

John Bergs
Activities Director
Margot Hansen
Director of Teaching & Learning
Jeff Heine
Buildings & Grounds Director



Chuck Keller
Business Director
Angie Kahle
Student Support Services Director
Dorothy Koller
Community Education Director

REGULAR BOARD MEETING
District Office, 130 South Willow Street, Belle Plaine, MN 56011
6:00 PM Monday, December 18, 2017

Our mission is to pursue excellence in academics, programming, and the social and emotional development of our students. Fostering a culture of kindness, inclusion, and pride in ourselves, our school, and our community.

1. Call to Order:

Time: _____

2. Acknowledgment of Visitors and Special Presentations:

1. Truth and Taxation Presentation:

Mr. Keller

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3. Other Items as Brought Before the Board & Consideration of Agenda:

4. Consensus Items:

Chair Gardner

1. Previous Board Meeting Minutes:

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2. Approve Monthly Expenditures:

31

3. Personnel:

4. Student Enrollments:

5. Donations:

43

5. Discussion Items:

1. Superintendent Update:

Dr. Laager

2. Board Member Reports:

Board Members

3. Building Administrator Reports:

44

6. Action Items:

1. <u>Approve the 2017 Pay 2018 Levy:</u>	Mr. Keller	<u>49</u>
2. <u>Approve 2016-17 Audit:</u>	Mr. Keller	<u>50</u>
3. <u>Resolution Calling a Special Election to Fill a School Board Vacancy:</u>		<u>114</u>
4. <u>Resolutions to Fully Fund Special Education Services:</u>	Dr. Laager	<u>118</u>
7. <u>Upcoming Meetings:</u>		
8. <u>Adjourn:</u>		

Board Clerk

Date



Belle Plaine School District

2017 Payable 2018

Truth In Taxation Public Meeting

6:00 PM

December 18, 2017

at the

Belle Plaine School District Board Room

130 South Willow Street

Belle Plaine, MN 56011



Belle Plaine School District

Truth in Taxation Law

Minnesota's Truth in Taxation Law requires that cities, counties and school districts follow certain steps before adopting a tax levy for the following year. One important part of that law requires a mailed notice to each property owner in the county, which describes the tax levies proposed by the city, county and school district and what percent increase such a levy would mean in dollars.



Belle Plaine School District

Truth in Taxation Public Meeting

A second part of the law pertains to a “Truth in Taxation” public meeting for each taxing jurisdiction.

You are here tonight as part of the school district’s public meeting process.



Belle Plaine School District

Requirements of the Truth in Taxation Public Meeting

1. Discuss proposed property tax levy for taxes payable 2018
2. Provide and discuss information on the current budget (2017-2018).
3. Public must be given a reasonable amount of time to comment on the proposed property tax levy and budget and to ask questions.

- Minnesota Statute 275.065



Belle Plaine School District

Points to Remember:

1. Revenue formulas are set by the State Legislature except for voter approved referendums.
2. Local Levy and State Aid mix are set by the State Legislature.
3. An increase in local taxes does not necessarily mean an increase in revenues for the school district.



Belle Plaine School District

School District Budget

Current School Year
2017-2018

Fund Accounting Overview

2017-2018

GENERAL FUND (Fund 01)

- Revenue is based on student enrollment
- The local referendum levy is part of the General Fund
- Provides for classroom instruction, instructional supplies and equipment, and other educational activities
- Special Education, and State / Federal Mandated Programs
- Extra-curricular Activities
- Pupil Transportation
- Facilities Operation and Maintenance
- Capital Expenditures and Improvements
- Health and Safety Code Compliance

FOOD SERVICE (Fund 02)

- School Breakfast and Lunch Program

Fund Accounting Overview (*cont.*)

2017-2018

COMMUNITY SERVICE (Fund 04)

- Levy is based on adult population in the District
- Early childhood levy is based on the number of children under 5 years of age
- Provides for enrichment programs for any age level that are not part of the K-12 education program
- Early Childhood Family Education
- School Readiness
- Adult Basic Education

DEBT SERVICE (Fund 07)

- Based on annual debt retirement schedules for the district's voter-approved outstanding bonded indebtedness. Annual levy is for the payment of principal and interest on bonds as due.



Belle Plaine School District

2017-2018 BUDGET OVERVIEW REVENUES

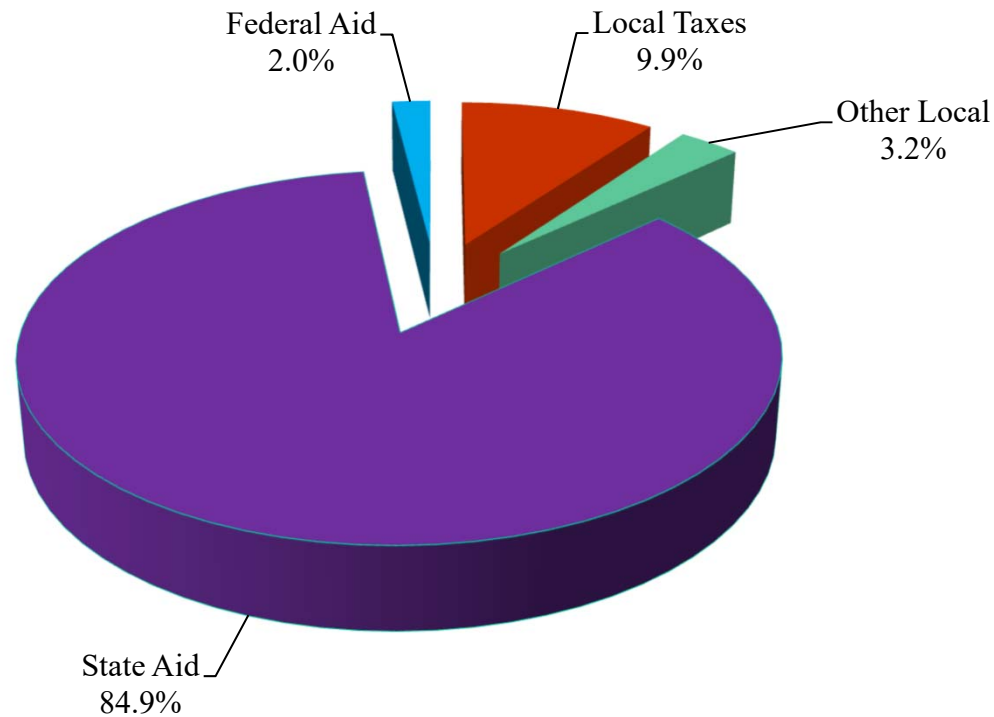
	16-17 Actual	17-18 Budget	Percent Change
General Fund	16,854,550	18,144,062	7.65%
Food Service	720,770	710,000	-1.49%
Community Service	751,480	712,181	-5.23%
Debt Service	3,153,692	3,271,602	3.74%
Totals	<u>\$ 21,480,492</u>	<u>\$ 22,837,845</u>	<u>6.32%</u>



Belle Plaine School District

General Fund Revenue Budget

Where Do Our School Revenues Come From?





Belle Plaine School District

2017-2018 BUDGET OVERVIEW EXPENDITURES

	16-17 Actual	17-18 Budget	Percent Change
General Fund	16,365,746	17,185,850	5.01%
Food Service	705,004	710,000	0.71%
Community Service	770,267	718,535	-6.72%
Debt Service	<u>3,227,338</u>	<u>3,297,009</u>	<u>2.16%</u>
 Totals	 <u>\$ 21,068,355</u>	 <u>\$ 21,911,394</u>	 <u>4.00%</u>



Belle Plaine School District

HOW ARE GENERAL FUND DOLLARS SPENT?

Expenses incurred in the operation of the district are paid from the General Fund. The following schedule relates how the dollars allocated to the General Fund are spent:

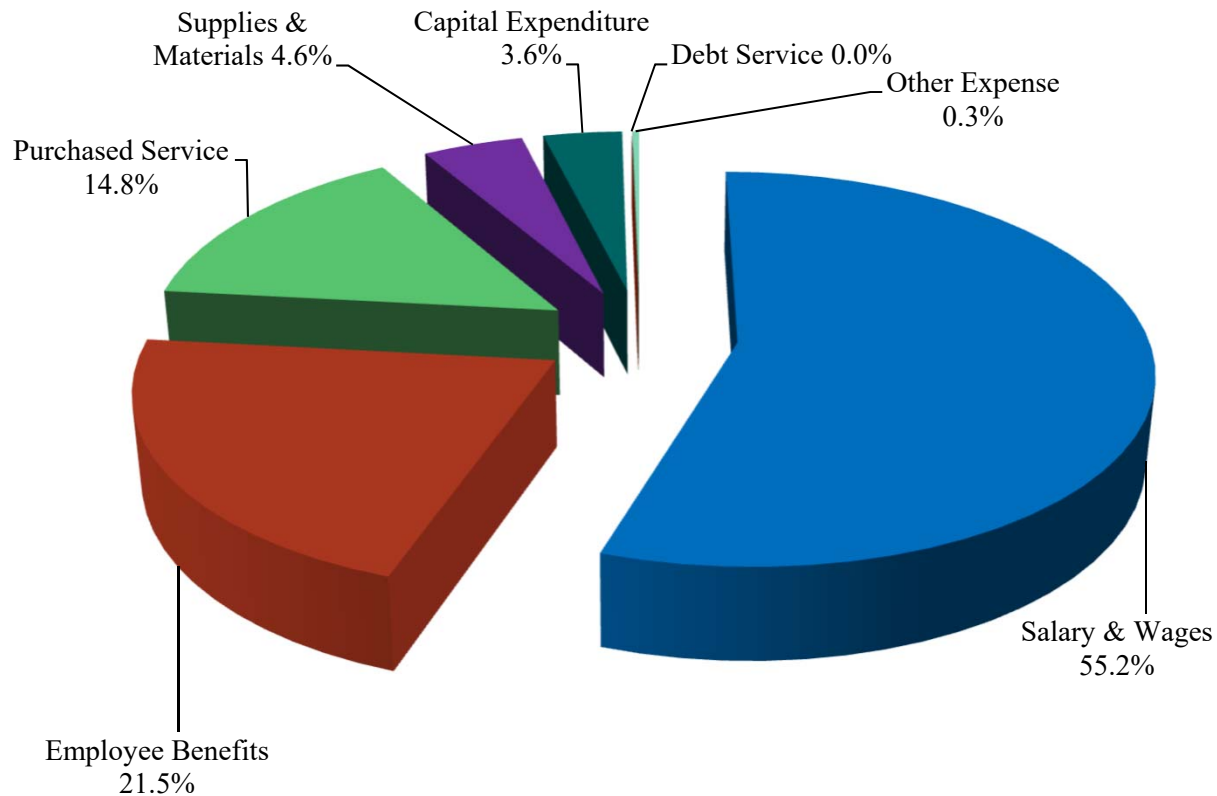
District & School Administration	5.2%
District Support Services	6.0%
Regular Instruction	47.0%
Vocational Instruction	2.8%
Special Education Instruction	14.8%
Instructional Support Services	4.0%
Pupil Support Services	8.1%
Sites-Buildings, Equipment	9.3%
Debt, Fiscal and Other	2.8%
	<u>100.0%</u>



Belle Plaine School District

General Fund Expenditure Budget

What Do Our Expenditures Pay For?





Belle Plaine School District

School District Levy

- 2017 Payable 2018
- 2018-2019 School Year
- Fiscal Year 2019



Belle Plaine School District

Authority for School Levies

A School District Tax Levy must be either:

- Set by State Formula
- or-
- Voter Approved



Belle Plaine School District

Factors Impacting Tax Change

Issues Driven by Legislative Decisions:

- Change in sales ratio (impacting ANTC)
- Change in tax capacity rate structure
- Laws mandating code compliance (Health & Safety and Buildings, Long-Term Facilities Maintenance)

Issues Determined by District Voters:

- Voter approved building bond issue
- Voter approved excess levy referendum



Belle Plaine School District

Factors Impacting Tax Change (*cont.*)

Local Factors:

- Inflationary pressure on real estate market
- Abatements
- Property improvements not previously taxed
- Change in individual assessed market value
- Possible change in property classification (*e.g. homestead to rental*)



Belle Plaine School District

How will your 2018 school taxes be spent?

Percent

General Fund

Provides additional funding for district instructional programs by means of the approved excess referendum. Provides funds for operating capital expenses, building/land lease, Long-term Facilities Maintenance and Career and Tech education:

25.8%

Community Education Fund

Levy for Community Education Programs:

2.2%

Debt Service

Levy for repayment of principal and interest on district debt:

72.0%

Total Levy Before Credits:

100.0%



Belle Plaine School District

LEVY LIMITATION AND CERTIFICATION 2017 Payable 2018

Comparison of Certified Payable 2017 Levy with Proposed Payable 2018 Levy

GROSS LEVIES BY FUND	ACTUAL 16 PAY 17	PROPOSED 17 PAY 18	DOLLAR DIFFERENCE	PERCENT DIFFERENCE
General Fund	1,704,161.17	1,346,888.79	(357,272.38)	-20.96%
Community Services	113,884.37	115,876.39	1,992.02	1.75%
Debt Redemption	3,151,172.35	3,754,138.61	602,966.26	19.13%
Total	4,969,217.89	5,216,903.79	247,685.90	4.98%



Belle Plaine School District

Major Changes to Levy Categories

Category	Pay 2017	Pay 2018	Change
General Fund			
Operating Capital	116,172.31	104,495.61	(11,676.70)
Achievement/Integration	36,257.73	-	(36,257.73)
LTFM	444,744.47	21,779.50	(422,964.97)
Location Equity	584,892.85	628,629.56	43,736.71
Equity/1st Tier Brd Appvd	470,898.95	505,722.30	34,823.35
Other General Fund	51,194.86	86,261.82	35,066.96
Sub-Total	1,704,161.17	1,346,888.79	(357,272.38)
Community Service	113,884.37	115,876.39	1,992.02
Debt Service	3,151,172.35	3,754,138.61	602,966.26
Total Change			247,685.90



Belle Plaine School District

What are the main variables that cause property tax increases and decreases?

- Changes in market values, classification or class rates
- Change in property tax credits (*e.g. change in Homestead Benefit from a credit to an exclusion*)
- Voter approved referendums
- Increases or decreases in levy amounts caused by changes in state funding formulas



Belle Plaine School District

What are the main variables that cause property tax increases and decreases? (*cont.*)

- The value of your property may increase or decrease
- The value of other properties may increase or decrease and change the share that your property is of the total tax base, whether your property's value changed or not.



Belle Plaine School District

Whereas, Pursuant to Minnesota Statutes the School Board of the Belle Plaine School District, Belle Plaine, Minnesota, is authorized to make the following proposed tax levies for general purposes:

Maintenance (General Fund)	\$ 1,346,888.79
• Includes Referendum	
Community Service	115,876.39
Debt Service	3,754,138.61
Total Proposed School Tax Levy	\$ 5,216,903.79

Now Therefore, Be it resolved by the School Board of Belle Plaine School District, Belle Plaine, Minnesota, that the levy to be levied in 2017 to be collected in 2018 is set at \$5,216,903.79. The clerk of the Belle Plaine School Board is authorized to certify the proposed levy to the County Auditor of Scott County, Minnesota.

Minutes of Regular Board Meeting

MINUTES WILL NOT BE APPROVED UNTIL THE NEXT BOARD MEETING

The Board of Belle Plaine Public Schools

A Regular Board Meeting of the Board of Belle Plaine Public Schools was held Monday, November 27, 2017, beginning at 6:00 PM in the District Center - Board Room.

1. Call to Order:

Chairperson Gardner will call the meeting to order.

The regular monthly meeting of the Belle Plaine School Board was called to order by Chairperson Gardner on Monday, November 27, 2017 at 6:00 pm at the District Center Board Room with the following members present: Gardner, Giesen, Vandermark, Kahle and Supt. Laager; the following member participating via phone conference call: O'Brien; and the following member was absent: Skelley.

2. Acknowledgment of Visitors and Special Presentations:

Chairperson Gardner will ask if visitors wish to be placed on the Agenda.

3. Other Items as Brought Before the Board & Consideration of Agenda:

Chairperson Gardner will ask if there are any items that need to be brought before the board and for consideration of the Agenda.

Motion by Kahle and second by Giesen to approve the agenda as presented. Motion carried unanimously.

4. Consensus Items:

If any board member has concerns about the adoption of the following consensus items, please acknowledge the Chairperson prior to the final vote. If there are no concerns, these items will be voted on as a group.

Presenter: Chair Gardner

Motion by Giesen and second by Vandermark to approve all of the following consensus items. Motion carried unanimously.

4. 1. Previous Board Meeting Minutes:

Enclosed are the October 16, 2017 Regular Board Meeting minutes and the November 13, 2017 Special Board Meeting minutes for your review and adoption.

4. 2. Approve Monthly Expenditures:

At the board finance meeting, expenditures for the month of November were reviewed. Administration recommends approval of the November 2017 disbursements totaling \$2,387,750.36. This includes board payables of \$338,654.60, hand payments of \$633,320.88, electronic payments of \$1,394,444.08 and student activity payments of \$21,330.80.

4. 3. Personnel:

Approve the hire of Allison Stolt, Paraprofessional, at Step 1, \$13.35 per hour for approximately 105 days beginning December 18, 2017.

Approve the hire of Diane Skelley, Custodian, at 1.0 FTE, Step 3, \$15.80 per hour beginning December 4, 2017.

Approve the rescinding of Amy Toennes's resignation. She will resume

employment as a Paraprofessional at Step 7, \$16.11 per hour effective November 6, 2017.

Approve the hire of Margaret Priola as a long term substitute from approximately February 7, 2018 through June 1, 2018.

Approve the hire of Courtney Gray as a long term substitute from approximately February 12, 2018 through April 13, 2018.

Approve the hire of Delores Johnson as a long term substitute from approximately April 2, 2018 through May 18, 2018.

Approve the hire of Marcy Boblitt as a long term substitute from approximately January 24, 2018 through May 4, 2018.

Approve contract for Kris Davis, Administrative Assistant/Accounts Payable, effective July 1, 2017 - June 30, 2019 at \$40,560 for 2017-18 and \$41,392 for 2018-19.

Approve contract for Amy Franck, Payroll and Benefits Coordinator, effective July 1, 2017 - June 30, 2019 at \$46,717 for 2017-18 and \$48,464 for 2018-19.

Approve an Employee Leave Request for Carly Werner effective from approximately February 12, 2018 through April 4, 2018.

Approve an Employee Leave Request for Kelli Quast effective from approximately April 5, 2018 through June 1, 2018.

Approve an Employee Leave Request for Karissa Tye effective from approximately April 4, 2018 through May 18, 2018.

4. 4. Student Enrollments:

Approve a Sibley East 10th grade student to attend Belle Plaine Schools effective October 16, 2017.

Approve a Belle Plaine 11th grade student to attend Shakopee Schools effective October 12, 2107.

Approve a Belle Plaine PreK student to attend Shakopee Schools effective October 17, 2017.

Approve a Belle Plaine 2nd grade student to attend New Prague Area Schools effective October 16, 2017.

Approve a Belle Plaine 4th grade student to continue to attend Prior Lake-Savage Area Schools effective November 15, 2017.

4. 5. Donations:

Donations totaling \$7,313.54 were given to the Belle Plaine School District over the past several months. See the attached resolution for a full listing of the donations. Thank you to all who made these wonderful donations!

Date	Donor	Donation/Gift	Amount
10/15/17	Pheasants Forever	Trap Team	250.00
10/18/17	Spaghetti Feed Free Will Donations	Cross Country Team	1594.00
10/04/17	Belle Plaine Elementary PTO	Chatfield – Kindergarten Grade Level Request	177.73
10/13/17	Belle Plaine Elementary PTO	Oak Crest – Roller Skating Unit	3840.00
10/13/17	Belle Plaine Elementary PTO	Oak Crest – Scholastic News – Grade 3	375.40
10/20/17	Mary Nesgoda	Food Service – Assist Underfunded Students	50.00
10/30/17	Belle Plaine Elementary PTO	Chatfield – Grade Level Request	258.91
10/31/17	Kopp Family Foundation	High School – Assist Students in Need	500.00
10/31/17	Anonymous Donation	Food Service – Assist Underfunded Students	200.00
10/19/17	Theresa Kuhlmann	General Support	67.50

5. Discussion Items:

5. 1. Superintendent Update:

Superintendent Laager will provide updates on current school activities,
Presenter: Dr. Laager

5. 1. 1. Advertising Plan:

Review of advertising plan.
Presenter: Dr. Laager

5. 1. 2. Technology and iPad Plan:

Review technology plan for 1 to 1 devices.
Presenter: Ryan, Chuck, Margot

- *School Board agrees with the Option One:*
 - *Grades K-2 – Purchase new iPad minis*
 - *Grades 3-6 – Purchase full size iPads*
 - *Grades 7-12 – Purchase full size iPads and keyboards*

5. 1. 3. Community Center Update:

Presenter: Dr. Laager

5. 2. Board Member Reports:

Board members will have an opportunity to share information about meetings they have attended over the past month.

Presenter: Board Members

5. 3. Building Administrator Reports:

6. Action Items:

6. 1. Adopt Resolution Authorizing Issuance of Certificates of Election:

It is recommended that the board approve the resolution to authorize issuance of certificates of election and to direct the school district clerk to perform other election related duties. Upon approval of this resolution, certificates of election will be conveyed upon Matthew Lenz, Karl Keup and Amanda Gregory. In addition, board members-elect will receive a form of acceptance of office and oath of office in the manner recommended within our election manual.

Administration recommends approval of the attached resolution and that the chair & clerk sign certificates of election for each elected candidate.

Presenter: Dr. Ryan Laager

Motion by Kahle and second by Vandermark to adopt the resolution authorizing the issuance of Certificates of Election to Matthew Lenz, Karl Keup and Amanda Gregory. Motion carried unanimously with a 5-0 roll call vote.

6. 2. Adopt Resolution Moving School Board Elections to Even Years:

Approve the attached resolution to move school board elections to even years to coincide with other elections.

Presenter: Dr. Laager/Mr. Keller

Motion by Vandermark and second by Giesen to adopt the resolution moving school board elections to even year. Motion carried unanimously with a 5-0 roll call vote.

6. 3. Resolution Combining Polling Places:

New legislation requires school districts to designate polling locations by

resolution annually for the upcoming year.

Motion by Kahle and second by Vandermark to approve the resolution to combine polling places for school district standalone elections. Motion carried unanimously with a 5-0 roll call vote.

6. 4. Resolution for Referendum:

Resolution to approve the issuance of bonds and holding a special election.

Presenter: Dr. Laager

Motion by Vandermark and second by Kahle to approve the resolution for a special election for a bond referendum. Motion carried unanimously with a 5-0 roll call vote.

6. 5. Worlds Best Work Force (WBWF):

WBWF plan for 2017-18. Approval of the annual WBWF report is recommended.

Presenter: Margot Hansen

Motion by Giesen and second by Vandermark to approve the World's Best Work Force plan for 2017-18. Motion carried unanimously.

6. 6. Review of Current Policies:

Review of our current policies: Policy 504 - Student Dress Appearance (minor wording change and update to Legal References), Policy 513 - Student Promotion, Retention and Program Design (wording changes and additions to policy), Policy 514 - Bully Prohibition (change in Legal Reference) and Policy 515 - Protection & Privacy of Pupil Records (change in wording from "No Child Left Behind" to "Every Student Succeeds").

Third and final readings of Policy 534 - Unpaid Meal Charges (formerly Policy 715 - Food Service Account) and Policy 620 - Credit for Learning.

The current policy/form is attached along with the revised red line version.

Presenter: Dr. Laager/Mr. Keller

Motion by Vandermark and second by Kahle to approve the policy revisions on Policy 501 - Student Dress Appearance, Policy 513 – Student Promotion, Retention and Program Design, Policy 514 – Bully Prohibition and Policy 515 – Protection & Privacy of Pupil Records and to approve the final reading of Policy 534 – Unpaid Meal Charges and Policy 620 – Credit for Learning. Motion carried unanimously.

7. Upcoming Meetings:

December 18: 5:30 p.m. Finance Committee
6:00 p.m. TNT Hearing
6:30 p.m. Regular Board Meeting

8. Adjourn:

Motion by Kahle and second by Vandermark to adjourn at 7:25 pm. Motion carried unanimously.

Belle Plaine Public Schools Pre Payment Report

GrpCode	Rcd	W9	Vendor	Batch	Voucher	Inv No	Gross Amount	Disc Amt	Net Payment	Inv Date	Due Date	Disc Date
1	5618	N	ALPHA VIDEO AND AUDIO INC.	V80601	60973	INV99065	996.00	0.00	996.00	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$996.00			
1	4272	N	AMY FRANCK	V80601	61020	12072017	119.04	0.00	119.04	12/12/2017	12/12/2017	12/12/2017
							Check Amount:		\$119.04			
1	7348	N	APEX EFFICIENCY SOLUTIONS, SB	V80601	60950	6	82,092.60	0.00	82,092.60	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$82,092.60			
1	4589	N	BANC OF AMERICA LEASING	V80601	60977	103	8,256.74	0.00	8,256.74	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$8,256.74			
1	1125	N	BELLE PLAINE HERALD	V80601	60946	24135	330.63	0.00	330.63	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$330.63			
1	7395	N	CARLY GERNBACHER	V80601	60948	11142017	25.57	0.00	25.57	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$25.57			
1	4702	N	CDW-G	V80601	61018	KZS9954	2,500.00	0.00	2,500.00	12/12/2017	12/12/2017	12/12/2017
							Check Amount:		\$2,500.00			
1	6865	N	CRISISGO INC	V80601	61037	0000984	2,200.00	0.00	2,200.00	12/12/2017	12/12/2017	12/12/2017
							Check Amount:		\$2,200.00			
1	7434	N	DELANO PUBLIC SCHOOLS	V80601	60963	04262018	150.00	0.00	150.00	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$150.00			
1	5579	N	EDUCATORS BENEFIT CONSULTAN	V80601	60944	39357	206.45	0.00	206.45	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$206.45			
1	1472	N	FOLLETT SCHOOL SOLUTIONS INC	V80601	60941	2185211A,B,C,D,E	541.97	0.00	541.97	12/06/2017	12/06/2017	12/06/2017
1	1472	N	FOLLETT SCHOOL SOLUTIONS INC	V80601	61019	2200668A	80.76	0.00	80.76	12/12/2017	12/12/2017	12/12/2017
1	1472	N	FOLLETT SCHOOL SOLUTIONS INC	V80601	60939	2197177A	280.00	0.00	280.00	12/06/2017	12/06/2017	12/06/2017
1	1472	N	FOLLETT SCHOOL SOLUTIONS INC	V80601	60940	2185733A	798.00	0.00	798.00	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$1,700.73			
1	3171	N	GOPHER SPORT	V80601	60958	9375179	588.58	0.00	588.58	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$588.58			
1	7408	N	GOPHERMODS	V80601	60945	1636	770.00	0.00	770.00	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$770.00			
1	1503	N	GSL HIGH SCHOOL	V80601	60995	12282017	300.00	0.00	300.00	12/07/2017	12/07/2017	12/07/2017
							Check Amount:		\$300.00			

Belle Plaine Public Schools Pre Payment Report

GrpCode	Rcd	W9	Vendor	Batch	Voucher	Inv No	Gross Amount	Disc Amt	Net Payment	Inv Date	Due Date	Disc Date
1	1566	N	HILLYARD / HUTCHINSON	V80601	61036	602801961	802.00	0.00	802.00	12/12/2017	12/12/2017	12/12/2017
1	1566	N	HILLYARD / HUTCHINSON	V80601	61035	602801961	4,077.99	0.00	4,077.99	12/12/2017	12/12/2017	12/12/2017
							Check Amount:		\$4,879.99			
1	3762	N	HOUGHTON MIFFLIN HARCOURT	V80601	60960	953468464	63.70	0.00	63.70	12/06/2017	12/06/2017	12/06/2017
1	3762	N	HOUGHTON MIFFLIN HARCOURT	V80601	60961	953468465	86.30	0.00	86.30	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$150.00			
1	1202	N	JANIS BUESGENS	V80601	61015	11302017	19.26	0.00	19.26	12/11/2017	12/11/2017	12/11/2017
							Check Amount:		\$19.26			
1	6080	N	JON OR NICOLE BRANDENBURG	V80601	60979	12062017	366.40	0.00	366.40	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$366.40			
1	7403	N	KAITLIN SENN	V80601	60974	11172017	38.52	0.00	38.52	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$38.52			
1	6555	N	KELLY PETRASEK	V80601	60947	11152017	24.61	0.00	24.61	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$24.61			
1	5867	N	LITCHFIELD HIGH SCHOOL	V80601	60954	12012017	50.00	0.00	50.00	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$50.00			
1	1759	N	MANKATO EAST HIGH SCHOOL	V80601	60965	05082018	80.00	0.00	80.00	12/06/2017	12/06/2017	12/06/2017
1	1759	N	MANKATO EAST HIGH SCHOOL	V80601	60953	11252017	30.00	0.00	30.00	12/06/2017	12/06/2017	12/06/2017
1	1759	N	MANKATO EAST HIGH SCHOOL	V80601	60964	05082018	80.00	0.00	80.00	12/06/2017	12/06/2017	12/06/2017
1	1759	N	MANKATO EAST HIGH SCHOOL	V80601	60956	12092017	125.00	0.00	125.00	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$315.00			
1	6563	N	MARGOT HANSEN	V80601	60952	11282017	49.76	0.00	49.76	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$49.76			
1	1797	N	MCEA EX.OFFICE	V80601	60957	01012018	528.00	0.00	528.00	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$528.00			
1	1950	N	PAAPE DISTRIB.CO.	V80601	61038	051432	899.40	0.00	899.40	12/12/2017	12/12/2017	12/12/2017
							Check Amount:		\$899.40			
1	3660	N	PESI	V80601	61021	1726284	634.96	0.00	634.96	12/12/2017	12/12/2017	12/12/2017
							Check Amount:		\$634.96			
1	2002	N	PROTECTION SYSTEMS INC	V80601	61034	38165	925.35	0.00	925.35	12/12/2017	12/12/2017	12/12/2017
							Check Amount:		\$925.35			
1	6827	N	REINHART FOOD SERVICES, LLC	V80601	61013	804756	379.95	0.00	379.95	12/11/2017	12/11/2017	12/11/2017

Belle Plaine Public Schools Pre Payment Report

GrpCode	Rcd	W9	Vendor	Batch	Voucher	Inv No	Gross Amount	Disc Amt	Net Payment	Inv Date	Due Date	Disc Date
1	6827	N	REINHART FOOD SERVICES, LLC	V80601	60975	802500	388.38	0.00	388.38	12/06/2017	12/06/2017	12/06/2017
1	6827	N	REINHART FOOD SERVICES, LLC	V80601	60955	799845	231.80	0.00	231.80	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$1,000.13			
1	4612	N	ROCHELLE GRILLA	V80601	60980	12062017	175.95	0.00	175.95	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$175.95			
1	3662	N	RSCHOOL TODAY (DWC)	V80601	60971	33942	2,099.00	0.00	2,099.00	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$2,099.00			
1	2060	N	SAMUEL FRENCH INC	V80601	60972	571550	90.00	0.00	90.00	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$90.00			
3	7339	N	SCHMITT MUSIC	V80601	61011	1853247	67.00	0.00	67.00	12/11/2017	12/11/2017	12/11/2017
3	7339	N	SCHMITT MUSIC	V80601	61010	1877101	471.43	0.00	471.43	12/11/2017	12/11/2017	12/11/2017
3	7339	N	SCHMITT MUSIC	V80601	61009	1877101	233.10	0.00	233.10	12/11/2017	12/11/2017	12/11/2017
3	7339	N	SCHMITT MUSIC	V80601	61008	1877102	65.96	0.00	65.96	12/11/2017	12/11/2017	12/11/2017
3	7339	N	SCHMITT MUSIC	V80601	61007	1877103	51.80	0.00	51.80	12/11/2017	12/11/2017	12/11/2017
3	7339	N	SCHMITT MUSIC	V80601	61006	1877104	21.70	0.00	21.70	12/11/2017	12/11/2017	12/11/2017
							Check Amount:		\$910.99			
1	2067	N	SCHMITT MUSIC COMPANY	V80601	61012	1753320	78.84	0.00	78.84	12/11/2017	12/11/2017	12/11/2017
							Check Amount:		\$78.84			
1	3336	1	N SCHOOL SPECIALTY	V80601	60969	208119588597	195.07	0.00	195.07	12/06/2017	12/06/2017	12/06/2017
1	3336	1	N SCHOOL SPECIALTY	V80601	60968	308102917803	107.74	0.00	107.74	12/06/2017	12/06/2017	12/06/2017
1	3336	1	N SCHOOL SPECIALTY	V80601	60966	208119476572	3.37	0.00	3.37	12/06/2017	12/06/2017	12/06/2017
1	3336	1	N SCHOOL SPECIALTY	V80601	60959	208119623496	32.14	0.00	32.14	12/06/2017	12/06/2017	12/06/2017
1	3336	1	N SCHOOL SPECIALTY	V80601	60976	308102921826	93.44	0.00	93.44	12/06/2017	12/06/2017	12/06/2017
1	3336	1	N SCHOOL SPECIALTY	V80601	60970	308102904219	351.69	0.00	351.69	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$783.45			
1	3124	N	SCHOOLFINANCES.COM	V80601	60949	1183	100.00	0.00	100.00	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$100.00			
1	4423	N	SCOTT COUNTY TREASURER	V80601	61014	IN21238	844.44	0.00	844.44	12/11/2017	12/11/2017	12/11/2017
							Check Amount:		\$844.44			
1	4959	N	SIBEL DIKMEN	V80601	60951	11282017	36.38	0.00	36.38	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$36.38			
1	6138	N	SOUTHWEST METRO EDUCATION	V80601	60942	13880	25,835.44	0.00	25,835.44	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$25,835.44			

Belle Plaine Public Schools Pre Payment Report

GrpCode	Rcd	W9	Vendor	Batch	Voucher	Inv No	Gross Amount	Disc Amt	Net Payment	Inv Date	Due Date	Disc Date
1	2164	N	STIER TRANSPORTATION SERVICE	V80601	60962	100917	162.10	0.00	162.10	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$162.10			
1	7392	N	THE FLYING LOCKSMITHS	V80601	60943	TFL0511142	117.41	0.00	117.41	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$117.41			
1	3931	N	TRAILBLAZER TRANSIT	V80601	61022	2017-10-393	76.00	0.00	76.00	12/12/2017	12/12/2017	12/12/2017
							Check Amount:		\$76.00			
1	4631	N	TRINITY LUTHERAN CHURCH	V80601	60981	12062017	2,300.13	0.00	2,300.13	12/06/2017	12/06/2017	12/06/2017
1	4631	N	TRINITY LUTHERAN CHURCH	V80601	60978	12062017	3,984.60	0.00	3,984.60	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$6,284.73			
1	4291	N	VARITRONICS, LLC	V80601	60967	88184	136.12	0.00	136.12	12/06/2017	12/06/2017	12/06/2017
							Check Amount:		\$136.12			
							Report Total:		\$147,848.57			

*Does not meet minimum amount

**Exceeds maximum amount

Hand Pays

Batch	Co	Pmt No	Bank	Check No	Pay Type	Grp	Code	Vendor	Print	Recon	Pay Date	Void	Curr	Amount	
P80602	0716	43733	SBC	61153	CH	1	4802	USPS	Y	N	12/1/2017	C	N	USD	311.20
p806p2	0716	43740	SBC	61154	CH	1	1123	BELLE PLAINE ED ASSOC	Y	N	12/5/2017	C	N	USD	4,889.31
p806p2	0716	43741	SBC	61155	CH	1	1134	BELLE PLAINE SCHOOL	Y	N	12/5/2017	C	N	USD	3,512.62
p806p2	0716	43745	SBC	61156	CH	1	6451	Belle Plaine Schools Dental Ins Account	Y	N	12/5/2017	C	N	USD	11,984.04
p806p2	0716	43746	SBC	61157	CH	1	6482	Belle Plaine Schools Health Ins Acct	Y	N	12/5/2017	C	N	USD	117,645.15
p806p2	0716	43742	SBC	61158	CH	1	1178	BPESPA	Y	N	12/5/2017	C	N	USD	938.67
p806p2	0716	43747	SBC	61159	CH	1	7052	FIDELITY SECURITY LIFE INS EYE MED	Y	N	12/5/2017	C	N	USD	524.20
p806p2	0716	43744	SBC	61160	CH	1	6122	NATIONAL INSURANCE SERVICE of WI	Y	N	12/5/2017	C	N	USD	2,719.92
p806p2	0716	43743	SBC	61161	CH	1	1836	NCPERS MINNESOTA	Y	N	12/5/2017	C	N	USD	32.00
P80602	0716	43799	SBC	61162	CH	1	6060	AMY BRIGGS	Y	N	12/8/2017	C	N	USD	111.00
P80602	0716	43796	SBC	61163	CH	1	4912	APRIL KABES	Y	N	12/8/2017	C	N	USD	111.00
P80602	0716	43800	SBC	61164	CH	1	6264	BELLE PLAINE AREA FOOD SHELF	Y	N	12/8/2017	C	N	USD	350.80
P80602	0716	43797	SBC	61165	CH	1	5925	BRIAN SPANOVICH	Y	N	12/8/2017	C	N	USD	111.00
P80602	0716	43801	SBC	61166	CH	1	6510	DYLAN BOTHUN	Y	N	12/8/2017	C	N	USD	111.00
P80602	0716	43795	SBC	61167	CH	1	4119	KRIS DAVIS	Y	N	12/8/2017	C	N	USD	105.93
P80602	0716	43804	SBC	61168	CH	1	7436	LILIA BJORGE	Y	N	12/8/2017	C	N	USD	33.45
P80602	0716	43803	SBC	61169	CH	1	7435	MARK NORTHFIELD	Y	N	12/8/2017	C	N	USD	111.00
P80602	0716	43798	SBC	61170	CH	1	5941	MARK SELLOW	Y	N	12/8/2017	C	N	USD	111.00
P80602	0716	43791	SBC	61171	CH	1	1992	PRAIRIE TRUCKING INC	Y	N	12/8/2017	C	N	USD	33,799.45
P80602	0716	43802	SBC	61172	CH	1	7261	RICHARD GRIDER	Y	N	12/8/2017	C	N	USD	111.00
P80602	0716	43793	SBC	61173	CH	1	3925	SCOTT RYAN	Y	N	12/8/2017	C	N	USD	111.00
P80602	0716	43794	SBC	61174	CH	1	3926	STEVEN WOLVIN	Y	N	12/8/2017	C	N	USD	111.00
P80602	0716	43792	SBC	61175	CH	1	2164	STIER TRANSPORTATION SERVICES	Y	N	12/8/2017	C	N	USD	73,229.59
P80602	0716	43810	SBC	61176	CH	1	2329	BLUE CROSS BLUE SHIELD of MN	Y	N	12/12/2017	N		USD	366.00
P80602	0716	43813	SBC	61177	CH	1	6965	DOMINIC HOWARD	Y	N	12/12/2017	N		USD	111.00
P80602	0716	43812	SBC	61178	CH	1	6954	JASON SANDERS	Y	N	12/12/2017	N		USD	111.00
P80602	0716	43809	SBC	61179	CH	1	1748	MAAE	Y	N	12/12/2017	N		USD	100.00
P80602	0716	43811	SBC	61180	CH	1	6902	PATRICK MCDONOUGH	Y	N	12/12/2017	N		USD	111.00

Total

\$ 251,874.33

Nov 2017 Student Activities

Co	Pmt No	Bank	Check No	Pay Type	Grp	Code	Vendor	Payment Description	Pay Date	Void	Curr	Amount
0716	43518	HSAC	8079	CH	1	7426	CORINE CORBITT	REIMBURSEMENT FOR GFW TRAPSHOOTING FEES	11/9/2017 0	N	USD	65.00
0716	43520	HSAC	8080	CH	3	5470	KITTELSON MARKETING COMPANY, INC	Butter Braid Fundraiser	11/9/2017 0	N	USD	7,263.60
0716	43519	HSAC	8081	CH	3	4882	MN FFA ASSOCIATION	FFA - 2017-18 DUES	11/9/2017 0	N	USD	783.50
0716	43517	HSAC	8082	CH	1	7109	REGENTS OF THE U OF M	2017 FFA Fall Invitational	11/9/2017 0	N	USD	120.00
0716	43522	HSAC	8083	CH	3	7164	REGION VII FFA	REGION DUES	11/9/2017 0	N	USD	185.50
0716	43521	HSAC	8084	CH	3	6228	ROCHESTER CITY LINES	Bus for natls	11/9/2017 0	N	USD	7,100.00
0716	43556	HSAC	8085	CH	3	4813	BPEA	PEPSI	11/22/2017	N	USD	11.95
0716	43554	HSAC	8086	CH	1	6564	EVOLUTION SHIRTS	XC - SHIRTS	11/22/2017	N	USD	204.80
0716	43553	HSAC	8087	CH	1	2590	FAME AWARDS	XC - AWARDS	11/22/2017	N	USD	100.00
0716	43552	HSAC	8088	CH	1	1528	GROTH MUSIC	CHOIR - Djembe drum with stand	11/22/2017	N	USD	313.00
0716	43555	HSAC	8089	CH	1	6827	REINHART FOOD SERVICES, LLC	XC - Spaghetti Feed	11/22/2017	N	USD	300.54
0716	43726	HSAC	8090	CH	1	1125	BELLE PLAINE HERALD	Add for fruit sales	11/30/2017	N	USD	162.00
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	CONCESSIONS - COBORNS	11/30/2017	N	USD	51.71
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	CONCESSIONS - RUCKS	11/30/2017	N	USD	93.34
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	CONCESSIONS - COBORNS	11/30/2017	N	USD	36.27
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	XC - SAMS CLUB	11/30/2017	N	USD	78.32
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	SOFTBALL - LEAGUE ATHLETICS	11/30/2017	N	USD	500.00
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	SH CLUB - CRAGUNS	11/30/2017	N	USD	96.63
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	SH CLUB - CRAGUNS	11/30/2017	N	USD	96.63
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	SH CLUB - CRAGUNS	11/30/2017	N	USD	96.63
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	JH STD CNCL - DOMINOS	11/30/2017	N	USD	136.49
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	XC - KITCHEN HELP	11/30/2017	N	USD	100.00
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	CONCESSIONS - RUCKS	11/30/2017	N	USD	178.50
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	CLASS 2018 - EMMAS	11/30/2017	N	USD	104.47
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	CLASS 2018 - COBORNS	11/30/2017	N	USD	87.56
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	PEP CLUB - COBORNS	11/30/2017	N	USD	34.99
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	FFA - FAIR OAKS FARMS	11/30/2017	N	USD	660.00
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	FFA - ACAPULCO JOE	11/30/2017	N	USD	150.97
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	FFA - CONNER PRAIRIE BOX OFFICE	11/30/2017	N	USD	90.00
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	FFA - CONNER PRAIRIE BOX OFFICE	11/30/2017	N	USD	424.00
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	JH STD CNCL - BEST BUY	11/30/2017	N	USD	439.97
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	CONCESSIONS - OCT	11/30/2017	N	USD	3,213.95
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	XC - KWIK TRIP	11/30/2017	N	USD	38.42
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	FFA - BEEF AND BOARDS	11/30/2017	N	USD	2,310.00
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	XC - ROCHESTER CENTERSTONE	11/30/2017	N	USD	1,091.40
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	CHOIR - SAMS CLUB	11/30/2017	N	USD	143.53
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	BASEBALL - BSN	11/30/2017	N	USD	2,723.09
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	XC - KWIK TRIP	11/30/2017	N	USD	39.42
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	JH STD CNCL - PARTY CITY	11/30/2017	N	USD	104.31

Nov 2017 Student Activities

Co	Pmt No	Bank	Check No	Pay Type	Grp	Code	Vendor	Payment Description	Pay Date	Void	Curr	Amount
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	FOOTBALL - DOMINOS	11/30/2017	N	USD	164.54
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	TENNIS - ERBERT & GERBERT	11/30/2017	N	USD	139.75
0716	43728	HSAC	8091	CH	3	4721	BELLE PLAINE SCHOOL DISTRICT	MHS - COBORNS	11/30/2017	N	USD	44.99
0716	43729	HSAC	8092	CH	3	4837	FAME AWARDS	Fball Awards	11/30/2017	N	USD	201.00
0716	43731	HSAC	8093	CH	3	4882	MN FFA ASSOCIATION	H2o Conference Registration	11/30/2017	N	USD	100.00
0716	43730	HSAC	8094	CH	3	4848	PEPSI-COLA	11/13/17	11/30/2017	N	USD	739.91
0716	43727	HSAC	8095	CH	1	5560	SCRIP COMPANIES	2018 Junior Class Fundraiser Gift Cards	11/30/2017	N	USD	13,270.35
0716	43732	HSAC	8096	CH	3	4905	TRAVEL LEADERS	Tennis Trip Down Payment	11/30/2017	N	USD	840.00
											Total	45,231.03

November 2017 Pcard

Card Holder	Transaction Date	Statement Date	Merchant Name	Transaction Amount	Notes
Belle P Activities	11/22/2017	11/27/2017	A. H. Hermel Company	620.12	
Belle P Activities	11/21/2017	11/27/2017	Coborn S Superstore	41.91	
Belle P Activities	11/21/2017	11/27/2017	Ruck S Meat Processing	133.00	
Belle P Activities	11/21/2017	11/27/2017	Sams Club #6311	143.63	
Belle P Activities	11/14/2017	11/27/2017	Lowes #02628*	318.32	
Belle P Activities	11/13/2017	11/27/2017	Target 00012724	27.96	
Belle P Activities	11/10/2017	11/27/2017	Stage Accents	5,529.76	
Belle P Activities	11/10/2017	11/27/2017	Usps Po 2607300172	245.00	
Belle P Activities	11/10/2017	11/27/2017	Coborn S Superstore	38.64	
Belle P Activities	11/10/2017	11/27/2017	Coborn S Superstore	35.02	
Belle P Activities	11/1/2017	11/27/2017	A. H. Hermel Company	253.13	
Belle P Activities	10/28/2017	11/27/2017	Coborn S Superstore	20.48	
Belle P Activities	10/29/2017	11/27/2017	Coborn S Superstore	52.69	
Belle Plaine Comm Ed	11/18/2017	11/27/2017	Mills Fleet Farm 3200	20.85	
Belle Plaine Comm Ed	11/18/2017	11/27/2017	Michaels Stores 6733	19.86	
Belle Plaine Comm Ed	11/17/2017	11/27/2017	Wm Supercenter #1738	25.08	
Belle Plaine Comm Ed	11/13/2017	11/27/2017	Coborn S Superstore	34.99	
Belle Plaine Comm Ed	11/8/2017	11/27/2017	Coborn S Superstore	8.58	
Belle Plaine High School	11/21/2017	11/27/2017	Full Compass Sys Vt	513.60	
Belle Plaine High School	11/21/2017	11/27/2017	Subway 03164670	179.55	
Belle Plaine High School	11/16/2017	11/27/2017	Amazon.Com Amzn.Com/bi	47.01	
Belle Plaine High School	11/15/2017	11/27/2017	State Supply Co	479.79	
Belle Plaine High School	11/14/2017	11/27/2017	Pizza Plus	76.24	
Belle Plaine High School	11/14/2017	11/27/2017	Pizza Plus	98.05	
Belle Plaine High School	11/8/2017	11/27/2017	Amazon.Com Amzn.Com/bi	24.93	
Belle Plaine High School	11/7/2017	11/27/2017	Coborn S Superstore	30.71	
Belle Plaine High School	11/4/2017	11/27/2017	Amazon.Com Amzn.Com/bi	68.53	
Belle Plaine High School	11/3/2017	11/27/2017	Usps Po 2607300172	7.20	
Belle Plaine High School	11/2/2017	11/27/2017	Menards Burnsville Mn	544.96	
Belle Plaine High School	10/31/2017	11/27/2017	Amazon.Com Amzn.Com/bi	244.65	
Belle Plaine Sd	11/22/2017	11/27/2017	Walmart.Com	67.35	
Belle Plaine Sd	11/14/2017	11/27/2017	Usps Po 2607300172	6.59	
Belle Plaine Sd	11/13/2017	11/27/2017	Paypal *Idinfo	243.00	
Belle Plaine Sd	11/13/2017	11/27/2017	Steppingstone Theatre	82.00	

November 2017 Pcard

Card Holder	Transaction Date	Statement Date	Merchant Name	Transaction Amount	Notes
Belle Plaine Sd	11/11/2017	11/27/2017	Wps	117.70	
Belle Plaine Sd	11/13/2017	11/27/2017	Coborn S Superstore	56.04	
Belle Plaine Sd	11/1/2017	11/27/2017	Coborn S Superstore	126.10	
Belle Plaine Sd	10/31/2017	11/27/2017	Ereplacementparts.Com	40.86	
Belle Plaine Sd	10/30/2017	11/27/2017	Lowes #02628*	305.89	
Belle Plaine Sd	10/30/2017	11/27/2017	Officemax/Officedepot6	154.57	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Belle Plaine Sd	10/28/2017	11/27/2017	Super 8	580.76	
Chatfield Elementary	11/21/2017	11/27/2017	Coborn S Superstore	25.40	
Chatfield Elementary	11/18/2017	11/27/2017	Samsclub #6311	64.26	
Chatfield Elementary	11/16/2017	11/27/2017	Subway 03164670	153.90	
Chatfield Elementary	11/15/2017	11/27/2017	Amazon Mktplace Pmts	59.94	
Chatfield Elementary	11/13/2017	11/27/2017	Coborn S Superstore	151.31	
Chatfield Elementary	11/7/2017	11/27/2017	Coborn S Superstore	13.16	
Chatfield Elementary	11/2/2017	11/27/2017	Amazon Mktplace Pmts	16.20	
Chatfield Elementary	11/3/2017	11/27/2017	Amazon Mktplace Pmts	16.75	

November 2017 Pcard

Card Holder	Transaction Date	Statement Date	Merchant Name	Transaction Amount	Notes
Chatfield Elementary	11/3/2017	11/27/2017	Fitness Finders Inc	67.95	
Chatfield Elementary	11/2/2017	11/27/2017	Pro Ed Inc	91.30	
Chuck Keller	11/21/2017	11/27/2017	Glazier Digital Vault	479.00	
Chuck Keller	11/15/2017	11/27/2017	Samsclub #6510	25.34	
Chuck Keller	11/14/2017	11/27/2017	Apl* Itunes.Com/bill	14.97	
Chuck Keller	11/7/2017	11/27/2017	Amazon Mktplace Pmts	22.99	
Chuck Keller	10/30/2017	11/27/2017	Amazon Mktplace Pmts	27.33	
Chuck Keller	10/29/2017	11/27/2017	Amazon Mktplace Pmts	102.21	
Chuck Keller	10/29/2017	11/27/2017	Amazon Mktplace Pmts	23.95	
Chuck Keller	10/28/2017	11/27/2017	Amazon Mktplace Pmts	25.90	
Kris Davis	11/26/2017	11/27/2017	Vzwrlls*apocc Visb	678.39	
Kris Davis	11/22/2017	11/27/2017	Usps Po 2607300172	245.00	
Kris Davis	11/19/2017	11/27/2017	Hometown Inn & Suites	250.00	
Kris Davis	11/17/2017	11/27/2017	Samsclub #6311	37.30	
Kris Davis	11/15/2017	11/27/2017	Radermacher S Fresh	5.98	
Kris Davis	11/15/2017	11/27/2017	Coborn S Superstore	3.58	
Kris Davis	11/14/2017	11/27/2017	Metro Sales Inc.	3,372.82	
Kris Davis	11/10/2017	11/27/2017	Biffs Inc - Online	452.22	
Kris Davis	11/7/2017	11/27/2017	Kwik Trip 33000003301	37.26	
Kris Davis	11/7/2017	11/27/2017	Subway 03164670	49.70	
Kris Davis	11/6/2017	11/27/2017	Coborn S Superstore	61.21	
Kris Davis	11/5/2017	11/27/2017	Waste Mgmt Wm Ezipay	240.50	
Kris Davis	11/3/2017	11/27/2017	Ruck S Meat Processing	45.80	
Kris Davis	11/5/2017	11/27/2017	Waste Mgmt Wm Ezipay	482.99	
Kris Davis	11/5/2017	11/27/2017	Waste Mgmt Wm Ezipay	664.68	
Kris Davis	11/5/2017	11/27/2017	Waste Mgmt Wm Ezipay	572.98	
Kris Davis	11/1/2017	11/27/2017	Metro Sales Inc.	759.92	
Kris Davis	11/3/2017	11/27/2017	Coborn S Superstore	32.44	
Kris Davis	10/31/2017	11/27/2017	Innovative Office Solu	170.05	
Oak Crest Elementary	11/16/2017	11/27/2017	Coborn S Superstore	156.91	
Oak Crest Elementary	11/15/2017	11/27/2017	Steppingstone Theatre	890.40	
Oak Crest Elementary	11/15/2017	11/27/2017	Teacherspayteachers.Co	32.40	
Oak Crest Elementary	11/13/2017	11/27/2017	Subway 03164670	166.72	
Oak Crest Elementary	11/13/2017	11/27/2017	Coborn S Superstore	44.95	

November 2017 Pcard

Card Holder	Transaction Date	Statement Date	Merchant Name	Transaction Amount	Notes
Oak Crest Elementary	11/10/2017	11/27/2017	Amazon Mktplace Pmts	38.11	
Oak Crest Elementary	11/1/2017	11/27/2017	Blurb, Inc.	101.77	
Oak Crest Elementary	11/1/2017	11/27/2017	Amazon Mktplace Pmts	81.15	
Oak Crest Elementary	10/31/2017	11/27/2017	Amazon Mktplace Pmts	149.95	
Oak Crest Elementary	10/30/2017	11/27/2017	Coborn S Superstore	18.06	
Oak Crest Elementary	10/30/2017	11/27/2017	Coborn S Superstore	49.60	
Total				33,974.24	

John Bergs
Activities Director
Margot Hansen
Curriculum & Assessment Director
Jeff Heine
Buildings & Grounds Director



Chuck Keller
Business Manager
Mary Mesler
Student Support Services Director
Mindy Chevalier
Community Ed Director

DATE OF BOARD MEETING: December 18, 2017
 SUBJECT: Gifts and Donations
 RECOMMENDATION: Approve

Therefore, the Director of Finance and Operations recommends the following resolution:

WHEREAS, School Board Policy #706 establishes guidelines for the acceptance of gifts/donations to the District; and

WHEREAS, Minnesota Statute 465.03 states the School Board may accept a gift, grant, or devise of real or personal property only by the adoption of a resolution approved by two-thirds of its members; and

BE IT RESOLVED that the School Board of Independent School District No. 716 accept with appreciation the following gifts/donation and permit their use as designated by the donor(s).

DETAIL OF GIFTS/DONATIONS:

Date	Donor	Item and Nature of Donation/Gift	Amount
11.2.2017	BBQ Days Beer Garden	Oak Crest – Wolf Ridge Trip	340.00
11.2.2017	Belle Plaine Lions Club	Oak Crest – Wolf Ridge Trip	600.00
11.3.2017	Kirk Anderson	Community Education – Football Jerseys	884.06
11.12.2017	Belle Plaine Elementary PTO	Chatfield – Conference Night Dinner	150.00
11.16.2017	Belle Plaine Elementary PTO	Oak Crest – Conference Night Dinner	150.00
11.22.2017	Fall Play Intermission Donations	School Board will send a check to the Belle Plaine Food Shelf	350.80
11.22.2017	Mary Nesgoda	Food Service – Assist Underfunded Students	50.00
11.22.2017	Theresa Kuhlmann	General Support	45.00

Community Education/Community Services Report
Mindy Chevalier
December, 2017

Youth Rec/Youth Enrichment/Drivers Training

- MAGIC STORYTELLING - Great stories change lives. They introduce us to giant characters, exciting adventures and big dreams! Grades K - 3 -- Wednesdays January 17, 24 & 31
- K-3 basketball fires up after the new year! Doug and Darin Anderson are leading the charge again.
- Nordic Ski Club is back and begins January, ages 1 - adult, it's a family affair!
- Drivers Ed starts in February for all those 15-16 year olds.

Preschool/Kids Co/Wraparound

- We have been learning the "Tiger Way." Being responsible, safe, kind, positive.
- Building Self Help skills.
- We have completed our Fall Assessments.
- Teachers recently went through training on Reading and Math interventions.
- We are starting to prepare our Holiday Express Projects and activities.
- We are building friendships and learning how to work in a large and small group settings.
- We are learning how to write our first names.
- We are learning to count and identify numbers in both a direct and integrated format.
- We are looking forward to welcoming our students' families (parents, grandparents) to our Holiday parties to make gingerbread houses, as well as fun Holiday crafts.

ECFE

- ECFE and PAC had a successful Holiday Express! Oak Crest was a great site for this event and it will be the site next year as well!
- Baby Shower - a fun and free way to connect with new babies and families to our community! Each family will receive a baby bag as well as refreshments!
- Pop in and Play is a great way to get you and your kids out of the house during these winter months and connect with other families for some play time! Pop in and Play is free if you are already participating in an ECFE Class.

Adult Rec/Enrichment

- Indoor walking has begun in the High School and at Chatfield. Come get some exercise in a warm building as the weather gets colder!
- Intro to Mosaics with Belle Plaine's very own Marie Ricke is teaching our very first Mosaics class! We are very excited to have a professional artist teaching a course for us!
- Paper, Flower Workshop is another new art offering for adults!

Outreach & City Programs & Communication

- The Winter Brochure is in people's home! Thanks to Chelsea and Dorothy for all of their work puttin it together.
- The Community Center project is picking up speed. We've had great meetings with City Council and staff to continue the progress!
- Dr. Laager spoke to members of our different activities associations. There are always great questions asked at all of our meetings.

Board Report
December 13, 2017
Chatfield Elementary
Kimberly DeWitte

Appreciation:

- Thank you to all of the staff, families, and kiddos that helped to make Holiday Express a HUGE success. This is a wonderful community event!
- Thank you to Mrs. Young and Mrs. Graff for all your work with the Turkey Trot.
- Thank you to Taher Food Service for organizing cookie decorating for all of the BK-2 students.
- Thank you to the entire ECFE crew for helping to organize and develop new classes for our families. Also a big thank you to Chelsea for creating an awesome Community Education brochure to highlight all of the wonderful opportunities for families.
- Thank you to Bri Velzke and her women's choir for joining us at the December All School Morning Meeting. It was great to see so many talented singers in this choir and we so appreciate you sharing your talent with us!

Acceleration:

- Our monthly data conversations are showing growth in students. It is also a great time to discuss students current FLEX placement, interventions, and programming
- The schedule has been created for January benchmarking using FAST. The second and third weeks of January will be spent gathering data regarding student growth.

Anticipation:

- We are starting to receive Kindergarten and Begindergarten information from families for the 2018-2019 school year. We will send out another letter in January to all families that have not responded to our first letter.
- December 21 we will have red/green dress up day. Also the J.H./S.H. students will be joining us at Chatfield from 2:30-2:55 for their community service project. The students will be involved with reading Christmas stories, playing games, and moving to holiday brain break activities.
- We will have our annual Chatfield Christmas sing along on Friday, December 22, from 2:15-2:45 as a way to celebrate the holidays. This is also PJ dress up day!

Dave Kreft
Jr/Sr High Principal
Mindy Chevalier
Asst. Jr/Sr High Principal
Community Ed Director
Liann Hanson, Ph.D.
Oak Crest Elementary Principal
Kim DeWitte
Chatfield Elementary Principal



Ryan Laager, Ed.D., Superintendent

Mary Mesler
Student Support Services Director
John Bergs
Activities Director
Margot Hansen
Curriculum & Assessment Director
Jeff Heine
Buildings & Grounds Director
Chuck Keller
Business Manager

December 2017 Board Report

Belle Plaine School District #0716 Student Support Services Update

- Due Process Monitoring
 - Mary Mesler, Emily Aust, Jessica Emerson, and Jamie Olson continue to work on file reviews when there is time.
- Monthly meetings: Speech/Language Pathologists; Nurse; OT/PT; and SOAR
- Attending Jr/Sr High Special Ed PLCs to discuss file review results and student progress
- Jessica Emerson and Mary Mesler are planning an evening due process/assistive technology training for special education staff on 1/11/18. Staff will receive continuing education credits and a light dinner will be provided through our food service.
- 12/18/17 - Attended the Special Education Director Forum at MDE
- 12/20/17 - working with Jr/Sr High special education staff members to discuss technology that will benefit the Jr/Sr High special education students to “level the playing field” and promote independence.

Belle Plaine High School
School Board Report
Submitted by Dave Kreft and Mindy Chevalier
December, 2017

Appreciation:

- The choir concert, as always, was amazing! 340 students are part of our 7-12 choirs. We had over 1000 people in attendance for 1 hour of fantastic music. The choir board members were the leaders during the performance. Kudos to Bri Bergstrom for her programming in developing student leaders. Parents in attendance truly got to hear from their children making music and left wanting more!
- As we build our administrative observation skills, we are focused on student engagement. Our English Department utilized Literature Circles to divide up student responsibilities for novels. Students will guide the conversations and will bring their perspective to the discussion based on their role, which includes things such as bridge builder and discussion leader. Another unique experience provided to our students took place this past week as Ally Beggs (social) and Bri Bergstrom (choir) collaborated on lessons with Alexander Hamilton and Thomas Jefferson as the focus. Ally provided the historical context of the time period, while Bri used "Hamilton" the musical to bring history to life. Their passions were clear as they taught about the subject. Students gained a far deeper understanding of the material thanks to the co-teaching. We used the commons and the sub-less classroom to allow Bri to be in Ally's room to co-teach.

Acceleration:

- Just an update on some of the progress our PLC teams are making:
 - Science - They are looking to expand their utilization of inquiry based labs. They have begun looking at the standards and their curriculum to determine if there are gaps or overlap. While doing so, they are analyzing our test success on benchmarks from the last couple of years.
 - English - They continue to examine their scope and sequence every other week with two new people in the department. On the other weeks, they are discussing rubrics on how they fit within our Grading for Learning policies. They've done an excellent job of planning, implementing, reflecting, discussing, adjusting, and trying again.
 - Social - They are also analyzing rubrics, in conjunction with curriculum analysis. As they look at rubrics, teachers take turns bringing in the rubric they used along with student work from the project. In the meeting, that instructor will talk through the project and how they used the rubric for the assessment. They have been collecting feedback from colleagues and administration on the quality of the rubric.
 - Math - Math does an excellent job of collecting data on student success by learning target. With their use of technology, they are able to get quick feedback on how a student is performing. They are now moving into discussions of how they teach certain topics and the test data that goes with it. They are starting with a topic many of them address within their instruction - domain and range.

Anticipation:

- The sounds of our students can once again be heard in our last week before break, with our 7-12 band concert on December 18th at 7:00 and our choir performing at the Mall of America on December 21st.
- We are starting to compile registration materials for next year. Soon our teachers will be reviewing their course descriptions to place in our 2018-19 registration guide.

Board Report
December 18th, 2017
Oak Crest Elementary
Liann Hanson

Appreciation:

- **Holiday Round Up** Thanks to our counseling staff in the district for matching up needs of families with those that can give. It is our goal to make sure our students and families have the support they need this holiday season.
- **Holiday Express** Thanks to our PTO for supporting the Holiday Express in December. It was a great success! Thanks to the ECFE team for sponsoring this wonderful community event.
- **Police Partnership** Thanks to the Belle Plaine Police Department in their partnership of supporting families this holiday season and their Toys for Tots campaign.
- **Wonder** Thanks to our 4th grade team for sponsoring a family outing to the movie Wonder! We had over 150 parents, students, families, staff members join us for this wonderful movie!

Acceleration:

- **Author's Celebration** Students are currently finishing up their Persuasive Essays across the grade levels as we will celebrate our chosen authors in our Author's Celebration coming up in January!
- **5th Grade Field Trip** The 5th grade took a field trip to the Stepping Stone Theater on Thursday, December 14th.
- **Geography Bee** The Geography Bee will be held on Monday, December 18th at 1:45 PM.

Anticipation

- **Evaluation** Probationary staff members have been formally observed twice by December 22nd. Observations are going well and the coaching conversations are moving staff forward. Observations will be continuing after Winter Break.
- **Kreftmas 2017** Oak Crest staff and students are excited to go over to the high school on Wednesday, December 20th to join in activities with the older students to celebrate Kreftmas 2017!
- **Holiday Program** Oak Crest's 3rd-6th Grade Holiday Concert is on Thursday, December 21st at 2:10 and 7:00 PM.
- **Holiday Sing-A-Long** Oak Crest staff and students will have a holiday sing along on Friday, December 22nd at 2:24 PM to start our winter break with some holiday cheer!

Payable 2017 & Payable 2018 Levy Comparison

	16 Payable 17 Levy	17 Payable 18 Levy	Increase/ (Decrease) from 16 Pay 17 Levy	%	L/F
Operating Levy	-	-	-		L
1st Tier Board Approved Ref	239,838.68	257,773.16	17,934.48		L
Equity	231,060.27	247,949.14	16,888.87		F
Location Equity	584,892.85	628,629.56	43,736.71		L/F
Transition	5,959.28	6,404.90	445.62		F
Operating Capital	116,172.31	104,495.61	(11,676.70)		F
Student Achievement	14,789.07	-	(14,789.07)		F
Integration	21,468.66	-	(21,468.66)		L
Unemployment	1,000.00	-	(1,000.00)		L
Safe Schools	63,525.60	63,640.80	115.20		F/L
Career/Technical	79,438.10	84,239.87	4,801.77		F/L
Annual OPEB	66,533.00	77,300.00	10,767.00		L
LTFM	444,744.47	21,779.50	(422,964.97)		F
Building Lease	15,418.85	9,403.53	(6,015.32)		L
Adjustments	(180,679.97)	(154,727.28)	25,952.69		F
Total General Fund	1,704,161.17	1,346,888.79	(357,272.38)	-20.96%	
Basic Community Education	74,496.16	74,496.16	-		F
Early Childhood Fam. Ed.	34,607.05	35,852.41	1,245.36		F
Home Visiting	823.52	770.94	(52.58)		F
School Age Care	4,000.00	4,000.00	-		L
Adjustments	(42.36)	756.88	799.24		F
Total Community Education	113,884.37	115,876.39	1,992.02	1.75%	
Debt Service	2,978,084.79	3,010,088.00	32,003.21		L
<i>Reduction for Debt Excess</i>	(127,935.91)	(87,913.11)	40,022.80		F
Alt Facility Bond Debt Service	314,958.62	848,733.61	533,774.99		L
Reduction for Debt Excess	(15,462.60)	(32,484.15)	(17,021.55)		F
Adjustments	1,527.45	15,714.26	14,186.81		F
Total Debt Service	3,151,172.35	3,754,138.61	602,966.26	19.13%	
Total Levy - All Funds	4,969,217.89	5,216,903.79	247,685.90	4.98%	

L = Local Decision

F = Formula Set by Legislature

	2015	2016	Change	% Increase
Market Value	1,003,418,700	1,058,930,500	55,511,800	5.53%
Referendum Market Value	700,815,700	750,830,800	50,015,100	7.14%
Net Tax Capacity	10,467,130	11,181,306	714,176	6.82%
Sales Ratio	99.10%	97.30%	0	-1.82%
Adjusted Net Tax Capacity	10,563,619	11,490,495	926,876	8.77%



Financial Statements
June 30, 2017

Independent School District No. 716
Belle Plaine, Minnesota

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Board of Education

Dan Gardner	Chair
Dan Giesen	Vice-Chair
Tracy O'Brien	Clerk
Joe Vandermark	Treasurer
Diane Skelley	Director
Terry Kahle	Director



DRAFT

Independent Auditor's Report

Members of the School Board
Independent School District No. 716
Belle Plaine, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Independent School District No. 716 (District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 entity'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 entity'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Notes 1 and 8 to the financial statements, the District has adopted the provisions of GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets*, which has resulted in a restatement of the net position as of July 1, 2016. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in supplemental benefits liability and supplemental benefits liability, budgetary comparison information, schedule of funding progress, and schedule of Employer's share of net pension liability and schedule of Employer's contributions 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 inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquires, 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 financial statements. The introductory section, combining fund schedules and the Uniform Financial Accounting and Reporting Standards Compliance Table are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining fund schedules and the Uniform Financial Accounting and Reporting Standards 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 combining fund schedules and the Uniform Financial Accounting and Reporting Standards Compliance Table are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated [date of report] 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, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the District's 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.

Mankato, Minnesota
DATE

DRAFT

Management's Discussion and Analysis



DRAFT

Independent School District No. 716
 Belle Plaine, Minnesota
 Statement of Net Position
 June 30, 2017

Assets	
Cash	\$ 4,398,503
Cash and investments with fiscal agent	3,024,676
Receivables	
Current property taxes	2,276,219
Delinquent property taxes	34,805
Accounts	8,750
Due from other Minnesota school districts	30,389
Due from Minnesota Department of Education	1,735,260
Due from Federal through Minnesota Department of Education	230,685
Due from other governmental units	12,957
Inventories	21,138
Prepaid items	20,250
Net OPEB asset	70,603
Capital assets not being depreciated:	
Land	1,068,384
Capital assets, net of accumulated depreciation:	
Land improvements	119,639
Buildings	35,865,168
Equipment	1,631,448
	<u>50,548,874</u>
Deferred Outflows of Resources	
OPEB	66,000
Pension plans	22,884,266
	<u>22,950,266</u>
Liabilities	
Salaries payable	82,066
Accounts payable	97,378
Interest payable	424,603
Due to other Minnesota school districts	101,223
Due to other governmental units	16,338
Payroll deductions	351,842
Unearned revenue	18,119
Claims incurred but not reported	241,066
Noncurrent liabilities:	
Net pension liability	36,466,099
Due within one year	2,754,192
Due in more than one year	29,026,945
	<u>69,579,871</u>
Deferred Inflows of Resources	
Pension plans	422,971
Unavailable revenue - property taxes	4,820,404
	<u>5,243,375</u>
Net Position	
Net investment in capital assets	6,903,502
Restricted	4,319,093
Unrestricted	(12,546,701)
	<u>\$ (1,324,106)</u>

Independent School District No. 716
 Belle Plaine, Minnesota
 Statement of Activities
 Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Administration	\$ 866,812	\$ -	\$ -	\$ (866,812)
District support services	1,351,569	-	-	(1,351,569)
Regular instruction	13,570,096	651,444	383,423	(12,535,229)
Vocational instruction	471,243	-	-	(471,243)
Special education instruction	2,471,248	14,274	1,412,489	(1,044,485)
Community education and services	768,475	442,375	165,095	(161,005)
Instructional support services	719,353	-	-	(719,353)
Pupil support services	2,060,454	491,537	313,057	(1,255,860)
Sites and buildings	2,509,805	35,555	110	(2,474,140)
Fiscal and other fixed cost programs	49,429	-	-	(49,429)
Interest and fiscal charges	1,125,730	-	-	(1,125,730)
Total Governmental Activities	<u>\$ 25,964,214</u>	<u>\$ 1,635,185</u>	<u>\$ 2,274,174</u>	<u>(22,054,855)</u>
General Revenues				
Property taxes and other county sources				4,089,465
Fiscal disparities				618,532
Aids and payments from the state				12,729,580
Interest earnings				10,484
Miscellaneous				117,100
Total general revenues				<u>17,565,161</u>
Changes in Net Position				(4,489,694)
Net Position - Beginning, as restated (Note 8)				<u>3,165,588</u>
Net Position - Ending				<u>\$ (1,324,106)</u>

Independent School District No. 716
 Belle Plaine, Minnesota
 Balance Sheet – Governmental Funds
 June 30, 2017

	General	Debt Service	Total Nonmajor Funds	Total Governmental Funds
Assets				
Cash	\$ 1,475,678	\$ 2,280,761	\$ 206,479	\$ 3,962,918
Cash and investments with fiscal agent	-	3,024,676	-	3,024,676
Receivables				
Current property taxes	774,420	1,449,414	52,385	2,276,219
Delinquent property taxes	11,936	22,071	798	34,805
Accounts	8,750	-	-	8,750
Due from other Minnesota school districts	30,389	-	-	30,389
Due from Minnesota Department of Education	1,707,636	11,028	16,596	1,735,260
Due from Federal through Minnesota Department of Education	228,925	-	1,760	230,685
Due from other governmental units	-	-	12,957	12,957
Inventories	-	-	21,138	21,138
Prepaid items	20,250	-	-	20,250
	<u>\$ 4,257,984</u>	<u>\$ 6,787,950</u>	<u>\$ 312,113</u>	<u>\$ 11,358,047</u>
Liabilities				
Salaries payable	\$ 57,763	\$ -	\$ 24,303	\$ 82,066
Accounts payable	83,872	450	10,161	94,483
Due to other Minnesota school districts	101,051	-	172	101,223
Due to other governmental units	6,941	-	9,397	16,338
Payroll deductions	351,842	-	-	351,842
Unearned revenue	-	-	18,119	18,119
	<u>601,469</u>	<u>450</u>	<u>62,152</u>	<u>664,071</u>
Deferred Inflows of Resources				
Unavailable revenue - delinquent taxes	9,024	17,163	612	26,799
Unavailable revenue - property taxes	1,555,347	3,151,173	113,884	4,820,404
	<u>1,564,371</u>	<u>3,168,336</u>	<u>114,496</u>	<u>4,847,203</u>
Fund Balances				
Nonspendable	20,250	-	21,138	41,388
Restricted	585,602	3,619,164	114,327	4,319,093
Committed	241,487	-	-	241,487
Unassigned	1,244,805	-	-	1,244,805
	<u>2,092,144</u>	<u>3,619,164</u>	<u>135,465</u>	<u>5,846,773</u>
	<u>\$ 4,257,984</u>	<u>\$ 6,787,950</u>	<u>\$ 312,113</u>	<u>\$ 11,358,047</u>

Total Fund Balances for Governmental Funds \$ 5,846,773

Amounts reported for governmental activities
in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. 38,684,639

Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore, are reported as unearned revenue in the funds. 26,799

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (424,603)

The internal service fund accounts for the district's health and dental self-insurance plan. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position. 191,624

Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the governmental funds. 66,000

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds. 22,461,295

Long-term liabilities (assets) that pertain to governmental funds are not due and payable in the current period, and therefore are not reported as fund liabilities. All liabilities (assets) - both current and long-term - are reported in the statement of net position. Balances at year end are:

Bonds Payable	\$ 30,133,155	
Capital Lease Payable	1,397,920	
Multi-Employer Plans Net Pension Liability	36,466,099	
Single Employer Plan Net Pension Liability	250,062	
OPEB Asset	(70,603)	
		(68,176,633)

Total Net Position for Governmental Activities \$ (1,324,106)

Independent School District No. 716
Belle Plaine, Minnesota

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2017

	General	Debt Service	Total Nonmajor Funds	Total Governmental Funds
Revenues				
Local property tax levies	\$ 1,608,714	\$ 2,955,617	\$ 112,911	\$ 4,677,242
Other local and county sources	904,497	22,205	448,382	1,375,084
State sources	14,018,217	175,869	232,024	14,426,110
Federal sources	323,123	-	249,320	572,443
Local sales and insurance recovery	-	-	429,613	429,613
Total revenues	16,854,551	3,153,691	1,472,250	21,480,492
Expenditures				
Administration	866,812	-	-	866,812
District support services	1,012,364	-	-	1,012,364
Regular instruction	7,831,200	-	-	7,831,200
Vocational instruction	473,682	-	-	473,682
Special education instruction	2,467,451	-	-	2,467,451
Community education and services	-	-	770,267	770,267
Instructional support services	675,971	-	-	675,971
Pupil support services	1,354,499	-	705,004	2,059,503
Sites and buildings	1,546,932	-	-	1,546,932
Fiscal and other fixed cost programs	49,429	-	-	49,429
Debt service:				
Principal	391,853	2,185,000	-	2,576,853
Interest and fiscal charges	27,837	1,106,320	-	1,134,157
Total expenditures	16,698,030	3,291,320	1,475,271	21,464,621
Net Change in Fund Balances	156,521	(137,629)	(3,021)	15,871
Fund Balances - Beginning	1,935,623	3,756,793	138,486	5,830,902
Fund Balances - Ending	\$ 2,092,144	\$ 3,619,164	\$ 135,465	\$ 5,846,773

Independent School District No. 716

Belle Plaine, Minnesota

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2017

Total Net Change in Fund Balances for Governmental Funds	\$ 15,871
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	(1,288,159)
In governmental funds, Other Post-Employment Benefit (OPEB) liabilities are measured by the amount of resources used. However, in the statement of activities, an increase in OPEB liability is based on the amount earned by the employees during the period. This amount is the net of these differences.	65,937
Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.	225,947
In the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, the contributions are reported as expense.	(5,751,978)
The governmental funds report repayment of bond principal and capital lease principal as expenditures. In the statement of net position, however, repayment of principal reduces the liability.	2,576,853
Long-term debt interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due.	8,427
The internal service fund accounts for the district's health and dental self-insurance plan. The net revenue of the internal service fund is included in the governmental activities.	(335,698)
Property taxes levied and due in previous fiscal years that have not been received as of the end of the current fiscal year are recorded as unavailable revenue - delinquent taxes in the governmental funds. In the statement of activities, these taxes are considered revenue in the period for which they are levied.	<u>(6,894)</u>
Change in Net Position of Governmental Activities	<u>\$ (4,489,694)</u>

Independent School District No. 716
Belle Plaine, Minnesota
Statement of Net Position – Proprietary Fund
June 30, 2017

	<u>Governmental Activities - Internal Service Fund</u>
Current Assets	
Cash	<u>\$ 435,585</u>
Current Liabilities	
Accounts payable	2,895
Claims incurred but not reported	<u>241,066</u>
Total current liabilities	<u>243,961</u>
Net Position	
Unrestricted	<u>\$ 191,624</u>

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Independent School District No. 716
 Belle Plaine, Minnesota
 Statement of Changes in Net Position – Proprietary Fund
 Year Ended June 30, 2017

	Governmental Activities - Internal Service Fund
Operating Revenues	
Health and dental premiums	\$ 1,947,263
Operating Expenses	
Health and dental claims	2,005,167
Administration fees	278,716
Total operating expenses	2,283,883
Operating loss	(336,620)
Nonoperating Revenues	
Interest earnings	922
Change in Net Position	(335,698)
Net Position - Beginning	527,322
Net Position - Ending	\$ 191,624

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Independent School District No. 716
 Belle Plaine, Minnesota
 Statement of Cash Flows – Proprietary Fund
 Year Ended June 30, 2017

	Governmental Activities - Internal Service Fund
Operating Activities	
Receipts from participants	\$ 1,947,263
Payments for insurance claims and administration	(2,207,662)
Net cash used for operating activities	(260,399)
Investing Activities	
Interest Earnings	922
Net Change in Cash	(259,477)
Cash, July 1	695,062
Cash, June 30	\$ 435,585
Reconciliation of Operating Loss to	
Net Cash from Operating Activities	
Operating loss	\$ (336,620)
Adjustments to reconcile operating loss to net cash from operating activities	
Changes in assets and liabilities	
Accounts payable	(20,987)
Claims incurred but not reported	97,208
Net cash used for operating activities	\$ (260,399)

Note 1 - Summary of Significant Accounting Policies

The Independent School District No. 716 (District) is a school district governed by a board elected by eligible voters of the District. The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant School District accounting policies are described below.

A. Financial Reporting Entity

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The District does not have any blended or discretely presented component units.

The District is the basic level of government which has oversight responsibility and control over all activities related to the public school education in the District's area. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB pronouncements, since board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, intergovernmental revenues, and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers most revenues to be available if they are collected within 60 days of the end of the current fiscal period, except as stated below. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for the following: (1) commodity inventory items are recorded when received, (2) interest and principal on long-term debt are recorded when paid, and (3) claims and judgments, group health claims, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Prepaid items are recorded for approved disbursements made in advance of the year in which the item is budgeted.

Property tax revenues for all funds, which are payable by property owners in a calendar year, are recognized in the fiscal year beginning July 1 of that calendar year. State revenues are recognized in the year to which they apply according to Minnesota Statutes. Federal revenues are recorded in the year in which the related expenditure is made. If the amounts of Minnesota or Federal revenues cannot be reasonably estimated or realization is not assured, they are not recorded as revenue in the current year. Revenue from other school districts is generally recognized when related expenditures occur. All other revenue items are considered to be measurable and available as stated above.

The District reports unearned revenue on its governmental fund financial statements and government wide financial statements when resources are received by the District before the revenue has been earned. The District records unavailable revenue on its governmental fund financial statements when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the unavailable revenue is removed from the financial statements and revenue is recognized.

The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service fund is receipts from participants. Operating expenses for the internal service fund includes payments for insurance claims and administration. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The general fund is used to account for educational activities, District instructional and student support programs, expenditures for the superintendent, district administration, normal operations and maintenance, pupil transportation, capital expenditures, and legal school district expenditures not specifically designated to be accounted for in any other fund. The District's Student Activity Funds of \$159,880 are under board control and are reported and audited in the general fund as committed funds.

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Additionally, the government reports the following fund types:

The *internal service fund* is a proprietary fund used to account for the activities of the District's self-insured health and dental plans.

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Fund Balance

1. Cash and Cash Equivalents

Cash balances of the District's funds are combined (pooled) and invested to the extent available in various deposits and investments authorized by Minnesota State Statutes. Each fund shares in the earnings according to its average cash and investments balance. Cash includes amounts in demand deposits, as well as short-term investments, with an original maturity date within three months of the date acquired by the District. Investments include State and Local Government Securities (SLGS) held by a trustee for the purposes of a bond refunding. As of June 30, 2017 the District's investments are carried at amortized cost.

2. Receivables

Under the modified accrual basis of accounting, some revenues are susceptible to accrual while others are not. Major revenues treated as susceptible to accrual are: property taxes, state and federal aids, and revenue from other Minnesota school districts. All receivables are reported at their gross value and, if appropriate, reduced by the estimated portion that is expected to be uncollectible.

Interest and certain receivables are recorded as revenue in the year earned and available to pay liabilities of the current period.

On or before September 15th of each year, the School Board certifies to the county auditor the dates it has selected for its public hearing and for the continuation of its hearing, if necessary. If not certified by this date, the county auditor will assign the hearing date. All school districts must hold public hearings on their proposed property tax levies. Also, at this time the School Board certifies its proposed property tax levy to the county auditor for collection in the following year.

Beginning on November 29th and through December 20th of each year, the District is required by state law to hold its public hearing on its proposed budgets and proposed property tax levies for the taxes payable in the following year. On or before five business days after December 20th, the School Board certifies its final adopted property taxes payable the following year to the county auditor. If the District has not certified its final property tax by this time, its property tax will be the amount levied by it in the preceding year.

In Minnesota, counties act as collection agents for all property taxes. The County spreads all levies over taxable property. Such taxes become a lien on January 1 and are recorded as receivables by the District at that date. Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Agricultural land taxes may be paid on May 15 and November 15. Personal property taxes may be paid on February 28 and June 30. The County provides tax settlements to Districts three times a year, in January, June, and November.

Property tax revenue is recorded under the intact levy concept whereby taxes collectible during a calendar year are recorded as revenue in the fiscal year beginning with the year of collection. Current taxes receivable represent taxes levied in 2016 which are not payable until 2017 less amounts received before June 30, 2017. Delinquent taxes receivable represent levies collectible during 2016 and prior years. Delinquent taxes are recorded as unavailable revenue. Taxes levied for subsequent years represent current taxes receivable, which are levied in 2016, but not payable until 2017 and are not expendable by the District until the 2017-2018 school year, adjusted for the property tax shift amount.

3. Inventories, Commodities, and Prepaid Items

All inventories are expended when consumed rather than when purchased and are valued at the lower of cost or market using the first in first out (FIFO) method. United States Department of Agriculture commodities received are recorded as revenue at the fair market value of such commodities and included in the food service fund revenue and expenditures when received. Unused commodities at year end are included in inventories of food.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Plumbing and Electrical	30
Building Improvements Interior, Portable Classrooms, and Fire System	25
Heating and Ventilation System, Long-term Admin Software, Furniture and Fixtures, Outdoor Equipment, Roofing, and Site Improvements	20
Custodial Equipment, Grounds Equipment, Kitchen Equipment, and Machinery and Tools	15
All Other Equipment, Short-term Admin Software, and Long-term Instructional Software	10
Vehicles and Buses	8
Carpet Replacement	7
Computer Hardware, Copiers, Short-term Instructional Software, and Library Books	5

5. 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. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds and issuance costs are expensed in the period incurred. In the fund financial statements, governmental fund types recognize premiums received on debt issuances as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences - It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. Vacation leave is accrued as a liability and recorded as an expense of those funds as the benefits are earned by the employees. A liability for these amounts is reported only if they have matured, for example, as a result of employee resignations and retirements. All unused vacation leave at June 30, 2017, expired.

6. Postemployment Benefits

Under the provisions of the various employee and union contracts the District provides health coverage until age 65 if certain criteria are met. The amount to be incurred is limited as specified by contract. All premiums are funded on a pay-as-you-go basis. This amount was actuarially determined, in accordance with GASB Statement No. 45, at July 1, 2016.

7. Pensions

a. Single Employer Plan

Under the provisions of the various employee contracts the District provides a lump sum payment (maximum \$42,000) to retirees if certain criteria are met. The amount to be incurred is limited as specified by contract. All premiums are funded on a pay-as-you-go basis and plan members are not required to contribute. This amount was actuarially determined, in accordance with GASB 73, at July 1, 2016. The plan does not issue a stand-alone financial report.

b. Implementation of GASB Statement No. 73

As of June 30, 2017, the District adopted GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are not within the Scope of GASB 68*. The implementation of this standard improves the usefulness of information about and improves accounting and financial reporting for postemployment benefits other than pensions (other postemployment benefits or OPEB). The effect of the implementation of these standards on net position is disclosed in Note 8 and the additional disclosures required by these standards are included in Note 4.

c. Multi-Employer Plans

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) and additions to/deductions from PERA's and TRA's fiduciary net position have been determined on the same basis as they are reported by PERA and TRA. TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis and Minneapolis School District. The direct aid is a result of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

8. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The District has three items that qualify for reporting in this category. They are the contributions made to pension plans after the measurement date and prior to the fiscal year-end, changes in the net pension liability not included in pension expense reported in the government-wide statement of net position, and changes in the net OPEB asset not included in pension expense reported in the government-wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category. The District reports unavailable revenues from property taxes on the government-wide statement of net position and the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item is changes in the net pension liability not included in pension expense reported in the government-wide statement of net position.

9. Net Position and Fund Balances

Net position represents the difference between assets, deferred outflows/inflows of resources, and liabilities in the government-wide and fiduciary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned.

- Nonspendable fund balance represents a portion of fund balance that includes amounts that cannot be spent because they are either: a) not in spendable form or b) legally or contractually required to be maintained intact.
- Restricted fund balances represents a portion of fund balance that reflects constraints placed on the use of resources (other than nonspendable items) that are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority which is the School Board through an ordinance or resolution.
- Assigned fund balance represents amounts constrained by the District's intent to be used for specific purposes, but neither restricted nor committed. The School Board has the authority to assign a fund balance and the School Board has also delegated the authority to assign fund balances to the superintendent and business manager.
- Unassigned fund balance represents residual classification for the general fund. This classification represents fund balance not assigned to other funds and not restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it would be necessary to report a negative unassigned fund balance.

The District will strive to maintain a minimum unassigned general fund balance of 10 percent of the annual budget. If resources from more than one fund balance classification could be spent, the District will strive to spend resources from fund balance classifications in the following order (first to last): restricted, committed, assigned, and unassigned.

E. Inter-Fund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses in the government-wide financial statements and fund financial statements. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Transfers have been removed from the government-wide financial statements.

F. Property Tax Shift

Each year the State of Minnesota requires school districts to shift property taxes and general education aid in accordance with state statutes. During prior years, the District shifted \$101,272 in property tax revenues and general education aid; during the current year, the state increased the shifted amount by \$47,554. The District has recognized an increase in property tax revenues and general education aid an amount equal to these shifted amounts. The net amount shifted to date has reduced taxes levied for subsequent years by \$148,826 in the general fund. Of this total shifted amount, \$63,261 was for referendum levies shifted at 31 percent of the 2000 payable 2001 levy limitation and certification, and \$84,097 and \$1,468 for career tech and reemployment, respectively, shifted at 100 percent of the 2016 payable 2017 levy limitation and certification.

The referendum, career tech, and reemployment levy shift amounts are early revenue recognition and have increased the current years fund balance in the general fund. The other property tax amounts have no effect on the District's fund balances. The referendum shift amount will remain constant from year to year until changed by state statutes.

Note 2 - Stewardship, Compliance, and Accountability

A. Budgetary Information

The District adopts an annual budget for all funds in accordance with Minnesota State Statutes. The budget is prepared on the modified accrual basis of accounting. Before July 1, the proposed budget is presented to the School Board for review. The School Board holds public hearings and a final budget must be prepared and adopted no later than one week after the School Board approves the audited financial statements and has published the final budget in the local newspaper. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end. The actual revenues, expenditures, and transfers for the year ended June 30, 2017, have been compared to the District's budget for the year where applicable. Variances in parentheses are unfavorable and indicate revenues are less than budget or expenditures are greater than budget. The budget is adopted through passage of a resolution. Any revisions that alter total expenditures of any fund must be approved by the School Board.

Budgetary control is maintained by fund, at the object of expenditure category level within each program, and in compliance with state requirements. Also inherent in this controlling function is the management philosophy that the existence of a particular item or appropriation in the approved budget does not automatically mean that it will be spent. Therefore, there is a constant review process and expenditures are not approved until it has been determined that (1) adequate funds were appropriated; (2) the expenditure is still necessary; and (3) funds are available. Budgeted amounts are as originally adopted or as amended by the School Board. Budgeted expenditure appropriations lapse at year end. The School Board made several supplemental budgetary appropriations throughout the year.

B. Excess of Expenditures over Appropriations

For the year ended June 30, 2017, expenditures exceeded appropriations in the general fund and community service fund by \$487,498 and \$56,384, respectively. The over expenditures were funded by greater than anticipated revenues and available fund balance in the case of the community service fund.

Note 3 - Detailed Notes on All Funds

A. Cash and Cash Equivalents

1. Cash

In accordance with Minnesota Statutes, the District maintains deposits at those depository banks authorized by the School Board. All such depositories are members of the Federal Reserve System. Minnesota Statutes require that all District deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the District Treasurer or in a financial institution other than that furnishing the collateral.

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2017, none of the District's bank balances were exposed to custodial credit risk.

2. Investments

As of June 30, 2017, the District has an investment in State and Local Government Securities (SLGS) with a carrying value of \$3,024,676. SLGS are federal investments to assist in compliance with arbitrage agreements associated with the crossover refunding the District is completing. Maturities of SLGS are aligned to mature when interest is due on the crossover refunding bonds. Average maturity is 1.3 years.

Custodial Credit Risk-Investments. The investments are not subject to the credit risk classifications as noted in paragraph 9 of GASB Statement No. 40. The District does not have an investment policy for custodial credit risk.

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The District may invest funds as authorized by Minnesota Statutes Section 118A.04. The District has no investment policy that would further limit its investment choices. As of June 30, 2017, the District's SLGS are federal insured and are non-marketable.

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer. More than 5% of the District's investments are invested in SLGS (100%).

B. Capital Assets

Depreciation expense was charged to functions/programs of the primary government as follows:

District support services	\$ 2,585
Regular instruction	74,922
Vocational instruction	998
Special education instruction	6,899
Community education and services	1,333
Instructional support services	73,742
Pupil support services	10,295
Sites and buildings	1,303,398
Total depreciation expense	<u>\$ 1,474,172</u>

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Capital asset activity for the year ended June 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, not being Depreciated:				
Land	\$ 1,068,384	\$ -	\$ -	\$ 1,068,384
Capital Assets, being Depreciated:				
Land improvements	365,532	-	-	365,532
Buildings	52,273,508	60,757	26,339	52,307,926
Equipment	6,207,854	125,256	162,737	6,170,373
Total Capital Assets, being Depreciated	58,846,894	186,013	189,076	58,843,831
Less Accumulated Depreciation for:				
Land improvements	229,510	16,383	-	245,893
Buildings	15,495,538	973,559	26,339	16,442,758
Equipment	4,217,432	484,230	162,737	4,538,925
Total Accumulated Depreciation	19,942,480	1,474,172	189,076	21,227,576
Total Capital Assets, being Depreciated, net	38,904,414	(1,288,159)	-	37,616,255
Governmental Activities Capital Assets, net	\$39,972,798	\$(1,288,159)	\$ -	\$38,684,639

C. Short-Term Debt

During the year ended June 30, 2017, the following changes occurred in short-term debt reported in the government wide and fund financial statements:

	Balance, July 1	Issued	Redeemed	Balance, June 30
Aid Anticipation Certificates Payable	\$ 491,226	\$ -	\$ 491,226	\$ -

D. Capital Leases

The District entered into a lease agreement in December 2008 for the financing of energy cost savings projects. This lease agreement qualifies as a capital lease for accounting purposes and, therefore has been recorded at the present value of future minimum lease payments as of the inception date. The lease is payable in monthly installments of \$8,257 over fifteen years through December 2024 at a 4.7 percent interest rate. The lease obligation is being retired by the general fund.

The District entered into a lease agreement in April 2011 as lessee for the financing of a District-wide wireless system. This lease agreement qualifies as a capital lease for accounting purposes and, therefore has been recorded at the present value of future minimum lease payments as of the inception date. The lease is payable in annual installments of \$41,649 over five years through July 2015 at a 3.45 percent interest rate. The lease obligation is being retired by the general fund.

The District entered into a 10-year lease purchase agreement in August 2013, in the amount of \$705,000 in order to purchase land to be used for future expansion. The book value of the land purchased was \$662,434. The average coupon rate is 2.35% and the lease is payable in annual installments ranging from \$80,238 to \$84,550. The lease obligation is being retired by the general fund.

The District entered into a lease agreement in September 2014 as lessee for the financing of technology equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore has been recorded at the present value of future minimum lease payments as of the inception date. The lease is payable in annual installments of \$266,613 over four years through September 2017 at a 1.57 percent interest rate. The lease obligation is being retired by the general fund.

Annual debt service requirements to maturity for the capital leases are as follows:

Years Ending June 30,	
2018	\$ 452,854
2019	184,616
2020	182,516
2021	185,416
2022	182,828
2023-2026	403,685
Total Lease Payments	1,591,915
Less: Interest	(193,995)
Present Value of Minimum Lease Payments	\$ 1,397,920

The assets acquired through the capital leases are as follows:

<u>Asset:</u>	
Energy Savings Upgrades	\$ 5,917,671
Accumulated Depreciation	(887,650)
Total Assets Acquired through Capital Lease	<u>\$ 5,030,021</u>
Wireless System	\$ 278,246
Accumulated Depreciation	(278,246)
Total Assets Acquired through Capital Lease	<u>\$ -</u>
Technology Equipment	\$ 1,040,000
Accumulated Depreciation	(520,000)
Total Assets Acquired through Capital Lease	<u>\$ 520,000</u>

E. Long-Term Debt

General Obligation Bonds. The District issued general obligation bonds to provide funds for the improvement and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District and are paid from the debt service fund. General obligation bonds currently outstanding are as follows:

Bond Description	Final Maturities	Interest Rate	Principal Payments	Original Principal	Outstanding Balance
General Obligation Alternative Facilities Refunding Bonds of 2016A	2/30	2.00% - 3.00%	\$200,000 - \$365,000	\$ 2,970,000	\$ 2,970,000
General Obligation School Building Refunding Bonds of 2012A	2/26	3.00% - 4.00%	\$2,090,000- \$2,535,000	\$24,960,000	\$21,135,000
General Obligation Alternative Facilities Bonds of 2009A	2/30	2.00% - 4.50%	\$175,000- \$3,115,000	\$ 3,975,000	3,290,000
General Obligation Capital Facilities Bonds of 2009B	2/24	2.50% - 4.20%	\$85,000 - \$105,000	<u>\$ 1,185,000</u>	<u>660,000</u>
				<u>\$33,090,000</u>	<u>\$28,055,000</u>

The District issued \$2,970,000 of General Obligation Alternative Facilities Crossover Refunding Bonds, Series 2016A, with an average interest rate of 2.50% to advance refund \$3,007,600 of outstanding General Obligation Alternative Facilities Bonds, Series 2009A, with an average interest rate of 3.25%. The net proceeds of \$3,101,246 (after issuance costs and premium) were used to buy state and local government securities. Those securities were deposited in an irrevocable trust with an escrow agent. The U.S. Government Securities purchased from the 2016A series bonds are reported as restricted cash in that fund until the crossover refunding date in February 2019. The District advance refunded the 2009A series bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$360,783.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Years Ending June 30,	Governmental Activities	
	Principal	Interest
2018	\$ 2,350,000	\$ 1,009,609
2019	5,380,000	915,821
2020	2,570,000	692,355
2021	2,675,000	591,555
2022	2,625,000	486,560
2023-2027	11,390,000	988,070
2028-2031	1,065,000	43,000
Total	<u>\$ 28,055,000</u>	<u>\$ 4,726,970</u>

Changes in Long-Term Liabilities. During the year ended June 30, 2017, the following changes occurred in liabilities reported in the government-wide financial statements:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
Bonds Payable					
General Obligation Bonds	\$ 30,240,000	\$ -	\$ 2,185,000	\$ 28,055,000	\$ 2,350,000
Bond Premium	2,304,102	-	225,947	2,078,155	-
Total bonds payable	32,544,102	-	2,410,947	30,133,155	2,350,000
Capital Leases Payable	1,789,773	-	391,853	1,397,920	404,192
Total	<u>\$ 34,333,875</u>	<u>\$ -</u>	<u>\$ 2,802,800</u>	<u>\$ 31,531,075</u>	<u>\$ 2,754,192</u>

Legal Debt Margin. Minnesota State Statutes do not allow net debt (as defined in Minn. Stat. Para. 475.51 subd. 4) to exceed 15 percent of the actual market value of all taxable property within the District. The District's market value per the School Tax Report 2016 Payable 2017 was \$750,830,800.

Subsequent to year end, the District authorized the issuance of \$1,870,000 of General Obligation Facilities Maintenance Bonds, Series 2017A. The proceeds from the bonds will be used to fund a lighting project. Interest on this debt ranges from 2.00% - 3.00% and the debt will have a final maturity of February 1, 2028.

F. Other Postemployment Benefits (OPEB)

Plan Description – All employees are allowed, upon meeting the eligibility requirements under Minn. Stat. 471.61 subd. 2b, to participate in the District's health insurance plan after retirement. This plan covers active and retired employees. Benefit provisions are established through negotiations between the District and the union representing District employees and are renegotiated at the end of each contract period. The implicit rate subsidy is only until Medicare eligibility. The retiree health plan does not issue a publicly available financial report.

Teachers – For retirees reaching 55 years of age with 3 years of service who are Rule of 90 eligible, the District will pay \$1,800 per year into a Health Retirement Annuity for 8 years.

Retired Superintendent – For the current retiree only, the District will pay the Board Contribution the same as BPEA toward family medical, dental, and life insurance until age 65.

Retired Community Service Director and Retired Principals – For the current eligible retirees only, the District will pay \$2,000 per year for 8 years into a VEBA account.

All Others – For retirees reaching 55 years of age with 3 years of service, there are no subsidized benefits.

Funding Policy - For the fiscal year 2017, the District will continue on a "pay-as-you-go" funding policy.

Annual OPEB Cost and Net OPEB Obligation (Asset) – The District’s annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of 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 changes in the District’s net OPEB obligation (asset):

Annual Required Contribution	\$ 106,486
Interest on Net OPEB Obligation (Asset)	(2,049)
Amortization of Net OPEB Obligation (Asset)	3,508
	107,945
Annual OPEB Cost	107,945
Contributions Made	(107,882)
	63
Change in Net OPEB Obligation (Asset)	63
Net OPEB Obligation (Asset), Beginning	(70,666)
Net OPEB Obligation (Asset), Ending	\$ (70,603)

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for fiscal year 2017 and the preceding two years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Employer Contribution	Annual OPEB Cost Contributed	Net Ending OPEB Obligation (Asset)
6/30/2015	\$ 95,916	\$ 114,702	119.6%	\$ (52,919)
6/30/2016	57,346	51,334	89.5%	(70,666)
6/30/2017	107,945	107,882	99.9%	(70,603)

Funded Status and Funding Progress – As of July 1, 2016, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$1,008,273, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,008,273. The covered payroll (annual payroll of active employees covered by the plan) was \$8,317,924, and the ratio of the UAAL to the covered payroll was 12.1 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of 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 annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

In the July 1, 2016, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 2.9 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 6.75 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after seven years. Both rates included an inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis over 30 years.

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G. Fund Balances

Certain portions of fund balances are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties.

The following is a summary of fund balances as of June 30, 2017:

	General	Debt Service	Other Governmental Funds	Totals
Nonspendable				
Inventories	\$ -	\$ -	\$ 21,138	\$ 21,138
Prepaid items	20,250	-	-	20,250
Total nonspendable	20,250	-	21,138	41,388
Restricted				
Staff development	16,616	-	-	16,616
Long-term facilities maintenance	67,101	-	-	67,101
Operating capital	456,233	-	-	456,233
Medical assistance	45,652	-	-	45,652
Food service	-	-	52,904	52,904
Community education	-	-	50,000	50,000
Early childhood family education	-	-	3,777	3,777
School readiness	-	-	5,000	5,000
Community service	-	-	2,646	2,646
Bond refunding	-	3,024,676	-	3,024,676
Debt service	-	594,488	-	594,488
Total restricted	585,602	3,619,164	114,327	4,319,093
Committed				
Severance	81,607	-	-	81,607
Student activities	159,880	-	-	159,880
Total committed	241,487	-	-	241,487
Unassigned	1,244,805	-	-	1,244,805
Total Fund Balance	\$ 2,092,144	\$ 3,619,164	\$ 135,465	\$ 5,846,773

The fund balance reporting standards under Uniform Financial Accounting and Reporting Standards (UFARS) vary slightly from the fund balance reporting standards under GASB Statement No. 54. Below is a reconciliation between the fund balances reported under GASB standards and UFARS:

	GASB Balance	Reconciling Transfer	UFARS Balance
Nonspendable			
Inventories	\$ 21,138	\$ -	\$ 21,138
Prepaid items	20,250	-	20,250
Total nonspendable	<u>41,388</u>	<u>-</u>	<u>41,388</u>
Restricted			
Staff development	16,616	-	16,616
Long-term facilities maintenance	67,101	-	67,101
Health and safety	-	(37,842)	(37,842)
Operating capital	456,233	-	456,233
Medical assistance	45,652	-	45,652
Food service	52,904	-	52,904
Community education	50,000	-	50,000
Early childhood family education	3,777	-	3,777
School readiness	5,000	-	5,000
Community service	2,646	-	2,646
Bond refunding	3,024,676	-	3,024,676
Debt service	594,488	-	594,488
Total restricted	<u>4,319,093</u>	<u>(37,842)</u>	<u>4,281,251</u>
Committed			
Severance	81,607	-	81,607
Student activities	159,880	-	159,880
Total committed	<u>241,487</u>	<u>-</u>	<u>241,487</u>
Unassigned	<u>1,244,805</u>	<u>37,842</u>	<u>1,282,647</u>
Total Fund Balance	<u>\$ 5,846,773</u>	<u>\$ -</u>	<u>\$ 5,846,773</u>

Note 4 - Pension Plans

1. Single Employer Plan

A. Plan Description

The District provides a defined contribution supplemental pension benefit to certain eligible employees and report them following the guidance of GASB Statement No. 73. All of the pension benefits are based on contractual agreements with employee groups. Contract groups receive other supplement benefits as follows:

Teachers – For retirees meeting the “Rule of 90” eligibility, hired before June 30, 1989 and listed in the Master Contract, Appendix III, the benefit is minimum base annual salary \$42,000 minus accumulated District contributions to the Matching Annuity Plan. The limitation on the total benefit is \$42,000 and matching contributions are equal to \$1,300 per year up to \$30,000. The benefit is payable in 3 annual installments to the 403(b) plan.

Retired Community Service Director – For retirees meeting the PERA Retirement eligibility age with 20 years of service, the benefit is \$40,000 minus accumulated District contributions to the Matching Annuity Plan. This benefit is for the retired community service directory only. The limitation on the total benefit is \$40,000 and matching contributions are equal to \$2,000 per year. The benefit is payable in 2 annual installments to the 403(b) plan. As of the measurement date, there was only one annual installment remaining.

B. Employees Covered by Benefit Terms

At June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	4
	9

C. Contributions

For the year ended June 30, 2017, the District’s contribution rate was 97.90 percent of covered employee payroll. Employees are not required to contribute to the plan.

D. Supplemental Benefits Liability

The District’s supplemental benefits liability was measured as of June 30, 2017.

E. Actuarial Assumptions

The supplemental benefits liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00 percent
Discount Rate	2.90 percent
20-Year Municipal Bond Yield	2.90 percent

Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study as of July 1, 2016.

F. Discount Rate

The discount rate used to measure the supplemental benefits liability was 2.90 percent. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates.

G. Changes in the Supplemental Benefits Liability

Service cost		\$	2,375
Interest cost			7,776
Supplemental benefits cost			<u>10,151</u>
Benefit payments			<u>(51,334)</u>
Change in supplemental benefits obligation			(41,183)
Supplemental benefits liability, beginning of year, as restated			<u>291,245</u>
Supplemental benefits liability, end of year		\$	<u><u>250,062</u></u>

H. Sensitivity of the Supplemental Benefits Liability to Changes in Discount Rate

The following presents the supplemental benefits liability of the District, as well as what the District's supplemental benefits liability would be if it were calculated using a discount rate 1 percentage point lower and 1 percentage point higher than the current discount rate:

	<u>Discount Rate</u>	<u>Discount Rate</u>	<u>Discount Rate</u>
Discount rate	1.90%	2.90%	3.90%
Supplemental Benefits Liability	\$ 254,096	\$ 250,062	\$ 245,980

2. Multi-Employer Plans

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

1. Public Employees Retirement Association (PERA)

A. Plan Description

The District participates in the following cost-sharing multiple employer defined benefit pension plans administered by PERA. PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

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

B. Benefits Provided

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

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90% funded for two consecutive years are given 2.5% increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% increases.

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

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for 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 ten 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 ten years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

C. Contribution Rate

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.5%, respectively of their annual covered salary in calendar year 2016. The District was required to contribute 11.78% of pay for Basic Plan members and 7.5% for Coordinated Plan members. The District's contributions to the GERP for the year ended June 30, 2017, were \$140,159. The District's contributions were equal to the required contributions for each year as set by state statute.

D. Actuarial Assumptions

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Assumptions	GERF
Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50% per year

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

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

The following changes in actuarial assumptions occurred in 2016:

General Employee fund

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

E. Discount Rate

The discount rate used to measure the total pension liability in 2016 was 7.50%, a reduction from the 7.9% used in 2015. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

F. Pension Costs

At June 30, 2017, the District reported a liability of \$2,476,449 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$6 million to the fund in 2016. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$32,345. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2015, through June 30, 2016, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2016, the District's proportion was 0.0305% which was a decrease of 0.0013% from the prior year.

For the year ended June 30, 2017, the District recognized pension expense of \$326,401 for its proportionate share of GERF's pension expense. In addition, the District recognized an additional \$9,644 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$6 million to the GERF.

At June 30, 2017, the District reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 7,329	\$ 201,174
Changes in actuarial assumptions	534,110	-
Difference between projected and actual investment earnings	276,478	-
Change in proportion and differences between contributions made and District's proportionate share of contributions	-	109,248
District's contributions to GERF subsequent to the measurement date	140,159	-
Total	\$ 958,076	\$ 310,422

\$140,159 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30,	Pension Expense Amount
2018	\$ 126,144
2019	69,596
2020	222,301
2021	89,454
2022	-

G. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate one percent lower and one percent higher than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
GERF discount rate	7%	7.50%	8.50%
District's proportionate share of the GERF net pension liability	\$ 3,517,291	\$ 2,476,449	\$ 1,619,078

H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

2. Teachers Retirement Association (TRA)

A. Plan Descriptions

The Teachers Retirement Association (TRA) is an administrator of a multiple employer, cost-sharing, defined benefit retirement fund. TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota Statutes, Chapters 354 and 356. TRA is a separate statutory entity and administered by a Board of Trustees. The Board consists of four active members, one retired member and three statutory officials.

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

B. Benefits Provided

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.

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

Tier I Benefits

Tier I -	Step Rate Formula	Percentage
Basic	First ten years of service	2.2% per year
	All years after	2.7% per year
Coordinated	First ten years if service years are up to July 1, 2006	1.2% per year
	First ten years if service years are July 1, 2006 or after	1.4% per year
	All other years of service if service years are up to July 1, 2006	1.7% per year
	All other years of service if service years are July 1, 2006 or after	1.9% per year

With these provisions:

- (a) Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- (b) 3 percent per year early retirement reduction factor for all years under normal retirement age.
- (c) Unreduced benefits for early retirement under a Rule-of-90 (age plus allowable service equals 90 or more).

or

Tier II Benefits

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

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

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

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

C. Contribution Rate

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year ended June 30, 2015, June 30, 2016 and June 30, 2017 were:

	Employees	Employers
Basic	11.00%	11.50%
Coordinated	7.50%	7.50%

The following is a reconciliation of employer contributions in TRA’s CAFR “Statement of Changes in Fiduciary Net Position” to the employer contributions used in Schedule of Employer and Non-Employer Pension Allocations.

Employer contributions reported in TRA's CAFR, Statement of Changes in Fiduciary Net Position	\$	354,961,140
Add employer contributions not related to future contribution efforts		26,356
Deduct TRA's contributions not included in allocation		(442,978)
Total employer contributions		354,544,518
Total non-employer contributions		35,587,410
Total contributions reported in Schedule of Employer <i>and Non-Employer Allocations</i>	\$	390,131,928

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

D. Actuarial Assumptions

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information	
Valuation date	July 1, 2016
Experience study	June 5, 2015
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	4.66%, from the Single Equivalent Interest Rate calculation
Price inflation	2.75%
Wage growth rate	3.50%
Projected salary increase	3.5 - 9.5%
Cost of living adjustment	2.00%
Mortality assumptions	
Pre-retirement:	RP-2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP-2015 scale.
Post-retirement:	RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.
Post-disability:	RP-2014 disabled retiree mortality table, without adjustment.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

The TRA actuary has determined the average of the expected remaining service lives of all members for fiscal year 2016 is 6 years. The “Difference Between Expected and Actual Experience,” “Changes of Assumptions,” and “Changes in Proportion” use the amortization period of 6 years in the schedule presented. The amortization period for “Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments” is over a period of 5 years as required by GASB 68.

E. Discount Rate

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

F. Net Pension Liability

At June 30, 2017, the District reported a liability of \$33,989,650 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. The District’s proportionate share was 0.1425% at the end of the measurement period and 0.1390% for the beginning of the year.

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

District's proportionate share of net pension liability	\$ 33,989,650
State's proportionate share of the net pension liability associated with the District	\$ 3,411,603

There was a change in actuarial assumptions that affected the measurement of the total liability since the prior measurement date. Post-retirement benefit adjustments are now assumed to remain level at 2.0% annually. While in the previous measurement the COLA increased to 2.5% in 2034.

For the year ended June 30, 2017, the District recognized pension expense of \$5,072,734. It also recognized \$476,374 as an increase to pension expense for the support provided by direct aid.

On June 30, 2017, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 332,943	\$ 948
Changes in actuarial assumptions	19,382,192	-
Difference between projected and actual investment earnings	1,470,416	-
Change in proportion and differences between contributions made and District's proportionate share of contributions	180,425	111,601
District's contributions to TRA subsequent to the measurement date	560,214	-
Total	\$ 21,926,190	\$ 112,549

Deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

Years Ended June 30,	Pension Expense Amount
2018	\$ 4,202,203
2019	4,202,203
2020	4,693,734
2021	4,349,829
2022	3,805,458

G. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 4.66% as well as the liability measured using one percent lower and one percent higher:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
TRA discount rate	3.66%	4.66%	5.66%
District's proportionate share of the TRA net pension liability	\$ 43,787,165	\$ 33,989,650	\$ 26,009,894

The District's proportion of the net pension liability was based on the employer contributions to TRA in relation to TRA's total employer contributions including direct aid contributions from the State of Minnesota, City of Minneapolis and Minneapolis School District.

H. Pension Plan Fiduciary Net Position

Detailed information about TRA's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org, by writing to TRA at 60 Empire Drive, Suite 400, St. Paul, MN, 55103-4000; or by calling 651-296-2409 or 800-657-3669.

Note 5 - 403(b) Plan

The District provides eligible employees future retirement benefits through the District's 403(b) Plan (the "Plan"). Employees of the District are eligible to participate in the Plan commencing on the date of their employment. Some employees are eligible to receive a match of employee contributions up to the qualifying amounts set forth in their Wage and Benefit Guidelines. Contributions are invested in tax deferred annuities hosted by a vendor from whom the District has obtained. The District's contributions for the years ended June 30, 2017, 2016, and 2015, were \$127,337, \$127,286, and \$102,865, respectively. The related employee contributions were \$222,514, \$223,481, and \$155,312 for the years ended June 30, 2017, 2016, and 2015, respectively.

Note 6 - Health and Dental Self-Insurance

The District is self-insured with respect to health and dental insurance costs. The District implemented the self-insurance plans on July 1, 2014. Terms of the health plan include a stop-loss prevention of \$150,000 per person, which limits the District's liability. There is no stop-loss prevention on the dental plan as the maximum benefit is \$1,250. The following is the activity for the year ended June 30, 2017:

Claims incurred but not reported at beginning of year	\$ 125,108
Claims incurred	2,121,125
Claims paid	(2,005,167)
Claims incurred but not reported at end of year	\$ 241,066

Note 7 - Other Information

A. Contingent Liabilities

The District participates in a number of federal and state programs that are either partially or fully funded by grants or aids received from these agencies or other governmental units. Such programs are subject to audit by the grantor agencies which could result in requests for reimbursement to the granting agency for expenditures that are disallowed under the terms of the grant. Based on past experience, the District believes that any disallowed costs as a result of such audits will be immaterial.

B. Joint Ventures

The District and nine other school districts, in conjunction with the Southwest Metro Educational Co-op (SWMEC), created a joint powers agreement for the purpose of providing educational programming as well as special education, vocational education, and any other educational programs requested by one or more participating school districts. The SWMEC's board is defined in the Joint Powers Agreement. A member may withdraw upon written notice given to the Board and to each participating school district in accordance with the Joint Powers Agreement. In the event of dissolution, all real property remaining after payment of all debts will be divided among the 10 districts. Separate financial statements of the joint venture may be obtained from SWMEC.

The District had purchases from SWMEC of \$248,925 for the year ended June 30, 2017, and an outstanding balance due to SWMEC of \$75,321 at June 30, 2017.

Note 8 - Restatement of Beginning Net Position

As of July 1, 2016, the District adopted GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are not within the Scope of GASB 68*. The implementation of these standards requires governments to calculate and report the cost and obligations associated with these benefit plans in their financial statements, including additional note disclosures and required supplementary information. Beginning net position was restated to retroactively report the beginning liability.

Net Position - June 30, 2016, as previously reported	\$ 3,564,743
Restatement due to implementation of GASB Statement No. 73	<u>(399,155)</u>
Net Position - July 1, 2016, as restated	<u><u>\$ 3,165,588</u></u>

Note 9 - Issued but Non-effective Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several statements not yet implemented by the District. The first statement issued but not yet implemented that will significantly affect the District is statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. This statement will be implemented at the District in the year ended June 30, 2018.

The second statement issued but not yet implemented that will significantly affect the District is statement No. 84, Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. This statement will be implemented at the District in the year ended June 30, 2020.

The third statement issued but not yet implemented that will significantly affect the District is statement No. 85, Omnibus 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement will enhance consistency in the application of accounting and financial reporting requirements. Consistent reporting will improve the usefulness of information for users of state and local government financial statements. This statement will be implemented at the District in the year ended June 30, 2018.

The final statement issued but not yet implemented that will significantly affect the District is statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. This statement will be implemented at the District in the year ended June 30, 2021.

Management has not yet determined the effect these pronouncements will have on the District's financial statements.



Required Supplementary Information
June 30, 2017

Independent School District No. 716
Belle Plaine, Minnesota

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Net OPEB Liability (Asset)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Simplified Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2011	\$ -	\$ 977,810	\$ 977,810	0.0%	\$ 6,573,402	14.9%
7/1/2014	-	883,271	883,271	0.0%	7,568,691	11.7%
7/1/2016	-	1,008,273	1,008,273	0.0%	8,317,924	12.1%

Note to the Schedules of Funding Progress

Since the last actuarial valuation as of July 1, 2014, the following actuarial assumptions have changed:

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from RP 2000 Combined Healthy Table projected to 2014 with Scale BB to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and retirement table for only employees eligible to retire with Rule of 90 also were updated.
- The discount rate was changed from 4.50% to 2.90%.

Since the last actuarial valuation as of July 1, 2014, the following plan provisions have changed:

- The current superintendent does not have a subsidized benefit.

Independent School District No. 716
 Belle Plaine, Minnesota
 Schedule of Changes in Supplemental Benefits Liability and Supplemental Benefits Liability
 Year Ended June 30, 2017

**Schedule of Changes in Supplemental Benefits Liability
 Last 10 Fiscal Years ***

	2017
Supplemental benefits liability, beginning of year	\$ 291,245
Service cost	2,375
Interest cost	7,776
Assumption changes	-
Plan changes	-
Employer contributions	-
Projected investment return	-
Differences between expected and actual experience	-
Benefit payments	(51,334)
Administrative expenses	-
Other changes	-
	\$ 250,062

**Schedule of Supplemental Benefits Liability
 Last 10 Fiscal Years ***

	2017
Supplemental benefits liability	\$ 250,062
Covered-employee payroll	\$ 255,426
Supplemental benefits liability as a percentage of covered-employee payroll	97.90%

There are no assets accumulated in an irrevocable trust to pay plan benefits.

* GASB Statement No. 73 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

**Schedule of Employer's Share of Net Pension Liability
Last 10 Fiscal Years ***

Pension Plan	Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated With District (b)	Total (d) (a+b)	Employer's Covered - Employee Payroll (e) **	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered - Employee Payroll (a/e) **	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
PERA	06/30/16	0.0305%	\$ 2,476,449	N/A	\$ 2,476,449	\$ 1,970,628	125.7%	68.9%
	06/30/15	0.0318%	1,648,041	N/A	1,648,041	1,901,974	86.6%	78.2%
	06/30/14	0.0330%	1,550,175	N/A	1,550,175	1,760,993	88.0%	78.8%
TRA	06/30/16	0.1425%	\$ 33,989,650	\$ 3,411,603	\$ 37,401,253	\$ 7,561,421	449.5%	44.9%
	06/30/15	0.1390%	8,598,525	1,054,355	9,652,880	7,181,176	119.7%	76.8%
	06/30/14	0.1462%	6,736,791	473,970	7,210,761	6,731,272	100.1%	81.5%

**Schedule of Employer's Contributions
Last 10 Fiscal Years ***

Pension Plan	Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered - Employee Payroll (d) **	Contributions as a Percentage of Covered - Employee Payroll (b/d) **
PERA	06/30/17	\$ 140,159	\$ 140,159	\$ -	\$ 1,930,714	7.3%
	06/30/16	143,831	143,831	-	1,970,628	7.3%
	06/30/15	138,826	138,826	-	1,901,974	7.3%
TRA	06/30/17	\$ 560,214	\$ 560,214	\$ -	\$ 7,604,726	7.4%
	06/30/16	556,569	556,569	-	7,561,421	7.4%
	06/30/15	529,490	529,490	-	7,181,176	7.4%

* GASB Statement No. 68 requires ten years of information to be presented in these tables. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Notes to the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions

- PERA's CAFR may be obtained on the PERA's website at www.mnpera.org for notes to the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions.
- TRA's CAFR may be obtained on the PERA's website at www.MinnesotaTRA.org for notes to the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions.

**Covered payroll has been retrospectively restated for all years presented to conform to the definition of covered payroll as clarified in GASB No. 82, *Pension Issues*.

Independent School District No. 716
 Belle Plaine, Minnesota
 Budgetary Comparison Schedule: General Fund
 Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Local property tax levies	\$ 1,549,032	\$ 1,570,734	\$ 1,608,714	\$ 37,980
Other local and county sources	561,823	556,112	904,497	348,385
State sources	11,847,857	11,974,204	14,018,217	2,044,013
Federal sources	476,374	483,037	323,123	(159,914)
Total revenues	<u>14,435,086</u>	<u>14,584,087</u>	<u>16,854,551</u>	<u>2,270,464</u>
Expenditures				
Administration	993,777	870,992	866,812	4,180
District support services	608,485	520,057	1,012,364	(492,307)
Regular instruction	7,570,968	7,470,693	7,831,200	(360,507)
Vocational instruction	346,900	457,336	473,682	(16,346)
Special education instruction	2,494,971	2,612,797	2,467,451	145,346
Instructional support services	670,070	779,860	675,971	103,889
Pupil support services	1,341,169	1,392,845	1,354,499	38,346
Sites and buildings	1,532,585	1,586,330	1,546,932	39,398
Fiscal and other fixed cost programs	49,400	100,029	49,429	50,600
Debt service				
Principal	319,300	391,774	391,853	(79)
Interest and fiscal charges	32,900	27,819	27,837	(18)
Total expenditures	<u>15,960,525</u>	<u>16,210,532</u>	<u>16,698,030</u>	<u>(487,498)</u>
Net Change in Fund Balances	<u>\$ (1,525,439)</u>	<u>\$ (1,626,445)</u>	156,521	<u>\$ 1,782,966</u>
Fund Balances - Beginning			<u>1,935,623</u>	
Fund Balances - Ending			<u>\$ 2,092,144</u>	

1. Budgetary Information

The District adopts an annual budget for all funds in accordance with Minnesota State Statutes. The budget is prepared on the modified accrual basis of accounting. Before July 1, the proposed budget is presented to the School Board for review. The School Board holds public hearings and a final budget must be prepared and adopted no later than one week after the School Board approves the audited financial statements and has published the final budget in the local newspaper. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end. The actual revenues, expenditures, and transfers for the year ended June 30, 2017, have been compared to the District's budget for the year where applicable. Variances in parentheses are unfavorable and indicate revenues are less than budget or expenditures are greater than budget. The budget is adopted through passage of a resolution. Any revisions that alter total expenditures of any fund must be approved by the School Board.

Budgetary control is maintained by fund, at the object of expenditure category level within each program, and in compliance with state requirements. Also inherent in this controlling function is the management philosophy that the existence of a particular item or appropriation in the approved budget does not automatically mean that it will be spent. Therefore, there is a constant review process and expenditures are not approved until it has been determined that (1) adequate funds were appropriated, (2) the expenditure is still necessary, and (3) funds are available. Budgeted amounts are as originally adopted or as amended by the School Board. Budgeted expenditure appropriations lapse at year end. The School Board made several supplemental budgetary appropriations throughout the year.

2. Excess of Expenditures over Appropriations

For the year ended June 30, 2017, expenditures exceeded appropriations in the general fund by \$487,498. The over expenditures were funded by greater than anticipated revenues.



Supplementary Information
June 30, 2017

Independent School District No. 716
Belle Plaine, Minnesota

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Independent School District No. 716
 Belle Plaine, Minnesota
 Combining Balance Sheet – Nonmajor Governmental Funds
 June 30, 2017

	<u>Special Revenue Funds</u>		<u>Total Nonmajor Funds</u>
	<u>Food Service</u>	<u>Community Service</u>	
Assets			
Cash	\$ 74,712	\$ 131,767	\$ 206,479
Receivables			
Current property taxes	-	52,385	52,385
Delinquent property taxes	-	798	798
Due from Minnesota Department of Education	379	16,217	16,596
Due from Federal through Minnesota Department of Education	1,760	-	1,760
Due from other governmental units	-	12,957	12,957
Inventories	21,138	-	21,138
Total assets	<u>\$ 97,989</u>	<u>\$ 214,124</u>	<u>\$ 312,113</u>
Liabilities			
Salaries payable	\$ -	\$ 24,303	\$ 24,303
Accounts payable	5,828	4,333	10,161
Due to other Minnesota School Districts	-	172	172
Due to other governmental units	-	9,397	9,397
Unearned revenue	18,119	-	18,119
Total liabilities	<u>23,947</u>	<u>38,205</u>	<u>62,152</u>
Deferred Inflows of Resources			
Unavailable revenue - delinquent taxes	-	612	612
Unavailable revenue - property taxes	-	113,884	113,884
Total deferred inflows of resources	<u>-</u>	<u>114,496</u>	<u>114,496</u>
Fund Balances			
Nonspendable	21,138	-	21,138
Restricted	52,904	61,423	114,327
Total fund balances	<u>74,042</u>	<u>61,423</u>	<u>135,465</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 97,989</u>	<u>\$ 214,124</u>	<u>\$ 312,113</u>

Independent School District No. 716

Belle Plaine, Minnesota

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds

Year Ended June 30, 2017

	Special Revenue Funds		Nonmajor Funds
	Food Service	Community Service	
Revenues			
Local property tax levies	\$ -	\$ 112,911	\$ 112,911
Other local and county sources	166	448,216	448,382
State sources	41,671	190,353	232,024
Federal sources	249,320	-	249,320
Local sales and insurance recovery	429,613	-	429,613
Total revenues	720,770	751,480	1,472,250
Expenditures			
Community education and services	-	770,267	770,267
Pupil support services	705,004	-	705,004
Total expenditures	705,004	770,267	1,475,271
Net Change in Fund Balances	15,766	(18,787)	(3,021)
Fund Balances - Beginning	58,276	80,210	138,486
Fund Balances - Ending	\$ 74,042	\$ 61,423	\$ 135,465

Independent Auditor's Report on Minnesota Legal Compliance

Members of the School Board
Independent School District No. 716
Belle Plaine, Minnesota

EideBailly^{LLP}

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 Independent School District No. 716 as of and for the year ended June 30, 2017, and the related notes to the financial statements, and have issued our report thereon dated **DATE**.

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 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 study included all of the listed categories.

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

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

Mankato, Minnesota
DATE

Independent School District No. 716
 Belle Plaine, Minnesota
 Uniform Financial Accounting and Reporting Standards Compliance Table
 Year Ended June 30, 2017

	Audit	UFARS	Audit - UFARS		Audit	UFARS	Audit - UFARS
01 GENERAL FUND				06 BUILDING CONSTRUCTION			
Total Revenue	\$16,854,551	<u>\$16,854,550</u>	\$1	Total Revenue	\$0	<u>\$0</u>	\$0
Total Expenditures	\$16,698,030	<u>\$16,698,029</u>	\$1	Total Expenditures	\$0	<u>\$0</u>	\$0
<i>Non Spendable:</i>				<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$20,250	<u>\$20,250</u>	\$0	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	\$0
<i>Restricted / Reserved:</i>				<i>Restricted / Reserved:</i>			
4.03 Staff Development	\$16,616	<u>\$16,616</u>	\$0	4.07 Capital Projects Levy	\$0	<u>\$0</u>	\$0
4.06 Health and Safety	(\$37,842)	<u>(\$37,842)</u>	\$0	4.13 Project Funded by COP	\$0	<u>\$0</u>	\$0
4.07 Capital Projects Levy	\$0	<u>\$0</u>	\$0	4.67 LTFM	\$0	<u>\$0</u>	\$0
4.08 Cooperative Revenue	\$0	<u>\$0</u>	\$0	<i>Restricted:</i>			
4.13 Project Funded by COP	\$0	<u>\$0</u>	\$0	4.64 Restricted Fund Balance	\$0	<u>\$0</u>	\$0
4.14 Operating Debt	\$0	<u>\$0</u>	\$0	<i>Unassigned:</i>			
4.16 Levy Reduction	\$0	<u>\$0</u>	\$0	4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	\$0
4.17 Taconite Building Maint	\$0	<u>\$0</u>	\$0				
4.24 Operating Capital	\$456,233	<u>\$456,233</u>	\$0	07 DEBT SERVICE			
4.26 \$25 Taconite	\$0	<u>\$0</u>	\$0	Total Revenue	\$3,153,691	<u>\$3,153,692</u>	(\$1)
4.27 Disabled Accessibility	\$0	<u>\$0</u>	\$0	Total Expenditures	\$3,291,320	<u>\$3,291,320</u>	\$0
4.28 Learning & Development	\$0	<u>\$0</u>	\$0	<i>Non Spendable:</i>			
4.34 Area Learning Center	\$0	<u>\$0</u>	\$0	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	\$0
4.35 Contracted Alt. Programs	\$0	<u>\$0</u>	\$0	<i>Restricted / Reserved:</i>			
4.36 State Approved Alt. Program	\$0	<u>\$0</u>	\$0	4.25 Bond Refundings	\$3,024,676	<u>\$3,024,676</u>	\$0
4.38 Gifted & Talented	\$0	<u>\$0</u>	\$0	4.51 QZAB Payments	\$0	<u>\$0</u>	\$0
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	\$0	<i>Restricted:</i>			
4.41 Basic Skills Programs	\$0	<u>\$0</u>	\$0	4.64 Restricted Fund Balance	\$594,488	<u>\$594,489</u>	(\$1)
4.45 Career Tech Programs	\$0	<u>\$0</u>	\$0	<i>Unassigned:</i>			
4.48 Achievement and Integration	\$0	<u>\$0</u>	\$0	4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	\$0
4.49 Safe School Crime - Crime Levy	\$0	<u>\$0</u>	\$0				
4.50 Pre-Kindergarten	\$0	<u>\$0</u>	\$0	08 TRUST			
4.51 QZAB Payments	\$0	<u>\$0</u>	\$0	Total Revenue	\$0	<u>\$0</u>	\$0
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	\$0	Total Expenditures	\$0	<u>\$0</u>	\$0
4.53 Unfunded Sev & Retirement Levy	\$0	<u>\$0</u>	\$0	4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	\$0
4.67 LTFM	\$87,101	<u>\$87,101</u>	\$0				
4.72 Medical Assistance	\$45,652	<u>\$45,652</u>	\$0	20 INTERNAL SERVICE			
<i>Restricted:</i>				Total Revenue	\$1,948,185	<u>\$1,948,184</u>	\$1
4.64 Restricted Fund Balance	\$0	<u>\$0</u>	\$0	Total Expenditures	\$2,283,883	<u>\$2,283,883</u>	\$0
<i>Committed:</i>				4.22 Unassigned Fund Balance (Net Assets)	\$191,624	<u>\$191,623</u>	\$1
4.18 Committed for Separation	\$81,607	<u>\$81,607</u>	\$0				
4.61 Committed Fund Balance	\$159,880	<u>\$159,880</u>	\$0	25 OPEB REVOCABLE TRUST			
<i>Assigned:</i>				Total Revenue	\$0	<u>\$0</u>	\$0
4.62 Assigned Fund Balance	\$0	<u>\$0</u>	\$0	Total Expenditures	\$0	<u>\$0</u>	\$0
<i>Unassigned:</i>				4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	\$0
4.22 Unassigned Fund Balance	\$1,282,647	<u>\$1,282,648</u>	\$1				
				45 OPEB IRREVOCABLE TRUST			
02 FOOD SERVICES				Total Revenue	\$0	<u>\$0</u>	\$0
Total Revenue	\$720,770	<u>\$720,770</u>	\$0	Total Expenditures	\$0	<u>\$0</u>	\$0
Total Expenditures	\$705,004	<u>\$705,004</u>	\$0	4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	\$0
<i>Non Spendable:</i>							
4.60 Non Spendable Fund Balance	\$21,138	<u>\$21,138</u>	\$0	47 OPEB DEBT SERVICE			
<i>Restricted / Reserved:</i>				Total Revenue	\$0	<u>\$0</u>	\$0
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	\$0	Total Expenditures	\$0	<u>\$0</u>	\$0
<i>Restricted:</i>				<i>Non Spendable:</i>			
4.64 Restricted Fund Balance	\$52,904	<u>\$52,904</u>	\$0	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	\$0
<i>Unassigned:</i>				<i>Restricted:</i>			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	\$0	4.25 Bond Refundings	\$0	<u>\$0</u>	\$0
				4.64 Restricted Fund Balance	\$0	<u>\$0</u>	\$0
04 COMMUNITY SERVICE				<i>Unassigned:</i>			
Total Revenue	\$751,480	<u>\$751,480</u>	\$0	4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	\$0
Total Expenditures	\$770,267	<u>\$770,267</u>	\$0				
<i>Non Spendable:</i>							
4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	\$0				
<i>Restricted / Reserved:</i>							
4.26 \$25 Taconite	\$0	<u>\$0</u>	\$0				
4.31 Community Education	\$50,000	<u>\$50,000</u>	\$0				
4.32 E.C.F.E	\$3,777	<u>\$3,777</u>	\$0				
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	\$0				
4.44 School Readiness	\$5,000	<u>\$5,000</u>	\$0				
4.47 Adult Basic Education	\$0	<u>\$0</u>	\$0				
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	\$0				
<i>Restricted:</i>							
4.64 Restricted Fund Balance	\$2,646	<u>\$2,645</u>	\$1				
<i>Unassigned:</i>							
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	\$0				

**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***

Members of the School Board
Independent School District No. 716
Belle Plaine, 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 the Independent School District No. 716 (District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated [INSERT REPORT DATE].

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying summary of audit findings, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying summary of findings to be material weaknesses: 2017-A and 2017-B.

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.

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*.

Entity's Response to Findings

The District's response to the findings identified in our audit are described in their Corrective Action Plan and the accompanying summary of audit findings. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mankato, Minnesota

DATE

DRAFT

Section I – Financial Statement Findings

**2017-A Segregation of Duties
Material Weakness**

Criteria: A good system of internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to completion.

Condition: The District has a lack of segregation of duties in certain areas due to limited staff. The District has limited segregation of duties in many accounting and financial reporting internal control areas. The areas involved are receipts and receivables, disbursements and payables, payroll, deposits, and reconciliations of these areas.

Cause: The District does not have the economic resources to hire additional qualified accounting staff in order to segregate duties.

Effect: Inadequate segregation of duties could adversely affect the District's ability to detect misstatements in amounts that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned functions. School Board oversight will mitigate some of the effect.

Recommendation: While we recognize that your staff may not be large enough to permit complete segregation of duties in all respects for an effective system of internal control, the functions should be reviewed to determine if additional segregation is feasible and to improve efficiency and effectiveness of financial management of the District.

Views of Responsible Officials: Management agrees with this finding.

DRAFT

2017-B Preparation of Financial Statements
Material Weakness

Criteria: A good system of internal control contemplates an adequate system for drafting of the financial statements.

Condition: The District does not have an internal control system designed to provide for the preparation of the financial statements being audited. As auditors, we are requested to draft the financial statements, accompanying notes to the financial statements, and required supplementary budgetary comparison information.

Cause: The District does not have the economic resources to hire additional qualified accounting staff or hire professional accounting services in order to draft financial statements.

Effect: This control deficiency could result in a misstatement to the financial statements that would not be prevented or detected.

Recommendation: This control deficiency is not unusual in a District of your size. It is the responsibility of the management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Views of Responsible Officials: Management agrees with this finding.

Section II – Minnesota Legal Compliance Findings

None noted

EXTRACT OF MINUTES OF MEETING
OF SCHOOL BOARD
OF INDEPENDENT SCHOOL DISTRICT NO. 716
(BELLE PLAINE)
STATE OF MINNESOTA
HELD: DECEMBER 18, 2017

Pursuant to due call and notice thereof, a regular meeting of the Schools Board of independent School District No. 716 (Belle Plaine), State of Minnesota, was held in said school district on Monday, December 18, 2017, at 6 o'clock p.m.

The following members were present: Gardner, Giesen, Vandermark, O'Brien, Kahle and Superintendent Laager and the following were absent:

Member Tracy O'Brien introduced the following resolution and moved its adoption:

RESOLUTION CALLING SPECIAL ELECTION TO FILL SCHOOL BOARD VACANCY

WHEREAS, a vacancy exists in the office of school board member with a term expiring the first Monday in January, 2020; and

WHEREAS, the vacancy has occurred more than 90 days prior to the first Tuesday after the first Monday in November in the year in which the vacancy occurs;

NOW THEREFORE, BE IT RESOLVED by the School Board of Independent School District No. 716, State of Minnesota, as follows:

1. The clerk shall accept affidavits of candidacy for this office during the same filing period as applicable to the school district general election, i.e. between 84 and 98 days before the date of the special election.

2. (a) It is necessary to hold a special election to elect one (1) individual to fill the vacancy in the term of School Board Member expiring the first Monday in January, 2020.

(b) The clerk shall include on the special election ballot the names of the individuals who file or have filed Affidavits of Candidacy during the period established for filing such affidavits, as though they had been included by name in this resolution. The clerk shall not include on the ballot the names of individuals who file timely affidavits of withdrawal in the manner specified by law.

3. The special election shall be held on Tuesday, the 8th day of May, 2018 between the hours of 7:00 o'clock a.m. and 8:00 o'clock p.m. **This date is a uniform election date specified in Minnesota Statutes, Section 205A.05**

If the special election is held in conjunction with the state primary election, the state general election or the school district primary or general election in the even-numbered year, the precincts and polling places for this special election are those polling places and precincts or parts of precincts located within the boundaries of the school district and which have been established by the cities or towns located in whole or in part within the school district.

If the special election is held in conjunction with the school district primary or general election in the odd-numbered year, the school district combined polling places and the precincts served by those polling places, as

previously established and designated by school board resolution for school district elections not held on the day of a statewide election, are hereby designated for this special election.

If the special election is held on any other date in the even-numbered or odd numbered year than one of those specified above, the school district combined polling places and the precincts served by those polling places, as previously established and designated by school board resolution for school district elections not held on the day of a statewide election, are hereby designated for this special election. In this case, the clerk is hereby authorized and directed to prepare a notice to any voters who will be voting at a combined polling place for this special election. The notice must be sent by nonforwardable mail to every affected household in the school district with at least one registered voter. The notice must be mailed no later than fourteen (14) days before the date of the election. A notice that is returned as undeliverable must be forwarded immediately to the appropriate county auditor. The notice must include the following information: the date of the election, the hours of voting and the location of the voter's polling place. This notice may be in the same form as the notice of special election to be published and posted.

4. The clerk is hereby authorized and directed to cause written notice of said special election to be provided to the county auditor of each county in which the school district is located, in whole or in part, at least seventy-four (74) days before the date of said special election. The notice shall include the date of said special election and the office to be voted on at said special election.

The clerk is hereby authorized and directed to cause notice of said special election to be posted at the administrative offices of the school district at least ten (10) days before the date of said election.

The clerk is hereby authorized and directed to cause a sample ballot to be posted at the administrative offices of the school district at least four (4) days before the date of said election and to cause two sample ballots to be posted in each polling place or combined polling place on election day. The sample ballot shall not be printed on the same color paper as the official ballot. The sample ballot for a polling place or combined polling place shall reflect the offices, candidates and rotation sequence on the ballot used in that polling place.

The clerk is hereby authorized and directed to cause notice of said special election to be published in the official newspaper of the district, for two (2) consecutive weeks with the last publication being at least one (1) week before the date of said election.

The clerk is authorized and directed to cause the rules and instructions for use of the optical scan voting system to be posted in each polling place or combined polling place on Election Day.

The notice of election so posted and published shall state the office to be filled as set forth in the form of ballot below, and shall include information concerning each established precinct and polling place.

The notices to be posted and published may be combined with the Notice of General Election or the Notice of Primary Election if the general or primary and the special election are held together.

5. The names of candidates to fill a vacancy who have filed an affidavit of candidacy must be listed on the ballot under the separate heading "Special Election for School Board Member to fill vacancy in term expiring January 1, 2020." Their names must be listed as though they had been included by name in this resolution. The clerk shall not include on the ballot the names of individuals who file timely affidavits of withdrawal in the manner specified by law.

6. The name of each candidate to fill the vacancy in office at this special election shall be rotated with the names of the other candidates to fill the vacancy in office in the manner specified in Minnesota law.

7. The ballot shall be in substantially the following form:

Special Election Ballot

Independent School District No. 716
Belle Plaine

May 8, 2018

**Special Election
for School Board Member to fill vacancy
in term expiring January 1, 2020**

Instructions to Voters:

To vote, completely fill in the oval(s) next to your choice(s) like this: 

Vote for One*



Name



Name



_____ write in, if any

8. The school district clerk shall make all Campaign Financial Reports required to be filed with the school district under Minnesota Statutes, Section 211A.02, available on the school district's website. The clerk must post the report on the school district's website as soon as possible, but no later than thirty (30) days after the date of the receipt of the report. The school district must make a report available on the school district's website for four years from the date the report was posted to the website. The clerk must also provide the Campaign Finance and Public Disclosure Board with a link to the section of the website where reports are made available.

The motion for the adoption of the foregoing resolution was duly seconded by Joe Vandermark On a roll call vote, the following voted in favor: Gardner, Giesen, Vandermark, O'Brien, Kahle

and the following voted against: None

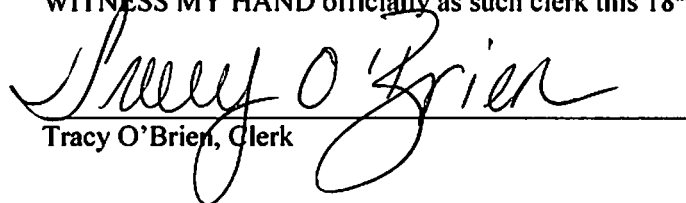
whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA

COUNTY OF SCOTT

I, the undersigned, being the duly qualified and acting Clerk of Independent School District No. 716 (Belle Plaine), State of Minnesota, hereby certify that the attached and foregoing is a full, true and correct transcript of the minutes of a meeting of the school board of said school district duly called and held on the date therein indicated, so far as such minutes relate to adopting a resolution relating to the election of school board members and calling the school district special election to fill a school board vacancy, and that the resolution included therein is a full, true and correct copy of the original thereof.

WITNESS MY HAND officially as such clerk this 18th day of December, 2017.


Tracy O'Brien, Clerk

Member Dan Gieson introduced the following resolution and moved its adoption:

Resolution to Fully Fund Special Education Services (Minnesota)

WHEREAS, local boards of education place a very high priority on ensuring that ALL students receive high quality special education programs and instruction; and

WHEREAS, in 1975 Congress enacted the Education for All Handicapped Children Act (P.L. 94-142) now known as The Individuals with Disabilities Act IDEA to: improve access to education for children with disabilities by guaranteeing a Free Appropriate Public Education (FAPE) in the least restrictive environment; assure that the rights of children with disabilities and their parents are protected; assist States and school systems to provide for the education of all children with disabilities; and to assess and assure the effectiveness of efforts to educate all children with disabilities; and

WHEREAS, when IDEA became law in 1975, the federal government promised to fund 40 percent of the additional cost of educating children with disabilities; and yet the federal government has failed to adequately fund the mandated programs and services arising under IDEA, never providing more than 15 percent of the additional cost; and

WHEREAS, sufficient federal funding for IDEA would significantly enhance the ability of local school systems to provide an excellent education for all students; and

WHEREAS, the special education cross-subsidy continues to be a major obstacle for Minnesota School Districts to grapple with, due to the growing number of students receiving special education, more specialized services and rising costs associated with those services and inadequate funding; and

WHEREAS, the state special education funding system has not kept pace with the rising cost of mandated services and supports for students with special needs; and,

WHEREAS, the cross-subsidy for school districts for FY2016 is \$679 million; a 5.6 percent increase from FY2015; and

WHEREAS, between rising need and insufficient state and federal aid, the amount of funding school districts as a whole in Minnesota will be forced to pay for special education costs will reach an average of \$815 per student in FY17;

NOW, THEREFORE, BE IT RESOLVED, that we urge the Governor and Legislature to strenuously advocate for significant increases in federal special education funding and meaningful special education reforms at the federal and state levels; and

NOW, THEREFORE BE IT RESOLVED that there is an urgency the Minnesota Legislature to convene a task force to work on special education funding, specifically with a focus on the impacts of the new special education funding formulas, the projected cross-subsidy and recommendations with a timeline to eliminate the cross-subsidy.

Member Terry Kahle seconded the resolution and the following members voted in support of the resolution:
Terry Kahle, Tracy O'Brien, Dan Gieson, Dan Gardner, Joe Vandermark

And the following voted against the resolution: None

Therefore the resolution is passed/is not passed.

Member Tracy O'Brien introduced the following resolution and moved its adoption:

Resolution to Fully Fund Special Education Services (Federal)

WHEREAS, local boards of education place a very high priority on ensuring that ALL students receive high quality special education programs and instruction; and

WHEREAS, in 1975 Congress enacted the Education for All Handicapped Children Act (P.L. 94-142) now known as The Individuals with Disabilities Act IDEA to: improve access to education for children with disabilities by guaranteeing a Free Appropriate Public Education (FAPE) in the least restrictive environment; assure that the rights of children with disabilities and their parents are protected; assist States and school systems to provide for the education of all children with disabilities; and to assess and assure the effectiveness of efforts to educate all children with disabilities; and

WHEREAS, when IDEA became law in 1975, the federal government promised to fund 40 percent of the additional cost of educating children with disabilities; and yet the federal government has failed to adequately fund the mandated programs and services arising under IDEA, never providing more than 15 percent of the additional cost; and

WHEREAS, sufficient federal funding for IDEA would significantly enhance the ability of local school systems to provide an excellent education for all students; and

WHEREAS, the special education cross-subsidy continues to be a major obstacle for Minnesota School Districts to grapple with, due to the growing number of students receiving special education, more specialized services and rising costs associated with those services and inadequate funding; and

WHEREAS, the state special education funding system has not kept pace with the rising cost of mandated services and supports for students with special needs; and,

WHEREAS, the cross-subsidy for Minnesota school districts for FY2016 is \$679 million; a 5.6 percent increase from FY2015; and

WHEREAS, between rising need and insufficient state and federal aid, the amount of funding school districts as a whole in Minnesota will be forced to pay for special education costs will reach an average of \$815 per student in FY17;

NOW, THEREFORE, BE IT RESOLVED, that we urge the President and Legislature to strenuously advocate for significant increases in federal special education funding and meaningful special education reforms at the federal and state levels; and

NOW, THEREFORE, BE IT RESOLVED, that the State of Minnesota calls upon the Congress of the United States to pass appropriate legislation in order to increase funding for federal special education mandates to meet the urgent financial special education needs of our cities and towns; and

BE IT FURTHER RESOLVED, that the Secretary of the Senate cause a copy of this resolution to be delivered to all United States Representatives and Senators representing Minnesota in the Congress of the United States.

Member Dan Giesen seconded the resolution and the following members voted in support of the resolution:

Terry Kahle, Tracy O'Brien, Dan Giesen, Dan Gardner, Joe Vandermark

And the following voted against the resolution: None

Therefore the resolution is passed/is not passed.

CERTIFICATION OF MINUTES RELATING TO FULLY FUND SPECIAL EDUCATION SERVICES (STATE AND FEDERAL)

Issuer: Independent School District No. 716 (Belle Plaine), Minnesota

Governing Body: School Board

Kind, date, time and place of meeting: A regular meeting held on December 18, 2017, at 6:00 p.m., at the School District offices.

Members present: Terry Kahle, Tracy O'Brien, Dan Giesen,
Dan Gardner, Joe Vandermark

Members absent:
None

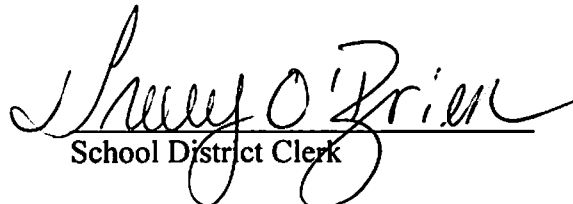
Documents attached:

Minutes of said meeting (including):

RESOLUTIONS TO FULLY FUND SPECIAL EDUCATION SERVICES (STATE AND FEDERAL)

I, the undersigned, being the duly qualified and acting recording officer of the public corporation referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer this 18th day of December, 2017.


School District Clerk