

**INTERMEDIATE SCHOOL DISTRICT 917  
IN DAKOTA COUNTY**

**REGULAR SCHOOL BOARD MEETING**

**Tuesday, December 5, 2017**

**AGENDA:**

- I. **Call to Order - Chair Lewis**
- II. **Conduct Pledge of Allegiance - Chair Lewis**
- III. **Visitors opportunity to be heard - Chair Lewis**
- IV. **Additions to the agenda - Chair Lewis**
- V. **Good News Report - Directors** 2
- VI. **Consent Items - Chair Lewis**
  - A. Minutes, November 7, 2017, Regular School Board Meeting 15
  - B. Personnel Considerations 17
- VII. **Donations** 27
- VIII. **Business Manager's Report - Nicolle Roush**
  - A. Review and Approve Payment of Bills 28
  - B. Review and Approve Wire Transfers 33
  - C. Review and Approve Investment Report 45
- IX. **Reports**
  - A. Intermediate School District 917 Employee and Teacher of the Fall Quarter - Brooke Peterson and Terri Gulbransen
  - B. Auditor's Report - Jim Eichten 46
- X. **Policies**
  - A. Review and revise 300 Policies, first reading - John Christiansen 176
- XI. **Board Updates**
- XII. **New Business**
  - A. Closed session as permitted by Minnesota Statutes 13D.03 to discuss ISD 917 labor negotiation strategy - John Christiansen
- XIII. **Adjournment**

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

December 15, 2017 - 12:30, TESA Holiday Tea, DCTC Dakota Room

December 25-26, 2017 - Closed for Holiday Break

January 1, 2018 - Closed for New Year's Day

January 2, 2018 - 5:00 PM, School Board Meeting, 917 Board Room

January 16, 2018 - 4:30 PM, School Board Work Session

Good News Report  
December, 2017  
Secondary Programs

-In October, the Food Industry Careers students sold, baked and delivered over 100 dozen cookies and 50 trays of brownies.

This continued project provides work readiness skills of getting to work on time, knowing the job tasks and how to keep on task until the job is completed, demonstration of money skills, honesty and integrity, the ability to sell a product as well as food service skills such as recipe reading, follow directions, measurements, and working on mass quantities of food.

The October sale is one of 2 bake sales completed by the Food Industry Careers program. The 2<sup>nd</sup> bake sale is just beginning as they prepare to bake cookies for the holidays. This year they will be baking 8 varieties of cookies just in time for Holiday parties and cookie exchanges.

The cookies will be delivered December 13-20.

-Fundamental Chef Training students prepared, baked, packaged, and delivered 475 Thanksgiving pies this year. There will be Sweet Potato Crunch, Pecan, and Caramel Apple pies available through the end of the year. Please contact Chef Patty at 651-423-8441.

-On Friday, November 17<sup>th</sup> students and staff from the DCALS main campus went to Feed My Starving Children in Eagan to make meals. There were 14 students who attended. On Tuesday, November 21<sup>st</sup> students and staff from the DCALS North campus also attended Feed My Starving Children in Eagan to make meals. These trips have been part of our work on creating community outreach opportunities for our students.

-On Thursday, November 16<sup>th</sup> students were able to visit and tour Force America Corporation in Burnsville <http://www.forceamerica.com/>. FORCE America is one of the leading suppliers of motion and control systems in North America. John Stenz-Chairman and CEO along with Chris Krivanek-HR led the tour for our students. Force America provides almost all the fluid power components for the snow plows in Dakota and Hennepin counties. They are a growing industry who employs many two-year school graduates, four-year graduates, and some with a HS diploma.



-Patti Mattos-Enrollment Coordinator and Deyshawn Henry-DCALS student, were part of the Eastview High School student created news broadcast “The Flash” on November 2<sup>nd</sup>. The segment was designed to provide students at Eastview insight into what DCALS has to offer and give a positive view of what we do each day.

<https://youtu.be/XsJOJ6266Wc>

-On Friday, November 17<sup>th</sup> the Dakota County Perkins Consortium hosted a workshop for its members and local business partners with a focus on “Education and Employer Engagement”. The workshop was conducted by TCI Solutions Director Joshua Olatunde and CEO Deon Clark. Over 50 participants took part in this workshop designed to help schools and industry develop meaningful partnerships and opportunities for career readiness skills. TCI Solutions partners: Xcel Energy, Great River Energy, Metropolitan Airport Commission, and MN DEED provide a panel discussion. Other business representatives came from Renewal by Andersen, Lyman Companies, MN/ND Bricklayers & Allied Craftworkers Training, SEEK Careers, MN Dept. of Labor and Industry, North Central States Regional Council of Carpenters, and the Lakeville Chamber of Commerce. ISD 917 Fundamental Chef students, led by Chef Patty LaBeau and Tech Tutor Darla Donnelly, provided the meal.







## Dakota County Perkins Consortium Career & Technical Education Programs

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ISD 917

BLUESKY ONLINE

FARMINGTON

HASTINGS

HENRY SIBLEY

NORTHFIELD

RANDOLPH

SMLEY

SOUTH ST. PAUL

### The Dakota County Perkins Consortium Invites you to attend a Workshop presented by TCI Solutions.

The goal of this workshop is to identify key issues that exist between academic institutions and employers in need of their future workforce. Together, we'll explore the connections each entity has to one another and begin providing solutions to workforce development issues that plagued many industries.

This workshop is broken into three phases: Understanding Issues That Exists within Our Four Entities; Understanding the Links Between these Entities (strategies to rectify these issues); and Making the Case to Your Employer for Increased Student Engagement.

This workshop spans 4-5 hours and is completely interactive, allowing participants to directly engage with employer(s) in their region.

**When:** Friday, November 17, 2017

**Where:** Dakota County Technical College-Dakota Room A/B

**Time:** 7:45 a.m.-3:00 p.m.

**Who:** TCI Solutions with Deon Clark and Joshua Olatunde

**Why:** To learn valuable skills on connecting Education and Employers for future workforce needs.

**Cost:** \$0 for Dakota County Perkins Consortium Member Districts  
\$5 for non-members made out to ISD 917 Fundamental Chef Program



**Deon Clark**  
Chief Executive Officer



**Joshua Olatunde**  
Director

#### **Agenda:**

7:45-8:00: Check-in and continental Breakfast Provided by ISD 917 Fundamental Chef Program

8:00-11:15: TCI Solutions Presentation

11:15-12:15: Working lunch provided by ISD 917 Fundamental Chef Program

12:15-2:30: TCI Solutions and Local Industry Partners Presentation

2:30-3:00: Follow-up time with colleagues and next steps

*"At TCI Solutions, we understand the direct link between a business's success and its ability to engage the communities for which it serves. Simply stated, it's about the Value of People in the Language of Business."*

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Please **RSVP** to Eric Van Brocklin at [eric.vanbrocklin@isd917.k12.mn.us](mailto:eric.vanbrocklin@isd917.k12.mn.us) by **Friday, November 10, 2017** • Teacher CEU's will be available for those who attend.

-Here is a copy of an article from the Faribault Daily News about the Food Industry Careers and Fundamental Chef Training students' Thanksgiving meal.

**IDAR**

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**LIVES & TIMES**

**Local businesses support Rosemount culinary class**

The Fundamental Chef Training and Food Industry Careers classes at Intermediate School District 917 in Rosemount hosted its annual Thanksgiving meal Nov. 16.

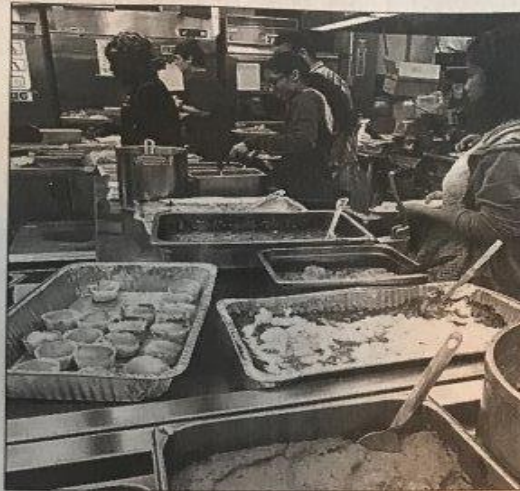
The meal consisted of roast turkey, which was donated by the Jennie-O Turkey Store in Faribault. These high school students, who come from all over Dakota County, prepared traditional fixings, including mashed potatoes, homemade gravy, scalloped corn, stuffing, sweet potato casserole, green bean casserole, and cranberries. Each student shared a recipe which is traditionally a part of their family's feast. They include: chili rellenos, Somali sambusa, lefse, cornbread stuffing, collard greens, honey-roasted squash, apple crisp cheese-cake bars, arroz con leche, and a variety of desserts.

Winjum's Shady Acres Restaurant & Resort also donated a variety of supplies used to prepare the meal.

This meal is one of the highlights of the school year for these students, said Patty LaBeau, fundamental chef instructor. "It is a gathering of culinary students from a variety of backgrounds and a chance for them to share about their personal traditions and celebrations. The Thanksgiving table is beautifully decorated when the students arrive. The group shares what they are thankful for, the students go through the buffet, and we gather at our table. It is amazing to witness the camaraderie as the students learn more about their classmates."

**Faribault Dance Team to offer community performance**

Faribault Dance Team has a community performance at 7 p.m. Monday, Dec. 4 at Faribault High School.



The turkey and many of the supplies for the annual ISD 917 Thanksgiving meal came from Jennie-O Turkey Store and Winjum's Shady Acres in Faribault.



Patty LaBeau, fundamental chef instructor, helped lead the preparation of ISD 917's annual Thanksgiving meal. (Photos courtesy of Pam Sartor)

Admission is \$6 for adults, \$4 for students and seniors, and \$1 off admission with an item for the St. Vincent de Paul Food Shelf.

**Here's where and when Truth-In-Taxation hearings are being held**

Minnesota counties, cities and school districts have scheduled Truth In Taxation hearings over the next few weeks where residents may offer comment and opinions on

the entity's proposed 2018 levy and budget.

- Meetings are set as follow:
- Rice County — 7 p.m. Thursday Dec. 7, Rice County Government Services Building, 320 Third St. NW, Faribault
  - Dennison — 7 p.m. Thursday Dec. 7, Dennison City Hall, 37622 Goodhue Ave., Dennison
  - Dundas — 7 p.m. Monday Dec. 11, Dundas City Hall, 216 Railway St. N, Dundas
  - Faribault — 7 p.m. Tuesday Dec. 12., City Hall Council Chambers 208 First Ave. NW, Faribault
  - Lonsdale — 7 p.m. Thurs-

day Dec. 14, City Council Chambers, 415 Central St. W, Lonsdale

Morristown — 7:30 p.m. Monday Dec. 4, Morristown Community Center Council Chambers, 402 Division St., Morristown

Nerstrand — No meeting required

Northfield — 6 p.m. Tuesday, Dec. 5, City Council Chambers, 801 Washington St., Northfield, MN 55057

**School Districts**  
Faribault Public Schools — 6 p.m., Monday, Dec. 11, District Office, 710 17th St. SW, Faribault

Northfield Public Schools — 7 p.m. Monday, Dec. 11, High School Media Center, 1400 Division St., Northfield  
New Prague Public Schools — 6 p.m. Monday, Dec. 11, 410 Central Ave. N, New Prague

Medford Public Schools — 7 p.m. Monday, Dec. 4, Medford School Community Room, 750 Second Ave. SE, Medford,

Waseca Public Schools — 6 p.m. Thursday, Dec. 14, Central Building 2nd Floor Conference Room, 501E Elm Ave., Waseca

WEM Public Schools — 6 p.m. Monday Dec. 18, WEM Board Room, 500 E Paquin St., Waterville

Kenyon-Wanamingo Public Schools — 6:30 p.m., Monday, Nov. 27, K-W Elementary School, 225 Third Ave., Wanamingo

Tri-City United Public Schools — 6 p.m. Monday, Dec. 11, TCU High School Band Room, 700 Fourth St. NW, Montgomery

**FHS Class of 1963 lunch planned for Nov. 29**

Faribault High School Class of '63 will meet at noon on Wednesday, Nov. 29, at Gran Plaza, 520 Central Ave.

All classmates in the area are encouraged to attend. Spouses invited. Call and invite others that may not have email or read the paper.

# GOOD NEWS MEDICAL CAREERS

## December 2017

These last few weeks have been walks down “Memory Lane”. Graduated students call, and want to come in to share their experiences, successes and failures with the current students. We had Anna Renner, and most recently our own Kelly Hoyt. She spent all day, November 9<sup>th</sup> with us! She shared her experience as a student and how her own personal growth was beneficial for the person she has become. She is working on a “LifeMap” with our students and will return during this month. It was so nice to see her again, and the students enjoyed and were in “awe” about her presentation.



- ♥ Stay @ home Mom to Sophia (5) and Logan (3)
- ♥ Lives in Lakeville
- ♥ Teaches Children’s Ministry
- ♥ Volunteers @ her Church
- ♥ Works with “Teen Groups”
- ♥ Married to Levi Hoyt
- ♥ Happy for our former ISD917 former employees and friends!





**Good News**  
***Special Education***  
December 5, 2017

- On Friday November 10th students in TESA participated in a Veterans Day assembly at DCTC. Once again, TESA students welcomed Chad Pemble to speak to them. 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.
- The TESA Student Council will be hosting the “6th Annual TESA Holiday Showcase” December 15th 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.
- The PACES at LNHS will be hosting another play. This time they will be doing The Gingerbread Boy in Winter on Wednesday, December 13<sup>th</sup> at 1 p.m. in room 248. A reception will follow the play. If you are able to attend, RSVP to Betsy Larson ([betsy.larsen@isd917.k12.mn.us](mailto:betsy.larsen@isd917.k12.mn.us) or 952-232-3746) by December 6<sup>th</sup>.
- During the month of November students at Alliance have taken time to continue to give back to others through time at Feed My Starving Children. High school students in the IDEA program take part in service learning project two times a month. Each time they come back with huge smiles and brag about how much food they packed for others. It is exciting to see the pride they bring to this task.
- The student council at AEC led a door decorating contest; the theme was foreign countries. The winning classroom won a pizza-party. They have also organized a school wide soccer tournament for late November. Plans for December include a Hot Cocoa and Cookies event for families to attend during the school day.
- Alliance Education Center continues to have students transitioning back to their home districts. Just this month a student in the high school IDEA program transitioned back full-time and another student will transition half-days. Although these may be small steps to some, we see these accomplishments as huge motivators for other students and our staff to keep doing the work we do so well. With students transitioning, we are also busy getting ready to welcome new students in to all three of our programs.
- Some of the staff at Alliance have started attending a monthly equity cohort meeting where topics of racial and cultural equality are explored, discussed, and challenged. All participants have given only positive praise for this opportunity. Additionally, weekly our staff have been rotating through topics including data analysis, American Sign Language, evaluation practices, discipline, Nurtured Heart, Behavior Tools, and PCM.
- Students in Brenda Szoka's class has been at the Wescott Library in Eagan using the iLab to create a newscast. The class met with librarian Tom Jorgensen to learn about video production and how to use the GoPro camera with the green screen. They also learned how to edit their videos using iMovie. Together the students created Cedar SUN's first newscast. Each student created a segment for the newscast. They class was excited to share their production with the school.

- Elementary students at Lebanon Education Center have been learning about community helpers in social studies. Amy Hurla organized a community day inviting various community resources to visit with their equipment and staff. The north parking lot was filled with police, fire, and military vehicles. There was also a garbage truck and snow plow. The students had a great time checking out the vehicles and talking with the community helpers.



- On November 16, 2017, the Juvenile Services Center staff worked alongside the ISD 917 school staff to make a full Thanksgiving feast for the students of Riverside School and New Chance School. The students worked hard on decorations for the walls, as well as centerpieces for the tables. They also put a lot of effort into their Thanksgiving presentations. Some students wrote about what they are thankful for, while others did research on Thanksgivings in other countries. Parents and loved ones were invited to the dinner, and the students presented their projects for everyone. Families, students, and staff enjoyed a meal together, and the JSC Thanksgiving was a huge success.



- The students in the D/HH Resource Program at Gideon Pond Elementary got a chance to visit the Crayola Experience at Mall of America last week. They had a blast with hands-on coloring activities, making a crayon, painting with melted wax, and exploring a variety of other color focused activities.







## INTERMEDIATE SCHOOL DISTRICT 917

A School Board Meeting of the Intermediate School District 917 School Board was held on Tuesday, November 7, 2017, at the Juvenile Services Center, 1600 Highway 55, Hastings, MN.

**Members Present:** Dick Bergstrom, DeeDee Currier, Bob Erickson, Jill Lewis, Vanda Pressnall, Byron Schwab, and ex-officio member Superintendent John Christiansen.

**Members Absent:** Wendy Felton, Melissa Sauser, Russ Rohloff

**Also Present:** Eric VanBrocklin, Melissa Schaller, Nicolle Roush, Jennifer Hetland and Linda Berg

School Board Chair Jill Lewis called the meeting to order at 4:41 PM.

School Board members toured the Juvenile Services Center facility prior to the meeting.

There were no visitors to be heard.

The good news reports were presented.

1. Motion by Bob Erickson, seconded by Byron Schwab, to approve the consent items, as presented. All present voted aye. Motion carried.
  - **Minutes:** October 3, 2017, Regular School Board Meeting
  - **Personnel:** *New Hires:* Haullidey Dalbec, Classroom Assistant, effective October 30, 2017. Kristina Eddleston, Classroom Assistant, effective October 23, 2017. Dillon Eddy, Classroom Assistant, effective October 30, 2017. Casey Gloe, Classroom Assistant, effective October 23, 2017. Johanna Iversen, Classroom Assistant, effective November 6, 2017. Karissa Martin, Community Expert Long Term Substitute effective October 2, 2017, through November 21, 2017. Sara Matzoll-Phillips, Classroom Assistant, effective November 8, 2017. Diallo Powell-Brown, Classroom Assistant, effective November 7, 2017. Maureen Vetell, Technical Tutor, effective October 23, 2017. Varo Zembryki, Classroom Assistant, effective October 23, 2017. *Change in Status:* Pamela Garretson, Network Specialist, medical leave request effective October 2, 2017, with an expected return date of October 30, 2017. *Resignations and Terminations:* Anna Bach, Program Assistant, effective November 3, 2017. Jenna Fulford, Classroom Assistant, effective November 15, 2017. Amina Grass, Health Associate, effective October 24, 2017. Mark Kingsriter, Program Assistant, effective October 27, 2017. Sarah Lozano, Classroom Assistant, effective November 10, 2017. Valerie Nimene, Classroom Assistant, effective November 9, 2017. Elisa Olson, Program Assistant, effective October 27, 2017. Stephanie Schimek, Classroom Assistant, effective October 17, 2017.
2. Board Member Dick Bergstrom, introduced the following resolution: Resolution to accept the following donations in the amount of \$500. Donation of \$500 from Valmont Industries of Farmington to be used for hands on K'Nex simple and compound machine classroom set for DCALS students. The motion for the adoption of the foregoing resolution was duly seconded by DeeDee Currier and upon vote being taken thereon, the following voted in favor thereof: Dick Bergstrom, DeeDee Currier, Bob Erickson, Jill Lewis, Bryon Schwab, Vanda Pressnall and the following voted against the same: none. Whereupon said resolution was duly passed and adopted. (Addendum A.)

3. Motion by Vanda Pressnall, seconded by Dick Bergstrom, to approve the bills from September 27, 2017 to October 31, 2017, investment report and wire transfers, as presented by the Business Manager. All present voted aye. Motion carried.

Assistant Director Jennifer Hetland reported on the Anthony Louis Program.

4. Motion by Bob Erickson, seconded by Dick Bergstrom, to approve the Revenue and Expenditure Report, as presented. (Addendum B.) All present voted aye. Motion carried.
5. Motion by Byron Schwab, seconded by Dick Bergstrom, to approve new mandatory policies 620-Credit for Learning, 680-Student Meal Charge Policy, and 901-Visitors to School, final reading, as presented. (Addendum C.) All present voted aye. Motion carried.
6. Motion by Bob Erickson, seconded by Byron Schwab, to approve all 200's revised policies, final reading, as presented. (Addendum D.) All present voted aye. Motion carried.
7. Motion by Byron Schwab, seconded by Dick Bergstrom, to approve the medical and dental insurance renewals for 2018 as presented. (Addendum E.) All present voted aye. Motion carried. Bob Erickson thanked Nicolle and the Insurance Committee for their contributions to make this a very good experience.
8. Motion by Vanda Pressnall, seconded by DeeDee Currier, to approve the Contract with 917 and CTIC as presented. (Addendum F.) All present voted aye. Motion carried.
9. Motion by Byron Schwab, seconded by Dick Bergstrom, to adjourn the meeting. All present voted aye. Motion carried.

There being no further business the meeting adjourned at 5:37 P.M.

The next regular School Board Meeting will be Tuesday, December 5, 2017, at 5:00 PM at Dakota County Technical College in the 917 Board Room.

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Clerk

**SUMMARY OF PERSONNEL ITEMS RECOMMENDED  
FOR ACTION AT BOARD MEETING OF DECEMBER 5, 2017**

**NEW HIRES:**

Michael Berneche, Classroom Assistant, effective November 6, 2017.

Nicole Bogdan, Classroom Assistant, effective November 27, 2017 (from Student Assistant to Classroom Assistant).

Tara Brenner, Program Assistant, effective December 4, 2017.

Riley Buschke, Classroom Assistant, effective November 14, 2017.

Sheila Johnson, Classroom Assistant, effective November 28, 2017.

Emily Powers, Classroom Assistant, effective November 20, 2017.

Barry Rogers, Classroom Assistant, effective December 1, 2017.

Rachel Stiff, Classroom Assistant, effective November 28, 2017.

Lataysha Wiley, Classroom Assistant, effective November 10, 2017.

**RESIGNATIONS & TERMINATIONS:**

Chelsea Belair, Classroom Assistant, effective November 14, 2017.

Hauillidey Dalbec, Classroom Assistant, effective November 21, 2017.

Sara Matzoll-Phillips, Classroom Assistant, effective November 12, 2017.

Robyn Rohr, Classroom Assistant, effective November 9, 2017.

Stacey Ruud, Classroom Assistant, effective November 21, 2017.

To Bd 12/5/17

**DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION**

DATE: November 1, 2017	Teaching Licenses Held:
NAME: Michael Berneche	
Position: Classroom Assistant	
College:    Secondary:    Special Education:    X District:	Recommended Salary : \$17.54
	Employment Date : 11/6/17

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Harding 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
Meridian Behavioral Health	1/17	6/17	Support Staff
Northwest Passage	9/15	12/15	Counseling

Total Years Experience 2

**Remarks:**

Michael will be a classroom assistant in the CASE Program at AEC.

To Bd 12/5/17

**DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION**

DATE: November 21, 2017	Teaching Licenses Held:
NAME: Nicole Bogdan	
Position: Classroom Assistant	
College:    Secondary:    Special Education: <input checked="" type="checkbox"/> District:	Recommended Salary : \$17.15
	Employment Date : 11/27/17

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	De Soto High, Kansas	Yes	Generals	Yes
Technical College				
College	Ottawa University, Kansas	Yes	Physical Education	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
ISD 917	8/17	Current	Student Assistant
Midland Trail Elementary	8/15	5/17	Paraprofessional
Turner Recreation Center	5/16	5/17	Counselor/Director

Total Years Experience 2

**Remarks:**

Nicole will be a classroom assistant in the SUN Program at AEC.

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To Bd 12/5/17

**DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION**

DATE: November 20, 2017	Teaching Licenses Held:
NAME: Riley Buschke	
Position: Classroom Assistant	
College:    Secondary:    Special Education: <input checked="" type="checkbox"/> District:	Recommended Salary : 17.54
	Employment Date : 11/14/17

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Battle Creek St. Philip	Yes	Generals	Yes
Technical College				
College	Western Michigan	Yes	Psychology	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
Great Expectations Early Learning	1/17	8/17	Preschool Teacher
Curious Kids	8/15	8/16	Site Director
Curious Kids	7/14	8/15	Head Teacher

Total Years Experience 3

**Remarks:**

Riley will be a classroom assistant in the SUN Program at AEC.

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To Bd 12/5/17

**DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION**

DATE: 11/20/17	Teaching Licenses Held:
NAME: Sheila Johnson	
Position: Classroom Assistant	
College:    Secondary:    Special Education: <input checked="" type="checkbox"/> District:	Recommended Salary : \$17.15
	Employment Date : 11/28/17

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Northland Pines	Yes	Generals	Yes
Technical College				
College	Florida, Nova Southeastern Univ.	Yes	Health Sciences	BA
	Florida State	Yes	Radiation Therapy	AS
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
Thomas Allen	6/17	Current	Community Living Advisor
Park Dental	1/17	6/17	Office Manager
Thomas Allen	1/14	1/16	Program Manager
Medica	10/12	1/14	Provider Care Coordinator

Total Years Experience 5

**Remarks:**

Sheila will be a classroom assistant in the PACES Program at Cherry View Elementary.

To Bd 12/5/17

**DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION**

DATE: November 20, 2017	Teaching Licenses Held:
NAME: Emily Powers	
Position: Classroom Assistant	
College:    Secondary:    Special Education: <input checked="" type="checkbox"/> District:	Recommended Salary : 17.15
	Employment Date : 11/20/17

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Burnsville High	Yes	Generals	Yes
Technical College				
College	American Academy of Dramatic Arts	Yes	Acting	AS
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
Allied Achievement	3/17	10/17	Classroom Assistant
True Friends	6/15	8/16	Summer Counselor
Hurley's Restaurant	11/16	1017	Hostess

Total Years Experience 2

**Remarks:**

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

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To Bd 12/5/17

**DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION**

DATE: November 1, 2017	Teaching Licenses Held:
NAME: Barry Rogers	
Position: Classroom Assistant	
College:    Secondary:    Special Education: <input checked="" type="checkbox"/> District:	Recommended Salary : \$19.10
	Employment Date : Dec 1, 2017

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Central High, Virgin Islands	Yes	Generals	Yes
Technical College				
College	Inver Hills	Yes	Criminal Justice	Associate
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
City of Apple Valley	11/98	10/17	Police Officer
Freeway Ford	6/94	11/98	Sales

Total Years Experience 23

**Remarks:**

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

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To Bd 12/5/17

**DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION**

DATE: November 20, 2017	Teaching Licenses Held:
NAME: Rachel Stiff	
Position: Classroom Assistant	
College:    Secondary:    Special Education: <input checked="" type="checkbox"/> District:	Recommended Salary : \$17.15
	Employment Date : 11/28/17

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Simley High	Yes	Generals	Yes
Technical College				
College	Inver Hills	Yes	Associates Arts	AS
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
Inver Glen Senior Living	8/14	Current	Home Health Aide
Vista Prairie	2/12	8/14	Resident Assistant
Cerensity Care Center	1/10	10/11	Dietary Aide

Total Years Experience 8

**Remarks:**

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

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To Bd 12/5/17

**DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION**

DATE: November 14, 2017	Teaching Licenses Held:
NAME: Lataysha Wiley	
Position: Classroom Assistant	
College:    Secondary:    Special Education: <input checked="" type="checkbox"/> District:	Recommended Salary : \$17.15
	Employment Date : 11/10/17

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Agape High School	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
Willows of Ramsey Hill	7/17	Current	Home Health Aid
Merrick	7/16	7/17	Job Counselor
Zenith	4/15	4/16	Vocational Counselor

Total Years Experience 2

**Remarks:**

Lataysha will be a classroom assistant in the CASE Program at AEC.

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To Bd 12/5/17

**DISTRICT 917 CANDIDATE SUMMARY—EMPLOYMENT RECOMMENDATION**

DATE: November 21, 2017	Teaching Licenses Held:
NAME: Tara Brenner	
Position: Program Assistant	
College:    Secondary:    Special Education: <input checked="" type="checkbox"/> District:	Recommended Salary : \$17.54
	Employment Date : 12/4/17

**Education:**

	Institution	Graduated (yes or no)	Major	Degree/ Diploma
High School	Ellsworth High School	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
ESR	2/06	Current	Administrative Assistant
Smead Manufacturing	3/89	2/06	Factory

Total Years Experience 28

**Remarks:**

Tara will be a program assistant at the Juvenile Services Center, Riverside.

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**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 \$150.

- 1. Donation of \$150 from Bijan Riahi of Eagan to the Youth Transition Program of 917 to support the cost of lunches for students. (Value: \$150)

The motion for the adoption of the foregoing resolution was duly seconded by Board Member \_\_\_\_\_ and upon vote being taken thereon, the following voted in favor thereof: \_\_\_\_\_, and voting 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: 11/01/17 - 11/30/17

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
323113	S	\$375.00	11/02/17	24557	0	BARB CLARK	OUTSTANDING
323114	S	\$14034.65	11/02/17	22966	0	BLUE BELL ENTERPRISES INC	OUTSTANDING
323115	S	\$311.00	11/02/17	23217	0	BRAUN INTERTEC CORPORATION	OUTSTANDING
323116	S	\$333.00	11/02/17	22724	0	BUG BUSTERS, INC	OUTSTANDING
323117	S	\$3146.53	11/02/17	24666	0	DIGITAL INSURANCE, INC	OUTSTANDING
323118	S	\$565.41	11/02/17	03079	0	FRONTIER COMMUNICATIONS	OUTSTANDING
323119	S	\$50647.92	11/02/17	09592	0	IND SCH DIST 191	OUTSTANDING
323120	S	\$2099.75	11/02/17	09592	10	IND SCH DIST 191	OUTSTANDING
323121	S	\$7162.50	11/02/17	24606	1	INFINITE CAMPUS, INC	OUTSTANDING
323122	S	\$98.00	11/02/17	22640	0	LAURSEN PIANO SERVICE	OUTSTANDING
323123	S	\$1227.43	11/02/17	23917	1	MARCO INC	OUTSTANDING
323124	S	\$180.00	11/02/17	22405	3	MASPA	OUTSTANDING
323125	S	\$2696.52	11/02/17	23568	0	MEDI-CAR	OUTSTANDING
323126	S	\$50.00	11/02/17	07926	12	METRO ECSU	OUTSTANDING
323127	S	\$20.50	11/02/17	21744	5	MN STATE COLLEGES & UNIVERSITIES	OUTSTANDING
323128	S	\$1518.68	11/02/17	29040	0	SAM'S CLUB	OUTSTANDING
323129	S	\$521.95	11/02/17	13162	3	SCHOLASTIC, INC	OUTSTANDING
323130	S	\$160.00	11/02/17	24568	0	SPECIAL DELIVERY MN, LLC	OUTSTANDING
323131	S	\$1805.69	11/02/17	22907	0	SUPPLYWORKS	OUTSTANDING
323132	S	\$15496.41	11/02/17	23942	0	TEACHERS ON CALL	OUTSTANDING
323133	S	\$10.00	11/02/17	24676	0	TRUSTED EMPLOYEES	OUTSTANDING
323134	S	\$2080.00	11/09/17	05886	1	ANCHOR PAPER COMPANY	OUTSTANDING
323135	S	\$1386.00	11/09/17	23962	0	ANCOM COMMUNICATIONS	OUTSTANDING
323136	S	\$40382.82	11/09/17	24552	0	APPLE VALLEY ISD LLC	OUTSTANDING
323137	S	\$1800.00	11/09/17	24519	0	ASL INTERPRETING SERVICES, INC	OUTSTANDING
323138	S	\$126.86	11/09/17	20406	1	CUB FOODS	OUTSTANDING
323139	S	\$162.00	11/09/17	21860	0	DAKOTA COUNTY TECH COLLEGE	OUTSTANDING
323140	S	\$328.01	11/09/17	00103	1	DELEGARD TOOL CO	OUTSTANDING
323141	S	\$1835.20	11/09/17	24784	0	GOLDEN VALLEY SUPPLY CO	OUTSTANDING
323142	S	\$1460.66	11/09/17	22631	0	GOVCONNECTION INC	OUTSTANDING
323143	S	\$45.50	11/09/17	07751	1	HASTINGS STAR GAZETTE	OUTSTANDING
323144	S	\$1816.00	11/09/17	09592	0	IND SCH DIST 191	OUTSTANDING
323145	S	\$1735.93	11/09/17	23297	0	INNOVATIVE OFFICE SOLUTIONS	OUTSTANDING
323146	S	\$395.00	11/09/17	15448	0	INVER HILLS COMMUNITY COLLEGE	OUTSTANDING
323147	S	\$33.75	11/09/17	08517	0	LILLIE SUBURBAN NEWSPAPER, INC	OUTSTANDING
323148	S	\$2750.00	11/09/17	07926	0	METRO ECSU-REGION 11 ISD #920	OUTSTANDING
323149	S	\$2100.00	11/09/17	21857	2	MN DEPT OF HEALTH	OUTSTANDING
323150	S	\$462.80	11/09/17	22195	4	NCS PEARSON, INC	OUTSTANDING
323151	S	\$4106.25	11/09/17	23915	0	PEDIATRIC HOME SERVICE	OUTSTANDING
323152	S	\$1236.40	11/09/17	22957	0	PROFESSIONAL WIRELESS COMMUNICATIONS	OUTSTANDING
323153	S	\$2906.02	11/09/17	23874	0	REINHART FOODSERVICE, LLC	OUTSTANDING
323154	S	\$24.73	11/09/17	13162	2	SCHOLASTIC, INC	OUTSTANDING
323155	S	\$585.64	11/09/17	13162	3	SCHOLASTIC, INC	OUTSTANDING
323156	S	\$171.34	11/09/17	22826	0	SCHOOL NURSE SUPPLY	OUTSTANDING
323157	S	\$216.00	11/09/17	20620	3	SCHOOL SPECIALTY INC.	OUTSTANDING
323158	S	\$392.75	11/09/17	24788	0	SOCIOMETRICS CORPORATION	OUTSTANDING
323159	S	\$174.42	11/09/17	15713	0	SOUTHPAW ENTERPRISES	OUTSTANDING
323160	S	\$6906.91	11/09/17	23942	0	TEACHERS ON CALL	OUTSTANDING
323161	S	\$4804.72	11/09/17	00643	0	TIES	OUTSTANDING
323162	S	\$1656.00	11/09/17	23814	0	TRIC LIFE SERVICES	OUTSTANDING
323163	S	\$210.45	11/09/17	22704	0	ULINE	OUTSTANDING
323164	S	\$158.14	11/09/17	18330	3	VIRCO INC	OUTSTANDING

Intermediate School Dist 917  
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 DATE RANGE: 11/01/17 - 11/30/17

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADERS #	VENDOR NAME	CHECK STATUS
323165	S	\$1855.32	11/09/17	19389	0	WELLS FARGO	OUTSTANDING
323166	S	\$1120.00	11/14/17	21866	0	DAKOTA COUNTY TECH COLLEGE	OUTSTANDING
323167	S	\$592.91	11/14/17	24786	0	DUNLAP & SEECER P A.	OUTSTANDING
323168	S	\$8424.65	11/14/17	40016	0	EDUCATION MINNESOTA, LOCAL 3904	OUTSTANDING
323169	S	\$74.66	11/14/17	24674	0	F.H. CANN & ASSOCIATES, INC	OUTSTANDING
323170	S	\$48.00	11/14/17	21651	0	NCPERS MINNESOTA	OUTSTANDING
323171	S	\$163.94	11/14/17	29972	0	RELATED SERVICES NURSES ESP	OUTSTANDING
323172	S	\$3122.70	11/14/17	40018	0	S E P , LOCAL 4242	OUTSTANDING
323173	S	\$111.99	11/14/17	29207	0	U S. DEPARTMENT OF EDUCATION	OUTSTANDING
323174	S	\$198.00	11/14/17	40012	0	UNITED WAY, GREATER TWIN CITIES	OUTSTANDING
323175	S	\$1804.19	11/14/17	40071	0	WADDELL & REED INC	OUTSTANDING
323176	S	\$304.05	11/16/17	16141	0	ADVANCED AUTO PARTS	OUTSTANDING
323177	S	\$200.00	11/16/17	19645	0	APPLE COMPUTER, INC	OUTSTANDING
323178	S	\$14117.25	11/16/17	23398	0	BERKLEY HUMAN SERVICES	OUTSTANDING
323179	S	\$7.15	11/16/17	19029	0	BLICK ART MATERIALS	OUTSTANDING
323180	S	\$159.11	11/16/17	21674	0	CENTURYLINK	OUTSTANDING
323181	S	\$2500.00	11/16/17	24570	0	COMMUNITY OF HOPE	OUTSTANDING
323182	S	\$145.00	11/16/17	19532	0	COMO LUBE & SUPPLIES	OUTSTANDING
323183	S	\$658.89	11/16/17	16244	3	CUB FOODS	OUTSTANDING
323184	S	\$30.20	11/16/17	16244	5	CUB FOODS	OUTSTANDING
323185	S	\$323.05	11/16/17	19401	0	DEX MEDIA EAST, INC.	OUTSTANDING
323186	S	\$200.80	11/16/17	24073	0	EDUCATORS BENEFIT CONSULTANTS, LLC	OUTSTANDING
323187	S	\$238.09	11/16/17	07278	0	FLAGHOUSE	OUTSTANDING
323188	S	\$757.30	11/16/17	03079	0	FRONTIER COMMUNICATIONS	OUTSTANDING
323189	S	\$35.94	11/16/17	23667	0	FUN AND FUNCTION	OUTSTANDING
323190	S	\$1020.73	11/16/17	22631	0	GOVCONNECTION INC	OUTSTANDING
323191	S	\$300.00	11/16/17	24692	0	HUSSEIN RAJPUT, PHD, LP	OUTSTANDING
323192	S	\$1308.00	11/16/17	23124	0	INFINITY WIRELESS, INC.	OUTSTANDING
323193	S	\$500.00	11/16/17	24665	0	KATHERINE THUNE	OUTSTANDING
323194	S	\$220.00	11/16/17	18091	0	MASE	OUTSTANDING
323195	S	\$90.13	11/16/17	23761	0	VOIDED	VOIDED
323196	S	\$2325.00	11/16/17	21993	0	MN CAREER INFORMATION SYSTEM	OUTSTANDING
323197	S	\$338.72	11/16/17	23258	0	MN ENERGY RESOURCES CORPORATION	OUTSTANDING
323198	S	\$385.42	11/16/17	00227	0	NASCO	OUTSTANDING
323199	S	\$48.53	11/16/17	20376	0	PELLICCI ACE HARDWARE	OUTSTANDING
323200	S	\$993.98	11/16/17	22779	0	PHONAK	OUTSTANDING
323201	S	\$4731.00	11/16/17	23874	2	REINHART FOODSERVICE, LLC	OUTSTANDING
323202	S	\$499.36	11/16/17	00623	0	REPUBLIC SERVICES	OUTSTANDING
323203	S	\$696.30	11/16/17	24795	0	ROBERT MONROE	OUTSTANDING
323204	S	\$12.20	11/16/17	13162	2	SCHOLASTIC, INC	OUTSTANDING
323205	S	\$471.53	11/16/17	13162	3	SCHOLASTIC, INC	OUTSTANDING
323206	S	\$1062.50	11/16/17	23125	0	SCHOOLFINANCES.COM	OUTSTANDING
323207	S	\$45.00	11/16/17	29865	0	SKILLSUSA MINNESOTA	OUTSTANDING
323208	S	\$256.00	11/16/17	24568	0	SPECIAL DELIVERY MN, LLC	OUTSTANDING
323209	S	\$76.95	11/16/17	22907	0	SUPPLYWORKS	OUTSTANDING
323210	S	\$1231.73	11/16/17	13704	0	SYSCO MINNESOTA	OUTSTANDING
323211	S	\$4500.00	11/16/17	24785	0	TCI SOLUTIONS, LLC	OUTSTANDING
323212	S	\$23242.05	11/16/17	23942	0	TEACHERS ON CALL	OUTSTANDING
323213	S	\$143.00	11/16/17	00643	0	TIES	OUTSTANDING
323214	S	\$25277.00	11/16/17	24764	1	UNITED HEARTLAND	OUTSTANDING
323215	S	\$363.32	11/16/17	21326	2	USI	OUTSTANDING
323216	S	\$200.00	11/16/17	40099	0	WALMART	OUTSTANDING

Intermediate School Dist 917  
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CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
323217	S	\$1017.90	11/16/17	23662	0	WESTONE	OUTSTANDING
323218	S	\$35.10	11/16/17	23996	0	MEDICAREBLUE RX	OUTSTANDING
323219	S	\$4633.45	11/16/17	23763	0	N2Y INC	OUTSTANDING
710589	E	\$96.84	11/08/17	99999	9874	ALLEN, ANN CATHERINE	OUTSTANDING
710590	E	\$67.95	11/08/17	99999	10832	BERGSTROM, RICHARD	OUTSTANDING
710591	E	\$334.00	11/08/17	99999	10762	BYER, ANNE	OUTSTANDING
710592	E	\$69.78	11/08/17	99999	8598	BIRTTNEN, TRACY LEE	OUTSTANDING
710593	E	\$113.96	11/08/17	99999	3063	BRITTAIN, DONNA MAE	OUTSTANDING
710594	E	\$202.23	11/08/17	99999	8873	BUDACH, DON JAMES	OUTSTANDING
710595	E	\$10.70	11/08/17	99999	10626	CALLISTER, MARY HELEN	OUTSTANDING
710596	E	\$538.75	11/08/17	99999	9679	CHRISTIANSEN, JOHN MAXWELL	OUTSTANDING
710597	E	\$41.73	11/08/17	99999	11142	CURRIER, DEEDEE	OUTSTANDING
710598	E	\$11.77	11/08/17	99999	7170	DIVELY, CYNTHIA GARWOOD	OUTSTANDING
710599	E	\$316.19	11/08/17	99999	8436	ELDRED, PATRICIA ANN	OUTSTANDING
710600	E	\$130.54	11/08/17	99999	10771	ERICKSON, ROBERT	OUTSTANDING
710601	E	\$27.29	11/08/17	99999	9996	EVANS, AARON	OUTSTANDING
710602	E	\$383.60	11/08/17	99999	9702	GARRETSON, PAMELA VICK	OUTSTANDING
710603	E	\$223.10	11/08/17	99999	11174	GESKE, ADDIE	OUTSTANDING
710604	E	\$167.99	11/08/17	99999	8341	HETLAND, JENNIFER AMY	OUTSTANDING
710605	E	\$217.21	11/08/17	99999	9496	IRELAND, KATHLEEN ELIZAB	OUTSTANDING
710606	E	\$7.49	11/08/17	99999	11157	JACKSON, LINDSEY	OUTSTANDING
710607	E	\$81.86	11/08/17	99999	9722	KLEIN, LORI ANN	OUTSTANDING
710608	E	\$190.46	11/08/17	99999	10973	KUBIK, GABRIELA	OUTSTANDING
710609	E	\$33.17	11/08/17	99999	10615	LANG, SHEILA	OUTSTANDING
710610	E	\$148.20	11/08/17	99999	9468	LANGENFELD, CORY LEE	OUTSTANDING
710611	E	\$48.15	11/08/17	99999	9571	LARSEN, BETSY SUE	OUTSTANDING
710612	E	\$74.90	11/08/17	99999	8287	LEWIS, JILL E	OUTSTANDING
710613	E	\$20.33	11/08/17	99999	11168	MULRANEY, KIRSTEN	OUTSTANDING
710614	E	\$25.68	11/08/17	99999	9589	PETERSEN, JENNIFER MAE	OUTSTANDING
710615	E	\$271.78	11/08/17	99999	10763	PFISTERER, EMILY	OUTSTANDING
710616	E	\$100.05	11/08/17	99999	9177	PRESSNALL, VANDA JOY	OUTSTANDING
710617	E	\$134.82	11/08/17	99999	11237	PUCH, TIMOTHY	OUTSTANDING
710618	E	\$81.86	11/08/17	99999	10430	QUAM, LYNN	OUTSTANDING
710619	E	\$3.91	11/08/17	99999	11175	SCHANTZEN, TRACY LEE	OUTSTANDING
710620	E	\$20.33	11/08/17	99999	11201	SCHWAB, BYRON	OUTSTANDING
710621	E	\$20.33	11/08/17	99999	11269	SKERLETTS, JACOB	OUTSTANDING
710622	E	\$142.31	11/08/17	99999	10575	SOUKUP, STEFANIE	OUTSTANDING
710623	E	\$28.68	11/08/17	99999	10772	STEVENS, ERIN	OUTSTANDING
710624	E	\$64.20	11/08/17	99999	8435	STOESZ, REATHER LYNN	OUTSTANDING
710625	E	\$21.53	11/08/17	99999	9482	VRIEZE, JANEL LYNN	OUTSTANDING
710626	E	\$62.06	11/08/17	99999	9482	VRIEZE, JANEL LYNN	OUTSTANDING
710627	E	\$21.85	11/08/17	99999	4363	WALTER, KATRINA L.	OUTSTANDING
710628	E	\$20.00	11/08/17	99999	11060	ZUEHLKE, REBECCA	OUTSTANDING
710629	E	\$73.46	11/08/17	99999	11060	ZUEHLKE, REBECCA	OUTSTANDING
710630	E	\$54.04	11/08/17	99999	8686	BERG, LINDA JO	OUTSTANDING
710631	E	\$338.66	11/08/17	99999	10631	JOHNSON, SARAH LYNN	OUTSTANDING
710632	E	\$428.37	11/08/17	99999	9970	DEMUTH, LANCE A.	OUTSTANDING
710633	E	\$266.91	11/08/17	99999	9915	SCHALLER, MELISSA	OUTSTANDING
710634	E	\$45.00	11/15/17	99999	8787	ASMUS, JOAN SCHAEFER	OUTSTANDING
710635	E	\$90.00	11/15/17	99999	8873	BUDACH, DON JAMES	OUTSTANDING
710636	E	\$45.00	11/15/17	99999	10762	BYER, ANNE	OUTSTANDING
710637	E	\$90.00	11/15/17	99999	9679	CHRISTIANSEN, JOHN MAXWELL	OUTSTANDING

Intermediate School Dist 917  
 CHECK REGISTER FOR BANK 01 - WELLS FARGO BANK  
 DATE RANGE: 11/01/17 - 11/30/17

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRS #	VENDOR NAME	CHECK STATUS
710638	E	\$45.00	11/15/17	99999	10050	DOBSON, MEGHAN	OUTSTANDING
710639	E	\$45.00	11/15/17	99999	10965	EATON, CARMEN	OUTSTANDING
710640	E	\$90.00	11/15/17	99999	9702	GARRETSON, PAMELA VICK	OUTSTANDING
710641	E	\$90.00	11/15/17	99999	10760	HARTJES, LINDSEY	OUTSTANDING
710642	E	\$90.00	11/15/17	99999	8341	HETLAND, JENNIFER AMY	OUTSTANDING
710643	E	\$90.00	11/15/17	99999	9468	LANGENFELD, CORY LEE	OUTSTANDING
710644	E	\$45.00	11/15/17	99999	10872	PETERS, AMANDA	OUTSTANDING
710645	E	\$45.00	11/15/17	99999	9589	PETERSEN, JENNIFER MAE	OUTSTANDING
710646	E	\$90.00	11/15/17	99999	11169	PETERSON, BROOKE	OUTSTANDING
710647	E	\$90.00	11/15/17	99999	11181	QUIBRANSEN, THERESA	OUTSTANDING
710648	E	\$45.00	11/15/17	99999	9523	RENKEN, WENDI	OUTSTANDING
710649	E	\$90.00	11/15/17	99999	8628	ROUSH, NICOLLE KATHERI	OUTSTANDING
710650	E	\$90.00	11/15/17	99999	9915	SCHALLER, MELISSA	OUTSTANDING
710651	E	\$90.00	11/15/17	99999	10405	STOLL, DAVID L	OUTSTANDING
710652	E	\$90.00	11/15/17	99999	9068	SWANEY, AMY LYNN	OUTSTANDING
710653	E	\$90.00	11/15/17	99999	10756	VAN BROCKLIN, ERIC	OUTSTANDING
710654	E	\$45.00	11/15/17	99999	9783	VOLLBRECHT, MICHELLE LYNN	OUTSTANDING
710655	E	\$20.00	11/15/17	99999	9883	ZEHNDER, SCOTT MICHAEL	OUTSTANDING
710656	E	\$207.00	11/15/17	99999	11055	ALLEN, MARTHA	OUTSTANDING
710657	E	\$50.29	11/15/17	99999	10776	ANNONI, ELIZABETH	OUTSTANDING
710658	E	\$33.71	11/15/17	99999	9047	ARNESON, PATRICIA	OUTSTANDING
710659	E	\$100.05	11/15/17	99999	10248	BANNICK, JEAN	OUTSTANDING
710660	E	\$26.75	11/15/17	99999	9573	BEATTIE, JEAN	OUTSTANDING
710661	E	\$27.82	11/15/17	99999	9771	BOHNERT, LOREEN M.	OUTSTANDING
710662	E	\$96.30	11/15/17	99999	10986	DOELP, KASANDRA	OUTSTANDING
710663	E	\$64.20	11/15/17	99999	5230	DOENGES, KAREN STENE	OUTSTANDING
710664	E	\$48.69	11/15/17	99999	10965	EATON, CARMEN	OUTSTANDING
710665	E	\$109.15	11/15/17	99999	3460	ENFIEJIAN, VALERIE	OUTSTANDING
710666	E	\$367.01	11/15/17	99999	11217	ENGEL, KATHERINE	OUTSTANDING
710667	E	\$39.06	11/15/17	99999	11102	GAGNER, ASHLY	OUTSTANDING
710668	E	\$6.96	11/15/17	99999	11265	GOERGEN, TAYLOR	OUTSTANDING
710669	E	\$140.71	11/15/17	99999	10443	GROFF, CASSIE	OUTSTANDING
710670	E	\$11.77	11/15/17	99999	11230	HEIDEMANN, JANA	OUTSTANDING
710671	E	\$245.03	11/15/17	99999	11078	HENDRICKS, PETER	OUTSTANDING
710672	E	\$73.30	11/15/17	99999	10518	HIRD, NICOLE	OUTSTANDING
710673	E	\$182.44	11/15/17	99999	9920	HJERMSTAD, KAREN	OUTSTANDING
710674	E	\$433.89	11/15/17	99999	8842	JOHNSON, ROXANN RHYN	OUTSTANDING
710675	E	\$138.57	11/15/17	99999	10938	KAUFMAN, AMY	OUTSTANDING
710676	E	\$887.02	11/15/17	99999	9722	KLELN, LORI ANN	OUTSTANDING
710677	E	\$65.27	11/15/17	99999	11192	KRUSE, REBECCA	OUTSTANDING
710678	E	\$200.63	11/15/17	99999	10973	KUBIK, GABRIELA	OUTSTANDING
710679	E	\$39.06	11/15/17	99999	9571	LARSEN, BETSY SUE	OUTSTANDING
710680	E	\$560.68	11/15/17	99999	9278	MAYES, ANN LOUISE	OUTSTANDING
710681	E	\$64.74	11/15/17	99999	10397	PEMBLE, HOLLY	OUTSTANDING
710682	E	\$294.79	11/15/17	99999	11169	PETERSON, BROOKE	OUTSTANDING
710683	E	\$59.39	11/15/17	99999	10430	QUAM, LYNN	OUTSTANDING
710684	E	\$226.31	11/15/17	99999	11067	SHANLEY, MICHELLE	OUTSTANDING
710685	E	\$113.42	11/15/17	99999	10042	TENNESSEN, LAURA	OUTSTANDING
710686	E	\$172.81	11/15/17	99999	9703	TOAY, GRETCHEN ANN	OUTSTANDING
710687	E	\$57.78	11/15/17	99999	10751	TUFTEE, SHANYN	OUTSTANDING
710688	E	\$200.00	11/15/17	99999	11154	WEBSTER, ANDREW	OUTSTANDING
710689	E	\$123.59	11/15/17	99999	6232	WEILAND, MARY ELIZABETH	OUTSTANDING

Intermediate School Dist 917  
 CHECK REGISTER FOR BANK 01 - WELLS FARGO BANK  
 DATE RANGE: 11/01/17 - 11/30/17

CHECK #	TYPE	CHECK AMT	CHECK DATE	VENDOR #	ADDRES #	VENDOR NAME	CHECK STATUS
710690	E	\$527.51	11/15/17	99999	9192	WOOD,FRAN LOUISE	OUTSTANDING
710691	E	\$145.85	11/15/17	99999	8873	BUDACH,DON JAMES	OUTSTANDING
710692	E	\$41.20	11/15/17	99999	11081	PAGEL, AMANDA	OUTSTANDING
710693	E	\$27.50	11/15/17	99999	11191	RANDOL, JESSICA	OUTSTANDING
710694	E	\$54.04	11/15/17	99999	10861	TURZYNSKI, ADRIENNE	OUTSTANDING
710695	E	\$99.84	11/15/17	99999	8501	SCHMITZ, BARBARA LYNN	OUTSTANDING
50000710	W	\$604.23	11/06/17	19389	0	WELLS FARGO	OUTSTANDING
50000711	W	\$8743.07	11/06/17	19389	0	WELLS FARGO	OUTSTANDING
92002936	W	\$2128.54	11/02/17	40072	0	AFLAC	OUTSTANDING
92002937	W	\$6439.62	11/02/17	40027	0	AMERIPRISE FINANCIAL ADVISORS	OUTSTANDING
92002938	W	\$3337.45	11/02/17	40022	0	AXA EQUITABLE LIFE INS CO	OUTSTANDING
92002939	W	\$1937.44	11/07/17	22698	0	CORPORATE HEALTH SYSTEMS	OUTSTANDING
92002942	W	\$31.83	11/08/17	22698	0	CORPORATE HEALTH SYSTEMS	OUTSTANDING
92002943	W	\$30962.66	11/10/17	30132	0	DELTA DENTAL OF MINNESOTA	OUTSTANDING
92002945	W	\$43246.92	11/02/17	40006	0	EXECUTIVE DIRECTOR	OUTSTANDING
92002946	W	\$8054.21	11/06/17	40060	0	FIDELITY INVSTMT TAX-EX SVC CO	OUTSTANDING
92002947	W	\$16923.45	11/03/17	24594	0	HEALTH EQUITY, INC.	OUTSTANDING
92002948	W	\$2058.33	11/03/17	40026	0	HORACE MANN LIFE INS	OUTSTANDING
92002949	W	\$190938.88	11/01/17	40037	0	INTERNAL REVENUE SERVICE	OUTSTANDING
92002950	W	\$8560.96	11/01/17	24031	0	KANSAS CITY LIFE INSURANCE COMPANY	OUTSTANDING
92002952	W	\$70713.04	11/15/17	21088	0	MEDICA	OUTSTANDING
92002953	W	\$48031.53	11/08/17	21088	0	MEDICA	OUTSTANDING
92002954	W	\$72959.09	11/01/17	21088	0	MEDICA	OUTSTANDING
92002955	W	\$46773.09	11/01/17	21088	0	MEDICA	OUTSTANDING
92002956	W	\$29727.69	11/01/17	40003	0	MN DEPT OF REVENUE	OUTSTANDING
92002958	W	\$190.80	11/02/17	21704	0	MN CHILD SUPPORT PAYMENT CENTER	OUTSTANDING
92002959	W	\$194.43	11/01/17	40058	0	MN DEPT OF REVENUE (C)	OUTSTANDING
92002960	W	\$1750.00	11/03/17	28803	0	MN STATE RETIREMENT SYSTEM	OUTSTANDING
92002962	W	\$76671.00	11/02/17	40005	0	STATE TREASURER, TRA	OUTSTANDING
92002963	W	\$8510.06	11/02/17	40033	0	VARIABLE ANNUITY LIFE INS CO	OUTSTANDING
92002964	W	\$1001.87	11/02/17	28803	2	VOYA	OUTSTANDING
92002965	W	\$6439.62	11/15/17	40027	0	AMERIPRISE FINANCIAL ADVISORS	OUTSTANDING
92002966	W	\$3337.45	11/16/17	40022	0	AXA EQUITABLE LIFE INS CO	OUTSTANDING
92002967	W	\$5590.62	11/15/17	29026	0	EDUCATION MN ESI BILLING TRUST	OUTSTANDING
92002968	W	\$43103.18	11/16/17	40006	0	EXECUTIVE DIRECTOR	OUTSTANDING
92002969	W	\$8054.21	11/16/17	40060	0	FIDELITY INVSTMT TAX-EX SVC CO	OUTSTANDING
92002970	W	\$190116.92	11/16/17	40037	0	INTERNAL REVENUE SERVICE	OUTSTANDING
92002971	W	\$323.91	11/16/17	40058	0	MN DEPT OF REVENUE (C)	OUTSTANDING
92002972	W	\$29595.54	11/16/17	40003	0	MN DEPT OF REVENUE	OUTSTANDING
92002973	W	\$190.80	11/16/17	21704	0	MN CHILD SUPPORT PAYMENT CENTER	OUTSTANDING
92002974	W	\$1750.00	11/16/17	28803	0	MN STATE RETIREMENT SYSTEM	OUTSTANDING
92002975	W	\$518538.38	11/15/17	40001	0	PAYROLL ACCT #3805704197	OUTSTANDING
92002976	W	\$76309.70	11/16/17	40005	0	STATE TREASURER, TRA	OUTSTANDING
92002977	W	\$8510.06	11/15/17	40033	0	VARIABLE ANNUITY LIFE INS CO	OUTSTANDING
92002978	W	\$1001.87	11/15/17	28803	2	VOYA	OUTSTANDING

TOTAL # OF ISSUED CHECKS: 252      TOTAL AMOUNT 1886984.80  
 TOTAL # OF VOIDED CHECKS: 1      TOTAL AMOUNT 90.13  
 TOTAL # OF UNISSUED CHECKS: 0

Date: November 28, 2017

To: FOR EFT INPUT

From: Audrey Weiler  
Payroll Clerk

Subject: Flex Plan ACH Transfer for Flex Claim Reimbursement

Transferred From Wells Fargo Bank Account Number xxxxxx2167 \$12,268.50  
Corporate Health Systems Inc Vendor # 22698

Charge to:	Amount
10-215-39      Medical	\$1,804.42
10-215-40      D.Care	\$10,464.08
10-215-42      L.Scope	\$0.00
Total	\$12,268.50 <sup>proof</sup>
	\$0.00

cc: Payroll Insurance Payment File  
Date Bank Account to be debited      see below

Authorized Signature       Date 12-28-17

11/20/2017	\$	25.31
11/21/2017	\$	3.55
11/22/2017	\$	12,239.64

**Total \$ 12,268.50**

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

Date: November 28, 2017

To: Accounts Payable

From: Audrey Weiler

Payroll Clerk

Invoice nbr: 0044708089

Date: 11/27/2017

Payment Date 12/01/2017

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

ACH Funds Transfer was made in the amount of \$

\$45,545.36

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	\$4,669.29
22-005-110-000-305-000	STOP LOSS ADMIN	AGG PREM	\$845.64
22-005-110-000-302-000	STOP LOSS	STOP LOSS	\$36,399.92
22-005-110-000-301-000	MHSA	MEDICA ADMIN	\$759.51
22-005-110-000-310-000	ISD917 MISC	CHS BENEFIT FEE CODE	\$2,871.00
10-005-120-000-099-000	WELLNESS CREDIT		

Total

\$45,545.36 proof \$0.00

Authorized Signature



Date

11-28-17

Date: November 28, 2017

To: Accounts Payable/Banking

From: Audrey Weiler

Payroll Clerk

Invoice nbr:	17331146984A
Date:	11/27/2017
Payment Date	11/29/2017

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

ACH Transfer was made in the amount of \$ \$62,069.82

Payable to:  
Medica

Vendor # 21088

Charge to:

Amount

22-005-110-000-300-000	WEEKLY INVOICE	HLTH/RX CLAIMS	\$62,069.82
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

\$62,069.82 proof \$0.00

Authorized Signature



Date

11-28-17

copy for AP  
copy for Board

Date: November 20, 2017

To: Accounts Payable/Banking

From: Audrey Weiler

Payroll Clerk

Invoice nbr:	1732416984A
Date:	11/20/2017
Payment Date	11/22/2017

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

ACH Transfer was made in the amount of \$

\$30,362.38

Payable to:  
Medica

Vendor # 21088

Charge to:

Amount

22-005-110-000-300-000	WEEKLY INVOICE	HLTH/RX CLAIMS	\$30,362.38
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

\$30,362.38	proof	\$0.00
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Authorized Signature



Date

11-28-17

copy for AP  
copy for Board

TO: Nicolle Roush DATE: 10/30/2017  
Business Manager

FROM: Audrey Weiler  
Payroll/Fringe Benefits Technician

SUBJECT: EFT for pay period ending 10/31/2017

Aflac Vendor #40072	\$ 2,128.54
Ameriprise Financial Vendor #40027	\$ 6,439.62
AXA Equitable Life Vendor #40022	\$ 3,337.45
Horance Mann Vendor #40026	\$ 2,058.33
PERA - Executive Director Vendor #40006	\$ 43,246.92
TRA - State Treasurer Vendor #40005	\$ 76,671.00
ESI/MEA Vendor #29026	\$ 5,590.62
VALIC (Variable Annuity Life) Vendor #40033	\$ 8,510.06
Minnesota Dept. of Revenue Vendor # 40003	\$ 29,727.69
Internal Revenue Service Vendor Nbr 40037	\$ 190,938.88
Payroll Acct #XXXXXXX4197 Vendor #40001	\$ 521,402.61
HealthEquity (HSA) Vendor # 24594-0	\$ 16,923.45
MN State Retirement System Vendor # 28803-0	\$ 1,750.00
MN State Retirement System Vendor # 28803-0	\$ -
MN Dept of Revenue - Garnishments Vendor #40058	\$ 194.43
MN Child Support Vendor # 21704	\$ 190.80
VOYA (Formerly ING) Vendor #28803-2	\$ 1,001.87
Fidelity Investments Vendor #40060	\$ 8,054.21

**Total Electronic Funds Transfer was made in the amount of \$ 918,166.48**

Authorized Signature  Date 11-2-17

11/14/2017 6:59 AM


TO: Nicolle Roush DATE: 11/14/2017  
Business Manager

FROM: Audrey Weiler  
Payroll/Fringe Benefits Technician

SUBJECT: EFT for pay period ending 11/15/2017

Amerprise Vendor #40027	6,439.62
AXA Equitable Life Vendor #40022	3,337.45
PERA Vendor #40006	43,103.18
Fidelity Vendor #40060	8,054.21
VOYA ( formerly ING) #28803-2	1,001.87
Horace Mann Vendor #40026	2,058.33
TRA Vendor #40005	76,309.70
VALIC (Variable Annuity Life) Vendor #40033	8,510.06
Minnesota Dept. of Revenue Vendor # 40003	29,595.54
Internal Revenue Service Vendor Nbr 40037	190,116.92
Payroll Acct #XXXXXX4197 Vendor #40001	518,538.38
HealthEquity (HSA) Vendor # 24594-0	17,298.47
Educators Financial Services/ESI/MEA Vendor #29026	5,590.62
MN State Retirement System Vendor #28803-0	1,750.00
MN State Retirement System Vendor #28803-0	0.00
MN Child Support Vendor #21704	190.80
MN Dept Revenue Vendor (Garnishment) #40058	323.91

**Total Electronic Funds Transfer was made in the amount of \$ 912,219.06**

Authorized Signature  Date 11-16-17

Date: November 14, 2017

To: Accounts Payable/Banking

From: Audrey Weiler

Payroll Clerk

Invoice nbr:	17317146984A
Date:	11/13/2017
Payment Date	11/15/2017

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

ACH Transfer was made in the amount of \$

\$70,713.04

Payable to:  
Medica

Vendor # 21088

Charge to:

Amount

22-005-110-000-300-000	WEEKLY INVOICE	HLTH/RX CLAIMS	\$70,713.04
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

\$70,713.04	proof	\$0.00
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Authorized Signature



Date

11-14-17

copy for AP  
copy for Board

Date: November 14, 2017

To: FOR EFT INPUT


From: Audrey Weiler  
Payroll Clerk

Subject: Flex Plan ACH Transfer for Flex Claim Reimbursement

Transferred From Wells Fargo Bank Account Number xxxxxx2167 \$31.83  
Corporate Health Systems Inc Vendor # 22698

Charge to:	Amount	
10-215-39 Medical	\$31.83	
10-215-40 D.Care	\$0.00	
10-215-42 L.Scope	\$0.00	
Total	\$31.83	proof \$0.00

cc: Payroll Insurance Payment File  
Date Bank Account to be debited see below

Authorized Signature  Date 11-14-17

11/8/2017 \$ 31.83

Total \$ 31.83

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

Date: November 6, 2017

To: Accounts Payable/Banking

From: Audrey Weiler

Payroll Clerk

Invoice nbr:	17310146984A
Date:	11/6/2017
Payment Date	11/8/2017

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

ACH Transfer was made in the amount of \$ \$48,031.53

Payable to:  
Medica

Vendor # 21088


Charge to:

Amount

22-005-110-000-300-000	WEEKLY INVOICE	HLTH/RX CLAIMS	\$48,031.53
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

\$48,031.53 proof \$0.00

Authorized Signature  Date 11-6-17

copy for AP  
copy for Board

Date: November 6, 2017

To: FOR EFT INPUT


From: Audrey Weiler  
Payroll Clerk

Subject: Flex Plan ACH Transfer for Flex Claim Reimbursement

Transferred From Wells Fargo Bank Account Number xxxxxx2167 \$1,937.44  
Corporate Health Systems Inc Vendor # 22698

Charge to:	Amount	
10-215-39 Medical	\$1,177.28	
10-215-40 D.Care	\$760.16	
10-215-42 L.Scope	\$0.00	
Total	\$1,937.44	proof \$0.00

cc: Payroll Insurance Payment File  
Date Bank Account to be debited see below

Authorized Signature  Date 11-6-17

11/2/2017	\$	11.99
11/3/2017	\$	509.24
11/4/2017	\$	32.94
11/5/2017	\$	30.00
11/7/2017	\$	1,353.27
<b>Total</b>	<b>\$</b>	<b>1,937.44</b>

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

Date: November 1, 2017

To: Accounts Payable

From: Audrey Weiler  
Payroll Clerk

Bill Number 1272047  
Paydate 11/1/2017


Subject: Group Insurance Premium for September 2017  
(Employer's Costs and Employees' Withholdings)

Wire Funds to Kansas City Life Insurance Co \$8,560.96

Payable to:  
Kansas City Life Ins Co Vendor # 24031

Charge to:	Amount	
01-215-32	\$416.92	
02-215-32	\$4,753.86	
10-215-32	\$272.64	
01-215-33	\$289.66	
02-215-33	\$2,689.56	
10-215-33	\$138.32	
Total	\$8,560.96	proof \$0.00

cc: Payroll Insurance Payment File

Authorized Signature  Date 11-6-17

Date: November 6, 2017

To: FOR EFT INPUT

From: Audrey Weiler  
Payroll Clerk


Subject: Group Insurance Premium for October 2017  
(Employer's Costs and Employees' Withholdings)

Payable to: \$30,962.66  
Delta Dental Vendor # 30132

Charge to:	Amount
21-005-110-000-235-250	\$30,962.66

Total	\$30,962.66	proof	\$0.00
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cc: Payroll Insurance Payment File  
Date Bank Account to be debited 11/10/2017

Authorized Signature  Date 11-6-17

Invoice 7081681 dated 11/01/2017

	LB COPY
	VB COPY

**INTERMEDIATE SCHOOL DISTRICT 917  
SCHOOL BOARD REPORT OF  
CONSOLIDATED INVESTMENTS (General & Building)**

OCTOBER 2017

ACCOUNT NAME	ACCT NO	BEGINNING BALANCE	PURCHASES CREDITS	SALES TRANSFERS	INVESTMENT FEES	INTEREST EARNED	ENDING BALANCE	YEAR TO DATE INTEREST EARNED
MSDLAF + MAX	01	4,224,410.66	0.00	0.00	0.00	3,829.65	4,228,240.31	10,709.29
MSDLAF	01	3,749.77	1,000,000.00	0.00	0.00	323.94	1,004,073.71	332.96
MSDLAF TERM (CD's, Term, Comm) maturity	01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>		<b>4,228,160.43</b>	<b>1,000,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4,153.59</b>	<b>5,232,314.02</b>	<b>11,042.25</b>

**EXPLANATION:** The above are School District Investments complying with the requirements of Minnesota Statutes 118.01, 471.56 and 475.66.

1. MSDMAX is MSDLAF'S "Max Portfolio" and includes pooled investments plus banker's acceptances, commercial paper, repurchase agreements and US Government obligations.
2. MSDLAF is MSDLAF'S primary clearing "Money Market" fund. All fixed rate investments (FRI) clear through this account as do maturities, interest, and fees.

**NOTE:** October 2017 Average MSDLAF Liquid Rate was 0.98% and the MSDLAF+MAX Average Rate was 1.07%.  
MSDLAF Term Average Rate is .00%.

INTERMEDIATE SCHOOL DISTRICT NO. 917  
ROSEMOUNT, MINNESOTA

Extracurricular Student Activity  
Accounts Financial Statements

Year Ended  
June 30, 2017

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, 2017, 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, 2017, 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  
INSERT DATE

INTERMEDIATE SCHOOL DISTRICT NO. 917

Extracurricular Student Activity Accounts  
 Statement of Cash Receipts and Disbursements  
 Year Ended June 30, 2017

	Beginning Balance – <u>July 1, 2016</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Balance – <u>June 30, 2017</u>
Student activity accounts				
Alliance Education Center	\$ 790	\$ 1,645	\$ –	\$ 2,435
DCALS	100	60	100	60
DCALS North	205	–	–	205
Deaf & Hard of Hearing	453	40	417	76
Secondary Youth	367	–	–	367
Skills USA	–	2,322	2,152	170
Vehicle Services	108	155	259	4
Construction Trades	50	–	–	50
Cedar	868	70	938	–
	<u>868</u>	<u>70</u>	<u>938</u>	<u>–</u>
Total	<u>\$ 2,941</u>	<u>\$ 4,292</u>	<u>\$ 3,866</u>	<u>\$ 3,367</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, 2017

**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, 2017, 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 2017-001 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  
INSERT DATE

## 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, 2017, and the related notes to the extracurricular student activity accounts financial statement, and have issued our report thereon dated INSERT DATE. 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  
INSERT DATE

INTERMEDIATE SCHOOL DISTRICT NO. 917

Extracurricular Student Activity Accounts  
Schedule of Findings and Corrective Action  
For the Year Ended June 30, 2017

**FINDINGS AND CORRECTIVE ACTION**

**EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS**

**2017-001 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, 2018.

**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, 2017

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, 2017. 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  
INSERT DATE

## 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, 2017, 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, 2017:

- 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, 2017 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.

## **OTHER COMMENTS AND RECOMMENDATIONS**

The latest version of the *Manual for Activity Fund Accounting* included a change in how check requests must be prepared. Previously, check requests were to be signed by the activity advisor and a student representing the activity. Under the current manual, check requests must be prepared, and approved by the student representative, the advisor, and the building principal (or his/her designee). For elementary student activity accounts, the student representative approval is not required. Approval is evidenced by signatures. We recommend the District review the internal controls and procedures over extracurricular student activity accounts to allow future compliance for all recent changes and ongoing internal control and compliance requirements of the *Manual for Activity Fund Accounting*.

## **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, 2017.

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 INSERT DATE.

#### **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 the 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

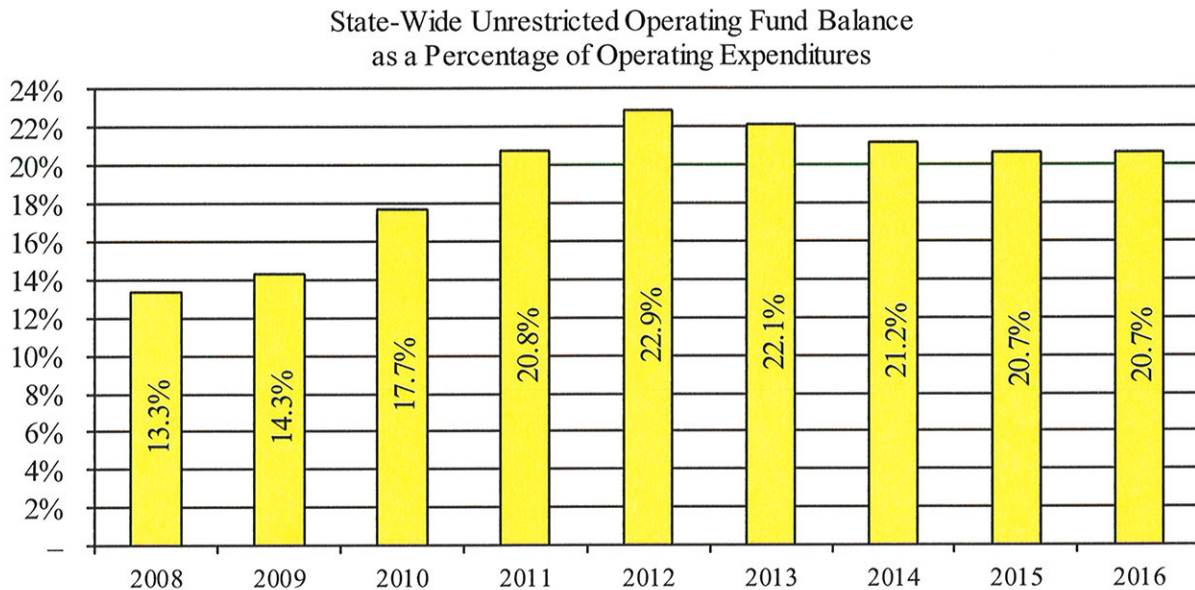
The largest single funding source for Minnesota school districts is basic general education aid. Each year, the Legislature sets a basic formula allowance. Total basic general education revenue is calculated by multiplying the formula allowance by the number of pupil units for which a district is entitled 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 2018 and 2019 fiscal years. The amount of the formula allowance and the percentage change from year to year excludes temporary funding changes, the “roll-in” of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts. The \$529 increase in 2015 was offset by changes to pupil weightings and the general education aid formula that resulted in an increase equivalent to approximately \$105, or 2.0 percent, state-wide.

Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
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 %
2018	\$ 6,188	2.0 %
2019	\$ 6,312	2.0 %

## 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 2017.

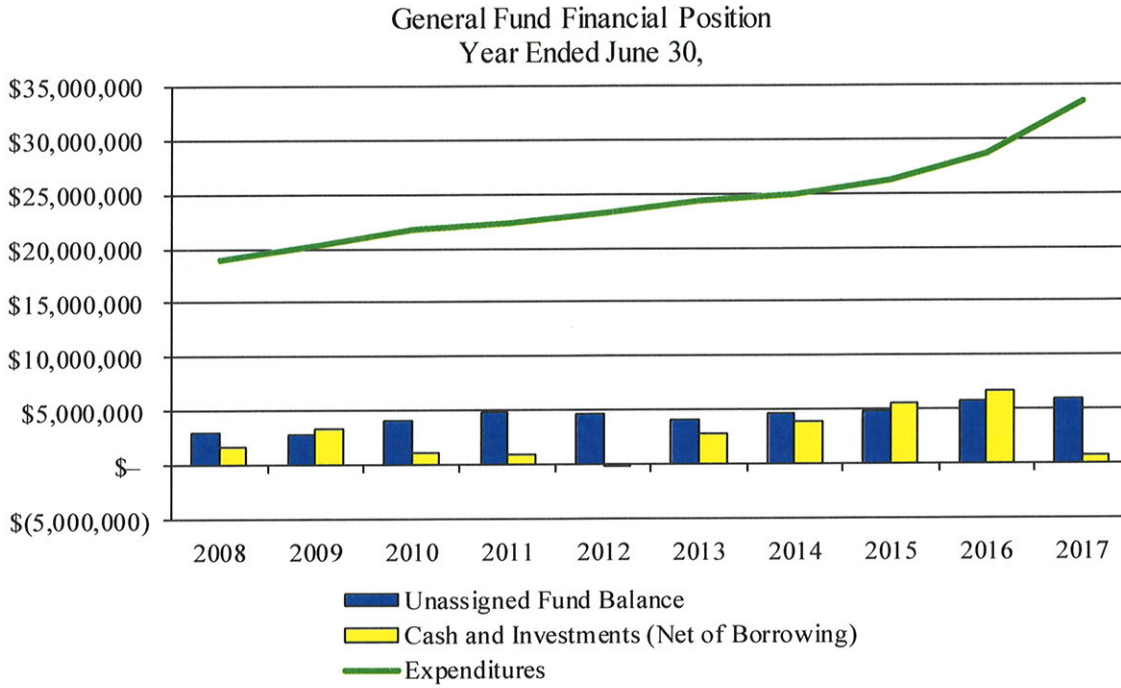
The calculation above reflects only the unrestricted fund balance of the General Fund, and the corresponding expenditures, which is the same method the state uses for the calculation of statutory operating debt. We have also included the comparable percentages for your district.

During the economic downturn that began in 2008, the average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts increased, peaking at 22.9 percent at the end of fiscal 2012. This trend reflected districts' efforts to limit budget cuts, retain educational programs, and maintain adequate operating cash flow during a period of uncertain funding. As the state's economic condition improved in subsequent years, this ratio has gradually decreased, stabilizing at 20.7 percent for fiscal 2015 and fiscal 2016.

## 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 2017 with a General Fund cash and investments balance of \$818,971 (net of borrowing and interfund receivables and payables), a decrease of \$5,890,264 from the previous year. This was mainly due to the increase in amounts due from the MDE for special education aid totaling \$5,415,802. Unassigned fund balance at year-end was \$5,922,746, an increase of \$192,225.

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

	Year Ended June 30,				
	2013	2014	2015	2016	2017
Nonspendable fund balances	\$ 80,710	\$ 9,922	\$ 79,012	\$ 48,404	\$ 154,609
Restricted fund balances	1,430,576	1,414,463	1,390,688	1,377,634	880,523
Assigned fund balances	110,661	–	–	181,445	–
Unassigned	<u>4,082,678</u>	<u>4,642,898</u>	<u>4,807,307</u>	<u>5,730,521</u>	<u>5,922,746</u>
Total fund balances	<u>\$5,704,625</u>	<u>\$6,067,283</u>	<u>\$6,277,007</u>	<u>\$7,338,004</u>	<u>\$6,957,878</u>
Unassigned fund balances as a percentage of expenditures	<u>16.8%</u>	<u>18.6%</u>	<u>18.3%</u>	<u>20.0%</u>	<u>17.8%</u>
Cash and temporary investments (net of borrowing)	<u>\$2,886,578</u>	<u>\$3,923,173</u>	<u>\$5,707,461</u>	<u>\$6,709,235</u>	<u>\$ 818,971</u>

The graph 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.

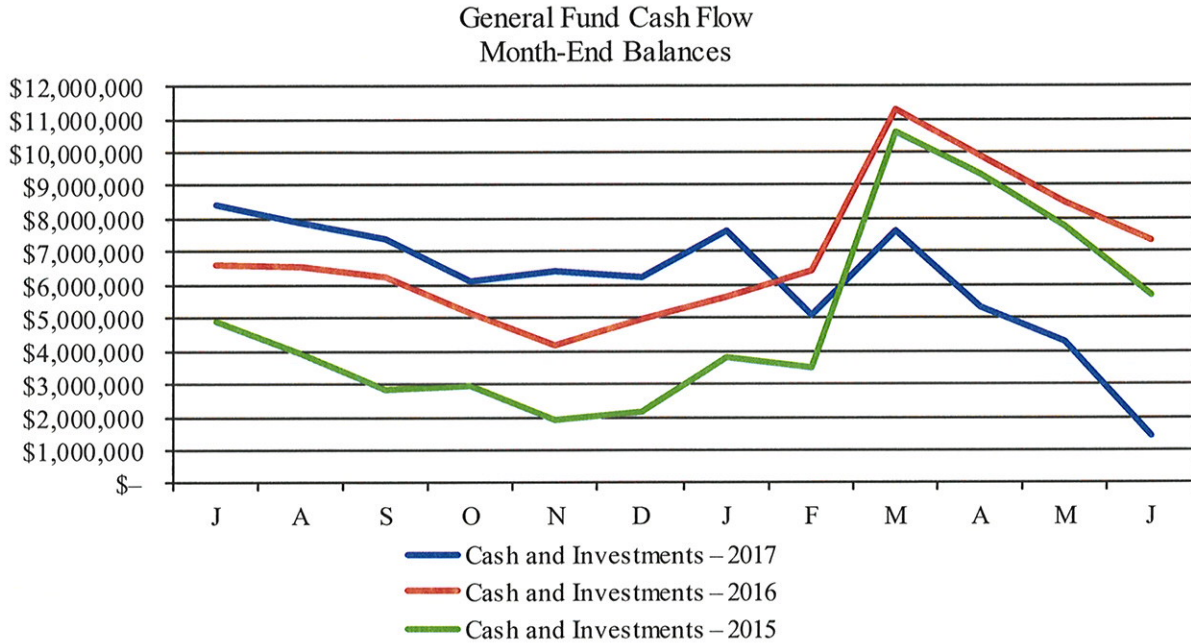
Fund balance as a percentage of expenditures is one key measure in assessing the financial health of the District. Maintaining an adequate fund balance is particularly important because of the limited availability of borrowing for the District and the need for the General Fund to be self-sustaining in 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, 2017, the District has exceeded that policy with an unassigned fund balance as a percentage of 2017 expenditures of 17.8 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, including cash and investments held by trustee (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 \$7.0 million for fiscal 2017.

## 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,				
	2013	2014	2015	2016	2017
Revenue and other financing sources	\$3,823,175	\$3,391,004	\$3,279,549	\$3,452,295	\$3,384,163
Expenditures	4,135,016	3,471,081	3,381,889	3,246,387	3,401,719
Net change in fund balances	(311,841)	(80,077)	(102,340)	205,908	(17,556)
Fund balances					
Beginning of year	2,224,680	1,912,839	1,832,762	1,730,422	1,936,330
End of year	\$1,912,839	\$1,832,762	\$1,730,422	\$1,936,330	\$1,918,774

This account experienced a net decrease in fund balance of \$17,556 during fiscal 2017. This compares to a budgeted decrease of \$154,783. Revenues were over budget by \$16,406, mainly in state aid revenues, while expenditures ended the year lower than budget by \$120,821, mainly in purchased services.

Total revenue and other financing sources in the Secondary Education Account of the General Fund totaled \$3,384,163 for fiscal 2017, a decrease of \$68,132 from the previous year, due to a decrease in tuition revenue.

### Special Education Account

	Year Ended June 30,				
	2013	2014	2015	2016	2017
Revenue and other financing sources	\$18,615,960	\$20,660,172	\$22,071,391	\$25,133,268	\$26,294,372
Expenditures and other financing uses	18,895,373	20,084,109	21,757,866	24,245,802	25,498,947
Net change in fund balances	(279,413)	576,063	313,525	887,466	795,425
Fund balances					
Beginning of year	2,604,413	2,325,000	2,901,063	3,214,588	4,102,054
End of year	\$2,325,000	\$2,901,063	\$3,214,588	\$4,102,054	\$4,897,479

This account experienced a net increase in fund balance of \$795,425 during fiscal 2017, which compares to a budgeted decrease in fund balance of \$34,925 for the year.

Special Education Account revenues and other financing sources increased \$1,161,104 in fiscal 2017. 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. Expenditures and other financing uses increased \$1,253,145, mainly in salaries and benefits totaling \$1,018,777.

**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,				
	2013	2014	2015	2016	2017
Revenue	\$ 525,386	\$ 552,460	\$ 530,743	\$ 2,149,801	\$ 3,425,979
Expenses	519,904	411,914	554,121	1,627,900	3,255,326
Change in net position	5,482	140,546	(23,378)	521,901	170,653
Net position					
Beginning of year	<u>(507,118)</u>	<u>(501,636)</u>	<u>(361,090)</u>	<u>(384,468)</u>	<u>137,433</u>
End of year	<u>\$ (501,636)</u>	<u>\$ (361,090)</u>	<u>\$ (384,468)</u>	<u>\$ 137,433</u>	<u>\$ 308,086</u>

These funds experienced an increase in net position of \$170,653 during fiscal 2017. This occurred mostly as a result of the District’s Internal Service Fund for self-insured health operating for a full fiscal year. Revenue and expenses were more than fiscal 2016, mostly for the Medical Self-Insurance Internal Service Fund, which was in its first full 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)
	2016	2017	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 7,405,055	\$ 6,957,878	\$ (447,177)
Total capital assets, net of depreciation	6,944,495	9,327,146	2,382,651
Total long-term debt	(7,129,678)	(8,360,623)	(1,230,945)
Net pension-related liabilities	(15,744,788)	(22,745,589)	(7,000,801)
Internal Service Fund balance	137,433	308,086	170,653
Other items	(6,658)	(21,069)	(14,411)
<b>Total net position – governmental activities</b>	<b>\$ (8,394,141)</b>	<b>\$ (14,534,171)</b>	<b>\$ (6,140,030)</b>
Net position			
Net investment in capital assets	\$ 712,743	\$ 1,989,252	\$ 1,276,509
Restricted	849,779	252,691	(597,088)
Unrestricted	(9,956,663)	(16,776,114)	(6,819,451)
<b>Total net position</b>	<b>\$ (8,394,141)</b>	<b>\$ (14,534,171)</b>	<b>\$ (6,140,030)</b>

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

Total net position decreased by \$6,140,030 in fiscal 2017. Net investment in capital assets improved as the District used assets restricted for debt service as part of a debt service refunding transaction. The District's unrestricted net position decreased by \$6,819,451, mainly due to changes in the District's proportionate share of the Public Employees Retirement Association and the Teachers Retirement Association pension obligations.

## LEGISLATIVE SUMMARY

The 2017 legislative session established public education funding appropriations for the 2018–2019 fiscal biennium totaling \$483.3 million. The following is a brief summary of specific legislative changes from the 2017 session or previous legislative sessions impacting Minnesota school districts in future years.

**Basic General Education Revenue** – The 2017 Legislature approved annual increases of 2 percent to the basic general education formula allowance for the 2018–2019 biennium. The per pupil allowance will increase \$121 to \$6,188 for fiscal year (FY) 2018, and another \$124 to \$6,312 for FY 2019.

**Compensatory Revenue** – The \$5 million allocation for compensatory pilot grants in FY 2017 was permanently added to the allocation for regular compensatory revenue beginning in FY 2018. Beginning in FY 2018, a portion of compensatory revenue will be required to be used for extended time activities. The requirement will be 1.7 percent of total compensatory revenue for FY 2018, and 3.5 percent in FY 2019 and beyond.

**Transportation Sparsity Revenue** – Beginning in FY 2018, transportation sparsity revenue increases annually by 18.20 percent of the difference between 1) the lessor of a district’s actual regular and excess transportation costs for the previous fiscal year, or 105.00 percent, of those costs for the preceding year, and 2) the sum of 4.66 percent of the district’s basic transportation revenue, transportation sparsity revenue, and charter school transportation adjustment for the previous year. For charter schools, the adjustment to transportation sparsity is equal to the applicable school district’s per pupil adjustment.

**Early Learning** – The Legislature made a number of changes to early learning programs, including appropriating funding of \$71.75 million for the 2018–2019 biennium. Other changes include:

- The creation of a new School Readiness Plus (SR+) program for FY 2018 and FY 2019 only, with the following student eligibility requirements:
  - A child who is four years of age as of September 1, and who demonstrates one or more risk factors is eligible to participate in the program free of charge,
  - A child who is four years of age as of September 1, and who does not demonstrate any risk factors is eligible to participate on a fee-for-service basis, and
  - A district must adopt a sliding fee schedule for students not demonstrating risk factors, but must waive the fee for students unable to pay.
- Changing the Voluntary Pre-Kindergarten (VPK) cap from a limit on the total state aid entitlement to a limit on the number of participants, as follows:
  - A combined cap of 6,160 participants for VPK and SR+ for FY 2018,
  - A combined cap of 7,160 participants for VPK and SR+ for FY 2019, and
  - A cap of 3,160 participants for VPK for FY 2020 and later (SR+ program sunsets).
- All applications submitted in January to renew an existing FY 2017 VPK program will be funded first (3,160 slots). Applications for expanded VPK programs, and new VPK or SR+ programs will be ranked and approved based on various criteria. The number of new participants allowed in each new or expanded program will depend on how the programs are ranked.

**Long-Term Facilities Maintenance Revenue** – Beginning in FY 2017, deferred maintenance, health and safety, and alternative facilities programs were rolled into a new long-term facilities maintenance revenue program. Revenue for FY 2017 was \$193 per adjusted pupil unit (APU); multiplied by the lessor 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.

**Home Visiting Revenue** – For FY 2018 (Pay 17 tax levy), home visiting program revenue is increased from \$1.60 to \$3.00, multiplied by the population under age 5 residing in a district on September 1 of the last school year. The levy will be equalized using a factor of \$17,250 per APU.

**Debt Service Equalization** – Beginning in FY 2018, the equalizing factors for debt service levies are indexed at 1) Tier 1 – the greater of \$4,430, or 55.33 percent, of the state average adjusted net tax capacity per APU, or 2) Tier 2 – the greater of \$8,000, or 100 percent, of the state average adjusted net tax capacity per APU.

**Procedural Changes or Clarifications Related to Funding –**

- Operating referendum notices can be delivered by any type of mail, no longer required to be by first class mail.
- For nonpublic pupil aid the definition of “textbook” is modified to include an online book with an annual subscription cost and the definition of “software or other educational technology” is modified to include registration fees for online advanced placement courses.
- Charter schools are allowed to include students participating in postsecondary enrollment options in their pupil count for generating building lease aid.

**Payments to Nonoperating Funds** – Beginning in FY 2018, the payment schedule for state aids for nonoperating funds (e.g., debt service equalization) has been changed from 12 monthly installments throughout the fiscal year to six monthly installments from July through December.

**Nutrition Contracts** – The Legislature amended the law governing school district contracts to provide for an exception to the requirement limiting school district contracts to two years, with an option for an additional two years. A contract between a school board and a food service management company that complies with Code of Federal Regulations, Title 7, Section 210.16, may be renewed annually after its initial term for not more than four years.

**School Building Bond Agricultural Tax Credit** – Effective for taxes payable in 2018 (FY 2019), a property tax credit on all property classified as agricultural (excluding the house, garage, and one acre of an agricultural homestead) is provided equal to 40 percent of the tax on the property attributable to school district building bond levies.

**Lead in School Drinking Water –**

- Requires the commissioners of health and education to develop a model plan to test for lead in school drinking water.
- Requires school districts and charter schools to adopt the model plan or an alternative plan to test school water for lead at least every five years.
- A school district must begin testing by July 1, 2018 and complete testing for all schools within five years.
- Allows school districts to include lead testing and remediation in their 10-year facilities plans and to use long-term facilities maintenance revenue for lead testing and remediation.
- Requires school districts and charter schools to make lead testing results available to the public and to notify parents that this information is available.

**Review and Comment** – Directs the commissioner of education to include comments from district residents in the review and comment on capital project proposals. School boards are required to hold a public meeting to review the commissioner’s review and comment on a proposal before the bond election.

## ACCOUNTING AND AUDITING UPDATES

### **GASB STATEMENT NO. 75, *ACCOUNTING AND FINANCIAL REPORTING FOR POST-EMPLOYMENT 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 (other post-employment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This statement replaces the requirements of GASB Statement Nos. 45 and 57. GASB Statement No. 74 establishes new accounting and financial reporting requirements for OPEB plans.

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

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

### **GASB STATEMENT NO. 83, *CERTAIN ASSET RETIREMENT OBLIGATIONS***

At times, state and local governments are required to take specific actions to retire certain tangible capital assets, such as the decommissioning of nuclear reactors, removal and disposal of wind turbines in wind farms, dismantling and removal of sewage treatment plants, and removal and disposal of x-ray machines. Obligations to retire certain tangible capital assets also arise from contracts or court judgments. Accounting and financial reporting standards exist for costs of the closure and post-closure care of municipal solid waste landfills, but those standards do not address retirement obligations associated with other types of tangible capital assets.

This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs) that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

### **GASB STATEMENT NO. 84, *FIDUCIARY ACTIVITIES***

This statement is intended to enhance consistency and comparability of fiduciary activity reporting by state and local governments. It is also meant to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries.

This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The requirements of this statement are effective for reporting periods beginning after December 15, 2018.

## **GASB STATEMENT NO. 85, *OMNIBUS 2017***

The objective of this statement is to address issues that have been identified during implementation and application of certain GASB statements. The statement addresses a variety of topics, including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and OPEB). The statement is meant to enhance consistency in the application of recent accounting and financial reporting standards. The requirements of this statement are effective for reporting periods beginning after June 15, 2017.

## **GASB STATEMENT NO. 86, *CERTAIN DEBT EXTINGUISHMENT ISSUES***

Current GASB guidance requires that debt be considered defeased in substance when the debtor irrevocably places cash or other monetary assets acquired with refunding debt proceeds in a trust to be used solely for satisfying scheduled payments of both principal and interest of the defeased debt. This new standard establishes essentially the same requirements for when a government places cash and other monetary assets acquired with only existing resources in an irrevocable trust to extinguish the debt.

The primary objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this statement are effective for reporting periods beginning after June 15, 2017.

## **GASB STATEMENT NO. 87, *LEASES***

A lease is a contract that transfers control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this statement.

Governments enter into leases for many types of assets. Under the previous guidance, leases were classified as either capital or operating depending on whether the lease met any of four tests. In many cases, the previous guidance resulted in reporting lease transactions differently than similar nonlease financing transactions.

The goal of this statement is to better meet the information needs of users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

To reduce the cost of implementation, this statement includes an exception for short-term leases, defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

INTERMEDIATE SCHOOL DISTRICT NO. 917  
ROSEMOUNT, MINNESOTA

Financial Statements and  
Supplemental Information

Year Ended  
June 30, 2017

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, 2017

**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
Melissa Sauser	ISD No. 192	Treasurer
Vanda Pressnall	ISD No. 195	Clerk
Dick Bergstrom	ISD No. 271	Director
Dee Dee Currier	ISD No. 191	Director
Wendy Felton	SSD No. 6	Director
Russ Rohloff	ISD No. 200	Director
Byron Schwab	ISD No. 197	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, 2017, 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, 2017, 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 accompanying Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table is presented for purposes of additional analysis as required by the Minnesota Department of Education, and is also not a required part of the basic financial statements of the District.

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

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.

(continued)

### **Prior Year Comparative Information**

We have previously audited the District's 2016 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 November 29, 2016. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated INSERT DATE 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  
INSERT DATE

## INTERMEDIATE SCHOOL DISTRICT NO. 917

### Management's Discussion and Analysis Year Ended June 30, 2017

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, 2017. 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, 2017 by \$14,534,171 (net position). The District's total net position decreased by \$6,140,030 during the fiscal year ended June 30, 2017.
- The District's total General Fund balance at June 30, 2017 is \$6,957,878.
- The District's governmental funds Balance Sheet reflects a \$5,922,746 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 it has changed. Net position—the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources—is one way to measure the District's financial health or *position*.

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

	2017	2016
<b>Assets</b>		
Current and other assets	\$ 13,287,467	\$ 12,853,148
Capital assets, net of accumulated depreciation	9,327,146	6,944,495
Total assets	\$ 22,614,613	\$ 19,797,643
<b>Deferred outflows of resources</b>		
Pension plan deferments	\$ 35,135,153	\$ 3,183,346
Bond refunding deferments	381,232	-
Total deferred outflows of resources	\$ 35,516,385	\$ 3,183,346
<b>Liabilities</b>		
Current and other liabilities	\$ 4,326,139	\$ 3,748,161
Long-term liabilities, including due within one year	67,565,532	25,740,747
Total liabilities	\$ 71,891,671	\$ 29,488,908
<b>Deferred inflows of resources</b>		
Pension plan deferments	\$ 773,498	\$ 1,886,222
<b>Net position</b>		
Net investment in capital assets	\$ 1,989,252	\$ 712,743
Restricted for capital projects	76	751,269
Restricted for other purposes	252,615	98,510
Unrestricted	(16,776,114)	(9,956,663)
Total net position	\$ (14,534,171)	\$ (8,394,141)

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, 2017 was \$6,140,030 less than in the prior year, mainly due to increases in net pension plan liabilities. An increase in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans contributed to the change in deferred outflows of resources, long-term liabilities, and unrestricted net position.

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

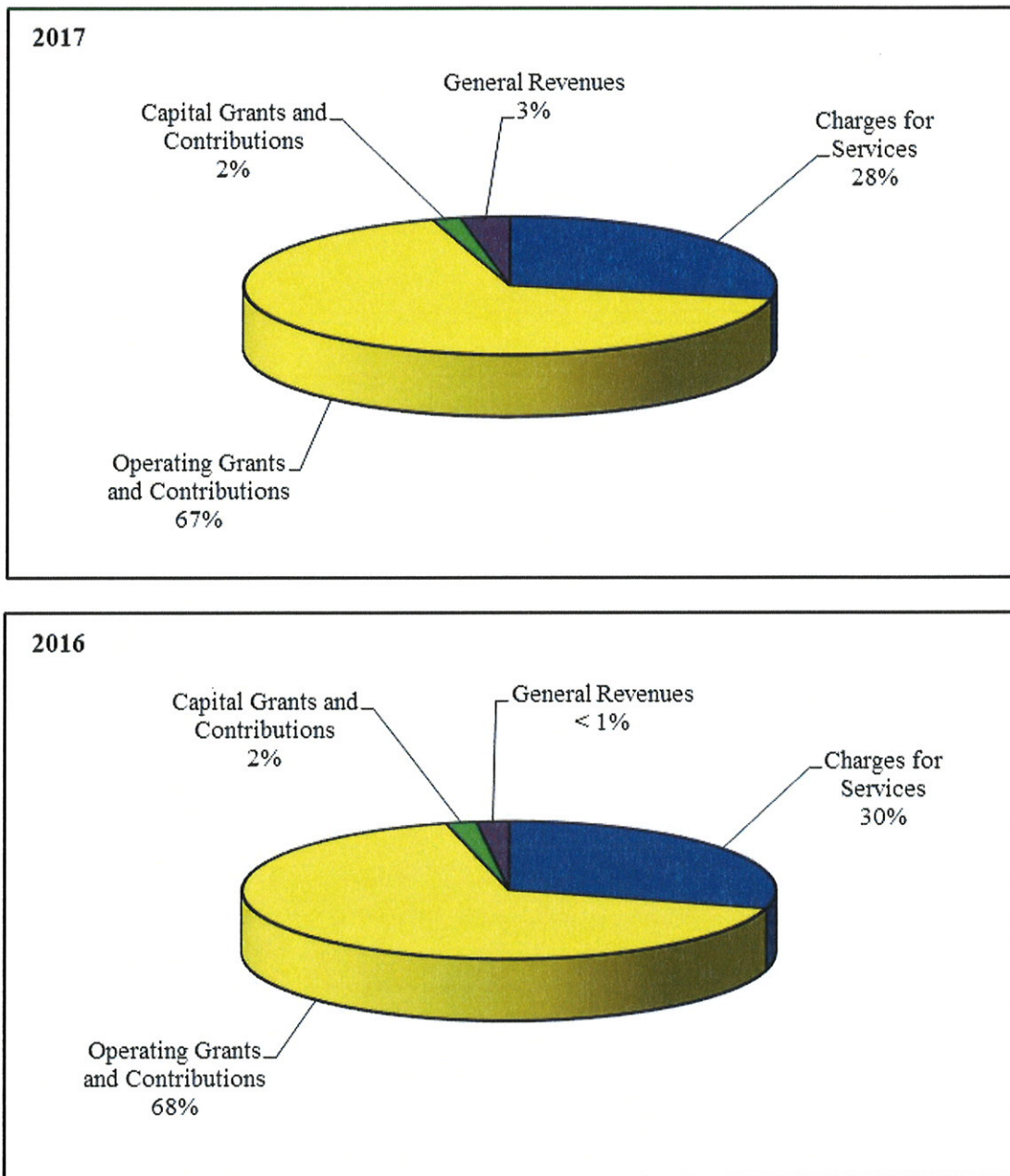
	<u>2017</u>	<u>2016</u>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 8,910,685	\$ 8,765,738
Operating grants and contributions	21,223,814	20,327,694
Capital grants and contributions	539,240	554,908
General revenues		
Other	779,287	91,146
Investment earnings	66,190	48,649
Total revenues	<u>31,519,216</u>	<u>29,788,135</u>
<b>Expenses</b>		
Administrative and support services	3,088,390	1,886,824
Secondary vocational/DCALS	3,590,904	2,993,362
Special education programs	30,535,125	22,764,328
Food service	143,390	131,729
Interest and fiscal charges on debt	301,437	307,246
Total expenses	<u>37,659,246</u>	<u>28,083,489</u>
Change in net position	(6,140,030)	1,704,646
Net position – beginning	<u>(8,394,141)</u>	<u>(10,098,787)</u>
Net position – ending	<u>\$ (14,534,171)</u>	<u>\$ (8,394,141)</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 \$37,659,246. The District's expenses are predominantly related to educating students. In fiscal 2016–2017, 92 percent of the District's expenses were devoted to this purpose. The administrative and support services activity of the District accounted for 8 percent of total expenses for the year. It should be noted that the District allocated \$1,527,224 in administrative and support services expenses to the secondary vocational/Dakota County Area Learning School (DCALS) and special education programs in fiscal 2017. The significant increase in expenses reflects natural inflationary increases along with the change in the PERA and the TRA multi-employer defined benefit pension plans mentioned earlier.

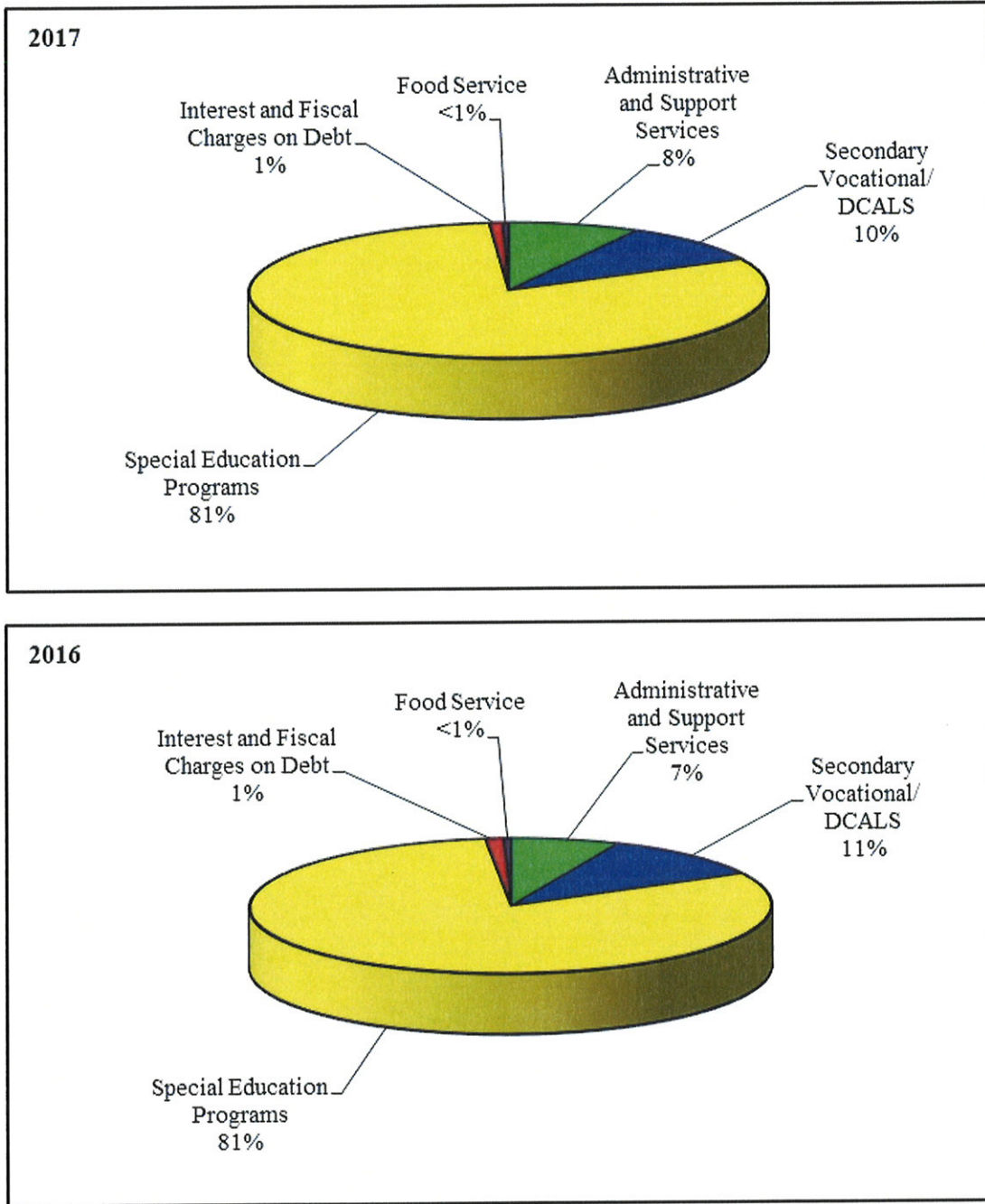
Figures A and B show further analysis of these revenue sources and expense functions:

**Figure A – Sources of Revenue for Fiscal Years 2017 and 2016**



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 2017 and 2016**



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, 2017 and 2016**

	2017		2016	
	Total Cost of Services	Net (Expense) Revenue From Services	Total Cost of Services	Net (Expense) Revenue From Services
Governmental activities				
Administrative and support services	\$ 3,088,390	\$ (1,103,934)	\$ 1,886,824	\$ 11,658
Secondary vocational/DCALS	3,590,904	(63,834)	2,993,362	685,258
Special education programs	30,535,125	(5,477,392)	22,764,328	1,217,026
Food service	143,390	(38,910)	131,729	(41,845)
Interest and fiscal charges	301,437	(301,437)	307,246	(307,246)
Total	<u>\$ 37,659,246</u>	<u>\$ (6,985,507)</u>	<u>\$ 28,083,489</u>	<u>\$ 1,564,851</u>

The overall net (expense) revenue from service was \$8,550,358 less than fiscal 2016, due to the increase in pension plan liabilities.

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

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

	2017		2016		Increase (Decrease)	Total Percent Change
	2017	2016	2017	2016		
Major funds						
General	\$ 6,957,878	\$ 7,338,004	\$ 6,957,878	\$ 7,338,004	\$ (380,126)	(5.2%)
Capital Projects – Building Construction	–	67,051	–	67,051	(67,051)	(100.0%)
Food Service Special Revenue	–	–	–	–	–	–
Total governmental funds	<u>\$ 6,957,878</u>	<u>\$ 7,405,055</u>	<u>\$ 6,957,878</u>	<u>\$ 7,405,055</u>	<u>\$ (447,177)</u>	<u>(6.0%)</u>

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>2012–2013</u>	<u>2013–2014</u>	<u>2014–2015</u>	<u>2015–2016</u>	<u>2016–2017</u>
Secondary vocational resource programs	117.37	109.00	100.67	108.41	92.80
DCALS programs	203.78	209.84	190.43	216.20	214.84
Special education resource programs	361.66	395.92	414.54	419.44	478.42

Funding for Minnesota school districts is largely driven by enrollment. In the current economic environment, member districts are striving to keep their students at their sites whenever possible. Overall, enrollment has been declining in secondary vocational resource programs, due to some member districts offering vocational opportunities to their students at their home districts, DCALS programs are fairly stable, with only a slight decrease over the previous fiscal year. Special education programs are experiencing significant growth in the Youth Transition, Options, 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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Unassigned fund balance	\$ 4,082,678	\$ 4,642,898	\$ 4,807,307	\$ 5,730,521	\$ 5,922,746
Percent increase (decrease)	(14.7%)	13.7%	3.5%	19.2%	3.4%
Expenditures	\$ 24,282,947	\$ 24,895,504	\$ 26,283,967	\$ 28,598,875	\$ 33,366,968
Percent increase	4.3%	2.5%	5.6%	8.8%	16.7%
Unassigned fund balance as a percentage of expenditures	16.8%	18.6%	18.3%	20.0%	17.8%

The District ended the year with a \$380,126 decrease in the General Fund balance. This decrease is \$5,598,842 less than the \$5,218,716 increase anticipated in the revised budget. The reason for the significant reduction in the fund balance is due to treating the new bond issue as crossover bond instead of an advanced refunding bond during the revised budget process. The Special Education Account Fund balance increased by \$830,350 more than anticipated, due to better than anticipated final fiscal year 2016, and estimated fiscal year 2017 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 for fiscal 2015–2016 and beyond.

Table 7 presents a summary of General Fund revenue:

	<u>2017</u>	<u>2016</u>	Amount of Increase (Decrease)
Local sources			
Tuition	\$ 8,898,680	\$ 8,662,123	\$ 236,557
Investment earnings	58,896	44,556	14,340
Other	593,514	737,405	(143,891)
State sources	21,090,031	20,091,649	998,382
Federal sources	<u>139,698</u>	<u>161,193</u>	<u>(21,495)</u>
 Total General Fund revenues	 <u>\$ 30,780,819</u>	 <u>\$ 29,696,926</u>	 <u>\$ 1,083,893</u>

Total General Fund revenues increased \$1,083,893, or 3.6 percent, in fiscal 2017 as compared to the previous year. Overall, the changes in revenues can be attributed to an increase in enrollment of 42 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, resulting in the need to hire additional related staffing complements such as: school psychologists, physical health disabilities, nursing, and lead teachers. In addition, we had several programs growing, especially in the Youth Transition Program, Options, and SUN Programs, resulting in an increase in licensed and nonlicensed support staff, resulting in an increase in state revenue sources through tuition billing.

Table 8 presents a summary of General Fund expenditures:

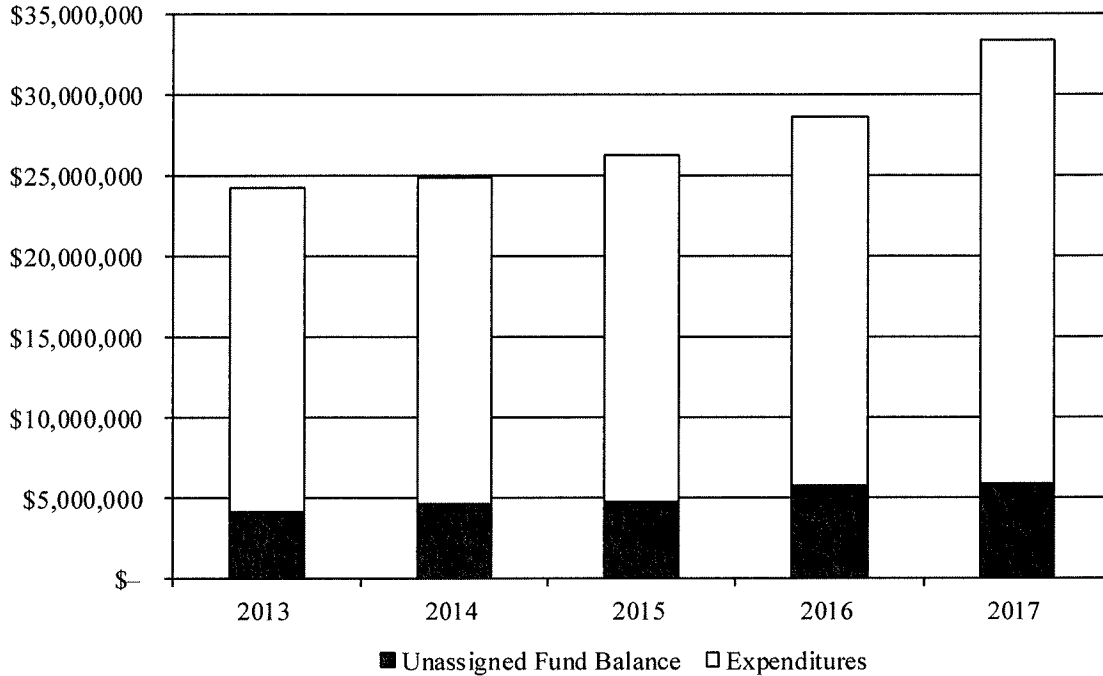
	<u>2017</u>	<u>2016</u>	Amount of Increase (Decrease)
Salaries	\$ 18,414,214	\$ 17,199,017	\$ 1,215,197
Employee benefits	6,088,584	6,082,823	5,761
Purchased services	3,512,686	3,374,797	137,889
Supplies and materials	742,100	759,859	(17,759)
Other expenditures	110,457	27,180	83,277
Capital expenditures	3,240,678	600,291	2,640,387
Debt service	<u>1,258,249</u>	<u>554,908</u>	<u>703,341</u>
 Total General Fund expenditures	 <u>\$ 33,366,968</u>	 <u>\$ 28,598,875</u>	 <u>\$ 4,768,093</u>

Total General Fund expenditures increased \$4,768,093, or 16.7 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, capital expenditures increased \$2,640,387 as a result of the increased construction activity related to the Alliance Education Center addition.

In summary, 2016–2017 General Fund expenditures and other financing uses exceeded General Fund revenues and other financing sources by \$380,126. As a result, total fund balance decreased to \$6,957,878 at June 30, 2017. After deducting nonspendable, restricted, and assigned funds, the unassigned fund balance increased from \$5,730,521 at June 30, 2016, to \$5,922,746 at June 30, 2017.

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, 2017 represents 17.8 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. 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 budget to assure financial stability. The District continues to monitor its fund balances closely.

**General Fund Budgetary Highlights**

Table 9 summarizes the General Fund budget to actual comparison:

<b>Table 9</b> <b>General Fund</b> <b>Budget</b> <b>Year Ended June 30, 2017</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenue and other financing sources	<u>\$ 31,687,144</u>	<u>\$ 39,974,831</u>	<u>\$ 39,139,953</u>	<u>\$ (834,878)</u>
Expenditures and other financing uses	<u>\$ 31,868,589</u>	<u>\$ 34,756,115</u>	<u>\$ 39,520,079</u>	<u>\$ 4,763,964</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 2.1 percent due to several factors. The District’s anticipated revenues are determined by actual expenditures incurred, which came in under budget by \$1,357,162, resulting in revenue coming in under budget. In 2016 and 2017, the District experienced special education tuition revenues exceeding special education expenditures.

The District’s expenditures and other financing uses were more than budgeted amounts by 13.7 percent due to several factors. Overall, the District came under budget by \$1.24 million in the areas of salary and benefit expenditures, including additional staffing complements in special education programs to accommodate any increased student participation. 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. The District also came in over budget by \$6.1 million, as a result of the treatment of the refunding of the 2007 capital lease payable. The District’s budget reflected this refunding as a crossover refunding with the debt payment being expended at its call date on August 1, 2018. However, the refunding was treated as an advanced refunding in the 2017 financial statements, which led to the \$6.1 million debt payment being recorded as an other financing use during the year ended June 30, 2017.

**CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND**

Expenditures exceeded revenues by \$67,051 for the year, due to allocated construction fees occurring in the fiscal year 2016–2017 for the addition at the Alliance Education Center. The fund balance in this fund was depleted to a zero balance as of June 30, 2017.

**FOOD SERVICE SPECIAL REVENUE FUND**

Expenditures exceeded revenues by \$35,240 for the year. In order to eliminate the potential deficit in the Food Service Special Revenue Fund, the School Board approved a transfer of \$35,240 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, 2017 and 2016:

<b>Table 10</b>			
<b>Capital Assets</b>			
<b>Years Ended June 30, 2017 and 2016</b>			
	<u>2017</u>	<u>2016</u>	<u>Net Change</u>
Land	\$ 655,000	\$ 682,011	\$ (27,011)
Construction in process	2,607,447	–	2,607,447
Buildings	8,413,048	8,492,082	(79,034)
Furniture and equipment	2,106,891	4,234,042	(2,127,151)
Less accumulated depreciation	<u>(4,455,240)</u>	<u>(6,463,640)</u>	<u>2,008,400</u>
<b>Total</b>	<u><u>\$ 9,327,146</u></u>	<u><u>\$ 6,944,495</u></u>	<u><u>\$ 2,382,651</u></u>
<b>Depreciation expense</b>	<u><u>\$ 272,348</u></u>	<u><u>\$ 289,489</u></u>	<u><u>\$ (17,141)</u></u>

## Long-Term Liabilities

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

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Capital leases payable	\$ –	\$ 6,820,000	\$ (6,820,000)
Certificates of participation payable	8,085,000	–	8,085,000
Unamortized premium (discount)	261,958	(116,350)	378,308
Net pension liability	57,107,244	17,041,912	40,065,332
Severance benefits payable	449,832	470,984	(21,152)
Compensated absences payable	275,623	309,678	(34,055)
Net OPEB obligation	<u>1,385,875</u>	<u>1,214,523</u>	<u>171,352</u>
Total	<u>\$ 67,565,532</u>	<u>\$ 25,740,747</u>	<u>\$ 41,824,785</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, nonprofit 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 \$121, or 2.0 percent, and \$124, or 2.0 percent, per pupil to the formula for fiscal years 2018 and 2019, respectively. 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, 2017  
(With Partial Comparative Information as of June 30, 2016)

	Governmental Activities	
	2017	2016
<b>Assets</b>		
Cash and temporary investments	\$ 3,249,221	\$ 8,738,241
Receivables		
Accounts and interest	9,351	15,921
Due from other governmental units	9,246,419	3,455,676
Inventory	925	695
Prepaid items	153,719	47,709
Restricted assets – temporarily restricted		
Cash and investments held by trustee	627,832	594,906
Capital assets		
Not depreciated	3,262,447	682,011
Depreciated, net of accumulated depreciation	6,064,699	6,262,484
Total capital assets, net of accumulated depreciation	<u>9,327,146</u>	<u>6,944,495</u>
Total assets	<u>22,614,613</u>	<u>19,797,643</u>
Deferred outflows of resources		
Pension plan deferments	35,135,153	3,183,346
Bond refunding deferments	381,232	—
Total deferred outflows of resources	<u>35,516,385</u>	<u>3,183,346</u>
Total assets and deferred outflows of resources	<u>\$ 58,130,998</u>	<u>\$ 22,980,989</u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ 3,012,174	\$ 2,740,655
Accounts and contracts payable	683,734	184,950
Accrued interest payable	140,343	123,008
Due to other governmental units	428,222	578,476
Unearned revenue	61,666	121,072
Long-term liabilities		
Due within one year	503,811	316,894
Due in more than one year	67,061,721	25,423,853
Total long-term liabilities	<u>67,565,532</u>	<u>25,740,747</u>
Total liabilities	71,891,671	29,488,908
Deferred inflows of resources		
Pension plan deferments	773,498	1,886,222
Net position		
Net investment in capital assets	1,989,252	712,743
Restricted for capital projects	76	751,269
Restricted for other purposes	252,615	98,510
Unrestricted	(16,776,114)	(9,956,663)
Total net position	<u>(14,534,171)</u>	<u>(8,394,141)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 58,130,998</u>	<u>\$ 22,980,989</u>

See notes to basic financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Activities  
 Year Ended June 30, 2017  
 (With Partial Comparative Information for the Year Ended June 30, 2016)

2017

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues	
			Charges for Services	Operating Grants and Contributions
Governmental activities				
Administrative and support services	\$ 3,088,390	\$ (1,527,224)	\$ 432,832	\$ --
Secondary vocational/DCALS	3,590,904	270,734	3,079,627	203,337
Special education programs	30,535,125	1,256,490	5,377,016	20,937,207
Food service	143,390	--	21,210	83,270
Interest and fiscal charges on debt	301,437	--	--	--
Total governmental activities	<u>\$ 37,659,246</u>	<u>\$ --</u>	<u>\$ 8,910,685</u>	<u>\$ 21,223,814</u>
			General revenues	
			Other general revenues	
			Investment earnings	
			Total general revenues	
			Change in net position	
			Net position – beginning	
			Net position – ending	

		2016
	Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Capital Grants and Contributions	Governmental Activities	Governmental Activities
\$ 24,400	\$ (1,103,934)	\$ 11,658
514,840	(63,834)	685,258
-	(5,477,392)	1,217,026
-	(38,910)	(41,845)
-	(301,437)	(307,246)
<u>\$ 539,240</u>	(6,985,507)	1,564,851
	779,287	91,146
	66,190	48,649
	<u>845,477</u>	<u>139,795</u>
	(6,140,030)	1,704,646
	<u>(8,394,141)</u>	<u>(10,098,787)</u>
	<u>\$ (14,534,171)</u>	<u>\$ (8,394,141)</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Balance Sheet  
Governmental Funds  
as of June 30, 2017

(With Partial Comparative Information as of June 30, 2016)

	General Fund	Capital Projects – Building Construction Fund	Nonmajor Fund – Food Service Special Revenue Fund	Total Governmental Funds	
				2017	2016
<b>Assets</b>					
Cash and temporary investments	\$ 818,971	\$ –	\$ 673	\$ 819,644	\$ 6,776,641
Cash and investments held by trustee	627,832	–	–	627,832	594,906
<b>Receivables</b>					
Accounts and interest	9,351	–	–	9,351	15,921
Due from other governmental units	9,246,419	–	–	9,246,419	3,455,676
Inventory	925	–	–	925	695
Prepaid items	153,684	–	–	153,684	47,709
<b>Total assets</b>	<b>\$10,857,182</b>	<b>\$ –</b>	<b>\$ 673</b>	<b>\$10,857,855</b>	<b>\$10,891,548</b>
<b>Liabilities</b>					
Salaries and compensated absences payable	\$ 3,012,174	\$ –	\$ –	\$ 3,012,174	\$ 2,740,655
Accounts and contracts payable	397,242	–	673	397,915	46,290
Due to other governmental units	428,222	–	–	428,222	578,476
Unearned revenue	61,666	–	–	61,666	121,072
<b>Total liabilities</b>	<b>3,899,304</b>	<b>–</b>	<b>673</b>	<b>3,899,977</b>	<b>3,486,493</b>
<b>Fund balances</b>					
Nonspendable	154,609	–	–	154,609	48,404
Restricted	880,523	–	–	880,523	1,444,685
Assigned	–	–	–	–	181,445
Unassigned	5,922,746	–	–	5,922,746	5,730,521
<b>Total fund balances</b>	<b>6,957,878</b>	<b>–</b>	<b>–</b>	<b>6,957,878</b>	<b>7,405,055</b>
<b>Total liabilities and fund balances</b>	<b>\$10,857,182</b>	<b>\$ –</b>	<b>\$ 673</b>	<b>\$10,857,855</b>	<b>\$10,891,548</b>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Reconciliation of the Balance Sheet to the  
Statement of Net Position  
Governmental Funds  
as of June 30, 2017  
(With Partial Comparative Information as of June 30, 2016)

	<u>2017</u>	<u>2016</u>
Total fund balances – governmental funds	\$ 6,957,878	\$ 7,405,055
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	13,782,386	13,408,135
Accumulated depreciation	(4,455,240)	(6,463,640)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable.		
Capital lease payable	–	(6,820,000)
Certificates of participation payable	(8,085,000)	–
Compensated absences payable	(275,623)	(309,678)
Net pension liability	(57,107,244)	(17,041,912)
Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.	(140,343)	(123,008)
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 – pension plan deferments	35,135,153	3,183,346
Deferred inflows – pension plan deferments	(773,498)	(1,886,222)
Deferred inflows – Bond refunding deferments	381,232	–
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.	(261,958)	116,350
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>308,086</u>	<u>137,433</u>
Total net position – governmental activities	<u>\$ (14,534,171)</u>	<u>\$ (8,394,141)</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2017  
 (With Partial Comparative Information for the Year Ended June 30, 2016)

	General Fund	Capital Projects – Building Construction Fund	Nonmajor Fund – Food Service Special Revenue Fund	Total Governmental Funds	
				2017	2016
<b>Revenue</b>					
Local sources					
Tuition	\$ 8,898,680	\$ –	\$ –	\$ 8,898,680	\$ 8,662,123
Investment earnings	58,896	–	–	58,896	44,760
Other	593,514	–	21,210	614,724	759,722
State sources	21,090,031	–	6,163	21,096,194	20,096,766
Federal sources	139,698	–	77,107	216,805	223,644
Total revenue	<u>30,780,819</u>	<u>–</u>	<u>104,480</u>	<u>30,885,299</u>	<u>29,787,015</u>
<b>Expenditures</b>					
Current					
Administrative and support services	468,671	–	–	468,671	463,923
Secondary vocational/DCALS	3,467,488	–	–	3,467,488	3,361,023
Special education programs	25,476,435	–	–	25,476,435	24,219,021
Food service	–	–	139,720	139,720	128,059
Capital outlay	2,696,126	67,051	–	2,763,177	44,425
Debt service					
Principal	967,011	–	–	967,011	250,000
Interest and fiscal charges	291,237	–	–	291,237	304,908
Total expenditures	<u>33,366,968</u>	<u>67,051</u>	<u>139,720</u>	<u>33,573,739</u>	<u>28,771,359</u>
Excess (deficiency) of revenue over expenditures	(2,586,149)	(67,051)	(35,240)	(2,688,440)	1,015,656
<b>Other financing sources (uses)</b>					
Debt issued	8,085,000	–	–	8,085,000	–
Premium on debt issued	269,093	–	–	269,093	–
Refunding payment on debt	(6,117,871)	–	–	(6,117,871)	–
Proceeds from sale of assets	5,041	–	–	5,041	1,120
Transfers in	–	–	35,240	35,240	38,174
Transfers out	(35,240)	–	–	(35,240)	(38,174)
Total other financing sources (uses)	<u>2,206,023</u>	<u>–</u>	<u>35,240</u>	<u>2,241,263</u>	<u>1,120</u>
Net change in fund balances	(380,126)	(67,051)	–	(447,177)	1,016,776
<b>Fund balances</b>					
Beginning of year	<u>7,338,004</u>	<u>67,051</u>	<u>–</u>	<u>7,405,055</u>	<u>6,388,279</u>
End of year	<u>\$ 6,957,878</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 6,957,878</u>	<u>\$ 7,405,055</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, 2017

(With Partial Comparative Information for the Year Ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Total net change in fund balances – governmental funds	\$ (447,177)	\$ 1,016,776
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	2,777,454	241,512
Depreciation expense	(272,348)	(289,489)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.	(8,085,000)	–
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.	6,820,000	250,000
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.	(17,335)	4,037
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.	(378,308)	(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	(40,065,332)	(3,121,759)
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	(122,455)	(5,713)
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.	170,653	521,901
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	34,055	(23,126)
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 – pension plan deferments	31,951,807	686,354
Deferred inflows – pension plan deferments	1,112,724	2,430,528
Deferred inflows – bond refunding deferments	381,232	–
Change in net position – governmental activities	<u>\$ (6,140,030)</u>	<u>\$ 1,704,646</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, 2017

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
<b>Revenue</b>				
Local sources				
Tuition	\$ 9,028,813	\$ 8,983,551	\$ 8,898,680	\$ (84,871)
Investment earnings	27,550	47,050	58,896	11,846
Other	840,420	778,786	593,514	(185,272)
State sources	21,634,296	21,686,938	21,090,031	(596,907)
Federal sources	156,065	161,945	139,698	(22,247)
Total revenue	<u>31,687,144</u>	<u>31,658,270</u>	<u>30,780,819</u>	<u>(877,451)</u>
<b>Expenditures</b>				
Current				
Administrative and support services	478,932	495,121	468,671	(26,450)
Secondary vocational/DCALS	3,451,000	3,678,037	3,467,488	(210,549)
Special education programs	27,073,299	27,168,505	25,476,435	(1,692,070)
Capital outlay	278,153	2,827,247	2,696,126	(131,121)
Debt service				
Principal	260,000	260,000	967,011	707,011
Interest and fiscal charges	295,220	295,220	291,237	(3,983)
Total expenditures	<u>31,836,604</u>	<u>34,724,130</u>	<u>33,366,968</u>	<u>(1,357,162)</u>
Excess of revenue over expenditures	(149,460)	(3,065,860)	(2,586,149)	479,711
<b>Other financing sources (uses)</b>				
Debt issued	—	2,185,000	2,185,000	—
Refunding debt issued	—	5,900,000	5,900,000	—
Premium on debt issued	—	228,668	269,093	40,425
Refunding payment on debt	—	—	(6,117,871)	(6,117,871)
Proceeds from sale of assets	—	2,893	5,041	2,148
Transfers out	(31,985)	(31,985)	(35,240)	(3,255)
Total other financing sources (uses)	<u>(31,985)</u>	<u>8,284,576</u>	<u>2,206,023</u>	<u>(6,078,553)</u>
Net change in fund balances	<u>\$ (181,445)</u>	<u>\$ 5,218,716</u>	<u>(380,126)</u>	<u>\$ (5,598,842)</u>
<b>Fund balances</b>				
Beginning of year			<u>7,338,004</u>	
End of year			<u>\$ 6,957,878</u>	

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Net Position  
 Proprietary Funds  
 Internal Service Funds  
 as of June 30, 2017  
 (With Partial Comparative Actual Amounts as of June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Current assets		
Cash and temporary investments	\$ 2,429,577	\$ 1,961,600
Prepaid items	35	-
Total assets	<u>2,429,612</u>	<u>1,961,600</u>
Liabilities		
Current liabilities		
Accounts and contracts payable	285,819	138,660
Severance benefits payable	22,731	13,139
Total current liabilities	<u>308,550</u>	<u>151,799</u>
Long-term liabilities		
Net OPEB obligation	1,385,875	1,214,523
Severance benefits payable	427,101	457,845
Total long-term liabilities	<u>1,812,976</u>	<u>1,672,368</u>
Total liabilities	<u>2,121,526</u>	<u>1,824,167</u>
Net position		
Unrestricted	<u>\$ 308,086</u>	<u>\$ 137,433</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Revenue, Expenses, and Changes in Net Position  
 Proprietary Funds  
 Internal Service Funds  
 Year Ended June 30, 2017  
 (With Partial Comparative Information for the Year Ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Operating revenue		
Charges for services		
Contributions from governmental funds	\$ 3,418,685	\$ 2,145,912
Operating expenses		
Post-employment severance and health benefits	157,797	231,293
Dental benefit claims	368,904	347,660
Medical benefit claims	<u>2,728,625</u>	<u>1,048,947</u>
Total operating expenses	<u>3,255,326</u>	<u>1,627,900</u>
Operating income	163,359	518,012
Nonoperating revenue		
Investment earnings	<u>7,294</u>	<u>3,889</u>
Change in net position	170,653	521,901
Net position (deficit)		
Beginning of year	<u>137,433</u>	<u>(384,468)</u>
End of year	<u>\$ 308,086</u>	<u>\$ 137,433</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Statement of Cash Flows  
 Proprietary Funds  
 Internal Service Funds  
 Year Ended June 30, 2017

(With Partial Comparative Actual Amounts for the Year Ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Contributions from governmental funds	\$ 3,418,685	\$ 2,145,912
Post-employment severance and health benefit payments	(7,632)	(30,449)
Payments for medical claims	(2,583,244)	(952,519)
Payments for dental claims	(367,126)	(352,279)
Net cash flows from operating activities	<u>460,683</u>	<u>810,665</u>
Cash flows from investing activities		
Investment income received	<u>7,294</u>	<u>3,889</u>
Net increase in cash and cash equivalents	467,977	814,554
Cash and temporary investments		
Beginning of year	<u>1,961,600</u>	<u>1,147,046</u>
End of year	<u>\$ 2,429,577</u>	<u>\$ 1,961,600</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$ 163,359	\$ 518,012
Adjustments to reconcile operating income to net cash flows from operating activities		
Changes in assets and liabilities		
Severance benefits payable	(21,152)	(8,126)
Net OPEB obligation	171,352	214,470
Prepaid items	(35)	-
Accounts payable	<u>147,159</u>	<u>86,309</u>
Net cash flows from operating activities	<u>\$ 460,683</u>	<u>\$ 810,665</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Fiduciary Funds  
 Statement of Fiduciary Net Position  
 as of June 30, 2017

	<u>Private-Purpose Trust Fund</u>
Assets	
Cash and temporary investments	\$ <u>2,001</u>
Net position	
Held in trust for scholarships	\$ <u>2,001</u>

Fiduciary Funds  
 Statement of Changes in Fiduciary Net Position  
 Year Ended June 30, 2017

	<u>Private-Purpose Trust Fund</u>
Additions	
Gifts and bequests	\$ 108
Deductions	
Scholarships	<u>73</u>
Change in net position	35
Net position	
Beginning of year	<u>1,966</u>
End of year	<u>\$ 2,001</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Notes to Basic Financial Statements  
June 30, 2017

**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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service 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 \$10,460.

### 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 year-end.

### 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 and construction in progress are 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 in 2015.

The PERA has a special funding situation created by a direct aid contribution made by the state of Minnesota. The direct aid is a result of the merger of the Minneapolis Employees Retirement Fund into the PERA on January 1, 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 2017.
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 for the last two years 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
2016	\$ 8,959	\$ 352,733	\$ 352,279	\$ 9,413
2017	\$ 9,413	\$ 366,362	\$ 367,126	\$ 8,649

Changes in the balance of health insurance claim liabilities for the last two years 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
2016	\$ –	\$ 1,047,519	\$ 952,519	\$ 95,000
2017	\$ 95,000	\$ 2,730,053	\$ 2,583,244	\$ 241,809

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

### **R. Deferred Outflows/Inflows of Resources**

In addition to assets, statements 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 has two items that qualify for reporting in this category. The first item 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. The second item is the deferred outflow of resources related to long term debt obligations reported in the government-wide Statement of Net Position. This deferred outflow results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 that 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, 2016, 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 nonnegotiable 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 \$979,950, while the balance on the bank records was \$920,026. At June 30, 2017, 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.

**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, 2017, 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	N/A	N/A	N/A	N/A	N/A	\$ 2,271,272
First American Treasury Obligations Fund Class D	AAA	S&P	Level 1	N/A	N/A	N/A	N/A	627,832
								2,899,104
Deposits								979,950
Total cash and investments								<u>\$ 3,879,054</u>

N/A -- Not Applicable

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

Cash and temporary investments – Statement of Net Position	\$ 3,249,221
Cash and temporary investments held by trustee – Statement of Net Position	627,832
Cash and temporary investments – Statement of Fiduciary Net Position – Private-Purpose Trust Fund	2,001
Total cash and investments	<u>\$ 3,879,054</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 and 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 value per share provided by the pool, which is based on an amortized cost method that approximates fair value.

For MSDLAF investments, 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, 2017 is as follows:

	Balance – Beginning of Year	Additions	Deletions	Balance – End of Year
Capital assets, not depreciated				
Land	\$ 682,011	\$ –	\$ 27,011	\$ 655,000
Construction in progress	–	2,607,447	–	2,607,447
Total capital assets, not depreciated	<u>682,011</u>	<u>2,607,447</u>	<u>27,011</u>	<u>3,262,447</u>
Capital assets, depreciated				
Buildings	8,492,082	–	79,034	8,413,048
Furniture and equipment	4,234,042	170,007	2,297,158	2,106,891
Total capital assets, depreciated	<u>12,726,124</u>	<u>170,007</u>	<u>2,376,192</u>	<u>10,519,939</u>
Less accumulated depreciation for				
Buildings	(2,893,306)	(129,922)	(66,909)	(2,956,319)
Furniture and equipment	(3,570,334)	(142,426)	(2,213,839)	(1,498,921)
Total accumulated depreciation	<u>(6,463,640)</u>	<u>(272,348)</u>	<u>(2,280,748)</u>	<u>(4,455,240)</u>
Net capital assets, depreciated	<u>6,262,484</u>	<u>(102,341)</u>	<u>95,444</u>	<u>6,064,699</u>
Total capital assets, net	<u>\$ 6,944,495</u>	<u>\$ 2,505,106</u>	<u>\$ 122,455</u>	<u>\$ 9,327,146</u>

Depreciation expense for the year ended June 30, 2017 was charged to the following governmental functions:

Administrative and support services	\$ 21,651
Secondary vocational/DCALS	15,930
Special education instruction	231,097
Food service	<u>3,670</u>
Total depreciation expense	<u>\$ 272,348</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	\$ 6,820,000	\$ –	\$ 6,820,000	\$ –	\$ –
Certificates of participation	–	8,085,000	–	8,085,000	255,000
Unamortized premium/discount	(116,350)	269,093	(109,215)	261,958	–
Severance benefits payable	470,984	22,731	43,883	449,832	22,731
Compensated absences payable	309,678	192,025	226,080	275,623	226,080
Net OPEB obligation	1,214,523	225,080	53,728	1,385,875	–
Net pension liability	17,041,912	41,950,539	1,885,207	57,107,244	–
	<u>\$ 25,740,747</u>	<u>\$ 50,744,468</u>	<u>\$ 8,919,683</u>	<u>\$ 67,565,532</u>	<u>\$ 503,811</u>

### 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 bore interest rates that ranged from 3.875 percent to 4.500 percent and had a final maturity of February 2034. In November 2016, the District issued \$8,085,000 of certificates of participation, a portion of which were used to refund, in advance of their stated maturities, the 2017 through 2034 maturities of the District’s 2007 capital lease payable. This refunding resulted in a cash flow savings of \$1,372,585 and a present value savings of approximately \$967,937.
- Certificates of Participation Payable** – In November 2016, the District sold \$8,085,000 of certificates of participation to finance the construction of additions to the Alliance Center special education facility and to refund the previously-mentioned capital lease. These certificates have interest rates that range from 2.0 percent to 3.0 percent, with a final maturity of February 2039. Annual principal and interest payments on these certificates 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 these certificates of participation payable.

On August 1, 2017, the proceeds that were placed in escrow were used to call the remaining principal on the previously-mentioned capital lease payable. This advanced refunding has met the requirements of an in-substance defeasance and, therefore, the escrow cash and related debt paid by the escrow have been removed from these financial statements. At June 30, 2017, the District has \$5,852,989 in defeased bonds outstanding from the capital lease payable.

- 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.

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

- **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. District employees participate in two state-wide cost-sharing, multi-employer, defined benefit pension plans administered by the PERA and the TRA. The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the year ended June 30, 2017:

<u>Pension Plans</u>	<u>Net Pension Liabilities</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
PERA	\$ 7,875,919	\$ 3,126,200	\$ 683,352	\$ 1,025,341
TRA	49,231,325	32,008,953	90,146	8,033,393
Total	<u>\$ 57,107,244</u>	<u>\$ 35,135,153</u>	<u>\$ 773,498</u>	<u>\$ 9,058,734</u>

**C. Minimum Debt Payments**

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 255,000	\$ 279,692
2019	290,000	233,500
2020	295,000	227,700
2021	305,000	221,800
2022	310,000	215,700
2023–2027	1,660,000	964,925
2028–2032	1,920,000	700,550
2033–2037	2,140,000	342,300
2038–2039	910,000	41,100
	<u>\$ 8,085,000</u>	<u>\$ 3,227,267</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, 2017, 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	\$ 153,684	\$ –	\$ –	\$ 153,684
Inventory	925	–	–	925
Total nonspendable	<u>154,609</u>	<u>–</u>	<u>–</u>	<u>154,609</u>
Restricted for				
Basic skills	252,615	–	–	252,615
Debt service	627,832	–	–	627,832
Capital purposes	76	–	–	76
Total restricted	<u>880,523</u>	<u>–</u>	<u>–</u>	<u>880,523</u>
Unassigned	<u>5,922,746</u>	<u>–</u>	<u>–</u>	<u>5,922,746</u>
Total	<u><u>\$ 6,957,878</u></u>	<u><u>\$ –</u></u>	<u><u>\$ –</u></u>	<u><u>\$ 6,957,878</u></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, 2017, the unassigned fund balance of the General Fund was 17.8 percent of fiscal 2017 expenditures.

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

### **A. Plan Descriptions**

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

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

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

All full-time and certain part-time employees of the District other than teachers are covered by the GERF. GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

#### **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 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 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 and are assumed to remain level at 2.0 percent annually.

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. GERS 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 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 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 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 age 66.

**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 Plan</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 up to 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 applies. 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. GERV Contributions**

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2017; the District was required to contribute 7.5 percent for Coordinated Plan members. The District’s contributions to the GERV for the year ended June 30, 2017 were \$469,399. The District’s contributions were equal to the required contributions as set by state statutes.

**2. TRA Contributions**

Minnesota Statutes, Chapter 354 sets the rates for employer and employee contributions. Rates for each fiscal year were:

	Year Ended June 30,			
	2016		2017	
	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, 2017, were \$867,629. 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 Nonemployer Pension Allocations:

Employer contributions reported in the TRA’s CAFR Statement of Changes in Fiduciary Net Position	\$ 354,961,140
Add employer contributions not related to future contribution efforts	26,356
Deduct the TRA’s contributions not included in allocation	<u>(442,978)</u>
Total employer contributions	354,544,518
Total nonemployer contributions	<u>35,587,410</u>
Total contributions reported in Schedule of Employer and Nonemployer Pension Allocations	<u>\$ 390,131,928</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. Pension Costs**

**1. GERF Pension Costs**

At June 30, 2017, the District reported a liability of \$7,875,919 for its proportionate share of the GERF’s net pension liability. The net pension liability was measured as of June 30, 2016, 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, 2015, through June 30, 2016, relative to the total employer contributions received from all of the PERA’s participating employers. The District’s proportionate share was 0.0970 percent at the end of the measurement period and 0.0956 percent for the beginning of the period.

The District’s net pension liability reflected a reduction due to the state of Minnesota’s contribution of \$6 million to the fund in 2017. The state of Minnesota is considered a nonemployer contributing entity and the state’s contribution meets the definition of a special funding situation. 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	\$ 7,875,919
State’s proportionate share of the net pension liability associated with the District	\$ 102,897

For the year ended June 30, 2017, the District recognized pension expense of \$994,660 for its proportionate share of the GERF’s pension expense. In addition, the District recognized an additional \$30,681 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota’s contribution of \$6 million to the GERF.

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

At June 30, 2017, 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, related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 22,973	\$ 637,363
Changes in actuarial assumptions	1,696,386	–
Differences between expected and actual economic experience	883,026	–
Changes in proportion	54,416	45,989
District’s contributions to the GERF subsequent to the measurement date	<u>469,399</u>	<u>–</u>
Total	<u>\$ 3,126,200</u>	<u>\$ 683,352</u>

A total of \$469,399 reported as deferred outflows of resources related to pensions resulting from district contributions to the GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to the GERF pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2018	\$ 544,614
2019	\$ 367,366
2020	\$ 776,977
2021	\$ 284,492

**2. TRA Pension Costs**

At June 30, 2017, the District reported a liability of \$49,231,325 for its proportionate share of the TRA’s net pension liability. The net pension liability was measured as of June 30, 2016, 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 0.2064 percent at the end of the measurement period and 0.1954 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	\$ 49,231,325
State’s proportionate share of the net pension liability associated with the District	\$ 4,941,167

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

For the year ended June 30, 2017, the District recognized pension expense of \$7,343,441. It also recognized \$689,952 as an increase to pension expense for the support provided by direct aid.

At June 30, 2017, the District reported its proportionate share of the TRA’s deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 473,274	\$ 1,373
Changes in actuarial assumptions	27,996,473	–
Difference between projected and actual investment earnings	2,104,528	–
Changes in proportion	567,049	88,773
District’s contributions to the TRA subsequent to the measurement date	<u>867,629</u>	<u>–</u>
Total	<u>\$ 32,008,953</u>	<u>\$ 90,146</u>

A total of \$867,629 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 ending June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to the TRA pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2018	\$ 6,176,715
2019	\$ 6,176,715
2020	\$ 6,882,828
2021	\$ 6,241,871
2022	\$ 5,573,049

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.50% per year	
Price inflation		2.75%
Wage growth rate		3.50%
Active member payroll	3.25% per year	3.50–9.50% based on years of service
Investment rate of return	7.50%	4.66%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP-2014 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1 percent per year for all future years for the GERF and 2 percent per year for all future years for the TRA.

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

Actuarial assumptions used in the June 30, 2016 valuation for the GERF were based on the results of actuarial experience studies. The most recent four-year experience study in the GERF was completed in 2015.

The following changes in actuarial assumptions for the GERF occurred in 2016:

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035, and 2.5 percent per year thereafter, to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

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 remain level at 2.00 percent annually, while in the previous measurement the cost of living adjustment increased to 2.50 percent in 2034.

The long-term expected rate of return on pension plan investments is 7.50 percent for the GERF and 4.66 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 geometric real rates of return for each major asset class are summarized in the following table:

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

**F. Discount Rate**

**1. GERF**

The discount rate used to measure the total pension liability in 2016 was 7.5 percent, a reduction from the 7.9 percent used in 2015. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the fiscal 2017 contribution rates. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**2. TRA**

The discount rate used to measure the total pension liability was 4.66 percent. This is a decrease from the discount rate at the prior measurement date of 8.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal 2017 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be depleted in 2052 and, as a result, the municipal bond index rate was used in the determination of the single equivalent interest rate (SEIR). The long-term expected rate of return was applied to periods before 2052 and the municipal bond index rate of 3.01 percent was applied to periods on and after 2052, resulting in a SEIR of 4.66 percent. Based on fiduciary net position at prior year measurement date, the discount rate of 8.00 percent was used and it was not necessary to calculate the SEIR.

**G. Pension Liability Sensitivity**

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	6.50%	7.50%	8.50%
District’s proportionate share of the GERF net pension liability	\$ 11,186,139	\$ 7,875,919	\$ 5,149,198
TRA discount rate	3.66%	4.66%	5.66%
District’s proportionate share of the TRA net pension liability	\$ 63,422,251	\$ 49,231,325	\$ 37,673,278

**H. Pension Plan Fiduciary Net Position**

Detailed information about the GERF’s fiduciary net position is available in a separately issued PERA financial report. That report may be obtained on the PERA website at [www.mnpera.org](http://www.mnpera.org); by writing to the PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103; 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; 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, 2016, the plan had 403 active participants and 3 retired participants. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report. These benefits are summarized as follows:

**Post-Employment Insurance Benefits** – All retirees of the District have the option under state law to continue their medical insurance coverage through the District from the time of retirement until the employee reaches the age of eligibility for Medicare. Under the terms of certain collectively bargained employment contracts, the District is required to pay health and dental insurance premiums for eligible retirees until they reach age 65 or 70 as specified in their contract. Employees must meet certain age and/or length of service requirements to be eligible. The monthly district contribution per retiree for post-employment health and dental insurance is equal to the premiums covered for current employees in the retiree’s bargaining group. Benefits paid by the District differ by bargaining unit and date of hire, with some contracts specifying a certain dollar amount per month, and some covering premium costs as defined within each collective bargaining agreement. Retirees not eligible for these district-paid premium benefits must pay the full district premium rate for their coverage.

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

### **B. Funding Policy**

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to pre-fund benefits as determined annually by the District. There are no invested plan assets accumulated for payment of future benefits. The District has established an Internal Service Fund to finance these obligations, but the resources are not considered funded for plan purposes since they are not in an irrevocable trust fund.

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

**C. Annual OPEB Cost and Net OPEB Obligation**

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

ARC	\$ 249,699
Interest on net OPEB obligation	36,436
Adjustment to ARC	<u>(61,055)</u>
Annual OPEB cost	225,080
Contributions made	<u>53,728</u>
Increase in net OPEB obligation	171,352
Net OPEB obligation – beginning of year	<u>1,214,523</u>
Net OPEB obligation – end of year	<u><u>\$ 1,385,875</u></u>

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

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2015	\$ 248,433	\$ 80,413	32.4%	\$ 1,000,053
June 30, 2016	\$ 281,648	\$ 67,178	23.9%	\$ 1,214,523
June 30, 2017	\$ 225,080	\$ 53,728	23.9%	\$ 1,385,875

**D. Funded Status and Funding Progress**

As of July 1, 2016, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$1,422,429, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,422,429. The covered payroll (annual payroll of active employees covered by the plan) was \$16,798,018, and the ratio of the UAAL to the covered payroll was 8.5 percent.

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

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

**E. Actuarial Methods and Assumptions**

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

In the July 1, 2016 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included: a 3.0 percent investment rate of return (net of administrative expenses) based on the District's own investments; an annual healthcare cost trend rate of 6.75 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after 7 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, 2016 for the various amortization layers ranged from 22 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.

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 \$822,673 for operating leases during the year ended June 30, 2017. 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
2018	\$ 464,720
2019	471,869
2020	479,077
2021	486,344
2022	493,672
2023–2027	1,444,927
2028–2031	945,990
	<u>\$ 4,786,599</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 \$35,240 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

Public Employees Retirement Association Pension Benefits Plan  
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability  
 Year Ended June 30, 2017

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 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	0.0973%	\$ 4,570,667	\$ -	\$ 4,570,667	\$ 5,105,448	89.53%	78.70%
06/30/2016	06/30/2015	0.0956%	\$ 4,954,489	\$ -	\$ 4,954,489	\$ 5,613,356	88.26%	78.20%
06/30/2017	06/30/2016	0.0970%	\$ 7,875,919	\$ 102,897	\$ 7,978,816	\$ 6,015,751	132.63%	68.90%

Public Employees Retirement Association Pension Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2017

District Fiscal Year-End 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	\$ 414,341	\$ 414,341	\$ -	\$ 5,613,356	7.38%
06/30/2016	\$ 451,532	\$ 451,532	\$ -	\$ 6,015,751	7.51%
06/30/2017	\$ 469,399	\$ 469,399	\$ -	\$ 6,251,084	7.51%

Note 1: **Changes of Benefit Terms** – On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the GERF, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

Note 2: **Changes in Actuarial Assumptions** – (1) 2015 Changes – The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2035 and 2.50 percent per year thereafter. (2) 2016 Changes – The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all future years. The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 7.50 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Note 3: The District implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2014 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INTERMEDIATE SCHOOL DISTRICT NO. 917

Teachers Retirement Association Pension Benefits Plan  
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability  
 Year Ended June 30, 2017

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 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%
06/30/2017	06/30/2016	0.2064%	\$ 49,231,325	\$ 4,941,167	\$ 54,172,492	\$ 10,745,627	458.15%	44.88%

Teachers Retirement Association Pension Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2017

District Fiscal Year-End 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	\$ 743,688	\$ 743,688	\$ --	\$ 9,915,820	7.50%
06/30/2016	\$ 805,427	\$ 805,427	\$ --	\$ 10,745,627	7.50%
06/30/2017	\$ 867,629	\$ 867,629	\$ --	\$ 11,700,275	7.42%

Note 1: **Changes of Benefit Terms** – The Duluth Teachers Retirement Fund Association was merged into the TRA on June 30, 2015.

Note 2: **Change of Assumptions.** (1) 2015 Changes – 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. (2) 2016 Changes – The discount rate used to measure the total pension liability was 4.66 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 schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INTERMEDIATE SCHOOL DISTRICT NO. 917

Other Post-Employment Benefits Plan  
 Schedule of Funding Progress  
 Year Ended June 30, 2017

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, 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 %
July 1, 2016	\$ 1,422,429	\$ -	\$ 1,422,429	- %	\$ 16,798,018	8.5 %

SUPPLEMENTAL INFORMATION

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund  
Comparative Balance Sheet  
as of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Cash and temporary investments	\$ 818,971	\$ 6,709,235
Cash and investments held by trustee	627,832	594,906
Receivables		
Accounts and interest	9,351	15,921
Due from other school districts	2,288,118	2,168,713
Due from Minnesota Department of Education	6,721,226	1,248,051
Due from other governmental units	237,075	38,912
Inventory	925	695
Prepaid items	<u>153,684</u>	<u>47,709</u>
Total assets	<u>\$ 10,857,182</u>	<u>\$ 10,824,142</u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ 3,012,174	\$ 2,740,655
Accounts and contracts payable	397,242	46,100
Due to other school districts	234,672	401,802
Due to other governmental units	193,550	176,674
Unearned revenue	<u>61,666</u>	<u>120,907</u>
Total liabilities	3,899,304	3,486,138
<b>Fund balances</b>		
Nonspendable for prepaid items	153,684	47,709
Nonspendable for inventory	925	695
Restricted for debt service	627,832	594,906
Restricted for basic skills	252,615	98,510
Restricted for capital purposes	76	684,218
Assigned for subsequent year's budgeted deficit	-	181,445
Unassigned	<u>5,922,746</u>	<u>5,730,521</u>
Total fund balances	<u>6,957,878</u>	<u>7,338,004</u>
Total liabilities and fund balances	<u>\$ 10,857,182</u>	<u>\$ 10,824,142</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under) Budget	2016
	Budget	Actual		Actual
<b>Revenue</b>				
Local sources				
Tuition	\$ 8,983,551	\$ 8,898,680	\$ (84,871)	\$ 8,662,123
Investment earnings	47,050	58,896	11,846	44,556
Other	778,786	593,514	(185,272)	737,405
State sources	21,686,938	21,090,031	(596,907)	20,091,649
Federal sources	161,945	139,698	(22,247)	161,193
Total revenue	<u>31,658,270</u>	<u>30,780,819</u>	<u>(877,451)</u>	<u>29,696,926</u>
<b>Expenditures</b>				
Current				
Administrative and support services	495,121	468,671	(26,450)	441,123
Secondary vocational/DCALS	3,678,037	3,467,488	(210,549)	3,361,023
Special education programs	27,168,505	25,476,435	(1,692,070)	24,219,021
Capital outlay	2,827,247	2,696,126	(131,121)	22,800
Debt service				
Principal	260,000	967,011	707,011	250,000
Interest and fiscal charges	295,220	291,237	(3,983)	304,908
Total expenditures	<u>34,724,130</u>	<u>33,366,968</u>	<u>(1,357,162)</u>	<u>28,598,875</u>
Excess (deficiency) of revenue over expenditures	(3,065,860)	(2,586,149)	479,711	1,098,051
<b>Other financing sources (uses)</b>				
Debt issued	2,185,000	2,185,000	—	—
Refunding debt issued	5,900,000	5,900,000	—	—
Premium on debt issued	228,668	269,093	40,425	—
Refunding payment on debt	—	(6,117,871)	(6,117,871)	—
Proceeds from sale of assets	2,893	5,041	2,148	1,120
Transfers out	(31,985)	(35,240)	(3,255)	(38,174)
Total other financing sources (uses)	<u>8,284,576</u>	<u>2,206,023</u>	<u>(6,078,553)</u>	<u>(37,054)</u>
Net change in fund balances	<u>\$ 5,218,716</u>	<u>(380,126)</u>	<u>\$ (5,598,842)</u>	<u>1,060,997</u>
<b>Fund balances</b>				
Beginning of year		<u>7,338,004</u>		<u>6,277,007</u>
End of year		<u>\$ 6,957,878</u>		<u>\$ 7,338,004</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund  
 Combining Balance Sheet by Account  
 as of June 30, 2017

	Secondary Education	Special Education	Services Allocation
<b>Assets</b>			
Cash and temporary investments (deficit)	\$ 1,275,675	\$ (355,483)	\$ 36,612
Cash and investments held by trustee	-	-	-
Receivables			
Accounts and interest	-	532	5,977
Due from other school districts	971,530	1,292,046	24,424
Due from Minnesota Department of Education	93,033	6,628,193	-
Due from other governmental units	30,226	206,654	-
Inventory	-	-	-
Prepaid items	29,256	116,707	7,721
<b>Total assets</b>	<b>\$ 2,399,720</b>	<b>\$ 7,888,649</b>	<b>\$ 74,734</b>
<b>Liabilities</b>			
Salaries and compensated absences payable	\$ 316,136	\$ 2,642,326	\$ 53,712
Accounts and contracts payable	9,798	28,514	6,857
Due to other school districts	35,935	198,737	-
Due to other governmental units	119,077	73,887	205
Unearned revenue	-	47,706	13,960
<b>Total liabilities</b>	<b>480,946</b>	<b>2,991,170</b>	<b>74,734</b>
<b>Fund balances (deficit)</b>			
Nonspendable for prepaid items	29,256	116,707	7,721
Nonspendable for inventory	-	-	-
Restricted for debt service	-	-	-
Restricted for basic skills programs	9,401	243,214	-
Restricted for capital purposes	-	-	-
Unassigned	1,880,117	4,537,558	(7,721)
<b>Total fund balances</b>	<b>1,918,774</b>	<b>4,897,479</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,399,720</b>	<b>\$ 7,888,649</b>	<b>\$ 74,734</b>

District Support Services	Capital Expenditure	Secondary Resale	Special Education Resale	Total
\$ 671	\$ (155,720)	\$ 6,985	\$ 10,231	\$ 818,971
-	627,832	-	-	627,832
-	-	2,750	92	9,351
-	-	118	-	2,288,118
-	-	-	-	6,721,226
-	-	195	-	237,075
-	-	567	358	925
-	-	-	-	153,684
<u>\$ 671</u>	<u>\$ 472,112</u>	<u>\$ 10,615</u>	<u>\$ 10,681</u>	<u>\$ 10,857,182</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,012,174
-	351,316	294	463	397,242
-	-	-	-	234,672
-	-	347	34	193,550
-	-	-	-	61,666
-	351,316	641	497	3,899,304
-	-	-	-	153,684
-	-	567	358	925
-	627,832	-	-	627,832
-	-	-	-	252,615
-	76	-	-	76
671	(507,112)	9,407	9,826	5,922,746
<u>671</u>	<u>120,796</u>	<u>9,974</u>	<u>10,184</u>	<u>6,957,878</u>
<u>\$ 671</u>	<u>\$ 472,112</u>	<u>\$ 10,615</u>	<u>\$ 10,681</u>	<u>\$ 10,857,182</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund

Combining Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account  
Year Ended June 30, 2017

	Secondary Education	Special Education	Services Allocation
<b>Revenue</b>			
Local sources			
Tuition	\$ 3,052,790	\$ 4,857,838	\$ 432,832
Investment earnings	4,528	8,952	-
Other	1,408	548,626	5,462
State sources	185,739	20,873,915	30,377
Federal sources	139,698	-	-
Total revenue	<u>3,384,163</u>	<u>26,289,331</u>	<u>468,671</u>
<b>Expenditures</b>			
Current			
Administrative and support services	-	-	468,671
Secondary vocational/DCALS	3,401,719	-	-
Special education programs	-	25,463,707	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>3,401,719</u>	<u>25,463,707</u>	<u>468,671</u>
Excess (deficiency) of revenue over expenditures	(17,556)	825,624	-
<b>Other financing sources (uses)</b>			
Debt issued	-	-	-
Refunding debt issued	-	-	-
Premium on debt issued	-	-	-
Refunding payment on debt	-	-	-
Proceeds from sale of assets	-	5,041	-
Transfers out	-	(35,240)	-
Total other financing sources (uses)	<u>-</u>	<u>(30,199)</u>	<u>-</u>
Net change in fund balances	(17,556)	795,425	-
<b>Fund balances</b>			
Beginning of year	<u>1,936,330</u>	<u>4,102,054</u>	<u>-</u>
End of year	<u>\$ 1,918,774</u>	<u>\$ 4,897,479</u>	<u>\$ -</u>

District Support Services	Capital Expenditure	Secondary Resale	Special Education Resale	Total
\$ --	\$ 555,220	\$ --	\$ --	\$ 8,898,680
--	45,416	--	--	58,896
--	--	27,382	10,636	593,514
--	--	--	--	21,090,031
--	--	--	--	139,698
--	600,636	27,382	10,636	30,780,819
--	--	--	--	468,671
--	40,812	24,957	--	3,467,488
--	--	--	12,728	25,476,435
--	2,696,126	--	--	2,696,126
--	967,011	--	--	967,011
--	291,237	--	--	291,237
--	3,995,186	24,957	12,728	33,366,968
--	(3,394,550)	2,425	(2,092)	(2,586,149)
--	2,185,000	--	--	2,185,000
--	5,900,000	--	--	5,900,000
--	269,093	--	--	269,093
--	(6,117,871)	--	--	(6,117,871)
--	--	--	--	5,041
--	--	--	--	(35,240)
--	2,236,222	--	--	2,206,023
--	(1,158,328)	2,425	(2,092)	(380,126)
671	1,279,124	7,549	12,276	7,338,004
\$ 671	\$ 120,796	\$ 9,974	\$ 10,184	\$ 6,957,878

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, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under) Budget	2016
	Budget	Actual		Actual
Revenue				
Local sources				
Tuition	\$ 3,031,381	\$ 3,052,790	\$ 21,409	\$ 3,110,396
Investment earnings	4,550	4,528	(22)	3,872
Other	1,150	1,408	258	1,638
State sources	168,731	185,739	17,008	175,196
Federal sources	161,945	139,698	(22,247)	161,193
Total revenue	<u>3,367,757</u>	<u>3,384,163</u>	<u>16,406</u>	<u>3,452,295</u>
Expenditures				
Current				
Secondary vocational/DCALS				
Salaries	1,893,123	1,849,994	(43,129)	1,766,552
Employee benefits	641,920	629,643	(12,277)	613,991
Purchased services	472,916	413,106	(59,810)	466,365
Supplies and materials	198,886	189,610	(9,276)	73,283
Other expenditures	1,046	16,175	15,129	1,133
Capital expenditures	37,771	32,457	(5,314)	28,273
Allocated overhead	276,878	270,734	(6,144)	296,790
Total expenditures	<u>3,522,540</u>	<u>3,401,719</u>	<u>(120,821)</u>	<u>3,246,387</u>
Net change in fund balances	<u>\$ (154,783)</u>	<u>(17,556)</u>	<u>\$ 137,227</u>	<u>205,908</u>
Fund balances				
Beginning of year		<u>1,936,330</u>		<u>1,730,422</u>
End of year		<u>\$ 1,918,774</u>		<u>\$ 1,936,330</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, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under) Budget	2016
	Budget	Actual		Actual
Revenue				
Local sources				
Tuition	\$ 4,964,118	\$ 4,857,838	\$ (106,280)	\$ 4,579,099
Investment earnings	11,000	8,952	(2,048)	8,973
Other	698,647	548,626	(150,021)	644,251
State sources	21,478,807	20,873,915	(604,892)	19,900,805
Total revenue	<u>27,152,572</u>	<u>26,289,331</u>	<u>(863,241)</u>	<u>25,133,128</u>
Expenditures				
Current				
Special education programs				
Salaries	16,239,278	15,576,866	(662,412)	14,518,245
Employee benefits	5,707,518	5,191,320	(516,198)	5,231,164
Purchased services	2,513,454	2,382,990	(130,464)	2,201,135
Supplies and materials	760,696	480,814	(279,882)	565,465
Other expenditures	12,958	77,238	64,280	10,435
Capital expenditures	674,029	497,988	(176,041)	497,210
Allocated overhead	1,250,472	1,256,491	6,019	1,183,974
Total expenditures	<u>27,158,405</u>	<u>25,463,707</u>	<u>(1,694,698)</u>	<u>24,207,628</u>
Excess (deficiency) of revenue over expenditures	(5,833)	825,624	831,457	925,500
Other financing sources (uses)				
Proceeds from sale of assets	2,893	5,041	2,148	140
Transfers out	<u>(31,985)</u>	<u>(35,240)</u>	<u>(3,255)</u>	<u>(38,174)</u>
Total other financing sources (uses)	<u>(29,092)</u>	<u>(30,199)</u>	<u>(1,107)</u>	<u>(38,034)</u>
Net change in fund balances	<u>\$ (34,925)</u>	795,425	<u>\$ 830,350</u>	887,466
Fund balances				
Beginning of year		<u>4,102,054</u>		<u>3,214,588</u>
End of year		<u>\$ 4,897,479</u>		<u>\$ 4,102,054</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, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under)	2016
	Budget	Actual	Budget	Actual
Revenue				
Local sources				
Tuition	\$ 432,832	\$ 432,832	\$ –	\$ 417,720
Other	22,889	5,462	(17,427)	7,755
State sources	39,400	30,377	(9,023)	15,648
Total revenue	<u>495,121</u>	<u>468,671</u>	<u>(26,450)</u>	<u>441,123</u>
Expenditures				
Current				
Administrative and support services				
Salaries	990,069	987,354	(2,715)	914,218
Employee benefits	266,932	267,621	689	237,668
Purchased services	719,406	673,348	(46,058)	674,770
Supplies and materials	45,945	36,421	(9,524)	29,699
Other expenditures	17,329	17,044	(285)	15,258
Capital expenditures	17,228	14,107	(3,121)	50,272
Allocated overhead	(1,561,788)	(1,527,224)	34,564	(1,480,762)
Total expenditures	<u>495,121</u>	<u>468,671</u>	<u>(26,450)</u>	<u>441,123</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, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under) Budget	2016
	Budget	Actual		Actual
Revenue				
Local sources				
Other	\$ --	\$ --	\$ --	\$ --
Expenditures				
Current				
Administrative and support services				
Purchased services	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	<u>\$ --</u>	<u>--</u>	<u>\$ --</u>	<u>--</u>
Fund balances				
Beginning of year		<u>671</u>		<u>671</u>
End of year		<u>\$ 671</u>		<u>\$ 671</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

General Fund – Capital Expenditure Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under) Budget	2016
	Budget	Actual		Actual
Revenue				
Local sources				
Tuition	\$ 555,220	\$ 555,220	\$ –	\$ 554,908
Investment earnings	31,500	45,416	13,916	31,711
Total revenue	<u>586,720</u>	<u>600,636</u>	<u>13,916</u>	<u>586,619</u>
Expenditures				
Current				
Secondary vocational/DCALS				
Purchased services	115,002	40,812	(74,190)	25,950
Capital outlay	2,827,247	2,696,126	(131,121)	22,800
Debt service				
Principal	260,000	967,011	707,011	250,000
Interest and fiscal charges	295,220	291,237	(3,983)	304,908
Total expenditures	<u>3,497,469</u>	<u>3,995,186</u>	<u>497,717</u>	<u>603,658</u>
Excess (deficiency) of revenue over expenditures	(2,910,749)	(3,394,550)	(483,801)	(17,039)
Other financing sources (uses)				
Debt issued	2,185,000	2,185,000	–	–
Refunding debt issued	5,900,000	5,900,000	–	–
Premium on debt issued	228,668	269,093	40,425	–
Refunding payment on debt	–	(6,117,871)	(6,117,871)	–
Total other financing sources (uses)	<u>8,313,668</u>	<u>2,236,222</u>	<u>(6,077,446)</u>	<u>–</u>
Net change in fund balances	<u>\$ 5,402,919</u>	<u>(1,158,328)</u>	<u>\$ (6,561,247)</u>	<u>(17,039)</u>
Fund balances				
Beginning of year		<u>1,279,124</u>		<u>1,296,163</u>
End of year		<u>\$ 120,796</u>		<u>\$ 1,279,124</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, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under) Budget	2016
	Budget	Actual		Actual
Revenue				
Local sources				
Other	\$ 44,000	\$ 27,382	\$ (16,618)	\$ 72,784
Expenditures				
Current				
Secondary vocational/DCALS				
Purchased services	–	2,430	2,430	5,642
Supplies and materials	40,495	22,527	(17,968)	80,954
Capital expenditures	–	–	–	1,736
Other expenditures	–	–	–	354
Total expenditures	<u>40,495</u>	<u>24,957</u>	<u>(15,538)</u>	<u>88,686</u>
Excess (deficiency) of revenue over expenditures	3,505	2,425	(1,080)	(15,902)
Other financing sources				
Proceeds from sale of assets	<u>–</u>	<u>–</u>	<u>–</u>	<u>980</u>
Net change in fund balances	<u>\$ 3,505</u>	<u>2,425</u>	<u>\$ (1,080)</u>	<u>(14,922)</u>
Fund balances				
Beginning of year		<u>7,549</u>		<u>22,471</u>
End of year		<u>\$ 9,974</u>		<u>\$ 7,549</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, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under)	2016
	Budget	Actual	Budget	Actual
Revenue				
Local sources				
Other	\$ 12,100	\$ 10,636	\$ (1,464)	\$ 10,977
Expenditures				
Current				
Special education programs				
Purchased services	—	—	—	935
Supplies and materials	10,100	12,728	2,628	10,458
Total expenditures	<u>10,100</u>	<u>12,728</u>	<u>2,628</u>	<u>11,393</u>
Net change in fund balances	<u>\$ 2,000</u>	(2,092)	<u>\$ (4,092)</u>	(416)
Fund balances				
Beginning of year		<u>12,276</u>		<u>12,692</u>
End of year		<u>\$ 10,184</u>		<u>\$ 12,276</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Capital Projects – Building Construction Fund  
Comparative Balance Sheet  
as of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and temporary investments	<u>\$           --</u>	<u>\$       67,051</u>
Fund balances		
Restricted for capital purposes	<u>\$           --</u>	<u>\$       67,051</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, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017			2016
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	\$ -	\$ -	\$ -	\$ 204
Expenditures				
Capital outlay	67,051	67,051	-	44,425
Net change in fund balances	<u>\$ (67,051)</u>	<u>(67,051)</u>	<u>\$ -</u>	<u>(44,221)</u>
Fund balances				
Beginning of year		67,051		111,272
End of year		<u>\$ -</u>		<u>\$ 67,051</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Food Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and temporary investments	<u>\$ 673</u>	<u>\$ 355</u>
Liabilities		
Accounts payable	\$ 673	\$ 190
Unearned revenue	<u>—</u>	<u>165</u>
Total liabilities	<u>\$ 673</u>	<u>\$ 355</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, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under) Budget	2016
	Budget	Actual		Actual
Revenue				
Local sources				
Other – primarily meal sales	\$ 30,100	\$ 21,210	\$ (8,890)	\$ 22,317
State sources	5,175	6,163	988	5,117
Federal sources	60,000	77,107	17,107	62,451
Total revenue	<u>95,275</u>	<u>104,480</u>	<u>9,205</u>	<u>89,885</u>
Expenditures				
Purchased services	9,385	9,875	490	8,307
Supplies and materials	119,875	129,845	9,970	119,752
Total expenditures	<u>129,260</u>	<u>139,720</u>	<u>10,460</u>	<u>128,059</u>
Excess (deficiency) of revenue over expenditures	(33,985)	(35,240)	(1,255)	(38,174)
Other financing sources				
Transfers in	<u>33,985</u>	<u>35,240</u>	<u>1,255</u>	<u>38,174</u>
Net change in fund balances	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>	<u>—</u>
Fund balances				
Beginning of year		<u>—</u>		<u>—</u>
End of year		<u>\$ —</u>		<u>\$ —</u>

INTERMEDIATE SCHOOL DISTRICT NO. 917

Internal Service Funds  
 Combining Statement of Net Position  
 as of June 30, 2017  
 (With Comparative Totals as of June 30, 2016)

	Dental	Medical	Post-Employment	Totals	
	Self-Insurance	Self-Insurance	Employee Benefits	2017	2016
<b>Assets</b>					
Cash and temporary investments	\$ 348,290	\$ 1,014,006	\$ 1,067,281	\$ 2,429,577	\$ 1,961,600
Prepaid items	—	—	35	35	—
Total assets	348,290	1,014,006	1,067,316	2,429,612	1,961,600
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts and contracts payable	44,010	241,809	—	285,819	138,660
Severance benefits payable	—	—	22,731	22,731	13,139
Total current liabilities	44,010	241,809	22,731	308,550	151,799
<b>Long-term liabilities</b>					
Net other post-employment benefit obligations	—	—	1,385,875	1,385,875	1,214,523
Severance benefits payable	—	—	427,101	427,101	457,845
Total long-term liabilities	—	—	1,812,976	1,812,976	1,672,368
Total liabilities	44,010	241,809	1,835,707	2,121,526	1,824,167
<b>Net position (deficit)</b>					
Unrestricted	\$ 304,280	\$ 772,197	\$ (768,391)	\$ 308,086	\$ 137,433

INTERMEDIATE SCHOOL DISTRICT NO. 917

Internal Service Funds  
 Combining Statement of Revenue, Expenses, and Changes in Net Position  
 Year Ended June 30, 2017  
 (With Comparative Totals for the Year Ended June 30, 2016)

	Dental	Medical	Post-Employment	Totals	
	Self-Insurance	Self-Insurance	Employee Benefits	2017	2016
Operating revenue					
Charges for services					
Contributions from governmental funds	\$ 385,391	\$ 2,929,566	\$ 103,728	\$ 3,418,685	\$ 2,145,912
Operating expenses					
Post-employment severance and health benefits	—	—	157,797	157,797	231,293
Medical benefit claims	—	2,728,625	—	2,728,625	1,048,947
Dental benefit claims	368,904	—	—	368,904	347,660
Total operating expenses	368,904	2,728,625	157,797	3,255,326	1,627,900
Operating income (loss)	16,487	200,941	(54,069)	163,359	518,012
Nonoperating revenue					
Investment earnings	1,121	2,739	3,434	7,294	3,889
Change in net position	17,608	203,680	(50,635)	170,653	521,901
Net position (deficit)					
Beginning of year	286,672	568,517	(717,756)	137,433	(384,468)
End of year	\$ 304,280	\$ 772,197	\$ (768,391)	\$ 308,086	\$ 137,433

INTERMEDIATE SCHOOL DISTRICT NO. 917

Internal Service Funds  
 Combining Statement of Cash Flows  
 Year Ended June 30, 2017  
 (With Comparative Totals for the Year Ended June 30, 2016)

	Dental	Medical	Post-Employment	Totals	
	Self-Insurance	Self-Insurance	Employee Benefits	2017	2016
Cash flows from operating activities					
Contributions from governmental funds	\$ 385,391	\$ 2,929,566	\$ 103,728	\$ 3,418,685	\$ 2,145,912
Post-employment severance and health benefit payments	-	-	(7,632)	(7,632)	(30,449)
Payments for medical claims	-	(2,583,244)	-	(2,583,244)	(952,519)
Payments for dental claims	(367,126)	-	-	(367,126)	(352,279)
Net cash flows from operating activities	18,265	346,322	96,096	460,683	810,665
Cash flows from investing activities					
Investment income received	1,121	2,739	3,434	7,294	3,889
Net change in cash and cash equivalents	19,386	349,061	99,530	467,977	814,554
Cash and temporary investments					
Beginning of year	328,904	664,945	967,751	1,961,600	1,147,046
End of year	\$ 348,290	\$ 1,014,006	\$ 1,067,281	\$ 2,429,577	\$ 1,961,600
Reconciliation of operating income (loss) to net cash flows from operating activities					
Operating income (loss)	\$ 16,487	\$ 200,941	\$ (54,069)	\$ 163,359	\$ 518,012
Adjustments to reconcile operating income (loss) to net cash flows from operating activities					
Changes in assets and liabilities					
Post-employment severance benefits payable	-	-	(21,152)	(21,152)	(8,126)
Net other post-employment benefit obligation	-	-	171,352	171,352	214,470
Prepaid items	-	-	(35)	(35)	-
Accounts payable	1,778	145,381	-	147,159	86,309
Net cash flows from operating activities	\$ 18,265	\$ 346,322	\$ 96,096	\$ 460,683	\$ 810,665

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	
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	8,765,738 30%	20,327,694 68%	554,908 2%	139,795 —	29,788,135 100%
2017	8,910,685 28%	21,223,814 67%	539,240 2%	845,477 3%	31,519,216 100%

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
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	1,886,824 7%	2,993,362 11%	22,764,328 81%	131,729 —	307,246 1%	28,083,489 100%
2017	3,088,390 8%	3,590,904 10%	30,535,125 81%	143,390 —	301,437 1%	37,659,246 100%

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	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
	2017	3,052,790	4,528	1,408	185,739	139,698	3,384,163
Special education	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
	2017	4,857,838	8,952	548,626	20,873,915	—	26,289,331
Services allocation	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
	2017	432,832	—	5,462	30,377	—	468,671
District support services	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	—	—	—	—	—	—
	2017	—	—	—	—	—	—

(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	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
	2017	555,220	45,416	—	—	—	600,636
Secondary resale	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
	2017	—	—	27,382	—	—	27,382
Special education resale	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
	2017	—	—	10,636	—	—	10,636

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	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
	2017	1,849,994	629,643	413,106	238,242	270,734	3,401,719
Special education	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
	2017	15,576,866	5,191,320	2,382,990	1,056,040	1,256,491	25,463,707
Services allocation	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
	2017	987,354	267,621	673,348	67,572	(1,527,224)	468,671
District support services	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	—	—	—	—	—	—
	2017	—	—	—	—	—	—

(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	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
	2017	--	--	40,812	3,954,374	--	3,995,186
Secondary resale	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
	2017	--	--	2,430	22,527	--	24,957
Special education resale	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
	2017	--	--	--	12,728	--	12,728

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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated INSERT DATE.

**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  
INSERT DATE

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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated INSERT DATE.

**MINNESOTA LEGAL COMPLIANCE**

The *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minnesota Statutes § 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  
INSERT DATE

INTERMEDIATE SCHOOL DISTRICT NO. 917

Uniform Financial Accounting and Reporting Standards  
Compliance Table  
June 30, 2017

		Audit	UFARS	Audit – UFARS
<b>General Fund</b>				
Total revenue		\$ 30,780,819	\$ 30,780,819	\$ --
Total expenditures		\$ 33,366,968	\$ 33,366,969	\$ (1)
Nonspendable				
460	Nonspendable fund balance	\$ 154,609	\$ 154,610	\$ (1)
Restricted				
403	Staff development	\$ --	\$ --	\$ --
406	Health and safety	\$ --	\$ --	\$ --
407	Capital projects levy	\$ --	\$ --	\$ --
408	Cooperative revenue	\$ --	\$ --	\$ --
413	Projects funded by COP	\$ --	\$ --	\$ --
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	\$ 252,615	\$ 252,615	\$ --
445	Career and technical programs	\$ --	\$ --	\$ --
448	Achievement and integration	\$ --	\$ --	\$ --
449	Safe schools levy	\$ --	\$ --	\$ --
450	Pre-kindergarten	\$ --	\$ --	\$ --
451	QZAB payments	\$ --	\$ --	\$ --
452	OPEB liability not in trust	\$ --	\$ --	\$ --
453	Unfunded severance and retirement levy	\$ --	\$ --	\$ --
467	LTFM	\$ --	\$ --	\$ --
472	Medical Assistance	\$ --	\$ --	\$ --
464	Restricted fund balance	\$ 627,908	\$ 627,907	\$ 1
Committed				
418	Committed for separation	\$ --	\$ --	\$ --
461	Committed fund balance	\$ --	\$ --	\$ --
Assigned				
462	Assigned fund balance	\$ --	\$ --	\$ --
Unassigned				
422	Unassigned fund balance	\$ 5,922,746	\$ 5,922,745	\$ 1
<b>Food Service</b>				
Total revenue		\$ 104,480	\$ 104,480	\$ --
Total expenditures		\$ 139,720	\$ 139,720	\$ --
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	\$ --	\$ --	\$ --
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, 2017

	Audit	UFARS	Audit - UFARS
<b>Building Construction</b>			
Total revenue	\$ --	\$ --	\$ --
Total expenditures	\$ 67,051	\$ 67,051	\$ --
Nonspendable			
460 Nonspendable fund balance	\$ --	\$ --	\$ --
Restricted			
407 Capital projects levy	\$ --	\$ --	\$ --
413 Project funded by COP	\$ --	\$ --	\$ --
467 LTFM	\$ --	\$ --	\$ --
464 Restricted fund balance	\$ --	\$ --	\$ --
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	\$ --	\$ --	\$ --
464 Restricted fund balance	\$ --	\$ --	\$ --
Unassigned			
463 Unassigned fund balance	\$ --	\$ --	\$ --
<b>Trust</b>			
Total revenue	\$ 108	\$ 108	\$ --
Total expenditures	\$ 73	\$ 74	\$ (1)
422 Net position	\$ 2,001	\$ 2,001	\$ --
<b>Internal Service</b>			
Total revenue	\$ 3,425,979	\$ 3,425,978	\$ 1
Total expenditures	\$ 3,255,326	\$ 3,255,325	\$ 1
422 Net position	\$ 308,086	\$ 308,086	\$ --
<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.

**300 ADMINISTRATION**

- 301 School District Administration
- 302 Superintendent
- 303 Superintendent Selection
- 304 Superintendent Contract, Duties, and Evaluation
- 305 Policy Implementation
- 306 Administrator Code of Ethics

**301 SCHOOL DISTRICT ADMINISTRATION**

**I. PURPOSE**

The purpose of this policy is to clarify the role of the school district administration and its relationship with the school board.

**II. GENERAL STATEMENT OF POLICY**

- A. Effective administration and sound management practices are essential to realizing educational excellence. It is the responsibility of the school district administration to develop a school environment that recognizes the dignity of each student and employee, and the right of each student to access educational programs and services.
- B. The school board expects all activities related to the operation of the school district to be administered in a well-planned manner, conducted in an orderly fashion, and to be consistent with the policies of the school board.
- C. The school board shall seek specific recommendations, background information and professional advice from the school district administration, and will hold the administration accountable for sound management of the schools.
- D. Although the school board holds the superintendent ultimately responsible for administration of the school district, the school board also recognizes the direct responsibility of all district administrators for educational results and effective administration, supervisory, and instructional leadership at all our sites and programs.
- E. The school board and school administration shall work together to share information and decisions that best serve the needs of school district students within financial and facility constraints that may exist.

**Legal References:** Minn. Stat. § 123B.143 (Superintendent)

Board Approved \_\_\_\_\_

**302 SUPERINTENDENT**

**I. PURPOSE**

The purpose of this policy is to recognize the importance of the role of the superintendent and the overall responsibility of that position within the school district.

**II. GENERAL STATEMENT OF POLICY**

The school board shall employ a superintendent who shall serve as an ex officio, nonvoting member of the school board and as chief executive officer of the school system.

**III. GENERAL RESPONSIBILITIES**

- A. The superintendent is responsible for the management of the schools, the administration of all school district policies, and is directly accountable to the school board.
- B. The superintendent shall be responsible for the supervision and evaluation of those staff reporting directly to the superintendent.
- C. The superintendent may delegate responsibilities to other school district personnel, but shall continue to be accountable for actions taken under such delegation.
- D. Where responsibilities are not specifically prescribed, nor school board policy applicable, the superintendent shall use personal and professional judgment, subject to review by the school board.

**Legal References:** Minn. Stat. § 123B.143 (Superintendent)

Board Approved \_\_\_\_\_

### **303 SUPERINTENDENT SELECTION**

#### **I. PURPOSE**

The purpose of this policy is to convey to the school community that the authority to select and employ a superintendent is vested in the school board.

#### **II. GENERAL STATEMENT OF POLICY**

The school board shall employ a superintendent to serve as the chief executive officer of the school district and to conduct the daily operations of the school district.

#### **III. QUALIFICATIONS**

- A. The school board shall consider applicants who meet or exceed the licensing standards set by the Minnesota Board of School Administrators and qualifications established in the job description for the superintendent position. State and federal equal employment and nondiscrimination requirements shall be observed throughout the recruitment and selection process.
- B. The school board will consider professional preparation, experience, skill, and demonstrated competence of qualified applicants in making a final decision.

#### **IV. SELECTION**

- A. A process for recruitment, screening, and interviewing of candidates shall be developed by the school board.
- B. The school board may contract for assistance in the search for a superintendent.
- C. The school board shall provide the contract for the superintendent and specifically identify all conditions of employment mutually agreed upon with the superintendent. In so doing, the school board shall observe all requirements of state and federal law and school board policy.

**Legal References:** Minn. Stat. § 123B.143 (Superintendent)  
Minn. Rules, Chapter 3512

Board Approved \_\_\_\_\_

**304 SUPERINTENDENT CONTRACT, DUTIES, AND EVALUATION**

**I. PURPOSE**

The purpose of this policy is to provide for the use of an employment contract with the superintendent, a position description and the use of an approved instrument to evaluate performance.

**II. GENERAL STATEMENT OF POLICY**

- A. The superintendent's contract shall be used to formalize the employment relationship and to specifically identify and clarify all conditions of employment with the superintendent.
- B. The specific duties for which the superintendent is accountable shall be set forth in a position description for the superintendent and shall be measured by a performance appraisal instrument approved by the school board in consultation with the superintendent. The school board shall use this instrument to periodically evaluate the performance of the superintendent.

*Legal References:* Minn. Stat. § 123B.143 (Superintendent)

Board Approved \_\_\_\_\_

**305 POLICY IMPLEMENTATION**

**I. PURPOSE**

The purpose of this policy is to clarify the responsibility of the school administration for implementation of school board policy.

**II. GENERAL STATEMENT OF POLICY**

- A. It shall be the responsibility of the superintendent to implement school board policy and to recommend additions or modifications thereto. The administration is authorized to develop guidelines and directives to effectuate the implementation of school board policies. These guidelines and directives shall not be inconsistent with said policies.
- B. Employee and student handbooks shall be subject to annual review and approval by the school board.
- C. Administrators who have handbook responsibilities shall present recommended changes necessary to reflect new or modified policies. Changes of substance within handbooks shall be reviewed by the superintendent to assure compliance with school board policy and shall be approved by the school board.

*Legal References:* Minn. Stat. § 123B.143 (Superintendent)

Board Approved \_\_\_\_\_

## **306 ADMINISTRATOR CODE OF ETHICS**

### **I. PURPOSE**

The purpose of this policy is to establish the requirements of the school board that school administrators adhere to the standards of ethics and professional conduct in this policy and Minnesota law.

### **II. GENERAL STATEMENT OF POLICY**

A. An educational administrator's professional behavior must conform to an ethical code. The code must be idealistic and at the same time practical, so that it can apply reasonably to all educational administrators. The administrator acknowledges that the schools belong to the public they serve for the purpose of providing educational opportunities to all. However, the administrator assumes responsibility for providing professional leadership in the school and community. This responsibility requires the administrator to maintain standards of exemplary professional conduct. It must be recognized that the administrator's actions will be viewed and appraised by the community, professional associates, and students. To these ends, the administrator must subscribe to the following standards.

B. The Educational Administrator:

1. Makes the well-being of students the fundamental value of all decision-making and actions.
2. Fulfills professional responsibilities with honesty and integrity.
3. Supports the principle of due process and protects the civil and human rights of all individuals.
4. Obeys local, state, and national laws and does not knowingly join or support organizations that advocate, directly or indirectly, the overthrow of the government.
5. Implements the school board's policies.
6. Pursues appropriate measures to correct those laws, policies, and regulations that are not consistent with sound educational goals.
7. Avoids using positions for personal gain through political, social, religious, economic, or other influence.
8. Accepts academic degrees or professional certification only from duly accredited institutions.
9. Maintains the standards and seeks to improve the effectiveness of the

profession through research and continuing professional development.

10. Honors all contracts until fulfillment, release, or dissolution is mutually agreed upon by all parties to the contract.
11. Adheres to the Code of Ethics for School Administrators in Minnesota Rule.

***Legal References:*** Minn. Stat. § 122A.14, Subd. 4 (Code of Ethics)  
Minn. Rules Part 3512.5200 (Code of Ethics for School Administrators)

Board Approved \_\_\_\_\_