

INDEPENDENT SCHOOL DISTRICT #832  
REGULAR MEETING – BOARD OF EDUCATION  
Thursday, November 4, 2010 - 7:00 PM  
Mahtomedi District Education Center - Community Room

The Mission of the Mahtomedi School District No. 832, as a multi-community public school system, is to provide individually challenging, lifelong learning experiences for all people, leading to productive and self-fulfilling roles in a global society, accomplished through partnerships with students, families, staff and communities all committed to excellence.

**- AGENDA -**

1. CALL TO ORDER
2. ROLL CALL OF ATTENDANCE
3. APPROVAL OF THE AGENDA
4. APPROVAL OF THE CONSENT AGENDA - See #14 for Consent Agenda Items
5. PRESENTATIONS/RECOGNITION
  - A. TIES Exceptional Teacher Award - Ann Galbus and Lisa Irsfeld
  - B. O. H. Anderson Elementary School - Destiny Library Catalog  
Presenter: Ann Galbus and Jean Oswald
6. PUBLIC COMMENT  
Visitors attending the meeting who wish to address the school board on any issue that is on the agenda may do so at this time. Please refer to the last page for the procedure that has been established for public comments.
7. REPORT FROM STUDENT REPRESENTATIVE
  - A. Alexandra Pfiffner, Student Representative
8. APPROVAL OF MINUTES
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Presenter: Mark Larson
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Presenter: Mark Larson
    2. Second Reading

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10. ACTION ITEMS	
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B. Approval of Resolution Canvassing Returns of Votes of School District General Election Presenter: Mark Larson	143
C. Approval of Heidi Springborg to Act as the Local Education Agency Representative Relating to the AYP Improvement Plan Presenter: Lynne Viker	144
D. Approval to Add Thursday, November 18, 2010, 7:00 p.m. Study Session to the School Board Meeting Calendar Presenter: Mark Larson	
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A. Association of Metropolitan School Districts (AMSD) Board Presenter: Steve Wolgamot	
B. Integration District: Educational Equity Alliance (EEA) Presenter: Mary Jo Deters	147
C. Minnesota School Boards Association (MSBA) Legislative Liaison Presenter: Kevin Donovan	
D. Northeast Metro 916 Board Presenter: John Belisle	
12. SUPERINTENDENT'S REPORT	
13. ADJOURNMENT	
14. CONSENT AGENDA ITEMS (Items Approved Under #4)	
A. Approval to Pay Bills - Check No. 368709 to 369121 and 80000692 to 80000779	150
B. Approval of Wire Transfer Transactions	161
C. Approval of Student Travel Request - Mahtomedi High School Band and Choir Students to Costa Rica - March 12 to 22, 2011	162
D. Gifts/Grants - Totaling \$77,522.40	
1. Approval of Donation from 3M to Mahtomedi School District - \$66,522.40 (3M Products)	
2. Approval of Donation from Mahtomedi Parent Teacher Organization (PTO) to Mahtomedi Engineering Leadership Program - \$10,000	
3. Approval of Donation from Human Services, Inc. (HSI) to Mahtomedi High School SADD - \$500	
4. Approval of Donation from Newtown Solutions, Inc. to Mahtomedi High	

School Rocket Club - \$500

E. Personnel

1. Approval of Contracts and Work Agreements
  - a. Lisa Channon - Long-Term Substitute Speech Pathologist - O. H. Anderson Elementary School (Extended through 11/12/10)
  - b. Colleen Mahin - Long-Term Substitute French Teacher - Mahtomedi High School (Extended through 1/24/11)
2. Approval of Leaves of Absence
  - a. Stacy Radabaugh-Triplat - Speech Pathologist - Wildwood Elementary School (3/21/11 to 6/10/11)
  - b. Gretchen Tentis - Third Grade Teacher - O. H. Anderson Elementary School (2010-2011)
3. Approval of Resignations/Retirements/Terminations
  - a. Debra Cromptin - Paraprofessional - Mahtomedi Middle School (10/22/10)

## **PUBLIC PARTICIPATION IN SCHOOL BOARD MEETINGS REGULAR SCHOOL BOARD MEETING**

Thank you for coming. The School Board of Independent School District #832 hopes you will find the meeting informative. By attending, you will better understand how your school district operates. The School Board meeting is a meeting "in public," and not a public meeting. In order to conduct its work in a professional and business-like manner, the school board has established the following rules for conducting the meeting:

- Comments and questions on issues are welcome at the scheduled time on the agenda. The school board is prohibited by law from discussing concerns about individual employees or students in a public meeting. Please forward comments or issues regarding individual employees or students to the superintendent at [mark.larson@mahtomedi.k12.mn.us](mailto:mark.larson@mahtomedi.k12.mn.us) or 651-407-2001.
- If you would like to speak to the school board, you will be recognized during Public Comment. The public may comment on any item on the agenda. The school board generally does not take action on any issue that is not on the agenda. Concerns or questions are forwarded to the superintendent for review and recommended action before consideration by the school board. Unless requested by a school board member, items on the consent agenda are not discussed by the school board at the meeting.
- The chairperson will ask citizens in attendance to sign in if they wish to address the school board. If you are late and wish to speak, please give your name, address, and agenda number to the clerk when you arrive.
- Individuals will be recognized in the order received. Since we are videotaping tonight's meeting for delayed broadcast, individuals who wish to address the school board or ask questions need to go to the microphone. Please state your name and address after being recognized and limit your comments to three minutes (approximately 450 written words). Everyone wishing to comment will be recognized and heard before anyone speaks twice.

# Minutes of Regular Meeting

## Board of Education Mahtomedi Public Schools

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A Regular meeting of the Board of Education of the Mahtomedi Public Schools was held **Thursday, October 14, 2010**, beginning at 7:00 PM in the Mahtomedi District Education Center - Community Room.

### 1. CALL TO ORDER

Meeting called to order at 7:03 p.m. by Acting Chair Cathy Dalton.

### 2. ROLL CALL OF ATTENDANCE

Present: John Belisle; Cathy Dalton; Mary Jo Deters; Judy Schwartz; Steve Wolgamot; Superintendent Mark Larson, ex officio; and Alexandra Pfiffner, Student Representative.  
Absent: Kevin Donovan.

### 3. APPROVAL OF THE AGENDA

Schwartz moved, Deters seconded, approval of the agenda. Carried.

### 4. APPROVAL OF THE CONSENT AGENDA - See #14 for Consent Agenda Items

Schwartz moved, Wolgamot seconded, approval of the actions recommended on the consent agenda. Carried.

### 5. PRESENTATIONS/RECOGNITION

#### A. Mahtomedi High School - Beginning of the Year Update

The following National Merit SemiFinanlists were recognized by the school board and administration (two of these students earned perfect scores of 36 on the ACT exam): Ashley Belisle, Ethan Heinzen, Emily Kvasnicka, Meghan McElreath, Caitlin Steele, and Imadeldin Makawi.

Mahtomedi High School Principal Kathe Nickleby and Assistant Principal Chris Moore spoke about the first six weeks at Mahtomedi High School and how the change from a four-period day to a six-period day is going. Because the homework load has become a concern, a focus group has been formed with six faculty members to study publicized research on homework and looking at quality versus quantity. A focus group was formed to decide what to do for students who wanted to take additional courses in certain subject matters. Two hybrid courses are being offered: World

History and Ancient Times and Health. Mahtomedi High School teacher Lisa Irsfeld demonstrated to the school board how her hybrid health class is taught.

6. PUBLIC COMMENT

The following members of the audience spoke to the school board:

Larry Flaherty, resident - asked the school board to rescind the request he made last month to name the new Wildwood School Raeburn Hayes Elementary School.

7. REPORT FROM STUDENT REPRESENTATIVE

A. Alexandra Pfiffner, Student Representative

Student Representative Alexandra Pfiffner reported on the following events at Mahtomedi High School: Freshman retreat, homecoming, hybrid zero hour, upcoming choir concert on October 18, MEA break October 21 and 22, and the National Honor Society bloodmobile in November.

8. APPROVAL OF MINUTES

A. September 9, 2010 - Regular Meeting

Wolgamot moved, Schwartz seconded, approval of the minutes from the September 9, 2010, school board meeting. Carried.

9. DISCUSSION/INFORMATION ITEMS

A. Calendar of Events

Acting Chair Cathy Dalton reviewed the calendar of events. Added the upcoming MahtoREADi meet the author event on November 16: *The Latehomecomer*, by Kao Kalia Yang.

B. Facilities Update

An abridged version of the facilities update that was presented to the community on October 4 was presented to the school board by Dave Thorson from Johnson Controls and Mark Lenz from MLA Architects. The schematic designs/site plans of the new Wildwood School, Mahtomedi High School, athletic fields, O. H. Anderson School, Mahtomedi Middle School, and District Education Center were reviewed. To see these site plans and for more information on the facilities project, visit the district's website at [www.mahtomedi.k12.mn.us](http://www.mahtomedi.k12.mn.us).

C. Staff Development Model and Curriculum Review

Lynne Viker, Director of Teaching and Learning and Support Services, and Beth Sneden, Professional Practice and Development Coordinator, shared with the school board the 2010-2015 curriculum review cycle. The review cycle was changed in the past year going from a seven-year to a five-year cycle. Year one focuses on research and recommended improvements, year two staff development, year three adjustments, year four continued monitoring, and year five report to school board. The curriculum being reviewed in 2010-2011 is science K-12, elementary reading, and gifted and talented.

D. Q-Comp Update

Beth Sneden, Professional Practice and Development Coordinator, updated the school board on the Mahtomedi Compensation Plan. Sneden reviewed the 2010-2011 site goals that were submitted to the Minnesota Department of Education.

E. Policies

1. First Reading

a. Policy 902 - Use of School Facilities

Mary George, Community Education Manager, and Pam Klinkhammer, Community Education Coordinator, reviewed with school board members the proposed changes to Policy 902-Use of School Facilities. Policy 902 was reviewed with the school board at the August 26 study session and suggested changes came from that meeting and meetings with the Mahtomedi Area Athletic Council and community members. Currently Community Education is charging a per-participant fee but proposing a change to a per-hour fee. Also proposing to charge a tournament fee, a late fee on payments, and created a Donation Form. Suggested edits will be made and Policy 902 will come back to a regular school board meeting for a second reading.

10. ACTION ITEMS

A. Approval of Revised 2010-2011 School Calendar

Due to construction at Mahtomedi High School next spring, the last day of school for grades 9-12 will change from June 9 to June 3, 2011. Schwartz moved, Deters seconded, approval of revised 2010-2011 school calendar. Carried.

11. SCHOOL BOARD COMMITTEE REPORTS

A. Association of Metropolitan School Districts (AMSD) Board

School board director Steve Wolgamot reported that the gubernatorial candidates spoke at the Association of Metropolitan School Districts (AMSD) meeting in September. The forum is posted on AMSD's website at [www.amsd.org](http://www.amsd.org).

B. Integration District: Educational Equity Alliance (EEA)

School board director Mary Jo Deters distributed copies of the Multi-District Collaborative Executive Summary to school board members. Deters encouraged board members and the public to visit the EEA website at [www.eecollaborative.org](http://www.eecollaborative.org).

C. Minnesota School Boards Association (MSBA) Legislative Liaison

All school board members are invited to the District 6 MSBA meeting on Wednesday, October 27, at 7:00 a.m. at Oneka Elementary School.

D. Northeast Metro 916 Board

The Northeast Metro 916 report was included in the school board packet.

12. SUPERINTENDENT'S REPORT

Superintendent Mark Larson reported on the following: MAEF funding raising campaign, curriculum review cycle, classroom visits, and facilities meetings.

13. ADJOURNMENT

Wolgamot moved, Belisle seconded, adjournment. Meeting adjourned at 8:50 p.m. Carried.

14. CONSENT AGENDA ITEMS (Items Approved Under #4)

A. Approval to Pay Bills - Check No. 368209 to 368708 and 80000593 to 80000691

B. Approval of Wire Transfer Transactions

C. Approval of Assurance of Compliance with State and Federal Law Prohibiting Discrimination

D. Gifts/Grants - Totaling \$9,689.43

1. Approval of Donation from Target-Take Charge of Education to Mahtomedi High School - \$4,089.43

2. Approval of Donation from Kramer-Berg American Legion Post 507 to Mahtomedi Area Community Education (*The Scoop*) - \$2,250

3. Approval of Donation from Kramer-Berg American Legion Post 507 to Mahtomedi Area Community Education (Senior Community Lunches) - \$1,950

4. Approval of Donation from Kramer-Berg American Legion Post 507 to Mahtomedi Area Community Education (MMS Cross Country) - \$1,000
5. Approval of Donation from Kramer-Berg American Legion Post 507 to Mahtomedi Area Community Education (MMS Volleyball) - \$400

E. Personnel

1. Approval of Contracts and Work Agreements
  - a. Nancy Askegaard - Receptionist - Mahtomedi High School (9/7/10 to 6/9/2011)
  - b. Rebecca Boytim - Paraprofessional - Wildwood Elementary School (2010-2011)
  - c. Lisa Channon - Long-Term Substitute Speech Pathologist - O. H. Anderson Elementary School (9/23/10 to 10/15/10)
  - d. Ahri Lee - ELL Paraprofessional - Mahtomedi Middle School (2010-2011)
2. Approval of Leaves of Absence
  - a. Kristen Isaacson - Speech Pathologist - O. H. Anderson Elementary School (9/20/10 to 10/15/10)

JOHN BELISLE, ACTING CLERK

# Minutes of Study Session

## Board of Education Mahtomedi Public Schools

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A Study Session of the Board of Education of the Mahtomedi Public Schools was held **Thursday, October 28, 2010**, beginning at 7:00 PM in the Mahtomedi District Education Center - Community Room.

### 1. CALL TO ORDER

Chair Kevin Donovan called the study session to order at 7:04 p.m.

### 2. ROLL CALL OF ATTENDANCE

Present: John Belisle; Cathy Dalton; Mary Jo Deters; Kevin Donovan; Judy Schwartz; Steve Wolgamot; and Superintendent Mark Larson, ex officio.

Also Present: Denise Sundstrom, Director of Business Services and Lynne Viker, Director of Teaching and Learning and Support Services.

### 3. DISCUSSION/INFORMATION ITEMS

#### A. Project Labor Agreement

Harry Melander, St Paul Building & Construction Trades Council, along with Devon Hall, Larry Heinsch, and John Quarnstrom discussed with school board members the use of prevailing wages and having a project labor agreement (PLA) as it relates to the school district's construction project. A PLA is an agreement between the owner, construction manager, or general contractor with a group of labor organizations for work done on a construction project. The school district has instructed Johnson Controls, Inc. (JCI) to use prevailing wages but has not asked them to pursue a PLA. School board members thanked Melander, Hall, Heinsch, and Quarnstrom for their input.

#### B. Community Engagement

Lynne Viker, Director of Teaching and Learning and Support Services, discussed with school board members a process for engaging community and staff members in the future of education in the Mahtomedi Public Schools. Due to the budget shortfall in Minnesota and funding of education by the state, the school district will be looking at making significant cuts for the 2011-2012 school year. The district already knows it will be losing \$147,530 in one-time supplemental funding (ARRA/Stimulus) and the supplemental teacher reimbursement (ADSIS) of \$321,000 is dependent on annual re-eligibility. Viker reviewed with the school board a proposed survey that will be sent to parents and staff gathering input.

C. Integration Survey

Lindsey Olson, ELL/Education Equity Program Coordinator, provided information to the school board on the desegregation law, guidelines for spending integration funds our school district receives, Mahtomedi specific integration programs, grants for teachers and student groups, and programs the Educational Equity Alliance (EEA) is continuing from last year and adding new this year. Olson also commented on the community-themed murals on display at several of the schools. These murals were developed as a result of collaboration between students from Mahtomedi and North St. Paul-Maplewood-Oakdale schools.

4. ADJOURNMENT

Schwartz moved, Wolgamot seconded, adjournment. Meeting adjourned at 9:45 p.m.  
Carried.

CATHY DALTON, CLERK

## CALENDAR OF EVENTS

<b>NOVEMBER</b>		
<b>DATE/TIME</b>	<b>MEETING/EVENT</b>	<b>LOCATION</b>
<b><u>Wednesday, November 3</u></b> 6:00 p.m.	Northeast Metro 916 School Board Meeting	Bellaire School, White Bear Lake
<b><u>Thursday, November 4</u></b> 7:00 p.m.	School Board Meeting	District Education Center - Community Room
<b><u>Friday, November 5</u></b> 7:00 a.m.	No School - Staff Development AMSD Board of Directors Meeting	TIES Building, St. Paul
<b><u>Saturday, November 6</u></b> 1:00-3:00 p.m.	Engineering Event	Mahtomedi Middle School
<b><u>Monday, November 8</u></b> 7:00 p.m.	MAEF Board of Trustees Meeting	District Education Center - Board Room
<b><u>Tuesday, November 9</u></b> 7:30 a.m. 6:30-8:30 p.m.	Facility Plan Steering Committee Meeting Community Education Advisory Council Mtg. <i>(Mary Jo Deters is scheduled to attend)</i>	District Education Center - Board Room District Education Center - Board Room
<b><u>Wednesday, November 10</u></b> 2:30 p.m.	MMS Parent Association (MMSPA) Meeting	Mahtomedi Middle School - Room 115
<b><u>Friday, November 12</u></b> 7:30 a.m.	City/School District Leaders Meeting	District Education Center - Board Room
<b><u>Tuesday, November 16</u></b> 7:30 a.m. 6:30-8:00 p.m.	Facility Plan Steering Committee Meeting MahtoREADi Visit with author Kao Kalia Yang, <i>The Latehomecomer</i>	District Education Center - Board Room Black Box Theater
<b><u>Thursday, November 18</u></b> 9:30-11:00 a.m.  7:00 p.m.	Elementary PTO Meeting <i>(Mary Jo Deters is scheduled to attend)</i> School Board Study Session	District Education Center - Room 121  District Education Center - Community Room
<b><u>Sunday, November 21</u></b> 4:00 p.m.	Wildwood Artist Series - <i>Mahtomedi Music Faculty</i>	Chautauqua Center
<b><u>Tuesday, November 23</u></b> 7:30 a.m.	Facility Plan Steering Committee Meeting	District Education Center - Board Room
<b><u>Wednesday, November 24</u></b>	No School - Staff Development	
<b><u>Thursday, November 25 - Friday, November 26</u></b>	No School - Thanksgiving Break	
<b><u>Tuesday, November 30</u></b> 7:30 a.m.	Facility Plan Steering Committee Meeting	District Education Center - Board Room

## CALENDAR OF EVENTS

<b>DECEMBER</b>		
<b>DATE/TIME</b>	<b>MEETING/EVENT</b>	<b>LOCATION</b>
<b><u>Friday, December 3</u></b> 7:00 a.m.	AMSD Board of Directors Meeting	TIES Building, St. Paul
<b><u>Tuesday, December 7</u></b> 7:30 a.m. 8:00 a.m.  6:00 p.m.	Facility Plan Steering Committee Meeting MHS Parent Information Meeting <i>(Mary Jo Deters is scheduled to attend)</i> Northeast Metro 916 School Board Meeting	District Education Center - Board Room MHS – Black Box Theater  Bellaire School, White Bear Lake
<b><u>Wednesday, December 8</u></b> 2:30 p.m.	MMS Parent Association (MMSPA) Meeting	Mahtomedi Middle School – Room 115
<b><u>Thursday, December 9</u></b> 7:00 p.m.	School Board Meeting	District Education Center - Community Room
<b><u>Monday, December 13</u></b> 7:00 p.m.	MAEF Board of Trustees Meeting	District Education Center - Board Room
<b><u>Tuesday, December 14</u></b> 7:30 a.m.	Facility Plan Steering Committee Meeting	District Education Center - Board Room
<b><u>Tuesday, December 21</u></b> 7:30 a.m.	Facility Plan Steering Committee Meeting	District Education Center - Board Room
<b><u>Thursday, December 23- Friday, December 31</u></b>	No School - Winter Break	



# The Center for Efficient School Operations

*“Partnering with School Districts to help keep educational dollars in the classroom.”*

2697 East County Road E #110  
White Bear Lake, Minnesota 55110  
Phone: (651) 605-5107  
Fax: (651) 429-8869  
Email: info@ceso.us

To: Denise Sundstrom  
From: Chuck Corliss and Phil Belden  
Date: November 3<sup>rd</sup>, 2010  
Re: Bond Referendum update

Dear Denise,

It continues to be a very busy process with regards to the Bond Referendum. We have still been working on Preliminary designs on all projects, and have brought Mechanical, Electrical and Civil Engineers into the process in order to confirm that the preliminary designs will work from the budget and design perspectives. The following is a brief update on the projects:

**Design:**

We have come to closure on preliminary designs on most of the bond projects.

Athletic Complex:

For the Athletic Complex at the high school, we have decided that the concession stand would need to be placed on the South East side of the complex, and that there will be ticket booths and a plaza constructed on the South West side of the complex. New home bleachers will be constructed in the current location, and the current home bleachers will be moved to the visitor’s side. In addition to this, student bleachers will be placed at their current location on the south side of the field. The student bleachers will either be portable, or rented from an outside agency depending on the cost. MLA Architects are now working on the designs of the concession building and ticket plaza, and the preliminary designs will be completed over the next few weeks.

O.H. Anderson:

The preliminary design for O.H. Anderson has been completed, and MLA Architects have proceeded with the design development stage of the process. The only change to this project is that the “Clear Story” roof over the current courtyard needed to be reduced slightly in size so that we could accommodate the snow load (from drifting) on the new structure instead of trying to

add additional capacity to the existing roof structure. This needed to happen because of the large amount of work associated with relocating existing M&E runs that would need to occur to add structure to the existing roof.

Wildwood:

There has been a lot of conversation regarding the current design of the new Wildwood Elementary school due to the square feet needed to make a building that is large enough to handle potential future growth, and still meet the educational adequacy needs of a school for the 21<sup>st</sup> century. We have not yet proceeded into the design development stage of this project because we are waiting for a final decision on the exterior look of the building, and a cost estimate from Krause Anderson for the current design. We expect to be done with the preliminary design and cost estimating within the next 3 weeks so that LHB architects can proceed with design development.

High School:

The final design for the high school has been determined, and LHB architects have entered into the Design Development stage.

Middle School:

The final design for all Middle School projects has been determined, and MLA architects have entered into the Design Development stage.

**Submittals:**

We still have no submittals to report, but we have had several additional meetings with local agencies to keep them up to date on the progress of the process, and to assure as smooth of a submittal process as possible. Specifically, we had a very productive meeting with the Rice Creek Watershed District that talked about compliance throughout the site. We are happy to report that it appears that we have exceeded the requirements of the watershed district, and we are putting in some features that may actually qualify for some matching grant funds.

**Permitting:**

We have applied for no permits as of this time.

**Construction:**

We are still on schedule to meet the overall construction timeline, but the longer preliminary design timeframe will have us likely bidding in March for projects (instead of Jan/Feb as expected) for the High School and Wildwood projects. We are still expecting that the projects at OHA, the Middle School and the Athletic Facilities will be substantially completed by August 2011, and the District Office, High School and the Wildwood Elementary School to be substantially completed in August of 2012.

**Mahtomedi Public Schools**  
**Independent School District #832**  
**1520 Mahtomedi Avenue**  
**Mahtomedi, MN 55115**

**Regular Meeting - Board of Education**

**Date: November 4, 2010**

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**Agenda Item #9. C. 1. a. & b.**

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**TOPIC:** First Readings of Policy 611 - Home Schooling & Policy 613 Graduation Requirements

**PURPOSE OF PRESENTATION:** The Home Schooling Policy and the Graduation Requirement Policy come before the Board for a first reading. Policy 611 has been based on the MSBA policy with an exception that in order for a home schooled student to receive a Mahtomedi diploma, he or she must be enrolled in at least one Mahtomedi High School course during the school day.

Policy 613 has significant changes based on the switch to a six period day. Each graduating class will have slightly different requirements based on how much of their previous high school career was spent in the four period day. The class of 2014 and beyond will have the same requirements.

**ACTION RECOMMENDED:** The Board provides direction based on the first reading.

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**Submitted By:**

**Concurrence By:**



**Name**

**Dr. Mark Larson**

**Superintendent of Schools**

**Superintendent of Schools**

**Title**

**611 - HOME SCHOOLING**

**I. PURPOSE**

The purpose of this policy is to set forth requirements for credits accepted by Mahtomedi High School from home schooling.

**II. GENERAL STATEMENT OF POLICY**

It is the policy of the Mahtomedi School District that all students, in order to earn a high school diploma, must meet established Minnesota K-12 academic standards, required state tests, and Mahtomedi graduation requirements.

The Mahtomedi School District will provide a comprehensive academic program, which addresses knowledge, skills, concepts, and processes as determined by the setting of high academic standards that meet or exceed state and national standards.

Special Education students who properly complete the programs specified in their Individual Education Plan (IEP) and have received the recommendation of their IEP Team shall be awarded a diploma.

**III. DEFINITIONS**

- A. Students who are provided instruction at home in compliance with section 120.101 and 120.102 of the Minnesota Statutes regarding compulsory instruction.
- B. “Home education” includes online, distance, and non-traditional learning environments.

**IV. FULL-TIME HOME EDUCATED STUDENTS**

- A. Students who choose to be full-time home educated, grades 9-12, will not receive a diploma from Mahtomedi High School.

**V. MAHTOMEDI HIGH SCHOOL DIPLOMA OPTION**

- A. Home educated students may earn a diploma from Mahtomedi High School if they are enrolled in at least one Mahtomedi High School course, between the hours of 8:00 am and 2:30 pm, during the second semester of their 12<sup>th</sup> grade year of high school:
  - a. Student must meet the Minnesota Academic Standards, Required State Tests, and Mahtomedi Graduation Requirements;
  - b. Students must submit home education credits to their high school guidance counselor before the beginning of the last semester of their senior year to determine eligibility for graduation;

- c. Credits submitted must come directly from the home school, the publisher, or organization that evaluates the curriculum being used for home school (*documentation including description of curriculum, instructional process, and methods used for assessment will be used by the high school counselor to determine the credits eligible for transfer*);
- d. Credits from the home school will be entered on the student's official transcript as home school credits and will be transferred into semester credits and will count towards meeting Mahtomedi High School graduation requirements;
- e. Transfer credits will be evaluated on an individual basis by the principal, counselor, and/or teacher to determine if courses meet graduation requirements. Students may be subject to a placement evaluation to determine appropriate placement for sequential courses; and
- f. Mahtomedi High School will not adopt the grades that a student has received in the home school to be used for class rank, awards programs, and other student recognition programs.

**VI. Registration Information:**

- A. For more information regarding enrollment in Mahtomedi High School call the Mahtomedi High School Guidance Office.

*FIRST READING - BOARD OF EDUCATION  
November 4, 2010*

**613 - GRADUATION REQUIREMENTS**

**I. PURPOSE**

The purpose of this policy is to set forth requirements for graduation from the Mahtomedi School District.

**II. GENERAL STATEMENT OF POLICY**

It is the policy of the Mahtomedi School District that all students, in order to earn a high school diploma, must meet established Minnesota K-12 academic standards, required state tests, and Mahtomedi graduation requirements.

The Mahtomedi School District will provide a comprehensive academic program which addresses knowledge, skills, concepts, and processes as determined by the setting of high academic standards that meet or exceed state and national standards.

Special Education students who properly complete the programs specified in their Individual Education Plan (IEP) and have received the recommendation of their IEP Team shall be awarded a diploma.

**III. DEFINITIONS**

- A. "Course credit" is equivalent to a student's successful completion of a course of study or a student's mastery of the applicable subject matter, as determined by the Mahtomedi school district.
- B. "Section 504 Accommodation" means the defined appropriate accommodations or modifications that must be made in the school environment to address the needs of an individual student with disabilities.
- C. "Individualized Education Program," or "IEP," means a written statement developed for a student eligible by law for special education and services.
- D. "Limited English Proficient" or "LEP" student means an individual whose first language is not English and whose test performance may be negatively impacted by lack of English language proficiency.
- E. "Acceleration or Remediation Coursework" includes online coursework and means additional courses taken by a Mahtomedi student while enrolled in high school. These courses must be Minnesota Department of Education approved, certified, or accredited providers.
- F. Home School Credits – refer to policy # \_\_\_\_\_

**IV. GRADUATION REQUIREMENTS**

A. In order to earn a high school diploma, all students must meet established Minnesota K-12 academic standards, required state tests, and Mahtomedi graduation requirements.

B. To receive a Mahtomedi High School diploma, a student must have accumulated credits, as listed below, specific to the graduating year.

<b>Graduation Requirements</b>	<b>Class of 2011</b>	<b>Class of 2012</b>	<b>Class of 2013</b>	<b>Class of 2014 and beyond</b>
Economics	0.5	0.5	0.5	0.5
Electives	11.5	9.5	7.5	6.5
English/Language Arts	4.0	4.0	4.0	4.0
Fine Arts (Art or Music)	1.0	1.0	1.0	1.0
Health	0.5	0.5	0.5	0.5
Mathematics	3.0	3.0	3.0	3.0
Physical Education	0.5	0.5	0.5	0.5
Science (Engineering courses will count towards science credits starting with the class of 2014)	3.0	3.0	3.0	3.0
Social Studies	3.0	3.0	3.0	3.0
<b>Total Credits</b>	<b>27/30</b>	<b>25/28</b>	<b>23/26</b>	<b>22/24</b>

1. Students will have the opportunity to earn all graduation requirements at Mahtomedi High School.
2. 11<sup>th</sup> and 12<sup>th</sup> grade students may attend any Minnesota accredited public or private college or university when accepted by the postsecondary institution according to the provisions of the Minnesota Postsecondary Enrollment Options (PSEO).
3. Students may participate in various educational programs, such as: Acceleration and Remediation Coursework, Work Experience Handicapped, and Northeast Metro Intermediate School District 916 programs.
4. Students at the 916 Alternative Learning Center must meet their graduating class's credit requirements in English, social studies, mathematics, science, health, physical education and the arts. In addition to these required credits, students must acquire elective credit to meet their graduation class total credit requirements.

- C. Transfer students who have earned credits prior to entering Mahtomedi High School will be evaluated on an individual basis by the principal, counselor, and/or teacher to meet graduation requirements. Students may be subject to a placement evaluation to determine appropriate placement for sequential courses.

**V. EARLY GRADUATION**

Students may be considered for early graduation, as provided for within Minnesota Statutes § 120B.07 upon meeting the following conditions:

- A. The student must meet established Minnesota K-12 academic standards, required state tests, and Mahtomedi graduation requirements;
- B. The principal or designee shall conduct an interview with the student and parent or guardian, familiarize the parties with opportunities available in post-secondary education, and arrive at a timely decision; and
- C. The principal’s decision shall be in writing and may be subject to review by the superintendent and school board.

**VI. GRADUATION**

Participation in the Mahtomedi High School graduation ceremony is a privilege afforded to students who meet eligibility requirements established by Minnesota K-12 academic standards, required state tests, and Mahtomedi Public Schools. These requirements include:

- A. Being a member of the current year graduating class;
- B. Credits earned must be within 1.0 credit of their required graduation credit requirements and the student must be registered to attend summer school;
- C. Being in good disciplinary standing;
- D. All IEP goals are met;
- E. In the event of medical emergencies or other extenuating circumstances, an “opportunity for administrative review” will be accorded to those students that do not meet the requirements set forth in this policy; and
- F. Exchange Students shall be permitted to participate in the graduation ceremony and shall be awarded an certificate of attendance unless they meet the criteria for a regular diploma.

**VII. NOTICE**

The school district will supply students and their parents of the school district’s graduation requirements within 30 working days of a student’s entry into ninth grade. The school district also will notify students in grades 9-12 or who transfer into the district and their parents of the school district’s transition to the course credit system and options for students in grades 9 and above regarding locally established graduation requirements within 30 working days.

## **DRAFT OF CURRENT POLICY**

Mahtomedi School Board Policy 613

***Legal References:*** Minn. Stat. § 120B.02 (Educational Expectations for Minnesota’s Students)  
Minn. Stat. § 120B.024 (Graduation Requirements; Course Credits) Minn.  
Stat. § 120B.07 (Early Graduation) Minn. Stat. § 120B.11 (School District  
Process) Minn. Rules Parts 3501.0010-3501.0180 (Rules Relating to  
Graduation Standards - Mathematics and Reading) Minn. Rules Parts  
3501.0200-3501.0290 (Rules Relating to Graduation Standards - Written  
Composition)  
20 U.S.C. § 6301, *et seq.* (No Child Left Behind Act)

***Cross References:*** MSBA/MASA Model Policy 104 (School District Mission Statement)  
MSBA/MASA Model Policy 601 (School District Curriculum and Instruction  
Goals)  
MSBA/MASA Model Policy 614 (School District Testing Plan and  
Procedure)  
MSBA/MASA Model Policy 615 (Basic Standards Testing,  
Accommodations, Modifications, and Exemptions for IEP, Section 504  
Accommodation, and LEP Students)  
MSBA/MASA Model Policy 616 (School District System Accountability)

*ADOPTED – June 29, 1987*

*REVISED – September 14, 1987; December 14, 1989; August 8, 1996; May 8, 1997; January 13,  
2000; June 14, 2007*

***FIRST READING - BOARD OF EDUCATION***  
*November 4, 2010*

**Mahtomedi Public Schools**  
**Independent School District #832**  
**1520 Mahtomedi Avenue**  
**Mahtomedi, MN 55115**

**Regular Meeting - Board of Education**

**Date: November 4, 2010**

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**Agenda Item #9. C. 2. a.**

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**TOPIC:** Policy 902 - Use of School Facilities

**PURPOSE OF PRESENTATION:** Second reading of District Facility Use Policy 902 updates/changes made following the school board meeting on October 14, 2010. Please note the changes/corrections are in red.

**ACTION RECOMMENDED:** None.

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**Submitted By:**

Mary George

**Name**

Community Education Manager

**Title**

**Concurrence By:**

Mark Larson

**Dr. Mark Larson**

**Superintendent of Schools**

902 - USE OF SCHOOL FACILITIES **DRAFT-4**

I. PURPOSE

The purpose of this policy is to provide direction for the School Board's belief that the Mahtomedi Public Schools are owned and operated for the benefit of school district residents and that the schools are an integral resource to the community. This policy is intended to encourage the public's use of school facilities and grounds and clarifies that the use of these facilities beyond the academic/extra curricular day shall not be of cost to the district.

II. PROCEDURES AND GUIDELINES

A. Priorities for Facility Use

The following classifications of groups are considered on a priority basis. The groups, Classes I-V, are listed in priority order. When applicable, Classes I-V may have charges for supervision, custodial, and technical support. Facility charges pertain to Class IIIB, IV and V.

The Superintendent, Director of Community Education or appointed designee reserve the right to waive certain costs with a written agreement due to unique circumstances

**CLASS I** – Includes all school-related activities outside of school hours, such as conferences, musical events, athletic events, staff and committee meetings, staff development activities, workshops, wellness activities, etc.

No facility charges, except for staff support which is needed exclusively for the event.

**CLASS II** – Includes all activities coordinated or co-sponsored through Community Education, such as enrichment classes, ECFE, extended day (MAC), preschool and senior citizen programs, etc.

No facility charges, except for staff support which is needed exclusively for the event.

**CLASS III A** – Includes activities sponsored by non-profit community groups that are comprised of at least 90 percent of area youth, adults, and families. Eligible groups: local city council meetings, political caucus groups, and county governmental agencies serving primarily school district residents.

Generally there are no facility charges but charges for staff support and technical support which is needed exclusively for the event will be assessed.

**CLASS IIIB**

Includes all athletic associations when charging participant fees, scouts, and other groups who have ongoing facility needs and **requires that 90% of team membership/roster must reside in or attend schools in-district. Athletic Associations may be asked to provide rosters.**

Athletic Associations are subject to the following additional requirements:

- Annual proof of liability insurance protection
- Prescribed coaches certification training,
- Criminal background checks for all volunteer coaches
- Compliance with certain school district policies such as student hazing and harassment.

Facility charges will be assessed according to the facility fee and charges schedule (Appendix D). Charges for staff support which is needed exclusively for the event may be assessed.

**CLASS IV** – Includes for-profit groups and/or private groups which provide educational, civic, recreational or charitable activities and do not charge participant/admission fees. Also includes religious organizations, colleges, and universities; nonprofit (501 c 3) groups not comprised of a majority (90% or greater) of school district residents; volunteers coaching athletic teams not sanctioned by area athletic associations and includes volunteers coaching teams for an extended season (such as AAU basketball) in which the team is not serving a majority of participants (90% or greater) living or attending schools within school district boundaries. Volunteer coaches must meet MAAC standards. (Appendix B)

Volunteer coaches desiring to be independent of the direction of a local athletic association need to demonstrate through written documentation that they have participated in a process with the local association to resolve expressed issues and grievances. If this level of intervention fails to produce a workable solution, at the initiation of the volunteer coach, the issue will be heard at the level of the Mahtomedi Area Athletic Association. This group will provide a resolution recommendation to the School District for consideration.

Independent volunteer coaches are subject to the same requirements of area athletic association coaches noted in CLASS IIIB above.

Facility charges will be assessed according to the rental charges schedule (appendix D). Staff support costs for exclusive coverage will also be assessed. Air-conditioning and snowplowing costs may be assessed.

**CLASS V** – Includes all activities offered by individuals, private agencies, companies, and vendors that use school district facilities for commercial purposes or profit.

Facility charges will be assessed according to the Facility Fees Schedule (Appendix D). Staff support costs and technical support for exclusive coverage will also be assessed. Air-conditioning and snowplowing costs may be assessed.

### III. COORDINATION WITH BUILDING PRINCIPALS/DIRECTOR OF STUDENT ACTIVITIES

#### A. Master Calendar

1. Community Education facilitates the development of a master calendar planning process which creates a comprehensive schedule of all school-related activities which require priority scheduling. The process occurs during the months of April-July for fiscal year beginning July 1 and ending June 30.
2. The process begins with identifying school master calendar events for all school buildings such as holidays, conferences, staff development days, etc. All schools identify major events that require the school buildings to either be completely or partially blocked out from conflicting community use for one day or multiple days.
3. During the same time frame Mahtomedi High School is identifying its major events, a committee which includes school, community education and MAEF representatives will meet to determine Class I scheduling needs of the Chautauqua Fine Arts Center. The committee will also make decisions on requests to display materials on a permanent basis in the Chautauqua Center. To be considered for display, items must have educational merit and value, or be for the purpose of recognizing individuals or organizations that have made significant contributions to the school district and community.

In the event a scheduling conflict cannot be resolved and consensus cannot be reached, a subcommittee of the facility manager, director of student activities, and the involved building principals will meet to determine the schedule for use.

4. Building secretaries will enter all the school events data in the scheduling system. By August 1, the calendar is made available to the public for facility use scheduling for the next school year (July 1 - June 30).
5. Notification of any necessary revisions to the master calendar needs to be immediately communicated to the Community Education Office.
6. Scheduled community events may be altered or canceled due to the need to accommodate school district functions or emergencies that arise.

#### IV. PROCEDURES FOR OBTAINING A FACILITY USE PERMIT

- A. All community requests for District 832 Facilities and City of Mahtomedi fields must be requested and scheduled through the Community Education Office.
  - 1. District 832 staff members wishing to use the high school facilities for school-related purposes, must request use of the space through the Student Activities' Office.
  - 2. District 832 staff members wishing to use school space (except for high school space) outside the instructional school day need to schedule use of space through the Community Education Office. District staff members using high school facilities outside the instructional day, schedule facility use with the Student Activities' Office.
  - 3. Permit request forms are available online at the Community Education web site. A facility permit request must be submitted a minimum of seven (7) calendar days prior to the intended use.
  - 4. When the facility use application is approved, the permit will be emailed to the applicant for electronic signature.
  - 5. Permits are not transferable and are restricted to the organization, dates, hours, and spaces stated on the permit.
  - 6. Upon the discretion of the Facility Manager, a user group may be requested to furnish a certificate of insurance for property damage and general liability protection naming District 832 as an additional insured party. In any case, the facility user assumes responsibility for damages to property or equipment that may occur. A damage deposit may be required.

#### V. PROCEDURES FOR USING FACILITIES

- A. Any cancellations, additions or changes to a permit must be communicated through the Community Education Office. A minimum of two (2) days notice is required. Full charges may be assessed to any group if notice of cancellation is not received with adequate notice.
- B. Only equipment specified on the permit will be made available to the permit holder. Teacher's desks, phones and other instructional equipment are not to be used by community groups using classroom areas.
- C. Use of equipment belonging to the organization must be approved prior to the event and removed immediately following the event, unless storage of certain items has been pre-approved. The school district is not liable for loss of or damage to,

equipment belonging to facility users. Furthermore, the school district will not assume liability for the use of the organization's equipment.

- D. Groups need to conclude their activity according to the time listed on the respective permit. This and other violations of user 'rules and regulations' for indoor and outdoor facility use, may result in additional assessed charges and/or may result in groups being denied future facility use.
- E. If noted on the permit, the group is responsible to contact the Community Education Office two (2) weeks in advance of the intended use to finalize remaining event arrangements. This will allow adequate time to communicate and coordinate specific arrangements with school district personnel.
- F. Upon receiving a permit, groups will receive a list of specific rules and regulations regarding use of school district facilities.

## VI. AVAILABILITY AND USE OF SCHOOL DISTRICT FACILITIES

- A. School district facility availability is dependent upon the school calendar which is updated annually. Generally, if the school has scheduled a major event, the building is not available for community use. Generally, if the schools are closed due to holiday break, the building is not available for community use. Some exceptions apply.
- B. Custodians on duty will help groups gain access to the assigned spaces if needed. The leaders of the group are required to provide direct supervision of the group. Custodial services provided beyond the regular custodial shift will be subject to the prevailing over-time (weekdays and Saturdays) and double-time (Sundays and Holidays) rate.
- C. Use of the kitchen and serving area requires approval of the Director of Food Service. When a food service employee is required, the group will pay the prevailing over-time rate.
- D. Use of a computer lab needs to be coordinated through the Technology Department to ensure security of hardware and software and to discuss rules and responsibilities for use of the space.
- E. Use of the Chautauqua Fine Arts Center and Black Box Theatre is intended to be provided at a reasonable cost to individual residents or groups when this does not interfere with school instructional or extracurricular activities.
  - 1. School groups and school affiliated organizations such as MAEF shall have first priority for use of the Chautauqua Center, Black Box Theatre and other related spaces.

- F. Similar to school use of fields and other outdoor spaces, community use is subject to weather restrictions. Due to inclement weather which can render a field surface vulnerable to excessive damage, field use may need to be delayed or canceled. The facility manager and student activities director reserves the right to cancel activities and use of fields due to weather and other conditions. Failure to adhere to facility use cancellation may result in financial consequences for the user and possible revocation of future facility use.
- G. First priority for use of gymnasiums and other high-demand spaces will be granted to in-season sports/activities. Out-of-season activities will be given second priority.
- H. First priority for use of school district facilities will be to serve youth programs. Adult programs will be given second priority.

## VII. FACILITY USE CHARGES

The facility use charges are listed in appendix D attached to this policy. Appendix D will be reviewed and modified on an as-needed basis by school district administration.

*ADOPTED – February 18, 1986*

*REVISED – December 15, 1988; September 13, 1990; May 14, 1998; May 12, 2006*

*SECOND READING - BOARD OF EDUCATION  
November 4, 2010*

**INDEPENDENT SCHOOL DISTRICT 832  
COMMUNITY EDUCATION  
1520 Mahtomedi Avenue  
Mahtomedi, Minnesota 55115**

**FACILITY USE - RULES AND REGULATIONS**

For schedule changes or cancellations, please contact Mahtomedi Community Education, [julie.toppson@mahtomedi.k12.mn.us](mailto:julie.toppson@mahtomedi.k12.mn.us), 407-2014, at least forty-eight hours in advance.

1. Group leaders are responsible for the conduct of both participants and spectators. **All children must be under direct parental/leader supervision.**
2. All groups shall abide by the starting and ending time specified on the permit.
3. Only the locations specified on the permit may be used. It is the group's responsibility to see that the room or area that has been used is returned to its original condition.
4. After the permit has been approved and signed by school authorities and an authorized representative of the organization, it becomes a contract with the applicant. The agreed upon rights and privileges are nontransferable.
5. In accordance with state law and Mahtomedi School District 832 policy 406-Drug-Free Workplace/Drug-Free School, alcoholic beverages or liquor are not permitted on school district property.
6. Mahtomedi School District 832 policy 404-Tobacco-Free Environment states that all school grounds and buildings are tobacco free. No use of tobacco products is permitted.
7. No firearms shall be brought on school property for any reason other than authorized firearm safety programs or by law enforcement personnel.
8. All refreshments are restricted to the cafeteria areas of the schools or other pre-approved areas. Kitchen and serving areas are not to be used unless arrangements are and are listed on the permit.
9. Unless previously arranged, groups will not be allowed to store materials or equipment.
10. The applicant and/or organization agrees to assume all responsibility for damage or liability of any kind and further agrees to hold harmless the school district from any liability and/or expense in connections with the use of the school facilities under this agreement. **The school district is not responsible for loss of personal items or equipment.**
11. School District authorities may require the applicant and/or organization to provide a certificate of insurance to cover potential issues of liability and property damage. (Appendix C)
12. Inclement weather and/or building emergencies may necessitate a cancellation of all or a portion of this permit. School closings will be communicated through the instant alert system, local television and/or radio and through telephone message by calling 407-2020 (Community Education weather hotline).
13. Any fees or charges for use of facilities and support services will be billed to the user.

**USE OF SCHOOL DISTRICT FACILITIES MAY BE CANCELLED  
IF ANY OF THESE RULES ARE VIOLATED**

**INDEPENDENT SCHOOL DISTRICT 832  
COMMUNITY EDUCATION  
1520 Mahtomedi Avenue  
Mahtomedi, Minnesota 55115**

***DRAFT***

**INDOOR/OUTDOOR ATHLETIC FACILITY USE - RULES AND REGULATIONS**

(Refer to Appendix A for general rules and regulations)

1. School Board Policy 902 encourages the public's use of school facilities and grounds and clarifies that the use of these facilities beyond the academic/extra curricular day shall not be of cost to the district.
2. Athletic Scheduling is based upon "priority use categories." "In-season" sports will have facility priority and be scheduled cooperatively; "out-of-season" sports facility use will be divided equitably amongst those interested and based upon availability. Season defined by MAAC.
3. Indoor facilities are generally available from 4:30-10:00 p.m. and outdoor facilities 5:30-9 p.m.
4. Permits are not transferable; sub-letting your permit for another group is prohibited.
5. Weather and field conditions permitting, outdoor use will be scheduled April 15- October 30.
6. Volunteer athletic coaches must meet MAAC standard, complete a criminal background search and complete sport specific coach's training which includes individual liability insurance. (Independent adults requesting space that are NOT affiliated with an athletic association must meet the same requirement and will only receive space if available.)
7. An athletic team practice is defined as "facility use with 6 or more students from the same team and a coach registered from the athletic association".
8. Class IIIB members require that 90% of team membership/roster must reside in or attend schools in-district. Athletic Associations may be asked to provide rosters.
9. Providers of camps/clinics/trainings, who charge a participation fee and the individual/agency receives financial gain, will be charged the Class IV rate.
10. Vehicles are to be parked in designated parking areas only. No parking or driving on grass areas.
11. No golf is allowed on outdoor fields unless it is an approved school or community education activity.
12. The applicant and/or organization agree to cancel practice and games if inclement weather (lightning and heavy rain) causes potential for personal safety or field damage. The applicant and/or organization agree to assume all responsibility for damage or liability of any kind.  
**Refunds for facility use will not be given for the first two weather cancellations.**
13. The applicant and/or organization further agree to hold harmless the school district from any liability and/or expense in connection with the use of the school facilities under this agreement.  
**The school district is not responsible for loss of personal items.**
14. School district authorities may require the applicant and/or organization to provide a certificate of insurance coverage for general liability to cover potential issues of liability and property damage.

15. Facility improvements/alterations must be approved by the school districts' building and grounds supervisor, high school activities director and community education director. A Letter of Donation form will be filed and submitted to district staff. Upon written acceptance, the donation will be brought before the school board for formal recognition.
16. Any and all food service concessions on all school/park grounds are required to be compliant with the Washington County Public Health Food Service Code. At home-prepared food or baked items may not be sold.
17. **Holidays and weekends preceding any large school events may not be available for use and will be dependent upon custodial availability.**

**TOURNAMENT FEES AND USAGE POLICIES:**

1. A tournament charge of \$320 will be assessed **and includes all permitted areas; as a result of an increased use of facilities by hosting multiple games, involving numerous participants.** Tournament use is considered Friday evening through Sunday evening or an abbreviation there of. The one day tournament fee will be \$160.
2. The district reserves the right to limit the number of tournaments allowed to each group based upon the condition of the facilities.
3. If portable sanitation week-end service is requested, the entire cost shall be the responsibility of the permitted facility user. Indoor facility use for tournaments will require additional custodial costs.

**USE OF SCHOOL DISTRICT FACILITIES MAY BE CANCELED  
IF ANY OF THESE RULES ARE VIOLATED**

**PLEASE COMPLETE AND RETURN TO: Draft**

**Director of Community Education  
1520 Mahtomedi Avenue  
Mahtomedi, MN 55115**

HOLD HARMLESS AGREEMENT

IN CONSIDERATION of the use of school buildings, grounds, facilities and equipment of Independent School District No. 832 on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_,

\_\_\_\_\_  
(Name of Organization or Person)

hereinafter called "user", through its duly authorized representative,

\_\_\_\_\_  
(Name of Representative Authorized to Secure Use of School Facilities)

hereby releases and forever discharges Independent School District No. 832, State of Minnesota, a public school corporation, its employees, school board members and other officers from any and all claims, demands, damages, actions, or suits of any kind or nature and particularly on account of bodily injuries sustained by anyone using said school district facilities, building, grounds, or equipment on the \_\_\_\_\_ day(s) of \_\_\_\_\_, 19\_\_\_\_, for the purpose of \_\_\_\_\_

\_\_\_\_\_.

User warrants and covenants to defend, indemnify and save the school district harmless from any and all actions, suits, claims, judgments, and executions or other forms of liability, arising out of the use of the school district property, buildings, facilities, grounds, or equipment in connection with user's program or other use of the property.

User further agrees to provide and keep in force during the period of use, liability insurance protecting participants, pupils and the public to insure against liabilities up to

\$600,000 for each occurrence and \$200,000 for each person from any one incident. The Board of Education shall approve the insurer and the policy submitted to fulfill this requirement and; further, the school district shall be named as an "additional insured" thereon.

\_\_\_\_\_ Insurance Waived          \_\_\_\_\_ Insurance Required

IN WITNESS WHEREOF, \_\_\_\_\_ have hereto set \_\_\_\_\_ hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

IN THE PRESENCE OF:

(Name of Organization)

By

(Its Authorized Representative)

Estimated total attendance \_\_\_\_\_ or,  
Estimated attendance per session \_\_\_\_\_.

Subscribed to and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

NOTARY PUBLIC

**RENTAL CHARGES Draft-4**

The following rates are per hour charges intended to cover school district costs for utilities, cleaning, and other operation costs. See page 1 of policy 902 for a description of Class categories.

**FACILITY FEES AND CHARGES**

Space	Class IIIB Rate	Class IV Rate	Class V Rate
Classrooms	\$5	\$17	\$32
Computer Labs	\$25	\$75	\$110
Media Centers	\$12	\$37	\$60
Cafeteria/commons (MS/HS)	\$15	\$47	\$80
Kitchen/serving area	\$12	\$37	\$60
Concession Stand	\$7	\$22	\$42
Chautauqua Center (HS)	\$25	\$75	\$100
Black Box Theater (HS)	\$20	\$50	\$65
Main Gym (HS)	\$5	\$32	\$65
Aux. Gym (HS)	\$5	\$22	\$42
Gym (MS/court)	\$5	\$22	\$42
Gym 1, Court 3 (MS)	\$10	\$32	\$65
(when using batting cage)			
Large/Small Gym (OHA)	\$5	\$17	\$32
Gym (DEC & WW)	\$5	\$14	\$26
Multipurpose Room (DEC & OHA)	\$5	\$23	\$44
Multipurpose Room Kitchen (DEC)	\$5	\$17	\$32
Fields (soccer/softball/ baseball/lacrosse) (2 hour minimum charge)	<b>\$7</b>	\$22	\$42
Varsity Soccerfield	\$20	\$37	\$75
Varsity Baseball field	\$20	\$37	\$75
Varsity Stadium field	\$30	\$55	\$155
Varsity Stadium field includes lights	\$40	\$70	\$175
Hockey Rink (with lights)	\$30	\$40	\$70
Hockey Rink (without lights)	\$10	\$30	\$40

Tournament fee is \$320 per Friday through Sunday use and includes all permitted areas. Sanitation service is an additional charge and any additional custodial needs. One day tournament fee is \$160.

Varsity field use must be approved by High School Activities Director

Technology fees	Class IIIB Rate	Class IV Rate	Class V Rate
*Cordless Microphone	\$5	\$15	\$20
*Public Address Microphone	\$5	\$10	\$15
*Sound System	\$17	\$50	\$65
*Stage Lighting	\$15	\$45	\$60
*LCD Projector	\$12	\$36	\$50
*Piano	\$6	\$18	\$25

\*Fees based on per day basis

On-site technician charge is \$50/hr

Additional costs for custodial, technical, food service and supervision support will be assessed based on the amount of time services are required. The prevailing hourly rate will be assessed. Also, there may be additional costs for trash removal, air-conditioning and snow removal.

The facility use permit will provide an estimate of costs. After the event is held, an invoice detailing actual costs will be provided to the user group.

**Refunds for facility use will not be given for the first two weather cancellations.**

**Payment due dates and late fees:**

Payment is due 15 days from receipt of invoice. A \$15 late fee will be charged to unpaid invoices of 30 days. An Additional \$25 late fee will be charged to unpaid invoices of 60 days. After 60 days the user and the organization will be restricted from facility use until balance is paid in full.

**Revised/updated 7/05 and 9/27/10**

**DRAFT**

## **School District Events/Activities**

District 832 Board of Education policies guide the use of its facilities by school personnel, students and the public. Priority of use and liability is based on who is sponsoring the activity/event – the school district or the public. The following guidelines will help determine whether an activity/event is school district-sponsored.

**School District Events/Activities** – A *school district* event/activity must meet the following criteria:

- It operates under the control of the ISD 832 School District
- 832 school district personnel approve, actively supervise, and assume responsibility for the permitted activity/event.
- The district employee named on the permit is responsible for the resolution of any problems/issues during the activity/event.
- Revenue collected goes directly to a school district account -purchases/expenses are well documented by proper paperwork.
- The signature of a school's principal, Community Education Dept., or district designee sanctions the activity/event as school district sponsored by signing the permit request.

Liability insurance is provided by the school district for an activity/event only when all the criteria listed above is met. *Additional custodial costs are paid by the facility user including school sponsored fundraising events. For example the high school principal approves cheerleader fundraiser that occurs on a Saturday.*

**Non-School District Events/Activities** – When an event/activity does not meet the criteria of a school district-activity/event, it is designated as a **non**-school district activity/event. No facility charges will be assessed except for staff support which is needed exclusively for the event. The district appreciates the support of its parent groups and booster clubs and it encourages them to hold meetings, activities, and other events in district facilities as space and supervision allow. Custodial costs are paid by the facility user and will be charged for fundraising tournaments and events. Additional custodial coverage may be required for large events and activities.

# Mahtomedi Public Schools DONATION FORM

Please follow the instructions below. Send form to: High School Activities Director. DONOR WILL RECEIVE NOTIFICATION OF APPROVAL FROM Jeff Whisler or Phil Belden.

**Organization Name:** \_\_\_\_\_

**TYPE OF DONATION:**

Monetary:  Amount: \_\_\_\_\_

Equipment/uniforms:

Please describe: \_\_\_\_\_

Capital Improvement:  
Describe in detail:

Other:  Describe \_\_\_\_\_

Maintenance Plan:  
\_\_\_\_\_  
\_\_\_\_\_

Fiscal year of record: \_\_\_\_\_

Supervisor of Buildings and Grounds \_\_\_\_\_ Date \_\_\_\_\_  
Activities Director \_\_\_\_\_ Date \_\_\_\_\_

All school district facility improvements or additions are subject to approval by the Supervisor of Buildings and Grounds and the Activities Director and will be sent to the Mahtomedi Board of Education for acceptance. Note: ISD 832 does not provide any goods or services for the above contribution. Gifts are tax deductible to the extent provided by the law.

**Mahtomedi Public Schools**  
**Independent School District #832**  
**1520 Mahtomedi Avenue**  
**Mahtomedi, MN 55115**

**Regular Meeting - Board of Education**

**Date: November 4, 2010**

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**Agenda Item #10. A.**

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**TOPIC:** 2009-2010 Audit

**PURPOSE OF PRESENTATION:** Presentation of the 2009-2010 Audit by Matt Mayer, Partner, KDV (Kern, DeWenter, Viere, LTD).

**ACTION RECOMMENDED:** Approval

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**Submitted By:**

Denise Sundstrom

**Name**

Director of Business Services

**Title**

---

**Concurrence By:**

Mark Larson

**Dr. Mark Larson**

**Superintendent of Schools**

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

*Management Letter  
For the Fiscal Year Ended June 30, 2010*

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

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*Expert advice. When you need it.<sup>SM</sup>*

**REPORT ON MATTERS IDENTIFIED AS A RESULT OF  
THE AUDIT OF THE FINANCIAL STATEMENTS**

October 21, 2010

To the School Board  
Independent School District No. 832  
Mahtomedi, Minnesota

In planning and performing our audit of the financial statements of Independent School District No. 832, Mahtomedi, Minnesota, as of and for the year ended June 30, 2010, in accordance with U.S. generally accepted auditing standards, we considered the District'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. Material weaknesses and significant deficiencies identified, if any, are stated within this letter.

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

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



The accompanying memorandum includes financial analysis and recommendations for improvement of accounting procedures and internal control measures that came to our attention as a result of our audit of the financial statements of the District for the year ended June 30, 2010. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated October 21, 2010, on such statements.

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

*Kern, DeWenter, Viere, Ltd.*

KERN, DEWENTER, VIERE, LTD.  
Bloomington, Minnesota

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**SIGNIFICANT DEFICIENCY  
June 30, 2010**

**LACK OF SEGREGATION OF ACCOUNTING DUTIES**

During the year ended June 30, 2010, the District had a lack of segregation of accounting duties in the cash receipts and payroll processes due to a limited number of office employees. Although this meets the definition of a “significant deficiency”, it may not be practical to correct since the costs of obtaining desirable segregation of accounting duties may exceed benefits that could be derived.

**Cash Receipt**

- Building secretaries may receive cash and/or checks and also prepare deposit slips.

**Payroll**

- The Payroll Coordinator verifies hours and coding, has the ability to change rates of pay and hours, processes and inputs payroll, prints checks, has access to blank check stock, posts payroll to the finance system, is authorized to make payroll electronic funds transfers (EFT) transactions and reconciles gross to net pay payroll amounts to the general ledger.
- There is no regular review or approval of payroll runs other than the Payroll Coordinator.

Management is aware of this condition and will take certain steps to compensate for the lack of segregation. However, due to the accounting staff needed to handle all of the accounting duties, the cost of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. Because of this, management has determined a complete segregation of accounting duties is impractical to correct.

We recommend management, along with the School Board, remain aware of this situation and continually monitor the accounting system.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**RECOMMENDATION FOR MANAGEMENT  
June 30, 2010**

**CONSIDER THE IMPLICATIONS OF GOVERNMENTAL ACCOUNTING  
STANDARDS BOARD STATEMENT NO. 54, *FUND BALANCE REPORTING AND  
GOVERNMENTAL FUND TYPE DEFINITIONS***

Governmental Accounting Standards Board (GASB) Statement No. 54 was enacted to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The initial distinction that is made in reporting fund balance information is identifying amounts that are considered nonspendable, such as fund balance associated with inventories or prepaid expenses. This Statement also provides for additional classification as restricted, committed, assigned and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed, unless that is a negative balance. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed or assigned.

Governments are allowed to have stabilization amounts which are formally set aside for use in emergency situations or when revenue shortages or budgetary imbalances arise. These funds must be restricted or committed for a specific purpose and cannot occur routinely.

Governments are required to have a fund balance policy which addresses a reasonable minimum level of unrestricted fund balance to be maintained, how the unrestricted fund balance can be used or spent down and how that fund balance will be replenished if it falls below the minimum level.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**RECOMMENDATION FOR MANAGEMENT  
June 30, 2010**

**CONSIDER THE IMPLICATIONS OF GOVERNMENTAL ACCOUNTING  
STANDARDS BOARD STATEMENT NO. 54, *FUND BALANCE REPORTING AND  
GOVERNMENTAL FUND TYPE DEFINITIONS***

Elimination of the reserved component of fund balance in favor of a restricted classification will enhance the consistency between information reported in the government-wide statements and information in the government fund financial statements and avoid confusion about the relationship between the reserved fund balance and restricted net assets. The Statement is also designed to enhance the usefulness of fund balance information by clarifying the definitions of governmental fund types. For example, special revenue funds are created only to report a revenue source that is restricted or committed to a specified purpose, and that revenue source should constitute a substantial portion of the resources reported in the fund. In addition, the definition of the capital project fund type has been clarified to focus on the broader, more consistent understanding of capital outlays and capital activities in today's environment.

This Statement is effective for the year ending June 30, 2011. Fund balance reclassifications made to conform to the provisions of this Statement should be applied retroactively by restating fund balance for all prior periods presented.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**REQUIRED COMMUNICATION  
June 30, 2010**

We have audited the financial statements of the District for the year ended June 30, 2010, and have issued our report dated October 21, 2010. Professional standards require that we provide you with the following information related to our audit.

**OUR RESPONSIBILITY UNDER U.S. GENERALLY ACCEPTED AUDITING STANDARDS, GOVERNMENT AUDITING STANDARDS AND OMB CIRCULAR A-133**

As stated in our audit engagement letter, our responsibility, as described by professional standards, is to express an opinion 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. Our responsibility is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. 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

As part of obtaining reasonable assurance about whether the District's 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.

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 U.S. Office of Management and Budget (OMB) *Circular A-133*.

Also, in accordance with OMB *Circular A-133*, we examined, on a test basis, evidence about the District's compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* applicable to its major federal program for the purpose of expressing an opinion on the District'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.

**PLANNED SCOPE AND TIMING OF THE AUDIT**

We performed the audit according to the planned scope and timing previously communicated to you.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**REQUIRED COMMUNICATION  
June 30, 2010**

**QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES**

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2010. We noted no transactions entered into 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:

Depreciation – The District is currently depreciating its capital assets over their estimated useful lives, as determined by management, using the straight-line method.

Expense Allocation – The District is currently allocating certain costs among the programs and supporting services benefited. The costs are allocated based on management's estimates.

General Education and Special Education Aid – General education aid is an estimate until average daily membership (ADM) values are final. Since this is normally not done until after the reporting deadlines, this aid is an estimate. Special education aid is also dependent upon ADM values; however, in addition to those, this aid is dependent on the availability of funds and complex formulas that are finalized after reporting deadlines.

Net Other Post Employment Benefits (OPEB) Asset – This balance is based on an actuarial study using the estimates of future obligations of the District for post employment benefits.

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

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

**DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT**

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

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**REQUIRED COMMUNICATION  
June 30, 2010**

**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. A schedule summarizing uncorrected misstatements of the financial statements was given to management. Management has determined the effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole; other misstatements have been corrected by management.

**DISAGREEMENTS WITH MANAGEMENT**

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

**MANAGEMENT REPRESENTATIONS**

We requested certain representations from management which were provided to us in the management representation letter.

**MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine the consultant has all the relevant facts. We are not aware of any consultations by the District's management with other accountants during the course of our audit.

**OTHER 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.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**REQUIRED COMMUNICATION  
June 30, 2010**

**OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL  
STATEMENTS**

We have not reviewed, and it is our understanding, that no other published documents exist that contain audited financial statement information, for which we are currently auditing. As stated in our engagement letter, if you publish or reproduce the financial statements or make reference to our Firm name in relation to such documents, you agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2010**

The following pages provide graphic representation of select data pertaining to the financial position and operations of the District for the past five years. Our analysis of each graph is presented to provide a basis for discussion of past performance and how implementing certain changes may enhance future performance. A subsequent discussion of this information should be useful for planning purposes.

Due to its complexity, it would be impossible to fully explain the funding of public education in Minnesota within this letter. The last section of this report, which contains a summary of legislative changes affecting school districts, gives an indication of how complicated the funding system is. The following section provides some state-wide funding and financial trend information.

**AVERAGE DAILY MEMBERSHIP AND PUPIL UNITS**

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

Fiscal Year	Formula Allowance	
	Amount	Percent Increase
2003	\$ 4,601	0.0%
2004	4,601	0.0%
2005	4,601	0.0%
2006	4,783	4.0%
2007	4,974	4.0%
2008	5,074	2.0%
2009	5,124	1.0%
2010	5,124	0.0%
2011	5,124	0.0%

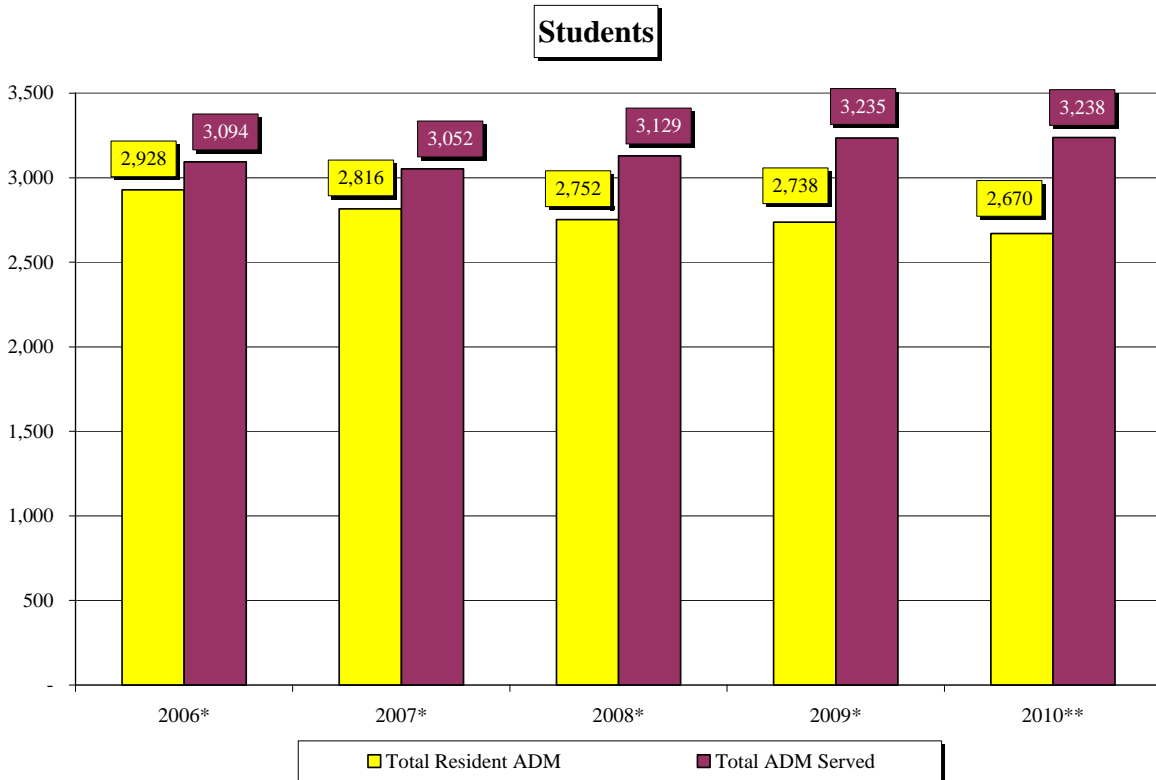
**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2010**

**AVERAGE DAILY MEMBERSHIP**

The following graphs summarize resident ADM and ADM served of the District over the past five years ending June 30. Resident ADM includes all residents who are enrolled in the District, educated in another district for whom tuition is paid or attending another district under enrollment option legislation. Total ADM served includes residents attending the District, residents at other districts on tuition, nonresident enrollment option students and nonresident tuition students.

<b>Resident ADM</b>	<b>2006*</b>	<b>2007*</b>	<b>2008*</b>	<b>2009*</b>	<b>2010**</b>
Kindergarten and Other	177	135	141	149	141
Elementary	1,179	1,122	1,059	1,045	1,035
Secondary	1,572	1,559	1,552	1,544	1,494
<b>Total Resident ADM</b>	<b>2,928</b>	<b>2,816</b>	<b>2,752</b>	<b>2,738</b>	<b>2,670</b>
<b>Total ADM Served</b>	<b>3,094</b>	<b>3,052</b>	<b>3,129</b>	<b>3,235</b>	<b>3,238</b>



\* Source: *School District Profiles*

\*\* Estimate as of September 21, 2010

As the graphs illustrate, resident ADM decreased 68, or 2.5%, in fiscal year 2010 compared to fiscal year 2009, while ADM served increased 3, or 0.1%. Over the past five years, resident ADM has steadily decreased while ADM served has increased. In fiscal year 2010, the discretionary enrollment continued to contribute to the increase in students served.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

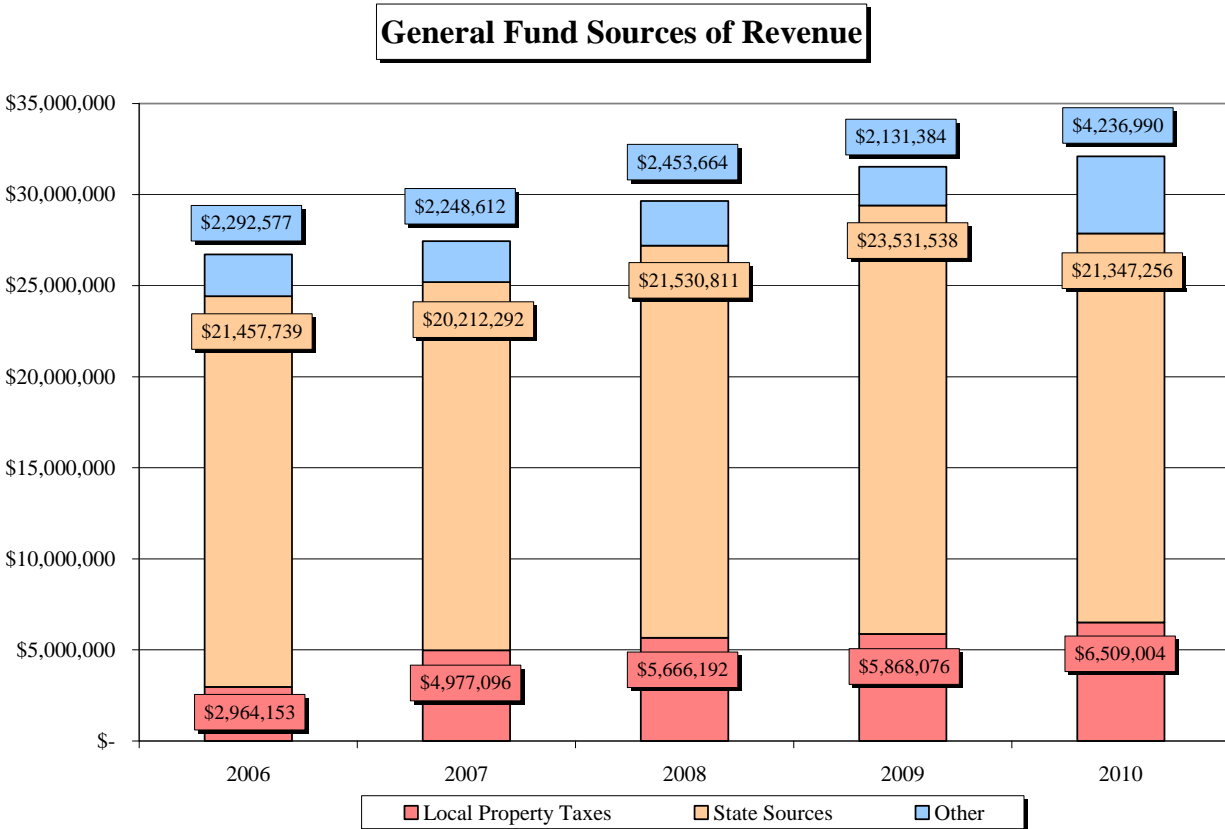
**FINANCIAL ANALYSIS  
June 30, 2010**

**GENERAL FUND SOURCES OF REVENUE**

General Fund sources of revenue are summarized as follows:

<b>For the Year Ended June 30,</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Local Property Taxes	\$ 2,964,153	\$ 4,977,096	\$ 5,666,192	\$ 5,868,076	\$ 6,509,004
State Sources	21,457,739	20,212,292	21,530,811	23,531,538	21,347,256
Other	2,292,577	2,248,612	2,453,664	2,131,384	4,236,990
<b>Total</b>	<b>\$ 26,714,469</b>	<b>\$ 27,438,000</b>	<b>\$ 29,650,667</b>	<b>\$ 31,530,998</b>	<b>\$ 32,093,250</b>

General Fund revenues increased \$ 562,252, or 1.8%, over 2009 levels. Other sources, which include federal revenue, saw the largest increase at \$ 2,105,606 due to American Recovery and Reinvestment Act (ARRA) Stabilization Aid helping to replace state general education aid. Correspondingly, state sources saw the largest decrease at \$ 2,184,282. Local property taxes increased \$ 640,928 due to an increase in the tax levy. General Fund revenues over the past five years are portrayed in the following graph.



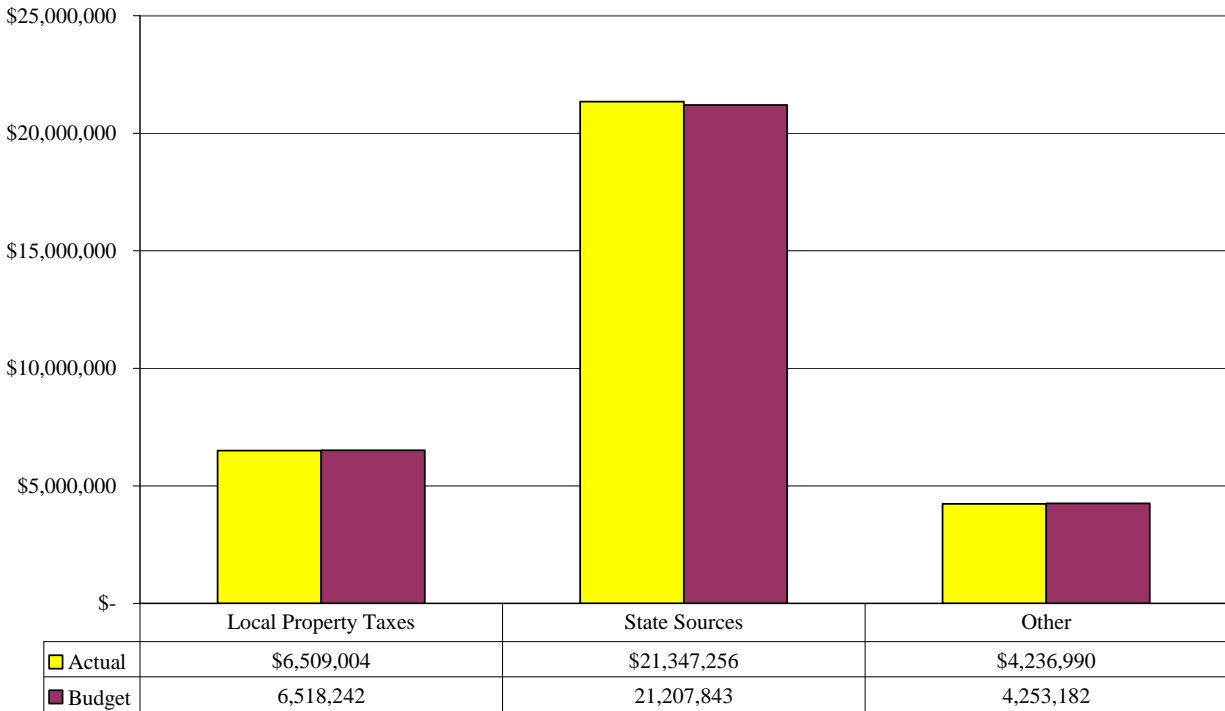
**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2010**

**GENERAL FUND BUDGET AND ACTUAL REVENUES**

The chart below represents the District’s actual revenue compared to budgeted revenue. Overall, actual revenues exceeded budgeted amounts by \$ 113,983. The state sources category revenues exceeded the budget by approximately \$ 139,413 as a result of higher than expected state aid amounts. Other revenues were under budget as a result of a decline in investment income related to lower interest rates on the District’s investments as well as federal revenue falling short of budgeted entitlement amounts based on program expenditures. Actual local property tax revenues were in line with the budget.

**2010 General Fund Revenues  
Budget and Actual**



**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2010**

**EXPENDITURES PER STUDENT (ADM SERVED)**

Expenditures per student (per ADM served) for all operating programs are summarized as follows:

<b>District*</b>	<b>2006*</b>	<b>2007*</b>	<b>2008*</b>	<b>2009*</b>	<b>2010</b>
General Fund	\$ 8,541	\$ 9,063	\$ 9,349	\$ 10,589	\$ 9,773
Food Service	346	365	385	382	425
Community Service	616	632	643	681	636
<b>Total</b>	<b>\$ 9,503</b>	<b>\$ 10,060</b>	<b>\$ 10,377</b>	<b>\$ 11,652</b>	<b>\$ 10,834</b>

<b>Regional Average**</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
General Fund	\$ 8,854	\$ 9,275	\$ 9,672	\$ 10,883	N/A
Food Service	397	415	431	452	N/A
Community Service	503	521	542	589	N/A
<b>Total</b>	<b>\$ 9,754</b>	<b>\$ 10,211</b>	<b>\$ 10,615</b>	<b>\$ 11,924</b>	<b>N/A</b>

<b>State Average***</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
General Fund	\$ 9,070	\$ 9,364	\$ 9,797	\$ 10,640	N/A
Food Service	396	415	437	451	N/A
Community Service	427	446	470	505	N/A
<b>Total</b>	<b>\$ 9,893</b>	<b>\$ 10,225</b>	<b>\$ 10,704</b>	<b>\$ 11,596</b>	<b>N/A</b>

- \* Source: *School District Profiles* – not including Building Construction or Debt Service Funds
- \*\* Source: *School District Profiles* – including Counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington (excludes Minneapolis and St. Paul Districts)
- \*\*\* Source: *School District Profiles* – State average expenditures per ADM served

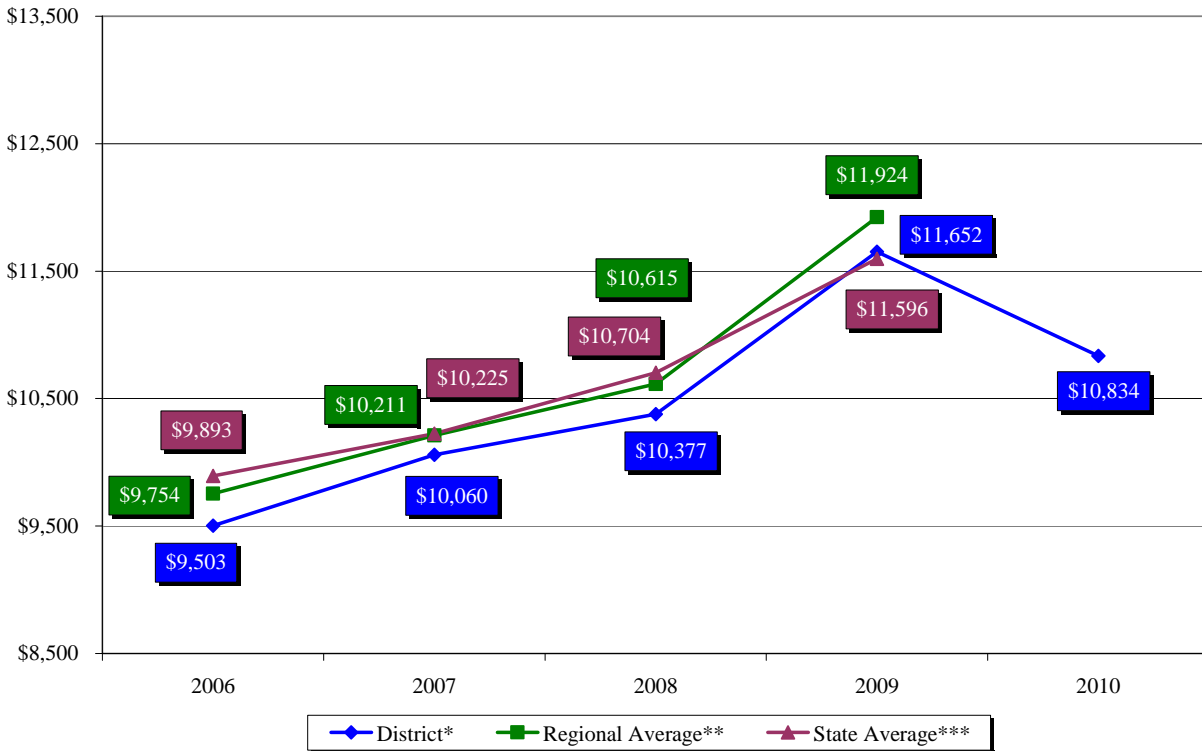
Expenditures per ADM decreased from fiscal year 2009 to fiscal year 2010 by 7.7% for the General Fund and 7.0% overall for all operating funds (including General, Food Service and Community Service Funds) as a result of contributions by the District to the OPEB Trust Fund in 2009. Overall, averages have remained consistent with other districts within the region and throughout the state.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2010**

**EXPENDITURES PER STUDENT (ADM SERVED)**

**Expenditures Per Student (ADM Served)**



- \* Source: *School District Profiles* – not including Building Construction or Debt Service Funds
- \*\* Source: *School District Profiles* – including Counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington
- \*\*\* Source: *School District Profiles* – State average expenditures per ADM served

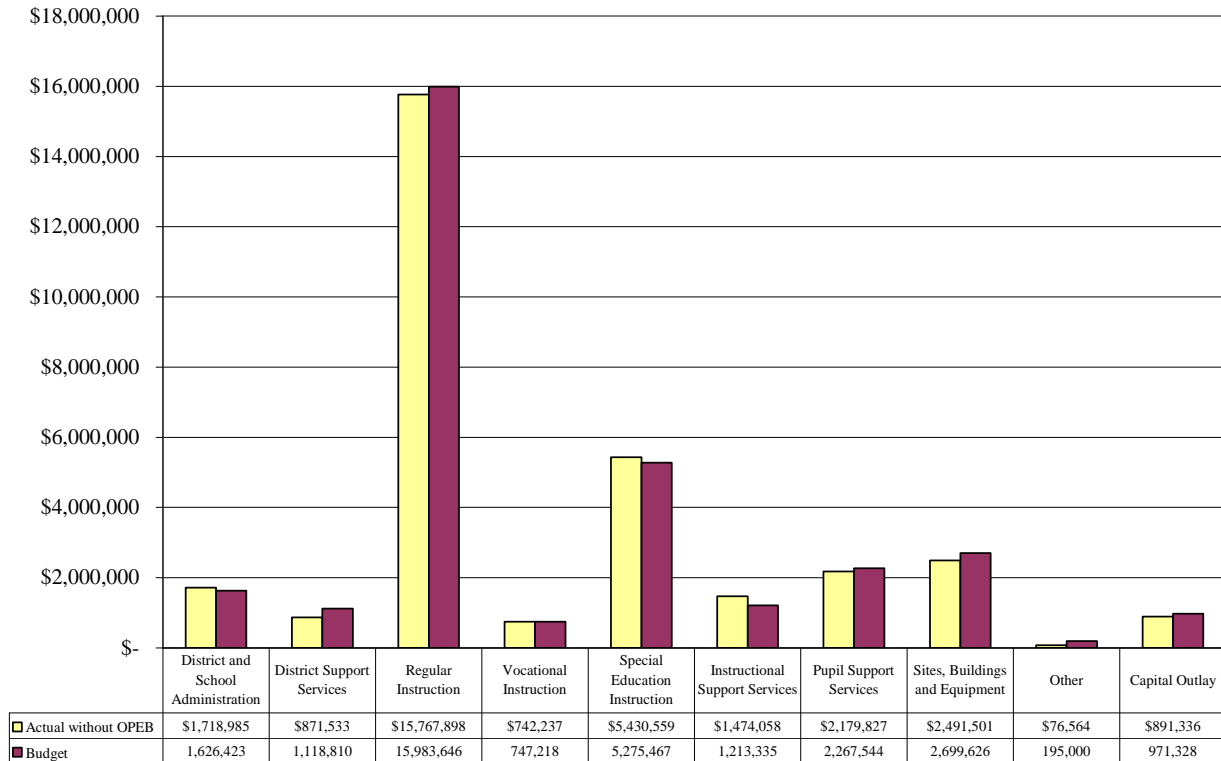
**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2010**

**GENERAL FUND BUDGET AND ACTUAL EXPENDITURES**

The chart below represents actual expenditures compared to budgeted expenditures for the District. Overall, the District's General Fund expenditures were \$ 31,644,498 which was under the budgeted amount of \$ 32,098,397 by \$ 453,899. Expenditures exceeded budgeted amounts in instructional support services by \$ 260,719 as a result of reclassing teacher workshop days to this program from regular instruction. District support services were under budget by \$ 247,277 partially due to fewer legal fees than expected. Regular instruction was under budget by \$ 215,748 as a result of budgeting expenditures in regular instruction and spending in other functions relating to ARRA funds. Sites and buildings came in under budget by \$ 208,125 due to fewer repairs and maintenance and utility fees than budgeted. District support services, vocational instruction, pupil support services, other expenditures and capital outlay actual expenditures were in line budgeted amounts.

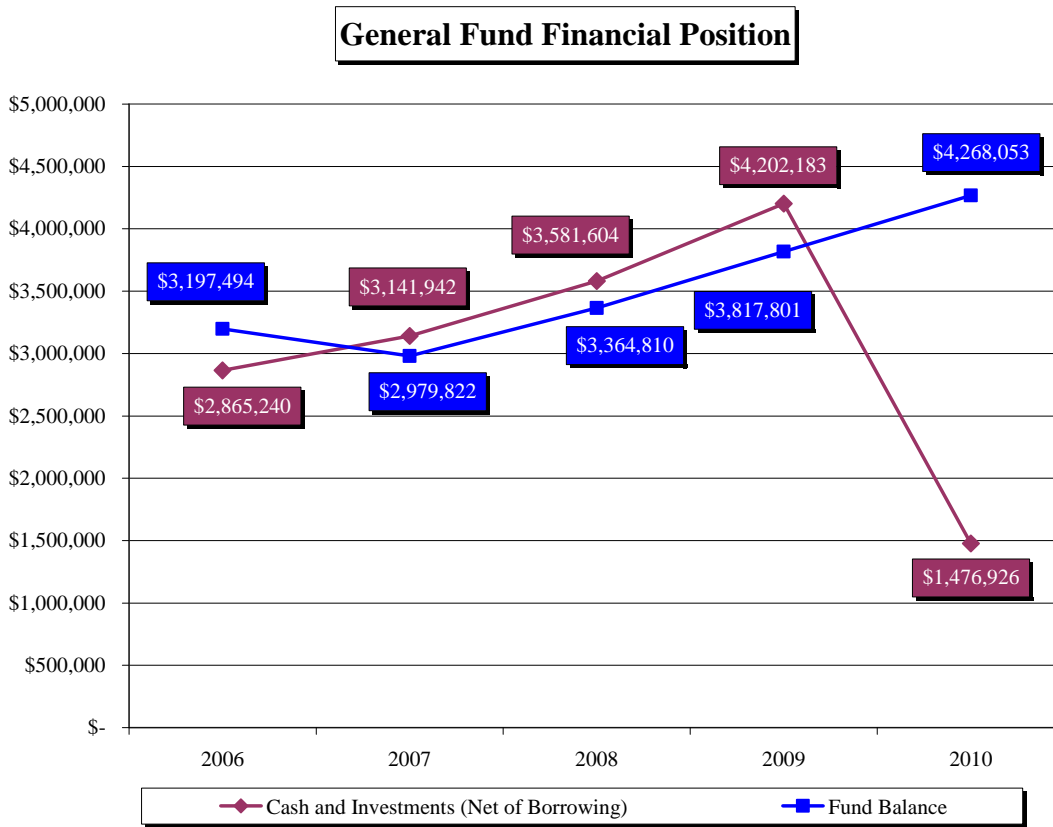
**2010 General Fund Expenditures Budget and Actual**



**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2010**

**GENERAL FUND FINANCIAL POSITION**



The District's General Fund cash balance was relatively consistent in relation to fund balance between 2006 and 2009. In 2010, there was a sharp decline in the cash balance of the District of \$ 2,725,257 while the overall fund balance increased by \$ 450,252. The main factor in these variances is the percentage of aid paid by the State of Minnesota prior to each fiscal year-end. This amount has varied from as low as 73% to as high as 90% over the five year period shown. While the percentage is closer to 90%, fund balance and cash balance move consistently in line with one another. However, in 2010, the aid percentage decreased to 73% resulting in a decline in the cash balance even while fund balance increased.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2010**

**GENERAL FUND OPERATIONS**

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

For the Year Ended June 30,	2006	2007	2008	2009	2010
Revenues	\$26,714,469	\$27,438,000	\$29,650,667	\$31,530,998	\$ 32,093,250
Expenditures	(26,427,655)	(27,662,672)	(29,265,679)	(34,276,576)	(31,644,498)
Excess of Revenues Over (Under) Expenditures	286,814	(224,672)	384,988	(2,745,578)	448,752
Other Financing Sources, Net	-	7,000	-	3,198,569	1,500
Fund Balance, July 1	2,910,680	3,197,494	2,979,822	3,364,810	3,817,801
<b>Fund Balance, June 30</b>	<b>\$ 3,197,494</b>	<b>\$ 2,979,822</b>	<b>\$ 3,364,810</b>	<b>\$ 3,817,801</b>	<b>\$ 4,268,053</b>

Components of Fund Balance	2006	2007	2008	2009	2010
Unreserved:					
Undesignated	\$ 1,546,991	\$ 1,422,687	\$ 1,599,834	\$ 1,904,204	\$ 2,224,000
Designated for:					
Student Activities	216,782	152,806	204,077	198,580	199,577
Building Discretionary	158,301	275,836	215,332	240,613	384,781
Severance Pay	-	-	-	578,955	411,850
Reserved for:					
Severance Pay	414,298	430,914	687,070	-	-
Deferred Maintenance	-	-	5,579	-	60,663
Capital Projects Levy	-	-	-	-	17,305
Operating Capital	684,004	616,941	603,541	866,986	894,714
Health and Safety	177,118	80,638	49,377	28,463	75,163
<b>Fund Balance, June 30</b>	<b>\$ 3,197,494</b>	<b>\$ 2,979,822</b>	<b>\$ 3,364,810</b>	<b>\$ 3,817,801</b>	<b>\$ 4,268,053</b>

For fiscal year 2010, General Fund revenues increased 1.8% and expenditures decreased by 7.7%. This resulted in an overall increase to General Fund balance of \$ 450,252. Fund balance has steadily increased in each year since 2007.

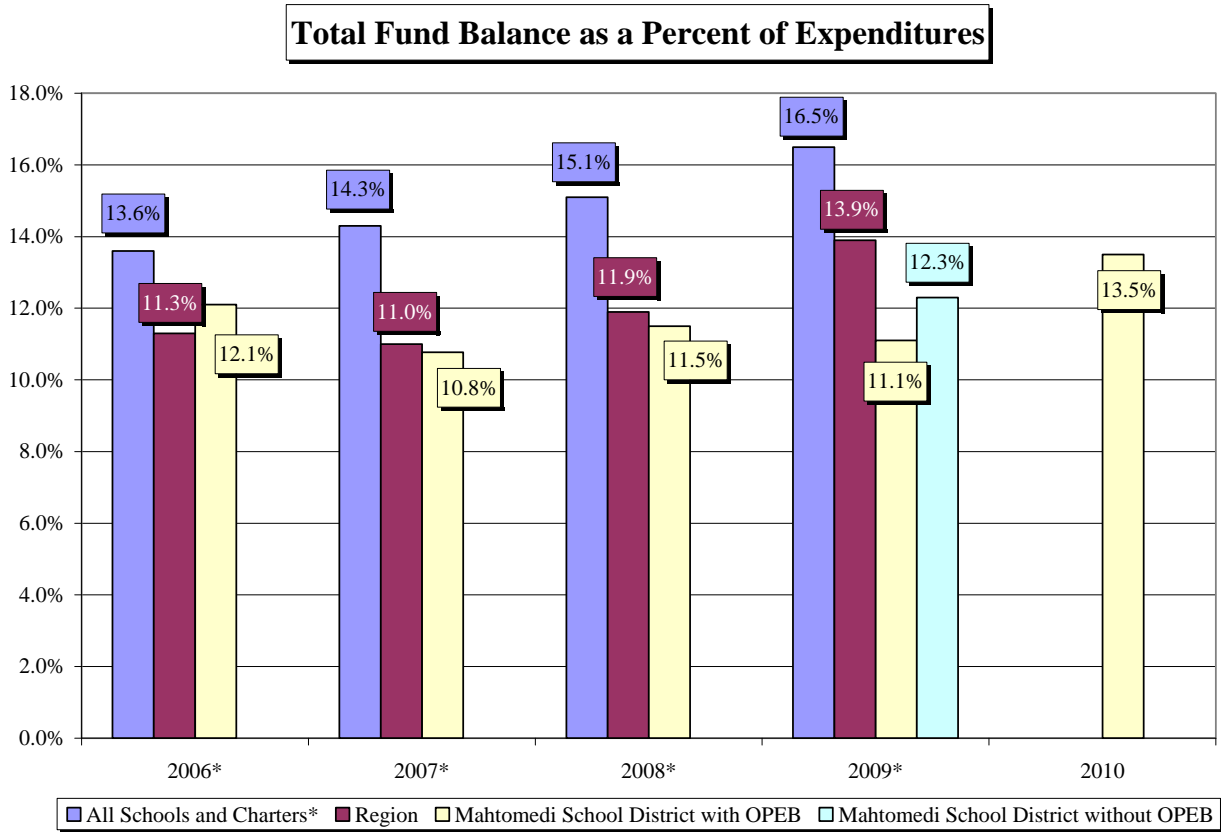
This unreserved, undesignated fund balance represents 7% of a year's expenditures at 2010 spending levels.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2010**

**GENERAL FUND FINANCIAL HEALTH**

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



\* Source: *Minnesota School District Financial Trends Report* for 1997 through 2009.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2010**

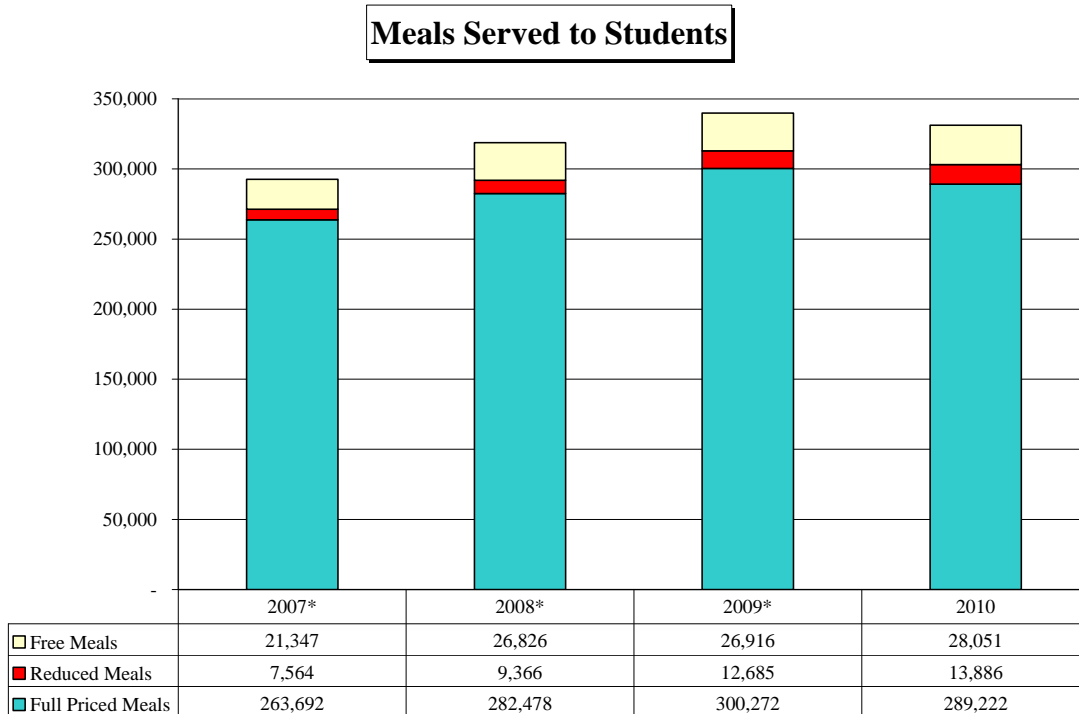
**FOOD SERVICE FUND**

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

<b>For Year Ended June 30,</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Revenues	\$ 1,134,358	\$ 1,164,080	\$ 1,273,633	\$ 1,383,793	\$ 1,393,653
Expenditures	(1,071,711)	(1,114,367)	(1,206,470)	(1,236,820)	(1,377,043)
Excess of Revenues					
Over Expenditures	62,647	49,713	67,163	146,973	16,610
Fund Balance, July 1	99,053	161,700	211,413	278,576	425,549
<b>Fund Balance, June 30</b>	<b>\$ 161,700</b>	<b>\$ 211,413</b>	<b>\$ 278,576</b>	<b>\$ 425,549</b>	<b>\$ 442,159</b>

Overall, food service revenues remained consistent with the prior year, increasing 0.7%, while expenditures increased 11.3% because of the increased equipment purchases made during the year. The Minnesota Department of Education recommends districts maintain a fund balance not to exceed 3 months of expenditures, based on a 10 month operating year. Based on this calculation, the maximum fund balance at June 30, 2010 would be \$ 413,113. The fund balance position at June 30, 2010, represents just over 3 month's expenditures.

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



\* Source: *Food and Nutrition Services: District Financial Report* by the Minnesota Department of Education

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**FINANCIAL ANALYSIS  
June 30, 2010**

**COMMUNITY SERVICE FUND**

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

For Year Ended June 30,	2006	2007	2008	2009	2010
Revenues	\$ 1,882,457	\$ 1,916,127	\$ 1,990,763	\$ 2,181,131	\$ 2,051,503
Expenditures	(1,905,826)	(1,929,455)	(2,013,993)	(2,203,151)	(2,058,629)
Excess of Revenues Under Expenditures	(23,369)	(13,328)	(23,230)	(22,020)	(7,126)
Fund Balance, July 1	268,104	244,735	231,407	208,177	186,157
<b>Fund Balance, June 30</b>	<b>\$ 244,735</b>	<b>\$ 231,407</b>	<b>\$ 208,177</b>	<b>\$ 186,157</b>	<b>\$ 179,031</b>

Revenues decreased approximately 5.9% and revenues declined by 6.6%. Revenue and expenditure declined due to decreased program participation.

Components of the Community Service Fund balance at June 30, 2010 are as follows: community education \$ 187,472, early childhood and family education \$ (12,950) and school readiness \$ 4,510.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**LEGISLATIVE SUMMARY  
June 30, 2010**

The following is a brief summary of current legislative changes and issues affecting the funding of Minnesota school districts. More detailed and extensive summaries are available from the Minnesota Department of Education (MDE).

**STATE AID APPROPRIATIONS**

The formula allowance for the fiscal year 2011 general education aid remains unchanged from the fiscal year 2010 allowance. The state was the recipient of \$ 167 million in federal Education Jobs Fund (Ed Jobs) money for the 2010-2011 school year. This is a one time federal program to provide assistance to states to save or create education jobs. These funds are allocated to the districts based on general education aid, state special education and excess cost aid. An estimate is available on the MDE web site.

During fiscal year 2011, payments for state aids will be paid at 70% current and 30% final payment. The 90% current and 10% final payment is reinstated for fiscal year 2012. Districts and charter schools in statutory operating debt (SOD) can receive early final payment on June 20 to bring total general education aid for the year up to 90% of the aid entitlement but not to exceed the amount of SOD in the district.

**STATE AID PAYMENT DELAYS**

*Minnesota Statutes* 127A.46 was modified to make state aid payment delays to districts optional instead of mandatory before the state does short-term borrowing. The modification also limits the delays to districts with fund balances of \$ 700 per resident pupil unit or more and deducts the first \$ 700 per pupil unit of cash balances in calculating the delays.

The state exercised this option for fiscal year 2011 aids and currently estimates that \$ 156 million of aids, which could be reduced down to \$ 83 million, will be delayed for approximately 138 districts that meet the above cash and fund balance limits. Delays began on September 15 and will be paid in full by May 30, 2011.

**PROPERTY TAX LEVIES**

There are no new levies for taxes payable in 2011. The property tax shift was ratified at a 48.6% shift for fiscal year 2011 and later and uses the same calculation method and percent as the previous tax shift enacted in 2003, to be repaid when the state budget improves (after the state cash flow account balance reaches \$ 350 million, the state budget reserve reaches \$ 653 million and the aid payment schedule is restored to 90-10).

Beginning in fiscal year 2011, the first half of the school levy payments (amounts received in May, June and July settlements) is shifted back into the current fiscal year and recognized early as revenue.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**LEGISLATIVE SUMMARY  
June 30, 2010**

**MDE BUDGET**

Due to the current economic condition of the state, the MDE budget has been reduced by \$ 796,000 for fiscal year 2010 and \$ 1.132 million for fiscal year 2011 and later.

**DEBT SERVICE EQUALIZATION AID**

Sets standing appropriations for debt service equalization aid are set at \$ 17,161,000 for fiscal year 2012 and at \$ 19,175,000 for fiscal year 2013, which should eliminate the need for the MDE to increase the 2010 payable 2011 debt service levies for districts receiving the debt service equalization aid to cover potential proration of the aid.

**OMNIBUS PENSION BILL, PERA AND TRA**

Increases employee and employer contributions rates for various public employee pension programs will be as follows:

- PERA – Employee and employer contribution rates for PERA Coordinated Plan will increase by 0.25% effective January 1, 2011.
  - Employee rates from 6% to 6.25%
  - Employer rates from 7% to 7.25%
- TRA – Rates are currently 5.5% and will rise by 0.5% annually over a four year period beginning July 1, 2011. TRA automatic 2.5% annual post retirement adjustment is suspended for 2011 and 2012 followed by a 2% increase until the plan becomes 90% funded.

**OPEB BONDING AND LEVIES**

Voter approval is required for bonds issued after October 1, 2009. Any new levy to fund annual OPEB expense initiated with taxes payable is capped. Pay 2010 levy was prorated at 60.4%. Currently, the fiscal year Pay 2011 levy is prorated at 100%.

**STAFF DEVELOPMENT**

The staff development reserve is temporarily suspended for fiscal years 2010 and 2011. The reserve is equal to 2% of the district's basic general education revenue.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**LEGISLATIVE SUMMARY  
June 30, 2010**

**EARLY CHILDHOOD EDUCATION – SCHOOL READINESS PROGRAM**

Children eligible to participate are defined as follows:

- Must be at least three years old on September 1,
- Must have completed the Early Childhood Health and Developmental Screening within 90 days of the program enrollment and
- Must meet one or more of the following criteria:
  - Qualify for free or reduced price lunch
  - Be an English language learner
  - Be homeless
  - Be eligible for special education services
  - Be identified through screening as having a potential risk factor that may influence learning or
  - Be identified as at risk by the district

School readiness aid must be used for eligible children, but children who do not meet eligibility criteria may participate in the program on a fee-for-service basis. This program is now an allowable use of general community education revenue.

**SECURITY LENDING AGREEMENTS**

This statute allows districts to enter into security lending agreements with qualified financial institutions that have a bank office located in Minnesota.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

*Audited Financial Statements  
For the Fiscal Year Ended June 30, 2010*

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

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**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

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**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**BOARD OF EDUCATION AND ADMINISTRATION  
For the Year Ended June 30, 2010**

<u>Board of Education</u>	<u>Position</u>	<u>Term Expires</u>
Kevin Donovan	Chairperson	January 3, 2011
Cathy Dalton	Clerk	January 3, 2011
John Belisle	Treasurer	January 3, 2011
Mary Jo Deters	Director	January 7, 2013
Judith Schwartz	Director	January 7, 2013
Steven Wolgamot	Director	January 7, 2013
<u>Administration</u>		
Mark Wolak	Superintendent	
Denise Sundstrom	Director of Business Services	



*Expert advice. When you need it.<sup>SM</sup>*

## INDEPENDENT AUDITOR'S REPORT

October 21, 2010

To the School Board  
Independent School District No. 832  
Mahtomedi, 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. 832, Mahtomedi, Minnesota, as of and for the year ended June 30, 2010, 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.

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. 832, Mahtomedi, Minnesota, as of June 30, 2010, and the respective changes in financial position thereof, and the budgetary comparison for the General Fund for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2010, 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 and 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.



U.S. generally accepted accounting principles require that the Management's Discussion and Analysis, which follows this report letter, and the Schedule of Funding Progress – Other Post Employment Benefits and Schedule of Employer Contributions – Other Post Employment Benefits on page 56, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) *Circular A-133, Audits of States, Local Governments and Nonprofit Organizations*, and is also not a required part of the financial statements. The accompanying supplementary information identified in the Table of Contents, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

  
KERN, DEWENTER, VIERE, LTD.  
Bloomington, Minnesota

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**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2010**

This section of Independent School District No. 832 (the "District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2010. Please read it in conjunction with the District's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model required by the GASB Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued in June 1999.

Comparative information between the current fiscal year and the prior fiscal year is presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2009-2010 fiscal year include the following:

- Total government-wide net assets as indicated on the Statement of Net Assets increased \$ 1,404,440 to \$ 9,409,472. Total assets increased due to the bond refunding escrow account and receivables due from the Department of Education.
- Overall, enrollment for the District was flat. Students served for fiscal year 2009-2010 was 3,238 compared to 3,235 for fiscal year 2008-2009.
- General Fund revenues were \$ 32,093,250 and expenditures were \$ 31,644,498 resulting in an operating surplus of \$ 448,752.
- The budget to actual comparison for the General Fund resulted in a positive variance of \$ 567,882.
- For the Special Revenue Funds, which include food service and community service, revenues exceeded expenditures by \$ 9,484 based on \$ 3,445,156 in revenues and \$ 3,435,672 in expenditures.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

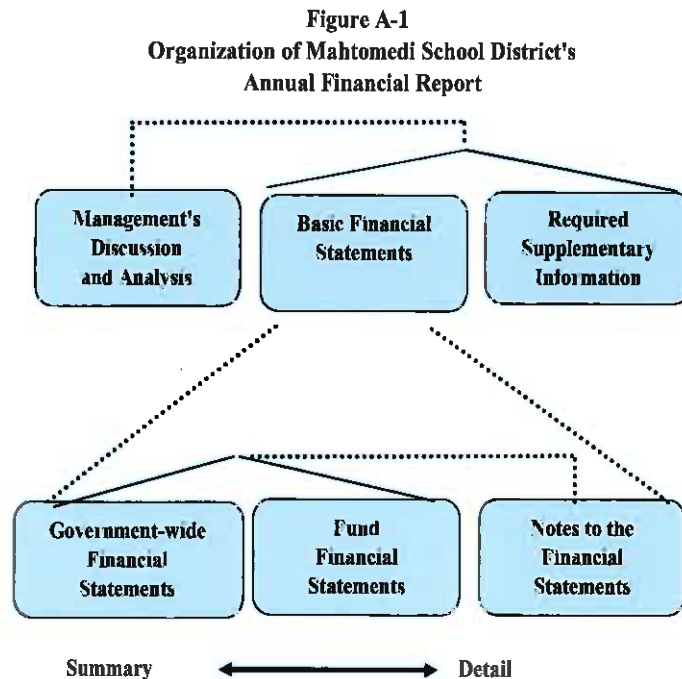
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2010**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This financial section of the annual report consists of four parts: Independent Auditor's Report, required supplementary information, which includes the MD&A, the basic financial statements and supplementary 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 governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.



**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2010**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

**Major Features of the Government-wide and Fund Financial Statements**

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

<b>Figure A-2</b>			
<b>Major Features of the Government-wide and Fund Financial Statements</b>			
	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required financial statements	<ul style="list-style-type: none"> <li>•Statement of Net Assets</li> <li>•Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>•Balance Sheet</li> <li>•Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>•Statement of Fiduciary Net Assets</li> <li>•Statement of Changes in Fiduciary Net Assets</li> </ul>
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when good or services have been received and the related liability is due and payable	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2010**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

**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.

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 District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

The District's activities are:

- **Governmental Activities:** Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid 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 establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2010**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

**Fund Financial Statements (Continued)**

The District has two 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 you 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, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- **Fiduciary Fund:** The District is the trustee, or fiduciary, for assets that belong to others such as the scholarship fund. 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. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2010**

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

**Net Assets**

The District's total net assets as of June 30, 2010, were \$ 9,409,472 which is summarized in the Figure A-3 below.

**Figure A-3  
Condensed Statement of Net Assets**

	<u>Governmental Activities 2009-2010</u>	<u>Governmental Activities 2008-2009</u>
Current and Other Assets	\$ 30,167,819	\$ 19,802,568
Capital Assets	<u>27,901,134</u>	<u>28,572,392</u>
Total Assets	<u>\$ 58,068,953</u>	<u>\$ 48,374,960</u>
Long-Term Liabilities	33,805,778	26,856,887
Other Liabilities	<u>14,853,703</u>	<u>13,513,041</u>
Total Liabilities	<u>\$ 48,659,481</u>	<u>\$ 40,369,928</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	9,800,014	8,914,690
Restricted	1,870,232	1,858,252
Unrestricted	<u>(2,260,774)</u>	<u>(2,767,910)</u>
Total Net Assets	<u>\$ 9,409,472</u>	<u>\$ 8,005,032</u>

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2010**

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

**Net Assets (Continued)**

The change in net assets for 2009-2010 was \$ 1,404,440 based on total revenues of \$ 38,811,982 expenses of \$ 37,407,542. Figure A-4 below shows the breakdown into the various revenue and expense categories.

**Figure A-4  
Changes in Net Assets from Operating Results**

	<u>Governmental Activities 2009-10</u>	<u>Governmental Activities 2008-09</u>
<b>REVENUES:</b>		
<b>Program Revenues:</b>		
Charges for Services	\$ 3,101,633	\$ 3,217,597
Operating Grants and Contributions	5,250,300	5,552,272
Capital Grants and Contributions	286,878	488,244
<b>General Revenues:</b>		
Property Taxes	9,986,478	9,181,137
State Formula Aid	17,289,223	18,734,235
Other	<u>2,897,470</u>	<u>1,098,358</u>
<b>Total Revenues</b>	<u>38,811,982</u>	<u>38,271,843</u>
 <b>EXPENSES:</b>		
Administration	1,638,004	1,363,421
District Support Services	898,413	1,064,824
Elementary and Secondary Regular Instruction	16,028,266	15,991,497
Vocational Educational Instruction	742,237	827,745
Special Education Instruction	5,529,642	4,935,202
Instructional Support Services	1,545,304	1,427,094
Pupil Support Services	2,190,463	2,187,579
Sites and Buildings	3,203,254	3,240,217
Fiscal and Other Fixed Cost Programs	187,440	103,764
Food Service	1,298,815	1,237,484
Community Education Services	2,048,080	2,178,859
Unallocated Depreciation	831,300	862,444
Interest and Fiscal Charges on Long-Term Debt	<u>1,266,324</u>	<u>1,331,868</u>
 <b>Total Expenses</b>	<u>37,407,542</u>	<u>36,751,998</u>
 Increase in Net Assets	1,404,440	1,519,845
Change in Accounting Principle	<u>-</u>	<u>2,414,905</u>
 Ending Net Assets	<u><u>\$ 9,409,472</u></u>	<u><u>\$ 8,005,032</u></u>

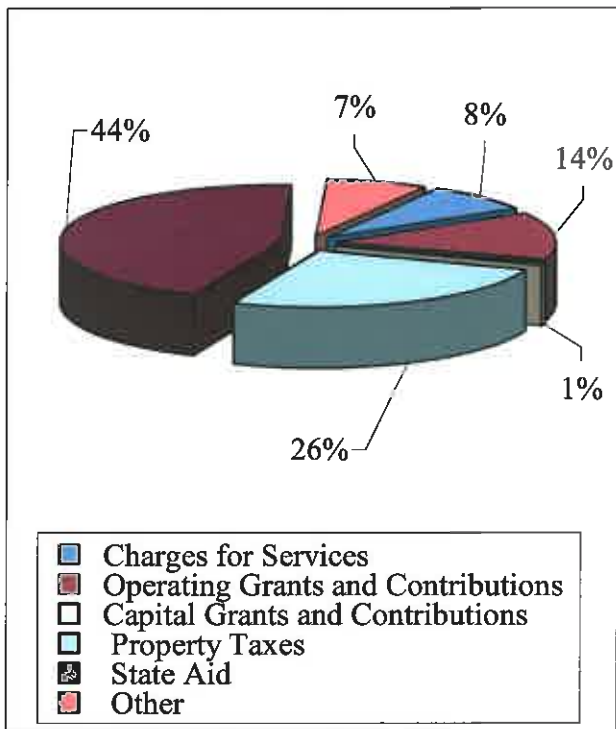
**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2010**

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

**Net Assets (Continued)**

As you can see in the chart in Figure A-5, state aid and property taxes accounted for most of the District's revenue, with state aid representing 44% and property tax representing 26% of the total. Another 14% came from state and federal aid for specific programs and the remainder from fees charged for services and miscellaneous sources.



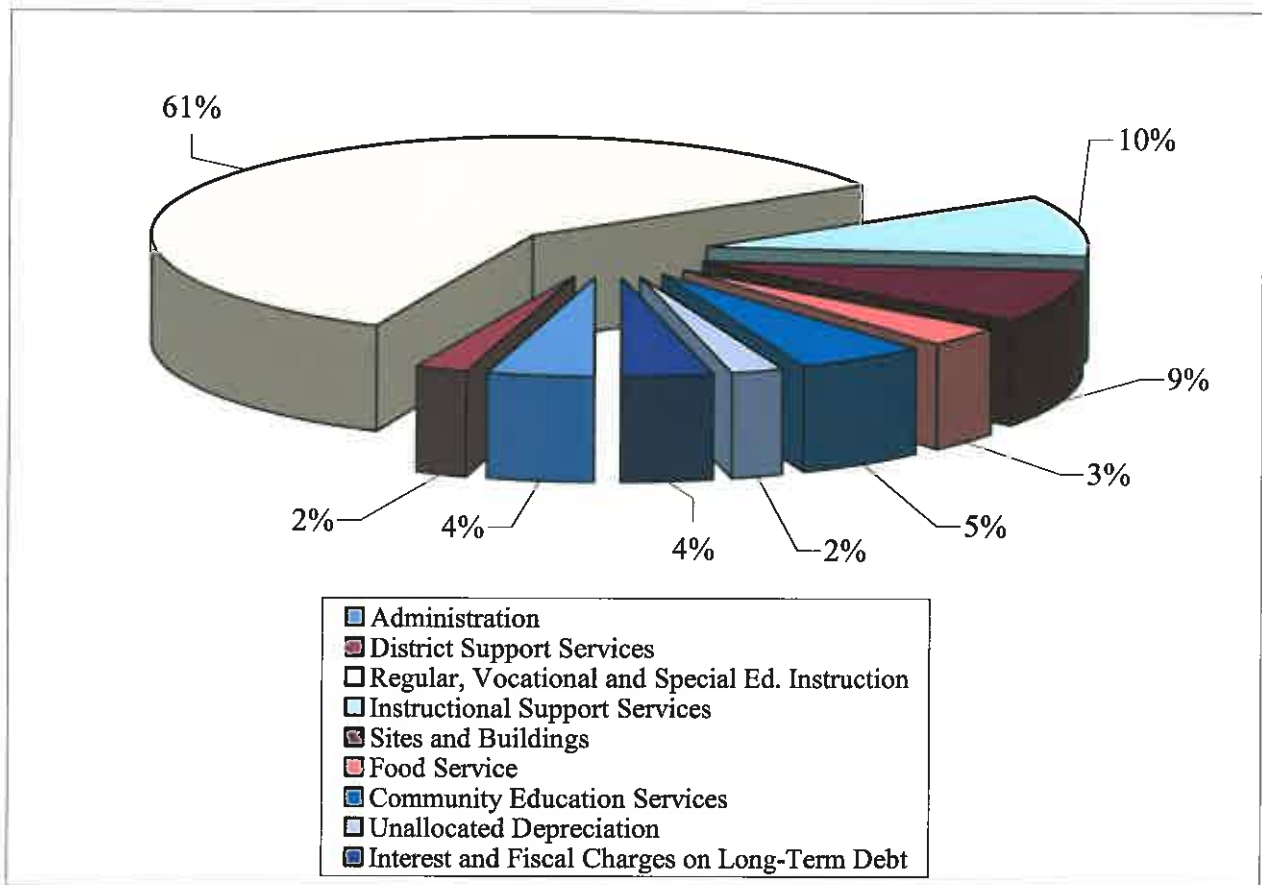
**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2010**

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

**Net Assets (Continued)**

**Figure A-6  
Expenses for Fiscal Year 2009-2010**



**Governmental Activities**

The majority of the District's expenses are related to instructing or supporting the instruction of students. Figure A-6 above indicates the breakdown of the total expenses on a percentage basis. The direct instruction categories of expense, which include elementary and secondary, vocational and special education, represent approximately 61% of the total expenses. The indirect categories of instructional and pupil support (which includes student transportation) amount to about 10% and administration and District support services combined represented 6% of the total expenses for the year. Other major categories of expense included food service, community service and principal and interest payments on our outstanding debt.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2010**

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

**Net Assets (Continued)**

Figure A-7 represents the total cost of the District's functions and programs. The table also shows each function and program's net cost which represents the total cost less fees and intergovernmental aid provided for specific programs. The net cost shows the financial burden placed on the state and local taxpayers by each of these functions and programs.

**Figure A-7  
Net Cost of Governmental Activities**

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2009-2010</u>	<u>2009-2010</u>	<u>2008-2009</u>	<u>2008-2009</u>
Administration	\$ 1,638,004	\$ 1,638,004	\$ 1,363,421	\$ 1,363,421
District Support Services	898,413	898,413	1,064,824	1,064,824
Elementary and Secondary				
Regular Instruction	16,028,266	14,278,516	15,991,497	13,750,610
Vocational Educational Instruction	742,237	734,141	827,745	817,077
Special Education Instruction	5,529,642	2,493,535	4,935,202	2,165,253
Instructional Support Services	1,545,304	1,545,304	1,427,094	1,427,094
Pupil Support Services	2,190,463	1,824,661	2,187,579	1,831,713
Sites and Buildings	3,203,254	2,864,036	3,240,217	2,668,268
Fiscal and Other Fixed Cost Programs	187,440	187,440	103,764	103,764
Food Service	1,298,815	(91,609)	1,237,484	(136,874)
Community Education Services	2,048,080	298,666	2,178,859	244,423
Unallocated Depreciation	831,300	831,300	862,444	862,444
Interest and Fiscal Charges on Long-Term Debt	<u>1,266,324</u>	<u>1,266,324</u>	<u>1,331,868</u>	<u>1,331,868</u>
<b>Total</b>	<u>\$ 37,407,542</u>	<u>\$ 28,768,731</u>	<u>\$ 36,751,998</u>	<u>\$ 27,493,885</u>

The cost of all governmental activities this year was \$ 37,407,542.

- The users of the District's programs through fees and other charges financed \$ 3,101,633, or 8%, of the cost.
- The federal and state governments subsidized specific programs with grants and contributions totaling \$ 5,250,300, or 14%, of the cost.
- State and local taxpayers, however, financed the majority of the costs. State aid and local property taxes as determined by the legislature through the statewide funding formulas, amounted to \$ 17,289,223 and \$ 9,986,478, respectively, for a total of \$ 27,275,701, or 73%, of the District's total costs.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2010**

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

The stable 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 combined fund balances of \$ 15,187,531, which is \$ 9,597,101 more than last year's ending fund balances. This increase in combined fund balances is due to the refunding of the 2002A bond.

**General Fund Budgetary Highlights**

Over the course of the year, the District adopted the annual operating budget in June 2009. This budget is revised once during the fiscal year. The revised budget was approved by the School Board during March 2010. These budget adjustments fall into two general categories:

- Revisions were made to reflect up-to-date projection of revenues. Revenue formulas were updated to reflect an increase in student enrollments, which are the basis for most state and federal programs. Other revenue adjustments included adjusting special education aid estimates.
- Increases (decreases) were made to reflect a more up-to-date projection of expenditures as a result of contract settlements with employees. The rest of the budget such utility costs, supply costs, contracted services, capital expenditures and other miscellaneous budget categories were, for the most part, left unchanged from the adopted budget.

The District's final budget for the General Fund anticipated that expenditures would exceed revenues by \$ 119,130. Actual results for the year show an increase in General Fund of \$ 448,752 for the year. This is a positive variance of \$ 567,882 from the final budget that was adopted by the School Board in March 2010.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2010**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

By the end of 2010, the District had invested \$ 27,901,134 in a broad range of capital assets net of accumulated depreciation, including school buildings, athletic facilities, computer and audio-visual equipment and administrative offices (see Figure A-8). (More detailed information on capital assets can be found in Note 4 to the financial statements.)

**Figure A-8  
Capital Assets**

	Governmental Activities		Percentage Change
	2009-2010	2008-2009	
Land	\$ 1,571,466	\$ 1,571,466	0.00%
Construction in Progress	-	1,195,452	-100.00%
Buildings	23,566,138	24,310,570	-3.06%
Improvements Other Than Buildings	2,205,346	1,044,218	111.20%
Equipment and Furniture	558,184	450,686	23.85%
	\$ 27,901,134	\$ 28,572,392	-2.35%

**Long-Term Debt**

At year-end, the District had \$ 36,213,346 in general obligation bonds and other long-term liabilities outstanding as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.)

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2010**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Long-Term Debt (Continued)**

**Figure A-9  
Outstanding Long-Term Debt**

	Total School District		Percentage Change
	2009-10	2008-09	
General Obligation Bonds	\$ 35,001,523	\$ 27,414,469	27.68%
Certificate of Participation	895,000	1,035,000	-13.53%
Capital Leases	-	-	0.00%
Post Employment Severance and Compensated Absences Payable	316,823	371,820	-14.79%
Total	\$ 36,213,346	\$ 28,821,289	25.65%

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

At the time these financial statements were prepared and audited, the District was aware of three existing circumstances that could significantly affect its financial health in the future:

- The resident student enrollment continues to decline each year. The District has used open enrollment as a strategy to continue existing programs and services. This is reviewed each year by the School Board.
- The District passed a school building bond referendum in April 2010. The District's long range facility plan includes building a new elementary school, renovations at the high school and projects at Middle School, OHA, DEC and outdoor athletics.
- The State of Minnesota delayed payments to school districts and used the tax shift to balance the state budget in the 2010 legislative session. The District will have to borrow to be able to maintain cash flow because of this revenue shift next summer.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2010**

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the District's 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, contact the Director of Business Services (Phone: 651-407-2000) at the District Education Center for Mahtomedi Schools located at 1520 Mahtomedi Avenue, Mahtomedi, Minnesota 55115.

## **BASIC FINANCIAL STATEMENTS**

**INDEPENDENT SCHOOL DISTRICT NO. 832**  
**Mahtomedi, Minnesota**

**STATEMENT OF NET ASSETS**  
**June 30, 2010**

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Cash and Investments	\$ 5,143,069
Cash with Fiscal Agent	9,588,217
Current Property Taxes Receivable	5,555,048
Delinquent Property Taxes Receivable	336,688
Accounts Receivable	45,806
Interest Receivable	6,970
Due from Department of Education	5,913,384
Due from Federal Government through Department of Education	246,163
Due from Other Minnesota School Districts	133,816
Due from Other Governmental Units	39,113
Lease Receivables	237,366
Inventory	8,138
Prepaid Items	12,938
Net Other Post Employment Benefits (OPEB) Asset	2,901,103
Capital Assets, Net of Accumulated Depreciation:	
Land	1,571,466
Land Improvements	2,205,346
Buildings	23,566,138
Machinery and Equipment	558,184
	<u>\$ 58,068,953</u>
<b>Total Assets</b>	<u><b>\$ 58,068,953</b></u>
<b>LIABILITIES AND NET ASSETS:</b>	
<b>Liabilities:</b>	
Accounts Payable	\$ 481,560
Salaries, Benefits and Severance Payable	934,138
Interest Payable	607,271
Due to Other Minnesota School Districts	166,300
Unearned Revenue	287,573
Advance on Bond Proceeds	450,024
Property Taxes Levied for Subsequent Year's Expenditures	9,519,269
Bond Principle Payable, Net of Unamortized Premiums (Discount):	
Payable Within One Year	2,081,099
Payable After One Year	32,920,424
Certificates of Participation:	
Payable Within One Year	155,000
Payable After One Year	740,000
Severance and Vacation Payable:	
Payable Within One Year	171,469
Payable After One Year	145,354
<b>Total Liabilities</b>	<u><b>48,659,481</b></u>
<b>Net Assets:</b>	
Invested in Capital Assets, Net of Related Debt	9,800,014
Restricted for:	
Debt Service	181,051
Other Purposes	1,689,181
Unrestricted	(2,260,774)
<b>Total Net Assets</b>	<u><b>9,409,472</b></u>
<b>Total Liabilities and Net Assets</b>	<u><b>\$ 58,068,953</b></u>

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**INDEPENDENT SCHOOL DISTRICT NO. 832**  
**Mahtomedi, Minnesota**

**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2010**

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Assets
<b>Governmental Activities:</b>					
Administration	\$ 1,638,004	-	\$ -	\$ -	\$ (1,638,004)
District Support Services	898,413	-	-	-	(898,413)
Elementary and Secondary Regular Instruction	16,028,266	258,326	1,491,424	-	(14,278,516)
Vocational Education Instruction	742,237	-	8,096	-	(734,141)
Special Education Instruction	5,529,642	10,414	3,025,693	-	(2,493,535)
Instructional Support Services	1,545,304	-	-	-	(1,545,304)
Pupil Support Services	2,190,463	14,500	351,302	-	(1,824,661)
Sites and Buildings	3,203,254	52,340	-	286,878	(2,864,036)
Fiscal and Other Fixed Cost Programs	76,564	-	-	-	(76,564)
Food Service	1,298,815	1,105,737	284,687	-	91,609
Community Education and Services	2,048,080	1,660,316	89,098	-	(298,666)
Unallocated Depreciation	831,300	-	-	-	(831,300)
Interest and Fiscal Charges on Long-Term Debt	1,377,200	-	-	-	(1,377,200)
<b>Total Governmental Activities</b>	<u>\$ 37,407,542</u>	<u>\$ 3,101,633</u>	<u>\$ 5,250,300</u>	<u>\$ 286,878</u>	<u>(28,768,731)</u>
<b>General Revenues:</b>					
Taxes:					
Property Taxes, Levied for General Purposes					6,565,001
Property Taxes, Levied for Community Service					297,222
Property Taxes, Levied for Debt Service					3,124,255
State Aid-Formula Grants					17,289,223
Other General Revenues					2,835,444
Investment Income					62,026
<b>Total General Revenues</b>					<u>30,173,171</u>
Change in Net Assets					<u>1,404,440</u>
Net Assets - Beginning					<u>8,005,032</u>
<b>Net Assets - Ending</b>					<u>\$ 9,409,472</u>

21 The Notes to the Financial Statements are an integral part of this statement.

**INDEPENDENT SCHOOL DISTRICT NO. 832**  
**Mahtomedi, Minnesota**

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2010**

	General	Debt Service	Other Nonmajor Funds	Total Governmental Funds
<b>ASSETS:</b>				
Cash and Investments	\$ 1,476,926	\$ 2,203,809	\$ 1,462,334	\$ 5,143,069
Cash with Fiscal Agent	-	9,588,217	-	9,588,217
Current Property Taxes Receivable	3,323,105	1,728,935	503,008	5,555,048
Delinquent Property Taxes Receivable	217,395	109,229	10,064	336,688
Accounts Receivable	42,736	-	3,070	45,806
Interest Receivable	-	6,970	-	6,970
Due from Department of Education	5,874,651	13,588	25,145	5,913,384
Due from Federal Government through Department of Education	246,163	-	-	246,163
Due from Other Minnesota School Districts	128,941	-	4,875	133,816
Due from Other Governmental Units	39,113	-	-	39,113
Lease Receivables	237,366	-	-	237,366
Inventory	-	-	8,138	8,138
Prepaid Items	-	-	12,938	12,938
	<u>\$ 11,586,396</u>	<u>\$ 13,650,748</u>	<u>\$ 2,029,572</u>	<u>\$ 27,266,716</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 339,060	\$ -	\$ 142,500	\$ 481,560
Salaries, Benefits and Severance Payable	862,218	-	71,920	934,138
Due to Other Minnesota School Districts	117,305	-	48,995	166,300
Deferred Revenue	397,337	78,251	52,306	527,894
Advance on Bond Proceeds	-	-	450,024	450,024
Property Taxes Levied for Subsequent Year's Expenditures	5,602,423	3,274,209	642,637	9,519,269
Total Liabilities	<u>7,318,343</u>	<u>3,352,460</u>	<u>1,408,382</u>	<u>12,079,185</u>
<b>Fund Balances:</b>				
Reserved	1,047,845	9,595,187	179,032	10,822,064
Unreserved:				
Major Funds	3,220,208	703,101	-	3,923,309
Nonmajor Special Revenue Funds	-	-	442,158	442,158
Total Fund Balances	<u>4,268,053</u>	<u>10,298,288</u>	<u>621,190</u>	<u>15,187,531</u>
Total Liabilities and Fund Balances	<u>\$ 11,586,396</u>	<u>\$ 13,650,748</u>	<u>\$ 2,029,572</u>	<u>\$ 27,266,716</u>

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**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**RECONCILIATION OF THE BALANCE SHEET TO  
THE STATEMENT OF NET ASSETS - GOVERNMENTAL FUNDS  
June 30, 2010**

Total Fund Balances - Governmental Funds	\$ 15,187,531
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.	
Cost of Capital Assets	44,733,059
Less Accumulated Depreciation	(16,831,925)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of:	
Bond Principal Payable	(34,116,540)
Unamortized Premium on Bonds Payable	(884,983)
Certificates of Participation	(895,000)
Severance and Compensated Absences Payable	(316,823)
Net OPEB asset created through treatment of General Obligation (G.O.) Taxable OPEB Bonds as employer contribution to defined benefit OPEB plan is not recognized in the governmental funds.	
	2,901,103
Delinquent property taxes receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	
	240,321
Governmental funds do not report a liability for accrued interest on bonds and capital loans until due and payable.	
	<u>(607,271)</u>
Total Net Assets - Governmental Activities	<u>\$ 9,409,472</u>

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**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2010**

	General	Debt Service	Other Nonmajor Funds	Total Governmental Funds
<b>REVENUES:</b>				
Local Property Taxes	\$ 6,509,004	\$ 3,099,201	\$ 294,542	\$ 9,902,747
Other Local and County Revenues	1,474,246	38,252	1,676,647	3,189,145
Revenue from State Sources	21,347,256	50,327	131,406	21,528,989
Revenue from Federal Sources	2,760,678	-	238,889	2,999,567
Sales and Other Conversion of Assets	2,066	-	1,105,737	1,107,803
Total Revenues	<u>32,093,250</u>	<u>3,187,780</u>	<u>3,447,221</u>	<u>38,728,251</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Administration	1,718,985	-	-	1,718,985
District Support Services	871,533	-	-	871,533
Elementary and Secondary Regular Instruction	15,767,898	-	-	15,767,898
Vocational Education Instruction	742,237	-	-	742,237
Special Education Instruction	5,430,559	-	-	5,430,559
Instructional Support Services	1,474,058	-	-	1,474,058
Pupil Support Services	2,179,827	-	-	2,179,827
Sites and Buildings	2,491,501	-	55,792	2,547,293
Fiscal and Other Fixed Cost Programs	76,564	-	-	76,564
Food Service	-	-	1,246,775	1,246,775
Community Education and Services	-	-	2,049,121	2,049,121
<b>Capital Outlay:</b>				
District Support Services	17,085	-	-	17,085
Elementary and Secondary Regular Instruction	117,383	-	-	117,383
Special Education Instruction	45,436	-	-	45,436
Instructional Support Services	2,066	-	-	2,066
Pupil Support Services	1,071	-	-	1,071
Sites and Buildings	708,295	-	210,365	918,660
Food Service	-	-	130,268	130,268
Community Education and Services	-	-	9,508	9,508
<b>Debt Service:</b>				
Principal	-	1,697,440	-	1,697,440
Interest and Fiscal Charges	-	1,603,333	110,876	1,714,209
Total Expenditures	<u>31,644,498</u>	<u>3,300,773</u>	<u>3,812,705</u>	<u>38,757,976</u>
Excess of Revenues Over (Under) Expenditures	448,752	(112,993)	(365,484)	(29,725)
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from Sale of Capital Assets	1,500	-	-	1,500
Bond Issuance	-	8,720,000	-	8,720,000
Bond Premium	-	905,326	-	905,326
Total Other Financing Sources	<u>1,500</u>	<u>9,625,326</u>	<u>-</u>	<u>9,626,826</u>
Net Change in Fund Balances	450,252	9,512,333	(365,484)	9,597,101
<b>FUND BALANCES:</b>				
Beginning of Year	<u>3,817,801</u>	<u>785,955</u>	<u>986,674</u>	<u>5,590,430</u>
End of Year	<u>\$ 4,268,053</u>	<u>\$ 10,298,288</u>	<u>\$ 621,190</u>	<u>\$ 15,187,531</u>

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES TO THE  
STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2010**

Net Change in Fund Balances - Total Governmental Funds \$ 9,597,101

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlay is reported in governmental funds as an expenditure. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital Outlay	359,866
Depreciation Expense	(1,004,640)
Loss on Disposal	(34,483)
Donated Assets	7,999

Severance payments are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities. 54,997

Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no effect on net assets in the Statement of Activities. 1,837,440

OPEB are not reported as expenditures in the governmental funds because they do not require the use of current financial resources; instead, they are expensed in the Statement of Activities. (209,254)

Accreted interest on bonds 320,489

Bond discounts and premiums are amortized in the Statement of Activities, whereas governmental funds record the discount and premiums as an other financing use and source at the time of issuance. (884,983)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. (3,823)

Proceeds from the sale of bonds are recognized as other financing sources in the governmental funds increasing fund balance but having no effect on net assets in the Statement of Activities. (8,720,000)

Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. 83,731

Change in Net Assets - Governmental Activities \$ 1,404,440

**INDEPENDENT SCHOOL DISTRICT NO. 832**  
**Mahtomedi, Minnesota**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>REVENUES:</b>				
Local Property Taxes	\$ 6,518,242	\$ 6,518,242	\$ 6,509,004	\$ (9,238)
Other Local and County Revenues	1,495,041	1,393,000	1,474,246	81,246
Revenue from State Sources	20,925,622	21,207,843	21,347,256	139,413
Revenue from Federal Sources	2,785,798	2,860,182	2,760,678	(99,504)
Sales and Other Conversion of Assets	-	-	2,066	2,066
Total Revenues	<u>31,724,703</u>	<u>31,979,267</u>	<u>32,093,250</u>	<u>113,983</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Administration	1,470,073	1,626,423	1,718,985	92,562
District Support Services	1,145,662	1,118,810	871,533	(247,277)
Elementary and Secondary Regular Instruction	15,966,186	15,983,646	15,767,898	(215,748)
Vocational Education Instruction	733,243	747,218	742,237	(4,981)
Special Education Instruction	4,628,780	5,275,467	5,430,559	155,092
Instructional Support Services	1,130,507	1,213,335	1,474,058	260,723
Pupil Support Services	2,265,204	2,267,544	2,179,827	(87,717)
Sites and Buildings	2,811,984	2,699,626	2,491,501	(208,125)
Fiscal and Other Fixed Cost Programs	320,000	195,000	76,564	(118,436)
<b>Capital Outlay:</b>				
District Support Services	40,000	40,000	17,085	(22,915)
Elementary and Secondary Regular Instruction	133,120	135,097	117,383	(17,714)
Special Education Instruction	285,700	69,338	45,436	(23,902)
Instructional Support Services	-	-	2,066	2,066
Pupil Support Services	-	925	1,071	146
Sites and Buildings	725,968	725,968	708,295	(17,673)
Total Expenditures	<u>31,656,427</u>	<u>32,098,397</u>	<u>31,644,498</u>	<u>(453,899)</u>
Excess of Revenues Over (Under) Expenditures	68,276	(119,130)	448,752	567,882
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from Sale of Capital Assets	-	-	1,500	1,500
Net Change in Fund Balances	<u>\$ 68,276</u>	<u>\$ (119,130)</u>	450,252	<u>\$ 569,382</u>
<b>FUND BALANCES:</b>				
Beginning of Year			<u>3,817,801</u>	
End of Year			<u>\$ 4,268,053</u>	

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**INDEPENDENT SCHOOL DISTRICT NO. 832**  
**Mahtomedi, Minnesota**

**STATEMENT OF FIDUCIARY NET ASSETS**  
**June 30, 2010**

	Private Purpose Trust Fund	OPEB Trust Fund
<b>ASSETS:</b>		
Cash	\$ 5,126	\$ -
Investments:		
Certificates of Deposit	-	859,400
Government Agency Securities	-	1,680,421
Money Markets	-	365,891
Total Investments	-	2,905,712
Interest Receivable	-	35,869
Total Assets	\$ 5,126	\$ 2,941,581
 <b>NET ASSETS:</b>		
Held in Trust for Scholarships	\$ 5,126	\$ -
Held in Trust for OPEB	-	2,941,581
Total Assets Held in Trust	\$ 5,126	\$ 2,941,581

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**For the Year Ended June 30, 2010**

	Private Purpose Trust Fund	OPEB Trust Fund
<b>ADDITIONS:</b>		
Contributions	\$ 14,060	\$ -
Investment Income:		
Interest	-	91,566
Total Additions	14,060	91,566
 <b>DEDUCTIONS:</b>		
Administrative Expense	-	313,110
Scholarships	22,000	-
Total Deductions	22,000	313,110
 Change in Net Assets	(7,940)	(221,544)
 <b>NET ASSETS:</b>		
Beginning of Year	13,066	3,163,125
End of Year	\$ 5,126	\$ 2,941,581

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**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

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

The District operates under a school board form of government for the purpose of providing educational services to individuals within the District areas. The governing body consists of a six member board elected by the voters of the District to serve four-year terms.

The accounting policies of the District conform to U.S. generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies.

**A. Reporting Entity**

The financial statements present the District and its component units. The District includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the District are financially accountable and are included within the basic financial statements of the District because of the significance of their operational or financial relationships with the District.

The District is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the District.

As a result of applying the component unit definition criteria above, it has been determined the District has no component units.

The student activity accounts of the District are under the School Board's control; therefore, all activity is included within the District's financial statements.

**B. Basic Financial Statement Information**

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 Statement 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 segments 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.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

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

**B. Basic Financial Statement Information (Continued)**

The District applies restricted resources first when an expense is incurred for a 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 that function. Depreciation expense relating to assets that serve multiple functions is presented as unallocated depreciation in the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. The effect of interfund activity has been removed from these Statements.

Separate fund financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Trust Funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the District, these Funds are not incorporated into the government-wide statements.

**C. 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 and fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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. Other revenue is considered available if collected within 60 days.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

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

**C. Measurement Focus and Basis of Accounting (Continued)**

**2. Recording of Expenditures**

Expenditures are generally recorded when a liability is incurred. The exceptions to this general rule are that interest and principal expenditures in the Debt Service Fund, compensated absences and claims and judgments are recognized when payment matures.

**Description of Funds:**

**Major Funds:**

General Fund – This Fund is the basic operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – This Fund is used to account for the accumulation of resources for, and payment of, general obligation bond principal, interest and related costs.

**Nonmajor Funds:**

Food Service Special Revenue Fund – This Fund is used to account for food service revenues and expenditures.

Community Service Special Revenue Fund – This Fund is used to account for services provided to residents in the areas of community education, school readiness, early childhood and family education or other similar services.

Post Employment Benefits Debt Service Fund – This Fund is used to account for the financial resources relating to the bond issued for post employment benefits.

Building Construction Fund – Capital Projects – This Fund is used to account for financial resources used for the acquisition or construction of major capital facilities authorized by bond issue.

**Fiduciary Funds:**

Private Purpose Trust Fund – The Scholarship Trust Fund is used to account for resources received and held by the District in a trustee capacity to be used in making scholarship awards.

OPEB Irrevocable Trust Fund – This Fund is used to account for the financial resources relating to OPEB.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

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

**D. Deposits and Investments**

The District's total deposits and investments are comprised of two major components, each with its own set of legal and contractual provisions as described below and on the following page.

**1. District Governmental Funds and Private Purpose Trust Fund**

Deposits and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. State statutes authorize the government and the District to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool. Earnings from the pooled investments are allocated to the individual funds based on the average of month-end cash and investment balances.

Short-term, highly liquid debt instruments (including commercial paper, banker's acceptances and U.S. Treasury and agency obligations) purchased with a remaining maturity of one year or less are reported at amortized cost. Other investments are reported at fair value.

Deposits and investments at June 30, 2010 were comprised of deposits, treasury notes, money markets and shares in the Minnesota School District Liquid Asset Fund (MSDLAF). The MSDLAF is an external investment pool not registered within the Securities Exchange Commission (SEC) that follows the same regulatory rules of the SEC under Rule 2.a.7. The fair value of the position in the pool is the same as the value of the pool shares.

**Custodial Credit Risk – Deposits:** For deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a deposit policy that requires the District's deposits to be in compliance with *Minnesota Statutes* 118A.

*Minnesota Statutes* require that all deposits be protected by federal deposit insurance, corporate surety bonds or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds.

**Credit Risk:** This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. *Minnesota Statutes* 118A.04 and 118A.05 limit investments that are in the top two ratings issued by nationally recognized statistical rating organizations. The District's investment policy does not address credit risk.

**Concentration of Credit Risk:** The District's investment policy places no limit on the amount the District may invest in any one issuer. However, it does discuss the need to diversify investments.

**Interest Rate Risk:** The District's investment policy includes limits on investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

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

**D. Deposits and Investments (Continued)**

**1. District Governmental Funds and Private Purpose Trust Fund (Continued)**

**Custodial Credit Risk – Investments:** For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District’s investment policy states all investments shall be held in third party safekeeping by an institution designated as custodial agent.

**2. OPEB Trust Fund**

These funds represent investments administered by the District’s OPEB Trust Fund investment managers. The District’s investment policy, discussed previously, extends to the OPEB Trust Fund investments.

*Minnesota Statutes* authorize the OPEB Trust Fund to invest in obligations of the U.S. Treasury, agencies and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers’ acceptances, future contracts, corporate bonds, common stock and foreign stock of the highest quality, mutual funds, repurchase and reverse agreements, commercial paper of the highest quality with a maturity no longer than 270 days and in the State Board of Investments. Investments are stated at fair value.

The OPEB Trust Agreement indicates permitted investments include one or more series of MN Trust shares relating to a separate portfolio of investments, or from multi-class shares of MN Trust within the same portfolio.

**E. Property Tax Receivable**

Current property taxes receivable are recorded for taxes certified the previous December and collectible in the current calendar year, which have not been received by the District. Delinquent property taxes receivable represent uncollected taxes, for the past six years and are deferred and included in the liability section of the fund financial statements as deferred revenue because they are not available to finance the operations of the District in the current year.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

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

**F. Property Taxes Levied for Subsequent Year's Expenditures**

Property taxes levied for subsequent year's expenditures consist principally of property taxes levied in the current year which will be collected and recognized as revenue in the District's following fiscal year to properly match those revenues with the budgeted expenditures for which they were levied. This amount is equal to the amount levied by the School Board in December 2009, less various components and their related adjustments as mandated by the state. These portions of that levy were recognized as revenue in fiscal year 2010. The remaining portion of the levy will be recognized when measurable and available.

**G. Inventories**

Inventories of commodities donated directly by the U.S. Department of Agriculture are recorded at market value. Other inventories are stated at cost as determined on a first-in, first-out (FIFO) basis. Inventories are recorded as expenditures when consumed rather than when purchased.

**H. Prepaid Items**

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

**I. Property Taxes**

The District is located in Washington County.

Property tax levies are certified to the County Auditor in December of each year for collection from taxpayers in May and October of the following calendar year. In Minnesota, counties act as collection agents for all property taxes. The County spreads all levies over taxable property. Such taxes become a lien on property on the following January 1. The County generally remits taxes to the District at periodic intervals as they are collected.

A portion of property taxes levied is paid by the State of Minnesota through various tax credits, which are included in revenue from state sources in the financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

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

**J. Capital Assets**

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements.

Capital assets are defined by the District as assets with an initial individual cost of more than \$ 2,500. Such 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 costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets lives are not capitalized.

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 purpose. Useful lives vary from 20 to 50 years for land improvements and buildings and 5 to 20 years for equipment.

Capital assets not being depreciated include land and construction in progress. The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

**K. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

In the fund financial statements, the face amount of debt issued is reported as other financing sources.

**L. Compensated Absences**

The District compensates administration, clerical and custodial employees upon termination of employment for unused vacation. All vacation must be used within six months after the end of the year in which it was earned.

Employees are not compensated for unused sick leave upon termination of employment, unless taken in conjunction with severance pay as described in Note 1.M. Sick leave pay is shown as an expenditure in the year paid.

**M. Post Employment Severance**

Some District employees are entitled to a percentage of accumulated sick leave balances upon retirement.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

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

**N. Risk Management**

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to employees for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage during the fiscal year ended June 30, 2010.

**O. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

**P. Net Assets**

Net assets represent the difference between assets and liabilities in the government-wide 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 on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**Q. Use of Estimates**

The preparation of financial statement in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the School Superintendent submits to the School Board, a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information (Continued)**

2. The Superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the School Board.
3. Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue and Debt Service Funds. Budgetary control for Capital Projects Funds is accomplished through the use of project controls.
4. Budgets for the General, Special Revenue and Debt Service Funds are adopted on a basis consistent with U.S. generally accepted accounting principles.
5. Budgets are as originally adopted or as amended by the School Board. Budgeted expenditure appropriations lapse at year-end.

**B. Excess of Expenditures Over Appropriations**

Budgetary control for governmental funds is established by each fund's total appropriations. Expenditures exceeded appropriations in the following Funds for the year ending June 30, 2010.

	<u>Appropriations</u>	<u>Expenditures</u>
Major Fund:		
Debt Service	\$ 3,266,254	\$ 3,300,773
Nonmajor Funds:		
Food Service	1,339,680	1,377,043
Community Service	1,952,539	2,058,629

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**A. Deposits**

**District Governmental Funds**

In accordance with applicable *Minnesota Statutes*, the District maintains deposits at depository banks authorized by the School Board.

As of June 30, 2010, the District's bank balance was not exposed to custodial credit risk because it was insured by the FDIC. At year-end, the District's bank balance and the carrying amount of deposits was \$ 476.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**B. Investments**

**District Governmental Funds and Private Purpose Trust Fund**

Investments at June 30, 2010 were comprised of the following:

<u>Investments</u>	<u>Average Maturities (Days)</u>	<u>Fair Value</u>	<u>Rating</u>
Treasury Bill/Notes	934	\$ 9,587,435	AAA
Brokered Cash Accounts	N/A	782	N/A
MSDLAF	N/A	548,062	AAAm
Money Markets	N/A	<u>4,595,277</u>	N/A
Total		<u>\$ 14,731,556</u>	

**Credit Risk:** As of June 30, 2010, the District's investments were rated in the top two rating tiers. The District's investments were rated in the above table.

**Concentration of Credit Risk:** As of June 30, 2010, none of the District's investments not backed by the U.S. government or in money market accounts exceeded 5% of the District's total investment portfolio.

**OPEB Trust Fund**

As of June 30, 2010, the District's OPEB Trust Fund had the following investments:

<u>Investment</u>	<u>Average Maturities (Days)</u>	<u>Fair Value</u>
Certificates of Deposit	1,300	\$ 859,400
Government Agency Securities	1,418	1,680,421
Money Markets	N/A	<u>365,891</u>
Total		<u>\$ 2,905,712</u>

**Credit Risk:** As of June 30, 2010, the Trust's investments in government agency securities were rated AAA by Standard & Poor's (S&P).

**Concentration of Credit Risk:** As of June 30, 2010, the following OPEB Trust Fund investments had a concentration exceeding 5% of the Fund's total investment portfolio: Bank of America CD (8.1%), Enterprise Bank and Trust CD (7.9%), West Pointe Bank CD (6.9%), Discover Bank CD (8.5%), First Commercial Bank CD (8.5%), Fairmont Minnesota Independent School District Bonds (8.5%), Robbinsdale Minnesota Independent School District Taxable OPEB Bonds (7.1%) and South St. Paul Minnesota Independent School District Bonds (10.7%).

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**C. Deposits and Investments**

Summary of total cash, deposits and investments as of June 30, 2010:

District Governmental Funds and Private Purpose Trust Fund:	
Deposits	\$ 476
Petty Cash	4,380
Investments	14,731,556
OPEB Trust Fund:	
Investments	<u>2,905,712</u>
Total Deposits and Investments	<u><u>\$ 17,642,124</u></u>

Deposits and investments are presented in the June 30, 2010 basic financial statements as follows:

Statement of Net Assets:	
Cash and Investments	\$ 5,143,069
Cash with Fiscal Agent	9,588,217
Statement of Fiduciary Net Assets:	
Investments - OPEB Trust Fund	2,905,712
Cash - Private Purpose Trust Fund	<u>5,126</u>
Total	<u><u>\$ 17,642,124</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 1,571,466	\$ -	\$ -	\$ 1,571,466
Construction in Progress	<u>1,195,452</u>	<u>30,509</u>	<u>1,225,961</u>	<u>-</u>
Total Capital Assets not being Depreciated	<u>2,766,918</u>	<u>30,509</u>	<u>1,225,961</u>	<u>1,571,466</u>
Capital Assets being Depreciated:				
Buildings	37,197,609	-	-	37,197,609
Improvements Other than Buildings	3,015,329	1,330,802	(69,572)	4,276,559
Machinery and Equipment	<u>1,761,698</u>	<u>232,515</u>	<u>(306,788)</u>	<u>1,687,425</u>
Total Capital Assets being Depreciated	<u>41,974,636</u>	<u>1,563,317</u>	<u>(376,360)</u>	<u>43,161,593</u>
Less Accumulated Depreciation for:				
Buildings	12,887,039	744,432	-	13,631,471
Improvements Other than Buildings	1,971,111	169,674	(69,572)	2,071,213
Machinery and Equipment	<u>1,311,012</u>	<u>90,534</u>	<u>(272,305)</u>	<u>1,129,241</u>
Total Accumulated Depreciation	<u>16,169,162</u>	<u>1,004,640</u>	<u>(341,877)</u>	<u>16,831,925</u>
Total Capital Assets being Depreciated, Net	<u>25,805,474</u>	<u>558,677</u>	<u>(34,483)</u>	<u>26,329,668</u>
Governmental Activities Capital Assets, Net	<u>\$ 28,572,392</u>	<u>\$ 589,186</u>	<u>\$ 1,191,478</u>	<u>\$ 27,901,134</u>

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 4 – CAPITAL ASSETS**

Depreciation expense of \$ 1,004,640 for the year ended June 30, 2010 was charged to the following governmental functions:

District Support Services	\$	630
Elementary and Secondary Regular Instruction		9,933
Special Education Instruction		780
Instructional Support Services		22,165
Pupil Support Services		17,573
Sites and Buildings		111,922
Food Service		9,502
Community Education and Services		835
Unallocated		<u>831,300</u>
Total Depreciation Expense		<u><u>\$ 1,004,640</u></u>

**NOTE 5 – LONG-TERM DEBT**

**A. Components of Long-Term Liabilities**

	Issue Date	Interest Rate	Original Issue	Final Maturity	Principal Outstanding	Due Within One Year
Long-Term Liabilities:						
G.O. Bonds, Including						
Refunding Bonds:						
2003 School Building Refunding Bonds	09/18/03	1.8%-4.1%	\$ 3,175,000	02/01/17	\$ 2,055,000	\$ 260,000
1995B School Building Bonds	06/01/95	5.6%-6.0%	5,194,754	02/01/17	8,676,540	664,032
2002 School Building Bonds	02/01/02	4.0%-5.0%	12,200,000	02/01/18	10,800,000	820,000
2004A Alternative Facility Bonds	03/10/04	2.5%-4.25%	780,000	02/01/24	600,000	35,000
G.O. Taxable OPEB Bonds						
Series 2009A	05/05/09	3.5%-5.4%	3,265,000	02/01/24	3,265,000	180,000
G.O. School Building Refunding Bonds						
Series 2010A	05/01/10	4.0%-5.0%	8,720,000	02/01/18	<u>8,720,000</u>	<u>-</u>
Total G.O. Bonds					<u>34,116,540</u>	<u>1,959,032</u>
Unamortized Bond (Discount) Premium					884,983	122,067
Net Bonds Payable					<u>35,001,523</u>	<u>2,081,099</u>
Certificates of Participation					895,000	155,000
Severance Payable					145,354	-
Vacation Payable					<u>171,469</u>	<u>171,469</u>
Total all Long-Term Liabilities					<u><u>\$ 36,213,346</u></u>	<u><u>\$ 2,407,568</u></u>

The long-term bond liabilities listed above were issued to finance acquisition and construction of capital facilities or to refinance (refund) previous bond issues. Other long-term liabilities, such as severance and vacation, are typically liquidated through the General Fund.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 5 – LONG-TERM DEBT**

**B. Minimum Debt Payments for Bonds and Loans**

Minimum annual principal and interest payments required to retire bond and loan liabilities:

Year Ending June 30,	G.O. Bonds		Certification of Participation	
	Principal	Interest	Principal	Interest
2011	\$ 1,959,032	\$ 1,984,997	\$ 155,000	\$ 48,405
2012	11,087,672	2,070,489	165,000	40,190
2013	2,078,344	1,615,957	175,000	31,363
2014	2,127,540	1,589,035	175,000	21,913
2015	2,157,488	1,552,470	225,000	12,375
2016-2020	8,424,278	3,238,665	-	-
2021-2024	1,340,000	176,043	-	-
<b>Total</b>	<b>29,174,354</b>	<b>\$12,227,656</b>	<b>\$ 895,000</b>	<b>\$ 154,246</b>
Accretion on Capital Appreciation Bonds	4,942,186			
<b>Total</b>	<b>\$34,116,540</b>			

**C. Changes in Long-Term Liabilities**

	Beginning Balance	Additions	Reductions	Ending Balance
Long-Term Liabilities:				
G.O. Bonds	\$27,414,469	\$ 9,292,071	\$ 2,590,000	\$34,116,540
Net (Discount) Premium	-	905,327	20,344	884,983
Certificate of Participation	1,035,000	-	140,000	895,000
Severance Payable	244,858	41,648	141,152	145,354
Vacation Payable	126,962	266,987	222,480	171,469
<b>Total Long-Term Liabilities</b>	<b>\$28,821,289</b>	<b>\$10,506,033</b>	<b>\$ 3,113,976</b>	<b>\$36,213,346</b>

During fiscal year 2010, the District issued \$ 8,720,000 G.O. Refunding Bonds, Series 2010A, to replace the \$ 9,035,000 G.O. Bonds, Series 2002, (bonds maturing years 2013 through 2018). An escrow account currently holds the proceeds to pay the remainder of the 2002 Bonds which will be refunded in 2012. The net present value savings was \$ 456,785. The District completed the refunding to reduce its debt service payments by \$ 523,939.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 6 – RESERVED FUND BALANCES/NET ASSETS**

Certain portions of fund balance are reserved 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.

**Fund Equity**

Fund equity balances are classified below to reflect the limitations and restrictions of the respective funds.

**A. Reserved Fund Balance**

	General Fund	Debt Service	Other Nonmajor Fund	Total
Reserved for:				
Deferred Maintenance	\$ 60,663	\$ -	\$ -	\$ 60,663
Health and Safety	75,163	-	-	75,163
Capital Projects Levy	17,305	-	-	17,305
Operating Capital	894,714	-	-	894,714
Bond Refunding	-	9,595,187	-	9,595,187
Community Education	-	-	187,472	187,472
Early Childhood and Family Education	-	-	(12,950)	(12,950)
School Readiness	-	-	4,510	4,510
	<u>\$ 1,047,845</u>	<u>\$ 9,595,187</u>	<u>\$ 179,032</u>	<u>\$ 10,822,064</u>

Reserved for Deferred Maintenance – Districts that qualified for deferred maintenance revenue (aid and levy) but have not spent the proceeds must reserve the balance in this code. An independent or special school district that does not qualify to participate in the alternative facilities bonding and levy program under *Minnesota Statutes* 123B.59, subd. 1. para (a) is eligible to receive deferred maintenance revenue per *Minnesota Statutes* 123B.591.

Reserved for Health and Safety – This balance represents available resources to be used for health and safety projects in accordance with an approved health and safety plan.

Reserved for Capital Projects Levy – This balance represents available resources from the capital projects levy to be used for building construction. All interest income attributable to the capital projects levy must be credited to this account.

Reserved for Operating Capital – This balance represents available resources in the General Fund to be used to purchase equipment and facilities.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 6 – RESERVED FUND BALANCES/NET ASSETS**

**Fund Equity (Continued)**

**A. Reserved Fund Balance (Continued)**

Reserved for Bond Refunding – This balance represents resources set aside from the proceeds of refunded obligations that have not met the criteria of defeasance (crossover bonds). These resources will be used to pay off future bonded obligations.

Reserved for Community Education – This balance represents the resources available to provide programming such as; nonvocational, recreational and leisure time activities, programs for adults with disabilities, noncredit summer programs, adult basic education programs, youth development and youth service programming, early childhood and family education and extended day programs.

Reserved for Early Childhood and Family Education – This balance represents the resources available to provide for services for early childhood and family education programming.

Reserved for School Readiness – This balance represents available resources available to provide for services for school readiness programs. Related to School Readiness *Minnesota Statutes* 124D.16.

Net assets restricted for other purposes are comprised of the total General Fund and other nonmajor funds' reserved fund balance.

**B. Unreserved Fund Balance**

Unreserved fund balance is comprised of the following components:

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
Designated for Student Activities	\$ 199,577	\$ -	\$ -	\$ 199,577
Designated for Building Discretionary	384,781	-	-	384,781
Designated for Severance	411,850	-	-	411,850
Undesignated	<u>2,224,000</u>	<u>703,101</u>	<u>442,158</u>	<u>3,369,259</u>
Total Unreserved Fund Balance	<u>\$ 3,220,208</u>	<u>\$ 703,101</u>	<u>\$ 442,158</u>	<u>\$ 4,365,467</u>

Unreserved, Undesignated – This amount represents resources available to meet current and future years' expenditures.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

Substantially all employees of the District are required by state law to belong to pension plans administered by the Teachers’ Retirement Association (TRA) or Public Employees’ Retirement Association (PERA), all of which are administered on a state-wide basis. Disclosures relating to these Plans follow.

**Teachers’ Retirement Association**

**A. Plan Description**

All teachers employed by the District are covered by defined benefit plans administered by the TRA. TRA members belong to either the Coordinated or Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. These Plans are established and administered in accordance with *Minnesota Statutes* Chapter 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 Statutes* and vest after three years of service credit. The defined retirement benefits are based on a member’s highest average salary for any five consecutive years of allowable service, age and a formula multiplier based on years of credit at termination of service.

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

**Tier I:**

Tier I	Step Rate Formula	Percentage
Basic	First 10 years	2.2% per year
	After 10 years	2.7% per year
Coordinated	First 10 years if service years are prior to July 1, 2006	1.2% per year
	First 10 years if service years are July 1, 2006 or after	1.4% per year
	All other years of service if service years are prior to July 1, 2006	1.7% per year
	All other years of service is service years are July 1, 2006 or after	1.9% per year

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

**Teachers' Retirement Association (Continued)**

**A. Plan Description (Continued)**

**Tier I: (Continued)**

With these provisions:

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

**Tier II:**

For years of service prior to July 1, 2006, a level formula of 1.7% per year for Coordinated Plan members and 2.7% per year for Basic Plan members applies. For years of service July 1, 2006 and after, a level formula of 1.9% per year for Coordinated Plan members and 2.7% for Basic Plan members applies. Actuarially equivalent early retirement reduction factors with augmentation are used for early retirement before the normal age of 65. These reduction factors average approximately 4.0% to 5.5% per year.

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

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

**Teachers' Retirement Association (Continued)**

**A. Plan Description (Continued)**

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 web site [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, #400, St. Paul, Minnesota 55103-4000 or by calling (651) 296-6449 or (800) 657-3853.

**B. 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 as employee contributions. The TRA employer contribution rates are 5.5% for Coordinated Plan members and 9.5% for Basic Plan members. Total covered payroll salaries for all TRA members state-wide during the fiscal year ended June 30, 2009 was approximately \$ 3.76 billion. TRA covered payroll for all members state-wide for the fiscal years ended June 30, 2008 and 2007 were \$ 3.65 billion and \$ 3.53 billion, respectively.

The District's contributions for the years ended June 30, 2010, 2009 and 2008 were \$ 845,700, \$ 836,980 and \$ 748,905, respectively, equal to the required contributions for each year as set by state statute.

**Public Employees' Retirement Association**

**A. Plan Description**

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

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

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.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

**Public Employees' Retirement Association (Continued)**

**A. Plan Description (Continued)**

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

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

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

PERA issues a publicly available financial report that includes financial statements and required supplementary information for PERF. 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, Minnesota 55103-2088 or by calling (651) 296-7460 or (800) 652-9026.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

**Teachers' Retirement Association (Continued)**

**B. Funding Policy**

*Minnesota Statutes* Chapter 353 sets the rates for employer and employee contributions. These Statutes are established and amended by the State Legislature. The District makes annual contributions to the pension plans equal to the amount required by state statutes. PERF Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.0%, respectively, of their annual covered salary in 2009. The District is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members and 6.75% for Coordinated Plan PERF members. The District's contributions for the years ended June 30, 2010, 2009 and 2008 were \$ 249,794, \$ 232,833 and \$ 218,286, respectively, equal to the contractually required contributions for each year as set by state statute.

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN**

**A. Plan Description**

The District provides a single-employer defined benefit health care plan to eligible retirees. The plan offers medical coverage. Medical coverage is administered by HealthPartners. It is the District's policy to periodically review its medical coverage, and to obtain requests for proposals in order to provide the most favorable benefits and premiums for District employees and retirees.

In addition, full-time teachers who are at least 50 years of age or have completed 20 years of professional service in the appropriate unit in the District shall be eligible for severance pay pursuant to the provisions in the severance pay article of the teachers' master agreement. All persons whose actual service began prior to July 1, 1989 shall be eligible for this benefit.

The full-time teachers shall accumulate 10 days of credit for each full year of actual teaching in the District up to a maximum of a year's salary as determined by the salary schedule placement. In applying these provisions, a teacher's daily rate of pay shall be the basic rate of the teacher's last day of actual service as provided in the basic salary schedule for the basic school year. These amounts are contributed directly to a health savings account and are therefore, by definition considered OPEB under the provisions of GASB Statement No. 45.

**B. Funding Policy**

Retirees contribute to the health care plan at the same rate as District employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the District, based on the contract terms with HealthPartners. Resolution dated April 9, 2009, assigned the authority to establish and amend benefit provisions to the Board of Education. The required contributions are based on projected pay-as-you-go financing requirements. For fiscal year 2010, the District contributed \$ 0 to the plan. Administrative costs of the plan are financed through investment earnings.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN**

**B. Funding Policy (Continued)**

As of June 30, 2010, there were 584 total participants in the plan, related to the teacher employee class. There were approximately 17 retirees and beneficiaries receiving health benefits from the District’s health plan. The plan has a total of 320 active participants.

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

The District’s annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The District prospectively implemented this Statement during the 2009 fiscal year. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the District’s annual OPEB cost of the year, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation to the plan.

ARC	\$ 162,427
Interest on Net OPEB Obligation	(139,966)
Adjustment to ARC	186,793
Annual OPEB Cost (Expense)	209,254
Employer Contributions	-
Contributions Made to Irrevocable Trust	-
Increase in Net OPEB Obligation	209,254
Net OPEB Obligation - Beginning of Year	(3,110,357)
Net OPEB Obligation - End of Year	\$ (2,901,103)

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2009 and 2010 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
06/30/10	\$ 209,254	\$ -	0%	\$ (2,901,103)
06/30/09	348,926	3,459,283	991%	(3,110,357)

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN**

**D. Funded Status and Funding Progress**

As of July 1, 2008, the most recent actuarial valuation date, the District had no assets deposited to fund the plan. The actuarial accrued liability for benefits was \$ 3,162,316 and the actuarial value of assets was \$ 0, resulting in an unfunded actuarial accrued liability (UAAL) of \$ 3,162,316. The covered payroll (annual payroll of active employees covered by the plan) was \$ 16,347,056 and the ratio of the UAAL to the covered payroll was 19.3%. In May 2009, the District issued G.O. Taxable OPEB Bonds, established an irrevocable trust and contributed \$ 3,158,774 of bonds proceeds into the trust to fund the plan. As of June 30, 2010, the ending market value of these assets was \$ 2,905,712.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Schedule of Funding Progress – Other Post Employment Benefits and Schedule of Employer Contributions – Other Post Employment Benefits, presented as required supplementary information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

At the July 1, 2008 actuarial valuation date, the projected unit credit with 30 year amortization of the unfunded liability method was used. The actuarial assumptions included a 4.5% discount rate. The District currently does not plan to prefund for this benefit. At the actuarial valuation date, the annual health care cost trend rate was calculated to be 9% initially, reduced incrementally to an ultimate rate of 5% after 8 years. Both rates included a 3% inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009 was 30 years.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN**

**F. Condensed Financial Statements**

The financial statements for the OPEB Plan are reported below and on the following page because the OPEB Plan does not issue a separate report.

**OPEB PLAN  
STATEMENT OF PLAN NET ASSETS  
June 30, 2010**

<b>ASSETS:</b>	
Investments, at Fair Value	\$ 2,905,712
Other Receivables	35,869
	<hr/>
Total Assets	<u>\$ 2,941,581</u>
 <b>NET ASSETS:</b>	
Net Assets Held in Trust for OPEB	\$ 2,941,581
	<hr/> <hr/>

**STATEMENT OF CHANGES IN PLAN NET ASSETS  
For the Fiscal Year Ended June 30, 2010**

<b>ADDITIONS:</b>	
Investment Income	\$ 91,566
 <b>DEDUCTIONS:</b>	
Administrative Expense	313,110
	<hr/>
Change in Net Assets	(221,544)
 <b>NET ASSETS HELD IN TRUST FOR OPEB:</b>	
Beginning of the Year	3,163,125
	<hr/>
End of Year	<u>\$ 2,941,581</u>

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN**

**F. Condensed Financial Statements (Continued)**

**1. Notes to the Condensed Financial Statements**

**A. Plan Provisions**

The Plan is described in detail on the above and on the previous pages, including Plan provisions and the authority for Plan changes.

**2. Summary of Significant Accounting Policies**

**A. Basis of Accounting**

The financial statements shown above are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which the employee services are performed. Benefits are recognized when due and payable.

**B. Investments**

The details of the investments and the investment policy are described in Note 1.D. of the District's financial statements.

**C. Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

**NOTE 9 – SUBSEQUENT EVENT**

On July 8, 2010, the District issued G.O. Bonds, Series 2010B in the amount of \$ 45,000,000. The interest rates range from 4.25%-5.75%. The first payment is due on February 1, 2011; thereafter, payments are due annually until February 1, 2031. Principal and interest on the Bonds will be paid entirely from taxes levied.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN**

**D. Funded Status and Funding Progress**

As of July 1, 2008, the most recent actuarial valuation date, the District had no assets deposited to fund the plan. The actuarial accrued liability for benefits was \$ 3,162,316 and the actuarial value of assets was \$ 0, resulting in an unfunded actuarial accrued liability (UAAL) of \$ 3,162,316. The covered payroll (annual payroll of active employees covered by the plan) was \$ 16,347,056 and the ratio of the UAAL to the covered payroll was 19.3%. In May 2009, the District issued G.O. Taxable OPEB Bonds, established an irrevocable trust and contributed \$ 3,158,774 of bonds proceeds into the trust to fund the plan. As of June 30, 2010, the ending market value of these assets was \$ 2,905,712.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Schedule of Funding Progress – Other Post Employment Benefits, presented as required supplementary information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

At the July 1, 2008 actuarial valuation date, the projected unit credit with 30 year amortization of the unfunded liability method was used. The actuarial assumptions included a 4.5% discount rate. The District currently does not plan to prefund for this benefit. At the actuarial valuation date, the annual health care cost trend rate was calculated to be 9% initially, reduced incrementally to an ultimate rate of 5% after 8 years. Both rates included a 3% inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009 was 30 years.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN**

**E. Condensed Financial Statements**

The financial statements for the OPEB Plan are reported below and on the following page because the OPEB Plan does not issue a separate report.

**OPEB PLAN  
STATEMENT OF PLAN NET ASSETS  
June 30, 2010**

<b>ASSETS:</b>	
Investments, at Fair Value	\$ 2,905,712
Other Receivables	<u>35,869</u>
Total Assets	<u><u>\$ 2,941,581</u></u>
 <b>NET ASSETS:</b>	
Net Assets Held in Trust for OPEB	<u><u>\$ 2,941,581</u></u>

**STATEMENT OF CHANGES IN PLAN NET ASSETS  
For the Fiscal Year Ended June 30, 2010**

<b>ADDITIONS:</b>	
Investment Income	\$ 91,566
 <b>DEDUCTIONS:</b>	
Administrative Expense	<u>313,110</u>
Change in Net Assets	(221,544)
 <b>NET ASSETS HELD IN TRUST FOR OPEB:</b>	
Beginning of the Year	<u>3,163,125</u>
End of Year	<u><u>\$ 2,941,581</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN**

**E. Condensed Financial Statements (Continued)**

**1. Notes to the Condensed Financial Statements**

**A. Plan Provisions**

The Plan is described in detail on the above and on the previous pages, including Plan provisions and the authority for Plan changes.

**2. Summary of Significant Accounting Policies**

**A. Basis of Accounting**

The financial statements shown above are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which the employee services are performed. Benefits are recognized when due and payable.

**B. Investments**

The details of the investments and the investment policy are described in Note 1.D. of the District's financial statements.

**C. Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

**NOTE 9 – SUBSEQUENT EVENT**

On July 8, 2010, the District issued G.O. Bonds, Series 2010B in the amount of \$ 45,000,000. The interest rates range from 4.25%-5.75%. The first payment is due on February 1, 2011; thereafter, payments are due annually until February 1, 2031. Principal and interest on the Bonds will be paid entirely from taxes levied.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**SCHEDULE OF FUNDING PROGRESS –  
OTHER POST EMPLOYMENT BENEFITS  
June 30, 2010**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Simplified Entry Age (b)</u>	<u>Unfunded AAL AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b - a)/c)</u>
07/01/08	\$ -	\$ 3,162,316	\$ 3,162,316	0%	\$ 16,347,056	19.30%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS –  
OTHER POST EMPLOYMENT BENEFITS  
June 30, 2010**

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Contributed</u>	<u>Net OPEB (Obligation) Asset</u>
06/30/10	\$ 209,254	\$ -	0%	\$ 2,901,103
06/30/09	348,926	3,459,283	991%	3,110,357

\* These Schedules were implemented in 2009 and, therefore, contains only two years of data. See Note 8 in the Notes to the Financial Statements for more details on these Schedules.

**SUPPLEMENTARY INFORMATION**

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**COMBINING BALANCE SHEET -  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2010**

	Special Revenue Funds			Post Employment Benefits Debt Service Fund	Capital Project	Total
	Food Service	Community Service	Total			
<b>ASSETS:</b>						
Cash and Investments	\$ 489,394	\$ 413,238	\$ 902,632	\$ -	\$ 559,702	\$ 1,462,334
Current Property Taxes Receivable	-	156,448	156,448	346,560	-	503,008
Delinquent Property Taxes Receivable	-	10,064	10,064	-	-	10,064
Accounts Receivable	18	3,052	3,070	-	-	3,070
Due from Department of Education	-	25,145	25,145	-	-	25,145
Due from Other Minnesota School Districts	4,875	-	4,875	-	-	4,875
Inventory	8,138	-	8,138	-	-	8,138
Prepaid Items	2,700	238	2,938	-	10,000	12,938
<b>Total Assets</b>	<b>\$ 505,125</b>	<b>\$ 608,185</b>	<b>\$ 1,113,310</b>	<b>\$ 346,560</b>	<b>\$ 569,702</b>	<b>\$ 2,029,572</b>
<b>LIABILITIES AND FUND BALANCES:</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ 12,984	\$ 9,838	\$ 22,822	\$ -	\$ 119,678	\$ 142,500
Salaries, Benefits and Severance Payable	1,119	70,801	71,920	-	-	71,920
Due to Other Minnesota Districts	48,863	132	48,995	-	-	48,995
Deferred Revenue	-	52,306	52,306	-	-	52,306
Advance on Bond Proceeds	-	-	-	-	450,024	450,024
Property Taxes Levied for Subsequent Year's Expenditures	-	296,077	296,077	346,560	-	642,637
<b>Total Liabilities</b>	<b>62,966</b>	<b>429,154</b>	<b>492,120</b>	<b>346,560</b>	<b>569,702</b>	<b>1,408,382</b>
<b>Fund Balances:</b>						
<b>Reserved:</b>						
Community Education Programs	-	187,472	187,472	-	-	187,472
Early Childhood and Family Education Programs	-	(12,950)	(12,950)	-	-	(12,950)
School Readiness	-	4,510	4,510	-	-	4,510
Unreserved - Undesignated	442,159	(1)	442,158	-	-	442,158
<b>Total Fund Balances</b>	<b>442,159</b>	<b>179,031</b>	<b>621,190</b>	<b>-</b>	<b>-</b>	<b>621,190</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 505,125</b>	<b>\$ 608,185</b>	<b>\$ 1,113,310</b>	<b>\$ 346,560</b>	<b>\$ 569,702</b>	<b>\$ 2,029,572</b>

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**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2010**

	<u>Special Revenue Funds</u>			Post Employment Benefits Debt Service Fund	Capital Project	Total
	Food Service	Community Service	Total			
<b>REVENUES:</b>						
Local Property Taxes	\$ -	\$ 294,542	\$ 294,542	\$ -	\$ -	\$ 294,542
Other Local and County Revenues	3,229	1,671,353	1,674,582	-	2,065	1,676,647
Revenue from State Sources	45,798	85,608	131,406	-	-	131,406
Revenue from Federal Sources	238,889	-	238,889	-	-	238,889
Sales and Other Conversion of Assets	1,105,737	-	1,105,737	-	-	1,105,737
Total Revenues	<u>1,393,653</u>	<u>2,051,503</u>	<u>3,445,156</u>	<u>-</u>	<u>2,065</u>	<u>3,447,221</u>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
Sites and Buildings	-	-	-	-	55,792	55,792
Food Service	1,246,775	-	1,246,775	-	-	1,246,775
Community Education and Services	-	2,049,121	2,049,121	-	-	2,049,121
<b>Capital Outlay:</b>						
Sites and Buildings	-	-	-	-	210,365	210,365
Food Service	130,268	-	130,268	-	-	130,268
Community Education and Services	-	9,508	9,508	-	-	9,508
<b>Debt Service:</b>						
Interest and Fiscal Charges	-	-	-	110,876	-	110,876
Total Expenditures	<u>1,377,043</u>	<u>2,058,629</u>	<u>3,435,672</u>	<u>110,876</u>	<u>266,157</u>	<u>3,812,705</u>
Excess of Revenues Over (Under) Expenditures	16,610	(7,126)	9,484	(110,876)	(264,092)	(365,484)
<b>FUND BALANCES:</b>						
Beginning of Year	<u>425,549</u>	<u>186,157</u>	<u>611,706</u>	<u>110,876</u>	<u>264,092</u>	<u>986,674</u>
End of Year	<u>\$ 442,159</u>	<u>\$ 179,031</u>	<u>\$ 621,190</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 621,190</u>

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS  
COMPLIANCE TABLE  
For the Year Ended June 30, 2010**

	Audit	UFARS	Audit-UFARS		Audit	UFARS	Audit-UFARS
<b><u>01 GENERAL FUND</u></b>				<b><u>07 DEBT SERVICE FUND</u></b>			
Total Revenue	\$ 32,093,250	\$ 32,093,251	\$ (1)	Total Revenue	\$ 3,187,780	\$ 3,187,780	\$ -
Total Expenditures	31,644,498	31,644,499	(1)	Total Expenditures	3,300,773	3,300,773	\$ -
<i>Reserved:</i>				<i>Reserved:</i>			
403 Staff Development				425 Bond Refunding	9,595,187	9,595,187	
405 Deferred Maintenance	60,663	60,663		451 QZAB Payments			
406 Health and Safety	75,163	75,163		<i>Unreserved:</i>			
407 Capital Projects Levy	17,305	17,305		422 Unreserved/Undesignated	703,101	703,101	
408 Cooperative Revenue				<b><u>08 TRUST FUND</u></b>			
413 Project Funded by COP				Total Revenue	\$ 14,060	\$ 14,060	\$ -
414 Operating Debt				Total Expenditures	22,000	22,000	
416 Levy Reduction				<i>Reserved:</i>			
419 Encumbrances				419 Encumbrances			
423 Certain Teacher Programs				<i>Unreserved:</i>			
424 Operating Capital	894,714	894,714		422 Unreserved/Undesignated	5,126	5,126	
426 \$ 25 Taconite				<b><u>09 AGENCY FUND</u></b>			
427 Disabled Accessibility				<i>Unreserved:</i>			
428 Learning and Development				422 Unreserved/Undesignated	\$ -	\$ -	\$ -
434 Area Learning Center				<b><u>20 INTERNAL SERVICE FUND</u></b>			
435 Contracted Alternative Programs				Total Revenue	\$ -	\$ -	\$ -
436 State Approved Alternative Program				Total Expenditures			
438 Gifted and Talented				<i>Reserved:</i>			
441 Basic Skills Programs				419 Encumbrances			
445 Career Technical Programs				<i>Unreserved:</i>			
446 First Grade Preparedness				422 Unreserved/Undesignated			
449 Safe School Crime				<b><u>25 OPEB REVOCABLE TRUST</u></b>			
450 Prekindergarten				Total Revenue	\$ -	\$ -	\$ -
451 QZAB Payments				Total Expenditures			
452 OPEB Liabilities not in Trust				<i>Reserved:</i>			
453 Unfunded Severance and Retirement Levy				419 Encumbrances			
<i>Unreserved:</i>				<i>Unreserved:</i>			
418 Severance-Insurance Premium	411,850	411,850		422 Unreserved/Undesignated			
422 Unreserved/Undesignated	2,808,358	2,808,359	(1)	<b><u>45 OPEB IRREVOCABLE TRUST</u></b>			
<b><u>02 FOOD SERVICES FUND</u></b>				Total Revenue	\$ 91,566	\$ 91,566	\$ -
Total Revenue	\$ 1,393,653	\$ 1,393,653	\$ -	Total Expenditures	313,110	313,110	
Total Expenditures	1,377,043	1,377,043		<i>Reserved:</i>			
<i>Reserved:</i>				419 Encumbrances			
419 Encumbrances				<i>Unreserved:</i>			
452 OPEB Liabilities not in Trust				422 Unreserved/Undesignated	2,941,581	2,941,581	
<i>Unreserved:</i>				<b><u>47 OPEB DEBT SERVICE</u></b>			
418 Severance-Insurance Premium				Total Revenue	\$ -	\$ -	\$ -
422 Unreserved/Undesignated	442,159	442,159		Total Expenditures	110,876	110,876	
<b><u>04 COMMUNITY SERVICE FUND</u></b>				<i>Reserved:</i>			
Total Revenue	\$ 2,051,503	\$ 2,051,504	\$ (1)	425 Bond Refundings			
Total Expenditures	2,058,629	2,058,629		<i>Unreserved:</i>			
<i>Reserved:</i>				422 Unreserved/Undesignated			
419 Encumbrances				<b><u>Unaudited Data Reporting Elements</u></b>			
426 \$ 25 Taconite				<b><u>FY10 SAFE SCHOOL MAINTENANCE OF EFFORT</u></b>			
431 Community Education	187,472	187,472		Total Expenditures	\$ 937,229		
432 ECFE	(12,950)	(12,950)		FTE	11		
444 School Readiness	4,510	4,510		<b><u>FY10 OPERATING CAPITAL TRANSFERS</u></b>			
447 Adult Basic Education				Per Pupil Amount	\$ -		
452 OPEB Liabilities not in Trust				AMCPU			
<i>Unreserved:</i>				Total Transfer			
418 Severance-Insurance Premium				<b><u>06 BUILDING CONSTRUCTION FUND</u></b>			
422 Unreserved/Undesignated	(1)		(1)	Total Revenue	\$ 2,065	\$ 2,065	\$ -
<b><u>06 BUILDING CONSTRUCTION FUND</u></b>				Total Expenditures	266,157	266,157	
Total Revenue	\$ 2,065	\$ 2,065	\$ -	<i>Reserved:</i>			
Total Expenditures	266,157	266,157		407 Capital Projects Levy			
<i>Reserved:</i>				409 Alternative Facility Program			
407 Capital Projects Levy				413 Projected Funded by COP			
409 Alternative Facility Program				419 Encumbrances			
413 Projected Funded by COP				<i>Unreserved:</i>			
419 Encumbrances				422 Unreserved/Undesignated			
<i>Unreserved:</i>							
422 Unreserved/Undesignated							

**INDEPENDENT SCHOOL DISTRICT NO. 832**  
**Mahtomedi, Minnesota**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2010**

Federal Agency/Pass Through Agency/Program Title	Federal CFDA Number	Expenditures
U.S. Department of Agriculture:		
Through Minnesota Department of Education:		
Child Nutrition Cluster:		
Commodities	10.555	\$ 61,663
School Breakfast	10.553	8,116
Type A Lunch	10.555	167,914
Special Milk	10.556	889
Total Child Nutrition Cluster and U.S. Department of Agriculture		238,582
U.S. Department of Education:		
Through Minnesota Department of Education:		
Title I, Part A	84.010	74,149
Title IV, Part A - Safe and Drug Free Schools	84.186	5,045
Title II, Part A - Improving Teacher Quality	84.367	49,996
ARRA Stabilization Title VIII, Impact Aid	84.394	1,742,705
ARRA Special Education - Infants and Toddlers	84.393	2,561
Special Education Cluster:		
Special Education	84.027	456,160
Special Education Discretionary	84.027	7,262
Coordinated Early Intervening Services	84.027	56,728
Discretionary Continuous Improvement Monitoring Process	84.027	4,984
Discretionary Response to Intervention Grants	84.027A	17,896
Discretionary Building Capacity	84.027A	1,034
Discretionary Professional Development	84.173	555
Disable Early Education	84.173	16,419
ARRA Special Education	84.391	310,725
ARRA Preschool Grant for Children with Disabilities	84.392	12,512
Total Special Education Cluster		884,275
Through Intermediate School District No. 916:		
Carl Perkins	84.048A	8,095
Total Department of Education		892,370
Total Federal Expenditures		\$ 3,005,408

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**INDEPENDENT SCHOOL DISTRICT NO. 832**  
**Mahtomedi, Minnesota**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2010**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB *Circular A-133, Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

**NOTE 2 – INVENTORY**

Inventories of commodities donated by the U.S. Department of Agriculture are recorded at market value in the Food Service Fund as inventory. Revenue and expenditures are recorded when commodities are used.



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**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***

October 21, 2010

To the School Board  
Independent School District No. 832  
Mahtomedi, 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. 832, Mahtomedi, Minnesota, as of and for the year ending June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 21, 2010. 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.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we considered the District's 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 the 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.

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 misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs in Accordance with OMB *Circular A-133* that we consider to be a significant deficiency in internal control over financial reporting (Audit Finding 02-1). A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District's financial statements are free 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 noted certain other matters that we reported to management of the District in a separate letter dated October 21, 2010.

The District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs in Accordance with OMB *Circular A-133*. We did not audit the District's response and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Education, administration, 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.

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB *CIRCULAR A-133***

October 21, 2010

To the School Board  
Independent School District No. 832  
Mahtomedi, Minnesota

**COMPLIANCE**

We have audited the compliance of Independent School District No. 832, Mahtomedi, Minnesota, with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2010. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs in Accordance with OMB *Circular A-133*. 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 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 OMB *Circular A-133, Audits of States, Local Governments and Nonprofit Organizations*. Those Standards and OMB *Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, Independent School District No. 832, Mahtomedi, Minnesota, complied in all material respects with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2010.



## INTERNAL CONTROL OVER COMPLIANCE

The management of the District 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 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*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Education, administration, 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.

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**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
IN ACCORDANCE WITH OMB *CIRCULAR A-133*  
June 30, 2010**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor’s report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	Yes, Audit Finding 02-1
Noncompliance material to financial statements noted?	No

**Federal Awards**

Type of auditor’s report issued on compliance for major programs:	Unqualified
Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	No
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB <i>Circular A-133</i> ?	No

**Identification of Major Programs**

CFDA No.:	84.027, 84.173, 84.391, 84.392 and 84.027A
Name of Federal Program or Cluster:	Special Education Cluster
CFDA No.:	84.394
Name of Federal Program or Cluster:	ARRA Stabilization Aid
Dollar threshold used to distinguish between type A and type B programs:	\$ 300,000
Auditee qualified as low risk auditee?	Yes

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
IN ACCORDANCE WITH OMB *CIRCULAR A-133*  
June 30, 2010**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Audit Finding 02-01**

*Criteria or Specific Requirement:*

Internal control that supports the District’s ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements requires adequate segregation of accounting duties.

*Condition:*

During the year ended June 30, 2010, the District had a lack of segregation of accounting duties in the cash receipts and payroll processes due to a limited number of office employees. Although this meets the definition of a “significant deficiency”, it may not be practical to correct since the costs of obtaining desirable segregation of accounting duties may exceed benefits that could be derived.

**Cash Receipt**

- Building secretaries may receive cash and/or checks and also prepare deposit slips.

**Payroll**

- The Payroll Coordinator verifies hours and coding, has the ability to change rates of pay and hours, processes and inputs payroll, prints checks, has access to blank check stock, posts payroll to finance system, is authorized to make payroll electronic funds transfers (EFT) transactions and reconciles gross to net pay payroll amounts to general ledger.
- There is no regular review or approval of payroll runs other than the Payroll Coordinator.

*Questioned Costs:*

None

*Context:*

This finding impacts the internal control for all significant accounting functions.

*Effect:*

The lack of adequate segregation of accounting duties could adversely affect the District’s ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements.

*Cause:*

There are a limited number of office employees.

*Recommendation:*

Continue to review the accounting system, including changes that may occur. Implement segregation whenever practical.

**INDEPENDENT SCHOOL DISTRICT NO. 832  
Mahtomedi, Minnesota**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
IN ACCORDANCE WITH OMB *CIRCULAR A-133*  
June 30, 2010**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Audit Finding 02-01 (Continued)**

*Management's Response:*

**CORRECTIVE ACTION PLAN (CAP):**

1. Explanation of Disagreement with Audit Finding  
There is no disagreement with the audit finding.
2. Actions Planned in Response to Finding  
Administration will review current segregation of accounting duties to determine if further segregation is possible. The District has since implemented documenting the review of bank reconciliations and will implement this process for the review of budget to actual comparisons.
3. Official Responsible for Ensuring CAP  
Mark Larson, Superintendent, is the official responsible for ensuring corrective action of the deficiency.
4. Planned Completion Date for CAP  
The planned completion date for the CAP is June 30, 2011.
5. Plan to Monitor Completion of CAP  
The School Board will be monitoring this CAP.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no questioned costs.

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**REPORT ON LEGAL COMPLIANCE**

October 21, 2010

To the School Board  
Independent School District No. 832  
Mahtomedi, 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. 832, Mahtomedi, Minnesota, as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 21, 2010.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the provisions of the *Minnesota Legal Compliance Audit Guide for Local Government* promulgated by the State Auditor pursuant to *Minnesota Statutes Sec. 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 Local Government* covers seven main 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 miscellaneous provision. 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 Board of Education, administration and state and the Office of the State Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

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Member \_\_\_\_\_ introduced the following resolution and moved its adoption:

**RESOLUTION CANVASSING RETURNS  
OF VOTES OF SCHOOL DISTRICT GENERAL ELECTION**

BE IT RESOLVED by the School Board of Independent School District No. 832, as follows:

1. It is hereby found, determined and declared that the general election of the voters of the district held on November 2, 2010, was in all respects duly and legally called and held.

2. As specified in the attached Abstract and Return of Votes Cast, a total of \_\_\_\_\_ voters of the district voted at said election on the election of three school board members for four-year term vacancies on the board caused by expiration of term on the first Monday in January next following the general election as follows:

Cathy Dalton \_\_\_\_\_

Kevin Donovan \_\_\_\_\_

Bob Donohoe \_\_\_\_\_

Herb Gibson \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Candidate \_\_\_\_\_, Candidate \_\_\_\_\_, and Candidate \_\_\_\_\_, having received the highest number of votes, are elected to four-year terms beginning the first Monday in January, 2011.

4. The school district clerk is hereby authorized to certify the results of the election to the county auditor of each county in which the school district is located in whole or in part.

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

(Attach Abstract and Return of Votes Cast)

**Mahtomedi Public Schools**  
**Independent School District #832**  
**1520 Mahtomedi Avenue**  
**Mahtomedi, MN 55115**

**Regular Meeting - Board of Education**

**Date: November 4, 2010**

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**Agenda Item #10. C.**

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**TOPIC:** Heidi Springborg to Act as the Local Education Agency Representative Relating to the AYP Improvement Plan

**PURPOSE OF PRESENTATION:** The AYP reports are complete and both Wildwood and OHA will begin implementing the plans.

**ACTION RECOMMENDED:** The recommendation is Heidi Springborg' oversight of the AYP improvement plan.

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**Submitted By:**

**Concurrence By:**

Lynne Viker

**Name**

Director of Teaching & Learning

**Title**

Mark Larson

**Dr. Mark Larson**

**Superintendent of Schools**

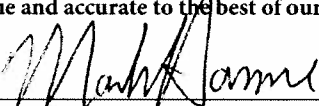
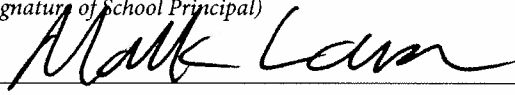
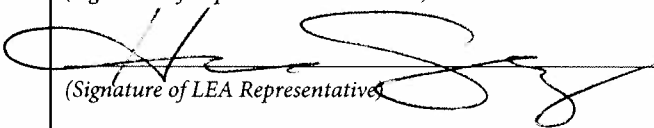
<b>Minnesota Department of Education</b>	School Improvement Division 1500 Highway 36 West Roseville, MN 55113-4266	<b>SCHOOL LEVEL IMPROVEMENT PLAN</b>	2010-2011
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**IMPROVEMENT PLAN ASSURANCES**

**Related to the AYP Stages for Title I school improvement, the LEA agrees to the following assurances:**

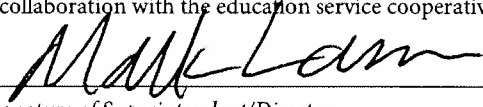
1. The identified school will create or revise a current improvement plan with the input of AYP Coordinators, teachers, parents and the school's support team as outlined in P.L. 107-110, Section 1116.
2. The improvement plan, for schools in School Choice or Supplemental Education Services (SES), will be developed and/or revised within 90 days of identification and shall cover a two-year period. The district shall establish and implement a peer review process of the school plan within 45 days of receiving the improvement plan, maintaining documentation that will be available upon request by MDE as needed.
3. The district must provide and/or arrange assistance and resources, including those available through the Statewide System of Support, for their Title I schools in corrective action, pre-restructuring and restructuring.
4. The district is responsible for the selection of a corrective action(s) and timely implementation within the school year as outlined under NCLB. The district must maintain documentation that will be available upon request by MDE as needed.
5. The district has direct oversight and involvement in the development and implementation of a restructuring plan for schools in this stage of *In Need of Improvement*. NCLB requires that a restructuring option(s) be chosen, a plan developed, and that implementation occur at the start of the next school year if the site does not make AYP during the pre-restructuring stage (4.1, 4.2). The district must maintain documentation that will be available upon request by MDE as needed, including compliance requirements.
6. Each school identified as School Choice or SES must reserve and spend at least 10% of the school's Title I, Part A allocation for professional development activities related to carrying out the initiatives of the improvement plan in the current school year.
7. The school principal will ensure that all teachers teaching core content classes meet the requirements of Highly Qualified.
8. The school will notify **all** parents/guardians of enrolled children of the school's AYP status 14 days prior to the beginning of the school year.
9. If updating a School Choice or SES plan, Appendix B of this application must be used; a school in Corrective Action must use Appendix C; a school in Pre-Restructuring must use Appendix D; a school in Restructuring must use Appendix E.

**We hereby agree to the assurances as printed herein and verify that all the information provided in this school improvement application is true and accurate to the best of our knowledge.**

	10-21-10
(Signature of School Principal)	(Date)
	10/21/10
(Signature of Superintendent/Director)	(Date)
	10/21/10
(Signature of LEA Representative)	(Date)

**LOCAL BOARD OF EDUCATION ACTION**

The local Board of Education of Mahtomedi Public Schools (*District Name*) has authorized Heidi Springborg (*Name*) at a monthly meeting on 11-4-10 (*date*) to act as the Local Education Agency (LEA) representative in reviewing and filing the attached plan as provided under P.L. 107-110 for school year 2010-11. The LEA Representative will ensure that the school district will maintain compliance with the appropriate federal statutes, regulations, and procedures and will act as the responsible authority in all matters relating to the administration of this improvement plan. The district ensures that its designee(s) will participate as a member of the school support team and work in collaboration with the education service cooperative and/or MDE providing technical assistance through the AYP Statewide System of Support.

	11/4/10
(Signature of Superintendent/Director)	(Date)


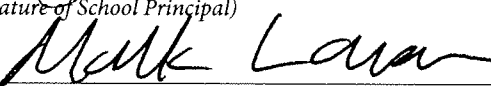
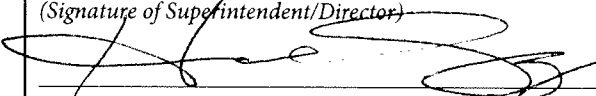
<b>Minnesota Department of Education</b>	School Improvement Division 1500 Highway 36 West Roseville, MN 55113-4266	<b>SCHOOL LEVEL IMPROVEMENT PLAN</b>	2010-2011
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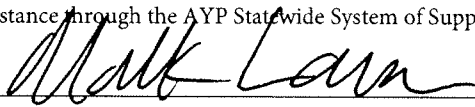
**We hereby agree to the assurances as printed herein and verify that all the information provided in this school improvement application is true and accurate to the best of our knowledge.**

 (Signature of School Principal)	10-29-10 (Date)
 (Signature of Superintendent/Director)	10/29/10 (Date)
 (Signature of LEA Representative)	10/29/10 (Date)

**LOCAL BOARD OF EDUCATION ACTION**

The local Board of Education of Mahtomedi Public Schools (#832) (District Name) has authorized

Heidi Springborg (Name) at a monthly meeting on Thursday, Nov. 4th, 2010 (date) to act as the Local Education Agency (LEA) representative in reviewing and filing the attached plan as provided under P.L. 107-110 for school year 2010-11. The LEA Representative will ensure that the school district will maintain compliance with the appropriate federal statutes, regulations, and procedures and will act as the responsible authority in all matters relating to the administration of this improvement plan. The district ensures that its designee(s) will participate as a member of the school support team and work in collaboration with the education service cooperative and/or MDE providing technical assistance through the AYP Statewide System of Support.

 (Signature of Superintendent/Director)	11/4/10 (Date)
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"An Integration Collaborative"

## Educational Equity Alliance

2520 East 12th Avenue  
North St. Paul, MN 55109

### **Multi-District Collaborative Council**

#### **Fall Meeting Minutes**

Thursday, October 7, 2010

*In attendance: Patty Phillips, Lynne Viker, Theresa Ague, Dale Sundstrom, Denise Sundstrom and Ayanna Farrell*

#### **I. Open and Welcome:**

Two new members Dale Sundstrom, 622 Business Director and Nicole Dockham 622 CCC rep

#### **II. Summer Program PowerPoint:**

Participants watched a slide show outlining the results of the 5 EEA supported summer programs. If anyone would like a copy please contact Ayanna Farrell and she will send it to you electronically.

#### **III. Officers:**

We needed someone to take minutes for each meeting. Dale S. was gracious enough to offer his services but would be ok of letting it go if a committee member that wasn't in attendance had interest in taking that on. *Thanks Dale!*

#### **IV. Select meeting dates for the year:**

February 3<sup>rd</sup> from 4-5:30 at Mahtomedi District Education Center in the boardroom for the winter meeting.

May 5<sup>th</sup> from 4-6 is the joint Community Collaborative Council and Multi-District Collaborative Council meeting. It will be at NSP district Education Center in the boardroom.

#### **V. June retreat:**

A review of the minutes from the year in review retreat. Lynne V. and Patty P. shared insights from the morning. The goal is to have a year in review again this summer and it was suggested to keep it a 3 hour retreat.

#### **VI. EEA policies:**

The 7 EEA policies were approved in September. The next step is to work with Karen Kepple to draft the necessary procedures. Because of policy 305: Policies Incorporated by Reference, Karen



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recommended only one procedure. That would cover the process for policy 304: Public Expenditures at Meetings. Ayanna will work with Karen to finalize the details.

### VII. Meeting norm activity (effective collaboration):

This was an activity where the committee members used the information provided in the packet to assist in identifying what behaviors we agree to observe while we at MDCC meetings. Each person drafted a list of 3-5 behaviors, each table agreed and finally the large group agreed on 4 meeting Norms. Ayanna will have a poster drafted and it will be posted at each meeting. The group agreed that it is okay to hold each other accountable on the following:

1. Start and end on time
2. Shared responsibility (committee duties & responsibilities) etc.
3. Respect the opinions of others
4. Engage in courageous conversations around educational equity and the vision of the collaborative

### VIII. Dialog piece continued:

During the June retreat we started a process called Dialog for organizational development. Feedback participants from MDCC and the Community Collaborative Council indicated this was a very valuable part of the meeting. We agreed to discuss continuing the dialog. This discussion was tabled for now- it will be on the winter MDCC agenda. Potentially we would invite Dr. Gregoire and Dr. Hoverman back to lead the group through a dialog process that focuses on organizational development and how each role on the MDCC is critical.

### IX. 2010 program update:

EEA had a goal to maintain 2010 programming and increase it by at least 2. At this point we have maintained all programming from last year (data reviewed at the retreat supports this decision) and we have added seven (7) new programs and have two (2) more just about ready to be formally submitted to the approval process. There is a PowerPoint with all the pertinent information- if you would like it please contact Ayanna Farrell and she will email it to you. The 2011 EEA programs are listed below.

#### Continuing programs:

1. YLC- Youth Leadership Council
2. PLA- Parent Learning Academy. Now called Educational Options for parents
3. St. Mary's Professional Development Institute: Curriculum study and Content stranded seminars

#### New programs:

1. ELL Math Workshop
2. Grandparents/Racially Diverse Elders as Role Models: Literacy workshop
3. Underrepresentation of Marginalized Students in Talented and Gifted programs workshop
4. Educational Options *Students Edition*



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5. Community Ed Collaboration: Children of Abraham; Islam the religion and a bit about Muslim culture.
6. Administrative SEED
7. Hiring/Retention of Staff of Color

### X. Desegregation Legislative task force update:

There are several updates in the process. As we are aware MDE was asked in 2005 by the OLA- Office of Legislative Auditor to compile data needed to provide a comprehensive report on K-12 Desegregation Programming and justification for how Integration dollars are used. For a reasons unclear nothing was done. Last year MSIC, Minnesota School Integration Council, a group of which I am a Board member, uncovered this request. We worked diligently to figure out how to support MDE in meeting that request. Currently, MDE has **no staff** in either the School Choice or Desegregation program. The two specialists resigned last year and the director, Glory Kibble, retired in September. A result of our efforts was the development of a task force. The purpose of this task force is to *conduct a comprehensive review* of the current Minnesota Desegregation Rule and Minnesota Statute, section 124D.86, governing the use and allocation of Integration revenue; and *develop recommendations* for amending Minnesota's Desegregation Rule and Minnesota Statute section 124D.86. There is a website which will post regular task force updates, a list of task force members and legislative updates. <http://integrationtaskforce.blogspot.com>

The task force is seeking input from Board Members, school personnel, students and community organizations before making the final recommendations to the legislative body on January 17, 2011. There are two ways to provide feedback: You can attend a listening session (contact Ayanna for details) or you can provide input via an electronic survey. The link to the survey is [http://www.surveymonkey.com/s/school\\_integration\\_in\\_MN](http://www.surveymonkey.com/s/school_integration_in_MN) All survey feedback is due by **Friday, November 12, 2010**.

### XI. Building community connections with Multicultural Murals:

EEA is collaborating with Wildwood Library, Maplewood library and NSP Community Center to host a kick off for a community art opening of the beautiful Murals that were created at the EEA Summer Art Camp. The opening will be held at the Maplewood library on Friday, January 21<sup>st</sup> 5:30 -7pm. The "Eco Friendly" mural will be displayed at Maplewood Library, the "Community Connections" and "Educational Equity and Diversity" will be in the main entrance of the North St. Paul Community Center from January 20<sup>th</sup> to March 1<sup>st</sup>. Wildwood Library will display all three for the month of April. Please mark your calendars for the January 21<sup>st</sup> and join us for the community art opening.

### XII. Close the meeting at 5:08

## CHECK REGISTER Oct-10

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368711		\$105.00	10/07/10	08271	AEROSPACE INDUSTRIES ASSOCIATION
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368713	Clear	\$292.00	10/07/10	07447	ANGELO TUCCITTO
368714		\$75.00	10/07/10	08312	ATHENA AWARDS COMMITTEE
368715	Clear	\$8,806.08	10/07/10	03340	BIX PRODUCE CO
368716	Clear	\$1,730.92	10/07/10	03057	BRAD BERGIE
368717	Clear	\$60.00	10/07/10	08251	BRIAN STANKIEWICZ
368718	Clear	\$90.00	10/07/10	04738	BRUCE DJOCK REPAIR
368719	Clear	\$3,312.50	10/07/10	07031	CARRIE ARDITO
368720	Clear	\$60.00	10/07/10	05973	CHRISTOPHER RICK
368721	Clear	\$13,542.67	10/07/10	01572	CITY OF MAHTOMEDI
368722	Clear	\$900.00	10/07/10	06754	COMMANDING EDGE INC
368723	Clear	\$13,286.00	10/07/10	00527	COMSTOCK & SONS INC
368724	Clear	\$459.00	10/07/10	07088	CUSTOM WATER WORKS
368725	Clear	\$951.09	10/07/10	00599	DALCO
368726	Clear	\$80.00	10/07/10	08321	DAN WAGNER
368727	Clear	\$150.00	10/07/10	05073	DAVID HULIT
368728	Clear	\$129.00	10/07/10	00652	DEVELOPMENTAL RESOURCES INC
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368731	Clear	\$4,415.46	10/07/10	03328	DIVERSIFIED SNACK DIVISION
368732	Clear	\$1,074.00	10/07/10	00678	DOMINO'S PIZZA
368733	Clear	\$50.00	10/07/10	08319	DYLAN JAMES
368734	Clear	\$220.00	10/07/10	00714	EAGLE SCREEN PRINTING
368735	Clear	\$2,033.74	10/07/10	06030	EARTHGRAINS BAKING CO.INC
368736	Clear	\$411.74	10/07/10	00764	ELSMORE AQUATICS
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368738	Clear	\$10.00	10/07/10	08320	EMMA BARRETTE
368739	Clear	\$2,000.00	10/07/10	06820	ENERGY EFFICIENCY PROGRAMS,INC
368740	Clear	\$1,976.04	10/07/10	00803	EXPRESS PERSONNEL SERVICES INC
368741	Clear	\$21.17	10/07/10	00815	FASTENAL COMPANY
368742	Clear	\$97,647.69	10/07/10	06819	FIRST STUDENT
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368744	Clear	\$258.64	10/07/10	00848	FLINN SCIENTIFIC INC
368745	Clear	\$255.53	10/07/10	06697	FRATTALLONE'S ACE HARDWARE STORES
368746	Clear	\$44.55	10/07/10	08326	GARY COX
368747	Clear	\$50.00	10/07/10	08325	GARY TANGWALL
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368749	Clear	\$660.22	10/07/10	00987	GRAINGER
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368752	Clear	\$7,065.96	10/07/10	06935	HASTINGS CO-OP CREAMERY CO.
368753	Clear	\$30,893.88	10/07/10	01096	HEALTHPARTNERS
368754	Clear	\$265.38	10/07/10	01097	HEALY AWARDS INC
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368756	Clear	\$35.65	10/07/10	06414	J.P.COOKE CO
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## CHECK REGISTER Oct-10

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368762	Clear	\$330.00	10/07/10	08324	KATIE CRONIN
368763	Clear	\$3,393.19	10/07/10	03378	KELLY SERVICES, INC
368764	Clear	\$60.00	10/07/10	05537	KEVIN PURINTON
368765	Clear	\$270.15	10/07/10	01372	KNOWLAN'S SUPER MARKETS
368766	Clear	\$192.00	10/07/10	07310	L&D SIGN
368767	Clear	\$635.91	10/07/10	03195	LASERPLUS, LLC
368768	Clear	\$311.85	10/07/10	01457	LEARNING SEED COMPANY
368769	Clear	\$840.00	10/07/10	07149	LINDA NORDGREN
368770	Clear	\$1,302.51	10/07/10	07606	LOFFLER COMPANY INC
368771	Clear	\$2,086.47	10/07/10	01539	MACKIN LIBRARY MEDIA
368772	Clear	\$5,940.22	10/07/10	03182	MADISON NATIONAL LIFE
368773	Clear	\$84.50	10/07/10	01557	MAHTOMEDI AUTO SERVICE
368774		\$70.00	10/07/10	08318	MARCO PIROZZOLI
368775	Clear	\$60.00	10/07/10	06518	MARK BRINE
368776	Clear	\$62.00	10/07/10	05526	MARK WEBER
368777	Clear	\$60.00	10/07/10	06151	MARSHALL COVER
368778	Stop Payment	\$549.00	10/07/10	08309	MARY ZGONC
368779	Clear	\$75.00	10/07/10	06990	MASA REGION 9
368780		\$410.00	10/07/10	01612	MASE
368781	Clear	\$214.43	10/07/10	04063	MCGRAW HILL COMPANIES
368782	Clear	\$89.35	10/07/10	01696	METRO ATHLETIC SUPPLY
368783	Clear	\$225.00	10/07/10	01699	METRO ECSU
368784	Clear	\$138.24	10/07/10	04099	MINNCOR INDUSTRIES
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368787	Clear	\$142.90	10/07/10	07871	MODEL ME KIDS
368788	Clear	\$300.00	10/07/10	08323	MODERN FENCE & CONST. INC
368789	Clear	\$10.00	10/07/10	06795	MYRA -MINNESOTA YOUTH READING AWARDS
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368796	Clear	\$67.90	10/07/10	05675	PCI EDUCATIONAL PUBLISHING
368797	Clear	\$2,105.61	10/07/10	04204	PEARSON EDUCATION
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368799	Clear	\$62.00	10/07/10	08317	PETER MUDIMA
368800	Clear	\$69.54	10/07/10	02142	PIONEER PRESS- NIE
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368802	Clear	\$60.70	10/07/10	02162	PORTA PHONE CO
368803	Clear	\$5,285.95	10/07/10	06512	RESCO
368804	Clear	\$166.60	10/07/10	02346	RYCO SUPPLY COMPANY
368805	Clear	\$390.75	10/07/10	02353	SAFE AIR SYSTEMS LLC

**CHECK REGISTER**  
**Oct-10**

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368808	Clear	\$129.00	10/07/10	07804	SOCIAL THINKING
368809		\$50.00	10/07/10	08322	SOPHIE NELSON
368810	Clear	\$67.90	10/07/10	06951	SPORTDECALS
368811	Clear	\$228.22	10/07/10	00553	STAPLES/CORPORATE EXPRESS
368812	Clear	\$105.69	10/07/10	02610	STATE SUPPLY CO INC
368813	Clear	\$753.60	10/07/10	03088	STEVE HAMMERSCHMIDT
368814	Clear	\$206.70	10/07/10	02664	SUPER DUPER PUBLICATIONS
368815	Clear	\$311.28	10/07/10	03689	TEACHERS DISCOVERY /SCIENCE SUPPLY CATALOG
368816	Clear	\$231.67	10/07/10	05638	TEACHINGBOOKS.NET
368817	Clear	\$60.00	10/07/10	08315	TERRYNG AGUILERA
368818	Clear	\$3,119.05	10/07/10	02724	TEXTBOOK WAREHOUSE
368819	Clear	\$1,326.00	10/07/10	02747	TIERNEY BROTHERS INC
368820	Clear	\$3,968.46	10/07/10	02748	TIES
368821		\$69.82	10/07/10	08311	TOM BECKY
368822		\$60.00	10/07/10	02760	TOP 20 TRAINING LLC
368823	Clear	\$198.00	10/07/10	02785	TRIARCO ARTS AND CRAFTS
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368827	Clear	\$2,969.22	10/07/10	02903	WASTE MANAGEMENT-MN-WI
368828	Clear	\$98.95	10/07/10	04788	WATER CARE
368829		\$47.00	10/07/10	08304	WILLIAM ALLEN
368830	Clear	\$12,203.18	10/07/10	03017	XEROX CORPORATION
368831	Clear	\$325.60	10/14/10	00025	ACADEMIC COMMUNICATIONS ASSOC
368832		\$60.00	10/14/10	08308	ALORHA BURN
368833	Clear	\$1,735.98	10/14/10	00080	ALPHAGRAPHICS # 401
368834	Clear	\$210.00	10/14/10	07012	ANNE BUTTERMORE
368835	Clear	\$2,730.00	10/14/10	07938	ASSETWORKS, INC
368836	Clear	\$48.00	10/14/10	00208	BARNES & NOBLE
368837		\$2,258.00	10/14/10	00286	BJORKLUND COMPENSATION CONSULT
368838	Clear	\$185.50	10/14/10	00659	BLICK ART MATERIALS
368839		\$81.00	10/14/10	05007	BOB WITTMAN
368840		\$136.00	10/14/10	06345	BRITTANY GREEDER
368841	Clear	\$204.06	10/14/10	05024	BROOKES PUBLISHING CO.
368842	Clear	\$47.75	10/14/10	00409	CARLEX INC
368843	Clear	\$702.40	10/14/10	03115	CHARLES LINDERKAMP
368844	Clear	\$6,708.05	10/14/10	00406	CHASE CARD SERVICE/BANK ONE
368845		\$30.00	10/14/10	00485	CLASSIC SUBURBAN MS XCTRY CONFERENCE
368846	Clear	\$445.96	10/14/10	00487	CLASSROOM DIRECT / SCHOOL SPECIALTY
368847	Clear	\$146.80	10/14/10	07299	COBORNSDELIVERS LLC
368848	Clear	\$140.00	10/14/10	04792	DAN HARJES
368849	Clear	\$81.00	10/14/10	04934	DAVE LUNDQUIST
368850		\$80.00	10/14/10	04856	DENNIS HARRIS
368851	Clear	\$62.00	10/14/10	06119	DENNIS HOFFBECK
368852		\$1,034.00	10/14/10	00263	DONALD BETHKE
368853		\$141.66	10/14/10	00679	DONATELLI'S

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368854	Clear	\$432.00	10/14/10	00714	EAGLE SCREEN PRINTING
368855	Clear	\$10.00	10/14/10	08320	EMMA BARRETTE
368856	Clear	\$997.50	10/14/10	03969	ENERGYWISE CONSULTING,LLC
368857		\$62.00	10/14/10	08334	ERIC HANSON
368858	Clear	\$625.00	10/14/10	07629	ERIC JOHNSON
368859	Clear	\$451.96	10/14/10	00787	ERICKSON OIL PRODUCTS INC
368860	Clear	\$151.00	10/14/10	03218	ESTR PUBLICATIONS
368861	Clear	\$33,265.52	10/14/10	06819	FIRST STUDENT
368862	Clear	\$79.75	10/14/10	08163	GINA PIROZZOLI
368863	Clear	\$417.50	10/14/10	03051	GINA ZITZER
368864	Clear	\$237.14	10/14/10	01018	GROTH MUSIC
368865	Clear	\$72.50	10/14/10	04015	HAAN CRAFTS
368866	Clear	\$5,830.42	10/14/10	01097	HEALY AWARDS INC
368867	Clear	\$140.00	10/14/10	04793	JEFF LARSON
368868		\$81.00	10/14/10	05006	JERRY HINES
368869	Clear	\$60.00	10/14/10	04796	JIM PURINTON
368870	Clear	\$154.00	10/14/10	08337	KARA BETHKE
368871	Clear	\$49.70	10/14/10	08330	KATIE GROTH
368872	Clear	\$6,740.06	10/14/10	03378	KELLY SERVICES, INC
368873	Clear	\$20.00	10/14/10	08335	KELSEY TAFF
368874	Clear	\$94.00	10/14/10	01372	KNOWLAN'S SUPER MARKETS
368875	Clear	\$1,811.20	10/14/10	07572	KORY ANDRY
368876		\$10.00	10/14/10	08332	KYLE LODAHL
368877		\$4,990.92	10/14/10	07310	L&D SIGN
368878	Clear	\$726.13	10/14/10	03195	LASERPLUS, LLC
368879	Clear	\$40.00	10/14/10	05135	LAURI HILL
368880	Clear	\$436.61	10/14/10	06501	LISA GOLDEN SCHROEDER
368881	Clear	\$140.00	10/14/10	05010	LONNIE VAN KLEI
368882	Clear	\$250.00	10/14/10	08328	LORI CREVER
368883	Clear	\$950.00	10/14/10	06829	M&S TREE REMOVAL
368884	Clear	\$60.00	10/14/10	04839	MARK COURTNEY
368885		\$272.00	10/14/10	07609	MARSHALL ELECTRIC CO
368886	Clear	\$75.00	10/14/10	06990	MASA REGION 9
368887		\$225.00	10/14/10	05019	MASPA
368888	Clear	\$180.00	10/14/10	05344	MATY MUSTAR
368889	Clear	\$107.99	10/14/10	07990	MAYER-JOHNSON
368890		\$280.00	10/14/10	08336	MCTE-MN COUNCIL OF TEACHER OF ENGLISH
368891	Clear	\$88.90	10/14/10	01672	MEDCO SUPPLY INC
368892	Clear	\$80.00	10/14/10	01699	METRO ECSU
368893	Clear	\$269.00	10/14/10	07743	MIDWEST EDUCATIONAL CONSULTANTS
368894	Clear	\$70.00	10/14/10	07392	NATIONAL ASSN FOR EDUCATION OF YOUNG CHILDREN
368895	Clear	\$854.39	10/14/10	02205	NCS PEARSON INC
368896	Clear	\$5,000.01	10/14/10	01971	NORTHEAST METRO 916
368897	Clear	\$47.50	10/14/10	02052	ORIGINS
368898	Clear	\$239.00	10/14/10	04031	PASCO SCIENTIFIC
368899	Clear	\$80.00	10/14/10	05131	PAUL SIKORA
368900	Clear	\$1,517.95	10/14/10	05675	PCI EDUCATIONAL PUBLISHING
368901	Clear	\$855.00	10/14/10	01336	PEG KELLY

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368902		\$220.00	10/14/10	08338	PERFECTFLITE
368903	Clear	\$503.25	10/14/10	02141	PINE TREE APPLE ORCHARD
368904	Clear	\$81.75	10/14/10	06012	PREMIUM WATERS INC
368905	Clear	\$2,140.28	10/14/10	02227	QWEST
368906		\$50.00	10/14/10	02252	REGION 4AA
368907	Clear	\$3,799.00	10/14/10	02261	RENAISSANCE LEARNING, INC
368908	Clear	\$60.00	10/14/10	04815	ROB LINDER
368909	Clear	\$587.50	10/14/10	04970	SANDY CEDERGREN
368910	Clear	\$100.00	10/14/10	08146	SATIN DOLLS & CO
368911	Clear	\$449.90	10/14/10	03467	SCHOOL SPECIALTY
368912	Clear	\$505.68	10/14/10	02420	SCHOOL SPECIALTY INC
368913	Clear	\$600.00	10/14/10	03123	SHEILA MERZER M A
368914		\$62.00	10/14/10	08333	SIA RAHIMI
368915		\$420.00	10/14/10	04082	SNOM ANNUAL CONF
368916	Clear	\$215.31	10/14/10	00553	STAPLES/CORPORATE EXPRESS
368917		\$250.00	10/14/10	02606	STATE NEGOTIATORS
368918	Clear	\$736.00	10/14/10	03088	STEVE HAMMERSCHMIDT
368919		\$60.00	10/14/10	06979	STEVE SCHNEIDER
368920	Clear	\$525.00	10/14/10	08307	SUE HEWITT
368921	Clear	\$464.95	10/14/10	02664	SUPER DUPER PUBLICATIONS
368922	Clear	\$55.94	10/14/10	02698	TEACHER'S DISCOVERY
368923	Clear	\$60.00	10/14/10	08315	TERRYN AGUILERA
368924	Clear	\$206.08	10/14/10	02724	TEXTBOOK WAREHOUSE
368925		\$1,875.50	10/14/10	00468	THE CHILDREN'S HEALTH MARKET
368926	Clear	\$889.00	10/14/10	02747	TIERNEY BROTHERS INC
368927	Clear	\$81.00	10/14/10	04927	TIM MCGOWAN
368928		\$81.00	10/14/10	04958	TOM HOULE
368929	Clear	\$140.00	10/14/10	08331	TOM STATFORD
368930	Clear	\$575.00	10/14/10	08306	TRACY JONES
368931	Clear	\$33.17	10/14/10	06098	TRAINER'S WAREHOUSE
368932	Clear	\$50,369.57	10/14/10	06934	US FOODSERVICE INC
368933	Clear	\$98.83	10/14/10	03017	XEROX CORPORATION
368934	Clear	\$868.12	10/14/10	03025	YOUNGBLOOD LUMBER COMPANY
368935	Clear	\$363.04	10/15/10	00094	AMERICAN FAMILY ASSURANCE
368936	Clear	\$359.00	10/15/10	01556	MAHTOMEDI AREA EDUC.FOUNDATION
368937	Clear	\$304.00	10/15/10	01740	MINN NCPERS GROUP LIFE INS
368938	Clear	\$9.90	10/15/10	01888	NATIONAL INSURANCE SERVICES
368939	Clear	\$687.50	10/15/10	02017	OFFICE & PROFESSIONAL
368940	Clear	\$751.88	10/15/10	02048	OPERATING ENGINEERS LOCAL #70
368941	Clear	\$67.08	10/15/10	01499	UNITE HERE LOCAL 17
368942	Clear	\$700.00	10/15/10	04342	WISCONSIN SCTF
368943		\$500.00	10/15/10	01804	MN STATE H S MATHEMATICS LEAGUE
368944	Clear	\$887.00	10/18/10	08339	HELEN WHITE
368945	Clear	\$291.50	10/21/10	04896	AIR COMFORT SOLUTIONS, INC
368946	Clear	\$22,113.33	10/21/10	08214	AMERICAN HEALTH RESOURCES
368947	Clear	\$2,612.00	10/21/10	08294	ANCOM COMMUNICATIONS
368948		\$192.00	10/21/10	07447	ANGELO TUCCITTO
368949	Clear	\$724.81	10/21/10	03262	BEGGIN SPORTS

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368950	Clear	\$54.41	10/21/10	00260	BEST BUY BUSINESS ADVANTAGE ACCOUNT
368951	Clear	\$383.21	10/21/10	03196	BF LAUZON ENTERPRISES INC
368952	Clear	\$200.00	10/21/10	04574	BILL WEIGEL SIGNS
368953	Clear	\$1,011.00	10/21/10	04234	BLUE CROSS BLUE SHIELD OF MN/SUPPORT SOURCE
368954		\$1,714.44	10/21/10	03057	BRAD BERGIE
368955		\$20.00	10/21/10	07055	CHRIS ZABEL
368956	Clear	\$80.00	10/21/10	05313	CHRISTINA FIEBICH
368957	Clear	\$29.77	10/21/10	02945	CITY OF WHITE BEAR LAKE
368958	Clear	\$311.50	10/21/10	07299	COBORNSDELIVERS LLC
368959		\$532.00	10/21/10	00565	CRAGUN'S CONFERENCE & GOLF RES
368960	Clear	\$96.30	10/21/10	07127	CTB/MCGRAW-HILL
368961	Clear	\$459.00	10/21/10	07088	CUSTOM WATER WORKS
368962		\$360.00	10/21/10	07725	D&M
368963	Clear	\$2,760.51	10/21/10	00599	DALCO
368964	Clear	\$60.00	10/21/10	05334	DAVE ROSGA
368965	Clear	\$2,852.48	10/21/10	00678	DOMINO'S PIZZA
368966		\$110.00	10/21/10	03360	DON BETHKE
368967		\$130.00	10/21/10	07912	EAGAN HIGH SCHOOL
368968	Clear	\$5,010.38	10/21/10	00714	EAGLE SCREEN PRINTING
368969	Clear	\$10.00	10/21/10	08320	EMMA BARRETTE
368970	Clear	\$2,960.32	10/21/10	00803	EXPRESS PERSONNEL SERVICES INC
368971	Clear	\$609.13	10/21/10	01464	G&K SERVICES
368972	Clear	\$98.83	10/21/10	08310	GRAMPA'S GARDEN
368973	Clear	\$130.00	10/21/10	03081	GRAY SEEVER
368974	Clear	\$60.00	10/21/10	04799	GREG LANGBEHN
368975	Clear	\$271.80	10/21/10	04015	HAAN CRAFTS
368976		\$200.00	10/21/10	01080	HASTINGS HIGH SCHOOL
368977	Clear	\$29,927.68	10/21/10	01096	HEALTHPARTNERS
368978		\$595.60	10/21/10	01116	HERITAGE PRINTING
368979	Clear	\$30,999.83	10/21/10	03248	I.S.D # 834 STILLWATER
368980		\$70.44	10/21/10	08277	INDUSTRIALSAFETYGEAR.COM
368981		\$300.00	10/21/10	04805	JAH SCHEDULING LLC
368982	Clear	\$445.50	10/21/10	05013	JAN GUDKNECHT
368983		\$60.00	10/21/10	07693	JEFF ZENNER
368984	Clear	\$1,367.78	10/21/10	01276	JHF -JOHN HENRY FOSTER
368985		\$216.00	10/21/10	03364	JUDY DEANS
368986	Clear	\$6,525.88	10/21/10	03378	KELLY SERVICES, INC
368987		\$115.09	10/21/10	01372	KNOWLAN'S SUPER MARKETS
368988	Clear	\$3,136.23	10/21/10	07310	L&D SIGN
368989	Clear	\$1,206.07	10/21/10	01425	LANDMARK ENVIRONMENTAL, LLC
368990	Clear	\$68.00	10/21/10	03195	LASERPLUS, LLC
368991	Clear	\$3,683.79	10/21/10	03182	MADISON NATIONAL LIFE
368992	Clear	\$2,070.61	10/21/10	07061	MAEF-MAHTOMEDI AREA EDUCATION FOUNDATION
368993	Clear	\$214.00	10/21/10	01577	MAKEMUSIC
368994		\$60.00	10/21/10	06151	MARSHALL COVER
368995	Clear	\$549.00	10/21/10	08309	MARY ZGONC
368996	Clear	\$60.00	10/21/10	08057	MATT SORENSON
368997		\$40.00	10/21/10	05344	MATY MUSTAR

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368998	Clear	\$37.05	10/21/10	01638	MCCALLS & BUTTERICK CO
368999		\$298.00	10/21/10	01651	MCEA EXEXUTIVE OFFICE
369000	Clear	\$309.49	10/21/10	03179	MCGRAW-HILL CO.
369001	Clear	\$294.47	10/21/10	01684	MENARDS OAKDALE CASHWAY LUMBER
369002	Clear	\$60.00	10/21/10	07405	MICHAEL WACKER
369003	Clear	\$65.00	10/21/10	04181	MIDWEST AUDIO VISUAL, INC.
369004	Clear	\$210.00	10/21/10	01781	MN DEPT OF LABOR AND INDUSTRY
369005	Clear	\$29,982.43	10/21/10	04089	MN UI FUND
369006		\$125.00	10/21/10	01846	MSDC
369007	Clear	\$2,430.00	10/21/10	03538	PARTSTOCK COMPUTER
369008	Clear	\$60.00	10/21/10	08279	PAT PLUMER
369009		\$301.00	10/21/10	01081	PHIL HASTINGS
369010	Clear	\$237,602.42	10/21/10	08212	PREFERRED ONE
369011	Clear	\$368.50	10/21/10	02190	PRO-ED
369012	Clear	\$2,496.00	10/21/10	02203	PSAT/NMSQT
369013		\$20.00	10/21/10	08345	REBECCA WESTAFER
369014		\$50.00	10/21/10	02252	REGION 4AA
369015	Clear	\$350.00	10/21/10	04507	ROMAN MARKET INC
369016	Clear	\$5,121.00	10/21/10	04718	ROYAL MECHANICAL INC
369017	Clear	\$751.21	10/21/10	07113	SAM'S CLUB
369018	Clear	\$567.00	10/21/10	06784	SANDY SCHOENECKER
369019	Clear	\$350.00	10/21/10	02381	SAVE
369020	Clear	\$22.64	10/21/10	02420	SCHOOL SPECIALTY INC
369021	Clear	\$99.34	10/21/10	08291	SHANNON BRYANT
369022	Clear	\$99.95	10/21/10	04111	SMARTERVILLE EDUCATIONAL
369023	Clear	\$2,747.57	10/21/10	00553	STAPLES/CORPORATE EXPRESS
369024	Clear	\$100.00	10/21/10	07278	STB-STATE TOURNAMENT BANQUET
369025	Clear	\$1,353.96	10/21/10	03336	STRATEGIC EQUIPMENT
369026	Clear	\$1,036.91	10/21/10	04176	SUNBURST CHEMICALS, INC.
369027	Clear	\$4,234.21	10/21/10	06048	TAYLOR PUBLISHING CO
369028	Clear	\$1,442.57	10/21/10	02724	TEXTBOOK WAREHOUSE
369029	Clear	\$5,885.70	10/21/10	05881	THE CENTER FOR EFFICIENT SCHOOL OPERATIONS
369030		\$1,000.00	10/21/10	02135	THE PIANO WORKS
369031	Clear	\$2,504.71	10/21/10	02748	TIES
369032		\$80.00	10/21/10	08344	TIM HARLOW
369033		\$423.00	10/21/10	05014	TOM HATCHER
369034	Clear	\$417.90	10/21/10	02785	TRIARCO ARTS AND CRAFTS
369035	Clear	\$44.28	10/21/10	02800	TWIN CITY FILTER SERVICE INC
369036	Clear	\$1,110.00	10/21/10	04027	ULTIMATE DRAIN SERVICES, INC
369037	Clear	\$868.00	10/21/10	02964	WILD MOUNTAIN
369038		\$2.00	10/21/10	03009	WORDMASTERS
369039	Clear	\$16.98	10/21/10	03036	ZANER-BLOSER EDUCATIONAL PUB
369040	Clear	\$3,951.00	10/22/10	06121	REGION 4A
369041		\$333.64	10/28/10	06864	AC SUPPLY CO
369042		\$90.00	10/28/10	08357	ACTION FOR HEALTHY KIDS
369043		\$377.29	10/28/10	00047	ADT SECURITY SYSTEMS
369044		\$750.00	10/28/10	08346	ANNE URSU
369045		\$140.00	10/28/10	08350	BJORN ERICKSON

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369046		\$69.00	10/28/10	08340	BOLEK'S CRAFT SUPPLIES
369047		\$199.00	10/28/10	00370	BUREAU OF EDUCATION & RESEARCH
369048		\$215.00	10/28/10	00370	BUREAU OF EDUCATION & RESEARCH
369049		\$89.80	10/28/10	00409	CARLEX INC
369050		\$872.80	10/28/10	03115	CHARLES LINDERKAMP
369051		\$146.80	10/28/10	07299	COBORNSDELIVERS LLC
369052		\$614.57	10/28/10	00558	COURAGE CENTER
369053		\$459.00	10/28/10	07088	CUSTOM WATER WORKS
369054		\$140.00	10/28/10	04792	DAN HARJES
369055		\$41.39	10/28/10	00667	DISCOUNT SCHOOL SUPPLY
369056		\$140.00	10/28/10	06125	DONAVON BUMP
369057		\$140.00	10/28/10	04855	DOUG FLORY
369058		\$1,054.50	10/28/10	00714	EAGLE SCREEN PRINTING
369059		\$625.00	10/28/10	07629	ERIC JOHNSON
369060		\$170.00	10/28/10	00744	ETS-TOEFL
369061		\$1,556.88	10/28/10	00803	EXPRESS PERSONNEL SERVICES INC
369062		\$239.80	10/28/10	04748	FITNESS FINDERS INC
369063		\$513.20	10/28/10	00929	GCS SERVICE INC
369064		\$81.00	10/28/10	04930	GORDY HANSON
369065		\$79.63	10/28/10	00987	GRAINGER
369066		\$39.10	10/28/10	08143	GREG NELSON
369067		\$100.00	10/28/10	07586	HARRY REINER
369068		\$245.00	10/28/10	03741	HUGO ANIMAL FARM
369069		\$140.00	10/28/10	05145	JAMES GRIBBLE
369070		\$100.00	10/28/10	08352	JAMES L.KEATING JR
369071		\$81.00	10/28/10	04933	JOE MOORE
369072		\$39.84	10/28/10	08077	JOHN DEERE LANDSCAPES/ LESCO
369073		\$10,000.00	10/28/10	01344	KDV-KERN DEWENTER VIERE LTD
369074		\$20,232.96	10/28/10	03378	KELLY SERVICES, INC
369075		\$140.00	10/28/10	05993	KIRBY LIVINGSTON
369076		\$1,061.20	10/28/10	07310	L&D SIGN
369077		\$978.05	10/28/10	03195	LASERPLUS, LLC
369078		\$140.00	10/28/10	05010	LONNIE VAN KLEI
369079		\$5,923.70	10/28/10	03182	MADISON NATIONAL LIFE
369080		\$85.00	10/28/10	01557	MAHTOMEDI AUTO SERVICE
369081		\$140.00	10/28/10	08351	MARC LOMBARDI
369082		\$81.00	10/28/10	04932	MARK BENSHOOF
369083		\$60.00	10/28/10	08356	MASC-MN ASSOC.OF STUDENT COUNCILS
369084		\$215.00	10/28/10	01618	MASSP-MN ASSOC.OF SEC.SCH PRINCIPALS
369085		\$220.00	10/28/10	04226	MNACTE/SNP
369086		\$127.57	10/28/10	01893	NATIONAL SCHOOL PRODUCTS
369087		\$75.00	10/28/10	08354	NEV CROWTHER
369088		\$49.92	10/28/10	01970	NORTH ST PAUL WELDING INC
369089		\$935.00	10/28/10	02043	ON SITE SANITATION INC
369090		\$244.00	10/28/10	04488	ORANGE TREE EMPLOYMENT SCREENING
369091		\$252.00	10/28/10	04031	PASCO SCIENTIFIC
369092		\$1,496.00	10/28/10	02141	PINE TREE APPLE ORCHARD
369093		\$3,339.73	10/28/10	06512	RESCO

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369094		\$100.00	10/28/10	08355	RONALD WENZEL
369095		\$192.50	10/28/10	03226	SCHOLASTIC MAGAZINES
369096		\$92.75	10/28/10	02420	SCHOOL SPECIALTY INC
369097		\$1,150.00	10/28/10	03123	SHEILA MERZER M A
369098		\$285.00	10/28/10	02473	SHERWIN-WILLIAMS CO
369099		\$277.44	10/28/10	00553	STAPLES/CORPORATE EXPRESS
369100		\$1,218.40	10/28/10	03088	STEVE HAMMERSCHMIDT
369101		\$100.00	10/28/10	05531	STEVE STOLTZ
369102		\$81.00	10/28/10	04929	STEVE WOLVIN
369103		\$528.14	10/28/10	03336	STRATEGIC EQUIPMENT
369104		\$227.67	10/28/10	04176	SUNBURST CHEMICALS, INC.
369105		\$600.00	10/28/10	08347	THERAPY PLACE
369106		\$44.70	10/28/10	02747	TIERNEY BROTHERS INC
369107		\$81.00	10/28/10	04931	TOM WOLLAN SR
369108		\$1,064.80	10/28/10	03345	TRIO SUPPLY CO
369109		\$4,160.00	10/28/10	02861	TYLER TECHNOLOGIES INC
369110		\$1,799.00	10/28/10	02819	UNIQUE SOFTWARE CORPORATION
369111		\$60.69	10/28/10	02858	VERIZON WIRELESS
369112		\$37.02	10/28/10	02858	VERIZON WIRELESS
369113		\$490.28	10/28/10	02859	VERNIER SOFTWARE & TECHNOLOGY
369114		\$748.75	10/28/10	02889	WALMART COMMUNITY
369115		\$7,276.59	10/28/10	02916	WELSH COMPANIES LLC
369116		\$1,447.60	10/28/10	02926	WESTERN PSYCHOLOGICAL SERVICE
369117		\$2,832.50	10/28/10	06769	WESTWOOD PROFESSIONAL SERVICES
369118		\$23,562.97	10/28/10	00723	XCEL ENERGY
369119		\$91.67	10/28/10	03017	XEROX CORPORATION
369120		\$930.13	10/28/10	06104	XPRESS
369121		\$875.00	10/29/10	07702	AMANDA MONTPETIT
80000692	Clear	\$26.85	10/07/10	99999	Werner, Judy M
80000693	Clear	\$47.85	10/07/10	99999	Metz, Leroy R
80000694	Clear	\$36.58	10/07/10	99999	Hanken Sr, John
80000695	Clear	\$35.32	10/07/10	99999	Johnson, Elizabeth
80000696	Clear	\$18.20	10/07/10	99999	Huberty, Cassandra
80000697	Clear	\$202.63	10/07/10	99999	Werner, Judy M
80000698	Clear	\$146.50	10/07/10	99999	Nickleby, Kathe
80000699	Clear	\$104.11	10/07/10	99999	Rech, Pamela M
80000700	Clear	\$29.45	10/07/10	99999	Olson, Lindsey S
80000701	Clear	\$86.15	10/07/10	99999	Olson, Lindsey S
80000702	Clear	\$22.99	10/07/10	99999	Pendleton, Joseph
80000703	Clear	\$53.00	10/07/10	99999	Moore, Christopher
80000704	Clear	\$66.52	10/07/10	99999	Rana, Marianne E
80000705	Clear	\$10.93	10/07/10	99999	Anderson, Christy
80000706	Clear	\$91.00	10/07/10	99999	Trautman, Terry
80000707	Clear	\$570.66	10/07/10	99999	Schmidt, Edie
80000708	Clear	\$68.82	10/07/10	99999	Rohrig, Joyce L
80000709	Clear	\$86.44	10/07/10	99999	Holmgren, Leah M
80000710	Clear	\$295.40	10/07/10	99999	Holmgren, Leah M
80000711	Clear	\$112.94	10/07/10	99999	Driscoll, Deborah

**CHECK REGISTER**  
**Oct-10**

Check Number	Check Status	Check Amount	Check Date	Vendor Number	Vendor Name
80000712	Clear	\$27.00	10/07/10	99999	Lanoux, Denise R
80000713	Clear	\$47.23	10/07/10	99999	Hokanson, Carol
80000714	Clear	\$78.47	10/07/10	99999	Warren, Jeanna S
80000715	Clear	\$20.06	10/07/10	99999	Warren, Jeanna S
80000716	Clear	\$75.98	10/07/10	99999	Kuchar, Sue
80000717	Clear	\$14.86	10/07/10	99999	Ludwigson, Kyra
80000718	Clear	\$85.96	10/07/10	99999	Baker, Lori J
80000719	Clear	\$55.34	10/07/10	99999	Livingston, Judi
80000720	Clear	\$87.78	10/07/10	99999	Peterson, Teresa
80000721	Clear	\$44.90	10/07/10	99999	Melquist, Nancy
80000722	Clear	\$131.94	10/07/10	99999	Hertel, Barbara
80000723	Clear	\$543.55	10/07/10	99999	Vedders, Angela
80000724	Clear	\$87.00	10/07/10	99999	Bouwens, Kirsten
80000725	Clear	\$57.12	10/07/10	99999	Robinson, Susan
80000726	Clear	\$44.00	10/07/10	99999	Rye, Geraldine M
80000727	Clear	\$10.20	10/07/10	99999	Loos, Kim
80000728	Clear	\$111.73	10/14/10	99999	Huberty, Cassandra
80000729	Clear	\$100.00	10/14/10	99999	Flesner, Nicole
80000730	Clear	\$182.76	10/14/10	99999	Livingston, Judi
80000731	Clear	\$250.00	10/14/10	99999	Baker, Lori J
80000732	Clear	\$56.27	10/14/10	99999	Mickelson, Craig
80000733	Clear	\$34.24	10/14/10	99999	Collins, Ryan J
80000734	Clear	\$18.84	10/14/10	99999	Grandlienard, Wendy
80000735	Clear	\$32.13	10/14/10	99999	Anderson, Christy
80000736	Clear	\$84.18	10/14/10	99999	Dusek, Sara A
80000737	Clear	\$151.11	10/14/10	99999	Carlson, Debra K
80000738	Clear	\$51.36	10/14/10	99999	Hatcher, Michelle
80000739	Clear	\$20.97	10/14/10	99999	Olson, Lindsey S
80000740	Clear	\$340.76	10/14/10	99999	Irsfeld, Lisa M
80000741	Clear	\$108.00	10/14/10	99999	Sundstrom, Denise
80000742	Clear	\$119.50	10/14/10	99999	Sundstrom, Denise
80000743	Clear	\$3.53	10/14/10	99999	Hennen, Beth A
80000744	Clear	\$101.89	10/14/10	99999	Beaulieu, Lorraine
80000745	Clear	\$41.99	10/14/10	99999	Forbes, Donna M
80000746	Clear	\$16.04	10/14/10	99999	Mickelson, Craig
80000747	Clear	\$68.98	10/14/10	99999	Krause, Sandra M
80000748	Clear	\$10.69	10/14/10	99999	Hei, Mary Jo
80000749	Clear	\$171.50	10/14/10	99999	Hei, Mary Jo
80000750	Clear	\$87.73	10/14/10	99999	Connelly, Barbara
80000751	Clear	\$75.00	10/21/10	99999	Newman, Michlyn
80000752	Clear	\$103.96	10/21/10	99999	Rydland, Karena
80000753	Clear	\$550.51	10/21/10	99999	Hoffman, Susan K
80000754	Clear	\$235.19	10/21/10	99999	Murphy, Daniel W
80000755	Clear	\$19.58	10/21/10	99999	Krause, Sandra M
80000756	Clear	\$78.75	10/21/10	99999	Goodrich, Claudine
80000757	Clear	\$30.43	10/21/10	99999	Pratt, Patricia
80000758	Clear	\$38.00	10/21/10	99999	Peterson, Teresa
80000759	Clear	\$103.00	10/21/10	99999	Peterson, Teresa

**CHECK REGISTER**  
**Oct-10**

Check Number	Check Status	Check Amount	Check Date	Vendor Number	Vendor Name
80000760	Clear	\$74.80	10/21/10	99999	Krause, Sandra M
80000761	Clear	\$184.72	10/21/10	99999	Vaughan, Kristin
80000762	Clear	\$69.00	10/21/10	99999	Oswald, Jean G
80000763	Clear	\$163.72	10/21/10	99999	Oswald, Jean G
80000764	Clear	\$90.50	10/21/10	99999	Oswald, Jean G
80000765	Clear	\$20.68	10/21/10	99999	Farmer, Bryan J
80000766	Clear	\$169.75	10/21/10	99999	Forbes, Donna M
80000767	Clear	\$19.95	10/28/10	99999	Olson, Lindsey S
80000768	Clear	\$84.95	10/28/10	99999	Livingston, Judi
80000769	Clear	\$82.00	10/28/10	99999	Donovan, Julie A
80000770	Clear	\$47.37	10/28/10	99999	Werner, Judy M
80000771	Clear	\$241.35	10/28/10	99999	Livingston, Judi
80000772	Clear	\$117.85	10/28/10	99999	Werner, Judy M
80000773	Clear	\$201.71	10/28/10	99999	Driscoll, Deborah
80000774	Clear	\$158.36	10/28/10	99999	Driscoll, Deborah
80000775	Clear	\$24.57	10/28/10	99999	Hoffman, Susan K
80000776	Clear	\$152.62	10/28/10	99999	Ward, Jennifer R
80000777	Clear	\$32.49	10/28/10	99999	Strege, Bonny K
80000778	Clear	\$28.72	10/28/10	99999	Collins, Ryan J
80000779	Clear	\$181.58	10/28/10	99999	Huberty, Cassandra
	<b>CK AMT</b>	<b>\$1,441,783.14</b>			

**INDEPENDENT SCHOOL DISTRICT #832  
WIRE TRANSFER TRANSACTIONS  
MONTH OF OCTOBER 2010**

<u>DATE</u>	<u>FROM</u>	<u>TO</u>	<u>AMOUNT</u>	<u>PURPOSE</u>
10/7/10	MN Trust	MSDLAF	\$500,000.00	cover checks
10/12/10	MN Trust	MSDLAF	\$1,000,000.00	cover checks
10/15/10	State of Minnesota	MN Trust	\$478,450.28	direct state payment
10/15/10	US Bank	Peoples Bank of Commerce-EBC Flex	\$8,200.13	flex benefits
10/15/10	US Bank	Central Bank	\$988.26	para union dues
10/15/10	MSDLAF	US Bank	\$516,809.89	cover checks
10/15/10	US Bank	IRS	\$188,389.13	federal & fica taxes
10/15/10	US Bank	MN Dept of Revenue	\$30,803.51	state payroll taxes
10/15/10	US Bank	Public Emp. Retirement Assoc.	\$20,780.61	pera retirement
10/15/10	US Bank	Mn Teachers Retirement	\$68,992.18	teachers retirement
10/15/10	US Bank	SOMI Funding	\$53,386.02	TSA payment
10/15/10	US Bank	State Street Bank	\$1,161.04	Deferred Comp
10/26/10	MN Trust	MSDLAF	\$1,000,000.00	cover checks
10/26/10	Washington County	MN Trust	\$2,236,217.00	direct payment
10/28/10	US Bank	Peoples Bank of Commerce-EBC Flex	\$8,200.13	flex benefits
10/28/10	US Bank	Mid State Corp Federal CU	\$10,421.64	MEA teachers union dues
10/28/10	US Bank	Central Bank	\$988.26	para union dues
10/29/10	MSDLAF	US Bank	\$514,634.15	cover checks
10/29/10	US Bank	IRS	\$191,028.89	federal & fica taxes
10/29/10	US Bank	MN Dept of Revenue	\$32,731.56	state payroll taxes
10/29/10	US Bank	Public Emp. Retirement Assoc.	\$20,080.30	pera retirement
10/29/10	US Bank	Mn Teachers Retirement	\$69,376.72	TRA payment
10/29/10	US Bank	SOMI Funding	\$53,571.70	TSA payment
10/29/10	US Bank	State Street Bank	\$1,161.04	Deferred Comp
10/30/10	State of Minnesota	MN Trust	\$1,550,895.22	direct state payment



**Mahtomedi High School**  
8000 75th Street North  
Mahtomedi, MN 55115-1701  
651-407-2100  
Fax: 651-407-2125  
[www.mahtomedi.k12.mn.us](http://www.mahtomedi.k12.mn.us)

October 12, 2010

Dear Dr. Larson,

Mahtomedi High School Band and Choir Directors, Mr. Dave Stevens and Mr. Rob Pontious, are requesting that band and choir students have the opportunity to travel to Costa Rica through an exchange program with the Don Bosco schools from March 12 to March 22, 2011. The high school music program has participated in this exchange program with Don Bosco students in the past and this trip would be the fifth extended travel opportunity for Mahtomedi students to Costa Rica.

The itineraries attached to this letter represent previous extended travel to Costa Rica by Mahtomedi High School music students. Mr. Stevens and Mr. Pontious report that the upcoming travel would have an itinerary similar to the previous trips.

Sincerely,

Kathe J. Nickleby  
High School Principal

Announcing:  
**Combined MHS Band & Choir Trip**  
***March Break 2011 – Costa Rica***

May 17, 2010

We are in the planning stages for a combined MHS Choir and Band trip for next school year. We have been invited back to Costa Rica to visit our friends and colleagues at the Colegio Tecnico Don Bosco and to tour around the country

**Travel Dates:**

Saturday, March 12 – Tuesday, March 22, 2011

**Itinerary:**

We will enjoy a combination of performances, educational and cultural activities, sight seeing and just plain laying on the beach. Both the MHS Band & Choir websites have itineraries from our 2003, 2005 & 2009 trips. Our 2011 trip will follow a similar pattern (with the addition of several nights of home stays) which is currently being worked out by our contacts in Costa Rica.

**Cost:**

The cost has been calculated based on airfares and an estimate of the ground package in Costa Rica. *We may be able to go for less, but we can't count on that.* The cost includes airfare, lodging, bus transportation and an average of one meal per day (lunch or dinner). There will be opportunities in the fall and winter to do some fund raising activities to help pay for the trip. We need one chaperone for every eight to ten students. Chaperones will receive a \$600 discount.

*Total cost \$ 1,900.00; (\$200 due 6-4-10, \$700 due 11-15-10, \$1,000 due 1-15-11)*

**Registration:**

Anyone (students & chaperones) planning to go on the trip should print out a Letter of Intent and, for students, a Student Behavior Contract (both available online). These forms need to be signed and turned in along with a \$200 per person non-refundable deposit to the MHS band or choir office by **Friday, June 4, 2010.**

**Cancellation:**

There are a couple scenarios that would cause cancelation of the trip: if not enough people sign up or the price increases more than \$100 per person. In either event, your deposit will be refunded. *However, your deposit will not be refunded if you cancel out of the trip.*

**Letter of Intent, Student Behavior Contract,  
\$200 down payment due  
Friday, June 4 to MHS Choir or Band Office**

*Contact Dave Stevens at 407 – 2103, [david.stevens@mahtomedi.k12.mn.us](mailto:david.stevens@mahtomedi.k12.mn.us) or  
Rob Pontious at 407 – 2104, [robert.pontiou@mahtomedi.k12.mn.us](mailto:robert.pontiou@mahtomedi.k12.mn.us) with questions.*

*Costa Rica*  
*14-24 March 2009*  
Preliminary Itinerary

*2<sup>nd</sup> Draft*      *13 March 2009*

*All times are subject to change!*

This is a “preliminary” itinerary. Our hosts are full-time educators. They are making arrangements for our trip as a courtesy to us. This means the trip will cost less than it would otherwise and we will have more interaction with our Costa Rican peers. It also means we will have to be more patient and flexible with changes to the itinerary. We will check in as a full group at the airport.

**IMPORTANT: DO NOT TRY TO CHECK IN ONLINE!**

Saturday, March 14	4:30 am	Meet at airport for check in <i>Bring some food and/or snacks for the day</i>
	6:40 am	Depart MSP, Continental #1517, snack included
	9:35 am	Arrive Houston
	10:35 am	Depart Houston, Continental #1414, snack included
	1:13 pm	Arrive San Jose, claim luggage and customs check
	3:30 pm	Check in at hotel
	6:30 pm	Welcome dinner at hotel (paid by <i>CEDES DB</i> )
	Overnight	Occidental Torremolinos Calle 40. Avenidas 5 & 7. De Procomer, 200 metros norte P.O. Box 434-1150 - San José San José - Costa Rica Tel: (506)2222-5266 Fax: (506)2255-3167 <a href="http://www.occidental-hoteles.com">www.occidental-hoteles.com</a>
	Sunday, March 15	6:30 am
7:30 am		Depart for San Carlos
Morning		Travel to Arenal vía Zarcero
Lunch		Upon arrival at the hotel (prepaid)
Afternoon		Volcán Arenal and Baldi Thermal Waters (prepaid)
Dinner		at the hotel (prepaid)
Overnight		Hotel Cataratas <a href="http://www.hotelcataratas.com/hotelcataratas_e.asp">www.hotelcataratas.com/hotelcataratas_e.asp</a>
Monday, March 16	Breakfast	at hotel (prepaid)
	Morning	Boat Tour on Arenal Lake (prepaid)
	Lunch	at hotel (prepaid)
	Afternoon	Depart for San José (arrive by 4:30 pm at hotel)
	Dinner	on our own
	Overnight	Occidental Torremolinos

Tuesday, March 17	Breakfast 8:00 am	at hotel (prepaid) Depart for Colegio San Gabriel, Aserrí for a day of concerts, visits to classes, and socializing.
	Lunch Afternoon	at San Gabriel (provided by host school) Games (bring a change of clothes) then return to hotel
	Dinner Overnight	on our own Occidental Torremolinos
Wed., March 18	Breakfast 8:00 am	at hotel (prepaid) Depart for INBioparque (arrive by 9:00 am) <a href="http://www.inbio.ac.cr/inbioparque/en/index.html">www.inbio.ac.cr/inbioparque/en/index.html</a> <b>This is not included in the price of the trip. There is a charge of \$5 for the bus and \$6.25 for entrance to the park. We will collect this the night prior. Make sure you have it set aside.</b>
	11:30 am	Lunch (paid by DB Band)
	1:00 pm	City tour (paid by DB Band)
	3:30 pm	Souvenir shopping ( <i>OR REST BACK AT HOTEL</i> )
	4:30 pm	Departure to Alajuelita. Typical Costa Rican dinner prepared by DB Band Parents
	8:00 pm Overnight	Depart for hotel Occidental Torremolinos
Thursday, March 19	Breakfast 8:30 am	at hotel (prepaid) Depart for CEDES Don Bosco <a href="http://www.cedesdb.com">www.cedesdb.com</a>
	9:00 am	Tour of the high school (groups of 10)
	10:00 am	Snack
	11:00 am	Concert
	12:30 pm	Lunch
	1:30 pm	Games with DB Band students. Need to bring extra clothes; some games include water
	4:30 pm	Return to hotel
	Dinner Overnight	on your own Occidental Torremolinos
Friday, March 20	Morning Lunch 1:30 pm Dinner Overnight	TBD TBD Continue to Punta Leona Prepaid Punta Leona Tel: (506) 2231-3131 Fax: (506) 2232-0791 <a href="http://www.hotelpuntaleona.com">www.hotelpuntaleona.com</a> Check their website for activities and costs

(page 2)

Saturday, March 21	All Day	There are many activities at Punta Leona, check their web site.
	All Meals	Prepaid
	<i>(POSSIBLE EVENING CONCERT AT PUNTA LEONA WITH LOCAL BAND)</i>	
	Overnight	Punta Leona
Sunday, March 22	All Day	Optional day trip to Manuel Antonio National Park Entrance Fee is \$10; check their web site for other activities and fees. There is a great deal to explore. <a href="http://www.manuelantoniopark.com/mapk/default.asp">www.manuelantoniopark.com/mapk/default.asp</a>
	All Meals	Prepaid
	Overnight	Punta Leona
Monday, March 23	Breakfast	at hotel (prepaid)
	AM	At the beach
	Lunch	prepaid
	Noon	Depart
	PM	Return to San José
		Stop en route in Moravia for souvenir shopping and buy supplies for the plane back home
	Dinner	on our own
	Overnight	Occidental Torremolinos
Tuesday, March 24	Breakfast	at hotel (prepaid)
		<i>Make sure you purchase some food or snacks. Don't plan on finding stuff at the airport.</i>
	10:00 am	Depart for airport
	Lunch	bring something or on your own
	12:45 pm	Depart San José, Continental #1490, snack included
	5:35 pm	Arrive Houston
	7:05 pm	Depart Houston, Continental #616, snack included
	10:00 pm	Arrive MSP, claim luggage and return home.
Wed., March 25	8:00 am	Back to good ol' MHS. Don't be late!

#### Meals

Breakfast is included every morning. Lunch and dinner is included as specified in the itinerary. Food on the flights is only listed as "snack."

Our hosts inform us that a typical dinner at the hotel in San José is approximately \$19.

Typical fast food (includes all the American favorites) is approximately \$10.

This should help you plan your budget. Don't forget about the \$11.50 for bus and entrance fee to ENBio Parque and exit tax.