



# Robbinsdale Area Schools School Board Meeting Agenda

Monday, December 12, 2011 at 5:30 PM

Work Session

Education Service Center Boardroom, 4148 Winnetka Avenue North,  
New Hope, Minnesota

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1. Welcome and Introductions  
Presenter: Chair Van Heel  
Time: 5:30 p.m.
2. Audit Report 3  
Presenter: Jeff Priess/Brady Allen of LarsonAllen, LLP  
Time: 5:30 - 6:00 p.m.
3. Closed Meeting for Negotiations Strategy Regarding Bus Drivers/Custodian  
Contract Pursuant to Minn. Stat 179A.14, Subd. 3  
Presenter: Chair Van Heel  
Time: 6:00 - 6:20 p.m.
4. School Board Officers  
Presenter: Chair Van Heel  
Time: 6:20 - 6:30 p.m.
5. School Board Subcommittees 176  
Presenter: Chair Van Heel  
Time: 6:30 - 7:15 p.m.
6. Break  
Time: 7:15 - 7:30 p.m.
7. School Board Liaisons 180  
Presenter: Chair Van Heel  
Time: 7:30 - 8:30 p.m.
8. School Board Travel Policy 183  
Presenter: Chair Van Heel  
Time: 8:30 - 8:40 p.m.
9. School Board Compensation 188  
Presenter: Chair Van Heel  
Time: 8:40 - 8:50 p.m.
10. Mid-Year Superintendent Evaluation Process 190  
Presenter: Chair Van Heel  
Time: 8:50 - 8:55 p.m.

11. Superintendent Contract  
Presenter: Chair Van Heel  
Time: 8:55 - 9:10 p.m.

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12. Adjourn  
Time: 9:10 p.m.



TO: Members of the School Board  
Dr. Aldo Sicoli, Superintendent

FROM: Jeff Priess, Executive Director of Business Services

DATE: December 12, 2011

RE: Audit Report

**DISCUSSION:**

I have attached three “draft” audit reports for the fiscal year end June 30, 2011. The reports are the CAFR (Comprehensive Annual Financial Report) the EAS (Executive Audit Summary) and finally the Schedule of Expenditures of Federal Awards and Other Required Reports. The district will be receiving an unqualified opinion on the audited financial statements. An unqualified opinion indicates a “clean audit” and is the highest opinion achievable. The CAFR will also be submitted to the National Association of School Business Officials for the Certificate of Excellence in Financial Reporting. Brady Hoffman of LarsonAllen,LLP will be attending the work session to review the reports with the School Board.

**QUESTIONS:**

For questions please contact Jeff Priess at 763-504-8037 or [jeff\\_priess.rdale.org](http://jeff_priess.rdale.org)

**STRATEGIC PLAN:**

Maximize Resources and Demonstrate Financial Accountability

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2011**



**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
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**INTRODUCTORY SECTION**

DRAFT

**INSERT TRANSMITTAL LETTER**

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
SCHOOL BOARD AND ADMINISTRATION  
JUNE 30, 2011**

**SCHOOL BOARD**

<b>NAME</b>	<b>TERM ON BOARD EXPIRES</b>	<b>BOARD POSITION</b>
Barb Van Heel	December 2012	Chairperson
Sherry Tyrrell	December 2012	Vice Chairperson
Linda Johnson	December 2014	Treasurer
Mark Bomchill	December 2014	Clerk
Patsy Green	December 2014	Director
Helen Bassett	December 2012	Director
Tom Walsh	December 2014	Director

**ADMINISTRATION**

Aldo Sicoli	Superintendent
Gayle Walkowiak, Ph.D.	Executive Director of Teaching and Learning
Lori Simon	Executive Director of Educational Services
Dennis Beekman	Executive Director of Technology
Al Ickler	Executive Director of Community Education
Stephanie Crosby	Executive Director of Human Resources
Lonnie Smith	Executive Director of Business Services (Resigned June 30, 2011)
Jeff Priess	Executive Director of Business Services (Effective June 13, 2011)
Tia Clasen	Marketing and Communications Program Director

ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
ORGANIZATION STRUCTURE  
JUNE 30, 2011

**INSERT ORG CHART**

DRAFT

**FINANCIAL SECTION**

DRAFT

## INDEPENDENT AUDITORS' REPORT

School Board  
Independent School District No. 281  
Robbinsdale Area Schools  
New Hope, Minnesota

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Independent School District No. 281, Robbinsdale, Minnesota as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year comparative information has been derived from the District's 2010 financial statements and, in our reported dated December 9, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Independent School District No. 281 as of June 30, 2011 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in the notes to the financial statements, the District adopted the provisions of Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of and for the year ended June 30, 2011. This statement results in the District reporting nonspendable, restricted, and unassigned fund balances in its governmental fund types.

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

The management's discussion and analysis and the Schedules of Funding Progress for Other Postemployment Benefits and Pension Benefits and the Schedule of Employer Contributions, as listed in the table of contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund schedules listed in the table of contents as supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Uniform Financial Accounting and Reporting Standards Compliance Table is presented as supplemental information and is also not a required part of the basic financial statements of the District. The individual fund schedules and the Uniform Financial Accounting and Reporting Standards Compliance Table, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. These sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

**LarsonAllen LLP**

Minneapolis, Minnesota  
REPORT DATE

**REQUIRED SUPPLEMENTARY INFORMATION**

DRAFT

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2011**

Independent School District 281's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section. Certain comparative information between the current year (2010-2011) and the prior year (2009-2010) is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2010-2011 fiscal year include the following:

- Overall revenues and expenses in the government-wide financial statements were \$175.2 million and \$162.2 million, respectively.
- Government-wide net assets increased \$13.0 million from the prior year.
- Total net assets at June 30, 2011 are \$123.5 million.
- The General Fund had an increase in fund balance of \$5.6 million.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts – Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the government-wide statements.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data.

**Government-Wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes *all* of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2011**

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

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements the District's activities are shown in one category:

- *Governmental Activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Property taxes and state aids finance most of these activities.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's *funds* – focusing on its most significant or “major” funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District may establish other funds to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal grants).

The District has three kinds of funds:

- *Governmental Funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements to explain the relationship (or differences) between them.
- *Proprietary Funds – Internal Service Funds* – The District maintains one type of proprietary fund. The Internal Service Fund is used as an accounting device to accumulate and allocate costs internally among the District's various functions. The District uses the Internal Service Fund to account for its employee dental and medical self insurance plan activities. These services have been included within governmental activities in the government-wide statements. Proprietary fund statements provide the same type of information as the government-wide statements, only in more detail.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2011**

- *Fiduciary Funds* – The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship funds, the flexible benefit plan, and other postemployment benefits. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the government-wide financial and governmental fund statements because the District cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Assets**

The District's *combined* net assets were \$123.5 million on June 30, 2011. This was a change of 11.75% from the prior year (see Table A-1).

**Table A-1  
The District's Net Assets**

	Governmental Activities as of June 30,		Percentage Change
	2011	2010	
Current and Other Assets	\$ 143,135,232	\$ 131,780,189	8.62 %
Capital and Non-Current Assets	251,600,821	256,654,314	(1.97)
<b>Total Assets</b>	<u>394,736,053</u>	<u>388,434,503</u>	1.62
Current Liabilities	95,278,979	73,564,633	29.52
Long-Term Liabilities	175,937,399	204,340,008	(13.90)
<b>Total Liabilities</b>	<u>271,216,378</u>	<u>277,904,641</u>	(2.41)
Net Assets:			
Invested in Capital Assets Net of Related Debt	98,153,815	91,838,388	6.88
Restricted	9,117,540	9,271,428	(1.66)
Unrestricted	16,248,320	9,420,046	72.49
<b>Total Net Assets</b>	<u>\$ 123,519,675</u>	<u>\$ 110,529,862</u>	11.75

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2011**

**Changes in Net Assets**

In Table A-2, Change in Net Assets, operations are reported on a governmental-wide basis with no reference to funds.

**Table A-2  
Change in Net Assets**

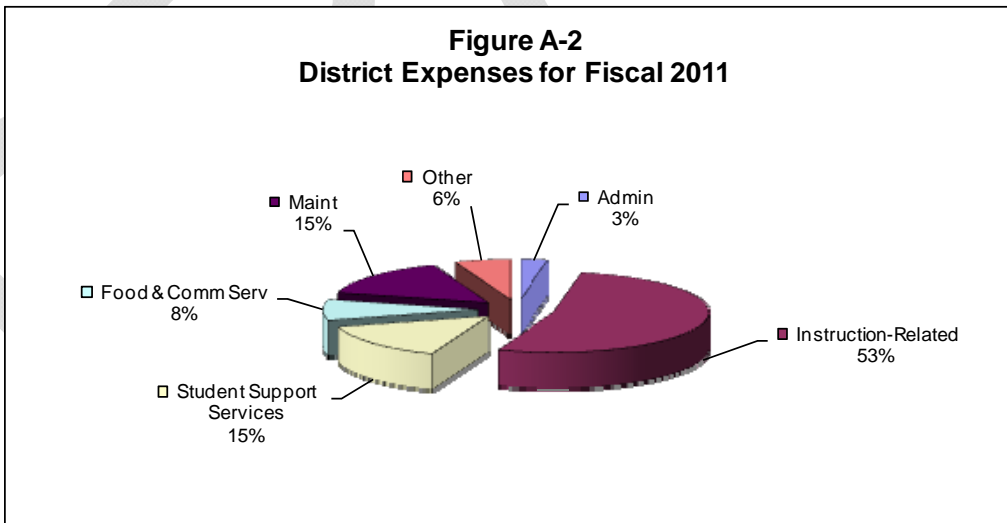
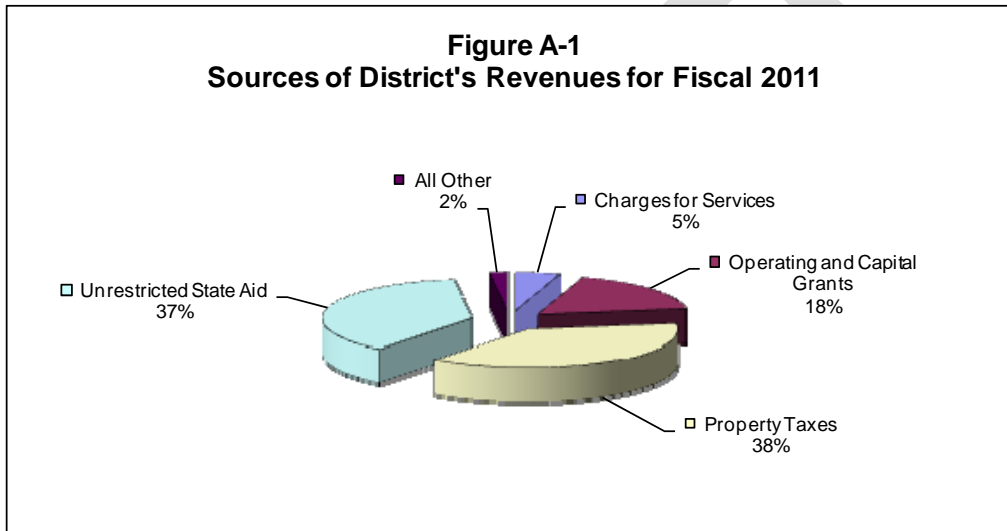
	Governmental Activities for the Fiscal Year Ended June 30,		Total % Change
	2011	2010	
<b>Revenues</b>			
<u>Program Revenues</u>			
Charges for Services	\$ 8,477,443	\$ 9,270,911	(8.56)%
Operating Grants and Contributions	28,195,959	31,893,287	(11.59)
Capital Grants and Contributions	3,027,743	3,052,837	(0.82)
<u>General Revenues</u>			
Property Taxes	66,408,783	52,767,569	25.85
Unrestricted State Aid	65,790,325	73,066,799	(9.96)
Investment Earnings	30,259	278,822	(89.15)
Other	3,264,695	3,087,196	5.75
Total Revenues	<u>175,195,207</u>	<u>173,417,421</u>	1.03
<b>Expenses</b>			
Administration	4,721,420	3,265,762	44.57
District Support Services	4,022,006	4,244,896	(5.25)
Regular Instruction	61,558,467	63,422,893	(2.94)
Vocational Education Instruction	2,922,693	3,268,132	(10.57)
Special Education Instruction	21,442,593	22,070,152	(2.84)
Instructional Support Services	6,928,011	6,887,487	0.59
Pupil Support Services	13,066,229	12,385,012	5.50
Sites and Buildings	24,689,560	26,617,949	(7.24)
Fiscal and Other Fixed Cost Programs	470,583	474,219	(0.77)
Food Service	5,694,290	5,940,503	(4.14)
Community Service	7,820,064	7,788,768	0.40
Interest and Fiscal Charges on Long-Term Liabilities	8,869,478	8,598,049	3.16
Total Expenses	<u>162,205,394</u>	<u>164,963,822</u>	(1.67)
<b>Increase in Net Assets</b>	12,989,813	8,453,599	
Beginning Net Assets	<u>110,529,862</u>	<u>102,076,263</u>	
Ending Net Assets	<u>\$ 123,519,675</u>	<u>\$ 110,529,862</u>	

Total revenues were \$175.2 million while total expenses were \$162.2 million, increasing net assets by \$13.0 million.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2011**

The cost of all *governmental* activities this year was \$163.3 million.

- Some of the cost was paid by the users of the District's programs (Table A-2, Charges for Services, \$8.5 million). The majority of this category, \$5.7 million, comes from food service meal sales and community education class tuition.
- The federal and state governments subsidized certain programs with grants and contributions (Table A-2, Operating and Capital Grants and Contributions, \$31.2 million).
- Most of the District's costs, \$135.5 million, were paid for with local property taxes, unrestricted state aid, investment earnings, and other general revenues.
- Governmental activities were paid for with \$66.4 million in property taxes, \$65.8 million of unrestricted state aid, and with investment earnings and other general revenues.



**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2011**

All governmental activities include not only funds received for the general operation of the district but also include resources from the entrepreneurial-type funds of Food Service and Community Education. Funding for the general operation of the District is controlled by the state and the District does not have the latitude to allocate money received in Food Service or Community Education or for fiscal services to enhance general operation resources. The District cannot take funds from these restricted areas and use the funds to enhance instruction-related programs.

**Table A-3  
Program Expenses and Net Cost of Services**

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2011	2010		2011	2010	
Administration	\$ 4,721,420	\$ 3,265,762	44.57 %	\$ 4,721,420	\$ 3,264,693	44.62 %
District Support Services	4,022,006	4,244,896	(5.25)	4,015,431	4,239,760	(5.29)
Regular Instruction	61,558,467	63,422,893	(2.94)	55,939,570	49,496,435	13.02
Vocational Education Instruction	2,922,693	3,268,132	(10.57)	2,444,697	2,900,154	(15.70)
Special Education Instruction	21,442,593	22,070,152	(2.84)	7,140,372	9,863,944	(27.61)
Instructional Support Services	6,928,011	6,887,487	0.59	6,419,809	6,322,695	1.54
Pupil Support Services	13,066,229	12,385,012	5.50	11,271,914	11,555,222	(2.45)
Sites and Buildings	24,689,560	26,617,949	(7.24)	19,140,412	21,863,202	(12.45)
Fiscal and Other Fixed Cost Programs	470,583	474,219	(0.77)	470,583	474,219	(0.77)
Food Service	5,694,290	5,940,503	(4.14)	(240,413)	(58,433)	311.43
Community Service	7,820,064	7,788,768	0.40	2,310,976	2,226,847	3.78
Interest and Fiscal Charges on Long-Term Liabilities	8,869,478	8,598,049	3.16	8,869,478	8,598,049	3.16
Total	<u>\$ 162,205,394</u>	<u>\$ 164,963,822</u>	(1.67)	<u>\$ 122,504,249</u>	<u>\$ 120,746,787</u>	1.46

Total cost of services was \$162.2 million, a decrease of \$2.76 million but after applying program specific revenue, the net cost was \$122.5 million or an increase of \$1.76 million from the prior year.

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$90.1 million.

Revenues for the District's governmental funds were \$175.2 million while total expenditures were \$170.4 million. Based on these results, fund balance increased \$4.8 million before other financing sources and uses. Other financing sources (uses) caused an increase in fund balance of \$20.1 million (largely due to issuance of refunding bonds). The result is a total increase in fund balance of \$24.9 million.

**GENERAL FUND**

The General Fund includes the primary operations of the District in providing educational services to students from kindergarten through grade 12 including pupil transportation activities and capital outlay projects.

Approximately 81.7% of General Fund operational revenue is controlled by a complex set of state funding formulas resulting in the local school board having no meaningful authority to determine the level of resources. This includes special education state aid that is based upon a cost reimbursement model providing approximately 68% of salaries/wages. Other state formulas then determine what portion of the revenue will be provided by property taxes and what portion will come from state aid.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2011**

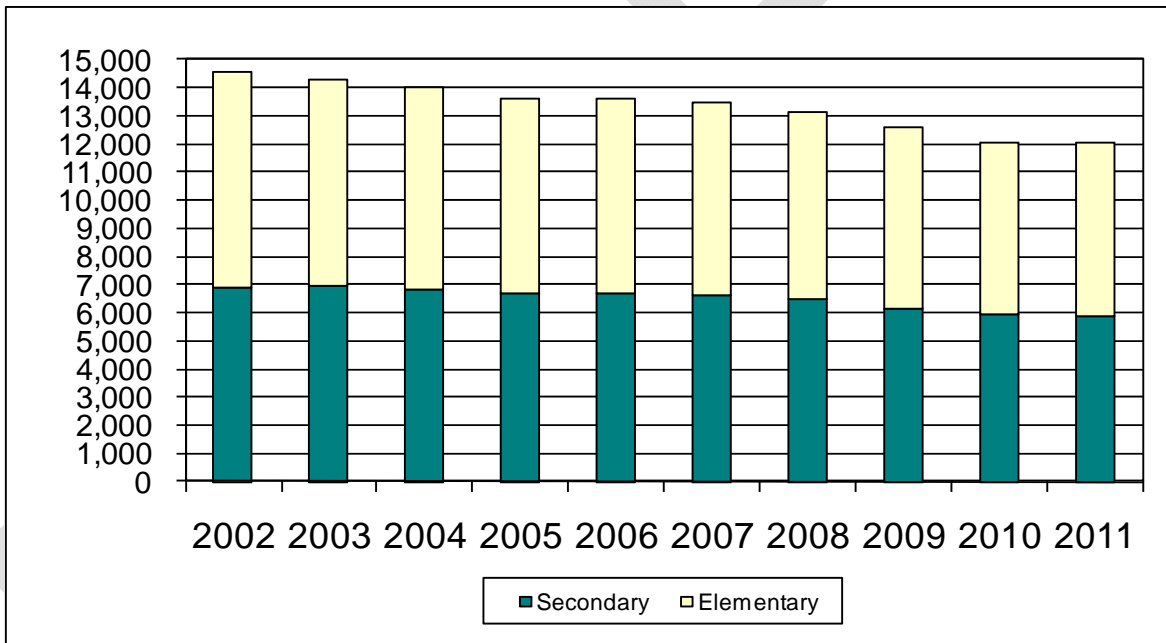
**ENROLLMENT**

Enrollment is a critical factor in determining revenue with approximately 71% of General Fund revenue being determined by enrollment. The following chart shows that the number of students decreased by 9 from 2010.

**Table A-4  
Student Enrollment (Average Daily Membership)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Pre-K and HCP-K	90.25	88.19	110.28	116.24	109.00	135.20	148.34	123.22	126.58	127.43
Reg K	1,080.09	1,028.56	1,020.12	846.19	840.24	877.71	823.48	809.78	803.18	763.33
Elementary	6,478.74	6,230.06	6,057.45	5,984.74	6,003.49	5,836.11	5,705.87	5,523.05	5,242.38	5,296.25
Secondary	6,895.04	6,931.93	6,854.68	6,660.91	6,678.18	6,624.96	6,462.06	6,113.00	5,907.24	5,883.26
Total Students for Aid	14,544.12	14,278.74	14,042.53	13,608.08	13,630.91	13,473.98	13,139.75	12,569.05	12,079.38	12,070.27
Percent Change	0.21%	-1.82%	-1.65%	-3.09%	0.17%	-1.15%	-2.48%	-4.34%	-3.90%	-0.08%

**Figure A-3  
Student Enrollment (Average Daily Membership)**



Over the past several years, the District has experienced a decline in average daily membership after peaking at 14,544 students in 2001-02. The District's pre-school population provides approximately 890 kindergarten students per year as compared to approximately 1,023 students graduating annually.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2011**

The following schedule presents a summary of General Fund Revenues.

**Table A-5  
General Fund Revenues**

Fund	Year Ended		Change	
	June 30, 2011	June 30, 2010	Increase (Decrease)	Percent
Local Sources:				
Property Taxes	\$ 42,155,478	\$ 30,324,738	\$ 11,830,740	39.0 %
Earnings on Investments	8,131	18,042	(9,911)	(54.9)
Other	5,592,150	5,569,169	22,981	0.4
State Sources	82,554,632	84,820,008	(2,265,376)	(2.7)
Federal Sources	7,951,077	15,917,134	(7,966,057)	(50.0)
Total General Fund Revenue	<u>\$ 138,261,468</u>	<u>\$ 136,649,091</u>	<u>\$ 1,612,377</u>	1.2

General Fund revenue increased \$1.6 million or 1.2% from the previous year.

Property Taxes increased \$11.8 million. The majority of the increase was due to the increase in the property tax shift, whereby, an advanced recognition of property tax revenue replaces delays in state aid payments.

State Sources decreased \$2.3 million, due in part to the property tax recognition shift described above.

Federal Revenue is recorded in the year in which the related expenditure is made. Federal Sources decreased by \$8 million due mainly to the loss federal stimulus funds.

General Fund Revenue is received in two major categories. In summary, the two categories are:

1. State Education Finance Appropriations
  - A. General Education Aid – The largest share of the education finance appropriation, general education aid, is intended to provide the basic financial support for the education program and is enrollment driven.
  - B. Categorical Aids – Categorical revenue formulas are used to meet costs of that program (i.e. special education) or promote certain types of programs (i.e., career and technical aid, adult basic education aid).
  
2. Property Tax Levies
 

The largest share of the levy is from voter-approved levies: the operating referendum which is also enrollment driven.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2011**

The following schedule presents a summary of General Fund Expenditures.

**Table A-6  
General Fund Expenditures**

	Year Ended		Amount of Increase (Decrease)	Percent Increase (Decrease)
	June 30, 2011	June 30, 2010		
Salaries	\$ 78,184,150	\$ 78,842,219	\$ (658,069)	(0.8)%
Employee Benefits	24,427,168	23,812,186	614,982	2.6
Purchased Services	18,838,145	18,729,403	108,742	0.6
Supplies and Materials	4,696,924	5,389,117	(692,193)	(12.8)
Capital Expenditures	6,761,066	5,839,510	921,556	15.8
Other Expenditures	979,808	850,729	129,079	15.2
Total Expenditures	<u>\$ 133,887,261</u>	<u>\$ 133,463,164</u>	<u>\$ 424,097</u>	0.3

Total General Fund expenditures increased \$.42 million or .3% from the previous year.

In fiscal 2011, combined Salaries and Employee Benefits were held to prior year levels through reductions in staff to meet budget and fund balance targets.

Purchased Services and Supplies and Materials consist of expenditures for fees for service, postage, utilities, diesel and gasoline, property insurance, maintenance repairs, leases, travel, telephone, tuition, instructional supplies and textbooks. Supplies and Materials decreased to meet budget reduction targets.

**General Fund Budgetary Highlights**

While the District anticipated that the net change in fund balance would be an increase of \$3.3 million, total fund balance improved by \$5.6 million resulting in a fund balance of \$21.1 million at June 30, 2011.

Actual revenues were \$.75 million more than budgeted primarily due to tax revenues. There was less than expected Federal Aid. The actual expenditures were \$1.48 million less than budgeted. There was significant decreased spending in special education and, capital expenditures due to expenditure budget reductions.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2011**

**DEBT SERVICE FUNDS**

The Regular Debt Service Fund had a deficiency of revenues under expenditures of \$2.1 million. In addition, there was a bond refunding in the amount of \$7.9 million.

**OTHER MAJOR FUNDS**

Revenues and other financing sources exceeded expenditures in the Food Service Fund by \$319,239 resulting in a fund balance of \$1.7 million at June 30, 2011. Expenditures exceeded revenues and other financing sources by \$284,145 in the Community Education Fund resulting in an ending fund balance of \$1.2 million. The revenues and other financing sources exceeded expenditures by \$13.5 million in the Capital Projects Fund resulting in an ending fund balance of \$19.3 million.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

By the end of 2011, the District had invested nearly \$329 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). (More detailed information about capital assets can be found in Note 4 to the financial statements.) Total depreciation expense for the year was \$11 million.

**Table A-7  
The District's Capital Assets**

	2011	2010	Percentage Change
Land	\$ 1,352,226	\$ 1,403,701	(3.7)%
Construction in Progress	900,125	20,414,271	(95.6)
Land Improvements	5,896,473	5,635,041	4.6
Buildings and Improvements	294,427,702	274,845,371	7.1
Equipment	26,370,152	23,699,295	11.3
Less: Accumulated Depreciation	(93,964,683)	(86,838,948)	8.2
<b>Total</b>	<b>\$ 234,981,995</b>	<b>\$ 239,158,731</b>	<b>(1.7)</b>

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2011**

**Long-Term Liabilities**

At year-end, the District had \$219.2 million in general obligation bonds and capital leases payable outstanding as shown in Note 5 to the financial statements. The District also had an estimated \$5.1 million in pension, post employment severance and compensated absences payable at June 30, 2011.

**Table A-8  
The District's Long-Term Liabilities**

	2011	2010	Percentage Change
General Obligation Bonds	\$ 216,145,000	\$ 207,440,000	4.20 %
Net Bond Premium and Discount	1,787,890	1,690,777	5.74
Obligations Under Capital Leases	1,301,426	1,698,975	(23.40)
Net Pension Obligation	886,244	823,234	7.65
Severance Benefits Payable	2,912,365	4,312,884	(32.47)
Compensated Absences Payable	1,271,077	1,343,519	(5.39)
Total	<u>\$ 224,304,002</u>	<u>\$ 217,309,389</u>	3.22
Long-Term Liabilities:			
Due within One Year	\$ 47,480,359	\$ 10,842,449	
Due in More than One Year	176,823,643	193,277,169	
	<u>\$ 224,304,002</u>	<u>\$ 204,119,618</u>	

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

With the exception of the voter-approved operating referendum, the District is dependent on the State of Minnesota for most of its revenue authority. Recent experience demonstrates that legislated revenue increases have not been sufficient to meet instructional program needs and increased costs due to inflation.

The basic revenue formula increased 1% to \$5,174 in fiscal 2011.

The District will strive to maintain its long-standing commitment to academic excellence and educational opportunity for students within a framework of financial fiduciary responsibility.

**Bond Ratings**

The District's bonds presently carry a Standard and Poors Long Term Rating of "AAA/Stable" and a School Issuer Credit Rating of "A+/Stable".

**Limitations on Debt**

The state limits the amount of general obligation debt the District can issue to 15% of the assessed value of all taxable property within the District's corporate limits. Our outstanding debt is significantly below this limit – which is currently \$1.4 billion.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2011**

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Finance Department, Independent School District 281, 4148 Winnetka Avenue North, New Hope, Minnesota 55427.

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## **BASIC FINANCIAL STATEMENTS**

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**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
STATEMENT OF NET ASSETS  
JUNE 30, 2011  
(WITH COMPARATIVE DATA AS OF JUNE 30, 2010)**

	Governmental Activities	
	2011	2010
<b>ASSETS</b>		
Cash and Investments	\$ 33,483,886	\$ 34,977,696
Cash and Investments Held by Trustee	43,821,238	37,164,976
Receivables:		
Property Taxes	29,019,307	28,343,000
Other Governments	33,248,333	27,829,860
Other	383,505	620,922
Prepaid Items	1,785,460	1,588,482
Inventories	358,851	350,294
Bond Issuance Costs, Net	1,034,652	904,959
Prefunded OPEB Obligation	16,618,826	17,495,583
Capital Assets:		
Land and Construction in Progress	2,252,351	21,817,972
Other Capital Assets, Net of Depreciation	232,729,644	217,340,759
Total Assets	394,736,053	388,434,503
<b>LIABILITIES</b>		
Salaries and Compensated Absences Payable	1,074,512	1,213,534
Accounts and Contracts Payable	3,338,746	4,505,574
Accrued Interest	3,626,880	3,492,927
Due to Other Governmental Units	708,294	781,997
Property Tax Shift Adjustment	258,908	-
Net Pension Obligation	886,244	823,234
Unearned Revenue:		
Property Taxes	36,299,453	49,111,257
Local Sources	1,605,583	1,489,963
Long-Term Liabilities:		
Portion Due Within One Year	47,480,359	12,146,147
Portion Due in More Than One Year	175,937,399	204,340,008
Total Liabilities	271,216,378	277,904,641
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	98,153,815	91,838,388
Restricted for:		
General Fund Operating Capital Purposes	5,733,070	5,501,638
General Fund State-Mandated Reserves	469,499	889,913
Food Service	1,712,207	1,392,968
Community Service	1,202,764	1,486,909
Unrestricted	16,248,320	9,420,046
Total Net Assets	\$ 123,519,675	\$ 110,529,862

See accompanying Notes to Basic Financial Statements.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2011  
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2010)**

<b>Functions</b>	2011				Net (Expense)	2010
	Expenses	Program Revenues			Revenue and	Net (Expense)
		Charges for	Operating	Capital	Changes in	Revenue and
			Services	Grants and	Grants and	Net Assets
		Contributions	Contributions	Total	Total	
				Governmental	Governmental	
				Activities	Activities	
<b>Governmental Activities</b>						
Administration	\$ 4,721,420	\$ -	\$ -	\$ -	\$ (4,721,420)	\$ (3,264,693)
District Support Services	4,022,006	4,783	-	1,792	(4,015,431)	(4,239,760)
Regular Instruction	61,558,467	1,249,357	3,820,676	548,864	(55,939,570)	(49,496,435)
Vocational Education Instruction	2,922,693	1,992	476,004	-	(2,444,697)	(2,900,154)
Special Education Instruction	21,442,593	12,082	14,290,139	-	(7,140,372)	(9,863,944)
Instructional Support Services	6,928,011	21,441	326,207	160,554	(6,419,809)	(6,322,695)
Pupil Support Services	13,066,229	80,255	1,714,060	-	(11,271,914)	(11,555,222)
Sites and Buildings	24,689,560	1,415,346	1,817,269	2,316,533	(19,140,412)	(21,863,202)
Fiscal and Other Fixed Cost Programs	470,583	-	-	-	(470,583)	(474,219)
Food Service	5,694,290	2,508,784	3,425,919	-	240,413	58,433
Community Service	7,820,064	3,183,403	2,325,685	-	(2,310,976)	(2,226,847)
Interest and Fiscal Charges on Long-Term Liabilities	8,869,478	-	-	-	(8,869,478)	(8,598,049)
Total School District	<u>\$ 162,205,394</u>	<u>\$ 8,477,443</u>	<u>\$ 28,195,959</u>	<u>\$ 3,027,743</u>	(122,504,249)	(120,746,787)
<b>General Revenues</b>						
Property Taxes Levied for:						
General Purposes					46,095,819	33,967,511
Community Service					2,660,536	1,742,840
Debt Service					17,652,428	17,057,218
State Aid Not Restricted to Specific Purposes					65,790,325	73,066,799
Earnings on Investments					30,259	278,822
Miscellaneous					3,264,695	3,087,196
Total General Revenues					<u>135,494,062</u>	<u>129,200,386</u>
Change in Net Assets					12,989,813	8,453,599
Net Assets - Beginning					110,529,862	102,076,263
Net Assets - Ending					<u>\$ 123,519,675</u>	<u>\$ 110,529,862</u>

See accompanying Notes to Basic Financial Statements.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011  
(WITH COMPARATIVE DATA AS OF JUNE 30, 2010)**

	Major Funds					Total Governmental	
	General	Food Service	Community Service	Capital Projects	Debt Service	Funds	
						2011	2010
<b>ASSETS</b>							
Cash and Investments	\$ -	\$ 1,679,854	\$ 785,086	\$ 19,798,725	\$ 11,220,221	\$ 33,483,886	\$ 25,816,960
Cash and Investments Held by Trustee	-	-	-	-	43,821,238	43,821,238	37,164,976
Receivables:							
Current Property Taxes	17,367,555	-	940,827	-	9,539,940	27,848,322	27,262,137
Delinquent Property Taxes	768,122	-	36,208	-	366,655	1,170,985	1,080,863
Due from Other Minnesota School Districts	429,545	-	1,955	-	-	431,500	836,249
Due from Minnesota Department of Education	28,474,137	2,379	661,550	270,000	204,986	29,613,052	21,613,498
Due from Federal through Minnesota Department of Education	2,484,344	-	73,097	-	-	2,557,441	4,788,548
Due from Federal Government Received Directly	4,951	-	-	-	-	4,951	5,376
Due from Other Governmental Units	520,256	1,083	71,050	49,000	-	641,389	586,189
Other Receivables	138,371	9,002	18,851	4,641	212,640	383,505	620,922
Due from Other Funds	-	80,920	-	-	-	80,920	-
Prepaid Items	1,756,332	15,144	13,984	-	-	1,785,460	1,588,482
Inventory	313,907	44,944	-	-	-	358,851	350,294
<b>Total Assets</b>	<b>\$ 52,257,520</b>	<b>\$ 1,833,326</b>	<b>\$ 2,602,608</b>	<b>\$ 20,122,366</b>	<b>\$ 65,365,680</b>	<b>\$ 142,181,500</b>	<b>\$ 121,714,494</b>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>Liabilities:</b>							
Salaries and Compensated Absences Payable	\$ 548,303	\$ 14,601	\$ 144,936	\$ -	\$ -	\$ 707,840	\$ 721,051
Payroll Deductions and Employer Contributions Payable	308,195	15,710	42,043	724	-	366,672	492,483
Accounts and Contracts Payable	1,845,253	7,253	31,434	834,384	1,175	2,719,499	3,697,104
Due to Other Governmental Units	708,294	-	-	-	-	708,294	781,997
Due to Other Funds	9,243,115	-	-	-	-	9,243,115	-
Property Tax Shift Adjustment	258,908	-	-	-	-	258,908	-
Deferred Revenue:							
Property Taxes Levied for Subsequent Year	17,076,364	-	927,577	-	18,295,512	36,299,453	49,111,257
Delinquent Property Taxes	480,816	-	22,468	-	226,992	730,276	753,245
Local Sources	728,551	83,555	231,386	-	-	1,043,492	939,318
<b>Total Liabilities</b>	<b>31,197,799</b>	<b>121,119</b>	<b>1,399,844</b>	<b>835,108</b>	<b>18,523,679</b>	<b>52,077,549</b>	<b>56,496,455</b>
<b>Fund Balance:</b>							
<b>Nonspendable:</b>							
Inventory	313,907	44,944	-	-	-	358,851	350,294
Prepaid Items	1,756,332	15,144	13,984	-	-	1,785,460	1,588,482
<b>Restricted for:</b>							
Alternative Facility Program	-	-	-	19,287,258	-	19,287,258	5,827,740
Health and Safety	469,499	-	-	-	-	469,499	889,913
Operating Capital	5,733,070	-	-	-	-	5,733,070	5,501,638
Community Education Programs	-	-	733,549	-	-	733,549	989,722
Early Childhood and Family Education Programs	-	-	252,913	-	-	252,913	260,860
School Readiness	-	-	26,167	-	-	26,167	33,764
Adult Basic Education	-	-	176,151	-	-	176,151	189,939
Bond Refundings	-	-	-	-	44,033,878	44,033,878	37,616,669
Restricted for Other Purposes	-	1,652,119	-	-	2,808,123	4,460,242	4,756,192
<b>Assigned for:</b>							
Separation/Retirement Benefits	-	-	-	-	-	-	413,497
Unassigned	12,786,913	-	-	-	-	12,786,913	6,799,329
<b>Total Fund Balance</b>	<b>21,059,721</b>	<b>1,712,207</b>	<b>1,202,764</b>	<b>19,287,258</b>	<b>46,842,001</b>	<b>90,103,951</b>	<b>65,218,039</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 52,257,520</b>	<b>\$ 1,833,326</b>	<b>\$ 2,602,608</b>	<b>\$ 20,122,366</b>	<b>\$ 65,365,680</b>	<b>\$ 142,181,500</b>	<b>\$ 121,714,494</b>

See accompanying Notes to Basic Financial Statements.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2011  
(WITH COMPARATIVE DATA AS OF JUNE 30, 2010)**

	2011	2010
<b>Total Fund Balance for Governmental Funds</b>	\$ 90,103,951	\$ 65,218,039
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	1,352,226	1,403,701
Construction in Progress	900,125	20,414,271
Land Improvements, Net of Accumulated Depreciation	1,575,297	1,410,519
Buildings and Improvements, Net of Accumulated Depreciation	219,351,902	209,642,946
Equipment, Net of Accumulated Depreciation	11,802,445	6,287,294
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 deferred revenue in the funds.	730,276	753,245
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(3,626,880)	(3,492,927)
Bond issuance costs are reported as expenditures in the governmental funds.	1,034,652	904,959
Contribution of the District's OPEB bond proceeds to its irrevocable OPEB trust are recognized as expenditures at the fund level, while the assets of the trust, minus the OPEB liability recognized to date, are reflected as an assets in the Statement of Net Assets.	16,618,826	17,495,583
Net pension benefits obligations reported in the Statement of Net Assets do not require the use of current financial resources and are not reported as liabilities in the governmental funds until actually due.	(886,244)	(823,234)
Internal service funds are used by management to charge the costs of health and dental insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets at year-end are:	7,980,857	7,801,621
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at year-end are:		
Bonds Payable	(216,145,000)	(207,440,000)
Unamortized Premiums	(2,635,133)	(2,606,275)
Unamortized Discounts	847,243	915,498
Obligations Under Capital Leases	(1,301,426)	(1,698,975)
Severance Benefits Payable	(2,912,365)	(4,312,884)
Compensated Absences Payable	(1,271,077)	(1,343,519)
<b>Total Net Assets of Governmental Activities</b>	<b>\$ 123,519,675</b>	<b>\$ 110,529,862</b>

See accompanying Notes to Basic Financial Statements.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2011  
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2010)**

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2011	2010
<b>REVENUES</b>							
Local Sources:							
Property Taxes	\$ 42,155,478	\$ -	\$ 2,433,109	\$ 5,699,694	\$ 16,143,471	\$ 66,431,752	\$ 52,808,624
Earnings on Investments	8,131	1,199	1,550	5,308	14,114	30,302	275,979
Other	5,592,150	2,508,784	3,628,732	-	-	11,729,666	11,878,562
State Sources	82,554,632	236,099	1,254,675	900,000	683,289	85,628,695	88,604,283
Federal Sources	7,951,077	3,189,820	244,435	-	-	11,385,332	19,408,640
Total Revenues	<u>138,261,468</u>	<u>5,935,902</u>	<u>7,562,501</u>	<u>6,605,002</u>	<u>16,840,874</u>	<u>175,205,747</u>	<u>172,976,088</u>
<b>EXPENDITURES</b>							
Current:							
Administration	4,893,005	-	-	-	-	4,893,005	4,120,538
District Support Services	3,249,904	-	-	-	-	3,249,904	3,564,904
Regular Instruction	61,621,318	-	-	-	-	61,621,318	60,910,733
Vocational Education Instruction	3,009,100	-	-	-	-	3,009,100	3,234,364
Special Education Instruction	21,623,658	-	-	-	-	21,623,658	21,607,328
Instructional Support Services	6,671,402	-	-	-	-	6,671,402	7,932,077
Pupil Support Services	12,598,149	-	-	-	-	12,598,149	11,838,514
Sites and Buildings	12,545,861	-	-	-	-	12,545,861	13,497,762
Fiscal and Other Fixed Cost Programs	470,583	-	-	-	-	470,583	474,219
Food Service	-	5,534,958	-	-	-	5,534,958	5,662,712
Community Service	-	-	7,736,612	-	-	7,736,612	7,523,301
Capital Outlay	6,761,066	44,803	110,034	4,188,887	-	11,104,790	11,079,156
Debt Service:							
Principal	366,210	31,339	-	-	9,970,000	10,367,549	8,974,330
Interest and Fiscal Charges	77,005	5,563	-	-	8,929,732	9,012,300	8,490,912
Total Expenditures	<u>133,887,261</u>	<u>5,616,663</u>	<u>7,846,646</u>	<u>4,188,887</u>	<u>18,899,732</u>	<u>170,439,189</u>	<u>168,910,850</u>
Excess of Revenues Over (Under) Expenditures	4,374,207	319,239	(284,145)	2,416,115	(2,058,858)	4,766,558	4,065,238
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of Equipment Proceeds	-	-	-	-	-	-	21,611
Sale of Real Property Proceeds	1,194,545	-	-	-	-	1,194,545	262,000
Insurance Recovery Proceeds	5,614	-	-	-	-	5,614	469,458
Bonds Proceeds	-	-	-	10,990,000	7,685,000	18,675,000	20,790,000
Bond Premium (Discount)	-	-	-	53,403	190,792	244,195	1,565,666
Transfers In	-	-	-	-	-	-	37,505
Transfers Out	-	-	-	-	-	-	(37,505)
Total Other Financing Sources (Uses)	<u>1,200,159</u>	<u>-</u>	<u>-</u>	<u>11,043,403</u>	<u>7,875,792</u>	<u>20,119,354</u>	<u>23,108,735</u>
Net Change in Fund Balances	5,574,366	319,239	(284,145)	13,459,518	5,816,934	24,885,912	27,173,973
Fund Balances - Beginning	15,485,355	1,392,968	1,486,909	5,827,740	41,025,067	65,218,039	38,044,066
Fund Balances - Ending	<u>\$ 21,059,721</u>	<u>\$ 1,712,207</u>	<u>\$ 1,202,764</u>	<u>\$ 19,287,258</u>	<u>\$ 46,842,001</u>	<u>\$ 90,103,951</u>	<u>\$ 65,218,039</u>

See accompanying Notes to Basic Financial Statements.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
RECONCILIATION OF THE STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2011  
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2010)**

	2011	2010
<b>Net Change in Fund Balance - Total Governmental Funds</b>	<b>\$ 24,885,912</b>	<b>\$ 27,173,973</b>
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital Outlays	8,102,092	4,908,802
Gain (Loss) on Disposal of Capital Assets	(39,611)	(214,278)
Proceeds from Sales of Capital Assets	(1,194,545)	(283,611)
Depreciation Expense	(11,044,672)	(10,639,523)
Contribution of the District's OPEB bond proceeds to its irrevocable OPEB trust are recognized as expenditures at the fund level, while the assets of the trust, minus the OPEB liability recognized to date, are reflected as an asset in the Statement of Net Assets.		
	(876,757)	(1,507,592)
The governmental funds report debt proceeds as financing sources, while repayment of debt principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. 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. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:		
General Obligation Bond Proceeds	(18,675,000)	(20,790,000)
Bond Premium	(244,195)	(1,565,666)
Bond Issuance Costs	202,765	89,881
Repayment of Capital Leases	397,549	379,330
Repayment of Bond Principal	9,970,000	8,595,000
Change in Accrued Interest Expense - General Obligation Bonds	(133,953)	(258,126)
Amortization of Bond Issuance Costs	(73,072)	(63,389)
Amortization of Bond Premium	215,337	192,752
Amortization of Bond Discount	(68,255)	(68,255)
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.		
	(22,969)	(41,055)
In the statement of activities, certain operating expenses - severance benefits and compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		
	1,409,951	67,068
Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The net revenue of the internal service funds is reported with governmental activities.		
	179,236	2,478,288
<b>Change in Net Assets of Governmental Activities</b>	<b>\$ 12,989,813</b>	<b>\$ 8,453,599</b>

See accompanying Notes to Basic Financial Statements.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 40,235,910	\$ 40,235,910	\$ 42,155,478	\$ 1,919,568
Earnings on Investments	50,000	50,000	8,131	(41,869)
Other	4,369,065	4,935,301	5,592,150	656,849
State Sources	82,861,185	83,583,033	82,554,632	(1,028,401)
Federal Sources	8,183,000	8,706,142	7,951,077	(755,065)
Total Revenues	<u>135,699,160</u>	<u>137,510,386</u>	<u>138,261,468</u>	<u>751,082</u>
<b>EXPENDITURES</b>				
Current:				
Administration	4,832,998	4,820,998	4,893,005	72,007
District Support Services	3,937,722	3,937,722	3,249,904	(687,818)
Elementary and Secondary Regular Instruction	61,346,034	60,910,672	61,621,318	710,646
Vocational Education Instruction	2,692,728	3,039,354	3,009,100	(30,254)
Special Education Instruction	22,911,577	22,961,747	21,623,658	(1,338,089)
Instructional Support Services	5,954,170	6,520,705	6,671,402	150,697
Pupil Support Services	10,828,518	11,231,289	12,598,149	1,366,860
Sites and Buildings	14,688,662	14,885,472	12,545,861	(2,339,611)
Fiscal and Other Fixed Cost Programs	583,781	583,781	470,583	(113,198)
Capital Outlay	5,369,975	6,030,108	6,761,066	730,958
Debt Service:				
Principal	366,210	366,210	366,210	-
Interest and Fiscal Charges	77,005	77,005	77,005	-
Total Expenditures	<u>133,589,380</u>	<u>135,365,063</u>	<u>133,887,261</u>	<u>(1,477,802)</u>
Excess of Revenues Over Expenditures	2,109,780	2,145,323	4,374,207	2,228,884
<b>OTHER FINANCING SOURCES</b>				
Sale of Real Property Proceeds	1,175,000	1,175,000	1,194,545	19,545
Insurance Recovery Proceeds	-	-	5,614	5,614
Total Other Financing Sources	<u>1,175,000</u>	<u>1,175,000</u>	<u>1,200,159</u>	<u>25,159</u>
Net Change in Fund Balance	<u>\$ 3,284,780</u>	<u>\$ 3,320,323</u>	5,574,366	<u>\$ 2,254,043</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>15,485,355</u>	
End of Year			<u>\$ 21,059,721</u>	

See accompanying Notes to Basic Financial Statements.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
MAJOR FOOD SERVICE FUND  
YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Earnings on Investments	\$ -	\$ -	\$ 1,199	\$ 1,199
Other - Primarily Meal Sales	2,502,895	2,502,895	2,508,784	5,889
State Sources	233,251	233,251	236,099	2,848
Federal Sources	3,151,168	3,151,168	3,189,820	38,652
Total Revenues	<u>5,887,314</u>	<u>5,887,314</u>	<u>5,935,902</u>	<u>48,588</u>
<b>EXPENDITURES</b>				
Current:				
Food Service	5,890,604	5,890,604	5,534,958	(355,646)
Capital Outlay	80,000	43,098	44,803	1,705
Debt Service	36,903	36,902	36,902	-
Total Expenditures	<u>6,007,507</u>	<u>5,970,604</u>	<u>5,616,663</u>	<u>(353,941)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(120,193)	(83,290)	319,239	402,529
<b>OTHER FINANCING SOURCES</b>				
Sale of Equipment Proceeds	1,500	1,500	-	(1,500)
Net Change in Fund Balance	<u>\$ (118,693)</u>	<u>\$ (81,790)</u>	319,239	<u>\$ 401,029</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>1,392,968</u>	
End of Year			<u>\$ 1,712,207</u>	

See accompanying Notes to Basic Financial Statements.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
MAJOR COMMUNITY SERVICE FUND  
YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 1,522,611	\$ 1,473,831	\$ 2,433,109	\$ 959,278
Earnings on Investments	20,000	3,000	1,550	(1,450)
Other - Primarily Tuition and Fees	3,635,788	3,735,580	3,628,732	(106,848)
State Sources	2,284,620	2,191,174	1,254,675	(936,499)
Federal Sources	289,470	243,635	244,435	800
Total Revenues	<u>7,752,489</u>	<u>7,647,220</u>	<u>7,562,501</u>	<u>(84,719)</u>
<b>EXPENDITURES</b>				
Current:				
Community Service	7,836,011	7,736,356	7,736,612	256
Capital Outlay	47,411	127,593	110,034	(17,559)
Total Expenditures	<u>7,883,422</u>	<u>7,863,949</u>	<u>7,846,646</u>	<u>(17,303)</u>
Deficiency of Revenues Under Expenditures	<u>\$ (130,933)</u>	<u>\$ (216,729)</u>	(284,145)	<u>\$ (67,416)</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>1,486,909</u>	
End of Year			<u>\$ 1,202,764</u>	

See accompanying Notes to Basic Financial Statements.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
JUNE 30, 2011  
(WITH COMPARATIVE DATA AS OF JUNE 30, 2010)**

	Governmental Activities - Internal Service Funds	
	2011	2010
<b>ASSETS</b>		
Cash and Investments	\$ -	\$ 9,160,736
Due from Other Funds	9,162,195	-
Total Assets	9,162,195	9,160,736
<b>LIABILITIES</b>		
Accounts Payable	619,247	808,470
Deferred Revenue	562,091	550,645
Total Liabilities	1,181,338	1,359,115
<b>NET ASSETS</b>		
Unrestricted	\$ 7,980,857	\$ 7,801,621

See accompanying Notes to Basic Financial Statements.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2011  
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2010)**

	Governmental Activities - Internal Service Funds	
	2011	2010
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 11,536,360	\$ 12,480,117
<b>OPERATING EXPENSES</b>		
Health Insurance Claim Payments	10,221,359	8,875,687
Dental Insurance Claim Payments	1,142,580	1,139,072
Total Operating Expenses	11,363,939	10,014,759
Operating Income	172,421	2,465,358
<b>NONOPERATING INCOME</b>		
Earnings on Investments	6,815	12,930
Change in Net Assets	179,236	2,478,288
Total Net Assets - Beginning	7,801,621	5,323,333
Total Net Assets - Ending	\$ 7,980,857	\$ 7,801,621

See accompanying Notes to Basic Financial Statements.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2011  
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2010)**

	Governmental Activities - Internal Service Funds	
	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Interfund Services Provided	\$ 11,547,806	\$ 12,175,583
Payments for Medical Fees and Insurance Claims	(11,553,162)	(10,197,863)
Net Cash Provided (Used) by Operating Activities	<u>(5,356)</u>	<u>1,977,720</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Due from Other Funds	(9,162,195)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received	<u>6,815</u>	<u>13,642</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(9,160,736)	1,991,362
Cash and Cash Equivalents - Beginning	<u>9,160,736</u>	<u>7,169,374</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ -</u>	<u>\$ 9,160,736</u>
Displayed on Statements of Fund Net Assets as:		
Cash and Investments	<u>\$ -</u>	<u>\$ 9,160,736</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 172,421	\$ 2,465,358
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Decrease in Accounts Payable	(189,223)	(183,104)
Increase (Decrease) in Deferred Revenue	<u>11,446</u>	<u>(304,534)</u>
Total Adjustments	<u>(177,777)</u>	<u>(487,638)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (5,356)</u>	<u>\$ 1,977,720</u>

See accompanying Notes to Basic Financial Statements.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2011**

	Private- Purpose Trust	Employee Benefit Trust	Other Postemployment Benefits Trust
<b>ASSETS</b>			
Cash and Investments	\$ 377,396	\$ 320,247	\$ 18,584,097
Interest Receivable	1,336	-	-
Total Assets	<u>378,732</u>	<u>320,247</u>	<u>18,584,097</u>
<b>LIABILITIES</b>			
Due to Plan Participants	-	-	172,946
<b>NET ASSETS</b>			
Assets Held in Trust	<u>\$ 378,732</u>	<u>\$ 320,247</u>	<u>\$ 18,411,151</u>

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
YEAR ENDED JUNE 30, 2011**

	Scholarship Private- Purpose Trust	Employee Benefit Trust	Other Postemployment Benefits Trust
<b>ADDITIONS</b>			
Gifts and Donations	\$ 107,551	\$ 1,042,378	\$ -
Earnings on Investments	7,567	-	423,165
Total Additions	<u>115,118</u>	<u>1,042,378</u>	<u>423,165</u>
<b>DEDUCTIONS</b>			
Scholarships Awarded	13,250	-	-
Other Expenditures	339	-	-
Flexible Benefits	-	1,047,104	-
Retirement Benefits	-	-	685,820
Total Deductions	<u>13,589</u>	<u>1,047,104</u>	<u>685,820</u>
Change in Net Assets	101,529	(4,726)	(262,655)
Net Assets - Beginning of Year	<u>277,203</u>	<u>324,973</u>	<u>18,673,806</u>
Net Assets - End of Year	<u>\$ 378,732</u>	<u>\$ 320,247</u>	<u>\$ 18,411,151</u>

See accompanying Notes to Basic Financial Statements.

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The financial statements of Independent School District No. 281 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**B. Financial Reporting Entity**

Independent School District No. 281, Robbinsdale Area Schools (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. The District, located in Hennepin County, serves pre-kindergarten through Grade 12 students in all parts of the Cities of Brooklyn Center, Brooklyn Park, Crystal, Golden Valley, New Hope, Plymouth, and Robbinsdale. The district is governed by a seven-member School Board elected by the voters of the District to serve four-year terms.

U.S. Generally Accepted Accounting Principles (GAAP) require that the District's financial statements include all funds, departments, agencies, boards, commissions, and other organizations which are not legally separated from the District. In addition, the District's financial statements are to include all component units - entities for which the District is financially accountable.

Financial accountability includes such aspects as appointing a voting majority of the organization's governing body, significantly influencing the programs, projects, activities or level of services performed or provided by the organization or receiving specific financial benefits from, or imposing specific financial burden on, the organization. There are no other entities for which the District is financially accountable.

Student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside school hours. The School Board does have a fiduciary responsibility in establishing broad policies and ensuring that appropriate financial records are maintained for student activities. However, in accordance with Minnesota State Statutes, the District's School Board has not elected to control or exercise oversight responsibility with respect to the underlying student activities. Accordingly, the student activity accounts are not included in these financial statements.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

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

C. Basic Financial Statement Presentation

The Government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The Fiduciary Funds are only reported in the statements of Fiduciary Net Assets at the fund financial statement level.

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

The District applies restricted resources first when an expense is incurred for purpose for which both restricted and unrestricted net assets are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. Generally, the effect of material interfund activity has been removed from the Government-wide financial statements.

Separate fund financial statements are provided for governmental and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Fiduciary funds are presented in the fiduciary fund financial statements by type: pension (or other employee benefit) trust, private purpose trust, other postemployment benefits, and agency. Since, by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the Government-wide statements.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

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

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are 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 generally recognized as revenues in the fiscal year for which they are levied, except for amounts advance recognized in accordance with a statutory "tax shift" described later in these notes. Grants and similar items are recognized when 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. Under this basis of accounting transactions are recorded in the following manner:

**1. Revenue Recognition**

Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to Minnesota statutes and U.S. generally accepted accounting principles. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.

**2. Recording of Expenditures**

Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

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

D. Measurement Focus and Basis of Accounting (Continued)

The District reports deferred revenue on its statement of net assets and balance sheet. Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to incurring the qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the District has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

The Employee Benefit, Scholarship Private-Purpose, and Other Postemployment Benefits Trust Funds are reported using the economic resources measurement focus. All fiduciary funds use the accrual basis of accounting as described earlier in these notes.

Internal service funds are presented in proprietary fund financial statements. Proprietary fund financial statements are reported using the accrual basis of accounting and economic measurement focus. Because the principal users of the internal services are the District’s governmental activities, the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund’s principal ongoing operations. The principal operating revenue of the District’s internal service funds are charges to customers for service. Operating expenses for the internal service funds include the cost of services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The District applies only those applicable pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989 in accounting and reporting for its proprietary operations.

**Description of Funds**

The existence of the various District funds has been established by the State of Minnesota, Department of Education. The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. A description of the funds included in this report are as follows:

*Major Governmental Funds*

General Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the District, as well as the capital related activities such as maintenance of facilities equipment purchases, health and safety projects, and disabled accessibility projects.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

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

D. Measurement Focus and Basis of Accounting (Continued)

Food Service Special Revenue Fund

The Food Service Fund is used to account for food service revenues and expenditures.

Community Service Special Revenue Fund

The Community Service Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs, K-6 extended day programs or other similar services.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term obligation bond principal, interest, and related costs. The regular debt service account is used for all general obligation bond and energy conservation loan debt service except for refunding bond issues, for which a separate refunding bond trust account has been established.

*Proprietary Funds*

Internal Service Fund

Internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The District's internal service funds are used to account for dental insurance offered by the District to its employees as a self-insured plan, and health insurance offered by the District to its employees as a self-insured plan.

*Fiduciary Funds*

Trust Funds

The District maintains Private-Purpose, Employee Benefit, and Other Postemployment Benefits Trust Funds which are used to account for money held by the District in the capacity of trustee or custodian, where both the principal and interest can be spent.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

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

E. Budgeting

Budgets presented in this report for comparison to actual amounts are presented in accordance with U.S. generally accepted accounting principles. Each June, the School Board adopts an annual budget for all governmental funds. The budget for each fund is prepared on the same basis of accounting as the financial statements. The approved budget is published in summary form in the District's legal newspaper. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board.

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels.

Budgeted amounts include mid-year budget amendments that increased revenue and expenditure budgets as follows:

<u>Revenues</u>	<u>Original Budget</u>	<u>Amendments</u>	<u>Amended Budget</u>
General Fund	\$ 135,699,160	\$ 1,811,226	\$ 137,510,386
Special Revenue Funds:			
Community Service Fund	7,752,489	(105,269)	7,647,220
Debt Service Fund	17,189,609	8,125	17,197,734
<u>Expenditures</u>			
General Fund	\$ 133,589,380	\$ 1,775,683	\$ 135,365,063
Special Revenue Funds:			
Food Service Fund	6,007,507	(36,903)	5,970,604
Community Service Fund	7,883,422	(19,473)	7,863,949
Debt Service Fund	13,304,953	2,360,875	15,665,828

Budget provisions for the Debt Service Fund are set by state law governing required debt service levels.

**ROBBINSDALE AREA SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

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

E. Budgeting (Continued)

At the end of each fiscal year, if the General Fund has a net unassigned deficit fund balance, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts which excludes certain restrictions specified in Minnesota Statutes, exceeding 2.5% of expenditures, a condition referred to as "statutory operating debt" exists. That debt requires retirement through the accumulation of subsequent operating surpluses in accordance with a "special operating plan" approved by the Commissioner of the Department of Education.

F. Cash and Investments

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

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes. In the Debt Service Fund, the refunding bond escrow account held by trustee can be used only to retire refunded bond issues and to pay interest on refunding bond issues until the crossover refunding dates. Interest earned on these investments is allocated directly to the escrow account.

Investments are stated at their fair value as determined by quoted market prices, except for money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less which are recorded at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations. Investments in external investment pools operated in a manner consistent with the SEC's Rule 2a7 of the Investment Act of 1940 are valued at the pool's share price.

G. Accounts Receivable

Represents amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary.

H. Inventories

Inventories are recorded using the consumption method of accounting and consist of purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out method, and surplus commodities are stated at standardized cost, as determined by the Department of Agriculture.

**ROBBINSDALE AREA SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

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

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are reported using the consumption method and recorded as an expense or expenditure at the time of consumption. That portion of the relevant funds' balances equal to material prepaid items has been reserved.

J. Property Taxes

The majority of the District's revenue in the General Fund is determined by statutory funding formulas. The total revenue allowed by these funds is allocated between property taxes and state aids by the Legislature based on education funding priorities.

Property tax levies are established by the School Board in December each year and are certified to the County for collection the following calendar year. In Minnesota, counties act as collection agents for all property taxes and are responsible for spreading all levies over taxable property. Such taxes become a lien on January 1. Taxes are generally due on May 15 and October 15 and counties generally remit taxes to the Districts at periodic intervals as they are collected. A portion of property taxes levied is paid through state credits which are included in revenue from state sources in the financial statements.

Generally, tax revenue is recognized in the fiscal year ending June 30, following the calendar year in which the tax levy is collectible, while the current calendar year tax levy is recorded as deferred revenue (property taxes levied for subsequent year). The majority of District revenue in the General and Special Revenue Funds is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between taxes and state aids by the Legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the "tax shift."

In accordance with state law, the current tax shift consists of an amount equal to 31% of the District's 2000 Pay 2001 operating referendum levy (frozen at \$3,392,196) advance recognized as revenue in fiscal 2011 with no corresponding state aid adjustment. Starting in fiscal year 2011, the tax shift was expanded to include all other General and Community Service Fund levies (net of credits). State aids are then reduced in fiscal year 2011 by this expanded shift amount, making this portion of the tax shift revenue neutral to school districts. This resulted in a significant increase in the advance recognition of tax revenue in the General Fund (and corresponding state aid holdback totaling \$12,753,938) but also included an advance recognition tax shift in the District's Community Service Fund (and corresponding state aid holdback totaling \$887,048). Since advance collections of Pay 2011 levy amounts at June 30, 2011, were sufficient to cover the amounts required to be advance recognized as revenue in fiscal 2011, the amount advance recognized is tax revenue. To the extent advance collections would have been insufficient to cover the amount to be advance recognized, state statute requires that fiscal 2012 general education aid be recognized. The tax shift also includes certain other levies that are recognized early based on statutory requirements.

**ROBBINSDALE AREA SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

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

J. Property Taxes (Continued)

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is deferred because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material. Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the state which will be recognized as revenue in the next fiscal year beginning July 1, 2010, are included in the Property Taxes Levied for Subsequent Year account to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

K. Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$2,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the Government-wide financial statement, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

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

The District does not possess any material amounts of infrastructure capital assets. Items such as sidewalks and other land improvements are considered to be part of the cost of buildings or other improvable property.

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, if material, are reported as deferred charges and amortized over the term of the related debt.

**ROBBINSDALE AREA SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

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

L. Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Accrued Employee Benefits

Vacation Pay

In the fund financial statements, vacations owed at the District's fiscal year-end are accrued and included in salaries and compensated absences payable as of June 30. Because teachers are not eligible for vacation pay and amounts accrued to other employees are forfeited if not taken by January 1 of the following year, no long-term portion of vacation liabilities are recorded in the financial statements.

Compensated Absences

Eligible employees accrue vacation and sick leave at varying rates as specified by contract, portions of which may be carried over to future years. Employees are reimbursed for any unused, accrued vacation upon termination. Unused sick leave enters into the calculation of severance benefits for some employees upon termination. Compensated absences are accrued in the governmental fund statements only to the extent they have been used or otherwise matured prior to year-end. Unused vacation is accrued as it is earned in the government-wide financial statements.

Severance Benefits Payable

The District provides lump sum severance benefits to eligible employees in accordance with provisions in certain collectively bargained contracts. Members of certain of the District's groups may become eligible to receive lump sum severance pay benefits. Eligibility for these benefits is based on years of service and/or minimum age requirements. The amount of the severance or retirement benefit is calculated by converting a portion of unused accumulated sick leave. No individual can receive severance benefits in excess of one year's salary. Severance payables and the District's share of related benefits are recorded as a liability in the government-wide statements as it is earned and it becomes probable that it will vest at some point in the future. Severance pay is accrued in the governmental fund financial statements when the liability matures due to employee termination.

**ROBBINSDALE AREA SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

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

N. Risk Management and Self-Insurance

1. **General Insurance** – The District is exposed to various risk of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; workers' compensation and natural disasters. The District carries commercial insurance for such risks. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage in fiscal 2011.
2. **Self-Insurance** – The District has established two internal service funds to account for and finance its uninsured risk of loss for respective employee dental and health insurance plans. Under these plans the internal service funds provide coverage to participating employees and their dependents for various dental and healthcare costs as described in the plans.

The District makes premium payments to the internal service funds on behalf of program participants based on provisional rates determined by insurance company estimates of monthly claims paid for each coverage class, plus the stop-loss health insurance premium costs and administrative service charges.

District claim liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported. Because actual claim liabilities depend on complex factors such as inflation, changes in legal doctrines, and damage awards, the process used in computing a claim liability does not result in an exact amount. Claim liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Changes in the balance of dental claim liabilities for the last two years are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
2010	\$ 66,504	\$ 1,139,072	\$ 1,173,535	\$ 32,041
2011	32,041	1,142,580	1,135,210	39,411

Changes in the balance of health insurance claim liabilities for the last two years are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
2010	\$ 925,070	\$ 10,221,358	\$ 10,369,999	\$ 776,429
2011	776,429	10,221,359	10,417,952	579,836

**ROBBINSDALE AREA SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

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

O. Fund Balance

At June 30, 2011, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. June 30, 2010 partial comparative fund balance data has been restated to be presented in accordance with GASB Statement No. 54.

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

Nonspendable – portions of fund balance related to prepaids, inventories, long term receivables, and corpus on any permanent fund.

Restricted – funds are constrained from outside parties (statute, grantors, bond agreements, etc.).

Committed – funds are established and modified by a resolution approved by the Board of Education.

Assigned – consists of internally imposed constraints approved by the school board.

Unassigned – is the residual classification for the general fund and also reflects negative residual amounts in other funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to use restricted first, then unrestricted fund balance.

When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the District's policy to use committed first, then assigned, and finally unassigned amounts.

The District formally adopted a fund balance policy for the General Fund. The policy establishes a year-end target unassigned fund balance of 6.5% of the annual budget for fiscal year 2011.

P. Statement of Cash Flows

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

**ROBBINSDALE AREA SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

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

Q. Net Assets

Net assets represent the difference between assets and liabilities in the Government-wide and Fiduciary Fund financial statements. Net assets invested in capital assets, net of related debt 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 assets are reported as restricted in the Government-wide financial statement when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

R. Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent amounts of revenues and expenditures during this reporting period. Actual results could differ from these estimates.

**NOTE 2 STEWARDSHIP AND ACCOUNTABILITY**

Excess of Expenditures Over Budget

Expenditures exceeded budgeted amounts in the following fund during the year ended June 30, 2011.

	Budget	Expenditures	Excess
Debt Service Fund	\$ 15,665,828	\$ 17,056,162	\$ 1,390,334

The overage was considered by District management to be the result of necessary expenditures critical to operations and were approved by the Board.

**NOTE 3 DEPOSITS AND INVESTMENTS**

A. Deposits

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net assets and the balance sheet as "Cash and Investments." In accordance with Minnesota Statutes the District maintains deposits at financial institutions which are authorized by the School District's Board.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

A. Deposits (Continued)

**Custodial Credit Risk** – Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District’s deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits. Minnesota Statutes require that all 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 corporate surety bonds. Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated “A” or better; revenue obligations of a state or local government rated “AA” or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust departments of a commercial bank or other financial institution not owned or controlled by the depository.

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

The carrying value and bank balance of the District’s deposits in banks at June 30, 2011, is \$33,695,967 and \$33,708,065, respectively, and were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

B. Investments

The District may also invest idle funds as authorized by Minnesota Statutes as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less
- General obligations rated “A” or better; revenue obligations rated “AA” or better
- General obligations of the Minnesota Housing Finance Agency rate “A” or better
- Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories

**ROBBINSDALE AREA SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

B. Investments (Continued)

- Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers

At June 30, 2011, the District’s investment balances were as follows:

**Minnesota State Board of Investments –**

S.B.I. Nonretirement Money Fund	\$	9,372,258
S.B.I. Internal Fixed Pool		9,211,839
		\$ 18,584,097

The District has funds invested in a variety of mutual funds with the State Board of Investments (S.B.I.) at June 30, 2011. These investments are valued at fair market value. The average years to maturity for mutual funds are less than one year. The S.B.I. investments are unrated. The above investments are held within the other postemployment benefit trust. The funds are invested in accordance with the investment policy adopted by the District for the OPEB Trust.

**Investments Held with Broker –**

**Custodial Credit Risk** – For an investment, custodial risk is the risk that, in the event of failure of the counterparty, the School District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The School District’s investment policy requires that brokers provide insurance to cover balances held in each investment account. As of June 30, 2011, the investment balances were fully covered by insurance for each brokerage firm.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District’s investment policy requires that all brokers used by the District must acknowledge in writing that investments purchased through the broker must comply with Minnesota state statutes governing the investment of public funds. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District limits at least half of the District’s investment portfolio to maturities of less than 30 months. Also, the District requires purchases of securities to be laddered with staggered maturity dates. Information about the sensitivity of the fair values of the School District’s investments to market interest rate risk fluctuations is provided by the following table that shows the distribution of the School District’s investments by maturity:

**ROBBINSDALE AREA SCHOOLS  
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**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

B. Investments (Continued)

Type	Total	6 Months or Less	7 to 12 Months	13 to 24 Months
U.S. Treasuries	\$ 22,128,167	\$ 9,621,960	\$ 5,032,228	\$ 7,473,979
Federal Home Loan Bank	230,253	230,253	-	-
Federal National Mortgage Assn	21,462,818	-	21,462,818	-
Money Market Fund	485,562	485,562	-	-
	<u>\$ 44,306,800</u>	<u>\$ 10,337,775</u>	<u>\$ 26,495,046</u>	<u>\$ 7,473,979</u>

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The following chart summarizes year-end ratings for the School District's investments as rated by Moody's Investors Service:

Type	Credit Quality Rating	Amount
Wells Fargo Advantage Government Money Market Fund	AAAm	\$ 485,562
Federal Home Loan	AAA	230,253
Federal National Mortgage Assn	AAA	21,462,818
US Treasuries	NR	22,128,167
Total		<u>\$ 44,306,800</u>

**Concentration of Credit Risk**

This is the risk associated with investing a significant portion of the District's investments (considered 5% or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District places no limit on the amount that the District may invest in any one issuer. At June 30, 2011, the investments which comprise more than 5% of the District's investment portfolio are as follows:

Type	Amount	Percentage
Federal National Mortgage Assn	\$ 21,462,818	34.1%

The deposits and investments are presented in the financial statements as follows:

Cash and Investments - Statement of Net Assets	\$ 33,483,886
Cash and Investments Held by Trustee - Statement of Net Assets	43,821,238
Cash and Investments - Statement of Fiduciary Net Assets	19,281,740
Total Cash and Investments	<u>\$ 96,586,864</u>

**ROBBINSDALE AREA SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 4 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,403,701	\$ -	\$ (51,475)	\$ 1,352,226
Construction in Progress	20,414,271	408,082	(19,922,228)	900,125
Total Capital Assets, Not being Depreciated	21,817,972	408,082	(19,973,703)	2,252,351
Capital Assets, Being Depreciated:				
Land Improvements	5,635,041	294,971	(33,539)	5,896,473
Buildings and Improvements	274,845,371	24,034,920	(4,452,589)	294,427,702
Equipment	23,699,295	3,286,347	(615,490)	26,370,152
Total Capital Assets, Being Depreciated	304,179,707	27,616,238	(5,101,618)	326,694,327
Accumulated Depreciation for:				
Land Improvements	(4,224,522)	(96,654)	-	(4,321,176)
Buildings and Improvements	(65,202,425)	(9,900,677)	27,302	(75,075,800)
Equipment	(17,412,001)	(1,047,341)	3,891,635	(14,567,707)
Total Accumulated Depreciation	(86,838,948)	(11,044,672)	3,918,937	(93,964,683)
Total Capital Assets, Being Depreciated, Net	217,340,759	16,571,566	(1,182,681)	232,729,644
Governmental Activities Capital Assets, Net	<u>\$ 239,158,731</u>	<u>\$ 16,979,648</u>	<u>\$ (21,156,384)</u>	<u>\$ 234,981,995</u>

Depreciation expense was charged to functions of the District as follows:

<b>Governmental Activities</b>	
Administration	\$ 4,456
District Support Services	79,212
Regular Instruction	120,345
Vocational Education Instruction	216
Special Education Instruction	5,732
Instructional Support Services	6,034
Pupil Support Services	434,246
Sites and Buildings	10,316,204
Food Service	72,921
Community Service	5,306
Total Depreciation Expense, Governmental Activities	<u>\$ 11,044,672</u>

**ROBBINSDALE AREA SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 5 LONG-TERM LIABILITIES**

**A. Components of General Long-Term Debt**

Issue Date	Net Interest Rate	Original Issue	Final Maturity	Principal Outstanding	
				Due Within One Year	Total
12-01-2002	3.000% - 5.000%	\$ 20,000,000	02-01-2024	\$ 14,740,000	\$ 14,740,000
08-01-2002	4.000% - 5.000%	28,625,000	02-01-2021	1,965,000	24,980,000
09-04-2003	2.500% - 4.750%	30,000,000	02-01-2024	22,400,000	22,400,000
11-03-2003	2.000% - 4.625%	11,315,000	02-01-2024	500,000	8,325,000
02-01-2005	3.000% - 4.505%	37,180,000	02-01-2022	2,460,000	32,455,000
02-01-2006	4.000% - 4.250%	14,125,000	02-01-2024	-	14,125,000
06-01-2006	4.000% - 4.375%	13,200,000	02-01-2027	505,000	11,350,000
12-27-2007	4.000%	6,530,000	02-01-2020	505,000	5,190,000
01-01-2008	4.000% - 4.375%	10,925,000	02-01-2028	420,000	10,130,000
08-01-2008	4.000% - 5.000%	9,285,000	02-01-2029	345,000	8,725,000
02-01-2009	4.200%	6,080,000	02-01-2020	480,000	5,175,000
08-01-2009	2.150% - 5.400%	20,065,000	02-01-2025	1,010,000	19,085,000
05-01-2010	3.000% - 5.000%	20,790,000	02-01-2024	-	20,790,000
12-17-2010	2.000% - 3.250%	7,685,000	02-01-2024	-	7,685,000
06-01-2011	2.000% - 4.500%	10,990,000	02-01-2032	-	10,990,000
Total General Obligation Bonds				45,330,000	216,145,000
Bond Premium - Net				N/A	2,635,133
Bond Discounts - Net				N/A	(847,243)
Capital Lease Payable				416,645	1,301,426
Net Pension Obligation				-	886,244
Severance Benefits Payable				462,637	2,912,365
Compensated Absences Payable				1,271,077	1,271,077
				<u>\$ 47,480,359</u>	<u>\$ 224,304,002</u>

**B. Minimum Debt Payments**

Minimum annual principal and interest payments required to retire long-term debt, not including severance and health benefits payable are as follows:

Year Ending June 30.	General Obligation Bonds Payable		Capital Leases Payable	
	Principal	Interest	Principal	Interest
2012	\$ 45,330,000	\$ 9,102,230	\$ 416,645	\$ 63,473
2013	11,230,000	7,165,371	190,255	43,458
2014	12,245,000	6,766,126	199,455	34,258
2015	12,770,000	6,312,338	172,200	24,611
2016	13,275,000	5,807,718	180,776	16,035
2017 - 2021	73,925,000	20,776,133	142,095	7,032
2022 - 2026	38,770,000	5,988,208	-	-
2027 - 2031	7,965,000	1,032,544	-	-
2032 - 2033	635,000	28,575	-	-
Total	<u>\$ 216,145,000</u>	<u>\$ 62,950,666</u>	<u>\$ 1,301,426</u>	<u>\$ 188,867</u>

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

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

C. Description of Long-Term Debt

General Obligation School Building Bonds

These bonds were issued to finance acquisitions and/or construction of capital facilities. Assets of the Debt Service Fund, together with scheduled future ad valorem tax levies, are dedicated to the retirement of these bonds. The annual future debt service levies authorized are equal to 105% of the principal and interest due each year. These levies are subject to reduction if fund balances exceed limitations imposed by Minnesota law.

On February 1, 2006, the District issued \$14,125,000 General Obligation Refunding Bonds to refund, in advance of their stated maturities, the 2013 through 2024 maturities of the District's General Obligation School Building Bonds of 2002 totaling \$13,875,000. The proceeds of the 2006 issue have been placed in an escrow account pending the February 1, 2012 call date of the refunding issue. Until the call date, the District will continue to make all debt service payments on the 2002 issue. After the refunding, the District will assume the principal and interest payments on the 2006 issue. This crossover refunding reduced the District's total future debt service payments by \$616,738 and resulted in a present value savings of \$378,695.

In May 2010, the District issued \$20,790,000 of General Obligation School Building Refunding Bonds to refund, in advance of their stated maturities, the 2012 through 2024 maturities of the District's 2003 General Obligation School Building Bonds totaling \$21,100,000. The proceeds of the 2010 issue have been placed in an escrow account pending the February 1, 2012 call date of the refunding issue. Until the call date, the District will continue to make all debt service payments on the 2003 issue. After the refunding, the District will assume the principal and interest payments on the 2010 issue. This refunding will reduce the District's total future debt services payments by \$923,403 and resulted in a present value savings to the District of approximately \$716,598.

In December 2010, the District issued \$7,685,000 of General Obligation School Building Refunding Bonds to refund, in advance of their stated maturities, the 2014 through 2024 maturities of the District's 2003 General Obligation School Building bonds totaling \$7,300,000. The proceeds of the 2010 issue have been placed in an escrow account pending the February 1, 2014 call date of the refunding issue. Until the call date, the District will continue to make all debt service payments on the 2003 issue. After the refunding, the District will assume the principal and interest payments on the 2010 issue. This refunding will reduce the District's total future debt service payments by \$318,669 and resulted in a present value savings to the District of approximately \$258,978.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

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

D. Capital Leases

The District has entered into several capital lease agreements for equipment and additional space. The leases, with interest rates ranging from 3.26% to 6.15%, call for periodic principal and interest payments through January 15, 2017. At the end of each lease term, the District has the option to purchase the assets for \$1. The leased assets have been capitalized in equipment at a cost of \$4,112,216 (the present value of future minimum lease payments as of the inception dates of the leases). The leases are being paid through the General Fund and the Food Service Special Revenue Fund.

E. Changes in Long-Term Debt

	June 30, 2010	Additions	Retirements	June 30, 2011	Due Within One Year
Bonds Payable	\$ 207,440,000	\$ 18,675,000	\$ 9,970,000	\$ 216,145,000	\$ 45,330,000
Bond Premium	2,606,275	244,195	215,337	2,635,133	-
Bond Discounts	(915,498)	-	(68,255)	(847,243)	-
Capital Lease Payable	1,698,975	-	397,549	1,301,426	416,645
Net Pension Obligation	823,234	86,844	23,834	886,244	-
Severance Benefits Payable	4,312,884	(1,086,872)	313,647	2,912,365	462,637
Compensated Absences Payable - Net	1,343,519	1,271,077	1,343,519	1,271,077	1,271,077
	<u>\$ 217,309,389</u>	<u>\$ 19,190,244</u>	<u>\$ 12,195,631</u>	<u>\$ 224,304,002</u>	<u>\$ 47,480,359</u>

**NOTE 6 FUND BALANCES**

Certain portions of fund balance 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. A description of deficit balance restrictions is included herein since the District has specific statutory authority to levy taxes for such deficits.

Restricted fund balances at June 30, 2011 are as follows:

- A. Restricted for Alternative Facilities – This amount represents the resources available for approved expenditures based on the ten-year plan for capital projects.
- B. Restricted for Health and Safety – This amount represents resources to be derived exclusively for capital expenditure health and safety projects. Revenues are derived from tax levies and expenditures are for necessary corrections for fire and life safety hazards, asbestos removal and related repairs and cleanup, removal, disposal and repairs related to storing heating fuel or transportation fuel.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 6 FUND BALANCES (CONTINUED)**

- C. Restricted for Operating Capital – This balance represents amounts available for capital expenditure equipment purchases, facility projects and personnel costs directly related to acquisition, operation and maintenance of computers, related equipment and network and applications software. Revenue to finance these expenditures is derived primarily from state aid revenue.
- D. Restricted for Community Education – This amount represents available resources for community education classes. Revenues are derived from local tax levies and state aids and expenditures are for salaries, benefits and supplies. The account is allowed to go into a deficit to the extent there is future revenues to eliminate the deficit.
- E. Restricted for Early Childhood and Family Education (ECFE) – This amount represents available resources for ECFE classes. Revenues are derived from local tax levies and state aids and expenditures are for salaries, benefits and supplies. The account is allowed to go into a deficit to the extent there is future revenues to eliminate the deficit.
- F. Restricted for School Readiness – This amount represents available resources to provide services for learning readiness programs.
- G. Restricted for Adult Basic Education – This amount represents the balance of carryover monies for all activity involving Adult Basic Education.
- H. Restricted for Bond Refunding – This represents amounts held in escrow for the future refunding of callable bonds of the District.
- I. Restricted for Other Purposes – Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 7 RETIREMENT PLANS**

Substantially all employees of the District are required by state law to belong to 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 follows:

A. Teacher's Retirement Association (TRA)

**1. Plan Description**

All teachers employed by the District are covered by a cost sharing, multiple employer defined benefit pension plan administered by the State of Minnesota Teachers Retirement Association (TRA). TRA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security and Basic members are not. All Basic members were first hired prior to July 1, 1989. All new members must participate in the Coordinated Plan. These plans are established and administered in accordance with Minnesota Statutes, Chapters 354 and 356.

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.

TRA publicly issues a Comprehensive Annual Financial Report (CAFR) presenting financial statements, supplemental information on funding levels, investment performance, and further information on benefits provisions. The report may be accessed at the TRA website at [www.tra.state.mn.us](http://www.tra.state.mn.us). Alternatively, a copy of the report may be obtained by writing TRA at Teachers Retirement Association, 60 Empire Drive Suite 400, St. Paul, MN 55103-1855 or by calling (651) 296-6449 or 1-800-657-3853.

**2. Funding Policy**

Minnesota Statutes Chapter 354 sets the rates for the employee and employer contributions. These statutes are established and amended by the state legislature. Coordinated and Basic Plan members are required to contribute 5.5% and 9.0%, respectively, of their annual covered salary while the District is required to contribute at an actuarially determined rate.

The District is required to contribute the following percentages of annual covered payroll: 5.5% for Coordinated Plan members and 9.5% for Basic Plan members. The contribution requirements of plan members and the District are established and may be amended by state statute. The District contributions for the years ended June 30, 2011, 2010 and 2009 were \$3,210,106, \$3,249,502 and \$3,163,057, respectively, equal to the required contributions for each year as set by state statute.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 7 RETIREMENT PLANS (CONTINUED)**

B. Public Employees' Retirement Association (PERA)

**1. Plan Description**

All full-time and certain part-time employees of the District (other than teachers) are covered by a defined benefit plan administered by the Public Employees' Retirement Association of Minnesota (PERA). PERA administers the General Employees' Retirement Fund (GERF) which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org), by writing to PERA at 60 Empire Drive #200, St. Paul, MN 55103-2088, or by calling (651) 296-7460 or 1-800-652-9026.

**2. Funding Policy**

Minnesota Statutes Chapter 353 sets the rates for the employer and employee contributions. These statutes are established and amended by the state legislature. The District makes annual contributions to the pension plans equal to the amount required by state statutes. GERF Basic Plan members and Coordinated Plan members were required to contribute 9.10% and 6.00%, respectively, of their annual covered salary in 2010. Member contribution rates for the Coordinated Plan increased to 6.25% effective January 1, 2011.

The District was required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan GERF members and 7.00% for Coordinated Plan members. Employer contribution rates for the Coordinated Plan increased to 7.25% effective January 1, 2011. The District's contributions for the years ended June 30, 2011, 2010 and 2009 were \$1,766,592, \$1,699,353 and \$1,682,869, respectively, equal to the contractually required contributions for each year as set by state statute.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 8 FLEXIBLE BENEFIT PLAN**

The District has a flexible benefit plan which is classified as a “cafeteria plan” under Section 125 of the Internal Revenue Code. All employee groups of the District are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing pre-tax dollars withheld from payroll checks to the plan for health care and dependent care benefits.

Before the beginning of the plan year, which is January 1 to December 31, each participant designates a total amount of pre-tax dollars to be contributed to the plan during the year. At June 30, the District is contingently liable for claims against the total amount of participants’ annual contributions to the plan, whether or not such contributions have been made.

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

Amounts withheld for medical reimbursement and dependent care are deposited into a separate District checking account on a monthly basis. All assets of the plan are held in a separate bank account, administered by an employee of the District. Payments are made by the District to participating employees upon submitting a request for reimbursement of eligible expenses incurred by the participant. The medical reimbursement and dependent care activity is included in the financial statements as an Employee Benefit Trust Fund.

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

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PLAN**

At June 30, 2008, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*. The District engaged an actuary to determine the District’s liability for post-employment healthcare benefits other than pensions as of July 1, 2010.

**A. Plan Description**

The District operates a single-employer retiree benefit plan (“the Plan”) that provides health and dental insurance to eligible employees and their spouses through the District’s health insurance plan. There are 1,469 active participants, 515 retired participants including spouses. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period. The Plan does not issue a publicly available financial report.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)**

**B. Funding Policy**

Contribution requirements are also negotiated between the District and union representatives. The District contributes 100% of the cost of current-year premiums for specified coverage levels of eligible retired plan members and their spouses. For fiscal year 2011, the District contributed \$846,209 to the plan.

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

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 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 un-funded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually paid from the plan, and changes in the District's net OPEB obligation.

Annual Required Contribution		\$	1,411,018
Interest on Net OPEB Obligation			(699,823)
Adjustment to Annual Required Contribution			1,011,771
Annual OPEB Cost			1,722,966
Contributions Made			(846,209)
Increase in Net OPEB Obligation			876,757
Net OPEB Obligation (Asset) - Beginning of Year			(17,495,583)
Net OPEB Obligation (Asset) - End of Year		\$	<u>(16,618,826)</u>

**C. Annual OPEB Cost and Net OPEB Obligation (Continued)**

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2011	\$ 1,722,966	49.1%	\$ (16,618,826)
6/30/2010	2,473,092	37.6%	(17,495,583)
6/30/2009	2,103,028	991%	(19,003,176)

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)**

**D. Funded Status and Funding Progress**

Based upon the July 1, 2010, most recent actuarial valuation date, the District's unfunded actuarial accrued liability (UAAL) as of June 30, 2011 was \$5,596,910. The annual payroll for active employees covered by the plan in the actuarial valuation was \$64,477,434 for a ratio of UAAL to covered payroll of 8.7%.

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 healthcare cost trends. 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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**E. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and 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, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% discount rate which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The initial healthcare trend rate for medical insurance was 9%, reduced by decrements to an ultimate rate of 5% after eight years; and an annual healthcare trend rate of 5% for dental insurance. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2011 is not to exceed 30 years.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 10 PENSION BENEFITS PLAN**

The District engaged an actuary to determine the District's liability for its pension benefits plan in accordance with the District adopted Governmental Accounting Standards Board (GASB) Statement No. 27, as of July 1, 2010.

**A. Plan Description**

The District provides pension benefits to certain eligible employees through the Independent School District No. 281 Pension Benefits Plan, a single-employer defined benefit plan administered by the District. All pension benefits are based on contractual agreements with union groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirement.

The pension benefits range from two days per year of service to a maximum of 30 days, to 160 days for principals retiring after age 55 with 15 years of service.

**B. Funding Policy**

Payments under the plan are made on a pay-as-you go basis. There are no invested plan assets accumulated for payment of future benefits. The General Fund is used for funding of all pension/retirement benefits. The employer makes all contributions.

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

The District's annual pension cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 27. 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 un-funded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the District's annual pension cost for the year, the amount actually paid from the plan, and changes in the District's net pension obligation.

Annual Required Contribution	\$ 101,523
Interest on Net Pension Obligation	32,929
Adjustment to Annual Required Contribution	<u>(47,608)</u>
Annual Pension Cost	86,844
Contributions Made	<u>(23,834)</u>
Decrease in Net Pension Obligation	63,010
Net Pension Obligation - Beginning of Year	<u>823,234</u>
Net Pension Obligation - End of Year	<u><u>\$ 886,244</u></u>

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 10 PENSION BENEFITS PLAN (CONTINUED)**

C. Annual Pension Cost and Net Pension Obligation (Continued)

The District's annual pension cost, the percentage of the annual pension cost contributed to the plan, and the net pension obligation for 2011 was:

Fiscal Year Ended	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
6/30/2011	\$ 86,844	27.4%	\$ 886,244
6/30/2010	362,875	7.4%	823,234
6/30/2009	369,094	7.2%	487,087

D. Funded Status and Funding Progress

As of July 1, 2010, the most recent actuarial valuation date, the District's unfunded actuarial accrued liability (UAAL) was \$644,017. The annual payroll for active employees covered by the plan in the actuarial valuation was \$64,477,434 for a ratio of UAAL to covered payroll of 1.0%.

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 salary cost trends. 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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

The annual required contribution for the current year was determined as part of the July 1, 2010 actuarial valuation using the projected unit actuarial cost method. The actuarial assumptions included a 4.0% discount rate, which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date and projected salary increases at 4%.

The actuarial methods and assumptions include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The unfunded actuarial accrued liability is being amortized as a level dollar amount of projected payroll. The remaining amortization period at June 30, 2011 is 26 years.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 11 INTERFUND BALANCES**

The district had the following interfund receivable and payable at June 30, 2011:

	Due from Other Fund	Due to Other Fund
General Fund	\$ -	\$ 9,243,115
Food Service Special Revenue Fund	80,920	-
Internal Service Fund	9,162,195	-
	\$ 9,243,115	\$ 9,243,115

The purpose of these interfund balances is as follows:

The General Fund owes the Food Service Fund and the Internal Service Fund \$80,920 and \$9,162,195, respectively, for funds borrowed to cover negative cash in the General Fund at June 30, 2011. These balances are expected to be repaid within one year.

**NOTE 12 COMMITMENTS AND CONTINGENCIES**

**A. Federal and State Programs**

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

**B. Construction Contracts**

At June 30, 2011, the District is committed to a number of contracts for the construction and improvement of various District properties. The District's remaining commitment under these contracts is approximately \$3,595,522.

**C. Legal Contingencies**

The District is a defendant in various lawsuits. Although the outcomes of these lawsuits are not presently determinable, the District believes that the resolution of these matters will not have a material adverse effect on its financial position.

**NOTE 13 SUBSEQUENT EVENTS**

In October 2011, the School Board approved the issuance of \$20,630,000 General Obligation School Building Refunding Bonds, Series 2011B.

**REQUIRED SUPPLEMENTARY INFORMATION**

DRAFT

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
SCHEDULE OF FUNDING PROGRESS FOR POSTEMPLOYMENT BENEFIT PLANS**

Other Postemployment Benefits						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2010	\$ 18,867,885	\$ 24,464,795	\$ 5,596,910	0.77	64,477,434	8.7%
7/1/2008	18,299,992	19,023,708	723,716	0.96	71,439,550	1.0%
7/1/2006	-	20,628,741	20,628,741	-	71,439,550	28.9%

Supplemental Pension						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2010	\$ -	\$ 644,017	\$ 644,017	-	\$ 64,477,434	1.0%
7/1/2008	-	3,140,873	3,140,873	-	71,439,550	4.4%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR POSTEMPLOYMENT BENEFIT PLANS**

Year Ended June 30,	Annual OPEB Costs	Percentage Contributed
2011	\$ 1,722,966	49%
2010	2,437,092	38%
2009	2,103,028	991%

**SUPPLEMENTAL INFORMATION**

DRAFT

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2011  
(WITH COMPARATIVE DATA AS OF JUNE 30, 2010)**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Cash and Investments	\$ -	\$ 5,331,414
Receivables:		
Current Taxes	17,367,555	17,579,656
Delinquent Taxes	768,122	717,681
Accounts and Interest Receivable	138,371	128,027
Due from Other Minnesota School Districts	429,545	805,177
Due from Minnesota Department of Education	28,474,137	20,605,657
Due from Federal through the Minnesota Department of Education	2,484,344	4,539,938
Due from Federal Government Received Directly	4,951	5,376
Due from Other Governmental Units	520,256	480,704
Inventories	313,907	313,448
Prepaid Items	<u>1,756,332</u>	<u>1,567,530</u>
Total Assets	<u>\$ 52,257,520</u>	<u>\$ 52,074,608</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 548,303	\$ 557,604
Payroll Deductions and Employer Contributions Payable	308,195	439,711
Accounts and Contracts Payable	1,845,253	3,029,296
Due to Other Minnesota School Districts	589,878	701,786
Due to Other Funds	9,243,115	-
Due to Other Governmental Units	118,416	78,368
Property Tax Shift Adjustment	258,908	-
Property Taxes Levied for Subsequent Year	17,076,364	30,594,517
Deferred Revenue - Delinquent Taxes	480,816	496,356
Deferred Revenue	<u>728,551</u>	<u>691,615</u>
Total Liabilities	31,197,799	36,589,253
Fund Balance:		
Nonspendable:		
Inventories	313,907	313,448
Prepaid Items	1,756,332	1,567,530
Restricted for:		
Health and Safety	469,499	889,913
Operating Capital	5,733,070	5,501,638
Assigned for:		
Separation/Retirement Benefits	-	413,497
Unassigned	<u>12,786,913</u>	<u>6,799,329</u>
Total Fund Balance	<u>21,059,721</u>	<u>15,485,355</u>
Total Liabilities and Fund Balance	<u>\$ 52,257,520</u>	<u>\$ 52,074,608</u>

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2011  
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2010)**

	2011		Over (Under) Final Budget	2010
	Final Budget	Actual Amounts		Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 40,235,910	\$ 42,155,478	\$ 1,919,568	\$ 30,324,738
Earnings on Investments	50,000	8,131	(41,869)	18,042
Other	4,935,301	5,592,150	656,849	5,569,169
State Sources	83,583,033	82,554,632	(1,028,401)	84,820,008
Federal Sources	8,706,142	7,951,077	(755,065)	15,917,134
Total Revenues	<u>137,510,386</u>	<u>138,261,468</u>	<u>751,082</u>	<u>136,649,091</u>
<b>EXPENDITURES</b>				
Administration:				
Salaries	3,065,320	3,208,337	143,017	3,026,887
Employee Benefits	1,480,511	1,475,265	(5,246)	884,928
Purchased Services	164,800	96,269	(68,531)	75,834
Supplies and Materials	37,491	42,586	5,095	57,014
Capital Expenditures	5,200	11,404	6,204	7,070
Other Expenditures	72,876	70,548	(2,328)	75,875
Total Administration	<u>4,826,198</u>	<u>4,904,409</u>	<u>78,211</u>	<u>4,127,608</u>
District Support Services:				
Salaries	1,937,894	1,923,807	(14,087)	2,145,549
Employee Benefits	778,118	617,786	(160,332)	552,845
Purchased Services	1,012,033	659,321	(352,712)	794,600
Supplies and Materials	173,627	121,465	(52,162)	143,696
Capital Expenditures	498,461	921,511	423,050	689,339
Other Expenditures	36,050	(72,475)	(108,525)	(71,786)
Total District Support Services	<u>4,436,183</u>	<u>4,171,415</u>	<u>(264,768)</u>	<u>4,254,243</u>
Elementary and Secondary Regular Instruction:				
Salaries	40,269,511	41,935,916	1,666,405	41,463,521
Employee Benefits	14,215,316	12,740,675	(1,474,641)	12,588,603
Purchased Services	4,471,613	4,968,767	497,154	4,157,209
Supplies and Materials	1,748,098	1,536,331	(211,767)	2,447,452
Capital Expenditures	1,004,225	1,287,336	283,111	2,097,020
Other Expenditures	206,134	439,629	233,495	253,948
Total Elementary and Secondary Regular Instruction	<u>61,914,897</u>	<u>62,908,654</u>	<u>993,757</u>	<u>63,007,753</u>

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2011  
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2010)**

	2011		Over (Under) Final Budget	2010	
	Final Budget	Actual Amounts		Actual Amounts	Actual Amounts
<b>EXPENDITURES (Continued)</b>					
Vocational Education Instruction:					
Salaries	\$ 1,619,821	\$ 1,507,697	\$ (112,124)	\$ 1,655,443	
Employee Benefits	490,909	435,455	(55,454)	477,469	
Purchased Services	831,425	923,922	92,497	1,013,905	
Supplies and Materials	85,811	109,890	24,079	71,140	
Capital Expenditures	72,500	60,646	(11,854)	9,610	
Other Expenditures	11,388	32,136	20,748	16,407	
Total Vocational Education Instruction	3,111,854	3,069,746	(42,108)	3,243,974	
Special Education Instruction:					
Salaries	14,144,283	15,007,998	863,715	14,852,700	
Employee Benefits	5,719,245	4,591,560	(1,127,685)	4,419,920	
Purchased Services	2,900,388	1,901,432	(998,956)	2,169,590	
Supplies and Materials	144,831	121,023	(23,808)	115,846	
Capital Expenditures	194,571	153,637	(40,934)	138,780	
Other Expenditures	53,000	1,645	(51,355)	49,272	
Total Special Education Instruction	23,156,318	21,777,295	(1,379,023)	21,746,108	
Instructional Support Services:					
Salaries	3,942,605	4,052,692	110,087	5,327,355	
Employee Benefits	1,194,493	1,204,253	9,760	1,563,928	
Purchased Services	603,967	629,448	25,481	525,605	
Supplies and Materials	770,300	779,865	9,565	504,886	
Capital Expenditures	253,130	289,690	36,560	357,363	
Other Expenditures	9,340	5,144	(4,196)	10,303	
Total Instructional Support Services	6,773,835	6,961,092	187,257	8,289,440	
Pupil Support Services:					
Salaries	5,462,065	5,944,321	482,256	5,725,226	
Employee Benefits	1,771,271	1,851,139	79,868	1,642,102	
Purchased Services	2,971,767	3,691,320	719,553	3,415,186	
Supplies and Materials	1,025,886	1,063,580	37,694	998,545	
Capital Expenditures	576,977	580,590	3,613	386,472	
Other Expenditures	300	47,789	47,489	57,455	
Total Pupil Support Services	11,808,266	13,178,739	1,370,473	12,224,986	

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2011  
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2010)**

	2011		Over (Under) Final Budget	2010
	Final Budget	Actual Amounts		Actual Amounts
<b>EXPENDITURES (Continued)</b>				
Sites and Buildings:				
Salaries	\$ 5,365,278	\$ 4,603,382	\$ (761,896)	\$ 4,645,538
Employee Benefits	1,763,508	1,511,035	(252,473)	1,682,391
Purchased Services	6,509,053	5,497,083	(1,011,970)	6,103,255
Supplies and Materials	1,228,533	922,184	(306,349)	1,050,538
Capital Expenditures	3,425,044	3,456,252	31,208	2,153,856
Other Expenditures	19,100	12,177	(6,923)	16,040
Total Sites and Buildings	<u>18,310,516</u>	<u>16,002,113</u>	<u>(2,308,403)</u>	<u>15,651,618</u>
Fiscal and Other Fixed Cost Programs:				
Purchased Services	583,781	470,583	(113,198)	474,219
Total Fiscal and Other Fixed Costs Programs	583,781	470,583	(113,198)	474,219
Debt Service:				
Principal	366,210	366,210	-	349,245
Interest and Fiscal Charges	77,005	77,005	-	93,970
Total Debt Service	<u>443,215</u>	<u>443,215</u>	<u>-</u>	<u>443,215</u>
Total Expenditures	<u>135,365,063</u>	<u>133,887,261</u>	<u>(1,477,802)</u>	<u>133,463,164</u>
Excess of Revenues Over Expenditures	2,145,323	4,374,207	2,228,884	3,185,927
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment Proceeds	-	-	-	7,386
Sale of Real Property Proceeds	1,175,000	1,194,545	19,545	262,000
Insurance Recovery Proceeds	-	5,614	5,614	469,458
Transfers Out	-	-	-	(37,505)
Total Other Financing Sources (Uses)	<u>1,175,000</u>	<u>1,200,159</u>	<u>25,159</u>	<u>701,339</u>
Net Change in Fund Balance	<u>\$ 3,320,323</u>	5,574,366	<u>\$ 2,254,043</u>	3,887,266
<b>FUND BALANCE</b>				
Beginning of Year		<u>15,485,355</u>		<u>11,598,089</u>
End of Year		<u>\$ 21,059,721</u>		<u>\$ 15,485,355</u>

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
FOOD SERVICE SPECIAL REVENUE FUND  
BALANCE SHEET  
JUNE 30, 2011  
(WITH COMPARATIVE DATA AS OF JUNE 30, 2010)**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Cash and Investments	\$ 1,679,854	\$ 1,327,545
Receivables:		
Accounts and Interest Receivable	9,002	8,502
Due from Other Funds	80,920	-
Due from Other Minnesota School Districts	-	30,724
Due from Minnesota Department of Education	2,379	9,508
Due from Federal through the Minnesota Department of Education	-	118,395
Due from Other Governmental Units	1,083	1,083
Inventory	44,944	36,846
Prepaid Items	<u>15,144</u>	<u>8,328</u>
 Total Assets	 <u>\$ 1,833,326</u>	 <u>\$ 1,540,931</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 14,601	\$ 22,414
Payroll Deductions and Employer Contributions Payable	15,710	16,720
Accounts and Contracts Payable	7,253	25,266
Deferred Revenue	<u>83,555</u>	<u>83,563</u>
Total Liabilities	121,119	147,963
 Fund Balance:		
Nonspendable:		
Inventory	44,944	36,846
Prepaid Items	15,144	8,328
Restricted for Other Purposes	<u>1,652,119</u>	<u>1,347,794</u>
Total Fund Balance	<u>1,712,207</u>	<u>1,392,968</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,833,326</u>	 <u>\$ 1,540,931</u>

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
FOOD SERVICE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2011  
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2010)**

	2011		Over (Under) Final Budget	2010
	Final Budget	Actual Amounts		Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Earnings on Investments	\$ -	\$ 1,199	\$ 1,199	\$ 1,897
Other - Primarily Meal Sales	2,502,895	2,508,784	5,889	2,619,119
State Sources	233,251	236,099	2,848	236,145
Federal Sources	3,151,168	3,189,820	38,652	3,143,672
Total Revenues	5,887,314	5,935,902	48,588	6,000,833
<b>EXPENDITURES</b>				
Current:				
Salaries	1,834,827	1,910,379	75,552	1,921,777
Employee Benefits	759,623	659,893	(99,730)	754,205
Purchased Services	226,400	172,039	(54,361)	162,169
Supplies and Materials	3,061,754	2,786,155	(275,599)	2,818,893
Other Expenditures	8,000	6,492	(1,508)	5,668
Capital Outlay	43,098	44,803	1,705	208,514
Debt Service:				
Principal	31,339	31,339	-	30,085
Interest	5,563	5,563	-	6,818
Total Expenditures	5,970,604	5,616,663	(353,941)	5,908,129
Excess (Deficiency) of Revenues Over (Under) Expenditures	(83,290)	319,239	402,529	92,704
<b>OTHER FINANCING SOURCES</b>				
Sale of Equipment Proceeds	1,500	-	(1,500)	14,225
Net Change in Fund Balance	\$ (81,790)	319,239	\$ 401,029	106,929
<b>FUND BALANCE</b>				
Beginning of Year		1,392,968		1,286,039
End of Year		\$ 1,712,207		\$ 1,392,968

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
COMMUNITY SERVICE SPECIAL REVENUE FUND  
BALANCE SHEET  
JUNE 30, 2011  
(WITH COMPARATIVE DATA AS OF JUNE 30, 2010)**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Cash and Investments	\$ 785,086	\$ 1,851,840
Receivables:		
Current Taxes	940,827	850,853
Delinquent Taxes	36,208	34,123
Accounts and Interest Receivable	18,851	15,510
Due from Other Minnesota School Districts	1,955	348
Due from Minnesota Department of Education	661,550	580,558
Due from Federal Government through the Minnesota Department of Education	73,097	130,215
Due from Other Governmental Units	71,050	55,402
Prepaid Items	<u>13,984</u>	<u>12,624</u>
Total Assets	<u><u>\$ 2,602,608</u></u>	<u><u>\$ 3,531,473</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 144,936	\$ 141,033
Payroll Deductions and Employer Contributions Payable	42,043	35,250
Accounts and Contracts Payable	31,434	51,489
Due to Other Governmental Units	-	1,170
Property Taxes Levied for Subsequent Year	927,577	1,627,141
Deferred Revenue - Delinquent Taxes	22,468	24,341
Deferred Revenue	<u>231,386</u>	<u>164,140</u>
Total Liabilities	1,399,844	2,044,564
Fund Balance:		
Nonspendable:		
Prepaid Items	13,984	12,624
Restricted for:		
Community Education Programs	733,549	989,722
Early Childhood Family Education Programs	252,913	260,860
School Readiness	26,167	33,764
Adult Basic Education	<u>176,151</u>	<u>189,939</u>
Total Fund Balance	<u>1,202,764</u>	<u>1,486,909</u>
Total Liabilities and Fund Balance	<u><u>\$ 2,602,608</u></u>	<u><u>\$ 3,531,473</u></u>

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
COMMUNITY SERVICE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2011  
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2010)**

	2011		Over (Under) Final Budget	2010
	Final Budget	Actual Amounts		Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 1,473,831	\$ 2,433,109	\$ 959,278	\$ 1,555,933
Earnings on Investments	3,000	1,550	(1,450)	3,407
Other - Primarily Tuition and Fees	3,735,580	3,628,732	(106,848)	3,687,604
State Sources	2,191,174	1,254,675	(936,499)	2,000,815
Federal Sources	243,635	244,435	800	347,834
Total Revenues	<u>7,647,220</u>	<u>7,562,501</u>	<u>(84,719)</u>	<u>7,595,593</u>
<b>EXPENDITURES</b>				
Current:				
Salaries	5,154,964	5,190,455	35,491	5,044,305
Employee Benefits	1,567,244	1,552,652	(14,592)	1,500,937
Purchased Services	614,421	592,126	(22,295)	602,193
Supplies and Materials	351,110	347,320	(3,790)	321,738
Other Expenditures	48,617	54,059	5,442	54,128
Capital Outlay	127,593	110,034	(17,559)	82,645
Total Expenditures	<u>7,863,949</u>	<u>7,846,646</u>	<u>(17,303)</u>	<u>7,605,946</u>
Deficiency of Revenues Under Expenditures	(216,729)	(284,145)	(67,416)	(10,353)
<b>OTHER FINANCING SOURCES</b>				
Transfer In	-	-	-	37,505
Net Change in Fund Balance	<u>\$ (216,729)</u>	<u>(284,145)</u>	<u>\$ (67,416)</u>	<u>27,152</u>
<b>FUND BALANCE</b>				
Beginning of Year		<u>1,486,909</u>		<u>1,459,757</u>
End of Year		<u>\$ 1,202,764</u>		<u>\$ 1,486,909</u>

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
CAPITAL PROJECTS FUND  
BALANCE SHEET  
JUNE 30, 2011  
(WITH COMPARATIVE DATA AS OF JUNE 30, 2010)**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Cash and Investments	\$ 19,798,725	\$ 6,120,052
Other Receivables:		
Accounts and Interest Receivable	4,641	4,641
Due from Minnesota Department of Education	270,000	243,000
Due from Other Governmental Units	<u>49,000</u>	<u>49,000</u>
 Total Assets	 <u>\$ 20,122,366</u>	 <u>\$ 6,416,693</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Payroll Deductions and Employer Contributions Payable	\$ 724	\$ 802
Accounts and Contracts Payable	834,384	587,478
Due to Other Governmental Units	<u>-</u>	<u>673</u>
Total Liabilities	835,108	588,953
 Fund Balance:		
Restricted for Alternative Facility Program	<u>19,287,258</u>	<u>5,827,740</u>
 Total Fund Liabilities and Fund Balance	 <u>\$ 20,122,366</u>	 <u>\$ 6,416,693</u>

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2011  
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2010)**

	2011			Over (Under) Final Budget	2010
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Local Sources:					
Property Taxes	\$ 5,700,000	\$ 5,700,000	\$ 5,699,694	\$ (306)	\$ 5,700,000
Earnings on Investments	50,000	50,000	5,308	(44,692)	6,680
Other	-	-	-	-	2,670
State Sources	900,000	900,000	900,000	-	900,000
Total Revenues	6,650,000	6,650,000	6,605,002	(44,998)	6,609,350
<b>EXPENDITURES</b>					
Current:					
Salaries	131,458	131,458	131,896	438	150,662
Employee Benefits	40,260	40,260	42,046	1,786	47,988
Purchased Services	-	-	10,987	10,987	21,485
Supplies and Materials	-	-	9,231	9,231	2,379
Capital Outlay	11,862,263	11,862,263	3,994,727	(7,867,536)	4,725,973
Total Expenditures	12,033,981	12,033,981	4,188,887	(7,845,094)	4,948,487
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,383,981)	(5,383,981)	2,416,115	7,800,096	1,660,863
<b>OTHER FINANCING SOURCES</b>					
Bonds Proceeds	12,000,000	12,000,000	10,990,000	(1,010,000)	-
Bond Premium	-	-	53,403	53,403	-
Total Other Financing Sources	12,000,000	12,000,000	11,043,403	(956,597)	-
Net Change in Fund Balance	<u>\$ 6,616,019</u>	<u>\$ 6,616,019</u>	13,459,518	<u>\$ 6,843,499</u>	1,660,863
Fund Balance - Beginning			<u>5,827,740</u>		<u>4,166,877</u>
Fund Balance - Ending			<u>\$ 19,287,258</u>		<u>\$ 5,827,740</u>

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2011  
(WITH COMPARATIVE DATA AS OF JUNE 30, 2010)**

	Regular Debt Service	Other Postemployment Benefit Bonds	2011	2010
<b>ASSETS</b>				
Cash and Investments	\$ 10,247,016	973,205	\$ 11,220,221	\$ 11,186,109
Cash and Investments Held by Trustee	43,821,238	-	43,821,238	37,164,976
Receivables:				
Current Taxes	8,525,692	1,014,248	9,539,940	8,831,628
Delinquent Taxes	342,513	24,142	366,655	329,059
Accounts and Interest Receivable	212,640	-	212,640	464,242
Due from Minnesota Department of Education	181,487	23,499	204,986	174,775
Total Assets	\$ 63,330,586	\$ 2,035,094	\$ 65,365,680	\$ 58,150,789
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts and Contracts Payable	\$ 1,175	\$ -	\$ 1,175	\$ 3,575
Property Taxes Levied for Subsequent Year	16,350,387	1,945,125	18,295,512	16,889,599
Deferred Revenue - Delinquent Taxes	213,991	13,001	226,992	232,548
Total Liabilities	16,565,553	1,958,126	18,523,679	17,125,722
Fund Balance:				
Restricted for:				
Bond Refunding	44,033,878	-	44,033,878	37,616,669
Other Purposes	2,731,155	76,968	2,808,123	3,408,398
Total Fund Balance	46,765,033	76,968	46,842,001	41,025,067
Total Liabilities and Fund Balance	\$ 63,330,586	\$ 2,035,094	\$ 65,365,680	\$ 58,150,789

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2011  
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2010)**

	2011				Over (Under) Final Budget	2010	
	Budgeted Amounts		Regular Debt Service	Actual		Total Actual Amounts	Actual Amounts
	Original	Final		Other Postemployment Benefit Bonds			
<b>REVENUES</b>							
Local Sources:							
Property Tax	\$ 16,344,609	\$ 16,348,234	\$ 14,301,673	\$ 1,841,798	\$ 16,143,471	\$ (204,763)	\$ 15,227,953
Earnings on Investments	300,000	304,500	13,705	409	14,114	(290,386)	245,953
State Sources	545,000	545,000	604,958	78,331	683,289	138,289	647,315
Total Revenues	17,189,609	17,197,734	14,920,336	1,920,538	16,840,874	(356,860)	16,121,221
<b>EXPENDITURES</b>							
Debt Service:							
Bond Principal	7,740,000	8,990,000	8,990,000	980,000	9,970,000	980,000	8,595,000
Bond Interest	5,549,953	6,613,828	7,853,042	863,570	8,716,612	2,102,784	8,295,153
Paying Agent Fees and Other	15,000	62,000	213,120	-	213,120	151,120	94,971
Total Expenditures	13,304,953	15,665,828	17,056,162	1,843,570	18,899,732	3,233,904	16,985,124
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,884,656	1,531,906	(2,135,826)	76,968	(2,058,858)	(3,590,764)	(863,903)
<b>OTHER FINANCING SOURCES</b>							
Bonds Proceeds	-	7,685,000	7,685,000	-	7,685,000	-	20,790,000
Bond Premium	-	36,804	190,792	-	190,792	153,988	1,565,666
Total Other Financing Sources	-	7,721,804	7,875,792	-	7,875,792	153,988	22,355,666
Net Change in Fund Balance	\$ 3,884,656	\$ 9,253,710	5,739,966	76,968	5,816,934	\$ (3,436,776)	21,491,763
Fund Balance - Beginning			41,025,067	-	41,025,067		19,533,304
Fund Balance - Ending			\$ 46,765,033	\$ 76,968	\$ 46,842,001		\$ 41,025,067

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2011  
(WITH COMPARATIVE DATA AS OF JUNE 30, 2010)**

	<u>Health Benefits Self-Insurance</u>	<u>Dental Self-Insurance</u>	<u>Totals</u>	
			<u>2011</u>	<u>2010</u>
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ -	\$ -	\$ -	\$ 9,160,736
Due from Other Funds	<u>8,239,134</u>	<u>923,061</u>	<u>9,162,195</u>	<u>-</u>
Total Assets	<u>\$ 8,239,134</u>	<u>\$ 923,061</u>	<u>\$ 9,162,195</u>	<u>\$ 9,160,736</u>
<b>LIABILITIES AND NET ASSETS</b>				
Current Liabilities:				
Accounts Payable	\$ 579,836	\$ 39,411	\$ 619,247	\$ 808,470
Deferred Revenue	<u>492,945</u>	<u>69,146</u>	<u>562,091</u>	<u>550,645</u>
Total Current Liabilities	1,072,781	108,557	1,181,338	1,359,115
Net Assets:				
Unrestricted	<u>7,166,353</u>	<u>814,504</u>	<u>7,980,857</u>	<u>7,801,621</u>
Total Liabilities and Net Assets	<u>\$ 8,239,134</u>	<u>\$ 923,061</u>	<u>\$ 9,162,195</u>	<u>\$ 9,160,736</u>

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2011  
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2010)**

	Health Benefits Self-Insurance	Dental Self-Insurance	Totals	
			2011	2010
<b>OPERATING REVENUES</b>				
Charges for Services:				
Contributions from Other Governmental Funds	\$ 10,307,335	\$ 1,229,025	\$ 11,536,360	\$ 12,480,117
<b>OPERATING EXPENSES</b>				
Health Insurance Claim Payments	10,221,359	-	10,221,359	8,875,687
Dental Insurance Claim Payments	-	1,142,580	1,142,580	1,139,072
Total Operating Expenses	<u>10,221,359</u>	<u>1,142,580</u>	<u>11,363,939</u>	<u>10,014,759</u>
Operating Income	85,976	86,445	172,421	2,465,358
<b>NONOPERATING INCOME</b>				
Earnings on Investments	<u>6,142</u>	<u>673</u>	<u>6,815</u>	<u>12,930</u>
Change in Net Assets	92,118	87,118	179,236	2,478,288
Net Assets - Beginning	<u>7,074,235</u>	<u>727,386</u>	<u>7,801,621</u>	<u>5,323,333</u>
Net Assets - Ending	<u>\$ 7,166,353</u>	<u>\$ 814,504</u>	<u>\$ 7,980,857</u>	<u>\$ 7,801,621</u>

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2011  
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2010)**

	Health Benefits Self-Insurance	Dental Self-Insurance	Totals	
			2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Contributions from Governmental Funds	\$ 10,314,420	\$ 1,233,386	\$ 11,547,806	\$ 12,175,583
Payments for Medical Fees and Insurance Claims	<u>(10,417,952)</u>	<u>(1,135,210)</u>	<u>(11,553,162)</u>	<u>(10,197,863)</u>
Net Cash Provided (Used) by Operating Activities	(103,532)	98,176	(5,356)	1,977,720
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Due from Other Funds	(8,239,134)	(923,061)	(9,162,195)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	<u>6,142</u>	<u>673</u>	<u>6,815</u>	<u>13,642</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(8,336,524)	(824,212)	(9,160,736)	1,991,362
Cash and Cash Equivalents - Beginning	<u>8,336,524</u>	<u>824,212</u>	<u>9,160,736</u>	<u>7,169,374</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,160,736</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income	\$ 85,976	\$ 86,445	\$ 172,421	\$ 2,465,358
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Increase (Decrease) in Accounts Payable	(196,593)	7,370	(189,223)	(183,104)
Increase (Decrease) in Deferred Revenue	<u>7,085</u>	<u>4,361</u>	<u>11,446</u>	<u>(304,534)</u>
Total Adjustments	<u>(189,508)</u>	<u>11,731</u>	<u>(177,777)</u>	<u>(487,638)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (103,532)</u>	<u>\$ 98,176</u>	<u>\$ (5,356)</u>	<u>\$ 1,977,720</u>

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS  
COMPLIANCE TABLE  
JUNE 30, 2011**

	AUDIT	UFARS	Difference
<b>01 GENERAL FUND</b>			
Total Revenue	\$ 138,267,082	\$ 138,267,082	\$ -
Total Expenditures	\$ 133,887,261	\$ 133,887,261	\$ -
<i>Nonspendable</i>			
460 Nonspendable Fund Balance	\$ 2,070,239	\$ 2,070,239	\$ -
<i>Restricted/Reserved:</i>			
403 Staff Development	\$ -	\$ -	\$ -
405 Deferred Maintenance	\$ -	\$ -	\$ -
406 Health & Safety	\$ 469,499	\$ 469,499	\$ -
407 Capital Project Levy	\$ -	\$ -	\$ -
408 Cooperative Programs	\$ -	\$ -	\$ -
411 Severance Pay	\$ -	\$ -	\$ -
413 Project Funded by COP	\$ -	\$ -	\$ -
414 Operating Debt	\$ -	\$ -	\$ -
416 Levy Reduction	\$ -	\$ -	\$ -
417 Taconite Building Maint	\$ -	\$ -	\$ -
423 Certain Teacher Programs	\$ -	\$ -	\$ -
424 Operating Capital	\$ 5,733,070	\$ 5,733,070	\$ -
426 \$25 Taconite	\$ -	\$ -	\$ -
427 Disabled Accessibility	\$ -	\$ -	\$ -
428 Learning & Development	\$ -	\$ -	\$ -
434 Area Learning Center	\$ -	\$ -	\$ -
435 Contracted Alt. Programs	\$ -	\$ -	\$ -
436 State Approved Alt. Program	\$ -	\$ -	\$ -
438 Gifted & Talented	\$ -	\$ -	\$ -
441 Basic Skills Programs	\$ -	\$ -	\$ -
445 Career and Technical Programs	\$ -	\$ -	\$ -
446 First Grade Preparedness	\$ -	\$ -	\$ -
449 Safe Schools Crime	\$ -	\$ -	\$ -
450 Prekindergarten	\$ -	\$ -	\$ -
451 QZAB Payments	\$ -	\$ -	\$ -
452 OPEB Liab Not In Trust	\$ -	\$ -	\$ -
453 Unfunded Sev & Retirement Levy	\$ -	\$ -	\$ -
<i>Restricted:</i>			
464 Restricted Fund Balance	\$ -	\$ -	\$ -
<i>Committed:</i>			
418 Committed for Separation	\$ -	\$ -	\$ -
461 Committed Fund Balance	\$ -	\$ -	\$ -
<i>Assigned:</i>			
462 Assigned Fund Balance	\$ -	\$ -	\$ -
<i>Unassigned:</i>			
422 Unassigned Fund Balance	\$ 12,786,913	\$ 12,786,913	\$ -
<b>02 FOOD SERVICE</b>			
Total Revenue	\$ 5,935,902	\$ 5,935,902	\$ -
Total Expenditures	\$ 5,616,663	\$ 5,616,663	\$ -
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	\$ 60,088	\$ 60,089	\$ (1)
<i>Restricted:</i>			
452 OPEB Liab Not In Trust	\$ -	\$ -	\$ -
464 Restricted Fund Balance	\$ 1,652,119	\$ 1,652,120	\$ (1)
<i>Unassigned:</i>			
463 Unassigned Fund Balance	\$ -	\$ -	\$ -
<b>04 COMMUNITY SERVICE</b>			
Total Revenue	\$ 7,562,501	\$ 7,562,499	\$ 2
Total Expenditures	\$ 7,846,646	\$ 7,846,644	\$ 2
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	\$ 13,984	\$ 13,984	\$ -
<i>Restricted/Reserved:</i>			
426 \$25 Taconite	\$ -	\$ -	\$ -
431 Community Education	\$ 733,549	\$ 733,550	\$ (1)
432 E.C.F.E.	\$ 252,913	\$ 252,913	\$ -
444 School Readiness	\$ 26,167	\$ 26,167	\$ -
447 Adult Basic Education	\$ 176,151	\$ 176,151	\$ -
452 OPEB Liab Not In Trust	\$ -	\$ -	\$ -
<i>Restricted:</i>			
464 Restricted Fund Balance	\$ -	\$ -	\$ -
<i>Unassigned:</i>			
463 Unassigned Fund Balance	\$ -	\$ -	\$ -

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS  
COMPLIANCE TABLE (CONTINUED)  
JUNE 30, 2011**

	AUDIT	UFARS	Difference
<b>06 BUILDING CONSTRUCTION</b>			
Total Revenue	\$ 6,605,002	\$ 6,605,002	\$ -
Total Expenditures	\$ 4,188,887	\$ 4,188,885	\$ 2
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	\$ -	\$ -	\$ -
<i>Restricted/Reserved:</i>			
407 Capital Projects Levy	\$ -	\$ -	\$ -
409 Alternative Facility Program	\$ 19,287,258	\$ 19,287,259	\$ (1)
413 Project Funded by COP	\$ -	\$ -	\$ -
<i>Restricted:</i>			
464 Restricted Fund Balance	\$ -	\$ -	\$ -
<i>Unassigned:</i>			
463 Unassigned Fund Balance	\$ -	\$ -	\$ -
<b>07 DEBT SERVICE</b>			
Total Revenue	\$ 14,920,336	\$ 14,920,335	\$ 1
Total Expenditures	\$ 17,056,162	\$ 17,056,161	\$ 1
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	\$ -	\$ -	\$ -
<i>Restricted/Reserved:</i>			
425 Bond Refundings	\$ 44,033,878	\$ 44,033,879	\$ (1)
451 QZAB Payments	\$ -	\$ -	\$ -
<i>Restricted:</i>			
464 Restricted Fund Balance	\$ 2,731,155	\$ 2,731,154	\$ 1
<i>Unassigned:</i>			
463 Unassigned Fund Balance	\$ -	\$ -	\$ -
<b>08 TRUST</b>			
Total Revenue	\$ 1,157,496	\$ 1,157,495	\$ 1
Total Expenditures	\$ 1,060,693	\$ 1,060,692	\$ 1
422 Unreserved/Undesignated	\$ 698,979	\$ 698,979	\$ -
<b>20 INTERNAL SERVICE</b>			
Total Revenue	\$ 11,543,175	\$ 11,543,175	\$ -
Total Expenditures	\$ 11,363,939	\$ 11,363,938	\$ 1
422 Net Assets	\$ 7,980,857	\$ 7,980,858	\$ (1)
<b>25 OPEB REVOCABLE TRUST</b>			
Total Revenue	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
422 Net Assets	\$ -	\$ -	\$ -
<b>45 OPEB IRREVOCABLE TRUST</b>			
Total Revenue	\$ 423,165	\$ 423,165	\$ -
Total Expenditures	\$ 685,820	\$ 685,820	\$ -
422 Net Assets	\$ 18,411,151	\$ 18,411,150	\$ 1
<b>47 OPEB DEBT SERVICE</b>			
Total Revenue	\$ 1,920,538	\$ 1,920,538	\$ -
Total Expenditures	\$ 1,843,570	\$ 1,843,570	\$ -
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	\$ -	\$ -	\$ -
<i>Restricted:</i>			
425 Bond Refundings	\$ -	\$ -	\$ -
464 Restricted Fund Balance	\$ 76,968	\$ 76,968	\$ -
<i>Unassigned:</i>			
463 Unassigned Fund Balance	\$ -	\$ -	\$ -

**STATISTICAL SECTION (UNAUDITED)**

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**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
NET ASSETS BY COMPONENT  
LAST NINE FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets, net of related debt	\$ 43,741,896	\$ 42,714,842	\$ 52,592,852	\$ 61,350,940	\$ 76,314,964	\$ 83,337,459	\$ 88,847,464	\$ 91,838,388	\$ 98,153,815
Restricted	4,694,452	6,300,737	10,030,573	11,951,418	6,408,692	7,250,169	4,291,767	9,271,428	9,117,540
Unrestricted	(4,737,496)	3,773,321	3,808,033	161,405	(3,930,494)	342,979	8,937,032	9,420,046	16,248,320
Total governmental activities	<u>\$ 43,698,852</u>	<u>\$ 52,788,900</u>	<u>\$ 66,431,458</u>	<u>\$ 73,463,763</u>	<u>\$ 78,793,162</u>	<u>\$ 90,930,607</u>	<u>\$ 102,076,263</u>	<u>\$ 110,529,862</u>	<u>\$ 123,519,675</u>

**Note:** The District began to report accrual information when it implemented GASB 34 in fiscal year 2002.

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**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>GOVERNMENT ACTIVITIES</b>									
Expenses:									
Administration	\$ 4,632,636	\$ 5,214,270	\$ 5,235,673	\$ 5,107,500	\$ 5,402,071	\$ 5,100,762	\$ 3,818,527	\$ 3,265,762	\$ 4,721,420
District Support Services	4,534,883	3,877,212	5,298,077	5,936,822	5,745,331	4,306,864	4,849,295	4,244,896	4,022,006
Elementary and Secondary Regular Instruction	56,172,229	57,202,310	59,276,521	62,482,941	64,508,227	67,801,359	58,102,087	63,422,893	61,558,467
Vocational Education Instruction	3,277,514	2,795,618	2,974,670	3,864,581	3,754,694	3,404,780	3,653,486	3,268,132	2,922,693
Special Education Instruction	20,035,425	20,504,974	22,411,853	24,100,002	26,133,631	24,994,624	21,793,129	22,070,152	21,442,593
Instructional Support Services	6,943,816	7,446,207	7,045,401	7,072,539	7,437,755	7,817,597	5,480,770	6,887,487	6,928,011
Pupil Support Services	13,438,619	13,212,806	12,431,049	13,746,683	14,291,162	15,052,521	14,836,979	12,385,012	13,066,229
Sites and Buildings	16,683,146	14,761,896	12,554,931	15,836,442	13,852,363	16,616,469	25,418,110	26,617,949	24,689,560
Fiscal and Other Fixed Cost Programs	396,532	472,006	541,257	543,743	556,372	506,724	460,215	474,219	470,583
Food Service	5,083,827	5,427,225	5,280,997	5,890,900	5,847,565	6,201,918	5,778,326	5,940,503	5,694,290
Community Service	7,066,824	7,063,958	7,358,148	7,840,616	7,752,795	7,508,292	8,128,907	7,788,768	7,820,064
Depreciation Not Included in Other Functions	3,287,506	-	-	-	-	-	-	-	-
Interest and Fiscal Charges on Debt	7,269,950	8,843,020	9,077,366	10,278,443	11,691,901	11,285,863	10,889,988	8,598,049	8,869,478
<b>Total Expenses</b>	<b>148,822,907</b>	<b>146,821,502</b>	<b>149,485,943</b>	<b>162,701,212</b>	<b>166,973,867</b>	<b>170,597,773</b>	<b>163,209,819</b>	<b>164,963,822</b>	<b>162,205,394</b>
Program Revenues:									
Charges for Services:									
District Support Services	391,728	375,329	376,988	78,972	630	5,577	3,279	4,937	4,783
Elementary and Secondary Regular Instruction	1,663,903	1,369,400	1,360,398	1,455,007	1,406,074	1,645,481	1,355,642	1,716,661	1,249,357
Vocational Education Instruction	704	3,329	8,684	3,695	614	6,712	661	2,118	1,992
Special Education Instruction	421,662	792,207	983,121	1,112,158	-	94,448	3,577	7,748	12,082
Instructional Support Services	41,789	66,894	15,791	13,380	21,341	21,803	24,911	15,524	21,441
Pupil Support Services	39,191	46,390	90,070	58,690	40,945	67,147	53,569	63,333	80,255
Sites and Buildings	1,559,922	1,539,971	1,332,248	1,321,771	1,135,458	1,610,412	2,299,097	1,629,512	1,415,346
Food Service	3,175,323	3,294,283	2,972,130	3,003,476	3,012,320	3,041,961	2,908,809	2,619,119	2,508,784
Community Service	3,178,079	3,173,119	3,111,009	3,350,744	3,457,365	3,402,691	3,431,613	3,211,959	3,183,403
<b>Total Charges for Services</b>	<b>10,472,301</b>	<b>10,660,922</b>	<b>10,250,439</b>	<b>10,397,893</b>	<b>9,074,747</b>	<b>9,896,232</b>	<b>10,081,158</b>	<b>9,270,911</b>	<b>8,477,443</b>
Operating Grants and Contributions	22,915,215	23,216,017	22,564,759	25,167,057	25,114,338	27,647,715	25,307,867	31,893,287	28,195,959
Capital Grants and Contributions	989,065	939,539	931,500	996,350	1,010,651	946,211	3,160,967	3,052,837	3,027,743
<b>Total Program Revenues</b>	<b>34,376,581</b>	<b>34,816,478</b>	<b>33,746,698</b>	<b>36,561,300</b>	<b>35,199,736</b>	<b>38,490,158</b>	<b>38,549,992</b>	<b>44,217,035</b>	<b>39,701,145</b>
<b>Net (Expense) Revenue</b>	<b>(114,446,326)</b>	<b>(112,005,024)</b>	<b>(115,739,245)</b>	<b>(126,139,912)</b>	<b>(131,774,131)</b>	<b>(132,107,615)</b>	<b>(124,659,827)</b>	<b>(120,746,787)</b>	<b>(122,504,249)</b>
General Revenues and Other Changes in Net Assets:									
Taxes:									
Property Taxes, Levied for General Purposes	15,811,990	22,750,796	16,137,361	8,478,897	19,803,459	19,353,381	25,682,507	33,967,511	46,095,819
Property Taxes, Levied for Community Service	1,458,514	2,458,197	1,560,596	762,981	1,492,192	1,511,792	1,644,391	1,742,840	2,660,536
Property Taxes, Levied for Facilities Improvement	5,500,000	7,000,000	7,000,000	7,500,000	6,754,779	8,500,000	-	-	-
Property Taxes, Levied for Debt Service	8,543,354	8,860,017	13,570,111	13,437,178	13,579,060	14,379,806	15,855,421	17,057,218	17,652,428
Unrestricted Grants and Contributions	86,507,794	77,052,732	83,577,294	94,987,272	88,197,466	89,443,603	84,335,696	73,066,799	65,790,325
Gain (Loss) on Disposal of Capital Assets	-	(984,601)	448,754	-	-	-	2,456,890	-	-
Other General Revenues	1,931,033	3,259,395	4,277,162	4,066,492	2,183,860	2,745,252	2,968,695	3,087,196	3,264,695
Investment Earnings	3,480,251	698,536	2,810,525	3,938,742	5,092,714	5,097,327	2,861,886	278,822	30,259
<b>Total General Revenues and Other Changes in Net Assets</b>	<b>123,232,936</b>	<b>121,095,072</b>	<b>129,381,803</b>	<b>133,172,217</b>	<b>137,103,530</b>	<b>141,031,161</b>	<b>135,805,486</b>	<b>129,200,386</b>	<b>135,494,062</b>
<b>Change in Net Assets</b>	<b>\$ 8,786,610</b>	<b>\$ 9,090,048</b>	<b>\$ 13,642,558</b>	<b>\$ 7,032,305</b>	<b>\$ 5,329,399</b>	<b>\$ 8,923,546</b>	<b>\$ 11,145,659</b>	<b>\$ 8,453,599</b>	<b>\$ 12,989,813</b>

**Note:** The District began to report accrual information when it implemented GASB 34 in fiscal year 2002.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE AND LEVY TYPE  
LAST NINE FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

Fiscal Year	Property Tax				Total
	General Purposes	Community Service	Facilities Improvement	Debt Service	
2003	\$ 15,811,990	\$ 1,458,514	\$ 5,500,000	\$ 8,543,354	\$ 31,313,858
2004	22,750,796	2,458,197	7,000,000	8,860,017	41,069,010
2005	16,137,361	1,560,596	7,000,000	13,570,111	38,268,068
2006	8,478,897	762,981	7,500,000	13,437,178	30,179,056
2007	19,803,459	1,492,192	6,754,779	13,579,060	41,629,490
2008	19,353,381	1,511,792	8,500,000	14,379,806	43,744,979
2009	25,682,507	1,644,391	—	15,855,421	43,182,319
2010	33,967,511	1,742,840	—	17,057,218	52,767,569
2011	46,095,819	2,660,536	—	17,652,428	66,408,783

Note: The District implemented GASB Statement No. 34 in fiscal 2002. This information is not available for previous fiscal previous fiscal years.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year			
	2002	2003	2004	2005
<b>GENERAL FUND</b>				
Reserved	\$ 2,723,791	\$ 3,808,573	\$ 3,722,077	\$ 6,889,390
Unreserved	4,764,343	7,641,041	12,454,270	12,710,691
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total General Fund</b>	<b>\$ 7,488,134</b>	<b>\$ 11,449,614</b>	<b>\$ 16,176,347</b>	<b>\$ 19,600,081</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Reserved	\$ 7,783,768	\$ 32,548,064	\$ 32,548,772	\$ 72,249,250
Unreserved, Reported in:				
Special Revenue Funds	299,123	485,000	799,638	940,863
Capital Projects – Building				
Construction Fund	82,146	(5,790,706)	10,620,950	1,022,516
Debt Service Fund	384,915	857,956	429,612	1,217,090
Nonspendable, Reported in:				
Special Revenue Funds	-	-	-	-
Restricted, Reported in:				
Special Revenue Funds	-	-	-	-
Capital Projects – Building				
Construction Fund	-	-	-	-
Debt Service Fund	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 8,549,952</b>	<b>\$ 28,100,314</b>	<b>\$ 44,398,972</b>	<b>\$ 75,429,719</b>
<b>Total All Funds</b>	<b>\$ 16,038,086</b>	<b>\$ 39,549,928</b>	<b>\$ 60,575,319</b>	<b>\$ 95,029,800</b>

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 5,849,585	\$ 3,891,962	\$ 3,081,848	\$ 9,739,649	\$ -	\$ -
9,092,489	3,323,829	1,973,514	1,858,440	-	-
-	-	-	-	1,880,978	2,070,239
-	-	-	-	6,391,551	6,202,569
-	-	-	-	413,497	-
-	-	-	-	6,799,329	12,786,913
<u>\$ 14,942,074</u>	<u>\$ 7,215,791</u>	<u>\$ 5,055,362</u>	<u>\$ 11,598,089</u>	<u>\$ 15,485,355</u>	<u>\$ 21,059,721</u>
\$ 99,892,812	\$ 90,720,046	\$ 85,532,008	\$ 21,566,126	\$ -	\$ -
827,199	1,065,497	958,871	1,269,239	-	-
-	-	-	-	-	-
2,400,172	2,975,311	4,175,487	3,610,612	-	-
-	-	-	-	57,798	74,072
-	-	-	-	2,822,079	2,840,899
-	-	-	-	5,827,740	19,287,258
-	-	-	-	41,025,067	46,842,001
<u>\$ 103,120,183</u>	<u>\$ 94,760,854</u>	<u>\$ 90,666,366</u>	<u>\$ 26,445,977</u>	<u>\$ 49,732,684</u>	<u>\$ 69,044,230</u>
<u>\$ 118,062,257</u>	<u>\$ 101,976,645</u>	<u>\$ 95,721,728</u>	<u>\$ 38,044,066</u>	<u>\$ 65,218,039</u>	<u>\$ 90,103,951</u>

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year			
	2002	2003	2004	2005
<b>REVENUES</b>				
Local Sources:				
Taxes	\$ 40,946,210	\$ 31,309,507	\$ 41,308,814	\$ 38,209,467
Investment Earnings	1,361,388	3,480,251	698,536	2,810,525
Other	13,390,168	13,033,780	13,759,439	14,568,427
State Sources	79,251,644	103,924,379	94,453,060	100,783,983
Federal Sources	5,003,800	5,743,690	6,755,228	6,289,570
Total Revenues	<u>139,953,210</u>	<u>157,491,607</u>	<u>156,975,077</u>	<u>162,661,972</u>
<b>EXPENDITURES</b>				
Current:				
Administration	4,288,276	4,620,756	5,055,107	4,953,172
District Support Services	4,258,836	4,618,537	5,065,616	5,464,759
Elementary and Secondary Regular				
Instruction	52,280,030	56,273,772	53,811,523	54,369,786
Vocational Education Instruction	2,766,720	3,109,376	2,847,300	2,960,304
Special Education Instruction	20,178,776	20,159,184	20,607,297	22,272,197
Instructional Support Services	6,361,637	6,941,485	7,468,285	7,009,628
Pupil Support Services	12,336,898	13,563,668	12,522,634	12,242,275
Sites and Buildings	11,113,984	11,927,090	13,855,230	14,526,035
Fiscal and Other Fixed Cost Programs	357,990	396,532	472,006	541,257
Food Service	4,820,607	5,080,679	5,336,708	5,236,226
Community Service	7,356,927	6,995,240	6,842,041	7,081,412
Capital Outlay	36,900,800	39,680,948	32,644,681	17,474,658
Debt Service:				
Principal	2,384,166	3,984,298	4,115,471	5,970,584
Interest and Fiscal Charges	5,243,570	6,627,055	7,944,242	10,035,941
Total Expenditures	<u>170,649,217</u>	<u>183,978,620</u>	<u>178,588,141</u>	<u>170,138,234</u>
Excess of Revenues Over (Under)				
Expenditures	(30,696,007)	(26,487,013)	(21,613,064)	(7,476,262)
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding Bonds Issued	-	28,625,000	-	37,180,000
Bonds Issued	-	21,017,806	41,315,000	-
Premium on Bonds Issued	-	-	-	370,311
Discount on Bonds Issued	-	-	(26,163)	-
Bond Retirement from Escrow Account	-	-	-	-
Sale of Real Property	2,365	356,050	-	4,091,150
Transfers in	23,720	24,832	24,343	28,390
Transfers out	(23,720)	(24,832)	(24,343)	(28,390)
Capital Leases	-	-	1,349,618	289,282
Insurance Recovery Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	<u>2,365</u>	<u>49,998,856</u>	<u>42,638,455</u>	<u>41,930,743</u>
Net Change in Fund Balances	<u>\$ (30,693,642)</u>	<u>\$ 23,511,843</u>	<u>\$ 21,025,391</u>	<u>\$ 34,454,481</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>5.7%</u>	<u>7.4%</u>	<u>8.3%</u>	<u>10.5%</u>

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

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		Fiscal Year									
		2006	2007	2008	2009	2010	2011				
\$	30,206,352	\$	41,457,260	\$	43,742,997	\$	43,548,585	\$	52,808,624	\$	66,431,752
	3,937,795		5,055,338		5,007,995		2,935,930		275,979		30,302
	14,816,609		12,166,427		13,200,939		12,908,890		11,878,562		11,729,666
	111,939,567		104,391,164		108,875,380		103,867,688		88,604,283		85,628,695
	8,418,823		8,996,614		8,602,694		8,936,839		19,408,640		11,385,332
	<u>169,319,146</u>		<u>172,066,803</u>		<u>179,430,005</u>		<u>172,197,932</u>		<u>172,976,088</u>		<u>175,205,747</u>
	5,019,474		5,434,638		5,136,706		6,436,322		4,120,538		4,893,005
	5,417,684		5,410,584		3,870,005		4,879,355		3,564,904		3,249,904
	57,513,966		59,128,600		61,004,645		63,476,168		60,910,733		61,621,318
	3,802,133		3,768,456		3,532,437		3,694,588		3,234,364		3,009,100
	24,138,496		26,214,918		25,172,502		23,907,159		21,607,328		21,623,658
	6,769,216		7,559,968		7,909,523		8,225,793		7,932,077		6,671,402
	14,316,255		13,901,826		15,862,991		15,745,348		11,838,514		12,598,149
	16,952,150		18,956,879		16,134,479		15,024,871		13,497,762		12,545,861
	543,743		556,372		506,724		460,215		474,219		470,583
	5,358,964		5,680,803		5,726,143		6,745,974		5,662,712		5,534,958
	7,556,152		7,588,438		7,508,986		10,062,161		7,523,301		7,736,612
	8,971,276		17,563,528		26,522,419		18,249,448		11,079,156		11,104,790
	6,873,776		6,939,286		7,847,953		8,104,211		8,974,330		10,367,549
	<u>10,508,388</u>		<u>10,817,764</u>		<u>11,099,803</u>		<u>11,145,787</u>		<u>8,490,912</u>		<u>9,012,300</u>
	<u>173,741,673</u>		<u>189,522,060</u>		<u>197,835,316</u>		<u>196,157,400</u>		<u>168,910,850</u>		<u>170,439,189</u>
	(4,422,527)		(17,455,257)		(18,405,311)		(23,959,468)		4,065,238		4,766,558
	14,125,000		—		—		6,080,000		—		7,685,000
	13,200,000		—		17,455,000		29,350,000		20,790,000		10,990,000
	—		—		—		51,945		1,565,666		244,195
	(176,570)		—		174,695		(299,171)		—		—
	—		—		(6,582,971)		(72,000,000)		—		—
	306,554		—		—		3,099,031		283,611		1,194,545
	32,382		40,067		36,667		36,745		37,505		—
	(32,382)		(40,067)		(36,667)		(36,745)		(37,505)		—
	—		1,369,645		1,103,671		—		—		—
	—		—		—		—		469,458		5,614
	<u>27,454,984</u>		<u>1,369,645</u>		<u>12,150,395</u>		<u>(33,718,195)</u>		<u>23,108,735</u>		<u>20,119,354</u>
\$	<u>23,032,457</u>	\$	<u>(16,085,612)</u>	\$	<u>(6,254,916)</u>	\$	<u>(57,677,663)</u>	\$	<u>27,173,973</u>	\$	<u>24,885,912</u>
	<u>10.5%</u>		<u>10.3%</u>		<u>11.1%</u>		<u>10.8%</u>		<u>11.1%</u>		<u>12.2%</u>

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**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE AND LEVY TYPE  
LAST TEN YEARS  
(UNAUDITED)**

Fiscal Year	Property Tax				Total
	General Fund	Community Service Special Revenue Fund	Capital Projects – Building Construction Fund	Debt Service Fund	
2002	\$ 31,072,496	\$ 1,262,230	\$ 3,675,539	\$ 4,935,945	\$ 40,946,210
2003	15,807,639	1,458,514	5,500,000	8,543,354	31,309,507
2004	23,055,012	2,445,815	7,000,000	8,807,987	41,308,814
2005	16,303,601	1,546,014	7,000,000	13,359,852	38,209,467
2006	8,506,806	764,306	7,500,000	13,435,240	30,206,352
2007	19,686,017	1,487,241	6,754,779	13,529,223	41,457,260
2008	19,387,504	1,529,506	8,500,000	14,325,986	43,742,996
2009	21,737,121	1,391,777	7,000,000	13,419,687	43,548,585
2010	30,324,738	1,555,933	5,700,000	15,227,953	52,808,624
2011	42,155,478	2,433,109	5,699,694	16,143,471	66,431,752

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
OPERATING FUND REVENUE BY SOURCE (1)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>Year Ended June 30,</u>	<u>Local Property Tax Levies</u>	<u>State Revenue</u>	<u>Federal Revenue</u>	<u>Other Local and Miscellaneous (2)</u>	<u>Total</u>
2002	32,334,727 25.11%	78,346,058 60.84%	4,939,235 3.84%	13,144,233 10.21%	128,764,253 100.00%
2003	17,266,153 12.48%	102,235,334 73.87%	5,676,855 4.10%	13,225,060 9.56%	138,403,402 100.00%
2004	25,500,825 18.41%	92,846,918 67.05%	6,589,416 4.76%	13,542,193 9.78%	138,479,352 100.00%
2005	17,849,615 12.66%	98,989,581 70.23%	6,291,330 4.46%	17,827,196 12.65%	140,957,722 100.00%
2006	9,271,112 6.45%	110,263,251 76.72%	8,418,823 5.86%	15,761,962 10.97%	143,715,148 100.00%
2007	21,173,258 14.52%	102,800,232 70.51%	8,996,614 6.17%	12,828,899 8.80%	145,799,003 100.00%
2008	20,917,011 13.89%	107,346,719 71.28%	8,602,694 5.71%	13,727,527 9.12%	150,593,951 100.00%
2009	23,128,901 13.61%	102,421,693 60.27%	8,936,838 5.26%	35,459,881 20.87%	169,947,313 100.00%
2010	31,880,671 21.22%	87,056,968 57.94%	19,408,640 12.92%	11,899,238 7.92%	150,245,517 100.00%
2011	44,588,587 29.38%	84,045,406 55.38%	11,385,332 7.50%	11,740,546 7.74%	151,759,871 100.00%

(1) Operating funds include the General Fund, Food Service Special Revenue Fund, and Community Service Special Revenue Fund.

(2) Includes interest earnings.

Note: Beginning in fiscal year 2003, the general education tax levy was eliminated and replaced with state aid.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
OPERATING FUND EXPENDITURES BY FUNCTION (1)(2)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Year Ended June 30,	District and School Administration	District Support Services	Regular Instruction	Vocational Instruction	Exceptional Instruction
2002	\$ 4,288,276 3.37%	\$ 4,258,836 3.35%	\$ 52,280,030 41.14%	\$ 2,766,720 2.18%	\$ 20,178,776 15.88%
2003	4,620,756 3.44%	4,618,537 3.44%	56,273,772 41.90%	3,109,376 2.32%	20,159,184 15.01%
2004	5,055,107 3.75%	5,065,616 3.76%	53,811,523 39.94%	2,847,300 2.11%	20,607,297 15.30%
2005	4,953,172 3.60%	5,464,759 3.97%	54,369,786 39.52%	2,960,304 2.15%	22,272,197 16.00%
2006	5,019,473 3.38%	5,417,684 3.64%	57,513,966 38.69%	3,802,133 2.56%	24,138,496 16.24%
2007	5,434,638 3.51%	5,410,584 3.50%	59,128,600 38.21%	3,768,456 2.43%	26,214,918 16.94%
2008	5,136,707 3.36%	4,153,570 2.72%	61,004,643 39.96%	3,532,437 2.31%	25,172,502 16.49%
2009	6,446,335 3.95%	5,369,931 3.29%	64,390,529 39.44%	3,715,802 2.28%	23,922,305 14.65%
2010	4,127,649 2.81%	4,254,242 2.89%	63,007,735 42.87%	3,243,971 2.21%	21,746,095 14.80%
2011	4,904,409 3.34%	4,171,415 2.84%	62,908,654 42.83%	3,069,746 2.09%	21,777,295 14.83%

(1) Operating funds include the General Fund, Food Service Special Revenue Fund, and Community Service Special Revenue Fund.

(2) Capital expenditures are included by function.

(3) Includes food service.

Community Education	Instructional Support Services	Pupil Support Services (3)	Sites, Buildings, and Equipment	Fiscal and Other Fixed Cost Programs	Total
\$ 7,356,927 5.79%	\$ 6,361,637 5.01%	\$ 17,157,505 13.50%	\$ 11,350,906 8.93%	\$ 1,085,295 0.85%	\$ 127,084,908 100.00%
6,995,240 5.21%	6,941,485 5.17%	18,644,347 13.88%	12,030,512 8.96%	918,572 0.68%	134,311,781 100.00%
6,842,041 5.08%	7,468,285 5.54%	17,859,342 13.26%	14,212,367 10.55%	952,582 0.71%	134,721,460 100.00%
7,081,412 116.00%	7,009,628 5.10%	17,478,501 12.70%	14,644,220 10.64%	1,339,310 0.97%	137,573,289 100.00%
7,556,152 5.08%	6,769,216 4.55%	19,675,219 13.24%	17,507,239 11.78%	1,239,244 0.83%	148,638,822 100.00%
7,623,819 4.93%	7,559,968 4.88%	19,618,579 12.68%	18,956,879 12.25%	1,045,753 0.67%	154,762,194 100.00%
7,503,320 4.91%	7,909,523 5.18%	21,321,681 13.97%	16,397,133 10.74%	543,646 0.36%	152,675,162 100.00%
10,068,176 6.17%	8,498,694 5.21%	23,166,943 14.19%	17,184,527 10.53%	496,960 0.30%	163,260,202 100.00%
7,546,099 5.13%	8,289,440 5.64%	18,439,348 12.55%	15,848,424 10.78%	474,236 0.32%	146,977,239 100.00%
7,846,646 5.34%	6,961,092 4.74%	18,758,500 12.77%	16,002,113 10.90%	470,583 0.32%	146,870,453 100.00%

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
TAX CAPACITIES AND MARKET VALUES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

For Taxes Collectible	Tax Capacity Valuation					
	Agricultural	Non-Agricultural	Fiscal Disparities		Tax Increment	Total Taxable
			Contribution	Distribution		
2002	\$ 4,667	\$ 69,243,762	\$ (6,116,144)	\$ 8,262,211	\$ (4,717,322)	\$ 66,677,174
2003	5,169	74,303,160	(6,253,081)	8,882,380	(4,801,534)	72,136,094
2004	5,676	81,064,921	(6,988,688)	9,841,663	(5,198,376)	78,725,196
2005	6,156	88,825,046	(7,168,616)	10,249,312	(4,631,417)	87,280,481
2006	7,001	96,626,046	(7,140,013)	10,429,065	(4,420,033)	95,502,066
2007	8,039	104,339,645	(7,632,611)	11,277,082	(4,311,991)	103,680,164
2008	6,257	109,023,705	(8,295,134)	12,889,339	(4,974,485)	108,649,682
2009	2,090	107,097,428	(9,216,881)	14,526,516	(4,727,857)	107,681,296
2010	2,153	100,797,530	(9,612,898)	15,655,021	(2,573,847)	104,267,959
2011	2,143	92,918,269	(9,281,070)	15,695,118	(2,361,556)	96,972,904

Source: State of Minnesota School Tax Report

<u>Total Direct Tax Rate</u>	<u>Taxable Market Value</u>	<u>Tax Capacity as a Percentage of Market Value</u>
30.213	\$ 5,650,773,030	1.18 %
29.179	6,205,075,300	1.16
34.258	6,896,806,800	1.14
29.989	7,649,568,300	1.14
28.489	8,394,674,999	1.14
28.750	9,069,367,363	1.14
27.243	9,442,319,235	1.15
27.214	9,215,649,967	1.17
28.621	8,661,341,800	1.20
34.387	7,402,074,612	1.31

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND TEN YEARS AGO  
(UNAUDITED)**

Taxpayer	2011			2001		
	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity
Target Corporation	\$ 482,258	1	0.50 %	\$ 345,300	8	0.40 %
United Health Care Services, Inc.	453,250	2	0.47	808,380	2	0.94
Crystal Shopping Center Association	389,250	3	0.40	374,880	6	0.44
Liberty Property Ltd Partnership	363,138	4	0.37	354,810	7	
US Retail Partners, LLC	362,084	5	0.37	—	—	—
BIGOS Management, Inc	352,830	6	0.36	—	—	—
AGA Medical Corporation	281,474	7	0.29	—	—	—
Honeywell	274,750	8	0.28	700,702	4	0.82
HP 3 LLC	273,216	9	0.28	—	—	—
CRW Plymouth	270,926	10	0.28	—	—	—
Talisman Brookdale, LLC	—	—	—	885,900	1	1.03
Liberty Property Ltd Partnership	—	—	—	292,845	10	0.34
U.S. West, Inc.	—	—	—	458,860	5	0.53
BPP Retail LLC	—	—	—	720,630	3	0.84
Sears Roebuck and Company	—	—	—	300,420	9	0.35
<b>Total</b>	<b>\$ 3,503,176</b>		<b>3.61 %</b>	<b>\$ 5,242,727</b>		<b>6.10 %</b>
<b>Total district tax capacity</b>	<b>\$ 96,972,904</b>			<b>\$ 85,879,846</b>		

Source: Hennepin County Auditor

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Tax Collection Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2002	\$ 32,825,752	\$ 30,686,799	93.48 %	\$ 2,138,953	\$ 32,825,752	100.00 %
2003	34,376,091	32,626,772	94.91	1,749,319	34,376,091	100.00
2004	39,679,991	37,223,725	93.81	2,456,266	39,679,991	100.00
2005	39,806,839	37,961,423	95.36	1,833,941	39,795,364	99.97
2006	42,607,813	40,769,997	95.69	1,803,067	42,573,064	99.92
2007	44,520,617	42,385,731	95.20	2,085,387	44,471,118	99.89
2008	44,491,609	42,447,121	95.40	1,919,896	44,367,017	99.72
2009	53,032,051	50,873,564	95.93	1,875,542	52,749,106	99.47
2010	53,033,575	25,767,174	48.59	26,598,675	52,365,849	98.74
2011	54,275,743	26,427,422	48.69	-	26,427,422	48.69

Note 1: Total tax levy includes certified levy (including fiscal disparities) less tax credits.

Note 2: Property taxes are remitted to the District based on a calendar fiscal year; the current tax collections for the most recent levy represents collections through the District's fiscal year-end of June 30.

Source: Hennepin County Auditor and district records

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
TAXABLE NET TAX CAPACITY AND ESTIMATED MARKET VALUE  
ALL TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Tax Collection Year	Sales Ratio	Taxable Net Tax Capacity	Estimated Market Value	Percent Total Tax Capacity of Estimated Market Value	Indicated Market Value (1)
2002	87.4	\$ 66,677,174	\$ 5,650,773,030	1.18	\$ 6,465,415,366
2003	83.8	72,136,094	6,205,075,300	1.16	7,404,624,463
2004	83.1	78,725,196	6,896,806,800	1.14	8,299,406,498
2005	83.1	87,280,481	7,649,568,300	1.14	9,205,256,679
2006	86.0	95,502,066	8,394,674,999	1.14	9,761,249,999
2007	90.7	103,680,164	9,069,367,363	1.14	9,999,302,495
2008	95.7	108,649,682	9,442,319,235	1.15	9,866,582,273
2009	96.8	107,528,082	9,222,353,100	1.17	9,527,224,277
2010	98.4	103,884,934	8,661,341,800	1.20	8,802,176,626
2011	100.1	91,375,062	7,402,074,612	1.23	7,394,679,932

(1) Calculated by dividing the estimated market value by the sales ratio.

Note: Taxable net tax capacity is as adjusted for fiscal disparities and tax increments.

Source: Hennepin County Auditor

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
PROPERTY TAX CAPACITY RATES  
ALL OVERLAPPING GOVERNMENTAL UNITS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Tax Collection Year	Property Tax Rate – Based on Tax Capacity Values									Hennepin County
	ISD No. 281 (1)	City of Brooklyn Center	City of Brooklyn Park	City of Crystal	City of Golden Valley	City of New Hope	City of Plymouth	City of Robbinsdale	Special Districts (2)	
2002	30.213	58.901	49.130	44.538	51.488	53.735	24.658	47.111	7.068	50.409
2003	29.179	54.021	45.186	40.687	46.954	49.591	24.198	42.132	7.757	50.607
2004	34.258	53.693	43.771	41.451	45.445	49.253	23.922	40.784	7.192	47.324
2005	29.989	51.723	38.201	39.589	45.302	46.086	23.813	36.707	7.382	44.172
2006	28.489	48.069	39.099	37.887	43.308	42.375	23.746	37.214	6.998	41.016
2007	28.750	44.292	35.254	36.059	41.282	42.101	23.280	36.083	7.310	39.110
2008	27.243	43.896	37.744	35.441	42.990	41.694	22.887	35.067	7.397	38.571
2009	27.214	47.521	39.652	38.288	45.914	41.062	24.368	37.000	7.154	40.413
2010	28.621	52.412	46.041	44.270	48.196	46.014	26.007	42.182	6.897	42.640
2011	34.387	57.217	50.309	47.346	53.060	48.941	26.944	44.628	8.775	45.840

Tax Collection Year	Total Tax Capacity Rate for Taxpayers as a							ISD No. 281 Market Value Base Tax (3)
	Brooklyn Center Resident	Brooklyn Park Resident	Crystal Resident	Golden Valley Resident	New Hope Resident	Plymouth Resident	Robbinsdale Resident	
2002	146.591	136.820	132.228	139.178	141.425	112.348	134.801	0.21625
2003	141.564	132.729	128.230	134.497	137.134	111.741	129.675	0.18362
2004	142.467	132.545	130.225	134.219	138.027	112.696	129.558	0.16580
2005	133.266	119.744	121.132	126.845	127.629	105.356	118.250	0.15038
2006	124.572	115.602	114.390	119.811	118.878	100.249	113.717	0.16298
2007	119.462	110.424	111.229	116.452	117.271	98.450	111.253	0.14295
2008	117.107	110.955	108.652	116.201	114.905	96.098	108.278	0.13703
2009	122.302	114.433	113.069	120.695	115.843	99.149	111.781	0.23696
2010	130.570	124.199	122.428	126.354	124.172	104.165	120.340	0.22900
2011	146.219	139.311	136.348	142.062	137.943	115.946	133.630	0.23107

- (1) Beginning in 1999, the rate does not include the referendum, which is spread on School District Referendum Market Value.
- (2) Special districts include the Metro Mosquito Control, Metropolitan Council, Metropolitan Transit, Hennepin Parks, Park Museum, and the HCRAA.
- (3) District voters have authorized additional school funding through an operating referendum.

Source: Hennepin County Auditor

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
SCHOOL TAX LEVIES AND TAX RATES BY FUND  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Year Collectible	General Fund	Community Service Special Revenue Fund	Capital Projects –		(3) OPEB/Pension Fund	Total All Funds
			Building Construction Fund	Debt Service Fund		
Levies (1)						
2002	\$ 16,305,540	\$ 1,605,059	\$ 5,500,000	\$ 9,413,709	\$ –	\$ 32,824,308
2003	16,077,193	1,797,826	7,000,000	9,499,620	–	34,374,639
2004	16,641,319	1,702,830	7,000,000	14,334,041	–	39,678,190
2005	16,454,466	1,593,550	7,500,000	14,257,044	–	39,805,060
2006	19,948,502	1,581,123	6,754,779	14,320,955	–	42,605,359
2007	19,405,120	1,600,173	8,500,000	15,011,999	–	44,517,292
2008	22,037,194	1,446,549	7,000,000	14,005,938	–	44,489,681
2009	29,770,358	1,626,979	5,700,000	15,931,974	–	53,029,311
2010	28,812,571	1,627,141	5,700,000	14,953,850	1,935,749	53,029,311
2011	27,920,679	1,804,625	6,254,928	16,350,387	1,945,125	54,275,744
Tax capacity rates						
2002	0.03646	0.02498	0.09420	0.14648	–	0.30212
2003	0.04064	0.02468	0.09610	0.13037	–	0.29179
2004	0.04733	0.02183	0.08971	0.18371	–	0.34258
2005	0.03643	0.01798	0.08462	0.16086	–	0.29989
2006	0.04807	0.01653	0.07060	0.14969	–	0.28489
2007	0.04637	0.01537	0.08161	0.14415	–	0.28750
2008	0.06698	0.01324	0.06405	0.12816	–	0.27243
2009	0.05029	0.01552	0.05437	0.15196	–	0.27214
2010	0.05370	0.01563	0.05472	0.14357	0.01859	0.28621
2011	0.06734	0.01893	0.06563	0.17156	0.02041	0.34387
Referendum market value tax rate (2)						
2002	0.00216	–	–	–	–	0.00216
2003	0.00184	–	–	–	–	0.00184
2004	0.00166	–	–	–	–	0.00166
2005	0.00150	–	–	–	–	0.00150
2006	0.00163	–	–	–	–	0.00163
2007	0.00143	–	–	–	–	0.00143
2008	0.00137	–	–	–	–	0.00137
2009	0.00237	–	–	–	–	0.00237
2010	0.00229	–	–	–	–	0.00229
2011	0.00231	–	–	–	–	0.00231

(1) The levies include the HACA, Education Homestead Credit adjustment and the Homestead Market Value adjustment.

(2) The referendum levy was converted to a market value referendum in 1999, resulting in a separate tax rate computed on the total market value of the District's property.

(3) Fiscal Year 2010 was the first year that OPEB/Pension Fund Levy was applicable.

Note: Beginning with the levy collectible in 2002, the General Education Revenue Program, which had components of levy and state aid, was converted to a program funded in total with state aid.

Source: School Tax Report

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
PROPERTY TAX LEVIES AND RECEIVABLES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

For Taxes Collectible	Original Levy				Uncollected Taxes Receivable as of June 30, 2011				
	Local Spread	Fiscal Disparities	Homestead		Total Levy	Delinquent		Current	
			Market Value	Credit Aid		Amount	Percent	Amount	Percent
2002	\$ 28,222,369	\$ 2,989,920	\$ 1,613,463	\$ 32,825,752	\$ -	- %	\$ -	- %	
2003	28,305,424	4,536,763	1,533,904	34,376,091	-	-	-	-	
2004	33,360,521	4,651,665	1,667,805	39,679,991	-	-	-	-	
2005	33,148,334	5,211,980	1,446,525	39,806,839	11,475	0.03	-	-	
2006	36,541,557	4,721,394	1,344,862	42,607,813	34,749	0.08	-	-	
2007	38,252,655	5,022,136	1,245,826	44,520,617	49,499	0.11	-	-	
2008	37,825,091	5,509,677	1,156,841	44,491,609	124,592	0.28	-	-	
2009	45,963,074	5,913,454	1,155,523	53,032,051	282,945	0.53	-	-	
2010	43,909,112	7,918,466	1,205,997	53,033,575	667,726	1.26	-	-	
2011	45,078,891	7,990,855	1,205,997	54,275,743	-	-	<u>27,848,322</u>	51.31	
					<u>\$ 1,170,986</u>		<u>\$ 27,848,322</u>		

Note 1: Delinquent taxes receivable are written off after seven years.

Note 2: Beginning with the levy collectible in 2002, the general education levy was

Note 3: A portion of the total spread levy is paid through various property tax credits

Note 4: A portion of the total spread levy is paid through various property tax credits which are paid through state aids and have been included in collections.

Note 5: Delinquent taxes receivable are written off after seven years. The amount of collections has been adjusted to reflect the write off of delinquent taxes

Source: State of Minnesota School Tax Report

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Governmental Activities			Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Capital Leases	Total Primary Government		
2002	\$ 106,445,000	\$ 1,704,957	\$ 108,149,957	0.22 %	\$ 1,072
2003	151,520,000	1,327,792	152,847,792	0.31	1,516
2004	189,140,000	2,304,693	191,444,693	0.38	1,898
2005	221,010,000	1,981,145	222,991,145	0.41	2,211
2006	242,080,000	1,346,059	243,426,059	0.43	2,414
2007	235,580,000	2,302,108	237,882,108	0.40	2,359
2008	239,270,000	2,727,515	241,997,515	0.38	2,400
2009	195,245,000	2,078,303	197,323,303	N/A	1,957
2010	207,440,000	1,698,975	209,138,975	N/A	2,074
2011	216,145,000	1,301,426	217,446,426	N/A	2,156

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Note: Details regarding the District's outstanding debt can be found in the notes to basic financial statements.

N/A – Not Available

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO TAX CAPACITY, INDICATED  
MARKET VALUE, AND ESTIMATED MARKET VALUE AND NET GENERAL OBLIGATION  
BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand	Net Bonded Debt	Tax Capacity	Percent of Net Debt to Tax Capacity
2002	\$ 106,445,000	\$ 384,914	\$ 106,060,086	\$ 66,677,174	159.07
2003	151,520,000	32,221,665	119,298,335	72,136,094	165.38
2004	189,140,000	30,808,215	158,331,785	78,725,196	201.12
2005	221,010,000	69,557,196	151,452,804	87,280,481	173.52
2006	242,080,000	84,405,017	157,674,983	95,502,066	165.10
2007	235,580,000	84,915,734	150,664,266	103,680,164	145.32
2008	239,270,000	86,610,293	152,659,707	108,649,682	140.51
2009	195,245,000	18,885,626	176,359,374	107,681,296	163.78
2010	207,440,000	41,025,067	166,414,933	104,267,959	159.60
2011	216,145,000	46,842,001	169,302,999	96,972,904	174.59

(1) Calculated by dividing the estimated market value by the sales ratio established for the District by the Minnesota Department of Revenue.

Note: The gross bonded debt includes the proceeds of refunding issues in the amounts of \$28,625,000 for fiscal year 2003, \$37,180,000 for fiscal year 2005, and \$14,125,000 for fiscal year 2006. The amount held in escrow for these bonds is included in debt service funds on hand.

Sources: 2000 census data for 2000–2008, annual school district census, and U.S. census

Indicated Market Value (IMV) (1)	Percent of Net Debt to IMV	Estimated Market Value (EMV)	Percent of Net Debt to EMV	Estimated Population	Net Bonded Debt per Capita
\$ 6,465,415,366	1.64	\$ 5,650,773,030	1.88	100,852	\$ 1,052
7,404,624,463	1.61	6,205,075,300	1.92	100,852	1,183
8,299,406,498	1.91	6,896,806,800	2.30	100,852	1,570
8,894,846,860	1.70	7,649,568,300	1.98	100,852	1,502
9,317,064,372	1.69	8,394,674,999	1.88	100,852	1,563
9,999,302,495	1.51	9,069,367,363	1.66	100,852	1,494
9,866,582,273	1.55	9,442,319,235	1.62	100,852	1,514
9,527,224,277	1.85	9,222,353,100	1.91	100,852	1,749
8,802,176,626	1.89	8,661,341,800	1.92	100,852	1,650
6,729,158,738	2.52	7,402,074,612	2.29	100,852	1,679

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest and Other Fiscal Charges</u>	<u>Total Debt Service Expenditures</u>	<u>Total General Expenditures (1)</u>	<u>Percent of Debt Service to General Expenditures</u>
2002	\$ 1,830,000	\$ 5,002,880	\$ 6,832,880	\$ 170,649,217	4.00 %
2003	3,550,000	6,259,229	9,809,229	183,978,620	5.33
2004	3,695,000	7,551,018	11,246,018	178,588,141	6.30
2005	5,310,000	8,203,090	13,513,090	170,138,234	7.94
2006	6,255,000	7,344,726	13,599,726	173,741,673	7.83
2007	6,500,000	7,461,562	13,961,562	189,522,060	7.37
2008	7,165,000	7,378,289	14,543,289	197,835,316	7.35
2009	7,755,000	7,559,667	15,314,667	196,123,633	7.81
2010	8,595,000	8,295,154	16,890,154	168,910,850	10.00
2011	9,970,000	8,929,732	18,899,732	170,439,189	11.09

(1) General expenditures includes all governmental funds.

Note: The Debt Service expenditures do not include bond refundings.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2011  
(UNAUDITED)**

Governmental Unit	Tax Capacity	General Obligation Debt	Percent Allocable to ISD No. 281	Portion Allocable to ISD No. 281
ISD No. 281	\$ 96,972,904	\$ 174,190,000	100.00 %	\$ 174,190,000
Overlapping debt				
Hennepin County	1,476,968,856	668,365,000	6.60	44,112,090
City of Brooklyn Center	20,189,693	18,365,000	26.00	4,774,900
City of Brooklyn Park	48,268,647	39,245,000	7.20	2,825,640
City of Crystal	19,379,600	9,735,000	100.00	9,735,000
City of Golden Valley	31,098,615	66,950,000	54.10	36,219,950
City of New Hope	19,007,650	6,335,000	100.00	6,335,000
City of Plymouth	101,569,052	16,480,000	20.70	3,411,360
City of Robbinsdale	12,040,868	6,991,500	100.00	6,991,500
Metropolitan Council	3,546,253,163	22,295,000	2.90	646,555
Hennepin Regional RR Authority	1,476,968,856	41,865,000	6.60	2,763,090
Three Rivers Park District	1,082,056,515	71,045,000	9.00	6,394,050
Total overlapping debt				<u>124,209,135</u>
Total direct and overlapping debt				<u><u>\$ 298,399,135</u></u>

Source: Hennepin County Property Tax Division

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Estimated Market Value	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Net Debt Applicable to Limit as a Percentage of Debt Limit
2002	\$ 5,650,773,030	\$ 565,077,303	\$ 106,060,086	\$ 459,017,217	18.77 %
2003	6,205,075,300	620,507,530	119,298,335	501,209,195	19.23
2004	6,896,806,800	689,680,680	158,331,785	531,348,895	22.96
2005	7,649,568,300	1,147,435,245	151,452,804	995,982,441	13.20
2006	8,394,674,999	1,259,201,250	157,674,983	1,101,526,267	12.52
2007	9,069,367,363	1,360,405,104	150,664,266	1,209,740,838	11.07
2008	9,442,319,235	1,416,347,885	152,659,707	1,263,688,178	10.78
2009	9,222,353,100	1,383,352,965	176,359,374	1,206,993,591	12.75
2010	8,661,341,800	1,299,201,270	166,414,933	1,132,786,337	12.81
2011	7,402,074,612	1,110,311,192	169,302,999	941,008,193	15.25

Legal Debt Margin Calculation for Fiscal Year 2011

Market value	\$ 7,402,074,612
Debt limit (15% of market value)	\$ 1,110,311,192
Debt applicable to limit	
General obligation bonds	216,145,000
Less amount set aside for repayment of general obligation debt	46,842,001
Total net debt applicable to limit	169,302,999
Legal debt margin	\$ 941,008,193

Note 1: Beginning in fiscal year 2003 the debt limit changed from 10 percent to 15 percent of market value.

Note 2: Under state finance law, the District's outstanding general obligation debt should not exceed 15 percent of total market property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
DEMOGRAPHICS AND ECONOMIC STATISTICS  
AS OF JUNE 30, 2011  
(UNAUDITED)**

Fiscal Year	Hennepin County (1)						ISD No. 281	
	Population	Personal Income	Per Capita Personal Income	Median Age	Labor Force	Unemployment Rate	Population (2)	School Enrollment (3)
2002	1,122,259	49,078,630,588	43,732	34.9	687,258	4	100,852	14,544
2003	1,121,035	50,604,640,935	45,141	36.2	693,591	4.7	100,852	14,279
2004	1,120,897	53,849,012,777	48,041	36.7	675,296	4.5	100,852	14,043
2005	1,119,364	56,429,377,968	50,412	36.9	674,764	3.7	100,852	13,608
2006	1,122,093	59,364,330,165	52,905	37.2	664,469	3.5	100,852	13,630
2007	1,136,599	63,967,791,720	56,280	37.2	669,389	4	100,852	13,474
2008	1,143,863	64,701,374,000	56,564	37.6	660,319	4.9	100,852	13,140
2009	1,156,212	N/A	N/A	N/A	663,372	7.7	100,852	12,586
2010	N/A	N/A	N/A	N/A	667,348 (4)	6.7	100,852	12,107
2011							100,852	12,070

Sources:

- (1) Hennepin County
- (2) U.S. census
- (3) ISD No. 281
- (4) Estimated

N/A – Not Available

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS PRIOR  
(UNAUDITED)**

Employer	2011			2002		
	Approximate Number of Employees	Rank	Percentage of Total County Employment	Approximate Number of Employees	Rank	Percentage of Total County Employment
Wells Fargo Bank	19,000 (1)	1	2.90 %			
General Mills, Inc	5,500	2	0.84			
North Memorial Medical Center	5,460	3	0.83			
Boston Scientific	3,000	4	0.46			
Honeywell	1,732	6	0.26			
Robbinsdale Area Schools (ISD No. 281)	1,725	5	0.26			
Promeon	1,350 (3)	8	0.21			
Carlson Companies	1,018 (2)	7	0.16			
Tennant Company	1,000	10	0.15			
Minnesota Masonic Homes North Ridge	850	9	0.13			
Prudential Insurance Company	642	11	0.10			
St. Therese Care Center	602	12	0.09			
Caterpillar Paving Products	500	13	0.08			
Assurant Health	450	14	0.07			
<b>Total</b>	<b>42,829</b>		<b>6.55 %</b>			

(1) Total employees for the entire state. Data for previous years is not available.

(2) Includes locations in Brooklyn Center and Brooklyn Park.

(3) Includes the City of Robbinsdale location only.

Note: Residents of the District are employed throughout the metropolitan area. Major employers in close proximity to the District are listed above.

Sources: Minnesota Department of Employment and Economic Development and Springsted, Public Sector

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
FTE STAFF ALLOCATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	2001–2002	2002–2003	2003–2004	2004–2005	2005–2006
Superintendent	1.00	1.00	1.00	1.00	1.00
Cabinet	6.98	6.44	6.58	6.10	7.00
Principals	18.00	16.13	18.69	16.00	15.00
Assistant principals	10.00	9.07	9.98	10.84	11.08
Program directors	37.53	49.20	52.73	45.77	40.71
Program assistants	94.68	94.46	94.45	97.33	82.70
Teachers	848.73	811.11	826.36	801.66	825.93
Counselors	17.60	17.42	17.93	17.76	17.98
Social workers	9.38	12.26	13.54	13.13	12.10
Psychologists	13.35	11.99	12.69	10.64	9.69
Nurses	5.00	5.00	5.00	4.17	10.86
Special assignments	36.65	36.68	38.57	36.96	40.78
Education assistants	305.95	325.88	332.87	326.94	346.20
Bus monitor	9.07	10.79	11.96	10.61	10.34
Custodians	111.37	107.08	108.10	102.53	102.17
Custodial/bus drivers	74.21	64.45	62.53	57.38	50.32
Mechanics	6.42	5.26	5.64	5.72	5.53
Transportation part-time	44.45	43.94	45.80	46.67	56.59
Community education	70.49	81.34	74.92	68.74	71.32
Office employees	114.29	82.09	84.77	84.68	83.22
Food service	101.81	96.86	89.27	85.73	92.94
Casual	0.48	5.03	5.55	2.00	–
<b>Total</b>	<b>1,937.44</b>	<b>1,893.49</b>	<b>1,918.93</b>	<b>1,852.36</b>	<b>1,893.46</b>

2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
1.00	1.00	1.00	1.00	1.00
6.00	5.00	5.00	6.00	7.00
15.00	15.00	15.00	13.00	13.00
11.00	11.00	11.00	10.00	10.00
43.40	43.58	40.69	40.80	38.63
88.16	85.40	87.93	89.07	87.46
843.76	824.16	760.80	755.32	749.60
18.40	18.28	17.11	15.50	15.37
13.70	12.47	11.50	13.10	13.65
11.09	10.85	9.96	10.40	10.36
10.57	9.89	10.03	9.06	9.30
40.66	38.33	47.62	57.10	53.68
351.74	333.91	357.16	336.68	319.56
11.11	12.35	12.31	12.89	13.28
104.60	95.81	101.30	99.50	98.60
45.49	40.58	35.37	30.50	27.00
5.45	6.00	6.00	6.00	5.00
60.26	48.85	47.11	41.90	45.07
74.73	69.50	63.05	58.43	51.19
83.48	83.29	84.58	76.18	69.44
90.24	93.80	91.12	83.60	87.23
-	-	-	-	-
1,929.84	1,859.05	1,815.64	1,766.02	1,725.42

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
PHYSICAL PLANT CHARACTERISTICS  
AS OF JUNE 30, 2011  
(UNAUDITED)**

<u>Facility</u>	<u>Grades Housed</u>	<u>Year Built</u>	<u>Year of Major Additions</u>	<u>Acreage</u>	<u>Total Square Footage</u>	<u>Actual Enrollment*</u>
Cooper	9-12	1964	2000	40	293,816	1,695
Armstrong	9-12	1970	1997	52	328,600	1,979
Plymouth	6-8	1968	1990	22	180,500	1,236
Robbinsdale	6-8	1956	1976	18.34	269,107	1,432
Forest	K-5	2005	-	14	75,870	629
Lakeview	K-5	1964	-	5.75	55,648	425
Meadow Lake	K-5	1961	1965	15	79,860	647
Neill	K-5	1957	1968, 2000	14	71,037	579
Noble	K-5	1954	1956, 2000, 2006	10	56,800	424
Northport	K-5	1956	1957, 1984	14	65,300	571
Sonnesyn	K-5	1962	1968	15	76,187	595
RSI @ Sunny Hollow	K-5	1960	1965	14	74,564	654
Zachary Lane	K-5	1969	1993	14	73,596	630
 <u>Multi-Purpose Facilities</u>						
Highview	Vacant	1968	-	0.35	5,533	-
Sandburg	Leased	1959	1966, 1999	36	174,939	-
Cavanagh	EC/K-ALC	1958	-	12	55,526	86
Olson	Vacant	1971	-	9.2	44,000	-
Pilgrim Lane	Vacant	1966	-	11.5	58,168	-
New Hope	Various	1960	-	14	55,902	-
Winnetka	Community Education	1967	-	9	55,584	-
Transportation		1966	-	10.5	48,843	-
Administration		1968	-	3.32	41,412	-
Totals					2,240,792	11,582

\* Enrollment as of June 2011

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
MISCELLANEOUS STATISTICAL FACTS  
AS OF JUNE 30, 2011  
(UNAUDITED)**

Old district changed to ISD No. 281	1957
Form of government	School Board – Superintendent
Fiscal year begins	July 1
Area of ISD No. 281	32 square miles
Number of high schools	2
Number of middle schools	2
Number of elementary schools	9
Number of auxiliary buildings	9
Number of communities served	7
Staffing Ratio	
Elementary School	18-30
Middle School	24.2
High School	27.1
Extracurricular activities at high school	
Athletic	30
Non-athletic	30+
Teacher education	
Bachelors degree	100%
Masters degree or doctorate	71%

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
SCHEDULE OF INSURANCE COVERAGE  
AS OF JUNE 30, 2011  
(UNAUDITED)**

Type of Coverage	Amount of Coverage
<b>Property coverage</b>	
Real and personal property (all locations)	\$ 367,110,800
Demolition cost (per location)	1,000,000
Increased cost of construction (per location)	1,000,000
Exterior signs	25,000
Supplementary accounts receivable	250,000
Supplementary valuable papers and records	250,000
Boiler and machinery coverage	5,000,000
<b>Inland marine coverage</b>	
Miscellaneous equipment	25,000
Mini-computer equipment and media	13,000,000
Mini-computer extra expense	100,000
Musical Equipment and Instruments	800,000
<b>Liability coverage</b>	
Bodily injury and property damage per occurrence	1,500,000
Combined single limit annual aggregate	3,000,000
<b>Medical payments</b>	
Other than students	
Each person	5,000
Each accident	50,000
Students	
Each student	1,000
Each accident	5,000
Annual aggregate	50,000
<b>Crime coverage</b>	
Employee dishonesty	50,000
Faithful performance	50,000
Money and securities on premises	10,000
Money and securities off premises	10,000
Computer fraud and funds transfers	50,000
Forgery: Alterations	50,000
<b>Automobile coverage</b>	
Liability protection	1,500,000
Personal injury protection	40,000
Uninsured and underinsured motorist protection	1,500,000
Collision	Varies
Comprehensive	Varies
<b>Excess liability coverage</b>	
Underlying coverage	1,500,000
Excess amount coverage per occurrence - liability, auto	4,000,000
School leaders legal liability coverage annual aggregate	1,500,000
Business income and extra expense	4,000,000

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
STUDENT ENROLLMENT  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Year Ended June 30,	Average Daily Membership (ADM) (Including Enrollment Option ADM)					Total Pupil Units (1)
	Pre-Kindergarten and Handicapped Kindergarten	Kindergarten	Elementary	Secondary	Total	
2002	90.25	1,080.09	6,478.74	6,895.04	14,544.12	16,713.63
2003	88.19	1,028.56	6,230.06	6,931.93	14,278.74	16,461.84
2004	110.28	1,020.12	6,057.45	6,854.68	14,042.53	16,191.14
2005	116.24	846.19	5,984.74	6,660.91	13,608.08	15,867.76
2006	109.00	840.24	6,003.49	6,678.18	13,630.91	15,804.23
2007	135.20	877.71	5,836.11	6,624.96	13,473.98	15,599.42
2008	148.47	823.46	5,707.23	6,462.19	13,141.35	15,277.10
2009	132.09	809.95	5,523.88	6,119.98	12,585.90	14,609.49
2010	135.35	803.73	5,241.42	5,926.79	12,107.29	14,055.67
2011 *	127.43	763.33	5,296.25	5,883.26	12,070.27	14,056.18

\* Estimated

(1) ADM is weighted as follows in computing pupil units. This is referred to as weighted average daily membership (WADM)

Fiscal Year	Pre-Kindergarten	Handicapped Kindergarten	Kindergarten	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
2008-2009	1.250	1.000	0.612	1.115	1.060	1.300
2009-2010	1.250	1.000	0.612	1.115	1.060	1.300
2010-2011	1.250	1.000	0.612	1.115	1.060	1.300

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
EXPENDITURES PER STUDENT  
COMPLIANCE TABLE  
YEAR ENDED JUNE 30, 2011  
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010)  
(UNAUDITED)**

	State Average	Seven-County	ISD No. 281	
	2010	Metro Average 2010	2010	2011
Expenditures (1) per student (ADM) (2)				
General Fund				
Administration	\$ 433	\$ 369	\$ 337	\$ 406
District support services	409	399	291	269
Elementary and secondary regular instruction	4,865	4,985	4,978	5,101
Vocational education instruction	144	147	264	254
Special education instruction	1,811	1,955	1,766	1,800
Instructional support services	452	540	648	551
Pupil support services	854	912	968	1,049
Sites and buildings and other	785	758	1,181	1,039
Total General Fund expenditures	<u>\$ 9,753</u>	<u>\$ 10,065</u>	<u>\$ 10,433</u>	<u>\$ 10,468</u>
ADM used per profile model format			<u>12,235</u>	<u>12,094</u>

(1) Excludes capital expenditures.

(2) Average daily membership (ADM) is a measure of student attendance.

Source: Minnesota Department of Education School District Profiles Report

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December XX, 2011

School Board  
Independent School District No. 281  
Robbinsdale Area Schools  
New Hope, Minnesota

This Executive Audit Summary and Management Report presents information which we believe is important to you as members of the school board. We encourage you to review the sections of this report, the audited financial statements and the auditor's reports.

We would be pleased to furnish additional information with respect to these suggestions and discuss this memorandum with you at your convenience. We wish to express our appreciation to the School for the courtesies, cooperation and assistance extended to us during the course of our work.

**LarsonAllen LLP**



Dennis Hoogeveen, CPA  
Principal

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281**

**EXECUTIVE AUDIT SUMMARY (EAS)**

**JUNE 30, 2011**

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
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JUNE 30, 2011**

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**EXECUTIVE AUDIT SUMMARY (EAS)  
FOR  
ROBBINSDALE AREA SCHOOLS  
YEAR ENDED JUNE 30, 2011**

We prepared this Executive Audit Summary and Management Report in conjunction with our audit of the District's financial records for the year ended June 30, 2011.

**Audit Opinion** – The financial statements are fairly stated. We issued what is known as a “clean” audit report.

**Yellow Book Opinion** – No compliance issues were noted in our review of laws, regulations, contracts and grants that could have significant financial implications to the School.

**Internal Controls** – We noted one “control deficiency” in internal controls which was considered to be a material weakness.

**Single Audit** – The District complied with requirements of major federal programs (Special Ed Cluster, Child Nutrition Cluster, Title I Cluster and Title II, Part D Cluster) except for two findings, one reported as a material weakness related to proper classification of students through the Child Nutrition verification process and one reported as a significant deficiency related to time and effort documentation as required by OMB Circular A-87 for the Special Education Cluster. These items are listed only to summarize the issues and therefore, the details of these issues should be reviewed in their entirety on the schedule of findings and questioned costs.

**Legal Compliance** – No compliance issues were reported with respect to Minnesota Statutes.

**Enrollment** – For fiscal 2010-2011 Robbinsdale Area Schools had an estimated total adjusted average daily membership of 12,070.27 (or 14,025.54 adjusted pupil units). For fiscal 2009-2010, Robbinsdale Area Schools had an estimated total adjusted average daily membership of 12,107.29 (or 14,055.67 adjusted pupil units).

**Fund Balance** – The School's General Fund unassigned fund balance for UFARS reporting purposes increased by \$5,987,584 during fiscal year 2011, increasing from \$6,799,329 to \$12,786,913. Total fund balance of the General Fund increased by \$5,574,366, ending at \$21,059,721 as of June 30, 2011. The total ending unassigned fund balance represents 9.55% of General Fund expenditures. A District's fund balance is an important aspect in considering the School's financial well being since a healthy fund balance represents things such as cash flow, as a cushion against unanticipated expenditures, enrollment changes, funding deficiencies and aid prorations at the state level and similar problems.

**Budget to Actual** – Total revenues on a net basis in the General Fund were \$751,082 (or 0.5%) higher than the budgeted amount while total expenditures were approximately \$1.48 million (or 1.1%) lower than had been budgeted. Including the net impact of other financing sources and uses the net effect of all variances was an increase in total fund balance that was approximately \$2.25 million higher than had been reflected in the District's final amended budget.

# I. FINANCIAL RESULTS

## ROBBINSDALE AREA SCHOOLS

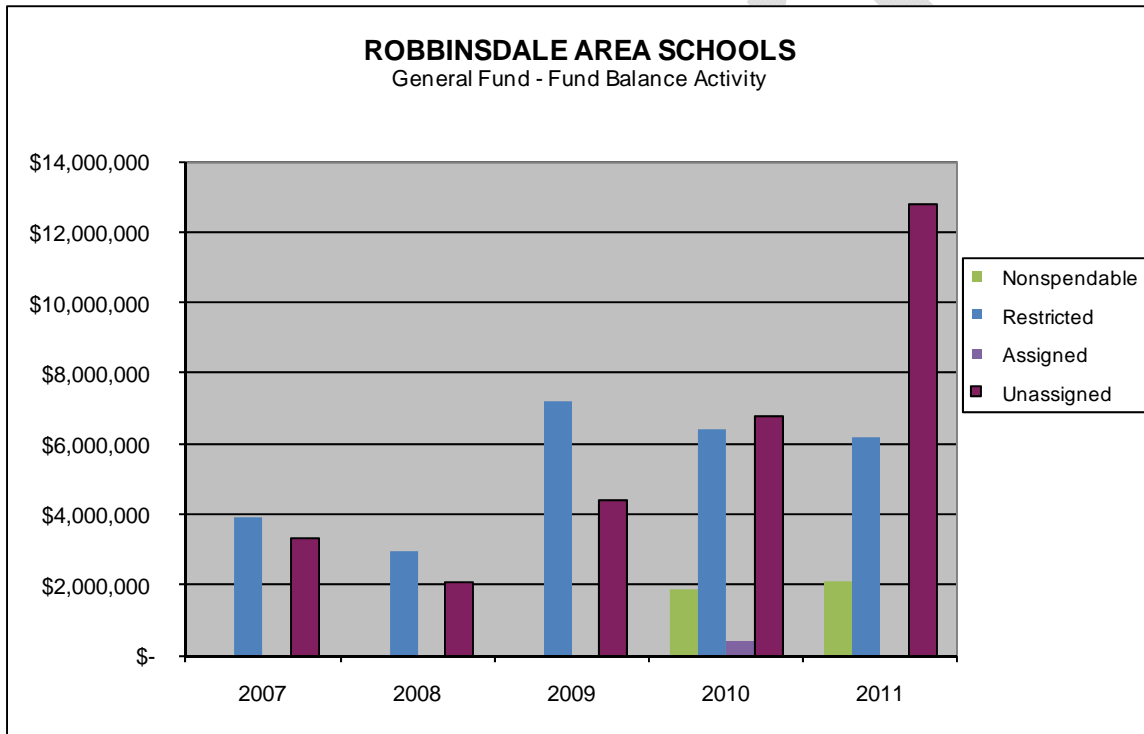
### AUDITED FUND BALANCES THROUGH JUNE 30, 2011

FUND DESCRIPTION	6/30/2010 AUDITED BALANCE	2010-11 AUDITED REVENUES	TRANSFERS INTO FUNDS	2010-11 AUDITED EXPENDITURES	TRANSFERS OUT OF FUNDS	6/30/2011 AUDITED BALANCE
<b>GENERAL FUND</b>						
<b>A. UNASSIGNED - OPERATING</b>	\$6,799,329	\$120,844,387	(\$990,939)	\$113,865,864	\$0	\$12,786,913
As a percentage of current year expenditures	6.5%					9.6%
<b>B. NONSPENDABLE FOR</b>						
PREPAID ITEMS	\$1,567,530	\$188,802	\$0	\$0	\$0	\$1,756,332
INVENTORY	\$313,448	\$459	\$0	\$0	\$0	\$313,907
TOTAL NONSPENDABLE	\$1,880,978	\$189,261	\$0	\$0	\$0	\$2,070,239
<b>C. ASSIGNED FOR</b>						
SEVERANCE/RETIREMENT BENEFITS	\$413,497	\$0	(\$413,497)	\$0	\$0	\$0
<b>D. RESTRICTED FOR</b>						
GIFTED AND TALENTED	\$0	\$168,236	\$80,829	\$249,065	\$0	\$0
CAREER AND TECHNICAL PROGRAMS	\$0	\$240,255	\$656,442	\$896,697	\$0	\$0
SAFE SCHOOLS PROGRAMS	\$0	\$370,019	\$667,165	\$1,037,184	\$0	\$0
LEARNING AND DEVELOPMENT	\$0	\$2,637,416	\$0	\$2,637,416	\$0	\$0
BASIC SKILLS	\$0	\$7,894,731	\$0	\$7,894,731	\$0	\$0
OPERATING CAPITAL	\$5,501,638	\$6,677,697	\$0	\$6,446,265	\$0	\$5,733,070
HEALTH & SAFETY	\$889,913	\$439,625	\$0	\$860,039	\$0	\$469,499
TOTAL RESTRICTED	\$6,391,551	\$18,427,979	\$1,404,436	\$20,021,397	\$0	\$6,202,569
<b>TOTAL GENERAL FUND</b>	<b>\$15,485,355</b>	<b>\$139,461,627</b>	<b>\$0</b>	<b>\$133,887,261</b>	<b>\$0</b>	<b>\$21,059,721</b>
DIFFERENCE		\$776,241	\$0	(\$1,477,802)	\$0	\$2,254,043
% VARIANCE		0.56%		-1.09%		
<b>FOOD SERVICE</b>						
NONSPENDABLE FOR PREPAID ITEMS	\$8,328	\$6,816	\$0	\$0	\$0	\$15,144
NONSPENDABLE FOR INVENTORY	\$36,846	\$8,098	\$0	\$0	\$0	\$44,944
RESTRICTED FOR FOOD SERVICE PROGRAM	\$1,347,794	\$5,920,988	\$0	\$5,616,663	\$0	\$1,652,119
<b>TOTAL FOOD SERVICE</b>	<b>\$1,392,968</b>	<b>\$5,935,902</b>	<b>\$0</b>	<b>\$5,616,663</b>	<b>\$0</b>	<b>\$1,712,207</b>
DIFFERENCE		\$47,088		(\$353,941)		\$401,029
% VARIANCE		0.80%		-5.93%		
<b>COMMUNITY EDUCATION</b>						
NONSPENDABLE FOR PREPAID ITEMS	\$12,624	\$1,360	\$0	\$0	\$0	\$13,984
RESTRICTED FOR REGULAR COMMUNITY ED	\$989,722	\$5,416,600	\$0	\$5,672,773	\$0	\$733,549
RESTRICTED FOR EARLY CHILDHOOD FAMILY ED	\$260,860	\$837,220	\$0	\$845,167	\$0	\$252,913
RESTRICTED FOR SCHOOL READINESS	\$33,764	\$174,420	\$0	\$182,017	\$0	\$26,167
RESTRICTED FOR ADULT BASIC EDUCATION	\$189,939	\$1,132,901	\$0	\$1,146,689	\$0	\$176,151
<b>TOTAL COMMUNITY EDUCATION</b>	<b>\$1,486,909</b>	<b>\$7,562,501</b>	<b>\$0</b>	<b>\$7,846,646</b>	<b>\$0</b>	<b>\$1,202,764</b>
DIFFERENCE		(\$84,719)		(\$17,303)		(\$67,416)
% VARIANCE		-1.11%		-0.22%		
<b>BUILDING CONSTRUCTION FUND</b>						
RESTRICTED FOR ALTERNATIVE FACILITIES	\$5,827,740	\$17,648,405	\$0	\$4,188,887	\$0	\$19,287,258
<b>TOTAL BUILDING FUND</b>	<b>\$5,827,740</b>	<b>\$17,648,405</b>	<b>\$0</b>	<b>\$4,188,887</b>	<b>\$0</b>	<b>\$19,287,258</b>
DIFFERENCE		(\$1,001,595)		(\$7,845,094)		\$6,843,499
% VARIANCE		-5.37%		-65.19%		
<b>DEBT SERVICE</b>						
RESTRICTED FOR BOND REFUNDING	\$37,616,669	\$7,717,755	\$0	\$1,300,546	\$0	\$44,033,878
RESTRICTED FOR OPEB DEBT SERVICE	\$0	\$1,920,538	\$0	\$1,843,570	\$0	\$76,968
RESTRICTED FOR DEBT SERVICE	\$3,408,398	\$15,078,373	\$0	\$15,755,616	\$0	\$2,731,155
<b>TOTAL DEBT SERVICE</b>	<b>\$41,025,067</b>	<b>\$24,716,666</b>	<b>\$0</b>	<b>\$18,899,732</b>	<b>\$0</b>	<b>\$46,842,001</b>
DIFFERENCE		(\$202,872)		\$3,233,904		(\$3,436,776)
% VARIANCE		-0.81%		20.64%		
<b>PROPRIETARY AND TRUST &amp; AGENCY</b>						
EMPLOYEE BENEFIT TRUST FUND	\$324,973	\$1,042,378	\$0	\$1,047,104	\$0	\$320,247
SCHOLARSHIP PRIVATE PURPOSE TRUST	\$277,203	\$115,118	\$0	\$13,589	\$0	\$378,732
OPEB TRUST FUND	\$18,673,806	\$423,165	\$0	\$685,820	\$0	\$18,411,151
INTERNAL SERVICE FUND - SELF INS FUNDS	\$7,801,621	\$11,543,175	\$0	\$11,363,939	\$0	\$7,980,857
<b>TOTAL OTHER FUNDS</b>	<b>\$27,077,603</b>	<b>\$13,123,836</b>	<b>\$0</b>	<b>\$13,110,452</b>	<b>\$0</b>	<b>\$27,090,987</b>

### Fund Balances of the General Fund

Unless otherwise noted, all graphs and charts reflect the combined activity of the District's General Fund.

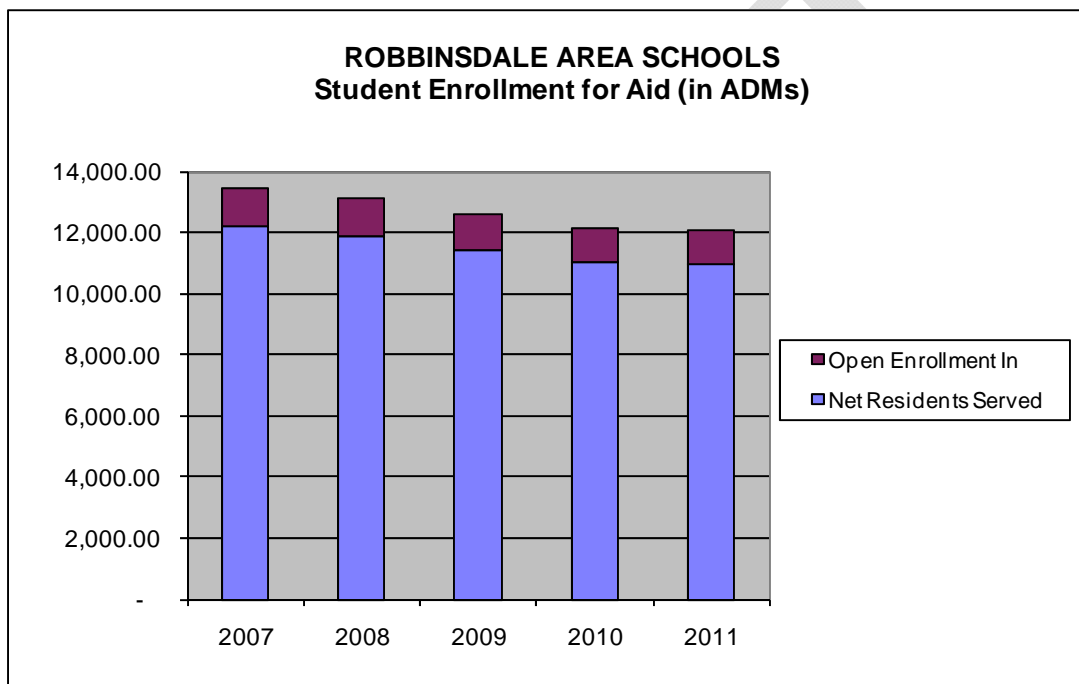
	2007	2008	2009	2010	2011
<b>Fund Balance Components</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ 1,880,978	\$ 2,070,239
Restricted	3,891,962	2,967,443	7,216,118	6,391,551	6,202,569
Assigned	-	-	-	413,497	-
Unassigned	3,323,828	2,087,919	4,381,971	6,799,329	12,786,913
<b>Total Fund Balance</b>	<b>\$ 7,215,790</b>	<b>\$ 5,055,362</b>	<b>\$ 11,598,089</b>	<b>\$ 15,485,355</b>	<b>\$ 21,059,721</b>
Total Expenditures	\$ 140,055,141	\$ 139,922,890	\$ 146,310,187	\$ 133,463,164	\$ 133,887,261
Unassigned Fund Balance as a % of Total Expenditures	2.37%	1.49%	2.99%	5.09%	9.55%



## I. FINANCIAL RESULTS (CONTINUED)

### Students Served for Aid

	2007	2008	2009	2010	2011
Total Residents	13,619.61	13,501.78	13,260.87	13,131.14	13,173.02
Open Enrollment Out*	(1,451.18)	(1,615.25)	(1,861.22)	(2,094.01)	(2,208.51)
Net Residents Served	12,168.43	11,886.53	11,399.65	11,037.13	10,964.51
Open Enrollment In	1,305.55	1,254.82	1,169.40	1,070.16	1,105.76
Net ADM Served	13,473.98	13,141.35	12,569.05	12,107.29	12,070.27
* including charter schools					
Net Pupil Units Served	15,599.42	15,277.10	14,588.36	14,055.67	14,025.54



As reflected in the above chart and graph, the net impact of open enrollment in the District has been increasingly negative in recent years.

## II. OTHER KEY TOPICS

### GASB Reporting Model

#### Statement of Net Assets

The Statement of Net Assets essentially tells you what your District owns and owes at a given point in time, the last day of the fiscal year. Theoretically, net assets represent the resources the District has leftover to use for providing services after its debts are settled. However, those resources are not always in expendable form, or there may be restrictions on how some of those resources can be used. Therefore, the statement divides the net assets into three components: net assets invested in capital assets-net of related debt, restricted net assets, and unrestricted net assets. The following table presents components of the District's net assets at year-end, along with a simplified reconciliation of the difference between the governmental fund balances and total net assets:

	As of June 30,	
	2011	2010
Total Fund Balance for Governmental Funds	\$ 90,103,951	\$ 65,218,039
Capital Assets, Less Accumulated Depreciation	234,981,995	239,158,731
Long-Term Liabilities	(224,304,002)	(217,309,389)
OPEB Bond Proceeds	16,618,826	17,495,583
Other - Net	6,118,905	5,966,898
Total Net Assets - Governmental Activities	<u>\$ 123,519,675</u>	<u>\$ 110,529,862</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	\$ 98,153,815	\$ 91,838,388
Restricted	9,117,540	9,271,428
Unrestricted	16,248,320	9,420,046
Total Net Assets - Governmental Activities	<u>\$ 123,519,675</u>	<u>\$ 110,529,862</u>

Most of the District's fund balances translate into restricted net assets by virtue of external restrictions (statutory restricted balances) or by the nature of the fund they are in (e.g. restricted food service fund balance can only be spent for food service program costs). The unrestricted net assets category consists mainly of the General Fund unrestricted fund balances, offset against non-capital long-term obligations such as vacation or severance payable. Consequently, many Minnesota school districts have accumulated deficits in this component of net assets.

### Statement of Activities

The Statement of Activities tracks the District's yearly revenues and expenses, as well as any other transactions that increase or reduce total net assets. These amounts represent the full cost of providing education. This statement provides a more comprehensive measure than just the amount of cash that changed hands, as reflected in the fund-based financial statements. This statement includes the cost of supplies used, depreciation of long-lived capital assets, and other accrual-based expenses. The following table presents a simplified reconciliation of the change in the District's governmental fund balances to the change in total net assets for fiscal years 2011 and 2010:

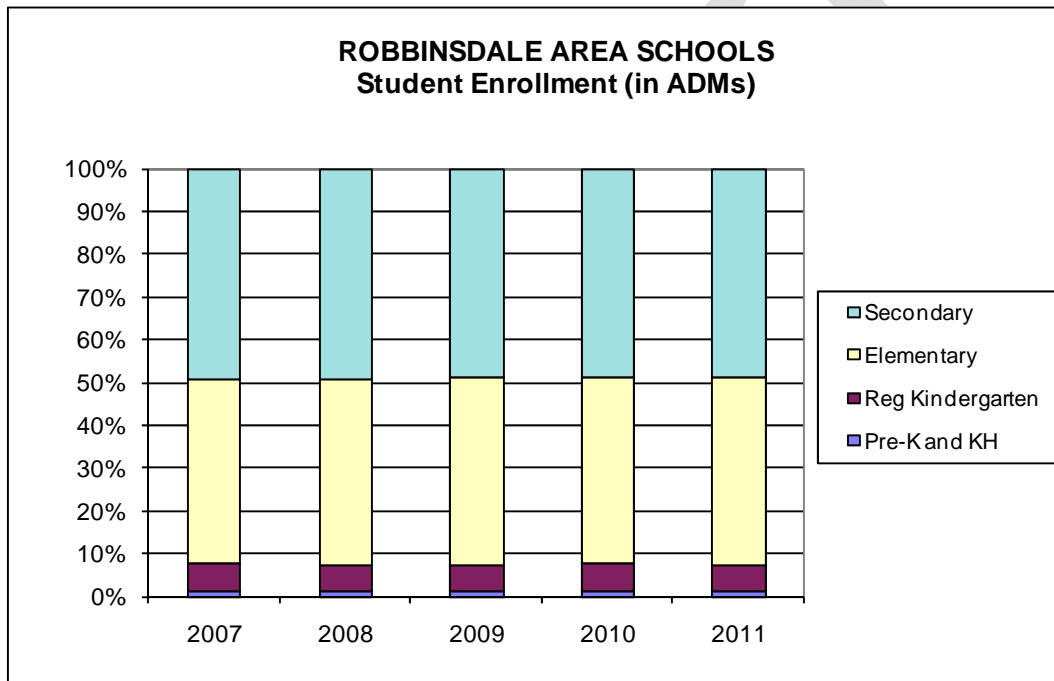
	Year Ended June 30,	
	2011	2010
Net Change in Fund Balance - Total Governmental Funds	\$ 24,885,912	\$ 27,173,973
Capital Asset Purchases	8,102,092	4,908,802
Depreciation	(11,044,672)	(10,639,523)
OPEB Benefits	(876,757)	(1,507,592)
Debt Proceeds	(18,675,000)	(20,790,000)
Repayment of Debt	10,367,549	8,974,330
Other - Net	230,689	333,609
Change in Net Assets - Governmental Activities	<u>\$ 12,989,813</u>	<u>\$ 8,453,599</u>

# APPENDIX A

## FINANCIAL TRENDS OF YOUR DISTRICT

Within this report there are a number of areas where condensed financial statement data has been presented. The last page of this document (Appendix E) contains an Independent Auditor's Report on Condensed Financial Statements Included Herein that should be considered when reading such condensed information. Also, the District adopted the provisions of Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of and for the year ended June 30, 2011. The prior year fund balance information has been presented using these new fund balance categories for comparative analysis only.

### Student Enrollment

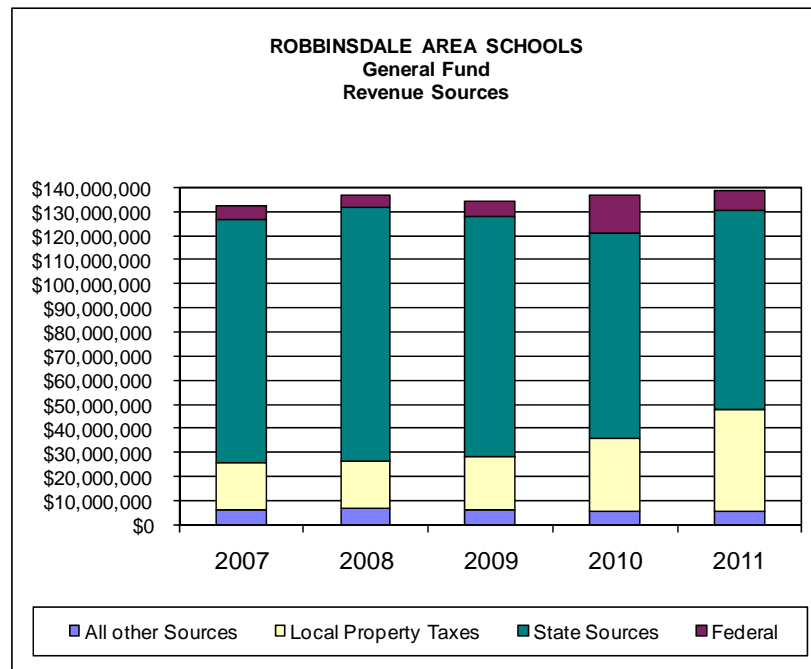


	2007	2008	2009	2010	2011
Pre-K and KH	135.20	148.47	123.22	135.35	127.43
Reg Kindergarten	877.71	823.46	809.78	803.73	763.33
Elementary	5,836.11	5,707.23	5,523.05	5,241.42	5,296.25
Secondary	6,624.96	6,462.19	6,113.00	5,926.79	5,883.26
Net ADM Served	<u>13,473.98</u>	<u>13,141.35</u>	<u>12,569.05</u>	<u>12,107.29</u>	<u>12,070.27</u>
Percent Change		-1.15%	-2.47%	-4.35%	-3.67%

As noted in the above chart, the District's student count for fiscal 2010-2011 was 37 students (or 0.31%) lower than the prior year.

## General Fund Revenue

The following table and graph summarizes the District's General Fund revenue sources for the last five years.

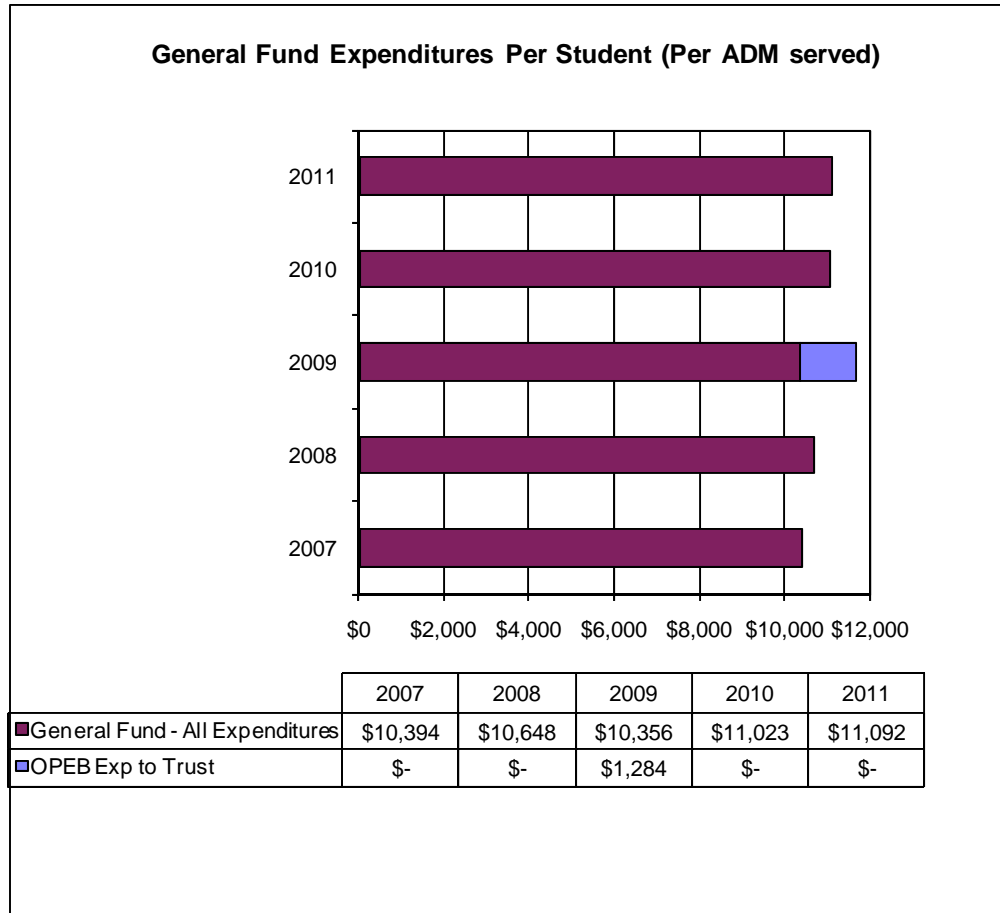


The table below illustrates the fluctuation that occurs between the taxes and state aid categories based on legislative activity. The Legislature determines what portion of the general education funding formula will be paid by local taxpayers. In addition, when the tax shift percentage changes or the state provides property tax relief, this only impacts the mix between state aids and taxes and does not change total revenue. For example, in fiscal 2011, the MDE shifted a total of \$12,753,938 of the payable 2011 property tax receipts for the General Fund, allowing such amounts to be recognized as taxes in fiscal 2011 rather than fiscal 2012, and giving the appearance of a significant increase in taxes for 2011. The increase in taxes was not due to a levy increase, but the advance recognition of tax revenue as a result of the tax shift. The decrease in state aids of approximately \$2.3 million reflects the result of the tax shift (reduction of approximately \$12.75 million) and an offsetting increase from the reinstatement of state aids funded by federal stabilization dollars in fiscal 2010 (approximately \$8 million). For this and other reasons, school finance in Minnesota continues to be a very difficult subject to explain to the general public.

	2007	2008	2009	2010	2011
Local Property Taxes	\$ 19,686,017	\$ 19,387,505	\$ 21,737,121	\$ 30,324,738	\$ 42,155,478
State Sources	100,862,548	105,244,938	100,095,474	84,820,008	82,554,632
Federal Sources	6,005,037	5,489,890	5,826,420	15,917,134	7,951,077
All Other Sources	5,775,254	6,573,124	6,181,268	5,587,211	5,600,281
Total Revenues	<u>\$ 132,328,856</u>	<u>\$ 136,695,457</u>	<u>\$ 133,840,283</u>	<u>\$ 136,649,091</u>	<u>\$ 138,261,468</u>
	2007	2008	2009	2010	2011
Local Property Taxes	15%	14%	16%	22%	30%
State Sources	76%	77%	75%	62%	60%
Federal Sources	5%	4%	4%	12%	6%
All Other Sources	4%	5%	5%	4%	4%
Total Revenues	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

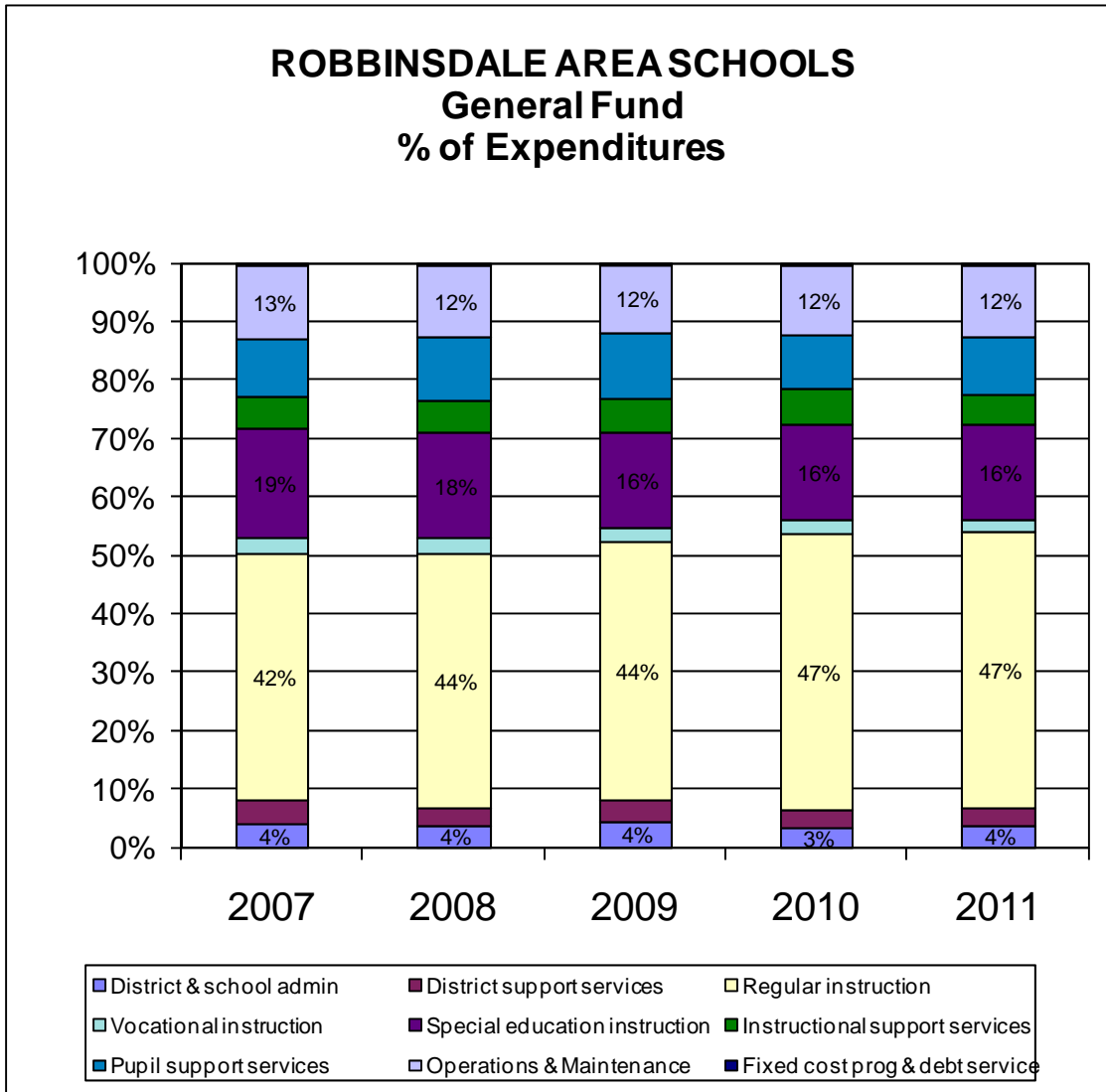
## EXPENDITURES PER STUDENT

Expenditures per student (average daily membership) are summarized in the following graph.

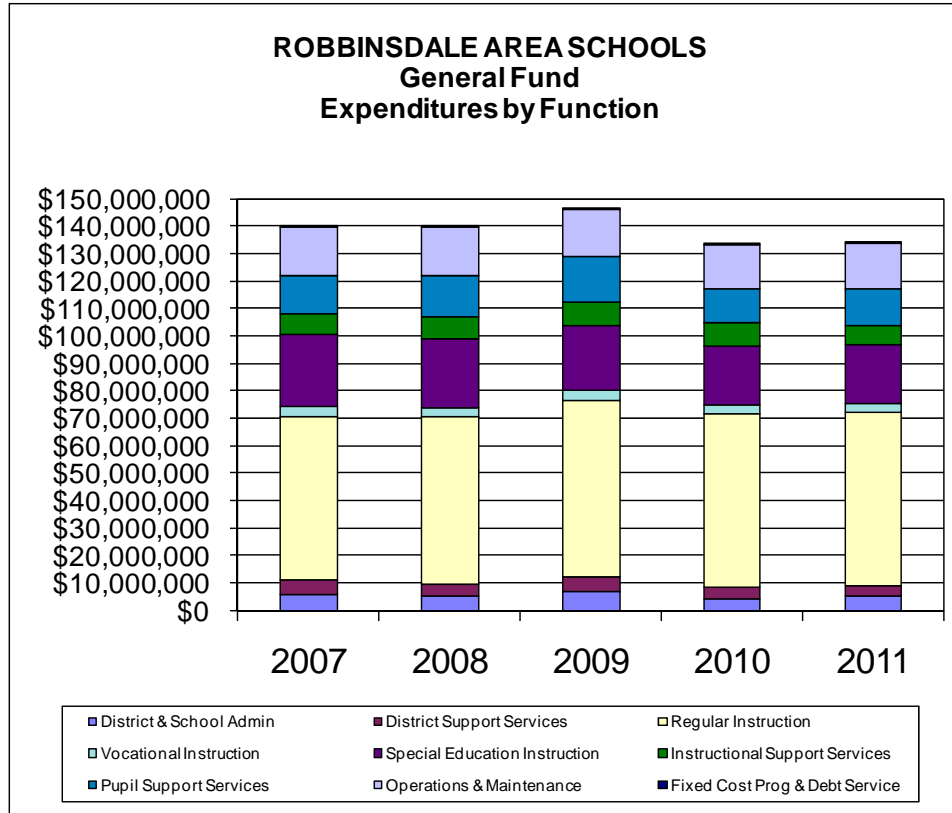


General Fund expenditures for fiscal 2011 were \$133,887,261, which represents an increase of \$424,097 or 0.3% from fiscal 2010. The total decrease in costs from 2009 to 2010 includes the impact of nearly \$16 million of OPEB bond proceeds that had to be accounted for as expenditures in 2009 on a one-time basis due to the accounting guidance provided by the Minnesota Department of Education.

The following schedule shows total expenditures of the General Fund by program type:



## Expenditures Per Student (Continued)



	2007	2008	2009	2010	2011
District and School Admin	\$ 5,434,637	\$ 5,136,707	\$ 6,446,320	\$ 4,127,608	\$ 4,904,409
District Support Services	5,694,148	4,153,570	5,369,933	4,254,243	4,171,415
Regular Instruction	59,128,600	61,004,643	64,390,541	63,007,753	62,908,654
Vocational Instruction	3,768,456	3,532,437	3,715,805	3,243,974	3,069,746
Special Education Instruction	26,214,917	25,172,502	23,922,308	21,746,108	21,777,295
Instructional Support Services	7,559,969	7,909,523	8,498,690	8,289,440	6,961,092
Pupil Support Services	13,901,826	15,005,724	16,321,845	12,224,986	13,178,739
Operations and Maintenance	17,753,748	17,464,138	17,184,530	16,094,833	16,445,328
Fixed Cost Prog and Debt Service	598,840	543,646	460,215	474,219	470,583
<b>Total Expenditures</b>	<b>\$ 140,055,141</b>	<b>\$ 139,922,890</b>	<b>\$ 146,310,187</b>	<b>\$ 133,463,164</b>	<b>\$ 133,887,261</b>

The following chart summarizes District General Fund expenditures by object type.

	2011		Over (Under) Budget	%	2010	2009	2008
	Final Amended Budget	Actual			Actual	Actual	Actual
Salaries	\$ 75,806,777	\$ 78,184,150	\$ 2,377,373	3.1%	\$ 78,842,219	\$ 77,874,709	\$ 79,936,235
Employee Benefits	27,413,371	24,427,168	(2,986,203)	-10.9%	23,812,186	21,849,651	23,542,232
OPEB bond proceeds	-	-	-	-	-	15,950,345	-
Purchased Services	20,048,827	18,838,145	(1,210,682)	-6.0%	18,729,403	20,897,729	25,481,822
Supplies and Materials	5,214,577	4,696,924	(517,653)	-9.9%	5,389,117	4,416,269	5,062,253
Capital Expenditures	6,030,108	6,761,066	730,958	12.1%	5,839,510	4,460,368	4,682,715
Other Expenditures	851,403	979,808	128,405	15.1%	850,729	861,116	1,217,633
<b>Total Expenditures</b>	<b>\$ 135,365,063</b>	<b>\$ 133,887,261</b>	<b>\$ (1,477,802)</b>	<b>-1.1%</b>	<b>\$ 133,463,164</b>	<b>\$ 146,310,187</b>	<b>\$ 139,922,890</b>

On a net basis, total expenditures were 1.1% lower than reflected in the final amended budget amount.

## General Fund Operations and Financial Position

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

	Year Ended June 30,				
	2007	2008	2009	2010	2011
Revenues	\$ 132,328,856	\$ 136,695,457	\$ 133,840,283	\$ 136,649,091	\$ 138,261,468
Expenditures	140,055,141	139,922,890	146,310,187	133,463,164	133,887,261
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,726,285)	(3,227,433)	(12,469,904)	3,185,927	4,374,207
Other Financing Sources:					
OPEB Bond Proceeds	-	-	16,139,328	-	-
Bond Discount	-	-	(188,983)	-	-
Sale of Capital Assets	-	-	3,089,556	269,386	1,194,545
Insurance Recovery Proceeds	-	-	9,475	469,458	5,614
Capital Leases	-	1,103,672	-	-	-
Transfers (Out)	-	(36,667)	(36,745)	(37,505)	-
Total Other Financing Sources (Uses)	-	1,067,005	19,012,631	701,339	1,200,159
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	(7,726,285)	(2,160,428)	6,542,727	3,887,266	5,574,366
FUND BALANCE					
Beginning of Year	14,942,075	7,215,790	5,055,362	11,598,089	15,485,355
End of Year	\$ 7,215,790	\$ 5,055,362	\$ 11,598,089	\$ 15,485,355	\$ 21,059,721
Nonspendable Fund Balance	\$ -	\$ -	\$ -	\$ 1,880,978	\$ 2,070,239
Restricted Fund Balance	3,891,962	2,967,443	7,216,118	6,391,551	6,202,569
Assigned Fund Balance	-	-	-	413,497	-
Unassigned Fund Balance	3,323,828	2,087,919	4,381,971	6,799,329	12,786,913
Total Fund Balance	\$ 7,215,790	\$ 5,055,362	\$ 11,598,089	\$ 15,485,355	\$ 21,059,721
Unassigned Fund Balance as a Percentage of Expenditures	2.37%	1.49%	2.99%	5.09%	9.55%

The District's General Fund had revenues and other financing sources over expenditures and other financing uses of \$5,574,366 for fiscal 2011, increasing total fund balance to \$21,059,721 at June 30, 2011. Total fund balance includes a net of \$8,272,808 in restricted, assigned and nonspendable accounts as prescribed by state statute. That leaves an unassigned fund balance of \$12,786,913 at year-end, which is 9.55% of General Fund expenditures.

General Fund expenditures for fiscal 2011 were \$133,887,261 which represents an increase of \$424,097 or 0.3% from fiscal 2010.

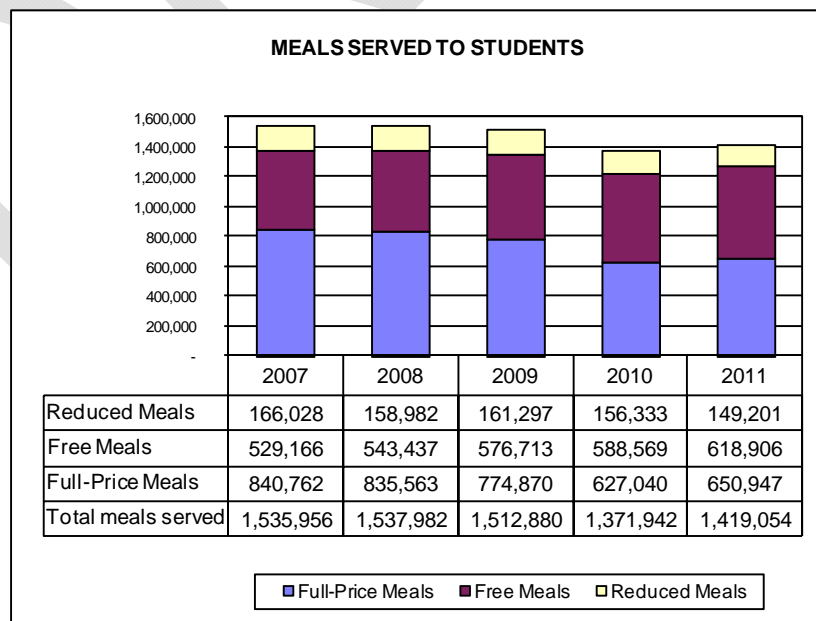
## Food Service Fund

The following chart reflects the growth of the food service program over the past five years:

	Year Ended June 30,				
	2007	2008	2009	2010	2011
Revenues	\$ 6,003,445	\$ 6,134,184	\$ 5,975,337	\$ 6,000,833	\$ 5,935,902
Expenditures	5,753,656	6,247,127	6,787,754	5,908,129	5,616,663
Excess (Deficiency) of Revenues Over (Under) Expenditures	249,789	(112,943)	(812,417)	92,704	319,239
Other Financing Sources:					
OPEB Bond Proceeds	-	-	1,134,411	-	-
Sale of Capital Assets	-	-	-	14,225	-
Total Other Financing Sources	-	-	1,134,411	14,225	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	249,789	(112,943)	321,994	106,929	319,239
FUND BALANCE					
Beginning of Year	827,199	1,076,988	964,045	1,286,039	1,392,968
End of Year	\$ 1,076,988	\$ 964,045	\$ 1,286,039	\$ 1,392,968	\$ 1,712,207
Lunches Served to Students	1,535,956	1,537,982	1,512,880	1,371,942	1,419,054
Revenue per Lunch Served	\$ 3.91	\$ 3.99	\$ 3.95	\$ 4.37	\$ 4.18

Total revenues exceeded total expenditures by \$319,239 in the District's Food Service Fund for 2011, increasing fund balance to \$1,712,207 at June 30, 2011. The ending fund balance represents 30.5% of expenditures and provides for cashflow and can serve as a source for capital improvements to the food service program as needs warrant. Total revenue was higher than the final budgeted amount by \$48,588 while total expenditures were \$353,941 less than the budgeted amount. The net impact of these variances was to increase the fund balance of the Food Service Fund by \$401,029 more than had been reflected in the budget. The District should continue the process of carefully reviewing Food Service Fund budgeting procedures to ensure that meal pricing and other related decisions are based upon the best information possible and that budgets are adhered to.

The following chart reflects the number and type of meals served to students over the past five years:



## Community Service Fund

The following table presents five years of comparative operating results for the District's Community Service Fund:

	Year Ended June 30,				
	2007	2008	2009	2010	2011
Revenues	\$ 7,466,700	\$ 7,764,309	\$ 7,736,389	\$ 7,595,593	\$ 7,562,501
Expenditures	7,623,820	7,572,148	10,125,512	7,605,946	7,846,646
Excess (Deficiency) of Revenues Over (Under) Expenditures	(157,120)	192,161	(2,389,123)	(10,353)	(284,145)
Other Financing Sources:					
OPEB Bond Proceeds	-	-	2,174,768	-	-
Transfers In	40,067	36,667	36,745	37,505	-
Total Other Financing Sources	40,067	36,667	2,211,513	37,505	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	(117,053)	228,828	(177,610)	27,152	(284,145)
Fund Balance:					
Beginning of Year	1,525,592	1,408,539	1,637,367	1,459,757	1,486,909
End of Year	\$ 1,408,539	\$ 1,637,367	\$ 1,459,757	\$ 1,486,909	\$ 1,202,764
Fund Balance:					
Restricted for Community Ed	\$ 1,101,670	\$ 1,288,577	\$ 1,055,412	\$ 989,722	\$ 733,549
Restricted for ECFE	131,582	168,624	210,140	260,860	252,913
Restricted for School Readiness	32,264	33,997	39,131	33,764	26,167
Restricted for Adult Basic Educ	143,023	139,799	118,338	189,939	176,151
Restricted for Severance	-	6,370	36,736	-	-
Nonspendable for Prepaid Items	-	-	-	12,624	13,984
Total Fund Balance	\$ 1,408,539	\$ 1,637,367	\$ 1,459,757	\$ 1,486,909	\$ 1,202,764

The District's Community Service Fund had an excess of expenditures over revenues of \$284,145 for fiscal 2011, bringing the combined fund balance to \$1,202,764 at June 30, 2011. Total revenue was less than the final budgeted amount by \$84,719 while total expenditures were \$17,303 less than the budgeted amount. The net impact of these variances was to decrease the fund balance of the Community Service Fund by \$67,416 more than had been reflected in the budget. The District should continue the process of carefully reviewing Community Service Fund budgeting procedures to ensure that class pricing and costs and other related decisions are based upon the best information possible.

## APPENDIX B

### Expenditures Per Student (ADM) Served

	Statewide			ISD No. 281 Robbinsdale Area Schools		
	All Districts	Seven County Metro Area	Enrollment > than 4,450			
	2010	2010	2010	2009	2010	2011
District and School Admin and Support Services	\$ 842	\$ 781	\$ 765	\$ 885	\$ 627	\$ 667
Regular Instruction (including Co- & Extra-Curricular)	4,865	5,069	4,993	4,963	4,967	5,046
Vocational Instruction (Career & Technical)	144	150	150	289	264	246
Special Education Instruction	1,811	1,992	1,998	1,869	1,762	1,771
Instructional Support Services	452	550	539	643	647	546
Pupil Support Services (excluding Transportation)	275	327	322	446	244	282
Pupil Transportation	579	610	595	786	722	750
Operations and Maintenance and Other	785	755	761	1,211	1,178	1,105
Food Service	455	456	452	527	462	453
Community Service	496	618	601	787	613	634
Capital Expenditure (excluding Building Constr Fund)	498	414	393	357	500	566
Debt Service	1,081	1,184	1,200	1,441	1,385	1,548
OPEB Bond Transfer (All Funds)	-	-	-	(1,506)	-	-
Total Pre-K - 12						
Operating Expenditures	<u>\$ 12,283</u>	<u>\$ 12,906</u>	<u>\$ 12,769</u>	<u>\$ 12,698</u>	<u>\$ 13,370</u>	<u>\$ 13,614</u>
Percent Change from Prior Year					5.29%	1.82%

Source of Statewide Data: School District Profiles published by the Minnesota Department of Education

District and school admin and support services - all costs related to providing administration to the District (school board, superintendent, principals, assistant superintendents, directors of instructional areas, etc.) and all central office administration (business services, human resources, legal, data processing, other district-wide support activities)

Regular instruction - includes all activities dealing directly with the teaching of pupils including co-curricular and extra-curricular activities and the interaction between teachers and pupils in the classroom (excluding exceptional, vocational and community education instruction) and includes activities of aides or assistants of any type (paraprofessionals, clerks, graders, etc.) who assist in the educational process, except spec ed aides

Vocational instruction - consists of costs related to courses and activities which develop knowledge, skills, attitudes and behavioral characteristics for students seeking career exploration and employability

Special education instruction - consists of activities providing learning experiences for pupils of any age, who because of certain atypical characteristics or conditions, have been identified as requiring, or who would benefit by, educational programs differentiated from those provided pupils in regular or vocational instruction

Instructional support services - activities for assisting instructional staff with content and process of providing learning experiences for pupils in K-12 (curriculum, staff dev, educ media, libraries and media centers, etc.)

Pupil support services - all services to pupils not classified as instructional (counseling & guidance, health services, psychological services, social work, pupil transportation and safety, etc.)

Transportation - all costs for pupil transportation

Operations and maintenance - activities related to the operation, maintenance, repair and remodeling of all physical plant, facilities and grounds of the District

Food service - all costs of the Food Service Fund

Community service - all costs of the Community Service Fund

Capital expenditures - all capital expenditures charged to operating funds (which excludes the Building Construction Fund)

Debt service - all Debt Service Fund costs (principal, interest and fiscal agent costs)

## APPENDIX C

### LEGISLATIVE ACTIVITY

What follows are some education-related highlights of recent legislative sessions as summarized from information made available by the Minnesota Department of Education, the Minnesota School Boards Association, Office of the Legislative Auditor, and the Minnesota House of Representatives.

#### **General Education Revenue - Formula Allowance**

The 2011 Legislature modified the basic formula allowance beginning in fiscal year 2012. The basic formula allowance remained at \$5,124 per pupil unit for fiscal year 2011 and then will increase \$50 (1%) for fiscal years 2012 and 2013 (\$5,174 and \$5,224, respectively).

No changes were made in the calculation of adjusted marginal cost pupil units--grade level pupil unit weightings and the 77% current year / 23% prior year marginal cost pupil unit calculations for declining enrollment schools remain unchanged.

#### **Staff Development Reserve**

The staff development reserve that had already been temporarily suspended for fiscal years 2010 and 2011 was also suspended for fiscal years 2012 and 2013. The staff development reserve is equal to 2% of the district's basic general education revenue.

#### **Aid Payment Shifts and Property Tax Shifts**

The State of Minnesota once again increased the withholding of state aid payments to school districts and charter schools as a mechanism for balancing their budget. The holdback was increased from 30% to 40% for fiscal year 2012.

In addition to increasing the holdback, the State also changed the metering of payments to charter schools for fiscal year 2012. Charter schools will now receive their 60% payments over 16 payments from July through February. There will be no payments made for the period March through June. The charter schools will then receive 75% of the remaining 40% holdback on July 15th and the final 25% of the holdback on October 30.

#### **Length of School Year**

The required number of instructional days was changed to instructional hours, not including summer school as follows:

- K – without disability – 425 hours
- Grades 1-6 – 935 hours
- Grades 7-12 – 1020 hours

#### **Endowment / Permanent School Fund**

Effective with the March 2012 payment, charter schools are now eligible for payments from the Endowment/Permanent School Fund. Charter schools will receive about \$12/ADM in fiscal year 2012 and about \$25/ADM in fiscal year 2013.

#### **Employment of Unlicensed Teachers**

State statute was clarified that state aid may be reduced, but not withheld, when a district employs unlicensed teachers.

### **Payment of Creditors**

It was codified in statute that state education payments can only be made to the school district, charter school or other educational organization earning state aid revenue as a result of providing education services. In order to deal with cash flow issues related to the holdback of state aids some charter schools have been “selling” their future state aid payments and there was a push to have MDE remit such state aid payments directly to the organization “buying” such receivables but this makes it clear that aid payments can only be remitted to a public organization that is providing education to students.

### **Literacy Incentive Aid**

Beginning in fiscal year 2013, school districts and charter schools will begin to receive literacy incentive aid which includes a proficiency and growth aid component. To qualify for this aid, the schools must have had students in 3rd or 4th grade and have MCA test results for the prior year. While the literacy incentive aid is determined at the school level, there is no requirement for the money to be spent at the school generating the revenue. It may be used for any General Fund purpose. The calculation of the aid is as follows:

- Proficiency aid =  $\$85 \times \text{school's enrollment on October 1 of the previous year} \times \text{percent of third graders meeting or exceeding proficiency on the third grade reading MCA, averaged across the previous three test administrations (FY 10, 11 and 12 for FY 13 aid)}$ .
- Growth aid =  $\$85 \times \text{school's enrollment on October 1 of the previous year} \times \text{percent of fourth graders making medium or high growth on the reading MCA, averaged across the previous three test administrations}$ .

For fiscal year 2013 only, the state total aid is capped at \$48,585,000. Currently, no proration is anticipated, but that will depend on the 2011 & 2012 test results.

### **School Board Meetings**

The Open Meeting Law was changed to allow school boards to conduct meetings using interactive technology with audio and visual links but must otherwise comply with all other provisions of the Open Meeting Law.

### **Textbook Definition**

The definition of textbook was changed to include “electronic books as well as other printed materials delivered electronically.”

### **PSEO (Post-Secondary Enrollment Options)**

PSEO is now open to students in grades 9 and 10 in addition to those in grades 11 and 12. Districts are also required to disseminate information about PSEO to 8th and 9th graders.

### **Students Without a Disability from Other States**

It was established that school districts are not required to provide education services to a student who is not a resident of Minnesota, does not have an IEP, and does not have a tuition agreement or arrangement to pay the cost of education from the placing authority.

## APPENDIX D

### FORMAL REQUIRED COMMUNICATIONS

School Board  
Independent School District No. 281  
Robbinsdale Area Schools  
Robbinsdale, Minnesota

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 281 (the District) as of and for the year ended June 30, 2011, and have issued our report thereon dated REPORT DATE. Professional standards require that we provide you with the following information related to our audit.

#### **Our responsibility under U.S. Generally Accepted Auditing Standards and OMB Circular A-133**

As stated in our engagement letter dated May 16, 2011, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants, 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. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the School's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the School's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the District's compliance with those requirements.

1. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

2. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.
3. We are also responsible for communicating Minnesota Legal Compliance.

### **Other information in documents containing audited financial statements**

Our audit opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a client prepared document, such as an annual report, should be done only with our prior approval and review of the document. Our responsibility for other information in documents containing the School's financial statements and report does not extend beyond the financial information identified in the report. We do not have an obligation to perform any procedures to corroborate other information contained in such documents. We provide no opinion or assurance on any information prepared by management that accompanies the District's audited financial statements.

### **Planned scope and timing of the audit**

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on July 12, 2011.

### **Significant audit findings**

#### *Qualitative aspects of accounting practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As discussed in Note 1 of the financial statements, the District adopted GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Aside from the implementation of this standard, no other new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2011.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

- Due from Minnesota Department of Education
- Due from the Federal Government through the Minnesota Department of Education
- Severance Benefits Payable
- Other Postemployment Benefits Payable
- Estimated Useful Lives of Depreciable Capital Assets

Management's estimate of Due from Minnesota Department of Education (MDE) is based on amounts anticipated to be received from the state for various aid entitlements for fiscal 2010-11. The most significant of these is the aid portion of General education revenue. General education revenue and certain other revenues are computed by applying an allowance per student to the number of students served by the District. Student attendance is accumulated in a statewide database – MARSS. Because of the complexity of student accounting and because of certain enrollment options, student information is input by other school districts and the MARSS data for fiscal year 2011 is not finalized until well into fiscal year 2012. MDE calculates amounts owed to the School for special education excess cost tuition billing and adds the amount to the School's special education aid. Because the tuition amounts are based on estimated information, final entitlements are not expected to be known until well into the following fiscal year. Management expects any differences between estimated and actual data will be insignificant.

Management's estimate of due from the Federal Government through the Minnesota Department of Education is based on amounts anticipated to be received through the state for various federal aid entitlements for fiscal 2010-11. Many federal entitlements require that supporting financial reporting information be provided both in the UFARS accounting system and also the SERVS reporting system. To the extent that these two separate systems are not in agreement and reported in a timely manner, the estimated aid entitlement may be adversely affected. Management expects any differences between estimated and actual data will be insignificant.

Management's estimate of Severance Benefits Payable is based on certain assumptions made by the District. As required by GASB Statement No. 16, the District has recorded a liability in long-term debt for accumulated sick leave convertible to early retirement pay for which it is probable the employees will be compensated. The "vesting method" used by the District to calculate this liability is based on assumptions involving the probability of employees becoming eligible to receive the benefits (vesting), and the potential use of accumulated sick leave prior to termination.

Management's estimate of other pension benefits payable is based on an actuarially determined calculation as required by GASB Statement No. 27.

Management's estimate of other postemployment benefits payable is based on an actuarially determined calculation, less actual payments incurred on behalf of retirees and an actuarially determined estimate of implicit rate subsidy, which is the estimated increased cost of premiums due to inclusion of retirees in the same plan as the District's active employees.

Management's estimate of useful lives for depreciable assets is based on guidance recommended by the Minnesota Department of Education and other sources. The useful life of a depreciable asset determines the amount of depreciation that will be recorded in any given reporting period as well as the amount of accumulated depreciation that is reported at the end of a reporting period.

We reviewed and tested management's procedures and underlying supporting documentation in the areas discussed above and evaluated the key factors and assumptions used to develop the estimates noted above in determining that they are reasonable in relation to the financial statements taken as a whole. We concluded that the accounting estimates and management judgments appeared to consider all significant factors and resulted in appropriate accounting recognition.

The disclosures in the financial statements are neutral, consistent, and clear.

*Difficulties encountered in performing the audit*

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

*Corrected and uncorrected misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements. Management has corrected all such misstatements. The following material misstatements detected as a result of our audit procedures were corrected by management: adjusting escrow account balances and recording interest receivable.

*Disagreements with management*

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

*Management representations*

We have requested certain representations from management that are included in the management representation letter dated REPORT DATE.

*Management consultations with other independent accountants*

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

*Other audit findings or issues*

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

This information is intended solely for the use of the Board of Education and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

**LarsonAllen LLP**

Minneapolis, Minnesota  
REPORT DATE

## APPENDIX E

### INDEPENDENT AUDITORS' REPORT ON CONDENSED FINANCIAL STATEMENTS INCLUDED HEREIN

School Board  
Independent School District No. 281  
Robbinsdale Area Schools  
Robbinsdale, Minnesota

We have audited the financial statements of Independent School District No. 281 (the District) as of and for the years ended June 30, 2011, 2010 and 2009 (not presented herein). The financial statements as of and for the fiscal years ended June 30, 2008, and 2007, (not presented herein), were audited by other auditors. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The condensed Statements of Revenues, Expenditures and Changes in Fund Balance for the year, presented on pages 12, 13 and 14, are presented as a summary and, therefore, do not include all of the disclosures required by U.S. generally accepted accounting principles.

In our opinion, because of the significance of the omission of the information referred to in the preceding paragraph, the condensed financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the results of its operations for the years then ended.

This report is intended solely for the information and use of the School Board and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

**LarsonAllen LLP**

Minneapolis, Minnesota  
REPORT DATE

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281**

**SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS AND OTHER REQUIRED REPORTS**

**YEAR ENDED JUNE 30, 2011**

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INDEPENDENT SCHOOL DISTRICT NO. 281  
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**SINGLE AUDIT AND OTHER REQUIRED REPORTS**

DRAFT

**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**

Board of Education  
Independent School District No. 281  
Robbinsdale Area Schools  
New Hope, Minnesota

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Robbinsdale Area Schools as of and for the year ended [date], which collectively comprise Robbinsdale Area Schools' basic financial statements and have issued our report thereon dated REPORT DATE. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Robbinsdale Area Schools' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 deficiency described in the accompanying schedule of findings and questioned costs as item 2011-1 to be a material weakness.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Robbinsdale Area Schools' financial statements are free of 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*.

We also noted certain other matters that we reported to management of Robbinsdale Area Schools in a separate letter dated REPORT DATE.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Education, management of the District, the Minnesota Department of Education, and state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**LarsonAllen LLP**

Minneapolis, Minnesota  
REPORT DATE

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Education  
Independent School District No. 281  
Robbinsdale Area Schools  
New Hope, Minnesota

### **Compliance**

We have audited Robbinsdale Area Schools' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. Robbinsdale Area Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Robbinsdale Area Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, Robbinsdale Area Schools complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2011-2 and 2011-3.

### **Internal Control Over Compliance**

Management of Robbinsdale Area Schools is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Robbinsdale Area Schools' internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2011-2 to be a material weakness.

*A significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2011-3 to be a significant deficiency.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on them.

Board of Education  
Independent School District No. 2011281  
Robbinsdale Area Schools

This report is intended solely for the information and use of the Board of Education, management of the District, the Minnesota Department of Education, and state and federal awarding entities and is not intended to be and should not be used by anyone other than these specified parties.

**LarsonAllen LLP**

Minneapolis, Minnesota  
REPORT DATE

DRAFT

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2011**

Federal Agency/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
Passed Through Minnesota Department of Education:		
Child Nutrition Cluster:		
National School Lunch Program		
Cash Assistance	10.555	\$ 2,401,055
Non-Cash Assistance	10.555	71,995
School Breakfast Program	10.553	680,290
Summer Food Program	10.559	33,214
Total U. S. Department of Agriculture		<u>3,186,554</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>		
Direct:		
Indian Education Grants to Local Educational Agencies	84.060	38,507
Carol M. White Physical Education Program	84.215F	127
Smaller Learning Communities Grant	84.215L	384,963
Passed Through Minnesota Department of Education:		
Special Education Cluster:		
Special Education Grants to States	84.027	1,978,159
Special Education Preschool Grants	84.173	66,338
ARRA - Special Education	84.391	1,213,972
ARRA - Early Childhood	84.392	68,353
Special Education Cluster - Grants for Infants and Families:		
Special Education Grants for Infants and Families	84.181	110,223
ARRA -Special Education Grants for Infants and Families	84.393	63,874
Title I Cluster:		
Title I Grants to Local Education Agencies	84.010	2,041,637
ARRA, Title I, Part A	84.389	812,474
Education Technology Cluster:		
Education Technology State Grants	84.318	19,983
ARRA - Education Technology State Grants	84.386	213,820
Career and Technical Education (Perkins IV)	84.048	84,706
Safe and Drug Free School and Communities	84.186	17,618
Title II Part A Improving Teacher Quality State Grants	84.367	535,807
Title III English Language Acquisition Grants	84.365	222,514
Adult Education State Grant Program	84.002	73,097
Even-Start State Educational Agencies	84.213	170,538
Total U. S. Department of Education		<u>8,116,710</u>

**ROBBINSDALE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 281  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2011**

Federal Agency/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
Passed Through Minnesota Department of Education:		
Refugee and Entrant Assistance Discretionary Grants	93.576	19,750
Refugee and Entrant Assistance State Administered Grants	93.566	<u>800</u>
Total U. S. Department of Health and Human Services		<u>20,550</u>
Total Federal Awards		<u>\$ 11,323,814</u>

Notes to Schedule of Expenditures of Federal Awards:

Note 1:

The Schedule of Expenditures of Federal Awards presents the activity of federal award programs expended by Independent School District No. 281.

Note 2:

The expenditures on this schedule are on the modified accrual basis of accounting, which is described in Note 1 to the financial statements of the District.

Note 3:

The pass-through entity identifying number is unknown.

## REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of Education  
Independent School District No. 281  
Robbinsdale Area Schools  
New Hope, Minnesota

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 281 as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated REPORT DATE.

We conducted our audit in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, promulgated by the State Auditor pursuant to Minnesota Statutes Section 6.65. Accordingly, the audit included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions* covers seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, uniform financial accounting and reporting standards for school districts, and other miscellaneous provisions. Our study included all of the listed categories.

The results of our tests indicate that for the items tested the District complied with the material terms and conditions of applicable legal provisions.

This report is intended solely for the information and use of the School Board, management of the District, the Minnesota Department of Education, and the Office of the Minnesota State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

**LarsonAllen LLP**

Minneapolis, Minnesota  
REPORT DATE

**ROBBINSDALE AREA SCHOOL  
INDEPENDENT SCHOOL DISTRICT NO. 281  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2011**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of Independent School District No. 281.
2. One material weakness was disclosed during the financial statement audit.
3. No instances of noncompliance material to the financial statements of Independent School District No. 281 were disclosed during the audit.
4. Two deficiencies in internal controls over major programs were disclosed during the audit of the major federal award programs. One of these deficiencies was considered to be a material weakness.
5. The auditors' report on compliance for the major federal award programs for Independent School District No. 281 expresses an unqualified opinion.
6. Two audit findings relative to compliance over the major federal award programs for Independent School District No. 281 were disclosed during the audit.
7. The programs tested as major programs included:

U.S. Department of Education – Title I Cluster:

Title I Grants to Local Education Agencies	CFDA #84.010
ARRA – Title I	CFDA #84.389

U.S. Department of Education – Special Education Cluster:

Special Education Grants to States	CFDA #84.027
Special Education Preschool Grants	CFDA #84.173
ARRA – Special Education Grants to States	CFDA #84.391
ARRA – Special Education Preschool Grants	CFDA #84.392

U.S. Department of Agriculture – Child Nutrition Cluster:

Child Nutrition Program	CFDA #10.555
School Breakfast Program	CFDA #10.553
Special Milk Program	CFDA #10.556
Summer Food Program	CFDA #10.559

U.S. Department of Education – Title II, Part D Cluster

Education Technology State Grants	CFDA #84.318
ARRA – Education Technology State Grants	CFDA #84.386

8. The threshold for distinguishing Types A and B programs was \$339,714.
9. Independent School District No. 281 was not determined to be a low-risk auditee.

**ROBBINSDALE AREA SCHOOL  
INDEPENDENT SCHOOL DISTRICT NO. 281  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2011**

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**Finding: 2011-1**

**Material Weakness – Audit Adjustments**

**Criteria:** The District should have controls in place to prevent and detect misstatements in the financial statements in a timely manner.

**Condition:** The audit firm proposed, and the District posted to its general ledger accounts, certain journal entries to correct misstatements related to escrow account balances and interest receivable.

**Cause:** The District's established controls and procedures did not ensure that these specific amounts were reflected in the proper accounts.

**Recommendation:** We recommend that the District continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure that all balances are reflected in the proper accounts and that supporting schedules are accurate.

**CORRECTIVE ACTION PLAN (CAP):**

**Explanation of Disagreement with Audit Finding:**

There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:**

The District will review the prior year journal entries to determine the training needs with the intent to ensure all balances are recorded in the proper accounts for fiscal year 2012.

**Official Responsible for Ensuring the CAP:**

Jeff Priess, Executive Director of Business Services, is the official responsible for ensuring the corrective action of the deficiency.

**Planned Completion Date for CAP:**

The CAP will be completed by the end of fiscal year 2012.

**Plan to Monitor Completion of CAP:**

The Board of Education and the management of the District will be monitoring this corrective action plan.

**ROBBINSDALE AREA SCHOOL  
INDEPENDENT SCHOOL DISTRICT NO. 281  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2011**

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

**Finding 2011-2**

**Material Weakness – Child Nutrition Cluster (CFDA 10.553, 10.555, 10.556, 10.559)**

**Criteria:** The Federal Program Compliance Supplement requires the District to verify the current free and reduced price eligibility of households selected from a sample of approved applications. Students with free status based on Direct Certification from the state should not be included in the population of students for verification.

**Condition:** Out of the twelve students we tested from the list of students verified, we noted one student which should not have been included in the population for verification as the student was on the state's Direct Certification listing. The verification resulted in the student's status being incorrectly changed to Reduced based on income information obtained, which is incorrect as the student automatically qualified for Free status based on the state's direct certification.

**Cause:** The District's controls did not ensure that the Student's status was updated to indicate they were directly certified, which would have removed them from the population of students eligible for verification.

**Effect:** The student in question paid reduced prices on school lunches throughout the year when they should have been receiving them for free.

**Recommendation:** We recommend that the District implement a process that ensures all students' statuses are updated and accurate.

**CORRECTIVE ACTION PLAN (CAP):**

**Explanation of Disagreement with Audit Findings:**

There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:**

The District will begin establishing controls to ensure that all students' statuses are correct and that directly certified students are not included in the verification population.

**Official Responsible for Ensuring CAP:**

The Child Nutrition Director is the official responsible for ensuring corrective action of the deficiency.

**Planned Completion Date for CAP:**

The planned completion date is June 30, 2012.

**Plan to Monitor Completion of CAP:**

The Board of Education will be monitoring this corrective action plan.

**ROBBINSDALE AREA SCHOOL  
INDEPENDENT SCHOOL DISTRICT NO. 281  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2011**

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

**Finding 2011-3**

**Significant Deficiency – Special Education Cluster (CFDA 84.027, 84.173, 84.391, 84.392)**

**Criteria:** OMB Circular A-87, Attachment B, Section 8, requires semi-annual payroll certifications to be prepared for employees who work solely on single Federal award, signed either by the employee or the employee's direct supervisor. When employees work on multiple programs, the employee's time must be supported by monthly Personnel Activity Reports or timesheets in accordance with specifications contained in the Circular. Personnel Activity Reports must be after the fact and prepared at least monthly.

**Condition:** Out of the 40 disbursements we tested from the Special Education program, we noted five (5) employees who had Personnel Activity Reports dated November 2011, indicating they were not prepared timely throughout the year.

**Cause:** The District had not yet implemented a process for completing this time reporting requirement during the year.

**Effect:** Lack of support for salaries expenses which were charged to the federal program.

**Recommendation:** We recommend that the District implement a process to ensure employees working in the federal program complete the required time reporting documents properly and timely.

**CORRECTIVE ACTION PLAN (CAP):**

**Explanation of Disagreement with Audit Findings:**

There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:**

The District will implement a process to ensure the required time reporting documents are completed timely by all employees working in the federal program.

**Official Responsible for Ensuring CAP:**

The Director of Special Education is the official responsible for ensuring corrective action of the deficiency.

**Planned Completion Date for CAP:**

The planned completion date is June 30, 2012.

**Plan to Monitor Completion of CAP:**

The Board of Education will be monitoring this corrective action plan.

**D. FINDINGS AND QUESTIONED COSTS – MINNESOTA LEGAL COMPLIANCE**

None

**EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS**

DRAFT

## INDEPENDENT AUDITORS' REPORT

School Board, Advisors, and Students  
Independent School District No. 281  
Robbinsdale Area Schools  
New Hope, Minnesota

We have audited the accompanying statement of cash receipts and disbursements of the extracurricular student activity accounts of Independent School District No. 281 as of and for the year ended June 30, 2011. This financial statement is the responsibility of the District's extracurricular student activity accounts management. Our responsibility is to express an opinion on this financial statement based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

As described in Note 1, this financial statement has been prepared on the cash basis of accounting, as prescribed by the Minnesota Department of Education, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, except for such adjustments, if any, as might have been determined to be necessary had the cash collections referred to above been susceptible to satisfactory audit tests, the financial statement referred to above presents fairly, in all material respects, the cash transactions of the District's extracurricular student activity accounts for the year ended June 30, 2011, and the cash balances at that date on the basis of accounting as described in Note 1.

**LarsonAllen LLP**

Minneapolis, Minnesota  
REPORT DATE

**ROBBINSDALE AREA SCHOOL  
INDEPENDENT SCHOOL DISTRICT NO. 281  
EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
YEAR ENDED JUNE 30, 2011**

	Balance - June 30, 2010	Receipts	Disbursement	Balance - June 30, 2011
<b>Senior High Schools:</b>				
Robbinsdale Armstrong	\$ 24,972	\$ 89,963	\$ 83,999	\$ 30,936
Robbinsdale Cooper	79,741	108,136	104,980	82,897
<b>Total Senior High Schools</b>	<u>104,713</u>	<u>198,099</u>	<u>188,979</u>	<u>113,833</u>
<b>Middle Schools:</b>				
Plymouth	18,270	13,662	8,814	23,118
Robbinsdale	8,611	22,885	18,878	12,618
<b>Total Middle Schools</b>	<u>26,881</u>	<u>36,547</u>	<u>27,692</u>	<u>35,736</u>
<b>Total All Schools</b>	<u><u>\$ 131,594</u></u>	<u><u>\$ 234,646</u></u>	<u><u>\$ 216,671</u></u>	<u><u>\$ 149,569</u></u>

See accompanying Notes to Financial Statement.

**ROBBINSDALE AREA SCHOOL  
INDEPENDENT SCHOOL DISTRICT NO. 281  
EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS  
NOTES TO FINANCIAL STATEMENT  
JUNE 30, 2011**

**NOTE 1 BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

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

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

The accounts of Independent School District No. 281, Robbinsdale Area Schools' extracurricular student activity accounts are maintained, and the accompanying financial statement has been prepared, on the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. Consequently, receipts are recognized when received rather than when earned, and disbursements are recognized when paid rather than when the obligations are incurred.

**NOTE 2 DEPOSITS AND INVESTMENTS**

All cash and investments of the student activity accounts are held in demand accounts. Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to it. The School does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits.

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.

Authorized collateral includes certain state or local government obligations, obligations of the U.S. Treasury and U.S. agencies, irrevocable standby letter of credit issued by the Federal Home Loan Bank accompanied by written evidence that the Federal Home Loan Bank's public debt is rated "AA" or better by Moody's or Standard & Poor's Corporation, and certificates of deposit insured by the FDIC.

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the District Treasurer or in a financial institution (as agent for the District) other than that furnishing the collateral.

As of June 30, 2011, the carrying amount of the Student Activity Funds was \$149,569 and the bank balance was \$156,284. The Student Activity Funds' deposits at year-end were entirely covered by federal depository insurance or by collateral held in a financial institution other than that furnishing the collateral in the District's name.

School Board, Advisors, and Students  
Independent School District No. 281  
Robbinsdale Area Schools  
New Hope, Minnesota

In planning and performing our audit of the statement of cash receipts and disbursements of the extracurricular student activity funds of Independent School District No. 281 as of and for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered Independent School District No. 281's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the extracurricular student activity funds financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Independent School District No. 281's internal control. Accordingly, we do not express an opinion on the effectiveness of the Independent School District No. 281's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we noted a certain deficiency in internal control that we consider to be a material weakness.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that the following deficiency constitutes a material weakness:

### **Student Activity Receipts**

The District has not established procedures to provide assurance that all cash collections are recorded in the accounting records.

This communication is intended solely for the information and use of management, the School Board, and others within the District, and is not intended to be and should not be used by anyone other than these specified parties.

**LarsonAllen LLP**

Minneapolis, Minnesota  
REPORT DATE

## REPORT ON MINNESOTA LEGAL COMPLIANCE

School Board, Advisors, and Students  
Independent School District No. 281  
Robbinsdale Area Schools  
New Hope, Minnesota

We have audited the statement of cash receipts and disbursements of the extracurricular student activity funds of Independent School District No. 281 as of and for the year ended June 30, 2011, and have issued our report thereon dated REPORT DATE. In our report, our opinion was qualified because the District has not established procedures to provide assurance that all cash collections are recorded in the accounting records. Further, the financial statements are prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Manual for Activity Fund Accounting*, issued by the Minnesota Department of Education, pursuant to Minnesota Statutes § 123.38.

The *Manual of Activity Fund Accounting* provides uniform financial accounting and reporting standards for student activities. Compliance with student activity laws and regulations is the responsibility of the District's extracurricular student activity accounts management. We have performed auditing procedures to test compliance with the provisions of this manual. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the District's extracurricular student activity accounts complied with the material terms and conditions of applicable legal provisions, except as described in the Schedule of Findings and Corrective Action.

This report is intended solely for the information and use of the School Board, management, and students of Independent School District No. 281 and the Minnesota Department of Education, and the Office of the State Auditor of Minnesota, and is not intended to be and should not be used by anyone other than these specified parties.

**LarsonAllen LLP**

Minneapolis, Minnesota  
REPORT DATE

**ROBBINSDALE AREA SCHOOL  
INDEPENDENT SCHOOL DISTRICT NO. 281  
EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS  
SCHEDULE OF FINDINGS AND CORRECTIVE ACTION  
JUNE 30, 2011**

**FINDINGS AND CORRECTIVE ACTION**

**EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS**

**2011-4 Accounts with Deficit Balances**

**Condition** – Two of the District’s student activity accounts had a deficit balance at June 30, 2011.

**Recommendation** – It is our recommendation that the District assure all student activity accounts do not spend in excess of available funds, and eliminate existing student activity account balance deficits.

**CORRECTIVE ACTION PLAN (CAP):**

**Explanation of Disagreement with Audit Findings:**

There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:**

The District will take the necessary steps to assure there are no accounts with deficit balances in the future.

**Official Responsible for Ensuring CAP:**

The Executive Director of Business Services is the official responsible for ensuring corrective action of the deficiency.

**Planned Completion Date for CAP:**

The planned completion date is June 30, 2012.

**Plan to Monitor Completion of CAP:**

The Board of Education will be monitoring this corrective action plan.



TO: Members of the School Board and Dr. Aldo Sicoli, Superintendent

FROM: Barb Van Heel, School Board Chairperson

DATE: December 12, 2011

RE: School Board Subcommittees

DISCUSSION: Accompanying this memo is the MSBA model policy for school board committees. Please review the policy for our work session discussion. Our discussion will include possible adoption of a policy governing school board committees and, more specifically, the future status of the Community Connection Committee. In addition to the CCC we also currently have an ad hoc Policy Committee.

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 213

Orig. 1996

Revised: \_\_\_\_\_

Rev. 2007

## 213 SCHOOL BOARD COMMITTEES

*[Note: Many school boards utilize either standing or ad hoc committees, or both. On the other hand, some school boards avoid the use of committees for the most part because of the danger of fragmentation of the governance process. The objective of this policy is to provide a framework for those school boards which elect to utilize committees or subcommittees. Further, this policy is designed to apply only to committees or subcommittees made up of elected school board members. Other considerations will apply to committees established by the school board involving members of the public, employees, students, parents, etc.]*

### I. PURPOSE

The purpose of this policy is to provide for the structure and the operation of committees or subcommittees of the school board.

### II. GENERAL STATEMENT OF POLICY

- A. It is the policy of the school board to designate school board committees or subcommittees when it is determined that a committee process facilitates the mission of the school board.
- B. The school board has determined that certain permanent standing committees, as described in this policy, do facilitate the operation of the school board and the school district.
- C. A school board committee or subcommittee will be formed by school board resolution which shall outline the duties and purpose of the committee or subcommittee.
- D. A committee or subcommittee is advisory in nature and has only such authority as specified by the school board.
- E. The school board will receive reports or recommendations from a committee or subcommittee for consideration. The school board, however, retains the right and has the duty to make all final decisions related to such reports or recommendations.
- F. The school board also may establish such ad hoc committees for specific purposes as it deems appropriate.
- G. The school board reserves the right to limit, create or abolish any standing or ad hoc committee as it deems appropriate.

- H. A committee of the school board shall not appoint a subcommittee of that committee without approval of the school board.

### **III. APPOINTMENT OF COMMITTEES**

- A. The school board hereby appoints the following standing committees:
  - 1. Audit.
  - 2. Policy.
  - 3. Building and Grounds.
  - 4. Negotiations Committee(s) for various employee groups.

*[Note: Each school district should determine which, if any, standing committees the school board wishes to establish.]*

- B. The school board will establish, by resolution, for each standing or ad hoc committee the number of members, the term and the charge or mission of each such committee.
- C. The school board chair shall appoint the members of each standing or ad hoc committee and designate the chair thereof.

### **IV. PROCEDURES FOR SCHOOL BOARD COMMITTEES**

- A. All meetings of committees or subcommittees shall be open to the public in compliance with the Open Meeting Law, and notice shall be given as prescribed by law.
- B. A committee or subcommittee shall act only within the guidelines and mission established for that committee or subcommittee by the school board.
- C. Actions of a committee or subcommittee shall be by majority vote and be consistent with the governing rules of the school board.
- D. The committee or subcommittee shall designate a secretary who will record the minutes of actions of the school board committee.
- E. The power of a committee or subcommittee of the school board is advisory only and is limited to making recommendations to the school board.
- F. A committee or subcommittee of the school board shall, when appropriate, clarify in any dealings with the public that its powers are only advisory to the school board.

***Legal References:*** Minn. Stat. Ch. 13D (Open Meeting Law)

***Cross References:*** MSBA/MASA Model Policy 201 (Legal Status of the School Board)  
MSBA/MASA Model Policy 203 (Operation of the School Board –  
Governing Rules)  
MSBA Service Manual, Chapter 13, School Law Bulletin “C”  
(Minnesota’s Open Meeting Law)



TO: Members of the School Board and Dr. Aldo Sicoli, Superintendent

FROM: Barb Van Heel, School Board Chairperson

DATE: December 12, 2011

RE: School Board Liaisons

DISCUSSION: During our workshop dated July 23, 2011, the board articulated a desire to become more intentional in its utilization of time, to better align with the board goals. A revised school board meeting calendar is one area we have adjusted. This discussion will focus on our school board liaison committees.

**School Board - Connecting with Community – table for workshop 7-23-2011 (work in progress)**

<b>*Group dialogue</b> (full board)	<b>*Committee Liaisons</b> <b>(**w/rankings)</b> (1 to 2 board reps.)	<b>Community Events/Outreach</b> <b>(New this year)</b> (some board)	<b>Public Meetings</b> (full board)	<b>Media</b> (Chair/some board, all board)	<b>Listening Time</b> (3 board members, prearrange)	<b>+Sch/Student Events</b> <b>By invitation</b> (some board as time allows)	<b>Dist. Events By invitation</b> (some board)
CAPP	CAPP - 1	Parades	Recognitions	Letters to Editor	Groups/parents	Homecoming	Vol. recog.
CAC	CAC - 1	Farmers Market	Arts Showcase	Print interviews	Individual/parents	NHS	Staff ret.
FAC	Comm. Coll. - 2	Outreach	Reg. meetings	TV Interviews	Groups/staff	Highview Grad	Empty bowls
ISC	CEAC - 2		Hearings	Guest Columns	Individual/staff	A-school grad	
LAC	FAC - 3		Work sess.		Other	I Love Read Mo.	
SEAC	Gov. Ad. - 2					O Hall Concert	
SABE	Healthy SC - 1					Arts shows	
Principals	ISC - 2					All dis. concerts	
Bargaining Reps	LAC - 2					School concerts	
MS Students	Redesign - 3					GED grad	
Teachers/Prin.	7 Dreams - 2					+AHS/CHS Grad	
Stu. Group (KT)	SEAC - 2					Hist. Day RMS	
HS Boosters	SABE - 3					K - registration	
ISC	SAC - 2					Elder Wisdom, F	
						Pancake Break.	
						Dist. competitions	

Suggested Gaps (to date)

Social Media

Individual school and or PTA/liaisons

\* Group Dialogue – occasionally, group dialogue discussions with some groups has been moved to work sessions- some are scheduled yearly, others are occasionally or one time only.

\*Committee Liaisons

\*AMSD, District 287, WMEP –Out of District Board Committees – these are time consuming out of district committees (all ranked 3 – must go)

\*\* Rankings – 3 = must go, 2 = good to go, 1 = you are appreciated

+Sch/Student Events - The only school/student event we formally arrange board member presence in AHS/CHA graduation

## School Board Committee Assignments 2011

<b>Out of District Standing Committees</b>	<u>2010 Liaisons</u>	2011 Primary	2011 Alternate
1. AMSD	Patsy Tom (alt)	Patsy	Linda
2. District 287	Linda	Linda	XXXXXXXX
3. WMEP	Helen	Helen	XXXXXXXX
<b>NON-MEETING COM.</b> (Board Contact Person)			
4. MSBA Education		Tom	
5. MSBA Legislative	Helen	Tom	XXXXXXXX
6. MSHSL Armstrong	Sherry	Sherry	XXXXXXXX
7. MSHSL Cooper	Patsy	Patsy	XXXXXXXX
8. NSBA Legislative	Helen	Helen	XXXXXXXX
<b>District Standing Committees</b>			
9. Career and Technical	<i>inactive?</i>		
10. CAPP –	Tom	Sherry	
11. Communications Advisory –	Linda	Tom	
12. Community Collaborative -	Helen	Sherry	Mark, Helen
13. Community Education Advisory Council -	Barb	Barb	
14. Finance Advisory Council -	Sherry	Linda (Treasurer)	XXXXXXXX
15. Government Advisory -	Linda Mark (alt)	Mark	
16. Healthy Schools Council	Barb	Barb	
17. Interschool Council	Mark Linda (alt)	Linda	Mark, Barb
18. Legislative Action Coalition	Patsy Tom (alt)	Tom	
19. Redesign	Mark	Mark	
20. Seven Dreams	Tom Patsy (alt)	Patsy	Tom
21. Special Ed Advisory Council	Mark	Mark	Helen
22. Student Advisory to the Board of Education	Sherry Linda (alt)	Sherry	Tom
23. Systems Accountability Council	Helen	Helen	Mark

Totals (not including non-meeting): Barb 2/1, Helen 2/2, Linda 3/1, Mark 3/3, Patsy 2/0, Sherry 3/0, Tom 2/2



TO: Members of the School Board and Dr. Aldo Sicoli, Superintendent

FROM: Barb Van Heel, School Board Chairperson

DATE: December 12, 2011

RE: School Board Travel Policy

**DISCUSSION/BACKGROUND:** During our October work session, we discussed the draft of the school board travel policy that had been recommended by a subcommittee of the board in June 2010. We determined to move forward with the language changes, but on further exploration, some of the language we agreed to during our October discussion does not align with the language in statute. After speaking with a representative from MSBA, it is recommended that we retain some of the language in the MSBA model policy so that it agrees with the language in statute. I recommend proceeding one of these three options.

- 1) Ask the original board subcommittee who reviewed the policy in June 2010, to revise the draft policy with the MSBA recommendations. (Directors Green, Bomchill, and Van Heel)
- 2) Designate our current Policy Review subcommittee to revise the draft policy with the MSBA recommendations. (Directors Johnson, Walsh and Van Heel)
- 3) Revise the policy during this work session.

The following is the statute for your review.

MS 471.661 OUT-OF-STATE TRAVEL.

The governing body of each statutory or home rule charter city, county, school district, regional agency, or other political subdivision, except a town, must have on record a policy that controls travel outside the state of Minnesota for the applicable elected officials of the relevant unit of government. The policy must be approved by a recorded vote and specify:

- (1) when travel outside the state is appropriate;
- (2) applicable expense limits; and
- (3) procedures for approval of the travel.

The policy must be made available for public inspection upon request. Subsequent changes to the policy must be approved by a recorded vote.

Adopted: December 12, 2005

MSBA/MASA Model Policy 214  
Orig. 2005

Approved: February 20, 2007

Reviewed: June 14, 2010 Work Session

## 214 ~~OUT-OF-STATE TRAVEL BY SCHOOL BOARD MEMBERS~~

### I. PURPOSE

The purpose of this policy is to ~~control out-of-state~~ *govern* travel by school board members as required by law.

### II. GENERAL STATEMENT OF POLICY

School board members have an obligation to become informed on the proper duties and functions of a school board ~~member(s)~~. *School board members are expected* to become familiar with issues that may affect the school district, to acquire an ~~basic~~ understanding of school ~~finance and budgeting~~ district operations and ~~to acquire sufficient knowledge to comply with~~ federal, state and local laws, rules, regulations and school district policies that relate to their functions as school board members. ~~Occasionally, it may be~~ *It is* appropriate for school board members to travel ~~out-of-state~~ to fulfill their obligations.

### III. APPROPRIATE TRAVEL

Travel ~~outside the state~~ is appropriate ~~for when the school board finds it proper for~~ school board members to acquire knowledge and information necessary ~~to allow them~~ to carry out their responsibilities as school board members. Travel to *metropolitan area conferences/meetings*, regional or national meetings of *the Minnesota School Boards Association and the National School Boards Association* ~~is are~~ presumed to fulfill this purpose. *Travel to other out-of-state meetings for which the member intends to seek reimbursement from the school district should be preapproved by the school board.* (Note: ~~strikethrough of 2007 version was removed; and (out of state now has a strikethrough).~~)

### IV. REIMBURSABLE EXPENSES

Expenses to be reimbursed may include transportation, meals, lodging, registration fees, required materials, parking fees, tips, and other reasonable and necessary school district-related expenses.

### V. REIMBURSEMENT

A. Requests for reimbursement must be itemized on the official school district form and are to be submitted to the designated administrator. Receipts for lodging, commercial transportation, registration, and other reasonable and necessary expenses must be attached to the reimbursement form.

- B. ~~Automobile~~ *Travel by personal vehicle* shall be reimbursed at the mileage rate set by the school board. Commercial transportation shall reflect economy fares and shall be reimbursed only for the actual cost of the trip.
- C. Amounts to be reimbursed shall be within the school board's approved budget allocations. ~~, including attendance at workshops and conventions.~~

~~VI. ESTABLISHMENT OF DIRECTIVES AND GUIDELINES~~

~~The superintendent shall develop a schedule of reimbursement rates for school district business expenses, including those expenses requiring advance approval and specific rates of reimbursement. The superintendent shall also develop directives and guidelines to address methods and times for submission of requests for reimbursement.~~

~~VII. ANNUAL REVIEW~~

~~VI. ANNUAL REVIEW~~

This policy ~~must be annually~~ *will be periodically* reviewed by the school board.

*Legal References:*     Minn. Stat. § 123B.09, Subd. 2 (School Board Member Training)  
                               Minn. Stat. § 471.661 (Out-of-State Travel)  
                               Minn. Stat. § 471.665 (Mileage Allowances)  
                               Minn. Op. Atty. Gen. No. 1035 (August 23, 1999) (Retreat Expenses)  
                               Minn. Op. Atty. Gen. No. 161b-12 (August 4, 1997) (Transportation Expenses)

*Cross References:*    MSBA/MASA Model Policy 212 (School Board Member Development)  
                               MSBA/MASA Model Policy 412 (Expense Reimbursement)

Adopted: \_\_\_\_\_

MSBA/MASA Model Policy 214

Orig. 2005

Revised: \_\_\_\_\_

Rev. 2009

## **214 OUT-OF-STATE TRAVEL BY SCHOOL BOARD MEMBERS**

*[Note: School districts are required by statute to adopt a policy addressing this issue.]*

### **I. PURPOSE**

The purpose of this policy is to control out-of-state travel by school board members as required by law.

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

School board members have an obligation to become informed on the proper duties and functions of a school board member, to become familiar with issues that may affect the school district, to acquire a basic understanding of school finance and budgeting, and to acquire sufficient knowledge to comply with federal, state, and local laws, rules, regulations, and school district policies that relate to their functions as school board members. Occasionally, it may be appropriate for school board members to travel out of state to fulfill their obligations.

### **III. APPROPRIATE TRAVEL**

Travel outside the state is appropriate when the school board finds it proper for school board members to acquire knowledge and information necessary to allow them to carry out their responsibilities as school board members. Travel to regional or national meetings of the National School Boards Association is presumed to fulfill this purpose. Travel to other out-of-state meetings for which the member intends to seek reimbursement from the school district should be preapproved by the school board.

### **IV. REIMBURSABLE EXPENSES**

Expenses to be reimbursed may include transportation, meals, lodging, registration fees, required materials, parking fees, tips, and other reasonable and necessary school district-related expenses.

### **V. REIMBURSEMENT**

A. Requests for reimbursement must be itemized on the official school district form and are to be submitted to the designated administrator. Receipts for lodging, commercial transportation, registration, and other reasonable and necessary expenses must be attached to the reimbursement form.

- B. Automobile travel shall be reimbursed at the mileage rate set by the school board. Commercial transportation shall reflect economy fares and shall be reimbursed only for the actual cost of the trip.
- C. Amounts to be reimbursed shall be within the school board's approved budget allocations, including attendance at workshops and conventions.

## **VI. ESTABLISHMENT OF DIRECTIVES AND GUIDELINES**

The superintendent shall develop a schedule of reimbursement rates for school district business expenses, including those expenses requiring advance approval and specific rates of reimbursement. The superintendent shall also develop directives and guidelines to address methods and times for submission of requests for reimbursement.

***Legal References:*** Minn. Stat. § 123B.09, Subd. 2 (School Board Member Training)  
Minn. Stat. § 471.661 (Out-of-State Travel)  
Minn. Stat. § 471.665 (Mileage Allowances)  
Minn. Op. Atty. Gen. 1035 (Aug. 23, 1999) (Retreat Expenses)  
Minn. Op. Atty. Gen. 161b-12 (Aug. 4, 1997) (Transportation Expenses)

***Cross References:*** MSBA/MASA Model Policy 212 (School Board Member Development)  
MSBA/MASA Model Policy 412 (Expense Reimbursement)



TO: Members of the School Board and Dr. Aldo Sicoli, Superintendent

FROM: Barb Van Heel, School Board Chairperson

DATE: December 12, 2011

RE: School Board Compensation

DISCUSSION: During the annual organizational meeting in January, the school board takes action on school board compensation. We will review our compensation and discuss any adjustments board members may want to propose.

Our current annual compensation is as follows:

\$6,900 - Chair  
\$6,000 - Vice-chair  
\$5,700 - Clerk  
\$5,700 - Directors

## SCHOOL BOARD COMPENSATION 2011-2012

DISTRICT	CHAIR	VICE CHAIR	CLERK	TREASURER
<b>EDINA</b>	\$2,400/annual	\$2,400/annual	\$2,400.00	\$2,400/annual
	\$200.00/mo	\$200.00/mo	\$200.00/mo	\$200.00/mo
<b>HOPKINS</b>	\$5,987.72/annual	\$4,953.34/annual	\$4,953.34/annual	\$4,953.34/annual
\$50,000 term life	<i>\$689.00/annual stipend</i>	\$412.78.00/mo	Business mgr is clerk/he does not get this stipend	\$412.78/mo
<b>MINNETONKA</b>	\$6,000.00/annual	\$5,250.00/annual	\$4,500.00 annual	\$4,500.00
\$50.00/extra meetings	\$375.00/mo	\$375.00/mo	\$375.00/mo	\$375.00/mo
	<i>\$1,500/annual stipend</i>	<i>\$750.00/annual stipend</i>		
<b>ROBBINSDALE</b>	\$6,900.00/annual	\$5,700.00/annual	\$6,000.00/annual	\$5700.00/annual
Mileage & Conf Exp	\$575.00/mo	\$475.00/mo	\$500.00/mo	\$475.00/mo
<b>WAYZATA</b>	\$5,100.00/annual	\$4,320.00/annual	\$4,320.00/annual	\$4,320.00/annual
\$50.00/extra meetings	\$425.00/mo	\$360.00/mo	\$360.00	\$360.00/mo
Mileage & Conf Exp				
<b>EDEN PRAIRIE</b>	\$5580.00/annual	\$5580.00/annual	\$5580.00/annual	\$5580.00/annual
Board took a 5% cut for the upcoming school year	\$465.00/mo	\$465.00/mo	\$465.00/mo	\$465.00/mo
<b>BLOOMINGTON</b>	\$7200.00/annual	\$7200.00/annual	\$7200.00/annual	\$7200.00/annual
	\$600.00/mo	\$600.00/mo	\$600.00/mo	\$600.00/mo
<b>ST. LOUIS PARK</b>	\$3893.00/annual	\$3225.00/annual	\$3607.00/annual	\$3225.00/annual
\$55.00/extra meetings	\$324.41/mo	\$268.75/mo	\$300.58/mo	\$268.75
Zero increase/cut this year				
<b>OSSEO</b>	\$9,000.00	\$7,800.00/annual	\$8,100.00/annual	\$7,800.00/annual
	\$750.00/mo	\$650.00	\$\$675.00/mo	\$650.00/mo



TO: Members of the School Board and Dr. Aldo Sicoli, Superintendent

FROM: Barb Van Heel, School Board Chairperson

DATE: December 12, 2011

RE: Superintendent Mid-Year Evaluation Process

DISCUSSION: On January 17, 2012, will conduct our annual Superintendent mid-year, informal evaluation. This discussion will review the process.



TO: Members of the School Board and Dr. Aldo Sicoli, Superintendent

FROM: Sherry Tyrrell, School Board Chairperson Vice-Chair

DATE: December 12, 2011

RE: Superintendent Contract

The board will hear a report from the school board sub-committee for superintendent contract negotiations. The committee members, Helen Bassett, Patsy Green and Sherry Tyrrell will present their recommendation for the renewal of Superintendent Aldo Sicoli's three year contract.