District did not obtain performance and payment bonds from contractors for one contract for construction services with a value exceeding \$100,000 (Minnesota Statute § 574.26). Also, the District did not complete a request for proposal for health insurance, which is required for any political subdivision that provides group insurance for 25 or more employees (Minnesota Statute § 471.6161). We noted no findings in our testing in the current year and as a result of our follow-up procedures related to these findings.

SIGNIFICANT ACCOUNTING POLICIES

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

The District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. This statement provides new guidance on accounting and financial reporting for pensions accounted for in the financial statements of plan employers. This change required the District to report a change in accounting principle adjustment to beginning equity on the government-wide financial statements as described in Note 1 of the notes to basic financial statements.

The application of remaining policies was not changed during the fiscal year ended June 30, 2015. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Where applicable, management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management, when applicable, were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

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

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

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

The District has recorded activity for other post-employment benefits (OPEB) and pension benefits. These obligations are calculated using actuarial methodologies described in GASB Statement Nos. 27, 45, and 68. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, proportionate share, and employee turnover.

The District has considered recording an amount for an allowance for doubtful accounts. This calculation is based on the probability of collection based on past experience with members, nonmembers, and other users of the District’s services.

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

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

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

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

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

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

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 auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated December 21, 2015.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

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

OTHER AUDIT FINDINGS OR ISSUES

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

OTHER MATTERS

We applied certain limited procedures to Management's Discussion and Analysis, the Schedule of Funding Progress for the Other Post-Employment Benefits Plan, the Schedule of Funding Progress for the Pension Benefits Plan, and the schedules related to defined benefit pension plans, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

We were not engaged to report on the introductory section and other district information, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

FUNDING PUBLIC EDUCATION IN MINNESOTA

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

BASIC GENERAL EDUCATION REVENUE

The largest single funding source for Minnesota school districts is basic general education aid. Each year, the Legislature sets a basic formula allowance. Total basic general education revenue is calculated by multiplying the formula allowance by the number of pupil units for which a district is entitled to aid. Pupil units are calculated using a legislatively determined weighting system applied to average daily membership (ADM). Over the years, various modifications have been made to this calculation, including changes in weighting and special consideration for declining enrollment districts.

The table below presents a summary of the formula allowance for the past decade and as approved for the 2016 and 2017 fiscal years. The amount of the formula allowance and the percentage change from year to year excludes non-comparable changes such as temporary funding increases, the “roll-in” of aids that were previously funded separately, potential reductions due to levying less than the maximum student achievement levy rate, and the one-time replacement of a portion of general education aid with federal fiscal stabilization funds in fiscal 2010.

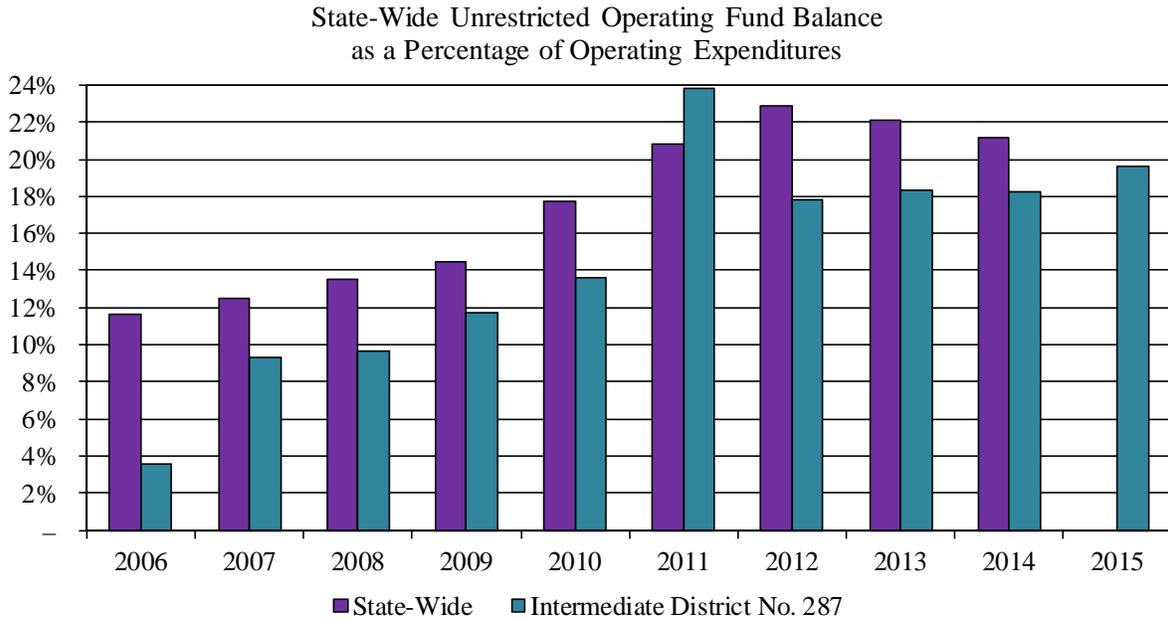
Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
2006	\$ 4,783	4.0 %
2007	\$ 4,974	4.0 %
2008	\$ 5,074	2.0 %
2009	\$ 5,124	1.0 %
2010	\$ 5,124	– %
2011	\$ 5,124	– %
2012	\$ 5,174	1.0 %
2013	\$ 5,224	1.0 %
2014	\$ 5,302	1.5 %
2015	\$ 5,831	2.0 % *
2016	\$ 5,948	2.0 %
2017	\$ 6,067	2.0 %

* The \$529 increase in 2015 is offset by changes to pupil weightings and the general education aid formula that reduced the increase to the equivalent of \$105, or 2.0 percent, state-wide.

In recent years, modest increases in the formula allowance have forced many districts to continually cut expenditure budgets or seek increased referendum revenue in order to maintain programs.

STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

One of the most common and comparable statistics used to evaluate school district financial health is the unrestricted operating fund balance as a percentage of operating expenditures.



Note: State-wide information is not available for fiscal 2015.

The calculation above reflects only the unrestricted fund balance of the General Fund, and the corresponding expenditures, which is the same method the state uses for the calculation of statutory operating debt (SOD). We have also included the comparable percentages for your district.

Since the financially turbulent 2008–2009 biennium, Minnesota school districts have generally been maintaining a higher unrestricted fund balance as a percentage of operating expenditures. This trend reflects districts’ efforts to limit budget cuts, retain educational programs, and maintain adequate operating cash flow during a period of uncertain funding. It was accomplished by districts reducing or limiting operating expenditures, adapting to funding restrictions, and in some cases community support in the form of operating referendums. As the state’s economic condition has stabilized the last few years, this trend appears to be gradually reversing, with the state average decreasing in 2013 and 2014.

As of June 30, 2014, this ratio was 18.2 percent for the District, as compared to a state-wide average of 21.2 percent. The District’s unrestricted operating fund balance as a percentage of operating expenditures was 19.6 percent at the end of the current year.

FINANCIAL TRENDS OF YOUR DISTRICT

DISTRICT FINANCIAL POSITION

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

	Year Ended June 30,			
	2012	2013	2014	2015
Revenue	\$ 77,294,398	\$ 73,861,702	\$ 76,894,291	\$ 79,112,527
Expenditures	79,824,854	74,186,480	76,159,478	77,117,979
Excess (deficiency) of revenue over expenditures	(2,530,456)	(324,778)	734,813	1,994,548
Other financing sources (uses)	(7,897)	(335,670)	(380,303)	(374,406)
Net change in fund balance	(2,538,353)	(660,448)	354,510	1,620,142
Fund balances				
Beginning of year	16,487,675	13,949,322	13,288,874	13,643,384
End of year	<u>\$ 13,949,322</u>	<u>\$ 13,288,874</u>	<u>\$ 13,643,384</u>	<u>\$ 15,263,526</u>
Fund balances				
Nonspendable for prepaid items	\$ 102,751	\$ 78,993	\$ 130,931	\$ 149,666
Restricted for health and safety	1,236	94	94	94
Restricted for basic skills	193,426	193,425	104,312	317,124
Restricted for safe schools	270,556	272,736	390,983	564,984
Assigned for severance	4,249,794	4,906,928	5,303,564	5,445,665
Assigned for MDE appeal	973,897	473,897	650,000	1,646,636
Assigned for property	771,861	842,572	246,685	245,581
Assigned for student clubs	32,217	38,922	42,910	47,179
Assigned for North Education Center	1,031,720	-	-	-
Assigned for vehicle depreciation	45,855	66,258	43,587	28,587
Assigned for self-insurance	88,049	88,049	76,299	76,299
Assigned for collaborative curriculum project	-	16,509	260,971	256,222
Unassigned	6,187,960	6,310,491	6,393,048	6,485,489
Total fund balances	<u>\$ 13,949,322</u>	<u>\$ 13,288,874</u>	<u>\$ 13,643,384</u>	<u>\$ 15,263,526</u>
Unassigned General Fund balances as a percentage of expenditures	<u>7.8%</u>	<u>8.5%</u>	<u>8.4%</u>	<u>8.4%</u>
Total fund balances as a percentage of expenditures	<u>17.5%</u>	<u>17.9%</u>	<u>17.9%</u>	<u>19.8%</u>

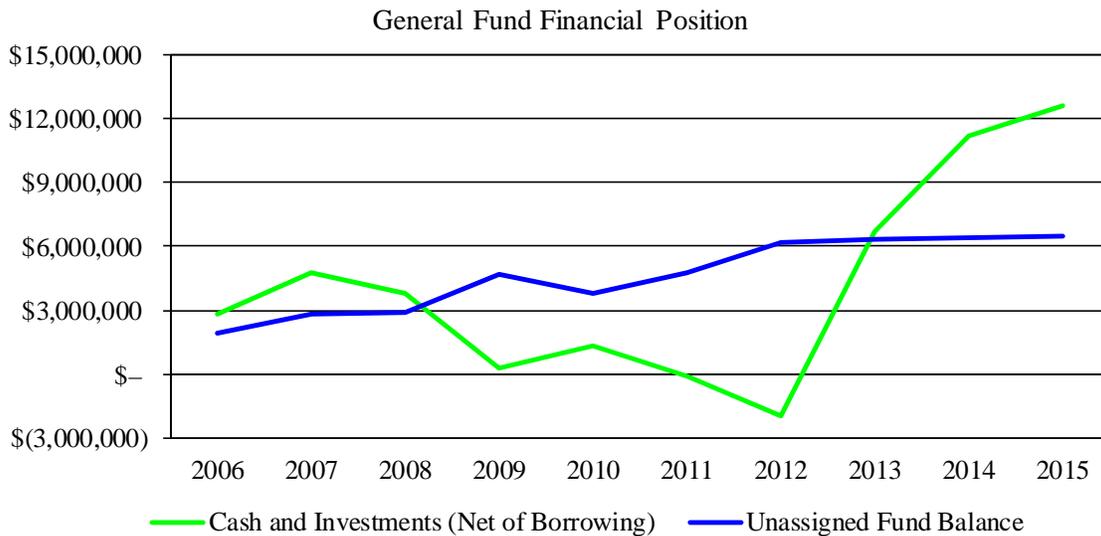
The District completed the year with a net increase in General Fund balance of \$1,620,142. This compares to a budget which projected a decrease in fund balance of \$282,011. This difference from the projected fund balance mainly occurred as a result of the tuition and party billing revenue being \$1,613,333 over budget.

The District continues to assign fund balance for property, severance, student clubs, and amounts related to the District's appeals with the MDE for Medical Assistance revenue and state special education tuition billings. The District has a significant receivable in this area that is being classified as an assigned balance until the appeal process is completed and finalized. The District also has assigned amounts for vehicle depreciation, self-insurance, and collaborative curriculum projects.

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

Unassigned fund balance as a percentage of expenditures is one key measure of a district's financial health. The resources represented by this fund balance are critical to a district's ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion the impact of unexpected costs or funding shortfalls. For your district, this ratio is 8.4 percent of total current year expenditures. This ratio compares to the District's fund balance policy which endeavors to maintain an unassigned fund balance as a percentage of the District's operating budget, excluding operating capital programs, of at least 6 to 8 percent.

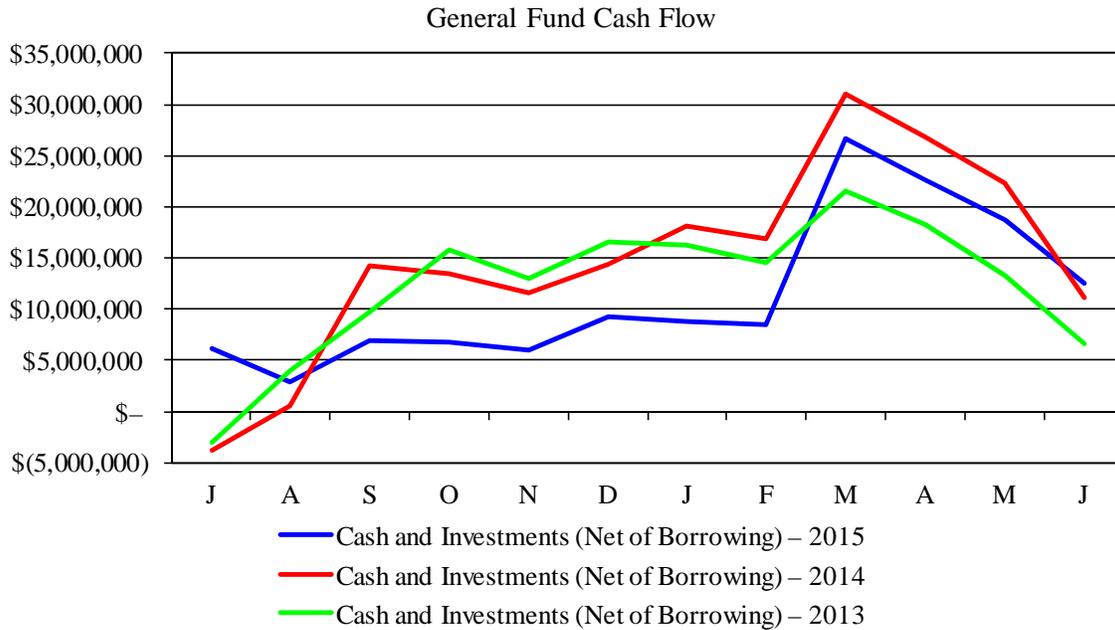
The following graph summarizes the level of cash and investments, net of borrowing, and unassigned fund balance in the General Fund:



The above graph shows an increase in fund balance and a significant increase in cash and investments (net of borrowing) at June 30, 2015. The graph also shows significant fluctuations in year-end cash balances. These changes are caused by changes in the tuition billing cycles and systems of the District. Changes in funding structure and state aid payment schedules significantly affect the cash flow of Minnesota school districts. The increase in cash and investments in 2015 is the result of the increasing fund balance from assigned amounts.

GENERAL FUND CASH FLOW

In addition to changes in the level of cash and investments from year to year, this level varies considerably due to the timing of various revenues and expenditures during the year. The following graph summarizes the month-end cash and investments balance throughout the last three fiscal years:



The graph above shows the peaks and valleys of the General Fund cash and investments balance (net of borrowing) on a monthly basis. The swing between its high and low month-end cash balances was about \$20.7 million for fiscal 2015.

Legislative changes in the state aid payment schedules used to help balance the state budget have a significant effect on the cash flow of Minnesota school districts. The holdback on state aid payments was 13.6 percent at the end of fiscal 2013. In fiscal 2014 and 2015, the metering of state aid payments was being paid on a 90–10 schedule.

GENERAL FUND OPERATIONS AND FINANCIAL POSITION BY ACCOUNT

The following tables present comparative operating results for the accounts of the District’s General Fund:

Special Education Account

	Year Ended June 30,			
	2012	2013	2014	2015
Revenue and other financing sources	\$ 47,302,232	\$ 46,270,657	\$ 48,029,728	\$ 50,424,619
Expenditures and other financing uses	46,797,668	47,142,569	47,697,739	49,119,178
Excess (deficiency)	504,564	(871,912)	331,989	1,305,441
Fund balances				
Beginning of year	6,523,517	7,028,081	6,156,169	6,488,158
End of year	\$ 7,028,081	\$ 6,156,169	\$ 6,488,158	\$ 7,793,599

In fiscal 2015, the Special Education Account revenue exceeded expenditures by \$1,305,441, while the District’s budget showed an expected surplus of \$323,767. Tuition revenue was \$1,197,058 higher than budget, mostly in special education third party revenue received from the Department of Human Services. State revenues were higher than budget by \$230,302. Salaries were higher than budget by \$837,390 while benefits were lower than budgeted by \$269,947.

Special Education Account revenue (excluding other financing sources) increased about \$2.4 million, or about 5 percent. Most of this increase was in tuition and state sources, which increased \$1,036,332 and \$1,312,136, respectively. Tuition revenue increased due to higher third party revenue received while state sources increased from the state special education tuition billing system in fiscal 2015.

Expenditures (excluding other financing uses) increased by \$1,821,253. Most of the increased costs were in salaries and employee benefits totaling about \$1.6 million. This was mostly due to an increase in severance and medical insurance cost increases.

Career and Technical Education Account

	Year Ended June 30,			
	2012	2013	2014	2015
Revenue and other financing sources	\$ 1,742,999	\$ 1,452,720	\$ 1,493,567	\$ 1,232,307
Expenditures and other financing uses	1,966,971	1,493,259	1,403,840	1,211,785
Excess (deficiency)	(223,972)	(40,539)	89,727	20,522
Fund balances				
Beginning of year	335,515	111,543	71,004	160,731
End of year	\$ 111,543	\$ 71,004	\$ 160,731	\$ 181,253

In fiscal 2015, the Career and Technical Education Account fund balance increased by \$20,522, which compares to a budgeted increase of \$48,854.

Revenues (excluding other financing sources) in this account decreased \$261,260, or 17.5 percent, which is close to amounts projected in the District's budget. Expenditures (excluding other financing uses) in this account decreased \$192,055, or 13.7 percent, mostly in salaries and wages.

Academic Education Account

	Year Ended June 30,			
	2012	2013	2014	2015
Revenue and other financing sources	\$ 10,483,809	\$ 9,312,690	\$ 10,198,323	\$ 9,711,677
Expenditures and other financing uses (net of capital lease activity)	9,548,579	9,607,915	10,244,375	9,863,612
Excess (deficiency)	935,230	(295,225)	(46,052)	(151,935)
Fund balances (deficit)				
Beginning of year	(784,074)	151,156	(144,069)	(190,121)
End of year	\$ 151,156	\$ (144,069)	\$ (190,121)	\$ (342,056)

The Academic Education Accounts fund balance decreased by \$151,935 in 2015. This compares to a budgeted decrease in fund balance of \$429,536. Most of this difference is related to the District receiving higher than expected state aids, due to greater than anticipated enrollments.

Revenue (excluding other financing sources) in this account decreased by \$486,646 in 2015, mostly in revenues received from Hennepin County.

Expenditures and other financing uses in this account decreased by \$380,763. Most of this decrease was related to decreases in employee salaries.

District-Wide Account

This account includes costs for administration, district-wide operations, maintenance, and grants.

	Year Ended June 30,			
	2012	2013	2014	2015
Revenue	\$ 18,546,846	\$ 16,789,769	\$ 17,381,139	\$ 17,777,065
Expenditures	21,971,507	16,957,596	16,522,735	17,066,151
Other financing sources (uses)	<u>(1,043,556)</u>	<u>(19,495)</u>	<u>(684,295)</u>	<u>(410,066)</u>
Excess (deficiency)	(4,468,217)	(187,322)	174,109	300,848
Fund balances				
Beginning of year	<u>6,072,887</u>	<u>1,604,670</u>	<u>1,417,348</u>	<u>1,591,457</u>
End of year	<u>\$ 1,604,670</u>	<u>\$ 1,417,348</u>	<u>\$ 1,591,457</u>	<u>\$ 1,892,305</u>

The District-Wide Account fund balance increased by \$300,848 in 2015. This compares to a budgeted increase in fund balance of \$854,005. This was mainly due to a combination of revenues under budget by about \$300,000 and expenditures higher than budget by about \$300,000.

Revenue in this account increased by \$395,926 in 2015. Most revenue sources increased in the current year, except for other local sources decreasing by \$1,098,752, which includes E-Rate revenue.

Expenditures increased by \$543,416 in 2015, mostly in purchased services for grant expenditures.

OTHER GOVERNMENTAL FUNDS

Food Service Special Revenue Fund

The District's Food Service Special Revenue Fund expenditures exceeded revenue by \$334,167. A planned transfer was made from the General Fund to eliminate this deficit.

Community Service Special Revenue Fund

The District's Community Service Special Revenue Fund expenditures exceeded revenue by \$76,196. A planned transfer was made from the General Fund to eliminate this deficit.

Debt Service Fund

The District's Debt Service Fund's revenues exceeded expenditures by \$1,346,848, leaving a fund balance restricted for debt services of \$5,121,534.

Internal Service Fund

The District's Dental Self-Insurance Internal Service Fund is used to account for dental insurance offered by the District to its employees as a self-insured plan. As of June 30, 2015, the fund had unrestricted net position of \$487,798, an increase of \$20,277 from the prior year.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

Theoretically, net position represents the resources the District has leftover to use for providing services after its debts are settled. However, those resources are not always in expendable form, or there may be restrictions on how some of those resources can be used. Therefore, the statement divides net position into three components: net investment in capital assets, restricted net position, and unrestricted net position. The following table presents components of the District's net position at year-end, along with a simplified reconciliation of the difference between the governmental fund balances and total net position for each of the last two fiscal years:

	Year Ended June 30,	
	2014	2015
Net position – governmental activities		
Total fund balances – governmental funds	\$ 17,418,070	\$ 20,385,060
Net book value of capital assets	77,132,474	74,138,777
Capital lease payable	(23,712,556)	(22,929,558)
Certificates of participation payable	(49,800,000)	(48,440,000)
Severance benefits and compensated absences payable	(7,569,305)	(6,942,641)
Net OPEB and pension benefit obligations	(2,647,087)	(2,728,141)
Net pension-related liabilities	–	(41,896,436)
Deferred inflows and outflows	–	(2,987,459)
Internal Service Fund net position	467,521	487,798
Accrued interest payable	(610,310)	(585,555)
Unamortized premium/discount on debt issued	(51,096)	(51,071)
Total net position – governmental activities	<u>\$ 10,627,711</u>	<u>\$ (31,549,226)</u>
Net position		
Net investment in capital assets	\$ 3,568,822	\$ 2,718,148
Restricted	4,312,985	6,050,915
Unrestricted	<u>2,745,904</u>	<u>(40,318,289)</u>
Total net position	<u>\$ 10,627,711</u>	<u>\$ (31,549,226)</u>

The unrestricted net position category consists mainly of the General Fund balances, offset against non-capital long-term obligations such as OPEB, pensions, and vacation and severance benefits payable.

The net position decreased by \$42,176,937 in fiscal 2015. The District recorded a change in accounting principle for reporting the Districts participation in the Public Employees Retirement Association and Teachers Retirement Association pension plans that reduced beginning net position by \$45,163,074.

LEGISLATIVE SUMMARY

After two years with Democratic control of the governor's office and both legislative chambers, the Republicans picked up 11 seats in the House of Representatives (the House) in the 2014 elections, gaining control of that chamber for 2015. Despite the 2015 legislative session beginning with a projected budget excess of \$1.87 billion for the 2016–2017 biennium, the most favorable budget forecast in over a decade, little was accomplished during the session due to partisan disagreement. One of the many areas of contention was the education finance bill, which was passed by the House and Senate late in the regular session without a universal preschool provision demanded by the governor. As promised, the governor vetoed the education finance bill along with several others, forcing a special session. Ultimately, the K–12 education finance bill was passed in a special session adding \$525 million in state funding for K–12 education over the 2016–2017 biennium.

The following is a brief summary of recent legislative changes and issues affecting the future funding of Minnesota school districts:

Basic General Education Revenue – The per pupil basic general education formula allowance increased \$529 to \$5,831 for fiscal year (FY) 2015, with simultaneous changes to pupil weights and the general education formula structure reducing the increase to the equivalent of \$105 per pupil state-wide. The 2015 Legislature approved 2 percent increases for each of the two subsequent fiscal years, raising the per pupil allowance to \$5,948 for FY 2016 and \$6,067 for FY 2017.

A number of other changes were made to the general education formula, including:

- The extended time allowance increased from \$5,017 to \$5,117 beginning in FY 2016.
- Charter schools with extended time programs will receive 25 percent of the state average per adjusted pupil unit (about \$19 per adjusted pupil unit [APU]) beginning in FY 2016.
- Funding eligibility for English learner revenue is extended from 6 to 7 years in FY 2017.
- School districts not in a compensatory pilot project are allowed to allocate up to 50 percent of compensatory revenue among building sites based on a local plan beginning in FY 2016.

The following changes were made to elements of the general education tax levy:

- The student achievement levy, reestablished to allow districts to levy up \$20 million state-wide for FY 2016 (taxes payable 2015), is being phased out. There will be no change to the \$20 million limit for FY 2017 (taxes payable 2016). The levy is reduced to \$10 million state-wide for FY 2018 (taxes payable 2017), and eliminated for FY 2019.
- The equalization factor for operating capital was increased from \$14,500 for FY 2016 to \$14,740 for FY 2017, \$17,473 for FY 2018, and \$20,510 for FY 2019 and later years.

Language was also added requiring districts to use the 2 percent general education staff development set-aside for: teacher development and evaluation, principal development and evaluation, professional development, in-service education, and staff development plans. Staff development plans are required to be aligned and integrated with teacher development and evaluation agreements.

Quality Compensation Program (Q Comp) – The 2015 Legislature made the following changes to the Q Comp alternative compensation for teachers program:

- The cap on basic Q Comp aid increases 16.5 percent to \$75,636,000 beginning in FY 2017.
- Cooperatives other than intermediate districts are eligible to participate in Q Comp beginning in FY 2017. The year prior to participating, 70 percent of the teachers employed by the cooperative must agree to adopt a Q Comp system.
- Beginning in FY 2017, the Q Comp aid formula for intermediates and other cooperatives changes to \$3,000 per licensed teacher employed on October 1 of the previous year.
- Alternative teacher pay systems are now allowed to include incentives for teachers to pursue training, advanced certifications, or master's degrees; and for teachers identified as effective or highly effective to work in hard-to-fill positions or hard-to-staff schools.

Compensatory Pilot Grants – Funding for compensatory pilot grants has been extended, with state-wide funding for FY 2016 and later set at the FY 2015 level of \$7,342,500. Recipient districts are required to post plans and accountability measures on their website.

Special Education Funding – State funding for special education is being transitioned to new funding formulas beginning in FY 2016.

For FY 2016, state regular special education aid will be the lesser of: 62 percent of old formula special education expenditures for the prior year; 50 percent of nonfederal special education expenditures for the prior year; or 56 percent of the amount calculated using a new pupil-driven formula based on prior year data.

Beginning in FY 2016, special education aid will be paid directly to cooperatives and intermediate districts, rather than flowing through the resident districts. Tuition bills will be reduced by the aid paid directly to these entities.

The formula for special education excess cost aid for FY 2016 will be the greater of: 56 percent of the difference between the district's unreimbursed nonfederal special education costs and 7 percent of the district's general education revenue; or 62 percent of the difference between the district's unreimbursed old formula special education costs and 2.5 percent of the district's general education revenue.

Long-Term Facilities Maintenance Revenue – Beginning in FY 2017, the current deferred maintenance, health and safety, and alternative facilities programs will be rolled into a new long-term facilities maintenance revenue program.

The new revenue for FY 2017 will be \$193 per APU, multiplied by the lesser of one, or the ratio of the district's average building age to 35 years. Funding will increase to \$292 per APU for FY 2018 and \$380 per APU for FY 2019, multiplied by the same building age factor. Additional funding will be available for approved indoor air quality, fire alarm and suppression, and asbestos abatement projects with a cost per site of \$100,000 or more. Districts may issue bonds for this program, levy on a pay-as-you-go basis, or a combination of the two. The 25 largest districts currently eligible for alternative facilities revenue will continue to be eligible for reimbursement of approved project costs without a per-pupil limit.

Revenue for long-term facilities maintenance will be equalized up to a limit of one times the annual allowance per APU. The aid/levy mix for the equalized portion of the revenue will be calculated using an equalizing factor of 123 percent of the state average adjusted net tax capacity (ANTC) per pupil unit, calculated with an exclusion of 50 percent of the value of class 2a Agricultural Land from ANTC. Levy equalization will be the same regardless of whether the district chooses to issue bonds or make annual pay-as-you-go levies. Debt service levies under the program will be excluded from regular debt service equalization.

All districts are guaranteed to receive at least as much revenue and at least as much state aid as they would have received under the existing law.

American Indian Education Aid – The Success for the Future Grant Program is being replaced with a new American Indian Education Aid, effective FY 2016. Districts, charters, and Bureau of Indian Education schools with at least 20 American Indian students are eligible for aid. The aid entitlement will equal the lesser of approved costs or \$20,000, plus \$358 per American Indian student enrolled on October 1 of the previous year in excess of 20. There will be a hold harmless for districts currently receiving Success for the Future grants.

College Entrance Exams – Taking a nationally recognized college entrance exam is now optional. However, districts must provide and administer the test upon request once to a student in the 11th or 12th Grade. The Legislature appropriated \$6 million to reimburse districts for the costs of providing the nationally recognized college entrance exam at the students’ option. Costs will be reimbursed until the appropriation is exhausted.

Post-Secondary Enrollment Options (PSEO) – Students in 9th and 10th Grades are now allowed to enroll in PSEO courses if approved by their serving district and the postsecondary institution. They may also enroll in world language courses available to 11th and 12th Graders consistent with world language standards and proficiency seals and certificates. Students not on track to graduate are no longer restricted from PSEO participation.

Full Service Community Schools – Eligible school sites can receive grants in FY 2016 and FY 2017 through a new Full-Service Community Schools Program. To be eligible, a school must be on a development plan for continuous improvement or be in a district with an approved achievement and integration program, and have established two programs in specified program areas to meet school community needs. Sites can earn up to \$100,000 each year for a site coordinator and up to \$20,000 for one year of implementation planning.

Early Learning Programs – While the Governor’s proposed universal preschool provision did not become law, funding increases of \$92.5 million for several early learning programs were approved for the 2016–2017 biennium, including: \$48.25 million for the Early Learning Scholarship Program; \$30.75 million for School Readiness; \$10 million for Head Start; and \$3.5 million for the “Parent Aware” early childhood rating system. Funding for Early Childhood Family Education linked to the general education formula also increased.

Fund Transfers – The authority for school districts to transfer money from one fund or account to another, as long as the transfer does not increase state aid obligations or increase local property taxes, was extended through FY 2017. School boards may only approve such transfers after adopting a resolution stating that the transfer will not diminish instructional opportunities for students. This authorization excludes transfers from the food service or community service funds, and prohibits transfers from the reserved account for staff development.

Four-Day School Week – Future approvals of districts adopting a four-day week will depend upon meeting “World’s Best Workforce” goals. Districts that currently have four-day week schedules are grandfathered in until the FY 2020 school year. If discontinued, districts are allowed one year to transition off the four-day week schedule.

Withdrawal from Cooperatives – In the event of a dispute involving a district’s withdrawal from a cooperative, any administrative law judge fees are required to be split equally by the district and the cooperative.

Financial Reporting Dates – The deadline for districts or charters to make prior year financial data corrections for final payments was moved from December 30 to December 15 following the fiscal year-end.

ACCOUNTING AND AUDITING UPDATES

GASB STATEMENT NO. 72, *FAIR VALUE MEASUREMENT AND APPLICATION*

The primary objective of this statement is to address accounting and financial reporting issues related to fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. It also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

This statement generally requires investments to be measured at fair value. An investment is defined as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. This statement is effective for financial statements for fiscal years beginning after June 15, 2015. Earlier application is encouraged.

GASB STATEMENT NO. 73, *ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS AND RELATED ASSETS THAT ARE NOT WITHIN THE SCOPE OF GASB STATEMENT NO. 68, AND AMENDMENTS TO CERTAIN PROVISIONS OF GASB STATEMENT NOS. 67 AND 68*

The objective of this statement is to improve the usefulness of information about pensions included in financial statements of state and local governments for making decisions and assessing accountability. This statement also clarifies the application of certain provisions of GASB Statement Nos. 67 and 68 regarding 10-year schedules of required supplementary information and other recognition issues pertaining to employers and nonemployer contributing entities. These changes will improve financial reporting by establishing a single framework for the presentation of information about pensions, enhancing comparability for similar information reported by employers and nonemployer contributing entities.

The requirements of this statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions not within the scope of GASB Statement No. 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this statement for pension plans that are within the scope of GASB Statement No. 67 or for pensions that are within the scope of GASB Statement No. 68 are effective for fiscal years beginning after June 15, 2015. Earlier application is encouraged.

GASB STATEMENT NO. 74, *FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS*

The objective of this statement is to improve the usefulness of information about post-employment benefits other than pensions (other post-employment benefits [OPEB]). This statement replaces GASB Statement Nos. 43 and 57. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in GASB Statement Nos. 25, 43, and 50. GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

This statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans administered through trusts meeting the specified criteria. The new information will enhance the decision-usefulness of the financial reports of those OPEB plans, their value for assessing accountability, and their transparency by providing information about measures of net OPEB liabilities and explanations of how and why those liabilities changed from year to year. The net OPEB liability information, including ratios, will offer an up-to-date indication of the extent to which the total OPEB liability is covered by the fiduciary net position of the OPEB plan. The comparability of the reported information for similar types of OPEB plans will be improved by the changes related to the attribution method used to determine the total OPEB liability. The contribution schedule will provide measures to evaluate decisions related to the assessment of contribution rates in comparison with actuarially determined rates, if such rates are determined. In addition, new information about rates of return on OPEB plan investments will inform financial report users about the effects of market conditions on the OPEB plan's assets over time and provide information for users to assess the relative success of the OPEB plan's investment strategy and the relative contribution that investment earnings provide to the OPEB plan's ability to pay benefits to plan members when they come due.

This statement is effective for financial statements for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

GASB STATEMENT NO. 75, ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The primary objective of this statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This statement replaces the requirements of GASB Statement Nos. 45 and 57. GASB Statement No. 74 establishes new accounting and financial reporting requirements for OPEB plans.

This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This statement is effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged.

Similar to changes implemented for pensions, this statement requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

GASB STATEMENT NO. 77, TAX ABATEMENT DISCLOSURES

This statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements, and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. Tax abatements are widely used by state and local governments, particularly to encourage economic development. For financial reporting purposes, this statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.

The requirements of this statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations, and (2) the impact those abatements have on a government's financial position and economic condition. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.

CHANGES TO FEDERAL GRANT AUDIT REQUIREMENTS

In December 2013, the OMB issued *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits*, which supersedes all or parts of eight OMB circulars; consolidating federal cost principles, administrative principles, and audit requirements in one document. This new Uniform Guidance includes a number of significant changes to both administrative requirements and the federal Single Audit process.

Significant changes in administrative requirements include: changes to time and effort documentation, updating internal control framework to be consistent with changes to the Committee of Sponsoring Organizations) of the Treadway Commission (COSO) internal control framework, creating written policies and procedures to implement requirements of cash management and allowability of costs, implementing new procurement standards, and additional compliance and control requirements for districts making subawards. Auditees are required to implement the administrative requirements of the new Uniform Guidance for new awards or funding increments on or after December 26, 2014.

Significant changes to the federal Single Audit process include: an increase in dollar threshold for requiring a Single Audit from \$500,000 to \$750,000; changes to the thresholds and process used for determining major programs; reductions in the percentages of expenditures required to be covered by a Single Audit from 50 percent to 40 percent for high risk auditees and from 25 percent to 20 percent for low risk auditees; revised criteria for determining low-risk auditees; and an increase in the threshold for reporting questioned costs from \$10,000 to \$25,000. The revised audit requirements will be effective for audits of fiscal years beginning on or after December 26, 2014.

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INTERMEDIATE DISTRICT 287
PLYMOUTH, MINNESOTA
BOARD OF EDUCATION

Regular Meeting – January 28, 2016

AGENDA SECTION: BUSINESS SERVICES REPORT

ITEM: Approval of Routine Monthly Finance Report

PRESENTED BY: Mae L. Hawkins, Executive Director of Business Services

1. Background Information

The November Budget vs. Actual Reports are presented for Board information and review. These reports indicate that year-to-date revenue in all funds total \$30,910,852 or 32.5% of the Original Revenue Budget of \$95,009,226. The District's monthly revenue will continue to be based upon the cash payments we receive from MDE Special Education Uniform Tuition system and other state aids. Revenue will be made whole at the end of each fiscal year as we calculate all of our receivables and recognize the revenue receivable as part of the audit.

Year-to-date expenditures in all funds total \$30,016,287, or 32.0% of the Original Expenditure Budget of \$93,820,405.

The numbers as of the end of the prior fiscal year at June 30th have been finalized.

DDA

Attachments

2. Fiscal Impact/Funding Source: Mae Hawkins, Executive Director of Business Services will provide an overview of the November 2015 monthly finance reports and the Board will be asked to approve it.

3. RECOMMENDED ACTION: **The Board approve the Finance & Donation Report items as presented.**

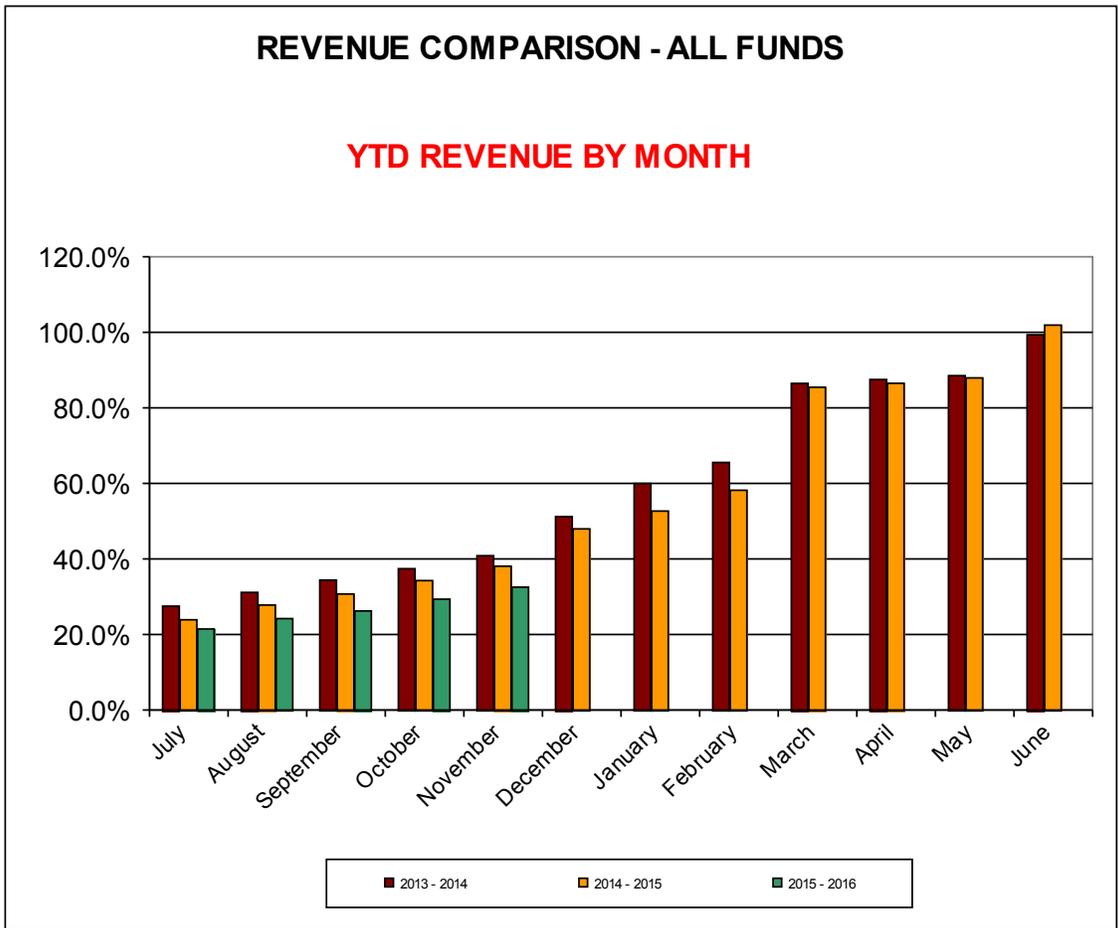
Motion by: _____ Yes ____ Passed ____

Second by: _____ Yes ____ Failed ____

Abstentions: _____

DISTRICT 287
REVENUE COMPARISON

Month	2013 - 2014		2014 - 2015		2015 - 2016	
	\$ Amount	% of Budget	\$ Amount	% of Budget	\$ Amount	% of Budget
July	23,266,115	27.5%	20,284,604	23.9%	20,378,472	21.4%
August	3,076,425	31.1%	3,296,130	27.8%	2,631,390	24.2%
September	2,766,649	34.4%	2,486,874	30.7%	1,909,306	26.2%
October	2,558,934	37.4%	3,017,044	34.3%	2,986,373	29.4%
November	2,904,928	40.9%	3,240,902	38.1%	3,005,312	32.5%
December	8,740,826	51.2%	8,380,131	48.0%		
January	7,444,596	60.0%	4,014,753	52.7%		
February	4,699,240	65.6%	4,675,723	58.2%		
March	17,705,512	86.5%	23,146,696	85.5%		
April	882,851	87.5%	872,787	86.5%		
May	867,293	88.5%	1,225,771	88.0%		
June	9,140,621	99.4%	11,843,255	101.9%		
TOTAL	84,053,988	99.4%	86,484,671	101.9%	30,910,852	32.5%
BUDGET	84,601,954		84,865,422		95,009,226	



REPORT: EXPREV 000006 REVENUE SUMMARY BY FUND - Board Report
 STATEMENT OF REVENUE
 DIST 0287 Intermediate District 287 ACCOUNTING PERIOD 11/01/15 TO 11/30/15

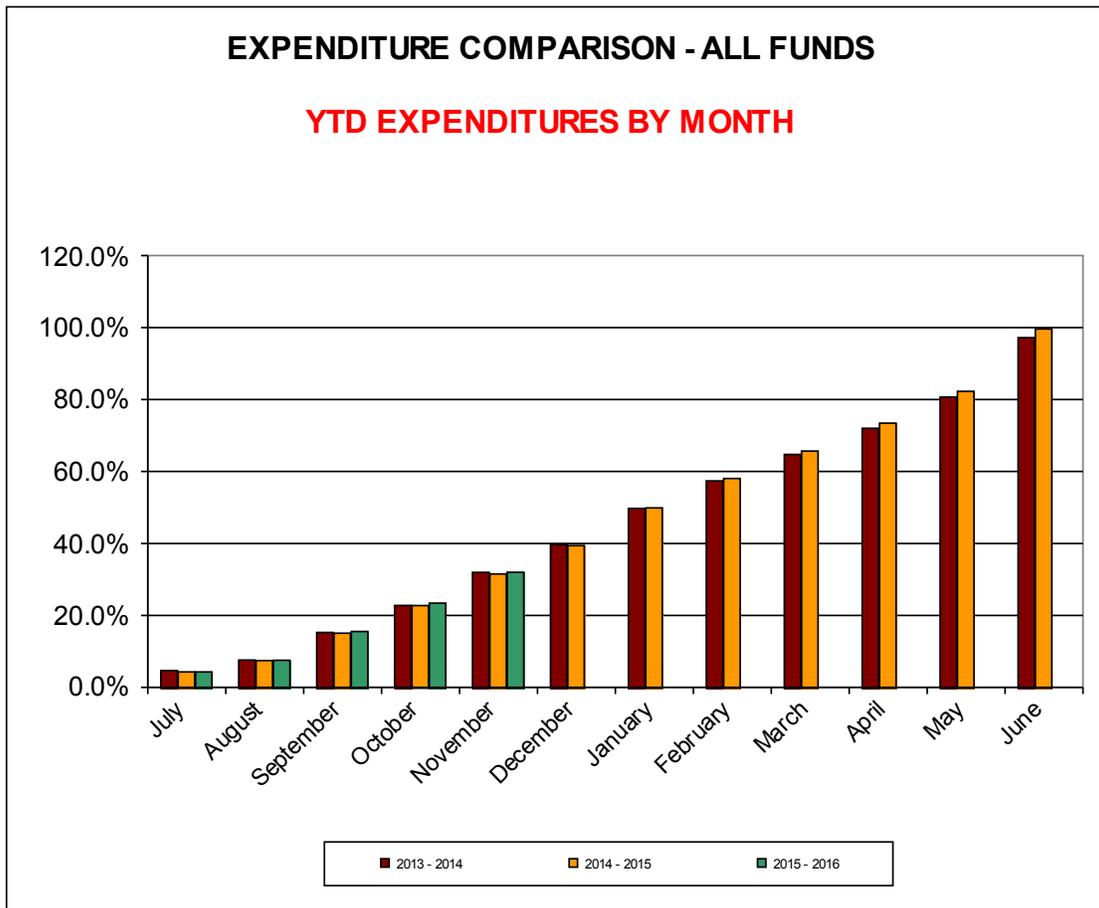
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 SUBTOTALED BY: ACCOUNT FD
 SERIES TOTALS: <None Selected>
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FD	PRIOR YEAR ACTUAL	REVIS ED BUDGET	11/01/15 11/30/15	FISCAL YEAR 201507 RECEIVED THRU 11/30/15	REMAINING ON 11/30/15	PERCENT REMAINING
01 GENERAL FUND	17,777,359.19	17,482,069	59,578.06	8,592,161.19	8,889,907.81	50.85 %
02 FOOD SERVICE FUND	777,191.43	739,192	36,318.58	44,268.63	694,923.37	94.01 %
04 COMMUNITY SERVICE FUND	152,563.94	180,673	4,902.02	30,742.02	149,930.98	82.98 %
07 DEBT SERVICE FUND	5,321,360.99	5,357,622	90,756.05	850,452.02	4,507,169.98	84.12 %
08 TRUST FUND	523,661.30	477,642	44,408.79	189,233.06	288,408.94	60.38 %
10 SCHOLARSHIP FUND	3,274.81	0	1,000.00	1,850.00	1,850.00-	0.00 %
12 ALC-ACADEMIC	9,680,850.40	9,249,925	460,645.64	2,542,300.04	6,707,624.96	72.51 %
13 CAREER & TECH	1,232,307.31	1,309,384	0.00	853,121.45	456,262.55	34.84 %
14 SPECIAL EDUCATION	50,428,730.31	50,497,777	2,247,344.15	17,441,242.52	33,056,534.48	65.46 %
20 INTERNAL SERVICE FUND - DENTAL	558,134.67	493,010	58,360.75	132,375.44	360,634.56	73.14 %
21 INTERNAL SERVICE FUND - HEALTH	0.00	9,194,232	0.00	230,038.18	8,964,193.82	97.49 %
41 DONATIONS	4,108.55-	0	0.00	0.00	0.00	0.00 %
51 STUDENT CLUBS	33,344.93	27,700	1,997.86	3,067.77	24,632.23	88.92 %
*** REPORT TOTALS:	86,484,670.73	95,009,226	3,005,311.90	30,910,852.32	64,098,373.68	67.46 %

DISTRICT 287
EXPENDITURE COMPARISON

Month	2013 - 2014		2014 - 2015		2015 - 2016	
	\$ Amount	% of Budget	\$ Amount	% of Budget	\$ Amount	% of Budget
July	3,962,038	4.7%	3,601,915	4.3%	4,043,775	4.3%
August	2,486,804	7.6%	2,637,832	7.4%	3,043,894	7.6%
September	6,489,103	15.3%	6,385,388	15.1%	7,479,224	15.5%
October	6,365,911	22.8%	6,438,125	22.7%	7,410,809	23.4%
November	7,781,071	32.0%	7,361,288	31.5%	8,038,585	32.0%
December	6,551,462	39.7%	6,626,717	39.4%		
January	8,521,477	49.7%	8,778,883	49.9%		
February	6,477,527	57.4%	6,840,106	58.1%		
March	6,241,384	64.7%	6,389,294	65.7%		
April	6,167,270	72.0%	6,520,531	73.5%		
May	7,333,498	80.7%	7,400,192	82.3%		
June	14,005,680	97.2%	14,548,028	99.6%		
TOTAL	82,383,226	97.2%	83,528,297	99.6%	30,016,287	32.0%
BUDGET	84,760,037		83,839,420		93,820,405	



REPORT: EXPREV 000007 EXPENDITURE SUMMARY BY FUND - Board Rept
 STATEMENT OF EXPENDITURES
 DIST 0287 Intermediate District 287 ACCOUNTING PERIOD 11/01/15 TO 11/30/15

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FD	PRIOR YEAR ACTUAL	< - - - REVISED BUDGET	- - - - - 11/01/15 11/30/15	- - - - - EXPENDED THRU 11/30/15	FISCAL YEAR 201507 ENCUMBERED THRU 11/30/15	- - - - - REMAINING ON 11/30/15	- - - - - PERCENT REMAINING
01 GENERAL FUND	17,477,615.46	17,746,699	2,019,171.96	7,261,093.77	2,762,701.18	7,722,904.05	43.51 %
02 FOOD SERVICE	777,191.43	739,192	52,316.34	199,414.85	236,526.37	303,250.78	41.02 %
04 COMMUNITY SERVICE FUND	152,563.94	180,673	15,751.39	70,021.62	512.60	110,138.78	60.96 %
07 DEBT SERVICE FUND	3,974,512.45	3,970,458	0.00	1,285,364.83		2,685,093.17	67.62 %
08 TRUST FUND	536,559.99	477,642	44,408.79	170,645.10		306,996.90	64.27 %
10 SCHOLARSHIP FUND	21,274.78	29,000	0.00	2,537.63		26,462.37	91.24 %
12 ALC-ACADEMIC	9,863,608.77	9,327,553	764,450.55	2,849,345.02	539,798.54	5,938,409.44	63.66 %
13 CAREER & TECH	1,211,784.61	1,309,384	125,109.51	313,441.77	20,719.43	975,222.80	74.47 %
14 SPECIAL EDUCATION	48,946,255.27	50,317,206	4,375,337.15	14,790,424.87	1,537,647.43	33,989,133.70	67.54 %
20 INTERNAL SERVICE FUND	537,857.45	494,000	33,514.27	142,250.57		351,749.43	71.20 %
21 SELF HEALTH INSURANCE	0.00	9,194,232	602,332.07	2,923,283.44	6,265,975.44	4,973.12	0.05 %
51 STUDENT CLUBS	29,073.32	34,366	6,192.77	8,463.27		25,902.73	75.37 %
*** REPORT TOTALS:	83,528,297.47	93,820,405	8,038,584.80	30,016,286.74	11,363,880.99	52,440,237.27	55.89 %

Intermediate District 287

Responsive. Innovative. Solutions.

INTER-OFFICE MEMORANDUM

DATE: **December 21, 2015**

TO: Members of the School Board

FROM: Mae L. Hawkins, Executive Director of Business Services

RE: **Cash Report - November** Claims, Payroll, Receipts, and Investments

A. Recommendation: Request the Board approve payment of the items listed below:

- | | | |
|--|-------------|---------------------|
| 1. Claim payments for: November 2015 | Totaling \$ | <u>4,400,236.67</u> |
| a) Check #'s 499837 - 500042
and Wire Transfers - #'s 2646 - 2656, 3115, 70017874 - 70018042, 80001088 - 80001109
and P-Card Purchases - #'s 90000513- 90000530 | | |
| 2. Payroll for: November 2015 | Totaling \$ | <u>2,498,658.50</u> |
| a) Check #'s 675607 - 675610
b) Direct Deposit #'s 291698 - 292681, 292682 - 293674
and Wire Transfers - #'s n/a | | |
| 3. Receipts for: November 2015 | Totaling \$ | <u>4,263,411.62</u> |
| a) Receipt #'s 138345 - 138565 | | |
| 4. Investments at end of month | Totaling \$ | <u>3,516,818.07</u> |

Claims/Expenditures, wire transfers, P-Card purchases, payroll, receipts and investments have been prepared under the direction of Dave Anderson and is presented for approval by the School Board. Dave and I would be glad to answer any questions.

**INTERMEDIATE DISTRICT 287
INVESTMENTS ON HAND
NOVEMBER 2015**

INV NBR	INSTITUTION	INV TYPE	RATE OF RETURN (%)	PURCHASE DATE	MATURITY DATE	AMOUNT INVESTED
	PMA- MNTRUST INVESTMENT SHARES PORTFOLIO					288.89
	PMA- MNTRUST SAVINGS DEPOSIT ACCOUNT	SDA	0.040	11/01/15	11/30/15	3,516,529.18
	TOTAL PMA- MNTRUST INVESTMENTS ON BOOKS					3,516,818.07

ACTIVITY DETAIL:

INVESTMENTS ON OUR BOOK AT END OF PRIOR MONTH	3,516,529.18
CURRENT MONTH ACTIVITY	
DEPOSITS	
WITHDRAWALS	
INTEREST EARNED- RECORDED	288.89
INTEREST EARNED- NOT RECORDED BY MONTH-END	-
TOTAL INVESTMENTS AT END OF MONTH & UN-RECORDED INTEREST	3,516,818.07

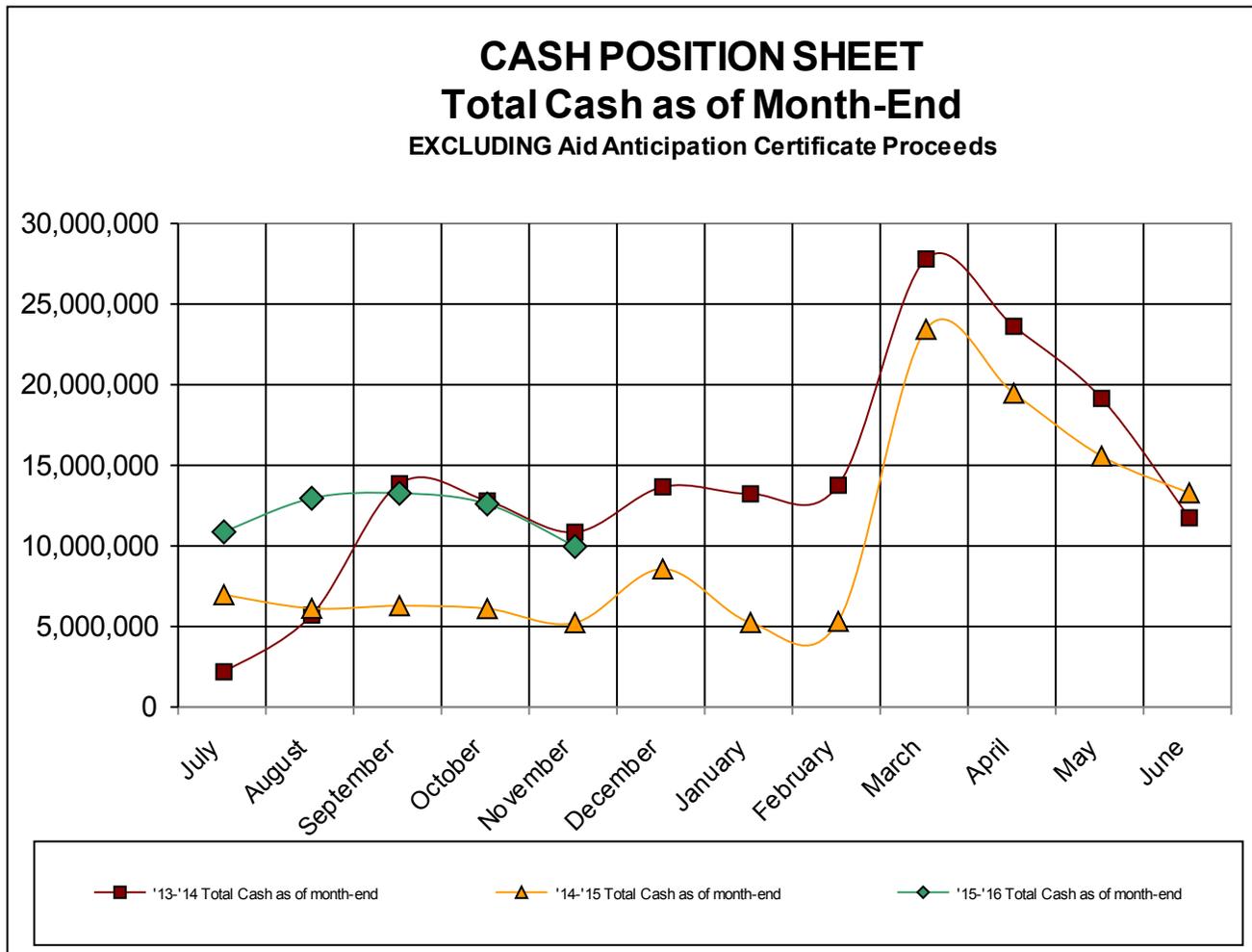
Intermediate District 287

Cash Position Sheet- Monthly Total Net Cash- All Accounts

- EXCLUDING Aid Anticipation Certif. Proceeds

<u>Date</u>	<u>'13-'14 Total Cash as of month-end</u>	<u>'14-'15 Total Cash as of month-end</u>	<u>'15-'16 Total Cash as of month-end</u>
July	2,191,127 ¹	6,975,746	10,874,357
August	5,718,061 ¹	6,126,182	12,957,525
September	13,862,706	6,288,912	13,272,863
October	12,796,587	6,111,818	12,606,016
November	10,848,256	5,234,858	9,967,552
December	13,665,705	8,574,866	
January	13,229,251	5,249,429	
February	13,767,789	5,322,861	
March	27,803,669	23,439,811	
April	23,625,636	19,473,405	
May	19,151,688	15,576,013	
June	11,744,521	13,291,819	

¹ excludes Aid Anticipation Certif. proceeds of \$9,900,000.00 in Aug. 2012, paid back in Sept. 2013



INTERMEDIATE DISTRICT 287
NOVEMBER 2015 ACTIVITY

ELECTRONIC TRANSFERS IN:

DATE	AGENCY	TO	EF#	AMOUNT	DESCRIPTION
11/2/2015	HENN CO HSPHD	MSDLAF	138347	614.40	NECA MEC2
11/3/2015	DHS - MMIS	MSDLAF	138543	422.18	THIRD PARTY BILLING
11/4/2015	HENN CO HSPHD	MSDLAF	138348	15,350.76	SECA MEC2
11/5/2015	HENN CO HSPHD	MSDLAF	138446	6,437.60	SECA MEC2
	HENN CO HSPHD	MSDLAF	138349	18,613.25	NECA MEC2
11/12/2015	EDUC-ST AID	MSDLAF	138544	38,742.44	GENERAL ED AID FY15-16
	EDUC-ST AID	MSDLAF	138544	2,193,858.44	SPECIAL ED-ST AID FY15-16
11/12/2015	EDUC-FNS	MSDLAF	138544	286.70	02F705 ST BRKFST SEPT15
	EDUC-FNS	MSDLAF	138544	15,026.14	02F701 FED FREE LUNCH SEPT15
	EDUC-FNS	MSDLAF	138544	1,082.35	02S300 ST LUNCHES SEPT15
	EDUC-FNS	MSDLAF	138544	2,078.24	02F701 FED REG LUNCH SEPT15
	EDUC-FNS	MSDLAF	138544	402.24	02F701 FED HHFKA LUNCH SEPT15
	EDUC-FNS	MSDLAF	138544	7,694.41	02F705 FED BRKFST SEPT15
11/13/2015	DEED COC	MSDLAF	2892857	38,371.11	MN DEP OF EDUC SWIFT INV#73787
11/19/2015	G69/TRA	MSDLAF	2907748	1,411.20	TEACHERS REITREMENT TRA
	HENN CO HSPHD	MSDLAF	138541	30,729.19	NECA MEC2
11/20/2015	ANOKA CO HSPHD	MSDLAF	138542	1,222.14	NECA MEC2
	HENN CO HSPHD	MSDLAF	138540	31,611.30	SECA MEC2
11/25/2015	EDUC-VENDOR	MSDLAF	2915503	185.45	REIMB FOR TEACHER SUB INV#73805
11/30/2015	SQUARE-INC	MSDLAF	138551	594.92	SEC COMMON GROUNDS NOV 2015
	ELAVON	MSDLAF	138552	2,518.00	PAYPAM NOVEMBER 2015
	PAYPAL	MSDLAF	138553	2,511.21	PAYPAL NOVEMBER 2015
	MERCHANT BK CD	MSDLAF	138550	120.00	287 CONFERENCE CENTER BKCD SVS
	APPLE CLICS	MSDLAF	138556	141.91	APPLE CLICKS OCTOBER ACTIVITY PD IN NOVEMBER 2015

MTD TOTALS				2,410,025.58	
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INTERMEDIATE DISTRICT 287
NOVEMBER 2015 ACTIVITY

WIRE TRANSFERS OUT:

DATE	FROM	AGENCY	WIRE #	AMOUNT	DESCRIPTION
11/5/2015	MSDLAF	HEALTH PARTNERS	2646	110,753.42	HPAI CLAIMS 11/5/15
	MSDLAF	BANK OF MONTREAL	90000513 - 90000530	80,809.45	P-CARD OCTOBER15 ACT - PD NOVEMBER 15
	MSDLAF	WELLS FARGO	2647	1,010,271.54	WELLS FARGO BROKORAGE
11/10/2015	MSDLAF	US BANK	7001784 - 70017902	3,479.49	DIRECT DEPOSIT EMPLOYEE EXPENSES FY15-16
11/12/2015	MSDLAF	HEALTH PARTNERS	2648	116,473.37	HPAI CLAIMS 11/12/15
	MSDLAF	HEALTH PARTNERS	2649	2,172.98	HPAI CLAIMS 11/13/15
	MSDLAF	BANK OF MONTREAL	2650	131,158.42	A/P P-CARD OCT15 ACT - PD NOV 15
11/13/2015	MSDLAF	EBC	80001088	21,383.85	EMPLOYEE & EMPLOYER 403B
	MSDLAF	MSRS	80001089	1,690.38	MN STATE RETIREMENT SYSTEM - VEBA
	MSDLAF	PERA	80001090	58,287.06	PUBLIC EMPLOYEES RETIREMENT ASSN
	MSDLAF	TRA	80001091	86,223.15	TEACHERS RETIREMENT ASSN
	MSDLAF	US BANK	80001092	142,699.96	FEDERAL TAXES
	MSDLAF	EBC	80001093	57,206.80	EMPLOYEE & EMPLOYER 403B
	MSDLAF	MN DEPT OF REV	80001094	718.59	MN DEPT OF REVENUE-WAGE LEVY'S
	MSDLAF	MN DEPT OF REVENUE	80001095	74,701.71	STATE WITHHOLDING TAXES
	MSDLAF	PERA	80001096	50,515.16	PUBLIC EMPLOYEES RETIREMENT ASSN
	MSDLAF	TRA	80001097	86,223.15	TEACHERS RETIREMENT ASSN
	MSDLAF	US BANK	80001098	327,591.63	FEDERAL TAXES
	MSDLAF	US BANK	291698-292681	1,239,396.10	DIRECT DEPOSIT PAYROLL REG
11/19/2015	MSDLAF	HEALTH PARTNERS	2651	151,563.05	HPAI CLAIMS 11/11/15
11/23/2015	MSDLAF	US BANK	70017903 - 70018042	15,254.97	DIRECT DEPOSIT EMPLOYEE EXPENSES FY16
	MSDLAF	HEALTH PARTNERS	2652	87,504.30	HPAI CLAIMS 11/18/15
11/24/2015	MSDLAF	US BANK	2653	134.85	ARP FEES VOUCHER ACCT OCT15
11/25/2015	MSDLAF	HEALTH PARTNERS	2654	136,037.93	HPAI CLAIMS 11/18/15
	MSDLAF	US BANK	2655	58.83	MERCHANT CARD FEES OCT15 ACT BK IN NOV15
	MSDLAF	CHS	2656	44,408.79	CHS FLEX PAYMENTS OCT15 PAYAB NOV15 ACT
11/29/2015	MSDLAF	EBC	80001099	57,588.95	EMPLOYEE & EMPLOYER 403B
	MSDLAF	MN DEPT OF REV	80001100	725.69	MN DEPT OF REVENUE-WAGE LEVY'S
	MSDLAF	MN DEPT OF REV	80001101	76,002.32	STATE WITHHOLDING TAXES
	MSDLAF	PERA	80001102	51,456.63	PUBLIC EMPLOYEES RETIREMENT ASSN
	MSDLAF	TRA	80001103	86,968.17	TEACHERS RETIREMENT ASSN
	MSDLAF	US BANK	80001104	332,677.29	FEDERAL TAXES
	MSDLAF	EBC	80001105	21,516.00	EMPLOYEE & EMPLOYER 403B
	MSDLAF	MSRS	80001106	1,690.38	MN STATE RETIREMENT SYSTEM - VEBA
	MSDLAF	PERA	80001107	59,373.40	PUBLIC EMPLOYEES RETIREMENT ASSN
	MSDLAF	TRA	80001108	86,968.17	TEACHERS RETIREMENT ASSN
	MSDLAF	US BANK	80001109	144,731.78	FEDERAL TAXES
	MSDLAF	US BANK	3115	153.41	ARP FEES RECEIPT ACCT OCT15
	MSDLAF	US BANK	292682-293674	1,257,062.02	DIRECT DEPOSIT PAYROLL REG

MTD TOTALS				6,213,633.14	
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**DONATIONS
INTERMEDIATE DISTRICT 287
2015-2016**

November 2015

DON. DATE	DESCRIPTION	VIN#	EST VALUE	DONOR	SS# OR FED ID#	CAMPUS	PROGRAM
11/10/15	LAWN MOWER, CORD & 2 WEED WHIPS		\$ 350.00	ANDERSON, CHUCK		HTC/EP	POWER SPORTS CLASS
11/13/15	KAWASAKI FE170 ENGINE		\$ 75.00	DVORAK, ALEX		HTC/EP	POWER SPORTS CLASS
11/13/15	LAWN MOWER, SNOWBLOWER & WEED WACKER		\$ 600.00	HANSON, JOHN		HTC/EP	OUTDOOR MOTOR SPORTS CLASS
11/16/15	CHECK		\$ 1,000.00	MN ASSOC OF SCHOOL BUSINESS OFFICALS		DISTRICT WIDE	STUDENT SCHOLARSIP
11/10/15	CHECK		\$ 125.00	OLIVER, MARGARET		ITINERANT	D/HH/EC FAMILY NIGHT EXPENSES
10/30/15	CHECK		\$ 100.00	SOLSTAD, ROBERT & LORRAINE		EDGEWOOD	PHASE
11/6/15	CRAFTSMAN PUSH MOWER		\$ 75.00	WHYMAUCHT, JOHN		HTC/EP	POWER SPORTS CLASS
11/16/15	4 OUTDOOR ACTIVITIES		\$ 6,000.00	WILDERNESS INQUIRY		SEC	VECTOR/INVEST SOUTH TRANSITION
			\$ 8,325.00				

INTERMEDIATE DISTRICT 287
PLYMOUTH, MINNESOTA
BOARD OF EDUCATION

Regular Meeting – January 28, 2016

AGENDA SECTION: BUSINESS SERVICES REPORT

ITEM: Approval of Routine Monthly Finance Report

PRESENTED BY: Mae L. Hawkins, Executive Director of Business Services

1. Background Information

The December Budget vs. Actual Reports are presented for Board information and review. These reports indicate that year-to-date revenue in all funds total \$42,156,317 or 44.4% of the Original Revenue Budget of \$95,009,226. The District’s monthly revenue will continue to be based upon the cash payments we receive from MDE Special Education Uniform Tuition system and other state aids. Revenue will be made whole at the end of each fiscal year as we calculate all of our receivables and recognize the revenue receivable as part of the audit.

Year-to-date expenditures in all funds total \$37,617,490, or 40.1% of the Original Expenditure Budget of \$93,820,405.

DDA

Attachments

2. Fiscal Impact/Funding Source: None

3. RECOMMENDED ACTION: The Board approve the Finance & Donation Report items as presented.

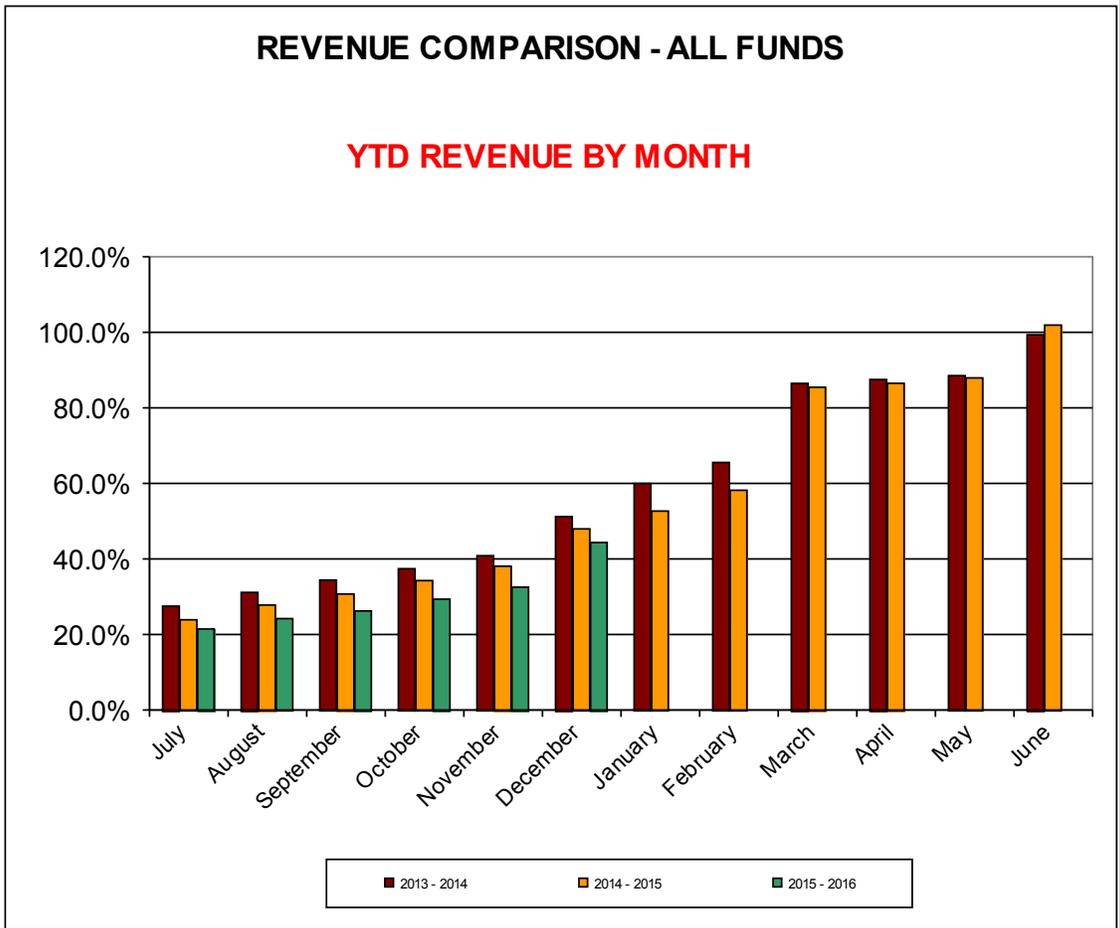
Motion by: _____ Yes ____ Passed ____

Second by: _____ Yes ____ Failed ____

Abstentions: _____

DISTRICT 287
REVENUE COMPARISON

Month	2013 - 2014		2014 - 2015		2015 - 2016	
	\$ Amount	% of Budget	\$ Amount	% of Budget	\$ Amount	% of Budget
July	23,266,115	27.5%	20,284,604	23.9%	20,378,472	21.4%
August	3,076,425	31.1%	3,296,130	27.8%	2,631,390	24.2%
September	2,766,649	34.4%	2,486,874	30.7%	1,909,306	26.2%
October	2,558,934	37.4%	3,017,044	34.3%	2,986,373	29.4%
November	2,904,928	40.9%	3,240,902	38.1%	3,005,312	32.5%
December	8,740,826	51.2%	8,380,131	48.0%	11,245,464	44.4%
January	7,444,596	60.0%	4,014,753	52.7%		
February	4,699,240	65.6%	4,675,723	58.2%		
March	17,705,512	86.5%	23,146,696	85.5%		
April	882,851	87.5%	872,787	86.5%		
May	867,293	88.5%	1,225,771	88.0%		
June	9,140,621	99.4%	11,843,255	101.9%		
TOTAL	84,053,988	99.4%	86,484,671	101.9%	42,156,317	44.4%
BUDGET	84,601,954		84,865,422		95,009,226	



REPORT: EXPREV 000006 REVENUE SUMMARY BY FUND - Board Report
 STATEMENT OF REVENUE
 DIST 0287 Intermediate District 287 ACCOUNTING PERIOD 12/01/15 TO 12/31/15

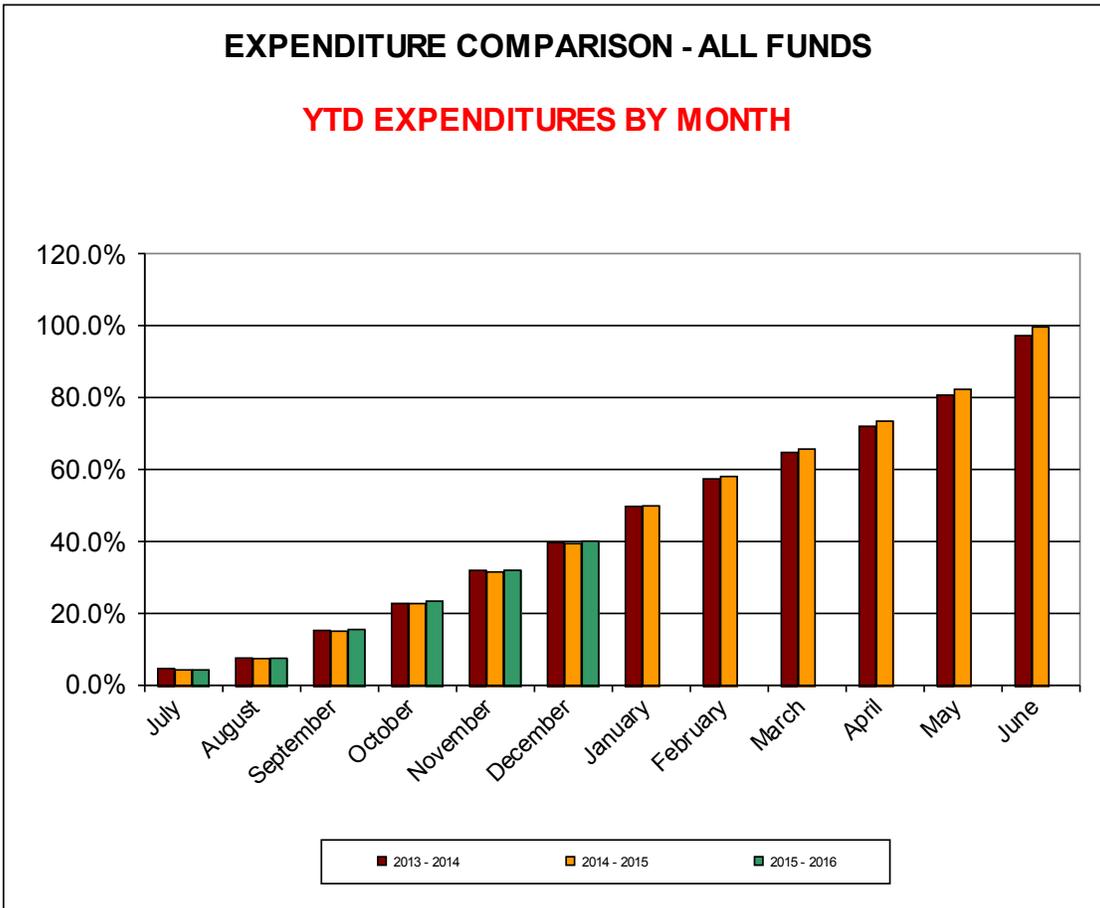
RUN: TUE 011916 10:05 PAGE 1

ACCT STATUS: All Account Statuses ACCOUNT RANGES: 01 TO 99-999
 ZERO BALANCES: Suppress Zero Balances INCLUDE/EXCLUDES: EXL FD 09 09 EXL FD 11 11
 SORTED BY: ACCOUNT FD
 SUBTOTALLED BY: ACCOUNT FD
 SERIES TOTALS: <None Selected>
 PAGE BREAK ON: <None Selected>

FD	PRIOR YEAR ACTUAL	REVISED BUDGET	12/01/15 TO 12/31/15	FISCAL YEAR 201507 RECEIVED THRU 12/31/15	REMAINING ON 12/31/15	PERCENT REMAINING
01 GENERAL FUND	17,777,359.19	17,482,069	17,451.65	8,609,612.84	8,872,456.16	50.75 %
02 FOOD SERVICE FUND	777,191.43	739,192	43,898.92	88,167.55	651,024.45	88.07 %
04 COMMUNITY SERVICE FUND	152,563.94	180,673	5,967.16	36,709.18	143,963.82	79.68 %
07 DEBT SERVICE FUND	5,321,360.99	5,357,622	0.00	850,452.02	4,507,169.98	84.12 %
08 TRUST FUND	523,661.30	477,642	37,329.70	226,562.76	251,079.24	52.56 %
10 SCHOLARSHIP FUND	3,274.81	0	0.00	1,850.00	1,850.00	0.00 %
12 ALC-ACADEMIC	9,680,850.40	9,249,925	157,521.87	2,699,821.91	6,550,103.09	70.81 %
13 CAREER & TECH	1,232,307.31	1,309,384	148.81	853,270.26	456,113.74	34.83 %
14 SPECIAL EDUCATION	50,428,730.31	50,497,777	7,790,796.38	25,232,038.90	25,265,738.10	50.03 %
20 INTERNAL SERVICE FUND - DENTAL	558,134.67	493,010	57,392.36	189,767.80	303,242.20	61.50 %
21 INTERNAL SERVICE FUND - HEALTH	0.00	9,194,232	3,133,477.89	3,363,516.07	5,830,715.93	63.41 %
41 DONATIONS	4,108.55	0	0.00	0.00	0.00	0.00 %
51 STUDENT CLUBS	33,344.93	27,700	1,479.56	4,547.33	23,152.67	83.58 %
*** REPORT TOTALS:	86,484,670.73	95,009,226	11,245,464.30	42,156,316.62	52,852,909.38	55.62 %

DISTRICT 287
EXPENDITURE COMPARISON

Month	2013 - 2014		2014 - 2015		2015 - 2016	
	\$ Amount	% of Budget	\$ Amount	% of Budget	\$ Amount	% of Budget
July	3,962,038	4.7%	3,601,915	4.3%	4,043,775	4.3%
August	2,486,804	7.6%	2,637,832	7.4%	3,043,894	7.6%
September	6,489,103	15.3%	6,385,388	15.1%	7,479,224	15.5%
October	6,365,911	22.8%	6,438,125	22.7%	7,410,809	23.4%
November	7,781,071	32.0%	7,361,288	31.5%	8,038,585	32.0%
December	6,551,462	39.7%	6,626,717	39.4%	7,601,203	40.1%
January	8,521,477	49.7%	8,778,883	49.9%		
February	6,477,527	57.4%	6,840,106	58.1%		
March	6,241,384	64.7%	6,389,294	65.7%		
April	6,167,270	72.0%	6,520,531	73.5%		
May	7,333,498	80.7%	7,400,192	82.3%		
June	14,005,680	97.2%	14,548,028	99.6%		
TOTAL	82,383,226	97.2%	83,528,297	99.6%	37,617,490	40.1%
BUDGET	84,760,037		83,839,420		93,820,405	



REPORT: EXPREV 000007 EXPENDITURE SUMMARY BY FUND - Board Rept
 STATEMENT OF EXPENDITURES
 DIST 0287 Intermediate District 287 ACCOUNTING PERIOD 12/01/15 TO 12/31/15

RUN: TUE 011916 10:05 PAGE 1

ACCT STATUS: All Account Statuses ACCOUNT RANGES: 01 TO 99-999
 ZERO BALANCES: Suppress Zero Balances INCLUDE/EXCLUDES: EXL FD 09 09 EXL FD 11 11
 SORTED BY: ACCOUNT FD
 SUBTOTALLED BY: ACCOUNT FD
 SERIES TOTALS: <None Selected>
 PAGE BREAK ON: <None Selected>

FD	PRIOR YEAR ACTUAL	REVISED BUDGET	12/01/15 12/31/15	FISCAL YEAR 201507 EXPENDED THRU 12/31/15	ENCUMBERED THRU 12/31/15	REMAINING ON 12/31/15	PERCENT REMAINING
01 GENERAL FUND	17,477,615.46	17,746,699	1,251,633.76	8,512,150.98	2,339,247.03	6,895,300.99	38.85 %
02 FOOD SERVICE	777,191.43	739,192	78,244.87	277,659.72	208,584.05	252,948.23	34.21 %
04 COMMUNITY SERVICE FUND	152,563.94	180,673	11,155.75	81,177.37	256.30	99,239.33	54.92 %
07 DEBT SERVICE FUND	3,974,512.45	3,970,458	0.00	1,285,364.83		2,685,093.17	67.62 %
08 TRUST FUND	536,559.99	477,642	37,329.70	207,974.80		269,667.20	56.45 %
10 SCHOLARSHIP FUND	21,274.78	29,000	0.00	2,537.63		26,462.37	91.24 %
12 ALC-ACADEMIC	9,863,608.77	9,327,553	787,937.04	3,650,861.03	458,259.34	5,218,432.63	55.94 %
13 CAREER & TECH	1,211,784.61	1,309,384	104,291.27	417,733.04	9,978.30	881,672.66	67.33 %
14 SPECIAL EDUCATION	48,946,255.27	50,317,206	4,538,775.85	19,316,198.30	1,326,764.11	29,674,243.59	58.97 %
20 INTERNAL SERVICE FUND	537,857.45	494,000	39,127.01	181,377.58		312,622.42	63.28 %
21 SELF HEALTH INSURANCE	0.00	9,194,232	755,518.44	3,678,801.88	5,510,457.00	4,973.12	0.05 %
51 STUDENT CLUBS	29,073.32	34,366	2,810.91	5,652.36		28,713.64	83.55 %
*** REPORT TOTALS:	83,528,297.47	93,820,405	7,601,202.78	37,617,489.52	9,853,546.13	46,349,369.35	49.40 %

Intermediate District 287

Responsive. Innovative. Solutions.

INTER-OFFICE MEMORANDUM

DATE: **January 19, 2016**

TO: Members of the School Board

FROM: Mae L. Hawkins, Executive Director of Business Services

RE: **Cash Report - December** Claims, Payroll, Receipts, and Investments

A. Recommendation: Request the Board approve payment of the items listed below:

- | | | |
|--|-------------|---------------------|
| 1. Claim payments for: December 2015 | Totaling \$ | <u>4,058,829.13</u> |
| a) Check #'s 500043 - 500311
and Wire Transfers - #'s 2657 - 2666, 3116, 70018043 - 70018233, 80001110 - 80001131
and P-Card Purchases - #'s 90000531- 90000546 | | |
| 2. Payroll for: December 2015 | Totaling \$ | <u>2,568,928.58</u> |
| a) Check #'s 675611 - 675613
b) Direct Deposit #'s 293675 - 294684, 294685 - 295691
and Wire Transfers - #'s n/a | | |
| 3. Receipts for: December 2015 | Totaling \$ | <u>9,546,722.41</u> |
| a) Receipt #'s 138566 - 138769 | | |
| 4. Investments at end of month | Totaling \$ | <u>3,517,116.90</u> |

Claims/Expenditures, wire transfers, P-Card purchases, payroll, receipts and investments have been prepared under the direction of Dave Anderson and is presented for approval by the School Board. Dave and I would be glad to answer any questions.

**INTERMEDIATE DISTRICT 287
INVESTMENTS ON HAND
DECEMBER 2015**

INV NBR	INSTITUTION	INV TYPE	RATE OF RETURN (%)	PURCHASE DATE	MATURITY DATE	AMOUNT INVESTED
	PMA- MNTRUST INVESTMENT SHARES PORTFOLIO					298.83
	PMA- MNTRUST SAVINGS DEPOSIT ACCOUNT	SDA	0.040	12/01/15	12/31/15	3,516,818.07
	TOTAL PMA- MNTRUST INVESTMENTS ON BOOKS					3,517,116.90
ACTIVITY DETAIL:						
	INVESTMENTS ON OUR BOOK AT END OF PRIOR MONTH					3,516,818.07
	CURRENT MONTH ACTIVITY					
	DEPOSITS					
	WITHDRAWALS					
	INTEREST EARNED- RECORDED					298.83
	INTEREST EARNED- NOT RECORDED BY MONTH-END					-
	TOTAL INVESTMENTS AT END OF MONTH & UN-RECORDED INTEREST					3,517,116.90

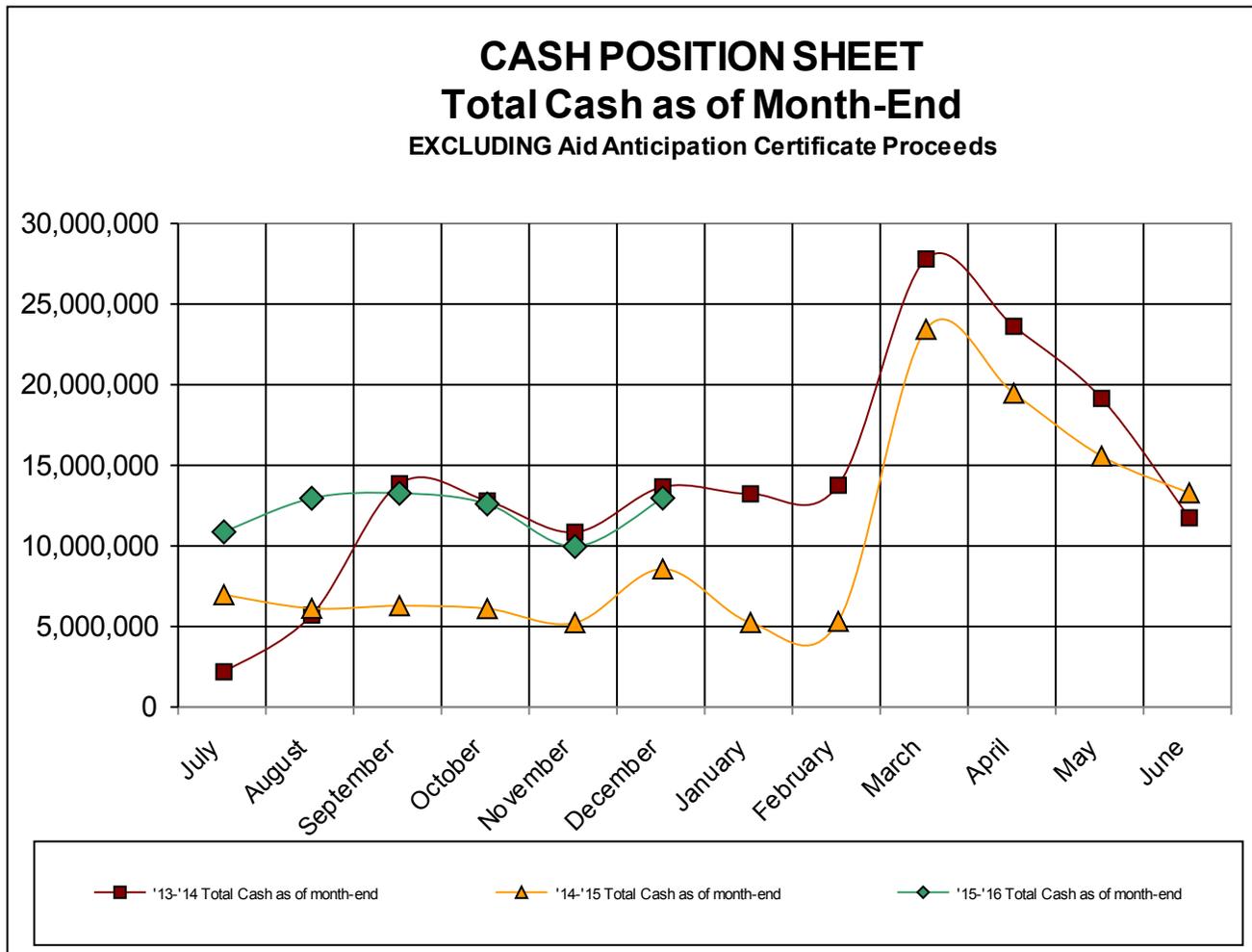
Intermediate District 287

Cash Position Sheet- Monthly Total Net Cash- All Accounts

- EXCLUDING Aid Anticipation Certif. Proceeds

<u>Date</u>	<u>'13-'14 Total Cash as of month-end</u>	<u>'14-'15 Total Cash as of month-end</u>	<u>'15-'16 Total Cash as of month-end</u>
July	2,191,127 ¹	6,975,746	10,874,357
August	5,718,061 ¹	6,126,182	12,957,525
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January	13,229,251	5,249,429	
February	13,767,789	5,322,861	
March	27,803,669	23,439,811	
April	23,625,636	19,473,405	
May	19,151,688	15,576,013	
June	11,744,521	13,291,819	

¹ excludes Aid Anticipation Certif. proceeds of \$9,900,000.00 in Aug. 2012, paid back in Sept. 2013



INTERMEDIATE DISTRICT 287
DECEMBER 2015 ACTIVITY

ELECTRONIC TRANSFERS IN:

DATE	AGENCY	TO	EF#	AMOUNT	DESCRIPTION
12/1/2015	EDUC-STATE AID	MSDLAF	138566	26,188.68	01S211 ONLINE LEARNING DEC 15
	EDUC-STATE AID	MSDLAF	138566	61,987.91	01S211 GEN ED AID DEC 15
	HENN TECH COLL	MSDLAF	138566	20.00	MN DEPT OF EDUC BINDING INV# 73822
12/4/2015	G69/TRA	MSDLAF	138745	300.76	TEACHERS REITREMENT TRA
12/10/2015	EDUC-FNS	MSDLAF	138746	370.75	02F705 ST BRKFST OCT15
	EDUC-FNS	MSDLAF	138746	18,509.38	02F701 FED FREE LUNCH OCT15
	EDUC-FNS	MSDLAF	138746	1,338.21	02S300 ST LUNCHES OCT15
	EDUC-FNS	MSDLAF	138746	2,540.14	02F701 FED REG LUNCH OCT15
	EDUC-FNS	MSDLAF	138746	491.64	02F701 FED HHFKA LUNCH OCT15
	EDUC-FNS	MSDLAF	138746	10,281.01	02F705 FED BRKFST OCT15
12/14/2015	EDUC-FNS	MSDLAF	138747	15.09	02F705 ST BRKFST JUNE 2015 RATE CHGS
	EDUC-FNS	MSDLAF	138747	23.20	02S300 ST LUNCHES JUNE 2015 RATE CHGS
12/15/2015	EDUC-ST AID	MSDLAF	138748	85,233.37	01S211GENERAL ED AID FY15-16
	EDUC-ST AID	MSDLAF	138748	6,302,209.18	01S360 SPECIAL ED-ST AID FY15-16
12/30/2015	DHS - MMIS	MSDLAF	138749	260,623.21	THIRD PARTY BILLING
	EDUC-ST AID	MSDLAF	138750	46,490.93	GENERAL ED AID FY15-16
	EDUC-ST AID	MSDLAF	138750	942,523.89	SPECIAL ED-ST AID FY15-16
	HENN CO HSPHD	MSDLAF	138751	32,300.44	SECA MEC2
	HENN CO HSPHD	MSDLAF	138752	39,823.72	NECA MEC2
	ANOKA CO HSPHD	MSDLAF	138768	1,232.80	NECA MEC2
12/31/2015	SQUARE-INC	MSDLAF	138755	547.09	SEC COMMON GROUNDS DEC 2015
	ELAVON	MSDLAF	138756	2,710.00	PAYPAM DECEMBER 2015
	PAYPAL	MSDLAF	138757	1,150.00	PAYPAL DECEMBER 2015
	APPLE CLICS	MSDLAF	138754	201.38	APPLE CLICKS NOV ACTIVITY PD IN DEC 2015
MTD TOTALS				7,837,112.78	

INTERMEDIATE DISTRICT 287
DECEMBER 2015 ACTIVITY

WIRE TRANSFERS OUT:

DATE	FROM	AGENCY	WIRE #	AMOUNT	DESCRIPTION
12/3/2015	MSDLAF	BANK OF MONTREAL	90000531 - 90000546	72,053.68	P-CARD NOVEMBER 15 ACT - PD DECEMBER 15
12/15/2015	MSDLAF	US BANK	70018043 - 70018072	5,412.89	DIRECT DEPOSIT EMPLOYEE EXPENSES FY15-16
	MSDLAF	EBC	80001110	21,516.00	EMPLOYEE & EMPLOYER 403B
	MSDLAF	MSRS	80001111	1,690.38	MN STATE RETIREMENT SYSTEM - VEBA
	MSDLAF	PERA	80001112	60,001.92	PUBLIC EMPLOYEES RETIREMENT ASSN
	MSDLAF	TRA	80001113	88,445.60	TEACHERS RETIREMENT ASSN
	MSDLAF	US BANK	80001114	145,865.43	FEDERAL TAXES
	MSDLAF	EBC	80001115	55,872.13	EMPLOYEE & EMPLOYER 403B
	MSDLAF	MN DEPT OF REV	80001116	1,324.33	MN DEPT OF REVENUE-WAGE LEVY'S
	MSDLAF	MN DEPT OF REVENUE	80001117	76,752.09	STATE WITHHOLDING TAXES
	MSDLAF	PERA	80001118	52,001.26	PUBLIC EMPLOYEES RETIREMENT ASSN
	MSDLAF	TRA	80001119	88,445.60	TEACHERS RETIREMENT ASSN
	MSDLAF	US BANK	80001120	335,781.49	FEDERAL TAXES
	MSDLAF	US BANK	293675 - 294684	1,274,277.33	DIRECT DEPOSIT PAYROLL REG
12/17/2015	MSDLAF	HEALTH PARTNERS	2657	57,662.27	HPAI CLAIMS 12/12/15
	MSDLAF	BANK OF MONTREAL	2658	82,107.67	A/P P-CARD NOV15 ACT - PD DEC 15
	MSDLAF	HEALTH PARTNERS	2659	169,401.41	HPAI CLAIMS 12/18/15
	MSDLAF	EBC	2660	12,012.26	EBC WIRE TRANSFER
	MSDLAF	US BANK	70018073 - 70018233	17,511.26	DIRECT DEPOSIT EMPLOYEE EXPENSES FY16
12/29/2015	MSDLAF	US BANK	2661	57.36	MERCHANT CARD FEES NOV15 ACT BK IN DEC15
	MSDLAF	HEALTH PARTNERS	2662	132,621.98	HPAI CLAIMS 12/20/15
12/30/2015	MSDLAF	EBC	80001121	21,407.66	EMPLOYEE & EMPLOYER 403B
	MSDLAF	MSRS	80001122	2,104.96	MN STATE RETIREMENT SYSTEM - VEBA
	MSDLAF	MN DEPT OF REV	80001123	60,077.44	PUBLIC EMPLOYEES RETIREMENT ASSN
	MSDLAF	TRA	80001124	89,458.54	TEACHERS RETIREMENT ASSN
	MSDLAF	US BANK	80001125	146,369.30	FEDERAL TAXES
	MSDLAF	EBC	80001126	55,378.21	EMPLOYEE & EMPLOYER 403B
	MSDLAF	MN DEPT OF REV	80001127	968.61	MN DEPT OF REVENUE-WAGE LEVY'S
	MSDLAF	MN DEPT OF REV	80001128	79,395.43	STATE WITHHOLDING TAXES
	MSDLAF	PERA	80001129	52,112.16	PUBLIC EMPLOYEES RETIREMENT ASSN
	MSDLAF	TRA	80001130	89,458.54	TEACHERS RETIREMENT ASSN
	MSDLAF	US BANK	80001131	343,952.48	FEDERAL TAXES
	MSDLAF	US BANK	3116	158.01	ARP FEES RECEIPT ACCT NOV15
	MSDLAF	US BANK	294685 - 295691	1,294,066.50	DIRECT DEPOSIT PAYROLL REG
	MSDLAF	US BANK	2663	135.88	ARP FEES VOUCHER ACCT NOV15
12/31/2015	MSDLAF	HEALTH PARTNERS	2664	152,941.37	HPAI CLAIMS 12/29/15
	MSDLAF	HEALTH PARTNERS	2665	2,397.98	HPAI CLAIMS 12/29/15
	MSDLAF	CHS	2666	37,329.70	CHS FLEX PAYMENTS NOV15 PAYAB DEC15 ACT
MTD TOTALS				5,178,527.11	

**DONATIONS
INTERMEDIATE DISTRICT 287
2015-2016**

December 2015

DON. DATE	DESCRIPTION	VIN#	EST VALUE	DONOR	SS# OR FED ID#	CAMPUS	PROGRAM
12/22/15	CHECK		\$ 9,500.00	3M		DSC	IMAGINATION DESTINATION
11/30/15	SCHOOL SUPPLIES		\$ 50.00	CUNDIFF, JOAN		DSC	WEST SUBURBAN SUMMER SCHOOL
12/2/15	10 MOVIE PASSES		\$ 40.00	NEW HOPE CINEMA GRILL		EDGEWOOD	SCHOOL WIDE FUNDRAISER
			\$ 9,590.00				

THE FIRST 14 WEEKS OF SCHOOL

Sept. 9-Dec. 11 , 61 days



OVER 61 DAYS:

124 Staff Injuries

Anoka Metro State Hospital staff injuries due to patient aggression in 2014: **46**

Intermediate District 287 staff injuries for 2014-2015: **Over 250**

Ambulance 18

TRANSPORTS FROM SCHOOL FOR STUDENT MENTAL HEALTH ISSUES

MN SCHOOL DISTRICTS WILL NEED TO RE-DIRECT OVER \$600 MILLION MEANT FOR REGULAR EDUCATION FUNDING IN THE 2015-16 SCHOOL YEAR. 287 STUDENTS SERVED IN FEDERAL SETTING IV PROGRAMS REPRESENT A SIGNIFICANT PERCENTAGE OF THAT CROSS-SUBSIDY.

INSURANCE COSTS FOR STAFF INJURIES RESULTING FROM COMBATITIVE STUDENTS SINCE 2010.

\$731,606

Over the past 3 years, 75% of the total staff injuries reported were due to combative students.

Critical 66 Incidents

"IT IS A SAD DAY WHEN WE'RE HOPING A STUDENT WILL DO SOMETHING BAD ENOUGH TO BE DETAINED-BUT NOT SO BAD THAT HE RUINS HIS LIFE- IN ORDER TO HOPEFULLY GET COURT ORDERED TREATMENT."

-287 ADMINISTRATOR

INCIDENTS WITH

Police Involvement 53

AVERAGE ANNUAL SPECIAL EDUCATION TUITION RATE:

\$59,610

(2013-14) Without 1:1 educational assistant;

Annual cost of a 1:1 educational assistant: \$29,568

27 Calls

HENNEPIN COUNTY MENTAL HEALTH CRISIS TEAM

30 WEAPONS CONFISCATED

WE ARE AT THE APEX OF THE FAILURE-AND/OR UNDERFUNDING-OF ALL SYSTEMS.

34 Referrals

FOR PSYCHIATRIC CONSULTATION

Intermediate District 287
RESPONSIVE. INNOVATIVE. SOLUTIONS.

INSIDE 287 COSTS

Intermediate District 287
Responsive. Innovative. Solutions.

287 Special Education Costs are Comparable Regionally



District 287 special education programs operate on a fee-for-service basis. Revenue to fund student services is generated by tuition billing. District 287 manages a \$93 million budget.



The regional approach makes the costs for specialized services lower. The cost for individual districts to serve students with complex needs can be extraordinarily high, especially in staffing.



The consortium is able to leverage economies of scale, resulting in lower costs to member districts, coupled with the ability to access a great variety of specialized services. Costs go down as program usage goes up.

Over 45 years ago, several forward-thinking school districts united to serve students with unique needs. Today, 287 continues to be an extension of its 12 member districts. The intermediate builds programs and services based on school district and student requests and needs. 287 as an entity IS its member districts.

287 Average Annual Special Education Tuition Rates (13-14)



Annual Cost of a 1:1 Educational Assistant



Class Size Ratios:

Over time, 287 has kept costs down by generally staying within the class size ratios set in 2010-11.

\$ 93 M

287's
Operating
Budget

5 Facts on Finance & Safety



225-275

staff injuries
caused by
students per year

520

incidents of
restrictive
procedures per
year

**Daily
Average**

2 staff injuries
1 critical incident

1 last year, only
suspension

1

287 serves many of the most challenging and highest needs students in Hennepin County and the state. Intensity continues to rise. Serving higher needs students costs more.

2

Many districts are able to serve their students with lesser needs or challenges (and therefore at a lower cost) students closer to home. They continue to refer higher needs students to 287, often after a violent incident.

3

Since 2010, combative students have accounted for \$731,606 in total incurred insurance costs. Over the past 3 years, injuries related to combative students accounted for approximately 75% of total injuries reported. Safety is a challenge many school districts face, and ours to a greater extreme. 287 does everything possible to keep students and staff safe.

4

District 287's special education costs remain comparable regionally even though the district serves higher needs students.

5

From the 2008-09 to the 2012-13 school years, statewide Special Education expenditures increased 2.34% per year. During this same time, the average 287 member district Special Education Tuition per ADM cost increased 2.84% per year, or only 0.5% over the statewide average. As 287 serves some of the highest need special education students in the region, one might expect 287's costs to be significantly higher, but this is not the case.



Special education costs are different for every student:

100%

of service costs are based on needs identified by the student's IEP team



Questions & Answers



How does open enrollment affect members' cost?

Placement in site-based special education programs is only available to students referred from member districts. Some students open enroll in one of our member districts, however it is the member district's decision whether to refer a student to 287.

When a student who has open enrolled in a member district is referred to 287, 100% of the special education tuition cost is billed to the resident district and the member district only pays the lease cost, as they referred the student to 287.

What's the cost comparison w/ other intermediates?

It is very challenging to compare the cost of services at the intermediates in an apples to apples comparison. There are many variables in how intermediates charge for services; for example, some service costs are based on program needs and others are determined by student needs. Each of the intermediates has a different business model and rates, as well as teacher contracts and the range of services offered.

287's operational costs are included in special education tuition billing; this is not the case with the other two intermediates.

Why did 287 'take on' innovation?

Like many school districts, 287, because of its unique mission to serve students with special needs, has become a regional innovator. As an organization, innovation is part of how we do business. We embrace teacher and staff innovation and collaboration to meet student needs.

Our member districts through our Strategic Plan have requested innovative efforts like the "data backpack" and "Minnesota Partnership for Collaborative Curriculum."

Innovation efforts are generally ones which member districts would be unable to accomplish on their own. These innovative approaches to shared problems or challenges are more effective and efficient when done collaboratively.

What would be the result if 287 had continued to lease rather than build new facilities?

In 2010, a study was done when 287 was in the process of deciding whether to add a third floor to the North Education Center. This study showed that the cost of leasing space from other entities would continue to climb due to increasing operating lease rates, whereas the cost of owning space would be stable and below the cost of leasing for the next decade. The cost of ownership would start to decrease as the debt on the facilities was paid off while the cost of leasing space from others would continue to increase.

Further, 287, like the other intermediates, understands that the needs of the students require customized spaces to ensure safety and student success.

Intermediate District 287

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WAYS TO MAKE A DIFFERENCE

POLICY MAKERS

Policy Makers:

Here are 4 ways you can support school staff and students with disabilities & mental health needs.

#1

UNDERSTAND OUR REALITY

Recognize the tremendous shift of responsibility for children's mental health on public schools

#2

STABILIZE EDUCATION FUNDING

Invest in Special Education to reduce the cross-subsidy by 25 percent

Association of Metropolitan School Districts (AMSD) 2016 Legislative Platform

#3

FUND PROFESSIONAL LEARNING FOR TEACHERS & PARAS

Support categorical funding for Intermediate school districts to provide professional development in the amount of \$1,000 per teacher and paraprofessional position in the district

Intermediate School Districts 2016 Legislative Platform

#4

EQUALIZE ALTERNATIVE LEARNING CENTER FUNDING

Support the Alternative Learning Center (ALC) Funding Bill to equalize revenue for students attending an ALC in an Intermediate school district

Intermediate School Districts 2016 Legislative Platform

Intermediate School Districts
Innovation through Collaboration



2016 Legislative Platform

Legislative proposals prepared by Intermediate School Districts #287, #916, and #917 for legislators and member districts to use as a resource in understanding the mission and critical needs of the Intermediates in serving career and technical, special education, and other academic needs of students.

For questions or more information, please contact:

Superintendent Sandy Lewandowski, #287 (763.550.7100)
Superintendent Connie Hayes, #916 (651.415.5656)
Superintendent John Christiansen, #917 (651.423.8226)
Valerie Dosland, Ewald Consulting (612.490.3052)

THE ROLE OF INTERMEDIATE SCHOOL DISTRICTS

The three Intermediate School Districts were formed in the late 1960s at the request of local school districts to deliver vocational and technical education. This delivery model eliminates low-enrolled, costly programs and services offered in individual local school districts and replaces them with higher-enrolled, more cost-effective programs and services at one or more of the Intermediate School District sites. Central to this strategy is an effort to avoid duplicating expensive equipment and specialized facilities in K-12 districts in which enrollment is not sufficient to support quality programs. Our experience confirms the wisdom of this decision -- member districts reduced or eliminated high-cost, inefficient local programs and services in the areas of special education and career and technical education.

The Intermediate School Districts provide critical resources to member school districts and important programs and services to students. The Intermediate School Districts continue to evolve to meet the changing needs of K-12 districts with major program expansions for at-risk students, gifted and talented students, and low-incidence academics such as world languages. In these programs, we provide state-of-the-art curricula, equipment, instruction and technologies for students with minimal duplication of programs and services. In addition to shared services in distinct market niches for which there are no equivalent providers, we also have begun coordinating regional and even statewide services to save districts commercial provider costs.

2016 LEGISLATIVE PLATFORM

We are grateful for the Legislature's support and are well-positioned to continue and enhance our unique mission as both special school districts and regional service providers. With continued support from the Legislature, we can continue to provide quality programs and services in special education, career and technical education, and a variety of other specialty areas for our member districts and other customers. Responding to our legislative needs will also enhance our ability to serve as a model for the regional delivery of many of the programs and services needed by students and K-12 school districts.

Key initiatives supported by the Intermediate School Districts for the 2016 legislative session include the following:

AREA LEARNING CENTER FUNDING FOR INTERMEDIATES

Over the past several years, Minnesota has made strides to increase educational funding and access to high quality programming for all students, those in general education and special education. There is a group of students, however, whose educational needs have not been addressed -- students served by regional Area Learning Centers (ALC) and who are our state's most at-risk group of not graduating from high school.

Students seeking an educational alternative in an ALC have the option to choose the ALC that he/she and the parents is a good fit for their needs. Regional ALCs often educate those who need the most learning supports to be successful; however, the funding is capped so that *less* funding than what is allocated for a general education student follows him or her to a regional ALC. Most regional ALCs do not have access to other revenue sources other than general education revenue.

In addition, recent legislative action has taken a step backwards from providing equitable funding for these students. For regional ALC's, elements of the general education revenue do not flow to programs outside of a student's resident district resulting in a marked financial disincentive for regional entities to provide programs for students whose educational needs are the greatest. The Intermediate School Districts believe this negative funding trend does not recognize the severity of educational needs for these students who require the most educational supports to graduate.

Without changes in funding, regional ALCs may not be able to continue operating programs for this group who are disproportionately minorities, homeless or highly mobile, or pregnant and parenting. The following legislative requests will help provide adequate resources to regional ALCs so that these students will have the necessary programming to graduate successfully from high school.

Allocate state aid to the Intermediates equivalent to the average referendum revenue and local optional revenue for the member districts' of that cooperative unit. To do this, it would be necessary to change the language now in statute that specifically excludes these revenue components from the general education revenue calculation for ALC students in Intermediate or cooperative district programs. This new state aid would follow the students and be included in the amounts set aside for funding ALC programs.

These programs would receive aid equal to the number of pupil units attending the area learning center times the sum of the statewide average referendum revenue and local optional revenue for the member districts' of that cooperative unit.

Expand Credit Recovery Limit students in ALCs. Funding is currently capped at an additional .2 ADM (Average Daily Membership) per student regardless of how old or how far behind the student is. This often means that districts can offer after-school or extended school time, but not both. We propose to increase the pupil weighting to .5 ADM to allow students who qualify to be in an ALC the needed time and resources to attain their high school diploma before they reach age 21. This will result in an increase to both district and state graduation rates.

SPECIAL EDUCATION AND MENTAL HEALTH SERVICES

Over the last ten years, the Intermediate School Districts have had a growing number of students come to their programs with increasingly complex special education disabilities and extraordinary mental health needs. Public schools have become the frontline of children's mental health services and have become the de facto mental health system for Minnesota's 125,000 students who receive special education services, at least during the school day. This trend is alarming for several reasons -- schools do not have the funding for the necessary training, staff support, or specialized mental health services to serve in this capacity. The Intermediates request that the Legislature address this issue by:

Provide mental health/crisis prevention professional development aid. The staff providing direct service in these organizations serve the most physically violent students in our public schools. These teachers and educational assistants need ongoing training

and retraining to build skills to deescalate behaviors and keep others safe particularly given the goals to reduce and eliminate the use of restrictive procedures. We propose categorical funding to the Intermediate District to provide on-going professional development to all teachers and educational assistants in the amount of \$1,000 times the total teacher and educational assistant positions in the district

Fully fund the special education cross subsidy. Each year, Minnesota schools spend \$600 million in regular education funding to subsidize special education costs. This gap in funding is a significant reason school districts face funding challenges year after year.

Support additional funding for school linked mental health grants.

Intermediate District 287

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INTER-OFFICE MEMORANDUM

DATE: January 28, 2016

TO: 287 Board of Education

FROM: Sandra Lewandowski, Superintendent

RE: **What Board Members Should Know About 287's Focus on Member Districts**

Over the last few years, we have seen increased scrutiny of cooperative organizations. On one hand this can be very unsettling, and on the other, it's simply part of the life cycle that any cooperative organization or collaborative effort must go through to ensure that a common vision and priorities remain intact. It is important for you, as representatives of our members, to be aware of the measures we are taking in 287 to ensure our strategic efforts and resources remain aligned with the priorities of our member districts. Your districts are Intermediate District 287, and so our relevancy to your organizations is absolutely critical.

The very essence of our business plan: We are in the business of serving our members, and will always tune in closely to the needs and requests of member districts. For quite some time now, we have devoted our center-based programs almost exclusively to our member districts to ensure their needs are met as quickly as possible. Not only are we doing everything we can to maintain enough capacity to meet member needs as they arise, we are also getting out of the business of providing services to non-members that do not somehow increase the value of membership. One such example is our departure from providing world language services to non-members, effective July 1 of 2016.

I also want to share a couple of examples that highlight our continued dedication to listening to our members when they have a concern, most recently our special education intake process. We heard concerns from our special education directors that referrals were taking too long and they were receiving mixed messages about program capacity. We immediately centralized the referral process to reduce intake lead time and increase reliability. Feedback from special education directors so far indicates satisfaction with the new process.

The cost of our programs has also been an ongoing concern that we continue to look at very closely, and in particular, we are currently brainstorming innovative ways to be more efficient with the assignment of educational assistants to students with IEP's. We believe that we can reduce costs in this area and will continue to partner with member districts to identify other areas to strengthen and improve.

In summary, we are in the business of providing the services and programming that our member districts want, and we continue to evaluate our operations, programs and services to ensure they bring value to our member districts. We will continue to scrutinize our deployment of resources to ensure our work is supporting your districts' strategic objectives.

Your district's satisfaction with student outcomes is one of my highest priorities, and I value any feedback you and your district may have regarding any of our programs and services.

January 8, 2016

Ann Bremer
6880 Pinnacle Way
Minnetrista, MN 55364

District Service Center
1820 Xenium Lane North
Plymouth, MN 55441-3708

BY EMAIL AND U.S. MAIL

Carol Bomben
9260 Talus Circle
Eden Prairie, MN 55347

Telephone: 763.550.7101
www.district287.org

Dear Board Members:

At our last meeting, District administrators presented a new timeline for amendment of the 2009 Memorandum of Agreement for reasons that were articulated at that time. The new timeline had the 287 Board formally “launching” the amendment process at its February meeting.

It has come to our attention since our December meeting that at least two member district boards (not districts that the two of us represent) would like to proceed with their ratification votes prior to our next Board meeting. At first we considered asking them to wait but, after further review, we realized that we could accommodate their request to vote on the new MOA this month.

The 2009 Memorandum of Agreement describes the amendment process in Section 10:

Amendment of Agreement. This Agreement may be amended by a written instrument executed by the member districts who are members of the District at the time of the amendment. **The proposed amendment shall be recommended by a member and notice of the proposed amendment and copy thereof shall be sent by mail to each member of the Board not less than sixty (60) days before the proposed effective date of such amendment**, which date shall be stated in the amendment. If such amendment is not acceptable to any member, such member’s written objections shall be sent to the Clerk of the Board at least 30 days in advance of the proposed effective date of the amendment. The proposed amendment shall not become effective until it has been executed by all member districts. (emphasis added)

While we had originally planned to formally recommend the amendment to the MOA at a Board meeting, there is nothing preventing an individual member or members of the Board from doing so between meetings. As a result, rather than asking member district boards to wait until the next Board meeting to take action on the MOA, we are starting the process for amendment of the 2009 MOA by sending this letter.

Attached please find the following documents: 1. Second Read Version of the Amendment to the 2009 MOA (which was presented at our November meeting); and 2. A Clean Copy of the Proposed New MOA. The member district boards will receive a clean copy of the proposed new MOA as well as a template for a resolution and a notice for publication in the official newspaper, should the new MOA be ratified.

Please contact Anne Becker at 763-550-7133 or acbecker@district287.org if you have any questions.

Sincerely,



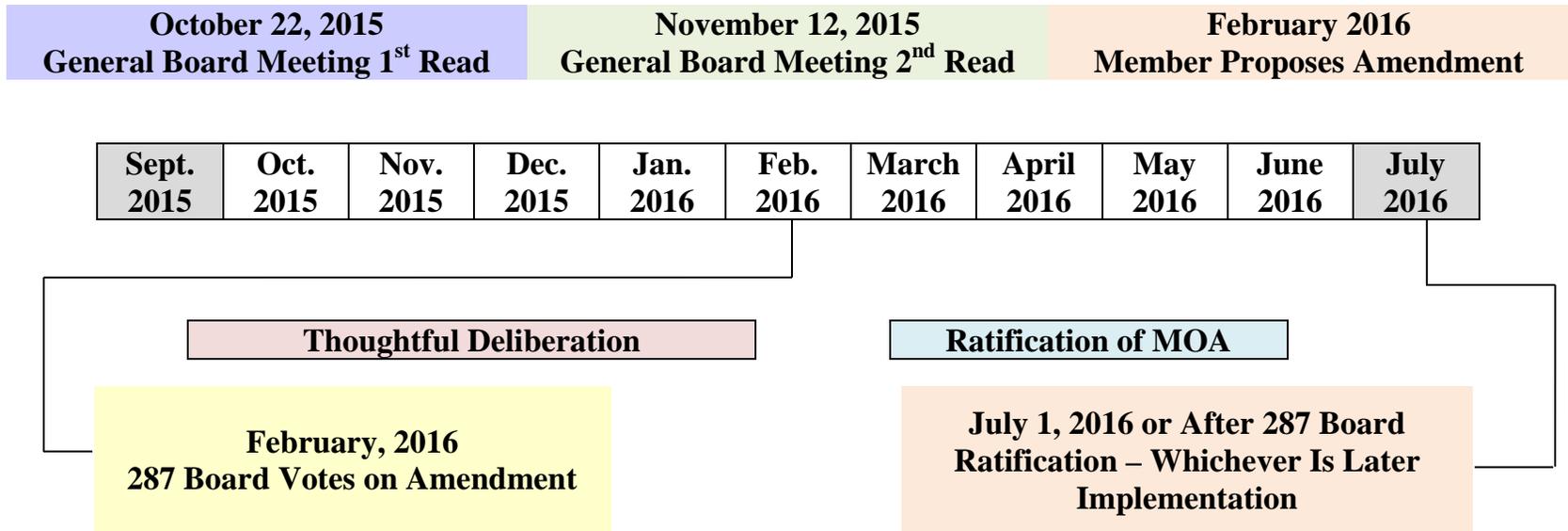
Ann Bremer
Board Chair



Carol Bomben
Board Vice-Chair

Enc. (2)

**2009 Memorandum of Agreement
Amendment Timeline and Process**



Steps in the Process:

Expected completion:

- | | |
|--|----------------|
| 1. A 287 Board member recommends the proposed amendment to the 2009 Memorandum of Agreement. | February 2016 |
| 2. If the 287 Board votes to proceed with the amendment process, then notice of the proposed amendment and a copy of the MOA as amended are sent to each 287 Board member. | February 2016 |
| 3. If the proposed amendment is not acceptable to any 287 Board member, that member may send written objections to the 287 Clerk of the Board. | March 31, 2016 |
| 4. Member district boards consider the proposed amendment to the MOA and vote whether to ratify the MOA as amended (template of local board resolution to be provided) | June 1, 2016 |
| 5. The proposed amendment becomes effective after it has been executed by all member district boards and the 287 Board, or July 1, 2016, whichever is later. | July 1, 2016 |

Intermediate District 287

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UNIFORM PROCEDURE

SUBJECT: Superintendent Evaluation
RELATES TO POLICY SERIES: Board Officers & Operations
BOARD APPROVED: April 26, 2012
REVISION DATE: April 26, 2012

BOO 1040 Superintendent Evaluation

I. PURPOSE

The Board is responsible for evaluating the performance of the Superintendent. The Superintendent Performance Evaluation process described below is intended to develop and continue a positive, cooperative and productive working relationship between the Board and the Superintendent.

II. EVALUATION PROCESS

The Intermediate District 287 Board shall conduct an annual evaluation of the Superintendent's job performance. The Superintendent's job performance will be measured systematically and rigorously against the Board's expectations for:

- A. Administrative/Managerial Leadership;
- B. Development, implementation and outcomes of the Strategic Plan; and
- C. Accomplishment of Superintendent Goals, as approved by the Board.

III. EVALUATION PLANNING MEETING

- A. By September 1 of each year, the Superintendent and the Board Chair shall meet. During this meeting the Superintendent and Board Chair will:
 - 1. Affirm the mutually agreed on evaluation process.
 - 2. Schedule the evaluation timeline(s) for the year.

IV. OPTION FOR MID-YEAR EVALUATION MEETING

- A. The Board and the Superintendent **may** meet for the purposes of a mid-year evaluation.
- B. If the mid-year Superintendent Evaluation meeting is closed, the Board Chair or designee shall prepare a summary of the meeting and present it at the next regular meeting of the Board.

V. PREPARATION FOR FINAL EVALUATION MEETING

- A. By May 1 of each year, the Superintendent shall provide the Board with a written summary in response to each question on the evaluation survey.
- B. All Board members shall fill out the evaluation instrument individually.
- C. The Board Chair, or designee, shall compile the individual assessments into a composite appraisal. Each Board member and the Superintendent shall receive a copy of the composite appraisal.

VI. FINAL EVALUATION MEETING

- A. By June 30 of each year, the Superintendent and the Board Chair shall hold a final evaluation meeting to evaluate the Superintendent's performance based on the composite appraisal and the Superintendent's written summary. The Board Chair may elect to have additional Board officers in the evaluation meeting.
- B. The Board Chair or designee shall prepare a summary of the meeting and present it at the next regular meeting of the Board.

Minnesota Statute 13D.05, Subd. 3(a)

A public body may close a meeting to evaluate the performance of an individual who is subject to its authority. The public body shall identify the individual to be evaluated prior to closing a meeting. At its next open meeting, the public body shall summarize its conclusions regarding the evaluation. A meeting must be open at the request of the individual who is the subject of the meeting.

Minnesota Department of Administration Advisory Opinion 02-021

How a public body approaches the evaluation will determine exactly which data it should summarize. The public body should carefully review the specific points it established in reaching a conclusion about the performance evaluation. Clearly, the language of the Open Meeting Law indicates that the governing body ought to summarize each salient point of the evaluation so that the public is given the opportunity to get the best possible sense of the performance - good, bad or indifferent - of the public employee.

Mahtomedi Field Trip Helps Students Understand Complexities of Race

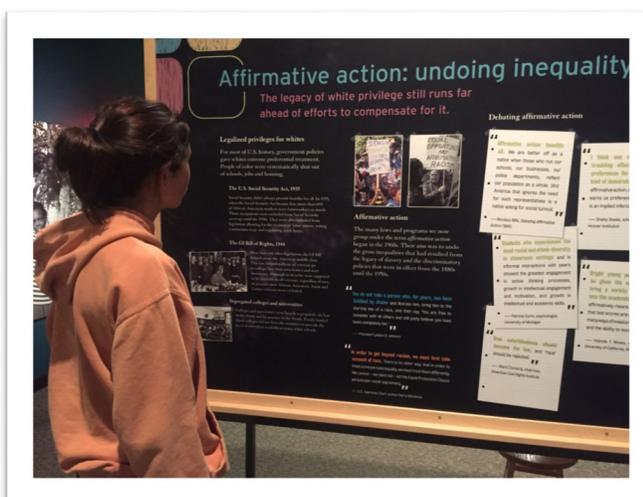
January 8, 2016
Board of Directors Meeting
7:00 a.m.
Grand Hall,
TIES Conference Center
St. Paul

January 29, 2016
Executive/Legislative Committee Meeting
7:30 a.m.
Lexington Room
TIES Conference Center
St. Paul

February 5, 2016
Board of Directors Meeting
7:00 a.m.
Grand Hall,
TIES Conference Center
St. Paul

February 26, 2016
Executive/Legislative Committee Meeting
7:30 a.m.
Lexington Room
TIES Conference Center
St. Paul

In December, all 9th grade students from Mahtomedi High School (MHS) participated in a field trip to the Science Museum of Minnesota in St. Paul to see the “Race: Are We So Different” exhibit. The exhibit debuted at the Science Museum in 2007 and has since been visited by more than 4 million people in 57 museums around the United States. “We all know that people look different,” Science Museum literature explains. “Throughout history, those differences have been a source of strength, community and personal identity. They have also been the basis for discrimination and oppression. And while those differences are socially and culturally real, contemporary scientific understanding of race and human variation is complex and may challenge how we think about it. [This exhibit] helps visitors understand what race is and what it is not. It gives them the tools to recognize racial ideas and practices in contemporary American life.”



Virginia Mancini, an MHS language arts teacher and coordinator of the field trip, says the learning objectives were directly related to the unit on *To Kill a Mockingbird* that all 9th grade students were studying. “When I approached the 9th grade science and social studies teachers, they all saw the value of the exhibit,” Mancini says. “They were instrumental in helping me coordinate the trip by providing me direction, as well as support with students and parents. They all acknowledged that visiting the exhibit would lay a good foundation for future lessons on genetic variation and the social construct and ramifications of race-based policies.”

For the most part, all students had begun or were in the middle of having conversations about the oppression seen in *To Kill a Mockingbird*. The novel provided an excellent

Continued on page 2

AMSD’s Mission

To advocate for state education policy that enables metropolitan school districts to improve student learning.



Association of
Metropolitan School Districts

From the Chair

Happy New Year! Each year brings new challenges and new opportunities and that is certainly the case as we enter 2016. The passage of the Every Student Succeeds Act (ESSA) offers a tremendous opportunity for Minnesota to re-design its education accountability system. The ESSA dials back the “one size fits all” approach of the No Child Left Behind Law and restores authority to states and local school districts. State policymakers should take advantage of this opportunity to build a framework that supports student achievement, unleashes creativity and encourages innovation. We should reduce the number of state mandated tests to allow more time for instruction and provide all students the resources and support they need to graduate from high school prepared for college and careers. AMSD members stand ready to work with state policymakers to build a system that will help each and every Minnesota student reach their full potential. It is incredibly important that we get this right.

Rebecca Gagnon, school board member from Minneapolis Public Schools, is chair of AMSD.

Mahtomedi Public Schools Educating Students For the World Where Diversity is Omnipresent

Continued from page 1

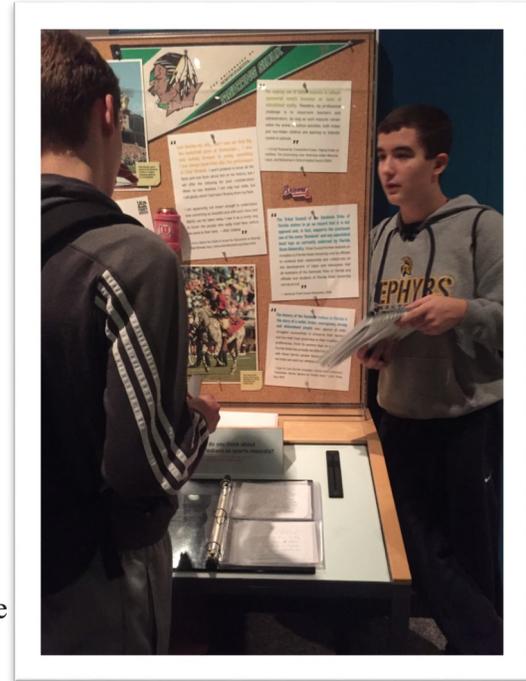
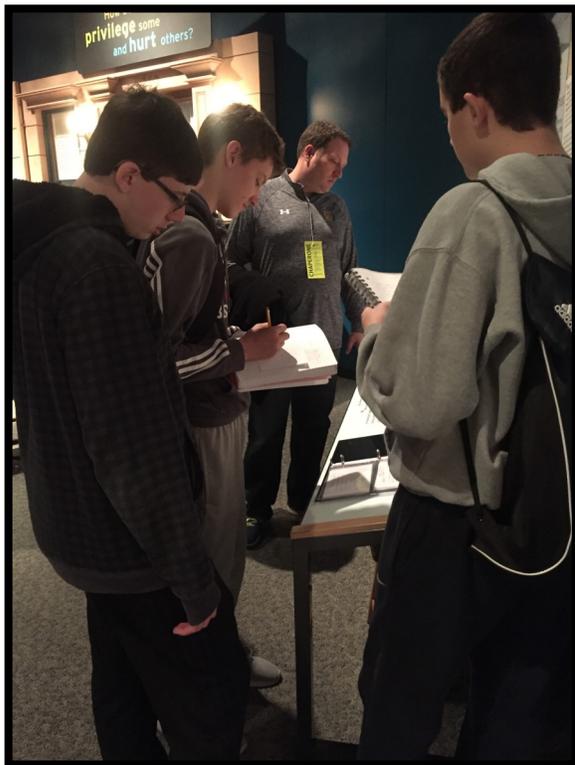
starting point for the exhibit. “Students are more engaged in any curriculum when they can see the relevancy of what they are learning to their lives outside the classroom setting. If students only ‘see’ racism in novels and stories, they do not necessarily transfer that ability to ‘see’ racism in their own lives,” Mancini says.

At the beginning of their visit, the students viewed a live theater show titled, “Race to the Finish Line” in which coworkers broach the subject of race and their unique perspectives. It was followed by a group discussion and then students had ample opportunity to walk through and engage with the RACE exhibit featuring a number of hands-on activities.

This exhibit was of particular relevance with issues such as Black Lives Matter, Syria and immigration in the news. “If students are only taught that racism is in the past, they will struggle to find their way through current events,” Mancini explains. “Mahtomedi is a little unique in the sense that the majority of our students identify as ‘white.’ Many students don't see this as an identity, but rather as something that is just neutral. It's hard for them to acknowledge racism exists because many haven't experienced it. My students of color experienced the exhibit very differently from my ‘white’ students. And the discussion that was sparked as a result was as awesome to behold as it was painful at times.”

Mancini acknowledges that students often don't understand what "race" is and what it is not. “When I say to my students that ‘race’ is a social construct, they have trouble conceptualizing that idea,” she says. “Many of them have not been introduced to genetic variation. Additionally, many struggle to understand why there is still social unrest surrounding issues of race. When the exhibit first opened seven years ago, I participated in a workshop for educators. I knew then that this exhibit is a critical step in helping people — students *and* adults — understand the vast complexities of race.”

Anna, an MHS 9th grade student who attended the exhibit, said she learned that race, rather than being assigned by others, is a personal identification of an individual’s background. She was particularly moved by “The Hapa Project,” which was started by artist Kip Fulbeck. Inspired by Fulbeck’s memories of filling out an identify form where only one box could be checked, he set out to photograph more than 1,000 multiracial people. “This project shows that race is a personal identification of an individual’s background. Those who had to check just one box felt uncomfortable,” she said, “because they couldn’t fully express who they are.”



Mancini says her sincere wish for visiting the museum was for students to start to have a framework for talking about and understanding systems of privilege and racism. “To that end, the English teachers developed a worksheet with terms that are often used in discussions of race but more often not understood,” she explains. “We took the worksheet from the exhibit's educators’ guide and adapted it to fit our unit on *To Kill a Mockingbird*. My favorite quote from the exhibit came from one of the curators. He said the exhibit does not exist to provide answers, but rather to start discussions. Most of us then used students' new awareness in classroom discussions. Although the conversations don't necessarily get any easier, the more awareness or understanding a person has, the more likely he or she will continue the conversation.”

Experiences such as the 9th grade field trip to the Science Museum reinforce Mahtomedi Public Schools’ strong belief that it’s important to educate students for the world where diversity is omnipresent. By providing opportunities for awareness and conversation, our teachers are engaging, challenging and inspiring our students to make a difference in the world in which they live.

This month’s member spotlight was submitted by Carrie Ardito, communications coordinator, Mahtomedi Public Schools.

Policy Conference Focuses on Closing the Achievement Gap

Over 150 educators, legislators, legislative staff and education advocates attended AMSD’s annual conference on December 9, 2015. The theme of the conference was *Promising Practices To Close The Achievement Gap: Building Partnerships To Reach All Students*. The conference featured programs, practices and partnerships that have been successful in closing the achievement gap.



The keynote address, *Diversity and Inclusion*, was offered by Dr. MayKao Hang, CEO of the Wilder Foundation. Dr. Hang focused her discussion from an employer and systems perspective on “how we show up in the world” with kids and families and how we orient staff. To set the tone of her discussion, Dr. Hang shared a personal story of how she was denied shower facilities while on a family camping trip in Minnesota. She used the story to show how institutional power and authority can be used to deny a public service based on race or ethnicity. She noted that often times the policy isn’t wrong, but it is the application of the policy that is inconsistent and racist. Dr. Hang noted that inconsistent application of rules and regulations can create a disproportionate impact in schools and classrooms. During her keynote address, Dr. Hang highlighted the following key points.

White Identity and Public Administration

Dr. Hang shared from her dissertation on white administration and explored the following questions:

- What factors contribute to white public administrators actively representing racial minority interests; and
- For those people in government, what do they do that actually contributes to a more equitable society?

Dr. Hang examined concepts of race, and specifically, how race is socially constructed, white identity and the value society assigns to people of color.

Action and Lessons From Wilder

Dr. Hang noted that Wilder uses an Intercultural Development Inventory (IDI). One of the things they have learned from using this tool is the need for staff engagement at all levels. For example, what can employees do to improve diversity and inclusion? Wilder uses the IDI as a common basis for information for every person. She stressed that it is also important to recognize that, “we are part of the problem,” with the understanding that “we” are the ones to change and set big “stretch” goals. Dr. Hang noted that the most effective measures at Wilder have been voluntary and organic focused on the importance of changing minds as well as hearts and creating incentives to make that happen. Wilder has used Inclusion Action Teams that are composed of staff at all levels who work to create an organizational culture that is fully inclusive and committed to diversity. Finally, Wilder has a program to identify and eliminate policies and practices that prevent diversity and inclusion. She also stressed the importance of adopting culturally competent research and distributing resources equitably.

Dr. Hang closed her session with several profound yet simple points:

- There can be unity with diversity;
 - No one person has all the answers;
 - Authentic engagement is important. Be okay with telling stories of failure;
 - Apologize when you make mistakes, recover and try again; and
 - Know when the force is bigger than you and know that you aren’t alone.
- The more you can connect your actions to institutional outcomes the better you can be.

Following the opening address, conference participants had the opportunity to attend two of three breakout sessions featuring presentations from a wide range of school district initiatives, programs and partnerships that have had success in closing the achievement gap. The breakout sessions were aligned in three categories:

“We need the hearts of people to change. You can get the head to change but if the heart doesn't change it is a temporary change. We are after people’s hearts in true transformation. Efforts are voluntary and organic. We set up incentives to make that happen.”

-Dr. MayKao Hang

Using Partnerships to Reach All Students

Continued from page 3

Supporting Early Learners

- All Day Kindergarten: Achieving Literacy Benchmarks, St. Louis Park Public Schools
- Partnering Within the Community, Robbinsdale Area Schools
- Using Data to Inform Program Improvement, Bloomington Schools and MN Reading Corps

Preparing Tomorrow's Workforce

- SPARK: STEAM-based Approach to Closing the Achievement Gap, Roseville Area Schools
- STEAM: A Powerful Source for Youth, Faribault Public Schools
- It Takes a Village to Close the Gap, Eastern Carver County Schools

Engaging Diverse Learners and Communities

- "But we've always done it this way!" How good intentions perpetuate racial disparities in our schools, Osseo Area Schools
- Confronting Disproportionately in Special Education, Minneapolis Public Schools
- District/YMCA partnership Extends Reach to Students and Families, White Bear Lake Area Schools



The conference concluded with a luncheon presentation by Eric Moore, director of research, evaluation and assessment, Minneapolis Public Schools and Dr. David Heistad, director of research, evaluation and assessment, Bloomington Public Schools on measuring the impact of partnerships. Moore and Heistad shared their experience using longitudinal data to close the achievement gap and the advantages of using partnerships to create pathways for personalized learning opportunities for students.



Common themes that emerged from the conference included: the importance of early learning programs in closing the achievement gap, the value of parent, student and community involvement and the importance of having adaptive solutions to close the achievement gap and experiment with different models. Public policy goals suggested by conference presenters and attendees included increased funding for school readiness programs, establishing waivers to allow districts to retain staff of color, enacting policies that allow local flexibility to implement programming appropriate for each community and creating partnerships to recruit more diverse administration and teaching staff.

Presentation materials and videos from the conference, including all of the breakout sessions, are available at: <http://www.amsd.org/2015conference>

Photos from the conference are available on AMSD's Facebook page here: <http://on.fb.me/11S0CGP>

AMSD Members: Anoka-Hennepin School District, Bloomington Public Schools, Board of School Administrators (Associate Member), Brooklyn Center Community Schools, Burnsville-Eagan-Savage, Columbia Heights Public Schools, East Metro Integration District (Associate Member), Eastern Carver County Schools, Eden Prairie Schools, Edina Public Schools, Elk River Area School District, Farmington Area Public Schools, Fridley Public Schools, Hopkins Public Schools, Intermediate School District 287, Intermediate School District 917 (Associate Member), Inver Grove Heights Community Schools, Lakeville Area Public Schools, Mahtomedi Public Schools, Metro ECSU (Associate Member), Minneapolis Public Schools, Minnetonka Public Schools, Mounds View Public Schools, North St. Paul-Maplewood-Oakdale School District, Northeast Metro Intermediate School District 916, Northwest Suburban Integration District (Associate Member), Orono Schools, Osseo Area Schools, Prior Lake-Savage Area Schools, Richfield Public Schools, Robbinsdale Area Schools, Rochester Public Schools; Rockford Area Schools, Rosemount-Apple Valley-Eagan Public Schools, Roseville Area Schools, Shakopee Public Schools, South St. Paul Public Schools, South Washington County Schools, SouthWest Metro Educational Cooperative (Associate Member), Spring Lake Park Schools, St. Anthony-New Brighton Independent School District, St. Cloud Area Schools, St. Louis Park Public Schools, St. Paul Public Schools, Stillwater Area Public Schools, TIES (Associate Member), Wayzata Public Schools, West Metro Education Program, West St. Paul-Mendota Heights-Eagan Area Schools and White Bear Lake Area Schools.


nsba
BOSTON
April 9 - 11, 2016



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CHAMPION

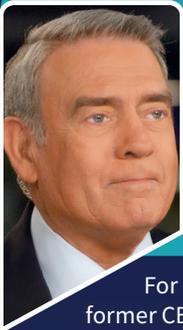
STUDENT ACHIEVEMENT



THE CONFERENCE FOR PUBLIC EDUCATION LEADERS

www.nsba.org/conference

General Session *Speakers*



Dan Rather

Award-Winning
Broadcast Journalist

Saturday, April 9
8:30 am

For more than 50 years, former CBS News anchor and 60 Minutes correspondent Dan Rather has been the embodiment of the intrepid broadcast journalist. From the Kennedy assassination to the Indian Ocean tsunami, he has covered every major story of our time, with distinction and a fierce dedication to hard news. For his unparalleled devotion to his craft, he was named the 2012 recipient of the Edward R. Murrow Award for Lifetime Achievement.



Robin Roberts

Co-Ancor of ABC's
Good Morning America

Sunday, April 10
10:00 am

When not traveling around the world covering breaking news events, Robin Roberts is at GMA's Times Square studio conducting interviews with politicians, musicians, authors, athletes and celebrities. In her latest memoir, *Everybody's Got Something*, Roberts tells the amazing story of her battle against a life-threatening illness, the life lessons she continues to learn and her inspiring return to the GMA anchor desk. For the strength and courage she has displayed throughout her life and career, she has been recognized with awards and honors from organizations around the country, including the ESPY's 2013 "Arthur Ashe Award".



Tony Wagner

Expert In Residence at
Harvard University's
Innovation Lab

Monday, April 11
11:30 am

Tony Wagner currently serves as an Expert In Residence at Harvard University's new Innovation Lab. Prior to this appointment, Wagner was the first Innovation Education Fellow at the Technology & Entrepreneurship Center at Harvard, and the founder and co-director of the Change Leadership Group at the Harvard Graduate School of Education. His previous work experience includes twelve years as a high school teacher, K-8 principal, university professor in teacher education, and founding executive director of Educators for Social Responsibility. Wagner consults to schools, districts, and foundations around the world and is also a best-selling author.

Pre-Conference Workshops Friday, April 8

Morning Workshops 9:00 AM – 12:00 PM

- #1 Achieving Equity: Leadership Strategies and Promising Practices for Closing the Opportunity and Achievement Gaps
- #2 Crawl, Walk, or Run – Becoming a Highly Effective School Board
- #3 Innovating Teaching and Learning with iPad
- #4 Improving the Value of Superintendent Evaluation in Your District
- #5 Setting a Course for the Future: What Board Members Need to Know About Technology Trends
- #6 What Every School Board Member Should Know About School Law Issues Today
- #7 What's Good for the Goose...Board Self-Assessment

Cost for each half-day morning and afternoon session: National Connection, Technology Leadership Network, and Council of Urban Boards of Education - \$170. All others, including guest - \$195

Visit www.nsba.org/conference for more information; Pre-registration is required.

Afternoon Workshops 1:30 PM – 4:30 PM

- #8 Board Member Fiscal Fitness Camp
- #9 Disrupting Poverty: Turning High Poverty Schools Into High-Performing Schools
- #10 Innovating Teaching and Learning with iPad
- #11 Leading Change in Challenging Times: An Interactive, Collaborative Workshop
- #12 The Other Side of the Student Report Card: What it is, and Why It Matters
- #13 When the Board Must Undertake a Superintendent Search: Using this Critical Process as a Positive, Meaningful Team-Building Opportunity

Full-Day Workshop 9:00 AM – 4:30 PM

- #14 Follow the Blueprint for a Successful Strategic Planning Process and Beyond

Cost for full-day session: National Connection, Technology Leadership Network, and Council of Urban Boards of Education - \$270. All others, including guest - \$320 (Box lunch included)

National Connection/TLN/CUBE Special Afternoon Event 1:30 PM – 4:30 PM

- #15 *Most Likely to Succeed* Film Showing & Panel Discussion

Free to All

Special Afternoon Workshop 1:30 PM – 4:30 PM

- #16 New School Board Member Boot Camp Pre-Conference Workshop: Ethics, Board Meetings, and the Role of a School Board Member

Advance registration and an additional \$100 fee is required for this special session.

New Campus Expo Features!

Les Paul Big Sound Exhibit

Enter the highly interactive world of curiosity, innovation and persistence in Les Paul's Big Sound Experience. Within the mobile tour vehicle witness how school-age Les Paul's inventions evolved into industry-changing technology used today throughout the music industry.

Roadtrip Nation Bus

Through popular books, a long-running documentary TV series, and a project-based educational curriculum, Roadtrip Nation empowers students to explore their passions, build connections with professionals in their local communities, and construct meaningful lives around the things they love.

Study Halls

Study Halls are back with terrific, interactive educational programming and will be open only during exclusive exhibit hall hours.

Popular returning features will include:

Health & Wellness Pavilion
Music and Arts Main Street
The Green Zone
Cutting Edge AveNEW
Technology Pavilion
Marketplace

DLR Group Student Innovation Challenge

Roll up your sleeves, immerse yourself in a learning exercise, and help students solve global problems in the Innovation Challenge. Don't miss the opportunity to see first-hand how the environment and access to expert resources impacts the learning experience.

Visit www.nsba.org/conference/campusexpo for more information

Exhibit Hours

Saturday, April 9

10:30 AM – 4:30 PM

Exclusive Exhibit Hall Only

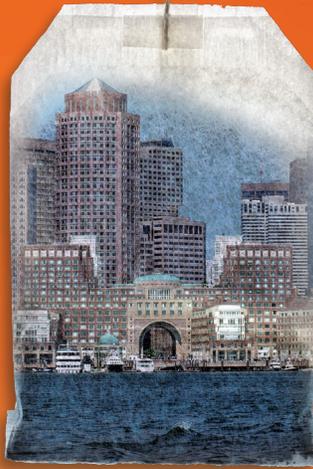
11:30 AM – 1:30 PM; 2:45 PM – 3:45 PM

Sunday, April 10

11:30 AM – 4:00 PM

Exclusive Exhibit Hall Only

11:30 AM – 1:30 PM; 2:45 PM – 3:45 PM



STRENGTHEN

COMMUNITY ENGAGEMENT

THE CONFERENCE FOR PUBLIC EDUCATION LEADERS

www.nsba.org/conference

Learning Visits & Meal Events

These popular programs are ticketed events open to all conference attendees. Fees are in addition to full conference program registration fees. They are limited in size so be sure to register early!

FRIDAY, APRIL 8

Be Inspired! Cambridge Public Schools, MA

9:00 AM – 3:30 PM

This learning visit will include tours of five Cambridge Public Schools and the extraordinary opportunities this 6,500 student district provides. Covering everything from a state-of-the-art school construction project, to Mandarin Language immersion and a lunch prepared by culinary arts students.

SATURDAY, APRIL 9

Fostering STEM Learning – In and Out of Schools

11:30 AM – 3:45 PM

Location: Museum of Science

Join Dr. Christine Cunningham, VP and Director of Engineering at Elementary®, as she introduces the benefits of incorporating engineering and what that content looks like for young children.

School Leaders Luncheon

12:00 PM – 2:00 PM

Speaker: Erik Wahl

Come and see the “Warhol of Wall Street,” Erik Wahl, as he pulls from his history as both a business strategist and artist, using on-stage painting

as a visual metaphor to his message of spurring organizational innovations and superior levels of performance. Sponsored by Sodexo, this luncheon also will celebrate the spirit of innovation and excellence in public education by honoring the 2016 Magna Award winners.

National Caucus of American Indian/Alaska Native School Board Members Luncheon

12:00 PM – 2:00 PM

Presenter: Dr. Brenda J. Child

Dr. Brenda Child, born on the Red Lake Ojibwe Reservation in northern Minnesota, is a Professor of American Studies at the University of Minnesota where she was a recipient of the President’s Award for Outstanding Community Service and served as Chair of the Department of American Indian Studies.

SUNDAY, APRIL 10

National Hispanic Council of School Board Members Breakfast

8:00 AM – 9:30 AM

Presenter: Alberto Carvalho

A nationally recognized expert on education transformation and finance, Superintendent Alberto Carvalho successfully elevated Miami-Dade

County Public Schools’ academic profile and streamlined its business operations and financial systems to become one of the nation’s highest-performing urban school systems.

Civic Engagement Through Innovation

2:00 PM – 5:30 PM

Location: The Edward M. Kennedy Institute for the United States Senate & John F. Kennedy Presidential Library and Museum

This interactive visit introduces the virtual resources your district can access through the new EMK Institute dedicated to educating the public about the important role of the Senate in our government, encouraging participatory democracy, invigorating civil discourse, and inspiring the next generation of citizens and leaders to engage in the civic life of their communities.

Education Technology Luncheon, hosted by the Technology Leadership Network

12:00 PM – 2:00 PM

Speaker: Fredi Lajvardi

Join Arizona educator Fredi Lajvardi as he shares the story about his diverse team of students who were the real-world inspiration for the movie *Spare Parts*, where against all odds, they won a national underwater robotics competition. *Underwater*

Dreams, a documentary about Lajvardi’s program, was selected by President Obama for a White House screening to draw attention to STEM education for underserved students.

National Black Council of School Board Members Luncheon

12:00 PM – 2:00 PM

Presenter: Dr. Lonise Bias

An internationally known motivational speaker, trainer, certified youth and family life coach and consultant, Dr. Lonise Bias brings a message of hope to inspire and motivate individuals and organizations that provide services to our nation’s greatest natural resources – our youth. She is a community activist addressing topics dealing with the declining social health within schools, bullying, gangs, and violence.

MONDAY, APRIL 11

Fab Labs - Sharing Knowledge on a Global Scale

8:30 AM – 11:30 AM

The Fab Foundation emerged from MIT’s Center for Bits & Atoms Fab Lab Program with a mission to provide access to the tools, the knowledge and the financial means to educate, innovate and invent using technology and digital fabrication to allow anyone to make (almost) anything, and thereby creating opportunities to improve lives and livelihoods around the world.



DECLARE

EXCELLENCE IN PUBLIC EDUCATION



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**Council of Urban Boards of Education
Programming at Annual Conference**
Boston Convention & Exposition Center

*CUBE's two-day programming is open to all conference attendees;
separate registration and fees apply.*

Saturday, April 9, 2016

11:45 AM – 1:45 PM

Lunch & Keynote Presentation

2:15 PM – 4:00 PM

Recruiting, Preparing and Retaining the Next Generation of Urban Educators: Whose job is it anyway?

There is growing recognition that teachers who are effectively trained to serve in urban contexts require a specialized set of knowledge, skills and dispositions. Join us as an esteemed panel of university deans address the challenges and also share what's working.

6:30 PM – 9:00 PM

Urban Night Out (UNO)

After a full day of education sessions, it's time to relax, dance, and network with fellow board members from around the country. Connect with friends and make new ones – you don't want to miss this CUBE staple event.

Sunday, April 10, 2106

7:45 AM – 9:45 AM

CUBE Annual Business Meeting
and Breakfast

(Elections for Steering Committee)

2:45 PM – 5:00 PM

Where Does Your 2016 Presidential Candidate Stand Regarding Urban Education?

It is essential that national leaders dialogue with local leaders in urban education with regard to the challenges urban students face. If we are to "turn the page" on these unique urban challenges, our national and local leaders must be "on the same page".

Price:

**\$140 for CUBE Members;
\$250 for Non-CUBE Members**

*For more information about
CUBE contact Deborah Keys
at dkeys@nsba.org.*



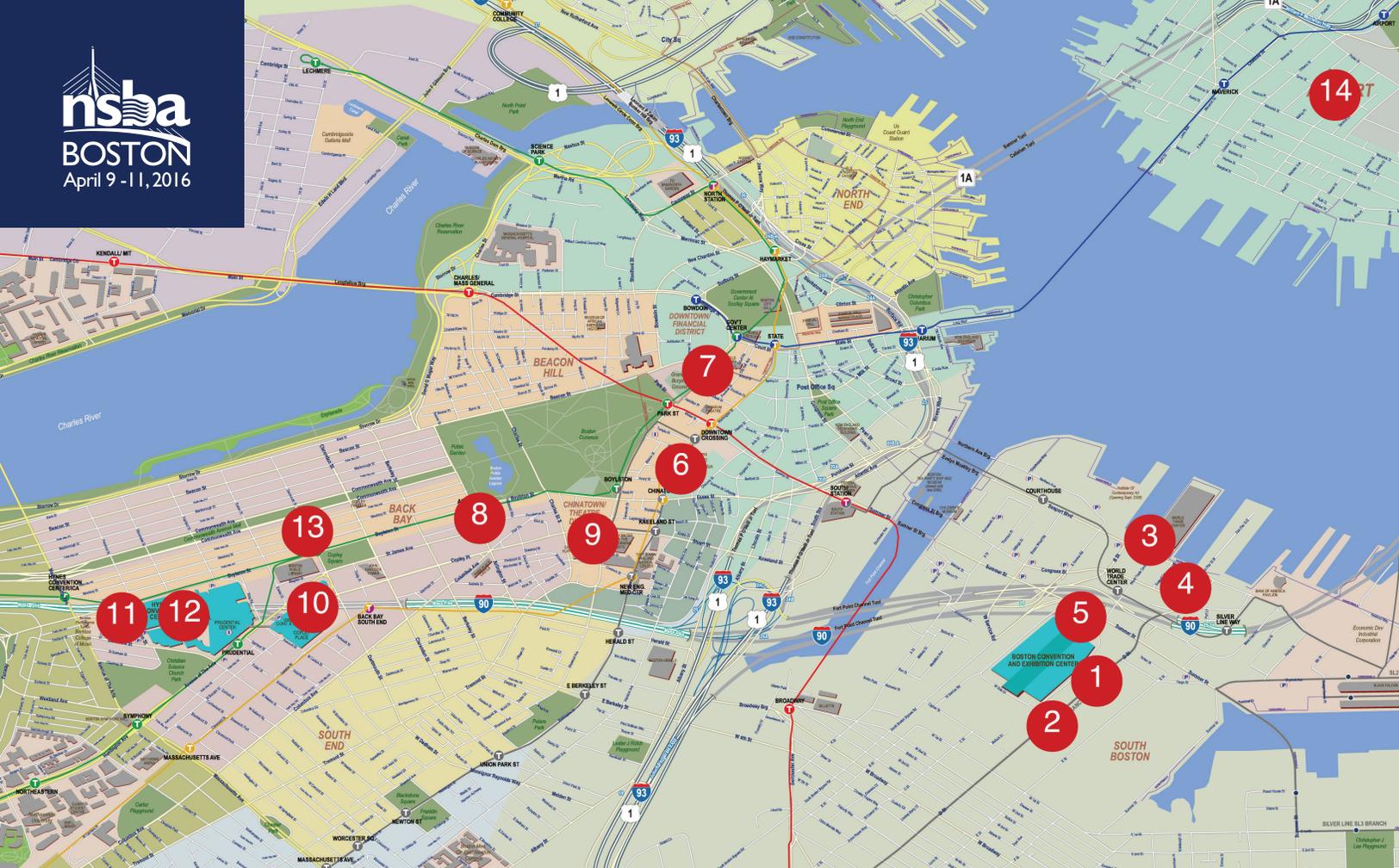
National Connection Programming

*Open to all National Connection Districts
In addition to the 20% registration discount and early access to housing enjoyed by all National Connection participants, while in Boston you'll also enjoy access to a special National Connection networking room and programming track. For more information about National Connection contact Ron Skinner at rskinner@nsba.org.*



Technology Leadership Network (TLN)

*TLN-hosted sessions are open to all conference attendees
TLN sessions highlight the intersection of technology policy and practice through innovative workshops, engaging off-site programs, and a special luncheon featuring Fredi Lajvardi, the teacher who inspired the movie Spare Parts. For more information about the Technology Leadership Network contact Ann Flynn at aflynn@nsba.org.*



NSBA Conference Housing

No.	Hotel	Single	Double	Extra Person
Boston Convention & Exposition Center Area				
1	Aloft Boston Seaport	\$219	\$219	\$20
2	Element Boston Seaport	\$219	\$219	\$20
3	Seaport Hotel	\$239	\$239	\$25
4	Renaissance Boston Waterfront	\$247	\$247	\$20
5	Westin Boston Waterfront*	\$247	\$267	\$20
Financial District Area				
6	Hyatt Regency Boston	\$199	\$199	\$25
7	Omni Parker House	\$198	\$198	\$30
Chinatown/Theater District				
8	Boston Park Plaza Hotel & Towers	\$205	\$225	\$20
9	Courtyard Marriott Boston Tremont Hotel	\$189	\$209	\$20
Back Bay Area				
10	Boston Marriott Copley Place	\$229	\$229	\$20
11	Hilton Back Bay	\$205	\$205	\$20
12	Sheraton Boston Hotel**	\$226	\$246	\$20
13	Westin Copley Place	\$237	\$257	\$20
Airport Area				
14	Embassy Suites Boston Logan Airport	\$174	\$174	\$10

*Headquarters Hotel—no general housing available
 **COSA

Housing Information

You must be registered for the conference and receive a confirmation I.D. number before you can reserve your housing.

Online: Visit NSBA's Attendee's Housing website www.nsba.org/conference/travel/housing and follow the instructions to reserve your room online.

Call: 1-800-616-8210 (U.S./Canada) or 1-415-979-2264 (International). Service is available Monday through Friday 9:00 a.m. – 9:00 p.m. ET

Fax: 1-415-216-2535

All reservations should be made prior to March 11, 2016. Room availability and special conference rates cannot be guaranteed after this date. Should you fail to arrive on your confirmed date, one night's room plus tax will be charged to your credit card or forfeiture of your check deposit and your reservation will be cancelled for the remainder of your stay.

Travel Information

MacNair Travel has been selected as the official Travel agency for the 2016 NSBA Annual Conference.

Go to the conference website www.nsba.org/conference and click on the Travel tab for information. Or contact MacNair by visiting www.macnairtravel.com or call 877-761-3727

Book air travel directly using the following I.D.

Delta Airlines: Meeting code NMLS3 or call 800-328-1111

United Airlines: Zcode ZVHP; agreement code: 657714

Register Early and Save

Early registration discount ends January 15, 2016.

SCHEDULE AT A GLANCE

CONFERENCE FEE

NC/TLN/CUBE

By 1/15/16	After 1/15/16
\$740	\$770

REGULAR

By 1/15/16	After 1/15/16
\$915	\$965

Friday—April 8

8:00 a.m. – 6:00 p.m.	Registration
9:00 a.m. – 12:00 p.m.	Pre-conference, Half-day Workshops
9:00 a.m. – 4:30 p.m.	Pre-conference, Full-day Workshop
1:30 p.m. – 4:30 p.m.	Pre-conference, Half-day Workshops

Saturday—April 9

7:00 a.m. – 5:00 p.m.	Registration
8:30 a.m. – 10:00 a.m.	General Session
10:30 a.m. – 11:45 a.m.	Sessions
10:30 a.m. – 4:30 p.m.	Exhibit Hall
12:00 p.m. – 2:00 p.m.	Luncheons
1:30 p.m. – 2:45 p.m.	Sessions
3:45 p.m. – 5:00 p.m.	Sessions

Sunday—April 10

7:00 a.m. – 4:30 p.m.	Registration
7:00 a.m. – 8:15 a.m.	Inspiration Session
8:30 a.m. – 9:45 a.m.	Sessions
10:00 a.m. – 11:30 a.m.	General Session
11:30 a.m. – 4:00 p.m.	Exhibit hall
12:00 p.m. – 2:00 p.m.	Luncheons
1:30 p.m. – 2:45 p.m.	Sessions
3:45 p.m. – 5:00 p.m.	Sessions
5:15 p.m. – 5:45 p.m.	Drum circle

Monday—April 11

7:30 a.m. – 12:00 p.m.	Registration
8:30 a.m. – 9:45 p.m.	Sessions
10:00 a.m. – 11:15 a.m.	Sessions
11:30 a.m. – 1:00 p.m.	Closing General Session

Purchase Orders must be paid by March 9, 2016. Badges will not be printed onsite without full payment.

National School Boards Association

1680 Duke Street FL2,
Alexandria, VA 22314

Phone: (703) 838-6722 E-mail: info@nsba.org

School Board Planning Calendar January 2016 – December 2016

1 st Meeting of the Month	2 nd Meeting of the Month
START TIME 6:30 PM	
JANUARY 14, 2016 CANCELED for MSBA	
JANUARY 28, 2016 <i>Organizational Meeting</i>	
<p>Election of Board Officers Financial Report December Oath of Office</p>	<p>Financial Report November FY15 Audit Status of Revised MOU</p>
<p>Superintendent Mid-Year Evaluation Procedure TOC - Substitute Staffing Solution: Consent Agenda and What the Board Needs to Know (Strategy 3 Update) Discussion with Board on Effective Communications with Member Districts: Guiding questions</p>	
<p>FEBRUARY 11, 2016</p> <p>Data Portability Project: Final Report from Work-group. Mid-Year update on Big 3 Results: Student Presentation Strategy 1 & 3 Presentations MOU will be moved forward to member districts Professional Development Update: EdCamp Success! Proposed new Para-to-Teacher Program plan. Q-Comp Application Update Uber Goal Report</p>	<p>FEBRUARY 25, 2016</p> <p>Financial Report January FY16 Budget Assumption/Program Withdrawal Report FY15 Budget Revision New Policy -First Read? Operational Results Report Staff Reduction ULA Resolution for upcoming year Strategy 2 & Measurement Implementation Team Update</p>
<p>MARCH 10, 2016</p> <p>AVID, NEC and NECA Gifted Ed Innovation in 287 Presentation</p>	<p>MARCH 24, 2016</p> <p>Financial Report February FY16 Budget Reduction Realignment Proposal Program Reduction Resolution Proposed District 287 School Calendar 2016-2017 Reduction ULA for tenured staff (<i>provide names</i>)</p>
<p>APRIL 14, 2016</p> <p>Summary Status Report on Board Policy & Procedure</p>	
<p>MAY 12, 2016</p> <p>Financial Report March Food Services Report Superintendent Evaluation What the Board Needs to Know about Year 1 of Implementation of the Strategic Plan (CPT mtg 4-21-16)</p>	<p>MAY 26, 2016</p> <p>Financial Report April Gardening Presentation Probationary Licensed, and Non-Licensed Non-Renewal Resolutions 2015-16 School Improvement Plans Results</p>

1 st Meeting of the Month	2 nd Meeting of the Month
<p>JUNE 9, 2016</p> <p>Annual Food Service Program Resolution</p> <p>Approval of Change to 2015-16 Calendar</p> <p>Health & Safety Approval</p> <p>Strategic Plan</p> <p>Superintendents Evaluation Update</p> <p>What the Board Needs to Know About the Reduction of Restrictive Procedures?</p>	<p>JUNE 23, 2016</p> <p>2016-17 Original Budget Approval</p> <p>Financial Report May</p> <p>New Policy</p> <p>Non-Licensed Permanent Employment Status Position Elimination Resolutions</p> <p>Update on Legislative Chart-</p>
<p style="text-align: center;">AUGUST 25, 2016</p> <p style="text-align: center;">Financial Report June & July</p> <p style="text-align: center;">Information on Alternative Teacher Pay Application</p> <p style="text-align: center;">Special Education Monitoring Report</p> <p style="text-align: center;">Superintendent Uber Goals</p> <p style="text-align: center;">What the Board Needs to Know About Number of Graduates 2015-2016</p> <p style="text-align: center;">What Board Members Need to Know About “2016-17 Back to School Start-Up”</p>	
<p>SEPTEMBER 8, 2016</p>	<p>SEPTEMBER 22, 2016</p> <p>Cultural Competency Work</p> <p>Financial Report August</p> <p>Operational Results Report</p>
<p>OCTOBER 13, 2015</p> <p>Student Rights & Responsibilities Policy Bucket</p> <p>Learning Walks/Coaching/ DSC Presence in Buildings</p> <p>Communication with Local School Boards-How to Connect More Effectively</p>	<p>OCTOBER 27, 2015</p> <p>Financial Report September</p> <p>What the Board Needs to Know about Emergency and Crisis Plans for 2016-17</p>
<p style="text-align: center;">NOVEMBER 10, 2016</p> <p style="text-align: center;"><i>(Only one Board meeting this month!)</i></p> <p style="text-align: center;">World’s Best Work Force Report</p>	
<p style="text-align: center;">DECEMBER 8, 2016</p> <p style="text-align: center;"><i>(Only one Board meeting this month!)</i></p> <p style="text-align: center;">Financial Report October</p> <p style="text-align: center;">Legislative Platform</p> <p style="text-align: center;">Prior Year Finance Review</p>	

INTERMEDIATE DISTRICT 287
January 28, 2016
SCHOOL BOARD CALENDAR

TENTATIVE 2016 DATES

January 2016					
28	Thursday	General Board Meeting	6:30PM	Board Rm	

February 2016					
11	Thursday	General Board Meeting	6:30PM	Board Rm	
23	Tuesday	Get on the Bus: Edgewood Education Center	8:30AM	DSC	
25	Thursday	General Board Meeting	6:30PM	Board Rm	

March 2016					
10	Thursday	General Board Meeting	6:30PM	Board Rm	
24	Thursday	General Board Meeting	6:30PM	Board Rm	

April 2016					
14	Thursday	General Board Meeting	6:30PM	Board Rm	

May 2016					
12	Thursday	General Board Meeting	6:30PM	Board Rm	
15	Tuesday	Local 2209/Board Breakfast	7:00AM	DSC	
26	Thursday	General Board Meeting	6:30PM	Board Rm	

June 2016					
06	Monday	North Education Center Graduation	1:00PM	NEC	
06	Monday	North Education Center Elementary Graduation	10:30AM	NEC	
06	Monday	North Education Center Alternative Graduation	6:00PM	NEC	
09	Thursday	General Board Meeting	6:30PM	Board Rm	
23	Thursday	General Board Meeting	6:30PM	Board Rm	

July 2016					
No Meeting					

August 2016					
25	Thursday	General Board Meeting	6:30PM	Board Rm	

September 2016					
08	Thursday	General Board Meeting	6:30PM	Board Rm	
22	Thursday	General Board Meeting	6:30PM	Board Rm	

October 2016					
13	Thursday	General Board Meeting	6:30PM	Board Rm	
27	Thursday	General Board Meeting	6:30PM	Board Rm	

November 2016					
10	Thursday	General Board Meeting	6:30PM	Board Rm	

December 2016					
08	Thursday	General Board Meeting	6:30PM	Board Rm	

◆ General Board Meeting – Date Change

◆ New Event

Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

Get on the Bus & Local 2209 Breakfast Schedule

2015-2016

Get on the Bus

Tuesday, February 23rd
Edgewood Education Center
Bus leaves 287 DSC @ 8:30 AM

Ann Bremer

Laura Ronbeck

Michèle Kunz

Kelli Parpart (Osseo)

Astein Osei (Osseo)

Jeremy Willey (Osseo)

Local 2209 Breakfast

7:00 AM

Tuesday, January 12th
District Service Center
(3rd Floor – Room 316)

Ann Bremer

Michèle Kunz

Tuesday, March 15th
District Service Center
(3rd Floor – Room 316)

Ann Bremer

Michèle Kunz
