

**INTERMEDIATE SCHOOL DISTRICT 917
IN DAKOTA COUNTY**

REGULAR SCHOOL BOARD MEETING

Wednesday, November 4, 2015

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. **Tour of Lebanon Education Center facility**
- VI. **Good News Report - Eric VanBrocklin** 2
- VII. **Good News - Special Education** 4
- VIII. **Consent Items - Chair Lewis**
 - A. Minutes, October 6, 2015, Regular School Board Meeting 8
 - B. Personnel Considerations 10
- IX. **Donations - Chair Lewis**
 - A. Resolution Approving Donations 20
- X. **Business Manager's Report - Nicolle Roush**
 - A. Review and Approve Payment of Bills 21
 - B. Review and Approve Wire Transfers 27
 - C. Review and Approve Investment Report 39
- XI. **Reports**
 - A. Auditor's Report - Jim Eichten 40
 - B. Revenue and Expenditure Report - John Christiansen 192
 - C. TEA Program Evaluation - Dave Stoll and Jennifer Petersen 193
- XII. **New Business**
 - A. Approve Medical and Dental Insurance Renewals for 2016 - Nicolle Roush 221
 - B. Closed Session as permitted by Minnesota Statutes section 13D.03 to discuss ISD 917 labor negotiation strategy - John Christiansen
- XIII. **Adjournment**

SCHOOL BOARD CALENDAR INFORMATION SCHOOL BOARD CALENDAR INFORMATION

November 26-27, 2015 - No School for students and staff
December 1, 2015 - 5:00 PM - School Board Meeting, 917 Board Room
December 24-25, 2015 - Closed for Holiday Break
January 1, 2016 - Closed for New Year's Day
January 5, 2016 - 5:00 PM, School Board Meeting, 917 Board Room

Good News Report
Secondary Programs
November 2015

-Valmont Industries in Farmington made a \$500 donation to the DCALS main campus Math Department to help them purchase supplies and materials for all math courses.

-Chef Patty LaBeau, Therese Harper, and second shift students from Fundamental Chef Training class catered a luncheon for 200 Dakota County employees on Tuesday October 20, 2015 at the Rosemount Community Center. The staff and students prepared all of the food and beverages in their kitchen classroom and transported it to the off-site location. The group was able to use the catering truck from The Depot in Faribault. This vehicle has a lift gate, which made the loading and unloading process more efficient. The students were amazed that they were able to serve two hundred guests through the build your own pasta bar in twenty minutes. The students also learned about planning off premise catered events and how organized and prepared you need to be as there is not time to drive back and forth between the preparation and serving sites. All of the guests were surprised to learn that their chefs and servers were high school students.

-In collaboration with the Dakota/Scott County Youth Advisory Council we are working on the hosting of a Construct Tomorrow program for students in the South metro. We hope to have a date and time in place in the next few weeks. Construct Tomorrow helps expose young people to the possible trades/careers associated with technical jobs.

-Our CTE programs will begin to partner with the DCTC Photography department to create a variety of photo options that will highlight our programs. Students from DCTC will be visiting our CTE classrooms over the next few weeks taking a variety of photos. They will then create a photo portfolio that will be displayed on our website under the specific programs.

-DCALS North students visited the Taylors Falls area as part of a Science exploratory and Social Studies activity. They heard about the history of the falls and took some water samples and foliage samples to use in their Science class.



Good News
Special Education
November 4, 2015

- Karen Hjermsstad, Occupational Therapist at Lebanon Education Center and Cedar Sun wrote and was awarded a grant by Education Minnesota. The \$2314.83 grant titled “Nurturing Mental Health through Hands-On Projects” was obtained to successfully implement “hands-on” therapy craft activities while also implementing The Nurtured Heart Approach (NHA) to our relatively new SUN plus program at Cedar School. Developing self-regulation and resiliency skills is an immense and growing need for this population of students. The plan or process is to use a variety of hands-on activities in a small group environment that can foster a sense of accomplishment and well-being while students are given opportunities to master new skill sets when ready. We can continue to grade the activities so students can increase their problem solving skills and build their overall coping skills. Current research continues to support using crafts paired with cognitive behavioral approaches (such as NHA) to support the increase of self-regulation, social skills, resiliency, sensory stability, and fine motor skills for students with behavioral and mental health disabilities. A variety of crafting projects will be used such as: wood burning, wood projects, beading, Papier Mache, simple sewing, clay sculpting as well as others. Careful consideration is given to grade each task in order to meet the needs of each individual student. While carefully considering each individual’s fluctuating state of mental health and grading each task to foster their skill level and tolerance. The outcome of this method of crafting/using hands on activities paired with the NHA would be to build relationships through successful peer and staff interactions, as well as building resiliency and self-esteem, while completing the task to have finished product to be proud of.
- Kent Rhein-Medina’s PACES classroom at Meadowview Elementary School in Farmington was recently asked by new principal, Becky Bican, to become the stewards of two new “little libraries” that have been opened at Meadowview. In asking, Ms. Bican not only recognized the valuable contributions the PACES students already make to the community by helping set up the cafeteria for lunch and delivering lunch baskets to the classrooms in the afternoons, but also knew the benefits to our students of active, hands-on, community-based learning experiences. Kent, Nancy and Ellana, as well as the students have already started their collection duties of donated classroom books. PACES is grateful for the opportunity to further partner with the Meadowview students, staff, and wider community.
- October 21, 2015 marked the 9th year of National Bullying Prevention Month, a campaign in the United States founded in 2006 by PACER's National Center for Bullying Prevention. The campaign is held during the month of October and unites communities nationwide to educate and raise awareness of bullying prevention. Traditionally held the first week in October, the event was expanded in 2010 to include activities, education, and awareness building for the entire month. National Bullying Prevention Month is recognized in communities across the U.S.

This year, TESA students united with a video presentation focusing on the positive results of personal responsibility, respect and self-advocacy. The TESA journalism class interviewed students who shared how they practice the philosophy of ‘doing good’ and ‘accept and respect’. The TESA Rights and Responsibilities classes organized a Positive Statement Campaign by creating and sharing hand-created buttons. TESA students who attended the event took a stand against bullying by creating positive post-it notes to display on lockers and in classrooms in an

effort to prevent bullying and show fellow students that they care. TESA students and staff were excited to support the event and were inspired by individual stories of strength, self-advocacy, and caring. Students pledged to use the Unity Day activities as a commitment to spread positive support every day (Pictures attached).

- In an effort to create and strengthen a community of social learning, the DCTC TESA Student Council hosted the 5th annual Fall Festival on October 23rd. The recurring adaptive “Minute to Win It” theme was in full swing with 18 different games. Students and staff organized the event to celebrate a successful beginning of the school year and the induction of the new student council. Students enjoyed a celebratory lunch afterwards.



- Connecting. Playing. Laughing! — It all happened at the ISD 917 Deaf/Hard of Hearing Preschool Family Night. Parents were invited to bring their children for an evening of fun on October 22, 2015 to meet and socialize with other families in the Deaf/Hard of Hearing Preschool Program, and enjoy a simple pizza dinner together. With about 50 attendees, the evening was filled with conversation, networking and socialization on the part of parents, students and staff. Many thanks go to Roxy Johnson, Teacher of Deaf/Hard of Hearing for early childhood learners, for her excellent efforts and organization of this successful event!
- The sign for Lebanon Education Center has been put up! The interior signs will be coming in soon.



- Tracie Randall and Brenda Szoka, teachers in the SUN program at Cedar, have arranged several different volunteer experiences in the community for their students. They will be taking their students to Feed My Starving Children, the ARC Thrift Store, and cleaning up yards for retired or home-bound individuals through Meals on Wheels. During the holiday season they will be helping to sort and package gifts with Project Christmas. These activities give the students an opportunity to give back to the community while learning job skills. At the ARC Thrift Store, students are able to gain more responsibility as they master each step of the process. They start with learning to sort the clothes that comes in and can work their way up to stocking shelves. Students participate in one activity per week with the location changing on a weekly basis.
- On October 13th, 37 students and staff from Alliance Education Center went on a canoe trip on the Mississippi River. Students and staff were trained by their guides on how to paddle as a team and learned a lot of history about the Mississippi and Minnesota River during the 8 mile trip. The group canoed from Hidden Falls to Harriet Island, and stopped off at Fort Snelling for lunch. Team work and good weather came together to make the large field trip a big success! It was a first time canoe experience for most of the students and likely a field trip they will not forget.



INTERMEDIATE SCHOOL DISTRICT 917

A School Board Meeting of the Intermediate School District 917 School Board was held on Tuesday, October 6, 2015, at 1300 145th Street East, Rosemount, MN 55068.

Members Present: Dick Bergstrom, Dan Cater (arrived at 5:19 PM), Bob Erickson, Jill Lewis, Deb Clark, Joanne Mansur (left at 5:45 PM), Vanda Pressnall, Ron Hill, and ex-officio member Superintendent John Christiansen.

Members Absent: Melissa Sauser.

Also Present: Nicolle Roush, Eric Van Brocklin, Melissa Schaller, Don Budach, and Linda Berg

School Board Chair Jill Lewis called the meeting to order at 5:00 PM.

There were no visitors to be heard.

The good news reports were presented.

1. Motion by Bob Erickson, seconded by Deb Clark, to approve the consent items, as presented. All present voted aye. Motion carried.
 - **Minutes:** September 8, 2015, Regular School Board Meeting
 - **Personnel:** *New Hires:* Carla Ekwall, Classroom Assistant, effective September 3, 2015. Kari Johnson, Program Assistant, effective September 21, 2015. Kristina McClure, Classroom Assistant, effective September 28, 2015. Dawn Rohr, Program Assistant, effective October 7, 2015. *Change in Status:* Margaret Altman, Program Assistant, Medical Leave Request effective October 19, 2015, with an expected return date of November 30, 2015. Gretchen Becherer, Classroom Assistant, Medical Leave Request effective September 21, 2015, with an unknown return date. *Resignations & Terminations:* Charlene Roach, Classroom Assistant, effective September 29, 2015. Dawn Tucker, Classroom Assistant, effective September 11, 2015.
2. Board Member Dick Bergstrom introduced the following resolution: Resolution to accept the following donations in the amount of \$560.00. Donation of a Rifton Bicycle (value \$500) from Keith Koentopf of Farmington to the PACES program and \$60 to be used for student needs and activities. The motion for the adoption of the foregoing resolution was duly seconded by Ron Hill and upon vote being taken thereon, the following voted in favor thereof: Dick Bergstrom, Deb Clark, Bob Erickson, Jill Lewis, Ron Hill, Vanda Pressnall, Joanne Mansur, and the following voted against the same: none. Whereupon said resolution was duly passed and adopted.
(Addendum A.)

The Board reviewed with Supt. Christiansen the insurance information that was provided from the insurance committee. The Insurance Committee meets on October 13 and a final proposal will be brought to the Board at the November 4 School Board Meeting.

3. Motion by Ron Hill, seconded by Vanda Pressnall, to approve the Assurance of Compliance Report for 2015-2016, as presented by the Superintendent. (Addendum B.) All present voted aye. Motion carried.

Melissa Schaller and Don Budach reported on the TESA Program evaluation.

4. Motion by Ron Hill, seconded by Deb Clark, to approve the bills from August 29, 2015, to October 1, 2015, wire transfers, and Investment Report, as presented by the Business Manager. All present voted aye. Motion carried.

Nicolle Roush reviewed the Accounts Receivable Aged Invoice Report with the Board.

Melissa Schaller reported on Enrollment Counts for Special Education as of October 1, 2015.

Eric VanBrocklin reported on Enrollment Counts for DCALS as of October 1, 2015.

5. Motion by Bob Erickson, seconded by Dick Bergstrom, to approve the Temporary Work Agreement Report, as presented. (Addendum C.) All present voted aye. Motion carried.
6. Motion by Dan Cater, seconded by Dick Bergstrom, to adjourn the meeting. All present voted aye. Motion carried.

There being no further business the meeting adjourned at 6:19 P.M.

The next regular School Board Meeting will be Wednesday November 4, 2015, at Lebanon Education Center, 5800 149th Street, Apple Valley, at 4:30 PM.

Clerk

To Bd 11/4/2015

DISTRICT 917 CANDIDATE SUMMARY--EMPLOYMENT RECOMMENDATION

DATE: 10/19/15	Teaching Licenses Held: N/A
NAME: Russ Anthony	
Position: Computer Network/Repair Teacher	
Please circle one: Secondary	Recommended Salary: \$72,949 prorated to \$44,163.72 (.605 FTE)
	Employment Date: Nov. 4, 2015

Education:

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School		yes		
Technical College	DCTC			
College	U of MN			
	IHCC			
Other	Bemidji State Univ			

Business/Industry Work Experience:

Employer (most recent first)	From	To	Position/Responsibilities

Total Years Business/Industry Work Experience _____

Teaching Experience:

Employer (most recent first)	From	To	Position/Responsibilities
ISD 917	9/1994	6/2009	Computer Network Teacher
DCTC	1981	1992	Visual Merchandising Teacher

Total Years Teaching Experience: 26

Remarks:

To Bd 11/4/2015

DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION

DATE: October 8, 2015	Teaching Licenses Held:
NAME: Marco Arana	
Position: Classroom Assistant	
College: Secondary: Special Education: x District:	Recommended Salary : \$16.37
	Employment Date: 10/6/15

Education:

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Lakeville High	Yes	Generals	Yes
Technical College				
College	Normandale	In process	Biology and Psychology	Pending
Other				

Teaching Experience:

Employer (most recent first)	From	To	Position/Responsibilities

Total Years Experience

Business/Industry Work Experience:

Employer (most recent first)	From	To	Position/Responsibilities
Dunn Brothers Coffee	5/10	Current	Coffee Roaster
Normandale	8/14	Current	Mentor

Total Years Experience 5

Remarks:

Marco will be a classroom assistant in the TEA Program filling available complement.

To Bd 11/4/15

DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION

DATE: October 22, 2015	Teaching Licenses Held:
NAME: Kim Holub	
Position: Classroom Assistant	
College: Secondary: Special Education: x District:	Recommended Salary : \$16.37
	Employment Date: 10/26/15

Education:

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	James Madison Memorial High	Yes	Generals	Yes
Technical College				
College	Wisconsin University	Yes	Organizational Communication	BA
	St. Paul College	Yes	SLI	Certification
Other				

Teaching Experience:

Employer (most recent first)	From	To	Position/Responsibilities

Total Years Experience

Business/Industry Work Experience:

Employer (most recent first)	From	To	Position/Responsibilities
Career Ventures	7/15	Current	Communication Specialist
SportSign	5/15	Current	SLI

Total Years Experience 5mths

Remarks:

Kim will be a classroom assistant in the DHH Program at Gideon Pond Elementary.

To Bd 11/4/15

DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION

DATE: October 21, 2015	Teaching Licenses Held:
NAME: Roger Ketterling	
Position: Classroom Assistant	
College: Secondary: Special Education: x District:	Recommended Salary : \$16.57
	Employment Date: 11/2/15

Education:

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Burnsville High	Yes	Generals	Yes
Technical College	DCTC	Yes	Machine Tool	Yes
College				
Other				

Teaching Experience:

Employer (most recent first)	From	To	Position/Responsibilities

Total Years Experience

Business/Industry Work Experience:

Employer (most recent first)	From	To	Position/Responsibilities
Lifeworks	3/13	Current	PCA
Everyday Living	2/12	4/14	Behavior Specialist

Total Years Experience 4

Remarks:

Roger will be a classroom assistant in the TEA Program.

To Bd 11/4/15

DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION

DATE: October 22, 2015	Teaching Licenses Held:
NAME: Juliet Parisi	
Position: Classroom Assistant	
College: Secondary: Special Education: x District:	Recommended Salary : \$16.37
	Employment Date: 10/21/15

Education:

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Aragon High	Yes	Generals	Yes
Technical College				
College	CA State University	Yes	Child Development	BA
Other				

Teaching Experience:

Employer (most recent first)	From	To	Position/Responsibilities

Total Years Experience

Business/Industry Work Experience:

Employer (most recent first)	From	To	Position/Responsibilities
Aramark	5/12	3/15	Food Service Suite Systems
Taher Inc.	2/12	5/12	Catering
Pro Staff	8/09	11/11	Support Specialist
Big Brothers/Big Sisters	11/07	8/09	Executive Asst.

Total Years Experience 7

Remarks:

Juliet will be a classroom assistant in the TEA Program.

To Bd 11/4/2015

DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION

DATE: September 30, 2015	Teaching Licenses Held:
NAME: Alexander Smith	
Position: Classroom Assistant	
College: Secondary: Special Education: x District:	Recommended Salary : \$16.37
	Employment Date: 10/9/15

Education:

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Prior Lake	Yes	Generals	Yes
Technical College				
College	Normandale Community College	No	Engineering	
Other				

Teaching Experience:

Employer (most recent first)	From	To	Position/Responsibilities

Total Years Experience

Business/Industry Work Experience:

Employer (most recent first)	From	To	Position/Responsibilities
Bluemax Liquors	3/12	Current	Clerk
Cornerstone Landscaping	5/11	3/12	Carpenter
Prior Lake Public Works	6/03	9/10	General Laborer
Steinkraus Plumbing	12/02	6/03	General Laborer

Total Years Experience 13

Remarks:

Alexander will be a classroom assistant in the SUN Program located at Alliance Education Center.

To Bd 11/4/15

DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION

DATE: October 22, 2015	Teaching Licenses Held:
NAME: Joan Wambheim	
Position: Program Assistant	
College: Secondary: Special Education: x District:	Recommended Salary : \$16.76
	Employment Date: 10/27/15

Education:

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

Teaching Experience:

Employer (most recent first)	From	To	Position/Responsibilities

Total Years Experience

Business/Industry Work Experience:

Employer (most recent first)	From	To	Position/Responsibilities
Teachers on Call	12/13	Current	Paraprofessional Substitute
Hornbacher's Express	3/12	5/13	Supervisor
Currie's TV and Appliance	6/81	11/11	Owner/Manager

Total Years Experience 25+

Remarks:

Joan will be a

**SUMMARY OF PERSONNEL ITEMS RECOMMENDED
FOR ACTION AT BOARD MEETING OF NOVEMBER 4, 2015**

NEW HIRES:

Marco Arana, Classroom Assistant, effective October 6, 2015.

Russell Anthony, Computer Networking/Repair Teacher, effective November 4, 2015.

Cherie Busenbark, Physical Therapist, effective November 2, 2015.

Kimberly Holub, Classroom Assistant, effective October 26, 2015.

Roger Ketterling, Classroom Assistant, effective November 2, 2015.

Juliet Parisi, Classroom Assistant, effective October 21, 2015.

Alexander Smith, Classroom Assistant, effective October 9, 2015.

Joan Wambheim, Program Assistant, effective October 27, 2015.

CHANGE IN STATUS:

Jennifer Baxter, Program Assistant, Parental Leave Request effective November 2, 2015, with a return date of December 1, 2015.

Linda Berg, Executive Assistant, Medical Leave Request effective November 9, 2015, with an expected return date of November 30, 2015.

Michelle Dodge, Sign Language Interpreter, \$1500 Mentor Stipend, effective September 3, 2015, for the 2015-2016 school year only.

Alexis Hardy, Sign Language Interpreter, effective November 2, 2015 (from Classroom Assistant to Interpreter).

Gretchen Toay, Sign Language Interpreter, \$1500 Mentor Stipend, effective September 3, 2015, for the 2015-2016 school year only.

Scott Zehnder, Lead Custodian, Medical Leave Request effective October 9, 2015, with an expected return date of November 2, 2015.

**SUMMARY OF PERSONNEL ITEMS RECOMMENDED
FOR ACTION AT BOARD MEETING OF NOVEMBER 4, 2015
(continued)**

RESIGNATIONS & TERMINATIONS:

Lisa Brandon, Program Assistant, effective November 11, 2015.

Becky Edson, Payroll Clerk, effective November 17, 2015.

Katharine Flom, Program Assistant, effective November 13, 2015.

Steven Lange, Classroom Assistant, effective October 23, 2015.

Juliet Parisi, Classroom Assistant, effective October 26, 2015.

Tamera Troesken, Classroom Assistant, effective October 30, 2015.

To B2 11/4/15

DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION

DATE: November 2, 2015	Teaching Licenses Held: PT
NAME: Cherie Busenbark	
Position: Physical Therapy	
College: Secondary: Special Education: x District:	Recommended Salary : \$66,166 prorated to \$18,137.23
	Employment Date:

Education:

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Chesterton High	Yes	Generals	Yes
Technical College				
College	Purdue University	Yes	Movement and Sport Science	BA
	University of IN	Yes	Physical Therapy	MA
Other				

Teaching Experience:

Employer (most recent first)	From	To	Position/Responsibilities

Total Years Experience

Business/Industry Work Experience:

Employer (most recent first)	From	To	Position/Responsibilities
Bodyworks Physical Therapy	1/13	Current	Physical Therapist
Busenbark Health Services	10/03	12/09	Pediatric Physical Therapist
Pediatric Specialty Associates	2/02	10/03	Pediatric Physical Therapist
Athens Sports Therapy	1/01	2/02	Physical Therapist

Total Years Experience 15

Remarks:

Cherie will be a physical therapist working at Crystal Lake Ed. Center part time.

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 \$500.00.

1. Donation of a color printer, software update, and supplies for the DCALS mathematics department from Valmont Industries of Farmington, to be used for students in the DCALS program (Value: \$500.)

2.

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: none.

Whereupon said resolution was declared duly passed and adopted.

Date Board Approved: _____

Intermediate School Dist 917
 CHECK REGISTER FOR BANK 01 - WELLS FARGO BANK
 DATE RANGE: 10/01/15 - 10/27/15

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
319263	S	\$38.00	10/08/15	19645	0	APPLE COMPUTER, INC	OUTSTANDING
319264	S	\$2918.09	10/08/15	01792	1	APPLE VALLEY FORD	OUTSTANDING
319265	S	\$189.86	10/08/15	23753	1	BATTERYSHARKS	OUTSTANDING
319266	S	\$124.74	10/08/15	02424	0	CAROLINA BIOLOGICAL SUPPLY	OUTSTANDING
319267	S	\$1321.91	10/08/15	16141	0	CARQUEST AUTO PARTS STORES	OUTSTANDING
319268	S	\$1437.70	10/08/15	29120	2	CITY OF APPLE VALLEY	OUTSTANDING
319269	S	\$77.20	10/08/15	00103	1	DELEGARD TOOL CO	OUTSTANDING
319270	S	\$128.22	10/08/15	01433	0	GRAINGER W W INC.	OUTSTANDING
319271	S	\$3910.40	10/08/15	23821	0	HANDI MEDICAL SUPPLY	OUTSTANDING
319272	S	\$774.00	10/08/15	23419	0	HORIZON SOFTWARE INTERNATIONAL, LLC	OUTSTANDING
319273	S	\$16116.00	10/08/15	09592	0	IND SCH DIST 191	OUTSTANDING
319274	S	\$838.89	10/08/15	23297	0	INNOVATIVE OFFICE SOLUTIONS	OUTSTANDING
319275	S	\$200.00	10/08/15	23427	0	LAKES COUNTRY SERVICE COOPERATIVE	OUTSTANDING
319276	S	\$8.75	10/08/15	08517	0	LILLIE SUBURBAN NEWSPAPER, INC	OUTSTANDING
319277	S	\$6722.94	10/08/15	21061	2	MCGRAW HILL	OUTSTANDING
319278	S	\$460.00	10/08/15	23670	1	MDVI	OUTSTANDING
319279	S	\$49.99	10/08/15	14116	0	MENARDS	OUTSTANDING
319280	S	\$45.00	10/08/15	07926	10	METRO ECSU	OUTSTANDING
319281	S	\$8547.00	10/08/15	23761	0	MIDWEST SPECIAL INSTRUMENTS, CORP	OUTSTANDING
319282	S	\$204.00	10/08/15	12831	0	NCS PEARSON INC	OUTSTANDING
319283	S	\$1378.79	10/08/15	22933	1	OAKTREE PRODUCTS INC	OUTSTANDING
319284	S	\$317.87	10/08/15	20568	1	OFFICE DEPOT	OUTSTANDING
319285	S	\$1023.14	10/08/15	23690	0	OUTDOOR IMAGES, INC	OUTSTANDING
319286	S	\$3951.11	10/08/15	22654	0	PEARSON ASSESSMENTS/NCS PEARSON	OUTSTANDING
319287	S	\$6974.13	10/08/15	22195	1	PEARSON EDUCATION	OUTSTANDING
319288	S	\$7055.67	10/08/15	22654	3	PEARSON EDUCATION	OUTSTANDING
319289	S	\$5643.75	10/08/15	23915	0	PEDIATRIC HOME SERVICE	OUTSTANDING
319290	S	\$54.00	10/08/15	00257	2	PITNEY BOWES	OUTSTANDING
319291	S	\$100.00	10/08/15	24579	0	PRESS ME CUSTOM APPAREL	OUTSTANDING
319292	S	\$253.47	10/08/15	23003	0	REALLY GOOD STUFF	OUTSTANDING
319293	S	\$1406.46	10/08/15	23874	0	REINHART FOODSERVICE, LLC	OUTSTANDING
319294	S	\$4830.75	10/08/15	21859	1	RELIABLE MEDICAL	OUTSTANDING
319295	S	\$113.79	10/08/15	21936	0	REMEDIA PUBLICATIONS	OUTSTANDING
319296	S	\$561.83	10/08/15	00623	0	REPUBLIC SERVICES	OUTSTANDING
319297	S	\$59.25	10/08/15	11070	0	RIFTON EQ/COMMUNITY PRODUCTS LLC	OUTSTANDING
319298	S	\$110.06	10/08/15	29040	0	SAM'S CLUB	OUTSTANDING
319299	S	\$2159.89	10/08/15	13162	3	SCHOLASTIC, INC	OUTSTANDING
319300	S	\$75.65	10/08/15	22826	0	SCHOOL NURSE SUPPLY	OUTSTANDING
319301	S	\$485.68	10/08/15	20620	3	SCHOOL SPECIALTY INC.	OUTSTANDING
319302	S	\$684.50	10/08/15	15713	0	SOUTHPAW ENTERPRISES	OUTSTANDING
319303	S	\$270.00	10/08/15	24568	0	SPECIAL DELIVERY OF MN, INC	OUTSTANDING
319304	S	\$7699.50	10/08/15	24092	0	STRIVVEN MEDIA, LLC	OUTSTANDING
319305	S	\$336.32	10/08/15	22907	0	SUPPLYWORKS	OUTSTANDING
319306	S	\$9584.52	10/08/15	23942	0	TEACHERS ON CALL	OUTSTANDING
319307	S	\$121.79	10/08/15	23781	0	TELIN TRANSPORTATION GROUP, LLC	OUTSTANDING
319308	S	\$1065.00	10/08/15	23180	0	THE PIN DEPOT NETWORK, LLC	OUTSTANDING
319309	S	\$102.35	10/08/15	07543	0	TIERNEY BROS. INC	OUTSTANDING
319310	S	\$3351.77	10/08/15	24556	0	UNIVERSAL CLEANING SERVICES	OUTSTANDING
319311	S	\$3621.18	10/08/15	19389	0	WELLS FARGO	OUTSTANDING
319312	S	\$1190.00	10/19/15	21866	0	DAKOTA COUNTY TECH COLLEGE	OUTSTANDING
319313	S	\$7093.18	10/19/15	40016	0	EDUCATION MINNESOTA, LOCAL 3904	OUTSTANDING
319314	S	\$237.44	10/19/15	23749	1	GREAT LAKES HIGHER EDUCATION CORPORATION	OUTSTANDING

Intermediate School Dist 917
 CHECK REGISTER FOR BANK 01 - WELLS FARGO BANK
 DATE RANGE: 10/01/15 - 10/27/15

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
319315	S	\$461.85	10/19/15	23939	0	GURSTEL CHARGO PA	OUTSTANDING
319316	S	\$64.00	10/19/15	21651	0	NCPERS MINNESOTA	OUTSTANDING
319317	S	\$865.50	10/19/15	24569	0	NYS CHILD SUPPORT PROCESSING CENTER	OUTSTANDING
319318	S	\$197.51	10/19/15	29972	0	RELATED SERVICES NURSES ESP	OUTSTANDING
319319	S	\$2832.50	10/19/15	40018	0	S.E.P., LOCAL 4242	OUTSTANDING
319320	S	\$76.09	10/19/15	29207	0	U.S. DEPARTMENT OF EDUCATION	OUTSTANDING
319321	S	\$1380.43	10/19/15	40071	0	WADDELL & REED INC	OUTSTANDING
319322	S	\$38657.33	10/19/15	24552	0	APPLE VALLEY ISD LLC	OUTSTANDING
319323	S	\$24242.50	10/19/15	09592	0	IND SCH DIST 191	OUTSTANDING
319324	S	\$358.44	10/23/15	23406	0	ACCELERATIONS EDUCATIONAL SOFTWARE	OUTSTANDING
319325	S	\$285.00	10/23/15	29086	1	ADVANCED BIONICS LLC	OUTSTANDING
319326	S	\$27453.00	10/23/15	23997	1	AMERICAN COMPENSATION INSURANCE COMPANY	OUTSTANDING
319327	S	\$23000.00	10/23/15	19720	0	APPLE VALLEY BUSINESS CENTER LTD	OUTSTANDING
319328	S	\$443.00	10/23/15	24083	0	BOOTH LAW GROUP	OUTSTANDING
319329	S	\$1975.00	10/23/15	23616	0	BRIH DESIGN, LLC	OUTSTANDING
319330	S	\$117.93	10/23/15	21623	0	CADAN COMPUTERS	OUTSTANDING
319331	S	\$330.40	10/23/15	24553	0	CANON USA	OUTSTANDING
319332	S	\$55.79	10/23/15	19803	0	CENTERPOINT ENERGY	OUTSTANDING
319333	S	\$150.95	10/23/15	21674	0	CENTURYLINK	OUTSTANDING
319334	S	\$2817.05	10/23/15	22698	0	CORPORATE HEALTH SYSTEMS	OUTSTANDING
319335	S	\$436.41	10/23/15	16244	3	CUB FOODS	OUTSTANDING
319336	S	\$79.84	10/23/15	16244	5	CUB FOODS	OUTSTANDING
319337	S	\$2.89	10/23/15	16244	7	CUB FOODS	OUTSTANDING
319338	S	\$14784.65	10/23/15	40056	1	DAKOTA COUNTY SHERIFF	OUTSTANDING
319339	S	\$781.68	10/23/15	21866	0	DAKOTA COUNTY TECH COLLEGE	OUTSTANDING
319340	S	\$316.00	10/23/15	19401	0	DEX MEDIA EAST, INC.	OUTSTANDING
319341	S	\$202.60	10/23/15	24073	0	EDUCATORS BENEFIT CONSULTANTS, LLC	OUTSTANDING
319342	S	\$73.37	10/23/15	23880	1	ESPECIAL NEEDS, LLC	OUTSTANDING
319343	S	\$50.00	10/23/15	24581	0	FARMINGTON HEALTH & FITNESS	OUTSTANDING
319344	S	\$2035.00	10/23/15	21392	1	FASTSIGNS	OUTSTANDING
319345	S	\$1194.93	10/23/15	03079	0	FRONTIER COMMUNICATIONS	OUTSTANDING
319346	S	\$1405.01	10/23/15	22631	0	GOVCONNECTION INC	OUTSTANDING
319347	S	\$1736.46	10/23/15	24571	0	HORIZON EQUIPMENT LLC	OUTSTANDING
319348	S	\$1093.55	10/23/15	09592	10	IND SCH DIST 191	OUTSTANDING
319349	S	\$319.00	10/23/15	21834	0	LAKESHORE LEARNING MATERIALS	OUTSTANDING
319350	S	\$120.00	10/23/15	22853	0	LIFESAVERS	OUTSTANDING
319351	S	\$7500.00	10/23/15	21208	0	MALLOY, MONTAGUE, KARNOWSKI, RADOSEVICH & CO	OUTSTANDING
319352	S	\$812.33	10/23/15	23917	1	MARCO INC	OUTSTANDING
319353	S	\$399.00	10/23/15	15309	1	MAYER-JOHNSON CO	OUTSTANDING
319354	S	\$559.20	10/23/15	23568	0	MEDI-CAR	OUTSTANDING
319355	S	\$51.20	10/23/15	23996	0	MEDICAREBLUE RX	OUTSTANDING
319356	S	\$4138.75	10/23/15	21663	0	MEINKE, STEPHANIE	OUTSTANDING
319357	S	\$197.38	10/23/15	14116	0	MENARDS	OUTSTANDING
319358	S	\$90.69	10/23/15	23258	0	MN ENERGY RESOURCES CORPORATION	OUTSTANDING
319359	S	\$150.00	10/23/15	22278	3	MN STATE UNIVERSITY, MANKATO	OUTSTANDING
319360	S	\$4825.58	10/23/15	22885	1	MN UNEMPLOYMENT INSURANCE	OUTSTANDING
319361	S	\$60.00	10/23/15	15445	5	MSPA	OUTSTANDING
319362	S	\$1205.12	10/23/15	20868	0	OFFICE OF ENTERPRISE TECHNOLOGY	OUTSTANDING
319363	S	\$151.78	10/23/15	22779	0	PHONAK	OUTSTANDING
319364	S	\$6033.07	10/23/15	23677	0	PROFESSIONAL CRISIS MANAGEMENT ASSOCIATION	OUTSTANDING
319365	S	\$386.25	10/23/15	00735	0	SCHMITTY & SONS	OUTSTANDING
319366	S	\$460.09	10/23/15	22826	0	SCHOOL NURSE SUPPLY	OUTSTANDING

Intermediate School Dist 917
 CHECK REGISTER FOR BANK 01 - WELLS FARGO BANK
 DATE RANGE: 10/01/15 - 10/27/15

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
319367	S	\$569.92	10/23/15	20620	3	SCHOOL SPECIALTY INC.	OUTSTANDING
319368	S	\$1966.77	10/23/15	15713	0	SOUTHPAW ENTERPRISES	OUTSTANDING
319369	S	\$150.00	10/23/15	24568	0	SPECIAL DELIVERY OF MN, INC	OUTSTANDING
319370	S	\$158.90	10/23/15	22907	0	SUPPLYWORKS	OUTSTANDING
319371	S	\$10557.30	10/23/15	23942	0	TEACHERS ON CALL	OUTSTANDING
319372	S	\$549.00	10/23/15	24578	0	THE SUPPLIES GUYS, LLC	OUTSTANDING
319373	S	\$20007.34	10/23/15	00643	0	TIES	OUTSTANDING
319374	S	\$1440.00	10/23/15	23814	0	TRIG LIFE SERVICES	OUTSTANDING
319375	S	\$911.33	10/23/15	24575	0	TWIN CITY HARDWARE COMPANY INC	OUTSTANDING
319376	S	\$135.00	10/23/15	18079	0	UNIQUE SOFTWARE CORP	OUTSTANDING
319377	S	\$3000.00	10/23/15	24556	0	UNIVERSAL CLEANING SERVICES	OUTSTANDING
319378	S	\$750.00	10/23/15	30133	3	UNIVERSITY OF MINNESOTA	OUTSTANDING
319379	S	\$717.65	10/23/15	23662	0	WESTONE	OUTSTANDING
319380	S	\$100.00	10/23/15	24580	0	WILDERNESS INQUIRY	OUTSTANDING
319381	S	\$5284.31	10/23/15	02776	0	XCEL ENERGY	OUTSTANDING
707819	E	\$39.10	10/07/15	99999	10853	BURGIO, MICHAEL	OUTSTANDING
707820	E	\$301.26	10/07/15	99999	10762	BYER, ANNE	OUTSTANDING
707821	E	\$326.60	10/07/15	99999	9092	DEVENOW, PEARL SUSAN	OUTSTANDING
707822	E	\$352.48	10/07/15	99999	9755	FRISQUE, SHERILYN FAYE	OUTSTANDING
707823	E	\$94.88	10/07/15	99999	9702	GARRETSON, PAMELA VICK	OUTSTANDING
707824	E	\$13.80	10/07/15	99999	9773	HORVATH, DENISE ERIN	OUTSTANDING
707825	E	\$379.50	10/07/15	99999	8842	JOHNSON, ROXANN RHYN	OUTSTANDING
707826	E	\$96.03	10/07/15	99999	10954	JACOBS, CINDY LOU	OUTSTANDING
707827	E	\$86.88	10/07/15	99999	10938	KAUFMAN, AMY	OUTSTANDING
707828	E	\$7.18	10/07/15	99999	9831	KURTEN, CAROL LEIGH	OUTSTANDING
707829	E	\$182.28	10/07/15	99999	6145	KYLLO, KITRI LARSON	OUTSTANDING
707830	E	\$202.40	10/07/15	99999	9468	LANGENFELD, CORY LEE	OUTSTANDING
707831	E	\$16.10	10/07/15	99999	9571	LARSEN, BETSY SUE	OUTSTANDING
707832	E	\$30.00	10/07/15	99999	10972	LUDEWIG, SARAH	OUTSTANDING
707833	E	\$262.78	10/07/15	99999	9278	MAYES, ANN LOUISE	OUTSTANDING
707834	E	\$31.05	10/07/15	99999	10774	MOGA, BRIAN	OUTSTANDING
707835	E	\$14.61	10/07/15	99999	10062	NOHELTY, KELLY	OUTSTANDING
707836	E	\$54.63	10/07/15	99999	9589	PETERSEN, JENNIFER MAE	OUTSTANDING
707837	E	\$318.84	10/07/15	99999	10763	PFISTERER, EMILY	OUTSTANDING
707838	E	\$30.99	10/07/15	99999	8907	PROULX, KELLI MARIE	OUTSTANDING
707839	E	\$29.90	10/07/15	99999	10810	RIESGRAF, AMY	OUTSTANDING
707840	E	\$87.52	10/07/15	99999	9915	SCHALLER, MELISSA	OUTSTANDING
707841	E	\$64.40	10/07/15	99999	10983	SHORT, NICHOLE	OUTSTANDING
707842	E	\$340.68	10/07/15	99999	7331	VOIDED	VOIDED
707843	E	\$91.24	10/07/15	99999	10405	STOLL, DAVID L.	OUTSTANDING
707844	E	\$56.09	10/07/15	99999	10517	STROMBERG, RHIANON	OUTSTANDING
707845	E	\$13.46	10/07/15	99999	10708	THOMPSON, ANNE	OUTSTANDING
707846	E	\$111.49	10/07/15	99999	10375	THOMAS, TAYLOR	OUTSTANDING
707847	E	\$86.83	10/07/15	99999	9094	TOLLEFSON, BRENDA KAY	OUTSTANDING
707848	E	\$58.65	10/07/15	99999	9703	TOAY, GRETCHEN ANN	OUTSTANDING
707849	E	\$75.33	10/07/15	99999	10771	ERICKSON, ROBERT	OUTSTANDING
707850	E	\$89.13	10/07/15	99999	10832	BERGSTROM, RICHARD	OUTSTANDING
707851	E	\$12.65	10/07/15	99999	9723	CATER, DANNY GARY	OUTSTANDING
707852	E	\$44.85	10/07/15	99999	9301	CLARK, DEBORAH MAE	OUTSTANDING
707853	E	\$69.00	10/07/15	99999	10771	ERICKSON, ROBERT	OUTSTANDING
707854	E	\$4.60	10/07/15	99999	9691	FREEBURG, NANCY JO	OUTSTANDING
707855	E	\$5.75	10/07/15	99999	9730	HAWKINS, ANN	OUTSTANDING

Intermediate School Dist 917
 CHECK REGISTER FOR BANK 01 - WELLS FARGO BANK
 DATE RANGE: 10/01/15 - 10/27/15

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
707856	E	\$409.40	10/07/15	99999	8341	HETLAND, JENNIFER AMY	OUTSTANDING
707857	E	\$16.10	10/07/15	99999	10624	HILL, RON	OUTSTANDING
707858	E	\$25.30	10/07/15	99999	8287	LEWIS, JILL E	OUTSTANDING
707859	E	\$39.10	10/07/15	99999	10868	MANSUR, JOANNE	OUTSTANDING
707860	E	\$27.60	10/07/15	99999	10805	ONYENEHO, JIDEOFOR ERIC	OUTSTANDING
707861	E	\$43.70	10/07/15	99999	9177	PRESSNALL, VANDA JOY	OUTSTANDING
707862	E	\$50.00	10/07/15	99999	9679	CHRISTIANSSEN, JOHN MAXWELL	OUTSTANDING
707863	E	\$370.30	10/07/15	99999	9679	CHRISTIANSSEN, JOHN MAXWELL	OUTSTANDING
707864	E	\$29.33	10/21/15	99999	10776	ANNONI, ELIZABETH	OUTSTANDING
707865	E	\$83.95	10/21/15	99999	3063	BRITTAIN, DONNA MAE	OUTSTANDING
707866	E	\$190.90	10/21/15	99999	8873	BUDACH, DON JAMES	OUTSTANDING
707867	E	\$32.78	10/21/15	99999	10965	EATON, CARMEN	OUTSTANDING
707868	E	\$123.63	10/21/15	99999	3460	ENFIEJIAN, VALERIE	OUTSTANDING
707869	E	\$169.63	10/21/15	99999	9028	EPPS, DAWN	OUTSTANDING
707870	E	\$160.43	10/21/15	99999	10949	FISHER, KARRI	OUTSTANDING
707871	E	\$117.88	10/21/15	99999	10442	FLEMING, ANGELITA	OUTSTANDING
707872	E	\$414.58	10/21/15	99999	9755	FRISQUE, SHERILYN FAYE	OUTSTANDING
707873	E	\$105.80	10/21/15	99999	8425	HALE-SANFORD, ERIN LYN	OUTSTANDING
707874	E	\$148.24	10/21/15	99999	10847	HANBERG, TM	OUTSTANDING
707875	E	\$44.17	10/21/15	99999	10953	HANSEN, ALEXI	OUTSTANDING
707876	E	\$5.75	10/21/15	99999	9730	HAWKINS, ANN	OUTSTANDING
707877	E	\$16.31	10/21/15	99999	9811	HEIM, KAREY LEIGH	OUTSTANDING
707878	E	\$120.75	10/21/15	99999	9920	HJERMSTAD, KAREN	OUTSTANDING
707879	E	\$50.60	10/21/15	99999	8942	HURT, LYNDA THERESA	OUTSTANDING
707880	E	\$43.13	10/21/15	99999	10954	JACOBS, CINDY LOU	OUTSTANDING
707881	E	\$55.20	10/21/15	99999	10986	DOELP, KASANDRA	OUTSTANDING
707882	E	\$163.31	10/21/15	99999	9722	KLEIN, LORI ANN	OUTSTANDING
707883	E	\$64.98	10/21/15	99999	9566	KOENIGSBERGER, CARRIE LYNN	OUTSTANDING
707884	E	\$134.55	10/21/15	99999	10857	LAFRANCE, DANIELLE	OUTSTANDING
707885	E	\$32.78	10/21/15	99999	9571	LARSEN, BETSY SUE	OUTSTANDING
707886	E	\$157.55	10/21/15	99999	10593	MABERRY, SAYRAJAYNE	OUTSTANDING
707887	E	\$37.95	10/21/15	99999	10823	NELSON, MARTA	OUTSTANDING
707888	E	\$108.68	10/21/15	99999	10521	NWOKEUKU, PATTIJO	OUTSTANDING
707889	E	\$22.43	10/21/15	99999	10805	ONYENEHO, JIDEOFOR ERIC	OUTSTANDING
707890	E	\$48.30	10/21/15	99999	10397	PEMBLE, HOLLY	OUTSTANDING
707891	E	\$277.15	10/21/15	99999	10763	PFISTERER, EMILY	OUTSTANDING
707892	E	\$3255.00	10/21/15	99999	10944	PRATT, SARA	OUTSTANDING
707893	E	\$39.10	10/21/15	99999	10430	QUAM, LYNN	OUTSTANDING
707894	E	\$49.45	10/21/15	99999	10710	RABE, SARAH	OUTSTANDING
707895	E	\$340.68	10/21/15	99999	7331	STIFF, TERESA ANN	OUTSTANDING
707896	E	\$117.88	10/21/15	99999	8435	STOESZ, HEATHER LYNN	OUTSTANDING
707897	E	\$33.35	10/21/15	99999	10517	STROMBERG, RHIANON	OUTSTANDING
707898	E	\$58.65	10/21/15	99999	9068	SWANEY, AMY LYNN	OUTSTANDING
707899	E	\$60.00	10/21/15	99999	10042	TENNESSEN, LAURA	OUTSTANDING
707900	E	\$115.00	10/21/15	99999	10042	TENNESSEN, LAURA	OUTSTANDING
707901	E	\$10.93	10/21/15	99999	10708	THOMPSON, ANNE	OUTSTANDING
707902	E	\$229.43	10/21/15	99999	10958	WILKINSON, AMY	OUTSTANDING
707903	E	\$675.06	10/21/15	99999	9192	WOOD, FRAN LOUISE	OUTSTANDING
707904	E	\$41.40	10/21/15	99999	10756	VAN BROCKLIN, ERIC	OUTSTANDING
707905	E	\$62.79	10/21/15	99999	9883	ZEHNDER, SCOTT MICHAEL	OUTSTANDING
707906	E	\$45.00	10/21/15	99999	8787	ASMUS, JOAN SCHAEFER	OUTSTANDING
707907	E	\$90.00	10/21/15	99999	8873	BUDACH, DON JAMES	OUTSTANDING

Intermediate School Dist 917
 CHECK REGISTER FOR BANK 01 - WELLS FARGO BANK
 DATE RANGE: 10/01/15 - 10/27/15

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
707908	E	\$90.00	10/21/15	99999	9679	CHRISTIENSEN, JOHN MAXWELL	OUTSTANDING
707909	E	\$45.00	10/21/15	99999	10050	DOBSON, MEGHAN	OUTSTANDING
707910	E	\$45.00	10/21/15	99999	9028	EPPS, DAWN	OUTSTANDING
707911	E	\$90.00	10/21/15	99999	9702	GARRETSON, PAMELA VICK	OUTSTANDING
707912	E	\$90.00	10/21/15	99999	8341	HETLAND, JENNIFER AMY	OUTSTANDING
707913	E	\$90.00	10/21/15	99999	6145	KYLLO, KITRI LARSON	OUTSTANDING
707914	E	\$90.00	10/21/15	99999	9468	LANGENFELD, CORY LEE	OUTSTANDING
707915	E	\$20.00	10/21/15	99999	9589	PETERSEN, JENNIFER MAE	OUTSTANDING
707916	E	\$90.00	10/21/15	99999	10944	PRATT, SARA	OUTSTANDING
707917	E	\$90.00	10/21/15	99999	8628	ROUSH, NICOLLE KATHERI	OUTSTANDING
707918	E	\$90.00	10/21/15	99999	9915	SCHALLER, MELISSA	OUTSTANDING
707919	E	\$90.00	10/21/15	99999	10405	STOLL, DAVID L.	OUTSTANDING
707920	E	\$20.00	10/21/15	99999	9068	SWANEY, AMY LYNN	OUTSTANDING
707921	E	\$90.00	10/21/15	99999	10756	VAN BROCKLIN, ERIC	OUTSTANDING
707922	E	\$20.00	10/21/15	99999	9883	ZEHNDER, SCOTT MICHAEL	OUTSTANDING
707923	E	\$104.65	10/23/15	99999	9996	EVANS, AARON	OUTSTANDING
707924	E	\$14.10	10/23/15	99999	10931	GERNES, RICHELLE	OUTSTANDING
707925	E	\$635.38	10/23/15	99999	7088	GREENFIELD, DONNA GAYLE	OUTSTANDING
707926	E	\$21.04	10/23/15	99999	9811	HEIM, KAREY LEIGH	OUTSTANDING
707927	E	\$680.23	10/23/15	99999	10973	KUBIK, GABRIELA	OUTSTANDING
707928	E	\$15.95	10/23/15	99999	4881	LACHER GODDARD, LINDA	OUTSTANDING
707929	E	\$12.65	10/23/15	99999	2598	LAMPRECHT, CLAUDETTE	OUTSTANDING
707930	E	\$7.74	10/23/15	99999	10615	LANG, SHEILA	OUTSTANDING
707931	E	\$338.10	10/23/15	99999	9278	MAYES, ANN LOUISE	OUTSTANDING
707932	E	\$471.50	10/23/15	99999	10930	MLODOZYNIAC, KELSEY	OUTSTANDING
707933	E	\$113.30	10/23/15	99999	10944	PRATT, SARA	OUTSTANDING
707934	E	\$47.98	10/23/15	99999	9914	RHEIN-MEDINA, KENT E.	OUTSTANDING
707935	E	\$13.23	10/23/15	99999	9914	RHEIN-MEDINA, KENT E.	OUTSTANDING
707936	E	\$138.00	10/23/15	99999	10375	THOMAS, TAYLOR	OUTSTANDING
707937	E	\$171.93	10/23/15	99999	6232	WEILAND, MARY ELIZABETH	OUTSTANDING
2001817	W	\$955.24	10/16/15	28803	2	VOYA	OUTSTANDING
92001781	W	\$1632.28	10/01/15	40072	0	AFLAC	OUTSTANDING
92001782	W	\$2029.17	10/01/15	40027	0	AMERIPRISE FINANCIAL ADVISORS	OUTSTANDING
92001783	W	\$780.02	10/01/15	40022	0	AXA EQUITABLE LIFE INS CO	OUTSTANDING
92001785	W	\$1903.77	10/01/15	29026	0	EDUCATION MN ESI BILLING TRUST	OUTSTANDING
92001786	W	\$35316.15	10/02/15	40006	0	EXECUTIVE DIRECTOR	OUTSTANDING
92001787	W	\$4885.09	10/01/15	40060	0	FIDELITY INVSTMT TAX-EX SVC CO	OUTSTANDING
92001788	W	\$918.34	10/01/15	40026	0	HORACE MANN LIFE INS	OUTSTANDING
92001789	W	\$154934.80	10/01/15	40037	0	INTERNAL REVENUE SERVICE	OUTSTANDING
92001790	W	\$7746.73	10/01/15	24031	0	KANSAS CITY LIFE INSURANCE COMPANY	OUTSTANDING
92001791	W	\$226691.94	10/01/15	21088	0	MEDICA	OUTSTANDING
92001792	W	\$121.50	10/01/15	21704	0	MN CHILD SUPPORT PAYMENT CENTER	OUTSTANDING
92001793	W	\$146.45	10/01/15	40058	0	MN DEPT OF REVENUE(C)	OUTSTANDING
92001794	W	\$24058.95	10/01/15	40003	0	MN DEPT OF REVENUE	OUTSTANDING
92001795	W	\$542.92	10/02/15	28803	0	MN STATE RETIREMENT SYSTEM	OUTSTANDING
92001797	W	\$63939.80	10/02/15	40005	0	STATE TREASURER, TRA	OUTSTANDING
92001798	W	\$13334.95	10/01/15	23474	0	THE BANCORP BANK	OUTSTANDING
92001799	W	\$2257.10	10/01/15	40033	0	VARIABLE ANNUITY LIFE INS CO	OUTSTANDING
92001800	W	\$320.84	10/01/15	28803	2	VOYA	OUTSTANDING
92001801	W	\$6048.82	10/16/15	40027	0	AMERIPRISE FINANCIAL ADVISORS	OUTSTANDING
92001802	W	\$2882.11	10/16/15	40022	0	AXA EQUITABLE LIFE INS CO	OUTSTANDING
92001803	W	\$29738.66	10/10/15	30132	0	DELTA DENTAL OF MINNESOTA	OUTSTANDING

Intermediate School Dist 917
 CHECK REGISTER FOR BANK 01 - WELLS FARGO BANK
 DATE RANGE: 10/01/15 - 10/27/15

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
92001804	W	\$5033.37	10/16/15	29026	0	EDUCATION MN ESI BILLING TRUST	OUTSTANDING
92001805	W	\$37329.31	10/19/15	40006	0	EXECUTIVE DIRECTOR	OUTSTANDING
92001806	W	\$7154.33	10/19/15	40060	0	FIDELITY INVSTMT TAX-EX SVC CO	OUTSTANDING
92001807	W	\$2102.71	10/16/15	40026	0	HORACE MANN LIFE INS	OUTSTANDING
92001808	W	\$156786.66	10/16/15	40037	0	INTERNAL REVENUE SERVICE	OUTSTANDING
92001809	W	\$23924.53	10/16/15	40003	0	MN DEPT OF REVENUE	OUTSTANDING
92001810	W	\$121.50	10/16/15	21704	0	MN CHILD SUPPORT PAYMENT CENTER	OUTSTANDING
92001811	W	\$146.45	10/16/15	40058	0	MN DEPT OF REVENUE(C)	OUTSTANDING
92001812	W	\$2292.92	10/19/15	28803	0	MN STATE RETIREMENT SYSTEM	OUTSTANDING
92001813	W	\$433531.94	10/15/15	40001	0	PAYROLL ACCT #3805704197	OUTSTANDING
92001814	W	\$63184.34	10/19/15	40005	0	STATE TREASURER, TRA	OUTSTANDING
92001815	W	\$13159.91	10/19/15	23474	0	THE BANCORP BANK	OUTSTANDING
92001816	W	\$6919.87	10/16/15	40033	0	VARIABLE ANNUITY LIFE INS CO	OUTSTANDING

TOTAL # OF ISSUED CHECKS: 272 TOTAL AMOUNT 1689356.64

TOTAL # OF VOIDED CHECKS: 1 TOTAL AMOUNT 340.68

TOTAL # OF UNISSUED CHECKS: 0

Date: October 20, 2015

To: Accountns Payable

From: Becky Edson
Payroll Clerk

Invoice nbr: 152800554687
Date: 10/6/2015
Member ID: 803601310

Subject: RX - Trexler

Issue a Check in the amount of \$ 51.20

Payable to:
Medicare Blue RX
(November)

Vendor # 23996-0

Charge to:

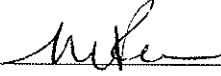
Amount

20-005-420-000-221-220

\$51.20

Total

\$51.20 proof \$0.00

Authorized Signature  Date 10-20-15

Date: October 16, 2015

To: FOR EFT INPUT

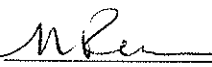
From: Becky Edson
Payroll Clerk

Subject: Flex Plan ACH Transfer for Flex Debit Card Reimbursement for 2015

Transferred From Wells Fargo Bank Account Number xxxxxx2167 \$74.62
Corporate Health Systems Inc Vendor # 22698

Charge to:	Amount	
10-215-39	\$53.20	
10-215-40	\$0.00	
10-215-42	\$21.42	
Total	\$74.62	proof \$0.00

cc: Payroll Insurance Payment File
Date Bank Account to be debited 10/16/2015 \$74.62

Authorized Signature:  Date 10-19-15

Date: October 9, 2015
To: FOR EFT INPUT


From: Becky Edson
Payroll Clerk

Subject: Flex Plan ACH Transfer for Flex Debit Card Reimbursement for 2015

Transferred From Wells Fargo Bank Account Number xxxxxx2167 \$30.00
Corporate Health Systems Inc Vendor # 22698

Charge to:	Amount	
10-215-39	\$30.00	
10-215-40	\$0.00	
10-215-42	\$0.00	
Total	\$30.00	proof \$0.00

cc: Payroll Insurance Payment File
Date Bank Account to be debited 10/9/2015 \$30.00

Authorized Signature  Date 10-19-15

Date: October 7, 2015

To: FOR EFT INPUT

From: Becky Edson
Payroll Clerk

Subject: Flex Plan ACH Transfer for Flex Check Reimbursement for 2015

Transferred From Wells Fargo Bank Account Number xxxxxx2167 \$2,750.40
Corporate Health Systems Inc Vendor # 22698

Charge to:	Amount	
10-215-39	\$1,238.60	
10-215-40	\$1,511.80	
10-215-42	\$0.00	
Total	\$2,750.40	proof \$0.00

cc: Payroll Insurance Payment File
Date Bank Account to be debited 10/7/2015 \$2,750.40

Authorized Signature  Date 10-19-15

Date: September 30, 2015

To: FOR EFT INPUT

From: Becky Edson
Payroll Clerk

Subject: Flex Plan ACH Transfer for Flex Debit Card Reimbursement for 2015

Transferred From Wells Fargo Bank Account Number xxxxxx2167 \$5.23
Corporate Health Systems Inc Vendor # 22698

Charge to:	Amount	
10-215-39	\$5.23	
10-215-40	\$0.00	
10-215-42	\$0.00	
Total	\$5.23	proof \$0.00

cc: Payroll Insurance Payment File
Date Bank Account to be debited 9/30/2015 \$5.23

Authorized Signature  Date 10-19-15

Date: September 22, 2015

To: FOR EFT INPUT


From: Becky Edson
Payroll Clerk

Subject: Flex Plan ACH Transfer for Flex Check Reimbursement for 2015

Transferred From Wells Fargo Bank Account Number xxxxxx2167 \$1,325.42
Corporate Health Systems Inc Vendor # 22698

Charge to:	Amount	
10-215-39	\$233.68	
10-215-40	\$1,091.74	
10-215-42	\$0.00	
Total	\$1,325.42	proof \$0.00

cc: Payroll Insurance Payment File
Date Bank Account to be debited 9/22/2015 \$1,325.42

Authorized Signature:  Date 10-19-15

TO: Nicolle Roush DATE: 10/16/2015
Business Manager

FROM: Becky Edson
Payroll/Fringe Benefits Technician

SUBJECT: EFT for pay period ending October 15, 2015

Amerprise Vendor #40027	6,048.82
AXA Equitable Life Vendor #40022	2,882.11
PERA Vendor #40006	37,329.31
Fidelity Vendor #40060	7,154.33 ✓
VOYA (formerly ING) #28803-2	955.24
Horace Mann Vendor #40026	2,102.71
TRA Vendor #40005	63,184.34
VALIC (Variable Annuity Life) Vendor #40033	6,919.87
Minnesota Dept. of Revenue Vendor # 40003	23,924.53
Internal Revenue Service Vendor Nbr 40037	156,786.66
Payroll Acct #XXXXXXX4197 Vendor #40001	433,531.94
Bancorp Vendor # 23474	13,159.91 ✓
Educators Financial Services/ESI/MEA Vendor #29026	5,033.37
MN State Retirement System Vendor #28803-0	2,292.92
MN Child Support Vendor #21704	121.50
MN Dept Revenue Vendor (Garnishment) #40058	146.45

Total Electronic Funds Transfer was made in the amount of \$ 761,574.01

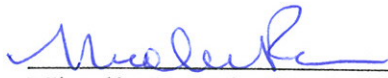
Authorized Signature  Date 10-16-15

Intermediate School District 917
1300 E. 145th Street
Rosemount, MN 55068

Re: Sales Tax Wire Transfer

Date: 10.7.15

This memo serves as authorization for the wire transfer of funds for payment of sales tax in the amount of \$ 51.00, from Wells Fargo Bank Account No. 3805702167.



Nicolle Roush, Business Manager

Date: October 2, 2015

To: FOR EFT INPUT

From: Becky Edson
Payroll Clerk

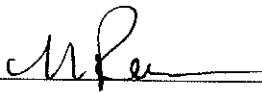
Subject: Group Insurance Premium for September, 2015
(Employer's Costs and Employees' Withholdings)

Payable to: Delta Dental \$29,738.66
Vendor # 30132

Charge to:	Amount
21-005-110-000-235-250	\$29,738.66

Total	\$29,738.66	proof	\$0.00
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cc: Payroll Insurance Payment File
Date Bank Account to be debited 10/10/2015

Authorized Signature  Date 10-2-15

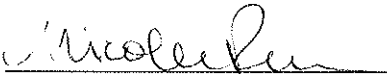
TO: Nicolle Roush DATE: 10/01/2015
Business Manager

FROM: Becky Edson
Payroll/Fringe Benefits Technician

SUBJECT: EFT for pay period ending September 30, 2015

Aflac Vendor #40072	\$ 1,632.28
Amperprise Financial Vendor #40027	\$ 2,029.17
AXA Equitable Life Vendor #40022	\$ 780.02
Horance Mann Vendor #40026	\$ 918.34
PERA - Executive Director Vendor #40006	\$ 35,316.15
TRA - State Treasurer Vendor #40005	\$ 63,939.80
ESI/MEA Vendor #29026	\$ 1,903.77
VALIC (Variable Annuity Life) Vendor #40033	\$ 2,257.10
Minnesota Dept. of Revenue Vendor # 40003	\$ 24,058.95
Internal Revenue Service Vendor Nbr 40037	\$ 154,934.80
Payroll Acct #XXXXXX4197 Vendor #40001	\$ 440,773.21
Bancorp Vendor #23474	\$ 13,334.95
MN State Retirement System Vendor # 28803-0	\$ 542.92
MN Dept of Revenue - Garnishments Vendor #40058	\$ 146.45
MN Child Support Vendor # 21704	\$ 121.50
VOYA (Formerly ING) Vendor #28803-2	\$ 320.84
Fidelity Investments Vendor #40060	\$ 4,885.09

Total Electronic Funds Transfer was made in the amount of \$ 747,895.34

Authorized Signature  Date 10-1-15

Date: October 1, 2015

To: Accounts Payable

From: Becky Edson
Payroll Clerk

Subject: Group Insurance Premium for Oct 2015
(Employer's Costs and Employees' Withholdings)

Wire Funds to Kansas City Life Insurance Co \$7,746.73

Payable to:
Kansas City Life Ins Co Vendor # 24031

Charge to:	Amount	
01-215-32	\$450.76	
02-215-32	\$4,392.07	
10-215-32	\$254.12	
01-215-33	\$237.66	
02-215-33	\$2,290.42	
10-215-33	\$121.70	
Total	\$7,746.73	proof \$0.00

cc: Payroll Insurance Payment File

Authorized Signature  Date 10-1-15

Date: October 1, 2015
To: Accountns Payable

From: Becky Edson
Payroll Clerk

Invoice nbr: 38660982
Date: 10/1/2015
Group #: 586196

Subject: Group Insurance Premium for Oct 2015
(Employer's Costs and Employees' Withholdings)

Wire Funds Transfer was made in the amount of \$ 226,691.94

Payable to:
Medica

Vendor # 21088

Charge to:

Amount

01-215-30

\$25,191.60

02-215-30

\$193,921.08

10-215-30

\$7,579.26

20-215.30

\$0.00

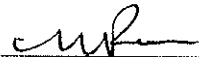
Total

\$226,691.94

proof

\$0.00

Authorized Signature



Date

10-1-15

**INTERMEDIATE SCHOOL DISTRICT 917
SCHOOL BOARD REPORT OF
CONSOLIDATED INVESTMENTS (GENERAL & BUILDING)
SEPTEMBER 2015**

ACCOUNT NAME	ACCT NO	BEGINNING BALANCE	PURCHASES CREDITS	SALES TRANSFERS	INVESTMENT FEES	INTEREST EARNED	ENDING BALANCE	YEAR TO DATE INTEREST EARNED
1 MSDLAF + MAX	01	6,159,346.72	750,000.00	750,000.00	0.00	424.48	6,159,771.20	887.98
2 MSDLAF	01	13.03	0.00	0.00	0.00	0.00	13.03	13.03
MSDLAF FIXED (CD's, Term, Com)	01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3 WELLS FARGO SAVINGS ACCT	01	0.00	0.00	0.00	0.00	0.00	0.00	74.31
4 WELLS FARGO PORTFOLIO	01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL		6,159,359.75	750,000.00	750,000.00	0.00	424.48	6,159,784.21	975.32

EXPLANATION: Lines 1 through 4 above are School District Investments complying with the requirements of Minnesota Statutes 118.01, 471.56 and 475.66.

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 2015 Average MSDLAF Liquid Rate was 0.06% and the MSDLAF+MAX Average Rate was 0.08%.
The Average Wells Fargo Savings Rate was 0.00%.

Management Report

for

Intermediate School District No. 917
Rosemount, Minnesota
June 30, 2015

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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, 2015. The purpose of this report is to communicate information relevant to the financing of public education in Minnesota and to provide comments resulting from our audit process. We have organized this report into the following sections:

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

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

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

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

Minneapolis, Minnesota
October 30, 2015

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AUDIT SUMMARY

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

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

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

PLANNED SCOPE AND TIMING OF THE AUDIT

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

AUDIT OPINION AND FINDINGS

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

- We have issued an unmodified opinion on the District's annual financial statements.
- We 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 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 cash balances and cash receipts and disbursements of these accounts as of and for the year ended June 30, 2015 on the cash basis of accounting. Our opinion was qualified for a limitation related to the completeness of cash receipts reported.

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

We also issued a report on compliance with the Minnesota Department of Education's (MDE) *Manual for Activity Fund Accounting* (MAFA), in which we reported no findings.

SIGNIFICANT ACCOUNTING POLICIES

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

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

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

CORRECTED AND UNCORRECTED MISSTATEMENTS

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

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

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

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

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

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

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

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

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

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

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

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

DISAGREEMENTS WITH MANAGEMENT

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

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated October 30, 2015.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

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

OTHER AUDIT FINDINGS OR ISSUES

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

OTHER MATTERS

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

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

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

FUNDING PUBLIC EDUCATION IN MINNESOTA

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

BASIC GENERAL EDUCATION REVENUE

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

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

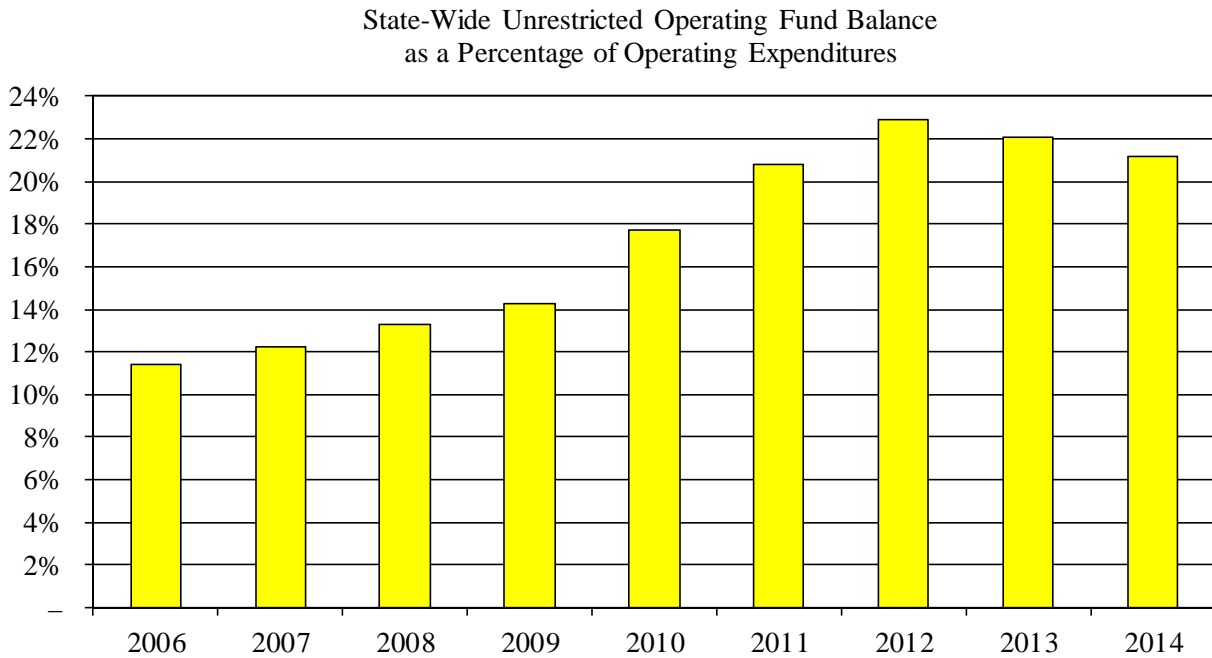
Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
2006	\$ 4,783	4.0 %
2007	\$ 4,974	4.0 %
2008	\$ 5,074	2.0 %
2009	\$ 5,124	1.0 %
2010	\$ 5,124	– %
2011	\$ 5,124	– %
2012	\$ 5,174	1.0 %
2013	\$ 5,224	1.0 %
2014	\$ 5,302	1.5 %
2015	\$ 5,831	2.0 % *
2016	\$ 5,948	2.0 %
2017	\$ 6,067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

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

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

STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

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



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

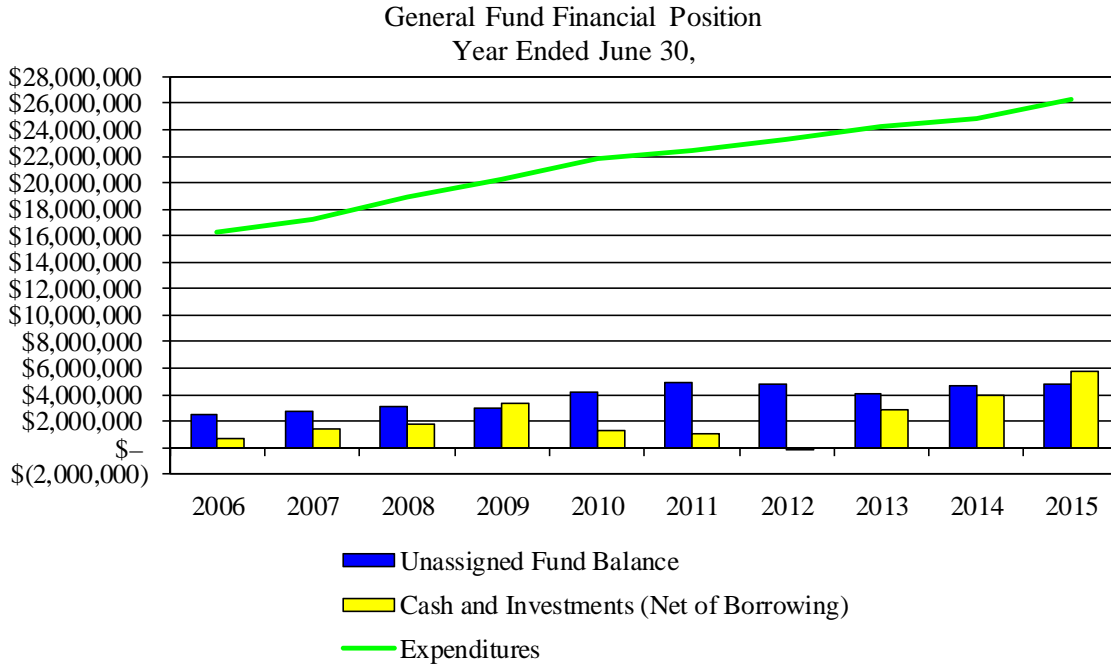
The calculation above reflects only the unrestricted fund balance of the General Fund, and the corresponding expenditures, which is the same method the state uses for the calculation of statutory operating debt (SOD). We have also included the comparable percentages for your district.

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

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. Unassigned 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 2015 with a General Fund cash and investments balance of \$5,707,461 (net of borrowing and interfund receivables and payables), an increase of \$1,784,288 from the previous year. This change was primarily due to the changes in the metering of state aid payments from the Minnesota Department of Education. Unassigned fund balance at year-end was \$4,807,307, an increase of \$164,409.

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

	Year Ended June 30,				
	2011	2012	2013	2014	2015
Nonspendable fund balances	\$ 4,806	\$ 106,799	\$ 80,710	\$ 9,922	\$ 79,012
Restricted fund balances	1,604,790	1,458,010	1,430,576	1,414,463	1,390,688
Assigned fund balances	-	-	110,661	-	-
Unassigned	4,909,422	4,785,805	4,082,678	4,642,898	4,807,307
Total fund balances	\$ 6,519,018	\$ 6,350,614	\$ 5,704,625	\$ 6,067,283	\$ 6,277,007
Unassigned fund balances as a percentage of expenditures	21.9%	20.6%	16.8%	18.6%	18.3%
Cash and temporary investments (net of borrowing)	\$ 1,062,392	\$ (150,730)	\$ 2,886,578	\$ 3,923,173	\$ 5,707,461

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.

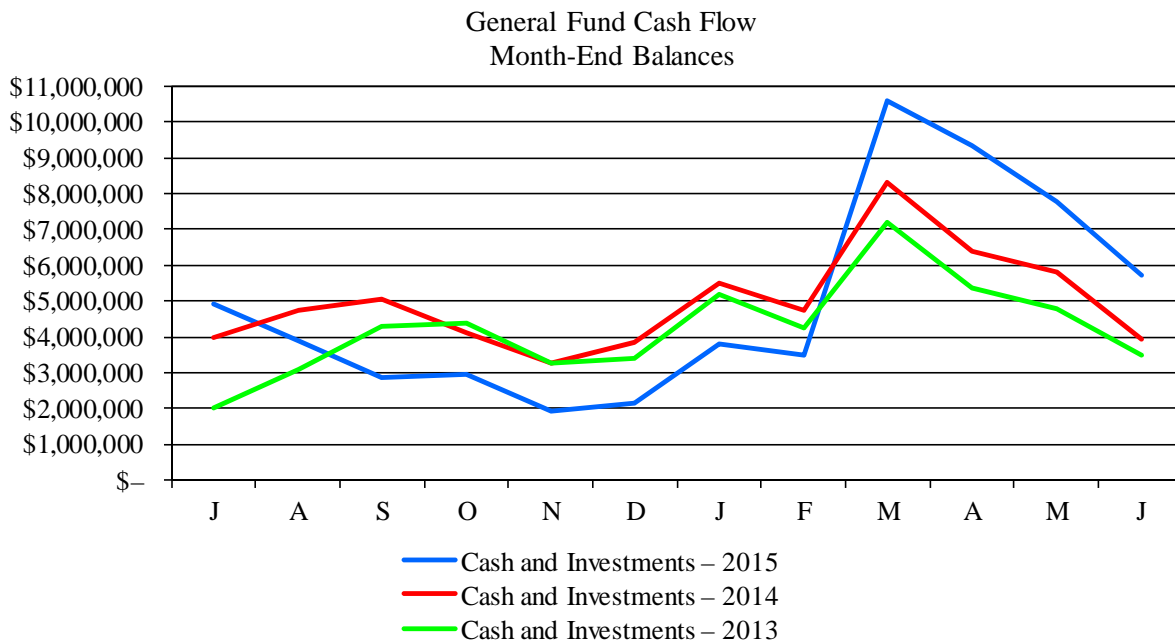
Fund balance as a percentage of expenditures is one key measure in assessing the financial health of the District. Maintaining an adequate fund balance is particularly important because of the limited availability of borrowing for the District and the need for the General Fund to be self-sustaining in 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 a minimum unassigned General Fund balance of 15 percent of the annual budget. At June 30, 2015, the District has exceeded that policy with an unassigned fund balance as a percentage of 2015 expenditures of 18.3 percent.

The restricted fund balance amounts listed in the table on the previous page mainly 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 \$5.8 million for fiscal 2015. Changes in the state aid payment schedules significantly affect the cash flow of Minnesota school districts. 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. For fiscal 2014 and 2015, the metering of state aids was being paid on a 90–10 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,				
	2011	2012	2013	2014	2015
Revenue and other financing sources	\$ 3,888,279	\$ 4,225,045	\$ 3,823,175	\$ 3,391,004	\$ 3,279,549
Expenditures	3,872,245	3,967,802	4,135,016	3,471,081	3,381,889
Net change in fund balances	16,034	257,243	(311,841)	(80,077)	(102,340)
Fund balances					
Beginning of year	1,951,403	1,967,437	2,224,680	1,912,839	1,832,762
End of year	<u>\$ 1,967,437</u>	<u>\$ 2,224,680</u>	<u>\$ 1,912,839</u>	<u>\$ 1,832,762</u>	<u>\$ 1,730,422</u>

This account experienced a net decrease in fund balance of \$102,340 during fiscal 2015. This compares to a budgeted decrease of \$84,935. Revenues were under budget by \$121,966, while expenditures ended the year lower than budget by \$104,560.

Total revenue and other financing sources in the Secondary Education Account of the General Fund totaled \$3,279,549 for fiscal 2015, a decrease of \$111,455 from the previous year, mainly due to declining enrollment.

Special Education Account

	Year Ended June 30,				
	2011	2012	2013	2014	2015
Revenue and other financing sources	\$ 18,423,168	\$ 17,867,527	\$ 18,615,960	\$ 20,660,172	\$ 22,071,391
Expenditures and other financing uses	17,694,715	18,152,937	18,895,373	20,084,109	21,757,866
Net change in fund balances	728,453	(285,410)	(279,413)	576,063	313,525
Fund balances					
Beginning of year	2,161,370	2,889,823	2,604,413	2,325,000	2,901,063
End of year	<u>\$ 2,889,823</u>	<u>\$ 2,604,413</u>	<u>\$ 2,325,000</u>	<u>\$ 2,901,063</u>	<u>\$ 3,214,588</u>

This account experienced a net increase in fund balance of \$313,525 during fiscal 2015, which compares to a budgeted increase in fund balance of \$323,516 for the year.

Special Education Account revenues and other financing sources increased \$1,411,219 in fiscal 2015. The District experienced a 12 percent increase in enrollment in special education programs; in combination with increasing expenditures, this resulted in an increase in state revenue sources through tuition billing.

OTHER FUNDS OF THE DISTRICT

Internal Service Funds

The internal service funds are considered proprietary funds and are used to account for dental insurance offered by the District to its employees as a self-insured plan and post-employment employee benefits.

The following table presents comparative operating results for the District's internal service funds over the past five fiscal years:

	Year Ended June 30,				
	2011	2012	2013	2014	2015
Revenue	\$ 590,486	\$ 553,360	\$ 525,386	\$ 552,460	\$ 530,743
Expenses	486,642	449,948	519,904	411,914	554,121
Change in net position	103,844	103,412	5,482	140,546	(23,378)
Net position					
Beginning of year	(714,374)	(610,530)	(507,118)	(501,636)	(361,090)
End of year	<u>\$ (610,530)</u>	<u>\$ (507,118)</u>	<u>\$ (501,636)</u>	<u>\$ (361,090)</u>	<u>\$ (384,468)</u>

These funds experienced a decrease in net position of \$23,378 during fiscal 2015. This occurred mostly as a result of expenses being more than fiscal 2014 by \$142,207, mostly for severance benefits.

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 three years:

	As of June 30,		
	2013	2014	2015
Net position – governmental activities			
Total fund balances – governmental funds	\$ 6,011,062	\$ 6,178,520	\$ 6,388,279
Total capital assets, net of depreciation	7,441,349	7,248,954	6,998,185
Total long-term debt	(7,790,080)	(7,590,332)	(7,356,552)
Net pension-related liabilities	–	–	(15,739,911)
Internal Service Fund balance	(501,636)	(361,090)	(384,468)
Other items	435	(1,901)	(4,320)
Total net position – governmental activities	<u>\$ 5,161,130</u>	<u>\$ 5,474,151</u>	<u>\$ (10,098,787)</u>
Net position			
Net investment in capital assets	\$ 636,891	\$ 560,535	\$ 516,185
Restricted	1,126,946	897,218	909,640
Unrestricted	<u>3,397,293</u>	<u>4,016,398</u>	<u>(11,524,612)</u>
Total net position	<u>\$ 5,161,130</u>	<u>\$ 5,474,151</u>	<u>\$ (10,098,787)</u>

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

Total net position decreased by \$15,572,938 in fiscal 2015. The District recorded a change in accounting principle for reporting the District's participation in the Public Employees Retirement Association and Teachers Retirement Association pension plans that reduced beginning net position by \$16,090,287 at June 30, 2014.

LEGISLATIVE SUMMARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ACCOUNTING AND AUDITING UPDATES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GASB STATEMENT NO. 77, TAX ABATEMENT DISCLOSURES

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

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

CHANGES TO FEDERAL GRANT AUDIT REQUIREMENTS

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

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

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

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INTERMEDIATE SCHOOL DISTRICT NO. 917
ROSEMOUNT, MINNESOTA

Extracurricular Student Activity
Accounts Financial Statements

Year Ended
June 30, 2015

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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, 2015, 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 these financial statements in accordance with the cash basis of accounting described in Note 1 of the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

(continued)

BASIS FOR QUALIFIED OPINION

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

QUALIFIED OPINION

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statement referred to on the previous page presents fairly, in all material respects, the cash balances of the District's extracurricular student activity accounts as of June 30, 2015, 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.

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 statements are 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 opinions are not modified with respect to this matter.

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

Minneapolis, Minnesota
October 30, 2015

INTERMEDIATE SCHOOL DISTRICT NO. 917

Extracurricular Student Activity Accounts
 Statement of Cash Receipts and Disbursements
 Year Ended June 30, 2015

	Beginning Balance – <u>July 1, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Balance – <u>June 30, 2015</u>
Student activity accounts				
Alliance Education Center	\$ 63	\$ 1,081	\$ 1,034	\$ 110
DCALS	34	331	193	172
DCALS North	–	220	15	205
Deaf & Hard of Hearing	1,444	973	1,241	1,176
Secondary Youth	265	568	40	793
Skills USA	353	2,864	3,119	98
Vehicle Services	259	303	559	3
	<u>2,418</u>	<u>6,340</u>	<u>6,201</u>	<u>2,557</u>
Total	<u>\$ 2,418</u>	<u>\$ 6,340</u>	<u>\$ 6,201</u>	<u>\$ 2,557</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, 2015

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

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PRINCIPALS

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

INDEPENDENT AUDITOR'S REPORT 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, 2015, 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 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.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Corrective Action as item 2015-001 to be a material weakness.

The District's response to the finding identified in our audit has been included in the Schedule of Findings and Corrective Action. The District's response was not subject to the auditing procedures applied in our audit of the financial statement and, accordingly, we express no opinion on it.

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

Malloy, Montague, Karnowski, Radosevich & Co., P.A.
Minneapolis, Minnesota
October 30, 2015

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PRINCIPALS

Thomas M. Montague, CPA
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James H. Eichten, CPA
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Victoria L. Holinka, CPA

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, 2015, and the related notes to the extracurricular student activity accounts financial statement, and have issued our report thereon dated October 30, 2015. 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 statements are 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, provide 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*. 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.

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.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.
Minneapolis, Minnesota
October 30, 2015

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INTERMEDIATE SCHOOL DISTRICT NO. 917

Extracurricular Student Activity Accounts
Schedule of Findings and Corrective Action
For the Year Ended June 30, 2015

FINDINGS AND CORRECTIVE ACTION

EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS

2015-001 Material Weakness in Internal Controls – Cash Receipts

Condition – Intermediate School District No. 917 (the District) reports the cash receipts and disbursements of its extracurricular student activity accounts on the cash basis. The internal controls at the District are not sufficient to assure that all cash receipts have been recorded.

Type of Finding – Current year and prior year finding.

Criteria – Management is responsible for establishing and maintaining a system of internal controls sufficient to reduce to an acceptable level, the possibility that a material misstatement of the District’s financial statements will not be prevented, or detected and corrected, on a timely basis.

Recommendation – We recommend that the District continue to review the internal controls over extracurricular student activity accounts, and consider adding procedures to strengthen the controls over the recording of cash receipts, such as the use and reconciliation of pre-numbered receipts and inventory controls over items sold for fundraisers. As is the case with all internal controls, the potential benefit of any contemplated procedural modifications in this area should be weighed against the cost.

Corrective Action Plan

Actions Planned – The District’s Finance Department personnel regularly reviews internal controls over extracurricular student activity account transactions. The District will continue this process, and will evaluate whether implementing additional control procedures over the recording of cash receipts is cost beneficial and practical within the limitations of the staffing available.

Official Responsible – The District’s Business Manager.

Planned Completion Date – June 30, 2016.

Disagreement With or Explanation of Finding – The District is in agreement with this finding.

Plan to Monitor – The District’s Business Manager will oversee the continued review and evaluation of internal controls over the recording of extracurricular student activity account receipts, and the implementation of any control procedure modifications.

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INTERMEDIATE SCHOOL DISTRICT NO. 917
ROSEMOUNT, MINNESOTA

Financial Statements and
Supplemental Information

Year Ended
June 30, 2015

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Table of Contents

	Page
INTRODUCTORY SECTION	
School Board and Administration	1
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	2–4
MANAGEMENT’S DISCUSSION AND ANALYSIS	5–19
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	20
Statement of Activities	21–22
Fund Financial Statements	
Governmental Funds	
Balance Sheet	23
Reconciliation of the Balance Sheet to the Statement of Net Position	24
Statement of Revenue, Expenditures, and Changes in Fund Balances	25
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	26
Statement of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	27
Proprietary Funds	
Statement of Net Position	28
Statement of Revenue, Expenses, and Changes in Net Position	29
Statement of Cash Flows	30
Fiduciary Funds	
Statement of Fiduciary Net Position	31
Statement of Changes in Fiduciary Net Position	31
Notes to Basic Financial Statements	32–56
REQUIRED SUPPLEMENTARY INFORMATION	
Defined Benefit Pension Plans – GERS/TRA Retirement Funds	
Schedule of District’s and Non-Employer Proportionate Share of Net Pension Liability	57
Schedule of District Contributions	58
Other Post-Employment Benefits Plan	
Schedule of Funding Progress	59

Table of Contents (continued)

	Page
SUPPLEMENTAL INFORMATION	
Combining and Individual Fund Statements and Schedules	
General Fund	
Comparative Balance Sheet	60
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	61
Combining Balance Sheet by Account	62–63
Combining Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account	64–65
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	
Secondary Education Account	66
Special Education Account	67
Services Allocation Account	68
District Support Services Account	69
Capital Expenditure Account	70
Secondary Resale Account	71
Special Education Resale Account	72
Capital Projects – Building Construction Fund	
Comparative Balance Sheet	73
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	74
Nonmajor Fund – Food Service Special Revenue Fund	
Comparative Balance Sheet	75
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	76
Internal Service Funds	
Combining Statement of Net Position	77
Combining Statement of Revenue, Expenses, and Changes in Net Position	78
Combining Statement of Cash Flows	79
 OTHER INFORMATION	
Government-Wide Revenue by Type	80
Government-Wide Expenses by Program	81
General Fund Revenue by Source	82–83
General Fund Expenditures by Object	84–85
 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 <i>Government Auditing Standards</i>	86–87
Independent Auditor’s Report on Minnesota Legal Compliance	88
Uniform Financial Accounting and Reporting Standards Compliance Table	89–90

INTRODUCTORY SECTION

INTERMEDIATE SCHOOL DISTRICT NO. 917

School Board and Administration
as of June 30, 2015

SCHOOL BOARD

<u>Board of Directors</u>	<u>Member District</u>	<u>Position on Board</u>
Jill Lewis	ISD No. 199	Chairperson
Deb Clark	SSD No. 6	Vice Chairperson
Ron Hill	ISD No. 191	Treasurer
Vanda Pressnall	ISD No. 195	Clerk
Dick Bergstrom	ISD No. 271	Director
Dan Cater	ISD No. 200	Director
Bob Erickson	ISD No. 194	Director
Joanne Mansur	ISD No. 197	Director
Melissa Sauser	ISD No. 192	Director

ADMINISTRATION

John Christiansen	Superintendent
Melissa Schaller	Director of Special Education
Eric Van Brocklin	Secondary Education Principal
Nicolle Roush	Business Manager

FINANCIAL SECTION

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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 accompanying 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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

(continued)

OPINIONS

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

EMPHASIS OF MATTER

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

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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 section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The 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.

Prior Year Comparative Information

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

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
October 30, 2015

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INTERMEDIATE SCHOOL DISTRICT NO. 917

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

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, 2015. Please read it in conjunction with the other components of the District's financial statements.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows of resources were lower than liabilities and deferred inflows of resources at June 30, 2015 by \$10,098,787 (net position). The District's total net position increased by \$517,349 during the fiscal year ended June 30, 2015, exclusive of the change in accounting principle reported in the current year as discussed below.
- The District recorded a change in accounting principle in the current year for reporting the District's participation in the Public Employees Retirement Association (PERA) and Teachers Retirement Association (TRA) pension plans. This change reduced beginning net position in the government-wide financial statements by \$16,090,287.
- The District's total General Fund balance at June 30, 2015 is \$6,277,007.
- The District's governmental funds Balance Sheet reflects a \$4,807,307 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, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

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

- Over time, increases or decreases in the District's net position are indicators of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District requires consideration of additional non-financial factors such as 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:

	<u>2015</u>	<u>2014</u>
Assets		
Current and other assets	\$ 10,537,842	\$ 9,854,161
Capital assets, net of accumulated depreciation	<u>6,998,185</u>	<u>7,248,954</u>
Total assets	<u>\$ 17,536,027</u>	<u>\$ 17,103,115</u>
Deferred outflows of resources		
Pension plan deferments – PERA and TRA	<u>\$ 2,496,992</u>	<u>\$ –</u>
Liabilities		
Current and other liabilities	\$ 3,181,913	\$ 2,861,832
Long-term liabilities, including due within one year	<u>22,633,143</u>	<u>8,767,132</u>
Total liabilities	<u>\$ 25,815,056</u>	<u>\$ 11,628,964</u>
Deferred inflows of resources		
Pension plan deferments – PERA and TRA	<u>\$ 4,316,750</u>	<u>\$ –</u>
Net position		
Net investment in capital assets	\$ 516,185	\$ 560,535
Restricted for capital projects	815,115	769,936
Restricted for other purposes	94,525	127,282
Unrestricted	<u>(11,524,612)</u>	<u>4,016,398</u>
Total net position	<u>\$ (10,098,787)</u>	<u>\$ 5,474,151</u>

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

Total net position decreased by \$15,572,938. The District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, during the year, which changed employer reporting of participation in pension plans such as the Public Employees Retirement Association (PERA) and Teachers Retirement Association (TRA). This change in accounting principle reduced beginning unrestricted net position by \$16,090,287. This change in accounting principle for pensions significantly increased deferred outflows of resources, long-term liabilities, and deferred inflows of resources, as presented in the table above.

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

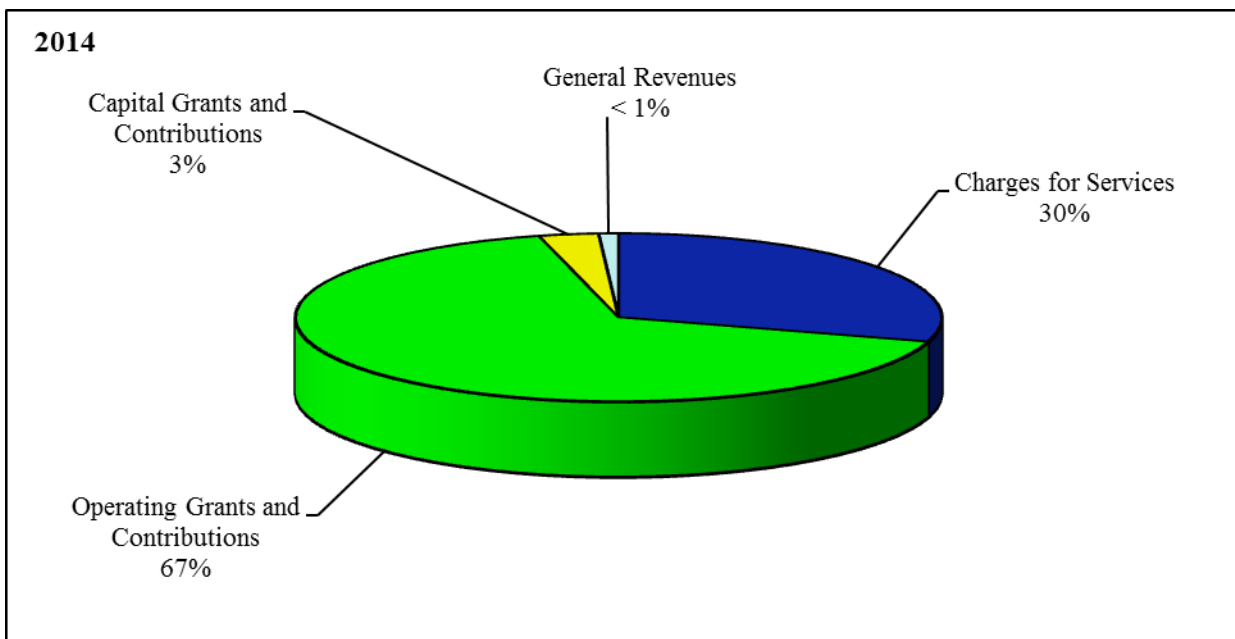
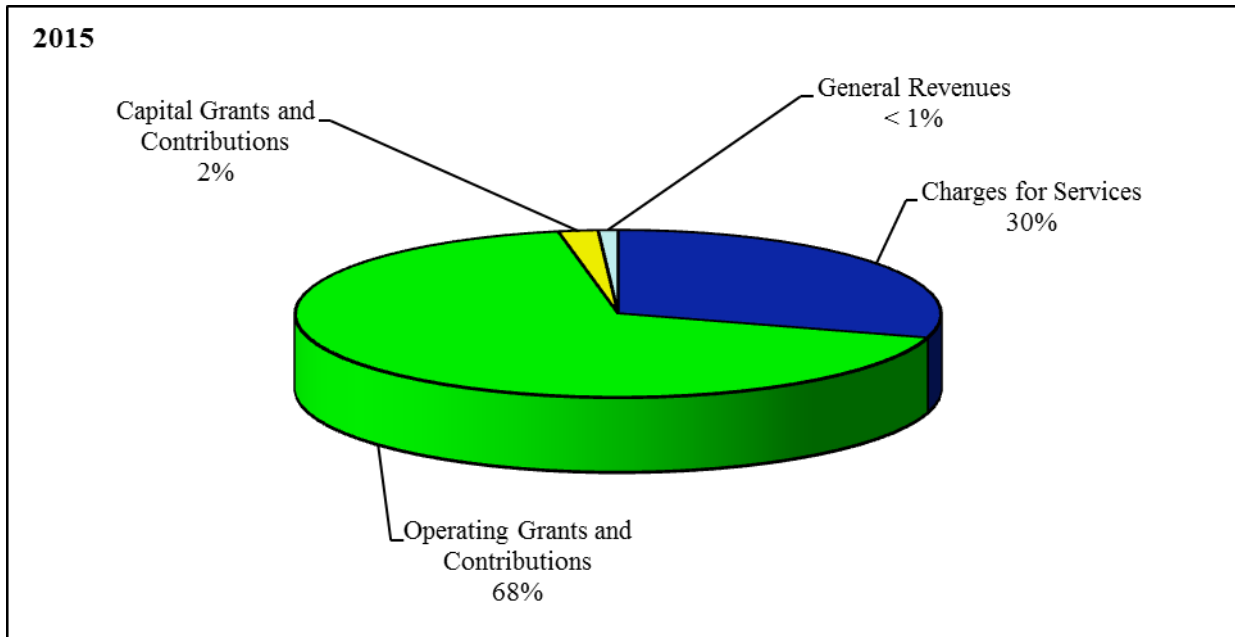
	2015	2014
Revenues		
Program revenues		
Charges for services	\$ 7,876,725	\$ 7,619,433
Operating grants and contributions	18,073,067	17,064,879
Capital grants and contributions	559,401	581,454
General revenues		
Other	96,383	66,237
Investment earnings	29,332	31,483
Total revenues	26,634,908	25,363,486
Expenses		
Administrative and support services	1,867,491	1,892,695
Secondary vocational/DCALS	3,182,362	3,483,868
Special education programs	20,634,460	19,239,348
Food service	116,426	108,123
Interest and fiscal charges on debt	316,820	326,431
Total expenses	26,117,559	25,050,465
Change in net position	517,349	313,021
Net position – beginning, as previously reported	5,474,151	5,161,130
Change in accounting principle	(16,090,287)	–
Net position – beginning, restated	(10,616,136)	5,161,130
Net position – ending	\$ (10,098,787)	\$ 5,474,151

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 \$26,117,559. The District's expenses are predominantly related to educating students. In fiscal 2014–2015, 91 percent of the District's expenses were devoted to this purpose. The administrative and support services activity of the District accounted for 7 percent of total expenses for the year. It should be noted that the District allocated \$1,399,511 in administrative and support services expenses to the secondary vocational/Dakota County Alternative Learning School (DCALS) and special education programs in fiscal 2015.

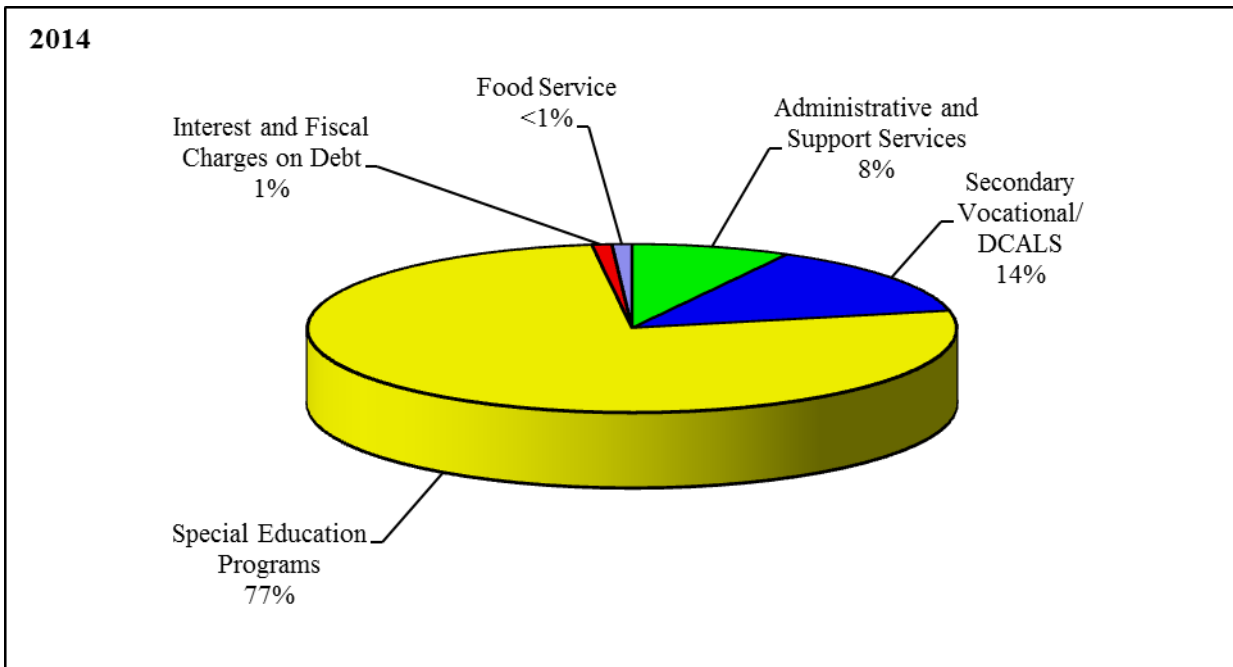
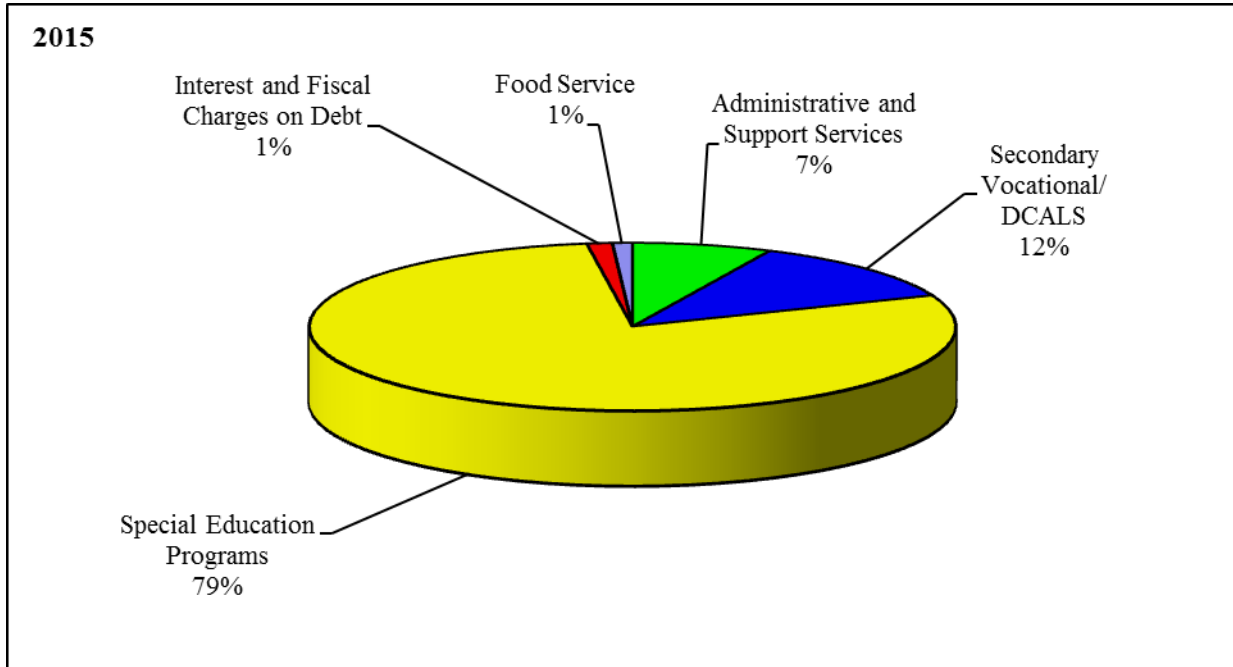
Figures A and B show further analysis of these revenue sources and expense functions:

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



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 2015 and 2014



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, 2015 and 2014

	2015		2014	
	Total Cost of Services	Net (Expense) Revenue From Services	Total Cost of Services	Net (Expense) Revenue From Services
Governmental activities				
Administrative and support services	\$ 1,867,491	\$ 194	\$ 1,892,695	\$ (120,738)
Secondary vocational/DCALS	3,182,362	432,600	3,483,868	317,260
Special education programs	20,634,460	310,396	19,239,348	372,319
Food service	116,426	(34,736)	108,123	(27,109)
Interest and fiscal charges	316,820	(316,820)	326,431	(326,431)
Total	\$ 26,117,559	\$ 391,634	\$ 25,050,465	\$ 215,301

The overall net (expense) revenue from service was \$176,333 more than fiscal 2014 as the operations of the administrative and support services experienced an increase in fund balance in the amount of \$194, which compares to a decrease in fund balance in fiscal 2014 of \$120,738.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

	2015		2014		Increase (Decrease)	Total Percent Change
	2015	2014	2015	2014		
Major funds						
General	\$ 6,277,007	\$ 6,067,283	\$ 6,277,007	\$ 6,067,283	\$ 209,724	3.5%
Capital Projects – Building Construction	111,272	111,237	111,272	111,237	35	–
Food Service Special Revenue	–	–	–	–	–	–
Total governmental funds	\$ 6,388,279	\$ 6,178,520	\$ 6,388,279	\$ 6,178,520	\$ 209,759	3.4%

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
Last Five Fiscal Years

	Fiscal Year				
	2010–2011	2011–2012	2012–2013	2013–2014	2014–2015
Secondary vocational resource programs	120.33	118.72	117.37	109.00	100.67
DCALS	237.38	257.37	203.78	209.84	190.43
Special education resource programs	424.71	354.56	361.66	395.92	414.54

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 DCALS programs, secondary vocational programs have experienced a slight decline over the last five years, and special education programs are starting to rebound with the reopening of the Youth Transition Program and classroom expansion in TEA and SUN. 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

	2011	2012	2013	2014	2015
Unassigned fund balance	\$ 4,909,422	\$ 4,785,805	\$ 4,082,678	\$ 4,642,898	\$ 4,807,307
Percent increase (decrease)	17.3%	(2.5%)	(14.7%)	13.7%	3.5%
Expenditures	\$ 22,415,586	\$ 23,279,218	\$ 24,282,947	\$ 24,895,504	\$ 26,283,967
Percent increase (decrease)	2.9%	3.9%	4.3%	2.5%	5.6%
Unassigned fund balance as a percentage of expenditures	21.9%	20.6%	16.8%	18.6%	18.3%

The District ended the year with a \$209,724 increase in the General Fund balance. This increase is \$4,994 less than what was anticipated in the revised budget. The District projected an increase in the fund balance of \$214,718. Overall, projects came in very close to actuals with some minor deviations between secondary, special education, and general capital fund balances.

Table 7 presents a summary of General Fund revenue:

	<u>2015</u>	<u>2014</u>	Amount of Increase (Decrease)
Local sources			
Tuition	\$ 7,693,829	\$ 7,500,972	\$ 192,857
Investment earnings	29,297	31,379	(2,082)
Other	722,695	744,844	(22,149)
State sources	17,921,967	16,844,989	1,076,978
Federal sources	<u>156,510</u>	<u>159,147</u>	<u>(2,637)</u>
 Total General Fund revenues	 <u>\$ 26,524,298</u>	 <u>\$ 25,281,331</u>	 <u>\$ 1,242,967</u>

Total General Fund revenues increased \$1,242,967, or 4.9 percent, in fiscal 2015 as compared to the previous year. Overall, the changes in revenues can be attributed to:

- The District experienced an 11.83 percent increase in enrollment in special education programs in combination with increased expenditures, resulting in an increase in state revenue sources through tuition billing and for direct tuition revenue to local school districts for services outside of the state tuition billing system.
- The District experienced a 3.5 percent decrease in enrollment in the DCALS programs due to declining enrollment resulting in a decrease in direct tuition revenue to local school districts.

Table 8 presents a summary of General Fund expenditures:

	2015	2014	Amount of Increase (Decrease)
Salaries	\$ 15,757,624	\$ 14,750,541	\$ 1,007,083
Employee benefits	5,901,053	5,606,939	294,114
Purchased services	3,059,678	3,049,998	9,680
Supplies and materials	713,877	604,165	109,712
Other expenditures	23,752	23,733	19
Capital expenditures	268,582	301,033	(32,451)
Debt service	559,401	559,095	306
Total General Fund expenditures	<u>\$ 26,283,967</u>	<u>\$ 24,895,504</u>	<u>\$ 1,388,463</u>

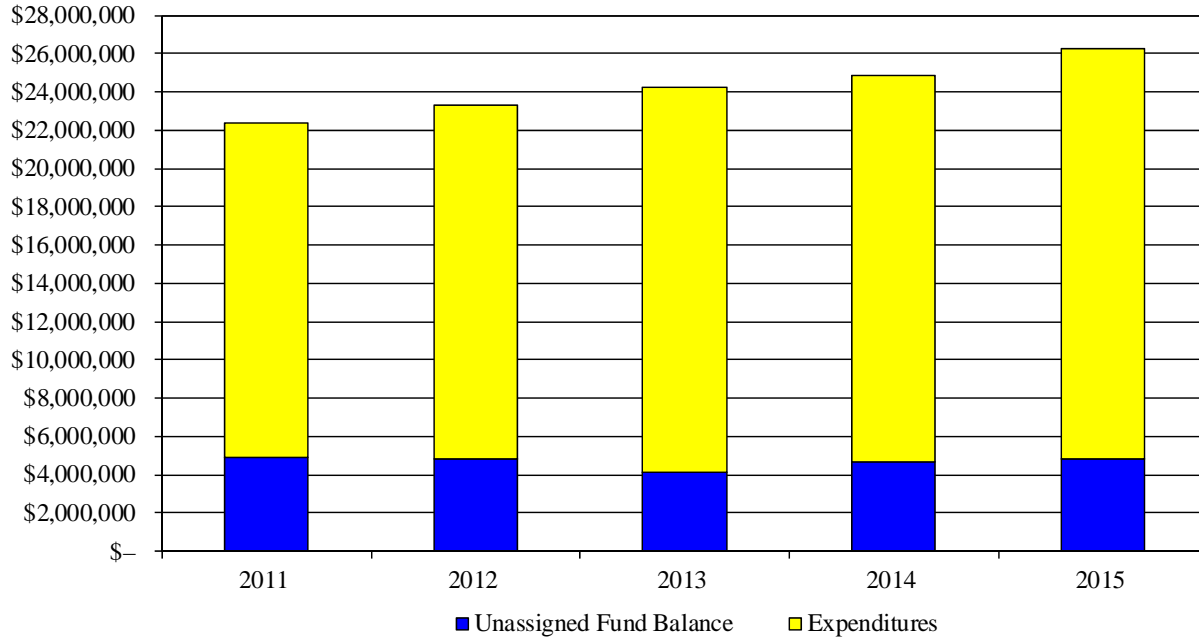
Total General Fund expenditures increased \$1,388,463, or 5.6 percent, from the previous year. Overall, the changes in expenditures can be attributed to:

- The District's average salary and benefit increase in union contract settlements for fiscal 2015 were approximately 4.0 percent. TRA benefits also increased from 7.0 percent to 7.5 percent. The District also saw an increase of 19 full-time equivalent employees in licensed and non-licensed instructional settings.
- The supplies and materials and capital expenditures increased by 8.5 percent as a result of special education program growth and the reopening of the Youth Transition Program.

In summary, 2014–2015 General Fund revenues and other financing sources exceeded General Fund expenditures and other financing uses by \$209,724. As a result, total fund balance increased to \$6,277,007 at June 30, 2015. After deducting nonspendable, restricted, and assigned funds, the unassigned fund balance increased from \$4,642,898 at June 30, 2014 to \$4,807,307 at June 30, 2015.

The following shows the General Fund unassigned fund balance as compared to expenditures:

Figure C
General Fund
Unassigned Fund Balance as Compared to Expenditures
Last Five Fiscal Years



The graph above is the single best measure of overall financial health. The unassigned fund balance of \$4.8 million at June 30, 2015 represents 18.3 percent of annual 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 school district. 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:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenue and other financing sources	<u>\$ 27,899,823</u>	<u>\$ 28,150,242</u>	<u>\$ 26,524,485</u>	<u>\$ (1,625,757)</u>
Expenditures and other financing uses	<u>\$ 27,796,318</u>	<u>\$ 27,935,524</u>	<u>\$ 26,314,761</u>	<u>\$ (1,620,763)</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 5.8 percent due to several factors. The District's anticipated revenues are determined by actual expenditures incurred, which came in under budget by about \$1,621,141 resulting in revenue coming in under budget. In addition, the District is conservatively anticipating that the special education tuition revenues are no longer exceeding special education expenditures like they were in fiscal years 2009 to 2011.

The District's expenditures and other financing uses were less than budgeted amounts by 5.8 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 special education programs to accommodate any increased student participation that went unfilled. The District also experienced significant retention issues resulting in an influx of new staff hires, a decline in employee family medical insurance participation, and a high volume of employee medical leave of absences. Supplies and materials were under budget significantly due to curriculum purchases from basic skills revenue deferred into fiscal 2016. 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.

CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND

Revenues exceeded expenditures by \$35 for the year. The fund balance in this fund is restricted for capital projects.

FOOD SERVICE SPECIAL REVENUE FUND

Expenditures exceeded revenues by \$30,794 for the year. In order to eliminate the potential deficit in the Food Service Special Revenue Fund, the School Board approved a transfer of \$30,794 from the General Fund.

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.

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, 2015 and 2014:

	<u>2015</u>	<u>2014</u>	<u>Net Change</u>
Land	\$ 683,993	\$ 683,993	\$ –
Buildings	8,492,082	8,732,533	(240,451)
Furniture and equipment	4,008,386	3,963,608	44,778
Less accumulated depreciation	<u>(6,186,276)</u>	<u>(6,131,180)</u>	<u>(55,096)</u>
Total	<u>\$ 6,998,185</u>	<u>\$ 7,248,954</u>	<u>\$ (250,769)</u>
Depreciation expense	<u>\$ 276,776</u>	<u>\$ 282,224</u>	<u>\$ (5,448)</u>

Long-Term Liabilities

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

	2015	2014	Change
Capital leases payable	\$ 7,070,000	\$ 7,315,000	\$ (245,000)
Unamortized discount	(122,725)	(129,100)	6,375
Net pension liability – PERA*	4,570,667	–	4,570,667
Net pension liability – TRA*	9,349,486	–	9,349,486
Severance benefits payable	479,110	473,867	5,243
Compensated absences payable	286,552	275,332	11,220
Net OPEB obligation	1,000,053	832,033	168,020
Total	\$ 22,633,143	\$ 8,767,132	\$ 13,866,011

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

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District is 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:

- 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.
- Convening regional planning groups to initiate collaborations with counties, non-profit organizations, businesses, higher education, etc., to enhance services for students, families, and staff.
- 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 implementation 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. 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.
- The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. In the 2015 fiscal year, several funding and pupil weighting changes went into effect, which included an equivalent increase of \$105, or 2.0 percent, for the basic general education formula funding. The Legislature has added \$117, or 2.0 percent, per pupil to the formula for fiscal year 2016 and an additional \$119, or 2.0 percent, per pupil to the formula for fiscal year 2017. The ongoing demands on limited resources continue to present challenges in funding education for Minnesota schools.
- The District has appropriate fund balances to provide adequate opportunity to adapt to uncontrolled changes in revenue sources for the short term (two or three years). The recent changes to the special education funding system beginning with the 2016–2017 fiscal year will not be fully known until the system has been utilized for two to three years.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

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INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	Governmental Activities	
	2015	2014
Assets		
Cash and temporary investments	\$ 6,964,155	\$ 5,014,909
Receivables		
Accounts and interest	9,204	19,687
Due from other governmental units	2,893,151	4,180,687
Inventory	49,563	2,129
Prepaid items	29,449	8,267
Restricted assets – temporarily restricted		
Cash and investments held by trustee	592,320	628,482
Capital assets		
Not depreciated	683,993	683,993
Depreciated, net of accumulated depreciation	6,314,192	6,564,961
Total capital assets, net of accumulated depreciation	<u>6,998,185</u>	<u>7,248,954</u>
Total assets	17,536,027	17,103,115
Deferred outflows of resources		
Pension plan deferments – PERA and TRA	<u>2,496,992</u>	–
Total assets and deferred outflows of resources	<u>\$ 20,033,019</u>	<u>\$ 17,103,115</u>
Liabilities		
Salaries and compensated absences payable	\$ 2,283,364	\$ 2,028,934
Accounts and contracts payable	74,622	77,311
Accrued interest payable	127,045	131,001
Due to other governmental units	478,243	452,973
Unearned revenue	218,639	171,613
Long-term liabilities		
Due within one year	300,586	386,024
Due in more than one year	22,332,557	8,381,108
Total long-term liabilities	<u>22,633,143</u>	<u>8,767,132</u>
Total liabilities	25,815,056	11,628,964
Deferred inflows of resources		
Pension plan deferments – PERA and TRA	4,316,750	–
Net position		
Net investment in capital assets	516,185	560,535
Restricted for capital projects	815,115	769,936
Restricted for other purposes	94,525	127,282
Unrestricted	(11,524,612)	4,016,398
Total net position	<u>(10,098,787)</u>	<u>5,474,151</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 20,033,019</u>	<u>\$ 17,103,115</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

2015					
Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities					
Administrative and support services	\$ 1,867,491	\$ (1,399,511)	\$ 468,174	\$ -	\$ -
Secondary vocational/DCALS	3,182,362	280,631	3,072,509	263,683	559,401
Special education programs	20,634,460	1,118,880	4,254,352	17,809,384	-
Food service	116,426	-	81,690	-	-
Interest and fiscal charges on debt	316,820	-	-	-	-
Total governmental activities	\$ 26,117,559	\$ -	\$ 7,876,725	\$ 18,073,067	\$ 559,401
General revenues					
Other general revenues					
Investment earnings					
Total general revenues					
Change in net position					
Net position – beginning, as previously reported					
Change in accounting principle					
Net position – beginning as restated					
Net position – ending					

See notes to basic financial statements

2014	
Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Governmental Activities	Governmental Activities
\$ 194	\$ (120,738)
432,600	317,260
310,396	372,319
(34,736)	(27,109)
<u>(316,820)</u>	<u>(326,431)</u>
391,634	215,301
96,383	66,237
29,332	31,483
<u>125,715</u>	<u>97,720</u>
517,349	313,021
5,474,151	5,161,130
(16,090,287)	-
<u>(10,616,136)</u>	<u>5,161,130</u>
<u>\$ (10,098,787)</u>	<u>\$ 5,474,151</u>

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INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	General Fund	Capital Projects – Building Construction Fund	Nonmajor Fund – Food Service Special Revenue Fund	Total Governmental Funds	
				2015	2014
Assets					
Cash and temporary investments	\$ 5,707,461	\$ 111,272	\$ (1,624)	\$ 5,817,109	\$ 4,034,828
Cash and investments held by trustee	592,320	–	–	592,320	628,482
Receivables					
Accounts and interest	9,204	–	–	9,204	19,687
Due from other governmental units	2,891,527	–	1,624	2,893,151	4,180,687
Inventory	49,563	–	–	49,563	2,129
Prepaid items	29,449	–	–	29,449	7,793
	<u>\$ 9,279,524</u>	<u>\$ 111,272</u>	<u>\$ –</u>	<u>\$ 9,390,796</u>	<u>\$ 8,873,606</u>
Liabilities					
Salaries and compensated absences payable	\$ 2,283,364	\$ –	\$ –	\$ 2,283,364	\$ 2,028,934
Accounts and contracts payable	22,271	–	–	22,271	41,566
Due to other governmental units	478,243	–	–	478,243	452,973
Unearned revenue	218,639	–	–	218,639	171,613
Total liabilities	<u>3,002,517</u>	<u>–</u>	<u>–</u>	<u>3,002,517</u>	<u>2,695,086</u>
Fund balances					
Nonspendable	79,012	–	–	79,012	9,922
Restricted	1,390,688	111,272	–	1,501,960	1,525,700
Unassigned	4,807,307	–	–	4,807,307	4,642,898
Total fund balances	<u>6,277,007</u>	<u>111,272</u>	<u>–</u>	<u>6,388,279</u>	<u>6,178,520</u>
	<u>\$ 9,279,524</u>	<u>\$ 111,272</u>	<u>\$ –</u>	<u>\$ 9,390,796</u>	<u>\$ 8,873,606</u>

See notes to basic financial statements

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INTERMEDIATE SCHOOL DISTRICT NO. 917

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
as of June 30, 2015
(With Partial Comparative Information as of June 30, 2014)

	<u>2015</u>	<u>2014</u>
Total fund balances – governmental funds	\$ 6,388,279	\$ 6,178,520
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	13,184,461	13,380,134
Accumulated depreciation	(6,186,276)	(6,131,180)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable.		
Capital lease payable	(7,070,000)	(7,315,000)
Compensated absences payable	(286,552)	(275,332)
Net pension liability – PERA	(4,570,667)	–
Net pension liability – TRA	(9,349,486)	–
Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.	(127,045)	(131,001)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows – PERA and TRA pension plans	2,496,992	–
Deferred inflows – PERA and TRA pension plans	(4,316,750)	–
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.	122,725	129,100
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>(384,468)</u>	<u>(361,090)</u>
Total net position – governmental activities	<u>\$ (10,098,787)</u>	<u>\$ 5,474,151</u>

See notes to basic financial statements

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INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	General Fund	Capital Projects – Building Construction Fund	Nonmajor Fund – Food Service Special Revenue Fund	Total Governmental Funds	
				2015	2014
Revenue					
Local sources					
Tuition	\$ 7,693,829	\$ –	\$ –	\$ 7,693,829	\$ 7,500,972
Investment earnings	29,297	35	–	29,332	31,483
Other	722,695	–	20,026	742,721	765,664
State sources	17,921,967	–	4,979	17,926,946	16,848,941
Federal sources	156,510	–	56,688	213,198	215,389
Total revenue	<u>26,524,298</u>	<u>35</u>	<u>81,693</u>	<u>26,606,026</u>	<u>25,362,449</u>
Expenditures					
Current					
Administrative and support services	509,814	–	–	509,814	524,478
Secondary vocational/DCALS	3,475,851	–	–	3,475,851	3,731,391
Special education programs	21,738,901	–	–	21,738,901	20,080,540
Food service	–	–	112,487	112,487	104,183
Capital outlay	–	–	–	–	195,304
Debt service					
Principal	245,000	–	–	245,000	235,000
Interest and fiscal charges	314,401	–	–	314,401	324,095
Total expenditures	<u>26,283,967</u>	<u>–</u>	<u>112,487</u>	<u>26,396,454</u>	<u>25,194,991</u>
Excess (deficiency) of revenue over expenditures	240,331	35	(30,794)	209,572	167,458
Other financing sources (uses)					
Proceeds from sale of assets	187	–	–	187	–
Transfers in	–	–	30,794	30,794	23,169
Transfers out	(30,794)	–	–	(30,794)	(23,169)
Total other financing sources (uses)	<u>(30,607)</u>	<u>–</u>	<u>30,794</u>	<u>187</u>	<u>–</u>
Net change in fund balances	209,724	35	–	209,759	167,458
Fund balances					
Beginning of year	<u>6,067,283</u>	<u>111,237</u>	<u>–</u>	<u>6,178,520</u>	<u>6,011,062</u>
End of year	<u>\$ 6,277,007</u>	<u>\$ 111,272</u>	<u>\$ –</u>	<u>\$ 6,388,279</u>	<u>\$ 6,178,520</u>

See notes to basic financial statements

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INTERMEDIATE SCHOOL DISTRICT NO. 917

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Year Ended June 30, 2015

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

	<u>2015</u>	<u>2014</u>
Total net change in fund balances – governmental funds	\$ 209,759	\$ 167,458
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	96,092	118,558
Depreciation expense	(276,776)	(282,224)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
	245,000	235,000
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.		
	3,956	4,039
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.		
	(6,375)	(6,375)
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Net pension liability – PERA	726,417	–
Net pension liability – TRA	2,462,223	–
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	(70,085)	(28,729)
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.		
	(23,378)	140,546
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	(11,220)	(35,252)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows – PERA and TRA pension plans	1,478,486	–
Deferred inflows – PERA and TRA pension plans	(4,316,750)	–
Change in net position – governmental activities	<u>\$ 517,349</u>	<u>\$ 313,021</u>

See notes to basic financial statements

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INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Tuition	\$ 7,867,239	\$ 7,741,393	\$ 7,693,829	\$ (47,564)
Investment earnings	27,000	29,100	29,297	197
Other	792,344	789,117	722,695	(66,422)
State sources	19,050,627	19,430,864	17,921,967	(1,508,897)
Federal sources	162,613	159,582	156,510	(3,072)
Total revenue	<u>27,899,823</u>	<u>28,150,056</u>	<u>26,524,298</u>	<u>(1,625,758)</u>
Expenditures				
Current				
Administrative and support services	537,762	566,151	509,814	(56,337)
Secondary vocational/DCALS	3,638,285	3,665,380	3,475,851	(189,529)
Special education programs	23,037,870	23,114,176	21,738,901	(1,375,275)
Debt service				
Principal	245,000	245,000	245,000	-
Interest and fiscal charges	314,401	314,401	314,401	-
Total expenditures	<u>27,773,318</u>	<u>27,905,108</u>	<u>26,283,967</u>	<u>(1,621,141)</u>
Excess (deficiency) of revenue over expenditures	126,505	244,948	240,331	(4,617)
Other financing sources (uses)				
Proceeds from sale of assets	-	186	187	1
Transfers out	(23,000)	(30,416)	(30,794)	(378)
Total other financing sources (uses)	<u>(23,000)</u>	<u>(30,230)</u>	<u>(30,607)</u>	<u>(377)</u>
Net change in fund balances	<u>\$ 103,505</u>	<u>\$ 214,718</u>	209,724	<u>\$ (4,994)</u>
Fund balances				
Beginning of year			<u>6,067,283</u>	
End of year			<u>\$ 6,277,007</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, 2015
 (With Partial Comparative Actual Amounts as of June 30, 2014)

	<u>2015</u>	<u>2014</u>
Assets		
Current assets		
Cash and temporary investments	\$ 1,147,046	\$ 980,081
Prepaid items	-	474
Total current assets	<u>1,147,046</u>	<u>980,555</u>
Liabilities		
Current liabilities		
Accounts and contracts payable	52,351	35,745
Severance benefits payable	<u>13,139</u>	<u>23,139</u>
Total current liabilities	65,490	58,884
Long-term liabilities		
Net OPEB obligation	1,000,053	832,033
Severance benefits payable	<u>465,971</u>	<u>450,728</u>
Total long-term liabilities	<u>1,466,024</u>	<u>1,282,761</u>
Total liabilities	<u>1,531,514</u>	<u>1,341,645</u>
Net position (deficit)		
Unrestricted	<u>\$ (384,468)</u>	<u>\$ (361,090)</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	<u>2015</u>	<u>2014</u>
Operating revenue		
Charges for services		
Contributions from governmental funds	\$ 530,373	\$ 551,795
Operating expenses		
Post-employment severance and health benefits	190,241	64,449
Dental benefit claims	363,880	347,465
Total operating expenses	<u>554,121</u>	<u>411,914</u>
Operating income (loss)	(23,748)	139,881
Nonoperating revenue		
Investment earnings	<u>370</u>	<u>665</u>
Change in net position	(23,378)	140,546
Net position (deficit)		
Beginning of year	<u>(361,090)</u>	<u>(501,636)</u>
End of year	<u>\$ (384,468)</u>	<u>\$ (361,090)</u>

See notes to basic financial statements

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INTERMEDIATE SCHOOL DISTRICT NO. 917

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

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

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Contributions from other funds	\$ 530,373	\$ 552,824
Post-employment severance and health benefit payments	(11,004)	(30,674)
Payments for dental claims	(352,774)	(315,728)
Net cash flows from operating activities	<u>166,595</u>	<u>206,422</u>
Cash flows from investing activities		
Investment income received	<u>370</u>	<u>665</u>
Net increase in cash and cash equivalents	166,965	207,087
Cash and temporary investments		
Beginning of year	<u>980,081</u>	<u>772,994</u>
End of year	<u><u>\$ 1,147,046</u></u>	<u><u>\$ 980,081</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$ (23,748)	\$ 139,881
Adjustments to reconcile operating income (loss) to net cash flows from operating activities		
Changes in assets and liabilities		
Severance benefits payable	5,243	(89,761)
Net OPEB obligation	168,020	131,695
Account receivable	-	1,029
Prepaid items	474	35
Accounts payable	<u>16,606</u>	<u>23,543</u>
Net cash flows from operating activities	<u><u>\$ 166,595</u></u>	<u><u>\$ 206,422</u></u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Fiduciary Net Position
as of June 30, 2015

	<u>Private-Purpose Trust Fund</u>
Assets	
Cash and temporary investments	\$ <u>2,139</u>
Net position	
Held in trust for scholarships	\$ <u>2,139</u>

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

	<u>Private-Purpose Trust Fund</u>
Additions	
Gifts and bequests	\$ 637
Deductions	
Scholarships	<u>1,722</u>
Change in net position	(1,085)
Net position	
Beginning of year	<u>3,224</u>
End of year	<u>\$ 2,139</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Notes to Basic Financial Statements
June 30, 2015

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 elected not to control or be otherwise financially accountable with respect to the underlying extracurricular activities. Accordingly, the extracurricular student activity accounts are not included in 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 and Statement of Changes in 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 and an allocation of indirect administrative and support service expenses. 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 capital 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.

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. Pensions

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

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

Q. Risk Management

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers’ compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District’s insurance coverage in fiscal 2015.
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
2014	\$ 4,008	\$ 347,465	\$ 348,870	\$ 2,603
2015	\$ 2,603	\$ 359,130	\$ 352,774	\$ 8,959

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Deferred Outflows/Inflows of Resources

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

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

Deferred inflows of resources related to pensions are reported in the government-wide Statement of Net Position. This deferred inflow results from differences between expected and actual experience, changes of assumptions, and the difference between projected and actual earnings on pension plan investments. These amounts are deferred and amortized as required under pension standards.

S. Statement of Cash Flows

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

T. 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.

U. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Net Position

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

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

W. Fund Balance Classifications

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

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.
- **Committed** – Consists of internally imposed constraints that are established by resolution of the 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)

X. Prior Period Comparative Financial Information/Reclassification

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

Y. Change in Accounting Principles

During the year ended June 30, 2015, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. GASB Statement No. 68 included major changes in how employers account for pension benefit expenses and liabilities. In financial statements prepared using the economic resources measurement focus and accrual basis of accounting (government-wide and proprietary funds), an employer is required to recognize a liability for its share of the net pension liability provided through the pension plan. An employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources for its share related to pensions. This standard required retroactive implementation, which resulted in the restatement of net position as of June 30 2014. The net position of governmental activities in the government-wide financial statements as of June 30, 2014 was decreased by \$16,090,287. This change reflects the District's proportionate share of the net pension liabilities (\$17,108,793 decrease in net position) and related deferred outflows of resources (\$1,018,506 increase in net position) for the PERA and TRA pension plans, which are now reported by employers under current guidance. Certain amounts necessary to fully restate fiscal year 2014 financial information are not determinable; therefore, prior year comparative amounts have not been restated.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Deposits

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the 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 \$6,507,411, while the balance on the bank records was \$6,779,957. At June 30, 2015, 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, 2015, the District had 53.2 percent of its portfolio invested in a guaranteed investment contract with Credit Agricole Corporate and Investment Bank.

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, 2015, 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	\$ 458,883
First American Treasury Obligations Fund Class D	AAA	S&P	N/A	N/A	N/A	N/A	32,919
Guaranteed investment contract							
Credit Agricole Corporate and Investment Bank	A	S&P	N/A	N/A	N/A	\$ 559,401	559,401
							<u>1,051,203</u>
Deposits							<u>6,507,411</u>
Total cash and investments							<u><u>\$ 7,558,614</u></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	\$ 6,964,155
Cash and temporary investments held by trustee – Statement of Net Position	592,320
Cash and temporary investments – Statement of Fiduciary Net Position – Private-Purpose Trust Fund	<u>2,139</u>
Total cash and investments	<u><u>\$ 7,558,614</u></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, 2015 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	–	240,451	8,492,082
Furniture and equipment	3,963,608	96,092	51,314	4,008,386
Total capital assets, depreciated	12,696,141	96,092	291,765	12,500,468
Less accumulated depreciation for				
Buildings	(2,818,711)	(129,922)	(173,124)	(2,775,509)
Furniture and equipment	(3,312,469)	(146,854)	(48,556)	(3,410,767)
Total accumulated depreciation	(6,131,180)	(276,776)	(221,680)	(6,186,276)
Net capital assets, depreciated	6,564,961	(180,684)	70,085	6,314,192
Total capital assets, net	<u>\$ 7,248,954</u>	<u>\$ (180,684)</u>	<u>\$ 70,085</u>	<u>\$ 6,998,185</u>

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

Administrative and support services	\$ 31,052
Secondary vocational/DCALS	18,912
Special education instruction	226,812
Total depreciation expense	<u>\$ 276,776</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:

	Balance – Beginning of Year	Change in Accounting Principle*	Additions	Retirements	Balance – End of Year	Due Within One Year
Capital leases payable	\$ 7,315,000	\$ –	\$ –	\$ 245,000	\$ 7,070,000	\$ 250,000
Unamortized discount	(129,100)	–	–	(6,375)	(122,725)	–
Severance benefits payable	473,867	–	13,139	7,896	479,110	13,139
Compensated absences payable	275,332	–	48,667	37,447	286,552	37,447
Net OPEB obligation (see Note 7)	832,033	–	248,433	80,413	1,000,053	–
Net pension liability – PERA	–	5,297,084	337,520	1,063,937	4,570,667	–
Net pension liability – TRA	–	11,811,709	498,828	2,961,051	9,349,486	–
	<u>\$ 8,767,132</u>	<u>\$ 17,108,793</u>	<u>\$ 1,146,587</u>	<u>\$ 4,389,369</u>	<u>\$ 22,633,143</u>	<u>\$ 300,586</u>

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

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, 2015, the net book value of the capitalized assets related to this lease was \$5,846,497.
- **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.
- **Other Long-Term Liabilities** – The District offers a number of benefits to its employees, including pensions and OPEB. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are financed primarily from the General Fund.

C. Minimum Debt Payments

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

Year Ending June 30,	Principal	Interest
2016	\$ 250,000	\$ 304,908
2017	260,000	295,220
2018	270,000	285,145
2019	285,000	274,345
2020	295,000	262,945
2021–2025	1,660,000	1,121,610
2026–2030	2,050,000	732,540
2031–2034	2,000,000	230,175
	<u>\$ 7,070,000</u>	<u>\$ 3,506,888</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, 2015, a summary of the District’s governmental fund balance classifications are as follows:

	General Fund	Capital Projects – Building Construction Fund	Food Service Special Revenue Fund	Total
Nonspendable				
Prepaid items	\$ 29,449	\$ –	\$ –	\$ 29,449
Inventory	49,563	–	–	49,563
Total nonspendable	79,012	–	–	79,012
Restricted for				
Basic skills	94,525	–	–	94,525
Debt service	592,320	–	–	592,320
Capital purposes	703,843	111,272	–	815,115
Total restricted	1,390,688	111,272	–	1,501,960
Unassigned	4,807,307			4,807,307
Total	<u>\$ 6,277,007</u>	<u>\$ 111,272</u>	<u>\$ –</u>	<u>\$ 6,388,279</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, 2015, the unassigned fund balance of the General Fund was 18.3 percent of fiscal 2015 expenditures.

C. Deficit Fund Balance

At June 30, 2015, the Post-Employment Benefits Internal Service Fund had a deficit fund balance of \$636,140.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

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

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

2. Teachers Retirement Association (TRA)

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

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

B. Benefits Provided

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

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

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

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

1. GERF Benefits

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

2. TRA Benefits

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

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

Tier I Benefits

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

With these provisions:

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

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

Tier II Benefits

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

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

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

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Basic Plan members and Coordinated Plan members were required to contribute 9.1 percent and 6.5 percent, respectively, of their annual covered salary in calendar year 2014. Coordinated Plan members contributed 6.5 percent of pay in 2015. In calendar year 2014, the District was required to contribute 11.78 percent of pay for Basic Plan members and 7.25 percent for Coordinated Plan members. In 2015, employer rates increased to 7.5 percent in the Coordinated Plan, The District’s contributions to the GERF for the plan’s fiscal year ended June 30, 2015, were \$414,341. The District’s contributions were equal to the required contributions for each year as set by state statutes.

2. TRA Contributions

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

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

The District’s contributions to the TRA for the plan’s fiscal year ended June 30, 2015, were 743,688. The District’s contributions were equal to the required contributions for each year as set by state statutes.

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

D. Pension Costs

1. GERF Pension Costs

At June 30, 2015, the District reported a liability of \$4,570,667 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2013, through June 30, 2014, relative to the total employer contributions received from all of the PERA's participating employers. At June 30, 2014, the District's proportion was 0.0973 percent.

For the year ended June 30, 2015, the District recognized pension expense of \$337,520 for its proportionate share of the GERF's pension expense.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ 70,146	\$ –
Changes in actuarial assumptions	471,053	–
Differences between projected and actual investment earnings	–	1,234,990
District's contributions to the GERF subsequent to the measurement date	<u>414,341</u>	<u>–</u>
Total	<u>\$ 955,540</u>	<u>\$ 1,234,990</u>

A total of \$414,341 reported as deferred outflows of resources related to pensions resulting from district contributions to the GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to the GERF pensions will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
<u> </u>	<u> </u>
2016	\$ (128,348)
2017	\$ (128,348)
2018	\$ (128,348)
2019	\$ (308,747)

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

2. TRA Pension Costs

At June 30, 2015, the District reported a liability of \$9,349,486 for its proportionate share of the TRA’s net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions to the TRA in relation to total system contributions including direct aid from the state of Minnesota, City of Minneapolis, and Special School District No. 1, Minneapolis Public Schools. The District’s proportionate share was 0.2029 percent at the end of the measurement period and 0.2059 percent for the beginning of the period.

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

District’s proportionate share of net pension liability	\$ 9,349,486
District’s proportionate share of the net pension liability associated with the District	\$ 657,803

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

For the year ended June 30, 2015, the District recognized pension expense of \$470,133. It also recognized \$28,695 as pension expense for the support provided by direct aid.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ 797,764	\$ –
Difference between projected and actual investment earnings	–	2,939,384
Changes in proportion and differences between contributions made and the District’s proportionate share of contributions	–	142,376
District’s contributions to the TRA subsequent to the measurement date	<u>743,688</u>	<u>–</u>
Total	<u>\$ 1,541,452</u>	<u>\$ 3,081,760</u>

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

A total of \$743,688 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to the TRA will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2016	\$ (598,022)
2017	\$ (598,022)
2018	\$ (598,022)
2019	\$ (598,022)
2020	\$ 108,092

E. Actuarial Assumptions

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

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

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

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

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

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

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

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

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

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

F. Discount Rate

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

G. Pension Liability Sensitivity

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
GERF discount rate	6.90%	7.90%	8.90%
District's proportionate share of the GERF net pension liability	\$ 7,368,099	\$ 4,570,667	\$ 2,269,038
TRA discount rate	7.25%	8.25%	9.25%
District's proportionate share of the TRA net pension liability	\$ 15,451,498	\$ 9,349,486	\$ 4,262,517

H. Pension Plan Fiduciary Net Position

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

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

NOTE 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, 2014, the plan had 384 active participants and 7 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. The District has established an Internal Service Fund to finance these obligations, but the resources are not considered funded for plan purposes since they are not in an irrevocable trust fund.

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	\$ 264,635
Interest on net OPEB obligation	33,281
Adjustment to ARC	(49,483)
Annual OPEB cost	<u>248,433</u>
Contributions made	<u>80,413</u>
Increase in net OPEB obligation	168,020
Net OPEB obligation – beginning of year	<u>832,033</u>
Net OPEB obligation – end of year	<u><u>\$ 1,000,053</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 Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2013	\$ 232,146	\$ 110,000	47.4%	\$ 700,338
June 30, 2014	\$ 256,695	\$ 125,000	48.7%	\$ 832,033
June 30, 2015	\$ 248,433	\$ 80,413	32.4%	\$ 1,000,053

D. Funded Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$1,510,508, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,510,508. The covered payroll (annual payroll of active employees covered by the plan) was \$15,074,274, and the ratio of the UAAL to the covered payroll was 10.0 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability occurrence of events far into the future. Examples include assumptions about future employment, 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, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included: a 4.0 percent investment rate of return (net of administrative expenses) based on the District's own investments; a 2.5 percent rate of projected salary increases; an annual healthcare cost trend rate of 7.5 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after 10 years, and a dental cost trend rate of 4.0 percent. All rates include a 2.5 percent inflation assumption. The UAAL is being amortized on a level dollar basis over a closed period. The remaining amortization period on July 1, 2014 for the various amortization layers ranged from 24 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 dependent 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 dependent 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 dependent 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 dependent care expenses incurred by the participants. The District believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. Operating Leases

The District is leasing buildings and space in several locations. The District incurred expenditures of \$499,961 for operating leases during the year ended June 30, 2015. These leases are scheduled to expire on various dates through 2031. The following is a summary of minimum lease payments for all operating leases:

Year Ending June 30,	Amount
2016	\$ 503,431
2017	457,628
2018	464,720
2019	471,869
2020	479,077
2021–2025	1,834,034
2026–2030	1,510,929
2031	25,970
	<u>\$ 5,747,658</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 – INTERFUND TRANSFERS

The General Fund made an interfund transfer of \$30,794 to the Food Service Special Revenue Fund to eliminate a fund balance deficit at year-end.

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

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REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 917

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

Public Employees Retirement Association

	<u>2014</u>
District's proportion of the net pension liability (asset)	<u>0.0973%</u>
District's proportionate share of the net pension liability (asset)	<u>\$ 4,570,667</u>
District's covered-employee payroll	<u>\$ 5,105,448</u>
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>89.53%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>78.70%</u>

Teachers Retirement Association

District's proportion of the net pension liability (asset)	<u>0.2029%</u>
District's proportionate share of the net pension liability (asset) (a)	\$ 9,349,486
District's proportionate share of the state of Minnesota's proportionate share of the net pension liability (b)	<u>657,803</u>
Proportionate share of the net pension liability and the District's share of the state of Minnesota's share of the net pension liability (a + b)	<u>\$ 10,007,289</u>
District's covered-employee payroll	<u>\$ 9,262,291</u>
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>100.94%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>81.50%</u>

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

INDEPENDENT SCHOOL DISTRICT NO. 917

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

Public Employees Retirement Association

	<u>2015</u>
Statutorily required contribution	\$ 414,341
Contributions in relation to the statutorily required contributions	<u>414,341</u>
Contribution deficiency (excess)	<u>\$ —</u>
District's covered-employee payroll	<u>\$ 5,613,356</u>
Contributions as a percentage of covered-employee payroll	<u>7.38%</u>

Teachers Retirement Association

Statutorily required contribution	\$ 743,688
Contributions in relation to the statutorily required contributions	<u>743,688</u>
Contribution deficiency (excess)	<u>\$ —</u>
District's covered-employee payroll	<u>\$ 9,915,820</u>
Contributions as a percentage of covered-employee payroll	<u>7.50%</u>

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

INTERMEDIATE SCHOOL DISTRICT NO. 917

Required Supplementary Information
 Schedule of Funding Progress
 June 30, 2015

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, 2010	\$ 1,373,077	\$ -	\$ 1,373,077	- %	\$ 11,861,681	11.6 %
July 1, 2012	\$ 1,500,479	\$ -	\$ 1,500,479	- %	\$ 13,212,704	11.4 %
July 1, 2014	\$ 1,510,508	\$ -	\$ 1,510,508	- %	\$ 15,074,274	10.0 %

SUPPLEMENTAL INFORMATION

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	<u>2015</u>	<u>2014</u>
Assets		
Cash and temporary investments	\$ 5,707,461	\$ 3,923,173
Cash and investments held by trustee	592,320	628,482
Receivables		
Accounts and interest	9,204	19,687
Due from other school districts	1,428,880	1,213,707
Due from Minnesota Department of Education	1,409,755	2,849,922
Due from other governmental units	52,892	115,481
Inventory	49,563	2,129
Prepaid items	29,449	7,793
	<u> </u>	<u> </u>
Total assets	<u>\$ 9,279,524</u>	<u>\$ 8,760,374</u>
Liabilities		
Salaries and compensated absences payable	\$ 2,283,364	\$ 2,028,934
Accounts and contracts payable	22,271	41,566
Due to other school districts	285,564	198,337
Due to other governmental units	192,679	252,641
Unearned revenue	218,639	171,613
	<u> </u>	<u> </u>
Total liabilities	3,002,517	2,693,091
Fund balances		
Nonspendable for prepaid items	29,449	7,793
Nonspendable for inventory	49,563	2,129
Restricted for debt service	592,320	628,482
Restricted for basic skills	94,525	127,282
Restricted for capital purposes	703,843	658,699
Unassigned	4,807,307	4,642,898
	<u> </u>	<u> </u>
Total fund balances	6,277,007	6,067,283
	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 9,279,524</u>	<u>\$ 8,760,374</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	2015		Over (Under) Budget	2014
	Budget	Actual		Actual
Revenue				
Local sources				
Tuition	\$ 7,741,393	\$ 7,693,829	\$ (47,564)	\$ 7,500,972
Investment earnings	29,100	29,297	197	31,379
Other	789,117	722,695	(66,422)	744,844
State sources	19,430,864	17,921,967	(1,508,897)	16,844,989
Federal sources	159,582	156,510	(3,072)	159,147
Total revenue	<u>28,150,056</u>	<u>26,524,298</u>	<u>(1,625,758)</u>	<u>25,281,331</u>
Expenditures				
Current				
Administrative and support services	566,151	509,814	(56,337)	524,478
Secondary vocational/DCALS	3,665,380	3,475,851	(189,529)	3,731,391
Special education programs	23,114,176	21,738,901	(1,375,275)	20,080,540
Debt service				
Principal	245,000	245,000	-	235,000
Interest and fiscal charges	314,401	314,401	-	324,095
Total expenditures	<u>27,905,108</u>	<u>26,283,967</u>	<u>(1,621,141)</u>	<u>24,895,504</u>
Excess (deficiency) of revenue over expenditures	244,948	240,331	(4,617)	385,827
Other financing sources (uses)				
Proceeds from sale of assets	186	187	1	-
Transfers out	(30,416)	(30,794)	(378)	(23,169)
Total other financing sources (uses)	<u>(30,230)</u>	<u>(30,607)</u>	<u>(377)</u>	<u>(23,169)</u>
Net change in fund balances	<u>\$ 214,718</u>	209,724	<u>\$ (4,994)</u>	362,658
Fund balances				
Beginning of year		<u>6,067,283</u>		<u>5,704,625</u>
End of year		<u>\$ 6,277,007</u>		<u>\$ 6,067,283</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund
Combining Balance Sheet by Account
as of June 30, 2015

	<u>Secondary Education</u>	<u>Special Education</u>	<u>Services Allocation</u>
Assets			
Cash and temporary investments (deficit)	\$ 1,644,323	\$ 3,360,842	\$ 8,859
Cash and investments held by trustee	-	-	-
Receivables			
Accounts and interest	-	1,827	7,377
Due from other school districts	469,876	934,097	24,907
Due from Minnesota Department of Education	119,830	1,289,925	-
Due from other governmental units	36,092	16,800	-
Inventory	-	-	-
Prepaid items	5,015	23,934	500
Total assets	<u><u>\$ 2,275,136</u></u>	<u><u>\$ 5,627,425</u></u>	<u><u>\$ 41,643</u></u>
Liabilities			
Salaries and compensated absences payable	\$ 274,985	\$ 1,984,154	\$ 24,225
Accounts and contracts payable	1,612	11,587	6,450
Due to other school districts	163,816	121,748	-
Due to other governmental units	102,701	84,003	5,274
Unearned revenue	1,600	211,345	5,694
Total liabilities	<u><u>544,714</u></u>	<u><u>2,412,837</u></u>	<u><u>41,643</u></u>
Fund balances (deficit)			
Nonspendable for prepaid items	5,015	23,934	500
Nonspendable for inventory	-	-	-
Restricted for debt service	-	-	-
Restricted for basic skills programs	57	94,468	-
Restricted for capital purposes	-	-	-
Unassigned – safe schools restricted account deficit	-	-	(11,843)
Unassigned	1,725,350	3,096,186	11,343
Total fund balances	<u><u>1,730,422</u></u>	<u><u>3,214,588</u></u>	<u><u>-</u></u>
Total liabilities and fund balances	<u><u>\$ 2,275,136</u></u>	<u><u>\$ 5,627,425</u></u>	<u><u>\$ 41,643</u></u>

<u>District Support Services</u>	<u>Capital Expenditure</u>	<u>Secondary Resale</u>	<u>Special Education Resale</u>	<u>Total</u>
\$ 671	\$ 703,843	\$ (23,515)	\$ 12,438	\$ 5,707,461
-	592,320	-	-	592,320
-	-	-	-	9,204
-	-	-	-	1,428,880
-	-	-	-	1,409,755
-	-	-	-	52,892
-	-	48,930	633	49,563
-	-	-	-	29,449
<u>\$ 671</u>	<u>\$ 1,296,163</u>	<u>\$ 25,415</u>	<u>\$ 13,071</u>	<u>\$ 9,279,524</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,283,364
-	-	2,311	311	22,271
-	-	-	-	285,564
-	-	633	68	192,679
-	-	-	-	218,639
-	-	2,944	379	3,002,517
-	-	-	-	29,449
-	-	48,930	633	49,563
-	592,320	-	-	592,320
-	-	-	-	94,525
-	703,843	-	-	703,843
-	-	-	-	(11,843)
671	-	(26,459)	12,059	4,819,150
<u>671</u>	<u>1,296,163</u>	<u>22,471</u>	<u>12,692</u>	<u>6,277,007</u>
<u>\$ 671</u>	<u>\$ 1,296,163</u>	<u>\$ 25,415</u>	<u>\$ 13,071</u>	<u>\$ 9,279,524</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	Secondary Education	Special Education	Services Allocation
Revenue			
Local sources			
Tuition	\$ 3,013,776	\$ 3,652,478	\$ 468,174
Investment earnings	553	400	-
Other	7,604	629,749	7,116
State sources	105,919	17,783,764	32,284
Federal sources	151,510	5,000	-
Total revenue	<u>3,279,362</u>	<u>22,071,391</u>	<u>507,574</u>
Expenditures			
Current			
Administrative and support services	-	-	507,574
Secondary vocational/DCALS	3,381,889	-	-
Special education programs	-	21,727,072	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>3,381,889</u>	<u>21,727,072</u>	<u>507,574</u>
Excess (deficiency) of revenue over expenditures	(102,527)	344,319	-
Other financing sources (uses)			
Proceeds from sale of assets	187	-	-
Transfers out	-	(30,794)	-
Total other financing sources (uses)	<u>187</u>	<u>(30,794)</u>	<u>-</u>
Net change in fund balances	(102,340)	313,525	-
Fund balances			
Beginning of year	<u>1,832,762</u>	<u>2,901,063</u>	<u>-</u>
End of year	<u>\$ 1,730,422</u>	<u>\$ 3,214,588</u>	<u>\$ -</u>

<u>District Support Services</u>	<u>Capital Expenditure</u>	<u>Secondary Resale</u>	<u>Special Education Resale</u>	<u>Total</u>
\$ -	\$ 559,401	\$ -	\$ -	\$ 7,693,829
-	28,344	-	-	29,297
2,240	-	62,472	13,514	722,695
-	-	-	-	17,921,967
-	-	-	-	156,510
<u>2,240</u>	<u>587,745</u>	<u>62,472</u>	<u>13,514</u>	<u>26,524,298</u>
2,240	-	-	-	509,814
-	19,362	74,600	-	3,475,851
-	-	-	11,829	21,738,901
-	245,000	-	-	245,000
-	314,401	-	-	314,401
<u>2,240</u>	<u>578,763</u>	<u>74,600</u>	<u>11,829</u>	<u>26,283,967</u>
-	8,982	(12,128)	1,685	240,331
-	-	-	-	187
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,794)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,607)</u>
-	8,982	(12,128)	1,685	209,724
<u>671</u>	<u>1,287,181</u>	<u>34,599</u>	<u>11,007</u>	<u>6,067,283</u>
<u>\$ 671</u>	<u>\$ 1,296,163</u>	<u>\$ 22,471</u>	<u>\$ 12,692</u>	<u>\$ 6,277,007</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, 2015
 (With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Over (Under) Budget	2014
	Budget	Actual		Actual
Revenue				
Local sources				
Tuition	\$ 3,123,003	\$ 3,013,776	\$ (109,227)	\$ 3,113,264
Investment earnings	750	553	(197)	1,301
Other	7,980	7,604	(376)	3,335
State sources	115,013	105,919	(9,094)	118,957
Federal sources	154,582	151,510	(3,072)	154,147
Total revenue	<u>3,401,328</u>	<u>3,279,362</u>	<u>(121,966)</u>	<u>3,391,004</u>
Expenditures				
Current				
Secondary vocational/DCALS				
Salaries	1,833,244	1,818,549	(14,695)	1,894,098
Employee benefits	715,252	684,389	(30,863)	702,336
Purchased services	542,984	506,510	(36,474)	521,496
Supplies and materials	83,619	63,230	(20,389)	67,619
Other expenditures	2,860	2,785	(75)	2,068
Capital expenditures	26,459	25,795	(664)	23,236
Allocated overhead	282,031	280,631	(1,400)	260,228
Total expenditures	<u>3,486,449</u>	<u>3,381,889</u>	<u>(104,560)</u>	<u>3,471,081</u>
Excess (deficiency) of revenue over expenditures	(85,121)	(102,527)	(17,406)	(80,077)
Other financing sources				
Proceeds from sale of assets	<u>186</u>	<u>187</u>	<u>1</u>	<u>–</u>
Net change in fund balances	<u>\$ (84,935)</u>	<u>(102,340)</u>	<u>\$ (17,405)</u>	<u>(80,077)</u>
Fund balances				
Beginning of year		<u>1,832,762</u>		<u>1,912,839</u>
End of year		<u>\$ 1,730,422</u>		<u>\$ 1,832,762</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, 2015
 (With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Over (Under) Budget	2014
	Budget	Actual		Actual
Revenue				
Local sources				
Tuition	\$ 3,590,065	\$ 3,652,478	\$ 62,413	\$ 3,396,148
Investment earnings (charges)	500	400	(100)	1,119
Other	580,599	629,749	49,150	568,794
State sources	19,276,944	17,783,764	(1,493,180)	16,689,111
Federal sources	5,000	5,000	–	5,000
Total revenue	<u>23,453,108</u>	<u>22,071,391</u>	<u>(1,381,717)</u>	<u>20,660,172</u>
Expenditures				
Current				
Special education programs				
Salaries	13,581,954	13,075,819	(506,135)	12,056,948
Employee benefits	5,446,196	4,966,320	(479,876)	4,645,254
Purchased services	1,930,969	1,763,028	(167,941)	1,660,968
Supplies and materials	773,109	570,294	(202,815)	395,044
Other expenditures	9,099	6,247	(2,852)	6,855
Capital expenditures	232,601	226,484	(6,117)	238,966
Allocated overhead	1,125,248	1,118,880	(6,368)	1,056,905
Total expenditures	<u>23,099,176</u>	<u>21,727,072</u>	<u>(1,372,104)</u>	<u>20,060,940</u>
Excess (deficiency) of revenue over expenditures	353,932	344,319	(9,613)	599,232
Other financing sources (uses)				
Transfers out	<u>(30,416)</u>	<u>(30,794)</u>	<u>(378)</u>	<u>(23,169)</u>
Net change in fund balances	<u>\$ 323,516</u>	313,525	<u>\$ (9,991)</u>	576,063
Fund balances				
Beginning of year		<u>2,901,063</u>		<u>2,325,000</u>
End of year		<u>\$ 3,214,588</u>		<u>\$ 2,901,063</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, 2015
 (With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Over (Under) Budget	2014
	Budget	Actual		Actual
Revenue				
Local sources				
Tuition	\$ 468,924	\$ 468,174	\$ (750)	\$ 432,465
Other	13,320	7,116	(6,204)	5,654
State sources	38,907	32,284	(6,623)	36,921
Total revenue	<u>521,151</u>	<u>507,574</u>	<u>(13,577)</u>	<u>475,040</u>
Expenditures				
Current				
Administrative and support services				
Salaries	865,037	863,256	(1,781)	799,495
Employee benefits	261,609	250,344	(11,265)	259,349
Purchased services	739,031	732,924	(6,107)	676,557
Supplies and materials	34,770	29,749	(5,021)	27,647
Other expenditures	14,483	14,509	26	14,123
Capital expenditures	13,500	16,303	2,803	15,000
Allocated overhead	(1,407,279)	(1,399,511)	7,768	(1,317,131)
Total expenditures	<u>521,151</u>	<u>507,574</u>	<u>(13,577)</u>	<u>475,040</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, 2015

(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Over (Under) Budget	2014
	Budget	Actual		Actual
Revenue				
Local sources				
Other	\$ 45,000	\$ 2,240	\$ (42,760)	\$ 31,060
Expenditures				
Current				
Administrative and support services				
Purchased services	45,000	2,240	(42,760)	31,087
Capital expenditures	<u>–</u>	<u>–</u>	<u>–</u>	<u>18,351</u>
Total expenditures	<u>45,000</u>	<u>2,240</u>	<u>(42,760)</u>	<u>49,438</u>
Net change in fund balances	<u>\$ –</u>	<u>–</u>	<u>\$ –</u>	<u>(18,378)</u>
Fund balances				
Beginning of year		<u>671</u>		<u>19,049</u>
End of year		<u>\$ 671</u>		<u>\$ 671</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, 2015
 (With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015			2014
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Tuition	\$ 559,401	\$ 559,401	\$ -	\$ 559,095
Investment earnings	27,850	28,344	494	28,959
Total revenue	<u>587,251</u>	<u>587,745</u>	<u>494</u>	<u>588,054</u>
Expenditures				
Current				
Secondary vocational/DCALS				
Purchased services	30,000	19,362	(10,638)	137,765
Debt service				
Principal	245,000	245,000	-	235,000
Interest and fiscal charges	314,401	314,401	-	324,095
Total expenditures	<u>589,401</u>	<u>578,763</u>	<u>(10,638)</u>	<u>696,860</u>
Net change in fund balances	<u>\$ (2,150)</u>	8,982	<u>\$ 11,132</u>	(108,806)
Fund balances				
Beginning of year		<u>1,287,181</u>		<u>1,395,987</u>
End of year		<u>\$ 1,296,163</u>		<u>\$ 1,287,181</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, 2015
 (With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Over (Under) Budget	2014
	Budget	Actual		Actual
Revenue				
Local sources				
Other	\$ 126,818	\$ 62,472	\$ (64,346)	\$ 119,308
Expenditures				
Current				
Secondary vocational/DCALS				
Purchased services	32,855	35,614	2,759	20,863
Supplies and materials	115,958	38,775	(77,183)	95,517
Capital expenditures	–	–	–	5,480
Other expenditures	118	211	93	685
Total expenditures	<u>148,931</u>	<u>74,600</u>	<u>(74,331)</u>	<u>122,545</u>
Net change in fund balances	<u>\$ (22,113)</u>	(12,128)	<u>\$ 9,985</u>	(3,237)
Fund balances				
Beginning of year		<u>34,599</u>		<u>37,836</u>
End of year		<u>\$ 22,471</u>		<u>\$ 34,599</u>

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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, 2015

(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Over (Under) Budget	2014
	Budget	Actual		Actual
Revenue				
Local sources				
Other	\$ 15,400	\$ 13,514	\$ (1,886)	\$ 16,693
Expenditures				
Current				
Special education programs				
Purchased services	–	–	–	1,262
Supplies and materials	15,000	11,829	(3,171)	18,338
Total expenditures	<u>15,000</u>	<u>11,829</u>	<u>(3,171)</u>	<u>19,600</u>
Net change in fund balances	<u>\$ 400</u>	1,685	<u>\$ 1,285</u>	(2,907)
Fund balances				
Beginning of year		<u>11,007</u>		<u>13,914</u>
End of year		<u>\$ 12,692</u>		<u>\$ 11,007</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Capital Projects – Building Construction Fund
Comparative Balance Sheet
as of June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets		
Cash and temporary investments	<u>\$ 111,272</u>	<u>\$ 111,237</u>
Fund balances		
Restricted for capital purposes	<u>\$ 111,272</u>	<u>\$ 111,237</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, 2015
 (With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015			2014
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	\$ 100	\$ 35	\$ (65)	\$ 104
Expenditures				
Capital outlay	<u>–</u>	<u>–</u>	<u>–</u>	<u>195,304</u>
Net change in fund balances	<u>\$ 100</u>	35	<u>\$ (65)</u>	(195,200)
Fund balances				
Beginning of year		<u>111,237</u>		<u>306,437</u>
End of year		<u>\$ 111,272</u>		<u>\$ 111,237</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

	<u>2015</u>	<u>2014</u>
Assets		
Cash and temporary investments	\$ (1,624)	\$ 418
Receivables		
Due from other governmental units	<u>1,624</u>	<u>1,577</u>
Total assets	<u>\$ -</u>	<u>\$ 1,995</u>
Liabilities		
Due to other governmental units	<u>\$ -</u>	<u>\$ 1,995</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, 2015
 (With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Over (Under) Budget	2014
	Budget	Actual		Actual
Revenue				
Local sources				
Other – primarily meal sales	\$ 21,540	\$ 20,026	\$ (1,514)	\$ 20,820
State sources	4,125	4,979	854	3,952
Federal sources	58,000	56,688	(1,312)	56,242
Total revenue	<u>83,665</u>	<u>81,693</u>	<u>(1,972)</u>	<u>81,014</u>
Expenditures				
Purchased services	3,281	3,838	557	2,809
Supplies and materials	<u>110,800</u>	<u>108,649</u>	<u>(2,151)</u>	<u>101,374</u>
Total expenditures	<u>114,081</u>	<u>112,487</u>	<u>(1,594)</u>	<u>104,183</u>
Excess (deficiency) of revenue over expenditures	(30,416)	(30,794)	(378)	(23,169)
Other financing sources				
Transfers in	<u>30,416</u>	<u>30,794</u>	<u>378</u>	<u>23,169</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, 2015
 (With Comparative Totals as of June 30, 2014)

	Dental Self-Insurance	Post-Employment Employee Benefits	Totals	
			2015	2014
Assets				
Cash and temporary investments	\$ 298,523	\$ 848,523	\$ 1,147,046	\$ 980,081
Prepaid items	–	–	–	474
Total assets	<u>298,523</u>	<u>848,523</u>	<u>1,147,046</u>	<u>980,555</u>
Liabilities				
Current liabilities				
Accounts and contracts payable	46,851	5,500	52,351	35,745
Severance benefits payable	–	13,139	13,139	23,139
Total current liabilities	<u>46,851</u>	<u>18,639</u>	<u>65,490</u>	<u>58,884</u>
Long-term liabilities				
Net other post-employment benefit obligation	–	1,000,053	1,000,053	832,033
Severance benefits payable	–	465,971	465,971	450,728
Total long-term liabilities	<u>–</u>	<u>1,466,024</u>	<u>1,466,024</u>	<u>1,282,761</u>
Total liabilities	<u>46,851</u>	<u>1,484,663</u>	<u>1,531,514</u>	<u>1,341,645</u>
Net position (deficit)				
Unrestricted	<u>\$ 251,672</u>	<u>\$ (636,140)</u>	<u>\$ (384,468)</u>	<u>\$ (361,090)</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Internal Service Funds
 Combining Statement of Revenue, Expenses, and Changes in Net Position
 Year Ended June 30, 2015
 (With Comparative Totals for the Year Ended June 30, 2014)

	Dental	Post-Employment	Totals	
	Self-Insurance	Employee Benefits	2015	2014
Operating revenue				
Charges for services				
Contributions from governmental funds	\$ 369,960	\$ 160,413	\$ 530,373	\$ 551,795
Operating expenses				
Post-employment severance and health benefits	–	190,241	190,241	64,449
Dental benefit claims	363,880	–	363,880	347,465
Total operating expenses	363,880	190,241	554,121	411,914
Operating income (loss)	6,080	(29,828)	(23,748)	139,881
Nonoperating revenue				
Investment earnings	91	279	370	665
Change in net position	6,171	(29,549)	(23,378)	140,546
Net position (deficit)				
Beginning of year	245,501	(606,591)	(361,090)	(501,636)
End of year	\$ 251,672	\$ (636,140)	\$ (384,468)	\$ (361,090)

INTERMEDIATE SCHOOL DISTRICT NO. 917

Internal Service Funds
 Combining Statement of Cash Flows
 Year Ended June 30, 2015
 (With Comparative Totals for the Year Ended June 30, 2014)

	Dental Self-Insurance	Post-Employment Employee Benefits	Totals	
			2015	2014
Cash flows from operating activities				
Contributions from governmental funds	\$ 369,960	\$ 160,413	\$ 530,373	\$ 552,824
Post-employment severance and health benefit payments	–	(11,004)	(11,004)	(30,674)
Payments for dental claims	(352,774)	–	(352,774)	(315,728)
Net cash flows from operating activities	17,186	149,409	166,595	206,422
Cash flows from investing activities				
Investment income received	91	279	370	665
Net change in cash and cash equivalents	17,277	149,688	166,965	207,087
Cash and temporary investments				
Beginning of year	281,246	698,835	980,081	772,994
End of year	\$ 298,523	\$ 848,523	\$ 1,147,046	\$ 980,081
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	\$ 6,080	\$ (29,828)	\$ (23,748)	\$ 139,881
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Changes in assets and liabilities				
Post-employment severance benefits payable	–	5,243	5,243	(89,761)
Net other post-employment benefit obligation	–	168,020	168,020	131,695
Accounts receivable	–	–	–	1,029
Prepaid items	–	474	474	35
Accounts payable	11,106	5,500	16,606	23,543
Net cash flows from operating activities	\$ 17,186	\$ 149,409	\$ 166,595	\$ 206,422

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	
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%
2014	7,619,433 30%	17,064,879 67%	581,454 3%	97,720 -	25,363,486 100%
2015	7,876,725 30%	18,073,067 68%	559,401 2%	125,715 -	26,634,908 100%

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
2006	\$ 1,112,460 7%	\$ 3,269,581 22%	\$ 11,708,188 71%	\$ - -	\$ - -	\$ 16,090,229 100%
2007	1,309,198 8%	3,239,749 19%	12,838,805 74%	- -	- -	17,387,752 100%
2008	1,143,629 5%	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 17%	18,097,103 74%	85,779 -	335,885 1%	24,480,383 100%
2014	1,892,695 7%	3,483,868 14%	19,239,348 77%	108,123 -	326,431 1%	25,050,465 100%
2015	1,867,491 8%	3,182,362 12%	20,634,460 79%	116,426 -	316,820 1%	26,117,559 100%

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	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
	2014	3,113,264	1,301	3,335	118,957	154,147	3,391,004
	2015	3,013,776	553	7,604	105,919	151,510	3,279,362
Special education	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
	2014	3,396,148	1,119	568,794	16,689,111	5,000	20,660,172
	2015	3,652,478	400	629,749	17,783,764	5,000	22,071,391
Services allocation	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
	2014	432,465	-	5,654	36,921	-	475,040
	2015	468,174	-	7,116	32,284	-	507,574
District support services	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
	2014	-	-	31,060	-	-	31,060
	2015	-	-	2,240	-	-	2,240

(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	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
	2014	559,095	28,959	—	—	—	588,054
	2015	559,401	28,344	—	—	—	587,745
Secondary resale	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
	2014	—	—	119,308	—	—	119,308
	2015	—	—	62,472	—	—	62,472
Special education resale	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
	2014	—	—	16,693	—	—	16,693
	2015	—	—	13,514	—	—	13,514

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	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	3,872,245
	2013	2,449,860	795,235	535,087	120,327	234,507	4,135,016
	2014	1,894,098	702,336	521,496	92,923	260,228	3,471,081
	2015	1,818,549	684,389	506,510	91,810	280,631	3,381,889
Special education	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	17,673,252
	2013	11,308,037	4,313,213	1,516,683	678,276	1,060,534	18,876,743
	2014	12,056,948	4,645,254	1,660,968	640,865	1,056,905	20,060,940
	2015	13,075,819	4,966,320	1,763,028	803,025	1,118,880	21,727,072
Services allocation	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)	363,415
	2014	799,495	259,349	676,557	56,770	(1,317,131)	475,040
	2015	863,256	250,344	732,924	60,561	(1,399,511)	507,574
District support services	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	–	–	75,741
	2014	–	–	31,087	18,351	–	49,438
	2015	–	–	2,240	–	–	2,240

(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	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	—	628,038
	2014	—	—	137,765	559,095	—	696,860
	2015	—	—	19,362	559,401	—	578,763
Secondary resale	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
	2014	—	—	20,863	101,682	—	122,545
	2015	—	—	35,614	38,986	—	74,600
Special education resale	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
	2014	—	—	1,262	18,338	—	19,600
	2015	—	—	—	11,829	—	11,829

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.

Note 3: The Capital Expenditure Account was established in fiscal year 2009.

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OTHER REQUIRED REPORTS

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

To the School Board and Management of
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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 30, 2015.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

(continued)

COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota
October 30, 2015

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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 30, 2015.

MINNESOTA LEGAL COMPLIANCE

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

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

PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota
October 30, 2015

INTERMEDIATE SCHOOL DISTRICT NO. 917

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

		Audit	UFARS	Audit – UFARS
General Fund				
Total revenue		\$ 26,524,298	\$ 26,524,295	\$ 3
Total expenditures		\$ 26,283,967	\$ 26,283,970	\$ (3)
Nonspendable				
460	Nonspendable fund balance	\$ 79,012	\$ 79,010	\$ 2
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	\$ 94,525	\$ 94,525	\$ –
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	\$ 1,296,163	\$ 1,296,163	\$ –
Committed				
418	Committed for separation	\$ –	\$ –	\$ –
461	Committed fund balance	\$ –	\$ –	\$ –
Assigned				
462	Assigned fund balance	\$ –	\$ –	\$ –
Unassigned				
422	Unassigned fund balance	\$ 4,807,308	\$ 4,807,308	\$ –
Food Service				
Total revenue		\$ 81,693	\$ 81,690	\$ 3
Total expenditures		\$ 112,487	\$ 112,484	\$ 3
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
452	OPEB liability not in trust	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
Community Service				
Total revenue		\$ –	\$ –	\$ –
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, 2015

	Audit	UFARS	Audit – UFARS
Building Construction			
Total revenue	\$ 35	\$ 35	\$ –
Total expenditures	\$ –	\$ –	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted/reserve			
407 Capital projects levy	\$ –	\$ –	\$ –
409 Alternative facility program	\$ –	\$ –	\$ –
413 Project funded by COP	\$ –	\$ –	\$ –
Restricted			
464 Restricted fund balance	\$ 111,272	\$ 111,272	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
Debt Service			
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	\$ –	\$ –	\$ –
Trust			
Total revenue	\$ 637	\$ 637	\$ –
Total expenditures	\$ 1,722	\$ 1,722	\$ –
422 Net position	\$ 2,139	\$ 2,140	\$ (1)
Internal Service			
Total revenue	\$ 530,743	\$ 530,743	\$ –
Total expenditures	\$ 554,121	\$ 554,121	\$ –
422 Net position	\$ (384,468)	\$ (384,468)	\$ –
OPEB Revocable Trust Fund			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
OPEB Irrevocable Trust Fund			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
OPEB Debt Service Fund			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –

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

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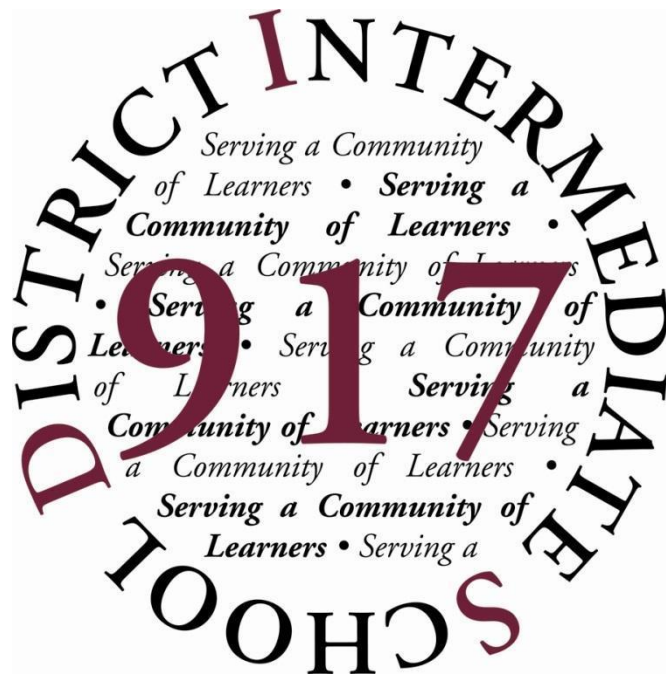
GENERAL INFORMATION: Minnesota Statutes, section 123B.10, requires that every school board shall publish the subject data of this report.

District Name:						District Number:		
FUND	FY 2015 BEGINNING FUND BALANCES	FY 2015 ACTUAL REVENUES AND TRANSFERS IN	FY 2015 ACTUAL EXPENDITURES AND TRANSFERS OUT	JUNE 30, 2015 ACTUAL FUND BALANCES	FY 2016 BUDGET REVENUES AND TRANSFERS IN	FY 2016 BUDGET EXPENDITURES AND TRANSFERS OUT	JUNE 30, 2016 PROJECTED FUND BALANCES	
General Fund/Restricted	\$ 1,414,463	\$ 1,511,982	\$ 1,535,758	\$ 1,390,688	\$ 1,843,929	\$ 1,818,498	\$ 1,416,119	
General Fund/Other	\$ 4,652,824	\$ 25,012,500	\$ 24,779,006	\$ 4,886,318	\$ 28,898,353	\$ 28,636,834	\$ 5,147,837	
Food Service Fund	\$ -	\$ 112,484	\$ 112,484	\$ -	\$ 126,970	\$ 126,970	\$ -	
Community Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Building Construction Fund	\$ 111,237	\$ 35	\$ -	\$ 111,272	\$ -	\$ 37,500	\$ 73,772	
Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Trust Fund	\$ 3,224	\$ 637	\$ 1,722	\$ 2,140	\$ 1,666	\$ 2,347	\$ 1,459	
Internal Service Fund	\$ (361,089)			\$ (384,468)			\$ (501,060)	
* OPEB Revocable Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
OPEB Irrevocable Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
OPEB Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL - ALL FUNDS	\$ 5,820,658	\$ 26,637,638	\$ 26,428,969	\$ 6,005,950	\$ 30,870,918	\$ 30,622,149	\$ 6,138,127	
LONG-TERM DEBT	\$ -				CURRENT STATUTORY OPERATING DEBT PER MINNESOTA STATUTES, SECTION 123B.81			
Outstanding July 1, 2014	\$ -				AMOUNT OF GENERAL FUND DEFICIT, IF ANY, IN EXCESS OF 2.5% OF EXPENDITURES 06/30/2015		\$ -	
Plus: New Issues	\$ -				COST PER STUDENT - AVERAGE DAILY MEMBERSHIP (ADM) 06/30/2015			
Less: Redeemed Issues	\$ -				TOTAL OPERATING EXPENDITURES		\$ -	
Outstanding June 30, 2015	\$ -				FY 2015 TOTAL ADM SERVED + TUITIONED OUT ADM + ADJUSTED EXTENDED ADM		835.31	
SHORT-TERM DEBT					FY 2015 OPERATING COST PER ADM			

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

FY15 audited data final submission due November 30, 2015 to MN. Department of Education. Due to the special nature of our student population operating cost per ADM is not relevant for reporting purposes. FY16 data is the adopted budget approved by board on May 5, 2015

* Other Post-Employment Benefits (OPEB)



Intermediate School District 917

Program Evaluation Report
Therapeutic Education Alternative (TEA)

1300 145th Street East, Rosemount, MN

www.isd917.k12.mn.us

Table of Contents

Introduction.....	4
Mission, Vision, Values of Department of Special Education	5
Goals of Department of Special Education	5
Staff Development Summary.....	6
Goal of Program Evaluation	7
Program Organizational Charts.....	7
Program Descriptions.....	8
Data	9
Students served	9
Enrollment	10
Student Demographics.....	10
Staff.....	15
Program Evaluation	19
Locations	19
Students by resident district for each location.....	19
Site Evaluation	19
Curriculum Utilized	20
Performance Measures.....	21
Behavioral Systems	24
Quality Indicators.....	24
Goals.....	28
Next Steps	28

Introduction

Laws were passed by the Minnesota Legislature in the late 1960s establishing Intermediate School Districts. In 1967, chapter 822, as amended, established Intermediate School District 287; in 1969, chapter 775, as amended, established Intermediate School District 916; and also in 1969, chapter 1060, as amended, established Intermediate School District 917. The purpose for establishing the Intermediates was to offer integrated services for secondary, postsecondary, and adult students in the areas of vocational education, special education, and other authorized services. All intermediate school districts separated from the technical colleges with which they were associated in 1995 when MNSCU merged.

Chapter 136D of the Minnesota Statutes further details Intermediate School Districts. 136D.81 through 136D.94 specifically pertains to Intermediate School District 917. There are many other references to Intermediate School Districts in statute.

The school board for Intermediate School District 917 was established in February of 1970. The school board of Intermediate School District 917 is comprised of a representative of each of its member districts. Typically individuals appointed to the board are current or past board members in the member district they represent.

The first superintendent of the district took office on July 1, 1970. Intermediate School District 917 has had five superintendents:

- Harold Grudem (1970-1982)
- Donald McGuire (1982-1989)
- Roger Norsted (1989-2000)
- Bill Larson (2000-2005)
- John Christiansen (2005-present)

There have been three directors of special education for Intermediate School District 917.

- Curt Thorstenson (1972-1984)
- Dan Sullivan (1984-2008)
- Melissa Schaller (2008-present)

Intermediate School District 917 serves the low incidence needs of students from nine member school districts in the southeastern metropolitan area. These districts include Bloomington, Burnsville, Farmington, Hastings, Inver Grove Heights, Lakeville, Randolph, South St. Paul and West St. Paul. As space permits, referrals are accepted from other districts for programming. Membership in Intermediate School District 917 has been fairly consistent. In 1996 the Rosemount-Apple Valley-Eagan School District (ISD 196) withdrew from the district with the intent of providing services to their students independently. This was the first time an intermediate experienced the withdrawal of a member district. In 2011, the Bloomington Public School District (ISD 271) transitioned their membership from Intermediate School District 287 to Intermediate School District 917. This was the first occasion a district switched intermediate district membership.

Programs and services are offered because member school districts desire comprehensive program

options and efficient special education services that can be offered cooperatively under the direction of Intermediate School District 917.

Mission, Vision, Values of Department of Special Education

Whereas, public education is a fundamental right of all children and youth and whereas, every person is entitled to an equal opportunity to obtain an education, the School Board of Intermediate School District 917 upholds the following beliefs as a basis for program decisions:

- Students are to be valued equally.
- All students can learn, including students with disabilities.
- Individual education plans are to be developed through cooperation of resident district staff, Intermediate School District 917 staff and parents/guardians on the basis of varied sources of information. These individual education plans shall portray a comprehensive and accurate view of a student, his or her abilities and needs including transitional issues important to settings that the student will experience after graduation as well as extended school year.
- Students with disabilities must be served in an environment appropriate to their educational needs. We believe that providing services to students with disabilities in integrated settings is determined by individual student needs and should be practiced and encouraged when that setting will foster appropriate educational growth.
- Educators from the resident school districts and Intermediate School District 917 must cooperate with each other and other human service agencies in order to achieve comprehensive student centered services.
- Because the school district in which the student resides is legally responsible for the special education services provided to the student, District 917 must also be responsive to the expectations of that district.

Goals of Department of Special Education

Achievement

Increase achievement of all learners served.

1. Promote and support the use of data-driven decision-making techniques to monitor progress and drive instruction.
2. Align curriculum to state standards and ensure an articulated scope and sequence by program.
3. Continue to train staff in due process, standards-based IEPs, specialized instructional strategies focused on reading and areas specific to re-licensure.
4. Develop model for program evaluation and begin the process with a focus on TEA and IDEA.

Relationships

Increase the trust and confidence of all school districts served by Intermediate School District 917.

1. Work to strengthen avenues of communication.
2. Continue to develop and foster relationships with community agencies to address student needs including county collaborations.

Integrity of the organization

Use resources strategically to advance our mission. Structure ourselves so that we can adapt to our changing environment.

1. Explore ways to recruit and retain quality special education staff including development of a stronger mentorship program and enhancing consistencies in the evaluation process.
2. Develop district model for school psychology and social work services.

3. Study enhancements for efficient Third Party Billing processes.
4. Continue to develop and refine operating procedures.
5. Continue to update space/site projection to ensure effective special education programs for member districts while also considering efficient operations for the district.

Staff Development Summary

August workshop for 2012-13 included the following trainings:

Due Process

- I-PLAN
- Standards-Based IEPs and State Testing
- IEP Team Training
- Planning and Writing Evaluation Reports
- FBA and BIPs
- Evaluation update

Data

- Data Collection: Tools for Use for Academics and Behavior Intervention
- NCI
- Beyond Rewards and Consequences: Understanding Behavior Responses in Students with Neurobiological Disorders
- Self-Regulation Strategies
- Trauma
- Faces of Bullying

Technology

- I-CUE
- Report Cards
- Third Party Billing

Assistive Technology

- I'll Show You My App If You Show Me Yours...
- Ready, SETT, Go!
- Sensory Supports for Engaged Learning

Transition

- Transitions: Where Do We Go From Here?

Other

- CPR
- First Aid

Other trainings offered during the 2012-13 school year:

Assistive Technology

- Closing the Gap
- The iPad in Special Education
- VizZle

Communication

- Social Thinking
- Developing Social and Academic Language

-DAPE

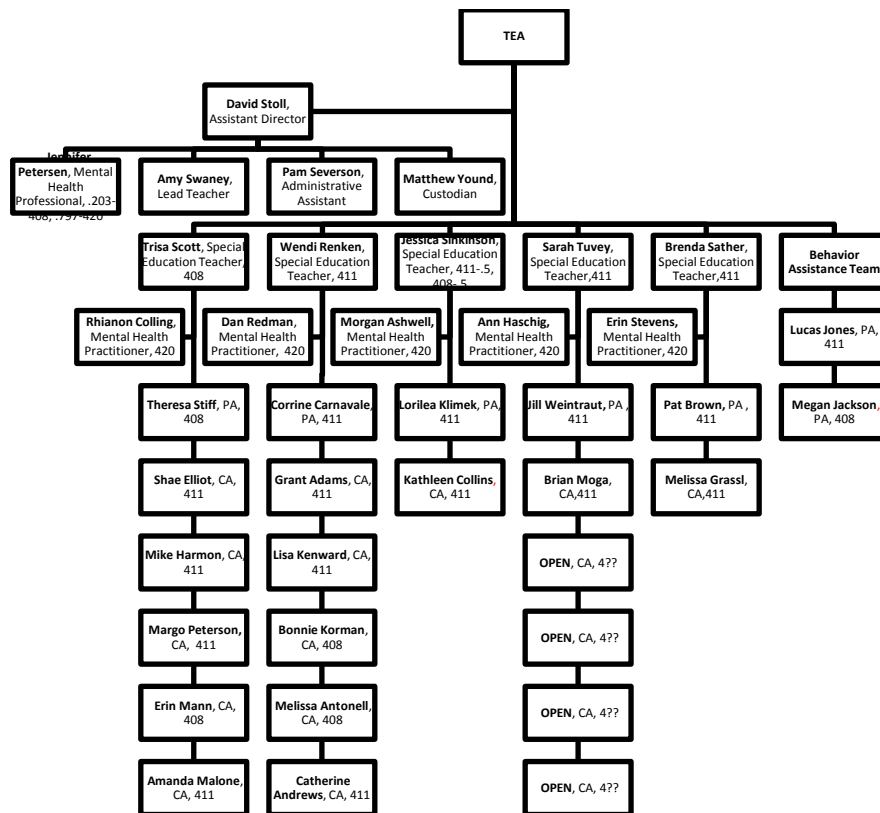
- Positive Motion
- Me Moves
- iPad, iPod, PE apps
- Activity Modification

Individuals and programs received specialized training and support as necessary including consultation with an autism consultant, work with a behavior analyst as well as opportunities to attend outside trainings.

Goal of Program Evaluation

- Ensure program goals are being met
- Determine if allocated resources are yielding the greatest educational benefit
- Identify what works well, what does not, and why
- Identify program areas that need improvement
- Inform leadership decisions regarding the program
- Report progress and communicate a program’s value

Program Organizational Chart



Program Descriptions

Website:

Program Focus

TEA offers therapeutic intervention by specially trained professional in addition to a full range of academic services in an environment with a low staff-to-student ratio. Mental health and educational programming are integrated into the entire school day. Students are split into one of two different classroom models depending on the level of student need.

Support Services

- Direct mental health services
- Individualized educational services
- A range of related services as needed
- DAPE, speech, and occupational therapy

Disabilities Served

- Educational Disorders
- Emotional Behavior Disorders
- Other Health Disabilities

Ages Served

- 5-21 years old

Current Location

- Apple Valley

Handbook:

Therapeutic Education Alternative: The Therapeutic Education Alternative (TEA) Program serves students from grades K-12 who have complex educational, mental health, and behavioral needs. The principle behind the program is to integrate mental health and educational programming into the entire school day. The service model focuses on attachment and relationship to assist with co-regulation. Students coming to the TEA program need to have a diagnostic assessment completed by a mental health professional prior to intake. Students in the TEA program receive individualized educational services as well as varying levels of student need. One model is a small group setting of approximately eight students served by a team consisting of the teacher, mental health practitioner and two paraprofessionals. The other model is an individualized setting serving six students, each with their own office space as well as a space for group work. The group is served by a team consisting of a teacher, mental health practitioner, and six paraprofessionals. Students receive their education from a special education teacher and their mental health services from a mental health practitioner. All the staff at the TEA program (teachers, paraprofessionals, and mental health practitioners) work toward helping the students' progress in both areas. Related services of DAPE, speech, and occupational therapy, are also provided. This program is located at the Apple Valley Campus in the Apple Valley Business Center.

Mission and Vision:

Why TEA exists: The TEA program exists to address the complex mental health and disability needs of students (K-12) who have not been successful in other programs. Because of the complexity of the students' needs, placement in the program is often long term. Working with students who are able to access the mental health services, TEA seeks to have a continuing impact by developing the coping and

self-regulation skills needed to overcome the barriers created by their mental health issues. In turn, students are better able to access their education and create appropriate relationships enabling them to move to less restrictive settings.

What we are attempting to create: We are striving to create an emotionally and physically safe environment for both students and staff in which to address the spectrum of mental health needs of our students. The program will impact all aspects of a student's life by integrating mental health and education throughout the student's school day and bridging the gap with families and outside agencies. All staff will view students through a mental health lens and have the fundamental skills to address the students' mental health and behavioral needs. It will be a supportive environment characterized by open communication, all staff having an awareness of the entire program, a recognition that each staff member brings a unique set of skills to the program, and the sharing of ideas between teams/ levels.

Data

Students served

- Number of students served
 - 45 for 2013-2014
- Students served who were enrolled at TEA the previous year
 - In 2013-2014, 16 students were carried over from the 2013-2014 school year
- Students served by district

<i>Member</i>	<i>Number in 2013-2014</i>
ISD 6 (South St. Paul)	1
ISD 191 (Burnsville)	1
ISD 192 (Farmington)	8
ISD 194 (Lakeville)	4
ISD 195 (Randolph)	0
ISD 197 (West St. Paul)	3
ISD 199 (Inver Grove Heights)	4
ISD 200 (Hastings)	10
ISD 271 (Bloomington)	14
<i>Number of above students Open Enrolled into a member district from a non-member district</i>	<i>Number</i>
○	3

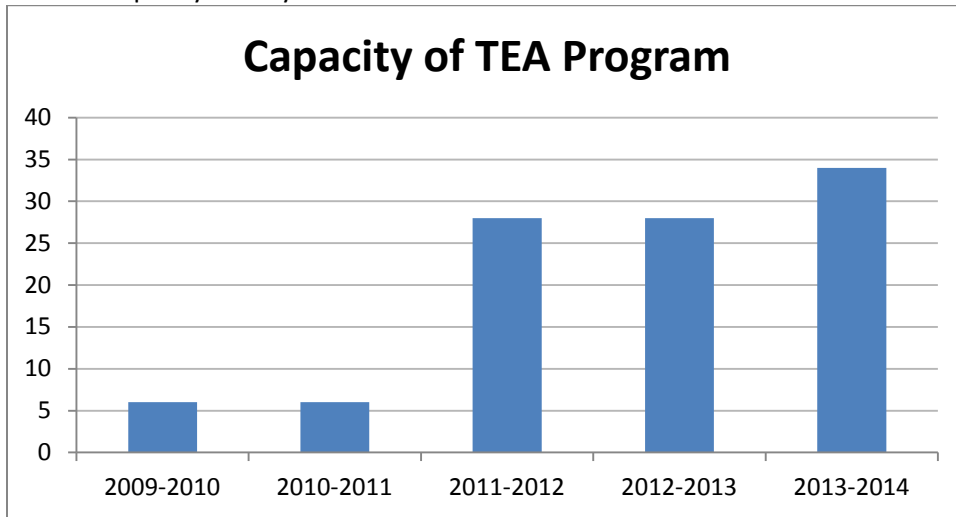
During the 2013-2014 school year, the majority of the students served came from ISD 192 (Farmington), ISD 200 (Hastings) and ISD 271 (Bloomington). ISD 6 (South St. Paul), ISD 191 (Burnsville), ISD 194 (Lakeville), ISD 197 (197) and ISD 199 (Inver Grove Heights) had between one and four students served. ISD 195 (Randolph) did not refer any students.

Two of the open enrolled students served in the 2013-2014 school year continued to be served at TEA for the 2014-2015 school year. The third open enrolled student returned to his resident district and was served by Intermediate School District 287 of which the resident district is a

member.

Enrollment

- Overall capacity history



Student Demographics

- Living situation (two parents, one parent, guardian (relationship), foster care, group home, etc.)

One Parent	14
Two Parents	26
Grandparent(s)	1
Other Relative	2
Foster Parent	1
Legal Guardian	1
Group Home	0

During the 2013-2014 school year, 87% of students lived with one or both of their parents for most of the year. 13% of students lived with grandparents, foster parents, legal guardians or others.

Source: MARRS 13_14_enrollments with address

- Race

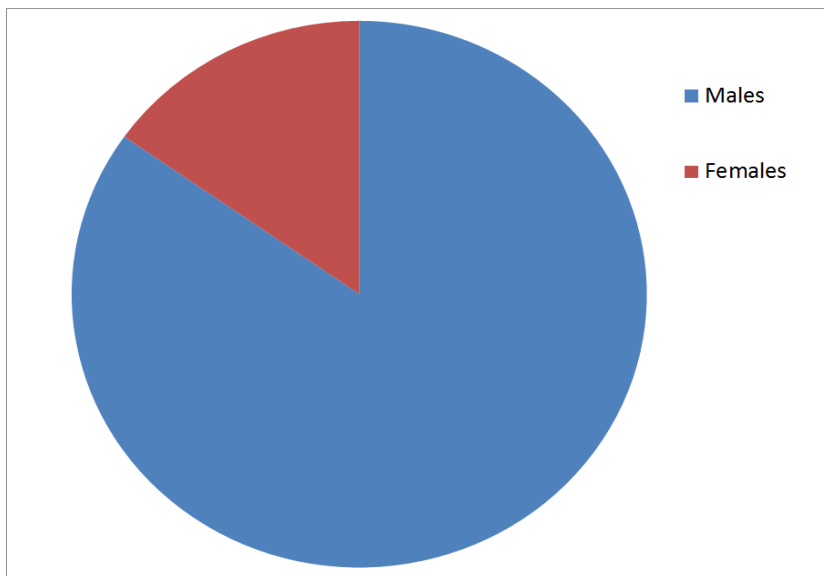
	Black	Am. Indian	Hispanic	Asian/PI	White
State of MN	11.5%	2.4%	8.4%	7.2%	70.5%
ISD 917-TEA	13.3%	6.7%	6.7%	2.2%	71.1%
ISD 6 (South St. Paul)	10.4%	1.1%	24.8%	2.4%	61.4%
ISD 191 (Burnsville)	23.9%	1.0%	16.0%	9.7%	49.5%
ISD 192 (Farmington)	4.0%	0.6%	4.6%	5.7%	85.1%
ISD 194 (Lakeville)	4.5%	0.5%	5.0%	5.4%	84.6%
ISD 195 (Randolph)	0.8%	0.3%	1.3%	1.1%	96.5%
ISD 197 (West St. Paul)	11.2%	1.1%	26.7%	6.1%	54.9%
ISD 199 (Inver Grove Heights)	12.5%	1.4%	21.3%	5.8%	59.0%

ISD 200 (Hastings)	3.9%	0.8%	3.9%	1.4%	90.0%
ISD 271 (Bloomington)	19.2%	1.4%	16.1%	9.9%	53.3%

Based on 2013-2014 enrollment data provided through the MDE website, Whites, Black and American Indian students were enrolled at a higher rate than state enrollments would predict. Hispanic and Asian/Pacific Islanders were referred at a lower rate than would be predicted. However, with such a small student population, the data is somewhat skewed. For example, one less Black student would result in TEA's percentage being less than the state percentage. Also, while the percentage of American-Indians is almost three times higher than the state percentage, this is based on a population of 3 students (two of which were siblings). Overall, the racial breakdown at TEA is similar to the state's percentages.

Source: <http://w20.education.state.mn.us/MDEAnalytics/Reports.jsp>

- Gender



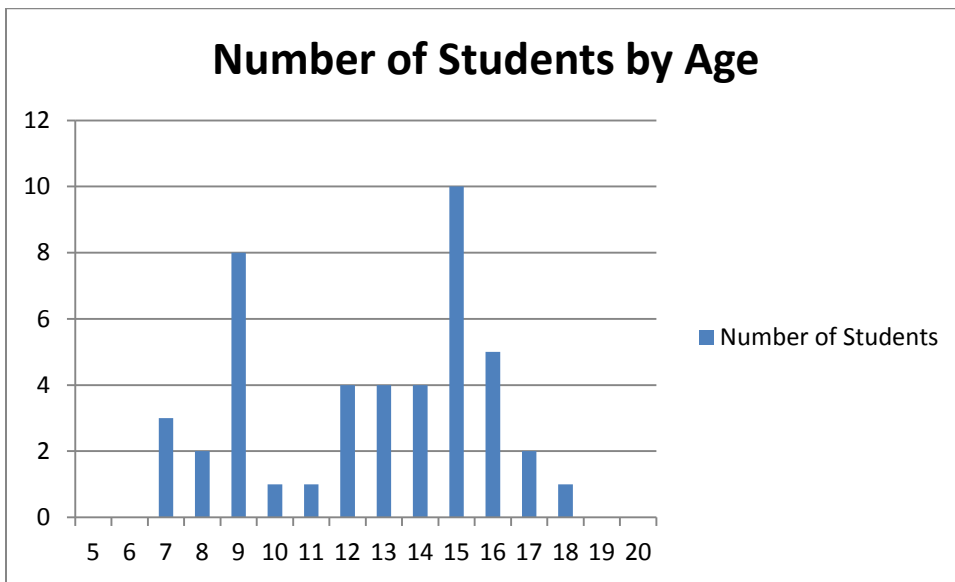
76% (34) of the students enrolled in the TEA program during 2013-2014 school year were male, and 24% (11) of the students were female.

Source: MARSS Edit Summary Report

- Age

Age in Years	Number of Students by Age
5	0
6	0
7	3
8	2
9	8

10	1
11	1
12	4
13	4
14	4
15	10
16	5
17	2
18	1
19	0
20	0



The students were fairly evenly spread out between elementary (12), middle school (15), and high school (18). However, there was a concentration in the 12-15 year-old age level (grades 6-9) with about half of the students (27) falling in this age range. There was also a comparatively large group of 9 year-olds.

Source: TEA 2013-2014 Enrollments, MARSS TEA Report 2013-2014

- Mobility rate
 - Average length of enrollment for the TEA program was 98.8 days out of 169 day school calendar.
 - Eleven students were enrolled for the full 169 days.
 - The least amount of time a student was enrolled in the program was ten days. This was the student who was served in a home-based program.
 - Eighteen of the students started part way through the year and were enrolled until the end of school
 - Thirteen students who started the year at TEA transitioned to a less restrictive environment, moved, or were placed in an outside program.

- o The average daily attendance rate across the TEA program was 91.6%.

Source: TEA 2013-14 Enrollments, MARSS TEA Report 2013-2014

- Graduation rate
During the 2013-2014 school year, three 12th grade students attended the program. One of the students graduated December, another transitioned back to his home school prior to the end of the school year and graduated from there, and the third moved to another ISD 917 program.

Source: Site Secretary Graduates List

- Characteristics of TEA

Outside Diagnosis

Diagnosis	Total Number	Percent of Students
ADHD	30	67.8
Adjustment Disorder	1	2.2
Anxiety	13	28.9
Bipolar	4	8.9
Chemical Dependency	2	4.4
Depression	11	24.4
Eating Disorder	1	2.2
Disruptive Behavior	3	6.7
Dysthymic Disorder	3	6.7
Mood Disorder	11	24.4
Obsessive-Compulsive Disorder (OCD)	2	4.4
Oppositional Defiant Disorder (ODD)	14	31.1
Post-Traumatic Stress Disorder (PTSD)	3	6.7
Psychotic Disorder	1	2.2
Reactive Attachment Disorder (RAD)	3	6.7
Social Phobia	1	2.2
Tourette's	1	2.2

During the 2013-2014 school year, the most prevalent diagnoses were ADHD (67.8%), ODD

(31.1%), Anxiety (28.9%), Mood Disorder (24.4 %) and Depression (24.4%). It should be noted that the two most prevalent diagnoses, ADHD and ODD, would not be conditions for which TEA would be the most appropriate placement if one of them was the sole diagnosis or was the primary cause of the student’s difficulties. Many times the first diagnosis a child receives is either ADHD or ODD. Additional diagnoses are added as the child moves through the mental health system. Students with ODD are usually better served with a more behavioral approach. Of the forty-five students in the TEA program, only six students (13.3%) had one diagnosis. The average number of diagnosis was 2.9 per student. One student had five diagnoses, seven students had four diagnoses and twenty students had three diagnoses.

Source: Student Record Review 2013-2014

- Primary Disabilities

Disability	
Autism	13
Emotional Behavior Disorders	27
Other Health Disability	4
Specific Learning Disability	1

The TEA program services students with a fairly limited range of primary disabilities. Sixty percent of the overall student population has the primary disability of Emotional Behavior Disorders. The next most prevalent disability is Autism with twenty-nine percent of the student population having this as the primary disability. Combined, Other Health and Specific Learning Disabilities account for eleven percent of the student population. Students with the primary diagnosis of Other Health Disability qualified for special education services as a result of their mental health diagnosis.

- Related Services

	Number of Students Receiving Services	Number of Direct Hours per week	Number of Indirect Hours per week
Speech/Language	10	7.25	2.5
DAPE	2	14	0
Occupational Therapy	16	11.1	4
Audiology	1	1	.5
DHH	1	0	consult

Twenty-one students in the TEA program received related services. Five students received only indirect services in either Speech/Language or Occupational Therapy. Eight students received more than one related service, usually Speech/Language and Occupational Therapy. One student received direct services from three different related services as well as indirect services only from a fourth.

Source: DAPE, OT, Speech, 1 to 1 paraprofessional information: Related Service Supervisor Service Minutes Spreadsheet

Source: Social Work/Mental Health information: TIES Related Service Report

- Special Education Services

During the 2013-2014 school year, the average special education service minutes was 332 minutes (or 5-1/2 hours) per day. The range of minutes per student was 90 minutes to 381 minutes (approximately 7 hours) per day. For a student attending TEA full time, mental health services account for sixty to ninety minutes of services a day. As a student transitions to another program, mental health services are decreased. Prior to a full transition to another program, the student is only receiving 20-30 minutes of mental health services a day.

Source: TIES student service minutes

- Transition services

During the 2013-2014 school year, seven students in the TEA program spent a portion of their school day within their home districts. By the end of the year, five of the students had successfully transitioned back full time. Another of the students began the next year as a full time student in his home district. The seventh student continued to spend only a portion of her day in her home district but transitioned to a less restrictive 917 program for the remainder of the day. Two of these students were elementary, three were middle school, and two were high school.

There were other students who were making progress in the TEA program, but because the IEP team did not feel they were ready to begin a transition until the late spring of the school year, the transition did not begin until the 2014-2015 school year. Five students began the school year spending 45-90 minutes at their home school. Additionally, three students moved from the individual setting to the group setting. Two other students had successfully completed the mental health portion of their program and transitioned to less restrictive ISD 917 programs.

Three students transitioned to equally or more restrictive settings as TEA was not meeting their needs. Two students moved to the IDEA program at Alliance Education Center as their IEP teams determined they were either not participating in the mental health services or needed a more behavioral approach. The other student was placed in a residential setting by her parents and county services.

Source: ISD 917 Special Education 2013-2014 Transition Services Data

Staff

- Teachers

During the 2013-2014 school year, there were five teachers, five mental health practitioners, and one mental health professional in the TEA program. Three of the teachers had caseloads of six (individual program), and two teachers had caseloads of eight (group program). TEA teachers have an average of fourteen years of experience teaching and an average of thirteen years teaching for Intermediate School District 917. The mental health staff had an average of twelve years counseling experience and an average of three years with the district. The lower amount of experience with the district for the mental health staff compared to the teaching staff is a result of the recent growth in the program. Many of the teaching staff moved to the TEA program from other District 917 programs whereas the mental staff were hired to fill the new

positions. Teacher education levels range from BA+20 to MA and mental health staff education levels range from BA to MA. Licensure areas are detailed below:

- Teacher 1: License: Emotional Behavior Disorders, Communication Arts/Literature (5-8), Elementary Education
- Teacher 2: License: Emotional Behavior Disorders, Physical Education, Coaching
- Teacher 3: License: Emotional Behavior Disorders, Elementary Education
- Teacher 4: License: Emotional Behavior Disorders, Learning Disabilities
- Teacher 5: License: Emotional Behavior Disorders, Elementary Education
-
- MH Prof: License: Licensed Clinical Social Worker, School Social Worker
- MH Prac 1: License: Licensed Graduate Social Worker
- MH Prac 2: License: School Counselor
- MH Prac 3: License: School Counselor
- MH Prac 4: License: School Counselor
- MH Prac 5: License: Marriage and Family Counselor

Source: The TIES SMASG screen and the Teachers-Licensed 2013-2014 Tenured Probationary Seniority list

Average Years of Teaching Experience-statewide (2013-2014): 15

Source: <http://w20.education.state.mn.us/MDEAnalytics/Summary.jsp>

TEA Group Sample Schedule

- 7:50-8:15 Arrival/Breakfast
- 8:15-8:30 Check-in
- 8:30-9:00 Gym
- 9:00-9:30 Independent Reading
- 9:30-10:00 Math
- 10:00-10:30 Social Studies
- 10:30-11:00 Break
- 11:00-11:30 Language Arts
- 11:30-12:00 Lunch
- 12:00-12:30 Science
- 12:30-1:00 Independent work
- 1:00-1:30 Mental Health Group/Open Gym
- 1:30-2:10 Social Skills/Art

Individual mental health sessions are scheduled throughout the day and the instruction that is missed during that time is conducted during independent work time.

TEA Individual Sample Schedule

- 7:50-8:00 Check-in
- 8:00-8:30 Gym
- 8:30-8:45 Breakfast
- 8:45-9:15 Science
- 9:15-9:45 Independent Reading

9:45-10:15	Group Mental Health
10:15-10:45	Math
10:45-11:15	Reading
11:15-11:40	Lunch Group
11:40-12:00	Quiet Time
12:00-12:30	Individual Mental Health
12:30-1:00	Social Studies
1:00-1:30	Social Skills Group
1:30-2:00	Make-up/Choice Time
2:00-2:10	Pack up and Dismissal

- Paraprofessionals

There were 22 paraprofessionals working in ISD 917’s TEA program during the 2013-2014 school year. There are an average of six paraprofessionals per classroom in the individual TEA program and two paraprofessionals per room in the group program. On average, these individuals have 5.4 years of experience in schools and 3.4 years of experience working for Intermediate School District 917. The range of experience in ISD 917 is from 1 year to 21 years. Three of the staff accounted for the majority of the years of experience in the district (49). Thirteen of the paraprofessionals had one year of experience with the district. Part of the reason for lack of experience within the district is expansion of the program. Six of the twenty-two positions (27%) were new for the 2013-2014 school year. The rest were due to turnover which is analyzed later in the report.

Below is an analysis of the level of education completed by the paraprofessionals. Those who have not completed a minimum of 60 semester credits at the post secondary level have passed the Para Pro Test in order to meet Highly Qualified standards.

High School/Equivalent Diploma: 2
 High School Diploma plus 100 credits: 1
 Associates Degree: 1
 Bachelor’s Degree: 16
 Master’s Degree: 1

Source: 917 Survey Monkey

Source: 917 paraprofessional seniority list, years working for District 917

- Staff Injuries

During the 2013-2014 school year, there were twenty-four injury reports submitted by staff due to an injury caused by a student’s behavior. Eleven of incidents resulted in the staff needing medical attention. Two of the incidents resulted in a total of sixteen days of lost work. One incident resulted in knee surgery and accounted for fourteen of the lost days of work. Ten of the incidents resulted in the staff member being placed on work restrictions ranging from four to thirty-four days.

Type of Injury	Number of injuries*
----------------	---------------------

Sprain/Pulled Muscle	9
Knee Injury	5
Bruise (face, chest, arm, leg)	9
Bite	1
Groin	1
Broken Bone	1

Some incidents resulted in multiple injuries

- Staff Turnover

There were ten staff who worked at TEA during the 2013-2014 school year that left TEA during the year or at the end of the school year. Three were licensed staff. One was a mental health practitioner who went into private practice. Another was a mental health practitioner who was released after one year due to performance issues. The third was a teacher who moved to another program in the district that was opening the following year.

The other seven were paraprofessionals. Two were released mid-year due to performance issues. Four resigned at the end of the year due to professional reasons: two accepted teaching positions, one was accepted to nursing school at the University of Minnesota, and the other accepted a nursing position in the Adolescent Psychology Department at a Twin Cities Hospital. The final paraprofessional moved to North Dakota. Of the seven staff who left TEA for reasons other the poor performance, only one left because she was not satisfied with her position at TEA. This was the teacher who moved to another program within the district. The other six were complimentary of the TEA program, how much support they received, how much they learned, and their time spent in the program.

Despite the stress of the job, a vast majority of the people are not leaving because they are dissatisfied. They are leaving for personal reasons (i.e. moving) or professional reasons (career advancement or school).

To help reduce the amount of staff turnover, the district can investigate other ways to train and support marginal staff rather to prevent the need to release them due to performance as well as refining hiring practices to avoid hiring marginal staff to begin with. At times this is difficult due to the pressure to increase capacity. Adding to the individual program means hiring eight additional staff (2 licensed and 6 paraprofessionals). The difficulty in hiring this number of people is compounded by the fact that those who are hired need to have an understanding and ability to work with students with mental health issues.

As the complexity and significance of the needs of the students increase, the district needs to continue to develop ways to support staff emotionally. Currently, each new paraprofessional is assigned an experienced paraprofessional as a mentor to help them adjust to the job. Staff also meet as their classroom team on a daily basis to process the day, problem solve, and discuss changes in strategies. Once a month, mental health staff lead trainings centered on mental health. For example, they conducted a series of trainings on different types of attachment (healthy and unhealthy), how to recognize them, and what strategies to use with a student displaying that type of attachment. Staff plan an afterschool fun activity to relieve some of the stress. A consultant has also met with staff to help them work through their secondary trauma (trauma staff experience in working with students who are traumatized). These efforts should

be expanded and other strategies investigated.

Program Evaluation

Locations

TEA programming was provided at the Apple Valley site located in the Apple Valley Business Center.

Students by Resident District for Each Level of Programming

	Individual	Group
ISD 6 (South St. Paul)	0	1
ISD 191 (Burnsville)	0	1
ISD 192 (Farmington)	4	4
ISD 194 (Lakeville)	2	2
ISD 195 (Randolph)	0	0
ISD 197 (West St. Paul- Mendota Heights- Eagan)	0	3
ISD 199 (Inver Grove Heights)	3	1
ISD 200 (Hastings)	3	7
ISD 271 (Bloomington)	6*	8

*One student was served in a home-based program after school hours.

Source: MARRS 13_14_enrollments with address

Site Evaluation

The TEA program has been located at three different sites since it began in the 2008-2009 school year. For the 2008-2009 school year it occupied one of the three suites leased by the district in the Apple Valley Business Center. The space consisted of an open area, 6 student offices, and office spaces for the teacher and mental health practitioner. Neighboring suites were occupied an IDEA Satellite program and an individual SUN program. Lunches were provided through ISD 196 and picked up by staff from one of the schools.

For the 2009-2010 school year, the program relocated to the Friendly Hills Middle School in ISD 197. The program occupied two classrooms on the second floor of the building which were reconfigured into student and staff offices. The remainder of that academic pod of the school was occupied by ISD 197 special education programs. The following school year the program experienced a rather large expansion as ISD 917 was no longer providing the educational component for a day treatment program located within one of its' member districts. Consequently, the program expanded into the rest of the academic pod adding two group classrooms and another individual classroom. A computer lab and sensory area were also added. During both years, students had access to the gym and outdoor facilities. It was also possible to have students attend general education classes within the building when appropriate. With the increase in enrollment in the program and the significant needs of the students the program had an increasing impact on the rest of the building and the surrounding community. Magnetic locks were added to the doors leading into the TEA area to help control access of the TEA students to the general education setting and community. However, the 2011-2012 and 2012-2013 school years TEA evolved into a program which was no longer appropriate to be located within a general education building even with the additional physical separations.

During the summer of 2013, TEA and IDEA programming that were located at the Apple Valley Business Center moved over to the Cedar School in Eagan. This allowed the TEA program to return to the Apple Valley Business Center and occupy all three suites leased by the district. At this point, the program consisted of three individual classrooms and 2 group classrooms. The site also had a kitchen area, a small outdoor play area, sensory room and a computer lab.

Curriculum Utilized

Reading

The primary curriculum used in TEA to teach reading is Read 180. Teachers use the Scholastic Reading Inventory (SRI) which monitors a student’s lexile level, to determine intervention and appropriate supports for each student. Read 180 is designed for students with a basic level of phonemic awareness. The following is a chart that indicates lexile scores and the proficiency level according to grade:

Grade	At-Risk	Basic	Proficient	Advanced
1	N/A	99 and below	100-400	401 and above
2	99 and below	100- 299	300-600	601 and above
3	249 and below	250- 499	500- 800	801 and above
4	349 and below	350- 599	600-900	901 and above
5	449 and below	450- 699	700-1000	1001 and above
6	499 and below	500-799	800-1050	1051 and above
7	549 and below	550-849	850-1100	1101 and above
8	599 and below	600-899	900-1150	1151 and above
9	649 and below	650-999	1000-1200	1201 and above
10	699 and below	700-1024	1025-1250	1251 and above
11	799 and below	800-1049	1050-1300	1301 and above

For students who do not have the basic phonemic awareness to do the Read 180 program, there is a program also through Scholastic called System 44 that the TEA program also uses with their students. With this program, students take a test called the Scholastic Phonics Inventory. Instead of being issued a score like the SRI does, it instead highlights students specific phonemic need areas and addresses those.

In both Scholastic programs, Read 180 and System 44, there is a three tiered approach to intervention used with students. Students are taught in large group settings, small groups for specific skill intervention, as well as given time to read books and complete computer software at an individualized level.

For those students who have mastered the skills of the Read 180 program, these is the Expert 21 program from Scholastic that focuses on more of the higher level comprehension skills.

Science

The TEA program began using The Pearson Interactive Science curriculum for the 2012-2013 school year. Each grade is aligned with state Science standards and offers teachers and students an opportunity to learn material through reading in text books, workbooks, and hands-on experiments. Teachers are able to individualize their approach to student learning via Pearson resources that level instruction for all learners. Students have enjoyed exploring the lab kits. Teachers appreciate the user-friendly curriculum and materials to engage their students and help them meet their learning targets.

Math

The TEA program began using Pearson’s Envision Math curriculum for the 2011-2012 school year. Elementary students benefit from having workbooks and secondary students have text books. Additionally, there are a number of ready-made centers that teachers use to promote students’ learning through hands-on activities. There is also a software component to the curriculum that allows teachers to present interactive lessons and to assign individualized assignments to students that will meet their specific needs. This curriculum also has an intervention system for teachers to use for tier two students, as well as enrichment opportunities for students who need more challenging work.

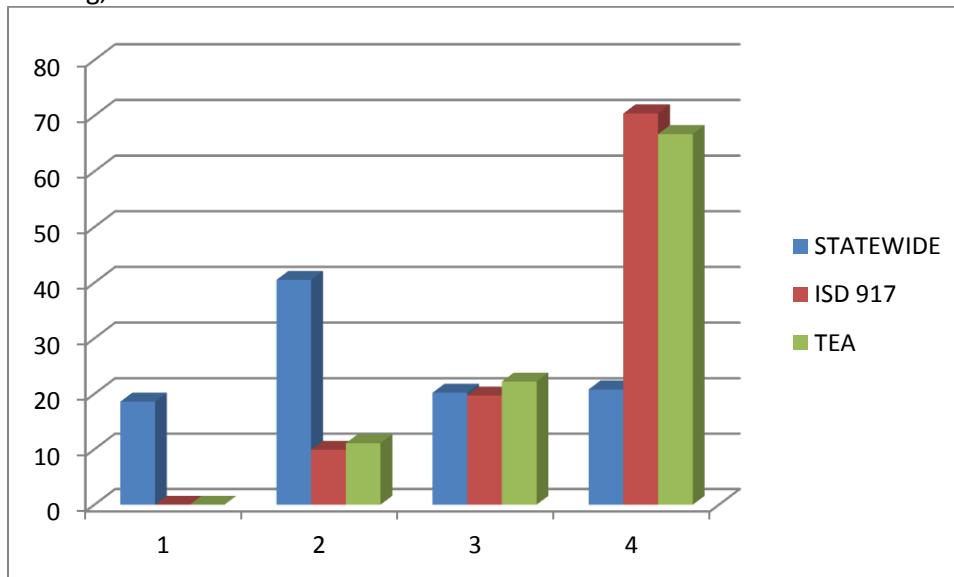
Social Studies

Intermediate School District 917 adopted social studies curriculum starting in the 2013-2014 school year. Pearson My Way is being used in the elementary grades. Grades six through eight are using the Northern Lights curriculum from the Minnesota Historical Society, McGraw Hill U.S. History, and National Geographic Geography in a three year rotation. Grades nine through twelve are using McGraw Hill with a four year rotation of Civics/Economics, U.S. History, World History, and Street Law.

Performance Measures

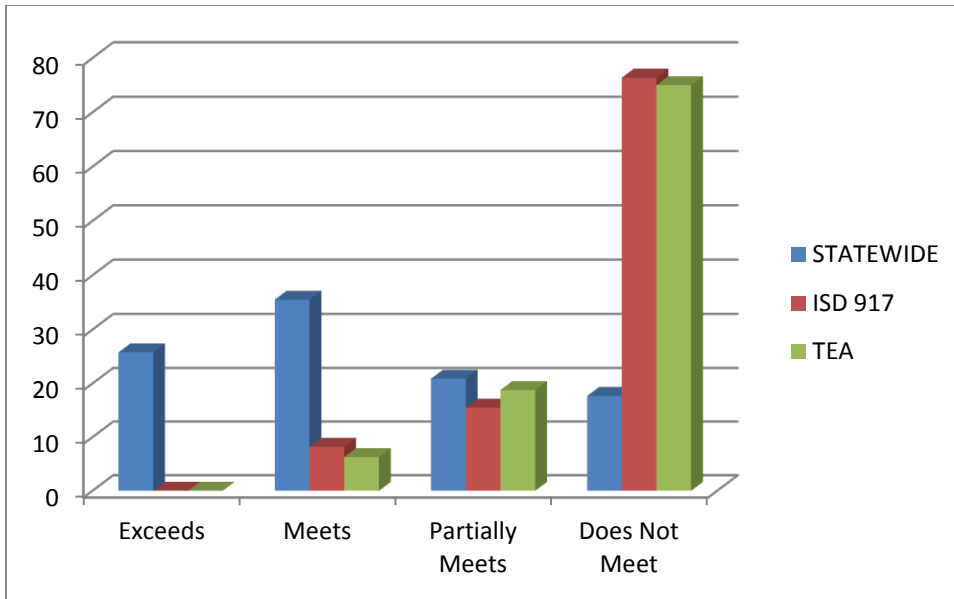
MCA DATA FOR THE TEA PROGRAM, 2013-2014 Summary

Reading, All Grades



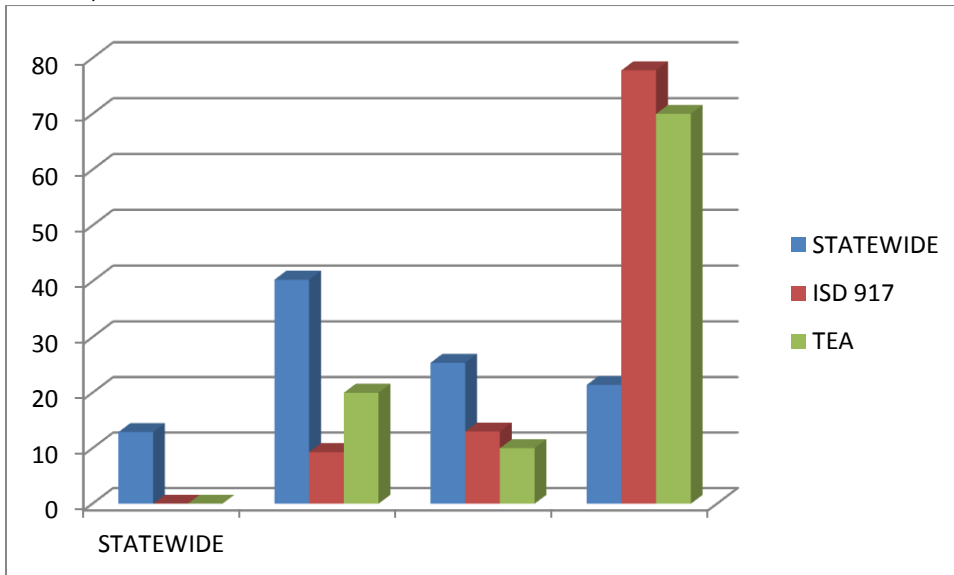
Based on MCA Reading scores, students within the TEA program are meeting proficiency at 11.1%, and partially meeting proficiency at 22.2%.

Math, All Grades



Based on MCA Math scores, students within the TEA program are not meeting proficiency standards, with 25.1% of the students meeting or partially meeting proficiency.

Science, All Grades



Based on MCA Science scores, students within the TEA program are not meeting proficiency standards, with 30% of the students tested partially meeting or meeting the standards.

Source: Test Results Summary Report from Data Center, Secure Reports, MDE website

Suspensions

Suspensions by Type	TEA		District	
	#	Days	#	Days

Assault	0	0	25	26
Disruption/Disorderly	5	5	99	104
Fighting	0	0	4	4
Harassment	0	0	1	1
Illegal Drugs	0	0	3	3
Other	0	0	1	1
Terroristic Threats	0	0	3	3
Threat/Intimidation	0	0	10	10
Vandalism	0	0	2	2
Weapons	0	0	2	3
TOTAL	5	5	150	157

Of the 150 suspensions within the district during 2013-2014, five of the suspensions occurred in the TEA program. The total number of days of suspension in the TEA program was five. All of the incidents were due to disruption/disorderly conduct. The low number of suspensions is not an indication of a low number of significant behaviors. Rather, it is reflective of the philosophy that we need to keep the students in school to help them learn alternatives for dealing with their emotions and mental health other than verbal and physical aggression. Many of the students at TEA have been through several different school and mental health placements and have learned that displaying significant behaviors will lead to a suspension or dismissal from the program.

Suspensions by Race 2013-2014										
	White		Black		Hispanic		Multi Race		Asian	
	#	Days	#	Days	#	Days	#	Days	#	Days
District	45	50	46	47	12	13	46	46	1	1
TEA	4	4	0	0	0	0	1	1	0	0

During the 2013-2014 school year, White students in the district received 30% of the suspensions and 31.8% of the total number of suspension days. Black students in the district received 30.6% of the suspensions and 29.9% of the total number of suspension days. Hispanic students in the district received 8% of the suspensions and 8.2% of the days. Multi-Race students in the district received 30.6% of the suspensions and 29.2% of the days. Asian students in the district received 0.7% of the suspensions and 0.6% of the days.

White students in the district received 30% of the suspensions and students of color received 70%. However, at TEA White students received 80% of the suspensions and students of color received 20%. State wide, White students received approximately 37% of the suspensions while students of color received 63% of the suspensions.

Source: TIES Comprehensive Discipline Report

Restrictive Procedures

During the 2013-2014 school year, a total of 525 restrictive procedures were implemented at the TEA program which accounts for 26.5% of the restrictive procedures used in the district. One hundred and forty of these procedures were prone holds (59.5% of district use) and thirty-nine were seclusions (10.8% of district use). The remaining 346 procedures were less restrictive holds (21.6% of district use): 2 person transports, 1 arm wraps, 2 and 3 person vertical immobilizations.

On the whole, the TEA program used the most restrictive procedures in the district and the most prone holds. This is largely due to the site itself. There was a significant increase in the number of procedures used at TEA when the program moved from FHMS to its' current location. Conversely, the TEA program located at Cedar saw a dramatic decrease in the use of restrictive procedures when it moved from the Apple Valley location to a site designed to meet the needs of the students they serve. Students can easily exit the building when escalated, leading to restrictive procedures as the student becomes a danger to themselves (i.e. darting towards traffic). Furthermore, an escalated student often triggers other students through the volume of the incident or having easy access to other areas of the building. While TEA does have two registered seclusion rooms, the TEA program had a lower use of that procedure in comparison to its use of the prone hold (140 verses 39) as well as the number of incidents of seclusion district wide (only 10.8%). Three factors contributed this relative underuse of procedure that is less restrictive than the prone. First is the location of rooms. Both seclusion rooms are located at the east end of the site in the elementary individual area. Because of the distance from other classrooms, it was often impractical to transport a student to a seclusion room. Because of the level of student aggression and the size many of the middle and high school students, transports would often break down ending in a prone hold. The second factor was the construction of the rooms. There were many times when one or both of the rooms were damaged to the point that they were not safe to use. Even if it was possible to transport a student to the room, it may not be usable. The third factor was that the seclusion rooms also served as student offices. So using the seclusion room for another student could cause a behavior with the student whose office it was.

Source: 917 Year End Restrictive Procedure Summary Report for MDE

Behavioral Systems

TEA has Behavioral Intervention Plans (BIPs) for each student in attendance. Each student has specific behaviors (as identified in the Functional Behavioral Assessments or FBAs) that are targeted throughout their school day. Whenever a student has a behavioral issue in TEA, an incident report is written. The information is entered into an Excel spreadsheet for each student and sorted by time of day, month and type of behavior. Staff work together to respond to the data to improve student outcomes.

Additionally, most students have behavioral goals on their IEPs and Mental Health Treatment Plans. Data on these behaviors is collected on an individual basis.

Quality Indicators

Environmental Management:

As noted in the Program Description section of the report, the TEA program has two different levels of programming: individual and group. With individual student offices in addition to spaces for group activities, the individual program requires a larger amount of space per student than the same number of students being served in a small group setting. The individual offices provide space for students to calm when escalated, complete work with their paraprofessionals or regroup following interacting with peers in a small group. The offices can also be set up with the equipment, materials, and sensory items

to meet each student's individual needs. Two of the offices are also registered with the Minnesota Department of Education to be used as seclusion rooms. With the increased demand for the TEA program, the Apple Valley site no longer provides a sufficient amount of space to meet the need for expansion of the program.

Furthermore, the intensity of behaviors exhibited by many of the TEA students requires different standard for construction and design of the environment than other special education programs. The current site is not adequate in terms of layout, construction, and availability of common spaces. The individual student offices are set up in groups of 3 or 4 around an open space used for group activities. However, there is very little in the way of noise abatement which can be an issue with students who are sensitive to noise or can be triggered by behaviors of other students. The layout also makes it difficult to control the flow of foot traffic through the building or can lead to students not having access to parts of the building because of a peer's behavior. Staff have some control over student access and movement through keyed locks, but students may break through doors. The quality of the construction (hollow doors, wood rather than steel frames for doors and windows, only sheetrock on walls) has led to considerable damage to the building and, consequently, on-going repair costs. Also, students have relatively easy access to exterior exists which may lead to use of restrictive procedures if a young or vulnerable student elopes from the building. The site also lacks an adequate gym and outdoor space.

To meet the need for more and better space, the district began to look for a new site that provided adequate space that could be designed and built to specifications required by the program. The district was not able to locate a suitable space during the 2013-2014 school year. However, in the fall of 2014 the district located a building that had been leased by ISD 196 and used as their early childhood center. During the winter and early spring of the 2014-2015 school year, the district worked with an architect and the new building owners to design a space specifically for the TEA program. The design incorporated ideas from staff as well as "lessons learned" from remodeling the Cedar site for the SUN program. The concept of the individual layout with student offices located around a group area remained, but the new layout used hallways and exits to allow for alternative routes to and from areas. There are also extra student offices in the individual areas to give greater flexibility in where students are located and grouped. Construction materials and specifications were selected to limit the amount of possible damage: solid wood doors, steel door frames, classroom and office locks all keyed the same for easy access by all staff, higher quality door hardware, walls of students office have plywood behind the sheetrock, some offices will be padded, wood baseboard rather than vinyl, all molding nailed and glued. Doors with magnetic locks are located at all exits from the building and also at strategic locations in the hallways to limit students' ability to exit the building or disrupt the rest of the building when escalated. The site also will include a larger gym space, a fenced in play area with swings and jungle gym as well as outdoor basketball and four square courts. Construction on the new site is scheduled to be completed by August 1, 2015.

Behavior Management and Affective Education:

TEA looks at student behaviors through a "mental health lens". This means that the behavior is most likely caused by the student's mental health instead of the student simply being defiant or intentionally misbehaving. How the staff view the cause of the behavior impacts how the staff responds to the behavior. For example, if a student's yelling and screaming over a math assignment is seen as defiance the response will be purely consequence based (losing points, staying after school, suspension). If the situation is looked at based on the student's diagnosis of anxiety, the response will be to determine the cause of the anxiety, eliminate it, and work with the student to apply strategies for dealing with the

anxiety rather than yelling and screaming. As a result, TEA does not use consequence based strategies or systems: point sheets, level systems, detailed behavioral rules and consequences.

TEA uses a proactive approach to manage behaviors and keep students regulated. In the small group classrooms, staff use strategies such as picture or written schedules to provide students with the structure for the day. Individualized reward systems are often used to reinforce desired behaviors and/or progress towards IEP goals. When students become dysregulated, they have access to various sensory tools (fidgets, swings, gross motor, noise canceling headphones, break rooms, putty of different densities, pressure vests, weighted blankets) to help regulate. Students are taught to see the signs that they are becoming dysregulated and their mental health is impacting their behavior and success. They are also taught skills and strategies that will allow them to cope with their mental illness in the school setting. Initially students need direct instruction on these strategies and prompts on when to use a strategy. The goal being students will learn to independently identify when they are becoming dysregulated and self-select a strategy to calm.

The environment and use of proactive strategies is even more important in helping students in the individualized TEA program regulate their emotions and manage their behaviors. Students are arranged in “pods” based on sensory needs, temperature, lighting, triggers, access to certain areas (sensory room, bathrooms, exit to bus). Students are all staffed one-to-one and in some cases two-to-one to help meet their individual needs. In addition to the strategies used in the group rooms, staff will use such strategies as “first-then,” picture schedules, integrated approach, changing activities more frequently, and scheduled sensory breaks.

Low student-to-staff ratios allow for processing situations on as needed and relatively immediate basis. In addition to teachers and paraprofessionals at the program, students in the TEA program are able to process with the mental health practitioner or mental health professional. Solutions developed during processing are communicated to other staff during daily after school staff meetings, emails, or phone calls, depending on location of those involved in the processing and how quickly the plan needs to be communicated. At the very least, parents/guardians and home districts are involved in the process by informing them of the issue and the resolution. Often, parents/guardians and home districts are contacted as part of the actual processing of the situation. This area is an overall strength in the TEA program.

As discussed in the other areas, the individualized TEA program provides the highest level of personalization. The one-to-one staffing and individual student offices allow for the greatest flexibility in environment, schedule, curriculum, and strategies to meet the needs of those students who have difficulty interacting with peers for extended periods of time. The goal of this intensive level of service is to build the coping, regulation, and social skills necessary for these students to move to a less restrictive setting.

The mental health practitioners and teachers use the Social and Emotional Core Competencies established by the Collaborative for Academic, Social and Emotional Learning (CASEL). The five competencies are described below:

- **Self-awareness:** The ability to accurately recognize one’s emotions and thoughts and their influence on behavior. This includes accurately assessing one’s strengths and limitations and possessing a well-grounded sense of confidence and optimism.

- **Self-management:** The ability to regulate one’s emotions, thoughts, and behaviors effectively in different situations. This includes managing stress, controlling impulses, motivating oneself, and setting and working toward achieving personal and academic goals.
- **Social awareness:** The ability to take the perspective of and empathize with others from diverse backgrounds and cultures, to understand social and ethical norms for behavior, and to recognize family, school, and community resources and supports.
- **Relationship skills:** The ability to establish and maintain healthy and rewarding relationships with diverse individuals and groups. This includes communicating clearly, listening actively, cooperating, resisting inappropriate social pressure, negotiating conflict constructively, and seeking and offering help when needed.
- **Responsible decision making:** The ability to make constructive and respectful choices about personal behavior and social interactions based on consideration of ethical standards, safety concerns, social norms, the realistic evaluation of consequences of various actions, and the well-being of self and others

One of the features of the TEA program that distinguishes it from many other mental health programs in the state is that the mental health staff are employees of ISD 917. In most other day treatment and school based mental health programs, the mental health and educational programs are two separate entities. Either the day treatment program is contracting with a school district to provide the educational portion of the day (i.e. ISD 917 provides the educational programming for YTP) or a school district is contracting with a mental health provider to provide service within the school setting. Due to confidentiality concerns there is often very little interaction and communication between the two staffs. At TEA, the mental health is integrated into the student’s entire day. The mental health practitioners are working with the students in the classroom as well as meeting with them separately in individual and group sessions. Educational and mental health staff meet after school on a daily basis to discuss students, process the day, and problem solve. Also, the program’s Problem Solving Team which meets every other week to develop intervention plans for students who are struggling, consists of mental health staff, teachers, paraprofessionals, and the behavior analyst.

Academics:

Over the past five years Intermediate School District 917 has worked diligently to adopt curriculum that helps to support teachers in delivering quality academics to their students. READ-180, Pearson Math and Pearson Science, National Geographic Geography, Pearson elementary social studies, and McGraw Hill social studies were reviewed, adopted and staff were trained. In serving multiple school districts, it is not possible to select a curriculum that mirrors curriculums used in our member districts. During the adoption process the teams reviewed the member district curriculums and took into account the amount of assistive technology that was offered to support the curriculum and the array of modifications and accommodations that were available for the curriculum. With its’ built-in, on-going staff development, the READ 180 program has led to the greatest impact on the quality of instruction. The READ 180 program addresses the needs of those students needing to develop their reading skills. However, it does not address the needs of those students who are proficient readers or whose skills are below the entry level. We are addressing these needs by implementing System 44 for those students in need of developing their decoding and phonemic awareness skills and Expert 21 for those students testing above READ 180.

Family Involvement and Support:

The main avenue for family involvement and support has been through team meetings and frequent,

often daily, contact case managers have with parents and guardians. The mental health practitioners and teaching staff provide outside resources to those families that are not already connected to social services or outside agencies. Parent support groups are held on a monthly basis. Providing dinner and child care has increased parent participation. Topics covered at the groups include dealing with the stress of the holidays, avoiding power struggles, alternatives to consequences, etc.

Goals

1. **Increase Family Involvement and Support**
Over the course of the three-year improvement cycle, the TEA program will increase parent participation in parent group from a level of 10% of families participating to a level 25% of families participating.
2. **Reduce the use of restrictive procedures**
During the 2013-2014 school year the TEA program implemented 525 restrictive procedures. The TEA program will decrease the number of prone restraints by 20% for the 2015-2016 through the 2017-2018 school years.

Increase mental health supports for staff

Next Steps

The first year of program evaluation is the evaluation year. The culmination of the evaluation year is the report you've just read. There are four additional years in the cycle. Years two, three and four will focus on program improvement. Year five will focus on data gathering that will be used for evaluation when the cycle repeats with year one.

While the intent of this report is for internal evaluation and improvement, it will be shared with key constituency groups including directors, superintendents and the school board.

TO: School Board Members
Superintendent John Christiansen

FROM: Nicolle Roush, Business Manager

DATE: November 2, 2015

RE: Medical and Dental Insurance Plan Renewals

Pertinent Facts:

1. Intermediate School District 917's medical insurance and dental insurance policies renew on January 1, 2016.
2. For fiscal year 2016, ISD 917 was not required to bid our medical insurance. In accordance with the Health Insurance Transparency Act, we are required to go out to bid every two years. ISD 917 conducted this in our previous 2015 medical renewal.
3. The district insurance committee met on September 17, 2015, with our representative from Corporate Health Systems to review our claims history, which is improved for 2016, and review the Medica renewal proposal for 2016. The 2015 Medica rate increase included a 13% rate cap guarantee for 2016. Medica offered a 10% aggregate insurance premium increase on our existing fully-funded medical plan for 2016. Medica also offered a self-funded plan for 2016 for consideration. The committee decided to consider the self-funded plan but asked that Corporate Health seek self-funded proposals from other third party administrators. Requests for proposals were sent out with a due date of October 5, 2015. One proposal was received from Preferred One.

To move forward to consider a self-funded medical plan, the largest employee union, the program assistants, would need to conduct a vote to approve or not approve a change to self-funded insurance. The program assistants union held their vote on October 29, 2015, and the union approved moving to a self-funded medical insurance option.

4. The teachers' union also held a vote on the self-funded option on October 28, 2015 to determine their members support for the proposed change. Their members also approved the change.
5. The dental insurance renewal recommended by the insurance committee after reviewing a three-year blend of claims calculated by Corporate Health Systems and ISD 917's reserves, is a 0% change in the premiums for both single and family insurance with no benefit design changes.

Recommendation:

The insurance committee recommends the School Board approve a self-funded medical insurance plan with no benefit changes and a 10% premium increase and maintain our existing self-funded dental plan with no premium increase effective for the January 1, 2016, plan year. We will bring a recommendation to the Board meeting on the third party administrator for the self-funded medical plan