

**INTERMEDIATE SCHOOL DISTRICT 917  
IN DAKOTA COUNTY**

**REGULAR SCHOOL BOARD MEETING**

**Tuesday, November 5, 2013**

**AGENDA:**

- I. **Call to Order - Chair Lewis**
- II. **Conduct Pledge of Allegiance - Chair Lewis**
- III. **Visitors opportunity to be heard - Chair Lewis**
- IV. **Additions to the agenda - Chair Lewis**
- V. **Good News Report - Directors**
- VI. **Consent Items - Chair Lewis**
  - A. Minutes, October 1, 2013, Regular School Board Meeting 2
  - B. Personnel Considerations 5
- VII. **Donations - Chair Lewis**
  - A. Resolution Approving Donations 16
- VIII. **Business Manager's Report - Nicolle Roush**
  - A. Review and Approve Payment of Bills 17
  - B. Review and Approve Wire Transfers 26
  - C. Review and Approve Investment Report 33
- IX. **Reports**
  - A. Auditor's Report - Jim Eichten 34
    - 1. Revenue and Expenditure Report - Nicolle Roush 155
- X. **New Business**
  - A. Review and Approve Contract between Dakota County and 917 for Facilitation and Coordination for the Community Transition Interagency Committee (CTIC) - Melissa Schaller 161
    - 1. Review and Approve Renewal of Life, AD&D and LTD Group Insurance - Nicolle Roush 166
- XI. **School Board Updates from Member Districts**
- XII. **Adjournment**

**SCHOOL BOARD CALENDAR INFORMATION SCHOOL BOARD CALENDAR INFORMATION**

November 11, 2013 - 3:30 PM, IBCB Teachers, 917 Board Room  
November 28-29, 2013 - No School for students and staff  
December 3, 2013 - 5:15 PM - School Board Meeting, 917 Board Room  
December 24-25, 2013 - Closed for Holiday Break  
January 1, 2014 - Closed for New Year's Day  
January 7, 2014 - 5:15 PM, School Board Meeting, 917 Board Room

## INTERMEDIATE SCHOOL DISTRICT 917

A School Board Meeting of the Intermediate School District 917 School Board was held on Tuesday, October 1, 2013, at 2140 Diffley, Eagan, MN.

**Members Present:** Arlene Bush, Dan Cater, Ron Hill, Jill Lewis (arrived at 5:25 pm), Bob Erickson, Deb Clark, Vanda Pressnall, Tom Ryerson, and ex-officio member Superintendent John Christiansen.

**Members Absent:** Melissa Sauser, Arlene Bush

**Also Present:** Nicolle Roush, Eric Van Brocklin, Melissa Schaller, and David Stoll.

School Board Vice Chair Deb Clark called the meeting to order at 5:15 PM.

The Pledge of Allegiance was conducted.

There were no visitors to be heard.

The good news reports were presented.

Chair Lewis arrived and conducted the remainder of the meeting.

1. Motion by Bob Erickson, seconded by Dan Cater, to approve the consent items, as presented. All present voted aye. Motion carried.
  - **Minutes:** September 3, 2013, Regular School Board Meeting
  - **Personnel:** *New Hires:* Natalie Bormann, Health Associate, effective September 5, 2013. Selina Ojard, Classroom Assistant, effective September 19, 2013 (from Student Assistant to Classroom Assistant). Jideofor Onyeneho, Program Assistant, effective September 11, 2013. Laura Vollmuth, Classroom Assistant, effective September 4, 2013. Natalie Weierke, Classroom Assistant, effective September 3, 2013. *Change in Status:* Cassie Groff, Physical Therapist, decrease from 149 days per year to 148 days per year effective August 24, 2013. Joan McNamara, Sign Language Interpreter, Mentor Interpreter Stipend of \$1500, effective August 29, 2013, for the 2013-2014 school year only. *Resignations & Terminations:* Catherin Andrews, Classroom Assistant, effective August 28, 2013. Michael Harmon, Classroom Assistant, effective September 26, 2013. Lisa Kenward, Classroom Assistant, effective September 25, 2013. Laurel Larson, Classroom Assistant, effective September 9, 2013. Kyle Reiter, Classroom Assistant, effective August 28, 2013. Mohamed Ndiame, Classroom Assistant, effective October 11, 2013.
2. Board Member Deb Clark, introduced the following resolution: Resolution to Accept Donations. Donation of \$100 to support the 917 First Annual Walk-a-Thon, held at the Inver Grove Heights Community Center, on August 29, 2013, for all 917 employees from Brian Lewandowski of Minnetonka, MN. Donation of \$200 to also support the Walk-a-Thon, from Bill and Kim Donohue of Farmington, MN. Donation of \$500 to the Dakota County Area Learning School to purchase supplies to expand the Math Art classes and other hands-on activities for the students in the mathematics program, from Valmont Industries of Farmington. Donation of approximately \$2,000 worth of paper from Printing Industry Midwest Education Foundation to support the ISD 917 DCALS Graphics Communication Program in DCALS. Donation of six (6) Intel iMac computers (value of

approximately \$4800) to the ISD 917 DCALS Graphic Communications Program to expand the computer lab. The motion for the adoption of the foregoing resolution was duly seconded by Tom Ryerson and upon vote being taken thereon, the following voted in favor thereof: Dan Cater, Deb Clark, Bob Erickson, Jill Lewis, Vanda Pressnall, Ron Hill, Tom Ryerson, and the following voted against the same: none. Whereupon said resolution was duly passed and adopted. (Addendum A.)

2. Motion by Vanda Pressnall, seconded by Ron Hill, to approve the bills from September 2, 2013, to September 23, 2013, as presented by the Business Manager. All present voted aye. Motion carried.
3. Motion by Vanda Pressnall, seconded by Ron Hill, to approve the Investment Report for the month of August, 2013, as presented by the Business Manager. All present voted aye. Motion carried.
4. Motion by Deb Clark, seconded by Dan Cater, to approve the wire transfers as presented by the Business Manager. All present voted aye. Motion carried.
5. Motion by Deb Clark, seconded by Dan Cater, to Approve the Assurance of Compliance Report for 2013-2014, as presented. (Addendum B.) All present voted aye. Motion carried.

Melissa Schaller reported on the IDEA Program Evaluation.

6. Motion by Bob Erickson, seconded by Dan Cater to approve and commend the staff for their work on the IDEA Program Evaluation. All present voted aye. Motion carried.

Nicolle Roush reported on the Accounts Receivable Aged Invoices from other districts.

Melissa Schaller reported on the enrollment counts for Special Education as of October 1, 2013.

Eric Van Brocklin reported on the enrollment counts for DCALS and DCALS North as of October 1, 2013.

7. Motion by Deb Clark, seconded by Tom Ryerson, to approve the medical insurance contract with Medica with a 13% renewal increase and no benefit modifications and the dental insurance premium reduction of approximately 3%. (Addendum C.) All present voted aye. Motion carried.
8. Motion by Ron Hill, seconded by Vanda Pressnall, to approve the Temporary Work Agreement as presented. (Addendum D.) All present voted aye. Motion carried.
9. Motion by Deb Clark, seconded by Dan Cater, to approve the Addendum to the Temporary Work Agreement from June 1, 2013, to June 30, 2013, as presented. (Addendum E.) All present voted aye. Motion carried.
10. Motion by Dan Cater, seconded by Tom Ryerson, to approve the increase in contract days for Special Education Assistant Director/Principal Kitri Larson Kylo from 195 work days to 210 work days for the 2013-2014 school year. (Addendum F.) All present voted aye. Motion carried.
11. Motion by Ron Hill, seconded by Dan Cater, to accept the Construction Trades House bid in the amount of \$45,998,00 from Jeff Beckman of Dennison, MN. (Addendum G.) All present voted aye. Motion carried.

12. Motion by Tom Ryerson, seconded by Dan Cater, to adjourn the meeting. All present voted aye. Motion carried.

There being no further business the meeting adjourned at 6:25 P.M.

The next regular School Board Meeting will be Tuesday, November 5, 2013, in the 917 Board Room at Dakota County Technical College starting at 4:30 PM.

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Clerk

**SUMMARY OF PERSONNEL ITEMS RECOMMENDED  
FOR ACTION AT BOARD MEETING OF NOVEMBER 5, 2013**

**NEW HIRES:**

Emily Jenkins, Classroom Assistant, effective October 21, 2013.

Amy Riesgraf, Classroom Assistant, effective September 30, 2013.

Anjana Silwal, Classroom Assistant, effective September 30, 2013.

Rachel Schindler, Classroom Assistant, effective October 7, 2013.

Latisha Torres, Classroom Assistant, effective October 14, 2013 (from Student Assistant to Classroom Assistant).

Jacob Van Allen, Classroom Assistant, effective October 23, 2013.

Marissa Vossen, Classroom Assistant, effective September 30, 2013.

Tanner Walters, Classroom Assistant, effective October 28, 2013.

**CHANGE IN STATUS:**

Carrie Swanson, Program Assistant, maternity leave of absence effective on or about November 13, 2013, with a return date on or about January 2, 2014.

**RESIGNATIONS & TERMINATIONS:**

Theresa Allen, Program Assistant, effective October 24, 2013.

Brittany Gomez-Matos, Classroom Assistant, effective October 22, 2014.

**DISTRICT 917 CANDIDATE SUMMARY--EMPLOYMENT RECOMMENDATION**

DATE: October 28, 2013	Teaching Licenses Held:
NAME: Emily Jenkins	
Position: Classroom Assistant	
College:    Secondary:    Special Education: <input checked="" type="checkbox"/> District:	Recommended Salary : \$15.99 hourly
	Employment Date: October 21, 2013

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	John F. Kennedy, Bloomington	Yes	Generals	Yes
Technical College	Rasmussen College	Yes	Practical Nursing	ADN
College				
Other				

**Business/Industry Work Experience:**

Employer (most recent first)	From	To	Position/Responsibilities
Sam's Club	2/12	Current	Member Services
Securian Financial Group	9/07	2/11	Support Administrator
Mpls. Community College	9/06	9/07	Receptionist

Total Years Business/Industry Work Experience 7

**Teaching Experience:**

Employer (most recent first)	From	To	Position/Responsibilities

**Remarks:**

Emily will be a classroom assistant in the TEA Program located in Apple Valley.

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**DISTRICT 917 CANDIDATE SUMMARY--EMPLOYMENT RECOMMENDATION**

DATE: October 1, 2013	Teaching Licenses Held:
NAME: Amy Riesgraf	
Position: Classroom Assistant	
College:    Secondary:    Special Education: x    District:	Recommended Salary : \$17.12 hourly
	Employment Date: 9/30/13

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Spoooner High School	Yes	Generals	Diploma
Technical College				
College	University of Eau Claire, WI	Yes	Family Studies	BA
Other				

**Business/Industry Work Experience:**

Employer (most recent first)	From	To	Position/Responsibilities
Ravey's Hallmark	12/08	Current	Sales Associate
Life Span MN	6/01	12/08	Therapist
Allina Health System	7/99	9/00	CNA
Lutheran Social Services	9/98	6/99	PCA/CNA

Total Years Business/Industry Work Experience 12

**Teaching Experience:**

Employer (most recent first)	From	To	Position/Responsibilities

**Remarks:**

Amy will be a classroom assistant in the TEA Program located in Apple Valley.

To Bd 11/5/13

**DISTRICT 917 CANDIDATE SUMMARY--EMPLOYMENT RECOMMENDATION**

DATE: October 3, 2013	Teaching Licenses Held:
NAME: Rachel Schindler	
Position: Classroom Assistant	
College:    Secondary:    Special Education: x    District:	Recommended Salary : \$16.37 hourly
	Employment Date: 10/7/13

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/Diploma
High School	Red River High School	Yes	Generals	Diploma
Technical College				
College	North Dakota State	Yes	Social Work	BSSW
Other				

**Business/Industry Work Experience:**

Employer (most recent first)	From	To	Position/Responsibilities
Applebees	11/12	Current	Server
Blue Moose Bar and Grill	6/09	8/12	Server
Valley Middle School	1/12	5/12	Social Work Internship

Total Years Business/Industry Work Experience 3

**Teaching Experience:**

Employer (most recent first)	From	To	Position/Responsibilities

**Remarks:**

Rachel will be a classroom assistant in the TEA Program located in Apple Valley.

To Bd. 11/5/2013

**DISTRICT 917 CANDIDATE SUMMARY--EMPLOYMENT RECOMMENDATION**

DATE: October 3, 2013	Teaching Licenses Held:
NAME: Anjana Silwal	
Position: Classroom Assistant	
College:    Secondary:    Special Education: x    District:	Recommended Salary : \$16.37 hourly
	Employment Date: 9/30/13

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Siddartha Vanasthali Institute	Yes	Generals	Diploma
Technical College				
College	MN State University	Yes	Sociology	
Other				

**Business/Industry Work Experience:**

Employer (most recent first)	From	To	Position/Responsibilities
Opal Services	4/07	8/13	Direct Support Professional
Opportunity Manor	2/03	5/06	Direct Support Staff

Total Years Business/Industry Work Experience 10

**Teaching Experience:**

Employer (most recent first)	From	To	Position/Responsibilities

**Remarks:**

Anjana will be a classroom assistant in the SUN Program at Cedar School.

To Bd 11/5/13

**DISTRICT 917 CANDIDATE SUMMARY--EMPLOYMENT RECOMMENDATION**

DATE: October 14, 2013	Teaching Licenses Held:
NAME: Latisha Torres	
Position: Classroom Assistant	
College:    Secondary:    Special Education: x    District:	Recommended Salary : \$15.99 hourly
	Employment Date:

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Henry Sibley High	Yes	Generals	Diploma
Technical College	Dakota County Technical	Yes	Dental Asst.	AS
College				
Other				

**Business/Industry Work Experience:**

Employer (most recent first)	From	To	Position/Responsibilities
ISD 917	8/2013	Current	Student Assistant
Red Lobster	1/2001	Current	Server
Cristal Clear Window Cleaning	5/2008	7/2012	Customer Service Rep.

Total Years Business/Industry Work Experience 13

**Teaching Experience:**

Employer (most recent first)	From	To	Position/Responsibilities

**Remarks:**

Latisha will be a classroom assistant in the SUN Program located at Alliance Education Center replacing Mouhamed Ndiame .

To Bd 11/5/13

**DISTRICT 917 CANDIDATE SUMMARY--EMPLOYMENT RECOMMENDATION**

DATE: October 28, 2013	Teaching Licenses Held:
NAME: Jacob Van Allen	
Position: Classroom Assistant	
College:      Secondary:      Special Education: <input checked="" type="checkbox"/> District:	Recommended Salary : \$15.99 hourly
	Employment Date: 10/23/13

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Shakopee High School	Yes	Generals	Yes
Technical College				
College	MN State	In process	Alcohol/Drug Counselor	In process
Other				

**Business/Industry Work Experience:**

Employer (most recent first)	From	To	Position/Responsibilities
Jet Black Sealcoating	8/13	Current	Crew Member
Dick's Sporting goods	11/12	Current	Sales Associate
Arteka Companies	5/12	9/12	Landscaping

Total Years Business/Industry Work Experience 1.5

**Teaching Experience:**

Employer (most recent first)	From	To	Position/Responsibilities

**Remarks:**

Jacob will be a classroom assistant in the TEA Program located in Apple Valley.

To Be 11/5/13

**DISTRICT 917 CANDIDATE SUMMARY--EMPLOYMENT RECOMMENDATION**

DATE: October 1, 2013	Teaching Licenses Held:
NAME: Marissa Vossen	
Position: Classroom Assistant	
College:    Secondary:    Special Education: x    District:	Recommended Salary : \$16.37 hourly
	Employment Date: 9/30/13

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/Diploma
High School	Eastview High	Yes	Generals	Diploma
Technical College				
College	Northwestern College	Yes	Music Education	BA
Other				

**Business/Industry Work Experience:**

Employer (most recent first)	From	To	Position/Responsibilities
Dawn Schumacher	6/10	9/13	Nanny – Summers only
Tracy Anderson	1/13	6/13	Nanny
Northwestern College	1/10	5/12	Front Desk/Secretary
Camp Shamineau	6/05	8/09	Camp Counselor/Director

**Total Years Business/Industry Work Experience 8**

**Teaching Experience:**

Employer (most recent first)	From	To	Position/Responsibilities

**Remarks:**

Marissa will be a classroom assistant in the SUN Program located at Cedar School.

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To Bd 11/6/13

**DISTRICT 917 CANDIDATE SUMMARY--EMPLOYMENT RECOMMENDATION**

DATE: October 28, 2013	Teaching Licenses Held:
NAME: Tanner Walters	
Position: Classroom Assistant	
College:    Secondary:    Special Education: x    District:	Recommended Salary : \$16.74 hourly
	Employment Date: October 28, 2013

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Hopkins High School	Yes	Generals	Yes
Technical College				
College	University of MN	Yes	Elementary ED	M.Ed.
Other				

**Business/Industry Work Experience:**

Employer (most recent first)	From	To	Position/Responsibilities
ISD 917	9/12	1/13	Paraprofessional

Total Years Business/Industry Work Experience 4 mths

**Teaching Experience:**

Employer (most recent first)	From	To	Position/Responsibilities

**Remarks:**

Tanner will be a classroom assistant in the TEA Program located in Apple Valley.

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**ADDENDUM TO**  
**SUMMARY OF PERSONNEL ITEMS RECOMMENDED**  
**FOR ACTION AT BOARD MEETING OF NOVEMBER 5, 2013**

**NEW HIRES:**

Alexandra O’Dowd-Mallam, Classroom Assistant, effective November 4, 2013.

**RESIGNATIONS & TERMINATIONS:**

Cheikh Sonko, Classroom Assistant, effective November 11, 2013.

To Bd 11/5/13

**DISTRICT 917 CANDIDATE SUMMARY--EMPLOYMENT RECOMMENDATION**

DATE: November 5, 2013	Teaching Licenses Held:
NAME: Alexandra O'Dowd-Mallam	
Position: Classroom Assistant	
College:    Secondary:    Special Education: x    District:	Recommended Salary : \$16.37 hourly
	Employment Date: 11/4/13

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Andover High School	Yes	Generals	Diploma
Technical College				
College				
Other				

**Business/Industry Work Experience:**

Employer (most recent first)	From	To	Position/Responsibilities
ISD 917	3/13	Current	Student Assistant
Lifetime Fitness	2/12	Current	Lifecafe Member
Shawn and Sara Smith	1/13	3/13	Nanny
National Sports Center	6/10	8/12	Hospitality

Total Years Business/Industry Work Experience 2.5

**Teaching Experience:**

Employer (most recent first)	From	To	Position/Responsibilities

**Remarks:**

Alexandra will be a classroom assistant in the D/HH Preschool Program for 2.25 hours per day, 4 days a week (M-Thur) filling available complement.

# **Intermediate School District #917 School Board**

## **Resolution to Accept Donations**

Board member \_\_\_\_\_ introduced the following Resolution:

RESOLVED, that the School Board of Intermediate School District 917 accept the following donations, as indicated below, in the amount of \$1115.

1. Donation of \$1115.00 from the Karen O'Brien Trust Fund to help benefit the programs of Intermediate School District 917, from Amy O'Brien of Farmington, MN.
2. Donation of a C-Swing to the ISD 917 program to be used by the students in the DASH/PACES Program from Rhonda Lord of Farmington, MN.
3. Donation of \$250 to the TESA Program to be used by the students for events and activities from Gemini Incorporated of Cannon Falls, MN.
4. Donation of 2,241 books to the Alliance Education Center as an Eagle Scout service project, from Jaron Kittelson, Eagle Scout, Woodbury, MN.

The motion for the adoption of the foregoing resolution was duly seconded by Member \_\_\_\_\_, and upon vote being taken thereon, the following voted in favor thereof:

And the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Date Board Approved:

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
315251	S	\$1595.70	09/19/13	12615	0	ABLENET INC.	CLEARED
315252	S	\$419.07	09/19/13	09823	0	ACHIEVEMENT PRODUCTS, INC	CLEARED
315253	S	\$460.00	09/19/13	29086	1	ADVANCED BIONICS LLC	CLEARED
315254	S	\$23552.00	09/19/13	23997	1	AMERICAN COMPENSATION INSURANCE COMPANY	CLEARED
315255	S	\$181.64	09/19/13	02424	0	CAROLINA BIOLOGICAL SUPPLY	CLEARED
315256	S	\$511.21	09/19/13	22756	0	CHANNING BETE CO. INC	CLEARED
315257	S	\$2593.00	09/19/13	21857	4	DEPARTMENT OF HUMAN SERVICES	CLEARED
315258	S	\$830.57	09/19/13	21617	0	EXCEPTIONAL TEACHING, INC.	CLEARED
315259	S	\$1413.94	09/19/13	10161	0	FOLLETT EDUCATIONAL SERVICES	CLEARED
315260	S	\$99.80	09/19/13	22631	0	GOVCONNECTION	CLEARED
315261	S	\$5232.48	09/19/13	23200	0	HENRICKSEN PSG	CLEARED
315262	S	\$23432.41	09/19/13	09592	0	IND SCH DIST 191	CLEARED
315263	S	\$105.80	09/19/13	02162	0	IND SCH DIST 197	CLEARED
315264	S	\$5912.76	09/19/13	23297	0	INNOVATIVE OFFICE SOLUTIONS	CLEARED
315265	S	\$157.40	09/19/13	23024	0	ISOKINETICS INC	CLEARED
315266	S	\$298.62	09/19/13	22894	0	JIFFY JR PRODUCTS	CLEARED
315267	S	\$231.30	09/19/13	10641	0	LINGUI SYSTEMS, INC	CLEARED
315268	S	\$363.00	09/19/13	22778	0	LOFFLER BUSINESS SYSTEMS	CLEARED
315269	S	\$39.60	09/19/13	23996	0	MEDICAREBLUE RX	CLEARED
315270	S	\$40.00	09/19/13	07926	2	METRO ECSU	CLEARED
315271	S	\$50.00	09/19/13	22336	2	MICHAELS ARTS & CRAFTS	OUTSTANDING
315272	S	\$350.00	09/19/13	21266	0	MN DAPE LEADERSHIP COMMITTEE	OUTSTANDING
315273	S	\$2358.36	09/19/13	11229	1	MN HISTORICAL SOCIETY	OUTSTANDING
315274	S	\$2622.03	09/19/13	20568	1	OFFICE DEPOT	CLEARED
315275	S	\$1078.71	09/19/13	20868	0	OFFICE OF ENTERPRISE TECHNOLOGY	CLEARED
315276	S	\$474.89	09/19/13	22654	0	PEARSON ASSESSMENTS/NCS PEARSON	CLEARED
315277	S	\$199.00	09/19/13	22728	0	PESI	CLEARED
315278	S	\$539.72	09/19/13	06806	0	PRO-ED	OUTSTANDING
315279	S	\$86.22	09/19/13	21936	0	REMEDIA PUBLICATIONS	CLEARED
315280	S	\$605.55	09/19/13	18869	0	RIVERSIDE PUBLISHING CO	CLEARED
315281	S	\$68.50	09/19/13	22826	0	SCHOOL NURSE SUPPLY	CLEARED
315282	S	\$576.00	09/19/13	20620	3	SCHOOL SPECIALTY INC	CLEARED
315283	S	\$400.00	09/19/13	29835	0	SCHOOLFINANCES.COM	CLEARED
315284	S	\$142.00	09/19/13	23054	0	SIMPLEXGRINELL	CLEARED
315285	S	\$384.18	09/19/13	15713	0	SOUTHEAM ENTERPRISES	CLEARED
315286	S	\$77.00	09/19/13	22464	0	SUNSHINE COTTAGE	CLEARED
315287	S	\$310.44	09/19/13	21191	0	SUPER DUPER SCHOOL CO	CLEARED
315288	S	\$145.78	09/19/13	12082	0	SUPREME SCHOOL SUPPLY	CLEARED
315289	S	\$852.00	09/19/13	23595	0	THE MCDOWELL AGENCY, INC	CLEARED
315290	S	\$1187.59	09/19/13	22521	0	TST CREATIVE CATERING	CLEARED
315291	S	\$400.00	09/19/13	24015	0	TURRET HOUSE BED & BREAKFAST	OUTSTANDING
315292	S	\$256.30	09/19/13	02490	0	WESTERN PSYCHOLOGICAL SERVICES	OUTSTANDING
315293	S	\$1168.00	09/19/13	23425	0	WISSOTA SUPPLY	CLEARED
315294	S	\$60.00	09/19/13	24016	0	JAMES R. EBERHARDT	CLEARED
315295	S	\$192.50	09/26/13	22690	0	ALVARADO, GINA M	CLEARED
315296	S	\$2146.62	09/26/13	23678	0	AMAZON COM, LLC	OUTSTANDING
315297	S		09/26/13	23678	0	UNISSUED	UNISSUED
315298	S	\$1314.24	09/26/13	22907	0	AMSAN BRISSMAN-KENNEDY	CLEARED
315299	S	\$11583.70	09/26/13	19720	0	APPLE VALLEY BUSINESS CENTER LTD	CLEARED
315300	S	\$182.50	09/26/13	23294	0	ASPEX SOLUTIONS	OUTSTANDING
315301	S	\$194.75	09/26/13	02424	0	CAROLINA BIOLOGICAL SUPPLY	CLEARED
315302	S	\$81.67	09/26/13	19803	0	CENTERPOINT ENERGY	OUTSTANDING

Intermedate School Dist 917  
 CHECK REGISTER FOR BANK 01 - WELLS FARGO BANK  
 DATE RANGE: 09/15/13 - 10/29/13

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
315303	S	\$231.59	09/26/13	21674	1	CENTURYLINK	CLEARED
315304	S	\$12.19	09/26/13	21674	2	CENTURYLINK	CLEARED
315305	S	\$1724.61	09/26/13	06276	0	CITY OF ROSEMOUNT	CLEARED
315306	S	\$4713.89	09/26/13	22990	0	CLEAR CHOICE PROPERTIES LLC	CLEARED
315307	S	\$125.00	09/26/13	19532	0	COMO LUBE & SUPPLIES	CLEARED
315308	S	\$2673.93	09/26/13	22698	0	CORPORATE HEALTH SYSTEMS	CLEARED
315309	S	\$110.00	09/26/13	20448	3	DAKOTA COUNTY FINANCIAL SERVICES	OUTSTANDING
315310	S	\$835.50	09/26/13	02866	0	DAKOTA ELECTRIC ASSN	OUTSTANDING
315311	S	\$164.00	09/26/13	23896	0	DEANNA FISCHER	OUTSTANDING
315312	S	\$181.32	09/26/13	00103	1	DELEGARD TOOL CO	CLEARED
315313	S	\$20.86	09/26/13	22238	1	DISCOUNT SCHOOL SUPPLY	CLEARED
315314	S	\$1680.00	09/26/13	16339	1	DOOR SERVICE CO	CLEARED
315315	S	\$392.70	09/26/13	00096	1	ECM PUBLISHERS/DAKOTA COUNTY TRIBUNE	CLEARED
315316	S	\$2098.65	09/26/13	03079	0	FRONTIER COMMUNICATIONS	OUTSTANDING
315317	S	\$1196.37	09/26/13	23165	1	FRONTLINE PLACEMENT TECHNOLOGIES INC	OUTSTANDING
315318	S	\$6596.00	09/26/13	22875	0	GLEWWE DOORS, INC	CLEARED
315319	S	\$1312.00	09/26/13	09592	13	IND SCH DIST 191	OUTSTANDING
315320	S	\$79.60	09/26/13	22975	0	INDEPENDENT LIVING AIDS, INC	OUTSTANDING
315321	S	\$1277.84	09/26/13	23297	0	INNOVATIVE OFFICE SOLUTIONS	CLEARED
315322	S	\$490.00	09/26/13	23838	0	KARRI COLESTOCK	CLEARED
315323	S	\$252.00	09/26/13	24017	0	MELISSA MARSH	OUTSTANDING
315324	S	\$2450.00	09/26/13	07926	1	METRO ECSU	OUTSTANDING
315325	S	\$5973.75	09/26/13	24000	0	MINNEAPOLIS COMMUNITY & TECHNICAL COLLEGE	CLEARED
315326	S	\$2280.00	09/26/13	22980	0	MINNEAPOLIS PAPER COMPANY	OUTSTANDING
315327	S	\$92.07	09/26/13	23258	0	MN ENERGY RESOURCES CORPORATION	CLEARED
315328	S	\$1062.52	09/26/13	20568	1	OFFICE DEPOT	OUTSTANDING
315329	S	\$31.99	09/26/13	20624	0	ORIENTAL TRADING CO.	OUTSTANDING
315330	S	\$193.23	09/26/13	00257	2	PITNEY BOWES	OUTSTANDING
315331	S	\$9802.80	09/26/13	23398	1	RIVERPORT INSURANCE COMPANY	OUTSTANDING
315332	S	\$1191.74	09/26/13	13162	2	SCHOLASTIC, INC	CLEARED
315333	S	\$478.68	09/26/13	13162	3	SCHOLASTIC, INC	CLEARED
315334	S	\$395.00	09/26/13	23054	0	SIMPLEXGRINNELL	CLEARED
315335	S	\$570.00	09/26/13	23335	0	SUMMIT FIRE PROTECTION	OUTSTANDING
315336	S	\$213.00	09/26/13	00643	1	TIES	CLEARED
315337	S	\$250.00	09/26/13	23870	0	UNIVERSITY OF OREGON	OUTSTANDING
315338	S	\$123.82	09/26/13	20999	3	VERIZON WIRELESS	CLEARED
315339	S	\$3091.50	09/26/13	02776	0	XCEL ENERGY	CLEARED
315340	S	\$908.24	09/27/13	40072	0	AFLAC	OUTSTANDING
315341	S	\$659.19	09/27/13	40022	0	AXA EQUITABLE LIFE INS CO	OUTSTANDING
315342	S	\$1735.86	09/27/13	29026	0	EDUCATION MN ESI BILLING TRUST	OUTSTANDING
315343	S	\$1743.11	09/27/13	40060	0	FIDELITY INVSTMT TAX-EX SVC CO	OUTSTANDING
315344	S	\$642.93	09/27/13	40021	0	ING LIFE INSURANCE	OUTSTANDING
315345	S	\$469.08	09/27/13	40058	0	MN DEPT OF REVENUE (C)	OUTSTANDING
315346	S	\$462.58	09/27/13	40017	0	O.P.E.I.U., LOCAL 12	OUTSTANDING
315347	S	\$267.16	09/27/13	23901	0	OFFICE OF THE ATTORNEY GENERAL	OUTSTANDING
315348	S	\$132.17	09/27/13	29972	0	RELATED SERVICES NURSES ESP	OUTSTANDING
315349	S	\$1233.34	09/27/13	40071	0	WADDELL & REED INC	OUTSTANDING
315350	S	\$28.96	10/04/13	17397	0	409-PRAXAIR DISTRIBUTION INC	OUTSTANDING
315351	S	\$1250.00	10/04/13	23203	0	ACCELERATED TECHNOLOGIES	OUTSTANDING
315352	S	\$75.00	10/04/13	22200	2	ADT SECURITY SERVICES INC	OUTSTANDING
315353	S	\$1084.62	10/04/13	23725	0	ADVANCED IMAGING SOLUTIONS	OUTSTANDING
315354	S	\$813.01	10/04/13	00623	0	ALLIED WASTE SERVICES	OUTSTANDING

Intermediate School Dist 917  
 CHECK REGISTER FOR BANK 01 - WELLS FARGO BANK  
 DATE RANGE: 09/15/13 - 10/29/13

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
315355	S	\$1136.70	10/04/13	22907	0	AMSAN BRISSMAN-KENNEDY	OUTSTANDING
315356	S	\$307.75	10/04/13	17169	0	BARNES & NOBLE	OUTSTANDING
315357	S	\$137.06	10/04/13	18052	0	BIRD & CRONIN	OUTSTANDING
315358	S	\$138.47	10/04/13	40073	0	CANNON FALLS BEACON	OUTSTANDING
315359	S	\$143.09	10/04/13	00096	1	ECM PUBLISHERS/DAKOTA COUNTY TRIBUNE	OUTSTANDING
315360	S	\$612.70	10/04/13	20307	1	ENABLING DEVICES/TOYS FOR SPEC CHILD	OUTSTANDING
315361	S	\$645.71	10/04/13	22631	0	GOVCONNECTION	OUTSTANDING
315362	S	\$523.63	10/04/13	01433	0	GRAINGER W W INC.	OUTSTANDING
315363	S	\$408.73	10/04/13	29263	0	GREAT IDEAS FOR TEACHING INC	OUTSTANDING
315364	S	\$366.50	10/04/13	22711	0	HDS OF MINNESOTA, INC	OUTSTANDING
315365	S	\$1540.82	10/04/13	23419	0	HORIZON SOFTWARE INTERNATIONAL, LLC	OUTSTANDING
315366	S	\$82856.97	10/04/13	09592	0	IND SCH DIST 191	OUTSTANDING
315367	S	\$7350.00	10/04/13	21065	3	IND SCH DIST 197	OUTSTANDING
315368	S	\$2980.61	10/04/13	23297	0	INNOVATIVE OFFICE SOLUTIONS	OUTSTANDING
315369	S	\$4377.60	10/04/13	21007	0	INT SCH DIST 287	OUTSTANDING
315370	S	\$1050.00	10/04/13	23320	0	KAREN CASS FELLING, M.A., LP	OUTSTANDING
315371	S	\$363.00	10/04/13	22778	0	LOFFLER BUSINESS SYSTEMS	OUTSTANDING
315372	S	\$164.12	10/04/13	23917	1	MARCO INC	OUTSTANDING
315373	S	\$325.00	10/04/13	24020	0	MATT MCMAN	OUTSTANDING
315374	S	\$558.64	10/04/13	23568	0	MEDI-CAR	OUTSTANDING
315375	S	\$287.92	10/04/13	22910	0	MICRON CPG	OUTSTANDING
315376	S	\$325.00	10/04/13	17633	1	MN CLE	OUTSTANDING
315377	S	\$72.00	10/04/13	23588	1	PAR, INC.	OUTSTANDING
315378	S	\$1365.00	10/04/13	22654	0	PEARSON ASSESSMENTS/NCS PEARSON	OUTSTANDING
315379	S	\$46.02	10/04/13	00257	3	PITNEY BOWES POSTAGE BY PHONE	OUTSTANDING
315380	S	\$2685.23	10/04/13	29040	0	SAM'S CLUB	OUTSTANDING
315381	S	\$1358.24	10/04/13	13162	3	SCHOLASTIC, INC	OUTSTANDING
315382	S	\$1115.80	10/04/13	20620	3	SCHOOL SPECIALTY INC	OUTSTANDING
315383	S	\$403.20	10/04/13	23014	0	SOUTHWEST PLASTIC BINDING CO	OUTSTANDING
315384	S	\$649.81	10/04/13	13704	0	SYSCO MINNESOTA	OUTSTANDING
315385	S	\$1317.60	10/04/13	10981	0	TARGET BANK	OUTSTANDING
315386	S	\$1599.03	10/04/13	23942	0	TEACHERS ON CALL	OUTSTANDING
315387	S	\$14.55	10/04/13	00450	0	TERRY'S HARDWARE	OUTSTANDING
315388	S	\$585.20	10/04/13	23621	0	THE WEEK	OUTSTANDING
315389	S	\$1939.49	10/04/13	00643	0	TIES	OUTSTANDING
315390	S	\$1440.00	10/04/13	23814	0	TRIG LIFE SERVICES	OUTSTANDING
315391	S	\$403.21	10/04/13	20330	0	WASTE MANAGEMENT	OUTSTANDING
315392	S	\$1944.98	10/04/13	19389	0	WELLS FARGO	OUTSTANDING
315393	S	\$578.49	10/04/13	19929	0	WIESER EDUCATIONAL	OUTSTANDING
315394	S	\$1322.95	10/16/13	40022	0	AXA EQUITABLE LIFE INS CO	OUTSTANDING
315395	S	\$1133.39	10/16/13	21866	0	DAKOTA COUNTY TECH COLLEGE	OUTSTANDING
315396	S	\$205.43	10/16/13	40016	0	EDUCATION MINNESOTA, LOCAL 3904	OUTSTANDING
315397	S	\$4637.82	10/16/13	29026	0	EDUCATION MN ESI BILLING TRUST	OUTSTANDING
315398	S	\$4480.60	10/16/13	40060	0	FIDELITY INVSTMNT TAX-EX SVC CO	OUTSTANDING
315399	S	\$1512.57	10/16/13	40021	0	ING LIFE INSURANCE	OUTSTANDING
315400	S	\$83.87	10/16/13	23897	0	LOFFSTROM LAW FIRM, LLC	OUTSTANDING
315401	S	\$429.00	10/16/13	40058	0	MN DEPT OF REVENUE (C)	OUTSTANDING
315402	S	\$64.00	10/16/13	21651	0	NCPERS MINNESOTA	OUTSTANDING
315403	S	\$267.16	10/16/13	23901	0	OFFICE OF THE ATTORNEY GENERAL	OUTSTANDING
315404	S	\$149.44	10/16/13	29972	0	RELATED SERVICES NURSES ESP	OUTSTANDING
315405	S	\$2343.44	10/16/13	40018	0	S.E.P., LOCAL 4242	OUTSTANDING
315406	S	\$1912.10	10/16/13	40071	0	WADDELL & REED INC	OUTSTANDING

Intermediate School Dist 917  
 CHECK REGISTER FOR BANK 01 - WELLS FARGO BANK  
 DATE RANGE: 09/15/13 - 10/29/13

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
315407	S	\$49.95	10/18/13	17397	0	409-PRAXAIR DISTRIBUTION INC	OUTSTANDING
315408	S	\$493.32	10/18/13	23725	0	ADVANCED IMAGING SOLUTIONS	OUTSTANDING
315409	S	\$4096.52	10/18/13	23201	0	ADVANCED WIRELESS COMMUNICATIONS	OUTSTANDING
315410	S	\$1049.95	10/18/13	05886	1	ANCHOR PAPER COMPANY	OUTSTANDING
315411	S	\$2641.00	10/18/13	19645	0	APPLE COMPUTER, INC	OUTSTANDING
315412	S	\$1200.00	10/18/13	23826	0	ASE STUDENT CERTIFICATION	OUTSTANDING
315413	S	\$633.41	10/18/13	13625	0	BEST BUY BUSINESS ADVANTAGE	OUTSTANDING
315414	S	\$471.00	10/18/13	01726	0	BRO-TEX CO	OUTSTANDING
315415	S	\$293.00	10/18/13	21623	0	CAPAN COMPUTERS	OUTSTANDING
315416	S	\$454.66	10/18/13	02424	0	CAROLINA BIOLOGICAL SUPPLY	OUTSTANDING
315417	S	\$335.00	10/18/13	21295	0	CLOSING THE GAP	OUTSTANDING
315418	S	\$572.19	10/18/13	21866	0	DAKOTA COUNTY TECH COLLEGE	OUTSTANDING
315419	S	\$1098.40	10/18/13	02866	0	DAKOTA ELECTRIC ASSN	OUTSTANDING
315420	S	\$262.44	10/18/13	19401	0	DEX MEDIA EAST, INC.	OUTSTANDING
315421	S	\$176.68	10/18/13	22238	1	DISCOUNT SCHOOL SUPPLY	OUTSTANDING
315422	S	\$962.75	10/18/13	20307	1	ENABLING DEVICES/TOYS FOR SPEC CHILD	OUTSTANDING
315423	S	\$1901.75	10/18/13	03079	0	FRONTIER COMMUNICATIONS	OUTSTANDING
315424	S	\$360.54	10/18/13	24019	0	GLOBAL COMMUNICATIONS WIRING & SERVICES	OUTSTANDING
315425	S	\$234.59	10/18/13	22631	0	GOVCONNECTION	OUTSTANDING
315426	S	\$92.03	10/18/13	01433	0	GRAINGER W W INC.	OUTSTANDING
315427	S	\$230.19	10/18/13	22193	0	HANDWRITING WITHOUT TEARS	OUTSTANDING
315428	S	\$239.29	10/18/13	07751	1	HASTINGS STAR GAZETTE	OUTSTANDING
315429	S	\$142.50	10/18/13	22711	0	HDS OF MINNESOTA, INC	OUTSTANDING
315430	S	\$25937.92	10/18/13	09592	0	IND SCH DIST 191	OUTSTANDING
315431	S	\$3340.17	10/18/13	23297	0	INNOVATIVE OFFICE SOLUTIONS	OUTSTANDING
315432	S		10/18/13	23297	0	UNISSUED	UNISSUED
315433	S	\$1800.00	10/18/13	23320	0	KAREN CASS FELLING, M.A., LP	OUTSTANDING
315434	S	\$509.75	10/18/13	23090	0	KNG INTERNATIONAL	OUTSTANDING
315435	S	\$99.97	10/18/13	21834	0	LAKESHORE LEARNING MATERIALS	OUTSTANDING
315436	S	\$87.79	10/18/13	23078	0	LEARNING THINGS	OUTSTANDING
315437	S	\$41.25	10/18/13	08517	0	LILLIE SUBUREAN NEWSPAPER, INC	OUTSTANDING
315438	S	\$13500.00	10/18/13	21208	0	MALLOY, MONTAGUE, KARNOWSKI, RADOSEVICH & CO	OUTSTANDING
315439	S	\$440.29	10/18/13	23917	0	MARCO INC	OUTSTANDING
315440	S	\$3790.68	10/18/13	13407	0	MCRESSON MEDICAL	OUTSTANDING
315441	S	\$460.00	10/18/13	23670	0	MDVI	OUTSTANDING
315442	S	\$95.68	10/18/13	23258	0	MN ENERGY RESOURCES CORPORATION	OUTSTANDING
315443	S	\$18234.27	10/18/13	22885	1	MN UNEMPLOYMENT INSURANCE	OUTSTANDING
315444	S	\$500.00	10/18/13	21735	2	NORTHEAST METRO 916	OUTSTANDING
315445	S	\$347.98	10/18/13	20568	1	OFFICE DEPOI	OUTSTANDING
315446	S	\$987.90	10/18/13	23690	0	OUTDOOR IMAGES, INC	OUTSTANDING
315447	S	\$123.20	10/18/13	23588	1	PAR, INC.	OUTSTANDING
315448	S	\$189.99	10/18/13	22728	0	PESI	OUTSTANDING
315449	S	\$700.00	10/18/13	16976	0	PRENTKE ROMICH CO	OUTSTANDING
315450	S	\$2550.00	10/18/13	23874	0	REINHART FOODSERVICE, LLC	OUTSTANDING
315451	S	\$1263.41	10/18/13	20620	3	SCHOOL SPECIALTY INC	OUTSTANDING
315452	S	\$109.86	10/18/13	00304	0	SNAP-ON INDUSTRIAL	OUTSTANDING
315453	S	\$608.99	10/18/13	15713	0	SOUTHPAW ENTERPRISES	OUTSTANDING
315454	S	\$750.00	10/18/13	22730	0	SOUTHWEST/WEST CENTRAL SERVICE CORP	OUTSTANDING
315455	S	\$1041.50	10/18/13	13704	0	SYSCO MINNESOTA	OUTSTANDING
315456	S	\$12473.03	10/18/13	23942	0	TEACHERS ON CALL	OUTSTANDING
315457	S	\$120.00	10/18/13	23595	0	THE MCDOWELL AGENCY, INC	OUTSTANDING
315458	S	\$230.52	10/18/13	00643	0	TIES	OUTSTANDING

Intermediate School Dist 917  
 CHECK REGISTER FOR BANK 01 - WELLS FARGO BANK  
 DATE RANGE: 09/15/13 - 10/29/13

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
315459	S	\$173.00	10/18/13	23414	0	WESTWOOD SPORTS	OUTSTANDING
315460	S	\$23552.00	10/23/13	23997	1	AMERICAN COMPENSATION INSURANCE COMPANY	OUTSTANDING
315461	S	\$80.23	10/23/13	22907	0	AMSN BRISSMAN-KENNEDY	OUTSTANDING
315462	S	\$1436.00	10/23/13	23962	0	ANCOM COMMUNICATIONS	OUTSTANDING
315463	S	\$11583.70	10/23/13	19720	0	APPLE VALLEY BUSINESS CENTER LTD	OUTSTANDING
315464	S	\$308.00	10/23/13	22724	0	BUG BUSTERS, INC	OUTSTANDING
315465	S	\$4713.89	10/23/13	22990	0	CLEAR CHOICE PROPERTIES LLC	OUTSTANDING
315466	S	\$17.84	10/23/13	16244	0	CUB FOODS	OUTSTANDING
315467	S	\$13.22	10/23/13	20406	0	CUB FOODS	OUTSTANDING
315468	S	\$49.90	10/23/13	20406	1	CUB FOODS	OUTSTANDING
315469	S	\$55.00	10/23/13	20448	3	DAKOTA COUNTY FINANCIAL SERVICES	OUTSTANDING
315470	S	\$342.50	10/23/13	00096	1	ECM PUBLISHERS/DAKOTA COUNTY TRIBUNE	OUTSTANDING
315471	S	\$178.86	10/23/13	21011	3	ECOLAB INC	OUTSTANDING
315472	S	\$101.42	10/23/13	21818	0	GLOBAL EQUIPMENT COMPANY	OUTSTANDING
315473	S	\$37.41	10/23/13	01433	0	GRAINGER W W INC	OUTSTANDING
315474	S	\$164.28	10/23/13	23493	0	HANDS ON TASKS & IDEAS INC	OUTSTANDING
315475	S	\$424.80	10/23/13	21010	3	HOLIDAY INN ALEXANDRIA	OUTSTANDING
315476	S	\$10647.85	10/23/13	19858	0	IND SCH DIST # 196	OUTSTANDING
315477	S	\$680.70	10/23/13	09592	0	IND SCH DIST 191	OUTSTANDING
315478	S	\$50.00	10/23/13	10857	0	IND SCH DIST 194	OUTSTANDING
315479	S	\$2109.00	10/23/13	23124	0	INFINITY WIRELESS, INC.	OUTSTANDING
315480	S	\$439.43	10/23/13	23297	0	INNOVATIVE OFFICE SOLUTIONS	OUTSTANDING
315481	S	\$239.12	10/23/13	23917	1	MARCO INC	OUTSTANDING
315482	S	\$39.60	10/23/13	23996	0	MEDICAREBLUE RX	OUTSTANDING
315483	S	\$294.00	10/23/13	22619	0	MN FCCLA-HERO	OUTSTANDING
315484	S	\$162.99	10/23/13	20568	1	OFFICE DEPOT	OUTSTANDING
315485	S	\$4368.75	10/23/13	23915	0	PEDIATRIC HOME SERVICE	OUTSTANDING
315486	S	\$2763.75	10/23/13	11070	1	RIFTON EQUIPMENT/COMMUNITY PRODUCTS LLC.	OUTSTANDING
315487	S	\$2362.50	10/23/13	13162	2	SCHOLASTIC, INC	OUTSTANDING
315488	S	\$124.00	10/23/13	29865	3	SKILLSUSA INCORPORATED	OUTSTANDING
315489	S	\$405.00	10/23/13	29865	0	SKILLSUSA MINNESOTA	OUTSTANDING
315490	S	\$759.99	10/23/13	24018	0	SPIRITLINE	OUTSTANDING
315491	S	\$651.10	10/23/13	00636	1	STAR TRIBUNE	OUTSTANDING
315492	S	\$4390.59	10/23/13	23942	0	TEACHERS ON CALL	OUTSTANDING
315493	S	\$592.15	10/23/13	23662	0	WESTONE	OUTSTANDING
315494	S	\$44.50	10/23/13	22844	0	WINSOR LEARNING	OUTSTANDING
315495	S	\$2668.73	10/23/13	02776	0	XCEL ENERGY	OUTSTANDING
705565	E	\$45.00	09/25/13	99999	8787	ASMUS,JOAN SCHAEFER	CLEARED
705566	E	\$90.00	09/25/13	99999	8873	BUDACH,DON JAMES	CLEARED
705567	E	\$90.00	09/25/13	99999	9679	CHRISTIANSEN,JOHN MAXWELL	CLEARED
705568	E	\$90.00	09/25/13	99999	9702	GARRETSON,PAMELA VICK	CLEARED
705569	E	\$90.00	09/25/13	99999	8341	HETLAND,JENNIFER AMY	CLEARED
705570	E	\$90.00	09/25/13	99999	6145	KYLLO,KITRI LARSON	CLEARED
705571	E	\$90.00	09/25/13	99999	9468	LANGENFELD,CORY LEE	CLEARED
705572	E	\$90.00	09/25/13	99999	8628	ROUSH,NICOLLE KATHERI	CLEARED
705573	E	\$90.00	09/25/13	99999	9915	SCHALLER,MELISSA	CLEARED
705574	E	\$90.00	09/25/13	99999	10408	STOLL,DAVID L.	CLEARED
705575	E	\$20.00	09/25/13	99999	9068	SWANEY,AMY LYNN	CLEARED
705576	E	\$90.00	09/25/13	99999	10756	VAN BROCKLIN,ERIC	CLEARED
705577	E	\$20.00	09/25/13	99999	9883	ZEHNDER,SCOTT MICHAEL	CLEARED
705578	E	\$318.00	09/25/13	99999	7203	CRAMER,CHERRY KEY	CLEARED
705579	E	\$230.52	09/25/13	99999	9755	FRISQUE,SHERILYN FAYE	CLEARED

REPORT: CHECKREG 002 AP Check Register Bank 01 BOARD  
 Intermediate School Dist 917  
 CHECK REGISTER FOR BANK 01 - WELLS FARGO BANK  
 DATE RANGE: 09/15/13 - 10/29/13

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
705580	E	\$15.82	09/25/13	99999	10650	FUHRMANN, SHANNON	CLEARED
705581	E	\$5.37	09/25/13	99999	10301	GEHARD, DANIELLE	CLEARED
705582	E	\$550.88	09/25/13	99999	7088	GRENFIELD, DONNA GAYLE	CLEARED
705583	E	\$177.12	09/25/13	99999	8341	HETLAND, JENNIFER AMY	CLEARED
705584	E	\$28.25	09/25/13	99999	6356	KLAUSTERMEIER, JENNIFER MARIE	CLEARED
705585	E	\$19.99	09/25/13	99999	10065	KOEFKE, BETSY	CLEARED
705586	E	\$216.96	09/25/13	99999	9468	LANGENFELD, CORY LEE	CLEARED
705587	E	\$279.68	09/25/13	99999	3472	LENTSCH-MURRAY, ROSEMARY HELEN	CLEARED
705588	E	\$225.00	09/25/13	99999	10397	PEMELE, HOLLY	CLEARED
705589	E	\$220.92	09/25/13	99999	9278	MAYES, ANN LOUISE	CLEARED
705590	E	\$138.99	09/25/13	99999	9589	PETERSEN, JENNIFER MAE	CLEARED
705591	E	\$51.89	09/25/13	99999	10405	STOLL, DAVID L.	CLEARED
705592	E	\$157.98	09/25/13	99999	10405	STOLL, DAVID L.	CLEARED
705593	E	\$21.47	09/25/13	99999	10405	STOLL, DAVID L.	CLEARED
705594	E	\$7.98	09/25/13	99999	10756	VAN BROCKLIN, ERIC	CLEARED
705595	E	\$90.40	09/25/13	99999	6232	WEILAND, MARY ELIZABETH	CLEARED
705596	E	\$15.82	09/25/13	99999	2089	WERNER, BETH ALLEEN	CLEARED
705597	E	\$110.74	09/25/13	99999	8341	HETLAND, JENNIFER AMY	CLEARED
705598	E	\$171.20	09/25/13	99999	8341	HETLAND, JENNIFER AMY	CLEARED
705599	E	\$25.00	09/25/13	99999	9047	ARNESON, PATRICIA	CLEARED
705600	E	\$25.00	09/25/13	99999	10593	MABERRY, SAYRAJAYNE	CLEARED
705601	E	\$119.22	09/25/13	99999	10593	MABERRY, SAYRAJAYNE	CLEARED
705602	E	\$8.48	10/03/13	99999	9127	BAUER, CARIE ANN	OUTSTANDING
705603	E	\$6.78	10/03/13	99999	9567	BAUER, BEVERLY JEAN	OUTSTANDING
705604	E	\$48.98	10/03/13	99999	8209	BIEGLER, PAMELA JILL	OUTSTANDING
705605	E	\$3.18	10/03/13	99999	9771	BOHNERT, LOREEN M.	OUTSTANDING
705606	E	\$189.28	10/03/13	99999	8873	BUDACH, DON JAMES	OUTSTANDING
705607	E	\$40.12	10/03/13	99999	9723	CATER, DANNY GARY	OUTSTANDING
705608	E	\$155.94	10/03/13	99999	9301	CLARK, DEBORAH MAE	OUTSTANDING
705609	E	\$47.40	10/03/13	99999	7170	DIVELY, CYNTHIA GARWOOD	OUTSTANDING
705610	E	\$107.35	10/03/13	99999	10628	EBERHARDT, JAMES	OUTSTANDING
705611	E	\$61.59	10/03/13	99999	10771	ERICKSON, ROBERT	OUTSTANDING
705612	E	\$337.31	10/03/13	99999	8456	EVANS, ANDREW D	OUTSTANDING
705613	E	\$380.81	10/03/13	99999	9702	GARRETSON, PAMELA VICK	OUTSTANDING
705614	E	\$11.30	10/03/13	99999	10624	HILL, RON	OUTSTANDING
705615	E	\$56.50	10/03/13	99999	8942	HURT, LYNDIA THERESA	OUTSTANDING
705616	E	\$6.00	10/03/13	99999	2598	LAMPRECHT, CLAUDETTE	OUTSTANDING
705617	E	\$89.12	10/03/13	99999	2598	LAMPRECHT, CLAUDETTE	OUTSTANDING
705618	E	\$84.19	10/03/13	99999	9566	KOENIGSEBERGER, CARRIE LYNN	OUTSTANDING
705619	E	\$30.51	10/03/13	99999	9571	LARSEN, BETSY SUE	OUTSTANDING
705620	E	\$80.23	10/03/13	99999	8287	LEWIS, JILL E	OUTSTANDING
705621	E	\$109.05	10/03/13	99999	9177	PRESSNALL, VANDA JOY	OUTSTANDING
705622	E	\$24.86	10/03/13	99999	9914	RHEIN, KENT E.	OUTSTANDING
705623	E	\$45.20	10/03/13	99999	9549	RYERSON, DUANE THOMAS	OUTSTANDING
705624	E	\$97.07	10/03/13	99999	9915	SCHALLER, MELISSA	OUTSTANDING
705625	E	\$47.46	10/03/13	99999	8656	SEVERSON, PAMELA JEAN	OUTSTANDING
705626	E	\$17.90	10/03/13	99999	9506	VILLELLI, ANTHONY JOSEPH	OUTSTANDING
705627	E	\$9.57	10/03/13	99999	9482	VRIEZE, JANEL LYNN	OUTSTANDING
705628	E	\$28.25	10/03/13	99999	2089	WERNER, BETH ALLEEN	OUTSTANDING
705629	E	\$118.65	10/03/13	99999	10762	BYER-RAJPUT, ANNE	OUTSTANDING
705630	E	\$48.03	10/03/13	99999	10781	LARSON, JILL E.	OUTSTANDING
705631	E	\$41.81	10/03/13	99999	10781	LARSON, JILL E.	OUTSTANDING

Intermediate School Dist 917  
 CHECK REGISTER FOR BANK 01 - WELLS FARGO BANK  
 DATE RANGE: 09/15/13 - 10/29/13

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
705632	E	\$45.00	10/23/13	99999	8787	ASMUS,JOAN SCHAEFER	OUTSTANDING
705633	E	\$90.00	10/23/13	99999	8873	BUDACH,DON JAMES	OUTSTANDING
705634	E	\$90.00	10/23/13	99999	9679	CHRISTIANSEN,JOHN MAXWELL	OUTSTANDING
705635	E	\$90.00	10/23/13	99999	9702	GARRETSON,PAMELA VICK	OUTSTANDING
705636	E	\$90.00	10/23/13	99999	8341	HETLAND,JENNIFER AMY	OUTSTANDING
705637	E	\$90.00	10/23/13	99999	6145	KYLLO,KITRI LARSON	OUTSTANDING
705638	E	\$90.00	10/23/13	99999	9468	LANGENFELD,CORY LEE	OUTSTANDING
705639	E	\$90.00	10/23/13	99999	8628	ROUSH,NICOLLE KATHERI	OUTSTANDING
705640	E	\$90.00	10/23/13	99999	9915	SCHALLER, MELISSA	OUTSTANDING
705641	E	\$90.00	10/23/13	99999	10405	STOLL, DAVID L.	OUTSTANDING
705642	E	\$20.00	10/23/13	99999	9068	SWANEY,AMY LYNN	OUTSTANDING
705643	E	\$90.00	10/23/13	99999	10756	VAN BROCKLIN, ERIC	OUTSTANDING
705644	E	\$20.00	10/23/13	99999	9883	ZEHNDER, SCOTT MICHAEL	OUTSTANDING
705645	E	\$39.09	10/23/13	99999	9770	ALEXANDER,AMY DOREEN	OUTSTANDING
705646	E	\$112.44	10/23/13	99999	9874	ALLEN, ANN CATHERINE	OUTSTANDING
705647	E	\$68.37	10/23/13	99999	10776	ANNONI, ELIZABETH	OUTSTANDING
705648	E	\$30.51	10/23/13	99999	8686	BERG,LINDA JO	OUTSTANDING
705649	E	\$22.60	10/23/13	99999	10804	BORMANN, NATALIE	OUTSTANDING
705650	E	\$172.89	10/23/13	99999	9968	CRISSINGER, BRENDA	OUTSTANDING
705651	E	\$417.54	10/23/13	99999	9092	DEVENOW,PEARL SUSAN	OUTSTANDING
705652	E	\$140.12	10/23/13	99999	5718	DODGE,MICHELE MARIE	OUTSTANDING
705653	E	\$32.77	10/23/13	99999	5230	DOENGES,KAREN STENE	OUTSTANDING
705654	E	\$136.17	10/23/13	99999	10442	FLEMING, ANGELITA	OUTSTANDING
705655	E	\$132.78	10/23/13	99999	9187	FRIEST,SUSAN NORMA	OUTSTANDING
705656	E	\$210.18	10/23/13	99999	9755	FRISQUE,SHERILYN FAYE	OUTSTANDING
705657	E	\$18.98	10/23/13	99999	9702	GARRETSON,PAMELA VICK	OUTSTANDING
705658	E	\$29.97	10/23/13	99999	9702	GARRETSON,PAMELA VICK	OUTSTANDING
705659	E	\$24.98	10/23/13	99999	9702	GARRETSON,PAMELA VICK	OUTSTANDING
705660	E	\$600.04	10/23/13	99999	7088	GREENFIELD,DONNA GAYLE	OUTSTANDING
705661	E	\$212.44	10/23/13	99999	10443	GROFF, CASSIE	OUTSTANDING
705662	E	\$341.04	10/23/13	99999	9885	HARVEY, SHERRI LYNN	VOIDED
705663	E	\$59.81	10/23/13	99999	9522	VOIDED	VOIDED
705664	E	\$16.39	10/23/13	99999	8942	HURT,LYNDA THERESA	OUTSTANDING
705665	E	\$355.22	10/23/13	99999	9496	IRELAND,KATHLEEN ELIZAB	OUTSTANDING
705666	E	\$267.25	10/23/13	99999	8842	JOHNSON,ROXANN RHYN	OUTSTANDING
705667	E	\$166.68	10/23/13	99999	10631	JOHNSON, SARAH LYNN	OUTSTANDING
705668	E	\$526.02	10/23/13	99999	9722	KLEIN,LORI ANN	OUTSTANDING
705669	E	\$18.08	10/23/13	99999	10456	LAFFEN, ELIZABETH	OUTSTANDING
705670	E	\$215.27	10/23/13	99999	9468	LANGENFELD,CORY LEE	OUTSTANDING
705671	E	\$37.86	10/23/13	99999	9571	LARSEN,BETSY SUE	OUTSTANDING
705672	E	\$387.59	10/23/13	99999	3472	LENTSCH-MURRAY, ROSEMARY HELEN	OUTSTANDING
705673	E	\$57.07	10/23/13	99999	10593	MABERRY, SAYRAJAYNE	OUTSTANDING
705674	E	\$367.26	10/23/13	99999	10055	NICKLEBY, JASON	OUTSTANDING
705675	E	\$111.53	10/23/13	99999	10521	NWOKEKU, PATTIJO	OUTSTANDING
705676	E	\$31.64	10/23/13	99999	10397	PEMBLE, HOLLY	OUTSTANDING
705677	E	\$328.50	10/23/13	99999	10763	PFISTERER, EMILY	OUTSTANDING
705678	E	\$75.71	10/23/13	99999	9589	PETERSEN,JENNIFER MAE	OUTSTANDING
705679	E	\$516.98	10/23/13	99999	10462	PURFEERST, MEGAN	OUTSTANDING
705680	E	\$42.38	10/23/13	99999	10430	QUAM, LYNN	OUTSTANDING
705681	E	\$36.33	10/23/13	99999	10710	RABE, SARAH	OUTSTANDING
705682	E	\$37.88	10/23/13	99999	9914	RHEIN, KENT E.	OUTSTANDING
705683	E	\$22.60	10/23/13	99999	8435	STOESZ,HEATHER LYNN	OUTSTANDING

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
705684	E	\$601.16	10/23/13	99999	10405	STOLL, DAVID L.	OUTSTANDING
705685	E	\$216.36	10/23/13	99999	9915	SCHALLER, MELISSA	OUTSTANDING
705686	E	\$150.00	10/23/13	99999	9915	SCHALLER, MELISSA	OUTSTANDING
705687	E	\$75.15	10/23/13	99999	10042	TENNESSEN, LAURA	OUTSTANDING
705688	E	\$238.89	10/23/13	99999	10375	THOMAS, TAYLOR	OUTSTANDING
705689	E	\$138.99	10/23/13	99999	9094	TOLLEFSON, BRENDA KAY	OUTSTANDING
705690	E	\$174.02	10/23/13	99999	10751	TUFTEE, SHANYN	OUTSTANDING
705691	E	\$14.96	10/23/13	99999	9482	VRIEZE, JANEL LYNN	OUTSTANDING
705692	E	\$578.00	10/23/13	99999	9192	WOOD, FRAN LOUISE	OUTSTANDING
705693	E	\$6.11	10/23/13	99999	8656	SEVERSON, PAMELA JEAN	OUTSTANDING
705694	E	\$175.72	10/23/13	99999	9468	LANGENFELD, CORY LEE	OUTSTANDING
92000911	W	\$2143.79	09/16/13	28803	2	CITISTREETMN	CLEARED
92000912	W	\$614.51	09/16/13	28803	0	EXECUTIVE DIRECTOR	CLEARED
92000913	W	\$27767.90	09/17/13	40006	0	HORACE MANN LIFE INS	CLEARED
92000914	W	\$973.96	09/16/13	40026	0	INTERNAL REVENUE SERVICE	CLEARED
92000915	W	\$139892.90	09/16/13	40037	0	MN DEPT OF REVENUE	CLEARED
92000916	W	\$22937.17	09/16/13	40003	0	FAMILY SUPPORT PAYMENT CENTER	CLEARED
92000917	W	\$187.50	09/16/13	23952	0	AMERIPRISE FINANCIAL ADVISORS	CLEARED
92000922	W	\$2143.79	10/01/13	40027	0	CITISTREETMN	OUTSTANDING
92000923	W	\$614.51	10/01/13	28803	2	CITISTREETMN	CLEARED
92000924	W	\$2897.92	09/20/13	22698	0	CORPORATE HEALTH SYSTEMS	OUTSTANDING
92000925	W	\$28959.91	10/01/13	40006	0	EXECUTIVE DIRECTOR	OUTSTANDING
92000926	W	\$187.50	10/02/13	23952	0	FAMILY SUPPORT PAYMENT CENTER	OUTSTANDING
92000927	W	\$998.96	10/01/13	40026	0	HORACE MANN LIFE INS	OUTSTANDING
92000928	W	\$139519.57	10/01/13	40037	0	INTERNAL REVENUE SERVICE	OUTSTANDING
92000929	W	\$245270.20	10/01/13	21088	0	MN DEPT OF REVENUE	OUTSTANDING
92000930	W	\$142.80	10/01/13	21704	0	MN CHILD SUPPORT PAYMENT CENTER	OUTSTANDING
92000931	W	\$22688.00	10/01/13	40003	0	MN DEPT OF REVENUE	VOIDED
92000932	W	\$397477.35	10/01/13	40001	0	VOIDED	OUTSTANDING
92000934	W	\$7200.83	10/01/13	23500	0	PRUDENTIAL	OUTSTANDING
92000935	W	\$53483.90	10/01/13	40005	0	STATE TREASURER, TRA	OUTSTANDING
92000936	W	\$6762.28	10/01/13	23474	0	THE BANCORP BANK	OUTSTANDING
92000937	W	\$3075.46	09/30/13	40033	0	VARIABLE ANNUITY LIFE INS CO	OUTSTANDING
92000939	W	\$397477.35	09/30/13	40001	0	PAYROLL ACCT #3805704197	CLEARED
92000940	W	\$5941.74	10/15/13	40027	0	AMERIPRISE FINANCIAL ADVISORS	OUTSTANDING
92000941	W	\$2114.51	10/16/13	28803	2	CITISTREETMN	OUTSTANDING
92000942	W	\$880.41	10/22/13	22698	0	CORPORATE HEALTH SYSTEMS	OUTSTANDING
92000943	W	\$2423.69	10/07/13	22698	0	CORPORATE HEALTH SYSTEMS	OUTSTANDING
92000944	W	\$22965.11	10/10/13	30132	0	DELTA DENTAL OF MINNESOTA	OUTSTANDING
92000945	W	\$29841.41	10/17/13	40006	0	EXECUTIVE DIRECTOR	OUTSTANDING
92000946	W	\$187.50	10/18/13	23952	0	FAMILY SUPPORT PAYMENT CENTER	OUTSTANDING
92000947	W	\$2352.74	10/16/13	40026	0	HORACE MANN LIFE INS	OUTSTANDING
92000948	W	\$137016.27	10/16/13	40037	0	INTERNAL REVENUE SERVICE	OUTSTANDING
92000949	W	\$142.80	10/17/13	21704	0	MN CHILD SUPPORT PAYMENT CENTER	OUTSTANDING
92000950	W	\$21947.92	10/16/13	40003	0	MN DEPT OF REVENUE	OUTSTANDING
92000952	W	\$383213.37	10/15/13	40001	0	PAYROLL ACCT #3805704197	OUTSTANDING
92000953	W	\$51935.96	10/16/13	40005	0	STATE TREASURER, TRA	OUTSTANDING
92000954	W	\$7193.12	10/16/13	23474	0	THE BANCORP BANK	OUTSTANDING
92000955	W	\$7458.54	10/16/13	40033	0	VARIABLE ANNUITY LIFE INS CO	OUTSTANDING

TOTAL # OF ISSUED CHECKS: 409 TOTAL AMOUNT: 2389816.13

REPORT: CHECKREG 002 AP Check Register Bank 01 BOARD  
Intermediate School Dist 917  
CHECK REGISTER FOR BANK 01 - WELLS FARGO BANK  
DATE RANGE: 09/15/13 - 10/29/13

CHECK # TYPE CHECK AMT CHECK DATE VENDOR # ADDR # VENDOR NAME CHECK STATUS

TOTAL # OF VOIDED CHECKS: 2 TOTAL AMOUNT 397537.16

TOTAL # OF UNISSUED CHECKS: 2

TO: Nicolle Roush DATE: 10/14/2013  
 Business Manager

FROM: Becky Edson  
 Payroll/Fringe Benefits Technician

SUBJECT: EFT for pay period ending Oct 15, 2013

Ameriprise Financial Services, Inc. Vendor #40027	\$ 5,941.74
PERA Vendor #40006	\$ 29,841.41
Horace Mann Vendor #40026	\$ 2,352.74
TRA Vendor #40005	\$ 51,935.96
VALIC (Variable Annuity Life) Vendor #40033	\$ 7,458.54
Minnesota Dept. of Revenue Vendor # 40003	\$ 21,947.92
Internal Revenue Service Vendor Nbr 40037	\$ 137,016.27
Payroll Acct #XXXXXX4197 Vendor #40001	\$ 383,213.37
Bancorp Vendor # 23474	\$ 7,193.12
CITISTREETMN (MSRS) Vendor # 28803-2	\$ 2,114.51
MN Child Support Division Vendor #21704	\$ 142.80
MO Child Support Enforcement Division Vendor #23952	\$ 187.50

**Total Electronic Funds Transfer was made in the amount of \$**

**\$ 649,345.88**

Authorized Signature  Date 10-16-13

Intermediate School District 917  
1300 E. 145<sup>th</sup> Street  
Rosemount, MN 55068

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3rd Qtr Filing  
(only 1 month activity)

Re: Sales Tax Wire Transfer

Date: 10.8.13

This memo serves as authorization for the wire transfer of funds for payment of sales tax in the amount of \$ 56.00, from Wells Fargo Bank Account No. 3805702167.

  
Nicolle Roush, Business Manager

**ECOPY**


Date: October 2, 2013  
To: FOR EFT INPUT  
From: Becky Edson  
Payroll Clerk

Subject: Flex Plan ACH Transfer for Medical Reimbursement and Dependent Care Accounts for 2013

Transferred From Wells Fargo Bank Account Number xxxxxx2167 \$2,423.69  
Corporate Health Systems Inc Vendor # 22698

Charge to:	Amount	
10-215-39	\$1,663.67	
10-215-40	\$760.02	
Total	\$2,423.69	proof \$0.00

cc: Payroll Insurance Payment File  
Date Bank Account to be debited 10/7/2014 \$2,423.69

Authorized Signature  Date 10-2-13

TO: Nicolle Roush DATE: 09/26/2013  
 Business Manager

FROM: Becky Edson  
 Payroll/Fringe Benefits Technician

SUBJECT: EFT for pay period ending Sept 30, 2013

Amerprise Vendor #40027	\$ 2,143.79
PERA Vendor #40006	\$ 28,959.91
Horace Mann Vendor #40026	\$ 998.96
TRA Vendor #40005	\$ 53,483.90
VALIC (Variable Annuity Life) Vendor #40033	\$ 3,075.46
Minnesota Dept. of Revenue Vendor # 40003	\$ 22,688.00
Internal Revenue Service Vendor Nbr 40037	\$ 139,519.57
Payroll Acct #XXXXXXX4197 Vendor #40001	\$ 397,477.35
Bancorp Vendor #23474	\$ 6,762.28
CITISTREETMN (MSRS) Vendor # 28803-2	\$ 614.51
MN Child Support Vendor #21704	\$ 142.80
MO Child Support Vendor #23952	\$ 187.50

**Total Electronic Funds Transfer was made in the amount of \$ 656,054.03**

Authorized Signature  Date 10-1-13

COPY

Date: October 1, 2013

To: Accounts Payable

From: Becky Edson  
Payroll Clerk

Subject: Group Insurance Premium for October 2013  
(Employer's Costs and Employees' Withholdings)

Transferred From Wells Fargo Bank Account Number 3805702167 \$7,200.83

Payable to:  
Prudential Vendor # 23500

Charge to:	Amount
01-215-32	\$557.30
02-215-32	\$4,077.14
10-215-32	\$244.50
01-215-33	\$292.96
02-215-33	\$1,906.15
10-215-33	\$122.78

Total	\$7,200.83	proof	\$0.00
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cc: Payroll Insurance Payment File  
Date Bank Account to be debited 10/1/2013

Authorized Signature  Date 10-1-13

**COPI**

Date: October 1, 2013

To: FOR EFT INPUT

From: Becky Edson  
Payroll Clerk

Subject: Group Insurance Premium for Sep 2013  
(Employer's Costs and Employees' Withholdings)

Payable to: \$22,965.11  
Delta Dental Vendor # 30132

Charge to:	Amount
21-005-110-000-235-250	\$22,965.11

Total	\$22,965.11	proof	\$0.00
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cc: Payroll Insurance Payment File  
Date Bank Account to be debited 10/10/2013

Authorized Signature  Date 10-1-13



Date: October 1, 2013

To: Accountns Payable

Invoice nbr: 0032546229

Date: 10/1/2013

From: Becky Edson  
Payroll Clerk

Group # 586196

Subject: Group Insurance Premium for October 2013  
(Employer's Costs and Employees' Withholdings)

Wire Funds Transfer was made in the amount of \$ 245,270.20

Payable to:  
Medica

Vendor # 21088

Charge to:

Amount

01-215-30

\$30,199.74

02-215-30

\$204,194.94

10-215-30

\$10,875.52

20-215.30

\$0.00

Total

\$245,270.20<sup>proof</sup> \$0.00

Authorized Signature

Date

10-1-13

**INTERMEDIATE SCHOOL DISTRICT 917  
SCHOOL BOARD REPORT OF  
CONSOLIDATED INVESTMENTS (GENERAL & BUILDING)  
SEPTEMBER 2013**

ACCOUNT NAME	ACCT NO	BEGINNING BALANCE	PURCHASES CREDITS	SALES TRANSFERS	INTEREST EARNED	ENDING BALANCE	YEAR TO DATE INTEREST EARNED
1 MSDLAF + MAX	01	3,456,295.10	1,150,000.00	0.00	140.48	4,606,435.58	396.64
2 MSDLAF	01	5.54	0.00	0.00	0.00	5.54	5.54
MSDLAF FIXED (CD's,Term,Comm)	01	0.00	0.00	0.00	0.00	0.00	0.00
3 WELLS FARGO MONEY MARKET	01	0.00	0.00	0.00	0.00	0.00	0.00
4 WELLS FARGO PORTFOLIO	01	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>		<b>3,456,300.64</b>	<b>1,150,000.00</b>	<b>0.00</b>	<b>140.48</b>	<b>4,606,441.12</b>	<b>402.18</b>

**EXPLANATION:** Lines 1 through 4 above are School District Investments complying with the requirements of Minnesota Statutes 118.01, 471.56 and 475.66. Lines 1 through 2 represent portfolios of investments made with Minnesota School Liquid Assets Fund plus (MSDLAF+) and are explained along with line 4 below.

1. MSDMAX is MSDLAF'S "Max Portfolio" and includes pooled investments plus banker's acceptances, commercial paper, repurchase agreements and US Government obligations.
2. MSDLAF is MSDLAF'S primary clearing "Money Market" fund. All fixed rate investments (FRI) clear through this account as do maturities, interest, and fees.
3. WELLS FARGO is a primary clearing "Money Market" fund. All maturities, interest, and fees clear through Intermediate School District 917's main bank account.
4. WELLS FARGO PORTFOLIO includes pooled investments plus banker's acceptances, commercial paper, repurchase agreements and US Government obligations.

NOTE: September 2013 Average MSDLAF Liquid Rate was .02% and the MSDLAF+MAX Average Rate was .04%.  
The Average Wells Fargo Money Market Rate was .00%.

NR:vjw

Management Report

for

Intermediate School District No. 917  
Rosemount, Minnesota  
June 30, 2013

Preliminary Draft

To the School Board and Management of  
Intermediate School District No. 917  
Rosemount, Minnesota

We have prepared this management report in conjunction with our audit of Intermediate School District No. 917's (the District) financial statements for the year ended June 30, 2013. 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.

Minneapolis, Minnesota  
October 29, 2013

## AUDIT SUMMARY

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

### **OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, *GOVERNMENT AUDITING STANDARDS*, AND 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, 2013, 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, 2013:

- We have issued an unmodified opinion on the District's annual financial statements.
- We reported no deficiencies in the District's internal control over financial reporting that we considered 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 reported no deficiencies in the internal controls over compliance and its operation that we consider to be material weaknesses in our testing of major federal programs.
- We reported no findings based on our testing of the District's compliance with Minnesota laws and regulations.

## EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS

In accordance with Minnesota Statutes, the District's School Board has elected not to exercise control over the transactions of the extracurricular student activity accounts maintained at various district sites. Consequently, the cash receipts and disbursements of the District's extracurricular student activity accounts are reported in a separate set of financial statements, rather than being reported within the District's General Fund. We have issued an opinion on these separate financial statements, stating that they fairly present the recorded cash transactions of these accounts for the year ended June 30, 2013.

We reported two deficiencies involving internal controls over financial reporting for the District's extracurricular student activities that we consider to be material weaknesses. The District reports student activities on a cash basis, and has not established procedures to assure that all cash collections are recorded in the accounting records. Procedures such as the use and reconciliation of pre-numbered receipts, pre-numbered admission tickets for events, and inventory controls over items sold for fundraisers would help strengthen the controls in this area.

The District does not have adequate segregation of duties over the processing and reporting of its extracurricular student activity account receipts and disbursements, such that no individual has responsibility to execute a transaction, has physical access to the related assets, and has responsibility or authority to record the transaction.

We also issued a report on compliance with the Minnesota Department of Education's (MDE) *Manual for Activity Fund Accounting* (MAFA), in which we reported three findings.

1. **Inactive Accounts** – One activity accounted for by the District as a student activity during the year ended June 30, 2013 was inactive and needs to be closed.
2. **Receipt Documentation** – Four of five cash receipts we tested accounted for by the District as student activities lacked documentation to allow us to determine if it was deposited in a timely manner.
3. **Disbursement Authorization** – Two of ten checks tested were not accompanied by supervisor signatures which did not allow us to determine if the disbursements were properly authorized during the year ended June 30, 2013.

## 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. For the fiscal year ended June 30, 2013, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

GASB Statement No. 63 changed how governmental entities present a statement of net position, adding two new basic financial statement elements, and replacing "net assets" with "net position" as the terminology used to describe the difference between the other four elements. The two basic financial statement elements added are "deferred inflows of resources" and "deferred outflows of resources." These new elements are differentiated from assets (deferred outflows of resources) and liabilities (deferred inflows of resources), but have similar effects on net position.

GASB Statement No. 65 identifies specific items previously presented as assets that will now be presented as either deferred outflows of resources or outflows (expenses/expenditures), and items previously reported as liabilities that will now be presented as deferred inflows of resources or inflows (revenues).

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 MDE. Because of the timing of the calculations, this adjustment for fiscal 2013 is not finalized until after the District has closed its financial records for the fiscal period. 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 and 45. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, and employee turnover.

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

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

We evaluated the key factors and assumptions used by management in the areas 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 October 29, 2013.

## **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**

With respect to the supplemental information and Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table accompanying the financial statements, 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 supplemental information and the UFARS Compliance Table to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

With respect to the introductory section and other information accompanying the financial statements, our procedures were limited to reading this other information, and in doing so we did not identify any material inconsistencies with the audited financial statements.

## 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 next two 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, 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
2004	\$ 4,601	– %
2005	\$ 4,601	– %
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	\$ 5,806	1.5 % *

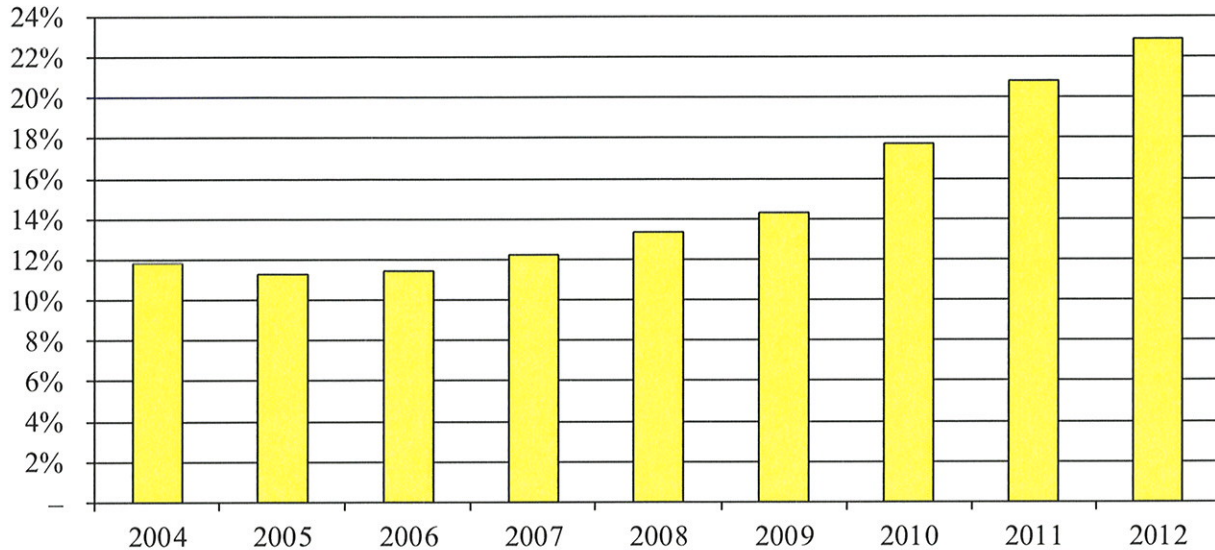
\* The \$504 increase in 2015 was offset by changes to pupil weightings and the general education aid formula that reduced the increase to the equivalent of \$80 or 1.5% state-wide.

In recent years, the modest increases, if any, 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.

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



Note: State-wide information is not available for fiscal 2013.

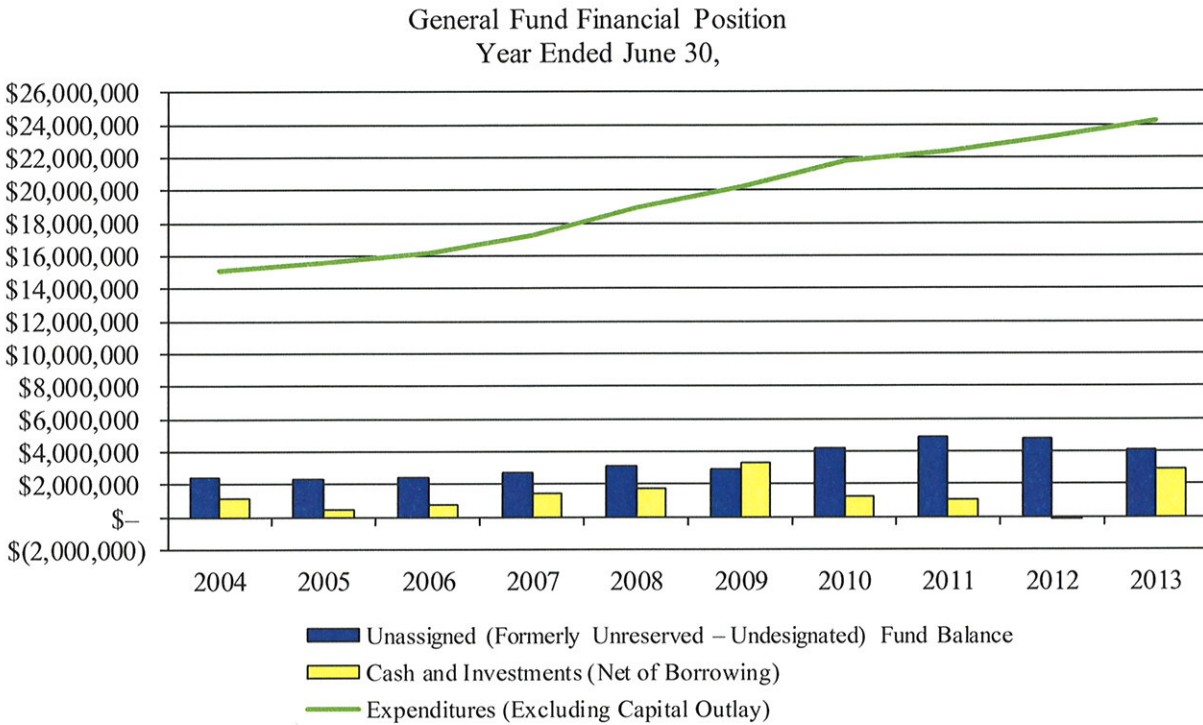
The calculation above reflects only the unrestricted fund balance of the General Fund, and the corresponding expenditures, which is the same method the state uses for the calculation of statutory operating debt (SOD). We have also included the comparable percentages for your district.

Even with limited funding increases, school district unrestricted fund balance has been increasing as a percentage of operating expenditures on a state-wide basis in recent years. This trend is the result of many factors, including districts reducing operating expenditures, adapting to funding restrictions, efforts to maintain fund balance for cash flow purposes, and in some cases community support in the form of operating referendums.

## FINANCIAL TRENDS OF YOUR DISTRICT

### GENERAL FUND FINANCIAL POSITION

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



The District ended fiscal year 2013 with a General Fund cash and investments balance of \$2,887,604 (net of borrowing and interfund receivables and payables), an increase of \$3,038,334 from the previous year. This change was primarily due to the change in the metering of state aid payments. Unassigned fund balance at year-end was \$4,082,678, a decrease of \$703,127.

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

	Year Ended June 30,				
	2009	2010	2011	2012	2013
Nonspendable fund balances	\$ -	\$ 11,115	\$ 4,806	\$ 106,799	\$ 80,710
Restricted (formerly reserved) fund balances	567,941	1,614,259	1,604,790	1,458,010	1,430,576
Assigned fund balances	-	-	-	-	110,661
Unassigned (formerly unreserved - undesignated)	2,946,371	4,186,226	4,909,422	4,785,805	4,082,678
<b>Total fund balances</b>	<b>\$ 3,514,312</b>	<b>\$ 5,811,600</b>	<b>\$ 6,519,018</b>	<b>\$ 6,350,614</b>	<b>\$ 5,704,625</b>
Unassigned (formerly unreserved - undesignated) fund balances as a percentage of expenditures	14.5%	19.2%	21.9%	20.6%	16.8%
Cash and temporary investments (net of borrowing)	\$ 3,332,744	\$ 1,266,203	\$ 1,062,392	\$ (150,730)	\$ 2,887,604

The table on the previous page reflects the total General Fund unassigned fund balance and percentages, which differs from those used in the previous discussion of state-wide fund balances, which are based on a state formula. The resources represented by this fund balance are critical to a district's ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion against the impact of unexpected costs or funding shortfalls.

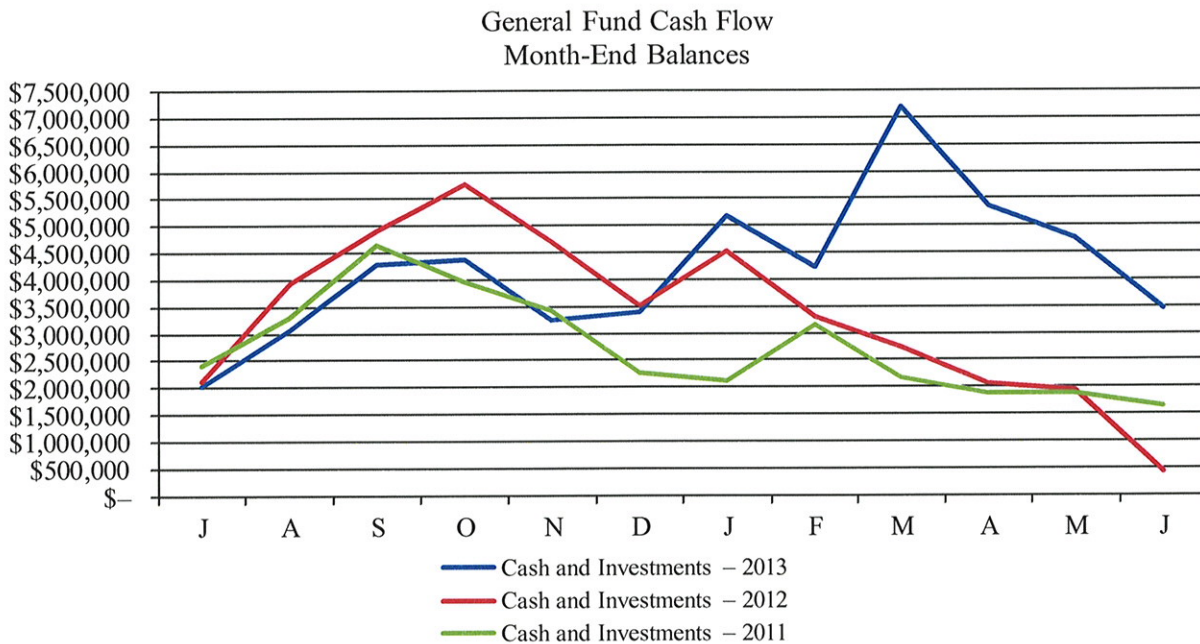
Fund balance as a percentage of expenditures is one key measure in assessing the financial health of the District. Maintaining an adequate fund balance is particularly important because of the limited availability of borrowing for the District and the need for the General Fund to be self-sustaining in its cash flow needs.

The fund balance remains healthy when compared to the level of district expenditures. The District's plan, based on current fund balance policy, is to maintain this percentage at 15 percent of the annual budget. At June 30, 2013, the District has exceeded that policy with a fund balance as a percentage of 2013 expenditures of 16.8 percent. At June 30, 2013, the unassigned fund balance as a percentage of 2014 budgeted expenditures as outlined in the fund balance policy was 16.3 percent.

The restricted fund balance amounts listed in the table above represent accumulated assets from capital related transactions that are restricted for the payment of debt service or future capital-related projects.

**GENERAL FUND CASH FLOW**

The level of cash and investments varies considerably during the year due to the timing of various revenues and expenditures. The following graph summarizes the level of cash and investments (net of short-term cash flow borrowing) over the past three years:



The graph above shows the peaks and valleys of the General Fund cash and investments balance (net of borrowing and interfund balances) on a monthly basis. The swing between its high and low month-end cash balances was about \$5.1 million for fiscal 2013. Changes in the state aid payment schedules significantly affect the cash flow of Minnesota school districts. As further described in the Legislative Summary section of this report, the metering of state aids normally paid on a 90–10 schedule has changed several times over the last few years, with the state holdback as high as 40 percent at one point in fiscal year 2012. At June 30, 2013 the metering of state aids was being paid on an 86.4–13.6 schedule.

**GENERAL FUND OPERATIONS AND FINANCIAL POSITION BY ACCOUNT**

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

**Secondary Education Account**

	Year Ended June 30,				
	2009	2010	2011	2012	2013
Revenue and other financing sources	\$ 3,574,708	\$ 3,892,238	\$ 3,888,279	\$ 4,225,045	\$ 3,823,175
Expenditures	3,585,077	3,807,382	3,872,245	3,967,802	4,135,016
Excess (deficiency)	(10,369)	84,856	16,034	257,243	(311,841)
Transfers out	(120,000)	—	—	—	—
Net change in fund balances	(130,369)	84,856	16,034	257,243	(311,841)
Fund balances					
Beginning of year	1,996,916	1,866,547	1,951,403	1,967,437	2,224,680
End of year	\$ 1,866,547	\$ 1,951,403	\$ 1,967,437	\$ 2,224,680	\$ 1,912,839

This account experienced a net decrease in fund balance of \$311,841 during fiscal 2013. This compares to a budgeted decrease of \$303,567. Both revenue and other financing sources and expenditures ended the year lower than budget by \$134,135 and \$125,665, respectively.

Total revenue and other financing sources in the Secondary Education Account of the General Fund totaled \$3,823,175 for fiscal 2013, a decrease of \$401,870 from the previous year, mainly due to a decrease in students in these programs in fiscal 2013.

**Special Education Account**

	Year Ended June 30,				
	2009	2010	2011	2012	2013
Revenue and other financing sources	\$ 15,710,134	\$ 18,218,537	\$ 18,423,168	\$ 17,867,527	\$ 18,615,960
Expenditures and other financing uses	15,709,759	17,271,862	17,694,715	18,152,937	18,895,373
Net change in fund balances	375	946,675	728,453	(285,410)	(279,413)
Fund balances					
Beginning of year	1,214,320	1,214,695	2,161,370	2,889,823	2,604,413
End of year	\$ 1,214,695	\$ 2,161,370	\$ 2,889,823	\$ 2,604,413	\$ 2,325,000

This account experienced a net decrease in fund balance of \$279,413 during fiscal 2013, which compares to a budgeted decrease in fund balance of \$123,404 for the year. This occurred as a result of revenues and other financing sources being less than budget by \$981,578. Most of this was due to the District receiving lower than projected state special education aid for both the current year and the final payments in fiscal 2012.

Special Education Account expenditures and other financing uses increased \$742,436 in fiscal 2013 mostly due to increases in salaries and benefit costs.

**District Support Services Account**

	Year Ended June 30,				
	2009	2010	2011	2012	2013
Revenue	\$ 64,729	\$ 95,724	\$ 71,501	\$ 51,085	\$ 44,058
Expenditures	71,723	86,673	75,741	52,142	44,060
Net change in fund balances	(6,994)	9,051	(4,240)	(1,057)	(2)
Fund balances					
Beginning of year	22,291	15,297	24,348	20,108	19,051
End of year	\$ 15,297	\$ 24,348	\$ 20,108	\$ 19,051	\$ 19,049

**Secondary Resale and Special Education Resale Accounts**

	Year Ended June 30,				
	2009	2010	2011	2012	2013
Revenue and other financing sources	\$ 91,273	\$ 189,695	\$ 158,906	\$ 80,093	\$ 92,135
Expenditures	81,992	178,228	146,546	77,405	84,845
Excess (deficiency)	9,281	11,467	12,360	2,688	7,290
Transfers in (out)	120,000	—	—	—	—
Net change in fund balances	129,281	11,467	12,360	2,688	7,290
Fund balances					
Beginning of year	(111,336)	17,945	29,412	41,772	44,460
End of year	\$ 17,945	\$ 29,412	\$ 41,772	\$ 44,460	\$ 51,750

This table combines the activities of the District’s Secondary Resale Account and the Special Education Resale Account.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

	As of June 30,		
	2011	2012	2013
Net position – governmental activities			
Total fund balances – governmental funds	\$ 7,195,700	\$ 6,821,235	\$ 6,011,062
Total capital assets, net of depreciation	7,726,283	7,606,075	7,441,349
Total long-term debt	(8,221,342)	(8,004,419)	(7,790,080)
Internal Service Fund balance	(610,530)	(507,118)	(501,636)
Other items	5,624	2,944	435
Total net position – governmental activities	<u>\$ 6,095,735</u>	<u>\$ 5,918,717</u>	<u>\$ 5,161,130</u>
Net position			
Net investment in capital assets	\$ 328,216	\$ 425,952	\$ 636,891
Restricted	1,699,803	1,336,698	1,126,946
Unrestricted	4,067,716	4,156,067	3,397,293
Total net position	<u>\$ 6,095,735</u>	<u>\$ 5,918,717</u>	<u>\$ 5,161,130</u>

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

Total net position decreased \$757,587 in fiscal 2013. Unrestricted net position decreased by \$758,774, which is consistent with the operating results of the General Fund.

## LEGISLATIVE SUMMARY

The 2013 legislative session began with a projected budget deficit of \$1.1 billion, later revised down to a deficit of \$627 million in the February 2013 economic forecast. With the Democrats controlling the House, Senate, and Governor's office, it was anticipated that setting the state's biennial budget would be an easier task than in recent contentious legislative sessions. However, the Governor's budget proposal included a number of highly controversial recommendations, including an additional state income-tax tier for the highest wage earners and an expansion of sales tax base to a number of services. As a result, the session went as long as was constitutionally allowable, with the last bill passed at midnight on the final day of the session.

The laws passed by the 2013 Legislature included a number of significant changes to Minnesota school district financing. Included were the reestablishment of a general education tax levy, revisions and reforms to district operating referendum levies, substantial overhauls of the general education and special education funding formulas, funding for all-day kindergarten, and a simplification of school district pupil accounting. Minnesota school districts will benefit from 1.5 percent increases to the basic general education formula allowance approved for each year of the biennium. Also passed was a one-time initiative to dedicate any further surplus accrued by the state through June 30, 2013 to accelerate the state aid payment schedule for school districts, potentially reducing the lingering negative impact of legislative shifts on their cash flow.

The following is a brief summary of recent legislation that has significantly affected the funding of Minnesota school districts:

**Basic General Education Revenue** – The per pupil basic general education formula allowance for fiscal year (FY) 2013 was \$5,224. The allowance will increase \$78 to \$5,302 for FY 2014. The allowance for FY 2015 increases \$504 to \$5,806; however, simultaneous changes to pupil weights and the general education formula structure reduce the state-wide general education revenue increase to the equivalent of an \$80 formula increase under the old pupil weights and formula structure.

**Pupil Unit Weights** – Pupil unit weights for FY 2014 are unchanged from FY 2013, with the clarification that a kindergarten pupil receiving at least 850 hours of instruction during the school year is considered to be a full-time pupil for calculating extended-time general education revenue. Pupil weights for FY 2015 have been reduced and simplified. Weights for students in pre-kindergarten through grade 6 will be 1.0 for districts with free all-day kindergarten, with the weighting set at 0.55 for kindergarten pupils receiving less than 850 hours of instruction during the school year or in an all-day kindergarten program that charges a fee. Pupil weights will be 1.2 for students in grades 7 through 12.

**Other Pupil Accounting Changes** – In addition to the simplification of pupil unit weights, the following changes were made to pupil accounting:

- Beginning in FY 2014, school districts are required to have at least 165 days of instruction for students in grades 1 through 11, unless the school district has a four-day week schedule approved by the Commissioner of Education.
- Beginning in FY 2014, school districts and charter schools will no longer generate extended time revenue for students in programs designed to accelerate their grade level advancement to enable them to graduate before their peers.
- Marginal cost pupil units are eliminated beginning in FY 2015 and a new declining enrollment revenue component of general education aid is established, equal the decline in adjusted pupil units between the prior year and current year times 28 percent of the basic general education aid allowance.

**Other Changes to the General Education Formula** – In addition to the basic formula allowance increase, a number of other changes were made to the general education formula for FY 2015 to neutralize the impact of pupil weighting changes, including:

- An increase in the extended time allowance from \$4,601 to \$5,017.
- An increase in the gifted and talented revenue allowance from \$12 to \$13.
- An increase in the small schools allowance from \$522.40 to \$544, along with a decrease in the qualifying threshold from 1,000 to 960 pupil units.
- An increase in the operating capital revenue from \$73 per pupil unit + \$100 times the building age index to \$79 per pupil unit + \$109 times the building age index.
- Increases in the equity revenue allowances, from \$75 to \$80 for sliding scale and from \$46 to \$50 for flat rate.
- The elimination of the pension adjustment reduction to general education aid, with districts having below average pension adjustment guaranteed to receive a minimum of the state average gain from the elimination of the pension adjustment.

**Changes to the Uses of General Education Aid** – The following changes and clarifications were made regarding the allowable uses of general education aid:

- Effective FY 2014, operating capital revenue may be used for hardware, software, and annual licensing fees related to the purchase or lease of computers.
- Effective FY 2014, staff development revenue may be used for teacher evaluation costs.
- Effective FY 2014, up to 5 percent of a district's compensatory revenue may be used for programs designed to prepare children for entry into school.
- Effective FY 2015, general education revenue generated for all-day kindergarten may be used for programs to meet the needs of three and four-year-olds within the district.
- Effective FY 2015, Q-Comp revenue is rolled out of the general education formula and established as a separate categorical aid.
- Effective FY 2015, the revenue set aside for learning and development is converted from an amount based on pupil unit weights to a flat amount per ADM of \$299 per kindergarten student and \$459 per student in Grades 1 through 6.

**Special Education Funding Reform** – Beginning in FY 2016, the state funding formulas for special education will change as follows:

- ***Special Education Regular Aid*** – Special education regular aid for FY 2016 will be limited to 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.
- ***Special Education Excess Cost Aid*** – Special education excess cost aid for FY 2016 will be the greater of the following, calculated using prior year data:
  - 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.

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.

In transitioning to the new formula, during FY 2014 and FY 2015:

- **Special Education Regular Aid** – The current special education regular aid formula remains in place for these two years.
- **Special Education Cross Subsidy Reduction Aid** – A new special education cross subsidy reduction aid will be added for these two fiscal years only. Aid for FY 2014 will equal the lesser of \$20 per ADM served or 1 percent of the amount generated for the district under the new pupil-based formula, with a state-wide limit of \$13 million. Aid for FY 2015 will equal the lesser of \$48 per ADM served or 2.27 percent of the amount generated for the district under the new pupil-based formula, with a state-wide limit of \$30 million.
- **Special Education Excess Cost Aid** – the calculation of special education excess cost aid for these two fiscal years will use prior year data and will exclude special education tuition receipts and expenditures. The calculations will take into account special education cross subsidy aid and general education aid attributable to students served outside of the regular classroom more than 60 percent of the time.

Beginning in FY 2015, special education tuition billing is changed so that the resident district is responsible for 90 percent of unfunded costs (vs. 100 percent currently) and the serving district or charter school is responsible for 10 percent of unfunded costs for open-enrolled students. This does not apply to students placed by tuition agreement, or served by a charter school with at least 70 percent special education students.

**General Education Levy Reform** – The following changes were made to various elements of the general education tax levy effective FY 2015:

- A uniform general education levy is reestablished, known as the “student achievement levy.” All districts may levy up to the student achievement rate, which is set to raise \$20 million state-wide in FY 2015. Districts that levy less than the maximum permitted rate will be subject to a proportionate reduction in its general education aid.
- The equalization factor for operating capital is increased to offset the impact of the student achievement levy.
- Operating referendum revenue is converted from an amount based on resident marginal cost pupil units to an amount based on adjusted pupil units (APUs), due to the elimination of marginal cost pupil units. The separate alternative attendance adjustment is eliminated and rolled into the allowance per APU. The allowance per APU will be set so the total revenue prior to applicable caps is the same as under the old law.
- Districts are allowed to convert up to \$300 per APU of existing operating referendum revenue from voter approved to board approved. Districts with approved operating referendums of less than \$300 per APU are permitted to authorize additional referendum revenue up to the \$300 per APU limit. Operating referenda will be equalized based on a new, three-tiered formula.
- A new “location equity levy” is established, providing school districts with any land area in the seven-county metro area with authority for a location equity levy of \$424 per APU. Districts with adjusted ADM of greater than 2,000 that do not qualify as metro districts are eligible for a location equity levy of \$212 per APU. Both levies are equalized at \$510,000. Districts may opt out of location equity revenue by a board vote taken by September 1 of the fiscal year preceding the fiscal year when the revenue takes effect (e.g. September 2013 for FY 2015 revenue).

**Career and Technical Levy** – Beginning in FY 2014, this levy is converted to an equalized aid and levy, with an equalization factor of \$7,612. The state-wide limit for career and technical revenue is increased 34 percent to \$20,657,000 for FY 2014. Revenue for FY 2014 will continue to be based on the current formula, with the proration factor adjusted to hit the state-wide revenue target. Beginning in 2015, the state-wide revenue limit expires, and funding will be based on 35 percent of approved program expenditures.

**Safe Schools Levy** – Beginning in FY 2015, the safe schools levy increases from \$30 to \$36 per pupil unit, with \$4 of the increase representing new revenue and \$2 to adjust for the changes to pupil weightings. The use of this levy is expanded to include facility security enhancements, efforts to improve school climate, and mental health services.

**Achievement and Integration Revenue** – Beginning in FY 2014, integration revenue is replaced with achievement and integration revenue. Revenue for FY 2014 consists of two components, initial revenue and incentive revenue. Initial revenue equals \$350 per APU times a minority concentration factor, plus 66 percent of the difference between FY 2013 integration revenue and FY 2014 revenue computed using the new rate. Incentive revenue equals \$10 per APU. Total achievement and integration revenue will be split between aid and levy.

Districts will be required to use at least 80 percent of achievement and integration revenue for innovative and integrated learning environments. Up to 20 percent of this revenue may be used for professional development. Administration expenditures may not exceed 10 percent of revenue. The MDE will keep 0.3 percent of each district's initial revenue for oversight costs.

**Schools Lunch Aid** – The state reimbursement rate for each school lunch served increases from 12 cents to 12.5 cents, effective July 1, 2013.

**Early Learning Scholarships** – Early learning program scholarships of up to \$5,000 per year per child are available for families with a child age three or four on September 1st of the current year that have income equal to or less than 185 percent of the federal poverty level. Any sibling ages zero to five have access to a scholarship to attend the same program. Parents under the age of 21 pursuing a high school degree may be eligible for a scholarship for a child age 0 to 5.

**Fund Transfers** – For FY 2013 through FY 2015, school districts are authorized to transfer any money from one fund or account to another, excluding transfers from the food service or community service funds, as long as the transfer does not increase state aid obligations or increase local property taxes. School boards may only approve such transfers after they have adopted a resolution stating that the transfer will not diminish instructional opportunities for students. For FY 2014 and FY 2015 only, this authorization was modified to also prohibit transfers from the reserved account for staff development.

**State Aid Payment Deferral** – State aids normally paid on a 90–10 schedule have been paid on a deferred payment schedule since FY 2009 for both school districts and charter schools. Originally set to a 60–40 payment schedule for FY 2012, a series of operating surpluses have enabled the state to accelerate the aid payment schedule to 86.4–13.6 as of June 30, 2013. The Legislature created a one-time mechanism to use any state surplus that accumulates by June 30, 2013 to further repay school district aid payment shifts.

**Community Education Reserve Limits** – The limitations on the community education, early childhood family education, and school readiness reserve accounts and the associated aid and levy reductions have been repealed beginning in FY 2014.

**PERA and TRA Rates** – Contribution rates for employers and employees for both the TRA Basic and Coordinated Plans increase by 0.5 percent each year through FY 2015. There is no additional aid to help fund these increases.

## ACCOUNTING AND AUDITING UPDATES

### **GASB STATEMENT NO. 67 – FINANCIAL REPORTING FOR PENSION PLANS – AN AMENDMENT OF GASB STATEMENT NO. 25**

The primary objective of this statement is to improve financial reporting by state and local governmental pension plans. GASB Statement No. 67 replaces the requirements of GASB Statement Nos. 25 and 50 for pension plans that are administered through trusts or equivalent arrangements that meet the following criteria: contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable; pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms; and pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members. The requirements of GASB Statement Nos. 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this statement and to defined contribution plans that provide post-employment benefits other than pensions. The statement makes a number of changes in the financial statement presentation, measurement, and required disclosures relating to the reporting of these types pension plans. This statement is effective for financial statements for fiscal years beginning after June 15, 2013. Earlier application is encouraged.

### **GASB STATEMENT NO. 68 – ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS – AN AMENDMENT OF GASB STATEMENT NO. 27**

The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. This statement replaces the requirements of GASB Statement Nos. 27 and 50, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria (as described above for GASB Statement No. 67). The requirements of GASB Statement Nos. 27 and 50 remain applicable for pensions that are not covered by the scope of this statement.

This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. In addition, this statement details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. This statement also addresses circumstances in which a nonemployer entity has a legal requirement to make contributions directly to a pension plan. This statement is effective for financial statements for fiscal years beginning after June 15, 2014. Earlier application is encouraged.

Included in this statement are major changes in how employers that participate in cost-sharing pension plans, such as TRA and PERA, 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), a cost-sharing employer that does not have a special funding situation is required to recognize a liability for its proportionate share of the net pension liability of all employers with benefits provided through the pension plan.

A cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate share of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. In addition, the effects of (1) a change in the employer's proportion of the collective net pension liability and (2) differences during the measurement period between the employer's contributions and its proportionate share of the total of contributions from employers included in the collective net pension liability are required to be determined. These effects are required to be recognized in the employer's pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all active and inactive employees that are provided with pensions through the pension plan.

## **GASB STATEMENT NO. 69 – GOVERNMENT COMBINATIONS AND DISPOSALS OF GOVERNMENT OPERATIONS**

This statement provides accounting and financial reporting guidance, including disclosure requirements, for government combinations and disposals of government operations. Government combinations include mergers, acquisitions, and transfers of operations. Included within the scope of this statement are combinations of governmental entities or combinations of governmental entities, with nongovernmental entities (such as a nonprofit entity) as long as the new or continuing organization is a government. This statement does not apply to combinations in which a government acquires an organization that continues to exist as a separate entity, or acquires an equity interest in an organization that remains legally separate from the acquiring government. A disposal of operations occurs when a government either transfers or sells specific operations. The provisions of this statement are effective for financial statements for periods beginning after December 15, 2013. Earlier application is encouraged.

### **CHANGES TO FEDERAL GRANT AUDIT REQUIREMENTS**

The U.S. Office of Management and Budget (OMB) has issued *Proposed OMB Uniform Guidance: Cost Principles, Audit, and Administrative Requirements for Federal Awards*, which proposes broad revisions to OMB Circular A-133 and other key grant reforms. The proposed guidance includes a number of significant changes to the federal Single Audit process, including; an increase in dollar threshold for requiring a Single Audit, changes to the process for determining major programs, a reduction in the percentage of expenditures required to be covered by a Single Audit, revised criteria for determining low-risk auditees, a reduction in the types of compliance requirements to be tested, and an increase in the threshold for reporting questioned costs. The proposed guidance would also consolidate OMB circulars and cost principles; and change certain federal requirements related to indirect costs, time and effort reporting, and grant administration.

INTERMEDIATE SCHOOL DISTRICT NO. 917  
ROSEMOUNT, MINNESOTA

Financial Statements and  
Supplemental Information

Year Ended  
June 30, 2013

Preliminary Draft

**Table of Contents**

	Page
<b>INTRODUCTORY SECTION</b>	
School Board and Administration	1
<b>FINANCIAL SECTION</b>	
<b>INDEPENDENT AUDITOR’S REPORT</b>	2–4
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	5–19
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements	
Statement of Net Position	20
Statement of Activities	21
Fund Financial Statements	
Governmental Funds	
Balance Sheet	22
Reconciliation of the Balance Sheet to the Statement of Net Position	23
Statement of Revenue, Expenditures, and Changes in Fund Balances	24
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	25
Statement of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	26
Proprietary Funds	
Statement of Net Position	27
Statement of Revenue, Expenses, and Changes in Fund Net Position	28
Statement of Cash Flows	29
Fiduciary Funds	
Statement of Fiduciary Net Position	30
Statement of Changes in Fiduciary Net Position	30
Notes to Basic Financial Statements	31–50
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Other Post-Employment Benefits Plan	
Schedule of Funding Progress	51
<b>SUPPLEMENTAL INFORMATION</b>	
Combining and Individual Fund Statements and Schedules	
General Fund	
Comparative Balance Sheet	52
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	53
Combining Balance Sheet by Account	54–55
Combining Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account	56–57

**Table of Contents (continued)**

	Page
<b>SUPPLEMENTAL INFORMATION (CONTINUED)</b>	
Combining and Individual Fund Statements and Schedules (continued)	
General Fund (continued)	
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	
Secondary Education Account	58
Special Education Account	59
Services Allocation Account	60
District Support Services Account	61
Capital Expenditure Account	62
Secondary Resale Account	63
Special Education Resale Account	64
Capital Projects – Building Construction Fund	
Comparative Balance Sheet	65
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	66
Nonmajor Fund – Food Service Special Revenue Fund	
Comparative Balance Sheet	67
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	68
Internal Service Funds	
Combining Statement of Net Position	69
Combining Statement of Revenue, Expenses, and Changes in Fund Net Position	70
Combining Statement of Cash Flows	71
 <b>OTHER INFORMATION</b>	
Government-Wide Revenue by Type	72
Government-Wide Expenses by Program	73
General Fund Revenue by Source	74–75
General Fund Expenditures by Object	76–77
 <b>OTHER REQUIRED REPORTS</b>	
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 <i>Government Auditing Standards</i>	78–79
Independent Auditor’s Report on Minnesota Legal Compliance	80
Uniform Financial Accounting and Reporting Standards Compliance Table	81–82

INTRODUCTORY SECTION

INTERMEDIATE SCHOOL DISTRICT NO. 917

School Board and Administration  
as of June 30, 2013

**SCHOOL BOARD**

<u>Board of Directors</u>	<u>Member District</u>	<u>Position on Board</u>
Deb Clark	SSD No. 6	Chairperson
Jill Lewis	ISD No. 199	Vice Chairperson
Kathy Lewis	ISD No. 194	Treasurer
Vanda Pressnall	ISD No. 195	Clerk
Arlene Bush	ISD No. 271	Director
Dan Cater	ISD No. 200	Director
Ron Hill	ISD No. 191	Director
D. Tom Ryerson	ISD No. 197	Director
Veronica Walter	ISD No. 192	Director

**ADMINISTRATION**

John Christiansen	Superintendent
Melissa Schaller	Director of Special Education
Dan Hurley	Secondary Education Principal
Nicolle Roush	Business Manager
Jim Eberhardt	Secondary Education Principal – Interim

FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of  
Intermediate School District No. 917  
Rosemount, Minnesota

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Intermediate School District No. 917 (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. The prior year partial comparative information presented has been derived from the District's financial statements for the year ended June 30, 2012, and in our report dated November 27, 2012, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

### **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.

(continued)

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

## **OPINIONS**

In our opinion, the financial statements referred to 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, 2013, 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**

The financial statements include prior year partial comparative information, which does not include all of the information required in 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, 2012, from which it was derived.

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

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, supplemental information, and other 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 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 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 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2013 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.

Minneapolis, Minnesota  
October 29, 2013

## INTERMEDIATE SCHOOL DISTRICT NO. 917

### Management's Discussion and Analysis Year Ended June 30, 2013

This section of Intermediate School District No. 917's (the District) financial statements presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2013. Please read it in conjunction with the other components of the District's financial statements.

#### **FINANCIAL HIGHLIGHTS**

- Net position on the government-wide Statement of Net Position is \$5,161,130. Net position is similar to the equity position for private sector businesses.
- The government-wide Statement of Activities shows a decrease in net position of \$757,587.
- The District's total General Fund balance at June 30, 2013 is \$5,704,625.
- The District's governmental funds Balance Sheet reflects a \$4,082,678 unassigned fund balance.

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

The financial section of the 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, which are 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 and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide financial statements report the District's *net position* and how they have changed. Net position—the difference between the District's assets and liabilities—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 non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

### **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. A fund (Food Service Special Revenue Fund) that does not meet the threshold to be classified as major funds is called a "nonmajor" fund. Detailed financial information for nonmajor funds can be found in the combining and individual fund statements and schedules section.

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

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. Because this information does not encompass the additional long-term focus of the government-wide financial statements, we provide additional information (reconciliation schedules) immediately following the governmental fund statements that explain the relationship (or differences) between these two types of financial statement presentations.

**Proprietary Funds** – Internal service fund services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District uses internal service funds to report activities that provide supplies and services for the District's other programs and activities. These services have been included with governmental activities in the government-wide financial statements. The District currently has two internal service funds, including funds for accounting for post-employment severance and other post-employment benefits (OPEB) and the dental self-insurance plan.

**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 exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

	2013	2012
<b>Assets</b>		
Current and other assets	\$ 9,626,664	\$ 9,874,077
Capital assets, net of accumulated depreciation	7,441,349	7,606,075
<b>Total assets</b>	<b>\$ 17,068,013</b>	<b>\$ 17,480,152</b>
<b>Liabilities</b>		
Current and other liabilities	\$ 2,988,312	\$ 2,611,574
Long-term liabilities, including due within one year	8,918,571	8,949,861
<b>Total liabilities</b>	<b>\$ 11,906,883</b>	<b>\$ 11,561,435</b>
<b>Net position</b>		
Net investment in capital assets	\$ 636,891	\$ 425,952
Restricted for capital projects	1,092,357	1,336,698
Restricted for other purposes	34,589	-
Unrestricted	3,397,293	4,156,067
<b>Total net position</b>	<b>\$ 5,161,130</b>	<b>\$ 5,918,717</b>

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

The Statement of Net Position identifies current assets and liabilities from non-current assets and long-term debt, respectively. The Statement of Net Position includes non-current assets not reported on the governmental funds Balance Sheet. These non-current assets include the total acquisition cost of the District's capital assets less accumulated depreciation. During the year, the District acquired \$105,752 of additional capital assets, consisting of furniture and equipment. The District has a total investment in capital assets of \$13,550,297.

Depreciation expense for the year was \$270,333, increasing total accumulated depreciation to \$6,108,948. Therefore, total capital assets, net of accumulated depreciation equal \$7,441,349.

Total net position decreased by \$757,587, which reflects the current year operating results.

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

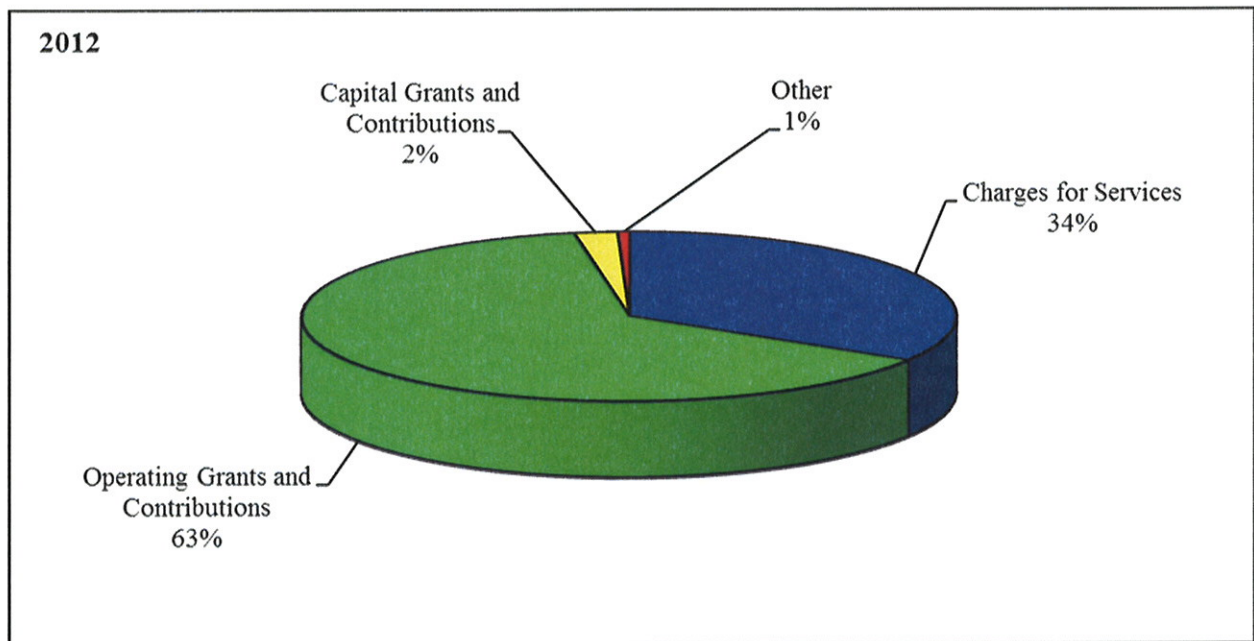
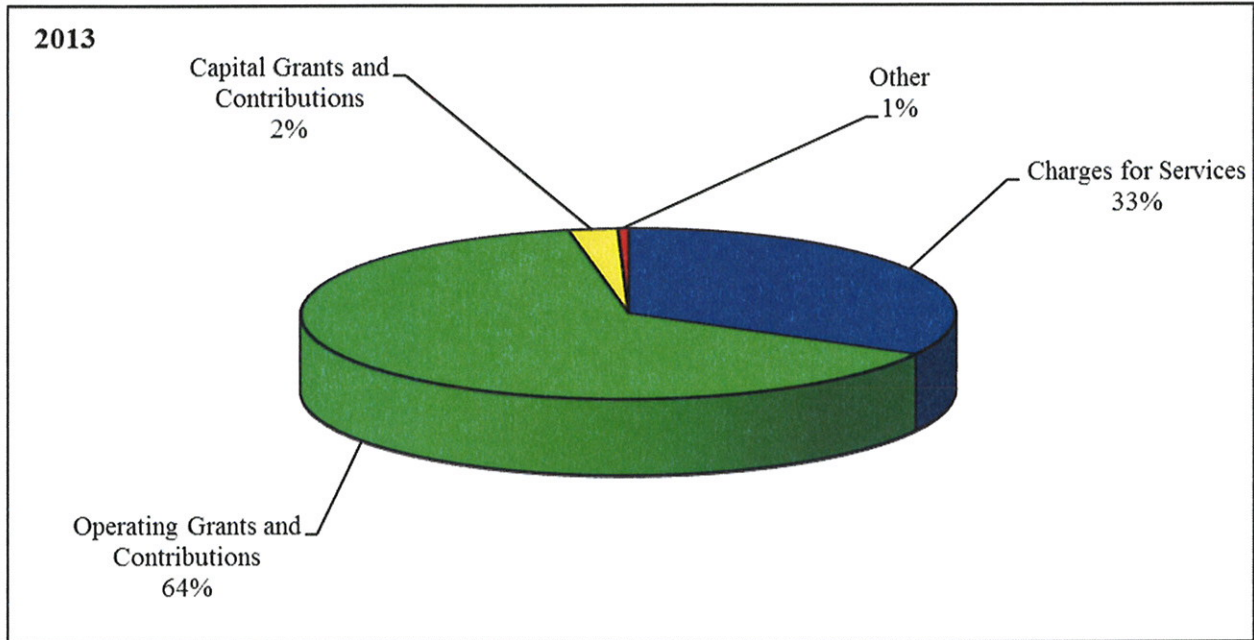
<b>Table 2</b>		
<b>Summary Statement of Activities</b>		
<b>for the Years Ended June 30, 2013 and 2012</b>		
	<u>2013</u>	<u>2012</u>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 7,839,060	\$ 7,848,114
Operating grants and contributions	15,177,273	14,720,483
Capital grants and contributions	580,348	498,613
General revenues		
Other	96,458	106,110
Investment earnings	29,657	30,037
<b>Total revenues</b>	<u>23,722,796</u>	<u>23,203,357</u>
<b>Expenses</b>		
Administrative and support services	1,998,969	1,765,768
Secondary vocational/DCALS	3,962,647	3,875,566
Special education programs	18,097,103	17,292,500
Food service	85,779	101,616
Interest and fiscal charges on debt	335,885	344,925
<b>Total expenses</b>	<u>24,480,383</u>	<u>23,380,375</u>
<b>Change in net position</b>	<u>\$ (757,587)</u>	<u>\$ (177,018)</u>

This format is similar to fund financial statements except that this 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 total cost of all programs and services was \$24,480,383. The District's expenses are predominantly related to educating students. In fiscal 2012–2013, 91 percent of the District's expenses were devoted to this purpose. The administrative and support services activity of the District accounted for 8 percent of total expenses for the year. It should be noted that the District allocated \$1,295,041 in administrative and support services expenses to the secondary vocational/Dakota County Alternative Learning School (DCALS) and special education programs in fiscal 2013.

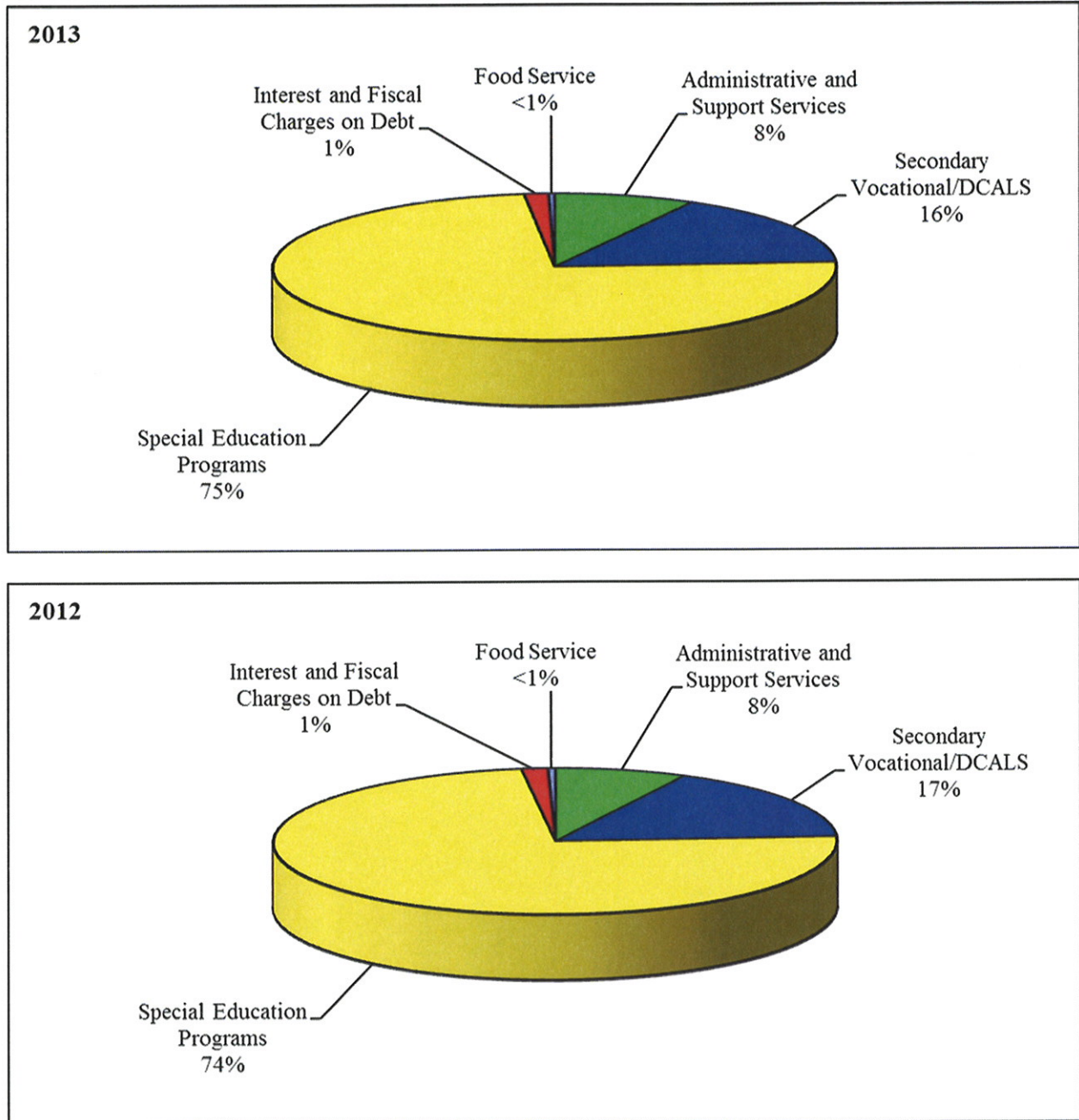
Figures A and B show further analysis of these revenue sources and expense functions:

**Figure A – Sources of Revenue for Fiscal Years 2013 and 2012**



The largest share of the District’s revenue is received from the state, including the aid formula and most of the operating grants. This significant reliance on the state for funding has placed tremendous pressure on local school districts as a result of limited funding due to the state’s financial position in recent years.

**Figure B – Expenses for Fiscal Years 2013 and 2012**



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

**Table 3**  
**Net Cost of Governmental Activities**  
**for the Years Ending June 30, 2013 and 2012**

	2013		2012	
	Total Cost of Services	Net (Expense) Revenue From Services	Total Cost of Services	Net (Expense) Revenue From Services
Governmental activities				
Administrative and support services	\$ 1,998,969	\$ (218,313)	\$ 1,765,768	\$ (101,874)
Secondary vocational/DCALS	3,962,647	252,714	3,875,566	648,161
Special education programs	18,097,103	(563,588)	17,292,500	(490,901)
Food service	85,779	(18,630)	101,616	(23,626)
Interest and fiscal charges	335,885	(335,885)	344,925	(344,925)
Total	<u>\$ 24,480,383</u>	<u>\$ (883,702)</u>	<u>\$ 23,380,375</u>	<u>\$ (313,165)</u>

The overall net (expense) from service was \$570,537 more than fiscal 2012 as the operations of the Secondary Education Account experienced a decline in fund balance in the amount of \$311,841, which compares to an increase in fund balance in fiscal 2012 of \$257,243.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

Table 4 shows the change in total fund balances of each of the District's governmental funds:

	Table 4			
	Governmental Fund Balances as of June 30, 2013 and 2012			
	2013	2012	Increase (Decrease)	Total Percent Change
Major funds				
General	\$ 5,704,625	\$ 6,350,614	\$ (645,989)	(10.2%)
Capital Projects – Building Construction	306,437	470,621	(164,184)	(34.9%)
Food Service Special Revenue	—	—	—	—
Total governmental funds	<u>\$ 6,011,062</u>	<u>\$ 6,821,235</u>	<u>\$ (810,173)</u>	(11.9%)

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

**ENROLLMENT**

**Table 5  
Average Daily Membership (ADM) Served**

	Fiscal Year				
	2008–2009	2009–2010	2010–2011	2011–2012	2012–2013
Secondary Vocational resource programs	146.32	121.05	120.33	118.72	117.37
DCALs	245.88	260.74	237.38	257.37	203.78
Special Education resource programs	417.12	425.02	424.71	354.56	361.66

Funding for Minnesota school districts is largely driven by enrollment. In the current economic environment, member districts are striving to keep their students at their sites whenever possible. Overall, enrollment has declined significantly in our Dakota County Alternative Learning (DCALs) programs, secondary vocational programs have experienced a slight decline over the last five years, and special education programs are starting to rebound after the closing of the Youth Transition Program at the end of the 2010–2011 fiscal year. Stable enrollment to maintain and fund programs will continue to be especially challenging in the Alternative Learning and Secondary Vocational Programs.

**GENERAL FUND**

The General Fund is used by the District to record the primary operations of providing education services to students enrolled in intermediate school district programs. Capital and major maintenance projects are also included in the General Fund.

**Table 6  
Financial Position – General Fund  
Last Five Fiscal Years**

	2009	2010	2011	2012	2013
Unassigned (formerly unreserved – undesignated) fund balance	\$ 2,946,371	\$ 4,186,226	\$ 4,909,422	\$ 4,785,805	\$ 4,082,678
Percent increase (decrease)	(5.7%)	42.1%	17.3%	(2.5%)	(14.7%)
Expenditures	\$ 20,265,523	\$ 21,782,997	\$ 22,415,586	\$ 23,279,218	\$ 24,282,947
Percent increase (decrease)	7.2%	7.5%	2.9%	3.9%	4.3%
Fund balance as a percentage of expenditures	14.5%	19.2%	21.9%	20.6%	16.8%

The District ended the year with a \$645,989 decrease in the General Fund balance. This decrease is \$135,918 more than what was anticipated in the revised budget. The District projected a decrease in the fund balance of \$510,071. Secondary program’s fund balance declined \$8,274 more than anticipated due to slight decline of ADM’s from estimates. The special education program’s fund balance declined \$156,009 more than anticipated due to lower than anticipated final fiscal year 2012 and estimated fiscal year 2013 state aid revenue. In the General Fund Capital Expenditure Account, deferred maintenance for Alliance Education Center came in lower than anticipated, resulting in a fund balance decrease of \$62,023, which was anticipated to have decreased \$90,600.

**Analysis of the General Fund**

Table 7 presents a summary of General Fund revenue:

<b>Table 7 General Fund Revenue for the Years Ended June 30, 2013 and 2012</b>			
	<u>2013</u>	<u>2012</u>	Amount of Increase (Decrease)
Local sources			
Tuition	\$ 7,798,778	\$ 7,755,576	\$ 43,202
Investment earnings	29,459	29,406	53
Other	695,438	665,656	29,782
State sources	14,971,337	14,303,993	667,344
Federal sources	<u>155,577</u>	<u>370,441</u>	<u>(214,864)</u>
 Total General Fund revenues	 <u>\$ 23,650,589</u>	 <u>\$ 23,125,072</u>	 <u>\$ 525,517</u>

Total General Fund revenues increased \$525,517, or 2.3 percent, in fiscal 2013 as compared to the previous year. Overall, the changes in revenues can be attributed to:

- The District experienced an increase in enrollment in special education programs in combination with expenditures resulting in an increase in state revenue sources through tuition billing.
- The District’s federal sources decreased from the prior year with the discontinuance of the American Recovery and Reinvestment Act funding and the District is no longer receiving the Education Jobs grant in the current year.

Table 8 presents a summary of General Fund expenditures:

	<u>2013</u>	<u>2012</u>	Amount of Increase (Decrease)
Salaries	\$ 14,547,517	\$ 13,979,499	\$ 568,018
Employee benefits	5,361,573	5,023,232	338,341
Purchased services	2,843,249	2,474,014	369,235
Supplies and materials	680,229	845,272	(165,043)
Other expenditures	25,595	21,301	4,294
Capital expenditures	266,408	378,655	(112,247)
Debt service	<u>558,376</u>	<u>557,245</u>	<u>1,131</u>
 Total General Fund expenditures	 <u>\$ 24,282,947</u>	 <u>\$ 23,279,218</u>	 <u>\$ 1,003,729</u>

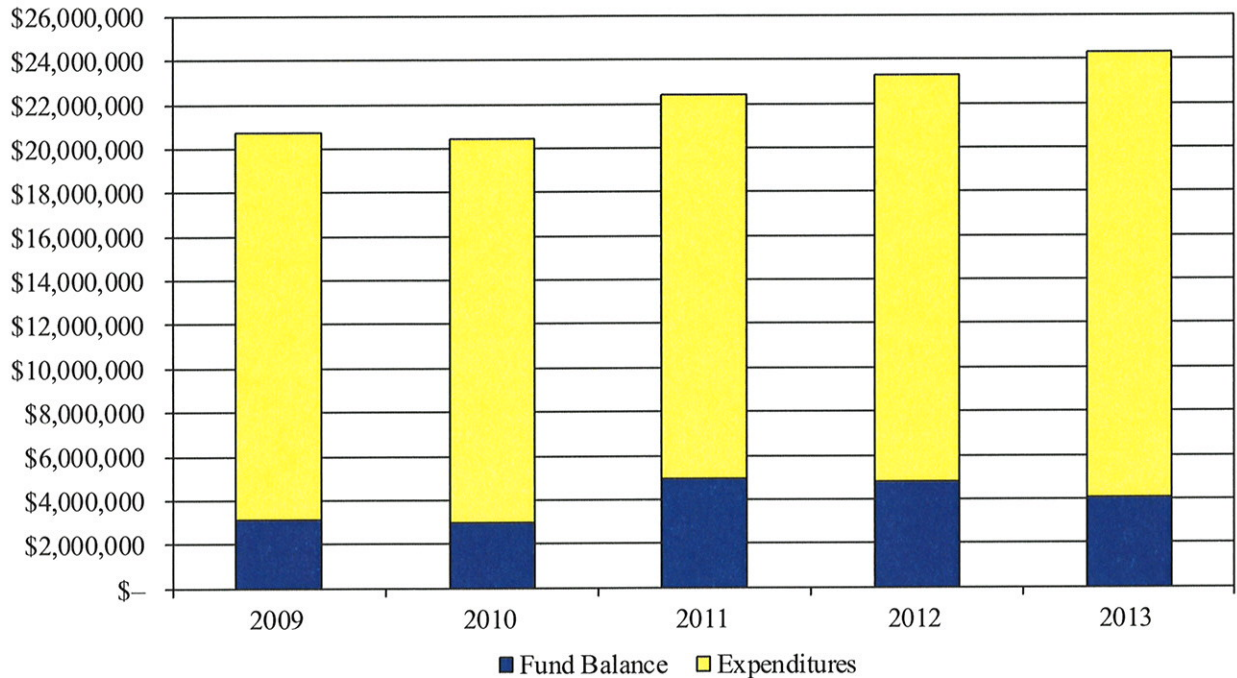
Total General Fund expenditures increased \$1,003,729, or 4.3 percent, from previous year. Overall, the changes in expenditures can be attributed to:

- The District's average salary and benefit increase in union contract settlements for fiscal 2013 were approximately 3 percent. In addition, we increased our paraprofessional compliments by 12 paraprofessionals. Teachers' Retirement Association benefits increased from 6.5 percent to 7.0 percent, and an increase in family medical coverage participation resulting in benefit expenditure increases.
- Substitutes for our special education programs changed in the middle of the fiscal year from hiring them directly to contracting substitutes through an agency resulting in a decrease in salaries and an increase in purchased services expenditures. In addition, social workers were added under a contract with an outside agency on behalf of the District's member school districts.
- Supplies and materials expenditures decreased significantly; in fiscal 2012 the special education program purchased science curriculum, additional read 180 curriculum modules, and technology to enhance the curriculum in the District.

In summary, 2012–2013 General Fund revenues and other financing sources fell short of General Fund expenditures by \$645,989. As a result, total fund balance decreased to \$5,704,625 at June 30, 2013. After deducting nonspendable, restricted, and assigned funds, the unassigned fund balance decreased from \$4,785,805 at June 30, 2012 to \$4,082,678 at June 30, 2013.

The following shows the General Fund unassigned (formerly unreserved – undesignated) fund balance as compared to expenditures:

**Figure C**  
**General Fund**  
**Unassigned (Formerly Unreserved – Undesignated)**  
**Fund Balance as Compared to Expenditures**  
**(Excludes Capital Outlay Expenditures)**  
**Last Five Fiscal Years**



The graph above is the single best measure of overall financial health. The unassigned fund balance of \$4.1 million at June 30, 2013 represents 16.8 percent of annual expenditures (excluding outlay expenditures), or over two months of school year operations. The fund balances of an intermediate school district are key to its financial success as the cash flow advance options available to intermediate school districts are more restrictive to access as an independent school district. In addition, the District maintains a healthy fund balance at a time when it is needed to maintain cash flow with unpredictable nature of when the state of Minnesota employs funding payment shifts to balance the state budget. The continued maintenance of a fund balance is essential for the District to minimize the impact that cash flow borrowing would have to member districts who would have to back any cash flow debt incurred by the Intermediate. With a metering system and limited cash flow borrowing options available, the District believes it is necessary to maintain a minimum fund balance of 15 percent of annual expenditures to assure financial stability. The District continues to monitor its fund balances closely.

**General Fund Budgetary Highlights**

Table 9 summarizes the General Fund budget to actual comparison:

<b>Table 9 General Fund Budget</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenue and other financing sources	<u>\$ 25,255,514</u>	<u>\$ 24,823,191</u>	<u>\$ 23,655,588</u>	<u>\$ (1,167,603)</u>
Expenditures and other financing uses	<u>\$ 25,502,516</u>	<u>\$ 25,333,262</u>	<u>\$ 24,301,577</u>	<u>\$ (1,031,685)</u>

The District is required to adopt an operating budget prior to the beginning of its fiscal year, referred to above as the original budget. During the year, the District might amend that budget for known changes in circumstances such as enrollment levels, grant funding, and employee contract settlements.

The District made revisions to the budget during the budget process in January. The District derives the majority of its revenue from tuition fees to member districts and state sources from the special education tuition billing system.

The District's revenues and other financing sources were less than budgeted amounts by 4.7 percent due to several factors. The District's anticipated revenues are determined by actual expenditures incurred, which came in under budget by about \$1.0 million resulting in revenue budgets coming in under budget. In addition, the District is conservatively anticipating that the special education tuition revenues are no longer exceeding the special education expenditure budgets like they were in fiscal years 2009 to 2011.

The District's expenditures and other financing uses were less than budgeted amounts by 4 percent due to several factors. Overall, the District's salary and benefit expenditures came in significantly lower than budget because the budget included additional staffing compliments in targeted services and special education programs to accommodate any increased student participation. In addition, the District budgeted conservatively in several areas, including maintenance and repair services, leases, utilities, mileage, and overhead expenditures incurred through shared space with Dakota County Technical College.

**BUILDING CONSTRUCTION – CAPITAL PROJECTS FUND**

Expenditures exceeded revenues by \$164,184 for the year due to the remodeling project at Cedar School. The fund balance in this fund is restricted for capital projects and debt service.

**FOOD SERVICE SPECIAL REVENUE FUND**

Expenditures exceeded revenues by \$18,630 for the year. In order to eliminate the potential deficit in the Food Service Special Revenue Fund, the School Board approved a transfer of \$18,630 from the General Fund.

**CAPITAL ASSETS AND LONG-TERM LIABILITIES**

**Capital Assets**

Table 10 shows the District's capital assets, together with changes from the previous year. The table also shows the total depreciation expense for fiscal years ending June 30, 2013 and 2012:

<b>Table 10 Capital Assets</b>			
	<u>2013</u>	<u>2012</u>	<u>Net Change</u>
Land	\$ 683,993	\$ 683,993	\$ –
Buildings	8,732,533	8,732,533	–
Furniture and equipment	4,133,771	4,168,070	(34,299)
Less accumulated depreciation	<u>(6,108,948)</u>	<u>(5,978,521)</u>	<u>(130,427)</u>
Total	<u>\$ 7,441,349</u>	<u>\$ 7,606,075</u>	<u>\$ (164,726)</u>
Depreciation expense	<u>\$ 270,333</u>	<u>\$ 298,431</u>	<u>\$ (28,098)</u>

**Long-Term Liabilities**

Table 11 illustrates the components of the District’s long-term liabilities, together with changes from the prior year:

	2013	2012	Increase (Decrease)
Capital leases payable	\$ 7,550,000	\$ 7,775,000	\$ (225,000)
Unamortized discount	(135,475)	(141,851)	6,376
Severance benefits payable	563,628	509,101	54,527
Compensated absences payable	240,080	229,419	10,661
Net OPEB obligation	700,338	578,192	122,146
<b>Total</b>	<b>\$ 8,918,571</b>	<b>\$ 8,949,861</b>	<b>\$ (31,290)</b>

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

**SEVERANCE AND OPEB BENEFITS INTERNAL SERVICE FUND**

The District has an annual obligation to pay post-employment benefits, including severance benefits and OPEB. Accordingly, the District established an Internal Service Fund and adopted a plan to finance the payment of these benefits as earned in accordance with governmental accounting standards. The Internal Service Fund will be used to finance the post-employment severance benefits and OPEB provided by all of the departments and funds of the District on a cost-reimbursement basis.

**FACTORS BEARING ON THE DISTRICT’S FUTURE**

The District is charged by Minnesota Statutes to provide low incidence special education and secondary vocational technical education services to its member districts. In addition, the statutes indicate that intermediate districts should also provide its members with such other services that they require.

The District is continually reviewing additional areas of service to provide its members, area school districts, and other area agencies.

Current examples of support services include:

- Providing a legal services option to member districts at below market rates.
- Partnering with Independent School District Nos. 197 and 199 to operate Dakota County Area Learning School – North in West St. Paul.
- Providing the needed secondary alternative learning option to qualify a targeted services program for Independent School District Nos. 192, 197, 199, and 271.
- Organize and facilitate regional networking meetings for administrator and support staff groups.

- Coordinating regional studies of potential shared services, such as transportation or utilizing revenue sources for mental health services.
- Collaborate with other intermediate districts and the Association of Metropolitan School Districts to advocate for legislation action to assist district services.

The District is also aware of a number of existing circumstances that could significantly affect its financial health in the future:

- The inability of Congress to agree on educational funding or the reauthorization of the Elementary and Secondary Education Act and the looming possibility of sequestration of federal education funding creates an uncertain revenue picture going forward for federal education revenue.
- The state of Minnesota has an improving fiscal forecast, but the funding increases for education are still less than inflation. Funding shifts for school aid have improved going to a 90–10 in 2014 instead of 86.4–13.6 in 2013 which improves cash flow for schools. Since educational funding makes up a significant portion of the state budget, schools can expect the fiscal climate for the near future to remain modest with little recovery from the pressures of inflation.
- Districts received an increase in the general education formula for fiscal year 2013 of \$50 per adjusted marginal cost pupil unit (AMCPU), along with a slight increase in some other areas of categorical revenues. In fiscal 2014, school districts will receive an additional increase of \$78 per AMCPU, or 1.5 percent, and will receive another \$504, incorporating significant adjustments in pupil units in fiscal 2015, resulting in an equivalent 1.5 percent increase over fiscal 2013.
- The District has relatively good fund balances.

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

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Intermediate School District No. 917, 1300 – 145th Street East, Rosemount, Minnesota 55068-2999.

BASIC FINANCIAL STATEMENTS

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Net Position  
as of June 30, 2013  
(With Partial Comparative Information as of June 30, 2012)

	Governmental Activities	
	2013	2012
<b>Assets</b>		
Cash and temporary investments	\$ 4,097,838	\$ 933,534
Receivables		
Accounts and interest	46,232	24,380
Due from other governmental units	4,791,308	8,217,431
Inventory	51,154	8,205
Prepaid items	30,065	98,594
Restricted assets – temporarily restricted		
Cash and investments held by trustee	610,067	591,933
Capital assets		
Not depreciated	683,993	683,993
Depreciated, net of accumulated depreciation	6,757,356	6,922,082
Total capital assets, net of accumulated depreciation	<u>7,441,349</u>	<u>7,606,075</u>
<b>Total assets</b>	<u>\$ 17,068,013</u>	<u>\$ 17,480,152</u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ 1,737,543	\$ 1,638,358
Accounts and contracts payable	56,358	154,460
Accrued interest payable	135,040	138,907
Due to other governmental units	894,512	542,587
Unearned revenue	164,859	137,262
Long-term liabilities		
Due within one year	423,590	360,322
Due in more than one year	8,494,981	8,589,539
Total long-term liabilities	<u>8,918,571</u>	<u>8,949,861</u>
<b>Total liabilities</b>	11,906,883	11,561,435
<b>Net position</b>		
Net investment in capital assets	636,891	425,952
Restricted for capital projects	1,092,357	1,336,698
Restricted for other purposes	34,589	–
Unrestricted	3,397,293	4,156,067
Total net position	<u>5,161,130</u>	<u>5,918,717</u>
<b>Total liabilities and net position</b>	<u>\$ 17,068,013</u>	<u>\$ 17,480,152</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Activities  
 Year Ended June 30, 2013  
 (With Partial Comparative Information for the Year Ended June 30, 2012)

Functions/Programs	2013					2012	2012
	Expenses	Indirect Expense Allocation	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	Capital Grants and Contributions	Governmental Activities	Governmental Activities
Governmental activities							
Administrative and support services	\$ 1,998,969	\$(1,295,041)	\$ 450,719	\$ 12,924	\$ 21,972	\$ (218,313)	\$ (101,874)
Secondary vocational/DCALS	3,962,647	234,507	3,663,269	228,223	558,376	252,714	648,161
Special education programs	18,097,103	1,060,534	3,710,926	14,883,123	—	(563,588)	(490,901)
Food service	85,779	—	14,146	53,003	—	(18,630)	(23,626)
Interest and fiscal charges on debt	335,885	—	—	—	—	(335,885)	(344,925)
Total governmental activities	<u>\$24,480,383</u>	<u>\$ —</u>	<u>\$7,839,060</u>	<u>\$15,177,273</u>	<u>\$ 580,348</u>	(883,702)	(313,165)
			General revenues				
			Other general revenues			96,458	106,110
			Investment earnings			29,657	30,037
			Total general revenues			<u>126,115</u>	<u>136,147</u>
			Change in net position			(757,587)	(177,018)
			Net position – beginning			<u>5,918,717</u>	<u>6,095,735</u>
			Net position – ending			<u>\$ 5,161,130</u>	<u>\$ 5,918,717</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Balance Sheet  
 Governmental Funds  
 as of June 30, 2013  
 (With Partial Comparative Information as of June 30, 2012)

	General Fund	Capital	Nonmajor	Total Governmental Funds	
		Projects – Building Construction Fund	Fund – Food Service Special Revenue Fund	2013	2012
<b>Assets</b>					
Cash and temporary investments	\$ 2,886,578	\$ 438,266	\$ –	\$ 3,324,844	\$ 475,566
Cash and investments held by trustee	610,067	–	–	610,067	591,933
Receivables					
Accounts and interest	45,203	–	–	45,203	24,380
Due from other governmental units	4,790,282	–	1,026	4,791,308	8,217,431
Due from other funds	1,026	–	–	1,026	–
Inventory	51,154	–	–	51,154	8,205
Prepaid items	29,556	–	–	29,556	98,594
<b>Total assets</b>	<b>\$ 8,413,866</b>	<b>\$ 438,266</b>	<b>\$ 1,026</b>	<b>\$ 8,853,158</b>	<b>\$ 9,416,109</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Salaries and compensated absences payable	\$ 1,737,543	\$ –	\$ –	\$ 1,737,543	\$ 1,638,358
Accounts and contracts payable	44,156	–	–	44,156	124,654
Due to other governmental units	762,683	131,829	–	894,512	542,587
Due to other funds	–	–	1,026	1,026	152,013
Unearned revenue	164,859	–	–	164,859	137,262
<b>Total liabilities</b>	<b>2,709,241</b>	<b>131,829</b>	<b>1,026</b>	<b>2,842,096</b>	<b>2,594,874</b>
<b>Fund balances</b>					
Nonspendable	80,710	–	–	80,710	106,799
Restricted	1,430,576	306,437	–	1,737,013	1,928,631
Assigned	110,661	–	–	110,661	–
Unassigned	4,082,678	–	–	4,082,678	4,785,805
<b>Total fund balances</b>	<b>5,704,625</b>	<b>306,437</b>	<b>–</b>	<b>6,011,062</b>	<b>6,821,235</b>
<b>Total liabilities and fund balances</b>	<b>\$ 8,413,866</b>	<b>\$ 438,266</b>	<b>\$ 1,026</b>	<b>\$ 8,853,158</b>	<b>\$ 9,416,109</b>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Reconciliation of the Balance Sheet to the  
Statement of Net Position  
Governmental Funds  
as of June 30, 2013  
(With Partial Comparative Information as of June 30, 2012)

	<u>2013</u>	<u>2012</u>
Total fund balances – governmental funds	\$ 6,011,062	\$ 6,821,235
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	13,550,297	13,584,596
Accumulated depreciation	(6,108,948)	(5,978,521)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable.		
Capital lease payable	(7,550,000)	(7,775,000)
Compensated absences payable	(240,080)	(229,419)
Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.		
	(135,040)	(138,907)
Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance as other financing sources and uses.		
	135,475	141,851
The internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		
	<u>(501,636)</u>	<u>(507,118)</u>
Total net position – governmental activities	<u>\$ 5,161,130</u>	<u>\$ 5,918,717</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2013  
 (With Partial Comparative Information for the Year Ended June 30, 2012)

	General Fund	Capital Projects – Building Construction Fund	Nonmajor Fund – Food Service Special Revenue Fund	Total Governmental Funds	
				2013	2012
<b>Revenue</b>					
Local sources					
Tuition	\$ 7,798,778	\$ –	\$ –	\$ 7,798,778	\$ 7,755,576
Investment earnings	29,459	198	–	29,657	29,701
Other	695,438	–	14,146	709,584	680,356
State sources	14,971,337	–	3,058	14,974,395	14,307,649
Federal sources	155,577	–	49,945	205,522	430,075
Total revenue	<u>23,650,589</u>	<u>198</u>	<u>67,149</u>	<u>23,717,936</u>	<u>23,203,357</u>
<b>Expenditures</b>					
Current					
Administrative and support services	601,294	–	–	601,294	474,362
Secondary vocational/DCALS	4,227,288	–	–	4,227,288	4,100,921
Special education programs	18,895,989	–	–	18,895,989	18,146,690
Food service	–	–	85,779	85,779	101,616
Capital outlay	–	164,382	–	164,382	206,356
Debt service					
Principal	225,000	–	–	225,000	215,000
Interest and fiscal charges	333,376	–	–	333,376	342,245
Total expenditures	<u>24,282,947</u>	<u>164,382</u>	<u>85,779</u>	<u>24,533,108</u>	<u>23,587,190</u>
Excess (deficiency) of revenue over expenditures	(632,358)	(164,184)	(18,630)	(815,172)	(383,833)
<b>Other financing sources (uses)</b>					
Proceeds from sale of assets	4,999	–	–	4,999	9,368
Transfers in	–	–	18,630	18,630	23,626
Transfers out	(18,630)	–	–	(18,630)	(23,626)
Total other financing sources (uses)	<u>(13,631)</u>	<u>–</u>	<u>18,630</u>	<u>4,999</u>	<u>9,368</u>
Net change in fund balances	(645,989)	(164,184)	–	(810,173)	(374,465)
<b>Fund balances</b>					
Beginning of year	6,350,614	470,621	–	6,821,235	7,195,700
End of year	<u>\$ 5,704,625</u>	<u>\$ 306,437</u>	<u>\$ –</u>	<u>\$ 6,011,062</u>	<u>\$ 6,821,235</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Reconciliation of the Statement of  
Revenue, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
Governmental Funds  
Year Ended June 30, 2013

(With Partial Comparative Information for the Year Ended June 30, 2012)

	<u>2013</u>	<u>2012</u>
Total net change in fund balances – governmental funds	\$ (810,173)	\$ (374,465)
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	105,752	187,311
Depreciation expense	(270,333)	(298,431)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
	225,000	215,000
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.		
	3,867	3,696
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.		
	(6,376)	(6,376)
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.		
Loss on disposal of capital assets	(145)	(9,088)
The internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.		
	5,482	103,412
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.		
Compensated absences payable	<u>(10,661)</u>	<u>1,923</u>
Change in net position – governmental activities	<u>\$ (757,587)</u>	<u>\$ (177,018)</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 General Fund  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
<b>Revenue</b>				
Local sources				
Tuition	\$ 8,251,519	\$ 7,841,482	\$ 7,798,778	\$ (42,704)
Investment earnings	9,500	19,300	29,459	10,159
Other	640,987	736,385	695,438	(40,947)
State sources	16,202,421	16,062,890	14,971,337	(1,091,553)
Federal sources	151,087	163,134	155,577	(7,557)
Total revenue	<u>25,255,514</u>	<u>24,823,191</u>	<u>23,650,589</u>	<u>(1,172,602)</u>
<b>Expenditures</b>				
Current				
Administrative and support services	552,686	625,743	601,294	(24,449)
Secondary vocational/DCALS	4,452,464	4,410,601	4,227,288	(183,313)
Special education programs	19,915,240	19,714,792	18,895,989	(818,803)
Debt service				
Principal	225,000	225,000	225,000	—
Interest and fiscal charges	333,376	333,376	333,376	—
Total expenditures	<u>25,478,766</u>	<u>25,309,512</u>	<u>24,282,947</u>	<u>(1,026,565)</u>
Excess (deficiency) of revenue over expenditures	(223,252)	(486,321)	(632,358)	(146,037)
<b>Other financing sources (uses)</b>				
Proceeds from sale of assets	—	—	4,999	4,999
Transfers out	(23,750)	(23,750)	(18,630)	5,120
Total other financing sources (uses)	<u>(23,750)</u>	<u>(23,750)</u>	<u>(13,631)</u>	<u>10,119</u>
Net change in fund balances	<u>\$ (247,002)</u>	<u>\$ (510,071)</u>	<u>(645,989)</u>	<u>\$ (135,918)</u>
<b>Fund balances</b>				
Beginning of year			<u>6,350,614</u>	
End of year			<u>\$ 5,704,625</u>	

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Net Position  
 Proprietary Funds  
 Internal Service Funds  
 as of June 30, 2013  
 (With Comparative Actual Amounts as of June 30, 2012)

	<u>2013</u>	<u>2012</u>
Assets		
Current assets		
Cash and temporary investments	\$ 772,994	\$ 457,968
Accounts receivable	1,029	-
Due from other funds	-	152,013
Prepaid items	509	-
Total current assets	<u>774,532</u>	<u>609,981</u>
Liabilities		
Current liabilities		
Accounts and contracts payable	12,202	29,806
Severance benefits payable	98,380	20,542
Total current liabilities	<u>110,582</u>	<u>50,348</u>
Long-term liabilities		
Net OPEB obligation	700,338	578,192
Severance benefits payable	465,248	488,559
Total long-term liabilities	<u>1,165,586</u>	<u>1,066,751</u>
Total liabilities	<u>1,276,168</u>	<u>1,117,099</u>
Net position (deficit)		
Unrestricted	<u>\$ (501,636)</u>	<u>\$ (507,118)</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Revenue, Expenses, and Changes in Fund Net Position  
 Proprietary Funds  
 Internal Service Funds  
 Year Ended June 30, 2013  
 (With Comparative Actual Amounts for the Year Ended June 30, 2012)

	<u>2013</u>	<u>2012</u>
Operating revenue		
Local sources		
Contributions from governmental funds	\$ 525,048	\$ 553,024
Operating expenses		
Post-employment severance and health benefits	226,441	148,971
Dental benefit claims	293,463	300,977
Total operating expenses	<u>519,904</u>	<u>449,948</u>
Operating income	5,144	103,076
Nonoperating revenue		
Investment earnings	<u>338</u>	<u>336</u>
Change in net position	5,482	103,412
Net position (deficit)		
Beginning of year	<u>(507,118)</u>	<u>(610,530)</u>
End of year	<u>\$ (501,636)</u>	<u>\$ (507,118)</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Cash Flows  
 Proprietary Funds  
 Internal Service Funds  
 Year Ended June 30, 2013  
 (With Comparative Actual Amounts for the Year Ended June 30, 2012)

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Contributions from other funds	\$ 525,048	\$ 553,024
Post-employment severance and health benefit payments	(42,083)	(37,185)
Payments for dental claims	<u>(320,290)</u>	<u>(278,096)</u>
Net cash used by operating activities	162,675	237,743
Cash flows from noncapital financing activities		
Cash received by (paid to) other funds	152,013	(152,013)
Cash flows from investing activities		
Investment income received	<u>338</u>	<u>336</u>
Net increase in cash and cash equivalents	315,026	86,066
Cash and temporary investments		
Beginning of year	<u>457,968</u>	<u>371,902</u>
End of year	<u>\$ 772,994</u>	<u>\$ 457,968</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 5,144	\$ 103,076
Adjustments to reconcile operating income to net cash provided by operating activities		
Changes in assets and liabilities		
Post-employment severance benefits payable	54,527	(39,523)
Net OPEB obligation	122,146	151,309
Account receivable	(1,029)	-
Prepaid items	(509)	-
Accounts payable	<u>(17,604)</u>	<u>22,881</u>
Net cash used by operating activities	<u>\$ 162,675</u>	<u>\$ 237,743</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Fiduciary Net Position  
as of June 30, 2013

	<u>Private-Purpose Trust Fund</u>
Assets	
Cash and temporary investments	\$ <u>2,855</u>
Net position	
Held in trust for scholarships	\$ <u>2,855</u>

Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2013

	<u>Private-Purpose Trust Fund</u>
Additions	
Gifts and bequests	\$ 2,025
Deductions	
Scholarships	<u>385</u>
Change in net position	1,640
Net position	
Beginning of year	<u>1,215</u>
End of year	<u>\$ 2,855</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Notes to Basic Financial Statements  
June 30, 2013

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

**A. Organization**

Intermediate School District No. 917 (the District) is an instrumentality of the state of Minnesota established to provide participating school districts with vocational, technical, and special education services. The District is governed by a joint School Board composed of appointed members from each participating school district. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**B. Reporting Entity**

The 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, the District's School Board has not elected to control or be otherwise financially accountable with respect to the underlying extracurricular activities. Accordingly, the extracurricular student activity accounts are not included in these financial statements.

**C. Minnesota State Colleges and Universities**

On July 1, 1995, Minnesota technical colleges, community colleges, and state universities were merged under the control of Minnesota State Colleges and Universities (MnSCU). Therefore, the funds and assets of the District associated with Dakota County Technical College's (DCTC) operations were remanded to the state system. The District continues to serve secondary, vocational, and kindergarten through Grade 12 special education students. Under terms of an agreement with DCTC, the District has access to certain facilities and equipment of DCTC. The District pays DCTC its share of building maintenance and costs of other services based on space, usage, personnel, and budget percentages. The District provides business office services to DCTC, and is reimbursed for related actual costs based on personnel, usage, and budget percentages.

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

### **D. 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 in the Statement of Fiduciary Net Position at the fund financial statement level. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. 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 fixed assets. Interest on debt is considered an indirect expense and is reported separately on the Statement of Activities.

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

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

Propriety funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service funds are charges to customers for service. Operating expenses for the internal service funds include the cost of providing benefits. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The District's only propriety funds are the internal service funds, which provide services to the governmental funds.

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

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

- 1. Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to funding formulas established by Minnesota Statutes. Federal revenue is recorded in the year in which the related expenditure is made. Other revenue is considered available if collected within 60 days. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.
- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds. In the General Fund, capital expenditures are included within the applicable functional areas.

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

### Description of Funds

The existence of the various district funds has been established by the Minnesota Department of Education (MDE). Each fund is accounted for as an independent entity. 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 maintains separate accounts within the General Fund for secondary education, secondary resale activities, special education, special education resale activities, district support services, capital expenditures, and costs to be reimbursed by others.

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

#### Nonmajor Governmental Funds

**Food Service Special Revenue Fund** – The Food Service Special Revenue Fund is primarily used to account for the District’s child nutrition program.

#### Proprietary Funds

**Internal Service Funds** – The internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The District has two internal service funds. The District’s internal service funds include financing for post-employment severance benefits and other post-employment benefits (OPEB) and self-insurance of the employee dental insurance program.

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

### **Fiduciary Funds**

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

### **F. Budgetary Information**

Each June, the School Board adopts an annual budget for the following fiscal year for all governmental funds. The budget for each fund is prepared on the same basis of accounting as the financial statements. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end. Expenditures exceeded budgeted amounts by \$54,267 in the Capital Projects – Building Construction Fund.

### **G. Cash and Temporary Investments**

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

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes. In the General Fund, the capital lease escrow account is used to hold assets held for future 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.

### **H. Receivables**

When necessary, the District utilizes an allowance for uncollectible accounts to value its receivables. However, the District considers all of its current receivables to be collectible. No allowances have been recorded.

### **I. Inventories**

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

### **J. Prepaid Items**

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

### **K. Capital Assets**

Capital assets are capitalized at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,250 or more for capitalizing capital assets. The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend asset lives is 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 from 20 to 50 years for buildings, and 5 to 20 years for furniture and equipment. Land is not depreciated.

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.

### **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. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

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

### **M. Compensated Absences**

Under the terms of union contracts, certain employees accrue vacation at varying rates, 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 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.

### **N. 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 payments for some employees upon termination.

### **O. Severance Benefits**

The District provides lump sum severance pay to eligible employees in accordance with provisions in certain collectively bargained contracts. The benefits are described as follows:

Members of certain of the District's employee groups may become eligible to receive lump sum severance 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 individual can receive severance benefits in excess of one year's salary. Severance payable and the District's share of related benefits are 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 pay is accrued in the applicable Internal Service Fund as it is earned and it becomes probable it will vest at some point in the future.

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

**P. 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 2013.
  
2. **Self-Insurance** – The District established an Internal Service Fund to account for and finance its uninsured risk of loss for its employee dental plan. Under this plan, the District provides coverage to participating employees and their dependants for various dental costs as described in the plan.

The District makes premium payments to the Internal Service Fund on behalf of program participants based on provisional rates determined by insurance company estimates of monthly claims paid for each coverage class, plus the stop-loss health insurance premium costs and administrative service charges.

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

Changes in the balance of dental claim liabilities were as follows:

Fiscal Year Ended June 30,	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2012	\$ 6,925	\$ 300,977	\$ 278,096	\$ 29,806
2013	\$ 29,806	\$ 267,665	\$ 293,463	\$ 4,008

**Q. 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 equivalent. The proprietary fund’s equity in the government-wide cash and investment management pool is considered to be cash equivalent.

**R. Use of Estimates**

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts 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.

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

### S. Restricted Assets

Restricted assets are cash and cash equivalents 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 governmental funds, cash and investments that are restricted are reported as cash and investments held by trustee.

### T. Net Position

In the government-wide financial statements, net position represents the difference between assets and liabilities. 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.”

### U. Fund Balance Classifications

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

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

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

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

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

### V. 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, 2012, 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.

### W. Changes in Accounting Principles

During the year ended June 30, 2013, the District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 63 created two new financial statement elements, *deferred outflows of resources* (a consumption of net position that is applicable to a future reporting period) and *deferred inflows of resources* (an acquisition of net position that is applicable to a future reporting period), which are distinct from assets and liabilities. It also defined *net position* as the residual of all other elements presented in a statement of net position (assets + deferred outflows of resources – liabilities – deferred inflows of resources = net position). GASB Statement No. 65 identified specific items previously reported as assets that will now be classified as either deferred outflows of resources or outflows (expenditures/expenses), and items previously reported as liabilities that will now be reported as either deferred inflows of resources or inflows (revenues).

## NOTE 2 – DEPOSITS AND INVESTMENTS

### A. Deposits

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

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

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

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

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

At year-end, the carrying amount of the District's deposits was \$394,648, while the balance on the bank records was \$575,798. At June 30, 2013, all deposits were insured or collateralized by securities held by the District's agent in the District's name.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### B. 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.

**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, 2013, the District had 13.0 percent of its portfolio invested in a guaranteed investment contract with the Bank of Calyon, New York.

**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, the District considers such things as interest rates and cash flow needs when purchasing investments.

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**C. Summary**

The following table presents the District’s deposit and investment balances at June 30, 2013, and information relating to potential investment risks:

Investment Type	Credit Risk		Interest Risk – Maturity Duration in Years				Total
	Rating	Agency	Less Than 1	1 to 5	5 to 10	More Than 10	
Investment pools/mutual funds							
Minnesota School District Liquid Asset Fund	AAA	S&P	N/A	N/A	N/A	N/A	\$ 3,706,045
First American Treasury Obligations Funds Class D	AAA	S&P	N/A	N/A	N/A	N/A	50,666
Guaranteed investment contract Calyon Bank, New York Branch	N/A	N/A	N/A	N/A	N/A	\$ 559,401	<u>559,401</u>
							4,316,112
Deposits							<u>394,648</u>
Total cash and investments							<u>\$ 4,710,760</u>

N/A – Not Applicable

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

Cash and temporary investments – Statement of Net Position	\$ 4,097,838
Cash and temporary investments held by trustee – Statement of Net Position	610,067
Cash and temporary investments – Statement of Fiduciary Net Position – Private-Purpose Trust Fund	<u>2,855</u>
Total cash and investments	<u>\$ 4,710,760</u>

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 3 – CAPITAL ASSETS

Capital assets and accumulated depreciation activity for the year ended June 30, 2013 is as follows:

	Balance – Beginning of Year	Additions	Deletions	Balance – End of Year
Capital assets, not depreciated				
Land	\$ 683,993	\$ –	\$ –	\$ 683,993
Capital assets, depreciated				
Buildings	8,732,533	–	–	8,732,533
Furniture and equipment	4,168,070	105,752	140,051	4,133,771
Total capital assets, depreciated	12,900,603	105,752	140,051	12,866,304
Less accumulated depreciation for				
Buildings	(2,549,249)	(134,731)	–	(2,683,980)
Furniture and equipment	(3,429,272)	(135,602)	(139,906)	(3,424,968)
Total accumulated depreciation	(5,978,521)	(270,333)	(139,906)	(6,108,948)
Net capital assets, depreciated	6,922,082	(164,581)	145	6,757,356
Total capital assets, net	<u>\$ 7,606,075</u>	<u>\$ (164,581)</u>	<u>\$ 145</u>	<u>\$ 7,441,349</u>

Depreciation expense for the year ended June 30, 2013 was charged to the following governmental functions:

Administrative and support services	\$ 23,257
Secondary vocational/DCALS	18,176
Special education instruction	217,812
Elementary and regular instruction	10,818
Pupil support services	270
Total depreciation expense	<u>\$ 270,333</u>

### NOTE 4 – LONG-TERM LIABILITIES

#### A. Components and Changes in Long-Term Liabilities

The following table describes the changes in long-term liabilities, including amounts due within one year:

	June 30, 2012	Additions	Retirements	June 30, 2013	Due Within One Year
Capital leases payable	\$ 7,775,000	\$ –	\$ 225,000	\$ 7,550,000	\$ 235,000
Unamortized discount	(141,851)	–	(6,376)	(135,475)	–
Severance benefits payable	509,101	98,380	43,853	563,628	98,380
Compensated absences payable	229,419	100,871	90,210	240,080	90,210
Net OPEB obligation (see Note 7)	578,192	232,146	110,000	700,338	–
	<u>\$ 8,949,861</u>	<u>\$ 431,397</u>	<u>\$ 462,687</u>	<u>\$ 8,918,571</u>	<u>\$ 423,590</u>

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

**B. Description of Long-Term Liabilities**

- **Capital Leases Payable** – In September 2007, the District entered into a capital lease agreement with the Dakota County Community Development Agency (DCCDA) to finance building construction. The DCCDA issued \$8,480,000 of lease revenue bonds to pay for these costs. The revenue bonds bear interest rates that range from 3.875 percent to 4.500 percent and have a final maturity of February 2034. The lease-purchase agreement requires the District to make semiannual payments beginning August 1, 2008 equal to the principal and interest due on the revenue bonds. Annual principal and interest payments on this lease will be paid by the General Fund. Tuition revenue in the Capital Expenditure General Fund Account from member districts specifically for this debt obligation for the duration of the debt obligation are pledged for the payment of principal and interest on this lease payable. As of June 30, 2013, the net book value of the capital lease was \$6,048,553.
- **Severance Benefits Payable** – Severance benefits are paid by the applicable Internal Service Fund. Annual payments to retire severance benefit liabilities have not been determined and will depend on actual employee turnover.
- **Compensated Absences Payable** – Compensated absences payable represent accrued vacation payable at year-end. Compensated absences are paid by the General Fund. These benefits are not funded until the year of payment. Annual payments to retire compensated absences payable will depend on employee turnover and actual employee absences.

**C. Minimum Debt Payments**

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

Year Ending June 30,	Principal	Interest
2014	\$ 235,000	\$ 324,095
2015	245,000	314,401
2016	250,000	304,908
2017	260,000	295,220
2018	270,000	285,145
2019–2023	1,535,000	1,251,665
2024–2028	1,880,000	900,375
2029–2033	2,340,000	445,500
2034	535,000	12,038
	<u>\$ 7,550,000</u>	<u>\$ 4,133,347</u>

**NOTE 5 – FUND BALANCES**

The following is a breakdown of equity components of governmental funds which are defined earlier in the report.

**A. Classifications**

At June 30, 2013, a summary of the District’s governmental fund balance classifications are as follows:

	<u>General Fund</u>	<u>Capital Projects – Building Construction Fund</u>	<u>Food Service Special Revenue Fund</u>	<u>Total</u>
<b>Nonspendable</b>				
Prepaid items	\$ 29,556	\$ –	\$ –	\$ 29,556
Inventory	51,154	–	–	51,154
Total nonspendable	<u>80,710</u>	<u>–</u>	<u>–</u>	<u>80,710</u>
<b>Restricted for</b>				
Basic skills	34,589	–	–	34,589
Debt service	610,067	–	–	610,067
Capital purposes	785,920	306,437	–	1,092,357
Total restricted	<u>1,430,576</u>	<u>306,437</u>	<u>–</u>	<u>1,737,013</u>
<b>Assigned for</b>				
Subsequent year’s budgeted deficit	<u>110,661</u>	<u>–</u>	<u>–</u>	<u>110,661</u>
<b>Unassigned</b>				
	<u>4,082,678</u>	<u>–</u>	<u>–</u>	<u>4,082,678</u>
Total	<u>\$ 5,704,625</u>	<u>\$ 306,437</u>	<u>\$ –</u>	<u>\$ 6,011,062</u>

**B. Minimum Unassigned Fund Balance Policy**

The School Board has formally adopted a fund balance policy regarding maintaining a minimum unassigned fund balance for the General Fund. The policy states the District will strive to maintain a minimum unassigned General Fund balance of 15 percent of the annual budget. At June 30, 2013, the unassigned fund balance of the General Fund was 16.3 percent of fiscal 2014 budgeted expenditures.

**NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

Substantially all employees of the District are required by state law to belong to defined benefit, multi-employer, cost-sharing pension plans administered by the Teachers’ Retirement Association (TRA) or Public Employees’ Retirement Association (PERA), all of which are administered on a state-wide basis. Disclosures relating to these plans are as follows:

**Teachers’ Retirement Association (TRA)**

**A. Plan Description**

All teachers employed by the District are covered by defined benefit plans administered by the TRA. TRA members belong to either the Coordinated or Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. The plans are established and administered in accordance with Minnesota Statutes, Chapter 354 and 356.

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 as described below:

**Tier I**

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

With these provisions:

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

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

### **Tier II**

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. Actuarially equivalent early retirement reduction factors with augmentation are used for early retirement before the normal age of 65. These reduction factors average approximately 4–5.4 percent per year.

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.

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

The TRA publicly issues a comprehensive annual financial report presenting financial statements, supplemental information on funding levels, investment performance, and further information on benefits provisions. The report may be accessed at the TRA website at [www.minnesotatra.org](http://www.minnesotatra.org). Alternatively, a copy of the report may be obtained by writing the TRA at Teachers' Retirement Association, 60 Empire Drive, Suite 400, St. Paul, Minnesota 55103-4000 or by calling (651) 296-2409 or (800) 657-3669.

### **B. Funding Policy**

Minnesota Statutes, Chapter 354 sets the rates for employee and employer contributions. These statutes are established and amended by the State Legislature. Coordinated and Basic Plan members are required to contribute 6.5 percent and 10.0 percent, respectively, of their annual covered salary during fiscal year 2013 as employee contributions. The TRA employer contribution rates are 6.5 percent for Coordinated Plan members and 10.5 percent for Basic Plan members during fiscal year 2013. Total covered payroll salaries for all TRA members state-wide during the fiscal years June 30, 2012, 2011, and 2010 were approximately \$3.87 billion, \$3.84 billion, and \$3.79 billion, respectively.

The District's contributions for the years ended June 30, 2013, 2012, and 2011 were \$597,607, \$536,038, and \$486,766, respectively, equal to the contractually required contributions for each year as set by state statutes.

The 2010 Legislature approved employee and employer contribution rate increases to be phased-in over a four-year period beginning July 1, 2011. Employee and employer contribution rates will rise 0.5 percent on July 1 of each year of the four-year period. Beginning July 1, 2014, TRA Coordinated Plan employee and employer contribution rates will each be 7.5 percent.

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

### **Public Employees' Retirement Association (PERA)**

#### **A. Plan Description**

All non-teacher full-time and certain part-time employees of the District are covered by defined benefit plans administered by the PERA. The PERA administers the General Employees Retirement Fund (GERF), which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

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. All new members must participate in the Coordinated Plan.

The PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statutes, and vest after three years of credited service. The defined retirement 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 all GERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree—no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous 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.

The PERA issues a publicly available financial report that includes financial statements and required supplementary information for the GERF. That report may be obtained on the PERA website at [www.mnpera.org](http://www.mnpera.org) by writing to the PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088; or by calling (651) 296-7460 or (800) 652-9026.

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

### **B. Funding Policy**

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the State Legislature. The District makes annual contributions to the pension plans equal to the amount required by state statutes. The GERP Basic Plan members and Coordinated Plan members were required to contribute 9.1 percent and 6.25 percent, respectively, of their annual covered salary in fiscal 2013. In fiscal 2013, the District was required to contribute the following percentages of annual covered payroll: 11.78 percent for Basic Plan members and 7.25 percent for Coordinated Plan members.

The District's contributions to the GERP for the years ended June 30, 2013, 2012, and 2011 were \$368,169, \$346,433, and \$307,426, respectively. The District's contributions were equal to the contractually required contributions for each year as set by state statutes.

## **NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN**

### **A. Plan Description**

The District provides post-employment benefits to certain eligible employees through the District's OPEB Plan, a single-employer defined benefit plan administered by the District. All post-employment benefits are based on contractual agreements with employee groups. As of July 1, 2012, the plan had 340 active participants and 11 retired participants. 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. Under the terms of certain collectively bargained employment contracts, the District is required to pay health and dental insurance premiums for eligible retirees until they reach age 65 or 70 as specified in their contract. Employees must meet certain age and/or length of service requirements to be eligible. The monthly district contribution per retiree for post-employment health and dental insurance is equal to the premiums covered for current employees in the retiree's bargaining group. Benefits paid by the District differ by bargaining unit and date of hire, with some contracts specifying a certain dollar amount per month, and some covering premium costs as defined within each collective bargaining agreement. Retirees not eligible for these district-paid premium benefits must pay the full district premium rate for their coverage.

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

### **B. Funding Policy**

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

**NOTE 7 – 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	\$ 241,692
Interest on net OPEB obligation	26,019
Adjustment to ARC	<u>(35,565)</u>
Annual OPEB cost (expense)	232,146
Contributions made	<u>110,000</u>
Increase in net OPEB obligation	122,146
Net OPEB obligation – beginning of year	<u>578,192</u>
Net OPEB obligation – end of year	<u><u>\$ 700,338</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:

<u>Fiscal</u> <u>Year Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Employer</u> <u>Contribution</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
June 30, 2011	\$ 211,642	\$ 51,626	24.4%	\$ 426,883
June 30, 2012	\$ 215,953	\$ 64,644	29.9%	\$ 578,192
June 30, 2013	\$ 232,146	\$ 110,000	47.4%	\$ 700,338

**D. Funded Status and Funding Progress**

As of July 1, 2012, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$1,500,479, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,500,479. The covered payroll (annual payroll of active employees covered by the plan) was \$13,212,704, and the ratio of the UAAL to the covered payroll was 11.4 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 immediately following the notes to basic financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## **NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) 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, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included: a 4.5 percent investment rate of return (net of administrative expenses) based on the District's own investments; a 2.5 percent rate of projected salary increases; an annual healthcare cost trend rate of 8.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after seven years, and a dental cost trend rate of 4.0 percent. The UAAL is being amortized on a level dollar basis over a closed period. The remaining amortization period on July 1, 2012 for the various amortization layers ranged from 26 to 30 years.

## **NOTE 8 – FLEXIBLE BENEFIT PLAN**

The District offers its employees a flexible benefit plan, a 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 January 1 to December 31, 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.

Amounts withheld for medical reimbursement and dependant care are held in the District's cash account. Payments are made by a third party 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 accounted for in the financial statements in the General 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 the claims of general creditors in the future.

## NOTE 9 – COMMITMENTS AND CONTINGENCIES

### A. Operating Leases

The District is leasing buildings and space in several locations. The District incurred expenditures of \$604,989 for operating leases during the year ended June 30, 2013. These leases are scheduled to expire on various dates through 2022. The following is a summary of minimum lease payments for all operating leases:

Year Ending June 30,	Amount
2014	\$ 341,052
2015	296,714
2016	262,288
2017	201,150
Thereafter	<u>1,054,414</u>
	<u>\$ 2,155,618</u>

### B. Federal and State Revenues

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

### C. 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 effect on its financial position.

## NOTE 10 – LINE OF CREDIT

In May 2012, the District entered into a line of credit agreement with a national bank pursuant to Minnesota Statute § 123B.12(b). This agreement allows the District to borrow up to \$1,250,000. Principal and interest with respect to each advance under this line of credit shall be repaid within 45 days. Interest accrues at an annual rate equal to the prime rate plus 1.05 percent with a floor of 5 percent. This line of credit agreement expires June 30, 2013. No advances were made against this line of credit during the year ended June 30, 2013. In fiscal 2014, this line of credit was renewed for \$1,000,000.

## NOTE 11 – INTERFUND TRANSACTIONS AND TRANSFERS

The General Fund made an interfund transfer of \$18,630 to the Food Service Special Revenue Fund to eliminate a fund balance deficit at year-end.

At June 30, 2013, the Food Service Special Revenue Fund had an interfund receivable of \$1,026 due from the General Fund. This interfund receivable was completed to assist with cash flow.

Such interfund balances and transfers reported in the fund financial statements are eliminated in the government-wide financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

INTERMEDIATE SCHOOL DISTRICT NO. 917

Required Supplementary Information  
 Schedule of Funding Progress  
 June 30, 2013

**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, 2008	\$ 1,462,608	\$ -	\$ 1,462,608	- %	\$ 11,154,270	13.10 %
July 1, 2010	\$ 1,373,077	\$ -	\$ 1,373,077	- %	\$ 11,861,681	11.60 %
July 1, 2012	\$ 1,500,479	\$ -	\$ 1,500,479	- %	\$ 13,212,704	11.40 %

SUPPLEMENTAL INFORMATION

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund  
Comparative Balance Sheet  
as of June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Cash and temporary investments	\$ 2,886,578	\$ -
Cash and investments held by trustee	610,067	591,933
Receivables		
Accounts and interest	45,203	24,380
Due from other school districts	1,232,116	1,958,476
Due from Minnesota Department of Education	3,461,782	6,135,218
Due from other governmental units	96,384	122,410
Due from other funds	1,026	-
Inventory	51,154	8,205
Prepaid items	29,556	98,594
	<u>\$ 8,413,866</u>	<u>\$ 8,939,216</u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ 1,737,543	\$ 1,638,359
Accounts and contracts payable	44,156	119,664
Due to other school districts	342,252	382,760
Due to other governmental units	420,431	159,827
Due to other fund	-	150,730
Unearned revenue	164,859	137,262
Total liabilities	<u>2,709,241</u>	<u>2,588,602</u>
<b>Fund balances</b>		
Nonspendable for prepaid items	29,556	98,594
Nonspendable for inventory	51,154	8,205
Restricted for debt service	610,067	591,933
Restricted for basic skills	34,589	-
Restricted for capital purposes	785,920	866,077
Assigned for subsequent year's budgeted deficit	110,661	-
Unassigned	4,082,678	4,785,805
Total fund balances	<u>5,704,625</u>	<u>6,350,614</u>
	<u>\$ 8,413,866</u>	<u>\$ 8,939,216</u>
Total liabilities and fund balances	<u>\$ 8,413,866</u>	<u>\$ 8,939,216</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2013  
 (With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013		2012	
	Budget	Actual	Over (Under) Budget	Actual
<b>Revenue</b>				
Local sources				
Tuition	\$ 7,841,482	\$ 7,798,778	\$ (42,704)	\$ 7,755,576
Investment earnings	19,300	29,459	10,159	29,406
Other	736,385	695,438	(40,947)	665,656
State sources	16,062,890	14,971,337	(1,091,553)	14,303,993
Federal sources	163,134	155,577	(7,557)	370,441
Total revenue	<u>24,823,191</u>	<u>23,650,589</u>	<u>(1,172,602)</u>	<u>23,125,072</u>
<b>Expenditures</b>				
Current				
Administrative and support services	625,743	601,294	(24,449)	474,362
Secondary vocational/DCALS	4,410,601	4,227,288	(183,313)	4,100,921
Special education programs	19,714,792	18,895,989	(818,803)	18,146,690
Debt service				
Principal	225,000	225,000	–	215,000
Interest and fiscal charges	333,376	333,376	–	342,245
Total expenditures	<u>25,309,512</u>	<u>24,282,947</u>	<u>(1,026,565)</u>	<u>23,279,218</u>
Excess (deficiency) of revenue over expenditures	(486,321)	(632,358)	(146,037)	(154,146)
<b>Other financing sources (uses)</b>				
Proceeds from sale of assets	–	4,999	4,999	9,368
Transfers out	(23,750)	(18,630)	5,120	(23,626)
Total other financing sources (uses)	<u>(23,750)</u>	<u>(13,631)</u>	<u>10,119</u>	<u>(14,258)</u>
Net change in fund balances	<u>\$ (510,071)</u>	<u>(645,989)</u>	<u>\$ (135,918)</u>	<u>(168,404)</u>
<b>Fund balances</b>				
Beginning of year		<u>6,350,614</u>		<u>6,519,018</u>
End of year		<u>\$ 5,704,625</u>		<u>\$ 6,350,614</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund  
 Combining Balance Sheet by Account  
 as of June 30, 2013

	Secondary Education	Special Education	Services Allocation
<b>Assets</b>			
Cash and temporary investments (deficit)	\$ 2,120,253	\$ (54,872)	\$ 14,603
Cash and investments held by trustee	-	-	-
Receivables			
Accounts and interest	2,697	29,510	12,996
Due from other school districts	323,818	883,344	21,972
Due from Minnesota Department of Education	-	3,461,782	-
Due from other governmental units	96,326	58	-
Due from other funds	1,026	-	-
Inventory	-	-	-
Prepaid items	3,771	24,710	1,075
	<u>3,771</u>	<u>24,710</u>	<u>1,075</u>
Total assets	<u>\$ 2,547,891</u>	<u>\$ 4,344,532</u>	<u>\$ 50,646</u>
<b>Liabilities</b>			
Salaries and compensated absences payable	\$ 249,107	\$ 1,465,973	\$ 22,463
Accounts and contracts payable	11,426	21,857	10,683
Due to other school districts	181,917	159,337	-
Due to other governmental units	192,602	215,674	9,332
Unearned revenue	-	156,691	8,168
Total liabilities	<u>635,052</u>	<u>2,019,532</u>	<u>50,646</u>
<b>Fund balances (deficit)</b>			
Nonspendable for prepaid items	3,771	24,710	1,075
Nonspendable for inventory	-	-	-
Restricted for debt service	-	-	-
Restricted for basic skills programs	-	34,589	-
Restricted for capital purposes	-	-	-
Assigned for subsequent year's budgeted deficit	110,661	-	-
Unassigned	1,798,407	2,265,701	(1,075)
Total fund balances	<u>1,912,839</u>	<u>2,325,000</u>	<u>-</u>
	<u>\$ 2,547,891</u>	<u>\$ 4,344,532</u>	<u>\$ 50,646</u>
Total liabilities and fund balances	<u>\$ 2,547,891</u>	<u>\$ 4,344,532</u>	<u>\$ 50,646</u>

<u>District Support Services</u>	<u>Capital Expenditure</u>	<u>Secondary Resale</u>	<u>Special Education Resale</u>	<u>Total</u>
\$ 17,065	\$ 785,920	\$ (6,521)	\$ 10,130	\$ 2,886,578
-	610,067	-	-	610,067
-	-	-	-	45,203
2,982	-	-	-	1,232,116
-	-	-	-	3,461,782
-	-	-	-	96,384
-	-	-	-	1,026
-	-	47,232	3,922	51,154
-	-	-	-	29,556
<u>\$ 20,047</u>	<u>\$ 1,395,987</u>	<u>\$ 40,711</u>	<u>\$ 14,052</u>	<u>\$ 8,413,866</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,737,543
-	-	190	-	44,156
998	-	-	-	342,252
-	-	2,685	138	420,431
-	-	-	-	164,859
<u>998</u>	<u>-</u>	<u>2,875</u>	<u>138</u>	<u>2,709,241</u>
-	-	-	-	29,556
-	-	47,232	3,922	51,154
-	610,067	-	-	610,067
-	-	-	-	34,589
-	785,920	-	-	785,920
-	-	-	-	110,661
<u>19,049</u>	<u>-</u>	<u>(9,396)</u>	<u>9,992</u>	<u>4,082,678</u>
<u>19,049</u>	<u>1,395,987</u>	<u>37,836</u>	<u>13,914</u>	<u>5,704,625</u>
<u>\$ 20,047</u>	<u>\$ 1,395,987</u>	<u>\$ 40,711</u>	<u>\$ 14,052</u>	<u>\$ 8,413,866</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund  
 Combining Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account  
 Year Ended June 30, 2013

	Secondary Education	Special Education	Services Allocation
<b>Revenue</b>			
Local sources			
Tuition	\$ 3,587,494	\$ 3,202,954	\$ 449,954
Investment earnings (charges)	855	44	-
Other	8,645	546,076	8,474
State sources	75,408	14,861,033	34,896
Federal sources	150,577	5,000	-
Total revenue	<u>3,822,979</u>	<u>18,615,107</u>	<u>493,324</u>
<b>Expenditures</b>			
Current			
Administrative and support services	-	-	493,324
Secondary vocational/DCALS	4,135,016	-	-
Special education programs	-	18,876,743	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>4,135,016</u>	<u>18,876,743</u>	<u>493,324</u>
Excess (deficiency) of revenue over expenditures	(312,037)	(261,636)	-
<b>Other financing sources (uses)</b>			
Proceeds from sale of assets	196	853	-
Transfers out	-	(18,630)	-
Total other financing sources (uses)	<u>196</u>	<u>(17,777)</u>	<u>-</u>
Net change in fund balances	(311,841)	(279,413)	-
<b>Fund balances</b>			
Beginning of year	<u>2,224,680</u>	<u>2,604,413</u>	<u>-</u>
End of year	<u>\$ 1,912,839</u>	<u>\$ 2,325,000</u>	<u>\$ -</u>

<u>District Support Services</u>	<u>Capital Expenditure</u>	<u>Secondary Resale</u>	<u>Special Education Resale</u>	<u>Total</u>
\$ --	\$ 558,376	\$ --	\$ --	\$ 7,798,778
--	28,560	--	--	29,459
44,058	--	70,329	17,856	695,438
--	--	--	--	14,971,337
--	--	--	--	155,577
<u>44,058</u>	<u>586,936</u>	<u>70,329</u>	<u>17,856</u>	<u>23,650,589</u>
44,060	63,910	--	--	601,294
--	26,673	65,599	--	4,227,288
--	--	--	19,246	18,895,989
--	225,000	--	--	225,000
--	333,376	--	--	333,376
<u>44,060</u>	<u>648,959</u>	<u>65,599</u>	<u>19,246</u>	<u>24,282,947</u>
(2)	(62,023)	4,730	(1,390)	(632,358)
--	--	3,950	--	4,999
--	--	--	--	(18,630)
--	--	<u>3,950</u>	--	<u>(13,631)</u>
(2)	(62,023)	8,680	(1,390)	(645,989)
<u>19,051</u>	<u>1,458,010</u>	<u>29,156</u>	<u>15,304</u>	<u>6,350,614</u>
<u>\$ 19,049</u>	<u>\$ 1,395,987</u>	<u>\$ 37,836</u>	<u>\$ 13,914</u>	<u>\$ 5,704,625</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – Secondary Education Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2013  
 (With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013		Over (Under) Budget	2012
	Budget	Actual		Actual
<b>Revenue</b>				
Local sources				
Tuition	\$ 3,713,790	\$ 3,587,494	\$ (126,296)	\$ 3,938,532
Investment earnings	1,000	855	(145)	920
Other	8,750	8,645	(105)	21,437
State sources	75,440	75,408	(32)	61,110
Federal sources	158,134	150,577	(7,557)	197,689
Total revenue	<u>3,957,114</u>	<u>3,822,979</u>	<u>(134,135)</u>	<u>4,219,688</u>
<b>Expenditures</b>				
Current				
Secondary vocational/DCALS				
Salaries	2,495,706	2,449,860	(45,846)	2,365,115
Employee benefits	815,717	795,235	(20,482)	732,814
Purchased services	565,453	535,087	(30,366)	515,206
Supplies and materials	125,169	102,664	(22,505)	96,622
Other expenditures	3,789	3,611	(178)	1,691
Capital expenditures	18,819	14,052	(4,767)	35,427
Allocated overhead	236,028	234,507	(1,521)	220,927
Total expenditures	<u>4,260,681</u>	<u>4,135,016</u>	<u>(125,665)</u>	<u>3,967,802</u>
Excess (deficiency) of revenue over expenditures	(303,567)	(312,037)	(8,470)	251,886
Other financing sources				
Proceeds from sale of assets	<u>–</u>	<u>196</u>	<u>196</u>	<u>5,357</u>
Net change in fund balances	<u>\$ (303,567)</u>	<u>(311,841)</u>	<u>\$ (8,274)</u>	<u>257,243</u>
<b>Fund balances</b>				
Beginning of year		<u>2,224,680</u>		<u>1,967,437</u>
End of year		<u>\$ 1,912,839</u>		<u>\$ 2,224,680</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – Special Education Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2013  
 (With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013		2012	
	Budget	Actual	Over (Under) Budget	Actual
<b>Revenue</b>				
Local sources				
Tuition	\$ 3,108,602	\$ 3,202,954	\$ 94,352	\$ 2,962,399
Investment earnings (charges)	300	44	(256)	(341)
Other	531,158	546,076	14,918	529,239
State sources	15,952,478	14,861,033	(1,091,445)	14,199,467
Federal sources	5,000	5,000	–	172,752
Total revenue	<u>19,597,538</u>	<u>18,615,107</u>	<u>(982,431)</u>	<u>17,863,516</u>
<b>Expenditures</b>				
Current				
Special education programs				
Salaries	11,812,726	11,308,037	(504,689)	10,813,236
Employee benefits	4,553,558	4,313,213	(240,345)	4,049,078
Purchased services	1,469,464	1,516,683	47,219	1,277,070
Supplies and materials	579,242	484,941	(94,301)	644,913
Other expenditures	8,018	6,696	(1,322)	5,657
Capital expenditures	214,860	186,639	(28,221)	317,516
Allocated overhead	1,059,324	1,060,534	1,210	1,021,841
Total expenditures	<u>19,697,192</u>	<u>18,876,743</u>	<u>(820,449)</u>	<u>18,129,311</u>
Excess (deficiency) of revenue over expenditures	(99,654)	(261,636)	(161,982)	(265,795)
Other financing sources (uses)				
Proceeds from sale of assets	–	853	853	4,011
Transfers out	<u>(23,750)</u>	<u>(18,630)</u>	<u>5,120</u>	<u>(23,626)</u>
Total other financing sources (uses)	<u>(23,750)</u>	<u>(17,777)</u>	<u>5,973</u>	<u>(19,615)</u>
Net change in fund balances	<u>\$ (123,404)</u>	<u>(279,413)</u>	<u>\$ (156,009)</u>	<u>(285,410)</u>
<b>Fund balances</b>				
Beginning of year		<u>2,604,413</u>		<u>2,889,823</u>
End of year		<u>\$ 2,325,000</u>		<u>\$ 2,604,413</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – Services Allocation Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2013  
 (With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013		Over (Under) Budget	2012
	Budget	Actual		Actual
Revenue				
Local sources				
Tuition	\$ 460,714	\$ 449,954	\$ (10,760)	\$ 352,800
Other	16,457	8,474	(7,983)	8,402
State sources	34,972	34,896	(76)	43,416
Total revenue	<u>512,143</u>	<u>493,324</u>	<u>(18,819)</u>	<u>404,618</u>
Expenditures				
Current				
Administrative and support services				
Salaries	792,742	789,620	(3,122)	786,232
Employee benefits	252,990	253,125	135	237,644
Purchased services	714,396	707,647	(6,749)	569,416
Supplies and materials	28,813	23,593	(5,220)	27,344
Other expenditures	14,666	13,404	(1,262)	13,659
Capital expenditures	2,005	974	(1,031)	13,091
Allocated overhead	(1,293,469)	(1,295,039)	(1,570)	(1,242,768)
Total expenditures	<u>512,143</u>	<u>493,324</u>	<u>(18,819)</u>	<u>404,618</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 SCHOOL DISTRICT NO. 917

General Fund – District Support Services Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2013  
 (With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013			2012
	Budget	Actual	Over (Under) Budget	Actual
<b>Revenue</b>				
Local sources				
Tuition	\$ –	\$ –	\$ –	\$ 24,600
Other	50,000	44,058	(5,942)	26,485
Total revenue	<u>50,000</u>	<u>44,058</u>	<u>(5,942)</u>	<u>51,085</u>
<b>Expenditures</b>				
Current				
Administrative and support services				
Salaries	–	–	–	14,916
Employee benefits	–	–	–	3,696
Purchased services	50,000	44,060	(5,940)	26,936
Supplies and materials	–	–	–	2,764
Capital expenditures	–	–	–	3,830
Total expenditures	<u>50,000</u>	<u>44,060</u>	<u>(5,940)</u>	<u>52,142</u>
Net change in fund balances	<u>\$ –</u>	<u>(2)</u>	<u>\$ (2)</u>	<u>(1,057)</u>
<b>Fund balances</b>				
Beginning of year		<u>19,051</u>		<u>20,108</u>
End of year		<u>\$ 19,049</u>		<u>\$ 19,051</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – Capital Expenditure Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2013  
 (With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013		2012	
	Budget	Actual	Over (Under) Budget	Actual
<b>Revenue</b>				
Local sources				
Tuition	\$ 558,376	\$ 558,376	\$ -	\$ 477,245
Investment earnings	18,000	28,560	10,560	28,827
Total revenue	<u>576,376</u>	<u>586,936</u>	<u>10,560</u>	<u>506,072</u>
<b>Expenditures</b>				
Current				
Administrative and support services				
Supplies and materials	-	367	367	17,602
Capital expenditures	63,600	63,543	(57)	-
Secondary vocational/DCALS				
Purchased services	45,000	26,673	(18,327)	73,093
Debt service				
Principal	225,000	225,000	-	215,000
Interest and fiscal charges	333,376	333,376	-	342,245
Total expenditures	<u>666,976</u>	<u>648,959</u>	<u>(18,017)</u>	<u>647,940</u>
Net change in fund balances	<u>\$ (90,600)</u>	<u>(62,023)</u>	<u>\$ 28,577</u>	<u>(141,868)</u>
<b>Fund balances</b>				
Beginning of year		<u>1,458,010</u>		<u>1,599,878</u>
End of year		<u>\$ 1,395,987</u>		<u>\$ 1,458,010</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – Secondary Resale Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2013  
 (With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013		Over (Under) Budget	2012
	Budget	Actual		Actual
Revenue				
Local sources				
Other	\$ 105,520	\$ 70,329	\$ (35,191)	\$ 60,687
Expenditures				
Current				
Secondary vocational/DCALS				
Purchased services	9,400	13,099	3,699	12,293
Supplies and materials	95,350	50,962	(44,388)	38,648
Capital expenditures	–	1,200	1,200	8,791
Other expenditures	170	338	168	294
Total expenditures	<u>104,920</u>	<u>65,599</u>	<u>(39,321)</u>	<u>60,026</u>
Excess (deficiency) of revenue over expenditures	600	4,730	4,130	661
Other financing sources				
Proceeds from sale of assets	<u>–</u>	<u>3,950</u>	<u>3,950</u>	<u>–</u>
Net change in fund balances	<u>\$ 600</u>	<u>8,680</u>	<u>\$ 8,080</u>	<u>661</u>
Fund balances				
Beginning of year		<u>29,156</u>		<u>28,495</u>
End of year		<u>\$ 37,836</u>		<u>\$ 29,156</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – Special Education Resale Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2013  
 (With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013		2012	
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other	\$ 24,500	\$ 17,856	\$ (6,644)	\$ 19,406
Expenditures				
Current				
Special education programs				
Purchased services	–	–	–	60
Resale of equipment	–	1,544	1,544	–
Supplies and materials	17,600	17,702	102	17,319
Total expenditures	<u>17,600</u>	<u>19,246</u>	<u>1,646</u>	<u>17,379</u>
Net change in fund balances	<u>\$ 6,900</u>	(1,390)	<u>\$ (8,290)</u>	2,027
Fund balances				
Beginning of year		<u>15,304</u>		<u>13,277</u>
End of year		<u>\$ 13,914</u>		<u>\$ 15,304</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Capital Projects – Building Construction Fund  
 Comparative Balance Sheet  
 as of June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Cash and temporary investments	<u>\$ 438,266</u>	<u>\$ 475,566</u>
Liabilities		
Accounts and contracts payable	\$ -	\$ 4,945
Due to other governmental units	<u>131,829</u>	<u>-</u>
Total liabilities	131,829	4,945
Fund balances		
Restricted for capital purposes	<u>306,437</u>	<u>470,621</u>
Total liabilities and fund balances	<u>\$ 438,266</u>	<u>\$ 475,566</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Capital Projects – Building Construction Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2013  
 (With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013		Over (Under) Budget	2012
	Budget	Actual		Actual
Revenue				
Local sources				
Investment earnings	\$ 500	\$ 198	\$ (302)	\$ 295
Expenditures				
Capital outlay	<u>110,115</u>	<u>164,382</u>	<u>54,267</u>	<u>206,356</u>
Net change in fund balances	<u>\$ (109,615)</u>	<u>(164,184)</u>	<u>\$ (54,569)</u>	<u>(206,061)</u>
Fund balances				
Beginning of year		<u>470,621</u>		<u>676,682</u>
End of year		<u>\$ 306,437</u>		<u>\$ 470,621</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Food Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Receivables		
Due from other governmental units	<u>\$ 1,026</u>	<u>\$ 1,327</u>
Liabilities		
Accounts payable	\$ -	\$ 44
Due to other funds	<u>1,026</u>	<u>1,283</u>
Total liabilities	<u>\$ 1,026</u>	<u>\$ 1,327</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Food Service Special Revenue Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2013  
 (With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013		Over (Under) Budget	2012
	Budget	Actual		Actual
Revenue				
Local sources				
Other – primarily meal sales	\$ 17,900	\$ 14,146	\$ (3,754)	\$ 14,700
State sources	3,700	3,058	(642)	3,656
Federal sources	55,650	49,945	(5,705)	59,634
Total revenue	<u>77,250</u>	<u>67,149</u>	<u>(10,101)</u>	<u>77,990</u>
Expenditures				
Purchased services	5,000	3,491	(1,509)	6,543
Supplies and materials	96,000	82,288	(13,712)	95,073
Total expenditures	<u>101,000</u>	<u>85,779</u>	<u>(15,221)</u>	<u>101,616</u>
Excess (deficiency) of revenue over expenditures	(23,750)	(18,630)	5,120	(23,626)
Other financing sources				
Transfers in	<u>23,750</u>	<u>18,630</u>	<u>(5,120)</u>	<u>23,626</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 SCHOOL DISTRICT NO. 917

Internal Service Funds  
 Combining Statement of Net Position  
 as of June 30, 2013  
 (With Comparative Totals as of June 30, 2012)

	Dental Self-Insurance	Post-Employment Employee Benefits	Totals	
			2013	2012
<b>Assets</b>				
Cash and temporary investments	\$ 248,976	\$ 524,018	\$ 772,994	\$ 457,968
Accounts receivable	1,029	—	1,029	—
Due from other funds	—	—	—	152,013
Prepaid items	—	509	509	—
Total assets	250,005	524,527	774,532	609,981
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts and contracts payable	4,008	8,194	12,202	29,806
Severance benefits payable	—	98,380	98,380	20,542
Total current liabilities	4,008	106,574	110,582	50,348
<b>Long-term liabilities</b>				
Net other post-employment benefit obligation	—	700,338	700,338	578,192
Severance benefits payable	—	465,248	465,248	488,559
Total long-term liabilities	—	1,165,586	1,165,586	1,066,751
Total liabilities	4,008	1,272,160	1,276,168	1,117,099
<b>Net position (deficit)</b>				
Unrestricted	\$ 245,997	\$ (747,633)	\$ (501,636)	\$ (507,118)

INTERMEDIATE SCHOOL DISTRICT NO. 917

Internal Service Funds  
 Combining Statement of Revenue, Expenses, and Changes in Fund Net Position  
 Year Ended June 30, 2013  
 (With Comparative Totals for the Year Ended June 30, 2012)

	Dental Self-Insurance	Post-Employment Employee Benefits	Totals	
			2013	2012
Operating revenue				
Local sources				
Contributions from governmental funds	\$ 331,048	\$ 194,000	\$ 525,048	\$ 553,024
Operating expenses				
Post-employment severance and health benefits	–	226,441	226,441	148,971
Dental benefit claims	293,463	–	293,463	300,977
Total operating expenses	<u>293,463</u>	<u>226,441</u>	<u>519,904</u>	<u>449,948</u>
Operating income	37,585	(32,441)	5,144	103,076
Nonoperating revenue				
Investment earnings	<u>101</u>	<u>237</u>	<u>338</u>	<u>336</u>
Change in net position	37,686	(32,204)	5,482	103,412
Net position (deficit)				
Beginning of year	<u>208,311</u>	<u>(715,429)</u>	<u>(507,118)</u>	<u>(610,530)</u>
End of year	<u>\$ 245,997</u>	<u>\$ (747,633)</u>	<u>\$ (501,636)</u>	<u>\$ (507,118)</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Internal Service Funds  
 Combining Statement of Cash Flows  
 Year Ended June 30, 2013  
 (With Comparative Totals for the Year Ended June 30, 2012)

	Dental Self-Insurance	Post-Employment Employee Benefits	Totals	
			2013	2012
Cash flows from operating activities				
Contributions from governmental funds	\$ 331,048	\$ 194,000	\$ 525,048	\$ 553,024
Post-employment severance and health benefit payments	—	(42,083)	(42,083)	(37,185)
Payments for dental claims	(320,290)	—	(320,290)	(278,096)
Net cash provided by operating activities	10,758	151,917	162,675	237,743
Cash flows from noncapital financing activities				
Cash paid to other funds	—	152,013	152,013	(152,013)
Cash flows from investing activities				
Investment income received	101	237	338	336
Net change in cash and cash equivalents	10,859	304,167	315,026	86,066
Cash and temporary investments				
Beginning of year	238,117	219,851	457,968	371,902
End of year	\$ 248,976	\$ 524,018	\$ 772,994	\$ 457,968
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 37,585	\$ (32,441)	\$ 5,144	\$ 103,076
Adjustments to reconcile operating income to net cash provided by operating activities				
Changes in assets and liabilities				
Post-employment severance benefits payable	—	54,527	54,527	(39,523)
Net other post-employment benefit obligation	—	122,146	122,146	151,309
Accounts receivable	(1,029)	—	(1,029)	—
Prepaid items	—	(509)	(509)	—
Accounts payable	(25,798)	8,194	(17,604)	22,881
Net cash provided by operating activities	\$ 10,758	\$ 151,917	\$ 162,675	\$ 237,743

OTHER INFORMATION

INTERMEDIATE SCHOOL DISTRICT NO. 917

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	Capital Grants and Contributions	Investment Earnings and Other	
2004	\$ 13,748,514 93%	\$ 858,557 6%	\$ 36,463 -	\$ 89,667 1%	\$ 14,733,201 100%
2005	14,646,565 94%	845,216 5%	19,867 -	107,332 1%	15,618,980 100%
2006	15,285,571 94%	750,792 5%	14,796 -	234,665 1%	16,285,824 100%
2007	16,426,457 93%	837,561 5%	21,621 -	270,425 2%	17,556,064 100%
2008	18,090,478 94%	884,092 5%	23,469 -	281,238 1%	19,279,277 100%
2009	6,592,339 33%	12,759,841 63%	734,740 3%	133,252 1%	20,220,172 100%
2010	7,782,625 33%	14,567,950 62%	617,930 3%	599,235 2%	23,567,740 100%
2011	7,484,976 32%	15,265,005 65%	567,175 2%	224,526 1%	23,541,682 100%
2012	7,848,114 34%	14,720,483 63%	498,613 2%	136,147 1%	23,203,357 100%
2013	7,839,060 33%	15,177,273 64%	580,348 2%	126,115 1%	23,722,796 100%

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

INTERMEDIATE SCHOOL DISTRICT NO. 917

Government-Wide Expenses by Program  
Last Ten Fiscal Years

Year Ended June 30,	Administrative and Support Services	Secondary Vocational/ DCALS	Special Education Programs	Food Service	Interest and Fiscal Charges on Debt	Total
2004	\$ 1,051,279 7%	\$ 3,138,694 21%	\$ 11,072,294 73%	\$ - -	\$ - -	\$ 15,262,267 100%
2005	1,073,594 7%	3,492,142 22%	11,493,554 71%	- -	- -	16,059,290 100%
2006	1,112,460 7%	3,269,581 20%	11,708,188 73%	- -	- -	16,090,229 100%
2007	1,309,198 7%	3,239,749 19%	12,838,805 74%	- -	- -	17,387,752 100%
2008	1,143,629 6%	3,629,059 19%	14,148,809 74%	- -	223,767 1%	19,145,264 100%
2009	1,484,759 7%	3,698,703 18%	15,126,240 73%	- -	410,161 2%	20,719,863 100%
2010	1,279,128 6%	3,778,602 17%	16,753,538 75%	71,375 -	361,888 2%	22,244,531 100%
2011	1,614,185 7%	3,855,919 17%	16,699,413 74%	74,423 -	353,553 2%	22,597,493 100%
2012	1,765,768 8%	3,875,566 17%	17,292,500 74%	101,616 -	344,925 1%	23,380,375 100%
2013	1,998,969 8%	3,962,647 16%	18,097,103 74%	85,779 1%	335,885 1%	24,480,383 100%

Note: The Food Service Special Revenue Fund was established in fiscal year 2010.

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund Revenue by Source  
Last Ten Fiscal Years

	Year Ended June 30,	Tuition Revenue	Investment Earnings (Charges)	Other Revenue	State Revenue	Federal Revenue	Total
Secondary education	2004	\$ 2,675,474	\$ 11,830	\$ 62,787	\$ -	\$ 241,980	\$ 2,992,071
	2005	3,000,884	19,424	54,720	-	253,175	3,328,203
	2006	3,055,645	40,955	77,678	-	288,346	3,462,624
	2007	3,103,608	54,287	3,198	-	292,365	3,453,458
	2008	3,534,488	60,762	25,461	-	341,820	3,962,531
	2009	3,349,713	11,583	26,599	-	186,813	3,574,708
	2010	3,715,685	2,663	13,587	10,195	150,108	3,892,238
	2011	3,656,422	927	8,787	49,708	172,435	3,888,279
	2012	3,938,532	920	21,437	61,110	197,689	4,219,688
	2013	3,587,494	855	8,645	75,408	150,577	3,822,979
Special education	2004	10,919,002	(1,287)	202,505	-	540,209	11,660,429
	2005	11,468,180	(6,682)	134,097	-	560,570	12,156,165
	2006	11,950,232	(7,457)	208,229	1,000	446,384	12,598,388
	2007	13,082,524	(19,682)	208,659	-	450,424	13,721,925
	2008	14,331,589	(4,875)	177,538	-	455,666	14,959,918
	2009	3,004,086	4,242	202,077	12,035,354	464,375	15,710,134
	2010	3,332,630	221	603,186	13,721,390	561,110	18,218,537
	2011	3,087,411	(392)	390,143	14,210,549	735,457	18,423,168
	2012	2,962,399	(341)	529,239	14,199,467	172,752	17,863,516
	2013	3,202,954	44	546,076	14,861,033	5,000	18,615,107
Services allocation	2004	-	-	18,150	41,318	-	59,468
	2005	-	-	-	25,485	-	25,485
	2006	-	-	-	22,482	-	22,482
	2007	-	-	-	30,904	-	30,904
	2008	-	-	-	53,764	-	53,764
	2009	-	-	-	190,765	-	190,765
	2010	-	-	-	38,155	-	38,155
	2011	305,475	-	1,559	56,381	-	363,415
	2012	352,800	-	8,402	43,416	-	404,618
	2013	449,954	-	8,474	34,896	-	493,324
District support services	2004	-	-	2,376	-	-	2,376
	2005	-	-	99,698	-	-	99,698
	2006	-	(4,141)	185,532	-	-	181,391
	2007	-	-	179,943	-	-	179,943
	2008	-	-	155,710	-	-	155,710
	2009	-	-	64,729	-	-	64,729
	2010	44,033	-	51,691	-	-	95,724
	2011	39,670	-	31,831	-	-	71,501
	2012	24,600	-	26,485	-	-	51,085
	2013	-	-	44,058	-	-	44,058

(continued)

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund Revenue by Source (continued)  
Last Ten Fiscal Years

	Year Ended June 30,	Tuition Revenue	Investment Earnings (Charges)	Other Revenue	State Revenue	Federal Revenue	Total
Capital expenditure	2004	—	78	—	—	—	78
	2005	—	44	—	—	—	44
	2006	—	97	—	—	—	97
	2007	—	115	—	—	—	115
	2008	—	452	—	—	—	452
	2009	565,508	17,854	—	—	—	583,362
	2010	562,451	2,517	253,572	—	—	818,540
	2011	552,201	28,941	1,707	—	—	582,849
	2012	477,245	28,827	—	—	—	506,072
	2013	558,376	28,560	—	—	—	586,936
Secondary resale	2004	—	—	—	—	—	—
	2005	—	—	—	—	—	—
	2006	—	—	—	—	—	—
	2007	—	—	125,497	—	—	125,497
	2008	—	—	117,092	—	—	117,092
	2009	—	—	67,919	—	—	67,919
	2010	—	—	167,075	—	—	167,075
	2011	—	—	137,627	—	—	137,627
	2012	—	—	60,687	—	—	60,687
	2013	—	—	70,329	—	—	70,329
Special education resale	2004	—	—	—	—	—	—
	2005	—	—	—	—	—	—
	2006	—	—	—	—	—	—
	2007	—	—	17,368	—	—	17,368
	2008	—	—	19,349	—	—	19,349
	2009	—	—	22,886	—	—	22,886
	2010	—	—	22,620	—	—	22,620
	2011	—	—	21,279	—	—	21,279
	2012	—	—	19,406	—	—	19,406
	2013	—	—	17,856	—	—	17,856

Note 1: The Secondary Resale Account was established in fiscal year 2007.

Note 2: The Special Education Resale Account was established in fiscal year 2007.

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund Expenditures by Object  
Last Ten Fiscal Years

	Year Ended June 30,	Salary Expenditures	Employee Benefits Expenditures	Purchased Services Expenditures	Other Expenditures	Allocated Overhead	Total
Secondary education	2004	\$ 1,892,392	\$ 460,814	\$ 482,018	\$ 188,981	\$ 200,419	\$ 3,224,624
	2005	1,889,985	487,743	496,042	197,639	195,183	3,266,592
	2006	1,990,866	546,367	565,985	260,036	189,815	3,553,069
	2007	1,871,490	545,270	564,066	112,876	203,055	3,296,757
	2008	2,009,066	607,325	727,957	149,561	201,426	3,695,335
	2009	2,063,886	655,558	552,483	115,595	197,555	3,585,077
	2010	2,268,974	679,673	533,333	105,992	219,410	3,807,382
	2011	2,253,662	680,947	563,196	164,868	209,572	3,872,245
	2012	2,365,115	732,814	515,206	133,740	220,927	3,967,802
	2013	2,449,860	795,235	535,087	120,327	234,507	4,135,016
Special education	2004	7,399,074	1,807,684	1,458,179	317,152	736,785	11,718,874
	2005	7,573,709	1,997,793	1,405,226	414,445	753,184	12,144,357
	2006	7,718,588	2,143,520	1,403,163	395,922	764,969	12,426,162
	2007	8,395,050	2,441,463	1,496,680	383,206	881,392	13,597,791
	2008	9,194,539	2,804,869	1,561,057	475,149	864,291	14,899,905
	2009	9,656,932	3,149,781	1,629,135	353,336	920,575	15,709,759
	2010	10,298,835	3,538,306	1,787,311	691,957	937,527	17,253,936
	2011	10,405,760	3,800,881	1,914,616	553,662	998,333	17,673,252
	2012	10,813,236	4,049,078	1,277,070	968,086	1,021,841	18,129,311
	2013	11,308,037	4,313,213	1,516,683	678,276	1,060,534	18,876,743
Services allocation	2004	587,797	163,151	188,176	57,548	(937,204)	59,468
	2005	563,366	168,404	158,183	83,899	(948,367)	25,485
	2006	611,029	167,821	146,551	51,865	(954,784)	22,482
	2007	665,717	170,325	221,124	58,185	(1,084,447)	30,904
	2008	711,026	185,819	147,102	75,534	(1,065,717)	53,764
	2009	733,346	194,078	318,981	62,490	(1,118,130)	190,765
	2010	749,966	204,226	179,556	61,344	(1,156,937)	38,155
	2011	786,795	214,980	490,893	78,652	(1,207,905)	363,415
	2012	786,232	237,644	569,416	54,094	(1,242,768)	404,618
	2013	789,620	253,125	707,647	37,971	(1,295,039)	493,324
District support services	2004	1,003	126	14,023	8,698	—	23,850
	2005	63,625	15,555	101,453	(16,301)	—	164,332
	2006	50,055	14,146	162,234	(8,906)	—	217,529
	2007	66,830	22,666	84,585	—	—	174,081
	2008	—	—	135,085	—	—	135,085
	2009	3,518	451	67,754	—	—	71,723
	2010	17,851	2,310	59,937	6,575	—	86,673
	2011	18,715	2,419	34,564	20,043	—	75,741
	2012	14,916	3,696	26,936	6,594	—	52,142
	2013	—	—	44,060	—	—	44,060

(continued)

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund Expenditures by Object (continued)  
Last Ten Fiscal Years

	Year Ended June 30,	Salary Expenditures	Employee Benefits Expenditures	Purchased Services Expenditures	Other Expenditures	Allocated Overhead	Total
Capital expenditure	2004	--	--	25,485	19,140	--	44,625
	2005	--	--	--	--	--	--
	2006	--	--	--	--	--	--
	2007	--	--	--	--	--	--
	2008	--	--	--	6,802,482	--	6,802,482
	2009	2,802	238	210,640	558,208	--	771,888
	2010	--	--	15,512	578,439	--	593,951
	2011	--	--	70,060	557,978	--	628,038
	2012	--	--	73,093	574,847	--	647,940
	2013	--	--	26,673	622,286	--	648,959
Secondary resale	2004	--	--	--	--	--	--
	2005	--	--	--	--	--	--
	2006	--	--	--	--	--	--
	2007	29,140	6,449	53,112	59,080	--	147,781
	2008	16,588	2,687	24,423	50,785	--	94,483
	2009	18,063	2,914	23,520	18,036	--	62,533
	2010	17,225	2,863	32,560	104,851	--	157,499
	2011	18,760	3,133	29,480	75,164	--	126,537
	2012	--	--	12,293	47,733	--	60,026
	2013	--	--	13,099	52,500	--	65,599
Special education resale	2004	--	--	--	--	--	--
	2005	--	--	--	--	--	--
	2006	--	--	--	--	--	--
	2007	--	--	296	11,416	--	11,712
	2008	--	--	--	18,316	--	18,316
	2009	--	--	705	18,754	--	19,459
	2010	--	--	--	20,729	--	20,729
	2011	--	--	--	20,009	--	20,009
	2012	--	--	60	17,319	--	17,379
	2013	--	--	--	19,246	--	19,246

Note 1: The Secondary Resale Account was established in fiscal year 2007.

Note 2: The Special Education Resale Account was established in fiscal year 2007.

OTHER REQUIRED REPORTS

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

To the School Board and Management of  
Intermediate School District No. 917  
Rosemount, 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 School District No. 917 (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 29, 2013.

**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 communication is not suitable for any other purpose.

Minneapolis, Minnesota  
October 29, 2013

INDEPENDENT AUDITOR'S REPORT  
ON MINNESOTA LEGAL COMPLIANCE

To the School Board and Management of  
Intermediate School District No. 917  
Rosemount, 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 School District No. 917 (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 29, 2013.

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.

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.

Minneapolis, Minnesota  
October 29, 2013

INTERMEDIATE SCHOOL DISTRICT NO. 917

Uniform Financial Accounting and Reporting Standards  
Compliance Table  
June 30, 2013

		Audit	UFARS	Audit – UFARS
<b>General Fund</b>				
Total revenue		\$ 23,650,589	\$ 23,650,587	\$ 2
Total expenditures		\$ 24,282,947	\$ 24,282,947	\$ -
Nonspendable				
460	Nonspendable fund balance	\$ 80,710	\$ 80,710	\$ -
Restricted/reserve				
403	Staff development	\$ -	\$ -	\$ -
405	Deferred maintenance	\$ -	\$ -	\$ -
406	Health and safety	\$ -	\$ -	\$ -
407	Capital projects levy	\$ -	\$ -	\$ -
408	Cooperative revenue	\$ -	\$ -	\$ -
411	Severance pay	\$ -	\$ -	\$ -
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	\$ 34,589	\$ 34,589	\$ -
445	Career and technical programs	\$ -	\$ -	\$ -
446	First grade preparedness	\$ -	\$ -	\$ -
449	Safe schools levy	\$ -	\$ -	\$ -
450	Pre-kindergarten	\$ -	\$ -	\$ -
451	QZAB payments	\$ -	\$ -	\$ -
452	OPEB liability not in trust	\$ -	\$ -	\$ -
453	Unfunded severance and retirement levy	\$ -	\$ -	\$ -
Restricted				
464	Restricted fund balance	\$ 1,395,987	\$ 1,395,987	\$ -
Committed				
418	Committed for separation	\$ -	\$ -	\$ -
461	Committed fund balance	\$ -	\$ -	\$ -
Assigned				
462	Assigned fund balance	\$ 110,661	\$ 110,661	\$ -
Unassigned				
422	Unassigned fund balance	\$ 4,082,678	\$ 4,082,677	\$ 1
<b>Food Service</b>				
Total revenue		\$ 67,149	\$ 67,150	\$ (1)
Total expenditures		\$ 85,779	\$ 85,779	\$ -
Nonspendable				
460	Nonspendable fund balance	\$ -	\$ -	\$ -
Restricted				
452	OPEB liability not in trust	\$ -	\$ -	\$ -
464	Restricted fund balance	\$ -	\$ -	\$ -
Unassigned				
463	Unassigned fund balance	\$ -	\$ -	\$ -
<b>Community Service</b>				
Total revenue		\$ -	\$ -	\$ -
Total expenditures		\$ -	\$ -	\$ -
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 SCHOOL DISTRICT NO. 917

Uniform Financial Accounting and Reporting Standards  
Compliance Table (continued)  
June 30, 2013

	Audit	UFARS	Audit – UFARS
<b>Building Construction</b>			
Total revenue	\$ 198	\$ 198	\$ --
Total expenditures	\$ 164,382	\$ 164,382	\$ --
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	\$ 306,437	\$ 306,437	\$ --
Unassigned			
463 Unassigned fund balance	\$ --	\$ --	\$ --
<b>Debt Service</b>			
Total revenue	\$ --	\$ --	\$ --
Total expenditures	\$ --	\$ --	\$ --
Nonspendable			
460 Nonspendable fund balance	\$ --	\$ --	\$ --
Restricted/reserve			
425 Bond refundings	\$ --	\$ --	\$ --
451 QZAB payments	\$ --	\$ --	\$ --
Restricted			
464 Restricted fund balance	\$ --	\$ --	\$ --
Unassigned			
463 Unassigned fund balance	\$ --	\$ --	\$ --
<b>Trust</b>			
Total revenue	\$ 2,025	\$ 2,026	\$ (1)
Total expenditures	\$ 385	\$ 385	\$ --
422 Net position	\$ 2,855	\$ 2,855	\$ --
<b>Internal Service</b>			
Total revenue	\$ 525,386	\$ 525,386	\$ --
Total expenditures	\$ 519,904	\$ 519,904	\$ --
422 Net position	\$ (501,636)	\$ (501,636)	\$ --
<b>OPEB Revocable Trust Fund</b>			
Total revenue	\$ --	\$ --	\$ --
Total expenditures	\$ --	\$ --	\$ --
422 Net position	\$ --	\$ --	\$ --
<b>OPEB Irrevocable Trust Fund</b>			
Total revenue	\$ --	\$ --	\$ --
Total expenditures	\$ --	\$ --	\$ --
422 Net position	\$ --	\$ --	\$ --
<b>OPEB Debt Service Fund</b>			
Total revenue	\$ --	\$ --	\$ --
Total expenditures	\$ --	\$ --	\$ --
Nonspendable			
460 Nonspendable fund balance	\$ --	\$ --	\$ --
Restricted			
425 Bond refundings	\$ --	\$ --	\$ --
464 Restricted fund balance	\$ --	\$ --	\$ --
Unassigned			
463 Unassigned fund balance	\$ --	\$ --	\$ --

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

INTERMEDIATE SCHOOL DISTRICT NO. 917  
ROSEMOUNT, MINNESOTA

Extracurricular Student Activity  
Accounts Financial Statements

Year Ended  
June 30, 2013

Preliminary Draft

## INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of  
Intermediate School District No. 917  
Rosemount, Minnesota

### **REPORT ON THE FINANCIAL STATEMENT**

We have audited the accompanying statement of cash receipts and disbursements of the extracurricular student activity accounts of Intermediate School District No. 917 (the District) as of and for the year ended June 30, 2013, and the related notes to the extracurricular student activity accounts financial statement.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENT**

The District's extracurricular student activities management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1 of notes to extracurricular student activity accounts financial statement; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to error or fraud.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of 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 opinion.

(continued)

## **OPINIONS**

In our opinion, except for such adjustments, if any, as might have been determined to be necessary had the cash collections referred to in the emphasis of matter paragraph below been susceptible to satisfactory audit tests, the financial statement referred to on the previous page presents fairly, in all material respects, the cash balances of the District's extracurricular student activity accounts as of June 30, 2013, and the cash receipts and disbursements for the year then ended, on the cash basis of accounting described in Note 1 of the notes to extracurricular student activity accounts financial statement.

## **EMPHASIS OF MATTER**

The District has not established procedures to provide assurance that all cash collections are recorded in the accounting records. Accordingly, it was not practical for us to extend our audit of such cash collections beyond the amounts recorded.

## **BASIS OF ACCOUNTING**

We draw attention to Note 1 of the notes to extracurricular student activity accounts financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Minneapolis, Minnesota  
October 29, 2013

INTERMEDIATE SCHOOL DISTRICT NO. 917

Extracurricular Student Activity Accounts  
Statement of Cash Receipts and Disbursements  
Year Ended June 30, 2013

	Beginning Balance – July 1, 2012	Receipts	Disbursements	Ending Balance – June 30, 2013
Student activity accounts				
Alliance Education Center	\$ 246	\$ 2,125	\$ 2,230	\$ 141
Construction Trades	49	–	49	–
DCALS	299	69	369	–
DCALS North	72	–	55	16
Deaf & Hard of Hearing (DHOH)	543	555	353	745
IDEA Satellite	166	113	279	–
Secondary Auto Body	48	–	–	48
Secondary Graphics	37	2,431	2,431	37
Secondary Heavy Duty Truck	40	49	33	56
Secondary Youth	–	452	69	383
SKILLS USA	81	7,377	7,007	451
TESA	–	163	163	–
Vehicle Services	13	365	361	17
	<u>\$ 1,593</u>	<u>\$ 13,698</u>	<u>\$ 13,398</u>	<u>\$ 1,893</u>
Total	<u>\$ 1,593</u>	<u>\$ 13,698</u>	<u>\$ 13,398</u>	<u>\$ 1,893</u>

See notes to extracurricular student activity accounts financial statement

INTERMEDIATE SCHOOL DISTRICT NO. 917

Notes to Extracurricular Student Activity Accounts Financial Statement  
June 30, 2013

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

Extracurricular student activity fund transactions are defined as extracurricular programs conducted for the motivation and enjoyment of students. These programs and activities are not offered for school credits nor required for graduation. Activities are generally conducted outside of school hours. The content of the activities is determined primarily by the students, under the guidance of a staff member or other adult.

Extracurricular student activities are to be self-sustaining with all expenses paid by dues, admissions, or other student fundraising events.

The accounts of Intermediate School District No. 917's (the District) extracurricular student activity accounts are maintained, and the accompanying financial statement has been prepared, on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Consequently, receipts are recorded when received rather than when earned, and disbursements are recognized when paid rather than when the obligations are incurred.

**NOTE 2 – CASH AND INVESTMENTS**

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the School Board for extracurricular student activity accounts.

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

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

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

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

At year-end, all deposits were fully covered by federal depository insurance, surety bonds, or by collateral held by the District's agent in the District's name.

OTHER REQUIRED REPORTS

INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING

To the School Board and Management of  
Intermediate School District No. 917  
Rosemount, Minnesota

In planning and performing our audit of the statement of cash receipts and disbursements of the extracurricular student activity accounts of Intermediate School District No. 917 (the District) as of and for the year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies to be material weaknesses:

The District records student activity receipts on a cash basis, and has not established procedures to ensure that all cash collections are recorded in the accounting records.

The District does not have adequate segregation of duties over the processing and reporting of its extracurricular student activity account receipts and disbursements, such that no individual has responsibility to execute a transaction, has physical access to the related assets, and has responsibility or authority to record the transaction.

This report is intended solely for the information and use of those charged with governance, management of the District, and the state of Minnesota and is not intended to be, and should not be, used by anyone other than these specified parties.

Minneapolis, Minnesota  
October 29, 2013

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

To the School Board and Management of  
Intermediate School District No. 917  
Rosemount, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statement of cash receipts and disbursements of the extracurricular student activity accounts of Intermediate School District No. 917 (the District) as of and for the year ended June 30, 2013, and the related notes to the extracurricular student activity accounts financial statement, and have issued our report thereon dated October 29, 2013. Our report was qualified for a restriction on the scope of our audit resulting from the accounting system relating to cash receipts, which allows us only to audit cash collections that are recorded. Further, the financial statement is prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The provisions of the *Manual for Activity Fund Accounting*, issued by the Minnesota Department of Education, provides uniform financial accounting and reporting standards for student activities. Compliance with student activity laws and regulations is the responsibility of the District's extracurricular student activity accounts management. We have performed auditing procedures to test compliance with the provisions of this manual. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the *Manual for Activity Fund Accounting*, except as described in the Schedule of Findings and Corrective Action. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions.

The District's responses to the legal compliance findings identified in our audit have been included in the Schedule of Findings and Corrective Action. The District's responses were not subject to the auditing procedures applied in our audit of the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of those charged with governance, management of the District, and the state of Minnesota and is not intended to be, and should not be, used by anyone other than these specified parties.

Minneapolis, Minnesota  
October 29, 2013

INTERMEDIATE SCHOOL DISTRICT NO. 917

Extracurricular Student Activity Accounts  
Schedule of Findings and Corrective Action  
For the Year Ended June 30, 2013

**FINDINGS AND CORRECTIVE ACTION**

**EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS**

**2013-001 Inactive Accounts**

**Condition** – One activity accounted for by Intermediate School District No. 917 (the District) as a student activity during the year ended June 30, 2013 was inactive and needs to be closed.

**Type of Finding** – Current year and prior year finding.

**Criteria** – *Manual for Activity Fund Accounting.*

**Recommendation** – It is our recommendation that the District assure all student activity accounts are still active, close all inactive accounts, and transfer residual balances to another active student activity account.

**2013-002 Receipt Documentation**

**Condition** – Four of five cash receipts we tested accounted for by the District as student activities lacked documentation to allow us to determine if it was deposited in a timely manner during the year ended June 30, 2013.

**Type of Finding** – Current year and prior year finding.

**Criteria** – *Manual for Activity Fund Accounting.*

**Recommendation** – We recommend that the individuals that oversee student activity accounts make regular deposits within the timeframe required by the *Manual for Activity Fund Accounting.*

**2013-003 Disbursement Authorization**

**Condition** – Two of ten checks tested were not accompanied by supervisor signatures which did not allow us to determine if the disbursements were properly authorized during the year ended June 30, 2013.

**Type of Finding** – Current year finding.

**Criteria** – *Manual for Activity Fund Accounting.*

**Recommendation** – We recommend that the individuals that oversee check disbursements ensure that checks receive proper authorization before being disbursed.

INTERMEDIATE SCHOOL DISTRICT NO. 917

Extracurricular Student Activity Accounts  
Schedule of Findings and Corrective Action (continued)  
For the Year Ended June 30, 2013

**FINDINGS AND CORRECTIVE ACTION (CONTINUED)**

**EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS (CONTINUED)**

**Corrective Action Plan for Extracurricular Student Activity Accounts Internal Controls  
Over Financial Reporting Findings and Findings 2013-001, 2013-002, 2013-003**

Actions Planned – The District will assess internal controls over student activity accounts to ensure adequate controls are in place. The District will require all accounts to be active, proper receipt documentation to be on file, and disbursements to be properly authorized.

Official Responsible – Business Manager.

Planned Completion Date – June 30, 2014.

Disagreement With or Explanation of Finding – The District has no disagreement with the findings.

Plan to Monitor – The Business Manager will also review the internal controls over student activity accounts to ensure the planned controls are being followed and these findings are eliminated in the future.

**DISTRICT REVENUES AND EXPENDITURES  
BUDGET FOR FY 2013 AND FY 2014**

ED-00110-37

**GENERAL INFORMATION:** Minnesota Statutes, section 123B.10 requires that every school board shall publish the subject data of this report.

District Name:

District Number:

FUND	FY 2013 BEGINNING FUND BALANCES	FY 2013 ACTUAL REVENUES AND TRANSFERS IN	FY 2013 ACTUAL EXPENDITURES AND TRANSFERS OUT	JUNE 30, 2013 ACTUAL FUND BALANCES	FY 2014 BUDGET REVENUES AND TRANSFERS IN	FY 2014 BUDGET EXPENDITURES AND TRANSFERS OUT	JUNE 30, 2014 PROJECTED FUND BALANCES
General Fund/Restricted	\$ 1,458,010.00	\$ 1,407,944.75	\$ 1,435,378.76	\$ 1,430,575.99	\$ 1,525,266.00	\$ 1,525,266.00	\$ 1,430,575.99
General Fund/Other	\$ 4,892,604.73	\$ 22,247,641.44	\$ 22,866,198.13	\$ 4,274,048.04	\$ 23,314,006.00	\$ 23,504,557.00	\$ 4,083,497.04
Food Service Fund	\$ -	\$ 85,779.27	\$ 85,779.27	\$ -	\$ 94,275.00	\$ 94,275.00	\$ -
Community Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building Construction Fund	\$ 470,620.65	\$ 197.87	\$ 164,381.56	\$ 306,436.96	\$ -	\$ 232,879.00	\$ 73,557.96
Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Trust Fund	\$ 1,214.50	\$ 2,025.55	\$ 385.00	\$ 2,855.05	\$ 2,779.00	\$ 2,779.00	\$ 2,855.05
Internal Service Fund	\$ (507,118.56)			\$ (501,636.56)			\$ (478,936.56)
* OPEB Revocable Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OPEB Irrevocable Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OPEB Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL - ALL FUNDS</b>	<b>\$ 6,315,331.32</b>	<b>\$ 23,743,588.88</b>	<b>\$ 24,552,122.72</b>	<b>\$ 5,512,279.48</b>	<b>\$ 24,936,326.00</b>	<b>\$ 25,359,756.00</b>	<b>\$ 5,111,549.48</b>
<b>LONG-TERM DEBT</b>			<b>CURRENT STATUTORY OPERATING DEBT PER MINNESOTA STATUTES, SECTION 123B.81</b>				
Outstanding July 1, 2012	\$ -		AMOUNT OF GENERAL FUND DEFICIT, IF ANY, IN EXCESS OF 2.5% OF EXPENDITURES 06/30/2013			\$ -	
Plus: New Issues	\$ -		<b>COST PER STUDENT - AVERAGE DAILY MEMBERSHIP (ADM) 06/30/2013</b>				
Less: Redemmed Issues	\$ -		TOTAL OPERATING EXPENDITURES			\$ -	
Outstanding June 30, 2013	\$ -		FY 2013 TOTAL ADM SERVED + TUITIONED OUT ADM + ADJUSTED EXTENDED ADM			\$ 791.96	
<b>SHORT-TERM DEBT</b>			FY 2013 OPERATING COST PER ADM				
Certificates of Indebtedness	\$ -						
Other Short-Term Indebtedness	\$ -						

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

Comments:

FY2103 Data is unaudited at time of publication and subject to change until final submission November 30, 2013 to MN. Department of Education. Due to the special nature of our student population operating cost per ADM is not relevant for reporting purposes. FY14 data is the adopted budget approved by board on June 5, 2013.

\* Other Post-Employment Benefits (OPEB)

**INSTRUCTIONS FOR FY 2013 AND FY 2014 BUDGET PUBLICATION  
BY MINNESOTA SCHOOL DISTRICTS**

**I. Publication Requirements**

The DISTRICT REVENUES AND EXPENDITURES BUDGET FOR FY 2013 AND FY 2014 (Form ED-00110) shall be published by each school district "within one week of the acceptance of the final audit by the board, or November 30, whichever is earlier." "The board must post the materials in a conspicuous place on the district's official website, including a link to the district's school report card on the Minnesota Department of Education's website, and publish a summary of the information and the address of the district's official website where the information can be found in a qualified newspaper of general circulation in the district." (Minnesota Statutes, section 123B.10, Subd.1.)

***DO NOT furnish a copy of the publication or the publication form to the Minnesota Department of Education.***

**II. General Comments**

This form can serve as a camera-ready or electronic copy for publication in the district's official newspaper and on the district official website. Explanatory comments may be added for clarification of the district's financial condition. Examples of comments include: "Data is unaudited at the time of publication and is subject to change." "Part of the Debt Service Fund Balance is required to pay off refunded bonds." "Costs include transportation for district resident students who attend a charter or nonpublic school."

**III. General Instructions**

For FY 2013 and FY 2014, individual fund descriptions are listed below and an **EXCEL INSTRUCTION TAB IS PROVIDED FOR RECORDING ACTUAL/BUDGETED REVENUES, EXPENDITURES AND FUND BALANCES.**

**A. Funds**

**1. General Fund/Restricted (01)**

Includes Restricted (464) and Restricted/Reserved (various) balance sheet accounts.

**2. General Fund/Other (01)**

Includes Nonspendable (460), Committed (461), Assigned (462) and Unassigned (422) balance sheet accounts.

**3. Food Service Fund (02)**

Includes Nonspendable (460), Restricted (464) and Restricted/Reserved (452) balance sheet accounts or Unassigned (463) if reporting a deficit fund balance.

**4. Community Service Fund (04)**

Includes Nonspendable (460), Restricted (464) and Restricted/Reserved (426, 431, 432, 444, 447, 452) balance sheet accounts or Unassigned (463) if reporting a deficit fund balance.

**5. Building Construction Fund (06)**

Includes Nonspendable (460), Restricted (464), Restricted/Reserved (407, 409, 413) balance sheet accounts or Unassigned (463) if reporting a deficit fund balance.

**6. Debt Service Fund (07)**

Includes Nonspendable (460), Restricted (464), Restricted/Reserved (425, 451) balance sheet accounts. Includes Unassigned (463) balance sheet account if reporting a deficit fund balance.

**7. Trust Fund (08)**

Includes the Unassigned (422) fund balance (Net Assets).

**8. Internal Service Fund (20)**

The internal service fund is most frequently used for self-insurance programs. Includes the Unassigned (422) fund balance (Net Assets).

**9. OPEB Revocable Trust (25)**

Includes the Unassigned (422) fund balance (Net Assets).

**10. OPEB Irrevocable Trust (45)**

Includes the Unassigned (422) fund balance (Net Assets).

**11. OPEB Debt Service Fund (47)**

Includes Nonspendable (460), Restricted (464) balance sheet accounts or Unassigned (463) if reporting a deficit fund balance.

**B. Long-Term Debt**

#####

**C. Short-Term Debt**

**1. Certificates of Indebtness**

As of 6/30/13, if the district has aid/tax certificates of indebtedness (Minnesota Statutes, section 126C.52), enter the total amount in the line provided. If the district has no aid/tax certificates of indebtedness as of 6/30/13, enter "None."

**2. Other Short-Term Indebtness**

As of 6/30/13, if the district has short-term indebtedness such as Warrants, Lines of Credit (Minnesota Statutes, section 123B.12) and/or Repurchase Agreements (Minnesota Statutes, section 118A.05), enter the total amount in the line provided. If the district has no short-term indebtedness as of 6/30/13, enter "None."

The sum of the Certificates of Indebtedness and Other Short-Term Indebtedness should equal the amount reported on UFARS in balance sheet account 202.

**D. Current Statutory Operating Debt (SOD) Calculation**

#####

**E. Cost Per Average Daily Membership (ADM)**

1. To calculate total operating expenditures in the General, Food Service and Community Service Funds, exclude the following restricted/reserved expenditures: Operating Capital – Fund 1 (Finance 302), Capital Projects Levy – Fund 1 (Finance 795), Disabled Accessibility – Fund 1 (Finance 794), Deferred Maintenance – Fund 1 (Finance 385), Alternative Facilities Program – Fund 1 (Finance 386), Health and Safety – Fund 1 (Finance 347, 349, 352, 358, 363, 366).

2. In an effort to provide greater uniformity between School District Profiles, the District Report Card and Consolidated Financial Statements, the Average Daily Membership is derived from the District/School ADM Report available from the Program Finance web page under Minnesota Funding Reports/Student. The student number equals the sum of:

- a) District ADM Served page – total ADM, Column O (Total Served)
  - b) General Education Revenue page – total ADM, columns 7 and 8 (Tuitioned Out)
  - c) Categorical or No Revenue page – total ADM, column 17 (Adjusted Extended)
3. The operating cost per ADM is calculated by dividing the FY 2013 operating expenditures calculated in item 2 by the FY 2013 ADM calculated in item 1.

**EXCEL INSTRUCTIONS FOR FY 2013 AND FY 2014 BUDGET PUBLICATION  
BY MINNESOTA SCHOOL DISTRICTS**

The FY 2013 and FY 2014 Budget Publication Form ED-00110-36 is provided in an Excel format to include formulas for budget calculations. The following steps reference cell entries and formulas for both manual and automatic budget section calculations. **FY 2013 BEGINNING FUND BALANCES MAY INCLUDE NEGATIVE NUMBERS. POSITIVE NUMBERS MUST BE ENTERED IN ALL OTHER CELLS WITHOUT FORMULAS OR THE EXCEL ENTRIES WILL BE INCORRECT.** Cells with formulas have been highlighted in yellow:

<b>FY 13 AND FY 14 ACTUAL/BUDGET COLUMNS AND APPLICABLE FUND CATEGORY ENTRIES</b>
<ol style="list-style-type: none"> <li>1. In cells C8-C18, enter FY 2013 Beginning Fund Balances.</li> <li>2. In cells D8-D14 and D16-D18, enter FY 2013 Actual Revenues and Transfers In.</li> <li>3. In cells E8-E14 and E16-E18, enter FY 2013 Actual Expenditures and Transfers Out.</li> <li>4. In cell F15, enter the Internal Service Fund June 30, 2013 Actual Fund Balance.</li> <li>5. In cells G8-G14 and G16-G18, enter estimated FY 2014 Budgeted Revenues and Transfers In.</li> <li>6. In cells H8-H14 and H16-H18, enter estimated FY 2014 Budgeted Expenditures and Transfers Out.</li> <li>7. In cell I15, enter the Internal Service Fund June 30, 2014 Projected Fund Balance.</li> </ol> <p><b><i>Formulas have been provided in the following cells to automatically calculate entries in items 1 - 7 above:</i></b></p> <ol style="list-style-type: none"> <li>8. June 30, 2013 Actual Fund Balances: Cells F8-F14; F16-F18</li> <li>9. June 30, 2014 Projected Fund Balances: Cells I8-I14; I16-I18</li> <li>10. Total - All Funds: Cells C19-I19</li> </ol>

<b>LONG-TERM DEBT ENTRIES</b>
<ol style="list-style-type: none"> <li>1. In cell C21, enter the Long-Term Debt Outstanding Beginning Balance as of July 1, 2012.</li> <li>2. In cell C22, enter the New Issues added to the Long-Term Debt (positive amount).</li> <li>3. In cell C23, enter the Redeemed Issues to the Long-Term Debt (positive amount).</li> <li>4. A formula has been entered in cell C24 to automatically calculate item 1, plus item 2, minus item 3 to display the Outstanding June 30, 2013 Long-Term Debt balance.</li> </ol>

<b>SHORT-TERM DEBT ENTRIES</b>
<ol style="list-style-type: none"> <li>1. In cell C26, enter Short-Term Certificates of Indebtedness according to the General Instructions, Section C1.</li> <li>2. In cell C27, enter Other Short-Term Indebtedness according to the General Instructions, Section C2.</li> </ol>

<b>CURRENT STATUTORY OPERATING DEBT PER MINNESOTA STATUTES, SECTION 123B.81</b>
<ol style="list-style-type: none"> <li>1. In cell H22, enter the amount of General Fund Deficit, if any, in excess of 2.5% for General Fund expenditures 06/30/2013.</li> </ol>

<b>COST PER STUDENT - AVERAGE DAILY MEMBERSHIP (ADM) 06/30/13 ENTRIES</b>
<ol style="list-style-type: none"> <li>1. In cell H25, enter Total Operating Expenditures according to the General Instructions, Section E1.</li> <li>2. In cell H26, enter ADMS calculated according to the General Instructions, Section E2.</li> <li>3. A formula has been entered in cell H27 to automatically calculate item 1, divided by item 2 to display the total FY 2013 Operating Cost Per ADM.</li> </ol>



**JOINT POWERS AGREEMENT BETWEEN  
THE COUNTY OF DAKOTA AND  
INTERMEDIATE SCHOOL DISTRICT 917  
FOR FACILITATION AND COORDINATION  
FOR THE COMMUNITY TRANSITION INTERAGENCY COMMITTEE**

This Agreement is made and entered into by and between the County of Dakota, by and through the Community Services Division, ("County") and Intermediate School District No. 917, 1300 145<sup>th</sup> Street East, Rosemount, MN 55068 ("School District"); and

WHEREAS, the County and School District are governmental units as that term is defined in Minn. Stat. § 471.59; and

WHEREAS, Minn. Stat. § 471.59 authorizes local governmental units to jointly or cooperatively exercise any power common to the contracting parties; and

WHEREAS, Minn. Stat. § 125A.023 requires the development and implementation of a coordinated, multidisciplinary, interagency intervention service system for children ages 3 to 21 with disabilities; and

WHEREAS, Minn. Stat. § 125A.22 requires a district, group of districts, in cooperation with the County in which the district is located, to establish a community transition interagency committee for youth with disabilities, beginning at grade 9 or age equivalent, and their families; and

WHEREAS, the School District is authorized to provide special education and other educational services to students pursuant to Minn. Stat. Ch. 136D at the request of a school district; and

WHEREAS, this Agreement is at the request of the following local school districts located in Dakota County, Minnesota: Special School District No. 6 and Independent School District Nos. 191, 192, 194, 195, 196, 197, 199, 200 and Intermediate School District 917; and

WHEREAS, the School District desires to retain and compensate a qualified party to provide facilitation and coordination for the Community Transitions Interagency Committee ("CTIC") as herein described; and

WHEREAS, the County desires and is qualified to provide facilitation and coordination for the CTIC as herein described; and

WHEREAS, the County understands and agrees that:

1. The County is not an agent, servant, or employee of the School District and shall not make any such representations nor hold itself out as such; and
2. The County shall have no authority to bind the School District for the performance of any services or to otherwise obligate the School District, authority being specifically limited to the duties assigned under this Agreement; and
3. The County employees performing under this Agreement shall not accrue any continuing contract rights for the services performed pursuant to this Agreement, including but not limited to those afforded by Minn. Stat. § 122A.40, and the County specifically waives any and all rights thereto; and

WHEREAS, the Dakota County Board of Commissioners by Resolution No. 13-377 authorized the County to enter into an agreement with the School District for the provision of facilitation and coordination for the CTIC by the County to the School District; and

WHEREAS, the School District is willing to retain the County to provide facilitation and coordination for the CTIC.

NOW, THEREFORE, in consideration of the mutual promises and benefits that the County and School District shall derive from this Agreement and other good and valuable consideration, the County and School District hereby enter into this Agreement for the purposes stated herein.

Article 1  
PURPOSE

The purpose of this Agreement is to set out the respective duties and responsibilities of the County and the School District for the provision of facilitation and coordination for the CTIC by the County to the School District, as herein described.

Article 2  
TERM

This Agreement shall be effective the date of the signatures of the parties to this Agreement, or from the commencement of services as herein described, whichever is first, and shall remain in effect through June 30, 2014, or until completion by the parties of their respective obligations under this Agreement, whichever occurs first, unless earlier terminated by law or according to the provisions of this Agreement. This Agreement may be terminated with or without cause, by either party upon thirty (30) days written notice. Upon early termination, the County will be entitled only to a proportionate share of the compensation described in Article 6.

Article 3  
COOPERATION

The County and the School District agree to cooperate and use their reasonable efforts to ensure prompt implementation of the various provisions of this Agreement and to, in good faith, undertake resolution of any dispute in an equitable and timely manner.

Article 4  
PROVISION OF SERVICES

The County agrees to provide facilitation and coordination services for the CTIC as follows:

- A. Provide 300 hours of facilitation and coordination for the CTIC;
- B. Maintain accurate and current documentation of the services as herein described in accordance with professional standards;
- C. Comply with all applicable federal, state, and local laws and/or regulations applicable to the services as herein described;
- D. Provide staff with the necessary qualifications, certifications and/or registrations required by federal, state and local laws and regulations, and standards of professional practice applicable to the services as herein described; and
- E. Maintain professional standards and principles as defined in federal, state and local laws and regulations, and standards of professional practice applicable to the services as herein described.

Article 5  
RECORDS AND REPORTS

The County agrees to keep and maintain such records for and provide reports on the services as herein described as may be required by any fiscal intermediary, federal, state or local governmental agency.

Article 6  
COMPENSATION

6.1 Total Compensation. The School District shall pay the County an amount not to exceed Twelve Thousand and No/100 Dollars (\$12,000.00) for the services herein described.

In the event this Agreement is terminated by the parties prior to completion of the services, payment shall be made by the School District to the County on a prorated basis for the services furnished prior to termination of the Agreement.

6.2 Invoices. The County shall, within fifteen (15) working days following the last day of June 2014 submit an invoice and request for payment on an invoice form acceptable to the School District, which provides an itemization of the services provided and the dates of the performance period covered by the invoice.

The School District shall notify the County in writing within fifteen (15) working days of receipt of an invoice of any particular item that is disputed or alleged to be incorrect. The payment of any such disputed amount shall be withheld until

such time as the disputed amount is resolved or the incorrect amount is corrected. The School District shall submit payment within thirty-five (35) days of the date it receives the invoice.

Article 7  
PROPERTY

The School District shall make available for the County's use appropriate space to provide the services as herein described. The County will provide basic equipment and materials for the provision of the services as herein described. Upon termination of this Agreement, any property or surplus funds acquired as a result of the School District's compensation to the County shall be returned to the School District after the purpose of this Agreement has been completed.

Article 8  
LIABLE FOR OWN ACTS

Each party to this Agreement shall be liable for the acts of their own agents, volunteers or employees and results thereof to the extent authorized by law and shall not be responsible for the acts of the other party, its officers, agents, volunteers or employees.

It is understood and agreed that the provisions of the Minn. Stat. § 471.59, the Municipal Tort Claims Act, Minn. Ch. 466 and other applicable laws govern liability arising from the parties' acts or omissions. Each party warrants that they are able to comply with the aforementioned indemnity requirements through an insurance or self-insurance program and that each has minimum coverage consistent with the liability limits contained in Minn. Stat. Ch. 466.

The provisions of Article 8 shall survive the expiration or termination of this Agreement.

Article 9  
INDEPENDENT CONTRACTOR

The County is and shall remain an independent contractor with respect to any and all work performed under this Agreement. The County on behalf of its employees and agents shall at all times be free to exercise initiative, judgment and discretion as to how to best perform or provide the services as herein described.

The County acknowledges and agrees that the County on behalf of its employees and agents is not entitled to receive any of the benefits received by School District employees and is not eligible for workers' or unemployment compensation benefits under the School District. The County also acknowledges and agrees that no withholding or deduction for state or federal income taxes, FICA, FUTA, or otherwise, will be made from the payments due the County and that it is the County's sole obligation to comply with the applicable provisions of all federal and state tax laws.

Article 10  
GENERAL

10.1 Notices. The School District or County may, by giving written notice to the other party, designate any address or addresses to which notices or other communications to them shall be sent when required by or related to this Agreement. Until otherwise provided by the respective parties, all notices or communications shall be addressed as follows:

To the School District:

Intermediate School District 917  
Attn: Melissa Schaller  
1300 145<sup>th</sup> Street East  
Rosemount, MN 55068

To the County:

Joan Granger-Kopesky, Community Services Deputy Director  
Dakota County Community Services  
14955 Galaxie Avenue  
Apple Valley, MN 55124

10.2 Amendments. No amendments or variations of the terms and conditions of this Agreement shall be valid unless in writing and signed by the parties.

10.3 Severability. All terms and covenants contained in this Agreement are severable. In the event any provision of this Agreement shall be held invalid by any court of competent jurisdiction, this Agreement shall be interpreted as if such invalid terms or covenants were not contained in the Agreement and that such holding shall not invalidate or render unenforceable any other provision.

10.4 Choice of Law. The laws of the state of Minnesota shall govern as to the interpretation, validity, and effect of this Agreement. The captions and headings of the provisions under this Agreement are for convenience only and shall not be considered or referred to concerning questions of interpretation or construction.

10.5. Data Privacy. The parties agree that any information and data received from the other party during the term of this Agreement shall be treated and maintained in accordance with all applicable federal, state, and local laws, rules and regulations governing same, including but not limited to the provisions of the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13 and the Minnesota Rules implementing the Act now in force or hereafter adopted. The County and the School District agree to provide to each other data which is reasonably necessary to fulfill the purpose of this Agreement, provided such sharing of data is done in accordance with the Minnesota Government Data Practices Act and other state and federal law regulating the dissemination of data.

10.6 Health Insurance Portability & Accountability Act. The parties agree to comply with the requirements of the Health Insurance Portability & Accountability Act (HIPAA) which are applicable to the duties under this Agreement. In performing its obligations under this Agreement, the parties agree to comply with the HIPAA Privacy requirements, the HIPAA Standards for Electronic Transactions, the HIPAA security requirements, and any other applicable HIPAA laws, standards and requirements now in effect or hereinafter adopted as they become law.

10.7 Non-Appropriation. Notwithstanding any provision of this Agreement to the contrary, this Agreement may be terminated by either party in the even sufficient funds from the County, State, Federal or other sources are not appropriated, obtained and continued at least at the level relied on for the performance of this Agreement, and the non-appropriation of funds did not result from the any act of bad faith on the part of the terminating party.

10.8 Entire Agreement. This Agreement is the entire agreement for the provision of the services as herein described between the School District and the County and it supersedes all prior written or oral agreements on this program. There are no covenants, promises, undertakings, or understandings outside of this Agreement other than those as specifically set forth. Any term, condition, prior course of dealing, course of performance, usage of trade, understanding, or agreement purporting to modify, vary, supplement, or explain any provision of this Agreement is null and void and of no effect unless in writing and signed by representatives of both parties authorized to amend this Agreement.

IN WITNESS WHEREOF, this Agreement was entered into on the date(s) set forth below and the undersigned, by execution hereof, represent that they are authorized to enter into this Agreement on behalf of the respective parties and state that this Agreement has been read by them and that the undersigned understand and fully agree to every provision, and hereby acknowledge receipt of a copy.

Approved by Dakota County Board  
Resolution No. 13-377

Approved as to form:

Margaret M. Johnson 8/22/13  
Assistant County Attorney/Date  
File No. #KS-13-237

COUNTY OF DAKOTA

By \_\_\_\_\_  
          Kelly Harder  
Title Community Services Director  
Date of Signature \_\_\_\_\_

FOR THE SCHOOL DISTRICT

(I represent and warrant that I am authorized by law to execute this Agreement and legally bind the School District.)

By \_\_\_\_\_

\_\_\_\_\_  
(Please print name.)

Title \_\_\_\_\_

Date of Signature \_\_\_\_\_

Group Life & AD&D Benefits

Benefit Description	Current 1/1/13	Renewal 1/1/2014	1/1/2014	1/1/2014
	Group Life	Group Life	Group Life	Group Life
	Prudential	Prudential	Cigna	Kansas City Life
Class 1 - Superintendent	\$350,000			
Class 2 - Administrators, Assist Admins, MIS Dir	\$350,000			
Class 3 - Teachers	\$100,000			
Class 4 - Tech Tutors, Confidential Classified, Health Assist, Braillists, PC Technician	\$80,000			
Class 5 - Interpreters Staff	\$80,000			
Class 6 - Secretarial & Clerical EE	\$50,000			
Class 7 - Pupil Support Assists & Program Assists	\$60,000			
Class 8 - Custodial & Maintenance Ees	\$50,000			
Class 9 - Retired Superintendent/Administrator	Any amt up to the pre-retirement amt			
AD&D Benefit Amount:	Same as above for all Classes			
Guarantee Issue:	Same As Benefit			
Dependent Life Benefit Amt:				
Spouse (Non-EE Of ER Under 70)	\$10,000			
Child (14 days-19 yrs, 25 Ft Student)	\$10,000			
<b>Rate Guarantee</b>	<b>2015</b>	<b>2015</b>	<b>2017</b>	<b>2017</b>
<b>RATES</b>				
Group Life Rates \$1,000:	\$0.102	\$0.102	\$0.102	\$0.099
Group AD&D per \$1,000:	\$0.018	\$0.018	\$0.018	\$0.018
Total Rate:	\$0.120	\$0.120	\$0.120	\$0.117
Dependent Life Rate:	\$0.900	\$0.90	\$2.50	\$0.90
Volume:				
Group Life:	\$29,620,000	\$29,620,000	\$29,620,000	\$29,620,000
Group AD&D:	\$29,310,000	\$29,310,000	\$29,310,000	\$29,310,000
Total Volume:	\$58,930,000	\$58,930,000	\$58,930,000	\$58,930,000
Dependent Life:	78	78	78	78
Estimated Annual Premium:				
Group Life:	\$36,254.88	\$36,254.88	\$36,254.88	\$35,188.56
Group AD&D:	\$6,330.96	\$6,330.96	\$6,330.96	\$6,330.96
Dependent Life:	\$842.40	\$842.40	\$2,340.00	\$842.40
Total:	\$43,428.24	\$43,428.24	\$44,925.84	\$42,361.92
Annual Dollar Variance		\$0.00	\$1,497.60	(\$1,066.32)
Annual Percent Variance		0%	3%	-2%

This is intended to be a summary only. In the event of a discrepancy, the plan document will always supersede.



LTD Benefits

Benefit Description	Current 1/1/13	Renewal 1/1/2014	1/1/2014	1/1/2014
	LTD	LTD	LTD	LTD
	Prudential	Prudential	Cigna	Kansas City Life
<b>Description Of Classes:</b>		<b>Revised</b>		
<b>Class 1 - Superintendent</b>	\$170,000 / \$9,445			
<b>Class 2 - Directors, Supervisors, Assist Directors</b>	\$156,900 / \$8,717			
<b>Class 3 - All Other Eligible EE</b>	\$85,000 / \$4,722		\$85,000 / \$5,000	
<b>Class 4 - PT Teachers</b>	\$70,000 / \$3,889			
<b>Class 5 - PT Pupil Support Assists and Program Assists</b>	\$70,000 / \$3,889			
<b>Class 6 - PC Technician</b>	\$54,000 / \$3,000			
<b>Effective Date</b>	1st Of The Month; DOH			
<b>Pre-existing Condition Limitation</b>	Yes			
<b>Elimination Period</b>	90 Consecutive Cal Days			
<b>Benefit Percent</b>	66 2/3% Of Monthly Earnings			
<b>Minimum Monthly Benefit</b>	Greater Of \$100 Or 10%		Flat \$100	
<b>Definition of Disability</b>	2 Years "Own Occupation"			
<b>Employer Contribution</b>				
<b>Superintendent</b>	0%			
<b>All Others</b>	100%			
<b>Rate Guarantee</b>	<b>2014</b>	<b>2014</b>	<b>2017</b>	<b>2017</b>
<b>Rate:</b>	<b>\$0.204</b>	<b>\$0.245</b>	<b>\$0.204</b>	<b>\$0.192</b>
<b>Covered Monthly Payroll</b>	<b>\$1,138,179</b>	<b>\$1,138,179</b>	<b>\$1,138,179</b>	<b>\$1,138,179</b>
<b>Estimated Monthly Premium</b>	<b>\$2,321.89</b>	<b>\$2,788.54</b>	<b>\$2,321.89</b>	<b>\$2,185.30</b>
<b>Estimated Annual Premium</b>	<b>\$27,863</b>	<b>\$33,462</b>	<b>\$27,863</b>	<b>\$26,224</b>
<b>Annual \$ Difference</b>		<b>\$5,600</b>	<b>\$0</b>	<b>(\$1,639)</b>
<b>Annual % Difference</b>		<b>20%</b>	<b>0%</b>	<b>-6%</b>
<b>3 Year Cost Difference:</b>		<b>\$16,800</b>	<b>\$0</b>	<b>-\$4,917</b>

This is intended to be a summary only. In the event of a discrepancy, the plan document will always supersede.

TO: School Board Members  
Superintendent John Christiansen

FROM: Nicolle Roush, Business Manager

DATE: November 5, 2013

SUBJECT: Life, AD&D & LTD Group Insurance Renewal

**Pertinent Facts:**

1. Intermediate School District #917 received the renewal rates from our current insurance carrier Prudential for ISD 917's Life, AD&D and LTD group insurance policies which expire on December 31, 2013.
2. Prudential's Life and AD&D premiums proposed a 0% increase because we are in the second year of a 0% rate guarantee which applies through January 1, 2015. Prudential's LTD premium proposed initially a 25% increase and they came back later with a 20% increase to encourage us to renew our contract.
3. ISD 917 requested our current agent of record National Insurance Services and Corporate Health Systems to obtain proposals from other carriers to see what competitive proposals were available for our Life and LTD group insurance benefits. ISD 917 received two additional proposals from Kansas City Life and Cigna (See summary of enclosed proposals). In addition, we received declines from three carriers and LTD only proposals from two carriers.
4. Based on the proposals Kansas City Life provides a reduction of -2% for Life insurance premiums, a reduction -6 percent for LTD insurance premiums, a 0% increase in dependent and supplemental life options for employees. All benefits would stay the same except for a participation requirement of 20% for supplemental life and dependent life employee elected optional benefits. If participation levels fell below these requirements the insurance carrier could request evidence of insurability through a medical questionnaire.
5. Intermediate School District #917 will be required to go out for RFP's after five years during the January 1, 2015 renewal period.

**Recommendation:** The School Board approves switching carriers to Kansas City Life Insurance for ISD 917's Life, AD&D and LTD group insurance policies effective January 1, 2014 as presented.

