

# **Intermediate District 287**

Responsive. Innovative. Solutions.



**Intermediate District 287**

**Regular Meeting**

**Thursday, January 8, 2015 6:45 PM**

# Intermediate District 287

## RESPONSIVE. INNOVATIVE. SOLUTIONS

### GENERAL MEETING OF THE BOARD

Thursday, January 8, 2015

6:45 PM @ District Service Center Board Room

#### AGENDA

	<u>Page #</u>
1. CALL TO ORDER (Action)	
2. APPROVAL OF GENERAL MEETING AGENDA (Action)	
3. OPEN FORUM (Information)	
4. APPROVAL OF CONSENT AGENDA (Action)	
4. 1. General Board Meeting Minutes from December 11, 2014	4
4. 2. Recommendation for Board Acceptance of the Minnesota State Arts Board - Arts Learning Grant	6
5. SHARE THE SUCCESS & RECOGNITION (Information)	
5. 1. Employee Recognition – The November & December 2014 “Above & Beyond” Employee Kathy Enselein, Instructor at Edgewood Education Center will be announced to the Board as the November “Above & Beyond” winner. Lynda Benkofske, Independent Study & Targeted Services at the District Service Center is the December “Above & Beyond” winner.	
6. BUSINESS SERVICES & LABOR RELATIONS REPORT - (45 minutes)	
6. 1. Financial Report	
6. 1. 1. FY14 Audit Report (Action)	7
Jim Eichten, Malloy, Montague, Karnowski, Radosevich & Co., will present a summary of the FY14 Audit and the Board will be asked to accept it.	
6. 1. 2. Approval of Routine Monthly Finance Report (Action)	140
Mae Hawkins, Executive Director of Business Services will provide an overview of the November 2014 monthly finance report and the Board will be asked to approve them.	
6. 2. Facilities Report - None	
6. 3. Human Resource Report (Information)	
6. 3. 1. Closed Session – <b>Employee</b> Pursuant to Minnesota Statutes, section 13D.05, subdivisions 2 and 3, this agenda item will be closed for preliminary considerations of allegations against one or more of its employees, and a discussion with its attorneys.	
6. 3. 2. Update on the Bloomington Withdrawal The School Board will hold a closed meeting as permitted by the attorney-client privilege (Minn. Stat. §13D.05, subd. 3(b)) to discuss the lawsuit involving the withdrawal of the Bloomington School District from the Intermediate.	
7. SUPERINTENDENT'S REPORT - (15 minutes) (Information)	
7. 1. Superintendent Annual Goals	151
The Superintendent will foreshadow a mid-year report on progress toward the Annual Goals.	
8. INSTRUCTIONAL REPORT - None	
9. BOARD BUSINESS - (15 minutes) (Information)	
9. 1. Policy Review & Revision - None	
9. 2. Board Reports	

9. 2. 1. Chair Report	
9. 2. 1. 1. Superintendent Evaluation	
9. 2. 2. AMSD Report (Ann Bremer)	
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9. 4. Once Around the Table	
<b>10. ADJOURNMENT</b>	

**DISTRICT 287 REGULAR BOARD MEETING**  
**Intermediate District 287**  
**December 11, 2014**  
**MINUTES**

**1. CALL TO ORDER**

Chair Ann Bremer called the regular meeting to order at 6:30 PM in the District Service Center Board Room. A quorum was declared with the following members in attendance:

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

Absent: 283/Gores

Guests:

287 Administration: Sandra Lewandowski, Colleen Baumtrog, Anne Becker, Michael Cowles, Mae Hawkins, Chad Maxa, Jennifer McIntyre, Elisabeth Rogers, Jon Voss, and Wauneen Mgeni

287 Staff Members: Ben Drewelow, Gale Morris, Doug Booth, and Julie Tuorila

**2. APPROVAL OF GENERAL MEETING AGENDA**

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

**3. OPEN FORUM FOR COMMUNITY COMMENTS**

**4. APPROVAL OF CONSENT AGENDA**

The Consent Agenda was presented for approval. The Consent Agenda included the general meeting minutes from November 13, 2014, and the Routine Human Resource Activities for December 11, 2014. *Motion by Ann Bremer, seconded by Carol Bomben, to approve the Consent Agenda as presented. Motion carried.*

**5. SHARE THE SUCCESS & RECOGNITIONS**

Superintendent Lewandowski announced to the Board three staff recognitions and one Board member recognition: 1) Ben Drewelow and Gale Morris each have received the TIES Exceptional Teacher Award, 2) Chad Maxa, Executive Director of Technology & Innovation received the TIES 2014 – Technology Leadership Award, and 3) Michèle Kunz, 287 Board Treasurer, has been awarded the 2014-2015 MSBA Presidents' Award.

**6. SUPERINTENDENT'S REPORT**

Superintendent Lewandowski presented and recommended approval to the Board, the 2015 legislative platform for the three intermediates. *Motion by Ann Bremer, seconded by Michèle Kunz, to approve the 2015 legislative platform for the three intermediates as presented. All in favor. Motion carried unanimously.*

Sandy briefly updated the Board on the visit from Brenda Casselius, Commissioner of Education. The Commissioner visited the South Education Center Alternative program, she heard from a student panel that informed her about their daily struggles with transportation and other issues.

**7. INSTRUCTIONAL REPORT**

Jon Voss, Director of Teaching and Learning presented to the Board the printed 2013-2014 Member District Usage report, produced annually for each district to show their participation in Intermediate District 287 programs and services.

Jon presented to the Board the 2013-2014 Innovation Report Card, which highlights the innovative work of 287 staff members.

Colleen Baumtrog, Executive Director of Planning & Improvement, presented an overview to the Board on the core planning team meeting and presented a draft of the new 2015-2020 Strategic Plan.

## **8. ADMINISTRATIVE SERVICE REPORTS**

### **Financial Report**

Mrs. Mae Hawkins, Executive Director of Business Services, presented the monthly financial report for October 2014. *Motion by Ann Bremer, seconded by Laura Ronbeck, to approve the October 2014 monthly financial reports as presented. All in favor. Motion carried unanimously.*

Mae presented and recommended approval of the unaudited fund balance for FY14. The overall fund balance at June 30, 2014 was \$6,393,046 or (8.35%). *Motion by Ann Bremer, seconded by Michèle Kunz, to approve the unaudited fund balance for FY14 as presented. All in favor. Motion carried unanimously.*

### **Facilities Report – None**

### **Human Resources Report**

Anne Becker, General Counsel/Executive Director of Labor Relations, briefly updated the Board on 1) the Bloomington hearing, and 2) Local 2209 membership vote to approve the District's move to self-insurance.

## **9. BOARD BUSINESS**

### **Policy Review & Revision – None**

### **Chair Report**

Board Chair Bremer, Board Vice-Chair Bomben, Board Treasurer Kunz, and Board members Peterson and Ronbeck, updated the Board on two *Get on the Bus* events, which were recently held at the South Education Center Alternative and West Education Center Alternative.

Board Chair Bremer presented and recommended approval of a motion to change the name of South Education Center Alternative and North Education Center Alternative to South Education Center Academy and North Education Center Academy. *Motion by Ann Bremer, seconded by Carol Bomben, to approve the name of South Education Center Alternative and North Education Center Alternative to South Education Center Academy and North Education Center Academy as presented. All in favor. Motion carried unanimously.*

Board Chair Bremer presented and recommended approval of the 2014-2015 Board nominating committee. *Motion by Ann Bremer, seconded by Dean Henke, to approve 2014-2015 Board nominating committee as presented. All in favor. Motion carried unanimously.*

### **AMSD Report**

### **Once Around the Table**

## **10. ADJOURNMENT**

*Motion was heard and seconded to adjourn the meeting. Meeting adjourned at 8:38 PM.*

The next general meeting will be held on January 8, 2015, at 6:30 PM in the DSC Board Room.

Submitted by  
Wauneen Mgeni  
Secretary to the Board

Signed: Chair \_\_\_\_\_

Clerk \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

# Intermediate District 287

## *Responsive. Innovative. Solutions*

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### INTER-OFFICE MEMORANDUM

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DATE: January 8, 2015

TO: Sandra Lewandowski, Superintendent

FROM: Mae Hawkins, Director of Finance

**RE: Recommendation for Board Acceptance of the Minnesota State Arts Board - Arts Learning Grant**

Intermediate District 287 has been awarded \$38,170.00 from the Minnesota State Arts Board for the Arts Learning Grant. Soli Hughes - Artist in Residence will provide ongoing residency at Edgewood Education Center. He will engage students with disabilities and other at-risk student groups, by incorporating the history of Pop Culture from post-WWII to today. Activities will include music, movement and performance art. The grant will run from November 1, 2014 – October 31, 2015.

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

Regular Meeting – January 8, 2015

**AGENDA SECTION: BUSINESS SERVICES REPORT**

**ITEM: Recommendation for Board Acceptance of the Audited**  
**Financial Report for the Year Ended June 30, 2014**

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

**1. Background Information**

Jim Eichten, Managing Partner of MMKR, Certified Public Accountants & Co., P.A. will present the District's audited Financial Report for the year ended June 30, 2014.

**2. Fiscal Impact/Funding Source:**

**3. RECOMMENDED ACTION:**

The Board accepts the audited financial report for the year ended June 30, 2014.

Motion by: \_\_\_\_\_ Yes \_\_\_\_ Passed \_\_\_\_

Second by: \_\_\_\_\_ Yes \_\_\_\_ Failed \_\_\_\_

Abstentions: \_\_\_\_\_

INTERMEDIATE DISTRICT NO. 287  
PLYMOUTH, MINNESOTA

Financial Statements and  
Supplemental Information

Year Ended  
June 30, 2014

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INTRODUCTORY SECTION

INTERMEDIATE DISTRICT NO. 287

Board of Directors and Administration  
as of June 30, 2014

**BOARD OF DIRECTORS**

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

**ADMINISTRATION**

Sandra Lewandowski	Superintendent
Colleen Baumtrog	Executive Director of Administrative Services
Jane Holmberg	Executive Director of Teaching and Learning
Dolly Lastine	Executive Director of Special Education
Anne Becker	Director of Human Resources
Mae Hawkins	Director of Finance
Gloria Wilder	Assistant Director of Finance
Chad Maxa	Director of Information Technology
David Anderson	Finance Manager
Michael Cowles	Director of Facilities

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Intermediate District No. 287 (the District) as of and for the year ended June 30, 2014, 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, 2014, 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, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

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

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

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

(continued)

## **Prior Year Comparative Information**

We have previously audited the District's 2013 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 12, 2013. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota

December 11, 2014

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## INTERMEDIATE DISTRICT NO. 287

### Management's Discussion and Analysis Year Ended June 30, 2014

This section of Intermediate District No. 287's (the District) annual financial statements presents Management's Discussion and Analysis (MD&A) of the District's financial performance during the fiscal year ended June 30, 2014. We encourage readers to consider the financial information presented here in conjunction with the other components of the District's annual financial statements.

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

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

- Independent Auditor's Report;
- Management's Discussion and Analysis;
- Basic financial statements, including the government-wide financial statements, fund financial statements, and the notes to basic financial statements;
- Required supplementary information;
- Combining and individual fund statements and schedules, presented as supplemental information; and
- Other district 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 (if any), liabilities, and deferred inflows of resources (if any). 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 (if any), liabilities, and deferred inflows of resources (if any)—is one way to measure the District's financial health or *position*.

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

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

## FUND FINANCIAL STATEMENTS

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

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

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

The District maintains the following kinds of funds:

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

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

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

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

	<u>2014</u>	<u>2013</u>
<b>Assets</b>		
Current and other assets	\$ 22,813,573	\$ 31,496,902
Restricted assets	3,745,412	2,452,486
Capital assets, net of accumulated depreciation	<u>77,132,474</u>	<u>79,701,970</u>
<b>Total assets</b>	<b><u>\$ 103,691,459</u></b>	<b><u>\$ 113,651,358</u></b>
<b>Liabilities</b>		
Current and other liabilities	\$ 9,283,704	\$ 18,375,634
Long-term liabilities, including due within one year	<u>83,780,044</u>	<u>83,661,338</u>
<b>Total liabilities</b>	<b><u>\$ 93,063,748</u></b>	<b><u>\$ 102,036,972</u></b>
<b>Net position</b>		
Net investment in capital assets	\$ 3,568,822	\$ 4,052,663
Restricted	4,312,985	3,025,901
Unrestricted	<u>2,745,904</u>	<u>4,535,822</u>
<b>Total net position</b>	<b><u>\$ 10,627,711</u></b>	<b><u>\$ 11,614,386</u></b>

The District's financial position is the product of many factors. For example, the determination of the District's net investment in capital assets involves many assumptions and estimates, such as current and accumulated depreciation amounts. A conservative versus liberal approach to depreciation estimates, as well as capitalization policies, may produce a significant difference in the calculated amounts.

The District's total net position decreased by \$986,675 during the year ended June 30, 2014. The net investment in capital assets decreased by \$483,841, mainly due to an increase in depreciation. Restricted net position increased by \$1,287,084, mainly due to an increase in the amount restricted for debt service. The unrestricted portion of net position decreased \$1,789,918 in the current year. The decrease in unrestricted net position was due to the use of assigned fund balance to make capital improvements and an increase in current year severance benefits payable.

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

The decrease in current assets and current liabilities relates to the District paying outstanding aid anticipation certificates totaling \$9,900,000.

Table 2 presents a condensed version of the Change in Net Position of the District:

	2014	2013
<b>Revenue</b>		
Program revenues		
Charges for services	\$ 23,543,538	\$ 24,693,241
Operating grants and contributions	53,222,921	49,209,282
General revenues		
General grants and aids	5,118,720	5,101,862
Other general revenues	577,467	489,972
Investment earnings	112,646	70,443
<b>Total revenue</b>	82,575,292	79,564,800
<b>Expenses</b>		
Career and technical education	1,764,840	1,545,389
Academic education	11,274,730	9,836,410
Special education	49,225,704	46,711,262
Student clubs	34,837	29,161
Administrative support services and operations and maintenance	16,507,110	15,030,687
Food service	671,461	590,030
Community service	181,463	221,269
Interest and fiscal charges on debt	3,901,822	4,044,542
<b>Total expenses</b>	83,561,967	78,008,750
<b>Change in net position</b>	<b>\$ (986,675)</b>	<b>\$ 1,556,050</b>

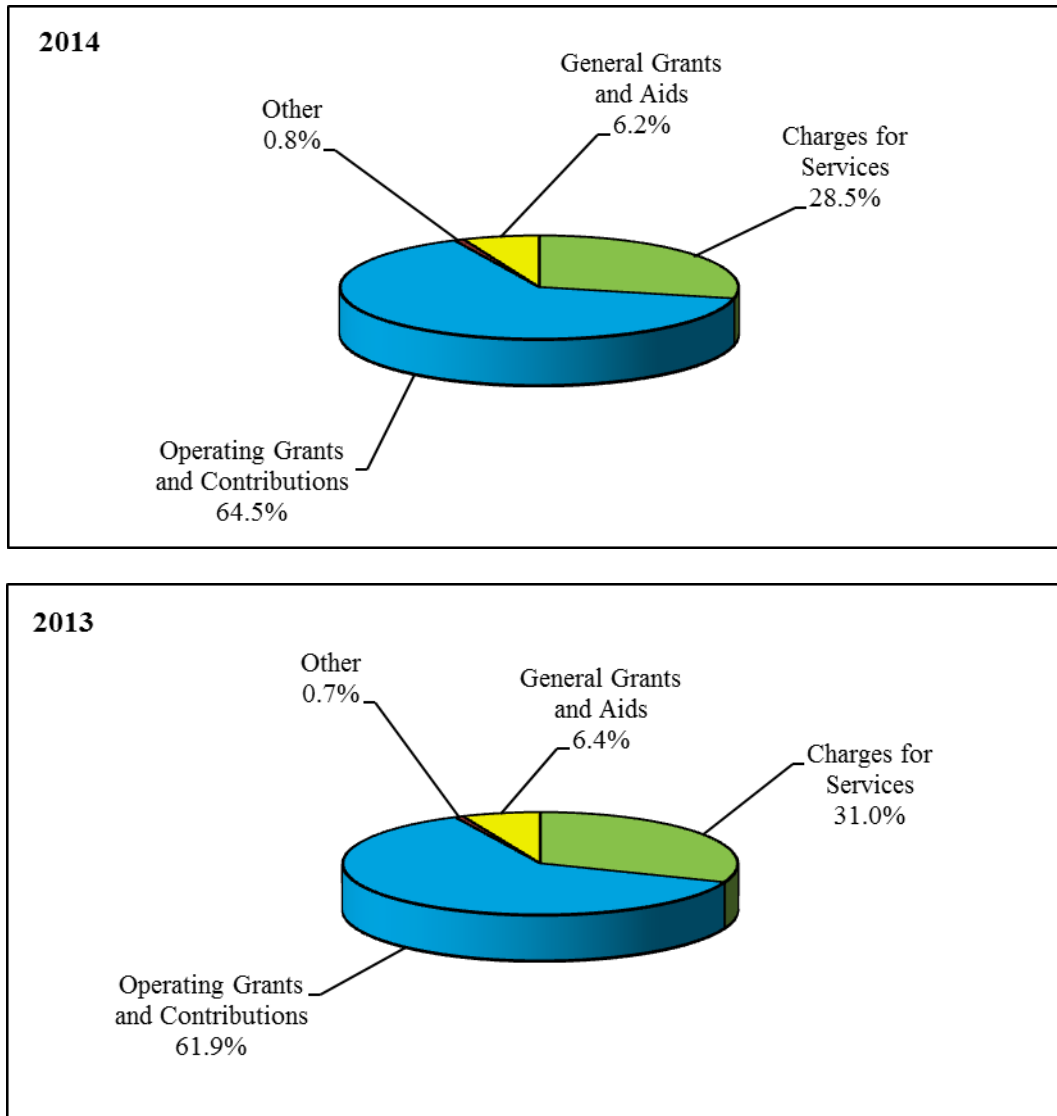
This statement is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

The District's total revenues were \$82,575,292 for the year ended June 30, 2014. Charges for services account for 28.5 percent of total revenues for the year while operating grants and contributions accounted for 64.5 percent. General grants and aids accounted for 6.2 percent of the total revenue and are mainly from pass-through levies for debt service and the federal reimbursement received for interest payments made on the Build America Bonds.

The total cost of all programs and services was \$83,561,967, which is higher than fiscal 2013 by \$5,553,217. The District experienced increases in academic and special education expenses, mainly due to depreciation expense from the completion of district construction projects and severance expense related to an updated actuarial study which reflected increases for changes to medical cost trends.

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

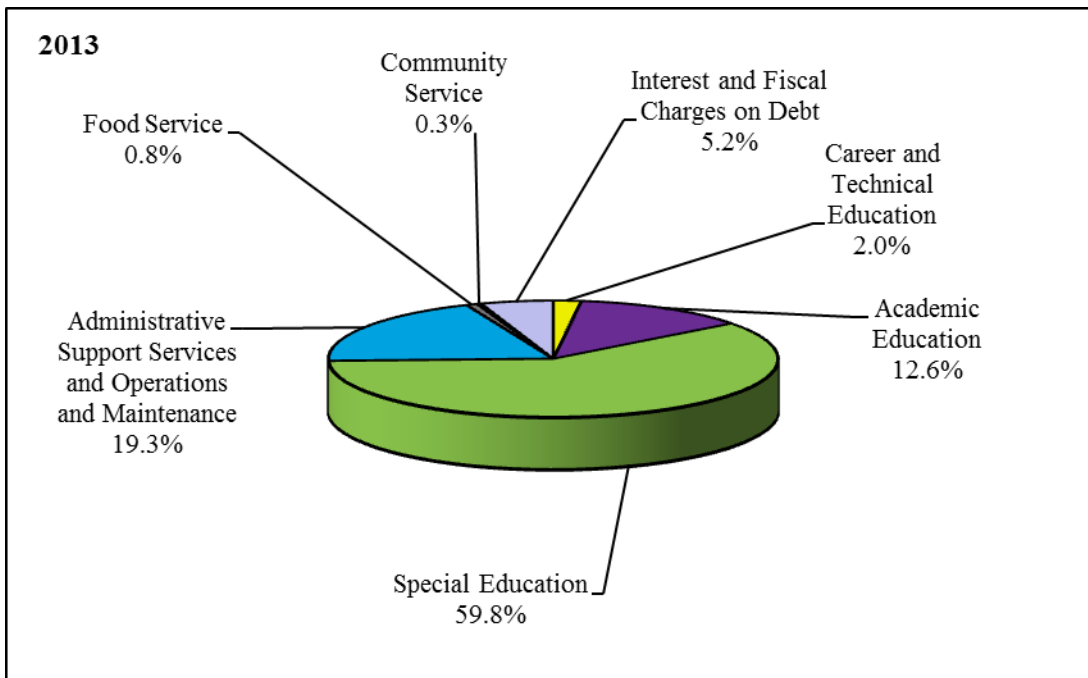
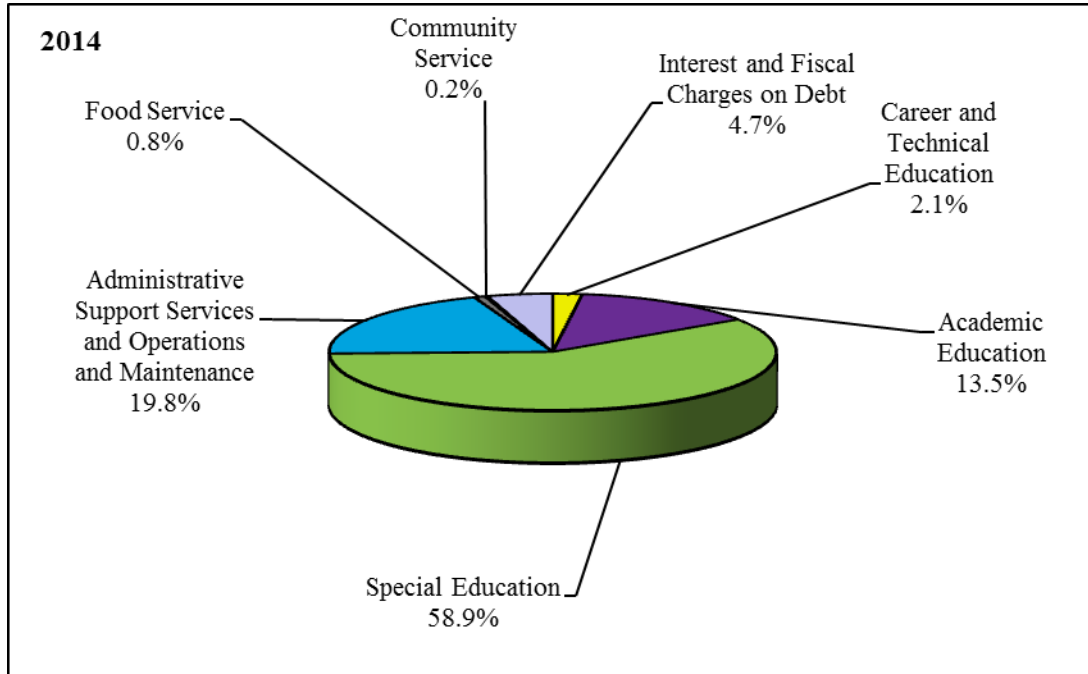
**Figure A – Sources of Revenues for Fiscal Years 2014 and 2013**



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

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

**Figure B – Expenses for Fiscal Years 2014 and 2013**



The District's expenses are predominately in categories that correlate directly to providing instruction, which includes: special education, academic education, and career and technical education, comprising 74.5 percent of the total. Total expenses for the year in administrative support services and operations and maintenance were 19.8 percent, which include administrative, business and instructional support services, building operations and maintenance, and tuition refunds. An additional 4.7 percent reflects debt service expenses related to financing of facilities.

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

	2014		2013	
	Total Cost of Services	Net (Expenses Over) Revenues From Services	Total Cost of Services	Net (Expenses Over) Revenues From Services
Governmental activities				
Career and technical education	\$ 1,764,840	\$ (272,993)	\$ 1,545,389	\$ (94,164)
Academic education	11,274,730	(1,347,078)	9,836,410	(553,848)
Special education	49,225,704	(1,236,451)	46,711,262	(457,596)
Student clubs	34,837	3,990	29,161	6,705
Administrative support services and operations and maintenance	16,507,110	358,407	15,030,687	1,405,056
Food service	671,461	(309,398)	590,030	(246,902)
Community service	181,463	(90,163)	221,269	(120,936)
Interest and fiscal charges on debt	3,901,822	(3,901,822)	4,044,542	(4,044,542)
Total	\$ 83,561,967	\$ (6,795,508)	\$ 78,008,750	\$ (4,106,227)

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

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

	2014	2013	Increase (Decrease)
Major funds			
General	\$ 13,643,384	\$ 13,288,874	\$ 354,510
Nonmajor funds			
Debt Service Fund	3,774,686	2,520,724	1,253,962
Total governmental funds	\$ 17,418,070	\$ 15,809,598	\$ 1,608,472

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

The District transferred an amount to an assigned fund balance for severance to continue to fund future severance obligations. The District also has an assigned fund balance for MDE special education state aid tuition appeals, of which \$650,000 remains. This is in recognition of the potential for additional calculation changes in this area by the MDE.

### Analysis of the General Fund

Table 5 presents a summary of General Fund revenues:

	2014	2013	Amount of Increase (Decrease)
Local sources			
Pass-through levies	\$ 2,800,789	\$ 2,974,288	\$ (173,499)
Tuition	19,448,574	18,994,895	453,679
Investment earnings	12,964	16,186	(3,222)
Other	4,680,374	4,415,033	265,341
State sources	49,297,310	46,793,472	2,503,838
Federal sources	654,280	667,828	(13,548)
 Total General Fund revenues	 <u>\$ 76,894,291</u>	 <u>\$ 73,861,702</u>	 <u>\$ 3,032,589</u>

The District received approximately \$2.8 million in property taxes that were levied for by their member districts. The pass-through levies are authorized in Minnesota Statutes to cover the District’s lease costs, safe schools initiatives, and health and safety programs. The increase in tuition revenue was primarily due to additional medical assistance and transportation revenues received. State sources increased \$2.5 million, due to the second year of the NEC Building and having additional special education students served in higher need areas.

Table 6 presents a summary of General Fund expenditures:

	2014	2013	Amount of Increase (Decrease)
Salaries	\$ 45,689,827	\$ 43,530,343	\$ 2,159,484
Employee benefits	16,490,367	15,228,459	1,261,908
Purchased services	8,346,601	8,651,943	(305,342)
Supplies and materials	1,329,483	1,176,428	153,055
Capital expenditures	1,934,469	2,239,945	(305,476)
Other expenditures	322,642	1,023,195	(700,553)
Debt service	2,046,089	2,336,167	(290,078)
<b>Total General Fund expenditures</b>	<b>\$ 76,159,478</b>	<b>\$ 74,186,480</b>	<b>\$ 1,972,998</b>

The increase in expenditures of \$1,972,998 from the prior year is mainly due to an average wage increase of 3 percent and increases in hiring related to increased needs in educational programs. Employee benefit increases relate to the increases in overall salaries and significant increases in health insurance costs for benefits provided to employees.

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

	2010	2011	2012	2013	2014
Unreserved – unassigned fund balance	\$ 3,778,052	\$ 4,757,797	\$ 6,187,960	\$ 6,310,491	\$ 6,393,048
Unassigned fund balance as a percentage of noncapital related expenditures	5.5%	6.7%	7.8%	8.5%	8.4%

Unassigned fund balance as a percentage of noncapital related expenditures is one key measurement of a district's financial health. The unassigned fund balance of \$6,393,048 at June 30, 2014 represents 8.4 percent of annual expenditures. The District continues to monitor its fund balances closely. The Board of Director's policy sets a goal of at least 6 to 8 percent for the unassigned fund balance as a percentage of noncapital related expenditures.

## General Fund Budgetary Highlights

Table 8 summarizes the General Fund budget to actual comparison:

<b>Table 8 General Fund Budget</b>					
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	
				Amount	Percent
Revenue and other financing sources	<u>\$ 77,136,490</u>	<u>\$ 77,591,662</u>	<u>\$ 76,913,693</u>	<u>\$ (677,969)</u>	<u>(0.9%)</u>
Expenditures and other financing uses	<u>\$ 78,377,547</u>	<u>\$ 78,955,021</u>	<u>\$ 76,559,183</u>	<u>\$ (2,395,838)</u>	<u>(3.0%)</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.

An intermediate school district's revenues are generated based on offsetting expenditures. Therefore, when actual expenditures are less than budgeted projections, revenues will also be less than budgeted. Revenues in the special education area were lower than budget as special education revenues are a reimbursement of special education expenditures that are due to lower than budgeted severance and health insurance costs. Also, due to realized savings in administration and operations expenditures and lower than anticipated expenditures in capital expenditures, overall expenditures in the General Fund concluded the year below budget.

## CAPITAL ASSETS AND LONG-TERM LIABILITIES

### Capital Assets

Table 9 shows the District's capital assets, together with changes from the previous year. The table also shows total depreciation expense for fiscal years ending June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>	<u>Net Change</u>
Land	\$ 10,865,963	\$ 10,865,963	\$ -
Buildings	75,712,723	75,032,677	680,046
Equipment	3,783,678	3,637,287	146,391
Construction in progress	-	4,372	(4,372)
Less accumulated depreciation	<u>(13,229,890)</u>	<u>(9,838,329)</u>	<u>(3,391,561)</u>
Total	<u>\$ 77,132,474</u>	<u>\$ 79,701,970</u>	<u>\$ (2,569,496)</u>
Depreciation expense	<u>\$ 3,578,716</u>	<u>\$ 1,797,361</u>	<u>\$ 1,781,355</u>

The significant increase in depreciation expense is due to the completion of the NEC construction project.

### Long-Term Liabilities

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

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
Capital leases payable	\$ 23,712,556	\$ 24,455,682	\$ (743,126)
Certificates of participation payable	49,800,000	51,120,000	(1,320,000)
Premium (discount) on debt issued	51,096	73,625	(22,529)
Severance benefits payable	7,056,817	5,344,468	1,712,349
Compensated absences payable	512,488	448,165	64,323
Net OPEB obligation	2,446,963	2,028,620	418,343
Net pension obligation	<u>200,124</u>	<u>190,778</u>	<u>9,346</u>
Total	<u>\$ 83,780,044</u>	<u>\$ 83,661,338</u>	<u>\$ 118,706</u>

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

## **FACTORS BEARING ON THE DISTRICT'S FUTURE**

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

One member district withdrew its membership as of June 30, 2011. Independent School District (ISD) No. 271 and the District continue to work with the Commissioner of Education to determine ISD No. 271's proportionate share of the District's assets and liabilities, if any.

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

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

BASIC FINANCIAL STATEMENTS

INTERMEDIATE DISTRICT NO. 287

Statement of Net Position  
as of June 30, 2014  
(With Partial Comparative Information as of June 30, 2013)

	Governmental Activities	
	2014	2013
Assets		
Cash and temporary investments	\$ 11,747,106	\$ 17,083,870
Receivables		
Accounts and interest	597,828	529,128
Due from other governmental units	10,335,129	13,803,145
Inventory	2,579	1,766
Prepaid items	130,931	78,993
Restricted assets – temporarily restricted		
Cash and investments for debt service	3,745,412	2,452,486
Capital assets, net of depreciation		
Not depreciated	10,865,963	10,870,335
Depreciated, net of accumulated depreciation	66,266,511	68,831,635
Total capital assets, net of accumulated depreciation	<u>77,132,474</u>	<u>79,701,970</u>
Total assets	<u>\$ 103,691,459</u>	<u>\$ 113,651,358</u>
Liabilities		
Aid anticipation certificates	\$ –	\$ 9,900,000
Salaries and compensated absences payable	5,860,986	4,956,657
Accounts and contracts payable	770,392	848,524
Accrued interest payable	610,310	692,402
Due to other governmental units	1,818,131	1,715,595
Unearned revenue	223,885	262,456
Long-term liabilities		
Due within one year	3,387,774	3,007,793
Due in more than one year	80,392,270	80,653,545
Total long-term liabilities	<u>83,780,044</u>	<u>83,661,338</u>
Total liabilities	93,063,748	102,036,972
Net position		
Net investment in capital assets	3,568,822	4,052,663
Restricted for		
State funding restrictions	538,299	505,177
Debt service	3,774,686	2,520,724
Unrestricted	2,745,904	4,535,822
Total net position	<u>10,627,711</u>	<u>11,614,386</u>
Total liabilities and net position	<u>\$ 103,691,459</u>	<u>\$ 113,651,358</u>

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Statement of Activities  
 Year Ended June 30, 2014  
 (With Partial Comparative Information for the Year Ended June 30, 2013)

Functions/Programs	2014			2013	
	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Governmental Activities
Governmental activities					
Career and technical education	\$ 1,764,840	\$ 1,469,719	\$ 22,128	\$ (272,993)	\$ (94,164)
Academic education	11,274,730	6,212,181	3,715,471	(1,347,078)	(553,848)
Special education	49,225,704	10,568,408	37,420,845	(1,236,451)	(457,596)
Student clubs	34,837	–	38,827	3,990	6,705
Administrative support services and operations and maintenance	16,507,110	5,133,070	11,732,447	358,407	1,405,056
Food service	671,461	68,860	293,203	(309,398)	(246,902)
Community service	181,463	91,300	–	(90,163)	(120,936)
Interest and fiscal charges on debt	3,901,822	–	–	(3,901,822)	(4,044,542)
<b>Total governmental activities</b>	<b>\$ 83,561,967</b>	<b>\$ 23,543,538</b>	<b>\$ 53,222,921</b>	<b>(6,795,508)</b>	<b>(4,106,227)</b>
General revenues					
General grants and aids				5,118,720	5,101,862
Other general revenues				577,467	489,972
Investment earnings				112,646	70,443
Total general revenues				5,808,833	5,662,277
Change in net position				(986,675)	1,556,050
Net position – beginning				11,614,386	10,058,336
Net position – ending				\$ 10,627,711	\$ 11,614,386

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Balance Sheet  
 Governmental Funds  
 as of June 30, 2014  
 (With Partial Comparative Information as of June 30, 2013)

	General Fund	Nonmajor Funds	Total Governmental Funds	
			2014	2013
<b>Assets</b>				
Cash and temporary investments	\$ 11,191,991	\$ 78,819	\$ 11,270,810	\$ 16,681,585
Cash and investments held by trustee	–	3,745,412	3,745,412	2,452,486
<b>Receivables</b>				
Accounts and interest	593,855	3,973	597,828	529,128
Due from other funds	3,137	–	3,137	2,603
Due from other governmental units	10,313,527	21,602	10,335,129	13,803,145
Inventory	–	2,579	2,579	1,766
Prepaid items	130,931	–	130,931	78,993
<b>Total assets</b>	<b>\$ 22,233,441</b>	<b>\$ 3,852,385</b>	<b>\$ 26,085,826</b>	<b>\$ 33,549,706</b>
<b>Liabilities</b>				
Aid anticipation certificates	\$ –	\$ –	\$ –	\$ 9,900,000
Salaries and compensated absences payable	5,849,649	2,562	5,852,211	4,951,890
Due to other funds	–	3,137	3,137	2,603
Accounts and contracts payable	761,132	9,260	770,392	848,524
Accrued interest payable	–	–	–	59,040
Due to other governmental units	1,759,865	58,266	1,818,131	1,715,595
Unearned revenue	219,411	4,474	223,885	262,456
<b>Total liabilities</b>	<b>8,590,057</b>	<b>77,699</b>	<b>8,667,756</b>	<b>17,740,108</b>
<b>Fund balances</b>				
Nonspendable	130,931	–	130,931	78,993
Restricted	495,389	3,774,686	4,270,075	2,986,979
Assigned	6,624,016	–	6,624,016	6,433,135
Unassigned	6,393,048	–	6,393,048	6,310,491
<b>Total fund balances</b>	<b>13,643,384</b>	<b>3,774,686</b>	<b>17,418,070</b>	<b>15,809,598</b>
<b>Total liabilities and fund balances</b>	<b>\$ 22,233,441</b>	<b>\$ 3,852,385</b>	<b>\$ 26,085,826</b>	<b>\$ 33,549,706</b>

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Reconciliation of the Balance Sheet to the  
Statement of Net Position  
Governmental Funds  
as of June 30, 2014  
(With Partial Comparative Information as of June 30, 2013)

	<u>2014</u>	<u>2013</u>
Total fund balances – governmental funds	\$ 17,418,070	\$ 15,809,598
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	90,362,364	89,540,299
Accumulated depreciation	(13,229,890)	(9,838,329)
Governmental funds do not report a liability for accrued interest on long-term debt until due and payable.		
	(610,310)	(633,362)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable.		
Capital leases payable	(23,712,556)	(24,455,682)
Certificates of participation payable	(49,800,000)	(51,120,000)
Unamortized premium/discount on debt issued	(51,096)	(73,625)
Severance benefits payable	(7,056,817)	(5,344,468)
Compensated absences payable	(512,488)	(448,165)
Net other post-employment benefit obligation	(2,446,963)	(2,028,620)
Net pension obligation	(200,124)	(190,778)
The Internal Service Fund is used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service Fund are included in the governmental activities in the Statement of Net Position.		
	<u>467,521</u>	<u>397,518</u>
Total net position – governmental activities	<u>\$ 10,627,711</u>	<u>\$ 11,614,386</u>

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2014  
 (With Partial Comparative Information for the Year Ended June 30, 2013)

	General Fund	Nonmajor Funds	Total Governmental Funds	
			2014	2013
<b>Revenue</b>				
Local sources				
Pass-through levies	\$ 2,800,789	\$ 3,609,982	\$ 6,410,771	\$ 6,437,108
Tuition	19,448,574	28,177	19,476,751	19,027,087
Investment earnings	12,964	99,682	112,646	70,443
Other	4,680,374	131,983	4,812,357	4,656,783
State sources	49,297,310	9,540	49,306,850	46,802,904
Federal sources	654,280	1,792,401	2,446,681	2,565,357
Total revenue	<u>76,894,291</u>	<u>5,671,765</u>	<u>82,566,056</u>	<u>79,559,682</u>
<b>Expenditures</b>				
Current				
Career and technical education	1,403,840	–	1,403,840	1,469,157
Academic education	10,244,375	–	10,244,375	9,590,495
Special education	47,125,000	–	47,125,000	45,929,775
Student clubs	34,837	–	34,837	29,161
Administrative support services and operations and maintenance	15,305,337	–	15,305,337	14,831,725
Food service	–	671,461	671,461	590,030
Community service	–	181,607	181,607	221,434
Capital outlay	–	–	–	793,290
Debt service				
Principal	743,126	1,320,000	2,063,126	2,230,629
Interest and fiscal charges	1,302,963	2,644,440	3,947,403	4,079,207
Total expenditures	<u>76,159,478</u>	<u>4,817,508</u>	<u>80,976,986</u>	<u>79,764,903</u>
Excess (deficiency) of revenue over expenditures	734,813	854,257	1,589,070	(205,221)
<b>Other financing sources (uses)</b>				
Transfers in	–	399,705	399,705	346,925
Transfers (out)	(399,705)	–	(399,705)	(346,925)
Sale of assets	19,402	–	19,402	11,255
Total other financing sources (uses)	<u>(380,303)</u>	<u>399,705</u>	<u>19,402</u>	<u>11,255</u>
Net change in fund balances	354,510	1,253,962	1,608,472	(193,966)
<b>Fund balances</b>				
Beginning of year	<u>13,288,874</u>	<u>2,520,724</u>	<u>15,809,598</u>	<u>16,003,564</u>
End of year	<u>\$ 13,643,384</u>	<u>\$ 3,774,686</u>	<u>\$ 17,418,070</u>	<u>\$ 15,809,598</u>

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Reconciliation of the Statement of  
Revenue, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
Governmental Funds  
Year Ended June 30, 2014

(With Partial Comparative Information for the Year Ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
Total net change in fund balances – governmental funds	\$ 1,608,472	\$ (193,966)
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	1,019,386	1,843,751
Depreciation expense	(3,578,716)	(1,797,361)
Repayment of long-term debt principal does not affect the change in net position. However, it reduces fund balances.		
Capital lease payable	743,126	935,629
Certificates of participation payable	1,320,000	1,295,000
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.		
	23,052	23,389
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.		
	(10,166)	(6,137)
The Internal Service Fund is used by management to charge the costs of certain activities to individual funds. The change in net position of the Internal Service Fund is included in the governmental activities in the Statement of Activities.		
	70,003	91,980
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses or interest and fiscal charges.		
	22,529	11,276
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Severance benefits payable	(1,712,349)	(70,496)
Compensated absences payable	(64,323)	(42,706)
Net other post-employment benefit obligation	(418,343)	(523,909)
Net pension obligation	(9,346)	(10,400)
Change in net position – governmental activities	<u>\$ (986,675)</u>	<u>\$ 1,556,050</u>

See notes to basic financial statements

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INTERMEDIATE DISTRICT NO. 287

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 General Fund  
 Year Ended June 30, 2014

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Pass-through levies	\$ 3,184,786	\$ 2,603,171	\$ 2,800,789	\$ 197,618
Tuition	19,842,596	19,567,225	19,448,574	(118,651)
Investment earnings	5,000	5,000	12,964	7,964
Other	3,487,677	4,410,328	4,680,374	270,046
State sources	49,844,375	50,172,571	49,297,310	(875,261)
Federal sources	762,556	828,367	654,280	(174,087)
Total revenue	<u>77,126,990</u>	<u>77,586,662</u>	<u>76,894,291</u>	<u>(692,371)</u>
Expenditures				
Current				
Career and technical education	1,440,776	1,390,477	1,403,840	13,363
Academic education	10,088,494	10,435,786	10,244,375	(191,411)
Special education	48,304,714	48,488,321	47,125,000	(1,363,321)
Student clubs	27,200	27,700	34,837	7,137
Administrative support services and operations and maintenance				
Annual costs	15,781,572	16,137,580	15,305,337	(832,243)
Debt service				
Principal	956,657	743,126	743,126	–
Interest and fiscal charges	1,369,955	1,293,581	1,302,963	9,382
Total expenditures	<u>77,969,368</u>	<u>78,516,571</u>	<u>76,159,478</u>	<u>(2,357,093)</u>
Excess (deficiency) of revenue over expenditures	(842,378)	(929,909)	734,813	1,664,722
Other financing sources (uses)				
Transfers (out)	(408,179)	(438,450)	(399,705)	38,745
Sale of assets	9,500	5,000	19,402	14,402
Total other financing sources (uses)	<u>(398,679)</u>	<u>(433,450)</u>	<u>(380,303)</u>	<u>53,147</u>
Net change in fund balances	<u>\$ (1,241,057)</u>	<u>\$ (1,363,359)</u>	354,510	<u>\$ 1,717,869</u>
Fund balances				
Beginning of year			<u>13,288,874</u>	
End of year			<u>\$ 13,643,384</u>	

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Statement of Net Position  
Proprietary Fund  
Internal Service Fund  
as of June 30, 2014  
(With Partial Comparative Information as of June 30, 2013)

	<u>2014</u>	<u>2013</u>
Current assets		
Cash and temporary investments	\$ 476,296	\$ 402,285
Current liabilities		
Claims payable	<u>8,775</u>	<u>4,767</u>
Net position		
Unrestricted	<u>\$ 467,521</u>	<u>\$ 397,518</u>

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Statement of Revenue, Expenses, and Changes in Fund Net Position  
 Proprietary Fund  
 Internal Service Fund  
 Year Ended June 30, 2014  
 (With Partial Comparative Information for the Year Ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
Operating revenue		
Contributions from governmental funds	\$ 563,673	\$ 554,714
Operating expenses		
Dental benefit claims and expenses	<u>493,670</u>	<u>462,734</u>
Change in net position	70,003	91,980
Net position		
Beginning of year	<u>397,518</u>	<u>305,538</u>
End of year	<u><u>\$ 467,521</u></u>	<u><u>\$ 397,518</u></u>

See notes to basic financial statements

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INTERMEDIATE DISTRICT NO. 287

Statement of Cash Flows  
 Proprietary Fund  
 Internal Service Fund  
 Year Ended June 30, 2014  
 (With Partial Comparative Information for the Year Ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Received from assessments made to other funds	\$ 563,673	\$ 554,714
Payments for dental claims	<u>(489,662)</u>	<u>(467,143)</u>
Net cash provided by operating activities	74,011	87,571
Cash and temporary investments		
Beginning of year	<u>402,285</u>	<u>314,714</u>
End of year	<u><u>\$ 476,296</u></u>	<u><u>\$ 402,285</u></u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 70,003	\$ 91,980
Increase (decrease) in claims payable	<u>4,008</u>	<u>(4,409)</u>
Net cash provided by operating activities	<u><u>\$ 74,011</u></u>	<u><u>\$ 87,571</u></u>

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Statement of Fiduciary Net Position  
as of June 30, 2014

	Employee Benefit Trust Fund	Scholarship Private-Purpose Trust Fund
	<u>                    </u>	<u>                    </u>
Assets		
Cash and temporary investments	\$ 99,184	\$ 120,020
Prepaid items	4,678	-
Total assets	<u>103,862</u>	<u>120,020</u>
Liabilities		
Accounts and contracts payable	80,280	281
Due to other governmental units	-	1,425
Total liabilities	<u>80,280</u>	<u>1,706</u>
Net position		
Held in trust for flexible benefits	<u>\$ 23,582</u>	
Held in trust for scholarships		<u>\$ 118,314</u>

Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2014

	Employee Benefit Trust Fund	Scholarship Private-Purpose Trust Fund
	<u>                    </u>	<u>                    </u>
Additions		
Plan member contributions	\$ 501,066	\$ -
Donations	-	4,088
Total additions	<u>501,066</u>	<u>4,088</u>
Deductions		
Benefits to plan members	488,941	-
Scholarships awarded	-	23,927
Total deductions	<u>488,941</u>	<u>23,927</u>
Change in net position	12,125	(19,839)
Net position		
Beginning of year	<u>11,457</u>	<u>138,153</u>
End of year	<u>\$ 23,582</u>	<u>\$ 118,314</u>

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Notes to Basic Financial Statements  
June 30, 2014

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

**A. Organization**

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

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

**B. Reporting Entity**

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

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

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

**C. Government-Wide Financial Statement Presentation**

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other internally directed revenues are reported as general revenues.

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

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

### D. Fund Financial Statement Presentation

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

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

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

- 1. Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State revenue is recognized in the year to which it applies according to Minnesota Statutes and accounting principles generally accepted in the United States of America. Federal revenue is recorded in the year in which the related expenditure is made. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. Other revenue is considered available if collected within 60 days after year-end. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and use the accrual basis of accounting as described earlier in these notes. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

### Description of Funds

The existence of the various district funds has been established by the Minnesota Department of Education (MDE). Each fund is accounted for as an independent entity. A description of the funds included in this report is as follows:

#### Major Governmental Funds

**General Fund** – The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The District has included in the General Fund subdivisions to account for revenue and expenditures for career and technical education, academic education, special education, district-wide (including administrative support services and operations and maintenance), severance and property, and student clubs.

#### Nonmajor Governmental Funds

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

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

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

#### Proprietary Fund

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

#### Fiduciary Fund

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

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

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

**Agency Funds** – Agency funds are established to account for cash and other assets held by the District as an agent for others. These funds are used to account for the transactions of the District’s capital lease escrows for the South Education Construction Projects and Edgewood Building Projects.

### **E. Budgeting**

Each June, the Board of Directors adopts an annual budget for the following fiscal year for the General Fund, Food Service Special Revenue Fund, Community Service Special Revenue Fund, and Debt Service Fund. The budget for each fund is prepared on the same basis of accounting as the financial statements. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end. Expenditures exceeded budgeted amounts in the Food Service Special Revenue Fund by \$16,022 and the Community Service Special Revenue Fund by \$11,015.

### **F. Cash and Investments**

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

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

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

### **G. Receivables**

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

### **H. Inventories**

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

### **I. Prepaid Items**

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

### **J. Capital Assets**

Capital assets are capitalized at historical cost or estimated historical cost for purchased or constructed assets. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary, ranging from 20 to 50 years for buildings, and 4 to 15 years for equipment.

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

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

### **K. Unearned Revenue**

Unearned revenue consists of tuition for fiscal 2015 online learning classes collected with spring registration, gifts and grants for the fiscal 2015 school year, and balances remaining in student lunch accounts.

### **L. Long-Term Obligations**

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

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

### **M. Compensated Absences Payable**

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

### **N. Severance Benefits**

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

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

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

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

**O. Tuition Billings**

The District’s policy is to recognize tuition revenue in the fiscal year that corresponds with the fiscal year in which the educational services are rendered to resident districts. Therefore, tuition revenue for the year ended June 30, 2014 represents services performed during the 2013–2014 fiscal year.

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

**P. Risk Management**

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers’ compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District’s insurance coverage in fiscal 2014.
2. **Self-Insurance** – The District has an Internal Service Fund to account for and finance its uninsured risk of loss for an employee dental plan. The Internal Service Fund is funded by the District, employee contributions, and interest income (if any). The claims liability of \$8,775 reported in the Internal Service Fund at June 30, 2014 is based on the requirement that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the loss can be reasonably estimated. Changes in the Internal Service Fund’s claim liability were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
June 30, 2013	\$ 9,176	\$ 462,734	\$ 467,143	\$ 4,767
June 30, 2014	\$ 4,767	\$ 507,212	\$ 503,204	\$ 8,775

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

### Q. Statement of Cash Flows

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

### R. Restricted Assets

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

### S. Use of Estimates

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

### T. Net Position

In the government-wide and proprietary fund financial statements, net position represents the difference between assets, liabilities, and deferred inflow 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."

### U. Fund Balance Classifications

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

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.
- **Committed** – Consists of internally imposed constraints that are established by resolution of the Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

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

- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to Board of Directors policy, the District’s Director of Finance is authorized to establish assignments of fund balance.
- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

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.

### V. Prior Period Comparative Financial Information/Reclassification

The basic financial statements include certain prior year partial comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District’s financial statements for the year ended June 30, 2013, 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 Board of Directors.

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

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

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.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

At year-end, the carrying amount of the District’s deposits was \$8,509,121 while the balance on the bank records was \$8,509,121. At June 30, 2014, all deposits were insured or collateralized by securities held by the District’s agent in the District’s name.

### B. Cash on Hand

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

### C. Investments

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

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

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

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

**Concentration Risk** – This is the risk associated with investing a significant portion of the District’s investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District’s investment policies do not address concentration risk. At June 30, 2014, the District’s investments portfolio includes the following percentages of specific issuers:

Repurchase agreement	
Citigroup Global Markets	52.0%

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

### D. Summary Information

The following table presents the District's deposit and investment balances at June 30, 2014, and information relating to potential investment risks:

Investment Type	Credit Risk		Interest	Carrying Value
	Credit Rating	Rating Agency	Rate Risk Maturity Date	
Repurchase agreement				
Citigroup Global Markets	N/A	N/A	> 10 years	\$ 3,745,386
Investment pools/mutual funds				
Minnesota School District Liquid Asset Fund				
Liquid portfolio	AAA	S&P	N/A	<u>3,456,735</u>
Total investments				7,202,121
Deposits				8,509,121
Cash on hand				<u>480</u>
Total cash and investments				<u><u>\$ 15,711,722</u></u>

N/A – Not Applicable

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

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

Cash and temporary investments – Statement of Net Position	\$ 11,747,106
Restricted assets – cash and investments for debt service – Statement of Net Position	3,745,412
Cash and investments – Statement of Fiduciary Net Position	
Employee Benefit Trust Fund	99,184
Scholarship Private-Purpose Trust Fund	<u>120,020</u>
Total cash and investments	<u><u>\$ 15,711,722</u></u>

### NOTE 3 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2014 is as follows:

	Balance – Beginning of Year	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated					
Land	\$ 10,865,963	\$ –	\$ –	\$ –	\$ 10,865,963
Construction in progress	4,372	598,036	–	(602,408)	–
Total capital assets, not depreciated	10,870,335	598,036	–	(602,408)	10,865,963
Capital assets, depreciated					
Buildings	75,032,677	77,638	–	602,408	75,712,723
Equipment	3,637,287	343,712	(197,321)	–	3,783,678
Total capital assets, depreciated	78,669,964	421,350	(197,321)	602,408	79,496,401
Less accumulated depreciation for					
Buildings	(7,100,467)	(3,065,930)	–	–	(10,166,397)
Equipment	(2,737,862)	(512,786)	187,155	–	(3,063,493)
Total accumulated depreciation	(9,838,329)	(3,578,716)	187,155	–	(13,229,890)
Net capital assets, depreciated	68,831,635	(3,157,366)	(10,166)	602,408	66,266,511
Total capital assets, net	\$ 79,701,970	\$ (2,559,330)	\$ (10,166)	\$ –	\$ 77,132,474

Depreciation expense for the year ended June 30, 2014 was charged to the following governmental functions:

Career and technical education	\$ 37,172
Academic education	1,114,320
Special education	1,322,913
Administrative support services and operations and maintenance	1,104,311
Total depreciation expense	\$ 3,578,716

### NOTE 4 – SHORT-TERM BORROWING

The District's utilization of aid anticipation certificates for cash flow purposes is summarized as follows:

Issue Date	Maturity Date	Interest Rate	June 30, 2013	Additions	Retirements	June 30, 2014
08/27/2012	09/30/2013	0.71%	\$ 9,900,000	\$ –	\$ 9,900,000	\$ –

Interest and fiscal charges of \$17,693 were charged to the General Fund in fiscal 2014.

## NOTE 5 – LONG-TERM LIABILITIES

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

	June 30, 2013	Additions	Retirements	June 30, 2014	Due Within One Year
Capital leases payable	\$ 24,455,682	\$ –	\$ 743,126	\$ 23,712,556	\$ 782,998
Certificates of participation payable	51,120,000	–	1,320,000	49,800,000	1,360,000
Unamortized premium/discount on debt issued	73,625	–	22,529	51,096	–
Severance benefits payable	5,344,468	2,048,282	335,933	7,056,817	732,288
Compensated absences payable	448,165	560,060	495,737	512,488	512,488
Net other post-employment benefit obligation (See Note 7)	2,028,620	953,759	535,416	2,446,963	–
Net pension obligation (See Note 8)	190,778	44,431	35,085	200,124	–
	<u>\$ 83,661,338</u>	<u>\$ 3,606,532</u>	<u>\$ 3,487,826</u>	<u>\$ 83,780,044</u>	<u>\$ 3,387,774</u>

### B. Descriptions of Long-Term Liabilities

#### 1. Capital Leases Payable – The following capital leases are outstanding as of June 30, 2014:

Issue	Issue Date	Interest Rate	Original Issue	Final Maturity	Principal Outstanding
Capital leases payable					
North Vector	02/15/2005	5.37%	\$ 96,000	01/15/2025	\$ 64,600
South Education Center – construction	10/10/2006	5.30%	\$ 25,400,000	11/01/2032	23,647,956
Total capital leases payable					<u>\$ 23,712,556</u>

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

#### 2. Certificates of Participation (COP) Payable – The following certificates of participation are outstanding as of June 30, 2014:

Issue	Issue Date	Interest Rate	Original Issue	Final Maturity	Principal Outstanding
Certificates of participation payable					
Refunding Certificate of Participation – 2009A (Bren Road)	07/15/2009	1.65–5.00%	\$ 8,570,000	02/01/2025	\$ 6,270,000
Refunding Certificate of Participation – 2010C (SEC Land)	06/30/2010	2.00–4.25%	\$ 7,405,000	02/01/2028	6,285,000
Certificate of Participation – 2010A	01/07/2010	2.40%	\$ 3,200,000	02/01/2020	2,030,000
Certificate of Participation – 2010B (Build America Bonds – Direct Pay)	01/07/2010	5.48%	\$ 2,050,000	02/01/2025	2,050,000
Certificate of Participation – 2010E (Qualified School Construction Bonds – Direct Pay)	11/18/2010	6.00%	\$ 29,790,000	02/01/2029	29,790,000
Certificate of Participation – 2011A	05/19/2011	3.00–4.20%	\$ 4,075,000	02/01/2026	3,375,000
Total certificates of participation payable					<u>\$ 49,800,000</u>

**NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)**

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

3. **Severance Benefits Payable** – Severance benefits payable consist of early retirement incentive benefits payable to employees. Severance benefit liabilities are paid by the General Fund. Annual payments to retire the severance benefit liabilities have not been determined and will depend on actual employee turnover.
  
4. **Compensated Absences Payable** – Compensated absences payable represent accrued vacation payable at year-end. Compensated absences are paid by the General Fund. Annual payments to retire compensated absences payable have not been determined and will depend on employee turnover and actual employee absences.

**C. Minimum Debt Payments**

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

Year Ending June 30,	Capital Leases		Certificates of Participation	
	Principal	Interest	Principal	Interest
2015	\$ 782,998	\$ 1,245,398	\$ 1,360,000	\$ 2,599,106
2016	825,010	1,203,386	1,405,000	2,556,446
2017	869,277	1,159,120	1,450,000	2,510,756
2018	915,918	1,112,478	1,505,000	2,459,506
2019	965,062	1,063,335	1,560,000	2,403,981
2020–2024	5,659,869	4,482,112	8,785,000	10,987,396
2025–2029	7,315,672	2,794,896	33,735,000	9,253,240
2030–2033	6,378,750	693,151	–	–
	<u>\$ 23,712,556</u>	<u>\$ 13,753,876</u>	<u>\$ 49,800,000</u>	<u>\$ 32,770,431</u>

## NOTE 6 – FUND BALANCES

### A. Classifications

At June 30, 2014, a summary of the District’s governmental fund balance classifications are as follows:

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Nonspendable			
Prepaid items	\$ 130,931	\$ –	\$ 130,931
Restricted			
Health and safety	94	–	94
Basic skills	104,312	–	104,312
Safe schools	390,983	–	390,983
Debt service	–	3,774,686	3,774,686
Total restricted	<u>495,389</u>	<u>3,774,686</u>	<u>4,270,075</u>
Assigned			
Severance	5,303,564	–	5,303,564
MDE appeal	650,000	–	650,000
Property	246,685	–	246,685
Student clubs	42,910	–	42,910
Vehicle depreciation	43,587	–	43,587
Self-insurance	76,299	–	76,299
Collaborative curriculum project	260,971	–	260,971
Total assigned	<u>6,624,016</u>	<u>–</u>	<u>6,624,016</u>
Unassigned	<u>6,393,048</u>	<u>–</u>	<u>6,393,048</u>
Total	<u>\$ 13,643,384</u>	<u>\$ 3,774,686</u>	<u>\$ 17,418,070</u>

### B. Fund Balance Policy

The Board of Directors has formally adopted a fund balance policy regarding the unassigned fund balance for the General Fund. The policy establishes that the District will endeavor to maintain an unassigned fund balance of at least 6 to 8 percent of the District’s General Fund operating budget, excluding operating capital programs. At June 30, 2014, the unassigned fund balance of the General Fund was 8.4 percent of total current year expenditures.

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

**Post-Employment Insurance Benefits** – All retirees of the District have the option under state law to continue their medical insurance coverage through the District from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of certain employee groups, the District pays for all or part of the eligible retiree’s premiums for medical and/or dental insurance from the time of retirement until the employee reaches the age of eligibility for Medicare. Benefits paid by the District differ by bargaining unit, 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 periodically by the District. There is no invested plan assets accumulated for payment of future benefits.

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

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

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

ARC	\$ 989,929
Interest on net OPEB obligation	81,145
Adjustment to ARC	(117,315)
Annual OPEB cost (expense)	<u>953,759</u>
Contributions made	<u>535,416</u>
Increase in net OPEB obligation	418,343
Net OPEB – beginning of year	<u>2,028,620</u>
Net OPEB – end of year	<u><u>\$ 2,446,963</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, 2012	\$ 1,087,216	\$ 542,977	49.9%	\$ 1,504,711
June 30, 2013	\$ 1,090,783	\$ 566,874	52.0%	\$ 2,028,620
June 30, 2014	\$ 953,759	\$ 535,416	56.1%	\$ 2,446,963

**D. Funded Status and Funding Progress**

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

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

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

### **E. Actuarial Methods and Assumptions**

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

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

## **NOTE 8 – PENSION BENEFITS PLAN**

### **A. Plan Description**

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

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

### **B. Funding Policy**

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

## NOTE 8 – PENSION BENEFITS PLAN (CONTINUED)

### C. Annual Pension Cost and Net Pension Obligation

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

ARC	\$	47,832
Interest on net pension obligation		7,631
Adjustment to ARC		(11,032)
Annual pension cost (expense)		<u>44,431</u>
Contributions made		<u>35,085</u>
Increase in net pension obligation		9,346
Net pension obligation – beginning of year		<u>190,778</u>
Net pension obligation – end of year	\$	<u><u>200,124</u></u>

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

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Employer Contribution</u>	<u>Percentage of Annual Pension Cost Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2012	\$ 40,789	\$ 45,844	112.4%	\$ 180,378
June 30, 2013	\$ 40,611	\$ 30,211	74.4%	\$ 190,778
June 30, 2014	\$ 44,431	\$ 35,085	79.0%	\$ 200,124

### D. Funded Status and Funding Progress

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

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

## **NOTE 8 – PENSION BENEFITS PLAN (CONTINUED)**

### **E. Actuarial Methods and Assumptions**

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

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

## **NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

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

### **Teachers' Retirement Association (TRA)**

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

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

The TRA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by Minnesota Statute 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.

**NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

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**

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

With these provisions:

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

**Tier II**

For years of service prior to July 1, 2006, a level formula of 1.7 percent per year for Coordinated Plan members and 2.7 percent per year for Basic Plan members. For years of service July 1, 2006 and after, a level formula of 1.9 percent per year for Coordinated Plan members and 2.7 percent for Basic Plan members applies. Actuarially equivalent early retirement reduction factors with augmentation are used for early retirement before the normal age of 65. These reduction factors average approximately 4.0 to 5.4 percent per year.

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

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

## **NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

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

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

### **B. Funding Policy**

Minnesota Statutes, Chapter 354 sets the rates for employee and employer contributions. These statutes are established and amended by the State Legislature. Coordinated and Basic Plan members are required to contribute 7.0 percent and 10.5 percent, respectively, of their annual covered salary during fiscal year 2014 as employee contributions. The TRA employer contribution rates are 7.0 percent for Coordinated Plan members and 11.0 percent for Basic Plan members during fiscal year 2014. Total covered payroll salaries for all TRA members state-wide during the fiscal years June 30, 2013, 2012, and 2011, were approximately \$3.92 billion, \$3.87 billion, and \$3.84 billion, respectively.

The District's contributions for the years ended June 30, 2014, 2013, and 2012 were \$1,879,344, \$1,573,050, and \$1,558,506, respectively, equal to the contractually required contributions for each year as set by state statutes.

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

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

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

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

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan.

The PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statutes, and vest after five years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

## **NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

Two methods are used to compute benefits for the PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For all GERP members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

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

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants.

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

### **B. Funding Policy**

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the State Legislature. The District makes annual contributions to the pension plans equal to the amount required by state statutes. The GERP Basic Plan members and Coordinated Plan members were required to contribute 9.1 percent and 6.25 percent, respectively, of their annual covered salary in fiscal 2014. In fiscal 2014, the District was required to contribute the following percentages of annual covered payroll: 11.78 percent for Basic Plan members and 7.25 percent for Coordinated Plan members.

The District's contributions to the GERP for the years ended June 30, 2014, 2013, and 2012 were \$1,216,197, \$1,128,323, and \$1,103,229, respectively, equal to the contractually required contributions for each year as set by state statutes.

Beginning January 1, 2015, Coordinated Plan contribution rates will increase for employees and employers to 6.50 percent and 7.50 percent, respectively.

## NOTE 10 – FLEXIBLE BENEFIT PLAN

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

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

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

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

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

## NOTE 11 – OPERATING LEASES

The District is leasing equipment, buildings, and space in several locations. The District incurred costs of \$521,476 for operating leases during the year ended June 30, 2014. These leases are scheduled to expire on various dates through 2019. Many of the leases are negotiated on a yearly basis and payment commitments extend out one year. The following is a summary of minimum lease payment commitments for all operating leases:

Year Ending June 30,	Amount
2015	\$ 401,362
2016	350,858
2017	346,669
2018	324,270
2019	48,256
	<u>\$ 1,471,415</u>

## **NOTE 12 – INTERFUND TRANSFERS**

### **A. Interfund Transfers**

At June 30, 2014, the District's Food Service Special Revenue Fund and Community Service Special Revenue Fund received a transfer in of \$309,398 and \$90,307, respectively, from the General Fund. This transfer was made to fund current year operations in these funds.

### **B. Interfund Loans**

At June 30, 2014, the District's Community Service Special Revenue Fund has an interfund payable to the General Fund of \$3,137. This loan was used to assist with cash flow needs.

## **NOTE 13 – COMMITMENTS AND CONTINGENCIES**

### **A. Federal and State Revenue**

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

### **B. Legal Contingencies**

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

### **C. Member District Withdrawal**

Independent School District No. 271 (ISD No. 271) withdrew as a member of the District effective June 30, 2011. As a result of this withdrawal from the District, a distribution of assets and assignment of liabilities of the District to ISD No. 271 will be determined according to Minnesota Statute § 123A.24. As of June 30, 2014, this distribution of assets and assignment of liabilities is still in progress.

ISD No. 271 remains responsible for its share of liabilities incurred by the District according to Minnesota Statute § 123B.02. ISD No. 271 and the District may mutually agree, through a Board resolution by each, to terms and conditions of the distribution of assets and the assignment of liabilities.

If ISD No. 271 and the District cannot agree on the terms and conditions, the Commissioner of Education shall resolve the dispute by determining ISD No. 271's proportionate share of assets and liabilities based on ISD No. 271's enrollment, financial contribution, usage, or other factor or combination of factors determined appropriate by the Commissioner of Education. The assets, if any, must be disbursed to ISD No. 271 in a manner that minimizes financial disruption to the District.

### **D. State Tuition Billing Revenue**

At June 30, 2014, the District reported a balance due from other governmental units of approximately \$4.5 million related to amounts receivable from the MDE for state aids from the state's special education tuition billing process.

### **NOTE 13 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

Special education state aid revenue includes amounts related to tuition billings to other school districts for special education services which are computed using formulas derived by the MDE. Because of the timing of the MDE's calculations, these final aid amounts for fiscal 2014 have not been finalized. The amount of the receivable and revenue recorded for fiscal 2014 for state special education aid is calculated using preliminary information available to the District.

The District has reported a \$650,000 assigned fund balance for MDE appeal in the General Fund related to this receivable balance. This was reported to recognize the potential for additional calculation changes in this aid category by the MDE.

### **NOTE 14 – GASB STANDARDS ISSUED BUT NOT YET IMPLEMENTED**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement No. 27*, replaces the requirements of GASB Statement Nos. 27 and 50, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria (as described for GASB Statement No. 67). The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. In addition, this statement details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. This statement also addresses circumstances in which a nonemployer entity has a legal requirement to make contributions directly to a pension plan. This statement is effective for financial statements for fiscal years beginning after June 15, 2014.

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REQUIRED SUPPLEMENTARY INFORMATION

INTERMEDIATE DISTRICT NO. 287

Schedules of Funding Progress  
June 30, 2014

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

**Other Post-Employment Benefits Plan**

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

**Pension Benefits Plan**

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

SUPPLEMENTAL INFORMATION

INTERMEDIATE DISTRICT NO. 287

Nonmajor Governmental Funds  
 Combining Balance Sheet  
 as of June 30, 2014

	Food Service Special Revenue Fund	Community Service Special Revenue Fund	Debt Service Fund	Total
<b>Assets</b>				
Cash and temporary investments	\$ 49,545	\$ -	\$ 29,274	\$ 78,819
Cash and investments held by trustee	-	-	3,745,412	3,745,412
<b>Receivables</b>				
Accounts and interest	230	3,743	-	3,973
Due from other governmental units	14,585	7,017	-	21,602
Inventory	2,579	-	-	2,579
<b>Total assets</b>	<b>\$ 66,939</b>	<b>\$ 10,760</b>	<b>\$ 3,774,686</b>	<b>\$ 3,852,385</b>
<b>Liabilities</b>				
<b>Salaries and compensated absences payable</b>				
absences payable	\$ -	\$ 2,562	\$ -	\$ 2,562
Due to other funds	-	3,137	-	3,137
Accounts and contracts payable	4,199	5,061	-	9,260
Due to other governmental units	58,266	-	-	58,266
Unearned revenue	4,474	-	-	4,474
<b>Total liabilities</b>	<b>66,939</b>	<b>10,760</b>	<b>-</b>	<b>77,699</b>
<b>Fund balances</b>				
Restricted	-	-	3,774,686	3,774,686
<b>Total liabilities and fund balances</b>	<b>\$ 66,939</b>	<b>\$ 10,760</b>	<b>\$ 3,774,686</b>	<b>\$ 3,852,385</b>

INTERMEDIATE DISTRICT NO. 287

Nonmajor Governmental Funds  
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Year Ended June 30, 2014

	Food Service Special Revenue Fund	Community Service Special Revenue Fund	Debt Service Fund	Total
Revenue				
Local sources				
Pass-through levies	\$ -	\$ -	\$ 3,609,982	\$ 3,609,982
Tuition	-	28,177	-	28,177
Investment earnings	-	-	99,682	99,682
Other	68,860	63,123	-	131,983
State sources	9,540	-	-	9,540
Federal sources	283,663	-	1,508,738	1,792,401
Total revenue	<u>362,063</u>	<u>91,300</u>	<u>5,218,402</u>	<u>5,671,765</u>
Expenditures				
Current				
Food service	671,461	-	-	671,461
Community service	-	181,607	-	181,607
Debt service	-	-	3,964,440	3,964,440
Total expenditures	<u>671,461</u>	<u>181,607</u>	<u>3,964,440</u>	<u>4,817,508</u>
Excess (deficiency) of revenue over expenditures	(309,398)	(90,307)	1,253,962	854,257
Other financing sources				
Transfers in	<u>309,398</u>	<u>90,307</u>	<u>-</u>	<u>399,705</u>
Net change in fund balance	-	-	1,253,962	1,253,962
Fund balances				
Beginning of year	<u>-</u>	<u>-</u>	<u>2,520,724</u>	<u>2,520,724</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,774,686</u>	<u>\$ 3,774,686</u>

INTERMEDIATE DISTRICT NO. 287

General Fund  
Comparative Balance Sheet  
as of June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>Assets</b>		
Cash and temporary investments	\$ 11,191,991	\$ 16,575,108
Receivables		
Accounts and interest	593,855	528,043
Due from other funds	3,137	2,603
Due from other governmental units	10,313,527	13,755,447
Prepaid items	<u>130,931</u>	<u>78,993</u>
Total assets	<u>\$ 22,233,441</u>	<u>\$ 30,940,194</u>
<b>Liabilities</b>		
Aid anticipation certificates	\$ —	\$ 9,900,000
Salaries and compensated absences payable	5,849,649	4,948,621
Accounts and contracts payable	761,132	800,913
Accrued interest payable	—	59,040
Due to other governmental units	1,759,865	1,683,652
Unearned revenue	<u>219,411</u>	<u>259,094</u>
Total liabilities	8,590,057	17,651,320
<b>Fund balances</b>		
Nonspendable for prepaid items	130,931	78,993
Restricted for health and safety	94	94
Restricted for basic skills	104,312	193,425
Restricted for safe schools	390,983	272,736
Assigned for severance	5,303,564	4,906,928
Assigned for MDE appeal	650,000	473,897
Assigned for property	246,685	842,572
Assigned for student clubs	42,910	38,922
Assigned for vehicle depreciation	43,587	66,258
Assigned for self-insurance	76,299	88,049
Assigned for collaborative curriculum project	260,971	16,509
Unassigned	<u>6,393,048</u>	<u>6,310,491</u>
Total fund balances	<u>13,643,384</u>	<u>13,288,874</u>
Total liabilities and fund balances	<u>\$ 22,233,441</u>	<u>\$ 30,940,194</u>

INTERMEDIATE DISTRICT NO. 287

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2014  
 (With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014		2013	
	Budget	Actual	Over (Under) Budget	Actual
<b>Revenue</b>				
Local sources				
Pass-through levies	\$ 2,603,171	\$ 2,800,789	\$ 197,618	\$ 2,974,288
Tuition	19,567,225	19,448,574	(118,651)	18,994,895
Investment earnings	5,000	12,964	7,964	16,186
Other	4,410,328	4,680,374	270,046	4,415,033
State sources	50,172,571	49,297,310	(875,261)	46,793,472
Federal sources	828,367	654,280	(174,087)	667,828
Total revenue	<u>77,586,662</u>	<u>76,894,291</u>	<u>(692,371)</u>	<u>73,861,702</u>
<b>Expenditures</b>				
Current				
Career and technical education	1,390,477	1,403,840	13,363	1,469,157
Academic education	10,435,786	10,244,375	(191,411)	9,590,495
Special education	48,488,321	47,125,000	(1,363,321)	45,929,775
Student clubs	27,700	34,837	7,137	29,161
Administrative support services and operations and maintenance				
Annual costs	16,137,580	15,305,337	(832,243)	14,831,725
Debt service				
Principal	743,126	743,126	-	935,629
Interest and fiscal charges	1,293,581	1,302,963	9,382	1,400,538
Total expenditures	<u>78,516,571</u>	<u>76,159,478</u>	<u>(2,357,093)</u>	<u>74,186,480</u>
Excess (deficiency) of revenue over expenditures	(929,909)	734,813	1,664,722	(324,778)
<b>Other financing sources (uses)</b>				
Transfers (out)	(438,450)	(399,705)	38,745	(346,925)
Sale of assets	5,000	19,402	14,402	11,255
Total other financing sources (uses)	<u>(433,450)</u>	<u>(380,303)</u>	<u>53,147</u>	<u>(335,670)</u>
Net change in fund balances	<u>\$ (1,363,359)</u>	354,510	<u>\$ 1,717,869</u>	(660,448)
<b>Fund balances</b>				
Beginning of year		<u>13,288,874</u>		<u>13,949,322</u>
End of year		<u>\$ 13,643,384</u>		<u>\$ 13,288,874</u>

INTERMEDIATE DISTRICT NO. 287

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account  
 Year Ended June 30, 2014

	Career and Technical Education Account	Academic Education Account	Special Education Account
<b>Revenue</b>			
Local sources			
Pass-through levies	\$ 166,868	\$ 57,881	\$ -
Tuition	1,302,598	4,891,774	11,704,653
Investment earnings	224	-	18,022
Other	1,749	2,226,983	89,827
State sources	-	2,793,081	36,198,539
Federal sources	22,128	-	-
Total revenue	<u>1,493,567</u>	<u>9,969,719</u>	<u>48,011,041</u>
<b>Expenditures</b>			
Current			
Career and technical education	1,403,840	-	-
Academic education	-	10,244,375	-
Special education	-	-	47,125,000
Student clubs	-	-	-
Administrative support services and operations and maintenance	-	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>1,403,840</u>	<u>10,244,375</u>	<u>47,125,000</u>
Excess (deficiency) of revenue over expenditures	89,727	(274,656)	886,041
<b>Other financing sources (uses)</b>			
Intrafund transfers	-	228,604	(572,739)
Transfers (out)	-	-	-
Sale of assets	-	-	18,687
Total other financing sources (uses)	<u>-</u>	<u>228,604</u>	<u>(554,052)</u>
Net change in fund balances	89,727	(46,052)	331,989
<b>Fund balances (deficit)</b>			
Beginning of year	<u>71,004</u>	<u>(144,069)</u>	<u>6,156,169</u>
End of year	<u>\$ 160,731</u>	<u>\$ (190,121)</u>	<u>\$ 6,488,158</u>

District-Wide Account	Severance and Property Account	Student Clubs Account	Total
\$ 2,576,040	\$ -	\$ -	\$ 2,800,789
1,549,549	-	-	19,448,574
(5,282)	-	-	12,964
2,322,990	-	38,825	4,680,374
10,305,690	-	-	49,297,310
632,152	-	-	654,280
<u>17,381,139</u>	<u>-</u>	<u>38,825</u>	<u>76,894,291</u>
-	-	-	1,403,840
-	-	-	10,244,375
-	-	-	47,125,000
-	-	34,837	34,837
14,476,646	828,691	-	15,305,337
743,126	-	-	743,126
1,302,963	-	-	1,302,963
<u>16,522,735</u>	<u>828,691</u>	<u>34,837</u>	<u>76,159,478</u>
858,404	(828,691)	3,988	734,813
(285,305)	629,440	-	-
(399,705)	-	-	(399,705)
715	-	-	19,402
<u>(684,295)</u>	<u>629,440</u>	<u>-</u>	<u>(380,303)</u>
174,109	(199,251)	3,988	354,510
<u>1,417,348</u>	<u>5,749,500</u>	<u>38,922</u>	<u>13,288,874</u>
<u>\$ 1,591,457</u>	<u>\$ 5,550,249</u>	<u>\$ 42,910</u>	<u>\$ 13,643,384</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – Career and Technical Education Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2014  
 (With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014		Over (Under) Budget	2013
	Budget	Actual		Actual
<b>Revenue</b>				
Local sources				
Pass-through levies	\$ 125,000	\$ 166,868	\$ 41,868	\$ 132,582
Tuition	1,240,329	1,302,598	62,269	1,301,653
Investment earnings	–	224	224	112
Other	–	1,749	1,749	1,823
Federal sources	20,188	22,128	1,940	16,550
Total revenue	<u>1,385,517</u>	<u>1,493,567</u>	<u>108,050</u>	<u>1,452,720</u>
<b>Expenditures</b>				
Career and technical education				
Salaries and wages	934,193	1,074,567	140,374	1,002,111
Employee benefits	239,674	224,900	(14,774)	242,193
Purchased services	141,915	42,806	(99,109)	158,472
Supplies and materials	55,734	48,311	(7,423)	64,419
Capital expenditures	18,709	13,060	(5,649)	1,600
Other	252	196	(56)	362
Debt service				
Principal	–	–	–	23,265
Interest and fiscal charges	–	–	–	837
Total expenditures	<u>1,390,477</u>	<u>1,403,840</u>	<u>13,363</u>	<u>1,493,259</u>
Net change in fund balances	<u>\$ (4,960)</u>	89,727	<u>\$ 94,687</u>	(40,539)
<b>Fund balances</b>				
Beginning of year		<u>71,004</u>		<u>111,543</u>
End of year		<u>\$ 160,731</u>		<u>\$ 71,004</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – Academic Education Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2014  
 (With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014		Over (Under) Budget	2013
	Budget	Actual		Actual
<b>Revenue</b>				
Local sources				
Pass-through levies	\$ 53,000	\$ 57,881	\$ 4,881	\$ 53,013
Tuition	5,532,736	4,891,774	(640,962)	4,834,677
Other	2,117,727	2,226,983	109,256	2,174,895
State sources	2,205,615	2,793,081	587,466	2,247,105
Federal sources	–	–	–	3,000
Total revenue	<u>9,909,078</u>	<u>9,969,719</u>	<u>60,641</u>	<u>9,312,690</u>
<b>Expenditures</b>				
Academic education				
Salaries and wages	6,653,447	6,648,622	(4,825)	6,140,096
Employee benefits	2,318,539	2,128,667	(189,872)	1,919,631
Purchased services	1,286,029	1,269,788	(16,241)	1,292,924
Supplies and materials	89,268	103,802	14,534	148,304
Capital expenditures	17,800	24,524	6,724	15,168
Other	70,703	68,972	(1,731)	74,372
Debt service				
Principal	–	–	–	16,815
Interest and fiscal charges	–	–	–	605
Total expenditures	<u>10,435,786</u>	<u>10,244,375</u>	<u>(191,411)</u>	<u>9,607,915</u>
Excess (deficiency) of revenue over expenditures	(526,708)	(274,656)	252,052	(295,225)
<b>Other financing sources (uses)</b>				
Intrafund transfers	<u>–</u>	<u>228,604</u>	<u>228,604</u>	<u>–</u>
Net change in fund balances	<u>\$ (526,708)</u>	<u>(46,052)</u>	<u>\$ 480,656</u>	<u>(295,225)</u>
<b>Fund balances (deficit)</b>				
Beginning of year		<u>(144,069)</u>		<u>151,156</u>
End of year		<u>\$ (190,121)</u>		<u>\$ (144,069)</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – Special Education Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2014  
 (With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014		Over (Under) Budget	2013
	Budget	Actual		Actual
Revenue				
Local sources				
Tuition	\$ 11,299,091	\$ 11,704,653	\$ 405,562	\$ 11,403,971
Investment earnings	5,000	18,022	13,022	9,729
Other	104,334	89,827	(14,507)	124,390
State sources	37,388,204	36,198,539	(1,189,665)	34,732,567
Total revenue	48,796,629	48,011,041	(785,588)	46,270,657
Expenditures				
Special education				
Current				
Salaries and wages	32,648,129	32,136,807	(511,322)	31,189,492
Employee benefits	12,874,148	12,254,271	(619,877)	11,400,122
Purchased services	2,141,053	1,973,669	(167,384)	1,879,875
Supplies and materials	515,971	508,958	(7,013)	505,052
Capital expenditures	297,258	234,181	(63,077)	198,810
Other	11,762	17,114	5,352	756,424
Debt service				
Principal	–	–	–	147,422
Interest and fiscal charges	4,311	–	(4,311)	5,306
Total expenditures	48,492,632	47,125,000	(1,367,632)	46,082,503
Excess (deficiency) of revenue over expenditures	303,997	886,041	582,044	188,154
Other financing sources (uses)				
Intrafund transfers	–	(572,739)	(572,739)	(1,060,066)
Sale of assets	–	18,687	18,687	–
Total other financing sources (uses)	–	(554,052)	(554,052)	(1,060,066)
Net change in fund balances	\$ 303,997	331,989	\$ 27,992	(871,912)
Fund balances				
Beginning of year		6,156,169		7,028,081
End of year		\$ 6,488,158		\$ 6,156,169

INTERMEDIATE DISTRICT NO. 287

General Fund – District-Wide Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2014  
 (With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014		2013	
	Budget	Actual	Over (Under) Budget	Actual
<b>Revenue</b>				
Local sources				
Pass-through levies	\$ 2,425,171	\$ 2,576,040	\$ 150,869	\$ 2,788,693
Tuition	1,495,069	1,549,549	54,480	1,454,594
Investment earnings (charges)	–	(5,282)	(5,282)	6,345
Other	2,161,067	2,322,990	161,923	2,078,059
State sources	10,578,752	10,305,690	(273,062)	9,813,800
Federal sources	808,179	632,152	(176,027)	648,278
Total revenue	<u>17,468,238</u>	<u>17,381,139</u>	<u>(87,099)</u>	<u>16,789,769</u>
<b>Expenditures</b>				
Current				
Administrative support services and operations and maintenance				
Salaries and wages	5,655,230	5,829,831	174,601	5,198,644
Employee benefits	1,938,769	1,882,529	(56,240)	1,666,513
Purchased services	5,640,906	5,060,338	(580,568)	5,320,672
Supplies and materials	568,298	668,412	100,114	458,653
Capital expenditures	1,995,970	1,662,704	(333,266)	2,024,367
Other	338,407	201,523	(136,884)	162,876
Allocated costs	(842,572)	(828,691)	13,881	(16,046)
Debt service				
Principal	743,126	743,126	–	748,127
Interest and fiscal charges	1,289,270	1,302,963	13,693	1,393,790
Total expenditures	<u>17,327,404</u>	<u>16,522,735</u>	<u>(804,669)</u>	<u>16,957,596</u>
Excess (deficiency) of revenue over expenditures	140,834	858,404	717,570	(167,827)
<b>Other financing sources (uses)</b>				
Intrafund transfers	–	(285,305)	(285,305)	316,175
Transfers (out)	(438,450)	(399,705)	38,745	(346,925)
Sale of assets	5,000	715	(4,285)	11,255
Total other financing sources (uses)	<u>(433,450)</u>	<u>(684,295)</u>	<u>(250,845)</u>	<u>(19,495)</u>
Net change in fund balances	<u>\$ (292,616)</u>	<u>174,109</u>	<u>\$ 466,725</u>	<u>(187,322)</u>
<b>Fund balances</b>				
Beginning of year		<u>1,417,348</u>		<u>1,604,670</u>
End of year		<u>\$ 1,591,457</u>		<u>\$ 1,417,348</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – Severance and Property Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2014  
 (With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014			2013
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current				
Administrative support services and operations and maintenance				
Allocated costs	842,572	828,691	(13,881)	16,046
Excess (deficiency) of revenue over expenditures	(842,572)	(828,691)	13,881	(16,046)
Other financing sources				
Intrafund transfers	-	629,440	629,440	743,891
Net change in fund balances	<u>\$ (842,572)</u>	<u>(199,251)</u>	<u>\$ 643,321</u>	<u>727,845</u>
Fund balances				
Beginning of year		5,749,500		5,021,655
End of year		<u>\$ 5,550,249</u>		<u>\$ 5,749,500</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – Student Clubs Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2014  
 (With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014		Over (Under) Budget	2013
	Budget	Actual		Actual
Revenue				
Local sources				
Other	\$ 27,200	\$ 38,825	\$ 11,625	\$ 35,866
Expenditures				
Current				
Student clubs				
Pupil support services	<u>27,700</u>	<u>34,837</u>	<u>7,137</u>	<u>29,161</u>
Net change in fund balances	<u>\$ (500)</u>	<u>3,988</u>	<u>\$ 4,488</u>	<u>6,705</u>
Fund balances				
Beginning of year		<u>38,922</u>		<u>32,217</u>
End of year		<u>\$ 42,910</u>		<u>\$ 38,922</u>

INTERMEDIATE DISTRICT NO. 287

Food Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>Assets</b>		
Cash and temporary investments	\$ 49,545	\$ -
Receivables		
Accounts and interest	230	50
Due from other governmental units	14,585	46,542
Inventory	<u>2,579</u>	<u>1,766</u>
 Total assets	 <u>\$ 66,939</u>	 <u>\$ 48,358</u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ -	\$ 3,269
Due to other funds	-	2,603
Accounts and contracts payable	4,199	7,181
Due to other governmental units	58,266	31,943
Unearned revenue	<u>4,474</u>	<u>3,362</u>
 Total liabilities	 <u>\$ 66,939</u>	 <u>\$ 48,358</u>

INTERMEDIATE DISTRICT NO. 287

Food Service Special Revenue Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2014  
 (With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014			2013
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other – primarily meal sales	\$ 68,170	\$ 68,860	\$ 690	\$ 75,209
State sources	9,235	9,540	305	9,432
Federal sources	234,588	283,663	49,075	258,487
Total revenue	<u>311,993</u>	<u>362,063</u>	<u>50,070</u>	<u>343,128</u>
Expenditures				
Current				
Food service	<u>655,439</u>	<u>671,461</u>	<u>16,022</u>	<u>590,030</u>
Excess (deficiency) of revenue over expenditures	(343,446)	(309,398)	34,048	(246,902)
Other financing sources				
Transfers in	<u>343,446</u>	<u>309,398</u>	<u>(34,048)</u>	<u>246,902</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balances				
Beginning of year		<u>-</u>		<u>-</u>
End of year		<u>\$ -</u>		<u>\$ -</u>

INTERMEDIATE DISTRICT NO. 287

Community Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>Assets</b>		
Cash and temporary investments	\$ -	\$ 38,239
Receivables		
Accounts and interest	3,743	1,035
Due from other governmental units	<u>7,017</u>	<u>1,156</u>
 Total assets	 <u>\$ 10,760</u>	 <u>\$ 40,430</u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ 2,562	\$ -
Due to other funds	3,137	-
Accounts and contracts payable	<u>5,061</u>	<u>40,430</u>
 Total liabilities	 <u>\$ 10,760</u>	 <u>\$ 40,430</u>

INTERMEDIATE DISTRICT NO. 287

Community Service Special Revenue Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2014  
 (With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014			2013
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Tuition	\$ 26,508	\$ 28,177	\$ 1,669	\$ 32,192
Other	49,080	63,123	14,043	68,141
Total revenue	<u>75,588</u>	<u>91,300</u>	<u>15,712</u>	<u>100,333</u>
Expenditures				
Current				
Community service	<u>170,592</u>	<u>181,607</u>	<u>11,015</u>	<u>221,434</u>
Excess (deficiency) of revenue over expenditures	(95,004)	(90,307)	4,697	(121,101)
Other financing sources				
Transfers in	<u>95,004</u>	<u>90,307</u>	<u>(4,697)</u>	<u>100,023</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>(21,078)</u>
Fund balances				
Beginning of year		<u>-</u>		<u>21,078</u>
End of year		<u>\$ -</u>		<u>\$ -</u>

INTERMEDIATE DISTRICT NO. 287

Debt Service Fund  
 Comparative Balance Sheet  
 as of June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and temporary investments	\$ 29,274	\$ 68,238
Cash and investments held by trustee	<u>3,745,412</u>	<u>2,452,486</u>
Total assets	<u>\$ 3,774,686</u>	<u>\$ 2,520,724</u>
Fund balances		
Restricted for debt service	<u>\$ 3,774,686</u>	<u>\$ 2,520,724</u>

INTERMEDIATE DISTRICT NO. 287

Debt Service Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2014  
 (With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014			2013
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Pass-through levies	\$ 3,579,710	\$ 3,609,982	\$ 30,272	\$ 3,462,820
Investment earnings	102,160	99,682	(2,478)	54,072
Federal sources	1,508,738	1,508,738	—	1,639,042
Total revenue	<u>5,190,608</u>	<u>5,218,402</u>	<u>27,794</u>	<u>5,155,934</u>
Expenditures				
Debt service				
Principal	1,320,000	1,320,000	—	1,295,000
Interest	2,638,532	2,638,532	—	2,671,869
Fiscal charges and other	6,800	5,908	(892)	6,800
Total expenditures	<u>3,965,332</u>	<u>3,964,440</u>	<u>(892)</u>	<u>3,973,669</u>
Net change in fund balances	<u>\$ 1,225,276</u>	1,253,962	<u>\$ 28,686</u>	1,182,265
Fund balances				
Beginning of year		<u>2,520,724</u>		<u>1,338,459</u>
End of year		<u>\$ 3,774,686</u>		<u>\$ 2,520,724</u>

INTERMEDIATE DISTRICT NO. 287

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Year Ended June 30, 2014

	Balance – July 1, 2013	Additions	Deletions	Balance – June 30, 2014
<b>South Education Construction</b>				
Assets				
Cash and investments	\$ 220,940	\$ –	\$ 220,940	\$ –
Liabilities				
Due to other governmental units	\$ 220,940	\$ –	\$ 220,940	\$ –
<b>Edgewood</b>				
Assets				
Cash and investments held by trustee	\$ 1,632	\$ –	\$ 1,632	\$ –
Liabilities				
Due to other governmental units	\$ 1,632	\$ –	\$ 1,632	\$ –
<b>Totals</b>				
Assets				
Cash and investments	\$ 220,940	\$ –	\$ 220,940	\$ –
Cash and investments held by trustee	1,632	–	1,632	–
Total assets	\$ 222,572	\$ –	\$ 222,572	\$ –
Liabilities				
Due to other governmental units	\$ 222,572	\$ –	\$ 222,572	\$ –

OTHER DISTRICT INFORMATION

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INTERMEDIATE DISTRICT NO. 287

Government-Wide Revenue by Type  
Last Ten Fiscal Years

Year Ended June 30,	Program Revenues		General Revenues	Total
	Charges for Services	Operating Grants and Contributions		
2005	\$ 47,413,226 94.5%	\$ 2,293,614 4.6%	\$ 439,826 0.9%	\$ 50,146,666 100.0%
2006	49,930,353 90.6%	2,906,526 5.3%	2,260,010 4.1%	55,096,889 100.0%
2007	55,612,063 94.9%	2,103,610 3.6%	897,863 1.5%	58,613,536 100.0%
2008	56,134,852 94.3%	2,250,947 3.8%	1,112,200 1.9%	59,497,999 100.0%
2009	36,419,310 51.4%	34,258,992 48.4%	160,493 0.2%	70,838,795 100.0%
2010	32,677,313 46.7%	37,212,152 53.1%	205,766 0.2%	70,095,231 100.0%
2011	31,551,418 39.1%	47,437,971 58.8%	1,655,682 2.1%	80,645,071 100.0%
2012	25,187,923 30.8%	50,953,848 62.3%	5,631,369 6.9%	81,773,140 100.0%
2013	24,693,241 31.0%	49,209,282 61.9%	5,662,277 7.1%	79,564,800 100.0%
2014	23,543,538 28.5%	53,222,921 64.5%	5,808,833 7.0%	82,575,292 100.0%

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

INTERMEDIATE DISTRICT NO. 287

Government-Wide Expenses by Function  
Last Ten Fiscal Years

Year Ended June 30,	Career and Technical Education	Academic Education	Special Education	Student Clubs	Administrative Support Services and Operations and Maintenance
2005	\$ 4,219,192 8.2%	\$ 6,405,770 12.5%	\$ 35,375,418 68.9%	\$ 41,228 0.1%	\$ 4,577,203 8.9%
2006	4,706,613 8.5%	6,772,182 12.1%	38,064,507 68.1%	44,698 0.1%	5,335,417 9.5%
2007	3,660,269 6.2%	7,392,457 12.6%	41,075,618 69.9%	37,721 0.1%	4,318,523 7.3%
2008	3,174,598 5.3%	7,709,078 12.8%	43,046,317 71.8%	34,590 0.1%	3,485,015 5.8%
2009	2,031,279 3.0%	7,369,185 10.7%	41,461,900 60.4%	30,182 0.1%	14,507,409 21.2%
2010	1,799,980 2.6%	7,414,031 10.8%	42,834,001 62.5%	33,230 -	14,177,454 20.6%
2011	1,701,554 2.4%	8,685,176 12.2%	43,571,799 61.1%	37,220 -	14,456,449 20.2%
2012	2,089,610 2.5%	9,765,874 11.5%	47,330,201 55.9%	28,059 -	19,944,160 23.6%
2013	1,545,389 2.0%	9,836,410 12.6%	46,711,262 59.8%	29,161 -	15,030,687 19.3%
2014	1,764,840 2.1%	11,274,730 13.5%	49,225,704 58.9%	34,837 -	16,507,110 19.8%

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

Food Service	Community Service	Interest and Fiscal Charges	Total
\$ -	\$ 282,810	\$ 415,940	\$ 51,317,561
-	0.6%	0.8%	100.0%
-	240,626	718,712	55,882,755
-	0.4%	1.3%	100.0%
-	285,398	1,991,349	58,761,335
-	0.5%	3.4%	100.0%
204,638	228,778	2,087,803	59,970,817
0.3%	0.4%	3.5%	100.0%
302,050	289,497	2,603,436	68,594,938
0.4%	0.4%	3.8%	100.0%
271,290	302,778	1,862,426	68,695,190
0.4%	0.4%	2.7%	100.0%
313,772	245,600	2,449,587	71,461,157
0.4%	0.3%	3.4%	100.0%
364,196	214,916	4,890,548	84,627,564
0.4%	0.3%	5.8%	100.0%
590,030	221,269	4,044,542	78,008,750
0.8%	0.3%	5.2%	100.0%
671,461	181,463	3,901,822	83,561,967
0.8%	0.2%	4.7%	100.0%

INTERMEDIATE DISTRICT NO. 287

General Fund Revenue by Source  
Last Ten Fiscal Years

Year Ended June 30,	Pass-Through Levies	Tuition	Federal Revenue	State Revenue	Other Revenue	Total
2005	\$ -	\$ 43,441,164	\$ 936,502	\$ 737,618	\$ 4,783,694	\$ 49,898,978
2006	-	49,739,735	1,183,461	339,795	3,561,285	54,824,276
2007	-	53,841,584	1,316,431	187,727	2,997,819	58,343,561
2008	-	54,145,979	1,209,303	523,268	3,286,217	59,164,767
2009	6,134,620	28,370,605	314,578	33,178,712	2,441,764	70,440,279
2010	6,823,078	23,511,263	1,003,070	35,631,298	2,748,921	69,717,630
2011	4,923,538	24,119,591	1,698,976	44,274,425	3,550,539	78,567,069
2012	2,825,406	19,647,575	1,672,281	47,049,421	6,099,715	77,294,398
2013	2,974,288	18,994,895	667,828	46,793,472	4,431,219	73,861,702
2014	2,800,789	19,448,574	654,280	49,297,310	4,693,338	76,894,291

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

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

SINGLE AUDIT AND OTHER REQUIRED REPORTS

INTERMEDIATE DISTRICT NO. 287

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures
<b>U.S. Department of Agriculture</b>		
Passed through Minnesota Department of Education		
Child nutrition cluster		
School Breakfast Program	10.553	\$ 76,353
National School Lunch Program	10.555	201,894
Summer Food Service Program for Children	10.559	<u>5,417</u>
Total child nutrition cluster		283,664
<b>U.S. Department of Education</b>		
Passed through Minnesota Department of Education		
Mathematics and Science Partnerships	84.366	612,098
Improving Teacher Quality State Grants	84.367	5,644
English Language Acquisition State Grants	84.365	14,410
Passed through Independent School District No. 284		
Career and Technical Education – Basic Grants to States	84.048	20,188
Passed through North Hennepin Community College		
Career and Technical Education – Basic Grants to States	84.048	<u>1,940</u>
Total federal awards		<u>\$ 937,944</u>

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

Note 2: Non-monetary assistance of \$14,393 is reported in this schedule, representing the value of commodities received and disbursed for the U.S. Department of Agriculture National School Lunch Program (CFDA No. 10.555).

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

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

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Intermediate District No. 287 (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 11, 2014.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

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

(continued)

## COMPLIANCE AND OTHER MATTERS

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

## PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota

December 11, 2014

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

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

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

We have audited Intermediate District No. 287's (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**MANAGEMENT'S RESPONSIBILITY**

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

**AUDITOR'S RESPONSIBILITY**

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

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

(continued)

## **OPINION ON EACH MAJOR FEDERAL PROGRAM**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to on the previous page that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

## **REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

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

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

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

## **PURPOSE OF THIS REPORT**

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

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

Minneapolis, Minnesota  
December 11, 2014

INDEPENDENT AUDITOR'S REPORT  
ON MINNESOTA LEGAL COMPLIANCE

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Intermediate District No. 287 (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 11, 2014.

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

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, except as described in the Schedule of Findings and Questioned Costs as items 2014-001 and 2014-002. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions.

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

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

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

Minneapolis, Minnesota  
December 11, 2014

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INTERMEDIATE DISTRICT NO. 287

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2014

**A. SUMMARY OF AUDIT RESULTS**

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

**Financial Statements**

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

Internal control over financial reporting:

Material weakness(es) identified?      Yes     X     No  
 Significant deficiencies identified?      Yes     X     None reported  
 Noncompliance material to the financial statements noted?      Yes     X     No

**Federal Awards**

Internal controls over major federal award programs:

Material weakness(es) identified?      Yes     X     No  
 Significant deficiencies identified?      Yes     X     None reported  
 Type of auditor's report issued on compliance for major programs?          X     Unmodified  
     Qualified  
     Adverse  
     Disclaimer

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

Programs tested as major programs:

Program or Cluster	CFDA No.
U.S. Department of Education Mathematics and Science Partnerships	84.366

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

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

INTERMEDIATE DISTRICT NO. 287

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2014

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

None.

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

None.

**D. FINDINGS – MINNESOTA LEGAL COMPLIANCE AUDIT**

**2014-001 CONTRACT PERFORMANCE AND PAYMENT BONDS**

**Criteria** – Minnesota Statute § 574.26.

**Condition** – When contracting for construction services with a value exceeding \$100,000, the District is required to obtain performance and payment bonds from the contractor. For one such contract awarded during the year, the District did not receive performance or payment bonds from the contractor.

**Questioned Costs** – Not applicable.

**Context** – The one bid we tested was not in compliance. This is a current year finding.

**Effect** – The District's interests in this contract were not protected by performance or payment bonds.

**Cause** – This was an oversight by district personnel.

**Recommendation** – We recommend that the District obtain the required performance and payment bonds for all future contracts for construction services exceeding \$100,000.

**Corrective Action Plan**

Actions Planned – All bids awarded for construction will be reviewed by the purchasing manager to assure the required performance and payment bonds are received at the time the contract is executed.

Official Responsible – Director of Finance.

Planned Completion Date – June 30, 2015.

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

Plan to Monitor – The Director of Finance will review bid files to assure the planned controls are being followed and the required performance and payment bonds are obtained.

INTERMEDIATE DISTRICT NO. 287

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2014

**D. FINDINGS – MINNESOTA LEGAL COMPLIANCE AUDIT (CONTINUED)**

**2014-002 GROUP INSURANCE**

**Criteria** – Minnesota Statute § 471.6161.

**Condition** – Any political subdivision that provides group insurance for 25 or more employees must comply with certain bidding requirements in contracting for or renewing said insurance.

**Questioned Costs** – Not applicable.

**Context** – The District was required to complete a request for proposal for health insurance in fiscal year 2014. This process was not completed. This is a current year finding.

**Effect** – The District may not have selected the lowest responsible bidder by not completing a request for proposal for health insurance in fiscal year 2014.

**Cause** – This was an oversight by district personnel.

**Recommendation** – We recommend that the District review its policies and procedures for group insurance request for proposals.

**Corrective Action Plan**

Actions Planned – All request for proposals will be reviewed by the Director of Finance to assure the required statutes are followed.

Official Responsible – Director of Finance.

Planned Completion Date – June 30, 2015.

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

Plan to Monitor – The Director of Finance will review request for proposals to assure the planned controls are being followed and the required Minnesota Statutes are followed.

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

No audit findings for the year ended June 30, 2013 were reported.

INTERMEDIATE DISTRICT NO. 287

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

		Audit	UFARS	Audit – UFARS
<b>General Fund</b>				
Total revenue		\$ 76,894,291	\$ 76,894,289	\$ 2
Total expenditures		\$ 76,159,478	\$ 76,159,475	\$ 3
Nonspendable				
460	Nonspendable fund balance	\$ 130,931	\$ 130,931	\$ –
Restricted/reserve				
403	Staff development	\$ –	\$ –	\$ –
405	Deferred maintenance	\$ –	\$ –	\$ –
406	Health and safety	\$ 94	\$ 94	\$ –
407	Capital projects levy	\$ –	\$ –	\$ –
408	Cooperative revenue	\$ –	\$ –	\$ –
414	Operating debt	\$ –	\$ –	\$ –
416	Levy reduction	\$ –	\$ –	\$ –
417	Taconite building maintenance	\$ –	\$ –	\$ –
423	Certain teacher programs	\$ –	\$ –	\$ –
424	Operating capital	\$ –	\$ –	\$ –
426	\$25 taconite	\$ –	\$ –	\$ –
427	Disabled accessibility	\$ –	\$ –	\$ –
428	Learning and development	\$ –	\$ –	\$ –
434	Area learning center	\$ –	\$ –	\$ –
435	Contracted alternative programs	\$ –	\$ –	\$ –
436	State approved alternative program	\$ –	\$ –	\$ –
438	Gifted and talented	\$ –	\$ –	\$ –
441	Basic skills programs	\$ 104,312	\$ 104,312	\$ –
445	Career and technical programs	\$ –	\$ –	\$ –
446	First grade preparedness	\$ –	\$ –	\$ –
449	Safe schools levy	\$ 390,983	\$ 390,983	\$ –
450	Pre-kindergarten	\$ –	\$ –	\$ –
451	QZAB payments	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
453	Unfunded severance and retirement levy	\$ –	\$ –	\$ –
Restricted				
464	Restricted fund balance	\$ –	\$ –	\$ –
Committed				
418	Committed for separation	\$ –	\$ –	\$ –
461	Committed fund balance	\$ –	\$ –	\$ –
Assigned				
462	Assigned fund balance	\$ 6,624,016	\$ 6,624,016	\$ –
Unassigned				
422	Unassigned fund balance	\$ 6,393,048	\$ 6,393,046	\$ 2
<b>Food Service</b>				
Total revenue		\$ 362,063	\$ 362,063	\$ –
Total expenditures		\$ 671,461	\$ 671,461	\$ –
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		\$ 91,300	\$ 91,300	\$ –
Total expenditures		\$ 181,607	\$ 181,607	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted/reserve				
426	\$25 taconite	\$ –	\$ –	\$ –
431	Community education	\$ –	\$ –	\$ –
432	ECFE	\$ –	\$ –	\$ –
444	School readiness	\$ –	\$ –	\$ –
447	Adult basic education	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
Restricted				
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –

INTERMEDIATE DISTRICT NO. 287

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

		Audit	UFARS	Audit – UFARS
<b>Building Construction</b>				
Total revenue		\$ -	\$ -	\$ -
Total expenditures		\$ -	\$ -	\$ -
Nonspendable				
460	Nonspendable fund balance	\$ -	\$ -	\$ -
Restricted/reserve				
407	Capital projects levy	\$ -	\$ -	\$ -
409	Alternative facility program	\$ -	\$ -	\$ -
413	Project funded by COP	\$ -	\$ -	\$ -
Restricted				
464	Restricted fund balance	\$ -	\$ -	\$ -
Unassigned				
463	Unassigned fund balance	\$ -	\$ -	\$ -
<b>Debt Service</b>				
Total revenue		\$ 5,218,402	\$ 5,218,401	\$ 1
Total expenditures		\$ 3,964,440	\$ 3,964,440	\$ -
Nonspendable				
460	Nonspendable fund balance	\$ -	\$ -	\$ -
Restricted/reserve				
425	Bond refundings	\$ -	\$ -	\$ -
451	QZAB payments	\$ -	\$ -	\$ -
Restricted				
464	Restricted fund balance	\$ 3,774,686	\$ 3,774,686	\$ -
Unassigned				
463	Unassigned fund balance	\$ -	\$ -	\$ -
<b>Trust</b>				
Total revenue		\$ 505,154	\$ 505,155	\$ (1)
Total expenditures		\$ 512,868	\$ 512,869	\$ (1)
422	Net position	\$ 141,896	\$ 141,896	\$ -
<b>Internal Service</b>				
Total revenue		\$ 563,673	\$ 563,673	\$ -
Total expenditures		\$ 493,670	\$ 493,670	\$ -
422	Net position	\$ 467,521	\$ 467,521	\$ -
<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.

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Management Report

for

Intermediate District No. 287

Plymouth, Minnesota

June 30, 2014

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

We have prepared this management report in conjunction with our audit of Intermediate District No. 287's (the District) financial statements for the year ended June 30, 2014. The purpose of this report is to communicate information relevant to the financing of public education in Minnesota and to provide comments resulting from our audit process. We have organized this report into the following sections:

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

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

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

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

Minneapolis, Minnesota  
December 11, 2014

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## AUDIT SUMMARY

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2014, and the related notes to the financial statements. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

### **PLANNED SCOPE AND TIMING OF THE AUDIT**

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

### **AUDIT OPINION AND FINDINGS**

Based on our audit of the District's financial statements for the year ended June 30, 2014:

- We have issued an unmodified opinion on the District's annual financial statements.
- We noted no matters involving the District's internal control over financial reporting that we consider to be material weaknesses.
- The results of our testing disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.
- We noted that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our tests indicate that the District has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no deficiencies in the District's internal controls over compliance with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported two findings based on our testing of the District's compliance with Minnesota laws and regulations:
  - When contracting for construction services with a value exceeding \$100,000, the District is required to obtain performance and payment bonds from the contractor. For one such contract awarded during the year, the District did not receive performance or payment bonds from the contractor.
  - Any political subdivision that provides group insurance for 25 or more employees must comply with certain bidding requirements in contracting for or renewing said insurance. The District was required to complete a request for proposal for health insurance in fiscal year 2014. This process was not completed.

## **FOLLOW-UP ON PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

As a part of our audit of the District's financial statements for the year ended June 30, 2014, we performed procedures to follow-up on any findings and recommendations that resulted from our prior year audit. The District did not pay disbursements within the required 35-day period, requirements of Minnesota Statute § 471.425, Subd. 2 for three disbursements tested in the prior year. We noted no similar finding based on our testing in the current year.

## **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, 2014.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

## **CORRECTED AND UNCORRECTED MISSTATEMENTS**

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

## **ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS**

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

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

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

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

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

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

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

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

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

## **DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT**

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

## **DISAGREEMENTS WITH MANAGEMENT**

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

## **MANAGEMENT REPRESENTATIONS**

We have requested certain representations from management that are included in the management representation letter dated December 11, 2014.

## **MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS**

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

## **OTHER AUDIT FINDINGS OR ISSUES**

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

## **OTHER MATTERS**

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

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

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

## FUNDING PUBLIC EDUCATION IN MINNESOTA

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

### BASIC GENERAL EDUCATION REVENUE

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

The table below presents a summary of the formula allowance for the past decade and as approved for the 2015 fiscal year. The amount of the formula allowance and the percentage change from year to year excludes non-comparable changes such as temporary funding increases, the “roll-in” of aids that were previously funded separately, potential reductions due to levying less than the maximum student achievement levy rate, and the one-time replacement of a portion of general education aid with federal fiscal stabilization funds in fiscal 2010.

Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
2005	\$ 4,601	– %
2006	\$ 4,783	4.0 %
2007	\$ 4,974	4.0 %
2008	\$ 5,074	2.0 %
2009	\$ 5,124	1.0 %
2010	\$ 5,124	– %
2011	\$ 5,124	– %
2012	\$ 5,174	1.0 %
2013	\$ 5,224	1.0 %
2014	\$ 5,302	1.5 %
2015	\$ 5,831	2.0 % *

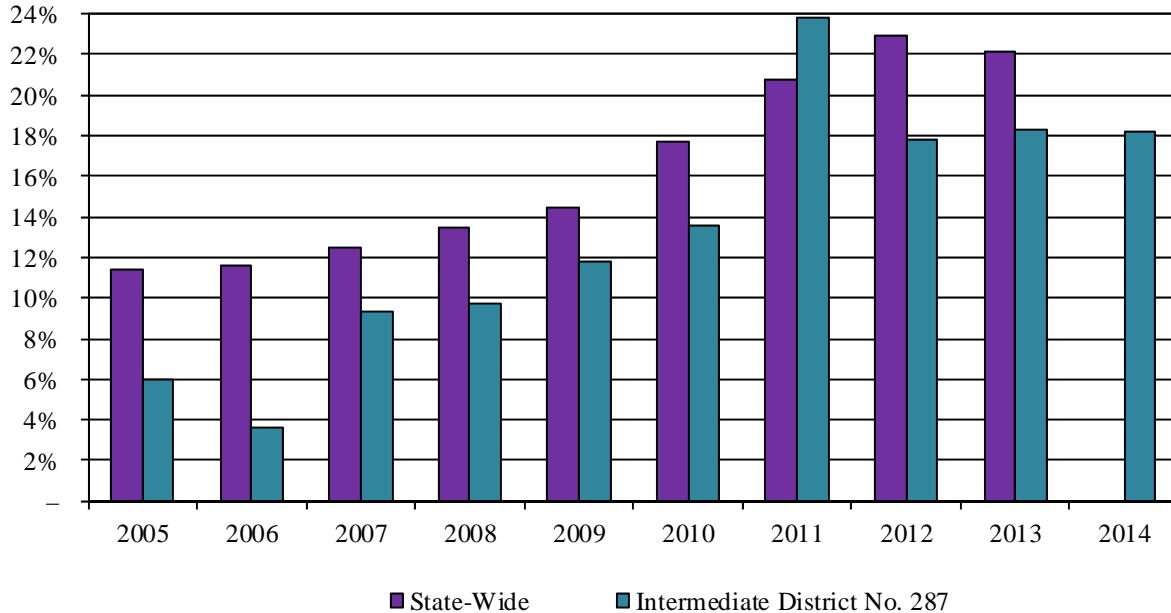
\* The \$529 increase in 2015 is offset by changes to pupil weightings and the general education aid formula that reduced the increase to the equivalent of \$105, or 2.0 percent, state-wide.

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

## STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

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

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



Note: State-wide information is not available for fiscal 2014.

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

Even with limited funding increases, Minnesota school districts have generally been maintaining a higher unrestricted fund balance as a percentage of operating expenditures in recent years. This trend is the result of many factors, including districts reducing operating expenditures, adapting to funding restrictions, efforts to maintain fund balance for cash flow purposes, and in some cases community support in the form of operating referendums.

As of June 30, 2013, this ratio was 18.3 percent for the District, as compared to a state-wide average of 22.1 percent. The District's unrestricted operating fund balance as a percentage of operating expenditures was 18.2 percent at the end of the current year.

## FINANCIAL TRENDS OF YOUR DISTRICT

### DISTRICT FINANCIAL POSITION

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

	Year Ended June 30,			
	2011	2012	2013	2014
Revenue	\$ 78,567,069	\$ 77,294,398	\$ 73,861,702	\$ 76,894,291
Expenditures	<u>70,968,476</u>	<u>79,824,854</u>	<u>74,186,480</u>	<u>76,159,478</u>
Excess (deficiency) of revenue over expenditures	7,598,593	(2,530,456)	(324,778)	734,813
Other financing sources (uses)	<u>(60,777)</u>	<u>(7,897)</u>	<u>(335,670)</u>	<u>(380,303)</u>
Net change in fund balance	7,537,816	(2,538,353)	(660,448)	354,510
Fund balances				
Beginning of year	<u>8,949,859</u>	<u>16,487,675</u>	<u>13,949,322</u>	<u>13,288,874</u>
End of year	<u>\$ 16,487,675</u>	<u>\$ 13,949,322</u>	<u>\$ 13,288,874</u>	<u>\$ 13,643,384</u>
Fund balances				
Nonspendable for prepaid items	\$ 113,611	\$ 102,751	\$ 78,993	\$ 130,931
Restricted for health and safety	1,236	1,236	94	94
Restricted for basic skills	141,390	193,426	193,425	104,312
Restricted for safe schools	332,269	270,556	272,736	390,983
Assigned for severance	3,535,991	4,249,794	4,906,928	5,303,564
Assigned for MDE appeal	5,711,435	973,897	473,897	650,000
Assigned for property	771,861	771,861	842,572	246,685
Assigned for student clubs	31,980	32,217	38,922	42,910
Assigned for North Education Center	1,090,105	1,031,720	-	-
Assigned for vehicle depreciation	-	45,855	66,258	43,587
Assigned for self-insurance	-	88,049	88,049	76,299
Assigned for collaborative curriculum project	-	-	16,509	260,971
Unassigned	<u>4,757,797</u>	<u>6,187,960</u>	<u>6,310,491</u>	<u>6,393,048</u>
Total fund balances	<u>\$ 16,487,675</u>	<u>\$ 13,949,322</u>	<u>\$ 13,288,874</u>	<u>\$ 13,643,384</u>
Unassigned General Fund balances as a percentage of expenditures	<u>6.7%</u>	<u>7.8%</u>	<u>8.5%</u>	<u>8.4%</u>
Total fund balances as a percentage of expenditures	<u>23.2%</u>	<u>17.5%</u>	<u>17.9%</u>	<u>17.9%</u>

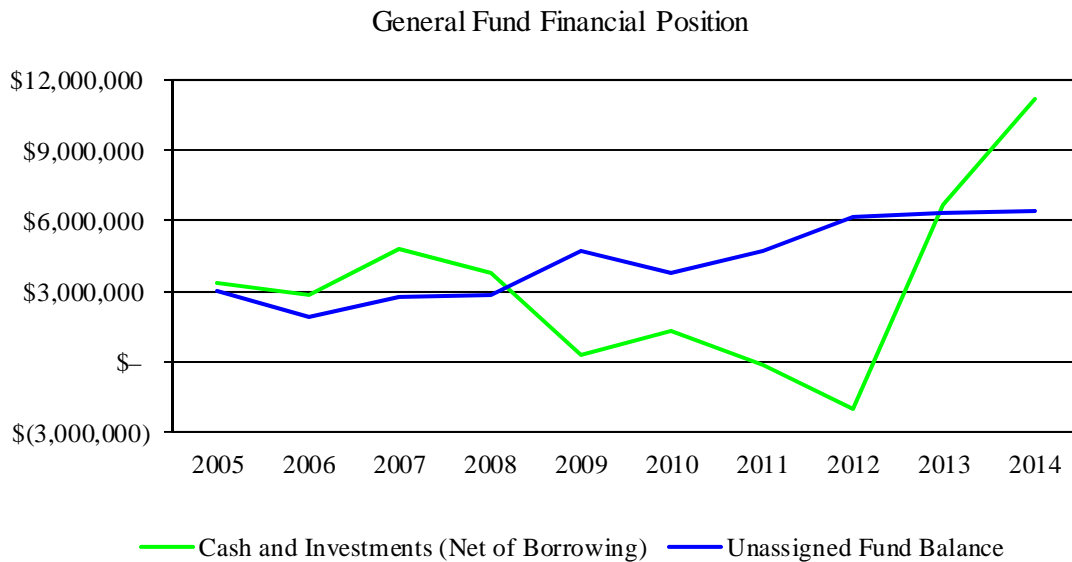
The District completed the year with a net increase in General Fund balance of \$354,510. This compares to a budget which projected a decrease in fund balance of \$1,363,359. This difference from the projected fund balance occurred as a result of the Special Education Account completing the year \$582,044 above budget projections and the District-Wide Account finishing the year \$717,570 better than projected. The Academic Education Account finished the year \$252,052 above budget projections. These amounts are before considering the impact of other financing sources and uses on these funds.

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

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

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

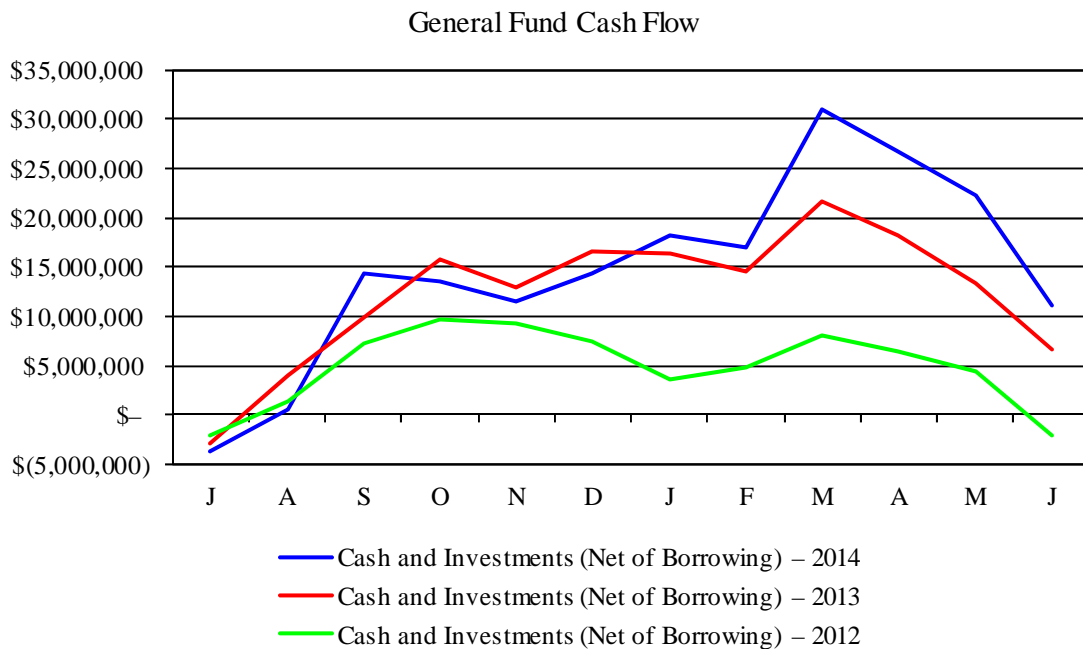
The following graph summarizes the level of cash and investments, net of borrowing, and unassigned fund balance in the General Fund:



The above graph shows an increase in fund balance and a significant increase in cash and investments (net of borrowing) at June 30, 2014. The graph also shows significant fluctuations in year-end cash balances. These changes are caused by changes in the tuition billing cycles and systems of the District. Changes in funding structure and state aid payment schedules significantly affect the cash flow of Minnesota school districts. The increase in cash and investments in 2014 reflects the improved metering of state aid payments to the District in the current year.

## GENERAL FUND CASH FLOW

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



The graph above shows the peaks and valleys of the General Fund cash and investments balance (net of borrowing) on a monthly basis. The swing between its high and low month-end cash balances was about \$34.7 million for fiscal 2014.

Legislative changes in the state aid payment schedules used to help balance the state budget have a significant effect on the cash flow of Minnesota school districts. In fiscal 2012, the state holdback on aids normally paid on a 90–10 schedule was up to 40 percent. As the financial condition of the state began to improve, the holdback on state aid payments was reduced to 13.6 percent by the end of fiscal 2013. In fiscal 2014, the state was able to restore the metering of state aid payments to a 90–10 schedule. These changes have resulted in a dramatic improvement in the District’s cash flow over the last two years, as illustrated by the graph above.

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

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

**Special Education Account**

	Year Ended June 30,			
	2011	2012	2013	2014
Revenue and other financing sources	\$ 44,947,864	\$ 47,302,232	\$ 46,270,657	\$ 48,029,728
Expenditures and other financing uses	43,788,049	46,797,668	47,142,569	47,697,739
Excess (deficiency)	1,159,815	504,564	(871,912)	331,989
Fund balances				
Beginning of year	5,363,702	6,523,517	7,028,081	6,156,169
End of year	\$ 6,523,517	\$ 7,028,081	\$ 6,156,169	\$ 6,488,158

In fiscal 2014, the Special Education Account revenue exceeded expenditures by \$331,989, while the District’s budget showed an expected surplus of \$303,997. Tuition revenue was \$405,562 higher than budget mostly in medical assistance. State revenues were lower than budget by \$1,189,665 as current year projections and final prior year special education aid entitlement amounts were lower than anticipated in the budget. Salaries were lower than budgeted by \$511,322 and benefits were lower than budgeted by \$619,877.

Special Education Account revenue (excluding other financing sources) increased about \$1.7 million, or about 3.8 percent. Most of this increase was in state sources, which increased \$1,465,972 due to increased revenue from the state special education tuition billing system in fiscal 2014. Tuition revenue increased \$300,682 mostly from medical assistance.

Expenditures (excluding other financing uses) increased \$1,042,497. Most of the increased costs were in salaries and employee benefits totaling about \$1.8 million. This was mostly due to an average wage increase of 3 percent and increases in health insurance costs.

## Career and Technical Education Account

	Year Ended June 30,			
	2011	2012	2013	2014
Revenue and other financing sources	\$ 1,816,221	\$ 1,742,999	\$ 1,452,720	\$ 1,493,567
Expenditures and other financing uses	<u>1,767,322</u>	<u>1,966,971</u>	<u>1,493,259</u>	<u>1,403,840</u>
Excess (deficiency)	48,899	(223,972)	(40,539)	89,727
Fund balances				
Beginning of year	<u>286,616</u>	<u>335,515</u>	<u>111,543</u>	<u>71,004</u>
End of year	<u>\$ 335,515</u>	<u>\$ 111,543</u>	<u>\$ 71,004</u>	<u>\$ 160,731</u>

In fiscal 2014, the Career and Technical Education Account fund balance increased by \$89,727, which compares to a budgeted decrease of \$4,960.

Revenues (excluding other financing sources) in this account increased \$40,847, or 2.8 percent. Expenditures (excluding other financing uses) in this account decreased \$89,419, or 6.0 percent, mostly in purchased services.

## Academic Education Account

	Year Ended June 30,			
	2011	2012	2013	2014
Revenue and other financing sources	\$ 8,740,583	\$ 10,483,809	\$ 9,312,690	\$ 10,198,323
Expenditures and other financing uses (net of capital lease activity)	<u>8,738,574</u>	<u>9,548,579</u>	<u>9,607,915</u>	<u>10,244,375</u>
Excess (deficiency)	2,009	935,230	(295,225)	(46,052)
Fund balances (deficit)				
Beginning of year	<u>(786,083)</u>	<u>(784,074)</u>	<u>151,156</u>	<u>(144,069)</u>
End of year	<u>\$ (784,074)</u>	<u>\$ 151,156</u>	<u>\$ (144,069)</u>	<u>\$ (190,121)</u>

The Academic Education Accounts fund balance decreased \$46,052 in fiscal year 2014. This compares to a budgeted decrease in fund balance of \$526,708. Most of this difference is related to the District receiving higher than expected state aids.

Revenue (excluding other financing sources) in this account increased \$657,029 in fiscal 2014. Revenue increased mostly in state sources by \$545,976.

Expenditures and other financing uses in this account increased by \$636,460. Most of this increase was related to increases in employee salaries and health insurance benefits.

**District-Wide Account**

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

	Year Ended June 30,			
	2011	2012	2013	2014
Revenue	\$ 23,034,691	\$ 18,546,846	\$ 16,789,769	\$ 17,381,139
Expenditures	17,007,953	21,971,507	16,957,596	16,522,735
Other financing sources (uses)	<u>(113,331)</u>	<u>(1,043,556)</u>	<u>(19,495)</u>	<u>(684,295)</u>
Excess (deficiency)	5,913,407	(4,468,217)	(187,322)	174,109
Fund balances				
Beginning of year	<u>159,480</u>	<u>6,072,887</u>	<u>1,604,670</u>	<u>1,417,348</u>
End of year	<u>\$ 6,072,887</u>	<u>\$ 1,604,670</u>	<u>\$ 1,417,348</u>	<u>\$ 1,591,457</u>

The District-Wide Account fund balance increased \$174,109 in fiscal 2014. This compares to a budgeted decrease in fund balance of \$292,616. State sources were under budget by \$273,062, mainly the result of lower than expected state special education state aid. Federal sources were under budget by \$176,027 due to the District spending less than the entitlement in the Math and Science grant. Expenditures were under budget by \$804,669 mostly in purchased services and capital expenditures.

Revenue in this account increased \$591,370 in fiscal 2014. State sources increased \$491,890 mainly due to increased special education aid.

Expenditures and other financing sources (uses) combined decreased \$229,939 mostly in purchased services and capital expenditures.

## **OTHER GOVERNMENTAL FUNDS**

### **Food Service Special Revenue Fund**

The District's Food Service Special Revenue Fund expenditures exceeded revenue by \$309,398. A planned transfer was made from the General Fund to eliminate this deficit.

### **Community Service Special Revenue Fund**

The District's Community Service Special Revenue Fund expenditures exceeded revenue by \$90,307. A planned transfer was made from the General Fund to eliminate this deficit.

### **Debt Service Fund**

The District's Debt Service Fund's revenues exceeded expenditures by \$1,253,962, leaving a fund balance restricted for debt services of \$3,774,686.

### **Internal Service Fund**

The District's Dental Self-Insurance Internal Service Fund is used to account for dental insurance offered by the District to its employees as a self-insured plan. As of June 30, 2014, the fund had unrestricted net position of \$467,521, an increase of \$70,003 from the prior year.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

	Year Ended June 30,	
	2013	2014
Net position – governmental activities		
Total fund balances – governmental funds	\$ 15,809,598	\$ 17,418,070
Net book value of capital assets	79,701,970	77,132,474
Capital lease payable	(24,455,682)	(23,712,556)
Certificates of participation payable	(51,120,000)	(49,800,000)
Severance benefits and compensated absences payable	(5,792,633)	(7,569,305)
Net OPEB and pension benefit obligations	(2,219,398)	(2,647,087)
Internal Service Fund net position	397,518	467,521
Accrued interest payable	(633,362)	(610,310)
Unamortized premium/discount on debt issued	(73,625)	(51,096)
Total net position – governmental activities	<u>\$ 11,614,386</u>	<u>\$ 10,627,711</u>
Net position		
Net investment in capital assets	\$ 4,052,663	\$ 3,568,822
Restricted	3,025,901	4,312,985
Unrestricted	<u>4,535,822</u>	<u>2,745,904</u>
Total net position	<u>\$ 11,614,386</u>	<u>\$ 10,627,711</u>

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

The District's total net position decreased by \$986,675 during the year ended June 30, 2014. The net investment in capital assets decreased by \$483,841, mainly due to an increase in depreciation. Restricted net position increased by \$1,287,084, mainly due to an increase in the amount restricted for debt service. The unrestricted portion of net position decreased \$1,789,918 in the current year. The decrease in unrestricted net position was due to the use of assigned fund balance to make capital improvements and an increase in current year severance benefits payable.

## LEGISLATIVE SUMMARY

The 2014 legislative session began with a projected budget excess for the remainder of the biennium of \$1.09 billion, later revised upward to a projected excess of \$1.23 billion in the February 2014 economic forecast. In addition to the bonding bill and supplemental budget typically addressed during an even-year short session, the projected excess enabled the Legislature to repay \$246 million of K–12 education finance shifts and to replenish the state “Rainy Day Fund” budget reserve with the addition of \$150 million. The supplemental budget adopted by the 2014 Legislature contained \$54.0 million in additional state aid appropriations for K–12 education for fiscal year 2015, including a \$25 increase to the basic general education formula allowance. The 2014 Legislature also adopted a number of technical corrections and modifications to the significant education funding changes adopted by the 2013 legislature.

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

**Basic General Education Revenue** – The per pupil basic general education formula allowance for fiscal year (FY) 2015 was set to increase \$504 to \$5,806, with simultaneous changes to pupil weights and the general education formula structure reducing the increase to the equivalent of \$80 per pupil state-wide. The 2014 Legislature approved an additional \$25 increase, bringing the FY 2015 formula allowance to \$5,831. This also increases the other aids linked to the formula allowance.

**Pupil Unit Weights** – Pupil unit weights for FY 2015 will change as follows:

	FY 2014	FY 2015
Pre-Kindergarten and Disabled Kindergarten	1.25	1.0
Part-Time Kindergarten (under 850 instruction hours)	0.612	0.55
All-Day Kindergarten (at least 850 instruction hours)	0.612	1.0
Grades 1–3	1.115	1.0
Grades 4–6	1.06	1.0
Grades 7–12	1.30	1.2

**Other Changes to the General Education Formula** – A number of other changes were made to general education formula for FY 2015, including:

- Marginal cost pupil units are eliminated and a new declining enrollment revenue component of general education aid is established equal to the decline in adjusted pupil units between the prior year and current year times 28 percent of the basic general education aid allowance.
- The extended time allowance increases from \$4,601 to \$5,017.
- The gifted and talented revenue allowance increases from \$12 to \$13.
- The revenue set aside for learning and development is converted to a flat amount per ADM of \$299 per kindergarten student and \$459 per student in Grades 1 through 6.
- The small schools allowance increases from \$522.40 to \$544, and the qualifying threshold decreases from 1,000 to 960 pupil units.
- Operating capital revenue increases from \$73 per pupil unit + \$100 times the building age index to \$79 per pupil unit + \$109 times the building age index.
- The equity revenue allowance increases from \$75 to \$80 for sliding scale, and from \$46 to \$50 for flat rate.
- The pension adjustment reduction to general education aid is eliminated, with districts having a below average pension adjustment guaranteed to receive a minimum of the state average gain from the elimination of the pension adjustment.
- Quality Compensation (Q Comp) revenue is rolled out of the general education formula and established as a separate categorical aid, and the transition revenue calculation is amended to adjust for the roll-out.
- General education revenue generated for all-day kindergarten may be used for programs to meet the needs of 3 and 4-year-olds within the district.

**Special Education Funding Reform** – State funding for special education is being transitioned to new funding formulas that will be effective beginning in FY 2016.

The funding formula for state special education aid remains the same through FY 2015. For FY 2016, special education will be the lesser of: 62 percent of old formula special education expenditures for the prior year; 50 percent of nonfederal special education expenditures for the prior year; or 56 percent of the amount calculated using a new pupil driven formula based on prior year data.

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

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

A new special education cross subsidy reduction aid was added for FY 2014 and FY 2015 only. Aid for FY 2015 will equal the lesser of \$48 per ADM served or 2.27 percent of the amount generated for the district under the new pupil-based formula, with a state-wide limit of \$30 million.

The formula for special education excess cost aid was simplified beginning in FY 2014 by basing the calculation on prior year data and excluding special education tuition receipts and expenditures. For FY 2016, excess cost aid will be the greater of: 56 percent of the difference between the district's unreimbursed nonfederal special education costs and 7 percent of the district's general education revenue; or 62 percent of the difference between the district's unreimbursed old formula special education costs and 2.5 percent of the district's general education revenue.

**Teacher Development and Evaluation Aid** – For FY 2015 only, school districts, intermediate districts, and charter schools not receiving Q Comp revenue are eligible for teacher development and evaluation aid equal to \$302 times the number of full-time equivalent teachers employed on October 1 of the previous school year. The entitlement is limited to \$10 million state-wide.

**Alternative Learning Center (ALC) Reserve** – ALC reserve requirements and tuition billing language was amended to clarify that the amount required to be reserved or paid to the serving district under tuition billing is at least 90 percent *but no more than 100 percent* of general education revenue, and that local optional revenue is not included in the calculation.

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

- A uniform general education levy, known as the “student achievement levy,” is reestablished. All districts may levy up to the student achievement rate, which is set to raise \$20 million state-wide in FY 2015. Districts that levy less than the maximum permitted rate will be subject to a proportionate reduction in its general education aid.
- The equalization factor for operating capital is increased to offset the impact of the student achievement levy.
- Operating referendum revenue is converted from an amount based of resident marginal cost pupil units to an amount based on adjusted pupil units (APUs), due to the elimination of marginal cost pupil units. The separate alternative attendance adjustment is eliminated and rolled into the allowance per APU. The allowance per APU will be set so the total revenue prior to applicable caps is the same as under the old law.

- Districts are allowed to convert up to \$300 per APU of existing voter-approved operating referendum revenue to board-approved. Districts with approved operating referendums of less than \$300 per APU are permitted to authorize additional referendum revenue up to the \$300 per APU limit. Operating referenda will be equalized based on a new, three-tiered formula.
- A new “Location Equity levy” was established, providing school districts with land in the seven-county metro area with authority for a location equity levy of \$424 per APU. Districts with adjusted ADM of greater than 2,000 that do not qualify as metro districts are eligible for a location equity levy of \$212 per APU. Both levies are equalized at \$510,000. Districts may opt out of location equity revenue by a board vote taken by September 1 of the fiscal year preceding the fiscal year when the revenue takes effect (e.g. September 2013 for FY 2015 revenue). Beginning in FY 2016 (levy payable 2015), the name of this levy is changed from “Location Equity” to “Local Option”; does not require districts to have land in the seven-county metro area; and will no longer require a board resolution to opt out of the levy.

**Safe Schools Levy** – Beginning in FY 2015, the safe schools levy increases from \$30 to \$36 per pupil unit, with \$4 of the increase representing new revenue and \$2 to adjust for the changes to pupil weightings. Beginning in FY 2016, the levy allowance for intermediate districts increases from \$10 to \$15 per pupil unit. The use of this levy is expanded to include facility security enhancements, efforts to improve school climate, and mental health services.

**Fund Transfers** – The authority for school districts to transfer money from one fund or account to another, as long as the transfer does not increase state aid obligations or increase local property taxes, was extended through FY 2015. School boards may only approve such transfers after adopting a resolution stating that the transfer will not diminish instructional opportunities for students. This authorization excludes transfers from the food service or community service funds, and prohibits transfers from the reserved account for staff development through FY 2015.

**Child Nutrition Program Aids** – Beginning in FY 2015, state school lunch aid for reduced price lunch students increases from 12.5 cents per lunch to 52.5 cents, making lunches free for those students. State aid for school breakfasts for kindergarten students increases from 55 cents to \$1.30, making school breakfasts free for all kindergarten students.

**Early Childhood Family Education (ECFE)** – Beginning in FY 2015, the ECFE formula is linked to the general education formula, equaling 2.3 percent of the basic general education allowance. For FY 2015, this increases the ECFE allowance from \$120 to \$134.11. New program requirements were also added related to the assessment of community needs for program services.

**School Readiness** – Beginning in FY 2015, the state-wide entitlement for school readiness will increase \$2 million per year.

**Early Learning Scholarships** – State-wide funding for early learning scholarships increases \$4.65 million for FY 2015 and \$4.884 million for later years. The \$5,000 limit on scholarships is eliminated beginning in FY 2015, and the Commissioner of Education is directed to establish a target for the average scholarship based on the results of a rate survey.

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

**Review and Comment** – The estimated cost threshold at which facility projects are required to undergo review and comment was raised from \$1.4 million to \$2.0 million. Facility additions, remodeling, or maintenance projects funded entirely with certain revenue sources (general education, health and safety, alternative facilities, deferred maintenance, lease levies, or facilities bonding), and technology purchases funded with capital projects referendum, are exempted from review and comment. The consultation requirement for smaller projects was eliminated.

## ACCOUNTING AND AUDITING UPDATES

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

The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. This statement replaces the requirements of GASB Statement Nos. 27 and 50, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of GASB Statement Nos. 27 and 50 remain applicable for pensions that are not covered by the scope of this statement.

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

Included in this statement are major changes in how employers that participate in cost-sharing pension plans, such as TRA and PERA, account for pension benefit expenses and liabilities. In financial statements prepared using the economic resources measurement focus and accrual basis of accounting (government-wide and proprietary funds), a cost-sharing employer that does not have a special funding situation is required to recognize a liability for its proportionate share of the net pension liability of all employers with benefits provided through the pension plan. A cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate share of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. In addition, the effects of (1) a change in the employer's proportion of the collective net pension liability and (2) differences during the measurement period between the employer's contributions and its proportionate share of the total of contributions from employers included in the collective net pension liability are required to be determined. These effects are required to be recognized in the employer's pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all active and inactive employees that are provided with pensions through the pension plan.

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

In December 2013, the OMB issued *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits*, which supersedes all or parts of eight OMB circulars; consolidating federal cost principles, administrative principles, and audit requirements in one document. The "Super Circular" includes a number of significant changes to the federal Single Audit process, including: an increase in dollar threshold for requiring a Single Audit from \$500,000 to \$750,000; changes to the thresholds and process used for determining major programs; reductions in the percentages of expenditures required to be covered by a Single Audit from 50 percent to 40 percent for high risk auditees and from 25 percent to 20 percent for low risk auditees; revised criteria for determining low-risk auditees; and an increase in the threshold for reporting questioned costs from \$10,000 to \$25,000. Auditees are required to implement the administrative requirements of the new Super Circular by December 26, 2014. The revised audit requirements will be effective for fiscal year 2016 district audits.

## **COSO INTERNAL CONTROL FRAMEWORK**

The clarified auditing standards applicable to governmental audits incorporate a definition of internal control that is based on the internal control integrated framework developed and issued in 1992 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In May 2013, COSO issued an updated framework which supersedes the original after December 15, 2014. The new COSO framework retains the basic definition of internal control and its five components established in its original framework, along with the fundamental requirements to consider these five components and to use judgment when assessing and evaluating the effectiveness of a system of internal controls. The new COSO framework enhances and clarifies a number of concepts from the original framework to make it easier to use and apply. One of the more significant enhancements was the establishment of 17 principles, associated with the 5 components of internal control, intended to assist users in understanding the requirements of effective internal control and designing effective systems of internal control.

The 5 components of internal control and 17 underlying principles are as follows:

### **Control Environment –**

1. Organization demonstrates a commitment to integrity and ethical values.
2. Governing body is independent from management and exercises oversight control.
3. Management establishes structure, reporting lines, authority, and responsibilities.
4. Organization demonstrates a commitment to the competence of individuals involved with internal control.
5. Organization holds individuals accountable for internal control responsibilities.

### **Risk Assessment –**

6. Organization specifies clear objectives for the identification and assessment of risks.
7. Organization identifies and analyzes risk.
8. Organization assesses the potential for fraud risks.
9. Organization identifies and assesses significant changes that could impact internal control.

### **Control Activities –**

10. Organization selects and develops control activities to mitigate risks.
11. Organization selects and develops general information technology (IT) controls.
12. Organization establishes and implements control policies and procedures.

### **Information and Communication –**

13. Organization uses relevant, quality information to support internal control.
14. Organization communicates internal control information internally.
15. Organization communicates internal control information externally.

### **Monitoring –**

16. Organization conducts ongoing and/or separate internal control evaluations.
17. Organization evaluates and communicates deficiencies to responsible parties for corrective action.

COSO defines an effective system of internal control as one that reduces to an acceptable level the risk of failing to achieve an organizational objective in the areas of operations, compliance, or reporting. According to the new framework, an organization can achieve effective internal control by applying all of the principles listed above. To achieve this, each of these five components and the relevant principles must be present and functioning, and the five components must operate in an integrated manner. Local governments should be reviewing their internal control systems to assure these principles have been incorporated and implemented.

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

Regular Meeting – January 8, 2015

**AGENDA SECTION:** BUSINESS SERVICES REPORT

**ITEM:** Approval of Routine Monthly Finance Report

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

**1. Background Information**

The November Budget vs. Actual Reports are presented for Board information and review. These reports indicate that year-to-date revenue in all funds excluding Funds 06 (NEC Construction) & 09 (Agency Funds) total \$32,325,555 or 38.4% of the Original Revenue Budget of \$84,136,797. The District’s monthly revenue will continue to be based upon the cash payments we receive from MDE Special Education Uniform Tuition system and other state aids. Revenue will be made whole at the end of each fiscal year as we calculate all of our receivables and recognize the revenue receivable as part of the audit.

Year-to-date expenditures in all funds excluding Funds 06 (NEC Construction) & 09 (Agency Funds) total \$26,424,547, or 31.7% of the Original Expenditure Budget of \$83,328,954.

The numbers as of the end of the prior fiscal year at June 30<sup>th</sup> are preliminary at this point. They reflect the normal month end which is basically on a cash basis without accrual entries. Numerous receivables and payables are calculated after year-end, and the numbers will continue to change up to and through the audit process later this fall.

DDA

Attachments

**2. Fiscal Impact/Funding Source: None**

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

Motion by: \_\_\_\_\_ Yes \_\_\_\_ Passed \_\_\_\_

Second by: \_\_\_\_\_ Yes \_\_\_\_ Failed \_\_\_\_

Abstentions: \_\_\_\_\_

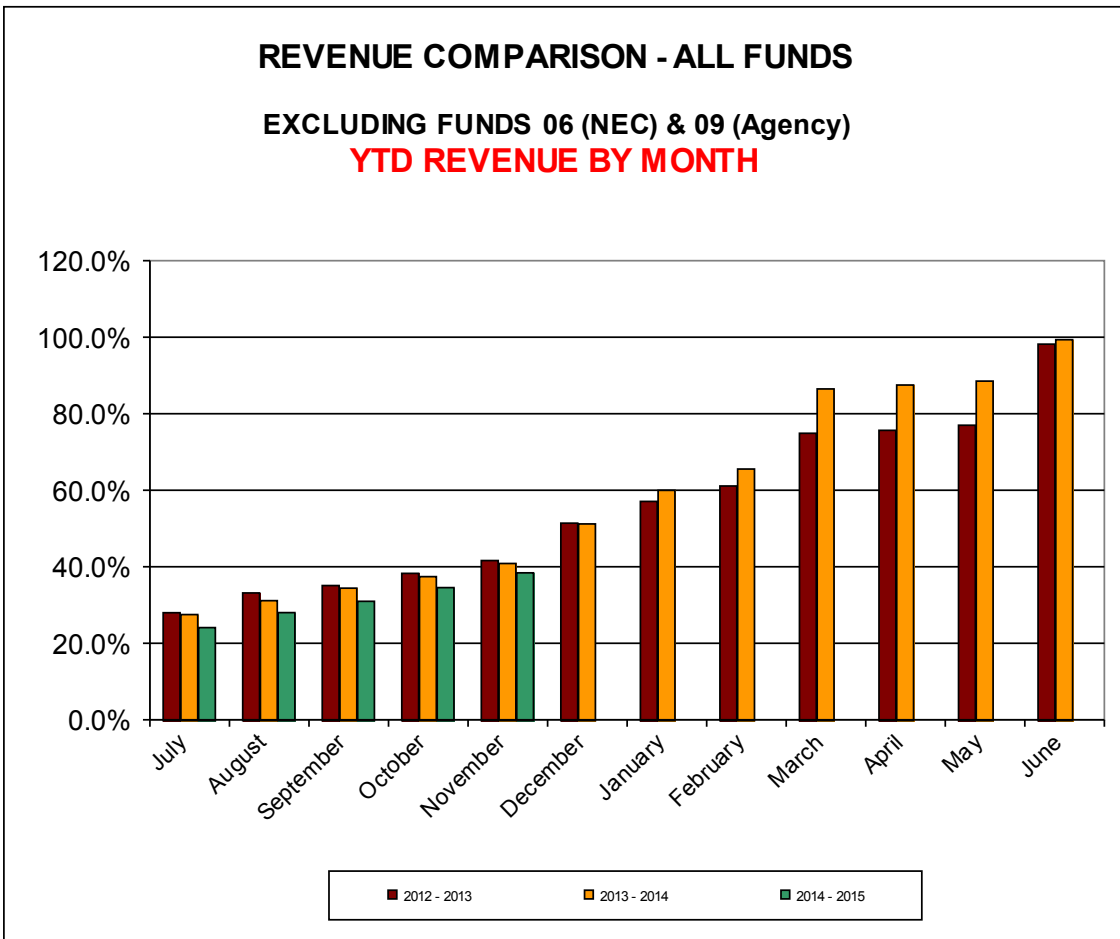
**The mission of Intermediate District 287 is to be the premier provider of innovative specialized services to ensure that each member district can meet the unique learning needs of its students.**

# DISTRICT 287

## REVENUE COMPARISON

- EXCLUDING Funds 06 (NEC Construction) and 09 (Agency)

Month	2012 - 2013		2013 - 2014		2014 - 2015	
	\$ Amount	% of Budget	\$ Amount	% of Budget	\$ Amount	% of Budget
July	23,083,337	28.0%	23,266,115	27.5%	20,284,604	24.1%
August	4,277,483	33.2%	3,076,425	31.1%	3,296,130	28.0%
September	1,595,333	35.1%	2,766,649	34.4%	2,486,874	31.0%
October	2,620,908	38.3%	2,558,934	37.4%	3,017,044	34.6%
November	2,772,203	41.6%	2,904,928	40.9%	3,240,902	38.4%
December	8,060,459	51.4%	8,740,826	51.2%		
January	4,673,693	57.1%	7,444,596	60.0%		
February	3,338,082	61.1%	4,699,240	65.6%		
March	11,361,782	74.9%	17,705,512	86.5%		
April	636,685	75.7%	882,851	87.5%		
May	1,090,279	77.0%	867,293	88.5%		
June	17,481,161	98.2%	9,140,621	99.4%		
<b>TOTAL</b>	<b>80,991,404</b>	<b>98.2%</b>	<b>84,053,988</b>	<b>99.4%</b>	<b>32,325,555</b>	<b>38.4%</b>
<b>BUDGET</b>	<b>82,490,824</b>		<b>84,601,954</b>		<b>84,136,797</b>	



REPORT: EXPREV 000006 REVENUE SUMMARY BY FUND - Board Report  
 STATEMENT OF REVENUE  
 DIST 0287 Intermediate District 287 ACCOUNTING PERIOD 11/01/14 TO 11/30/14

RUN: MON 120814 10:35 PAGE 1

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

FD	PRIOR YEAR ACTUAL	REVISD BUDGET	11/01/14 11/30/14	FISCAL YEAR 201407 RECEIVED THRU 11/30/14	REMAINING ON 11/30/14	PERCENT REMAINING
01 GENERAL FUND	17,381,854.08	17,618,417	22,990.27	7,746,918.54	9,871,498.46	56.02 %
02 FOOD SERVICE FUND	671,460.99	686,485	44,473.34	62,051.17	624,433.83	90.96 %
04 COMMUNITY SERVICE FUND	181,606.80	173,549	6,757.73	31,815.89	141,733.11	81.66 %
07 DEBT SERVICE FUND	5,218,401.45	5,305,121	0.00	827,290.70	4,477,830.30	84.40 %
08 TRUST FUND	501,066.37	500,000	40,132.43	199,392.52	300,607.48	60.12 %
10 SCHOLARSHIP FUND	4,088.19	0	0.00	535.00	535.00-	0.00 %
12 ALC-ACADEMIC	9,969,717.09	8,839,265	174,583.78	3,825,469.20	5,013,795.80	56.72 %
13 CAREER & TECH	1,493,564.88	1,155,967	491.50	911,693.02	244,273.98	21.13 %
14 SPECIAL EDUCATION	48,029,694.22	49,373,283	2,822,947.76	18,578,842.22	30,794,440.78	62.37 %
20 INTERNAL SERVICE FUND	563,673.23	457,010	125,525.04	134,297.46	322,712.54	70.61 %
41 DONATIONS	32.96	0	0.00	0.00	0.00	0.00 %
51 STUDENT CLUBS	38,827.35	27,700	3,000.33	7,249.03	20,450.97	73.83 %
*** REPORT TOTALS:	84,053,987.61	84,136,797	3,240,902.18	32,325,554.75	51,811,242.25	61.57 %

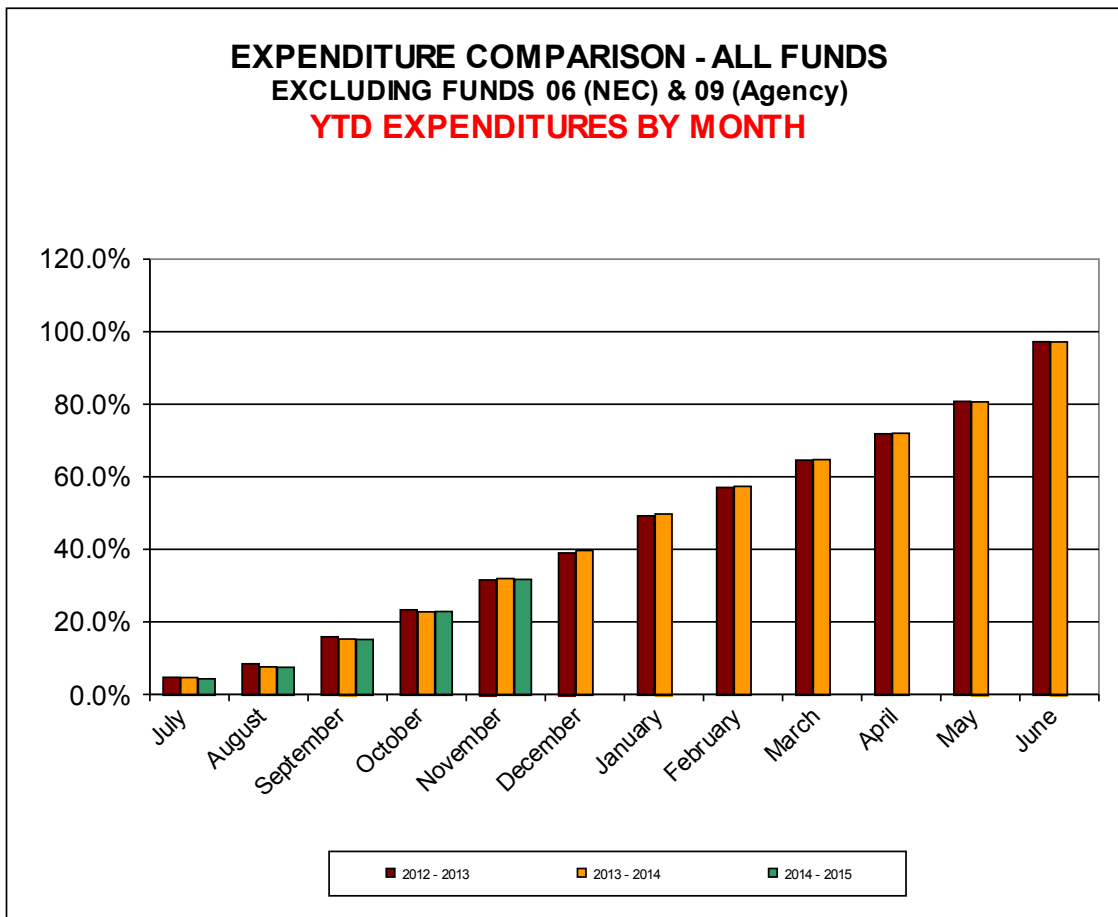
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## DISTRICT 287

### EXPENDITURE COMPARISON

- EXCLUDING Funds 06 (NEC Construction) and 09 (Agency)

Month	2012 - 2013		2013 - 2014		2014 - 2015	
	\$ Amount	% of Budget	\$ Amount	% of Budget	\$ Amount	% of Budget
July	3,922,779	4.7%	3,962,038	4.7%	3,601,915	4.3%
August	3,118,331	8.4%	2,486,804	7.6%	2,637,832	7.5%
September	6,204,141	15.9%	6,489,103	15.3%	6,385,388	15.2%
October	6,207,454	23.3%	6,365,911	22.8%	6,438,125	22.9%
November	6,868,339	31.6%	7,781,071	32.0%	7,361,288	31.7%
December	6,204,082	39.0%	6,551,462	39.7%		
January	8,516,139	49.2%	8,521,477	49.7%		
February	6,519,986	57.1%	6,477,527	57.4%		
March	6,287,977	64.6%	6,241,384	64.7%		
April	6,049,508	71.9%	6,167,270	72.0%		
May	7,446,228	80.8%	7,333,498	80.7%		
June	13,711,182	97.2%	14,005,680	97.2%		
<b>TOTAL</b>	<b>81,056,146</b>	<b>97.2%</b>	<b>82,383,226</b>	<b>97.2%</b>	<b>26,424,547</b>	<b>31.7%</b>
<b>BUDGET</b>	<b>83,352,386</b>		<b>84,760,037</b>		<b>83,328,954</b>	



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

FD	PRIOR YEAR ACTUAL	REVISED BUDGET	11/01/14 11/30/14	FISCAL YEAR 201407 EXPENDED THRU 11/30/14	ENCUMBERED THRU 11/30/14	REMAINING ON 11/30/14	PERCENT REMAINING
01 GENERAL FUND	17,751,131.18	17,817,145	2,029,852.18	6,860,734.16	3,311,655.97	7,644,754.87	42.90 %
02 FOOD SERVICE	671,460.99	686,485	62,578.14	256,978.41	119,856.64	309,649.95	45.10 %
04 COMMUNITY SERVICE FUND	181,606.80	173,549	16,193.18	71,663.87	1,936.67	99,948.46	57.59 %
07 DEBT SERVICE FUND	3,964,439.56	3,965,907	0.00	1,304,701.02		2,661,205.98	67.10 %
08 TRUST FUND	488,941.03	500,000	41,010.34	200,391.44		299,608.56	59.92 %
10 SCHOLARSHIP FUND	23,927.80	20,000	646.00	16,016.51		3,983.49	19.91 %
12 ALC-ACADEMIC	10,244,373.13	9,405,414	783,493.41	2,962,885.90	556,888.85	5,885,639.25	62.57 %
13 CAREER & TECH	1,403,838.63	1,157,078	85,841.83	287,547.63	25,661.83	843,868.54	72.93 %
14 SPECIAL EDUCATION	47,124,998.65	49,118,666	4,200,870.38	14,318,676.72	1,408,441.36	33,391,547.92	67.98 %
20 INTERNAL SERVICE FUND	493,670.32	457,010	138,591.75	138,591.75		318,418.25	69.67 %
51 STUDENT CLUBS	34,838.23	27,700	2,210.43	6,359.47		21,340.53	77.04 %
*** REPORT TOTALS:	82,383,226.32	83,328,954	7,361,287.64	26,424,546.88	5,424,441.32	51,479,965.80	61.77 %

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# Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

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## MEMORANDUM

DATE: **December 5, 2014**

TO: Members of the School Board

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

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

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

- |   |                                 |
|---|---------------------------------|
| 1. Claim payments for: <b>November 2014</b>   | Totaling <u>\$ 3,779,833.36</u> |
| a) <i>Check #'s 496033 - 496397</i>   |                                 |
| <i>and Wire Transfers - #'s 2535 - 2542, 3103, 70015499 - 70015688, 80000822 - 80000843</i> |                                 |
| <i>and P-Card Purchases - #'s 90000327- 90000342</i>  |                                 |
| 2. Payroll for: November 2014   | Totaling <u>\$ 2,400,151.80</u> |
| a) <i>Check #'s 675597 - 675599</i>   |                                 |
| b) <i>Direct Deposit #'s 267848 - 268823, 268824 - 269782</i>                               |                                 |
| <i>and Wire Transfers - #'s 4115</i>  |                                 |
| 3. Receipts for: November 2014  | Totaling <u>\$ 5,300,904.57</u> |
| a) <i>Receipt #'s 136005 - 136012, 136015 - 136250</i>                                      |                                 |
| 4. Investments at end of month  | Totaling <u>\$ 1,510,571.88</u> |

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

**INTERMEDIATE DISTRICT 287  
INVESTMENTS ON HAND  
NOVEMBER 2014**

INV NBR	INSTITUTION	INV TYPE	RATE OF RETURN (%)	PURCHASE DATE	MATURITY DATE	AMOUNT INVESTED
	PMA- MNTRUST INVESTMENT SHARES PORTFOLIO					-
	PMA- MNTRUST SAVINGS DEPOSIT ACCOUNT	SDA	0.040	10/31/14	11/30/14	1,510,447.68
	TOTAL PMA- MNTRUST INVESTMENTS ON BOOKS					1,510,447.68
	INVESTMENTS ON OUR BOOK AT END OF PRIOR MONTH					1,510,447.68
	CURRENT MONTH ACTIVITY					
	DEPOSITS					-
	WITHDRAWALS					
	INTEREST EARNED- RECORDED					124.20
	INTEREST EARNED- NOT RECORDED BY MONTH-END					-
	TOTAL INVESTMENTS AT END OF MONTH & UN-RECORDED INTEREST					1,510,571.88

# Intermediate District 287

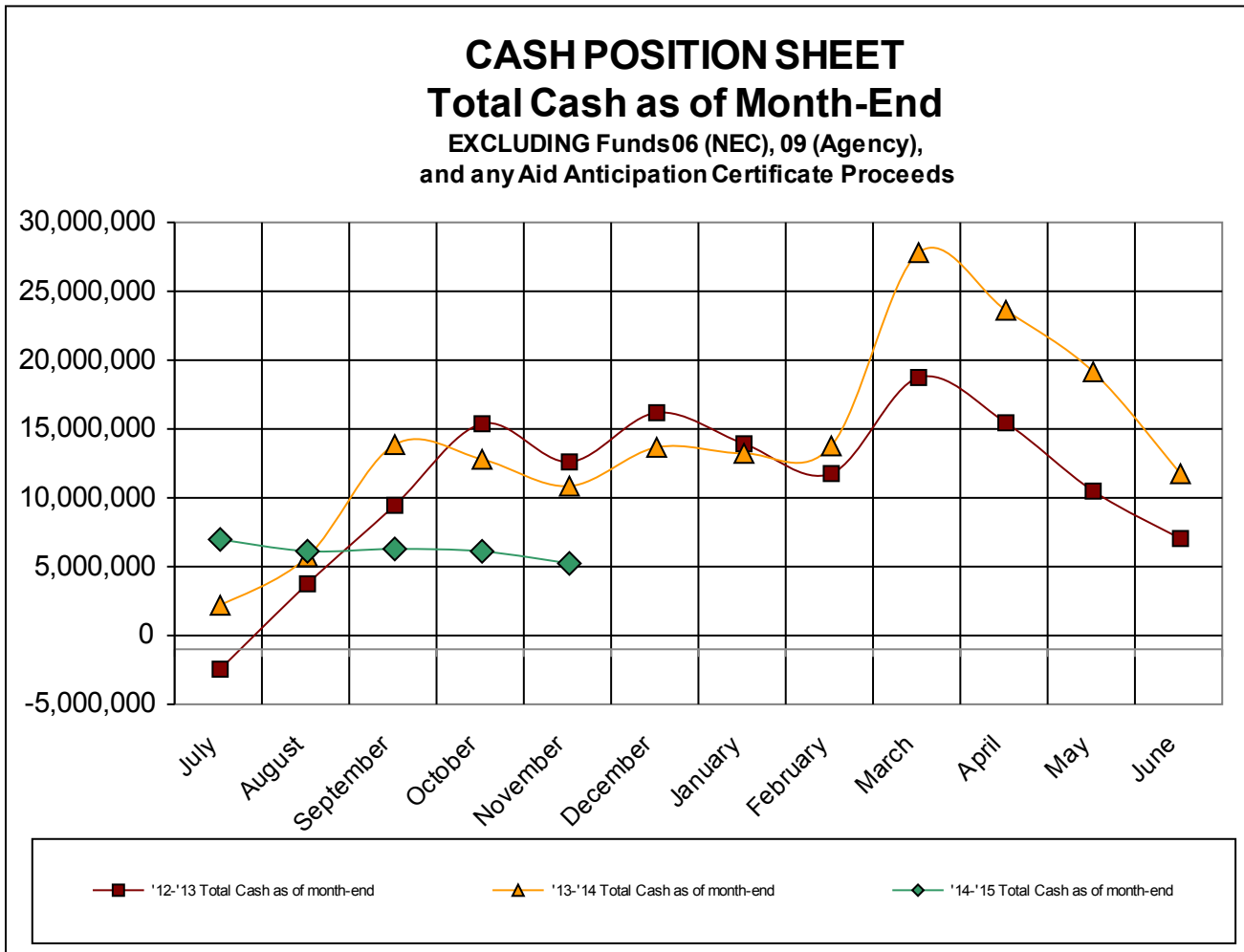
## Cash Position Sheet- Monthly Total Net Cash- All Accounts

- EXCLUDING Funds 06 (NEC Construction), 09 (Agency), and any Aid Anticipation Certif. Proceeds

<u>Date</u>	<b>'12-'13 Total Cash as of month-end</b>	<b>'13-'14 Total Cash as of month-end</b>	<b>'14-'15 Total Cash as of month-end</b>
July	-2,447,118 <sup>1</sup>	2,191,127 <sup>2</sup>	6,975,746
August	3,754,626 <sup>2</sup>	5,718,061 <sup>2</sup>	6,126,182
September	9,454,172 <sup>2</sup>	13,862,706	6,288,912
October	15,382,409 <sup>2</sup>	12,796,587	6,111,818
November	12,605,385 <sup>2</sup>	10,848,256	5,234,858
December	16,180,751 <sup>2</sup>	13,665,705	
January	13,924,956 <sup>2</sup>	13,229,251	
February	11,767,529 <sup>2</sup>	13,767,789	
March	18,741,667 <sup>2</sup>	27,803,669	
April	15,446,038 <sup>2</sup>	23,625,636	
May	10,488,472 <sup>2</sup>	19,151,688	
June	7,041,623 <sup>2</sup>	11,744,521	

<sup>1</sup> excludes Aid Anticipation Certif. proceeds of \$5,900,000.00 in July 2011, paid back in Aug. 2012

<sup>2</sup> excludes Aid Anticipation Certif. proceeds of \$9,900,000.00 in Aug. 2012, paid back in Sept. 2013



**INTERMEDIATE DISTRICT 287**  
**NOVEMBER 2014 ACTIVITY**

**WIRE TRANSFERS IN:**

DATE	AGENCY	TO	EF#	AMOUNT	DESCRIPTION
11/4/2014	HENN TECH COLLEGE	MSDLAF	2202207	17,820.97	INV#72615 GATEWAY TO COLLEGE GRANT
11/6/2014	DEED VOC REHAV GRTS	MSDLAF	2206687	15,735.82	INV#72614 VECTOR YOUTH WORKFORCE GRANT
11/12/2014	EDUC-FNS	MSDLAF	2212449	11,823.37	02F705 FED BRKFST SEPT 2014
	EDUC-FNS	MSDLAF	2212449	329.55	02F705 ST BRKFST SEPT 2014
	EDUC-FNS	MSDLAF	2212449	23,307.60	02F701 FED LUNCHES SEPT 2014
	EDUC-FNS	MSDLAF	2212449	1,396.58	02S300 ST LUNCHES SEPT 2014
	EDUC-FNS	MSDLAF	2212449	2,732.70	02F701 REG LUNCHES SEPT 2014
	EDUC-FNS	MSDLAF	2212449	546.54	02F701 FED HHFKA LUNCH SEPT 2014
	EDUC - STATE AID	MSDLAF	2217616	2,229,728.56	01S360 SPED EDUCATION AID FY14-15
	EDUC - STATE AID	MSDLAF	2217616	398,910.40	01S211 GEN ED AID FY14-15
	EDUC - STATE AID	MSDLAF	2217616	47,591.18	01S211 ONLINE LEARNING FY1314 REC'ABLE
11/25/2014	EDUC-STATE AID	MSDLAF	2241124	30,763.93	01S211 ONLINE LEARNING FY1314 REC'ABLE
	EDUC-STATE AID	MSDLAF	2241124	167,091.42	01S360 SPED EDUCATION AID FY1314 REC'ABLE
	EDUC-STATE AID	MSDLAF	2241124	104,082.65	01S211 GEN ED AID FY14-15
<b>MTD TOTALS</b>				<b>3,051,861.27</b>	

**WIRE TRANSFERS OUT:**

DATE	FROM	AGENCY	WIRE #	AMOUNT	DESCRIPTION
11/6/2014	MSDLAF	WELLS FARGO	2535	1,010,271.53	WELLS FARGO BROKERAGE SVS LLC
11/7/2014	MSDLAF	BANK OF MONTREAL	90000327 - 90000342	55,221.20	A/P P-CARD OCT14 ACT - PD NOV14
	MSDLAF	BANK OF MONTREAL	2536	87,406.42	P-CARD OCT14 ACT - PD NOV14
11/11/2014	MSDLAF	US BANK	70015499 - 70015544	6,732.49	DIRECT DEPOSIT EMPLOYEE EXPENSES FY15
	MSDLAF	US BANK	2537	332.91	MERCHANT CARD FEES OCT14 ACT BK IN NOV14
	MSDLAF	US BANK	267848 - 268823	1,202,011.13	DIRECT DEPOSIT PAYROLL
11/14/2014	MSDLAF	EBC	80000822	21,858.37	EMPLOYEE & EMPLOYER 403B
	MSDLAF	US BANK	80000823	138,436.74	FEDERAL TAXES
	MSDLAF	ING	80000824	2,241.33	MN STATE RETIREMENT SYSTEM - VEBA
	MSDLAF	PERA	80000825	55,371.06	PUBLIC EMPLOYEES RETIREMENT ASSN
	MSDLAF	TRA	80000826	83,249.87	TEACHERS RETIREMENT ASSN
	MSDLAF	EBC	80000827	60,366.83	EMPLOYEE & EMPLOYER 403B
	MSDLAF	US BANK	80000828	314,521.83	FEDERAL TAXES
	MSDLAF	MN DEPT OF REVENUE	80000829	770.78	MN DEPT OF REVENUE-WAGE LEVY'S
	MSDLAF	MN DEPT OF REVENUE	80000830	73,903.85	STATE WITHHOLDING TAXES
	MSDLAF	PERA	80000831	47,677.90	PUBLIC EMPLOYEES RETIREMENT ASSN
	MSDLAF	TRA	80000832	85,335.03	TEACHERS RETIREMENT ASSN
	MSDLAF	EBC	2538	40,522.24	EMPLOYEE & EMPLOYER 403B - RETIREE'S
	MSDLAF	ING	2539	29,878.76	MN STATE RETIREMENT SYSTEM - RETIREE'S
	MSDLAF	US BANK	70015545 - 70015688	15,197.55	DIRECT DEPOSIT EMPLOYEE EXPENSES FY15
	MSDLAF	CHS	2540	40,798.09	CHS FLEX PAYMENTS NOV14
	MSDLAF	US BANK	2541	88.98	ARP FEES VOUCHER ACCT OCT14
	MSDLAF	CHS	2542	212.25	CHS FLEX PAYMENTS NOV14 ADDITION
	MSDLAF	US BANK	268824 - 269782	1,196,089.97	DIRECT DEPOSIT PAYROLL REG
	MSDLAF	EBC	80000833	21,726.60	EMPLOYEE & EMPLOYER 403B
	MSDLAF	US BANK	80000834	137,776.11	FEDERAL TAXES
	MSDLAF	VOYA-ING	80000835	2,241.33	MN STATE RETIREMENT SYSTEM - VEBA
	MSDLAF	PERA	80000836	55,270.01	PUBLIC EMPLOYEES RETIREMENT ASSN
	MSDLAF	TRA	80000837	83,280.14	TEACHERS RETIREMENT ASSN
	MSDLAF	EBC	80000838	59,463.85	EMPLOYEE & EMPLOYER 403B
	MSDLAF	US BANK	80000839	313,885.91	FEDERAL TAXES
	MSDLAF	MN DEPT OF REV	80000840	359.19	MN DEPT OF REVENUE-WAGE LEVY'S
	MSDLAF	MN DEPT OF REV	80000841	73,930.91	STATE WITHHOLDING TAXES
	MSDLAF	PERA	80000842	47,633.24	PUBLIC EMPLOYEES RETIREMENT ASSN
	MSDLAF	TRA	80000843	83,722.64	TEACHERS RETIREMENT ASSN
	MSDLAF	US BANK	3103	156.40	ARP FEES RECEIPT ACCT OCT14
	MSDLAF	US BANK	4115	55.44	ARP FEES PAYROLL ACCT OCT14
<b>MTD TOTALS</b>				<b>5,447,998.88</b>	



**DONATIONS  
INTERMEDIATE DISTRICT 287  
2014-2015**

**November 2014**

<b>DON. DATE</b>	<b>DESCRIPTION</b>	<b>VIN#</b>	<b>EST VALUE</b>	<b>DONOR</b>	<b>SS# OR FED ID#</b>	<b>CAMPUS</b>	<b>PROGRAM</b>
11/12/14	CHECK		\$ 9,500.00	3M FOUNDATION		DSC	DESTINATION IMAGINATION
11/14/14	SCHOOL SUPPLIES		\$ 25.00	GREGORY, LAUREN		NEC	NECA
11/7/14	CHECK		\$ 150.00	GRINDY, CYNTHIA & STEVEN		HTC/EP	CULINARY ARTS
11/12/14	SCHOOL SUPPLIES		\$ 25.00	KARLSON, MICHELLE		NEC	NECA
11/12/14	SCHOOL SUPPLIES		\$ 100.00	LODOEN, DEB		NEC	NECA
11/12/14	SCHOOL SUPPLIES		\$ 20.00	NELSON, KATIE		NEC	NECA
11/11/14	MTD SNOWBLOWER		\$ 150.00	OLSON, JOE		HTC/EP	POWER SPORTS
11/12/14	SCHOOL SUPPLIES		\$ 25.00	SOLBERG, LINDA		NEC	NECA
11/4/14	CHECK		\$ 309.10	TARGET TAKE CHARGE OF EDUCATION		OMEGON	ALL
			\$ 10,304.10				

# Intermediate District 287

## *Responsive. Innovative. Solutions*

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### INTER-OFFICE MEMORANDUM

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DATE: August 22, 2014

TO: Intermediate School District 287 School Board

FROM: Sandra Lewandowski, Superintendent

**RE: Proposed 2014-2015 Superintendent Results (Goals)**

I will be presenting the following two results for your consideration and approval at our September 11 meeting. While all parts of the written responsibilities for the Superintendent will continue to be addressed and evaluated as part of the annual Superintendent evaluation, I am recommending the following two as priority areas for this year's work plan:

1. By May 1, 2015, a three-year school improvement plan will be developed for board approval by utilizing the three major result areas of innovative instruction, student success and collaborative curricula to develop a baseline and critical metrics that will guide/measure our instructional work over time.
2. By May 1, 2015 District 287 will work collaboratively with Hennepin County school districts and Hennepin County Commissioners to improve regional graduation rates by:
  - a) actively participating in the data portability project led by Hennepin County;
  - b) providing active leadership to raise the funding streams for students attending District 287 Area Learning Center programs;
  - c) by identifying and implementing effective strategies to recover and re-engage students who are at very high risk of dropping out of school; and,
  - d) providing regional evidence based professional development aimed at reducing suspensions and other exclusionary practices (A Better Way) that prevent students from graduating.

Thank you in advance for the consideration of these proposed annual results. Please feel free to call me in advance of the August 28 board meeting if you have any questions or concerns.

January 2015  
vol 12 ♦ no 4

## Investing in the Future: Bloomington Public Schools Launches Career and College Academy

### January 9, 2015

#### Legislative Preview

7:30 a.m.—10:00 a.m.  
Grand Hall,  
TIES Conference Center,  
St. Paul

### January 30, 2015

#### Executive/Legislative Committee Meeting

7:30 a.m., TIES  
Conference Center,  
St. Paul

### February 6, 2015

#### Board of Directors Meeting, 7:00 a.m.,

Grand Hall,  
TIES Conference Center,  
St. Paul

### February 27, 2015

#### Executive/Legislative Committee Meeting

7:30 a.m., TIES  
Conference Center,  
St. Paul

**B**loomington Public Schools is launching a new academic opportunity aimed at preparing all students to succeed after high school. The Bloomington Career & College Academy - set to launch in Fall 2015 - will provide high school students the opportunity to explore introductory and advanced technical learning in a hands-on, applied environment.

Bloomington Career & College Academy (BCCA) offers students a unique learning option, aligning courses and curriculum with pre-designed career paths including health science, information technology, criminal justice/law enforcement, and building and construction trades.

Students will graduate from high school workforce-ready, armed with foundational training and credentials that will transition directly to college or the workplace. Some students may graduate with a career certification or credential; all paths include post-secondary education credits and job training.

“With the Bloomington Career and College Academy, we are investing in our students and community,” says Superintendent Les Fujitake. “We know not all students will go to a four-year college or university. Some students may go into the workplace. Some may continue their education. The BCCA will give many students the opportunity to experience college classes and job training that will benefit them no matter what they choose after high school.”

Mykayla, a junior at Bloomington John F. Kennedy High School, will soon be registering for her senior year classes. Like many of today’s high school students, she feels pressure to make the right choices and to decide what she’ll do after high school. She wants to be a pediatrician or a nurse. By enrolling in Bloomington Career and College Academy, she is confident she will have an advantage



The Bloomington Career and College Academy will prepare students to graduate career and college ready.

*Continued on page 2*

## AMSD’s Mission

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



Association of  
Metropolitan School Districts

## From the Chair

**H**appy New Year! It is hard to believe the time has come to kick off the 2015 Legislative Session. I am especially looking forward to AMSD’s annual Legislative Session Preview on Friday, January 9 from 7:30 – 10:00 a.m. in the TIES Conference Center. This is always a great opportunity for metro legislators and superintendents and school board members from AMSD member school districts to interact and discuss important education issues that will surface during the session.

The program includes an overview of AMSD’s 2015 Legislative Platform by three of our distinguished AMSD superintendents. We will also hear a session preview from Commissioner Brenda Cassellius, as well as from a legislative panel of Rep. Jenifer Loon, Rep. Jim Davnie, Sen. Chuck Wiger and Sen. Eric Pratt. I encourage AMSD board members and metro legislators to join us for this informative program!

*Bruce Richardson, school board member from St. Louis Park Public Schools, is chair of AMSD.*

## Bloomington's College & Career Academy Aims to Prepare All Students to Succeed After High School

*Continued from page 1*

over her peers upon graduation, with college credits and skills training earned during high school.

"This is a really good option for me," says Mykayla, who credits her mom for inspiring her to pursue a health care field. "I'm excited to take college classes in my field in high school, and I can make sure a medical profession is a good fit."

Bloomington is placing renewed emphasis on career and college readiness. Armed with statistics showing a skills and achievement gap in Minnesota, along with projections that indicate a shortage of workers over the next 10 years, Bloomington Public Schools is focused on ensuring its high school graduates are prepared to enter the workforce upon graduation.

The pathways offered in Bloomington Career and College Academy were identified using data that shows employment fields with job growth and livable wages requiring some post-secondary education, but not necessarily a four-year degree.

"Bloomington Career and College Academy pathways focus on preparing students with stackable credentials for high-demand jobs that pay a livable wage," says Gary Kressin, BCCA coordinator.

The curriculum is aligned to offer concurrent post-secondary credits along with high school STEM or elective credit. In some cases, upon completion of the entire pathway, a student could earn an industry-recognized certification or other credential. "These are certifications and credentials that employers are seeking," says Kressin. "Whether our students choose employment or further education, they will graduate with employable credentials." The courses and credits are designed to be compatible and transferrable within the Minnesota State Colleges and Universities (MnSCU) system.

"To earn college credits without paying tuition is a huge financial benefit to me and my family," says Mykayla. "Whether I decide to go to college after high school or go right to work, I will stand out from other students because of the classes and training."

The program will expand to include more pathway options in collaboration with the district's education partners and with feedback from business and industry. Bloomington Career and College Academy instructors will work closely with local employers to arrange workplace visits, job shadowing and internship opportunities for students. Students will be paired with a career navigator who will serve as a liaison with the education partners, and to help students transition to college or employment.



Bloomington Career and College Academy students will enhance classroom learning with hands-on, applied learning and job training.

"The program is focused on helping each student create an individual plan that best meets their needs," says Kressin. "We are working closely with employers to identify workforce needs, and our partner schools to align the education and training with the jobs available."

Most students will take classes at the Bloomington Career and College Academy campus, the former Lincoln High School that also houses the district's Community Education offices and programs. Others will be on the campus of an education partner, including Hennepin Technical College, Normandale Community College and Dunwoody College of Technology. Students will take core classes at either Bloomington Jefferson or Kennedy High Schools, enabling them to continue to participate in athletics, activities and clubs.

To ensure all students have the opportunity to choose the Bloomington Career and College Academy, the district is benefiting from United Way funds to help with transportation and other costs. Transportation will be provided between the high schools, the BCCA, and partner campuses at no cost to students. Open enrollment is available for students who are not residents of Bloomington.

"As educators, we work every day to help our students thrive and achieve their dreams," Fujitake said. "The Bloomington Career and College Academy will open a lot of doors for our students, and help place them on the path to success after graduation."

An Open House is scheduled for Feb. 12, 2015, showcasing the Bloomington Career & College Academy campus, with representatives from education and supporting partners, including Normandale Community College, Dunwoody College of Technology, Hennepin Technical College, the Minnesota Building Trades Apprenticeship Program, the Governor's Workforce Development Council, and the Greater Twin Cities United Way.

*This month's member spotlight was submitted by Kate Martin, Marketing and Communications Manager, Bloomington Public Schools.*

# Career & College

ACADEMY  
Bloomington Public Schools



## Build on the Momentum: 2015 AMSD Legislative Platform

The AMSD Board of Directors recently adopted its legislative platform for the 2015 session that will convene on January 6, 2015. AMSD board members are urging the Governor and legislators to build on the momentum from the 2014 session. During the last biennium, state policymakers made significant strides toward restoring Minnesota's commitment to offering a world-class system of public education that allows all students to reach their full potential. Critical investments in all-day Kindergarten and early learning, along with significant property tax reforms, have established a solid foundation for restoring Minnesota's reputation as a national leader in education.

While much was accomplished over the last two years, important work remains if we are to achieve the "thorough and efficient" education funding system envisioned in the State Constitution. The funding system must reliably, equitably and consistently provide the resources school districts need to carry out state mandates and provide the opportunities all learners need to succeed.

A summary of the AMSD legislative platform is below and the complete platform is available on the AMSD web site: <http://www.amsd.org/2015-legislative-platform>

### **FUNDING**

- Increase the basic formula allowance by at least four percent per year for the next biennium and index the formula to inflation in the future;
- Establish an index for local optional revenue to account for regional labor cost differentials;
- Allow locally-elected school boards to renew an existing operating referendum at the same level; and
- Fully fund the state special education funding formula to reduce the special education cross-subsidy.

### **FACILITIES**

**A "thorough and efficient" education funding system must also ensure that locally-elected school boards have the authority to preserve public assets and ensure safe and secure learning environments for students and staff. Toward that end, the Governor and Legislature should:**

- Phase-in eligibility for the Alternative Facilities Program to all school districts by combining the existing Health and Safety and Deferred Maintenance Programs into the Alternative Facilities Program to ensure that school districts are able to preserve public assets and maintain safe learning environments for students, staff and citizens;
- Expand the allowable uses of the building lease levy to include remodeling of existing space, building additions for instructional space, and building modifications to enhance safety and security;
- Maintain additional allowances for members of intermediate, educational cooperative and joint powers districts to ensure the facilities needs of those districts are addressed; and
- Increase the operating capital revenue allowance, index it to inflation and expand the allowable uses of operating capital revenue.

### **LOCAL CONTROL AND MANDATES**

**To encourage innovation and creativity, the State should not limit the ability of locally-elected school boards to work with their administrators, staff, students, parents and communities to address local needs and challenges. "One size fits all" mandates do not recognize the unique needs and challenges individual school districts face. AMSD urges the Governor and Legislature to:**

- Refrain from enacting any new, unfunded mandates and either fund or repeal existing unfunded mandates;
- Provide school boards and administrators the authority to retain their most effective teachers and to strategically deploy staff to enhance student achievement and close the achievement gap;
- Oppose the establishment of a mandatory statewide health insurance pool for school district employees;
- Allow greater flexibility with funding streams including compensatory revenue; and
- Reform the state assessment system by replacing the Minnesota Comprehensive Assessment exams with tests that inform instruction using valid, reliable and real-time data.

*(Continued on page 4)*

# Creating the World's Best Workforce

Continued from page 3

## WORLD'S BEST WORKFORCE SUPPORT

It is also critical that the Governor and Legislature build on the momentum from the last biennium if Minnesota is to create the World's Best Workforce (WBWF). The World's Best Workforce legislation, passed into law in 2013, requires each school district to develop a strategic plan that addresses five key goals. The AMSD Board of Directors has identified the following key elements that the Governor and legislators must address if we are to achieve these ambitious goals.

### **World's Best Workforce Goal #1: All children are ready for school**

- Increase funding for School Readiness programs to ensure all learners are ready for Kindergarten;
- Require that early learning scholarships be used in high quality programs as identified by a 3 or 4 star Parent Aware rating; and
- Create incentives for school districts to work with and strengthen child care providers and align curriculum and train staff across PreK-3.

### **World's Best Workforce Goal #2: All third-graders can read at grade level**

- Allow greater local authority in the use of compensatory revenue to implement local initiatives; and
- Increase funding for the extended time program to expand access and provide additional learning opportunities for students who are behind grade level.

### **World's Best Workforce Goal #3: All racial and economic achievement gaps between students are closed, as well as gaps between students receiving special education services and those that are not**

- Allow locally elected school boards to adopt the school calendar that best meets the needs of their students and community;
- Increase base funding for the Compensatory and English learner programs;
- Fully fund the state special education funding formula to reduce the special education cross-subsidy; and
- Increase funding for school-linked mental health grants.

### **World's Best Workforce Goal #4: All students graduate from high school**

- Establish an equalized technology levy to allow school districts to enhance online and digital learning opportunities;
- Fully fund and align the alternative teacher professional pay system (Q Comp) and the teacher development and evaluation program to enhance professional development and teacher quality for all school districts; and
- Give school boards and administrators the ability to retain their most effective teachers.

### **World's Best Workforce Goal #5: All students are ready for career and college**

- Expand opportunities for students to earn post-secondary credit while in high school;
- Increase funding and flexibility for the Concurrent Enrollment program; and
- Create incentives and remove barriers to innovation and collaboration between and among school districts, businesses, higher education, non-profit organizations and other units of local government.

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



# VISION, MINDSET, GRIT!



## **93rd Annual Leadership Conference**

**January 16–17, 2014**

**Minneapolis Convention Center**

- Phase I, January 14, Hilton Hotel, Minneapolis
- Phase II, January 15, Hilton Hotel, Minneapolis
- Charter School Board Member Training, January 15, Hilton Hotel, Minneapolis
- Evening Early Birds, January 15, Minneapolis Convention Center

# Conference at a Glance

## Tuesday, January 14

6:30 p.m. – 9 p.m. Phase I Orientation (Hilton Hotel)

## Wednesday, January 15

8:45 a.m. – 4 p.m. Phase II Orientation (Hilton Hotel)

8:30 a.m. – 4 p.m. Charter School Board Member Training (Hilton Hotel)

7 p.m. – 9 p.m. Evening Early Birds:  
Student Expulsion and Staff Discipline—It Takes Grit! *or*  
Achieving Higher Student Performance by Building a  
Board EVERYONE Trusts  
(Minneapolis Convention Center)

## Thursday, January 16

7:30 a.m. Registration  
8 a.m. Exhibit Hall opens  
8:15 a.m. Board Skills Sessions  
8:15 a.m. Board Chair Q & A with MSBA  
9 a.m. General Session – Scott Burrows: Vision, Mindset, GRIT!  
11 a.m. Exhibit Hall time  
11:15 a.m. Show and Tell  
11:30 a.m. Recognition Luncheon  
12:50 p.m. Director District Discussions  
1:30 p.m. Tom Melcher, MDE Finance Director: School Finance Update  
2:30 p.m. Workshops  
3:45 p.m. Workshops  
4:50 p.m. Roundtables

## Friday, January 17

7:30 a.m. Registration & Exhibit Hall opens  
8 a.m. Roundtables  
9:15 a.m. Workshops  
10:20 a.m. Closing Session – William Kent Krueger: Giving Kids Literacy—A Window to the World  
Noon Adjourn

For a complete agenda and workshop descriptions, go to [www.mnmsba.org](http://www.mnmsba.org). Register for housing online at [www.mnmsba.org](http://www.mnmsba.org) or call 888-947-2233 between 9 a.m. and 3 p.m.

Thanks to Ratwik, Roszak and Maloney, P.A., for supporting the printing and mailing of this conference brochure.

# Featured Speaker

**Thursday, January 16**

**Scott Burrows**

**Vision, Mindset, GRIT!**



A former standout college athlete who experienced a life-changing car accident at age 19, inspirational speaker Scott Burrows employs his paralysis as a visual metaphor. He encourages his audiences to stand up to their challenges—regardless of circumstances—and achieve their absolute best using the same three dynamic principles that helped him reach his own goals: Vision, Mindset and Grit. Scott's message of hope and success has transformed audiences around the world.

## **Biography**

Scott Burrows is an author, businessman, athlete and motivational speaker. He played college football at Florida State University, and was a top-ranked kick-boxing champion with matches broadcast on ESPN. After graduating from college, he became a top producer in the financial and insurance industry, qualifying for Million Dollar Round Table, before forming his own company, Global Golf Group, a successful international firm specializing in golf course development. His recent book, "Vision, Mindset, GRIT!" was published in December of 2012.

**Friday, January 17**

**William Kent Krueger**

**Giving Kids Literacy—A Window to the World**



New York Times best-selling author William Kent Krueger will discuss the importance of literacy. "Anybody who believes they have only one life to live, must not know how to read a book," Krueger said. "Literacy is a window to the world. Literacy, for so many kids, is the only way they are ever going to travel to another country or to meet another culture or to have the experience of walking in someone else's shoes." Krueger will single out the book that had the biggest impact on his young life—"The Happy Family" from the classic Little Golden Book series.

## **Biography**

Krueger, a resident of St. Paul, has published 15 novels. His "Cork O'Connor" mystery series is set in fictional Tamarack County in the Minnesota Northwoods. Krueger's work has received a number of awards, including the Minnesota Book Award, the Loft-McKnight Fiction Award, the Anthony Award, the Barry Award and the Friends of American Writers Prize. He attributes his success as a writer to the wonderful stories he read as a child.

# Pre-Conference Extras

Registration begins 30 minutes before the program.

## Phase I

6:30 p.m. – 9 p.m., Tuesday, January 14

Hilton Hotel, Minneapolis

Tuition: \$75; Walk-ins add \$10

Help new board members hit the ground running with this session. Phase I covers the role of the school board, the role of the superintendent, and common scenarios facing new board members.

## Phase II

8:45 a.m. – 4 p.m., Wednesday, January 15

Hilton Hotel, Minneapolis

Tuition: \$130; Walk-ins add \$20

Presented by MSBA staff and state experts. Phase II includes the financial training school boards are required to have by state law. The session covers core topics such as the budget, school financing, local levies, policies, significant laws affecting school boards, collective bargaining and personnel issues.

## Charter School Board Member Training

8:30 a.m. – 4 p.m., Wednesday, January 15

Hilton Hotel, Minneapolis

Tuition: \$150; Walk-ins add \$20

Presented by MSBA staff. This training covers the three mandated charter school board member areas of governance, employment and finance. Charter board members are required to start these trainings within six months of election to a charter board and complete the trainings within one year.

Registration information for the Charter School training can be found at [www.mnmsba.org](http://www.mnmsba.org).

# Pre-Conference Extras: Evening Early Birds

## **Student Expulsion and Staff Discipline—It Takes Grit!**

7 p.m. – 9 p.m., Wednesday, January 15

Minneapolis Convention Center

Tuition: \$75; Walk-ins add \$10

Presenters: Jill E. Coyle, attorney for Rosemount-Apple Valley-Eagan Public Schools; Nik Lightfoot, Director of Administrative Services, Hopkins Public Schools; and Margaret J. Westin, General Counsel, Osseo Area Public Schools

Expelling a student and disciplining a staff member can be two of the most difficult decisions made by school board members. Three in-district attorneys will present the policies and processes leading up to the superintendent's recommendation to the school board regarding employee or student discipline, including a mock expulsion hearing. Find out what information you should receive to support your decision at the board table.

## **Achieving Higher Student Performance by Building a Board EVERYONE Trusts**

7 p.m. – 9 p.m., Wednesday, January 15

Minneapolis Convention Center

Tuition: \$75; Walk-ins add \$10

Presenter: Steve Lamb, Board Development Specialist, Oregon School Boards Association

Steve Lamb has 37 years of program management and community engagement experience helping groups set goals and build the will to achieve them by using the following principles:

- Start with what you have (asset mapping), not what you need.
- Make the best use of what you already have before requesting access to more.
- Deliver a motivational paycheck to paid and volunteer staff (understanding that the currency is different for each individual).
- Involve everyone to the degree they desire, using techniques that make even the smallest contributions valuable in the aggregate.
- Build trust through regular and transparent self-evaluation, modeling the desire to improve.
- Celebrate success, both for the warm feelings and the opportunity to discuss next steps.

## Workshop Topics & Special Features

Workshop Topics: A complete list with descriptions is available at [www.mnmsba.org](http://www.mnmsba.org).

Some of the featured workshops include: A 21st Century Learning Center; an update on Teacher and Principal Evaluation Working Group; Passing a Levy in a Presidential Election Year; Understanding the Minnesota Measurement Rating System; School Safety and Bullying Prevention; School Nutrition Programs; Struggles and Successes of a Small School PLC Implementation; Budget Boot Camp; Superintendent-School Board Relationships; and much more!

### SPECIAL FEATURES

#### Skills Sessions

Join us Thursday morning for special sessions on the nitty-gritty aspects of school boarding: the Open Meeting Law; Superintendent contracts; and legislative advocacy. There's also a special session for board chairs to talk to MSBA Executive Director Kirk Schneidawind about what districts need from the association.

#### Show and Tell

Visit with proud Minnesota students who are showcasing unique programs from their schools.

#### Recognition Luncheon

Celebrate the accomplishments of Minnesota's school leaders at Thursday's luncheon. Registration is required.

#### Round Tables

Join us for two 20-minute Thursday sessions at 4:50 p.m. in the Registration Area, and three rounds of information-packed mini-sessions Friday at 8 a.m. in the Exhibit Hall. These informal sessions are a great chance for questions and answers with an expert in a small-group setting. Topics this year include...

#### Director District Discussions

Your MSBA district representatives will be setting aside time to meet with regional board members to discuss issues of concern. Each of the directors will have a roundtable discussion on topics specific to their region. Director positions up for election will also have presentations from board members running for those positions.

## Make your hotel reservation today for the Leadership Conference

Housing is open for the 2014 MSBA Leadership Conference. MSBA is highly encouraging you to **make your hotel reservation early** at one of our long-time conference hotels (the Hilton Minneapolis, the newly remodeled Millennium Hotel, and Hyatt Regency). Make your housing reservations as early as possible by going to our website at [www.mnmsba.org](http://www.mnmsba.org); click on Housing Information.



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There is no fee required for the conference, but your superintendent must register attendees for the Recognition Luncheon and Early Birds by Thursday, Jan. 9. Cancellations will be refunded until Friday, Jan. 10. On-site registration, add \$10. Register online at [www.mnmsba.org](http://www.mnmsba.org), fax to 507-931-1515, or send form to MSBA, 1900 W. Jefferson Ave., St. Peter, MN 56082-3015.

<b>District Name and Number</b>	<b>Student Expulsion &amp; Staff Discipline \$75</b>	<b>A Board EVERYONE Trusts \$75</b>	<b>Recognition Luncheon \$30</b>	<b>TOTAL DOLLARS</b>
<input type="radio"/> Supt.				
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Additional registrants may be listed on a separate page.

Payment enclosed     Invoice the district

**TOTAL**

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Annual  
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**NSBA**

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# EMPOWER

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## THREE DAYS OF ESSENTIAL PRESENTATIONS AND EXPERIENCES TO ENERGIZE YOU AND YOUR DISTRICT.

Align your conference sessions with the content that fosters growth and supports you, your staff, and your students.

With sessions organized into focus areas, it's easy for your team to find the content that best benefits your district.

### Governance and Executive Leadership



Effective leadership skills are necessary to transform public education. Learn how to align resources to achieve district standards and priorities and understand education reform.

### Innovations in District Management



Learn how to deal with economic challenges, manage local bond initiatives, and deal with hot topics such as common core standards and data-driven decisions.

### Legal and Legislative Advocacy



Shape the debate: Learn about current national topics that are affecting education leaders and impacting local control and governance.

### Professional and Personal Development



Take in knowledge designed specifically for you and your personal development – from leadership skills and managing people to making better personal use of technology.

### School Board/Superintendent Partnerships



Learn the different roles and responsibilities of the board and superintendents, and how to collaborate and develop long-term successful relationships inside and outside the system.

### Student Achievement and Accountability



Understand the factors which set conditions to optimize teaching and learning, narrow or eliminate the achievement gap, accountability, and continuous improvement within a system.

### Technology + Learning Solutions



Hands-on sessions, workshops, and site visits on how technology is transforming school districts with relevant knowledge for technology directors, administrators, and board members.

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*The National School Boards Association is a not-for-profit organization representing state associations of school boards and their member districts from across the United States. Its mission, working with and through state associations, is to advocate for equity and excellence in public education through school board leadership. NSBA Annual Conference complements the state-specific professional development opportunities provided by the state associations.*

# INSPIRE



**KEYNOTE:** Friedman



Goyal



Maiers



**KEYNOTE:** Robinson

## GENERAL SESSION SPEAKERS

Gain insight into our global challenges with these instrumental thought leaders.

**Saturday, April 5**

**8:00 AM – 9:30 AM**

**THOMAS L. FRIEDMAN**

Bestselling author of *The World is Flat* and columnist for *The New York Times*, Tom Friedman is renowned for his direct reporting and sophisticated analysis of complex issues facing the modern world. According to *Foreign Policy* magazine, "Friedman doesn't just report on events; he helps shape them." Winner of three Pulitzer Prizes, he has covered monumental stories from around the globe for *The New York Times* since 1981.

**Sunday, April 6**

**10:00 AM – 11:30 AM**

**SIR KEN ROBINSON**

Sir Ken Robinson, PhD, is an internationally recognized leader in the development of education, creativity, and innovation. The videos of his famous 2006 and 2010 talks to the prestigious TED Conference have been seen by an estimated 200 million people in over 150 countries. He speaks to audiences throughout the world on the creative challenges facing business and education in the new global economies.

Designed to be thought provoking, groundbreaking, and mind-blowing, these three presenters will share their innovative strategies for moving education forward for America's school children. No wallflowers allowed — bring your passion to share with these insightful leaders.

**Monday, April 7**

**8:00 AM – 9:00 AM**

**MORNING GENERAL SESSION**

**NIKHIL GOYAL**

*Education Author & Speaker*

Lauded by the *Washington Post* as a future U.S. Secretary of Education, at age 17, Nikhil Goyal is the author of *One Size Does Not Fit All: A Student's Assessment of School*, by the Alternative Education Resource Organization. His work has appeared in *The New York Times*, *Wall Street Journal*, *Washington Post*, MSNBC, NPR, FOX and Friends, FOX Business, NBC Nightly News, *The Globe and Mail*, *Huffington Post*, *Fast Company*, *Psychology Today*, and *Education Week*. In 2012, Goyal was named one of the "World Changers" for Dell #Inspire 100. He is also 2013 Forbes 30 Under 30: Education and *ORIGIN Magazine: The Nation's Top Creatives*.

**ANGELA MAIERS**

*Educator, Author, & Speaker*

Whether she is addressing an auditorium full of educators or sitting on the floor helping first graders find their way into the pages of a great book, Angela Maiers' message is the same: literacy changes lives. As a teacher educator, author, and consultant, Angela has spent the past 22 years working diligently to help learners of all ages succeed by recognizing their power as readers, writers, and global communicators.

**Monday, April 7**

**2:00 PM – 3:30 PM**

**CLOSING GENERAL SESSION**

Make sure you don't miss this closing session! We will finish the Annual Conference with inspiration and reflection to feed our passion and purpose as we return to our homes energized and mobilized!



# EDUCATE

## PRE-CONFERENCE WORKSHOPS • FRIDAY, APRIL 4

Start your learning experience early with a thorough examination of issues important to you.

### Morning Sessions • 9:00 AM – Noon

#### #1 What Every School Board Member Should Know About School Law Issues Today



Recognized school law experts from the NSBA Council of School Attorneys will provide an informative introduction to key concepts, legal standards, and principles that school board members must understand before making decisions about two hot topics – religion in the schools and employee rights. Walk away with a better awareness of the questions you should be asking your school attorney before problems arise.

**Presenters:** Jay Worona, General Counsel, New York State School Boards Association; Nancy Fredman Krent, Partner, Hodges, Loizzi, Eisenhammer, Rodick & Kohn, LLP

#### #2 Reinventing Your School Board from the Ground Up



What if your school board could reinvent itself? Would it look as it does now? Join us for this thought-provoking session and learn how Coherent Governance®, a state-of-the-art governance operating system, can position your board to lead with integrity, pride, and coherence to achieve systemic and systematic focus on student achievement. Discover how to forge a governance culture that represents what you and your colleagues believe your job really is and how it should be done.

**Presenters:** Randy Quinn and Linda Dawson, The Aspen Group International, LLC

#### #3 Evaluating the Board and the Superintendent: Stop, Look, Listen, Act



High-performing school districts are led by school boards and superintendents that value and practice continuous improvement, align their work, and hold themselves accountable for improving student achievement. Join us in an interactive session where you will learn how to align the evaluation process to the strategic improvement plan and how to apply the simple principles of “stop, look, listen, act” to create a culture of excellence.

**Presenters:** Tony Arasi, Director of Professional Development; Mark Willis, Assistant Executive Director, Georgia School Boards Association; Wanda Creel, Superintendent, Barrow County Schools

#### #4 Follow the Blueprint for a Successful Strategic Planning Process



From readiness to celebration, get a nine-step blueprint that includes tools for visioning, values identification, crowd sourcing, climate and culture management, data-driven decision-making, budgeting, goal-setting, and superintendent evaluation. Learn to help your district reduce resistance to change and infuse your plan with confidence-building protocols, and how to avoid certain brain-based biases to increase staff motivation, community engagement, and student success.

**Presenters:** Peggy Holstedt, Director of Policy Services and Board Development; Steve Lamb, Board Development and Policy Services Specialist; Renee Sessler, Board Development Specialist, Oregon School Boards Association

#### #5 Understanding the Key Work of School Boards



Research on school board governance has demonstrated that leadership teams in districts with higher student achievement are significantly different in knowledge, beliefs, and actions from the boards in lower achieving districts. Take an interactive walk through the *Key Work of School Boards Guidebook* and explore eight systematic thinking action areas designed to keep achievement at the heart of the conversation.

**Presenters:** Edward Shirley and Ann Meyer, The Legacy Group

#### #6 When Reporters Call... And When They Don't: Getting Your Message Out



The image of a school board and a district can be lifted or damaged depending on coverage in the news media. One element to better coverage happens when leaders do better interviews. But districts can't depend on media coverage alone to tell their success stories. Participants in this workshop will build new interview skills – including seeing live mock interviews – and learn about non-media avenues to get information to the community at large.

**Presenter:** Brad Hughes, Director Member Support, Kentucky School Boards Association

#### #7 Education Content for the iPad



iPad is changing the learning experience, making it more engaging, interactive, and completely mobile. Get an overview of amazing apps for teaching and learning, see interactive iBooks textbooks built with iBooks Author, and learn how iTunes U gives educators powerful tools to develop and distribute courses featuring audio, video, books, and other content. Discover how iPad is changing the classroom and what you need to know to understand today's digital revolution. iPads will be used in the session with pre-loaded applications. Please do not bring your own iPad.


*Limited to 20 participants.*



Cost for each half-day morning and afternoon session is \$170 for National Connection districts, Technology Leadership Network districts, and CUBE districts. \$195 for all others.


## Afternoon Sessions • 1:30 PM – 4:30 PM

### #8 The Student Support Card: Measuring What Kids Need to Achieve

 Are you getting results from your investments in family engagement, caring and connected school, and social-emotional learning programs? Students who come to school with a rich developmental ecology perform better in school; but talking with families about their shared responsibility can make schools sound defensive and judgmental. Learn how the Student Support Card, a measurement tool, takes the risk out of measuring the support a student receives from school and beyond.


**Presenter:** Derek Peterson, Founder, International Institute for Student Support

### #9 The Data Made Me Do It! Using Data to Make Difficult Decisions in Difficult Times

 Data is fundamental to effective school board governance. Explore how school boards can use the data cycle — a data decision making process — to set goals, align resources, support effective programs and practices, and measure results in terms of improved student outcomes. Learn to apply the data cycle to implementing high standards, including the common core, and to evaluating and increasing teacher effectiveness. This workshop was developed by NSBA's Center for Public Education in partnership with state school boards associations in California, Illinois, and Michigan.

**Presenters:** Patte Barth, Director, Center for Public Education, National School Boards Association; Nesa Brauer, Consultant, Board Development, Illinois Association of School Boards; Sandra Kwasa, Director, Board Development, Illinois Association of School Boards


### #10 Being a Q2 High-Performing District Leadership Team: Using the Eight Characteristics of Effective School Boards to Improve Student Learning and Achievement

 Every high-performing educational system has unique processes and structures that allow it to perform at higher levels in Q2. Examine the governance practices used by the Forest Park School District 91 and how the leadership team used NSBA's Eight Characteristics of Effective School Boards to achieve high student achievement. Learn their culture and planning cycle, and how they stay in Q2.

**Presenters:** Jeffery Cohn, Director of Field Services, Illinois Association of School Boards and Certified in FranklinCovey Inspiring Trust™; Louis Cavallo, Superintendent; Frank Mott, Board President; Mary Win Connor, Board Vice President, Forest Park District 91


*Pre-registration and an additional fee, including for guests, are required for all Pre-Conference Workshops. See registration form on page 23 for all fees.*

### #11 School Safety Choices: Proactive Mindfulness or Messy Crisis Response

 Students can only achieve their potential if schools provide a safe learning environment that parents and staff can trust. Acquire strategies and skills for developing a prevention-focused school culture that incorporates mindfulness and developmental assets theory used by progressive school districts. Receive a customizable crisis plan template; acquire an evidence-based approach for conducting school/community stakeholder-driven student threat assessment; and more.


**Presenters:** Winton Goodrich, School Safety Consultant; Pat Messerle, School Psychologist and Consultant

### #12 When Reporters Call...and When They Don't: Getting Your Message Out

 A repeat of the morning session #6 pre-conference, sign up for only one.


**Presenter:** Brad Hughes, Director Member Support, Kentucky School Boards Association

### #13 Invent to Learn

 Join other Board members for a day of hard fun and problem solving — where computing meets tinkering and design. The workshop begins with the case for project-based learning and an exploration of how making, tinkering, and engineering are the best ways to support the Common Core and the Next Generation Science Standards. You will view examples of children engaged in complex problem solving with new game-changing technologies and identify the lessons for district policy. Participants will have the chance to tinker with a range of exciting new low- and high-tech construction materials that can amplify the potential of students in every subject, grade level, and socio-economic status. The workshop will give you first-hand experience that will be invaluable as you grapple with the coming changes to education in the 21st century.

**Presenter:** Dr. Gary Stager, Writer and Consultant, CA


### #14 Education Content for the iPad

 A repeat of the morning session #7 pre-conference, sign up for only one. *Limited to 20 participants.*

## Full-Day Session • 9:00 AM – 4:30 PM

Cost for full-day session is \$270 for National Connection districts, Technology Leadership Network districts, and CUBE districts. \$320 for all others. (Lunch on your own NOON – 1:30 PM.)

### #15 Superintendent Evaluation: Improving School Board Capacity for Objectivity and Fairness

 Superintendent evaluation can be a challenging endeavor. New research reveals what board members actually consider when conducting superintendent evaluation. Explore how this affects the validity and fairness of the outcomes. Discover ways to offset bias and substantiate ratings for an objective evaluation of superintendent performance. Learn how to incorporate an annual evaluation cycle with clear and agreed upon goals and understanding of success.

**Presenters:** Phil Gore, Director of Leadership Development Services, Washington State School Directors' Association; Roberta Kramer, Superintendent, Riverside School District

# INNOVATE

## FOCUS ON...

Expand your perspective through the experiences and lessons of renowned educational thought leaders.



Best



Burmark



Domenech



Gentzel



Goodrich



Silver

## Saturday, April 5

10:00 AM – 11:30 AM

### The Leader of the Future



What is required to be a highly effective leader in 2014? Does it require respect, vision, honesty, communication, teamwork, integrity, and ethics? Yes and more! This will focus on the characteristics, skills, attitudes, and behaviors that are demanded by top talent of leaders they willingly follow.

**Presenter:** John Spence, Author of *Awesomely Simple – Essential Business Strategies for Turning Ideas Into Action*

1:30 PM – 2:45 PM

### Focus on...Educational Inequity



Charles Best, founder of education crowdfunding platform DonorsChoose.org, explains why teachers at half of all the public schools in America have created projects on this nonprofit website. He'll also share "big data" insights about which resources teachers most need, and recount how his mother's pear dessert sparked a movement that has channeled \$180 million in giving to public school classrooms.

**Presenter:** Charles Best, Founder and CEO, DonorsChoose.org

1:30 PM – 2:45 PM

### The New Normal: Dealing Effectively with Change



Anytime there is economic or organizational turmoil and you are faced with significant change, it is absolutely critical to help people understand how to effectively embrace change and move forward proactively towards the "new normal." Learn about the emotional cycle that people move through as they struggle with change and learn specifically what must be done to create an organization that can deal successfully with change.

**Presenter:** John Spence, Author of *Awesomely Simple – Essential Business Strategies for Turning Ideas into Action*

3:45 PM – 5:00 PM

### They Snooze, You Lose: 10 Shots to Caffeinate Your Presentations



Have you fallen into the PowerPoint trap, reading bullet points to a dozing audience? In this engaging multimedia session, discover quick-and-easy fixes for the presentation you're giving tomorrow. Get fun, replicable tips on involving your audience (such as using popcorn to boost retention 10–50%) and links to awesome free resources! Plus, enter to win fabulous prizes, including an LCD projector!

**Presenter:** Lynell Burmark, Associate, Thornburg Center

3:45 PM – 5:00 PM

### Focus on...School Board and Superintendent Relations



A discussion with the Executive Directors of the National School Boards Association (NSBA) and the American Association of School Administrators (AASA) about school board and superintendent relations. Learn how the two organizations can work together towards the accomplishment of common goals.

**Presenters:** Thomas Gentzel, National School Boards Association; Dan Domenech, American Association of School Administrators

## Sunday, April 6

8:00 AM – 9:30 AM

### Reaching Common Ground with Difficult People: Strategies for Making High Stakes Leadership Team Decisions



Participants will acquire new skills for dealing with challenging board member, administrator, and citizen behaviors. This workshop will give school leaders insight into WHY people react the way they do, and will provide tools for dealing with difficult interpersonal dynamics. Exciting facts on the latest brain research will help individuals understand what occurs within the body during the stress of decision making. Attendees will acquire deeper insight about the needs and desires of other leadership team members through a simple communication and decision-making survey process.

**Presenter:** Winton I. Goodrich, Goodrich Consulting and Facilitation Co.



Spellos




Spence



**1:30 PM – 2:45 PM**


### Focus on... Teaching Kids to Succeed: Fall Down 7 Times, Get Up 8

 Do you ever hear “Just how am I supposed to motivate kids?” The real question is how do we get them to motivate themselves? Learn surprising new findings about fundamental ways we can change teaching practices to help kids become self-motivated. Come prepared to have your thinking challenged and to receive a multitude of strategies that help learners develop internal motivation and resiliency.

**Presenter:** Debbie Silver, Speaker, Humorist, Author of *Fall Down 7 Times, Get Up 8: Teaching Kids to Succeed*

**1:30 PM – 2:45 PM**


### Smart Phones...Smarter Business

 Have you unlocked all of the killer tools from your smart phone? Are you really using your iPad (or other tablet) to help enhance your productivity? Jim Spellos is a certified Microsoft Office Specialist (MOS) and President of Meeting U, a company specializing in teaching technology applications. This interactive session will provide ideas for learning what these smart devices can do for all your business needs and help you maximize their use and your productivity. Attendees are encouraged to bring their devices and share best practices with their favorite mobile tools and apps.

**Presenter:** Jim Spellos, President, Meeting U

**3:30 PM – 5:00 PM**

### Reaching Common Ground with Difficult People: Strategies for Making High Stakes Leadership Team Decisions


 A repeat of the morning session from 8:00 AM – 9:30 AM.

**Presenter:** Winton I. Goodrich, Goodrich Consulting and Facilitation Co.

## Monday, April 7

**9:30 AM – 10:45 AM**


### Social Tsunami: How to Drink from the Information Fire Hose Using a Straw

 Are you overwhelmed with information? Can't keep up with the tidal wave that comes from different tech resources? Take control of the Social Tsunami by learning about content curation. Curation makes you a content publisher, and provides the tools to manage the information flow that comes into your computer, tablet, or smart phone. These tools are the critical time savers and information managers every business person needs.

**Presenter:** Jim Spellos, President, Meeting U

**12:30 PM – 1:45 PM**

### Google-licious: How to Find Anything on the Internet

 Back by popular demand, Jim Spellos will present his Google-licious session that has been so overwhelmingly popular since being introduced in 2009. This session is for everyone, from Google novices to pros interested in learning how to use various search tools to find what you need, when you need it.

**Presenter:** Jim Spellos, President, Meeting U

## SUCCESS

*“It’s rewarding to hear other districts’ success stories, to meet board members from across the nation and to be part of the nation’s bigger picture.”*

**Ruth Greco, Ritenour, Missouri**

# CULTIVATE

## NEW SCHOOL BOARD MEMBER BOOT CAMP

For new board members in need of essential skills and understanding, NSBA's Board Member Boot Camp has a proven and praised curriculum — from ethics and decision making to financial oversight and basic regulations.

Friday, April 4

### PRE-CONFERENCE

1:30 PM – 4:30 PM

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



Ethical and appropriate behavior for school board members is expected. Yet, problems arise during meetings that can interfere with the important work getting accomplished. Interact with your colleagues in a mock school board meeting conducted by members of the NSBA Board Member Boot Camp Faculty to examine what works and what doesn't in your meetings.

**Facilitated by:** Kitty Blumsack, Director of Board Development, Maryland Association of Boards of Education; Terry McCabe, Consultant and Former Associate Executive Director, Maine School Boards Association

*Advance registration and an additional \$75 fee are required for the pre-conference Board Member Boot Camp session. See registration form on page 23.*

Saturday, April 5

10:00 AM – 11:30 AM

#### The Key Work of School Boards — An Overview



The Key Work of School Boards framework provides school board members with tools and information for improving their leadership skills and raising student achievement. Learn about the eight Key Action Areas for school leaders and how to apply them to your own district.

**Presenter:** Kitty Blumsack, Director of Board Development, Maryland Association of Boards of Education

1:30 PM – 2:45 PM

#### Data-Driven Decision Making



Data matters. Education data, used well, can help school board members make good decisions — ones based not on the loudest voices or the latest theories, but on the facts about what students need and how they are currently doing. Learn how to ask board-level questions regarding data, including how can and should data inform decision making?

**Presenters:** Sandra Kwasa, Director, Board Development; Nesa Brauer, Consultant, Board Development, Illinois Association of School Boards

3:45 PM – 5:00 PM

#### Basic Parliamentary Procedure for NEW Board Members



Lots can happen (and happen very quickly) during a school board meeting that will prevent you from obtaining your desired outcomes. A basic understanding of Robert's Rules of Order for your meetings is a critical tool for every new school board member.

**Presenter:** Paul Krohne, Executive Director, South Carolina School Boards Association

Sunday, April 6

8:00 AM – 9:30 AM

#### Federal Advocacy: The Legislative Process, The Issues, & Your Important Role as an Advocate



Federal legislation has direct policy and financial impacts on local public schools. Students and federal legislators need to hear the local impact directly from you, their constituent. Learn the basics of how Capitol Hill works, some of the latest issues facing school board members, and the important role that board members can play as a voice for their school district.

**Presenter:** Kathleen Branch, Director, National Advocacy Services, National School Boards Association

1:30 PM – 2:45 PM

#### The Basics of Financial Oversight



Oversight of school district financial matters is an essential board responsibility, one that all board members must develop an appropriate level of understanding about. Increased public and regulatory scrutiny during difficult economic times demands that boards develop strategies that allow them to fulfill their oversight responsibility without micromanaging.

**Presenter:** Barry J. Entwistle, Director of Leadership, New York State School Boards Association

3:45 PM – 5:00 PM

#### Student Aspirations: The Role of Your School Board



Everyone talks about the need to improve student aspirations, but the Quaglia Institute for Student Aspirations (QISA) has researched the eight conditions necessary to raise student aspirations and partnered with Maine School Management Association to develop a handbook to guide this process. Learn the role of your board in improving the aspirations of your students and leave with a copy of the handbook *School Board Members: Reflect...Inspire...Make a Difference*.

**Presenter:** Terry McCabe, Consultant and Former Associate Executive Director, Maine School Boards Association

# ADVOCATE


## EXPANDING YOUR KNOWLEDGE AND SKILLS

Expand your understanding of national issues and how they impact your district. Then learn how to get involved and advocate for public education in your state.

**Saturday, April 5**

**3:45 PM – 5:00 PM**

### Maximizing Your Meetings with Members of Congress

 In this interactive session, learn how to get the most out of face-to-face meetings with members of Congress. View NSBA's video on How to Lobby Your Members of Congress, and learn strategies for gaining control of the meetings and getting a stronger commitment from your members of Congress.


**Presenters:** Federal Advocacy and Policy Staff, National School Boards Association



**Sunday, April 6**

**8:00 AM – 9:30 AM**


### The 2014 NSBA School Law Docket: A View from the High Court

 Join NSBA General Counsel Francisco M. Negrón, Jr., for a survey of cases impacting public schools in 2014 in the United States Supreme Court and across the national school law docket. Take an inside look at the High Court's decisions and at current cases, including the Court's continuing struggle with racial diversity in student bodies, and learn about trends in bullying, speech, and employment law matters with implications for public schools across the country.

**Presenter:** Francisco M. Negrón, Jr., General Counsel, National School Boards Association

**3:45 PM – 5:00 PM**

### National Education Spotlight: Federal Legislative Update

 Join NSBA's advocacy staff to learn about new Congressional education initiatives impacting student achievement and school delivery of educational services. Expand your knowledge about federal legislation and policy and find out how you can get involved.

**Presenters:** Federal Advocacy and Policy Staff, National School Boards Association


# EMPOWER

## A DEEPER LOOK: TURNING CHALLENGES INTO OPPORTUNITIES

**Saturday, April 5**

**2:00 PM – 5:00 PM**

### 12 Strategies High-Poverty Schools Can Use to Become High-Performing Schools


 Recent case studies from high-performing/high-poverty schools coupled with two decades of research provide compelling insight into what it takes to make a dramatic turnaround. Learn 12 specific strategies that provide an essential foundation for success in any underperforming school. Through better understanding of how high-performing/high-poverty schools achieve success, board members will acquire specific strategies and identify action steps to best support their district's students.

**Presenter:** William Parrett, Director, College of Education, Boise State University

**Sunday, April 6**

**2:00 PM – 5:00 PM**

### School Improvement Using the Eight-Step Process

 The Eight-Step Process is a continuous improvement process with a systematic approach to school improvement using research-based principles to promote equity and excellence for all. It gives board members, along with a leadership team of central office, principals, and teachers, a plan for improving student achievement, changing the pattern of random acts of school improvement. Presenters have 10 years of data from around the country demonstrating real results within one year. Bring a team!

**Presenters:** Peggy Hinckley, Peggy Hinckley Consulting LLC; Patricia Davenport, Patricia Davenport Consulting LLC

# ADVANCE

## TECHNOLOGY + LEARNING

Experience a variety of choices for up-to-the-minute development in technology.



MAKE

I.T. WORK

FOR YOU



Saturday, April 5

10:00 AM – 11:30 AM

### NSBA's Annual Technology Innovation Showcase Showdown

This fast-paced session will introduce new approaches to old problems from emerging companies identified by NSBA's Technology Leadership Network. Each company will have only five minutes to tell you what they are solving and give a snapshot of their solution. Audience insights and reactions are key to this interactive session designed for those who embrace innovation!

**Presenter:** Ann Flynn, Director, Education Technology, National School Boards Association

1:30 PM – 2:45 PM

### Serious Games, Serious Learning

Get a global perspective about how serious games are changing learning in schools, industry, and the military and hear how students who develop their own STEM-related games are excelling in districts across the country.

**Presenters:** Jim Brazell, Founder, VentureRAMP, Inc., TX; Worldwide Workshop Representative

3:45 PM – 5:00 PM

### Where Invention and Design Meet Tomorrow's Technology

Board members will learn how technological game-changers, such as 3D printing, robotics, and computer programming, can be a vital part of 21st-century learning in STEM and across the curriculum K-12. From the author of the definitive book on this topic, *Invent to Learn – Making, Tinkering, and Engineering in the Classroom*, this session provides an overview of the tools, skills, and pedagogical practices that not only amplify student potential, but support the Next Generation Science Standards and the Common Core.

**Presenter:** Dr. Gary Stager, Writer, and Consultant, CA



## Sunday, April 6

**8:00 AM – 9:30 AM**

### Mobile Learning: The Intersection of Policy & Practice

Mobile devices are transforming student learning in the U.S. and around the world, yet serious concerns remain. How does a district ensure equity? What policies need to be in place to both support and protect students and faculty?

**Presenter:** Dave Eisenman, Minnetonka Public Schools, MN

**1:30 PM – 2:45 PM**

### Teachers: Who to Hire? Who to Keep?

Join this interactive session to see how your perceptions of a high-quality instructor match up with the predictive analysis incorporated into new screening tools designed to identify applicants who have the skills and characteristics to raise student achievement. Plus, see how a new generation of teacher evaluation tools are bringing consistency and equity across districts.

**Presenters:** Dr. Donald J. Fraynd, CEO, TeacherMatch, IL; Michael Moody, Founder & CEO, Insight Education Group, CA; Cheryl Williams, Executive Director, Learning First Alliance

**3:45 PM – 5:00 PM**

### Global Learning: From the Virtual World to the Real World

Join one of NSBA's "20 to Watch" educators to explore how the power of multimedia supports development of the global competencies necessary for students to succeed in the workplace of the 21st-century. Educators translate virtual learning experiences to the real world through local and global collaborative peer projects that develop those competencies and support core content areas.

**Presenter:** Jenny M. Buccos, Series Creator of ProjectExplorer.org

## Monday, April 7

**9:30 AM – 10:45 AM**

### The State of Digital Content: What Is It, Where Do You Find It, What Does It Cost?

The shift from print to digital is a complex process with many moving parts. This lively dialogue will address the successes, challenges, and future innovations through the lens of education thought leaders, content and infrastructure providers, and school board members.

**12:30 PM – 1:45 PM**

### Questions Board Members Should Ask to Avoid Being the Next "Hacked" Headline

Districts store incredible amounts of sensitive, personal data for students and faculty yet, often, have far fewer security practices in place than major corporations who have made headlines when their systems have been hacked. Hear one district's story and learn the types of questions school leaders should be asking to ensure their districts aren't vulnerable.

**Presenters:** Keith Bockwoldt, Director of Technology, Township High School; Judy Grisson, Superintendent; Phil Hardin, Executive Director, Technology, Rowan-Salisbury School System, NC

*"The NSBA Annual Conference is the most comprehensive, high level one of the year — no others compare. I return as a more educated and motivated board member with a tremendous amount of value-added information."*

Lydia Tedone, Simsbury, Connecticut

MOTIVATION

# INSPIRE

## SITE VISITS: EXPERIENCES TO TAKE HOME

Gain hands-on experience from these leaders in technology.

All workshops and events on this page require additional fees. See page 23 for fees and registration.

### Friday, April 4

**9:30 AM – 4:30 PM**

#### Louisiana Lagniappe (lan-yap): Site Visit to St. Charles Parish Public Schools

Lagniappe means a little something extra, which is exactly what you'll experience during your day in St. Charles Parish Public Schools, one of the state's top districts. Visit a newly renovated, technology rich, community-oriented elementary school and immerse yourself in the Wetland Watcher experience, a nationally recognized service learning program for wetlands conservation managed by middle school students. After a taste of south Louisiana cuisine, conclude your visit at the district's unique Satellite Center, where cutting-edge technologies create an authentic learning environment for students to work alongside actual clients as they explore future careers.

*Lunch and transportation provided.*

### Saturday, April 5

**11:45 AM – 3:30 PM**

#### National World War II Museum: Learning Across the Curriculum

Much of today's technology had origins in World War II. Learn how the National World War II Museum staff created education resources available to districts across the country that bring the science and technology of War II to life for students. Plus, hear the latest about the museum's photo and oral history digitization project and efforts to involve students in the collection of oral histories in their hometowns.

*Lunch, admission, and transportation provided.*



### Sunday, April 6

**NOON – 5:00 PM**

#### STEM in Action — Pumping Up the Students!

After Katrina, the U.S. Army Corps of Engineers built the world's largest pumping station. Tour this amazing structure and hear how the U.S. Army Corps of Engineers is investing in science technology, engineering, and math (STEM) curriculum materials to engage your students and support the emerging field of Geomatics that combines high tech tools with remote sensing.

*Lunch and transportation provided; no skirts/dresses and closed toe shoes required; limited to 50.*

**2:15 PM – 5:30 PM**

#### Southeastern Louisiana University Program: Transforming Science through Hands-on Learning

Explore the wetlands by boat with the Southeastern's Turtle Cove Environmental Research Station that provides educators and students with problem-based, real-world science learning opportunities. Experience firsthand how instruction must change to support next-generation science standards.

*Lunch, transportation, and supplies provided.*

### Monday, April 7

**8:30 AM – 2:00 PM**

#### Building for the Future: Going Green

After the devastation of Katrina, Global Green, in partnership with Brad Pitt, made a commitment to sustainable building as the city recovered. Tour the Holy Cross Project Visitor Center, a home in the lower Ninth Ward, to learn about its green elements and systems. Get ideas for your own district with a school visit that incorporates "green" strategies to support healthier classrooms, protect the environment, reduce carbon emissions, and save the district money.

*Lunch, transportation, and admission provided.*

**9:00 AM – 2:30 PM**

#### Weather as a Lesson: NOAA Tour

Tour the National Oceanic and Atmospheric Administration (NOAA), a federal agency focused on the condition of the oceans and the atmosphere, and discover the multitude of resources they have developed to support K-12 education. Plus, hear a presentation by school leaders about the technology policies and practices they put in place to successfully weather storms that have struck their districts.

*Lunch and transportation provided.*

# IGNITE

## NATIONAL CONNECTION

Take away practical insights from these unique breakout sessions, as well as learn about the new National Connection resources available to your district. Sessions are open to all conference participants.

### The NSBA National Affiliate program has a new name for 2014: National Connection

Brought to you in partnership with state school boards associations, National Connection brings new and expanded resources to keep your board/superintendent team on the leading edge of American public education.

Sign up for National Connection services today and bring your district the full slate of new resources. National Connection districts receive a discount on Annual Conference registration fees.

For more information, visit [www.nsba.org/getconnected](http://www.nsba.org/getconnected).

### Saturday, April 5

10:00 AM – 11:30 AM

#### Education in the Year 2025



The world of learning continues to evolve toward a resilient learning ecosystem in which “school” will take many forms, learners and their families will create individualized learning playlists, and radical personalization of learning approaches and supports will become the norm. What does the emergence of a vibrant and adaptive learning ecosystem mean for the way you operate your schools, how teachers teach, and how school leaders interact with their communities? What are the opportunities? Join us as we explore the future and see how it unfolds in the vast world of education.

**Presenter:** Katherine Prince, Senior Director of Strategic Foresight, Knowledge Works

1:30 PM – 2:45 PM

#### Why Engaging the Public Is Imperative — Messaging on the Value of Public Education — Public Engagement Toolkit



Feeling frustrated when you try to communicate to your community the great work your school district is doing? Is the press telling a story that focuses on what’s wrong and not on what’s right in public education? Learn how to positively influence the conversation and build support for your district’s efforts, what it takes to improve the community mindset about public education, and how you can make a difference.

**Presenters:** Staff, National School Boards Association

3:45 PM – 5:00 PM

#### The Big Legal-Easy: Timely Analysis with NSBA’s Legislative and Legal Experts — Federal Insider



Laws, regulations, rules, and rulings coming out of the federal government are impacting school districts with increasing frequency, and it’s important for school boards to be aware of, influence, and efficiently implement these mandates. Get an update on current federal mandates and learn how *Federal Insider*, available to all National Connection districts, will help you monitor federal happenings, participate in the process, and effectively comply with federal mandates.

**Presenters:** Lucy Gettman, Director, Federal Programs; Mark Blom, Staff Attorney, National School Boards Association

### Sunday, April 6

1:30 PM – 2:45 PM

#### What Would You Do? School Board Leadership Resource Center



Here’s an opportunity to learn from others and test your ideas. Guided by a facilitator, you’ll be presented with real issues and challenges faced by local school boards every day and asked to talk about how you would handle these difficult situations. A panel of trainers will offer guidance and provide resources to help you deal with these situations in the future.

*This interactive session is sponsored by American School Board Journal.*

**Facilitator:** Kathleen Vail, Director, Editorial Services, National School Boards Association

### Monday, April 7

9:30 AM – 10:45 AM

#### Grant Writing Nuts & Bolts — Money-Saving Resources



Obtaining grant funding requires the right mix of focus, concept, creativity, and the ability to follow rules. Scott Tracy, founder of RocketFunding, will highlight resources available through this grants workshop and provide hands-on training to help your district secure the funding you need to make a difference in the lives of your students.

**Presenter:** Scott Tracy, Founder, RocketFunding

12:30 PM – 1:45 PM

#### Success Factors for School Board Governance School Board Leadership Resource Center



What does good governance look like? It takes on many forms. Explore good governance and what it means for the success of a school district and its mission. Hear from school districts about their success, along with the editors from *American School Board Journal* who have explored these districts and analyzed their successes.

**Presenters:** Various School Districts and *American School Board Journal* Editors

CUBE programming will focus on key issues in urban school board governance and advocacy ranging from the dropout crisis to making urban voices heard at all levels of government.



Forte-Brown



Henderson



Singleton

## Saturday, April 5

**11:45 AM**

### Welcome

**Minnie Forte-Brown**, Chair, CUBE Steering Committee, NSBA Director and Member, Durham (N.C.) Public Schools Board of Education

**11:45 AM – 1:45 PM**

### Lunch & Keynote Presentation

#### From Brown v. Board to Race to the Top: An Overview of the State of Public Education

*This session is for CUBE registrants only – pre-registration and additional fee are required.*

**Wade Henderson**, President & CEO, Leadership Conference on Civil and Human Rights and the Leadership Conference Education Fund

It has been 60 years since the watershed Supreme Court decision in *Brown v. Board of Education*. Where do we stand now? What are the strengths of urban education today, and what are the best strategies for facing current challenges as we move forward?

**2:30 PM – 4:30 PM**

#### Using Data to Identify Student At-Risk for Dropping out of School

*Open to all NSBA Annual Conference attendees.*

While progress on dropout rates is encouraging, a deeper look at the data reveals that gains in graduation rates and decline in dropout rates occurs unevenly across states and subgroups of students (e.g., economically disadvantaged, African American, Hispanic, students with disabilities, and students with limited English proficiency). As a result, large “graduation gaps” remain in many districts among students of different races, ethnicities, family incomes, disabilities, and limited English proficiencies. In this session, participants will learn how to identify the warning signs for students at risk of dropping as early as the sixth grade. In addition, you will be provided successful intervention strategies for addressing high school dropout rates and increasing the high school graduation rate.

*This session is a joint endeavor of NSBA’s Council of Urban Boards of Education (CUBE), National Black Caucus (NBC), National Hispanic Caucus (NHC), and National Caucus of American Indian/Alaska Native (NCAIAN).*

**5:30 PM – 9:00 PM**

### CUBE Urban Night Out

*This event is for CUBE registrants only. Personal invitations will be sent prior to this event.*

## Sunday, April 6

**8:00 AM – 9:45 AM**

### CUBE Annual Business Meeting and Breakfast

*This session is for CUBE registrants only – pre-registration and additional fee are required.*

During this session, CUBE districts meet to consider nominations, elect new Steering Committee members, and discuss issues of concern to the membership. CUBE members and district members interested in learning more about CUBE are encouraged to attend.

**2:45 PM – 5:00 PM**

### Keynote Presentation With All Deliberate Speed: Enacting Board Policy to Achieve Racial Equity

*This session is for CUBE registrants only – pre-registration and additional fee are required.*

**Glenn Singleton**, President/CEO, Pacific Educational Group

Sixty years after the U.S. Supreme Court handed down its unanimous and historic ruling in *Brown v. Board of Education* (1954), schools in this country remain separate and unequal when it comes to meeting the needs of ALL students. Sadly, racial disparities in achievement, suspension and graduation rates are as present today as they were when eight-year old Linda Brown was first denied access to her Topeka, Kansas, neighborhood school in 1954. In some urban school districts, however, we are witnessing an intentional, unapologetic focus on achieving racial equity. In this session, internationally recognized author and educator Glenn Singleton will facilitate a Courageous Conversation that spotlights effective school board-led policies and practices from across the nation that keep the spirit of “Brown” alive and the promise of racial equality a priority.

*All of CUBE programming will be held at the New Orleans Ernest N. Morial Convention Center. Pre-registration and additional fee are required for CUBE’s Saturday luncheon, Urban Night Out, and Sunday all day programming. See page 23.*

The NSBA Council of School Attorneys (COSA), the national network of attorneys representing K-12 public school boards, presents its annual School Law Seminar at the New Orleans Marriott April 3-5, 2014. School attorneys convene at the Seminar to discuss the latest legal issues facing public schools.



Guercio



Lhamon



Schafer

Kicking off this year's Seminar will be a keynote address given by U.S. Department of Education Assistant Secretary for Civil Rights **Catherine Lhamon**. She heads the Department's Office for Civil Rights, which enforces federal civil rights laws applicable to public schools.

Attendees will see COSA's mission in action as highly respected school attorneys provide leadership in legal advocacy for public schools through interactive sessions on hot topics in education law geared toward school attorneys. Attorneys can earn up to 11.5 hours CLE, including 1.5 hours of ethics.

Join COSA Chair **Allison Schafer** of the North Carolina School Boards Association, and COSA Chair-Elect **Greg Guercio** of Guercio & Guercio, LLP, for a deep look at complex school law issues facing school attorneys. Live seminar sessions are supported by written papers, which are invaluable resources for school attorneys.

The School Law Seminar will begin with work-alike group meetings and early bird sessions on Thursday, followed by the opening general session featuring Assistant Secretary Lhamon starting at 4:30 PM. Sessions will continue through noon on Saturday. Our speakers will tackle breaking school law issues such as:

- The National School Law Docket and NSBA Advocacy Work on Behalf of Public Schools
- Labor Relations and Collective Bargaining
- Contracting and Procurement
- Voucher Litigation
- Student Records
- Accommodating Students with Disabilities
- Special Education Due Process
- Bullying and Harassment
- Religion and Public Schools
- Legal Ethics
- And much more!

*All programming is hosted at the New Orleans Marriott, 555 Canal Street. Watch for new session information on the Council's website at [www.nsba.org/cosa](http://www.nsba.org/cosa).*

## Thursday, April 3

**8:30 AM – 2:00 PM**

NSBA Member State Association Counsel Luncheon Meeting

**10:00 AM – 2:00 PM**

In-House Counsel Luncheon Discussion Meeting

**2:30 PM – 4:15 PM**

Concurrent Early-Bird Sessions

**4:30 PM – 6:00 PM**

Opening General Session – Keynote Address by Catherine Lhamon, Assistant Secretary for Civil Rights, U.S. Department of Education

## Friday, April 4

**7:30 AM – 9:00 AM**

Continental Breakfast

**8:15 AM – 4:30 PM**

Morning General Session and Afternoon Concurrent Sessions

**4:45 PM – 6:00 PM**

School Law Seminar Reception

## Saturday, April 5

**7:30 AM – 9:00 AM**

Continental Breakfast

**8:15 AM – 12:15 PM**

COSA Business Meeting, Elections, & Morning General Session



# MOTIVATE

## DINE AND DISCOVER

Pre-registration is required for all meal events. See registration form on page 23.

### Saturday, April 5

**NOON – 2:00 PM**

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

Hilton New Orleans Riverside  
Check the Website for updates.

**NOON – 2:00 PM**

#### Best Practices for School Leaders Luncheon

New Orleans Convention Center  
Learn about leadership and district best practices with the winners of the 2014 Magna Awards. Sponsored by Sodexo, the Magna luncheon celebrates the spirit of innovation and excellence in public education. Attend this special event and be inspired to take what you hear and learn back to your districts. This is a highly popular luncheon so be sure and register early!



NETWORKING

*“Great conference, a MUST for any board member. You will find helpful sessions and “you are not alone” with what you face within your school system. The networking is great!*

**Steve Templeton, Boone County, Kentucky**

### Sunday, April 6

**8:00 AM – 9:30 AM**

#### National Hispanic Caucus of School Board Members Breakfast

New Orleans Convention Center



For 25 years, **Maria Hinojosa** has helped tell America’s untold stories and brought to light unsung heroes in America and abroad. Serving as anchor and managing editor of her own long-running weekly NPR show, *Latino USA*, and anchor of the Emmy Award-winning talk show *Maria Hinojosa: One-on-One*, she has informed millions of Americans about the fastest growing demographic in our country.

Throughout her career, she has helped define the conversation about our times and our society with one of the most authentic voices in broadcast.

**NOON – 2:00 PM**

#### National Black Caucus of School Board Members Luncheon

Hilton New Orleans Riverside



Acclaimed *Washington Post* reporter, journalist, and biographer **Wil Haygood** has explored the social and historical dynamics of this country as few modern chroniclers have done, in books, magazine articles, and award-winning newspaper coverage. His most recent project, *The Butler*, which stars eight Oscar-winning actors, is the story of White House butler Eugene Allen, who had served no less than eight presidents, from Harry Truman to Ronald

Reagan — and in so doing became a “discreet stagehand who for three decades helped keep the show running in the most important political theatre of all.”

**NOON – 2:00 PM**

#### Education Technology Luncheon: School 2.0: Building the Schools We Need

New Orleans Convention Center



**Chris Lehmann**, Founding Principal of the Science Leadership Academy in Pennsylvania, will share his insights.

*Hosted by the Technology Leadership Network.*

# NETWORK

MAKE A DIFFERENCE, HAVE AN IMPACT.

## BECOME A CAUCUS MEMBER!

Special offers for New Caucus Members when you join with your NSBA Annual Conference registration.

NSBA has established three Caucuses to foster national level leadership and attention to the achievement issues faced by so many students today. Caucus membership is open to anyone interested in meeting and addressing the educational needs of racial and ethnic students in our communities.

National School Boards Association



**Black Caucus** of School Board Members

**NEW! Special conference offer:**

Become a member through June 30, 2014, for just \$30.

National School Boards Association



**American Indian/Alaska Native** Caucus of School Board Members

**NEW! Special conference offer:**

Become a member through June 30, 2014, for just \$15.

National School Boards Association



**Hispanic Caucus** of School Board Members

**NEW! Special conference offer:**

Become a member through June 30, 2014, for just \$30.

This caucus membership special offer is open only in conjunction with Conference Registration until March 21, 2014. This discounted rate is offered only to school board members who have not previously belonged to the respective caucus being joined. After March 21, 2014, membership fees will be charged at the regular rate. Membership status is granted from the join date until June 30, 2014. For more information about each Caucus, please visit [www.nsba.org/caucuses](http://www.nsba.org/caucuses).

National School Boards Association



**Council of Urban Boards** of Education

The Council of Urban Boards of Education (CUBE) is NSBA's program supporting urban school boards and fostering effective leadership for excellence and equity in public education, with a specific focus on underrepresented students. CUBE provides educational opportunities that engage urban school districts and district leaders, working through their state school boards association, while addressing challenges in urban centers.

National School Boards Association



**Council of School Attorneys**

The Council of School Attorneys (COSA) is the only national advocacy organization comprised of attorneys representing school boards. COSA has nearly 500 of the nation's most influential school attorneys, most of whom are in private practice and represent multiple districts.

# EXPLORE

## YOUR "BACK TO SCHOOL" EXPERIENCE

Be sure to visit this year's NSBA Exhibit Hall, newly transformed into the NSBA Campus.

## THE NSBA EXPOSITION



### PLAN AHEAD!

To find out who's going to be at the NSBA Exposition, visit the Annual Conference website at [www.nsba.org/conference](http://www.nsba.org/conference) for a comprehensive list of companies as well as a searchable database by product.

### SATURDAY, APRIL 5

10:00 AM – 4:00 PM

#### Exclusive Exhibit Hall Only:

11:30 AM – 1:30 PM

2:45 PM – 3:45 PM

### SUNDAY, APRIL 6

11:30 AM – 4:00 PM

#### Exclusive Exhibit Hall Only:

11:30 AM – 1:30 PM

2:45 AM – 3:45 PM

### EXCITING NEW CAMPUS FORMAT!

## YOU'LL FIND EXCITING NEW AREAS TO LEARN AND COLLABORATE:

#### Student Union

Relax and recharge in between learning experiences.

#### Study Halls

Pop in for an interactive 30-minute upload of the latest knowledge on hot topics, led by experts and their school district clients. We've more than doubled the number of Study Halls held from 2013 and will offer sessions during exclusive hours.



**Drum Circle** — Sponsored by Namm Foundation **Back by popular demand!** Join us for an interactive drum circle experience. Revive, renew, and realize your own creative potential through the power of music. Experience some basic facilitation techniques used for building camaraderie and support, reducing stress, and empower student achievement. No experience necessary.



## BACK BY POPULAR DEMAND!

### Relaxation Station

Take a break at the Relaxation Station and enjoy a complimentary massage!

### The Green Zone

The Green Zone has expanded in 2014 to include over 28 booths! Discover how greening your schools doesn't just save money, but fundamentally changes how students learn. Find out how you, as a school leader, can make a commitment to advance a green initiative in your school and engage your community at the same time.

### Music and Arts Main Street

Waltz down to find companies who will offer arts and music programs that you can establish in your district. No need to cut these valuable programs when you will find cost-saving alternative solutions here!

### Technology Innovation Pavilion

The education market is bursting with new products driven, in part, by Common Core Standards. Don't miss your chance to meet emerging businesses and take home ideas you won't see anywhere else! Make a visit to the Technology Innovation Pavilion a top priority.

### Cutting-Edge AveNew

Be the first in your district to meet the newest companies and see the latest and greatest products on the block! This special area is dedicated to start-up businesses that have never exhibited at a national trade show and want to debut their state-of-the-art products and services to you specifically!

### Marketplace

Finally, do some shopping at the ever-popular NSBA Marketplace — the only location on the exhibit floor where you can purchase and take home the products these specific vendors are offering.



*"It's a great thing! Love meeting with people from different parts of the country, learning new skills, techniques, strategies. Excellence in the Classroom begins with Excellence in the Boardroom!"*

**Maureen Cotter, South Kingstown, Rhode Island**

**EXCELLENCE**

## Schedule-at-a-Glance

### Friday, April 4

<b>8:00 AM – 6:00 PM</b>	Registration
<b>9:00 AM – NOON</b>	Pre-Conference Half-Day (Morning) Workshops
<b>9:00 AM – 4:30 PM</b>	Pre-Conference Full Day Workshop
<b>1:30 PM – 4:30 PM</b>	Pre-Conference Half-Day (Afternoon) Workshops

### Saturday, April 5

<b>6:30 AM – 5:00 PM</b>	Registration
<b>8:00 AM – 9:30 AM</b>	General Session, Thomas Friedman
<b>10:00 AM – 11:30 AM</b>	Sessions
<b>10:00 AM – 4:00 PM</b>	Exhibit Hall
Exclusive Hours: 11:30 AM – 1:30 PM; 2:45 PM – 3:45 PM	
<b>NOON – 2:00 PM</b>	Luncheons
<b>1:30 PM – 2:45 PM</b>	Sessions
<b>3:45 PM – 5:00 PM</b>	Sessions

### Sunday, April 6

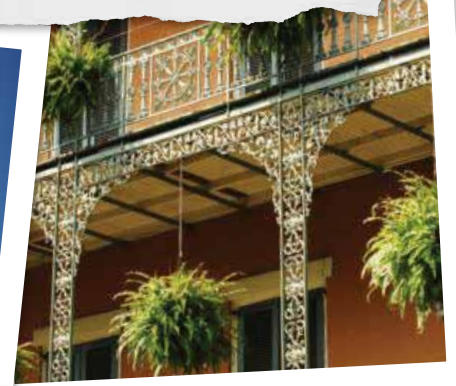
<b>7:30 AM – 4:30 PM</b>	Registration
<b>8:00 AM – 9:30 AM</b>	Breakfast Event
<b>8:00 AM – 9:30 AM</b>	Sessions
<b>10:00 AM – 11:30 AM</b>	General Session, Sir Ken Robinson
<b>11:30 AM – 4:00 PM</b>	Exhibit Hall
Exclusive Hours: 11:30 AM – 1:30 PM; 2:45 PM – 3:45 PM	
<b>NOON – 2:00 PM</b>	Luncheons
<b>1:30 PM – 2:45 PM</b>	Sessions
<b>3:45 PM – 5:00 PM</b>	Sessions
<b>5:15 PM – 5:45 PM</b>	Drum Circle

### Monday, April 7

<b>7:30 AM – NOON</b>	Registration
<b>8:00 AM – 9:00 AM</b>	Morning General Session
<b>9:30 AM – 10:45 AM</b>	Sessions
<b>11:00 AM – NOON</b>	Table Topics
<b>12:30 PM – 1:45 PM</b>	Sessions
<b>2:00 PM – 3:30 PM</b>	Closing General Session

For the most up-to-date conference information, visit [www.nsba.org/conference](http://www.nsba.org/conference)

# IMAGINE



NEW

# ORLEANS

**Imagine meeting in a city where cultures collide in a brilliant explosion of flavors, emotions, and sounds.**

New Orleans is the birthplace of jazz, home to Creole cuisine, and rich with history and culture. It is centrally located with a walkable downtown and world-class convention facilities. With more than \$1.57 billion worth of improvements to the city in 2013, New Orleans remains an authentic destination, a place like no other. It's a place of chefs and delectable cuisine and a unique blend of French, Spanish, Caribbean, and African cultural influences in our architecture, food, people, and music. With more than 1,300 restaurants, the city offers one of the most incredible – and incredibly diverse – concentrations of exceptional dining and unforgettable cuisine in the world. Because most of the city's restaurants, attractions, tours, accommodations, and event venues are within walking distance of each other, it's easy to get around the "Big Easy" and is the perfect setting for networking. Within the 12-blocks of the historic French Quarter, come enjoy the charm of New Orleans, all while attending a successful meeting in the Crescent City, Sportsman's Paradise...the Big Easy. New Orleans combines big city choices with the small town friendliness. Your exploration of the many sensory extravaganzas that endure in the unique city of New Orleans begins here — **enjoy the journey and laissez les bons temps rouler — let the good times roll!**

# REGISTRATION AND HOUSING INFORMATION

Registration and Housing both open on Wednesday, October 23, at 9:00 AM EST

A streamlined registration and housing reservation process makes it easier on you! Register ONLINE and you can immediately click over to make your hotel reservations with our housing company as long as you are paying your registration fee by credit card.

## Conference Schedule:

- **Pre-Conference Sessions and Workshops:**  
Friday, April 4
- **Conference begins:**  
Saturday April 5, at 8:00 AM
- **Conference concludes:**  
Monday, April 7, at 3:30 PM
- **CUBE programming:**  
Begins Saturday, April 5
- **COSA School Law Seminar:**  
Thursday, April 3, 2:30 PM to  
Saturday, April 5, 12:15 PM

## Top 10 reasons to book in the NSBA Housing Block

1. Official hotels are NSBA-endorsed and inspected.
2. Greater networking opportunities exist in hotels within the block.
3. Reservations within the block are protected from hotel relocation.
4. Housing representatives are available for on-site assistance with official hotels, primarily.
5. Friendly booking terms: No change fees; no FULL pre-payment.
6. Guaranteed rates.
7. Complimentary shuttle service from most official hotels.
8. Attendees have an excellent chance of getting into their choice hotel.
9. It is EASY to make changes.
10. Future housing and registration fees will stay low by booking at the official hotels.

## Registration and Housing Instructions:

### When paying by credit card

- Go to [www.nsba.org/conference](http://www.nsba.org/conference), click on Register, and select your payment type
- Log on
- Once logged on, select ONLINE Store/Registration, you'll see the Conference registration link

- Add optional events for the registrant, add the spouse/family member if attending
- Select the payment option
- Once payment is complete, on the receipt page will be a link to proceed to housing to reserve your room(s)

### When paying by purchase order

- Go to [www.nsba.org/conference](http://www.nsba.org/conference), click on Register and select your payment type
- Select your state, then select your district if listed (if not, select the Register link)
- Enter the registration name and contact info
- Select optional events, add the spouse/family member if attending
- Enter the payment information
- Register another if more than one

*Note: This option does not allow for immediate housing reservations.*

Please allow a minimum of 2-3 days for registration to be processed, after which you will receive a confirmation letter with instructions on how to reserve housing.

### To reserve your rooms at a later date or to request a suite, please contact the NSBA Housing Bureau

- Online: Go to [www.nsba.org/conference](http://www.nsba.org/conference) and follow the instructions for hotel information/reservations for immediate processing
- Call: 1-800-616-8210 (U.S./Canada) or 1-415-979-2264 (International), service is available Monday through Friday, 9:00 AM - 9:00 PM EST
- Fax: 1-415-216-2535

If making your hotel reservations at a later date, each individual registrant will need a confirmation ID # to book rooms. Only nine rooms or fewer may be reserved by telephone. If you are reserving 10 or more rooms, please fax, mail, or go to the NSBA Housing Bureau website to arrange for your accommodations online. Housing forms may be downloaded from [www.nsba.org/conference](http://www.nsba.org/conference).

All reservations should be made prior to March 14, 2014. Room availability and special Conference rates cannot be guaranteed after that date.

NSBA's official housing company is Convention Management Resources (CMR), based in San Francisco, CA. NSBA does not authorize any other housing company or independent broker to make housing reservations for our Conference.

## Travel Information:

NSBA has a preferred travel agency for the 2014 Annual Conference. Go to the Conference website [www.nsba.org/conference](http://www.nsba.org/conference) and click on the Hotel & Travel tab for agency contact information.

Discount airfares are available on United, and low car rental rates are available through Hertz and Enterprise. The discounts apply for travel between 3/31/2014 - 4/19/2014. Agents are available for reservations from 8:30 AM - 8:00 PM (EST), Monday through Friday. Some restrictions may apply. Service fees apply.

You may also call your own agency or the vendors directly and refer to the following I.D. numbers:

**United Airlines:** Zcode: ZR5X  
Agreement code: 416277 or call 800-521-4041

*Note: When booking on [www.united.com](http://www.united.com), type: ZR5X416277 (no spaces) in the OFFERCODE field in the main flight search box.*

**Delta:** NMGJZ or call 800-328-1111

**Hertz:** CV#031C0019 or call 800-654-2240

**Enterprise:** 32H7476 or call 800-593-0505

**Dollar:** CM0679 or call 800-800-3665

**REGISTER  
EARLY AND SAVE**

Early registration discount ends  
January 8, 2014.

Visit [www.nsba.org/conference](http://www.nsba.org/conference) or call  
1-800-950-6722

*Registration constitutes your consent that any picture taken during NSBA-sponsored events can be used for meeting and promotion purpose without remuneration.*

# HOTEL

# MAP



	Hotel	Single	Double	Ext Person		Hotel	Single	Double	Ext Person
1.	Astor Crowne Plaza New Orleans 739 Canal Street 70130	\$185	\$185	\$20	14.	LaQuinta Inn & Suites Downtown-French Quarter 301 Camp Street 70124	\$149	\$149	
2.	Courtyard by Marriott St. Charles 124 St. Charles Avenue 70130	\$175	\$175	\$20	15.	Loews New Orleans 300 Poydras Street 70130	\$235	\$235	\$30
3.	Courtyard New Orleans Downtown/CC 300 Julia Street 70130	\$189	\$189	\$20	16.	New Orleans Marriott** 555 Canal Street 70130	\$225	\$225	\$30
4.	Doubletree New Orleans 300 Canal Street 70130	\$199	\$199	\$20	17.	New Orleans Marriott Downtown Convention Center 859 Convention Center Boulevard 70130	\$225	\$225	\$30
5.	Embassy Suites 315 Julia Street 70130	\$205	\$215	\$10	18.	Omni Royal Crescent Hotel 535 Gravier Street 70130	\$198	\$198	2 ppl max
6.	Hampton Inn & Suites New Orleans Convention Center 1201 Convention Center Boulevard 70130	\$189 \$229	\$189 \$229	\$10 (Rooms) \$10 (Suites)	19.	Renaissance Arts 700 Tchoupitoulas Street 70130	\$219	\$219	\$30
7.	Hampton Inn Downtown/French Quarter 226 Carondelet Street 70130	\$169	\$169	\$10	20.	Renaissance Pere Marquette 817 Common Street 70112	\$199	\$199	\$30
8.	Hilton Garden Inn New Orleans Convention Center 1001 South Peters Street 70130	\$189	\$189	\$10	21.	Residence Inn New Orleans Downtown 345 St. Joseph Street 70130	\$189	\$189	King bed only 2 ppl max
9.	Hilton New Orleans Riverside* 2 Poydras Street 70130	\$225	\$225	\$25	22.	Royal St. Charles 135 St. Charles Avenue 70130	\$149	\$149	\$10
10.	Hyatt Place New Orleans Convention Center 881 Convention Center Boulevard 70130	\$209	\$209	\$20	23.	Sheraton New Orleans 500 Canal Street 70130	\$225	\$225	\$25
11.	InterContinental New Orleans 444 St. Charles Street 70130	\$199	\$199	\$30	24.	Springhill Suites New Orleans Downtown 301 St. Joseph Street	\$189	\$189	\$20
12.	International House 221 Camp Street 70130	\$219	\$219	King bed only 2 ppl max	25.	W New Orleans 333 Poydras Street 70130	\$230	\$230	\$20
13.	JW Marriott New Orleans 614 Canal Street 70130	\$225	\$225	\$30	26.	Westin New Orleans Canal Place 100 Iberville Street 70130	\$209	\$209	\$20
					27.	Wyndham Riverfront New Orleans 701 Convention Center Boulevard 70130	\$205	\$205	\$20

## To Register (Select only one)

- Online:** Go to [www.nsba.org/conference](http://www.nsba.org/conference)
- Mail:** NSBA, P.O. Box 1807, Merrifield, VA 22116-8007
- Call:** 1-800-950-6722 or **Fax:** 1-703-519-6497

### PLEASE PRINT

NAME \_\_\_\_\_

NICKNAME FOR MY BADGE \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_

CITY/STATE/ZIP \_\_\_\_\_

( ) ( )  
 DAYTIME TELEPHONE FAX

REGISTRANT EMAIL ADDRESS FOR CONFIRMATION  
 Also send confirmation to: \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_

SCHOOL DISTRICT/ORGANIZATION NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY/STATE/ZIP \_\_\_\_\_

**PERSONAL EMERGENCY CONTACT INFORMATION**

CONTACT NAME ( ) PHONE NUMBER ( )

**TITLE FOR BADGE**

Board President  Board Member

School Attorney  Other District Administrator

Superintendent  Board Support Professional

Deputy/Assistant Superintendent  Technology Director

Other (specify): \_\_\_\_\_

**SPOUSE/FAMILY MEMBER(S) NAME(S)**

NAME(S) FOR BADGE (18 AND OVER) \_\_\_\_\_

NAME(S) FOR BADGE (UNDER 18) \_\_\_\_\_

**METHOD OF PAYMENT** (Advanced payment required in U.S. funds)

Check enclosed, made payable to NSBA

Bill my school district, listed above, using  
 Purchase Order # \_\_\_\_\_  
 (Required for registration to be processed.)

MasterCard  VISA  American Express

CARD NUMBER \_\_\_\_\_ EXPIRATION DATE \_\_\_\_\_ CVV CODE \_\_\_\_\_

CARDHOLDER'S NAME (PLEASE PRINT OR TYPE) \_\_\_\_\_

AUTHORIZED SIGNATURE \_\_\_\_\_

( ) \_\_\_\_\_  
 CARDHOLDER'S TELEPHONE

## How to Pay

If your district is an NSBA National Connection (NC) or Technology Leadership Network (TLN) district or CUBE district, you pay the reduced fees listed, otherwise pay regular fees. Non-NC Canadian districts pay regular fees. To qualify for the early registration discount, you must register and pay by **January 8, 2014**.

**The NSBA Annual Conference is only open to U.S. school districts that hold membership in their state school boards association.**

NSBA reserves the right to cancel the registration of any board member or employee of a school district not a member in good standing of their state association. In the event of cancellation, NSBA is not liable for hotel, airfare, or other charges incurred by that registrant.

## Registration Fees

	NC/TLN/CUBE		REGULAR		MY TOTAL
	By 1/8/14	After 1/8/14	By 1/8/14	After 1/8/14	
<b>CONFERENCE FEE:</b> Select the fee that applies to you and fill in the total.....	\$725	\$755	\$895	\$945	_____
<b>SPOUSE/FAMILY MEMBER FEE:</b> Fee for each guest 18 years of age and over .....	\$59	\$59	\$59	\$59	_____

## Optional Events (Fees are in addition to full Conference fee above)

	NC/TLN/CUBE	REGULAR	MY TOTAL
<b>Pre-Conference Workshops – Friday Morning</b> #1 <input type="checkbox"/> #2 <input type="checkbox"/> #3 <input type="checkbox"/> #4 <input type="checkbox"/> #5 <input type="checkbox"/> #6 <input type="checkbox"/> #7 <input type="checkbox"/> .....	\$170	\$195	_____
<b>Pre-Conference Workshops – Friday Afternoon</b> #8 <input type="checkbox"/> #9 <input type="checkbox"/> #10 <input type="checkbox"/> #11 <input type="checkbox"/> #12 <input type="checkbox"/> #13 <input type="checkbox"/> #14 <input type="checkbox"/> .....	\$170	\$195	_____
<b>Pre-Conference Workshop – Friday Full Day</b> #15 <input type="checkbox"/> .....	\$270	\$320	_____
<input type="checkbox"/> <b>School Law Seminar</b> (begins Thursday 2:30 PM) .....	\$345	\$385	_____
<input type="checkbox"/> <b>No additional fee if you are a Council of School Attorneys member and a full Conference registrant, but please check here if you plan to attend.</b>			
<input type="checkbox"/> <b>New School Board Member Boot Camp Pre-Conference Session – Friday Afternoon ONLY</b> .....	\$75	\$75	_____
<input type="checkbox"/> <b>Council of Urban Boards of Education Programming – Saturday Luncheon, Urban Night Out, and Sunday all day</b> .....	\$140	\$250	_____

	NC/TLN/CUBE	REGULAR	
<input type="checkbox"/> <b>Louisiana Lagniappe (lan-yap): Site Visit to St. Charles Parish Public Schools</b> Friday, April 4, 9:30 AM – 4:30 PM .....	\$140	\$155	_____
<input type="checkbox"/> <b>National World War II Museum: Learning Across the Curriculum</b> Saturday, April 5, 11:45 AM – 3:30 PM .....	\$125	\$140	_____
<input type="checkbox"/> <b>STEM in Action – Pumping Up the Students!</b> Sunday, April 6, NOON – 5:00 PM .....	\$105	\$105	_____
<input type="checkbox"/> <b>Southeastern Louisiana University Program: Transforming Science through Hands-on Learning</b> Sunday, April 6, 2:15 PM – 5:30 PM .....	\$125	\$140	_____
<input type="checkbox"/> <b>Building for the Future: Going Green</b> Monday, April 7, 8:30 AM – 2:00 PM .....	\$125	\$140	_____
<input type="checkbox"/> <b>Weather as a Lesson: NOAA Tour</b> Monday, April 7, 9:00 AM – 2:30 PM .....	\$140	\$155	_____

## Meal Functions (Fees are in addition to full Conference fee above)

	# TICKETS x PRICE =	
<input type="checkbox"/> <b>American Indian/Alaska Native Caucus Luncheon – Saturday, NOON</b> .....	_____ x \$65 = _____	
<input type="checkbox"/> <b>For Board Members only: Join the Native Caucus at special conference rate.</b> .....		
<input type="checkbox"/> <b>Best Practices for School Leaders Luncheon – Saturday, NOON</b> .....	_____ x \$65 = _____	
<input type="checkbox"/> <b>Hispanic Caucus Breakfast – Sunday, 8:00 AM</b> .....	_____ x \$50 = _____	
<input type="checkbox"/> <b>For Board Members only: Join the Hispanic Caucus at special conference rate</b> .....		
<input type="checkbox"/> <b>Black Caucus Luncheon – Sunday, NOON</b> .....	_____ x \$65 = _____	
<input type="checkbox"/> <b>For Board Members only: Join the Black Caucus at special conference rate.</b> .....		
<input type="checkbox"/> <b>Education Technology Luncheon – Sunday, NOON</b> .....	_____ x \$65 = _____	

**GRAND TOTAL** (Conference Fee + Optional Events) in U.S. FUNDS = \_\_\_\_\_

**CANCELLATIONS AND REFUNDS:**  
 Requests for refunds can be honored only if made in writing to NSBA prior to **March 21, 2014**, and will be subject to a \$125 cancellation fee per registrant. No refunds will be honored after March 21, 2014.

**LATE REGISTRATION:**  
**AFTER MARCH 21, 2014**  
 We suggest that you register on-site at the NSBA On-site Registration Desk at New Orleans Ernest N. Morial Convention Center.

**Registrant mailing and email addresses are made available to exhibiting companies for a one-time mailing of useful product information. If you do not wish to receive such mailings, please check here.**



Please email [sfolks@nsba.org](mailto:sfolks@nsba.org) if you have any special needs.



National **School Boards** Association

1680 Duke Street  
Alexandria, Virginia 22314-3493

**REGISTER EARLY AND SAVE!**  
[www.nsba.org/conference](http://www.nsba.org/conference)

# WHY ATTEND?

**TRANSFORM** Leadership to focus on every student's success

**INSPIRE** others with your stories and be inspired in turn

**IMAGINE** a nation with a dynamic public education system addressing the challenges of preparing its students for achievement in the global marketplace

**EMPOWER** yourself with knowledge and competencies to better serve your community



Early registration  
discount ends January 8, 2014.

Call 1-800-950-6722  
or visit [www.nsba.org/conference](http://www.nsba.org/conference)

Ernest N. Morial Convention Center  
187

## School Board Planning Calendar January 2015 – December 2015

1 <sup>st</sup> Meeting of the Month	2 <sup>nd</sup> Meeting of the Month
<b>START TIME 6:30 PM</b>	
<p><b>JANUARY 8, 2015</b> <i>Organizational Meeting</i> Election of Board Officers Oath of Office Financial Report November</p>	<p><b>JANUARY 22, 2015</b> Financial Report December FY14 Audit Uber Goal #2</p>
<p><b>FEBRUARY 12, 2015</b> ALC Plus Report DI Presentation Communication with Local Boards Hennepin County Graduation Update Superintendent Mid-Year Evaluation Procedure Teacher Eval Presentation What the Board Needs to Know about Children’s Health Grant Award</p>	<p><b>FEBRUARY 26, 2015</b> Financial Report January FY15 Budget Assumption FY14 Budget Revision Program Withdrawal Report Report on Uber Goal Staff Reduction ULA Resolution Changes for following Year</p>
<p><b>MARCH 12, 2015</b> SEC Playfield Update Teacher Evaluation</p>	<p><b>MARCH 26, 2015</b> Financial Report February FY14 Budget Reduction Realignment Proposal Program Reduction Resolution Proposed District 287 School Calendar 2014-2015 Reduction ULA for tenured staff (<i>provide names</i>) Strategic Plan Report</p>
<p><b>APRIL 9, 2015</b> <i>(Only one Board meeting this month!)</i> Local 284 Parameters - (Closed Session) Superintendent &amp; Board Evaluation Update</p>	
<p><b>MAY 14, 2015</b> Financial Report March Morris-Leatherman Survey Results Summary Status Report on Board Policy &amp; Procedure</p>	<p><b>MAY 28, 2015</b> Areas of Literacy Focus for 2013-2014 (Sherry/Mary) Financial Report April Non-Renewals/Layoffs Probationary Licensed, and Non-Licensed Staff Reduction ULA Resolution What The Board Needs To Know About District 287 Purchasing Efforts</p>
<p><b>JUNE 11, 2015</b> Read 180 &amp; Math 180 Results Superintendents Evaluation Update</p>	<p><b>JUNE 25, 2015</b> 2014-2015 Budget Approval Annual Food Service Program Resolution Financial Report May Final ULA Resolution for Licensed Staff Presentation  <ul style="list-style-type: none"> <li>• Strategic Plan Final (Report &amp; DVD)</li> <li>• Written PLC Report</li> </ul> </p>

**INFORMATIONAL ITEMS TO REMEMBER:**

\*\* Board role in setting/supporting goals  
Board TLC

Community use of Facilities Bucket

# School Board Planning Calendar January 2015 – December 2015

<b>1<sup>st</sup> Meeting of the Month</b>	<b>2<sup>nd</sup> Meeting of the Month</b>
<p><b>AUGUST 27, 2015</b></p> <p>Instructional Results Report</p> <p>What Board Members Need to Know About “2014-2015 Back to School Start-Up”</p> <p>SNEAK PREVIEW of Legislative Platform</p> <p>What Board Members Need to Know About “2014-2015 Crisis Plans”</p> <p>Financial Report July</p> <p>Superintendent Uber Goals</p>	
<p><b>SEPTEMBER 10, 2015</b></p> <p>Work Session: A Better Way</p>	<p><b>SEPTEMBER 24, 2015</b></p> <p>Cultural Competency Work</p> <p>Financial Report August</p> <p>Operational Results Report</p>
<p><b>OCTOBER 8, 2015</b></p> <p>Student Rights &amp; Responsibilities Policy Bucket</p>	<p><b>OCTOBER 22, 2015</b></p> <p>Financial Report September</p> <p>What the Board Needs to Know about Emergency and Crisis Plans for 2014-2015</p> <p>Work , Session: Personalizing Education</p>
<p><b>NOVEMBER 12, 2015</b></p> <p><i>(Only one Board meeting this month!)</i></p> <p>Annual Food Service Program Resolution</p>	
<p><b>DECEMBER 10, 2015</b></p> <p><i>(Only one Board meeting this month!)</i></p> <p>Financial Report October</p> <p>Legislative Platform</p> <p>Prior Year Finance Review</p>	

**INFORMATIONAL ITEMS TO REMEMBER:**

\*\* Board role in setting/supporting goals  
Board TLC

Community use of Facilities Bucket

**INTERMEDIATE DISTRICT 287**  
**December 11, 2014**  
**SCHOOL BOARD CALENDAR**

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 December 2014

09	Tuesday	Get On The Bus	8:30AM	W-ALT
11	Thursday	General Board Meeting	6:30PM	Board Rm

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**TENTATIVE 2015 DATES**

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## January 2015

08	Thursday	General Board Meeting	6:30PM	Board Rm
13	Tuesday	Local 2209 & Board Breakfast	7:00AM	DSC-316
22	Thursday	General Board Meeting	6:30PM	Board Rm

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## February 2015

10	Tuesday	Get On The Bus	8:30AM	TBD
12	Thursday	General Board Meeting	6:30PM	Board Rm
26	Thursday	General Board Meeting	6:30PM	Board Rm

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## March 2015

12	Thursday	General Board Meeting	6:30PM	Board Rm
24	Tuesday	Local 2209 & Board Breakfast	7:00AM	DSC-316
26	Thursday	General Board Meeting	6:30PM	Board Rm

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## April 2015

09	Thursday	General Board Meeting	6:30PM	Board Rm
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## May 2015

14	Thursday	General Board Meeting	6:30PM	Board Rm
21	Thursday	Career & Tech High School Award Ceremony	4:00PM	Eden Prairie Campus
28	Thursday	General Board Meeting	6:30PM	Board Rm

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## June 2015

02	Tuesday	Gateway Graduation	11:00AM	Brklyn Park Campus
03	Wednesday	West Education Center & W-ALT Graduation	4:00PM	WEC
03	Wednesday	Focus/Invest/Vector (South & North) Graduation	12:00PM	SEC
03	Wednesday	South Education Center Alternative Graduation	6:00PM	SEC
04	Thursday	South Education Center/SUN Transition/ PHASE Graduation	12:00PM	SEC
04	Thursday	Northwest Tech Center High School Graduation	TBD	Brklyn Park Campus
04	Thursday	North Education Center Graduation	11:00AM	NEC
04	Thursday	North Education Center Elementary Graduation	1:00PM	NEC
04	Thursday	North Education Center Alternative Graduation	6:00PM	NEC
05	Friday	EEC Transition/Explore Graduation	TBD	TBD
05	Friday	Epsilon Graduation	1:30PM	Board Rm
25	Thursday	General Board Meeting	6:30PM	Board Rm

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## August 2015

27	Thursday	General Board Meeting	6:30PM	Board Rm
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September 2015

10	Thursday	General Board Meeting	6:30PM	Board Rm
24	Thursday	General Board Meeting	6:30PM	Board Rm

October 2015

08	Thursday	General Board Meeting	6:30PM	Board Rm
22	Thursday	General Board Meeting	6:30PM	Board Rm

November 2015

12	Thursday	General Board Meeting	6:30PM	Board Rm
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December 2015

10	Thursday	General Board Meeting	6:30PM	Board Rm
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◆ General Board Meeting – Date Change

◆ New Event

# Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

*Get on the Bus & Local 2209 Breakfast Schedule*

*2014-2015*

## *Get on the Bus*

Tuesday, February 10<sup>th</sup> 17<sup>th</sup>

TBN

Bus leaves 287 DSC @ 8:30 AM

Ann Bremer

Laura Ronbeck

Carol Bomben

Carter Peterson

Michèle Kunz

## *Local 2209 Breakfast*

*7:00 AM*

Tuesday, January 13<sup>th</sup>

District Service Center

(3<sup>rd</sup> Floor – Room 316)

Ann Bremer

Carol Bomben

Michèle Kunz

Karen Filla

Tuesday, March 24<sup>th</sup>

District Service Center

(3<sup>rd</sup> Floor – Room 316)

Ann Bremer

Carol Bomben

Michèle Kunz

Regina Neville

Karen Filla