

**INTERMEDIATE SCHOOL DISTRICT 917  
IN DAKOTA COUNTY**

**REGULAR SCHOOL BOARD MEETING**

**Tuesday, December 6, 2016**

**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 Alliance Education Center -All**
- VI. **Good News Report - Directors** 2
- VII. **Consent Items - Chair Lewis**
  - A. Minutes, November 1, 2016, Regular School Board Meeting 17
  - B. Personnel Considerations 20
  - C. Minutes, November 15, 2016, Special School Board Meeting 31
- VIII. **Donations - Chair Lewis**
  - A. Resolution Approving Donations 32
- IX. **Business Manager's Report - Nicolle Roush**
  - A. Review and Approve Payment of Bills 33
  - B. Review and Approve Wire Transfers 41
  - C. Review and Approve Investment Report 57
- X. **Reports**
  - A. Intermediate School District 917 Employee and Teacher of the Fall Quarter - Dave Stoll
  - B. Auditor's Report - Jim Eichten 58
  - C. Review Revenue and Expenditures Report - Nicolle Roush 191
- XI. **New Business**
- XII. **Adjournment**

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

December 13, 2016 - 3:30 - 7:30, Career & Technical Education Open House & Gingerbread Gallery, DCTC

December 23-26, 2016 - Closed for Holiday Break

January 2, 2017 - Closed for New Year's Day

January 3, 2017 - 5:00 PM, School Board Meeting, 917 Board Room

January 17, 2017 - 4:30 PM, School Board Work Session

**Good News**  
**Special Education**  
December 6, 2016

- On October 27 and 28, the Annual Minnesota Division of Visual Impairments held their conference for Teachers of the Blind/Visually Impaired and Certified Orientation and Mobility Specialists in Baxter, MN. The conference was titled "Keeping Up with the Classroom." The focus was on working with DAPE and motor teams, Early Childhood and DAPE, and technology access in the classroom. **Lori Klein**, ISD 917 Teacher of Blind/Visually Impaired, presented on the topic of near/distance access to educational materials and smart board access for students with low vision. During the poster session, ISD 917 had a poster on the Extended School Year program that focuses on the Expanded Core Curriculum for students who are blind/low vision, which is held at Alliance Education Center. **Fran Wood** and **Michelle Shanley**, ISD 917 Teachers of Blind/Visually Impaired, were on the planning committee for this year's conference and are already assisting in planning next year's conference.
- 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 11, 2016 to meet and socialize with other families in the Deaf/Hard of Hearing Preschool Program, and enjoy a simple pizza dinner together. With about 55 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!
- Throughout the summer session at Riverside School in the Juvenile Service Center, students compiled a list of books they were interested in reading for the annual book order. In October, all the books arrived and the students are excitedly checking out the new titles on the shelves. The students absolutely love looking for new books to read for fun. This year, there were several students who volunteered to catalog the new books and organize them on the bookshelves in the school's library. The students learned the skills of cataloging the books by genre and organizing them for others to find quickly. Students log community work service hours for organizing and maintaining the library as students check in and check out books. The students are able to recommend their favorite titles to their peers and suggest books based on genre. The students' favorite series currently being read at the JSC are: *The Monument Series*, *The Divergent Series*, and any books by James Patterson.
- On Friday, November 11th students in TESA participated in a Veterans Day related event at DCTC. This year TESA students welcomed Chad Pemble, to come and speak to them in recognition of Veterans Day. Chad, a member of the Air Force Reserves, provided his insights and information about the time he has spent in the Armed Services. The presentation led to many questions and was well received by staff and students in TESA. There was also a video presentation which led to many questions and answers related to Veterans Day.
- The TESA Student Council will be hosting the "5th Annual TESA Holiday Showcase" December 21st in the Dakota Room from 12:30-2:00. As the name infers, the TESA Holiday Showcase will give students the opportunity to display a variety of classroom projects, accomplishments and

community service projects, as well as group and individual talents. Families, alumni, district faculty and board members are all welcome to attend this event.

- Fifteen students from TESA participated in the 5th annual Reality Store which was held on October 25th at Boeckman Middle School in Farmington. This event was organized by the Dakota County CTIC. Students were given the opportunity to visit a variety of stations such as (housing booth, insurance booth, grocery booth, legal booth, banking booth, etc.) at which they spent a projected monthly income on living expenses. The purpose of this event was to focus on those students who would typically not qualify for county developmental disabilities services, but would have challenges transitioning to the adult world.
- The new playground at Cedar SUN is up and running! With the warmer than usual fall, the students...and staff...have been able to get out and enjoy the swings, balance beam and two climbing structures. It is used each day if the weather permits. We have also noticed members of the community making use of the playground. Everyone thanks you for making this possible!



# THE LEBANON TIMES

2016 Fall Lebanon Education Center—ISD 917



Staff Interview:  
Shae S.

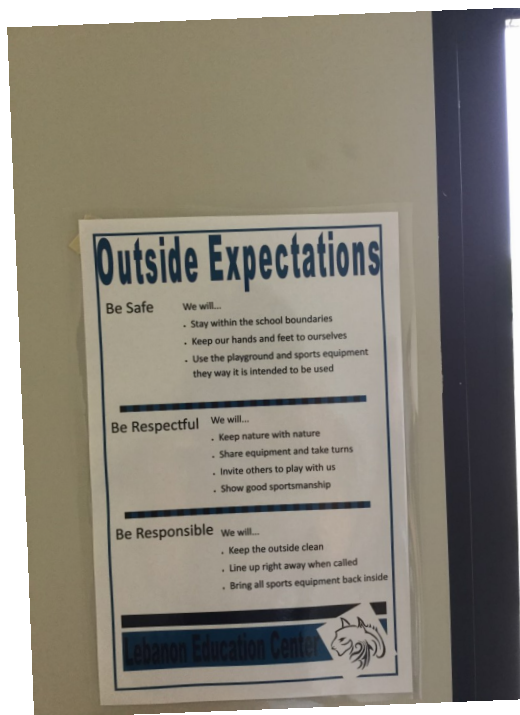


By: Sage

## What is New at Lebanon?

By: Nathan

- Picnic table
- Basket Ball hoop is going to be installed
- 2 new teachers
- new students
- Fence was replaced
- Bench built by Roger
- The garden has grown
- Signs and lynx tickets
- Mr. Mogas room got a new map and a smart board
- New swing
- new bulletin board
- Locks On the lockers
- New walkies
- new broken table
- New border line my new storyline



What do you do for the Vikings?  
I cheer them on, they're my favorite team.

Do you go to the training camp?  
I did go to the training camp three times this year.

What was your first job?  
I worked for a child support agency at age 16.

What did you do for fun when you were young?  
I hung out with my friends.

What is your favorite animal?  
Turtles, I have three of them.

What's your favorite superhero?  
The Incredible Hulk because he don't take no stuff from nobody.

Who's your favorite football player?  
Harrison Smith, number 22, is my favorite player right now.

Who is your favorite of all time?  
Randy Moss.

## Lynx Pride

### Lynx Pride Ticket

You were caught following the 3 B's!

My name is

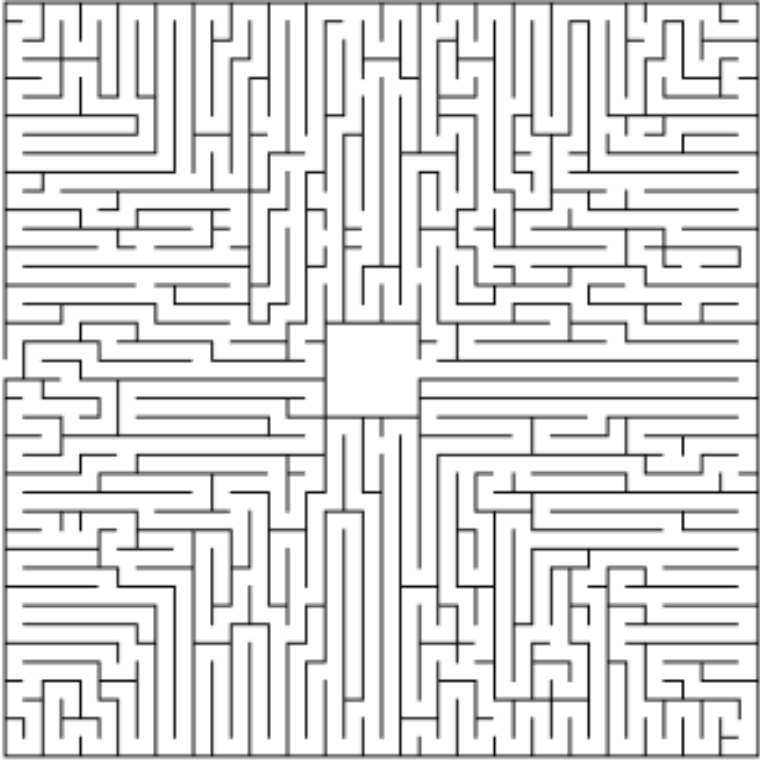
New this year the entire school is using Lynx Pride Tickets. If you have any questions about the tickets ask a staff in the building, and remember to get your tickets in because you don't want to miss the weekly drawing on Fridays!

# The Lynx Lowdown

## Announcements from the Front Office

- No school November 4th
- No school November 23 – 25

Lynx Pride drawing every Friday at 1:50pm



## Boyo's Tacos Recipe



## Humor Highlights

- Q: How can you tell the ocean is friendly?
- Q: What has a head, a tail, is brown, and has no legs?

W N A T Q J M A N P I F M A F Y F U Y A  
W G L E E S L E A D F T U R K E Y H M L  
E U U L F M C X H B S C A R E C R O W L  
X Q T D D O B Q T E X G L L A I S F N O  
L T U H N C M E V L X P G E Z A B M N W  
Q H N E U W H R R N I A E W A I G I L E  
U G S V U T A O S E Q Q H D A V K W J E  
Z O E P L H L U F K N A H T I P E K O N  
Y J H X N W L K I X C G J I M R P S R O  
P R C E Y W T J I C F X G U Y Z Y V E K  
D R U O G I B Y E B C M P T R D U A P C  
N U T S I C I K G G N Y O Q N R H X H R

- |           |             |              |
|-----------|-------------|--------------|
| ACORN     | CHESNUT     | COBWEB       |
| FALL      | FEAST       | GOURD        |
| HALLOWEEN | HARVESTMOON | HAYRIDE      |
| LEAVES    | MAZE        | NUTS         |
| PIE       | PINECONES   | PUMPKIN      |
| QUILT     | RAKE        | SCARECROW    |
| SEPTEMBER | THANKFUL    | THANKSGIVING |
| TURKEY    |             |              |

- 2tsp dried minced onion
- 1tsp salt
- 1tsp chili powder
- 1tsp cornstarch
- 1/2tsp ground cumin
- 1/2tsp red pepper flakes
- 1/4tsp cayenne pepper
- 1/4tsp dried minced garlic
- 1/4tsp dried oregano
- 1lb ground beef
- 1/2c water

1. mix onion, salt, chili powder, cumin, cornstarch, red pepper flakes, cayenne pepper, garlic, and oregano in bowl
2. Heat large skillet over med/ high heat. Combine ground beef into a hot skillet. Cook, stir until completely brown 7-10 minutes. Drain discard any excess grease.
3. Return beef to heat and pour seasoning mixture and water over beef stir to combine bring to simmer

# MORE GOOD NEWS MEDICAL CAREERS 12/5/16



**Our Medical Careers class has just completed our unit on “Cultural Diversity & Awareness”. Traditionally, at the end of this assignment, we celebrate in our classroom with sharing foods that are traditional and ceremonious to each student and their families. It is a feast of all feasts! This year, we had everything from caviar to buffalo dip! Students tell their stories and share recipes!**



*Delicious*



Good News  
Secondary Programs  
December, 2016

-DCALS has adopted Passageways, a shelter that serves victims of sex trafficking. On Wednesday November 23<sup>rd</sup>, we delivered a hot Thanksgiving meal to the six residents of Passageways and their staff. We also had collected 2 boxes of donation items including clothing, toiletries, puzzles, games and 3 Walmart gift cards. The DCALS Advisory competition in Penny Wars has gained some momentum, and will be finalized in a week. Staff at Passageways will provide us a list of specific needs the residents have, and the DCALS student representatives will shop for these items using the money collected during Penny Wars.

-A group of DCALS North campus students and Don Williams, Lead Teacher, visited Sharing and Caring Hands in Minneapolis on November 22. They helped to stock shelves and prepare meals for those less fortunate. This has become an annual activity for this program.

“They put us right to it. These kids were a breath of fresh air. Followed direction, yes ma'am, no sir and thank you all the time. They rocked it”. Don Williams-North Lead Teacher





-Staff development on Wednesday, 11/23/2016 saw several isd917 teachers from CTE and DCALS at the Waterous manufacturing facility in South St. Paul. Deb Benson, Human Resources specialist, shared with us their company test, MAPS (Manufacturing Applicant Profile System), used to promote eligible employees who score well. She said many employees have trouble with this test, especially the math portion. I have forwarded this testing information with the CTE and DCALS teachers and counselors. We are grateful manufacturing companies share this type of information so our students can be better prepared applicants and employees when they have completed their education with us at ISD917.

Respectfully submitted,  
Lynn Morris-DCALS Math Teacher



-Here are the students of the quarter for DCALS North, quarter 1:  
Raven Sanders, Catherine Kelly, Francisco Medina, Phoenix Higgins.

-Here is a list of high credit earners (1.875+):

Angela Flores Remuto, Brittney Jones, Cathy Kelly, DJ Brown, Francisco Medina, Gabe Mendoza-Cordova  
Isabelle Teigen, Jesus Hernandez, Karissa Terlinde, Payton Davis, Phoenix Higgins, Raven Sanders  
Sophia Lampley, Sydney Ament

-Here are the Students of the Quarter for the DCALS main campus:

Logan Towle, Jack Skoglund, Cassidy Snyder, JR Guterrez, Brennan Dykhoff, Savanna Ware, Mckein Keys  
Nathan Anderson

-Erin Mahnke, DCALS Science, fosters for Underdog Rescue. Delta recently donated old plane blankets to the rescue. Advisory students in Erin's, Pam Biegler's and Erin Hale Sanford's were offered the opportunity to turn the blankets into ones appropriate for kennels - many students jumped at the chance to help the dogs while also working on their sewing skills! It's been a great experience with students working together to help out the foster dogs!



-Fundamental Chef Training staff and students were extremely busy in the weeks leading up to Thanksgiving. The Annual Pie Sale involved planning, preparation, baking, wrapping, boxing, and delivering of a total of 425 holiday pies. The variety included: pumpkin, pumpkin praline, sweet potato crunch, pecan, and caramel apple crunch. Patty LaBeau-Fundamental Chef

-Students from both DCALS programs recently toured and heard about career options at Target Center and the Minnesota Timberwolves/Lynx. Hastings High School grad and current Timberwolves employee Jim Buffo took the students through Target Center and the new Mayo Clinic Square in downtown Minneapolis. Jim discussed his career pathway from college to his current role as Partnership Sales Manager for the Wolves/Lynx. Students got to experience the new luxury box level seating and go on the main court. Jim explained careers in sales, marketing, graphics design, operations, ticketing, finance, and general game day activities. Jim participated in the Career and College Fair at Hastings HS last spring.



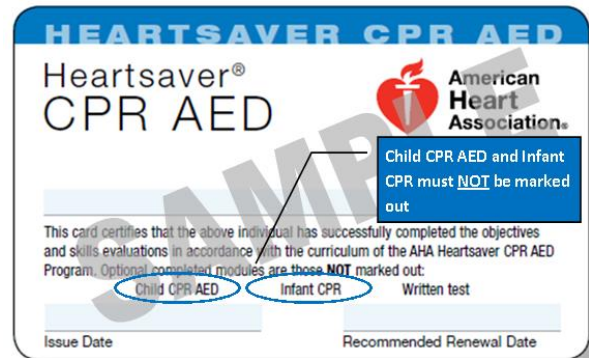


**GOOD NEWS**  
**MEDICAL CAREERS – MED SCIENCE**

In November, we taught and certified 46 students in American Heart Association (AHA) HeartSaver First Aid, they all did amazing and felt so proud when they receive their certification card!



Also on November 4, 2016, Carol Lundquist and Becky Rachuy, taught 22 of the DCALS, CTE, and DCALS North Staff, AHA HeartSaver CPR/AED. Everyone passed with flying colors and is updated to new findings and information. Special “thank-you” to Erin Mahnke and John Pereda for their help and assistance!



# MORE GOOD NEWS MEDICAL CAREERS 12/5/16



**Our Medical Careers class has just completed our unit on “Cultural Diversity & Awareness”. Traditionally, at the end of this assignment, we celebrate in our classroom with sharing foods that are traditional and ceremonious to each student and their families. It is a feast of all feasts! This year, we had everything from caviar to buffalo dip! Students tell their stories and share recipes!**



*Delicious*



-Pam Biegler's math and advisory classes are planning to finish 5 quilts before winter break. They are off to a good start. The students will donate the quilts to local shelter organizations.



-Ryan McGuinngle, operator of Las Tortillas and Black Diamond restaurants, donated to ISD 917 Food Industry Careers and Fundamental Chef Training a number of large soup bowls, salad plates, an assortment of goblets and glasses and the dish racks to store them.

Ryan is an alumni of Intermediate School District 917 from the Fundamental Chef Training program then instructed by Chef Val May. He continues to be a supporter of ISD 917 as a guest speaker and at times serves on the advisory committee for Food Industry Careers and Fundamental Chef Training programs.

Thank you to Ryan. We wish you continued success in the food service business as a chef, operator and owner!  
Submitted by Cherry Cramer, Food Industry Careers Instructor

-Approximately 12 DCALS students were selected to participate in the MAAP sponsored Elympics event on Thursday December 8<sup>th</sup>. It is an online knowledge bowl, and students compete with other ALC's around the state in a team style contest. Erin Hale-Sanford is the coach.

## INTERMEDIATE SCHOOL DISTRICT 917

A School Board Meeting of the Intermediate School District 917 School Board was held on Tuesday, November 1, 2016, at 1300 145<sup>th</sup> Street East, Rosemount, MN 55068.

**Members Present:** Dick Bergstrom, Wendy Felton, Joanne Mansur, Dan Cater, Jill Lewis, Vanda Pressnall, Melissa Sauser, Ron Hill, Bob Erickson, and ex-officio member Superintendent John Christiansen.

**Members Absent:** none.

**Also Present:** Nicolle Roush, Eric Van Brocklin, Melissa Schaller, Don Budach, Pam Roden, Val Whitmer, Kelly Smith, Deb Clark, and Linda Berg

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

District 917 Notary Public, Linda Berg, administered the oath of office to new Board Member Wendy Felton (South St. Paul), finishing Deb Clark's term. (Deb Clark moved out of the South St. Paul District.)

There were no visitors to be heard.

The good news reports were presented.

1. Motion by Bob Erickson, seconded by Dick Bergstrom, to approve the consent items, as presented. All present voted aye. Motion carried.

- **Minutes:** October 4, 2016, Regular School Board Meeting
- **Personnel:** *New Hires:* Elizabeth Ammerman, Classroom Assistant, effective October 3, 2016.

Erin Billig, Classroom Assistant, effective October 24, 2016. Funmilayo Carew, Classroom Assistant, effective October 31, 2016. Kayleen Harms, Classroom Assistant, effective October 10, 2016.

Jessica Hoffer, Classroom Assistant, effective October 24, 2016. Gina Hughes, Long-Term Substitute DAPE Teacher, effective January 4, 2017. Lisa Ott, Board Certified Behavior Analyst, effective November 21, 2016.

Eric Patraw, Program Assistant, effective October 24, 2016. Justin Schroeder, Classroom Assistant, effective October 26, 2016. Stephanie Walter, Program Assistant, effective November 7, 2016. *Change in Status:* Amy Alexander, Administrative Assistant III, effective November 7, 2016. Ashley Schaefer, Special Education Teacher, maternity disability leave effective on or about February 20, 2017, with a return date on or about April 17, 2017. Trisa Scott, Special Education Teacher, medical leave request effective September 30, 2016, with an expected return date of November 28, 2016. *Resignations and Terminations:* Julie MacRae, Teacher of Deaf/Hard of Hearing, effective upon finding a suitable replacement. Alexander Olson, Program Assistant, effective October 11, 2016. Dawn Radabaugh, Classroom Assistant, effective October 7, 2016.

2. Board Member Dick Bergstrom introduced the following resolution and waived the reading: Resolution to Accept Donations in the amount of \$70. Donation of \$70 from Keith Koentopf of Farmington to the PACES program 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, Wendy Felton, Joanne Mansur, Dan Cater, Jill Lewis, Vanda Pressnall, Melissa Sauser, Ron Hill, Bob Erickson, and the following voted against the same: none. Whereupon said resolution was duly passed and adopted. (Addendum A.)

3. Motion by Ron Hill, seconded by Vanda Pressnall, to approve the bills from September 27, 2016, through October 26, 2016, and the wire transfers as presented. All present voted aye. Motion carried.

Pam Roden reported on the Communications Report.

4. Motion by Bob Erickson, seconded by Dan Cater, to receive the Communications Report as presented. (Addendum B.) All present voted aye. Motion carried.

Assistant Director Don Budach gave an overview on the DASH Program.

5. Motion by Bob Erickson, seconded by Melissa Sauser, to approve staying with Medica for administration of the self-funded insurance plan with no benefit changes and a 3% premium increase and Delta Dental for administration of the self-funded dental plan with no benefit changes and no premium increase effective for the January 1, 2017, plan year. (Addendum C.) Bob Erickson and Melissa Sauser thanked everyone involved in this process. All present voted aye. Motion carried.

6. Motion by Vanda Pressnall, seconded by Joanne Mansur, to approve the CTIC (Community Transition Interagency Committee) contract for 2016-2017 as presented. (Addendum D.) All present voted aye, with the exception of Dick Bergstrom who abstained. Motion carried.

7. Motion by Bob Erickson, seconded by Ron Hill, to approve the Clerical Contract for 2016-2018, as presented. (Addendum E.) All present voted aye, with the exception of Dick Bergstrom who abstained. . Motion carried.

8. Motion by Dan Cater, seconded by Vanda Pressnall, to approve the Program Assistant Contract for 2016-2018, as presented. (Addendum F.) All present voted aye. Motion carried.

9. Motion by Joanne Mansur, seconded by Melissa Sauser, to approve the Classified School Year for 2016-2018, as presented. (Addendum G.) All present voted aye, with the exception of Dick Bergstrom who abstained. Motion carried.

10. Motion by Ron Hill, seconded by Joanne Mansur, to approve the Payroll Clerk Terms and Conditions for 2016-2018, as presented. (Addendum H.) All present voted aye, with the exception of Dick Bergstrom who abstained. Motion carried.

11. Motion by Bob Erickson, seconded by Vanda Pressnall, to approve the Administrative Assistant-Personnel Terms and Conditions for 2016-2018, as presented. (Addendum I.) All present voted aye, with the exception of Dick Bergstrom who abstained. Motion carried.

12. Motion by Joanne Mansur, seconded by Melissa Sauser, to approve the Buyer Terms and Conditions for 2016-2018, as presented. (Addendum J.) All present voted aye, with the exception of Dick Bergstrom who abstained. Motion carried.

13. Motion by Bob Erickson, seconded by Joanne Mansur, to approve the Administrative Assistant to the Business Manager for July 1, 2016 through November 30, 2016, as presented. (Addendum K.) All present voted aye, with the exception of Dick Bergstrom who abstained. Motion carried.

Bob Erickson distributed a Lakeville Area Chamber of Commerce publication "in Demand" magazine that is

designed as a tool to assist job seekers at all levels in choosing a career. He thanked Eric VanBrocklin for meeting with all the Lakeville principals about 917's opportunities.

Deb Clark was thankful to end her Board appointment with the passing of the Program Assistants' Contract. Deb emphasized the importance of interest based bargaining and how good it is for our district.

14. Motion by Joanne Mansur, seconded by Dick Bergstrom, to adjourn the meeting. All present voted aye. Motion carried.

There being no further business the meeting adjourned at 6:31 P.M.

The next regular School Board Meeting will be Tuesday, December 6, 2016, at 5:00 PM, at Alliance Education Center, 14300 Biscayne, Rosemount, MN.

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Clerk

To Bd 12-6-2016

**DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION**

DATE: November 17, 2016	Teaching Licenses Held:
NAME: Damien Calamese	
Position: Classroom Assistant	
College:    Secondary:    Special Education: <input checked="" type="checkbox"/> District:	Recommended Salary : 16.95
	Employment Date: 11/15/16

**Education:**

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

**Business/Industry Work Experience**

Employer (most recent first)	From	To	Position/Responsibilities
Wild Bills	8/16	10/16	Security
Champion Plumbing	5/16	6/16	Plumbing
United States Marines	5/12	5/16	Diesel Mechanic

Total Years Experience 4

**Teaching Experience**

Employer (most recent first)	From	To	Position/Responsibilities

Total Years Experience

**Remarks:**

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

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To Bd 12/4/16

**DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION**

DATE: November 8, 2016	Teaching Licenses Held:
NAME: Monserrat Herrera	
Position: Program Assistant	
College: Secondary: Special Education: x District:	Recommended Salary : 16,769 <sup>5</sup>
	Employment Date: 11/8/16

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Cobach , Mexico	Yes	Generals	Yes
Technical College	Apollo College	Yes	Dental Assistant	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
Teachers on Call	9/15	Current	Sub. Paraprofessional
Amazing Beginnings	10/15	12/15	Teachers Assistant
Wells Fargo	10/11	9/15	Loan Processor

Total Years Experience 5

**Remarks:**

**Monserrat will be a program assistant in the YTP Program.**

To Bd 12-6-16

**DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION**

DATE: November 17, 2016	Teaching Licenses Held:
NAME: Adrienne Johnson	
Position: Classroom Assistant	
College:    Secondary:    Special Education: x    District:	Recommended Salary : 19.67
	Employment Date: 11/28/16

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Shiloh High, ND	Yes	Generals	Yes
Technical College	Lake Superior Community College	Yes	Occupational Therapy Asst.	Certificate
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
Tutor Time	10/15	Current	Assistant
YMCA	2/14	12/15	Youth Sports Worker
Lake Superior Schools	8/94	6/2000	COTA

Total Years Experience 7

**Remarks:**

Adrienne will be a classroom assistant in the PACES Program.

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**DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION**

DATE: 11/28/16	Teaching Licenses Held:
NAME: Emma Mayes	
Position: Classroom Assistant	
College: Secondary: Special Education: x District:	Recommended Salary : 16.95
	Employment Date: 11/28/16

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Kensington Academy	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
ISD 917	9/16	Current	Student Assistant
Summit Church	9/13	6/16	Custodian
Home Depot	5/16	6/16	Garden Associate
Integrity Outdoor Solutions	5/15	8/15	Landscaping

Total Years Experience 1.5

**Remarks:**

**Emma will be a classroom assistant in the PACES Program at Meadowview Elementary School.**

To Bid 12-6-16

**DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION**

DATE: 11/28/16	Teaching Licenses Held:
NAME: Ronnie Jo Morris	
Position: Classroom Assistant	
College:    Secondary:    Special Education: x    District:	Recommended Salary : \$17.34
	Employment Date: 12/5/16

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Ft. Pierce 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
Home Depot	8/16	Current	Paint Department
Mpls. VA	12/14	6/16	CNA
Regency Hospital	12/10	10/14	CNA

Total Years Experience 6

**Remarks:**

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

To Bd 12-6-16

**DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION**

DATE: 12/5/16	Teaching Licenses Held:
NAME: Samantha Ophus	
Position: Classroom Assistant	
College: Secondary: Special Education: x District:	Recommended Salary : 16.95
	Employment Date: 12/5/16

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Finlayson	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
Menards	8/14	3/16	Grocery Specialist
Accurate Home Care	7/16	11/16	PCA

Total Years Experience 2

**Remarks:**

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

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**DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION**

DATE: 11/21/16	Teaching Licenses Held:
NAME: Trina Oster	
Position: Classroom Assistant	
College:    Secondary:    Special Education: x    District:	Recommended Salary : 20.06
	Employment Date: 11/28/16

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Simley 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
ISD 247	8/16	11/16	Paraprofessional
ISD 917	4/07	6/16	Paraprofessional

Total Years Experience 12

**Remarks:**

Trina will be a classroom assistant at the Hastings High School.

To Bd 12-6-16

**DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION**

DATE: November 10, 2016	Teaching Licenses Held:
NAME: Katie Rafnson	
Position: Classroom Assistant	
College:    Secondary:    Special Education: x    District:	Recommended Salary : 16.7695
	Employment Date: 11/14/16

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Lakeville High	Yes	Generals	Yes
Technical College				
College	U of Wisconsin	Yes	Art Education, Fine Art	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
Teachers on Call	8/15	Current	Substitute
Discoveries for Children			Assistant

Total Years Experience 1.5

**Remarks:**

**Katie will be a classroom assistant in the TEA Program.**

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To Bd 12/6/2016

**DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION**

DATE: 12/5/16	Teaching Licenses Held:
NAME: Deric Thames	
Position: Classroom Assistant	
College: Secondary: Special Education: x District:	Recommended Salary : 18.12
	Employment Date: 12/5/16

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Skyline High, TX	Yes	Generals	Yes
Technical College				
College	Texas State	Yes	Geography Urban Planning	BA
	TX LeTourneau University	Yes	Education	Post Grad Cert.
Other				

**Teaching Experience:**

Employer (most recent first)	From	To	Position/Responsibilities
Hayes Consolidated Schools	8/15	6/16	Teacher
Wimberley School District	8/10	6/15	Teacher

Total Years Experience 6

**Business/Industry Work Experience:**

Employer (most recent first)	From	To	Position/Responsibilities
Trans Union Settlement Solutions	5/96	8/08	Training Coordinator

Total Years Experience 12

**Remarks:**

Deric will be a classroom assistant in the TEA Program at LEC.

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To Bd 12-6-16

**DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION**

DATE: 11/28/16	Teaching Licenses Held:
NAME: Missi Thraen	
Position: Classroom Assistant	
College: Secondary: Special Education: x District:	Recommended Salary : \$18.50
	Employment Date: 11/29/16

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Hillsboro 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
Eriksmoen Cottages	10/13	10/16	Program Manager
MRCI	7/10	10/13	Support Specialist
REM	8/09	7/10	Program Coordinator

Total Years Experience 6

**Remarks:**

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

**SUMMARY OF PERSONNEL ITEMS RECOMMENDED  
FOR ACTION AT BOARD MEETING OF DECEMBER 6, 2016**

**NEW HIRES:**

Damian Calamese, Classroom Assistant, effective November 15, 2016.

Montserrat Herrera, Program Assistant, effective November 8, 2016.

Adrienne Johnson, Classroom Assistant, effective November 28, 2016.

Emma Mayes, Classroom Assistant, effective November 28, 2016.

Ronnie Jo Morris, Classroom Assistant, effective December 5, 2016.

Samantha Ophus, Classroom Assistant, effective December 5, 2016.

Trina Oster, Classroom Assistant, effective November 28, 2016.

Katie Rafnson, Classroom Assistant, effective November 14, 2016.

Deric Thames, Classroom Assistant, effective December 5, 2016.

Melinda Thraen, Classroom Assistant, effective November 29, 2016.

**CHANGE IN STATUS:**

Vickie Bjerke, Accounts Payable Clerk, increase from 220 to 225 days per year effective December 2, 2016.

Kelly Nohelty, Special Education Teacher, maternity disability leave effective on or about May 15, 2017, with a return date of June 12, 2017.

Michelle Vollbrecht, Special Education Teacher, maternity disability leave effective on or about April 4, 2017, with a return date of August 15, 2017.

**RESIGNATIONS & TERMINATIONS:**

Bruce Flees, Program Assistant, effective November 18, 2016.

Eric Patraw, Program Assistant, effective December 9, 2016.

Debra Strese, Classroom Assistant, effective December 9, 2016.

Melissa Tousignant, Classroom Assistant, effective November 30, 2016.

## INTERMEDIATE SCHOOL DISTRICT 917

A Special School Board Meeting of the Intermediate School District 917 School Board was held on Tuesday, November 15, 2016, at 1300 145<sup>th</sup> Street East, Rosemount, MN 55068.

**Members Present:** Dick Bergstrom, Jill Lewis, Vanda Pressnall, Melissa Sauser, Bob Erickson, and ex-officio member Superintendent John Christiansen.

**Members Absent:** Ron Hill, Joanne Mansur, Wendy Felton, Dan Cater

**Also Present:** Nicolle Roush, Melissa Schaller, Raj Dhital, and Linda Berg

School Board Chair Jill Lewis called the meeting to order at 4:51 PM.

There were no visitors to be heard.

Raj Dhital of MLA Architects reviewed with the Board the proposed change order from Langer Construction.

1. Motion by Bob Erickson, seconded by Dick Bergstrom, to approve the Base Soil Correction Change Order in the amount of \$21,723 for Langer General Conditions and related costs and the costs for export of unsuitable soil, import of select granular and import of top soils per the proposal. (Addendum A.) All present voted aye. Motion carried.

John discussed that Langer was concerned about how this soil problem has caused a delay and now winter weather is a factor to consider because it can add additional costs.

2. Motion by Bob Erickson, seconded by Melissa Sauser, to adjourn the meeting. All present voted aye. Motion carried.

There being no further business the meeting adjourned at 5:10 PM.

The next regular School Board Meeting will be Tuesday, December 6, 2016, at 5:00 PM, at Alliance Education Center, 14300 Biscayne, Rosemount, MN.

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Clerk

# 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 \$660.00

1. Donation of \$60 from Keith Koentopf of Farmington to the PACES program to be used for student needs and activities. Value: \$60.
2. Donation of \$500 to the Youth Transition Program from Bijan Riahi of Eagan to support the cost of lunches for students. Value: \$500.
3. Donation of \$100 to the Karen O'Brien Trust Fund from Val Whitmer of Farmington to be used to help benefit the SKILLS USA student organization. Value: \$100.

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

And the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Date Board Approved:

Intermediate School Dist 917  
 CHECK REGISTER FOR BANK 01 - WELLS FARGO BANK  
 DATE RANGE: 10/27/16 - 11/23/16

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
321198	S	\$444.81	10/27/16	24612	0	AUTISM-PRODUCTS	OUTSTANDING
321199	S	\$330.40	10/27/16	24553	0	CANON USA	OUTSTANDING
321200	S	\$19.87	10/27/16	16244	0	CUB FOODS	OUTSTANDING
321201	S	\$17088.47	10/27/16	40056	1	DAKOTA COUNTY SHERIFF'S OFFICE	OUTSTANDING
321202	S	\$146.98	10/27/16	00103	1	DELEGARD TOOL CO	OUTSTANDING
321203	S	\$21116.54	10/27/16	24696	0	DODGE OF BURNSVILLE	OUTSTANDING
321204	S	\$46.34	10/27/16	00096	1	ECM PUBLISHERS/DAKOTA COUNTY TRIBUNE	OUTSTANDING
321205	S	\$3534.94	10/27/16	24507	0	EXCEL IMAGES, INC	OUTSTANDING
321206	S	\$1420.00	10/27/16	24653	0	FORBES SOLUTIONS, PLLC	OUTSTANDING
321207	S	\$5613.85	10/27/16	23241	0	HEINEMANN	OUTSTANDING
321208	S	\$4544.24	10/27/16	18863	0	INTEREUM	OUTSTANDING
321209	S	\$180.00	10/27/16	24637	0	K LYNN PRODUCTIONS	OUTSTANDING
321210	S	\$619.30	10/27/16	22677	0	KARLSBURGER FOODS INC	OUTSTANDING
321211	S	\$2754.23	10/27/16	13407	0	MCKESSON MEDICAL	OUTSTANDING
321212	S	\$35.10	10/27/16	23996	0	MEDICAREBLUE RX	OUTSTANDING
321213	S	\$24.99	10/27/16	22910	0	MICRON CPG	OUTSTANDING
321214	S	\$70.00	10/27/16	22657	16	MN DEPT OF EDUCATION	OUTSTANDING
321215	S	\$1108.98	10/27/16	21312	0	MULTI-HEALTH SYSTEMS INC.	OUTSTANDING
321216	S	\$638.68	10/27/16	22195	4	NCS PEARSON, INC.	OUTSTANDING
321217	S	\$4335.36	10/27/16	23690	0	OUTDOOR IMAGES, INC	OUTSTANDING
321218	S	\$275.00	10/27/16	22654	0	PEARSON ASSESSMENTS/NCS PEARSON	OUTSTANDING
321219	S	\$678.00	10/27/16	22195	1	PEARSON EDUCATION	OUTSTANDING
321220	S	\$4406.25	10/27/16	23915	0	PEDIATRIC HOME SERVICE	OUTSTANDING
321221	S	\$4224.00	10/27/16	24685	1	NEW DIRECTION SOLUTIONS, LLC	OUTSTANDING
321222	S	\$1124.75	10/27/16	23874	0	REINHART FOODSERVICE, LLC	OUTSTANDING
321223	S	\$1162.30	10/27/16	20620	3	SCHOOL SPECIALTY INC.	OUTSTANDING
321224	S	\$736.00	10/27/16	22898	0	SPECTRUM BRANDS	OUTSTANDING
321225	S	\$7582.00	10/27/16	23922	0	STRATEGIC STAFFING SOLUTIONS	OUTSTANDING
321226	S	\$364.18	10/27/16	13704	0	SYSCO MINNESOTA	OUTSTANDING
321227	S	\$14724.23	10/27/16	23942	0	TEACHERS ON CALL	OUTSTANDING
321228	S	\$5242.67	10/27/16	24556	0	UNIVERSAL CLEANING SERVICES	OUTSTANDING
321229	S	\$290.26	10/27/16	18330	3	VIRCO INC.	OUTSTANDING
321230	S	\$1081.70	10/27/16	23662	0	WESTONE	OUTSTANDING
321231	S	\$5437.67	10/27/16	02776	0	XCEL ENERGY	OUTSTANDING
321232	S	\$1050.00	11/02/16	21866	0	DAKOTA COUNTY TECH COLLEGE	OUTSTANDING
321233	S	\$7690.37	11/02/16	40016	0	EDUCATION MINNESOTA, LOCAL 3904	OUTSTANDING
321234	S	\$82.19	11/02/16	24674	0	F.H. CANN & ASSOCIATES, INC	OUTSTANDING
321235	S	\$582.95	11/02/16	23939	0	GURSTEL CHARGO PA	OUTSTANDING
321236	S	\$400.00	11/02/16	24626	0	IOWA DEPARTMENT OF HUMAN SERVICES	OUTSTANDING
321237	S	\$738.50	11/02/16	40017	0	O.P.E.I.U., LOCAL 12	OUTSTANDING
321238	S	\$145.38	11/02/16	29972	0	RELATED SERVICES NURSES ESP	OUTSTANDING
321239	S	\$2594.76	11/02/16	40018	0	S.E.P., LOCAL 4242	OUTSTANDING
321240	S	\$100.66	11/02/16	29207	0	U.S. DEPARTMENT OF EDUCATION	OUTSTANDING
321241	S	\$1239.17	11/02/16	40071	0	WADDELL & REED INC	OUTSTANDING
321242	S	\$49213.50	11/04/16	15216	2	360 COMMUNITIES	OUTSTANDING
321243	S	\$3150.01	11/04/16	23678	0	AMAZON.COM, LLC	OUTSTANDING
321244	S		11/04/16	23678	0	UNISSUED	UNISSUED
321245	S	\$36388.98	11/04/16	21215	1	BSN SPORTS	OUTSTANDING
321246	S	\$333.00	11/04/16	22724	0	BUG BUSTERS, INC	OUTSTANDING
321247	S	\$103.76	11/04/16	21666	0	CALLOWAY HOUSE	OUTSTANDING
321248	S	\$28.33	11/04/16	21674	0	CENTURYLINK	OUTSTANDING
321249	S	\$285.66	11/04/16	24095	0	CITI CARDS	OUTSTANDING

Intermediate School Dist 917  
 CHECK REGISTER FOR BANK 01 - WELLS FARGO BANK  
 DATE RANGE: 10/27/16 - 11/23/16

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
321250	S	\$215.75	11/04/16	29120	2	CITY OF APPLE VALLEY	OUTSTANDING
321251	S	\$3026.01	11/04/16	24666	0	DIGITAL INSURANCE, INC	OUTSTANDING
321252	S	\$91.00	11/04/16	22005	0	ESPESETH, JERI	OUTSTANDING
321253	S	\$522.85	11/04/16	03079	0	FRONTIER COMMUNICATIONS	OUTSTANDING
321254	S	\$1517.69	11/04/16	00543	0	GOPHER SPORT	OUTSTANDING
321255	S	\$48.12	11/04/16	01433	0	GRAINGER W W INC.	OUTSTANDING
321256	S	\$5543.95	11/04/16	06998	0	HOUGHTON MIFFLIN HARCOURT	OUTSTANDING
321257	S	\$300.00	11/04/16	24692	0	HUSSEIN RAJPUT, PHD, LP	OUTSTANDING
321258	S	\$370.00	11/04/16	24689	0	IEA, INC	OUTSTANDING
321259	S	\$49566.44	11/04/16	09592	0	IND SCH DIST 191	OUTSTANDING
321260	S	\$1559.95	11/04/16	09592	10	IND SCH DIST 191	OUTSTANDING
321261	S	\$2116.51	11/04/16	23297	0	INNOVATIVE OFFICE SOLUTIONS	OUTSTANDING
321262	S	\$282.00	11/04/16	15448	0	INVER HILLS COMMUNITY COLLEGE	OUTSTANDING
321263	S	\$735.00	11/04/16	24665	0	KATHERINE THUNE	OUTSTANDING
321264	S	\$151.30	11/04/16	22296	0	MACMH (MN ASSOC FOR CHILDREN'S MENTAL HLTH)	OUTSTANDING
321265	S	\$8500.00	11/04/16	21208	0	MALLOY, MONTAGUE, KARNOWSKI, RADOSEVICH & CO	OUTSTANDING
321266	S	\$38.32	11/04/16	14116	0	MENARDS	OUTSTANDING
321267	S	\$2000.00	11/04/16	07926	10	METRO ECSU	OUTSTANDING
321268	S	\$49886.00	11/04/16	24683	0	MIDWEST PLAYSAPES, INC	OUTSTANDING
321269	S	\$11917.00	11/04/16	22974	0	MLA ARCHITECTS PLANNERS	OUTSTANDING
321270	S	\$35.09	11/04/16	23625	0	NEWS-2-YOU INC	OUTSTANDING
321271	S	\$1593.62	11/04/16	20568	1	OFFICE DEPOT	OUTSTANDING
321272	S	\$269.30	11/04/16	23690	0	OUTDOOR IMAGES, INC	OUTSTANDING
321273	S	\$75.00	11/04/16	24579	0	PRESS ME CUSTOM APPAREL	OUTSTANDING
321274	S	\$48.35	11/04/16	06806	1	PRO-ED	OUTSTANDING
321275	S	\$2640.00	11/04/16	24685	1	NEW DIRECTION SOLUTIONS, LLC	OUTSTANDING
321276	S	\$197.08	11/04/16	23003	0	REALLY GOOD STUFF	OUTSTANDING
321277	S	\$603.52	11/04/16	00623	0	REPUBLIC SERVICES	OUTSTANDING
321278	S	\$1870.00	11/04/16	24609	0	RFL CONSTRUCTION	OUTSTANDING
321279	S	\$441.50	11/04/16	29040	0	SAM'S CLUB	OUTSTANDING
321280	S	\$480.48	11/04/16	13162	3	SCHOLASTIC, INC	OUTSTANDING
321281	S	\$825.60	11/04/16	00636	0	STAR TRIBUNE	OUTSTANDING
321282	S	\$174.52	11/04/16	22907	0	SUPPLYWORKS	OUTSTANDING
321283	S	\$18443.26	11/04/16	23942	0	TEACHERS ON CALL	OUTSTANDING
321284	S	\$633.70	11/04/16	23621	0	THE WEEK	OUTSTANDING
321285	S	\$65.00	11/04/16	24676	0	TRUSTED EMPLOYEES	OUTSTANDING
321286	S	\$2250.00	11/04/16	29359	4	U.S. BANK	OUTSTANDING
321287	S	\$1041.00	11/04/16	21326	2	USI	OUTSTANDING
321288	S	\$91.03	11/10/16	22888	0	CUMMINGS MOBILITY CONVERSIONS & SUPPLY	OUTSTANDING
321289	S	\$66.94	11/10/16	00096	1	ECM PUBLISHERS/DAKOTA COUNTY TRIBUNE	OUTSTANDING
321290	S	\$223.95	11/10/16	24699	0	FITNESS DISTRIBUTING, INC.	OUTSTANDING
321291	S	\$106.35	11/10/16	07751	1	HASTINGS STAR GAZETTE	OUTSTANDING
321292	S	\$12633.35	11/10/16	19858	0	IND SCH DIST # 196	OUTSTANDING
321293	S	\$4369.90	11/10/16	13846	0	IND SCH DIST 192	OUTSTANDING
321294	S	\$448.90	11/10/16	08562	9	IND SCH DIST 196	OUTSTANDING
321295	S	\$71.25	11/10/16	08517	0	LILLIE SUBURBAN NEWSPAPER, INC	OUTSTANDING
321296	S	\$782.40	11/10/16	22778	1	LOFFLER COMPANIES	OUTSTANDING
321297	S	\$180.00	11/10/16	22405	3	MASPA	OUTSTANDING
321298	S	\$2640.00	11/10/16	24685	1	NEW DIRECTION SOLUTIONS, LLC	OUTSTANDING
321299	S	\$4958.00	11/10/16	21859	1	RELIABLE MEDICAL	OUTSTANDING
321300	S	\$1800.00	11/10/16	11070	0	RIFTON EQ/COMMUNITY PRODUCTS LLC	OUTSTANDING
321301	S	\$82.60	11/10/16	22826	0	SCHOOL NURSE SUPPLY	OUTSTANDING

Intermediate School Dist 917  
 CHECK REGISTER FOR BANK 01 - WELLS FARGO BANK  
 DATE RANGE: 10/27/16 - 11/23/16

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
321302	S	\$421.34	11/10/16	00305	1	SO ST PAUL PUBLIC SCHOOLS	OUTSTANDING
321303	S	\$450.00	11/10/16	24568	0	SPECIAL DELIVERY OF MN, LLC	OUTSTANDING
321304	S	\$27.44	11/10/16	14512	2	SPOK, INC	OUTSTANDING
321305	S	\$270.00	11/10/16	24567	0	STARFALL EDUCATION	OUTSTANDING
321306	S	\$109.90	11/10/16	21191	0	SUPER DUPER SCHOOL CO	OUTSTANDING
321307	S	\$2011.97	11/10/16	13704	0	SYSCO MINNESOTA	OUTSTANDING
321308	S	\$16554.93	11/10/16	23942	0	TEACHERS ON CALL	OUTSTANDING
321309	S	\$147.97	11/10/16	22704	0	ULINE	OUTSTANDING
321310	S	\$5979.91	11/10/16	19389	0	WELLS FARGO	OUTSTANDING
321311	S	\$1050.00	11/16/16	21866	0	DAKOTA COUNTY TECH COLLEGE	OUTSTANDING
321312	S	\$7779.81	11/16/16	40016	0	EDUCATION MINNESOTA, LOCAL 3904	OUTSTANDING
321313	S	\$88.54	11/16/16	24674	0	F.H. CANN & ASSOCIATES, INC	OUTSTANDING
321314	S	\$582.40	11/16/16	23939	0	GURSTEL CHARGO PA	OUTSTANDING
321315	S	\$400.00	11/16/16	24626	0	IOWA DEPARTMENT OF HUMAN SERVICES	OUTSTANDING
321316	S	\$48.00	11/16/16	21651	0	NCPERS MINNESOTA	OUTSTANDING
321317	S	\$145.38	11/16/16	29972	0	RELATED SERVICES NURSES ESP	OUTSTANDING
321318	S	\$2724.84	11/16/16	40018	0	S.E.P., LOCAL 4242	OUTSTANDING
321319	S	\$100.66	11/16/16	29207	0	U.S. DEPARTMENT OF EDUCATION	OUTSTANDING
321320	S	\$405.00	11/16/16	40012	0	UNITED WAY, GREATER TWIN CITIES	OUTSTANDING
321321	S	\$1239.17	11/16/16	40071	0	WADDELL & REED INC	OUTSTANDING
321322	S	\$27621.00	11/17/16	23997	1	AMERICAN COMPENSATION INSURANCE COMPANY	OUTSTANDING
321323	S	\$465.14	11/17/16	23330	0	AMERICAN TIME & SIGNAL	OUTSTANDING
321324	S	\$157.64	11/17/16	24639	0	ANDREA OLSON	OUTSTANDING
321325	S	\$439.05	11/17/16	22655	0	APPAREL LETTERING	OUTSTANDING
321326	S	\$40030.73	11/17/16	24552	0	APPLE VALLEY ISD LLC	OUTSTANDING
321327	S	\$221.10	11/17/16	29932	0	BLUECROSS BLUESHIELD OF MINNESOTA	OUTSTANDING
321328	S	\$540.60	11/17/16	01726	0	BRO-TEX CO.	OUTSTANDING
321329	S	\$205.97	11/17/16	14072	0	CRAGUNS LODGE & CONFERENCE CTR	OUTSTANDING
321330	S	\$54.69	11/17/16	16244	0	CUB FOODS	OUTSTANDING
321331	S	\$117.41	11/17/16	16244	5	CUB FOODS	OUTSTANDING
321332	S	\$19.33	11/17/16	16244	6	CUB FOODS	OUTSTANDING
321333	S	\$50.00	11/17/16	20406	1	CUB FOODS	OUTSTANDING
321334	S	\$1549.30	11/17/16	21866	0	DAKOTA COUNTY TECH COLLEGE	OUTSTANDING
321335	S	\$320.00	11/17/16	19401	0	DEX MEDIA EAST, INC.	OUTSTANDING
321336	S	\$731.58	11/17/16	22238	1	DISCOUNT SCHOOL SUPPLY	OUTSTANDING
321337	S	\$187.20	11/17/16	24073	0	EDUCATORS BENEFIT CONSULTANTS, LLC	OUTSTANDING
321338	S	\$199.85	11/17/16	23880	1	ESPECIAL NEEDS, LLC	OUTSTANDING
321339	S	\$499.00	11/17/16	18796	0	ESTR PUBLICATIONS	OUTSTANDING
321340	S	\$5580.00	11/17/16	24638	0	FENC-CO, INC	OUTSTANDING
321341	S	\$1109.91	11/17/16	07278	0	FLAGHOUSE	OUTSTANDING
321342	S	\$2180.55	11/17/16	03079	0	FRONTIER COMMUNICATIONS	OUTSTANDING
321343	S	\$3743.47	11/17/16	22631	0	GOVCONNECTION INC	OUTSTANDING
321344	S	\$2267.84	11/17/16	24604	0	GREGORY A VANDAL	OUTSTANDING
321345	S	\$36.00	11/17/16	24708	0	HENNEPIN COUNTY MEDICAL CENTER	OUTSTANDING
321346	S	\$32.27	11/17/16	24605	0	HONEST-1 AUTO CARE DIFFLEY77	OUTSTANDING
321347	S	\$194.25	11/17/16	06998	0	HOUGHTON MIFFLIN HARCOURT	OUTSTANDING
321348	S	\$3956.00	11/17/16	09592	0	IND SCH DIST 191	OUTSTANDING
321349	S	\$1930.00	11/17/16	13846	0	IND SCH DIST 192	OUTSTANDING
321350	S	\$179.00	11/17/16	23124	0	INFINITY WIRELESS, INC.	OUTSTANDING
321351	S	\$1865.80	11/17/16	23297	0	INNOVATIVE OFFICE SOLUTIONS	OUTSTANDING
321352	S	\$70.00	11/17/16	24706	0	INTELLIGERE	OUTSTANDING
321353	S	\$807.45	11/17/16	18863	0	INTEREUM	OUTSTANDING

Intermediate School Dist 917  
 CHECK REGISTER FOR BANK 01 - WELLS FARGO BANK  
 DATE RANGE: 10/27/16 - 11/23/16

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
321354	S	\$335.29	11/17/16	21834	0	LAKESHORE LEARNING MATERIALS	OUTSTANDING
321355	S	\$121.00	11/17/16	22853	0	LIFESAVERS	OUTSTANDING
321356	S	\$797.00	11/17/16	24577	0	LOCKGUARD, INC	OUTSTANDING
321357	S	\$812.33	11/17/16	23917	1	MARCO INC	OUTSTANDING
321358	S	\$2125.00	11/17/16	21857	2	MN DEPT OF HEALTH	OUTSTANDING
321359	S	\$153.78	11/17/16	23258	0	MN ENERGY RESOURCES CORPORATION	OUTSTANDING
321360	S	\$290.00	11/17/16	24688	0	MSDSOONLINE	OUTSTANDING
321361	S	\$36.55	11/17/16	24704	0	NANCY HOKKANEN	OUTSTANDING
321362	S	\$839.60	11/17/16	20568	1	OFFICE DEPOT	OUTSTANDING
321363			11/17/16	20568	0	UNISSUED	UNISSUED
321364	S	\$171.50	11/17/16	22654	0	PEARSON ASSESSMENTS/NCS PEARSON	OUTSTANDING
321365	S	\$1837.50	11/17/16	23915	0	PEDIATRIC HOME SERVICE	OUTSTANDING
321366	S	\$1509.00	11/17/16	24675	0	PERKINS SOLUTIONS	OUTSTANDING
321367	S	\$195.00	11/17/16	00257	2	PITNEY BOWES	OUTSTANDING
321368	S	\$2640.00	11/17/16	24685	1	NEW DIRECTION SOLUTIONS, LLC	OUTSTANDING
321369	S	\$379.00	11/17/16	22957	0	PROFESSIONAL WIRELESS COMMUNICATIONS	OUTSTANDING
321370	S	\$1795.69	11/17/16	23874	0	REINHART FOODSERVICE, LLC	OUTSTANDING
321371	S	\$12880.00	11/17/16	23398	1	RIVERPORT INSURANCE COMPANY	OUTSTANDING
321372	S	\$179.80	11/17/16	24695	0	SANDBOX LEARNING COMPANY	OUTSTANDING
321373	S	\$106.87	11/17/16	22826	0	SCHOOL NURSE SUPPLY	OUTSTANDING
321374	S	\$294.07	11/17/16	20620	3	SCHOOL SPECIALTY INC.	OUTSTANDING
321375	S	\$208.65	11/17/16	22573	0	SHRED-IT USA	OUTSTANDING
321376	S	\$335.32	11/17/16	24707	0	SPARTON PROMOTIONAL GROUP	OUTSTANDING
321377	S	\$240.00	11/17/16	24568	0	SPECIAL DELIVERY OF MN, LLC	OUTSTANDING
321378	S	\$830.44	11/17/16	13704	0	SYSCO MINNESOTA	OUTSTANDING
321379	S	\$13782.26	11/17/16	23942	0	TEACHERS ON CALL	OUTSTANDING
321380	S	\$386.34	11/17/16	00643	0	TIES	OUTSTANDING
321381	S	\$1480.00	11/17/16	23814	0	TRIG LIFE SERVICES	OUTSTANDING
321382	S	\$274.51	11/17/16	02490	0	WESTERN PSYCHOLOGICAL SERVICES	OUTSTANDING
321383	S	\$292.99	11/22/16	21665	0	ALIMED	OUTSTANDING
321384	S	\$220.00	11/22/16	23899	1	BRAINPOP LLC	OUTSTANDING
321385	S	\$330.40	11/22/16	24553	0	CANON USA	OUTSTANDING
321386	S	\$224.18	11/22/16	16141	0	CARQUEST AUTO PARTS STORES	OUTSTANDING
321387	S	\$167.39	11/22/16	19803	0	CENTERPOINT ENERGY	OUTSTANDING
321388	S	\$158.26	11/22/16	21674	0	CENTURYLINK	OUTSTANDING
321389	S	\$150.00	11/22/16	22551	0	DAKOTA COUNTY LUMBER	OUTSTANDING
321390	S	\$333.13	11/22/16	16339	1	DOOR SERVICE CO	OUTSTANDING
321391	S	\$94.00	11/22/16	21818	0	GLOBAL EQUIPMENT COMPANY	OUTSTANDING
321392	S	\$72.43	11/22/16	21834	0	LAKESHORE LEARNING MATERIALS	OUTSTANDING
321393	S	\$384.05	11/22/16	22240	0	LONE OAK GRAPHICS	OUTSTANDING
321394	S	\$111.02	11/22/16	20568	1	OFFICE DEPOT	OUTSTANDING
321395	S	\$1450.62	11/22/16	20868	0	OFFICE OF MN.IT SERVICES	OUTSTANDING
321396	S	\$956.25	11/22/16	23915	0	PEDIATRIC HOME SERVICE	OUTSTANDING
321397	S	\$44.97	11/22/16	20376	0	PELLICCI ACE HARDWARE	OUTSTANDING
321398	S	\$100.00	11/22/16	24617	0	RINA COLETTE DEWALD	OUTSTANDING
321399	S	\$86.40	11/22/16	24710	0	SARAH BRANNSTROM	OUTSTANDING
321400	S	\$511.54	11/22/16	22826	0	SCHOOL NURSE SUPPLY	OUTSTANDING
321401	S	\$78.62	11/22/16	20620	3	SCHOOL SPECIALTY INC.	OUTSTANDING
321402	S	\$45.00	11/22/16	29865	0	SKILLSUSA MINNESOTA	OUTSTANDING
321403	S	\$114.00	11/22/16	15713	0	SOUTHPAW ENTERPRISES	OUTSTANDING
321404	S	\$7640.84	11/22/16	23922	0	STRATEGIC STAFFING SOLUTIONS	OUTSTANDING
321405	S	\$590.00	11/22/16	23335	0	SUMMIT FIRE PROTECTION	OUTSTANDING

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321406	S	\$49.05	11/22/16	22464	0	SUNSHINE COTTAGE	OUTSTANDING
321407	S	\$1302.64	11/22/16	07543	0	TIERNEY BROS. INC	OUTSTANDING
321408	S	\$5125.00	11/22/16	24556	0	UNIVERSAL CLEANING SERVICES	OUTSTANDING
321409	S	\$862.10	11/22/16	23662	0	WESTONE	OUTSTANDING
709277	E	\$17.55	11/02/16	99999	9573	BEATTIE, JEAN	OUTSTANDING
709278	E	\$36.72	11/02/16	99999	10832	BERGSTROM, RICHARD	OUTSTANDING
709279	E	\$23.76	11/02/16	99999	10804	BORMANN, NATALIE	OUTSTANDING
709280	E	\$13.00	11/02/16	99999	10804	BORMANN, NATALIE	OUTSTANDING
709281	E	\$450.00	11/02/16	99999	8873	BUDACH, DON JAMES	OUTSTANDING
709282	E	\$223.02	11/02/16	99999	8873	BUDACH, DON JAMES	OUTSTANDING
709283	E	\$86.40	11/02/16	99999	10626	CALLISTER, MARY HELEN	OUTSTANDING
709284	E	\$11.88	11/02/16	99999	9723	CATER, DANNY GARY	OUTSTANDING
709285	E	\$42.12	11/02/16	99999	9301	CLARK, DEBORAH MAE	OUTSTANDING
709286	E	\$317.52	11/02/16	99999	9092	DEVENOW, PEARL SUSAN	OUTSTANDING
709287	E	\$64.80	11/02/16	99999	5718	DODGE, MICHELLE MARIE	OUTSTANDING
709288	E	\$22.68	11/02/16	99999	10965	EATON, CARMEN	OUTSTANDING
709289	E	\$113.94	11/02/16	99999	10771	ERICKSON, ROBERT	OUTSTANDING
709290	E	\$61.56	11/02/16	99999	10442	FLEMING, ANGELITA	OUTSTANDING
709291	E	\$335.34	11/02/16	99999	9755	FRISQUE, SHERILYN FAYE	OUTSTANDING
709292	E	\$569.70	11/02/16	99999	7088	GREENFIELD, DONNA GAYLE	OUTSTANDING
709293	E	\$7.00	11/02/16	99999	9811	HEIM, KAREY LEIGH	OUTSTANDING
709294	E	\$342.90	11/02/16	99999	11078	HENDRICKS, PETER	OUTSTANDING
709295	E	\$4200.00	11/02/16	99999	8341	HETLAND, JENNIFER AMY	OUTSTANDING
709296	E	\$319.68	11/02/16	99999	8341	HETLAND, JENNIFER AMY	OUTSTANDING
709297	E	\$15.12	11/02/16	99999	10624	HILL, RON	OUTSTANDING
709298	E	\$150.66	11/02/16	99999	9920	HJERMSTAD, KAREN	OUTSTANDING
709299	E	\$467.64	11/02/16	99999	10767	HOREJSI, CRAIG A.	OUTSTANDING
709300	E	\$133.38	11/02/16	99999	10954	JACOBS, CINDY LOU	OUTSTANDING
709301	E	\$254.34	11/02/16	99999	8842	JOHNSON, ROXANN RHYN	OUTSTANDING
709302	E	\$233.82	11/02/16	99999	10278	JOTHEN, CHANDA	OUTSTANDING
709303	E	\$200.00	11/02/16	99999	10278	JOTHEN, CHANDA	OUTSTANDING
709304	E	\$184.63	11/02/16	99999	10938	KAUFMAN, AMY	OUTSTANDING
709305	E	\$36.18	11/02/16	99999	11107	KELLY, LAUREN	OUTSTANDING
709306	E	\$41.04	11/02/16	99999	5957	KLIMEK, LORILEA J.	OUTSTANDING
709307	E	\$211.68	11/02/16	99999	10973	KUBIK, GABRIELA	OUTSTANDING
709308	E	\$131.76	11/02/16	99999	10857	LAFRANCE, DANIELLE	OUTSTANDING
709309	E	\$230.04	11/02/16	99999	9086	LANG, BERDETTA JEAN	OUTSTANDING
709310	E	\$58.32	11/02/16	99999	9571	LARSEN, BETSY SUE	OUTSTANDING
709311	E	\$71.28	11/02/16	99999	8287	LEWIS, JILL E	OUTSTANDING
709312	E	\$490.32	11/02/16	99999	11069	MACRAE, JULIE	OUTSTANDING
709313	E	\$81.00	11/02/16	99999	10292	MARTIN, KIM	OUTSTANDING
709314	E	\$122.58	11/02/16	99999	11050	MCDONOUGH, ALYSSA	OUTSTANDING
709315	E	\$150.00	11/02/16	99999	11057	MONSON, JODI	OUTSTANDING
709316	E	\$17.82	11/02/16	99999	11057	MONSON, JODI	OUTSTANDING
709317	E	\$18.36	11/02/16	99999	10868	MANSUR, JOANNE	OUTSTANDING
709318	E	\$81.86	11/02/16	99999	11081	PAGEL, AMANDA	OUTSTANDING
709319	E	\$14.04	11/02/16	99999	10397	PEMBLE, HOLLY	OUTSTANDING
709320	E	\$30.24	11/02/16	99999	10397	PEMBLE, HOLLY	OUTSTANDING
709321	E	\$178.74	11/02/16	99999	10872	PETERS, AMANDA	OUTSTANDING
709322	E	\$244.08	11/02/16	99999	10763	PFISTERER, EMILY	OUTSTANDING
709323	E	\$87.48	11/02/16	99999	10944	PRATT, SARA	OUTSTANDING
709324	E	\$143.64	11/02/16	99999	9177	PRESSNALL, VANDA JOY	OUTSTANDING

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709325	E	\$429.51	11/02/16	99999	8907	PROULX, KELLI MARIE	OUTSTANDING
709326	E	\$91.80	11/02/16	99999	10430	QUAM, LYNN	OUTSTANDING
709327	E	\$28.27	11/02/16	99999	4490	RIPPELMEYER, DAVID JAY	OUTSTANDING
709328	E	\$200.00	11/02/16	99999	11061	SANOCKI, MIKAYLA	OUTSTANDING
709329	E	\$440.15	11/02/16	99999	11061	SANOCKI, MIKAYLA	OUTSTANDING
709330	E	\$18.36	11/02/16	99999	10770	SAUSER, MELISSA	OUTSTANDING
709331	E	\$262.22	11/02/16	99999	9915	SCHALLER, MELISSA	OUTSTANDING
709332	E	\$98.28	11/02/16	99999	11051	SCHMITZ, AMELIA	OUTSTANDING
709333	E	\$143.64	11/02/16	99999	10575	SCHMITZ, STEFANIE	OUTSTANDING
709334	E	\$24.73	11/02/16	99999	10959	SEPTER, NATALIE	OUTSTANDING
709335	E	\$60.91	11/02/16	99999	10983	SHORT, NICHOLE	OUTSTANDING
709336	E	\$349.92	11/02/16	99999	10405	STOLL, DAVID L.	OUTSTANDING
709337	E	\$79.92	11/02/16	99999	9068	SWANEY, AMY LYNN	OUTSTANDING
709338	E	\$68.58	11/02/16	99999	10751	TUFTEE, SHANYN	OUTSTANDING
709339	E	\$15.00	11/02/16	99999	11080	TYSON, SARAH	OUTSTANDING
709340	E	\$152.00	11/02/16	99999	11080	TYSON, SARAH	OUTSTANDING
709341	E	\$41.04	11/02/16	99999	10948	WALETSKI, GREGORY	OUTSTANDING
709342	E	\$150.00	11/02/16	99999	10948	WALETSKI, GREGORY	OUTSTANDING
709343	E	\$15.00	11/02/16	99999	10948	WALETSKI, GREGORY	OUTSTANDING
709344	E	\$15.55	11/02/16	99999	10280	WEIR, LAURA	OUTSTANDING
709345	E	\$12.96	11/02/16	99999	8547	WENGELER, ANN MARIE	OUTSTANDING
709346	E	\$135.71	11/02/16	99999	8873	BUDACH, DON JAMES	OUTSTANDING
709347	E	\$47.52	11/02/16	99999	8686	BERG, LINDA JO	OUTSTANDING
709348	E	\$45.00	11/22/16	99999	8787	ASMUS, JOAN SCHAEFER	OUTSTANDING
709349	E	\$90.00	11/22/16	99999	8873	BUDACH, DON JAMES	OUTSTANDING
709350	E	\$45.00	11/22/16	99999	10762	BYER, ANNE	OUTSTANDING
709351	E	\$90.00	11/22/16	99999	9679	CHRISTIANSSEN, JOHN MAXWELL	OUTSTANDING
709352	E	\$45.00	11/22/16	99999	10050	DOBSON, MEGHAN	OUTSTANDING
709353	E	\$90.00	11/22/16	99999	9702	GARRETSON, PAMELA VICK	OUTSTANDING
709354	E	\$90.00	11/22/16	99999	8341	HETLAND, JENNIFER AMY	OUTSTANDING
709355	E	\$90.00	11/22/16	99999	6145	KYLLO, KITRI LARSON	OUTSTANDING
709356	E	\$90.00	11/22/16	99999	9468	LANGENFELD, CORY LEE	OUTSTANDING
709357	E	\$45.00	11/22/16	99999	9589	PETERSEN, JENNIFER MAE	OUTSTANDING
709358	E	\$90.00	11/22/16	99999	10944	PRATT, SARA	OUTSTANDING
709359	E	\$45.00	11/22/16	99999	9523	RENKEN, WENDI	OUTSTANDING
709360	E	\$90.00	11/22/16	99999	8628	ROUSH, NICOLLE KATHERI	OUTSTANDING
709361	E	\$90.00	11/22/16	99999	9915	SCHALLER, MELISSA	OUTSTANDING
709362	E	\$90.00	11/22/16	99999	10405	STOLL, DAVID L.	OUTSTANDING
709363	E	\$45.00	11/22/16	99999	9068	SWANEY, AMY LYNN	OUTSTANDING
709364	E	\$90.00	11/22/16	99999	10756	VAN BROCKLIN, ERIC	OUTSTANDING
709365	E	\$20.00	11/22/16	99999	9883	ZEHNDER, SCOTT MICHAEL	OUTSTANDING
709366	E	\$5.40	11/22/16	99999	9573	BEATTIE, JEAN	OUTSTANDING
709367	E	\$30.00	11/22/16	99999	8873	BUDACH, DON JAMES	OUTSTANDING
709368	E	\$103.79	11/22/16	99999	10962	CLARK, EMILY	OUTSTANDING
709369	E	\$21.70	11/22/16	99999	7170	DIVELY, CYNTHIA GARWOOD	OUTSTANDING
709370	E	\$18.36	11/22/16	99999	11116	FELTON, WENDY	OUTSTANDING
709371	E	\$39.96	11/22/16	99999	10949	FISHER, KARRI	OUTSTANDING
709372	E	\$15.00	11/22/16	99999	11100	FRANKOVICH, JESSICA	OUTSTANDING
709373	E	\$114.48	11/22/16	99999	10443	GROFF, CASSIE	OUTSTANDING
709374	E	\$200.00	11/22/16	99999	10443	GROFF, CASSIE	OUTSTANDING
709375	E	\$82.62	11/22/16	99999	10954	JACOBS, CINDY LOU	OUTSTANDING
709376	E	\$285.66	11/22/16	99999	9722	KLEIN, LORI ANN	OUTSTANDING

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709377	E	\$350.40	11/22/16	99999	9722	KLEIN, LORI ANN	OUTSTANDING
709378	E	\$7.56	11/22/16	99999	4881	LACHER GODDARD, LINDA	OUTSTANDING
709379	E	\$40.50	11/22/16	99999	2598	LAMPRECHT, CLAUDETTE	OUTSTANDING
709380	E	\$172.80	11/22/16	99999	9468	LANGENFELD, CORY LEE	OUTSTANDING
709381	E	\$58.32	11/22/16	99999	9571	LARSEN, BETSY SUE	OUTSTANDING
709382	E	\$58.32	11/22/16	99999	11068	NEWQUIST, MATTHEW	OUTSTANDING
709383	E	\$50.92	11/22/16	99999	10710	RABE, SARAH	OUTSTANDING
709384	E	\$352.08	11/22/16	99999	9914	RHEIN-MEDINA, KENT E.	OUTSTANDING
709385	E	\$98.28	11/22/16	99999	11051	SCHMITZ, AMELIA	OUTSTANDING
709386	E	\$8.93	11/22/16	99999	9349	SCHWANZ, LAURA	OUTSTANDING
709387	E	\$25.92	11/22/16	99999	8435	STOESZ, HEATHER LYNN	OUTSTANDING
709388	E	\$66.96	11/22/16	99999	10375	THOMAS, TAYLOR	OUTSTANDING
709389	E	\$139.32	11/22/16	99999	6232	WEILAND, MARY ELIZABETH	OUTSTANDING
709390	E	\$302.94	11/22/16	99999	9192	WOOD, FRAN LOUISE	OUTSTANDING
709391	E	\$73.98	11/22/16	99999	10977	WOODWARD, MICHELLE	OUTSTANDING
709392	E	\$57.78	11/22/16	99999	11060	ZUEHLKE, REBECCA	OUTSTANDING
709393	E	\$627.48	11/22/16	99999	8787	ASMUS, JOAN SCHAEFER	OUTSTANDING
709394	E	\$104.76	11/22/16	99999	10762	BYER, ANNE	OUTSTANDING
709395	E	\$340.20	11/22/16	99999	9092	DEVENOW, PEARL SUSAN	OUTSTANDING
709396	E	\$183.60	11/22/16	99999	10938	KAUFMAN, AMY	OUTSTANDING
709397	E	\$11.88	11/22/16	99999	10445	MARTIN, KARISSA	OUTSTANDING
709398	E	\$268.38	11/22/16	99999	9278	MAYES, ANN LOUISE	OUTSTANDING
709399	E	\$234.90	11/22/16	99999	10763	PFISTERER, EMILY	OUTSTANDING
709400	E	\$406.08	11/22/16	99999	8907	PROULX, KELLI MARIE	OUTSTANDING
709401	E	\$212.22	11/22/16	99999	11067	SHANLEY, MICHELLE	OUTSTANDING
709402	E	\$39.96	11/22/16	99999	10772	STEVENS, ERIN	OUTSTANDING
709403	E	\$21.49	11/22/16	99999	10708	THOMPSON, ANNE	OUTSTANDING
709404	E	\$130.68	11/22/16	99999	10756	VAN BROCKLIN, ERIC	OUTSTANDING
709405	E	\$12.85	11/22/16	99999	10280	WEIR, LAURA	OUTSTANDING
709406	E	\$150.12	11/22/16	99999	9702	GARRETSON, PAMELA VICK	OUTSTANDING
92002389	W	\$131.22	11/04/16	99999	9468	LANGENFELD, CORY LEE	OUTSTANDING
92002390	W	\$1947.18	11/01/16	40072	0	AFLAC	OUTSTANDING
92002391	W	\$6929.85	11/01/16	40027	0	AMERIPRISE FINANCIAL ADVISORS	OUTSTANDING
92002392	W	\$4603.29	11/01/16	40022	0	AXA EQUITABLE LIFE INS CO	OUTSTANDING
92002393	W	\$3217.29	11/07/16	22698	0	CORPORATE HEALTH SYSTEMS	OUTSTANDING
92002394	W	\$230.00	11/09/16	22698	0	CORPORATE HEALTH SYSTEMS	OUTSTANDING
92002395	W	\$30.00	10/28/16	22698	0	CORPORATE HEALTH SYSTEMS	OUTSTANDING
92002397	W	\$29204.15	11/10/16	30132	0	DELTA DENTAL OF MINNESOTA	OUTSTANDING
92002398	W	\$34953.56	11/02/16	40006	0	EXECUTIVE DIRECTOR	OUTSTANDING
92002399	W	\$6896.66	11/02/16	40060	0	FIDELITY INVSTMT TAX-EX SVC CO	OUTSTANDING
92002400	W	\$13702.66	11/02/16	24594	0	HEALTH EQUITY, INC.	OUTSTANDING
92002401	W	\$2068.76	11/03/16	40026	0	HORACE MANN LIFE INS	OUTSTANDING
92002402	W	\$170966.10	11/01/16	40037	0	INTERNAL REVENUE SERVICE	OUTSTANDING
92002403	W	\$8092.06	11/01/16	24031	0	KANSAS CITY LIFE INSURANCE COMPANY	OUTSTANDING
92002404	W	\$42584.12	11/09/16	21088	0	MEDICA	OUTSTANDING
92002405	W	\$32039.85	11/02/16	21088	0	MEDICA	OUTSTANDING
92002406	W	\$33188.84	11/10/16	21088	0	MEDICA	OUTSTANDING
92002408	W	\$26741.26	11/01/16	40003	0	MN DEPT OF REVENUE	OUTSTANDING
92002409	W	\$507.10	11/01/16	21704	0	MN CHILD SUPPORT PAYMENT CENTER	OUTSTANDING
92002410	W	\$532.11	11/01/16	40058	0	MN DEPT OF REVENUE (C)	OUTSTANDING
92002411	W	\$4618.75	11/01/16	29026	0	EDUCATION MN ESI BILLING TRUST	OUTSTANDING
92002412	W	\$3325.00	11/02/16	28803	0	MN STATE RETIREMENT SYSTEM	OUTSTANDING

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92002413	W	\$458886.50	10/31/16	40001	0	PAYROLL ACCT #3805704197	CLEARED
92002414	W	\$72338.38	11/02/16	40005	0	STATE TREASURER, TRA	OUTSTANDING
92002415	W	\$9258.65	11/01/16	40033	0	VARIABLE ANNUITY LIFE INS CO	OUTSTANDING
92002416	W	\$1026.91	11/01/16	28803	2	VOYA	OUTSTANDING
92002418	W	\$6929.85	11/15/16	40027	0	AMERIPRISE FINANCIAL ADVISORS	OUTSTANDING
92002419	W	\$4603.29	11/15/16	40022	0	AXA EQUITABLE LIFE INS CO	OUTSTANDING
92002420	W	\$4706.25	11/15/16	29026	0	EDUCATION MN ESI BILLING TRUST	OUTSTANDING
92002421	W	\$34920.31	11/16/16	40006	0	EXECUTIVE DIRECTOR	OUTSTANDING
92002422	W	\$6896.66	11/16/16	40060	0	FIDELITY INVSTMT TAX-EX SVC CO	OUTSTANDING
92002423	W	\$14700.57	11/16/16	24594	0	HEALTH EQUITY, INC.	OUTSTANDING
92002424	W	\$2068.76	11/17/16	40026	0	HORACE MANN LIFE INS	OUTSTANDING
92002425	W	\$171484.15	11/16/16	40037	0	INTERNAL REVENUE SERVICE	OUTSTANDING
92002426	W	\$51616.11	11/16/16	21088	0	MEDICA	OUTSTANDING
92002427	W	\$26996.87	11/16/16	40003	0	MN DEPT OF REVENUE	OUTSTANDING
92002428	W	\$507.10	11/16/16	21704	0	MN CHILD SUPPORT PAYMENT CENTER	OUTSTANDING
92002429	W	\$207.64	11/16/16	40058	0	MN DEPT OF REVENUE(C)	OUTSTANDING
92002430	W	\$2575.00	11/17/16	28803	0	MN STATE RETIREMENT SYSTEM	OUTSTANDING
92002431	W	\$10980.09	11/14/16	24698	0	CENTERS FOR MEDICARE & MEDICAID SERVICES	OUTSTANDING
92002432	W	\$457752.66	11/15/16	40001	0	PAYROLL ACCT #3805704197	OUTSTANDING
92002433	W	\$7758.65	11/16/16	40033	0	VARIABLE ANNUITY LIFE INS CO	OUTSTANDING
92002434	W	\$970.65	11/16/16	28803	2	VOYA	OUTSTANDING
TOTAL # OF ISSUED CHECKS:			383	TOTAL AMOUNT		2413211.79	
TOTAL # OF VOIDED CHECKS:			0	TOTAL AMOUNT		0.00	
TOTAL # OF UNISSUED CHECKS:			2				

Date: November 22, 2016

To: FOR EFT INPUT

From: Audrey Weiler  
Payroll Clerk

Subject: Flex Plan ACH Transfer for Flex Claim Reimbursement November 2016

Transferred From Wells Fargo Bank Account Number xxxxxx2167 \$1,342.76  
Corporate Health Systems Inc Vendor # 22698

Charge to:		Amount	
10-215-39	Medical	\$26.89	
10-215-40	D.Care	\$1,315.87	
10-215-42	L.Scope	\$0.00	
Total		\$1,342.76	proof \$0.00

cc: Payroll Insurance Payment File  
Date Bank Account to be debited 11/22/2016 \$1,342.76

Authorized Signature  Date 11-22-16

\$0.00

copy to Linda B, one for payroll and original to Vickie B

Date: November 21, 2016

To: Accounts Payable/Banking

From: Audrey Weiler

Payroll Clerk

Invoice nbr:	16326146984A
Date:	11/21/2016
Payment Date	11/23/16

Subjec Group Weekly Claims Invoice  
(Employer's Costs and Employees' Withholdings)

ACH Transfer was made in the amount of \$ 29,543.48

Payable to:  
Medica

Vendor # 21088

Charge to:

Amount

22-005-110-000-300-000	WEEKLY INVOICE	HLTH/RX CLAIMS	\$29,543.48
22-005-110-000-301-000	PASSPORT	MEDICA ADMIN	\$0.00
22-005-110-000-305-000	STOP LOSS ADMIN	AGG PREM	\$0.00
22-005-110-000-302-000	STOP LOSS	STOP LOSS	\$0.00
22-005-110-000-301-000	MHSA	MEDICA ADMIN	\$0.00
22-005-110-000-310-000	ISD917 MISC	CHS BENEFIT FEE CODE	\$0.00

Total

\$29,543.48 <sup>proof</sup> \$0.00

Authorized Signature



Date

11-22-16

copy for AP  
copy for Board

TO: Nicole Roush DATE: 11/16/2016  
 Business Manager

FROM: Audrey Weiler  
 Payroll/Fringe Benefits Technician

SUBJECT: EFT for pay period ending 11/15/16

Amerprise Vendor #40027	6,929.85
AXA Equitable Life Vendor #40022	4,603.29
PERA Vendor #40006	34,920.31
Fidelity Vendor #40060	6,896.66
VOYA ( formerly ING) #28803-2	970.65
Horace Mann Vendor #40026	2,068.76
TRA Vendor #40005	72,861.94
VALIC (Variable Annuity Life) Vendor #40033	7,758.65
Minnesota Dept. of Revenue Vendor # 40003	26,996.87
Internal Revenue Service Vendor Nbr 40037	171,484.15
Payroll Acct #XXXXXX4197 Vendor #40001	457,752.66
HealthEquity (HSA) Vendor # 24594-0	14,700.57
Educators Financial Services/ESI/MEA Vendor #29026	4,706.25
MN State Retirement System Vendor #28803-0	2,575.00
MN Child Support Vendor #21704	507.10
MN Dept Revenue Vendor (Garnishment) #40058	207.64

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

815,940.35

Authorized Signature  Date 11-16-16

TO: Nicolle Roush DATE: 11/14/2016  
 Business Manager

FROM: Audrey Weiler  
 Payroll/Fringe Benefits Technician

SUBJECT: EFT for pay period ending 10/15/16

*Adjusted  
10/15/16*

Amerprise Vendor #40027	6,929.85
AXA Equitable Life Vendor #40022	4,603.29
PERA Vendor #40006	34,836.38
Fidelity Vendor #40060	6,896.66
VOYA ( formerly ING) #28803-2	1,026.91
Horace Mann Vendor #40026	2,068.76
TRA Vendor #40005	72,118.94
VALIC (Variable Annuity Life) Vendor #40033	6,258.65
Minnesota Dept. of Revenue Vendor # 40003	26,689.59
Internal Revenue Service Vendor Nbr 40037	171,103.15
Payroll Acct #XXXXXX4197 Vendor #40001	460,579.96
HealthEquity (HSA) Vendor # 24594-0	14,096.84
Educators Financial Services/ESI/MEA Vendor #29026	4,618.75
MN State Retirement System Vendor #28803-0	1,825.00
MN Child Support Vendor #21704	507.10
MN Dept Revenue Vendor (Garnishment) #40058	280.03

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

814,439.86

Authorized Signature *Nicolle Roush* Date 11-14-16

Date: November 15, 2016

To: Accounts Payable/Banking

From: Audrey Weiler

Payroll Clerk

Invoice nbr:	16319146984A
Date:	11/14/2016
Payment Date	11/16/16

Subjec Group Weekly Claims Invoice  
(Employer's Costs and Employees' Withholdings)

ACH Transfer was made in the amount of \$

\$51,616.11

Payable to:  
Medica

Vendor # 21088

Charge to:

Amount

22-005-110-000-300-000	WEEKLY INVOICE	HLTH/RX CLAIMS	\$51,616.11
22-005-110-000-301-000	PASSPORT	MEDICA ADMIN	\$0.00
22-005-110-000-305-000	STOP LOSS ADMIN	AGG PREM	\$0.00
22-005-110-000-302-000	STOP LOSS	STOP LOSS	\$0.00
22-005-110-000-301-000	MHSA	MEDICA ADMIN	\$0.00
22-005-110-000-310-000	ISD917 MISC	CHS BENEFIT FEE CODE	\$0.00

Total

\$51,616.11 <sup>proof</sup> \$0.00

Authorized Signature



Date

11-15-16

copy for AP  
copy for Board

Date: November 8, 2016

To: FOR EFT INPUT

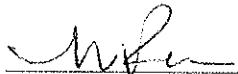
From: Audrey Weiler  
Payroll Clerk

Subject: Flex Plan ACH Transfer for Flex Claim Reimbursement November 2016

Transferred From Wells Fargo Bank Account Number xxxxxx2167 \$3,217.29  
Corporate Health Systems Inc Vendor # 22698

Charge to:		Amount	
10-215-39	Medical	\$204.49	
10-215-40	D.Care	\$3,012.80	
10-215-42	L.Scope	\$0.00	
Total		\$3,217.29	proof \$0.00

cc: Payroll Insurance Payment File  
Date Bank Account to be debited 11/7/2016 \$3,217.29

Authorized Signature  Date 11-7-16

\$0.00

copy to Linda B, one for payroll and original to Vickie B

Date: November 8, 2016

To: FOR EFT INPUT

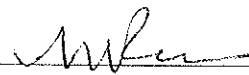
From: Audrey Weiler  
Payroll Clerk

Subject: Flex Plan ACH Transfer for Flex Claim Reimbursement November 2016

Transferred From Wells Fargo Bank Account Number xxxxxx2167 \$230.00  
Corporate Health Systems Inc Vendor # 22698

Charge to:		Amount	
10-215-39	Medical	\$230.00	
10-215-40	D.Care	\$0.00	
10-215-42	L.Scope	\$0.00	
Total		\$230.00	proof \$0.00

cc: Payroll Insurance Payment File  
Date Bank Account to be debited 11/9/2016 \$230.00

Authorized Signature  Date 11-7-16  
11/7/2016 \$230.00

\$230.00

copy to Linda B, one for payroll and original to Vickie B

Date: November 8, 2016

To: Accounts Payable/Banking

From: Audrey Weiler

Payroll Clerk

Invoice nbr:	16312146984A
Date:	11/7/2016
Payment Date	11/9/16

Subjec Group Weekly Claims Invoice  
(Employer's Costs and Employees' Withholdings)

ACH Transfer was made in the amount of \$ 42,584.12

Payable to:  
Medica

Vendor # 21088

Charge to:

Amount

22-005-110-000-300-000	WEEKLY INVOICE	HLTH/RX CLAIMS	\$42,584.12
22-005-110-000-301-000	PASSPORT	MEDICA ADMIN	\$0.00
22-005-110-000-305-000	STOP LOSS ADMIN	AGG PREM	\$0.00
22-005-110-000-302-000	STOP LOSS	STOP LOSS	\$0.00
22-005-110-000-301-000	MHSA	MEDICA ADMIN	\$0.00
22-005-110-000-310-000	ISD917 MISC	CHS BENEFIT FEE CODE	\$0.00

Total

\$42,584.12 proof \$0.00

Authorized Signature

Date 11-7-16

copy for AP  
copy for Board

Date: November 2, 2016

To: Accounts Payable

From: Audrey Weiler  
Payroll Clerk

Bill Number 1229797  
Paydate 11/1/2016


Subject: Group Insurance Premium for October 2016  
(Employer's Costs and Employees' Withholdings)

Wire Funds to Kansas City Life Insurance Co \$8,092.06

Payable to:  
Kansas City Life Ins Co Vendor # 24031

Charge to:	Amount	
01-215-32	\$413.96	
02-215-32	\$4,478.85	
10-215-32	\$253.58	
01-215-33	\$269.11	
02-215-33	\$2,541.52	
10-215-33	\$135.04	
Total	\$8,092.06	proof \$0.00

cc: Payroll Insurance Payment File

Authorized Signature  Date 11-2-16

Date: November 2, 2016

To: FOR EFT INPUT

From: Audrey Weiler  
Payroll Clerk

Subject: Group Insurance Premium for October 2016  
(Employer's Costs and Employees' Withholdings)

Payable to: \$29,204.15  
Delta Dental Vendor # 30132

Charge to:	Amount
21-005-110-000-235-250	\$29,204.15

Total	\$29,204.15	proof	\$0.00
-------	-------------	-------	--------

cc: Payroll Insurance Payment File  
Date Bank Account to be debited 11/10/2016

Authorized Signature *Audrey Weiler* Date 11-2-16

Invoice 6684850 dated 11/01/2016

	LB COPY
	VB COPY

TO: Nicolle Roush DATE: 10/28/2016  
Business Manager

FROM: Audrey Weiler  
Payroll/Fringe Benefits Technician

SUBJECT: EFT for pay period ending 10/31/16

Aflac Vendor #40072	\$	1,947.18	✓
Amperprise Financial Vendor #40027	\$	6,929.85	✓
AXA Equitable Life Vendor #40022	\$	4,603.29	✓
Horance Mann Vendor #40026	\$	2,068.76	✓
PERA - Executive Director Vendor #40006	\$	34,953.56	✓
TRA - State Treasurer Vendor #40005	\$	72,338.38	✓
ESI/MEA Vendor #29026	\$	4,618.75	✓
VALIC (Variable Annuity Life) Vendor #40033	\$	9,258.65	✓
Minnesota Dept. of Revenue Vendor # 40003	\$	26,741.26	✓
Internal Revenue Service Vendor Nbr 40037	\$	170,966.10	✓
Payroll Acct #XXXXXX4197 Vendor #40001	\$	458,886.50	✓
HealthEquity (HSA) Vendor # 24594-0	\$	13,702.66	✓
MN State Retirement System Vendor # 28803-0	\$	3,325.00	✓
MN State Retirement System Vendor # 28803-0	\$	-	
MN Dept of Revenue - Garnishments Vendor #40058	\$	532.11	✓
MN Child Support Vendor # 21704	\$	507.10	✓
VOYA (Formerly ING) Vendor #28803-2	\$	1,026.91	✓
Fidelity Investments Vendor #40060	\$	6,896.66	✓

Total Electronic Funds Transfer was made in the amount of \$ 819,302.72

Authorized Signature  Date 10-31-16

Date: November 1, 2016

To: Accounts Payable/Banking

Invoice nbr:	16305146984A
Date:	10/31/2016
Payment Date	11/2/16

From: Audrey Weiler

Payroll Clerk

Subjec Group Weekly Claims Invoice  
(Employer's Costs and Employees' Withholdings)

ACH Transfer was made in the amount of \$

\$32,039.85

Payable to:  
Medica

Vendor # 21088


Charge to:

Amount

22-005-110-000-300-000	WEEKLY INVOICE	HLTH/RX CLAIMS	\$32,039.85
22-005-110-000-301-000	PASSPORT	MEDICA ADMIN	\$0.00
22-005-110-000-305-000	STOP LOSS ADMIN	AGG PREM	\$0.00
22-005-110-000-302-000	STOP LOSS	STOP LOSS	\$0.00
22-005-110-000-301-000	MHSA	MEDICA ADMIN	\$0.00
22-005-110-000-310-000	ISD917 MISC	CHS BENEFIT FEE CODE	\$0.00

Total

\$32,039.85      proof \$0.00

Authorized Signature 

Date 11-1-16

copy for AP  
copy for Board

Date: November 1, 2016

To: FOR EFT INPUT

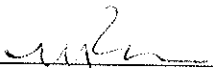
From: Audrey Weiler  
Payroll Clerk

Subject: Flex Plan ACH Transfer for Flex Claim Reimbursement October 2016

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

Charge to:	Amount
10-215-39 Medical	\$30.00
10-215-40 D.Care	\$0.00
10-215-42 L.Scope	\$0.00
Total	\$30.00 <sup>proof</sup>
	\$0.00

cc: Payroll Insurance Payment File  
Date Bank Account to be debited 10/28/2016 \$30.00

Authorized Signature  Date 11-1-16  
10/28/2016 \$30.00

\$30.00

copy to Linda B, one for payroll and original to Vickie B

Date: October 24, 2016

To: FOR EFT INPUT

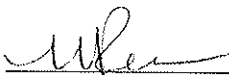
From: Audrey Weiler  
Payroll Clerk

Subject: Flex Plan ACH Transfer for Flex Claim Reimbursement October 2016

Transferred From Wells Fargo Bank Account Number xxxxxx2167 \$3,927.56  
Corporate Health Systems Inc Vendor # 22698

Charge to:	Amount
10-215-39 Medical	\$0.00
10-215-40 D.Care	\$3,927.56
10-215-42 L.Scope	\$0.00
Total	\$3,927.56 <sup>proof</sup> \$0.00

cc: Payroll Insurance Payment File  
Date Bank Account to be debited 10/21/2016 \$3,927.56

Authorized Signature  Date 10-26-16

\$0.00

copy to Linda B, one for payroll and original to Vickie B

Date: October 24, 2016

To: Accounts Payable/Banking

From: Audrey Weiler

Payroll Clerk

Invoice nbr:	16298146984A
Date:	10/24/2016
Payment Date	10/26/16

Subject Group Weekly Claims Invoice  
(Employer's Costs and Employees' Withholdings)

ACH Transfer was made in the amount of \$

\$25,624.84

Payable to:  
Medica

Vendor # 21088

Charge to:


Amount

22-005-110-000-300-000	WEEKLY INVOICE	HLTH/RX CLAIMS	\$25,624.84
22-005-110-000-301-000	PASSPORT	MEDICA ADMIN	\$0.00
22-005-110-000-305-000	STOP LOSS ADMIN	AGG PREM	\$0.00
22-005-110-000-302-000	STOP LOSS	STOP LOSS	\$0.00
22-005-110-000-301-000	MHSA	MEDICA ADMIN	\$0.00
22-005-110-000-310-000	ISD917 MISC	CHS BENEFIT FEE CODE	\$0.00

Total

\$25,624.84 <sup>proof</sup> \$0.00

Authorized Signature



Date

10-26-16

copy for AP  
copy for Board

Date: October 25, 2016

To: Accounts Payable

Invoice nbr: 0041961288

Date: 10/24/2016

Payment Date 11/10/16

From: Audrey Weiler

Payroll Clerk

Subject: Group Monthly Invoice September 2016  
(Employer's Costs and Employees' Withholdings)

ACH Funds Transfer was made in the amount of \$ 33,188.84

Payable to:

Medica

Vendor # 21088

Charge to:

Amount

22-005-110-000-300-000	WEEKLY INVOICE	HLTH/RX CLAIMS	\$0.00
22-005-110-000-301-000	PASSPORT	MEDICA ADMIN	\$5,904.50
22-005-110-000-305-000	STOP LOSS ADMIN	AGG PREM	\$780.84
22-005-110-000-302-000	STOP LOSS	STOP LOSS	\$33,102.99
22-005-110-000-301-000	MHSA	MEDICA ADMIN	\$749.51
22-005-110-000-310-000	ISD917 MISC	CHS BENEFIT FEE CODE	\$2,651.00
10-005-120-000-099-000	WELLNESS CREDIT		-\$10,000.00

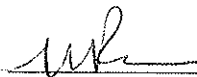
Total

\$33,188.84

proof

\$0.00

Authorized Signature



Date

10-26-16

INTERMEDIATE SCHOOL DISTRICT 917  
 SCHOOL BOARD REPORT OF  
 CONSOLIDATED INVESTMENTS (GENERAL & BUILDING)  
 OCTOBER 2016

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	6,936,338.67	0.00	350,000.00	0.00	3,630.23	6,589,968.90	14,381.43
2 MSDLAF	01	3,721.28	0.00	0.00	0.00	1.58	3,722.86	5.77
MSDLAF TERM (CD's, Term, Comm maturity)	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	0.00
4 WELLS FARGO PORTFOLIO	01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>		6,940,059.95	0.00	350,000.00	0.00	3,631.81	6,593,691.76	14,387.20

**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 (FR) 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: October 2016 Average MSDLAF Liquid Rate was 0.50% and the MSDLAF+MAX Average Rate was 0.62%. MSDLAF Term Average Rate is .00%. The Average Wells Fargo Savings Rate was 0.00%.

NR:viw

INTERMEDIATE SCHOOL DISTRICT NO. 917  
ROSEMOUNT, MINNESOTA

Financial Statements and  
Supplemental Information

Year Ended  
June 30, 2016

Preliminary Draft

INTERMEDIATE SCHOOL DISTRICT NO. 917

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INDEPENDENT SCHOOL DISTRICT NO. 917

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INTRODUCTORY SECTION

INTERMEDIATE SCHOOL DISTRICT NO. 917

School Board and Administration  
as of June 30, 2016

**SCHOOL BOARD**

<u>Board of Directors</u>	<u>Member District</u>	<u>Position on Board</u>
Jill Lewis	ISD No. 199	Chairperson
Bob Erickson	ISD No. 194	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
Deb Clark	SSD No. 6	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

## 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, 2016, 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, 2016, 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.

## **OTHER MATTERS**

### **Required Supplementary Information**

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

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, supplemental information, and other 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 supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and other 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 2015 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, 2015. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

(continued)

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Minneapolis, Minnesota  
November 29, 2016

**Insert MD&A**

## INTERMEDIATE SCHOOL DISTRICT NO. 917

### Management's Discussion and Analysis Year Ended June 30, 2016

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, 2016. 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, 2016 by \$8,394,141 (net position). The District's total net position increased by \$1,704,646 during the fiscal year ended June 30, 2016.
- The District's total General Fund balance at June 30, 2016 is \$7,338,004.
- The District's governmental funds Balance Sheet reflects a \$5,730,521 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. Funds (Food Service Special Revenue and Community Service Special Revenue) that do not meet the threshold to be classified as major funds are called "nonmajor funds." Detailed financial information for nonmajor funds can be found in the supplemental information section.

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

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 three internal service funds, including funds for accounting for post-employment severance and other post-employment benefits (OPEB), medical self-insurance, and the dental self-insurance plans.

**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>2016</u>	<u>2015</u>
<b>Assets</b>		
Current and other assets	\$ 12,853,148	\$ 10,537,842
Capital assets, net of accumulated depreciation	<u>6,944,495</u>	<u>6,998,185</u>
<b>Total assets</b>	<b><u>\$ 19,797,643</u></b>	<b><u>\$ 17,536,027</u></b>
<b>Deferred outflows of resources</b>		
Pension plan deferments – PERA and TRA	<b><u>\$ 3,183,346</u></b>	<b><u>\$ 2,496,992</u></b>
<b>Liabilities</b>		
Current and other liabilities	\$ 3,748,161	\$ 3,181,913
Long-term liabilities, including due within one year	<u>25,740,747</u>	<u>22,633,143</u>
<b>Total liabilities</b>	<b><u>\$ 29,488,908</u></b>	<b><u>\$ 25,815,056</u></b>
<b>Deferred inflows of resources</b>		
Pension plan deferments – PERA and TRA	<b><u>\$ 1,886,222</u></b>	<b><u>\$ 4,316,750</u></b>
<b>Net position</b>		
Net investment in capital assets	\$ 712,743	\$ 516,185
Restricted for capital projects	751,269	815,115
Restricted for other purposes	98,510	94,525
Unrestricted	<u>(9,956,663)</u>	<u>(11,524,612)</u>
<b>Total net position</b>	<b><u>\$ (8,394,141)</u></b>	<b><u>\$ (10,098,787)</u></b>

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

The District's total net position at June 30, 2016 was \$1,704,646 higher than in the prior year, mainly due to improved operating results in the General Fund and internal service funds.

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

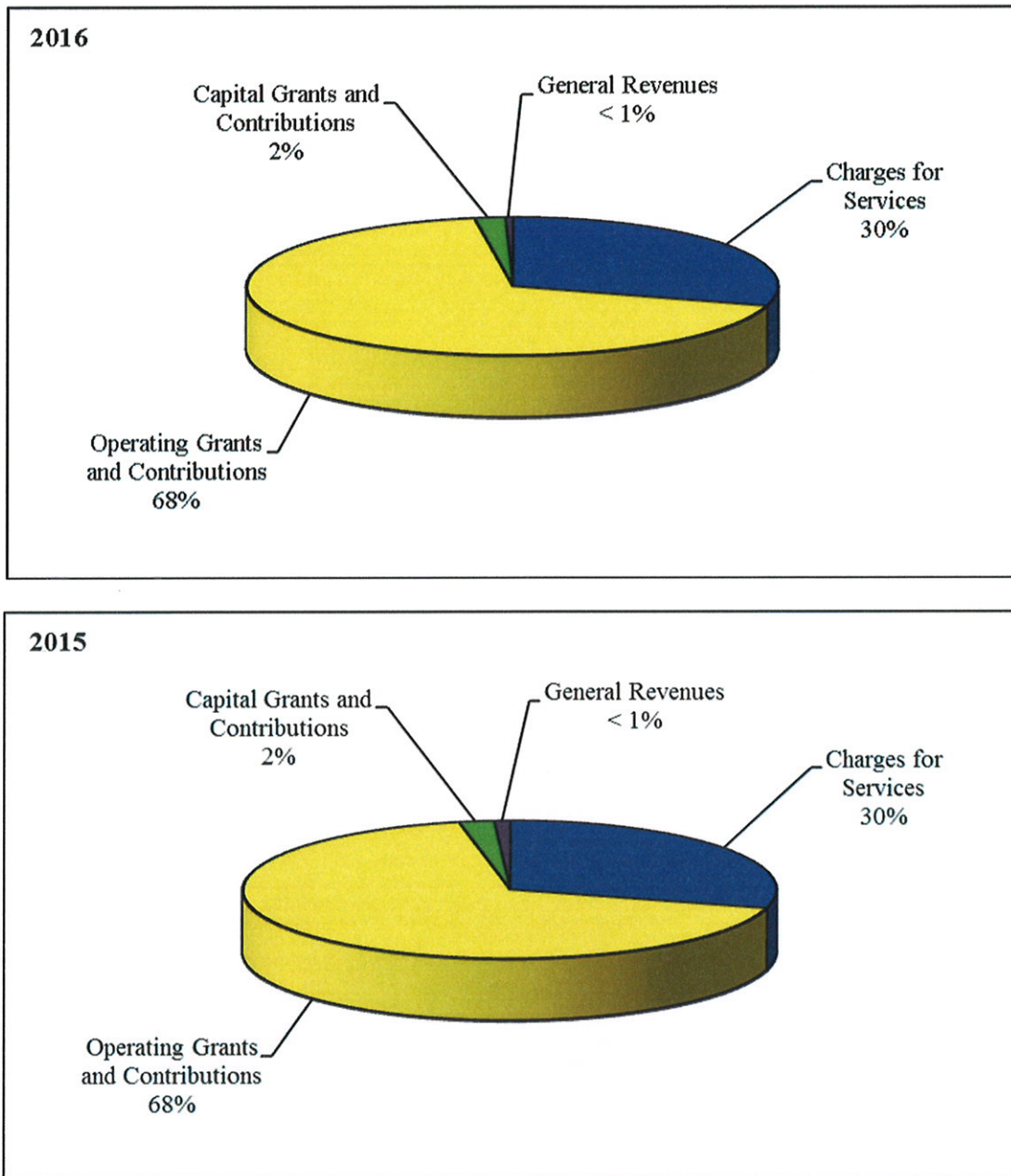
<b>Table 2</b>		
<b>Summary Statement of Activities</b>		
<b>for the Years Ended June 30, 2016 and 2015</b>		
	<u>2016</u>	<u>2015</u>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 8,833,306	\$ 7,876,725
Operating grants and contributions	20,260,126	18,073,067
Capital grants and contributions	554,908	559,401
General revenues		
Other	91,146	96,383
Investment earnings	48,649	29,332
<b>Total revenues</b>	<u>29,788,135</u>	<u>26,634,908</u>
<b>Expenses</b>		
Administrative and support services	1,886,795	1,867,491
Secondary vocational/DCALS	2,993,348	3,182,362
Special education programs	22,764,371	20,634,460
Food service	131,729	116,426
Interest and fiscal charges on debt	307,246	316,820
<b>Total expenses</b>	<u>28,083,489</u>	<u>26,117,559</u>
<b>Change in net position</b>	1,704,646	517,349
<b>Net position – beginning</b>	<u>(10,098,787)</u>	<u>(10,616,136)</u>
<b>Net position – ending</b>	<u><u>\$ (8,394,141)</u></u>	<u><u>\$ (10,098,787)</u></u>

This format is similar to fund financial statements except that this is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

The total cost of all programs and services was \$28,083,489. The District’s expenses are predominantly related to educating students. In fiscal 2015–2016, 92 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 \$1,480,762 in administrative and support services expenses to the secondary vocational/Dakota County Area Learning School (DCALS) and special education programs in fiscal 2016.

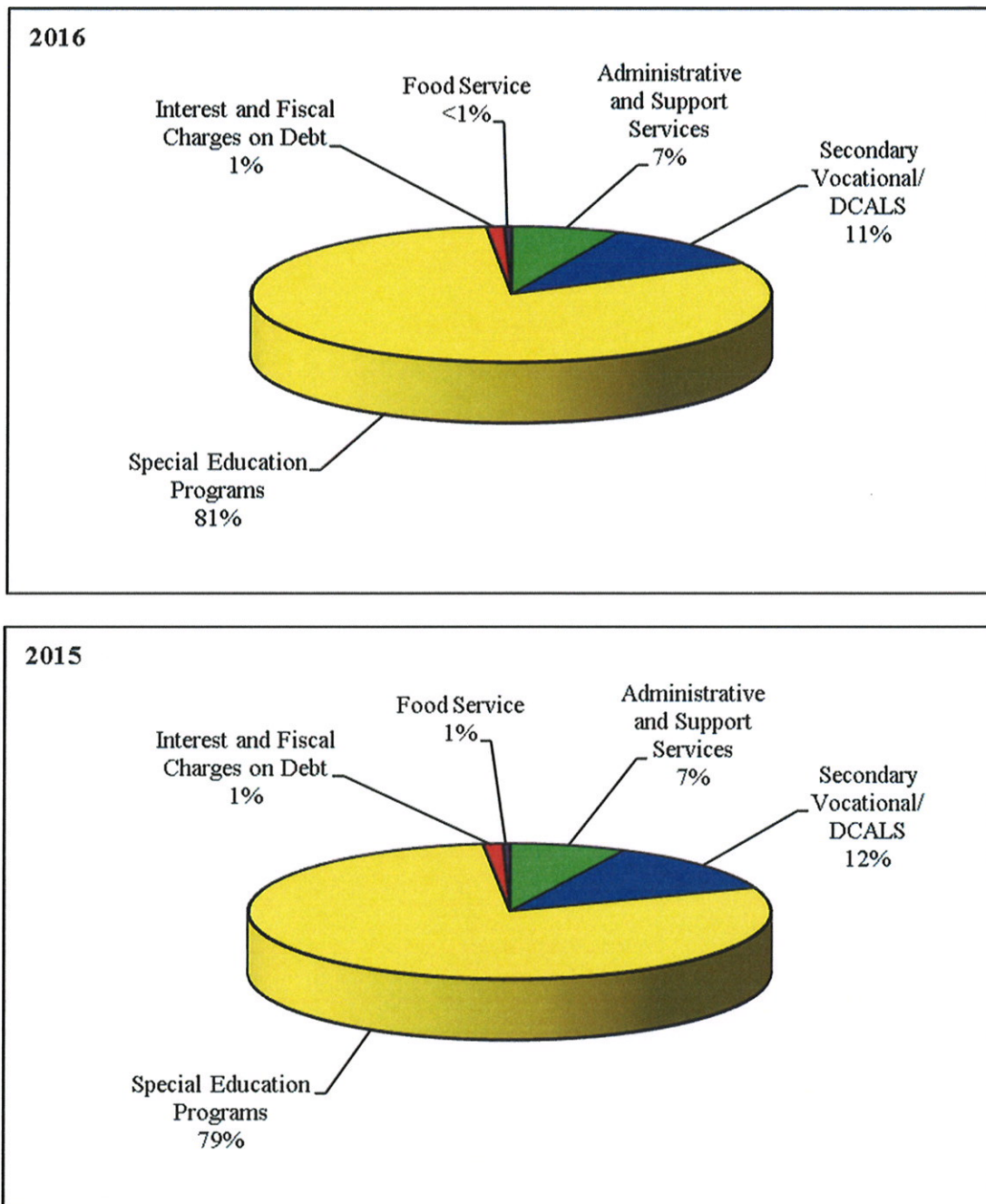
Figures A and B show further analysis of these revenue sources and expense functions:

**Figure A – Sources of Revenue for Fiscal Years 2016 and 2015**



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 2016 and 2015**



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, 2016 and 2015**

	2016		2015	
	Total Cost of Services	Net (Expense) Revenue From Services	Total Cost of Services	Net (Expense) Revenue From Services
Governmental activities				
Administrative and support services	\$ 1,886,795	\$ 11,687	\$ 1,867,491	\$ 194
Secondary vocational/DCALS	2,993,348	685,272	3,182,362	432,600
Special education programs	22,764,371	1,216,983	20,634,460	310,396
Food service	131,729	(41,845)	116,426	(34,736)
Interest and fiscal charges	307,246	(307,246)	316,820	(316,820)
Total	\$ 28,083,489	\$ 1,564,851	\$ 26,117,559	\$ 391,634

The overall net (expense) revenue from service was \$1,173,217 more than fiscal 2015 as the operations of the special education programs experienced an increase of \$1,216,983, which compares to an increase in fiscal 2015 of \$310,396.

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

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

	<b>Table 4</b> <b>Governmental Fund Balances</b> <b>as of June 30, 2016 and 2015</b>			
	2016	2015	Increase (Decrease)	Total Percent Change
Major funds				
General	\$ 7,338,004	\$ 6,277,007	\$ 1,060,997	16.9%
Capital Projects – Building Construction	67,051	111,272	(44,221)	(39.7%)
Food Service Special Revenue	—	—	—	—
Total governmental funds	\$ 7,405,055	\$ 6,388,279	\$ 1,016,776	15.9%

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

**ENROLLMENT**

**Table 5  
Average Daily Membership (ADM) Served  
Last Five Fiscal Years**

	<u>2011–2012</u>	<u>2012–2013</u>	<u>2013–2014</u>	<u>2014–2015</u>	<u>2015–2016</u>
Secondary vocational resource programs	118.72	117.37	109.00	100.67	108.41
DCALS	257.37	203.78	209.84	190.43	216.20
Special education resource programs	354.56	361.66	395.92	414.54	419.44

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 was declining except this year the District experienced a significant increase in our DCALS programs, secondary vocational programs experienced a slight increase over the previous fiscal year, and special education programs started to rebound with the reopening of the Youth Transition Program and classroom expansion in the Therapeutic Education Alternative (TEA) and Students With Unique Needs (SUN) Programs. 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**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Unassigned fund balance	\$ 4,785,805	\$ 4,082,678	\$ 4,642,898	\$ 4,807,307	\$ 5,730,521
Percent increase (decrease)	(2.5%)	(14.7%)	13.7%	3.5%	19.2%
Expenditures	\$ 23,279,218	\$ 24,282,947	\$ 24,895,504	\$ 26,283,967	\$ 28,598,875
Percent increase (decrease)	3.9%	4.3%	2.5%	5.6%	8.8%
Unassigned fund balance as a percentage of expenditures	20.6%	16.8%	18.6%	18.3%	20.0%

The District ended the year with a \$1,060,997 increase in the General Fund balance. This increase is \$1,012,758 more than what was anticipated in the revised budget. The District projected an increase in the fund balance of \$47,259. The Secondary Programs Fund balance increased by \$239,400 more than anticipated due to an unexpected increase in average daily membership (ADM) from projections. The Special Education Program Fund balance increased by \$819,565 more than anticipated due to better than anticipated final fiscal year 2015 and estimated fiscal year 2016 state aid revenues. Conservative practices in revenue projections were incorporated when developing the revenue budgets due to a new tuition billing structure established by new legislation and the Minnesota Department of Education in 2015–2016.

Table 7 presents a summary of General Fund revenue:

	<u>2016</u>	<u>2015</u>	Amount of Increase (Decrease)
Local sources			
Tuition	\$ 8,662,123	\$ 7,693,829	\$ 968,294
Investment earnings	44,556	29,297	15,259
Other	737,405	722,695	14,710
State sources	20,091,649	17,921,967	2,169,682
Federal sources	<u>161,193</u>	<u>156,510</u>	<u>4,683</u>
 Total General Fund revenues	 <u>\$ 29,696,926</u>	 <u>\$ 26,524,298</u>	 <u>\$ 3,172,628</u>

Total General Fund revenues increased \$3,172,628, or 12 percent, in fiscal 2016 as compared to the previous year. Overall, the changes in revenues can be attributed to an increase in enrollment of 38 additional ADMs 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 significant shift in the programming needs for more staff intensive programs, such as the Program Alternative for Communication Ed and Socialization (PACES), SUN, and TEA Programs, resulting in an increase in licensed and non-licensed support staff, resulting in an increase in state revenue sources through tuition billing.

The District experienced an 11.5 percent increase in enrollment in the DCALS and secondary vocational programs, resulting in an increase in direct tuition revenue to local school districts.

Table 8 presents a summary of General Fund expenditures:

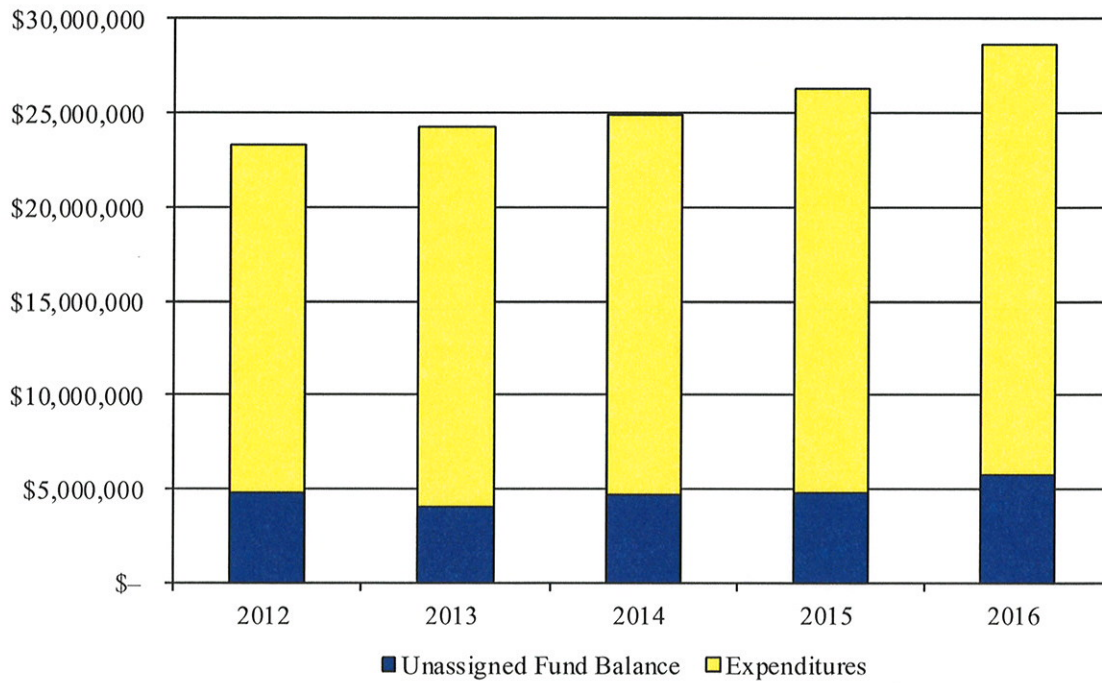
	<u>2016</u>	<u>2015</u>	Amount of Increase (Decrease)
Salaries	\$ 17,199,017	\$ 15,757,624	\$ 1,441,393
Employee benefits	6,082,823	5,901,053	181,770
Purchased services	3,374,797	3,059,678	315,119
Supplies and materials	759,859	713,877	45,982
Other expenditures	27,180	23,752	3,428
Capital expenditures	600,291	268,582	331,709
Debt service	<u>554,908</u>	<u>559,401</u>	<u>(4,493)</u>
 Total General Fund expenditures	 <u>\$ 28,598,875</u>	 <u>\$ 26,283,967</u>	 <u>\$ 2,314,908</u>

Total General Fund expenditures increased \$2,314,908, or 8.8 percent, from the previous year. Overall, the changes in expenditures can be attributed to an increase in overall salaries and an increase in employees. Also, a new operating lease for the TEA Program lead to additional lease expenditures of about \$254,000, remodeling expenditures of about \$208,000, and van replacement equipment purchases of around \$72,600 during the fiscal year when compared to the prior year.

In summary, 2015–2016 General Fund revenues and other financing sources exceeded General Fund expenditures and other financing uses by \$1,060,997. As a result, total fund balance increased to \$7,338,004 at June 30, 2016. After deducting nonspendable, restricted, and assigned funds, the unassigned fund balance increased from \$4,807,307 at June 30, 2015 to \$5,730,521 at June 30, 2016.

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 \$5.9 million at June 30, 2016 represents 20.0 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 the unpredictable nature of when the state of Minnesota employs funding payment shifts to balance the state budget. The continued maintenance of fund balance is essential for the District to minimize the impact that cash flow borrowing would have to member districts that would have to back any cash flow debt incurred by the 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 15.0 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>\$ 30,742,282</u>	<u>\$ 30,001,222</u>	<u>\$ 29,697,906</u>	<u>\$ (303,316)</u>
Expenditures and other financing uses	<u>\$ 30,455,332</u>	<u>\$ 29,953,963</u>	<u>\$ 28,598,875</u>	<u>\$ (1,355,088)</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 1.0 percent due to several factors. The District's anticipated revenues are determined by actual expenditures incurred, which came in under budget by about \$1,300,000, resulting in revenue coming in under budget. In 2015 and 2016, the District experienced special education tuition revenues exceeding special education expenditures.

The District's expenditures and other financing uses were less than budgeted amounts by 4.5 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. In addition, the District was faced with the challenge of filling or maintaining special education positions. The District budgeted conservatively in several areas, including substitutes, maintenance and repair services, leases, utilities, mileage, and overhead expenditures incurred through shared space with Dakota County Technical College.

## CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND

Expenditures exceeded revenues by \$44,221 for the year due to architectural fees occurring in fiscal year 2015–2016 for the fiscal year 2016–2017 addition at the Alliance Education Center. The fund balance in this fund is restricted for capital projects.

## FOOD SERVICE SPECIAL REVENUE FUND

Expenditures exceeded revenues by \$38,174 for the year. In order to eliminate the potential deficit in the Food Service Special Revenue Fund, the School Board approved a transfer of \$38,174 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 three internal service funds. The District's internal service funds include financing for post-employment severance benefits and OPEB, and self-insurance of the employee medical and dental insurance programs.

## 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, 2016 and 2015:

	<u>2016</u>	<u>2015</u>	<u>Net Change</u>
Land	\$ 682,011	\$ 683,993	\$ (1,982)
Buildings	8,492,082	8,492,082	–
Furniture and equipment	4,234,042	4,008,386	225,656
Less accumulated depreciation	<u>(6,463,640)</u>	<u>(6,186,276)</u>	<u>(277,364)</u>
Total	<u>\$ 6,944,495</u>	<u>\$ 6,998,185</u>	<u>\$ (53,690)</u>
Depreciation expense	<u>\$ 289,489</u>	<u>\$ 276,776</u>	<u>\$ 12,713</u>

**Long-Term Liabilities**

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

	<u>2016</u>	<u>2015</u>	<u>Change</u>
Capital leases payable	\$ 6,820,000	\$ 7,070,000	\$ (250,000)
Unamortized discount	(116,350)	(122,725)	6,375
Net pension liability – PERA	4,954,489	4,570,667	383,822
Net pension liability – TRA	12,087,423	9,349,486	2,737,937
Severance benefits payable	470,984	479,110	(8,126)
Compensated absences payable	309,678	286,552	23,126
Net OPEB obligation	<u>1,214,523</u>	<u>1,000,053</u>	<u>214,470</u>
Total	<u>\$ 25,740,747</u>	<u>\$ 22,633,143</u>	<u>\$ 3,107,604</u>

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 (ISD) No. 197 to operate the DCALS North in West St. Paul.
- Providing the needed secondary alternative learning option to qualify a targeted services program for ISD Nos. 192, 197, 199, 200, 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 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. The Legislature has added \$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 2015–2016 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.

BASIC FINANCIAL STATEMENTS

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Net Position  
as of June 30, 2016  
(With Partial Comparative Information as of June 30, 2015)

	Governmental Activities	
	2016	2015
Assets		
Cash and temporary investments	\$ 8,738,241	\$ 6,964,155
Receivables		
Accounts and interest	15,921	9,204
Due from other governmental units	3,455,676	2,893,151
Inventory	695	49,563
Prepaid items	47,709	29,449
Restricted assets – temporarily restricted		
Cash and investments held by trustee	594,906	592,320
Capital assets		
Not depreciated	682,011	683,993
Depreciated, net of accumulated depreciation	6,262,484	6,314,192
Total capital assets, net of accumulated depreciation	6,944,495	6,998,185
Total assets	19,797,643	17,536,027
Deferred outflows of resources		
Pension plan deferments – PERA and TRA	3,183,346	2,496,992
Total assets and deferred outflows of resources	\$ 22,980,989	\$ 20,033,019
Liabilities		
Salaries and compensated absences payable	\$ 2,740,655	\$ 2,283,364
Accounts and contracts payable	184,950	74,622
Accrued interest payable	123,008	127,045
Due to other governmental units	578,476	478,243
Unearned revenue	121,072	218,639
Long-term liabilities		
Due within one year	316,894	300,586
Due in more than one year	25,423,853	22,332,557
Total long-term liabilities	25,740,747	22,633,143
Total liabilities	29,488,908	25,815,056
Deferred inflows of resources		
Pension plan deferments – PERA and TRA	1,886,222	4,316,750
Net position		
Net investment in capital assets	712,743	516,185
Restricted for capital projects	751,269	815,115
Restricted for other purposes	98,510	94,525
Unrestricted	(9,956,663)	(11,524,612)
Total net position	(8,394,141)	(10,098,787)
Total liabilities, deferred inflows of resources, and net position	\$ 22,980,989	\$ 20,033,019

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Activities  
 Year Ended June 30, 2016  
 (With Partial Comparative Information for the Year Ended June 30, 2015)

2016				
Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues	
			Charges for Services	Operating Grants and Contributions
Governmental activities				
Administrative and support services	\$ 1,886,824	\$ (1,480,762)	\$ 417,720	\$ —
Secondary vocational/DCALS	2,993,362	296,790	3,181,157	239,345
Special education programs	22,764,327	1,183,972	5,144,545	20,020,781
Food service	131,729	—	89,884	—
Interest and fiscal charges on debt	307,246	—	—	—
<b>Total governmental activities</b>	<b>\$ 28,083,489</b>	<b>\$ —</b>	<b>\$ 8,833,306</b>	<b>\$ 20,260,126</b>
			General revenues	
			Other general revenues	
			Investment earnings	
			Total general revenues	
			Change in net position	
			Net position – beginning	
			Net position – ending	

See notes to basic financial statements

	2015	
	Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Capital Grants and Contributions	Governmental Activities	Governmental Activities
\$           –	\$       11,658	\$           194
554,908	685,258	432,600
–	1,217,027	310,396
–	(41,845)	(34,736)
–	(307,246)	(316,820)
<u>\$    554,908</u>	1,564,851	391,634
	91,146	96,383
	48,649	29,332
	<u>139,795</u>	<u>125,715</u>
	1,704,646	517,349
	<u>(10,098,787)</u>	<u>(10,616,136)</u>
	<u>\$ (8,394,141)</u>	<u>\$ (10,098,787)</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Balance Sheet  
 Governmental Funds  
 as of June 30, 2016  
 (With Partial Comparative Information as of June 30, 2015)

	General Fund	Capital Projects – Building Construction Fund	Nonmajor Fund – Food Service Special Revenue Fund	Total Governmental Funds	
				2016	2015
<b>Assets</b>					
Cash and temporary investments	\$ 6,709,235	\$ 67,051	\$ 355	\$ 6,776,641	\$ 5,817,109
Cash and investments held by trustee	594,906	–	–	594,906	592,320
Receivables					
Accounts and interest	15,921	–	–	15,921	9,204
Due from other governmental units	3,455,676	–	–	3,455,676	2,893,151
Inventory	695	–	–	695	49,563
Prepaid items	47,709	–	–	47,709	29,449
	<u>\$10,824,142</u>	<u>\$ 67,051</u>	<u>\$ 355</u>	<u>\$10,891,548</u>	<u>\$ 9,390,796</u>
<b>Liabilities</b>					
Salaries and compensated absences payable	\$ 2,740,655	\$ –	\$ –	\$ 2,740,655	\$ 2,283,364
Accounts and contracts payable	46,100	–	190	46,290	22,271
Due to other governmental units	578,476	–	–	578,476	478,243
Unearned revenue	120,907	–	165	121,072	218,639
Total liabilities	<u>3,486,138</u>	<u>–</u>	<u>355</u>	<u>3,486,493</u>	<u>3,002,517</u>
<b>Fund balances</b>					
Nonspendable	48,404	–	–	48,404	79,012
Restricted	1,377,634	67,051	–	1,444,685	1,501,960
Assigned	181,445	–	–	181,445	–
Unassigned	5,730,521	–	–	5,730,521	4,807,307
Total fund balances	<u>7,338,004</u>	<u>67,051</u>	<u>–</u>	<u>7,405,055</u>	<u>6,388,279</u>
	<u>\$10,824,142</u>	<u>\$ 67,051</u>	<u>\$ 355</u>	<u>\$10,891,548</u>	<u>\$ 9,390,796</u>
Total liabilities and fund balances	<u>\$10,824,142</u>	<u>\$ 67,051</u>	<u>\$ 355</u>	<u>\$10,891,548</u>	<u>\$ 9,390,796</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Reconciliation of the Balance Sheet to the  
Statement of Net Position  
Governmental Funds  
as of June 30, 2016  
(With Partial Comparative Information as of June 30, 2015)

	<u>2016</u>	<u>2015</u>
Total fund balances – governmental funds	\$ 7,405,055	\$ 6,388,279
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	13,408,135	13,184,461
Accumulated depreciation	(6,463,640)	(6,186,276)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable.		
Capital lease payable	(6,820,000)	(7,070,000)
Compensated absences payable	(309,678)	(286,552)
Net pension liability – PERA	(4,954,489)	(4,570,667)
Net pension liability – TRA	(12,087,423)	(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.	(123,008)	(127,045)
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	3,183,346	2,496,992
Deferred inflows – PERA and TRA pension plans	(1,886,222)	(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.	116,350	122,725
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>137,433</u>	<u>(384,468)</u>
Total net position – governmental activities	<u>\$ (8,394,141)</u>	<u>\$ (10,098,787)</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2016  
 (With Partial Comparative Information for the Year Ended June 30, 2015)

	General Fund	Capital Projects – Building Construction Fund	Nonmajor Fund – Food Service Special Revenue Fund	Total Governmental Funds	
				2016	2015
<b>Revenue</b>					
Local sources					
Tuition	\$ 8,662,123	\$ –	\$ –	\$ 8,662,123	\$ 7,693,829
Investment earnings	44,556	204	–	44,760	29,332
Other	737,405	–	22,317	759,722	742,721
State sources	20,091,649	–	5,117	20,096,766	17,926,946
Federal sources	161,193	–	62,451	223,644	213,198
Total revenue	<u>29,696,926</u>	<u>204</u>	<u>89,885</u>	<u>29,787,015</u>	<u>26,606,026</u>
<b>Expenditures</b>					
Current					
Administrative and support services	463,923	–	–	463,923	509,814
Secondary vocational/DCALS	3,361,023	–	–	3,361,023	3,475,851
Special education programs	24,219,021	–	–	24,219,021	21,738,901
Food service	–	–	128,059	128,059	112,487
Capital outlay	–	44,425	–	44,425	–
Debt service					
Principal	250,000	–	–	250,000	245,000
Interest and fiscal charges	304,908	–	–	304,908	314,401
Total expenditures	<u>28,598,875</u>	<u>44,425</u>	<u>128,059</u>	<u>28,771,359</u>	<u>26,396,454</u>
Excess (deficiency) of revenue over expenditures	1,098,051	(44,221)	(38,174)	1,015,656	209,572
<b>Other financing sources (uses)</b>					
Proceeds from sale of assets	1,120	–	–	1,120	187
Transfers in	–	–	38,174	38,174	30,794
Transfers out	(38,174)	–	–	(38,174)	(30,794)
Total other financing sources (uses)	<u>(37,054)</u>	<u>–</u>	<u>38,174</u>	<u>1,120</u>	<u>187</u>
Net change in fund balances	1,060,997	(44,221)	–	1,016,776	209,759
<b>Fund balances</b>					
Beginning of year	<u>6,277,007</u>	<u>111,272</u>	<u>–</u>	<u>6,388,279</u>	<u>6,178,520</u>
End of year	<u>\$ 7,338,004</u>	<u>\$ 67,051</u>	<u>\$ –</u>	<u>\$ 7,405,055</u>	<u>\$ 6,388,279</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Reconciliation of the Statement of  
Revenue, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
Year Ended June 30, 2016

(With Partial Comparative Information for the Year Ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Total net change in fund balances – governmental funds	\$ 1,016,776	\$ 209,759
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	241,512	96,092
Depreciation expense	(289,489)	(276,776)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
	250,000	245,000
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.		
	4,037	3,956
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	(383,822)	726,417
Net pension liability – TRA	(2,737,937)	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	(5,713)	(70,085)
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.		
	521,901	(23,378)
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	(23,126)	(11,220)
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	686,354	1,478,486
Deferred inflows – PERA and TRA pension plans	<u>2,430,528</u>	<u>(4,316,750)</u>
Change in net position – governmental activities	<u>\$ 1,704,646</u>	<u>\$ 517,349</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 General Fund  
 Year Ended June 30, 2016

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
<b>Revenue</b>				
Local sources				
Tuition	\$ 8,587,340	\$ 8,681,651	\$ 8,662,123	\$ (19,528)
Investment earnings	28,600	28,400	44,556	16,156
Other	659,133	783,590	737,405	(46,185)
State sources	21,301,382	20,340,168	20,091,649	(248,519)
Federal sources	165,827	167,413	161,193	(6,220)
Total revenue	<u>30,742,282</u>	<u>30,001,222</u>	<u>29,696,926</u>	<u>(304,296)</u>
<b>Expenditures</b>				
Current				
Administrative and support services	519,317	439,141	463,923	24,782
Secondary vocational/DCALS	3,519,408	3,434,304	3,361,023	(73,281)
Special education programs	25,827,499	25,491,410	24,219,021	(1,272,389)
Debt service				
Principal	250,000	250,000	250,000	—
Interest and fiscal charges	304,908	304,908	304,908	—
Total expenditures	<u>30,421,132</u>	<u>29,919,763</u>	<u>28,598,875</u>	<u>(1,320,888)</u>
Excess of revenue over expenditures	321,150	81,459	1,098,051	1,016,592
<b>Other financing sources (uses)</b>				
Proceeds from sale of assets	—	—	1,120	1,120
Transfers out	(34,200)	(34,200)	(38,174)	(3,974)
Total other financing sources (uses)	<u>(34,200)</u>	<u>(34,200)</u>	<u>(37,054)</u>	<u>(2,854)</u>
Net change in fund balances	<u>\$ 286,950</u>	<u>\$ 47,259</u>	<u>1,060,997</u>	<u>\$ 1,013,738</u>
<b>Fund balances</b>				
Beginning of year			<u>6,277,007</u>	
End of year			<u>\$ 7,338,004</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, 2016  
 (With Partial Comparative Actual Amounts as of June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Current assets		
Cash and temporary investments	\$ 1,961,600	\$ 1,147,046
Liabilities		
Current liabilities		
Accounts and contracts payable	138,660	52,351
Severance benefits payable	13,139	13,139
Total current liabilities	<u>151,799</u>	<u>65,490</u>
Long-term liabilities		
Net OPEB obligation	1,214,523	1,000,053
Severance benefits payable	457,845	465,971
Total long-term liabilities	<u>1,672,368</u>	<u>1,466,024</u>
Total liabilities	<u>1,824,167</u>	<u>1,531,514</u>
Net position (deficit)		
Unrestricted	<u>\$ 137,433</u>	<u>\$ (384,468)</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, 2016  
 (With Partial Comparative Information for the Year Ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Operating revenue		
Charges for services		
Contributions from governmental funds	\$ 2,145,912	\$ 530,373
Operating expenses		
Post-employment severance and health benefits	231,293	190,241
Dental benefit claims	347,660	363,880
Medical benefit claims	1,048,947	—
Total operating expenses	<u>1,627,900</u>	<u>554,121</u>
Operating income (loss)	518,012	(23,748)
Nonoperating revenue		
Investment earnings	<u>3,889</u>	<u>370</u>
Change in net position	521,901	(23,378)
Net position (deficit)		
Beginning of year	<u>(384,468)</u>	<u>(361,090)</u>
End of year	<u>\$ 137,433</u>	<u>\$ (384,468)</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Cash Flows  
 Proprietary Funds  
 Internal Service Funds  
 Year Ended June 30, 2016  
 (With Partial Comparative Actual Amounts for the Year Ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Contributions from other funds	\$ 2,145,912	\$ 530,373
Post-employment severance and health benefit payments	(30,449)	(11,004)
Payments for medical claims	(952,519)	-
Payments for dental claims	(352,279)	(352,774)
Net cash flows from operating activities	<u>810,665</u>	<u>166,595</u>
Cash flows from investing activities		
Investment income received	<u>3,889</u>	<u>370</u>
Net increase in cash and cash equivalents	814,554	166,965
Cash and temporary investments		
Beginning of year	<u>1,147,046</u>	<u>980,081</u>
End of year	<u>\$ 1,961,600</u>	<u>\$ 1,147,046</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$ 518,012	\$ (23,748)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities		
Changes in assets and liabilities		
Severance benefits payable	(8,126)	5,243
Net OPEB obligation	214,470	168,020
Prepaid items	-	474
Accounts payable	<u>86,309</u>	<u>16,606</u>
Net cash flows from operating activities	<u>\$ 810,665</u>	<u>\$ 166,595</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Fiduciary Funds  
Statement of Fiduciary Net Position  
as of June 30, 2016

	<u>Private-Purpose Trust Fund</u>
Assets	
Cash and temporary investments	\$ 1,966
Net position	
Held in trust for scholarships	\$ 1,966

Fiduciary Funds  
Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2016

	<u>Private-Purpose Trust Fund</u>
Additions	
Gifts and bequests	\$ 5
Deductions	
Scholarships	<u>178</u>
Change in net position	(173)
Net position	
Beginning of year	<u>2,139</u>
End of year	<u>\$ 1,966</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Notes to Basic Financial Statements  
June 30, 2016

**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 long-term debt, 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 three 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 for the employee health and dental insurance programs.

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

### Fiduciary Funds

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

### F. Budgetary Information

Each June, the School Board adopts an annual budget for the following fiscal year for all governmental funds. The budget for each fund is prepared on the same basis of accounting as the financial statements. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end. Expenditures exceeded budgeted amounts in the Food Service Special Revenue Fund by \$1,089.

### 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 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.

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See Note 2 for the District's recurring fair value measurements as of June 30, 2016.

### 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.

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

### **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 acquisition 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.

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.

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

### **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.

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

The TRA has a special funding situation created by direct aid contributions made by the state of Minnesota, City of Minneapolis, and Special School District No. 1, Minneapolis Public Schools. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association into the TRA in 2006. A second direct aid source is from the state of Minnesota for the merger of the Duluth Teachers Retirement Fund Association (DTRFA) in 2015.

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

**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 2016.
  
2. **Self-Insurance** – The District has established two internal service funds to account for and finance its self-insured risk of loss for respective employee dental and health insurance plans. Under these plans, the internal service funds provide coverage to participating employees and their dependents for various dental and healthcare costs as described in the plan.

The District makes premium payments to the internal service funds 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	Charges and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2015	\$ 2,603	\$ 359,130	\$ 352,774	\$ 8,959
2016	\$ 8,959	\$ 352,733	\$ 352,279	\$ 9,413

Changes in the balance of health insurance claim liabilities for the last year is as follows:

Fiscal Year Ended June 30,	Beginning of Fiscal Year Liability	Charges and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2016	\$ –	\$ 1,047,519	\$ 952,519	\$ 95,000

## **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 amounts reported in 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, 2015, 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.

## 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 \$960,903, while the balance on the bank records was \$1,083,497. At June 30, 2016, 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, 2016, the District had 66.8 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, 2016, and information relating to potential investment risks:

Investment Type	Credit Risk		Fair Value Measurements	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	NAV	N/A	N/A	N/A	N/A	\$ 7,779,305
First American Treasury Obligations Fund Class D	AAA	S&P	Level 1	N/A	N/A	N/A	N/A	35,504
Guaranteed investment contract								
Credit Agricole Corporate and Investment Bank	N/A	N/A	Level 2	N/A	N/A	N/A	\$ 559,401	559,401
								8,374,210
								960,903
Deposits								
Total cash and investments								<u>\$ 9,335,113</u>

NAV – Net Asset Value  
N/A – Not Applicable

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

Cash and temporary investments – Statement of Net Position	\$ 8,738,241
Cash and temporary investments held by trustee – Statement of Net Position	594,906
Cash and temporary investments – Statement of Fiduciary Net Position – Private-Purpose Trust Fund	<u>1,966</u>
Total cash and investments	<u>\$ 9,335,113</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 (NAV) per share provided by the pool, which is based on an amortized cost method that approximates fair value.

For MSDLAF investments valued at NAV, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice for the Liquid Class; the redemption notice period is 14 days for the MAX Class.

### NOTE 3 – CAPITAL ASSETS

Capital assets and accumulated depreciation activity for the year ended June 30, 2016 is as follows:

	Balance – Beginning of Year	Additions	Deletions	Balance – End of Year
Capital assets, not depreciated				
Land	\$ 683,993	\$ –	\$ 1,982	\$ 682,011
Capital assets, depreciated				
Buildings	8,492,082	–	–	8,492,082
Furniture and equipment	4,008,386	241,512	15,856	4,234,042
Total capital assets, depreciated	<u>12,500,468</u>	<u>241,512</u>	<u>15,856</u>	<u>12,726,124</u>
Less accumulated depreciation for				
Buildings	(2,775,509)	(129,922)	(12,125)	(2,893,306)
Furniture and equipment	(3,410,767)	(159,567)	–	(3,570,334)
Total accumulated depreciation	<u>(6,186,276)</u>	<u>(289,489)</u>	<u>(12,125)</u>	<u>(6,463,640)</u>
Net capital assets, depreciated	<u>6,314,192</u>	<u>(47,977)</u>	<u>3,731</u>	<u>6,262,484</u>
Total capital assets, net	<u>\$ 6,998,185</u>	<u>\$ (47,977)</u>	<u>\$ 5,713</u>	<u>\$ 6,944,495</u>

Depreciation expense for the year ended June 30, 2016 was charged to the following governmental functions:

Administrative and support services	\$ 29,774
Secondary vocational/DCALS	18,218
Special education instruction	<u>241,497</u>
Total depreciation expense	<u>\$ 289,489</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	Additions	Retirements	Balance – End of Year	Due Within One Year
Capital leases payable	\$ 7,070,000	\$ –	\$ 250,000	\$ 6,820,000	\$ 260,000
Unamortized discount	(122,725)	–	(6,375)	(116,350)	–
Severance benefits payable	479,110	13,637	21,763	470,984	13,139
Compensated absences payable	286,552	66,881	43,755	309,678	43,755
Net OPEB obligation (see Note 7)	1,000,053	281,648	67,178	1,214,523	–
Net pension liability – PERA	4,570,667	1,212,702	828,880	4,954,489	–
Net pension liability – TRA	9,349,486	3,491,367	753,430	12,087,423	–
	<u>\$ 22,633,143</u>	<u>\$ 5,066,235</u>	<u>\$ 1,958,631</u>	<u>\$ 25,740,747</u>	<u>\$ 316,894</u>

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

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

- **Capital Leases Payable** – In September 2007, the District entered into a capital lease agreement with the Dakota County Community Development Agency (DCCDA) to finance building construction. The DCCDA issued \$8,480,000 of lease revenue bonds to pay for these costs. The revenue bonds bear interest rates that range from 3.875 percent to 4.500 percent and have a final maturity of February 2034. The lease-purchase agreement requires the District to make semiannual payments beginning August 1, 2008 equal to the principal and interest due on the revenue bonds. Annual principal and interest payments on this lease will be paid by the General Fund. Tuition revenue in the General Fund Capital Expenditure 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, 2016, the net book value of the capitalized assets related to this lease was \$5,586,653.
- **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
2017	\$ 260,000	\$ 295,220
2018	270,000	285,145
2019	285,000	274,345
2020	295,000	262,945
2021	305,000	251,145
2022–2026	1,730,000	1,051,185
2027–3031	2,140,000	641,820
2032–3034	1,535,000	140,175
	<u>\$ 6,820,000</u>	<u>\$ 3,201,980</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, 2016, 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	\$ 47,709	\$ –	\$ –	\$ 47,709
Inventory	695	–	–	695
Total nonspendable	<u>48,404</u>	<u>–</u>	<u>–</u>	<u>48,404</u>
Restricted for				
Basic skills	98,510	–	–	98,510
Debt service	594,906	–	–	594,906
Capital purposes	684,218	67,051	–	751,269
Total restricted	<u>1,377,634</u>	<u>67,051</u>	<u>–</u>	<u>1,444,685</u>
Assigned for subsequent year’s budgeted deficit	181,445	–	–	181,445
Unassigned	<u>5,730,521</u>	<u>–</u>	<u>–</u>	<u>5,730,521</u>
Total	<u>\$ 7,338,004</u>	<u>\$ 67,051</u>	<u>\$ –</u>	<u>\$ 7,405,055</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 15.0 percent of the annual budget. At June 30, 2016, the unassigned fund balance of the General Fund was 20.0 percent of fiscal 2016 expenditures.

**C. Deficit Fund Balance**

At June 30, 2016, the Post-Employment Benefits Internal Service Fund had a deficit fund balance of \$717,756.

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

### **A. Plan Descriptions**

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

#### **1. General Employees Retirement Fund (GERF)**

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

All full-time and certain part-time employees of the District other than teachers are covered by the 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 of Trustees consists of four active members, one retired member, and three statutory officials.

Teachers employed in Minnesota's public elementary and secondary schools, charter schools, and certain educational institutions maintained by the state (except those teachers employed by the City of St. Paul, and by the University of Minnesota system) are required to be TRA members. State university, community college, and technical college teachers first employed by MnSCU may elect TRA coverage within one year of eligible employment. Alternatively, these teachers may elect coverage through the Defined Contribution Retirement (DCR) Plan 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 90.0 percent funded for two consecutive years are given 2.5 percent increases. Members in plans that have not exceeded 90.0 percent funded, or have fallen below 80.0 percent, are given 1.0 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 90.0 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
<b>Basic Plan</b>	
First 10 years of service	2.2%
All years after	2.7%
<b>Coordinated</b>	
First 10 years if service years are up to July 1, 2006	1.2%
First 10 years if service years are July 1, 2006 or after	1.4%
All other years of service if service years are up to July 1, 2006	1.7%
All other years of service if service years are 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 9.10 percent and 6.50 percent of pay, respectively, in fiscal year 2016. In fiscal year 2016, the District was required to contribute 11.78 percent of pay for Basic Plan members and 7.50 percent for the Coordinated Plan. The District’s contributions to the GERF for the year ended June 30, 2016 were \$451,532. The District’s contributions were equal to the required contributions for each year as set by state statute.

**2. TRA Contributions**

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

	Year Ended June 30,			
	2015		2016	
	Employee	Employer	Employee	Employer
<b>Basic Plan</b>	11.0%	11.5%	11.0%	11.5%
<b>Coordinated Plan</b>	7.5%	7.5%	7.5%	7.5%

The District’s contributions to the TRA for the plan’s fiscal year ended June 30, 2016, were \$805,427. 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)**

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

Employer contributions reported in the TRA’s CAFR Statement of Changes in Fiduciary Net Position	\$ 340,207,590
Deduct employer contributions not related to future contribution efforts	(704,635)
Deduct the TRA’s contributions not included in allocation	<u>(435,999)</u>
Total employer contributions	339,066,956
Total non-employer contributions	<u>41,587,410</u>
Total contributions reported in Schedule of Employer and Non-Employer Pension Allocations	<u>\$ 380,654,366</u>

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

**D. Merger of Duluth Teachers Retirement Fund Association (DTRFA)**

Legislation enacted in 2014 merged the DTRFA with the TRA effective June 30, 2015. The beginning balances of total pension liability and fiduciary net position were adjusted to reflect the merger of the DTRFA.

	June 30, 2014 <u>CAFR</u>	<u>Restated</u>
Total pension liability (a)	\$ 24,901,612,000	\$ 25,299,564,000
Plan fiduciary net position (b)	<u>20,293,684,000</u>	<u>20,519,756,000</u>
Net pension liability (a-b)	<u>\$ 4,607,928,000</u>	<u>\$ 4,779,808,000</u>

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

**E. Pension Costs**

**1. GERF Pension Costs**

At June 30, 2016, the District reported a liability of \$4,954,489 for its proportionate share of the GERF’s net pension liability. The net pension liability was measured as of June 30, 2015, 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, 2014, through June 30, 2015, relative to the total employer contributions received from all of the PERA’s participating employers. At June 30, 2015, the District’s proportion was 0.0956 percent, which was a decrease of 0.0017 percent from its proportion measured as of June 30, 2014.

The GERF benefit provision changes during the measurement period included (1) the merger of the former Minneapolis Employees Retirement Fund division into the GERF, effective January 1, 2015, and (2) revisions to Minnesota Statutes to make changes to contribution rates less prescriptive and more flexible.

The discount rate used to calculate liabilities for the June 30, 2015, measurement date was 7.9 percent. The Legislature has since set the discount rate in statute at 8.0 percent. Beginning with the June 30, 2016, measurement date the discount rate used when calculating liabilities based on GASB Statement No. 68 accounting requirements will be increased to 8.0 percent to be consistent with the rate set in statute used for funding purposes.

For the year ended June 30, 2016, the District recognized pension expense of \$509,692 for its proportionate share of the GERF’s pension expense.

At June 30, 2016, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 45,947	\$ 249,790
Changes in actuarial assumptions	308,548	–
Difference between projected and actual investment earnings	–	441,041
Changes in proportion	–	68,985
District’s contributions to the GERF subsequent to the measurement date	<u>451,532</u>	<u>–</u>
Total	<u>\$ 806,027</u>	<u>\$ 759,816</u>

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

A total of \$451,532 reported as deferred outflows of resources related to pensions resulting from district contributions to the GERS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to the GERS pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2017	\$ (115,109)
2018	\$ (115,109)
2019	\$ (292,358)
2020	\$ 117,255

**2. TRA Pension Costs**

At June 30, 2016, the District reported a liability of \$12,087,423 for its proportionate share of the TRA’s net pension liability. The net pension liability was measured as of June 30, 2015, 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 0.1954 percent at the end of the measurement period and 0.2029 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	\$ 12,087,423
District’s proportionate share of the net pension liability associated with the District	\$ 1,482,856

For the year ended June 30, 2016, the District recognized pension expense of \$752,253. It also recognized \$262,111 as an increase to pension expense for the support provided by direct aid.

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

At June 30, 2016, the District reported its proportionate share of the TRA’s deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 642,691	\$ –
Changes in actuarial assumptions	929,201	–
Difference between projected and actual investment earnings	–	1,005,960
Changes in proportion	–	120,446
District’s contributions to the TRA subsequent to the measurement date	<u>805,427</u>	<u>–</u>
Total	<u>\$ 2,377,319</u>	<u>\$ 1,126,406</u>

A total of \$805,427 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, 2017. Other amounts reported as deferred outflows and inflows of resources related to the TRA will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2017	\$ (65,157)
2018	\$ (65,157)
2019	\$ (65,157)
2020	\$ 640,956

**F. Actuarial Assumptions**

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions:

<u>Assumptions</u>	<u>GERF</u>	<u>TRA</u>
Inflation	2.75% per year	3.00%
Active member payroll growth	3.50% per year	3.50–12.00% based on years of service
Investment rate of return	7.90%	8.00%

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.

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

Actuarial assumptions used in the June 30, 2015, valuation for the GERF were based on the results of actuarial experience studies. The experience study in the GERF was for the period July 1, 2004, through June 30, 2008, with an update of economic assumptions in 2014. Experience studies have not been prepared for the PERA’s other plans, but assumptions are reviewed annually.

The actuarial assumptions used in the June 30, 2015, valuation for the TRA 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.

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 be 2.0 percent annually with no increase to 2.5 percent projected. The prior year valuation assumed a 2.5 percent increase commencing July 1, 2034.

The long-term expected rate of return on pension plan investments is 7.90 percent for the GERF and 8.00 percent for the TRA. The Minnesota State Board of Investment, which manages the investments of the PERA and the TRA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages.

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

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

**G. Discount Rate**

The discount rate used to measure the total pension liability was 7.90 percent for the GERF and 8.00 percent for the TRA. This is a decrease from the discount rate at the prior measurement date of 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 fiscal 2016 contribution rates, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, each of the pension plan’s fiduciary net positions were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**H. Pension Liability Sensitivity**

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	6.90%	7.90%	8.90%
District’s proportionate share of the GERF net pension liability	\$ 7,790,216	\$ 4,954,489	\$ 2,612,612
TRA discount rate	7.00%	8.00%	9.00%
District’s proportionate share of the TRA net pension liability	\$ 18,398,622	\$ 12,087,423	\$ 6,820,544

**I. 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](http://www.mnpera.org); by writing to the PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088; or by calling (651) 296-7460 or (800) 652-9026.

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](http://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.

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

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.

**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	<u>(16,268)</u>
Annual OPEB cost	281,648
Contributions made	<u>67,178</u>
Increase in net OPEB obligation	214,470
Net OPEB obligation – beginning of year	<u>1,000,053</u>
Net OPEB obligation – end of year	<u>\$ 1,214,523</u>

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

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	\$ 256,695	\$ 125,000	48.7%	\$ 832,033
June 30, 2015	\$ 248,433	\$ 80,413	32.4%	\$ 1,000,053
June 30, 2016	\$ 281,648	\$ 67,178	23.9%	\$ 1,214,523

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

### **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 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.

### **F. 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 the IRC § 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.

**NOTE 8 – FLEXIBLE BENEFIT PLAN (CONTINUED)**

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 \$803,484 for operating leases during the year ended June 30, 2016. 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
2017	\$ 457,628
2018	464,720
2019	471,869
2020	479,077
2021	486,344
2022–2026	1,640,945
2027–2031	1,243,645
	<u>\$ 5,244,228</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 \$38,174 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.

REQUIRED SUPPLEMENTARY INFORMATION

INTERMEDIATE SCHOOL DISTRICT NO. 917

Schedule of District's Proportionate Share of Net Pension Liability  
Public Employees Retirement Association Pension Benefits Plan  
Year Ended June 30, 2016

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.0973%	\$ 4,570,667	\$ 5,105,448	89.53%	78.70%
06/30/2016	06/30/2015	0.0956%	\$ 4,954,489	\$ 5,613,356	88.26%	78.20%

Schedule of District Contributions  
Public Employees Retirement Association Pension Benefits Plan  
Year Ended June 30, 2016

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	06/30/2015	\$ 414,341	\$ 414,341	\$ -	\$ 5,613,356	7.38%
06/30/2016	06/30/2016	\$ 451,532	\$ 451,532	\$ -	\$ 6,015,751	7.51%

Note 1: **Changes of Benefit Terms.** (1) The Minneapolis Employees Retirement Fund was merged into the GERF on January 1, 2015. (2) Revisions to Minnesota Statutes to make changes to contribution rates less prescriptive and more flexible.

Note 2: The District implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2014 measurement date). This information is not available for previous fiscal years.

INTERMEDIATE SCHOOL DISTRICT NO. 917

Schedule of District's and Non-Employer Proportionate Share of Net Pension Liability  
 Teachers Retirement Association Pension Benefits Plan  
 Year Ended June 30, 2016

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.2029%	\$ 9,349,486	\$ 657,803	\$ 10,007,289	\$ 9,262,291	100.94%	81.50%
06/30/2016	06/30/2015	0.1954%	\$ 12,087,423	\$ 1,482,856	\$ 13,570,279	\$ 9,915,820	121.90%	76.80%

Schedule of District Contributions  
 Teachers Retirement Association Pension Benefits Plan  
 Year Ended June 30, 2016

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	06/30/2015	\$ 743,688	\$ 743,688	\$ -	\$ 9,915,820	7.50%
06/30/2016	06/30/2016	\$ 805,427	\$ 805,427	\$ -	\$ 10,745,627	7.50%

Note 1: **Changes of Benefit Terms.** The DTRFA was merged into the TRA on June 30, 2015.

Note 2: **Change of Assumptions.** The annual cost of living adjustment for the June 30, 2015 valuation assumed 2.00 percent. The prior year valuation used 2.00 percent with an increase to 2.50 percent commencing in 2034. The discount rate used to measure the total pension liability was 8.00 percent. This is a decrease from the discount rate at the prior measurement date of 8.25 percent. Details, if necessary, can be obtained from the TRA's CAFR.

Note 3: The District implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2014 measurement date). This information is not available for previous fiscal years.

INTERMEDIATE SCHOOL DISTRICT NO. 917

Other Post-Employment Benefits Plan  
 Schedule of Funding Progress  
 Year Ended June 30, 2016

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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Cash and temporary investments	\$ 6,709,235	\$ 5,707,461
Cash and investments held by trustee	594,906	592,320
Receivables		
Accounts and interest	15,921	9,204
Due from other school districts	2,168,713	1,428,880
Due from Minnesota Department of Education	1,248,051	1,409,755
Due from other governmental units	38,912	52,892
Inventory	695	49,563
Prepaid items	47,709	29,449
	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 10,824,142</u>	<u>\$ 9,279,524</u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ 2,740,655	\$ 2,283,364
Accounts and contracts payable	46,100	22,271
Due to other school districts	401,802	285,564
Due to other governmental units	176,674	192,679
Unearned revenue	120,907	218,639
	<u>                    </u>	<u>                    </u>
Total liabilities	3,486,138	3,002,517
<b>Fund balances</b>		
Nonspendable for prepaid items	47,709	29,449
Nonspendable for inventory	695	49,563
Restricted for debt service	594,906	592,320
Restricted for basic skills	98,510	94,525
Restricted for capital purposes	684,218	703,843
Assigned for subsequent year's budgeted deficit	181,445	-
Unassigned	5,730,521	4,807,307
	<u>                    </u>	<u>                    </u>
Total fund balances	7,338,004	6,277,007
	<u>                    </u>	<u>                    </u>
Total liabilities and fund balances	<u>\$ 10,824,142</u>	<u>\$ 9,279,524</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2016  
 (With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016		Over (Under) Budget	2015
	Budget	Actual		Actual
<b>Revenue</b>				
Local sources				
Tuition	\$ 8,681,651	\$ 8,662,123	\$ (19,528)	\$ 7,693,829
Investment earnings	28,400	44,556	16,156	29,297
Other	783,590	737,405	(46,185)	722,695
State sources	20,340,168	20,091,649	(248,519)	17,921,967
Federal sources	167,413	161,193	(6,220)	156,510
Total revenue	<u>30,001,222</u>	<u>29,696,926</u>	<u>(304,296)</u>	<u>26,524,298</u>
<b>Expenditures</b>				
Current				
Administrative and support services	439,141	441,123	1,982	509,814
Secondary vocational/DCALS	3,434,304	3,383,823	(50,481)	3,475,851
Special education programs	25,491,410	24,219,021	(1,272,389)	21,738,901
Debt service				
Principal	250,000	250,000	—	245,000
Interest and fiscal charges	304,908	304,908	—	314,401
Total expenditures	<u>29,919,763</u>	<u>28,598,875</u>	<u>(1,320,888)</u>	<u>26,283,967</u>
Excess of revenue over expenditures	81,459	1,098,051	1,016,592	240,331
<b>Other financing sources (uses)</b>				
Proceeds from sale of assets	—	1,120	1,120	187
Transfers out	<u>(34,200)</u>	<u>(38,174)</u>	<u>(3,974)</u>	<u>(30,794)</u>
Total other financing sources (uses)	<u>(34,200)</u>	<u>(37,054)</u>	<u>(2,854)</u>	<u>(30,607)</u>
Net change in fund balances	<u>\$ 47,259</u>	1,060,997	<u>\$ 1,013,738</u>	209,724
<b>Fund balances</b>				
Beginning of year		<u>6,277,007</u>		<u>6,067,283</u>
End of year		<u>\$ 7,338,004</u>		<u>\$ 6,277,007</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund  
 Combining Balance Sheet by Account  
 as of June 30, 2016

	Secondary Education	Special Education	Services Allocation
<b>Assets</b>			
Cash and temporary investments (deficit)	\$ 1,502,229	\$ 4,505,991	\$ (20,496)
Cash and investments held by trustee	-	-	-
Receivables			
Accounts and interest	44	229	15,648
Due from other school districts	834,688	1,266,966	67,059
Due from Minnesota Department of Education	35,660	1,212,391	-
Due from other governmental units	38,912	-	-
Inventory	-	-	-
Prepaid items	20,790	26,334	585
<b>Total assets</b>	<b>\$ 2,432,323</b>	<b>\$ 7,011,911</b>	<b>\$ 62,796</b>
<b>Liabilities</b>			
Salaries and compensated absences payable	\$ 299,632	\$ 2,390,655	\$ 50,368
Accounts and contracts payable	9,440	14,841	7,099
Due to other school districts	118,345	283,457	-
Due to other governmental units	67,493	106,110	299
Unearned revenue	1,083	114,794	5,030
<b>Total liabilities</b>	<b>495,993</b>	<b>2,909,857</b>	<b>62,796</b>
<b>Fund balances (deficit)</b>			
Nonspendable for prepaid items	20,790	26,334	585
Nonspendable for inventory	-	-	-
Restricted for debt service	-	-	-
Restricted for basic skills programs	24	98,486	-
Restricted for capital purposes	-	-	-
Assigned for subsequent year's budgeted deficit	-	-	-
Unassigned – safe schools restricted account deficit	-	-	(585)
Unassigned	1,915,516	3,977,234	-
<b>Total fund balances</b>	<b>1,936,330</b>	<b>4,102,054</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,432,323</b>	<b>\$ 7,011,911</b>	<b>\$ 62,796</b>

District Support Services	Capital Expenditure	Secondary Resale	Special Education Resale	Total
\$ 671	\$ 698,281	\$ 10,463	\$ 12,096	\$ 6,709,235
-	594,906	-	-	594,906
-	-	-	-	15,921
-	-	-	-	2,168,713
-	-	-	-	1,248,051
-	-	-	-	38,912
-	-	258	437	695
-	-	-	-	47,709
<u>\$ 671</u>	<u>\$ 1,293,187</u>	<u>\$ 10,721</u>	<u>\$ 12,533</u>	<u>\$ 10,824,142</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,740,655
-	14,063	427	230	46,100
-	-	-	-	401,802
-	-	2,745	27	176,674
-	-	-	-	120,907
<u>-</u>	<u>14,063</u>	<u>3,172</u>	<u>257</u>	<u>3,486,138</u>
-	-	-	-	47,709
-	-	258	437	695
-	594,906	-	-	594,906
-	-	-	-	98,510
-	684,218	-	-	684,218
-	181,445	-	-	181,445
-	-	-	-	(585)
671	(181,445)	7,291	11,839	5,731,106
<u>671</u>	<u>1,279,124</u>	<u>7,549</u>	<u>12,276</u>	<u>7,338,004</u>
<u>\$ 671</u>	<u>\$ 1,293,187</u>	<u>\$ 10,721</u>	<u>\$ 12,533</u>	<u>\$ 10,824,142</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund  
 Combining Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account  
 Year Ended June 30, 2016

	Secondary Education	Special Education	Services Allocation
<b>Revenue</b>			
Local sources			
Tuition	\$ 3,110,396	\$ 4,579,099	\$ 417,720
Investment earnings	3,872	8,973	-
Other	1,638	644,251	7,755
State sources	175,196	19,900,805	15,648
Federal sources	161,193	-	-
Total revenue	<u>3,452,295</u>	<u>25,133,128</u>	<u>441,123</u>
<b>Expenditures</b>			
Current			
Administrative and support services	-	-	441,123
Secondary vocational/DCALS	3,246,387	-	-
Special education programs	-	24,207,628	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>3,246,387</u>	<u>24,207,628</u>	<u>441,123</u>
Excess (deficiency) of revenue over expenditures	205,908	925,500	-
<b>Other financing sources (uses)</b>			
Proceeds from sale of assets	-	140	-
Transfers out	-	(38,174)	-
Total other financing sources (uses)	<u>-</u>	<u>(38,034)</u>	<u>-</u>
Net change in fund balances	205,908	887,466	-
<b>Fund balances</b>			
Beginning of year	<u>1,730,422</u>	<u>3,214,588</u>	<u>-</u>
End of year	<u>\$ 1,936,330</u>	<u>\$ 4,102,054</u>	<u>\$ -</u>

<u>District Support Services</u>	<u>Capital Expenditure</u>	<u>Secondary Resale</u>	<u>Special Education Resale</u>	<u>Total</u>
\$ -	\$ 554,908	\$ -	\$ -	\$ 8,662,123
-	31,711	-	-	44,556
-	-	72,784	10,977	737,405
-	-	-	-	20,091,649
-	-	-	-	161,193
<u>-</u>	<u>586,619</u>	<u>72,784</u>	<u>10,977</u>	<u>29,696,926</u>
-	-	-	-	441,123
-	48,750	88,686	-	3,383,823
-	-	-	11,393	24,219,021
-	250,000	-	-	250,000
-	304,908	-	-	304,908
<u>-</u>	<u>603,658</u>	<u>88,686</u>	<u>11,393</u>	<u>28,598,875</u>
-	(17,039)	(15,902)	(416)	1,098,051
-	-	980	-	1,120
-	-	-	-	(38,174)
<u>-</u>	<u>-</u>	<u>980</u>	<u>-</u>	<u>(37,054)</u>
-	(17,039)	(14,922)	(416)	1,060,997
<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>\$ 1,279,124</u>	<u>\$ 7,549</u>	<u>\$ 12,276</u>	<u>\$ 7,338,004</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, 2016  
 (With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016		2015	
	Budget	Actual	Over (Under) Budget	Actual
<b>Revenue</b>				
Local sources				
Tuition	\$ 3,092,494	\$ 3,110,396	\$ 17,902	\$ 3,013,776
Investment earnings	550	3,872	3,322	553
Other	150	1,638	1,488	7,604
State sources	76,316	175,196	98,880	105,919
Federal sources	167,413	161,193	(6,220)	151,510
Total revenue	<u>3,336,923</u>	<u>3,452,295</u>	<u>115,372</u>	<u>3,279,362</u>
<b>Expenditures</b>				
Current				
Secondary vocational/DCALS				
Salaries	1,771,012	1,766,552	(4,460)	1,818,549
Employee benefits	653,302	613,991	(39,311)	684,389
Purchased services	539,190	466,365	(72,825)	506,510
Supplies and materials	78,922	73,283	(5,639)	63,230
Other expenditures	950	1,133	183	2,785
Capital expenditures	20,726	28,273	7,547	25,795
Allocated overhead	306,313	296,790	(9,523)	280,631
Total expenditures	<u>3,370,415</u>	<u>3,246,387</u>	<u>(124,028)</u>	<u>3,381,889</u>
Excess (deficiency) of revenue over expenditures	(33,492)	205,908	239,400	(102,527)
Other financing sources				
Proceeds from sale of assets	—	—	—	187
Net change in fund balances	<u>\$ (33,492)</u>	<u>205,908</u>	<u>\$ 239,400</u>	<u>(102,340)</u>
<b>Fund balances</b>				
Beginning of year		<u>1,730,422</u>		<u>1,832,762</u>
End of year		<u>\$ 1,936,330</u>		<u>\$ 1,730,422</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, 2016  
 (With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016		Over (Under)	2015
	Budget	Actual	Budget	Actual
<b>Revenue</b>				
Local sources				
Tuition	\$ 4,616,529	\$ 4,579,099	\$ (37,430)	\$ 3,652,478
Investment earnings	–	8,973	8,973	400
Other	712,630	644,251	(68,379)	629,749
State sources	20,255,852	19,900,805	(355,047)	17,783,764
Federal sources	–	–	–	5,000
Total revenue	<u>25,585,011</u>	<u>25,133,128</u>	<u>(451,883)</u>	<u>22,071,391</u>
<b>Expenditures</b>				
Current				
Special education programs				
Salaries	15,262,612	14,518,245	(744,367)	13,075,819
Employee benefits	5,371,368	5,231,164	(140,204)	4,966,320
Purchased services	2,395,814	2,201,135	(194,679)	1,763,028
Supplies and materials	669,607	565,465	(104,142)	570,294
Other expenditures	17,365	10,435	(6,930)	6,247
Capital expenditures	545,369	497,210	(48,159)	226,484
Allocated overhead	1,220,775	1,183,974	(36,801)	1,118,880
Total expenditures	<u>25,482,910</u>	<u>24,207,628</u>	<u>(1,275,282)</u>	<u>21,727,072</u>
Excess of revenue over expenditures	102,101	925,500	823,399	344,319
<b>Other financing sources (uses)</b>				
Proceeds from sale of assets	–	140	140	–
Transfers out	(34,200)	(38,174)	(3,974)	(30,794)
Total other financing sources (uses)	<u>(34,200)</u>	<u>(38,034)</u>	<u>(3,834)</u>	<u>(30,794)</u>
Net change in fund balances	<u>\$ 67,901</u>	<u>887,466</u>	<u>\$ 819,565</u>	<u>313,525</u>
<b>Fund balances</b>				
Beginning of year		<u>3,214,588</u>		<u>2,901,063</u>
End of year		<u>\$ 4,102,054</u>		<u>\$ 3,214,588</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, 2016  
 (With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016		Over (Under) Budget	2015
	Budget	Actual		Actual
Revenue				
Local sources				
Tuition	\$ 417,720	\$ 417,720	\$ -	\$ 468,174
Other	8,421	7,755	(666)	7,116
State sources	8,000	15,648	7,648	32,284
Total revenue	<u>434,141</u>	<u>441,123</u>	<u>6,982</u>	<u>507,574</u>
Expenditures				
Current				
Administrative and support services				
Salaries	916,163	914,218	(1,945)	863,256
Employee benefits	242,850	237,668	(5,182)	250,344
Purchased services	702,535	674,770	(27,765)	732,924
Supplies and materials	31,318	29,699	(1,619)	29,749
Other expenditures	15,085	15,258	173	14,509
Capital expenditures	53,278	50,272	(3,006)	16,303
Allocated overhead	(1,527,088)	(1,480,762)	46,326	(1,399,511)
Total expenditures	<u>434,141</u>	<u>441,123</u>	<u>6,982</u>	<u>507,574</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, 2016  
 (With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016			2015
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other	\$ 5,000	\$ –	\$ (5,000)	\$ 2,240
Expenditures				
Current				
Administrative and support services				
Purchased services	5,000	–	(5,000)	2,240
Net change in fund balances	<u>\$ –</u>	<u>–</u>	<u>\$ –</u>	<u>–</u>
Fund balances				
Beginning of year		671		671
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, 2016  
 (With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016		Over (Under) Budget	2015
	Budget	Actual		Actual
<b>Revenue</b>				
Local sources				
Tuition	\$ 554,908	\$ 554,908	\$ –	\$ 559,401
Investment earnings	27,850	31,711	3,861	28,344
Total revenue	<u>582,758</u>	<u>586,619</u>	<u>3,861</u>	<u>587,745</u>
<b>Expenditures</b>				
Current				
Secondary vocational/DCALS				
Purchased services	14,500	25,950	11,450	19,362
Capital expenditures	–	22,800	22,800	–
Debt service				
Principal	250,000	250,000	–	245,000
Interest and fiscal charges	304,908	304,908	–	314,401
Total expenditures	<u>569,408</u>	<u>603,658</u>	<u>34,250</u>	<u>578,763</u>
Net change in fund balances	<u>\$ 13,350</u>	(17,039)	<u>\$ (30,389)</u>	8,982
<b>Fund balances</b>				
Beginning of year		<u>1,296,163</u>		<u>1,287,181</u>
End of year		<u>\$ 1,279,124</u>		<u>\$ 1,296,163</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, 2016  
 (With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016		Over (Under) Budget	2015
	Budget	Actual		Actual
Revenue				
Local sources				
Other	\$ 49,389	\$ 72,784	\$ 23,395	\$ 62,472
Expenditures				
Current				
Secondary vocational/DCALS				
Purchased services	–	5,642	5,642	35,614
Supplies and materials	49,389	80,954	31,565	38,775
Capital expenditures	–	1,736	1,736	–
Other expenditures	–	354	354	211
Total expenditures	<u>49,389</u>	<u>88,686</u>	<u>39,297</u>	<u>74,600</u>
Excess (deficiency) of revenue over expenditures	–	(15,902)	(15,902)	(12,128)
Other financing sources				
Proceeds from sale of assets	<u>–</u>	<u>980</u>	<u>980</u>	<u>–</u>
Net change in fund balances	<u>\$ –</u>	<u>(14,922)</u>	<u>\$ (14,922)</u>	<u>(12,128)</u>
Fund balances				
Beginning of year		<u>22,471</u>		<u>34,599</u>
End of year		<u>\$ 7,549</u>		<u>\$ 22,471</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – Special Education Resale Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2016  
 (With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016		Over (Under) Budget	2015
	Budget	Actual		Actual
Revenue				
Local sources				
Other	\$ 8,000	\$ 10,977	\$ 2,977	\$ 13,514
Expenditures				
Current				
Special education programs				
Purchased services	–	935	935	–
Supplies and materials	8,500	10,458	1,958	11,829
Total expenditures	8,500	11,393	2,893	11,829
Net change in fund balances	\$ (500)	(416)	\$ 84	1,685
Fund balances				
Beginning of year		12,692		11,007
End of year		\$ 12,276		\$ 12,692

INTERMEDIATE SCHOOL DISTRICT NO. 917

Capital Projects – Building Construction Fund  
Comparative Balance Sheet  
as of June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash and temporary investments	<u>\$ 67,051</u>	<u>\$ 111,272</u>
Fund balances		
Restricted for capital purposes	<u>\$ 67,051</u>	<u>\$ 111,272</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, 2016  
 (With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016		2015	
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	\$ -	\$ 204	\$ 204	\$ 35
Expenditures				
Capital outlay	44,425	44,425	-	-
Net change in fund balances	<u>\$ (44,425)</u>	(44,221)	<u>\$ 204</u>	35
Fund balances				
Beginning of year		111,272		111,237
End of year		<u>\$ 67,051</u>		<u>\$ 111,272</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Food Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash and temporary investments	\$ 355	\$ (1,624)
Receivables		
Due from other governmental units	<u>—</u>	<u>1,624</u>
Total assets	<u>\$ 355</u>	<u>\$ —</u>
Liabilities		
Accounts payable	\$ 190	\$ —
Deferred revenue	<u>165</u>	<u>—</u>
Total liabilities	<u>\$ 355</u>	<u>\$ —</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, 2016  
 (With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016		Over (Under) Budget	2015
	Budget	Actual		Actual
<b>Revenue</b>				
Local sources				
Other – primarily meal sales	\$ 24,720	\$ 22,317	\$ (2,403)	\$ 20,026
State sources	5,200	5,117	(83)	4,979
Federal sources	62,850	62,451	(399)	56,688
Total revenue	<u>92,770</u>	<u>89,885</u>	<u>(2,885)</u>	<u>81,693</u>
<b>Expenditures</b>				
Purchased services	8,229	8,307	78	3,838
Supplies and materials	118,741	119,752	1,011	108,649
Total expenditures	<u>126,970</u>	<u>128,059</u>	<u>1,089</u>	<u>112,487</u>
Excess (deficiency) of revenue over expenditures	(34,200)	(38,174)	(3,974)	(30,794)
<b>Other financing sources</b>				
Transfers in	<u>34,200</u>	<u>38,174</u>	<u>3,974</u>	<u>30,794</u>
Net change in fund balances	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>	<u>—</u>
<b>Fund balances</b>				
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, 2016  
 (With Comparative Totals as of June 30, 2015)

	Dental	Medical	Post-Employment	Totals	
	Self-Insurance	Self-Insurance	Employee Benefits	2016	2015
<b>Assets</b>					
Cash and temporary investments	\$ 328,904	\$ 664,945	\$ 967,751	\$ 1,961,600	\$ 1,147,046
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts and contracts payable	42,232	96,428	—	138,660	52,351
Severance benefits payable	—	—	13,139	13,139	13,139
Total current liabilities	42,232	96,428	13,139	151,799	65,490
<b>Long-term liabilities</b>					
Net other post-employment benefit obligations	—	—	1,214,523	1,214,523	1,000,053
Severance benefits payable	—	—	457,845	457,845	465,971
Total long-term liabilities	—	—	1,672,368	1,672,368	1,466,024
Total liabilities	42,232	96,428	1,685,507	1,824,167	1,531,514
<b>Net position (deficit)</b>					
Unrestricted	\$ 286,672	\$ 568,517	\$ (717,756)	\$ 137,433	\$ (384,468)

INTERMEDIATE SCHOOL DISTRICT NO. 917

Internal Service Funds  
 Combining Statement of Revenue, Expenses, and Changes in Net Position  
 Year Ended June 30, 2016  
 (With Comparative Totals for the Year Ended June 30, 2015)

	Dental Self-Insurance	Medical Self-Insurance	Post-Employment Employee Benefits	Totals	
				2016	2015
Operating revenue					
Charges for services					
Contributions from governmental funds	\$ 381,912	\$ 1,616,822	\$ 147,178	\$ 2,145,912	\$ 530,373
Operating expenses					
Post-employment severance and health benefits	—	—	231,293	231,293	190,241
Medical benefit claims	—	1,048,947	—	1,048,947	—
Dental benefit claims	347,660	—	—	347,660	363,880
Total operating expenses	<u>347,660</u>	<u>1,048,947</u>	<u>231,293</u>	<u>1,627,900</u>	<u>554,121</u>
Operating income (loss)	34,252	567,875	(84,115)	518,012	(23,748)
Nonoperating revenue					
Investment earnings	<u>748</u>	<u>642</u>	<u>2,499</u>	<u>3,889</u>	<u>370</u>
Change in net position	35,000	568,517	(81,616)	521,901	(23,378)
Net position (deficit)					
Beginning of year	<u>251,672</u>	<u>—</u>	<u>(636,140)</u>	<u>(384,468)</u>	<u>(361,090)</u>
End of year	<u>\$ 286,672</u>	<u>\$ 568,517</u>	<u>\$ (717,756)</u>	<u>\$ 137,433</u>	<u>\$ (384,468)</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Internal Service Funds  
 Combining Statement of Cash Flows  
 Year Ended June 30, 2016  
 (With Comparative Totals for the Year Ended June 30, 2015)

	Dental	Medical	Post-Employment	Totals	
	Self-Insurance	Self-Insurance	Employee Benefits	2016	2015
Cash flows from operating activities					
Contributions from governmental funds	\$ 381,912	\$ 1,616,822	\$ 147,178	\$ 2,145,912	\$ 530,373
Post-employment severance and health benefit payments	–	–	(30,449)	(30,449)	(11,004)
Payments for medical claims	–	(952,519)	–	(952,519)	–
Payments for dental claims	(352,279)	–	–	(352,279)	(352,774)
Net cash flows from operating activities	29,633	664,303	116,729	810,665	166,595
Cash flows from investing activities					
Investment income received	748	642	2,499	3,889	370
Net change in cash and cash equivalents	30,381	664,945	119,228	814,554	166,965
Cash and temporary investments					
Beginning of year	298,523	–	848,523	1,147,046	980,081
End of year	\$ 328,904	\$ 664,945	\$ 967,751	\$ 1,961,600	\$ 1,147,046
Reconciliation of operating income (loss) to net cash flows from operating activities					
Operating income (loss)	\$ 34,252	\$ 567,875	\$ (84,115)	\$ 518,012	\$ (23,748)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities					
Changes in assets and liabilities					
Post-employment severance benefits payable	–	–	(8,126)	(8,126)	5,243
Net other post-employment benefit obligation	–	–	214,470	214,470	168,020
Prepaid items	–	–	–	–	474
Accounts payable	(4,619)	96,428	(5,500)	86,309	16,606
Net cash flows from operating activities	\$ 29,633	\$ 664,303	\$ 116,729	\$ 810,665	\$ 166,595

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	
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%
2016	8,833,306 30%	20,260,126 68%	554,908 2%	139,795 —	29,788,135 100%

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
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%
2016	1,886,795 7%	2,993,348 11%	22,764,371 81%	131,729 —	307,246 1%	28,083,489 100%

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	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
	2016	3,110,396	3,872	1,638	175,196	161,193	3,452,295
Special education	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
	2016	4,579,099	8,973	644,251	19,900,805	—	25,133,128
Services allocation	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
	2016	417,720	—	7,755	15,648	—	441,123
District support services	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
	2016	—	—	—	—	—	—

(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	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
	2016	554,908	31,711	—	—	—	586,619
Secondary resale	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
	2016	—	—	72,784	—	—	72,784
Special education resale	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
	2016	—	—	10,977	—	—	10,977

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	2007	\$ 1,871,490	\$ 545,270	\$ 564,066	\$ 112,876	\$ 203,055	\$ 3,296,757
	2008	2,009,066	607,325	727,957	149,561	201,426	3,695,335
	2009	2,063,886	655,558	552,483	115,595	197,555	3,585,077
	2010	2,268,974	679,673	533,333	105,992	219,410	3,807,382
	2011	2,253,662	680,947	563,196	164,868	209,572	3,872,245
	2012	2,365,115	732,814	515,206	133,740	220,927	3,967,802
	2013	2,449,860	795,235	535,087	120,327	234,507	4,135,016
	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
	2016	1,766,552	613,991	466,365	102,689	296,790	3,246,387
Special education	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
	2016	14,518,245	5,231,164	2,201,135	1,073,110	1,183,974	24,207,628
Services allocation	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
	2016	914,218	237,668	674,770	95,229	(1,480,762)	441,123
District support services	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
	2016	—	—	—	—	—	—

(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	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
	2016	—	—	25,950	577,708	—	603,658
Secondary resale	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
	2016	—	—	5,642	83,044	—	88,686
Special education resale	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
	2016	—	—	935	10,458	—	11,393

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

OTHER REQUIRED REPORTS

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Intermediate School District No. 917 (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 29, 2016.

**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.

Minneapolis, Minnesota  
November 29, 2016

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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 29, 2016.

**MINNESOTA LEGAL COMPLIANCE**

The *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by 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 considered 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 School Districts*. 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.

Minneapolis, Minnesota  
November 29, 2016

INTERMEDIATE SCHOOL DISTRICT NO. 917

Uniform Financial Accounting and Reporting Standards  
Compliance Table  
June 30, 2016

	Audit	UFARS	Audit - UFARS
<b>General Fund</b>			
Total revenue	\$ 29,696,926	\$ 29,696,926	\$ -
Total expenditures	\$ 28,598,875	\$ 28,598,874	\$ 1
Nonspendable			
460 Nonspendable fund balance	\$ 48,404	\$ 48,404	\$ -
Restricted			
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	\$ 98,510	\$ 98,509	\$ 1
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	\$ 1,279,124	\$ 1,279,123	\$ 1
Committed			
418 Committed for separation	\$ -	\$ -	\$ -
461 Committed fund balance	\$ -	\$ -	\$ -
Assigned			
462 Assigned fund balance	\$ 181,445	\$ 181,445	\$ -
Unassigned			
422 Unassigned fund balance	\$ 5,730,521	\$ 5,730,522	\$ (1)
<b>Food Service</b>			
Total revenue	\$ 89,885	\$ 89,884	\$ 1
Total expenditures	\$ 128,059	\$ 128,058	\$ 1
Nonspendable			
460 Nonspendable fund balance	\$ -	\$ -	\$ -
Restricted			
452 OPEB liability not in trust	\$ -	\$ -	\$ -
464 Restricted fund balance	\$ -	\$ -	\$ -
Unassigned			
463 Unassigned fund balance	\$ -	\$ -	\$ -
<b>Community Service</b>			
Total revenue	\$ -	\$ -	\$ -
Total expenditures	\$ -	\$ -	\$ -
Nonspendable			
460 Nonspendable fund balance	\$ -	\$ -	\$ -
Restricted			
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, 2016

	Audit	UFARS	Audit - UFARS
<b>Building Construction</b>			
Total revenue	\$ 204	\$ 204	\$ -
Total expenditures	\$ 44,425	\$ 44,425	\$ -
Nonspendable			
460 Nonspendable fund balance	\$ -	\$ -	\$ -
Restricted			
407 Capital projects levy	\$ -	\$ -	\$ -
409 Alternative facility program	\$ -	\$ -	\$ -
413 Project funded by COP	\$ -	\$ -	\$ -
Restricted			
464 Restricted fund balance	\$ 67,051	\$ 67,051	\$ -
Unassigned			
463 Unassigned fund balance	\$ -	\$ -	\$ -
<b>Debt Service</b>			
Total revenue	\$ -	\$ -	\$ -
Total expenditures	\$ -	\$ -	\$ -
Nonspendable			
460 Nonspendable fund balance	\$ -	\$ -	\$ -
Restricted			
425 Bond refundings	\$ -	\$ -	\$ -
451 QZAB payments	\$ -	\$ -	\$ -
Restricted			
464 Restricted fund balance	\$ -	\$ -	\$ -
Unassigned			
463 Unassigned fund balance	\$ -	\$ -	\$ -
<b>Trust</b>			
Total revenue	\$ 5	\$ 5	\$ -
Total expenditures	\$ 178	\$ 179	\$ (1)
422 Net position	\$ 1,966	\$ 1,966	\$ -
<b>Internal Service</b>			
Total revenue	\$ 2,149,801	\$ 2,149,802	\$ (1)
Total expenditures	\$ 1,627,900	\$ 1,627,901	\$ (1)
422 Net position	\$ 137,433	\$ 137,434	\$ (1)
<b>OPEB Revocable Trust Fund</b>			
Total revenue	\$ -	\$ -	\$ -
Total expenditures	\$ -	\$ -	\$ -
422 Net position	\$ -	\$ -	\$ -
<b>OPEB Irrevocable Trust Fund</b>			
Total revenue	\$ -	\$ -	\$ -
Total expenditures	\$ -	\$ -	\$ -
422 Net position	\$ -	\$ -	\$ -
<b>OPEB Debt Service Fund</b>			
Total revenue	\$ -	\$ -	\$ -
Total expenditures	\$ -	\$ -	\$ -
Nonspendable			
460 Nonspendable fund balance	\$ -	\$ -	\$ -
Restricted			
425 Bond refundings	\$ -	\$ -	\$ -
464 Restricted fund balance	\$ -	\$ -	\$ -
Unassigned			
463 Unassigned fund balance	\$ -	\$ -	\$ -

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

INTERMEDIATE SCHOOL DISTRICT NO. 917  
ROSEMOUNT, MINNESOTA

Extracurricular Student Activity  
Accounts Financial Statements

Year Ended  
June 30, 2016

Preliminary Draft

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying statement of cash receipts and disbursements of the extracurricular student activity accounts of Intermediate School District No. 917 (the District) as of and for the year ended June 30, 2016, and the related notes to the extracurricular student activity accounts financial statement.

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

The District's extracurricular student activities management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1 of 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 statement that is free from material misstatement, whether due to fraud or error.

### **AUDITOR'S RESPONSIBILITY**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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, 2016, 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 statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Minneapolis, Minnesota  
November 29, 2016

INTERMEDIATE SCHOOL DISTRICT NO. 917

Extracurricular Student Activity Accounts  
 Statement of Cash Receipts and Disbursements  
 Year Ended June 30, 2016

	Beginning Balance – <u>July 1, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Balance – <u>June 30, 2016</u>
Student activity accounts				
Alliance Education Center	\$ 110	\$ 945	\$ 265	\$ 790
DCALS	172	639	711	100
DCALS North	205	–	–	205
Deaf & Hard of Hearing	1,176	773	1,496	453
Secondary Youth	793	–	426	367
Skills USA	98	852	950	–
Vehicle Services	3	545	440	108
Construction Trades	–	50	–	50
Cedar	–	2,500	1,632	868
	<u>–</u>	<u>2,500</u>	<u>1,632</u>	<u>868</u>
Total	<u>\$ 2,557</u>	<u>\$ 6,304</u>	<u>\$ 5,920</u>	<u>\$ 2,941</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, 2016

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

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

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

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

**NOTE 2 – CASH AND INVESTMENTS**

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

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

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

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

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

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

OTHER REQUIRED REPORTS

INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING

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

In planning and performing our audit of the statement of cash receipts and disbursements of the extracurricular student activity accounts of Intermediate School District No. 917 (the District) as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified 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 statement 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 2016-001 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.

Minneapolis, Minnesota  
November 29, 2016

## 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, 2016, and the related notes to the extracurricular student activity accounts financial statement, and have issued our report thereon dated November 29, 2016. Our report was qualified for a restriction on the scope of our audit resulting from the accounting system relating to cash receipts, which allows us only to audit cash collections that are recorded. Further, the financial statement is prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The provisions of the *Manual for Activity Fund Accounting*, issued by the Minnesota Department of Education, 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.

Minneapolis, Minnesota  
November 29, 2016

INTERMEDIATE SCHOOL DISTRICT NO. 917

Extracurricular Student Activity Accounts  
Schedule of Findings and Corrective Action  
For the Year Ended June 30, 2016

**FINDINGS AND CORRECTIVE ACTION**

**EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS**

**2016-001 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 statement 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.

Management Report

for

Intermediate School District No. 917  
Rosemount, Minnesota  
June 30, 2016

Preliminary Draft

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

We have prepared this management report in conjunction with our audit of Intermediate School District No. 917's (the District) financial statements for the year ended June 30, 2016. The purpose of this report is to communicate information relevant to the financing of public education in Minnesota and to provide comments resulting from our audit process. We have organized this report into the following sections:

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

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

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

Minneapolis, Minnesota  
November 29, 2016

## 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, 2016, 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, 2016:

- 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, 2016 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 control 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.

We also issued a report on compliance with the Minnesota's Department of Education's (MDE) *Manual for Activity Fund Accounting*, 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. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2016.

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 Governmental Accounting Standards Board (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 November 29, 2016.

## **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 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 and other information sections which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

## 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 2017 fiscal year. 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.

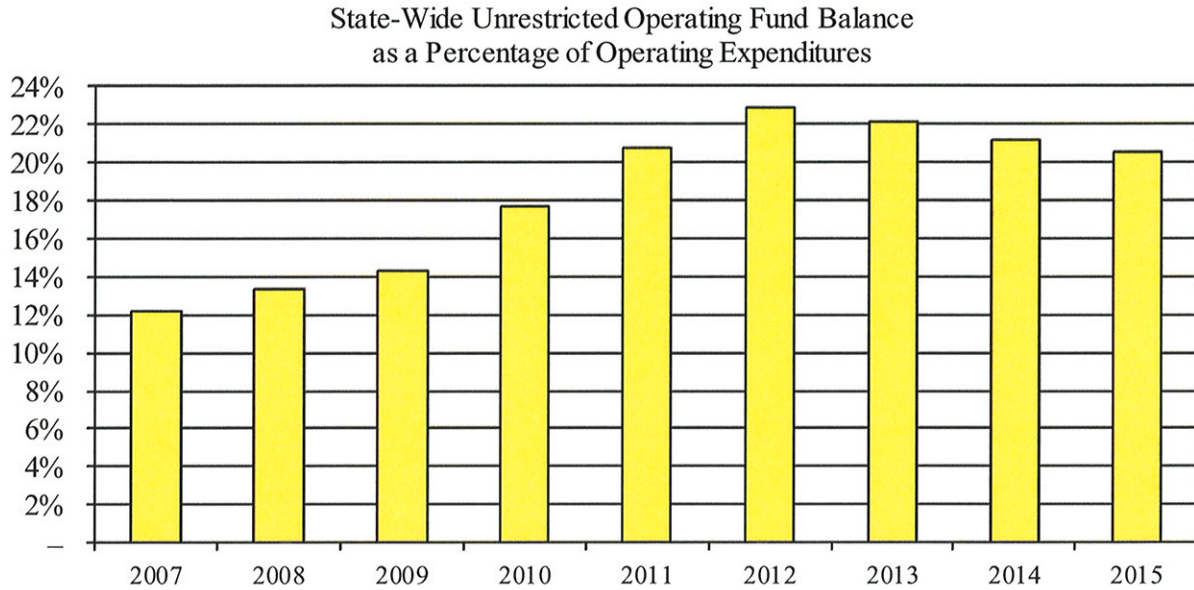
Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
2007	\$ 4,974	4.0 %
2008	\$ 5,074	2.0 %
2009	\$ 5,124	1.0 %
2010	\$ 5,124	– %
2011	\$ 5,124	– %
2012	\$ 5,174	1.0 %
2013	\$ 5,224	1.0 %
2014	\$ 5,302	1.5 %
2015	\$ 5,831	2.0 % *
2016	\$ 5,948	2.0 %
2017	\$ 6,067	2.0 %

\* The \$529 increase in 2015 was 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.



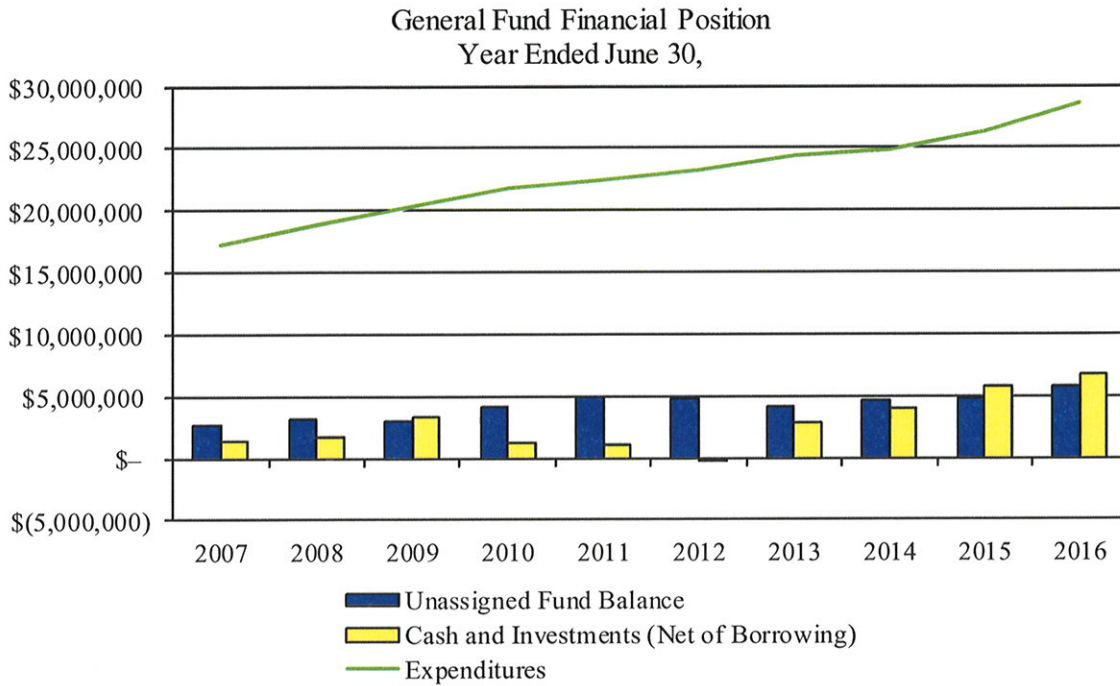
Note: State-wide information is not available for fiscal 2016.

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.

## 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 2016 with a General Fund cash and investments balance of \$6,709,235 (net of borrowing and interfund receivables and payables), an increase of \$1,001,774 from the previous year. This change was primarily due to the improved operating results for the year. Unassigned fund balance at year-end was \$5,730,521, an increase of \$923,214.

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

	Year Ended June 30,				
	2012	2013	2014	2015	2016
Nonspendable fund balances	\$ 106,799	\$ 80,710	\$ 9,922	\$ 79,012	\$ 48,404
Restricted fund balances	1,458,010	1,430,576	1,414,463	1,390,688	1,377,634
Assigned fund balances	–	110,661	–	–	181,445
Unassigned	4,785,805	4,082,678	4,642,898	4,807,307	5,730,521
<b>Total fund balances</b>	<b>\$6,350,614</b>	<b>\$5,704,625</b>	<b>\$6,067,283</b>	<b>\$6,277,007</b>	<b>\$7,338,004</b>
Unassigned fund balances as a percentage of expenditures	<u>20.6%</u>	<u>16.8%</u>	<u>18.6%</u>	<u>18.3%</u>	<u>20.0%</u>
Cash and temporary investments (net of borrowing)	<u>\$ (150,730)</u>	<u>\$2,886,578</u>	<u>\$3,923,173</u>	<u>\$5,707,461</u>	<u>\$6,709,235</u>

The table on the previous page reflects the total General Fund unassigned fund balance and percentages, which differ 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.

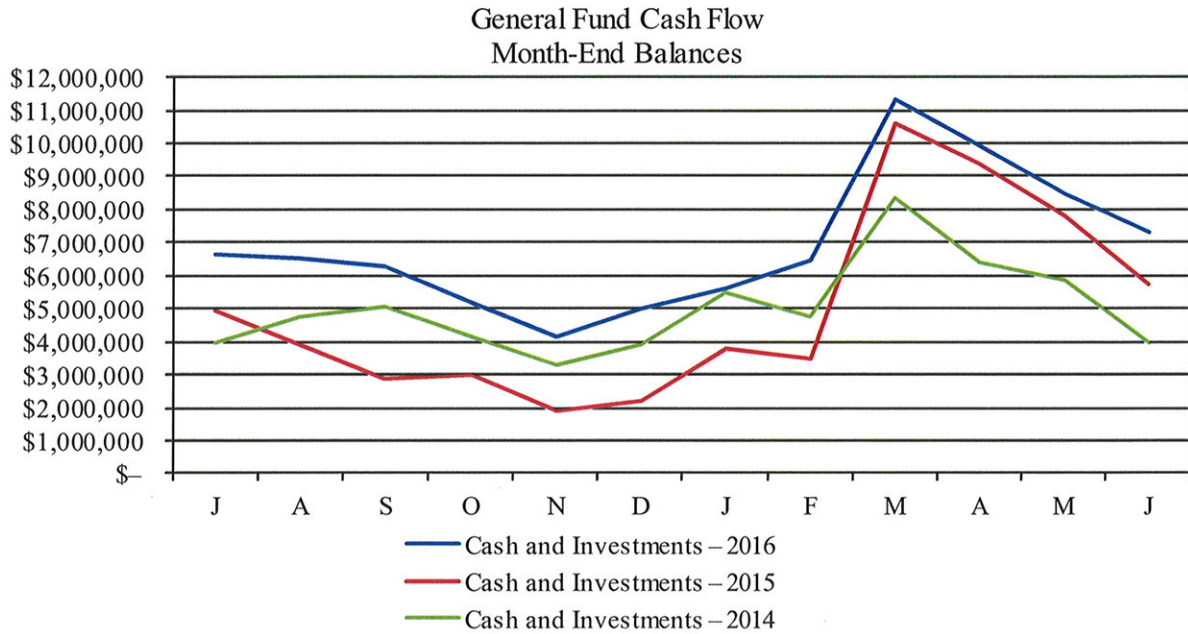
Fund balance as a percentage of expenditures is one key measure in assessing the financial health of the District. Maintaining an adequate fund balance is particularly important because of the limited availability of borrowing for the District and the need for the General Fund to be self-sustaining in 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 15.0 percent of the annual budget. At June 30, 2016, the District has exceeded that policy with an unassigned fund balance as a percentage of 2016 expenditures of 20.0 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 \$7.1 million for fiscal 2016.

**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,				
	2012	2013	2014	2015	2016
Revenue and other financing sources	\$4,225,045	\$3,823,175	\$3,391,004	\$3,279,549	\$3,452,295
Expenditures	<u>3,967,802</u>	<u>4,135,016</u>	<u>3,471,081</u>	<u>3,381,889</u>	<u>3,246,387</u>
Net change in fund balances	257,243	(311,841)	(80,077)	(102,340)	205,908
Fund balances					
Beginning 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>
End of year	<u>\$2,224,680</u>	<u>\$1,912,839</u>	<u>\$1,832,762</u>	<u>\$1,730,422</u>	<u>\$1,936,330</u>

This account experienced a net increase in fund balance of \$205,908 during fiscal 2016. This compares to a budgeted decrease of \$33,492. Revenues were over budget by \$115,372, mainly in state aid revenues, while expenditures ended the year lower than budget by \$124,028, mainly in purchased services.

Total revenue and other financing sources in the Secondary Education Account of the General Fund totaled \$3,452,295 for fiscal 2016, an increase of \$172,746 from the previous year, due to an increase in tuition and state aid revenue.

**Special Education Account**

	Year Ended June 30,				
	2012	2013	2014	2015	2016
Revenue and other financing sources	\$17,867,527	\$18,615,960	\$20,660,172	\$22,071,391	\$25,133,268
Expenditures and other financing uses	<u>18,152,937</u>	<u>18,895,373</u>	<u>20,084,109</u>	<u>21,757,866</u>	<u>24,245,802</u>
Net change in fund balances	(285,410)	(279,413)	576,063	313,525	887,466
Fund balances					
Beginning 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>
End of year	<u>\$ 2,604,413</u>	<u>\$ 2,325,000</u>	<u>\$ 2,901,063</u>	<u>\$ 3,214,588</u>	<u>\$ 4,102,054</u>

This account experienced a net increase in fund balance of \$887,466 during fiscal 2016, which compares to a budgeted increase in fund balance of \$67,901 for the year.

Special Education Account revenues and other financing sources increased \$3,061,877 in fiscal 2016. The District experienced an increase in enrollment in special education programs; in combination with an increase in state revenue sources through the tuition billing process.

**OTHER FUNDS OF THE DISTRICT**

**Internal Service Funds**

The internal service funds are considered proprietary funds and are used to account for health and 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,				
	2012	2013	2014	2015	2016
Revenue	\$ 553,360	\$ 525,386	\$ 552,460	\$ 530,743	\$2,149,801
Expenses	449,948	519,904	411,914	554,121	1,627,900
Change in net position	103,412	5,482	140,546	(23,378)	521,901
Net position					
Beginning of year	<u>(610,530)</u>	<u>(507,118)</u>	<u>(501,636)</u>	<u>(361,090)</u>	<u>(384,468)</u>
End of year	<u>\$ (507,118)</u>	<u>\$ (501,636)</u>	<u>\$ (361,090)</u>	<u>\$ (384,468)</u>	<u>\$ 137,433</u>

These funds experienced an increase in net position of \$521,901 during fiscal 2016. This occurred mostly as a result of the District adding an Internal Service Fund for self-insured health. Revenue was more than fiscal 2015 by \$1,619,058, mostly for the Medical Self-Insurance Internal Service Fund, which was in its first year of operations.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

	As of June 30,		Increase (Decrease)
	2015	2016	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 6,388,279	\$ 7,405,055	\$ 1,016,776
Total capital assets, net of depreciation	6,998,185	6,944,495	(53,690)
Total long-term debt	(7,356,552)	(7,129,678)	226,874
Net pension-related liabilities	(15,739,911)	(15,744,788)	(4,877)
Internal Service Fund balance	(384,468)	137,433	521,901
Other items	(4,320)	(6,658)	(2,338)
Total net position – governmental activities	<u>\$ (10,098,787)</u>	<u>\$ (8,394,141)</u>	<u>\$ 1,704,646</u>
Net position			
Net investment in capital assets	\$ 516,185	\$ 712,743	\$ 196,558
Restricted	909,640	849,779	(59,861)
Unrestricted	<u>(11,524,612)</u>	<u>(9,956,663)</u>	<u>1,567,949</u>
Total net position	<u>\$ (10,098,787)</u>	<u>\$ (8,394,141)</u>	<u>\$ 1,704,646</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 increased by \$1,704,646 in fiscal 2016. The District's unrestricted net position increased by \$1,567,949, mainly due to improved operating results in the General Fund and internal service funds.

## LEGISLATIVE SUMMARY

The 2016 legislative session was relatively short and focused on contentious issues such as taxes, bonding and transportation. Education advocates were interested in support for early learning, increasing student support services and teacher diversity and retention. In the end, very few new chapters of law were enacted. The supplemental budget bill provided an increase of \$25 million plus a reallocation of \$53.3 million in savings from a maximum effort loan early repayment program in new money to support education.

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

2016 Session – Brief summary of significant funding changes:

**Early Repayment of Maximum Effort Loans** – Allows a district with an outstanding capital loan balance that received a loan before January 1, 2007 to close the loan by repaying the full outstanding original principal on the loan by November 30, 2016 without paying the interest on the loan.

**Voluntary Pre-Kindergarten** – Aid available through a formula driven model to a state-wide cap of \$25 million to provide comprehensive programming to children who are four years old on September 1 of the school year in which they enroll. Funding prioritized on the basis of the concentration of prior year kindergarten students eligible for free and reduced-price lunch and the proximity of three and four star Parent Aware programs to the district or charter school. The application deadline for fiscal year (FY) 2017 by July 1, 2016 with the Minnesota Department of Education (MDE) to approve by August 1, 2016.

**Equity Revenue** – For FY 2017–2019 makes non-metropolitan area school districts eligible for a 16 percent increase in the sliding scale portion of equity revenue. Districts within the seven-county metropolitan area will continue to receive the 25 percent increase over the initial calculation of this revenue source.

**Support Our Students Grant Program** – \$12.133 million grant program to hire new support staff (counselors, school psychologists, social workers, school nurses, and chemical dependency counselors). Grant program eligibility includes school districts, charter schools, intermediates, and cooperatives.

**Intermediates and Cooperatives/Staff Development Grants** – \$4.5 million grant program to intermediates and cooperatives that provide instruction in federal settings four or higher. Revenue to be used for activities related to enhancing services to students who may have challenging behaviors or mental health issues or who are suffering from trauma.

2015 Session – Brief summary of significant funding changes:

**Basic General Education Revenue** – 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 received 25 percent of the state average per adjusted pupil unit (APU) (about \$19 per APU) beginning in FY 2016.
- Funding eligibility for English learner revenue was extended from six to seven years in FY 2017.
- School districts not in a compensatory pilot project were 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 to \$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 masters degrees; and for teachers identified as effective or highly effective to work in hard-to-fill positions or hard-to-staff schools.

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

For FY 2016, state regular special education aid was 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 was paid directly to cooperatives and intermediate districts, rather than flowing through the resident districts. Tuition bills were reduced by the aid paid directly to these entities.

The formula for special education excess cost aid for FY 2016 was the greater of: 56.0 percent of the difference between the district's unreimbursed nonfederal special education costs and 7.0 percent of the district's general education revenue; or 62.0 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 state aid as they would have received under the existing law.

**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.

## ACCOUNTING AND AUDITING UPDATES

### ***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 (RSI) 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 RSI 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 RSI 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.

**GASB STATEMENT NO. 78, *PENSIONS PROVIDED THROUGH CERTAIN MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLANS***

The objective of this statement is to address a practice issue regarding the scope and applicability of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. Prior to the issuance of this statement, the requirements of GASB Statement No. 68 applied to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in paragraph 4 of GASB Statement No. 68.

This statement amends the scope and applicability of GASB Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing, multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and RSI for pensions that have the characteristics described above. The requirements of this statement are effective for reporting periods beginning after December 15, 2015. Early application is encouraged.

#### **GASB STATEMENT NO. 79, *CERTAIN EXTERNAL INVESTMENT POOLS AND POOL PARTICIPANTS***

This statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. If an external investment pool meets the criteria in this statement and measures all of its investments at amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in this statement, the pool's participants should measure their investments in that pool at fair value.

This statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. The requirements of this statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

#### **GASB STATEMENT NO. 80, *BLENDING REQUIREMENTS FOR CERTAIN COMPONENT UNITS—AN AMENDMENT OF GASB STATEMENT NO. 14***

The objective of this statement is to clarify the financial statement presentation requirements for certain component units. This statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units—an amendment of GASB Statement No. 14*. The requirements of this statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.

**GASB STATEMENT NO. 82, *PENSION ISSUES—AN AMENDMENT OF GASB STATEMENTS NO. 67, NO. 68, AND NO. 73***

The objective of this statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this statement addresses issues regarding (1) the presentation of payroll-related measures in RSI, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The requirements of this statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.

The requirements of this statement will improve financial reporting by enhancing consistency in the application of financial reporting requirements to certain pension issues.

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

District Name: Intermediate School District 917

District Number: 0917

FUND	FY 2016 BEGINNING FUND BALANCES	FY 2016 ACTUAL REVENUES AND TRANSFERS IN	FY 2016 ACTUAL EXPENDITURES AND TRANSFERS OUT	JUNE 30, 2016 ACTUAL FUND BALANCES	FY 2017 BUDGET REVENUES AND TRANSFERS IN	FY 2017 BUDGET EXPENDITURES AND TRANSFERS OUT	JUNE 30, 2017 PROJECTED FUND BALANCES
General Fund/Restricted	\$ 1,390,688	\$ 1,799,557	\$ 1,812,612	\$ 1,377,633	\$ 1,834,995	\$ 2,042,418	\$ 1,170,210
General Fund/Other	\$ 4,886,318	\$ 27,898,489	\$ 26,824,437	\$ 5,960,371	\$ 29,852,149	\$ 29,826,171	\$ 5,986,349
Food Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Community Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building Construction Fund	\$ 111,272	\$ 204	\$ 44,425	\$ 67,051	\$ -	\$ 66,847	\$ 204
Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Trust Fund	\$ 2,140	\$ 5	\$ 179	\$ 1,966	\$ 544	\$ 2,003	\$ 507
Internal Service Fund	\$ (384,468)			\$ 137,434			\$ 92,591
* OPEB Revocable Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OPEB Irrevocable Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OPEB Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL - ALL FUNDS</b>	\$ 6,005,950	\$ 29,698,255	\$ 28,681,652	\$ 7,544,454	\$ 31,687,688	\$ 31,937,439	\$ 7,249,860
<b>LONG-TERM DEBT</b>	\$ -				<b>CURRENT STATUTORY OPERATING DEBT PER MINNESOTA STATUTES, SECTION 123B.81</b>		
Outstanding July 1, 2015	\$ -				AMOUNT OF GENERAL FUND DEFICIT, IF ANY, IN EXCESS OF 2.5% OF EXPENDITURES 06/30/2016		\$ -
Plus: New Issues	\$ -				<b>COST PER STUDENT - AVERAGE DAILY MEMBERSHIP (ADM) 06/30/2016</b>		
Less: Redeemed Issues	\$ -				TOTAL OPERATING EXPENDITURES		\$ -
Outstanding June 30, 2016	\$ -				FY 2016 TOTAL ADM SERVED + TUITIONED OUT ADM + ADJUSTED EXTENDED ADM		863.88
<b>SHORT-TERM DEBT</b>					FY 2016 OPERATING COST PER ADM		

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

**Comments:**

FY16 audited data final submission due November 30, 2016 to MN. Department of Education. Due to the special nature of our student population operating cost per ADM is not relevant for reporting purposes. FY17 data is the adopted budget approved by the board on June 7, 2016

\* Other Post-Employment Benefits (OPEB)