

INDEPENDENT SCHOOL DISTRICT #832
REGULAR MEETING – BOARD OF EDUCATION
Thursday, November 13, 2014 - 7:00 PM
Mahtomedi District Education Center - Community Room

Mission Statement - Mahtomedi Public Schools will ensure a rigorous and relevant education where: all learners are valued and supported, positive relationships are developed, and students are empowered to reach their full potential in a global society.

- 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. Student/Staff/Community Recognition
 - B. Bob Donohoe, School Board
 - C. Community Education - Preschool Program
Presenter: Carrie Cabe and Diane Tich
 - D. Mahtomedi Middle School - Math Strategies
Presenter: Paul Beggin and Alyssa Morgan
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. Carter Hill, Student Representative
8. APPROVAL OF MINUTES
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 - B. October 23, 2014 - Study Session 11
 - C. October 28, 2014 - Special Meeting 13
9. DISCUSSION/INFORMATION ITEMS
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 - C. Staff Development 24
Presenter: Beth Sneden
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Presenter: Mark Larson	
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Nondiscrimination	
Presenter: Mark Larson	
10. ACTION ITEMS	
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Presenter: Jim Eichten, MMKR and Rochel Manders	
B. Approval of Resolutions Canvassing Returns of Votes of School District	141
General Election and Special Election to Fill Vacancy	
Presenter: Mark Larson	
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Presenter: Mark Larson	
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Presenter: Mark Larson	
E. Approval of Policy	
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Presenter: Mark Larson	
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A. Association of Metropolitan School Districts (AMSD) Board	
Presenter: Lucy Payne	
B. Integration District: Educational Equity Alliance (EEA)	
Presenter: Mary Jo Deters	
C. Minnesota School Boards Association (MSBA) Legislative Liaison	
Presenter: Kevin Donovan	
D. Northeast Metro 916 Board	163
Presenter: Judy Schwartz	
E. Other Items/Reports	
12. SUPERINTENDENT'S REPORT	
13. ADJOURNMENT	
14. CONSENT AGENDA ITEMS (Items Approved Under #4)	
A. Approval of Treasurer's Report	169
B. Approval to Pay Bills	
1. Check Register 02 - Check No. 385635 to 386045 and 80005426 to	170
80005519	
2. Check Register 05 - Check No. 50000259 to 50000268	181
C. Approval of Wire Transfer Transactions	182
D. Approval of Donations/Grants - Totaling \$7,151	
All donations and grants are greatly appreciated. The use of these funds will	

be to further the mission of the school district and are used towards the wishes of the donor.

1. From North Oaks Golf Club, Inc. to Mahtomedi High School Drama Club - \$1,000
2. From TCF National Bank to Mahtomedi High School Football Program - \$1,000
3. From Wildwood Lions to Mahtomedi Public Schools - \$1,000
4. From Anonymous to Wildwood Elementary School First Grade Program - \$916
5. From Eric Sowada to Mahtomedi High School Boys' Hockey Program - \$600
6. From Daniel May to Mahtomedi Boys' Hockey Program - \$575
7. From Hampton Exteriors LLC to Mahtomedi High School Boys' Hockey Program - \$540
8. From Myhre Holdings, Inc. to Mahtomedi High School Boys' Hockey Program - \$500
9. From Paul and Lisa Slack to Mahtomedi High School Boy's Hockey Program - \$500
10. From Target Marketing Reps LLC to Mahtomedi High School Boys Hockey Program \$270
11. From WDGY Radio to Mahtomedi High School Boy's Hockey Program - \$250

E. Personnel

1. Approval of Contracts and Work Agreements
 - a. Adam Gemuenden - Grounds Maintenance - District Wide (10/27/14)
 - b. Melissa Richards - Paraprofessional - Mahtomedi High School (11/3/14)
2. Approval of Resignations/Retirements/Terminations
 - a. Amy Carlson - Community Education Secretary - Community Education (10/30/14)

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 or 651-407-2001.
- If you would like to speak to the school board, you will be recognized during the Public Comment portion of the meeting. 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

A **Regular** meeting of the Board of Education of the Mahtomedi Public Schools was held **Thursday, October 9, 2014**, 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 Chair Judy Schwartz.

2. ROLL CALL OF ATTENDANCE

Present: Cathy Dalton; Mary Jo Deters; Kevin Donovan; Julie McGraw; Lucy Payne; Judy Schwartz; Superintendent Mark Larson, ex officio; and Carter Hill, school board student representative.

3. APPROVAL OF THE AGENDA

Donovan moved, Dalton seconded, approval of the agenda. Carried.

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

School Board Chair Judy Schwartz noted the \$4,809 in donations and expressed the school board/district's formal thank you. Dalton moved, Payne seconded, approval of the actions recommended on the consent agenda. Carried.

5. PRESENTATIONS/RECOGNITION

A. Mahtomedi Area Educational Foundation - Annual Pledge Drive

Jen Ruhland, executive director, and Kristi Skillings, executive committee secretary, of the Mahtomedi Area Educational Foundation (MAEF), reported that MAEF is gearing up for its annual Fall fund drive. MAEF dispersed over \$225,000 last school year.

B. Student/Staff/Community Recognition

Superintendent Mark Larson introduced Carrie Cabe. Cabe is the new Director of Community Education and spoke briefly about her background.

- National Merit Commended Scholars: Thorsen Hsu, Gina Kramlinger, Aimee

Krebsbach, Saisree Ravi, Erick Schiminowski, Jack Schroeder. Not Present: Carly Allen-Tice, Claire Clark, Ashley Hackett, Dallas Keate, and Scott Koeneman.

- National Merit SemiFinalists: Kenji Cataldo and Audrey Scott.
- World Food Prize: Jerome Jacobsen
- Presidential Award for Excellence: Fran Stang
- Presidents of Athletic Associations (for donations to the campus sign project): Kevin DeVore (football), Jason Eberle (soccer), Ole Olson (baseball), and Kelly Sellman (Lacrosse)

The following Leadership Student Advisory students spoke about the activity programs at Mahtomedi High School: Will Crumb, Heidi Ledermann, and Audrey Scott.

6. PUBLIC COMMENT

None.

7. REPORT FROM STUDENT REPRESENTATIVE

A. Carter Hill, Student Representative

School Board Student Representative Carter Hill reported on the following events at Mahtomedi High School: Homecoming Week Activities, MHS Pink Out Game, NHS Night on the Streets.

8. APPROVAL OF MINUTES

A. September 11, 2014 - Regular Meeting

Donovan moved, Dalton seconded, approval of the minutes from the September 11, 2014, school board meeting. Carried.

B. September 25, 2014 - Study Session

Donovan moved, Dalton seconded, approval of the minutes from the September 25, 2014, school board study session. Carried.

9. DISCUSSION/INFORMATION ITEMS

A. Calendar of Events

Chair Judy Schwartz reviewed with school board members the calendar of events.

B. District and Building Goals

Lynne Viker, Director of Teaching and Learning and Support Services, presented to the school board on district and building goals. Information included the district and each school's goals on the math MCA II and III, reading MCA III, and science MCA III and the comparison from 2013 to 2014.

C. Curriculum Review Update - Science & Engineering and World Language

Lynne Viker, Director of Teaching and Learning and Support Services, reported on the goals of the curriculum improvement process which include answering the question "What do we want students to know and be able to do?", create opportunities, address external expectations, provide systematic review of programs, communications, identify what curriculum and materials will be used, create essential outcomes, and determine a focus for in-service and staff development. During 2014-2015 business education, science, and world languages will be reviewed.

D. Board/Community Finance Committee Report

Finance Committee members Fred Neher and Kerri Mitchell presented a 2014 levy overview which included information on Mahtomedi costs (operating and capital) compared to other schools, Mahtomedi taxes compare favorably to other cities, real estate perspective (property values), the \$2.2 million deficit the district will face without the operating levy, property tax impact of proposed levy, revenue per student if levy passes, and how open enrollment maintains programs during resident enrollment decline.

E. Second Reading of Policy

1. 903 - Visitors to School District Buildings and Sites

Beth Sneden, Supervisor of Professional Practice and Development and Special Education reviewed with school board members the changes made to Policy 903-Visitors to School District Buildings and Sites after it was reviewed at the October 9 school board meeting. Policy 903 will be brought back for approval at the November 13 school board meeting.

F. Operating Levy Update

Because of the community meeting prior to the school board meeting and the presentation of the Finance Committee regarding the upcoming operating levy, Superintendent Mark Larson spoke about open enrollment statistics and creating an open enrollment task force to review current policy and practice.

10. ACTION ITEMS

A. Approval of School Board and Superintendent Goals for 2014-2015

Donovan moved, Dalton seconded, approval of the following school board and superintendent goals for 2014-2015:

School Board

- Visible and Active Role in the Community
- Become a Higher Functioning School Board
- Work Outside the District to make Positive Change in the Larger Education Arena
- Improve Customer Service

Superintendent

- Student Achievement
- Facilities
- Financials
- School Climate

Carried.

B. Approval of Policy

1. 613 - Graduation Requirements

Donovan moved, Dalton seconded, approval of Policy 613-Graduation Requirements. Carried.

11. SCHOOL BOARD COMMITTEE REPORTS

A. Association of Metropolitan School Districts (AMSD) Board

School Board Director Lucy Payne reported on the most recent AMSD meeting and a presentation that was given on a new data website, SLEDS.mn.gov. Also Governor Mark Dayton and Commissioner Jeff Johnson, republican candidate for Governor spoke.

B. Integration District: Educational Equity Alliance (EEA)

School Board Clerk/Vice Chair Mary Jo Deters reported on the most recent Multi-District Community Council (MDCC) meeting and sent out the minutes and a PowerPoint to board members.

C. Minnesota School Boards Association (MSBA) Legislative Liaison

School Board Treasurer Kevin Donovan reported that the National School Boards Association (NSBA) is doing a review of the MSBA organization – looking at relevancy and meeting needs of member districts.

D. Northeast Metro 916 Board

School Board Chair Judy Schwartz reported on facilities discussions that the 916 board has been having since the opening of Karner Blue which has generated a lot of positive interest. Also will try and tack onto the MSBA delegate assembly and resolutions for 916 to be able to levy.

E. Other Items/Reports

None.

12. SUPERINTENDENT'S REPORT

Superintendent Mark Larson reported on the following: *Finance and Commerce Magazine* and article on Wildwood Elementary School project, upcoming *Globe, White Bear Lake Magazine* article on Wildwood Artists series, letter from U of M College in the Schools containing Mahtomedi's data, operating levy information mailing and this evening's community meeting.

13. ADJOURNMENT

Donovan moved, Dalton seconded, adjournment. Meeting adjourned at 9:06 p.m. Carried.

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

A. Approval of Treasurer's Report

B. Approval to Pay Bills

1. Check Register 02 - Check No. 385308 to 385634 and 8000532 to 80005425

2. Check Register 05 - Check No. 50000250 to 500000258

C. Approval of Wire Transfer Transactions

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

E. Approval of Donations/Grants Totaling \$4,809

All donations and grants are greatly appreciated. The use of these funds will be to further the mission of the school district and are used towards the wishes of the donor.

1. From Lake Elmo Jaycees to Mahtomedi Area Community Education Early Childhood Program - \$4,809

F. Personnel

1. Approval of Contracts and Work Agreements
 - a. Erica Grothaus - Paraprofessional - O. H. Anderson Elementary School (2014-2015)
 - b. Samantha Schmidt - Long-Term Substitute Counselor - Mahtomedi High School (9/24/14 to 1/16/15)
 - c. Rachel Smith - Paraprofessional - O. H. Anderson Elementary School (2014-2015)
 - d. Diane Tich - Early Childhood Coordinator - Community Education (2014-2016)
2. Approval of Leaves of Absence
 - a. Anne Erickson - Guidance Counselor - Mahtomedi High School (9/15/14 to 1/20/15)
 - b. Tory Ferrey - Paraprofessional - Mahtomedi High School (9/15/14 to 6/4/15)

MARY JO DETERS, CLERK

Public notice for solicitation of bids, requests for quotes, and requests for proposals are located on the ISD 832 website, www.mahtomedi.k12.mn.us.

Minutes of Study Session

Board of Education Mahtomedi Public Schools

A **Study Session** of the Board of Education of the Mahtomedi Public Schools was held **Thursday, October 23, 2014**, beginning at 7:00 PM in the Mahtomedi District Education Center - Teaching & Learning Center.

1. CALL TO ORDER

Meeting called to order at 7:00 p.m. by Chair Judy Schwartz.

2. ROLL CALL OF ATTENDANCE

Present: Cathy Dalton; Mary Jo Deters; Kevin Donovan; Julie McGraw; Lucy Payne; Judy Schwartz; and Superintendent Mark Larson, ex officio.

Also Present: Rochel Manders, Director of Business Services; Beth Sneden, Supervisor of Professional Practice and Development and Special Education; and Lynne Viker, Director of Teaching and Learning and Support Services.

3. APPROVAL OF THE AGENDA

Donovan moved, Dalton seconded, approval of the agenda. Carried.

4. DISCUSSION/INFORMATION ITEMS

A. First Reading of Policies

1. Policy 510 - School Activities

Superintendent Mark Larson, reviewed with school board members a new policy 510 – School Activities. Policy 510 will be read a second time at the November 13 school board meeting and adopted at the December 11 school board meeting.

2. Policy 528 - Student Parental, Family, and Marital Status Nondiscrimination

Superintendent Mark Larson, reviewed with school board members a new policy 528 – Student Parental, Family, and Marital Status Nondiscrimination. Policy 528 will be read a second time at the November 13 school board meeting and adopted at the December 11 school board meeting.

B. Minnesota Student Survey Results

Beth Sneden, Supervisor of Professional Practice and Development and Special Education, reviewed with school board members the Adolescent Health and Well-Being in Washington County a view from the Minnesota Student Survey. The Minnesota Student Survey has been conducted every three years since 1989. In 2013 the survey was given to 5th, 8th, 9th, and 11th graders. Sneden reviewed a demographic description and the responses to feelings about school, perceptions of safety: after school supervision, being bullied for specific reasons, cyberbullying, being bullied or harassed at school, and what the next steps are based on the data.

C. Operating Levy Update

Superintendent Mark Larson gave an update on what has been taking place regarding the upcoming November 4, 2014 operating levy - the Mahtomedi School Board will be seeking voter approval of a \$593 per student levy increase. The funds will be used to sustain the district's high-quality student programs and services, avoid deeper budget cuts for the next two years, and reduce class sizes at our elementary schools. 2.2 million dollars in budget cuts will be implemented in the 2015-2016 school year if the levy fails.

D. Open Enrollment Sub-Committee

Superintendent Mark Larson discussed with school board members forming an open enrollment subcommittee to review policy and practice. Larson and board members discussed what the timeline should be and who should be and how to invite people to be on the committee.

E. Calendar of Events Attendance

School board members reviewed the calendar of events and the upcoming events that they will attend.

5. ADJOURNMENT

Donovan moved, Payne seconded, adjournment. Meeting adjourned at 8:50 p.m. Carried.

MARY JO DETERS, CLERK

Public notice for solicitation of bids, requests for quotes, and requests for proposals are located on the ISD 832 website, www.mahtomedi.k12.mn.us.

Minutes of Special Meeting

Board of Education Mahtomedi Public Schools

A **Special Meeting** of the Board of Education of the Mahtomedi Public Schools was held **Tuesday, October 28, 2014**, beginning at 7:00 AM in the Mahtomedi District Education Center - Board Room.

1. CALL TO ORDER

Chair Judy Schwartz called the special meeting to order at 7:05 a.m.

2. ROLL CALL OF ATTENDANCE

Present: Mary Jo Deters; Kevin Donovan; Julie McGraw; Lucy Payne; and Judy Schwartz.
Absent: Cathy Dalton;

Also Present: Stacy Childers, from Springsted, Inc., and Rochel Manders, Director of Business Services.

3. APPROVAL OF THE AGENDA

Donovan moved, Payne seconded, approval of the agenda. Carried.

4. ACTION ITEMS

A. Approval of Bond Sale Resolutions

1. Donovan moved, McGraw seconded, approval of Resolution Ratifying the Award of Sale, Prescribing the Form and Details and Providing for the Payment of \$40,840,000 General Obligation School Building Refunding Bonds, Series 2014A. Carried.
2. McGrawn moved, Payne seconded, approval of Resolution Ratifying the Award of Sale, Prescribing the Form and Details and Providing for the Payment of \$40,840,000 General Obligation School Building Refunding Bonds, Series 2014B. Carried.

5. ADJOURNMENT

Payne moved, McGraw seconded, adjournment. Meeting adjourned at 7:18 p.m. Carried.

MARY JO DETERS, CLERK

Public notice for solicitation of bids, requests for quotes, and requests for proposals are located on the ISD 832 website, www.mahtomedi.k12.mn.us.

CALENDAR OF EVENTS

NOVEMBER		
DATE/TIME	MEETING/EVENT	LOCATION
<u>Monday, November 10</u> 6:30-8:30 p.m.	MahtoReadi - <i>The Book of Killowen</i> (Author: Erin Hart)	Chautauqua Fine Arts Theater
<u>Wednesday, November 12</u> 9:30 a.m. 6:30-8:30 p.m.	Elementary PTO Meeting MHS Parent Communication Network Meeting – <i>College Prep 101</i>	District Education Center – Community Room Mahtomedi High School – Media Center
<u>Thursday, November 13</u> 7:00 p.m.	School Board Meeting	District Education Center – Community Room
<u>Monday, November 17</u> 7:00 p.m. 8:00 p.m.	MAEF Board of Trustees Meeting-(<i>Donovan</i>) MHS Jazz Bands	District Education Center – Community Room Chautauqua Fine Arts Center
<u>Tuesday, November 18</u> 7:30 a.m.	TIES Annual Meeting-(<i>Payne</i>)	TIES – Grand Hall
<u>Wednesday, November 19</u> Noon	Adult Senior Community Lunch – <i>Entertainment Mary Hall</i>	District Education Center – Community Room
<u>Thursday, November 20- Saturday, November 22</u> 7:30 p.m.	MHS Fall Play – <i>Treasure Island</i>	Chautauqua Fine Arts Center
<u>Friday, November 21</u> 7:30 a.m.	City/School District Leaders Meeting- (<i>Schwartz</i>)	District Education Center – Board Room
<u>Sunday, November 23</u> 2:00 p.m.	MHS Fall Play – <i>Treasure Island</i>	Chautauqua Fine Arts Center
<u>Monday, November 24</u> 6:30-8:00 p.m.	Community Education Advisory Council Meeting-(<i>Donovan</i>)	District Education Center – Room 102/104
<u>Wednesday, November 26</u>	No School - Staff Development	
<u>Thursday, November 27 - Friday, November 28</u>	No School - Thanksgiving Break	

CALENDAR OF EVENTS

DECEMBER		
DATE/TIME	MEETING/EVENT	LOCATION
<u>Tuesday, December 2</u> 6:00 p.m.	Northeast Metro 916 School Board Meeting- (Schwartz)	Bellaire School, White Bear Lake
<u>Wednesday, December 3</u> Noon	Adult Senior Community Lunch - <i>Silver Harmony Singers</i>	District Education Center - Community Room
<u>Thursday, December 4</u> 6:30 p.m. 7:45 p.m.	6 th Grade Choir Concert 7 th Grade Choir Concert	Chautauqua Fine Arts Center Chautauqua Fine Arts Center
<u>Friday, December 5</u> 7:00 a.m.	AMSD Board of Directors Meeting-(Payne)	TIES Building, St. Paul
<u>Monday, December 8</u> 8:00 a.m.-5:00 p.m. 7:00 p.m.	TIES Conference 6 th Grade Band Concert	Minneapolis Hyatt Regency Chautauqua Fine Arts Center
<u>Tuesday, December 9</u> 8:00 a.m.-5:00 p.m. 6:30 p.m. 8:00 p.m.	TIES Conference 7 th Grade Band Concert 8 th Grade Band Concert	Minneapolis Hyatt Regency Chautauqua Fine Arts Center Chautauqua Fine Arts Center
<u>Wednesday, December 10</u> 9:30 a.m.	PTO Meeting	District Education Center - Room 102/104
<u>Thursday, December 11</u> 5:45 p.m. 7:00 p.m.	Dinner Session School Board Meeting	District Education Center - Board Room District Education Center - Community Room
<u>Monday, December 15</u> 7:00 p.m. 8:00 p.m.	MAEF Board of Trustees Meeting-(Donovan) Concert and Symphonic Bands	District Education Center - Community Room Chautauqua Fine Arts Center
<u>Tuesday, December 16</u> 7:00 p.m.	8th Grade Choir Concert	Chautauqua Fine Arts Center
<u>Wednesday, December 17</u> Noon	Adult Senior Community Lunch – <i>MHS Choir</i>	District Education Center - Community Room
<u>Thursday, December 18</u> 7:00 p.m.	MMS Play – <i>Emperor’s New Clothes</i>	Black Box Theatre
<u>Friday, December 19</u> 7:00 p.m.	MMS Play – <i>Emperor’s New Clothes</i>	Black Box Theatre
<u>Monday, December 22</u> 7:00 p.m.	MMS Play – <i>Emperor’s New Clothes</i>	Black Box Theatre
<u>Monday, December 24- Friday, January 2</u>	No School - Winter Break	

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

Regular Meeting - Board of Education

Date: November 13, 2014

Agenda Item #9. B.

TOPIC: Family Means (mental health)

BACKGROUND: In 2009 the Minnesota Department of Human Services initiated a three-year school-linked mental health grant which expired June 2012 and was not renewed. In tremendous support of the need for school-based mental health DHS worked together with the state legislators to initiate a second grant term in the fall of 2013 which significantly increased the dollars available and extended the availability to 5 years. The result is that 39 agencies across Minnesota have received a portion of this award with a focus on expanding accessibility over the 5 years, offering services to more students in more schools and more districts, and increasing early detection of mental health needs for students. The process of notification and contract development between the state and the agencies resulted in most services commencing in late winter/spring of the first year, 2014. This current grant expires June 30, 2018 with the *possibility* of renewal at that time. DHS has stressed the importance of effective services, measurable outcomes, expansion of services, education that leads to earlier detection of mental health needs, and utilization of the current funds as important factors that will increase the likelihood of a 3rd grant term.

PURPOSE OF PRESENTATION: The purpose of this presentation is to provide the Board and community with an overview of the services that are provided to Mahtomedi students at school sites through FamilyMeans in Stillwater as a result of this grant.

LEARNING OBJECTIVE: As a result of this presentation, the Board will have an understanding of current mental health services being offered to students.

ACTION RECOMMENDED: Discussion Only.

Submitted By:

Bethany R. Sneden

Name

Special Education and Staff Development Coordinator

Title

Concurrence By:



Dr. Mark Larson

Superintendent of Schools

OVERVIEW OF SCHOOL-LINKED MENTAL HEALTH GRANT (SLMH)

In 2009 the Minnesota Department of Human Services initiated a three-year school-linked mental health grant which expired June 2012 and was not renewed. In tremendous support of the need for school-based mental health DHS worked together with the state legislators to initiate a second grant term in the fall of 2013 which significantly increased the dollars available and extended the availability to 5 years. The result is that 39 agencies across Minnesota have received a portion of this award with a focus on expanding accessibility over the 5 years, offering services to more students in more schools and more districts, and increasing early detection of mental health needs for students. The process of notification and contract development between the state and the agencies resulted in most services commencing in late winter/spring of the first year, 2014. This current grant expires June 30, 2018 with the *possibility* of renewal at that time. DHS has stressed the importance of effective services, measurable outcomes, expansion of services, education that leads to earlier detection of mental health needs, and utilization of the current funds as important factors that will increase the likelihood of a 3rd grant term.

OVERVIEW OF FAMILYMEANS

FamilyMeans is a private nonprofit family services agency dedicated to serving the needs of individuals and families who are facing challenges or changing circumstances. FamilyMeans was founded fifty years ago in 1963 by Stillwater area community leaders who recognized a need for a Family Service agency, stating “If the individuals and families who make up our society are healthy and functioning effectively in relation to their environment, we will in turn have a healthy and effective society.” This sentiment is reflected in our mission to *strengthen communities by strengthening families* and our commitment to be accessible, affordable and adaptable.

FamilyMeans Programs

Mental Health and Family Counseling employs a multidisciplinary team of professionals who provide assessments and treatment for adults, children, couples, groups and families in our Stillwater and Hudson offices, Co-located at schools and at our St. Paul Center for Grief, Loss & Transition. We also offer Collaborative Divorce, a court-free alternative to traditional divorce.

- School-Based MH Services has sustained counseling and mental health support in area schools for 24 years. We are currently located in four school districts serving 20 schools. Services include suicide/depression screening, early intervention, assessment and counseling for students and their families, and consultation with staff. In 1990 we developed the Children in Transition program that is available in 14 elementary schools in Stillwater and western Wisconsin, to support students whose parents are separating or divorcing.
- The Center for Grief Loss & Transition is a specialized mental health program located in St. Paul that provides a range of services for grief, complicated grief, trauma and life transitions. Services are available for children, teens, families, adults and couples. The Center also provides therapy groups for specific loss, education and training, as well as critical incident stress

management (CISM) in the community for organizations, schools and businesses after traumatic events.

Youth Development Initiatives at Landfall and Cimarron provide the only on-site after-school and summer enrichment programs for at-risk children and teens in these low-income mobile home communities. Activities include mentoring, arts, sports, woodworking and a bike shop.

Caregiver Support Program provides coaching, education, support groups, referrals, and scheduled respite care for family and friend caregivers providing informal care for a child or adult with disability, chronic illness or frailty.

Employee Assistance Program (EAP) helps area businesses maintain a healthy workforce and work environment. The program provides EAP employees and their family members free access to all FamilyMeans' services and offers training, mediation and critical incident stress management (CISM) services to business management.

Consumer Credit Counseling Service (CCCS) offers budget and credit counseling, debt management programming (DMP), bankruptcy counseling, and financial education to help families develop the skills needed to establish and maintain financial stability

THERAPISTS

Family Means employs Master's and Doctorate level therapists to provide SLMH services. Many of the providers are fully licensed and others are presently working under the supervision of a licensed professional to complete their licensure requirements. Our therapists represent several disciplines including Clinical Social Workers, Professional Clinical Counselors, Marriage and Family Therapists and Psychologists. All of our SLMH Therapists have had extensive training in child and adolescent therapy. A wide range of theoretical orientations and approaches are utilized including cognitive behavioral therapy, narrative therapy, play therapy, art therapy, and somatic experiencing or EMDR in their work with students.

FamilyMeans Clinical Director Patricia Rogers, MSW, LICSW
School-based Coordinator Ann Bellows

Current SLMH Therapists

Brian Burns, MS, LMFT
Jonathan Boorman, MS, MFT
Diane Cragoe, MS, LMFT
Krista Dorgan, MA, LAMFT
Nora Eiesland, MA, LMFT

Melissa Kucharski, MA, LAMFT
Katie Robinson, MS, LPC
Carissa Stepan, PsyD, LP
Samantha Rivera, MA, LGSW

PROFILE OF STUDENTS THAT WOULD BENEFIT FROM THE SERVICES

SLMH services have typically focused on regular education students, and occasionally special education students. Issues commonly addressed are:

- Friendship Issues
 - Bullying
 - Social Isolation
 - Social Phobia/Insecurity
- Anger Outbursts
- Anxiety
- Depression
- Eating Disorders / Body Image
- Grief & Loss
- School Phobia - Truancy
- Suicidal ideation / Self-injury
- Traumatic event – accident
- Chemical Use
- Family Conflict
- Identity Development

REFERRAL AND TREATMENT PROCESS

Developing an open, collaborative relationship between the school, family and FM therapist is an important aspect of each student's treatment process. When the adults are able to team together for the benefit of the student's emotional health and well-being, the student is able to experience the safety of the therapeutic relationship.

Each member of the treatment team has a vital role in the referral and treatment process.

School Staff

- Consult with student's parent(s) regarding possible need for SBMH services.
- If parent(s) are interested in exploring services, a signed Release of Information is obtained.
- A School Linked Mental Health Referral form is then completed.
- Completed forms are forwarded to the SLMH therapist assigned to the building.
A copy of the RoI & referral forms are attached.

SLMH Therapist

- Contact parents to introduce self and the SLMH services.
If the family is interested in pursuing services, an Information Fact Sheet is completed & an intake appointment is scheduled.
- Paperwork is forwarded to the family to be completed prior to the intake session.
Child /Teen Questionnaire
Client Information
Notice of Privacy Practices
Notice of Services
Insurance Fee Policy
- Conduct regular therapy sessions with the student to address the treatment goals.
- Communicate regularly with the family regarding the treatment process.

Parent(s)

- Complete intake paperwork
- Attend scheduled Intake appointment with the therapist and student
- Collaborate in the development of treatment goals
- Participate in treatment and treatment plan reviews every 90 days

**Family appointments can be scheduled during the school day and/or later in the afternoon or evening at the FM office.

CONFIDENTIALITY

Creating a therapeutic environment in which students feel safe and accepted is of highest priority. In order to build a trusting therapeutic relationship it is necessary to protect the privacy of each student. Students and their parents will discuss the sanctity of the therapeutic relationship during their intake session. The therapist will also address the **Limitations of Confidentiality**. 1) Instances of suspected child abuse or neglect. 2) Situations in which it is determined client is at risk of harming self or others.

Therapists stress to parents the value of working together as a team. The team consists of parents, the therapist and the school counselors. Parents will be expected to sign an *Authorization for the Release of Confidential Information* to be able to coordinate services with school personnel. FM Therapists share information that is necessary and pertinent for the benefit of the student and will balance team communication with maintaining the integrity of the therapeutic relationship. Roles and relationships will be defined and established at the onset of a therapist's presence in the school to foster open, consistent, and effective communication channels.

REFERRALS & COLLABORATION WITH SCHOOL/COMMUNITY PROVIDERS/AFTERCARE

During the intake process, parents are asked to sign *Authorization for the Release of Confidential Information* forms for any providers or professionals involved in the students care. FM Therapists will collaborate with these individuals, as needed, throughout the student's treatment.

If another therapist is providing services, the FM therapist would communicate with the provider to discuss a plan to determine what method of service delivery is in the best interest of the client. Possible outcomes might include 1) The FM Therapist plays a "supportive" role in the school environment while the majority of the work continues in the outpatient setting with the established therapist. 2) The FM therapist discontinues any services to the student in deference to the outside therapist. 3) The outpatient therapist defers services to the FM Therapist. (These situations will be determined on a case by case basis through direct communication with all necessary parties.)

If it is determined that a referral for additional services may be beneficial, the student's parents will be contacted to address this need. Examples would include

- Physical Examination
- Children's Mental Health Case Management
- Psychiatric Evaluation
- Psychological or Neurological Testing
- In-home therapy
- DBT Group

As a student is preparing to transition out of SLMH services, the FM Therapist will be in close communication with the student's parents to address any on-going or after-care services or referrals that may support the student's progress.

STAFF CONSULTATION

Family Means Therapists are available for consultation with school staff regarding mental health issues or concerns exhibited by any student. This consultation often takes the form of exploring resources, formulating intervention plans, or identifying services that might most appropriately address the concerns identified.

SUMMER SERVICES

During the final weeks of the school year, the therapist will begin talking with each student and their family about summer services. Ongoing therapy services are available throughout the summer at the FamilyMeans clinic. If a family is unable to access the outpatient clinic, they may request in-home services.

FM therapists will also explore other community resources to support the student and family over the summer. Examples include therapy or social skills groups, **school programs and resources**, in-home skills training, and day camp experiences.

Note: Accessing students throughout the summer has been a difficult task. Therapists welcome support, input and creative strategy ideas to increase effective summer services.

FUNDING

Parental involvement is an important element in determining a students' success in therapy. **Contributing, financially and through participation**, is essential to support the student and the therapeutic process. Although funding **sources**, including the SLMH grant, allows FM therapists to provide services *regardless* of the student's access to insurance or ability to pay; families are asked to utilize insurance coverage if they have it. Families are also encouraged to supplement the insurance coverage with any relevant co-pays, co-insurance and deductibles according to their specific insurance plan and ability to pay. **In some circumstances, we can offer payment at a sliding fee rate or payment plan.**

FM Therapists will discuss the payment options with the family. School staff is encouraged to refer parents with financial questions to the therapist. A possible comment may be "FamilyMeans has many payment options specific to your situation and (if resources are known to be limited) they will absolutely provide services regardless of ability to pay."

Lack of financial resources is never a barrier to services.

School Based Mental Health Referral

Student's Name: _____

School: _____

Current Grade: _____

Homeroom Teacher / Counselor: _____

Has this referral been discussed with the parent/guardian? Yes No

Comments: _____

Parent / Guardian: _____

Phone #: _____

Email: _____

Parent / Guardian: _____

Phone #: _____

Email: _____

Presenting Concerns:

Please attached a Release of Information signed by the parent(s).

Name and contact information of person making this referral:

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

Regular Meeting - Board of Education

Date: November 13, 2014

Agenda Item #9. C.

TOPIC: Staff Development

BACKGROUND: Minnesota Statutes 112A.61 and UFARS Accounting Rules require that districts set aside 2% of general education revenue for staff development. The fundamental purpose of staff development is to improve student learning. The intent of the legislation is that schools and districts implement a site-based process for both educational goals and staff development opportunities that will best help meet these goals.

PURPOSE OF PRESENTATION: The purpose of this presentation is to provide the Board and community with an overview of the District Staff Development program and site-based plans.

LEARNING OBJECTIVE: As a result of this presentation, the Board will have an understanding of how staff development funding is being used to support student achievement.

ACTION RECOMMENDED: Discussion Only.

Submitted By:

Bethany R. Sneden

Name

Staff Development Coordinator

Title

Concurrence By:



Dr. Mark Larson

Superintendent of Schools

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

Regular Meeting - Board of Education

Date: November 13, 2014

Agenda Item #9. D. 1.

TOPIC: Second Reading of Policy 510 – School Activities

BACKGROUND: Policy #510 is a required policy and fits the guidelines of the Minnesota School Boards Association.

PURPOSE OF PRESENTATION: The purpose of this presentation is to provide the Board and community with an overview of the policy including the purpose, the general statement and the responsibility.

ACTION RECOMMENDED: There are no changes from the First Reading to the Second Reading and the recommendation is to bring the policy forward for approval in December.

Submitted By:



Name

Superintendent of Schools

Title

Concurrence By:



Dr. Mark Larson

Superintendent of Schools



Second Reading: _____ November 13, 2014

510 SCHOOL ACTIVITIES

I. PURPOSE

The purpose of this policy is to impart to students, employees and the community the school district's policy related to the student activity program.

II. GENERAL STATEMENT OF POLICY

School activities provide additional opportunities for students to pursue special interests that contribute to their physical, mental and emotional well-being. They are of secondary importance in relationship to the formal instructional program; however, they complement the instructional program in providing students with additional opportunities for growth and development.

III. RESPONSIBILITY

- A. The school board expects all students who participate in school sponsored activities to represent the school and community in a responsible manner. All rules pertaining to student conduct and student discipline extend to school activities.
- B. The school board expects all spectators at school sponsored activities, including parents, employees, and other members of the public, to behave in an appropriate manner at those activities. Students and employees may be subject to discipline and parents and other spectators may be subject to sanctions for engaging in misbehavior or inappropriate, illegal or unsportsmanlike behavior at these activities or events.
- C. The superintendent shall be responsible to disseminate information needed to inform students, parents, staff and the community of the opportunities available within the school activity program and the rules of participation.
- D. Those students who participate in Minnesota State High School League (MSHSL) activities must also abide by the league rules. It shall be the responsibility of those employees who conduct MSHSL activities to familiarize students and parents with all applicable rules, penalties, and opportunities.
- E. The superintendent shall be responsible for conducting an annual evaluation of school activity programs and presenting the results and any recommendations to the school board.

Legal References: Minn. Stat. § 123B.49 (Cocurricular and Extracurricular Activities)

Cross References: Mahtomedi School Board Policy 503 (Student Attendance)
Mahtomedi School Board Policy 506 (Student Discipline)
MSBA Service Manual, Chapter 5, Various Educational Programs

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

Regular Meeting - Board of Education

Date: November 13, 2014

Agenda Item #9. D. 2.

TOPIC: Second Reading of Policy 528 – Student Parental, Family, and Marital Status
Nondiscrimination

BACKGROUND: The policy is one of nondiscrimination and it includes discrimination on the basis of pregnancy.

Regarding the wording in the policy: The Office of Civil Rights is requiring the following information for the Title IX Coordinator be included: position title, name, office address, and telephone number. I know these requirements mean additional updating for school districts, but our policy is just reflecting what the requirements are.

The language in I.L.C. means that if you require certification from a physician for a pregnant girl to participate in an activity, then you would need to require certification from a physician for other physical or emotional conditions requiring the attention of a physician as well. You can't have more requirements for pregnancy.

LEARNING OBJECTIVE: This is the second reading of the policy and the direction from the Board was to clarify the Title IX Coordinator and gather information from the Minnesota School Boards Association regarding policy language.

ACTION RECOMMENDED: Provide direction to Administration regarding a third reading.

Submitted By:

Mark Larson

Name

Superintendent of Schools

Title

Concurrence By:

Mark Larson

Dr. Mark Larson

Superintendent of Schools



Second Reading: _____ November 13, 2014

528 STUDENT PARENTAL, FAMILY, AND MARITAL STATUS NONDISCRIMINATION

I. PURPOSE

Students are protected from discrimination on the basis of sex and marital status pursuant to Title IX of the Education Amendments of 1972 and the Minnesota Human Rights Act. This includes discrimination on the basis of pregnancy. The purpose of this school district policy is to provide equal educational opportunity for all students and to prohibit discrimination on the grounds of sex, parental, family, or marital status.

II. GENERAL STATEMENT OF POLICY

- A. The school district provides equal educational opportunity for all students, and will not apply any rule concerning a student's actual or potential parental, family, or marital status which treats students differently on the basis of sex.
- B. The school district will not discriminate against any student, or exclude any student from its education program or activity, including any class or extracurricular activity, on the basis of such students' pregnancy, childbirth, false pregnancy, termination of pregnancy or recovery therefrom, unless the student requests voluntarily to participate in a separate portion of the program or activity of the recipient.
- C. The school district may require such a student to obtain the certification of a physician that the student is physically and emotionally able to continue participation in the normal education program or activity so long as such a certification is required of all students for other physical or emotional conditions requiring the attention of a physician.
- D. The school district will ensure that any separate and voluntary instructional program is comparable to that offered to non-pregnant students.
- E. It is the responsibility of every school district employee to comply with this policy.
- F. The school board has designated Human Resources Supervisor, Nicole Flesner, 1520 Mahtomedi Avenue, Mahtomedi, MN 55115, Tel: (651) 407-2005 as its Title IX coordinators. This employee coordinates the school district's efforts to comply with and carry out its responsibilities under Title IX.

- G. Any student, parent or guardian having questions regarding the application of Title IX and its regulations and/or this policy should discuss them with the Title IX coordinator. Questions relating solely to Title IX and its regulations may be referred to the Assistant Secretary for Civil Rights of the United States Department of Education. In the absence of a specific designee, an inquiry or complaint should be referred to the superintendent or the school district human rights officer.

- H. Any reports of unlawful discrimination under this policy will be handled, investigated and acted upon in the manner specified in Policy 522 – Student Sex Nondiscrimination.

Legal References: Minn. Stat. Ch. 363A (Minnesota Human Rights Act)
20 U.S.C. §§ 1681-1688 (Title IX of the Education Amendments of 1972)
34 C.F.R. Part 106 (Implementing Regulations of Title IX)

Cross References: Mahtomedi School Board Policy 102 (Equal Educational Opportunity)
Mahtomedi School Board Policy 413 (Harassment and Violence)
Mahtomedi School Board Policy 522 (Student Sex Nondiscrimination)

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

Regular Meeting - Board of Education

Date: November 13, 2014

Agenda Item #10 A.

TOPIC: Approval of 2013-2014 Audit

BACKGROUND: This is an annual financial audit presentation for FY 2013-14 which is required by MDE.

PURPOSE OF PRESENTATION: The purpose of this presentation is to provide the Board and community with an overview of the financial position of the school district.

LEARNING OBJECTIVE: As a result of this presentation, the Board will have an understanding of the financial position of the school district as of June 30, 2014.

ACTION RECOMMENDED: Approval.

Submitted By:

Concurrence By:

Rochel Manders

Name

Director of Business Services

Title



Dr. Mark Larson

Superintendent of Schools

Management Report

for

Independent School District No. 832
Mahtomedi, Minnesota
June 30, 2014

PRELIMINARY

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

We have prepared this management report in conjunction with our audit of Independent School District No. 832, Mahtomedi, Minnesota's (the District) financial statements for the year ended June 30, 2014. The purpose of this report is to communicate information relevant to the financing of public education in Minnesota and to provide comments resulting from our audit process. We have organized this report into the following sections:

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

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

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

Minneapolis, Minnesota
INSERT DATE

AUDIT SUMMARY

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

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

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

PLANNED SCOPE AND TIMING OF THE AUDIT

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

AUDIT OPINION AND FINDINGS

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

- We have issued an unmodified opinion on the District's annual financial statements.
- We reported one deficiency involving the District's internal control over financial reporting that we considered to be a significant deficiency:
 - The District has limited segregation of duties in several areas, including the processing of general disbursements and payroll transactions. The limited segregation of duties is primarily caused by the limited size of the District's business office staff.
- The results of our testing disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.
- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our tests indicate that the District has complied, in all material respects, with the requirements applicable to each major federal program.
- We reported no deficiencies in the internal controls over compliance and its operation that we consider to be material weaknesses in our testing of major federal programs.
- We reported one finding based on our testing of the District's compliance with Minnesota state laws and regulations:
 - Six of twenty-five disbursements tested were not paid within thirty-five days of the receipt of the goods or service, or receipt of the invoice for goods or services, as required by state statute.

SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 of the notes to basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2014.

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

CORRECTED AND UNCORRECTED MISSTATEMENTS

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

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

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

General education revenue and certain other revenues are computed by applying an allowance per student to the number of students served by the District. Student attendance is accumulated in a state-wide database—MARSS. Because of the complexity of student accounting and because of certain enrollment options, student information is input by other school districts and the MARSS data for the current fiscal year is not finalized until after the District has closed its financial records. General education revenue and certain other revenues are computed using preliminary information on the number of students served in the resident district and also utilizing some estimates, particularly in the area of enrollment options.

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

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

The District has recorded activity for other post-employment benefits (OPEB) benefits. These obligations are calculated using actuarial methodologies described in Governmental Accounting Standards Board (GASB) Statement No 45. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, and employee turnover.

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

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

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

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

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

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

DISAGREEMENTS WITH MANAGEMENT

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

MANAGEMENT REPRESENTATIONS

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

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

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

OTHER AUDIT FINDINGS OR ISSUES

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

OTHER MATTERS

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

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

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

FUNDING PUBLIC EDUCATION IN MINNESOTA

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

BASIC GENERAL EDUCATION REVENUE

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

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

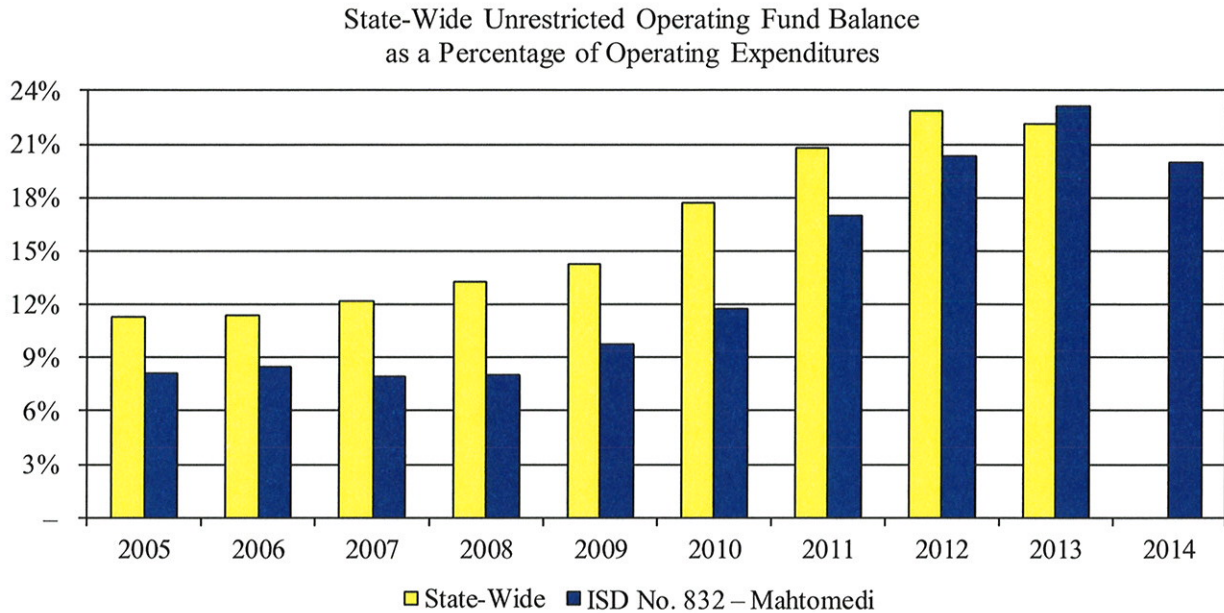
Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
2005	\$ 4,601	– %
2006	\$ 4,783	4.0 %
2007	\$ 4,974	4.0 %
2008	\$ 5,074	2.0 %
2009	\$ 5,124	1.0 %
2010	\$ 5,124	– %
2011	\$ 5,124	– %
2012	\$ 5,174	1.0 %
2013	\$ 5,224	1.0 %
2014	\$ 5,302	1.5 %
2015	\$ 5,831	2.0 % *

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

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

STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

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



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

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

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

As of June 30, 2013, this ratio was 23.1 percent for the District, as compared to a state-wide average of 22.1 percent. The District's unrestricted operating fund balance as a percentage of operating expenditures was 20 percent at the end of the current year.

The table below shows a comparison of governmental fund revenue per ADM received by Minnesota school districts and your district. Revenues for all governmental funds are included, except for the Capital Projects – Building Construction Fund, Other Post-Employment Benefits Debt Service Fund, Internal Service Fund, and fiduciary funds. Other financing sources, such as proceeds from sales of capital assets, insurance recoveries, bond sales, loans, and interfund transfers, are also excluded.

Governmental Funds Revenue per Student (ADM) Served							
	State-Wide		Seven-County Metro Area		ISD No. 832 – Mahtomedi		
	2012	2013	2012	2013	2012	2013	2014
General Fund							
Property taxes	\$ 1,550	\$ 1,608	\$ 2,019	\$ 2,101	\$ 1,917	\$ 1,809	\$ 1,101
Other local sources	448	444	378	372	492	559	620
State	7,920	8,112	7,949	8,138	7,436	7,549	8,276
Federal	588	489	621	519	457	232	190
Total General Fund	<u>10,506</u>	<u>10,653</u>	<u>10,967</u>	<u>11,130</u>	<u>10,302</u>	<u>10,149</u>	<u>10,187</u>
Special revenue funds							
Food Service	488	495	483	495	445	448	416
Community Service	525	535	633	647	597	595	645
Debt Service Fund	1,088	1,079	1,180	1,172	1,704	1,821	1,602
Total revenue	<u>\$ 12,607</u>	<u>\$ 12,762</u>	<u>\$ 13,263</u>	<u>\$ 13,444</u>	<u>\$ 13,048</u>	<u>\$ 13,013</u>	<u>\$ 12,850</u>
ADM served per MDE School District Profiles Report (current year estimated)					<u>3,243</u>	<u>3,255</u>	<u>3,297</u>
<p>Note: Excludes the Capital Projects – Building Construction Fund, Other Post-Employment Benefits Debt Service Fund, Internal Service Fund, and fiduciary funds.</p> <p>Source of state-wide and seven-county metro area data: School District Profiles Report published by the MDE</p>							

The mix of local and state revenues vary from year to year primarily based on funding formulas and the state’s financial condition. The mix of revenue components from district to district varies due to factors such as the strength of property values, mix of property types, operating and bond referendums, enrollment trends, density of population, types of programs offered, and countless other criteria.

The District earned approximately \$42.4 million in the governmental funds reflected above in fiscal 2014, a decrease of \$12,300 from the prior year. Total revenue per ADM served decreased by \$163 per student. General Fund tax revenue decreased \$708 per student and state aid revenues increased \$727 per student, mainly due to a combination of the effect of the tax shift, an increase in state special education aid earned, and additional general education funding generated by an increase in the number of students served and a \$50 per pupil unit increase in the general education formula allowance.

Revenue neutral adjustments attributable to the legislatively-approved tax shift have significantly impacted the recognition of property tax and state sources by year, presented in the table above.

The following table reflects similar comparative data available from the MDE for all governmental fund expenditures, excluding the Capital Projects – Building Construction Fund, Other Post-Employment Benefits Debt Service Fund, Internal Service Fund, and fiduciary funds. Other financing uses, such as bond refundings and transfers, are also excluded.

Governmental Funds Expenditures per Student (ADM) Served							
	State-Wide		Seven-County Metro Area		ISD No. 832 – Mahtomedi		
	2012	2013	2012	2013	2012	2013	2014
General Fund							
Administration and district support services	\$ 823	\$ 849	\$ 805	\$ 837	\$ 808	\$ 799	\$ 853
Elementary and secondary regular instruction	4,866	4,982	5,103	5,273	4,912	5,038	5,195
Vocational education instruction	138	138	136	132	194	182	180
Special education instruction	1,866	1,909	2,004	2,055	1,812	1,700	1,674
Instructional support services	459	477	537	562	359	351	449
Pupil support services	895	919	957	991	705	741	755
Sites and buildings and other	802	850	755	800	871	935	1,079
Total General Fund – noncapital	9,849	10,124	10,297	10,650	9,661	9,746	10,185
General Fund capital expenditures	462	509	410	469	200	267	285
Total General Fund	10,311	10,633	10,707	11,119	9,861	10,013	10,470
Special revenue funds							
Food Service	486	500	480	500	408	497	450
Community Service	526	535	630	646	605	583	639
Debt Service Fund	1,337	1,234	1,312	1,322	1,899	1,732	1,715
Total expenditures	\$ 12,660	\$ 12,902	\$ 13,129	\$ 13,587	\$ 12,773	\$ 12,825	\$ 13,274
ADM served per MDE School District Profiles Report (current year estimated)					3,243	3,255	3,297
Note: Excludes the Capital Projects – Building Construction Fund, Other Post-Employment Benefits Debt Service Fund, Internal Service Fund, and fiduciary funds.							
Source of state-wide and seven-county metro area data: School District Profiles Report published by the MDE							

Expenditure patterns also vary from district to district for various reasons. Factors affecting the comparison include the growth cycle or maturity of the District, average employee experience, availability of funding, population density, and even methods of allocating costs. The differences from program to program reflect the District’s particular character, such as its community service programs, as well as the fluctuations from year to year for such things as capital expenditures.

The differences from program to program reflect the District’s particular character, such as its community service programs, as well as the fluctuations from year to year for such things as capital expenditures.

The District experienced an increase in total expenditures per student in fiscal 2014 of \$449, or 3.5 percent, due mostly to a 3.1 percent increase in elementary and secondary regular instruction due to increased personnel costs. This increase was partially offset by a decrease of \$26 per student in special education instruction due to savings in purchased services. The increase in sites and buildings, and other relate to projects at the high school and elementary school that were financed by donations to the District. As the table reflects, the District has traditionally expended less per ADM on general operating costs and total costs than the seven-county metro area averages.

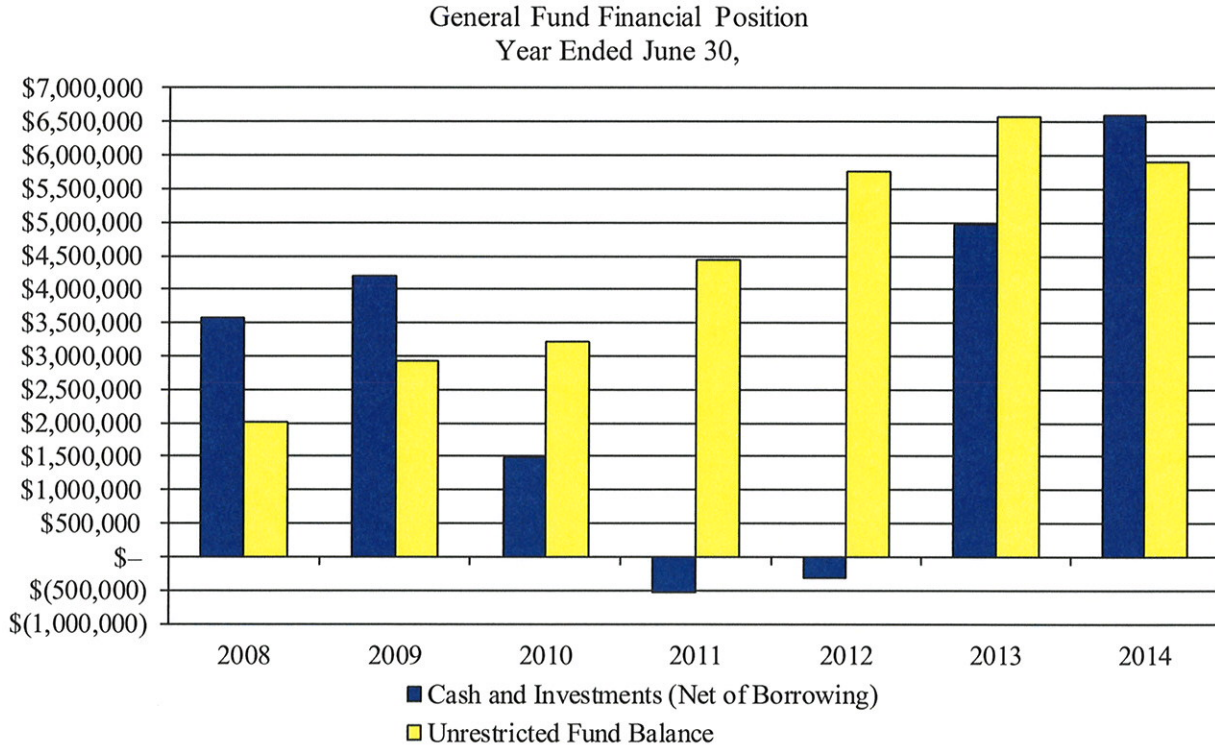
SUMMARY

The funding for and financial position of Minnesota school districts has fluctuated significantly over the past several years due to a number of factors, including those discussed above. This situation continues to present a challenge for school boards, administrators, and management of these districts in providing the best education with the limited resources available in a climate of unknown future funding levels.

FINANCIAL TRENDS OF YOUR DISTRICT

GENERAL FUND FINANCIAL POSITION

The following graph displays the District’s General Fund trends of financial position and changes in the volume of financial activity. Unrestricted fund balance and cash balance are typically used as indicators of financial health.



The District ended fiscal year 2014 with a General Fund cash balance of \$6,593,040 (net of borrowing or interfund payables), an increase of \$1,622,586 from the previous year’s cash balance. This change was primarily due to the change in the metering of state aid payments. This cash balance does not include cash and investments held in trust.

Unrestricted fund balance at year-end was \$5,896,059, a decrease of \$679,504. The General Fund has a stable fund balance position. The decrease in the General Fund balance was related to a planned decrease as outlined in the adopted budgeted.

GENERAL FUND CASH FLOW

The level of cash and investments varies considerably during the year due to the timing of various revenues and expenditures.

Legislative changes in the tax shift and state aid payment schedules used to help balance the state budget have a significant effect on the cash flow of Minnesota school districts. In fiscal 2012, the state holdback on aids normally paid on a 90–10 schedule was up to 40 percent, and the tax shift was at 48.6 percent of non-debt service levies. As the financial condition of the state began to improve, the holdback on state aid payments was reduced to 13.6 percent by the end of fiscal 2013. In fiscal 2014, the state was able to restore the metering of state aid payments to a 90–10 schedule, and buy the tax shift back down to zero (except for the shift of 31 percent of a districts’ payable 2001 referendum levy that remains frozen by statute). These changes have resulted in a dramatic improvement in the District’s cash flow over the last several years, as illustrated by the graph above.

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

	June 30,				
	2010	2011	2012	2013	2014
Nonspendable fund balances	\$ —	\$ 11,999	\$ 3,417	\$ 6,272	\$ 11,571
Restricted fund balances (1)	1,047,845	1,164,796	1,289,271	906,706	1,153,579
Unrestricted fund balances					
Assigned	996,208	966,193	1,516,438	2,675,784	2,228,509
Unassigned	2,224,000	3,473,433	4,237,671	3,899,779	3,667,550
Total fund balance	\$ 4,268,053	\$ 5,616,421	\$ 7,046,797	\$ 7,488,541	\$ 7,061,209
Unassigned fund balances as a percentage of expenditures	<u>7.0%</u>	<u>11.2%</u>	<u>13.3%</u>	<u>12.0%</u>	<u>10.6%</u>
<p>(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting standards generally accepted in the United States-based financial statements.</p>					

The table above reflects the total General Fund unrestricted fund balance and percentages, which differs from those used in the previous discussion of state-wide fund balances, which are based on a state formula. The resources represented by this fund balance are critical to a district's ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion against the impact of unexpected costs or funding shortfalls.

Fund Balance Policy

The School Board has formally adopted a fund balance policy. This policy states that the School Board will strive to maintain a minimum unassigned General Fund balance of 8 percent of total General Fund expenditures. At June 30, 2014, the unassigned fund balance of the General Fund was 10.6 percent of the total General Fund expenditures.

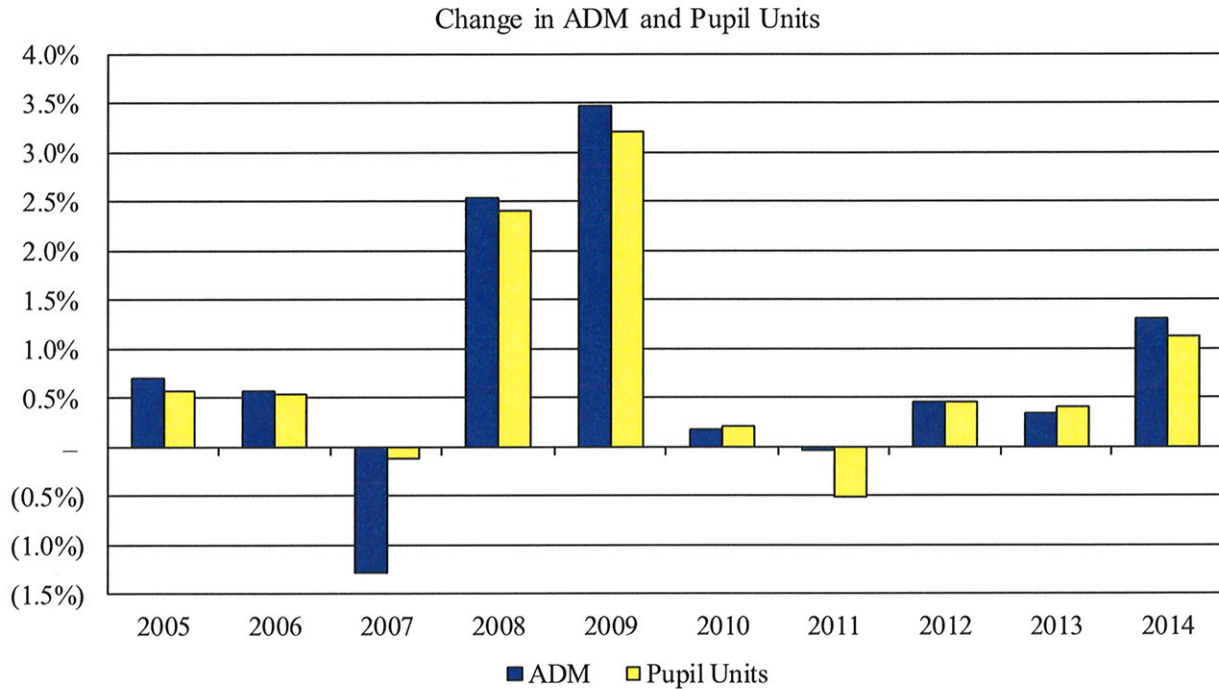
If the fund balance falls below 8 percent, the School Board shall implement a procedure to stabilize the District's financial position. This shall involve:

1. No new programs will be added at the District level unless matched by a like revenue source;
2. Allocations such as textbooks, supplies, etc., shall be frozen; and
3. The District will review other measures which shall not immediately affect delivery of programs but could have a cost savings. An example might be areas where expenditures have historically been lower than budgeted levels.

If the fund balance is projected to decrease below 7 percent, the District shall take measures to either generate additional revenues or to reduce expenditures through budget cuts or a combination of both.

AVERAGE DAILY MEMBERSHIP (ADM) AND PUPIL UNITS

The following graph shows the rate of ADM change from year to year, and the relationship of the resulting pupil units:

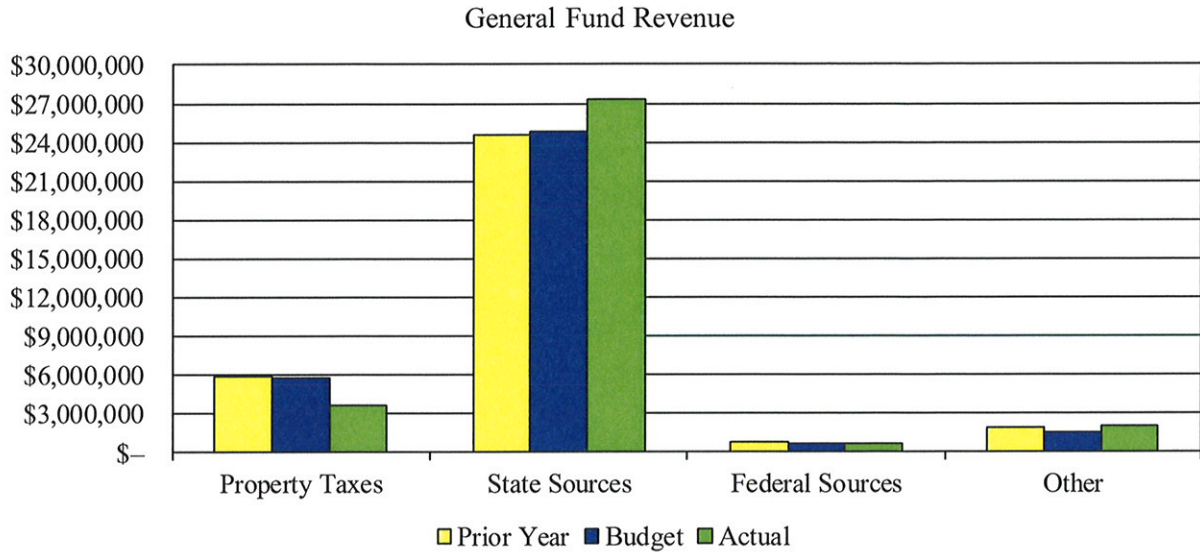


ADM is a measure of students attending class, which is then converted to pupil units (the base for determining revenue) using a statutory formula. Not only is the original budget based on ADM estimates, the final audited financial statements are based on updated, but still estimated, ADM since the counts are not finalized until around January of the following year. When viewing revenue budget variances, one needs to consider these ADM changes, the impact of the prior year final adjustments which affect this year’s revenue, and also the final adjustments caused by open enrollment gains and losses.

The District experienced an increase of 42 ADM from the prior year to 3,297 served in the current year.

GENERAL FUND REVENUE

The following graph summarizes the District’s General Fund revenue for 2014:

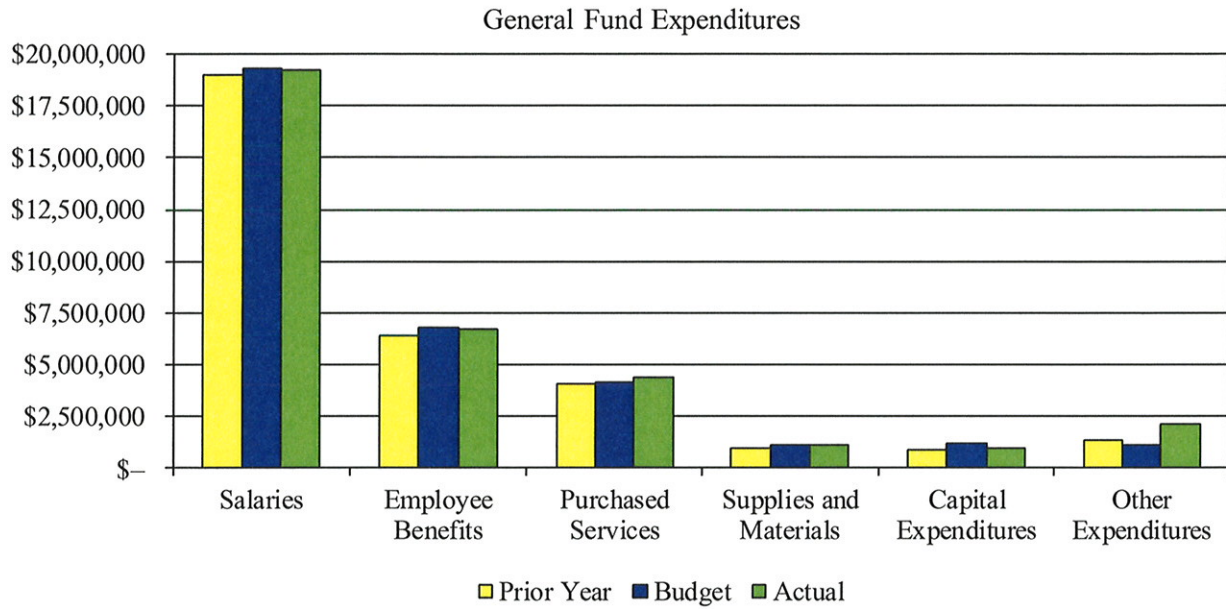


Total General Fund revenues were \$33,585,941 for the year ended June 30, 2014, which was \$921,440 (2.8 percent) over the final budget, and \$551,650 greater than the previous year. The state sources revenue budget variance of \$450,195 was mainly due to an increase in actual enrollment of about 40 average daily membership. Other sources were over budget by \$520,844 in the year ended June 30, 2014, due to donations received for the high school gymnasium and an elementary playground project.

The graph above reflects the concentration of state sources (81.2 percent) followed by property taxes (10.8 percent) received to finance General Fund operations. This graph also reflects \$2,199,473 of change for the tax shift between state aids and tax sources that offset dollar-for-dollar in the current year.

GENERAL FUND EXPENDITURES

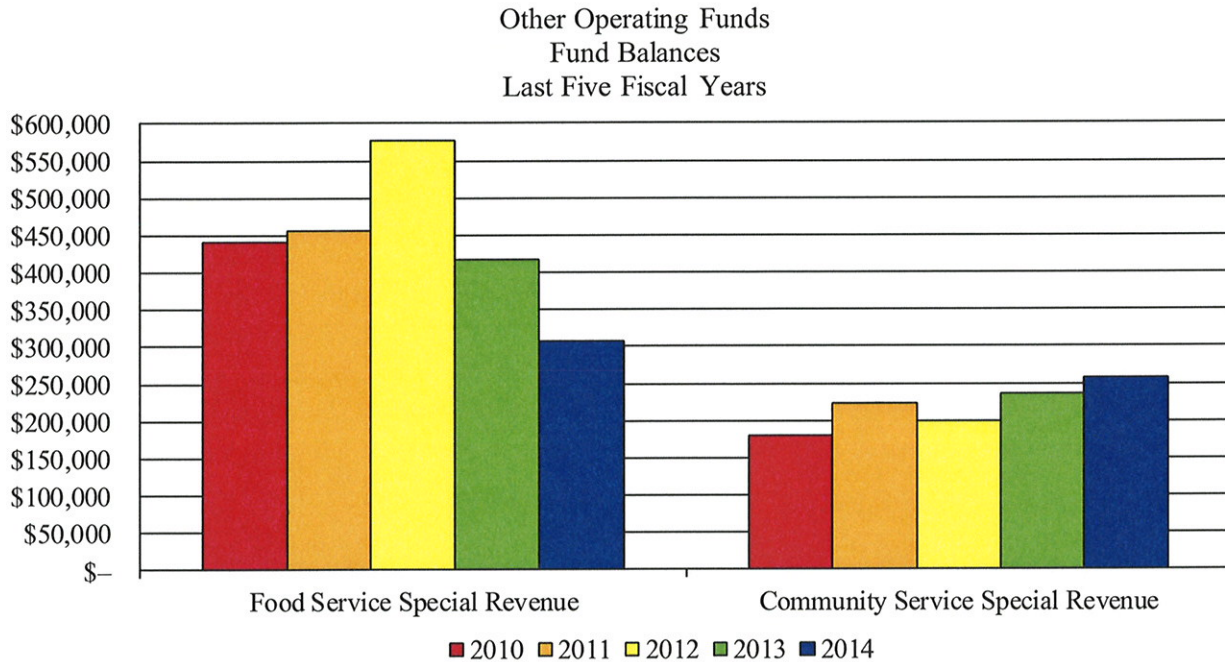
The following graph presents the District’s General Fund expenditures for 2014:



Total General Fund expenditures were \$34,518,607 for the year ended June 30, 2014, which was \$871,210 more than the final budget and \$1,925,710 (5.9 percent) more than the prior year. Most of the items over budgeted amounts were related to the high school gym project and elementary playground project. Expenditures increased from the prior year mostly due to a combination of increased personnel costs in the elementary and secondary regular instructional areas and increased project-related costs already mentioned.

OTHER FUNDS OF THE DISTRICT

The following graph shows what is referred to as the other operating funds. The remaining nonoperating funds are only included in narrative form below, since their level of fund balance can fluctuate significantly due to such things as issuing and spending the proceeds of refunding or building bonds and, therefore, the trend of fund balance levels are not necessarily a key indicator of financial health. It does not mean that these funds cannot experience financial trouble or that their fund balances are unimportant.



Food Service Special Revenue Fund

The District’s Food Service Special Revenue Fund experienced a \$110,600 decrease in fund balance, which was \$43,588 less than the planned \$154,188 decrease in fund balance. The decline in overall operations is due to the new food choices offered to students in response to changes in federal guidelines.

This operation has maintained a healthy fund balance for several years and has also been able to assist in funding a portion of several capital improvements to food service facilities in recent years. The District should review upcoming capital needs of the child nutrition operation and incorporate that information in establishing an optimal level of fund balance that is also within state and federal fund balance limits.

Community Service Special Revenue Fund

The District’s Community Service Special Revenue Fund experienced an increase in fund balance of \$21,836 for the year ended June 30, 2014, which was \$46,165 higher than the \$24,329 planned decrease in fund balance.

The Community Service Special Revenue Fund, like the Food Service Special Revenue Fund, needs to be self-sustaining. In addition to cost controls, financial analysis of the costs of providing programs, including overhead, is important. Fees and tuition charges should be sufficient to cover these costs as well as potential funding shortfalls from state, federal, or property tax sources.

Capital Projects – Building Construction Fund

The activity in this fund represents the District's revenue and expenditures for the construction of capital facilities authorized by bond issue. The District utilized \$1,385,983 of capital project funds during fiscal 2014. At June 30, 2014, this fund has no building construction funds available.

Debt Service Fund

The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. It is important to remember that resources of the Debt Service Fund are dedicated to the payment of outstanding debt obligations of the District.

Internal Service Fund

The Internal Service Fund is considered a proprietary fund and is used to account for health insurance offered by the District to its employees as a self-insured plan.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

Theoretically, net position represents District resources available for providing services after its debts are settled. However, those resources are not always in expendable form, or there may be restrictions on how some of those resources can be used. Therefore, this statement divides net position into three components: net investment in capital assets, restricted, and unrestricted. The following table presents a summarized reconciliation of the District's governmental fund balances to net position, and the separate components of net position for the last two years:

	June 30,		Increase (Decrease)
	2013	2014	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 10,592,912	\$ 8,335,971	\$ (2,256,941)
Total capital assets, net of depreciation	69,168,990	68,934,870	(234,120)
Total long-term debt	(63,723,735)	(60,707,381)	3,016,354
Other adjustments	1,729,062	1,296,853	(432,209)
Total net position – governmental activities	<u>\$ 17,767,229</u>	<u>\$ 17,860,313</u>	<u>\$ 93,084</u>
Net position			
Net investment in capital assets	\$ 10,124,781	\$ 11,471,462	\$ 1,346,681
Restricted	1,326,867	1,424,299	97,432
Unrestricted	6,315,581	4,964,552	(1,351,029)
Total net position	<u>\$ 17,767,229</u>	<u>\$ 17,860,313</u>	<u>\$ 93,084</u>

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

Net investment in capital assets is the ratio of capitalized asset purchases, net of any depreciation to the amount of outstanding debt obligations that were issued to finance these capital purchases.

Total net position increased \$93,084 during fiscal 2014, including an increase in net investment in capital assets of \$1,346,681, which is related to the construction of the new elementary school. Unrestricted net position decreased \$1,351,029 due to the operating results of the General Fund, Internal Service Fund, and Debt Service Fund in the current year.

LEGISLATIVE SUMMARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ACCOUNTING AND AUDITING UPDATES

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

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

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

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

CHANGES TO FEDERAL GRANT AUDIT REQUIREMENTS

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

COSO INTERNAL CONTROL FRAMEWORK

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

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

Control Environment –

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

Risk Assessment –

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

Control Activities –

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

Information and Communication –

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

Monitoring –

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

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

INDEPENDENT SCHOOL DISTRICT NO. 832
MAHTOMEDI, MINNESOTA

Financial Statements
and Supplemental Information

Year Ended
June 30, 2014

PRELIMINARY

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INTRODUCTORY SECTION

INDEPENDENT SCHOOL DISTRICT NO. 832

School Board and Administration
as of June 30, 2014

SCHOOL BOARD

	<u>Position</u>
Cathy Dalton	Director
Mary Jo Deters	Clerk/Vice Chair
Robert Donohoe	Chairperson
Kevin Donovan	Director
Lucy Payne	Director
Judith Schwartz	Director

ADMINISTRATION

Mark Larson	Superintendent of Schools
Rochel Manders	Director of Business Services

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 832, Mahtomedi, Minnesota (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(continued)

OPINIONS

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

(continued)

Prior Year Comparative Information

We have previously audited the District's 2013 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated November 11, 2013. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

Minneapolis, Minnesota
INSERT DATE

INDEPENDENT SCHOOL DISTRICT NO. 832

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

This section of Independent School District No. 832, Mahtomedi, Minnesota's (the District) annual financial statements presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2014. Please read it in conjunction with the other components of the District's annual financial statements.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased by \$93,084, resulting in total net position of \$17,860,313 as of June 30, 2014.
- At June 30, 2014, the District's governmental funds reported a combined ending fund balance of \$8,335,971, a decrease of \$2,256,941 from the prior year. Most of this change was in the District's Capital Projects – Building Construction Fund due to the construction of a new elementary school.
- The District's General Fund unassigned fund balance decreased from \$3,678,128 to \$3,433,899 during fiscal year 2014. This balance is in compliance with the School Board's fund balance policy, which requires a minimum unassigned fund balance of at least 8 percent of expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- Independent Auditor's Report;
- Management's Discussion and Analysis;
- Basic financial statements, including the government-wide financial statements, fund financial statements, and the notes to basic financial statements;
- Required supplementary information; and
- Supplemental information, which includes combining and individual fund statements and schedules.

The following explains the two types of statements included in the basic financial statements:

Government-Wide Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information about the District as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Position includes *all* of the District's assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide financial statements report the District's *net position* and how it has changed. Net position—the difference between the District's assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources—is one way to measure the District's financial health or *position*.

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

In the government-wide financial statements, the District's activities are all shown in one category titled "governmental activities." These activities, including regular and special education instruction, transportation, administration, food services, and community education, are primarily financed with state aids and property taxes.

Fund Financial Statements

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

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The District maintains the following kinds of funds:

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

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

Fiduciary Funds – The District is the trustee, or fiduciary, for assets that belong to others. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. 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.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1		
Summary Statement of Net Position		
as of June 30, 2014 and 2013		
	<u>2014</u>	<u>2013</u>
Assets		
Current and other assets	\$ 23,645,493	\$ 23,855,258
Capital assets, net of depreciation	<u>68,934,870</u>	<u>69,168,990</u>
Total assets	<u><u>\$ 92,580,363</u></u>	<u><u>\$ 93,024,248</u></u>
Liabilities		
Current and other liabilities	\$ 3,627,270	\$ 3,673,755
Long-term liabilities, including due within one year	<u>60,707,381</u>	<u>63,723,735</u>
Total liabilities	<u><u>\$ 64,334,651</u></u>	<u><u>\$ 67,397,490</u></u>
Deferred inflows of resources		
Property taxes levied for subsequent year	<u><u>\$ 10,385,399</u></u>	<u><u>\$ 7,859,529</u></u>
Net position		
Net investment in capital assets	\$ 11,471,462	\$ 10,124,781
Restricted	1,424,299	1,326,867
Unrestricted	<u>4,964,552</u>	<u>6,315,581</u>
Total net position	<u><u>\$ 17,860,313</u></u>	<u><u>\$ 17,767,229</u></u>

The District’s financial position is the product of many factors. For example, the determination of the District’s net investment in capital assets involves many assumptions and estimates, such as current and accumulated depreciation amounts. A conservative versus liberal approach to depreciation estimates, as well as capitalization policies, will produce a significant difference in the calculated amounts. The other major factor in determining net position as compared to fund balances is the liability for severance benefits and compensated absences, which are basically unfunded. This impacts the unrestricted portion of net position.

The District’s total net position increased by \$93,084 during the year ended June 30, 2014. Net investment in capital assets increased by \$1,346,681, due to the relationship of debt retirement as compared to depreciation on capital assets, as well as increased construction in progress on the new elementary school. Unrestricted net position decreased by \$1,351,029, due mostly to the operating results of the General Fund, Debt Service Fund, and Internal Service Fund in the current year.

Table 2 presents a condensed version of the Statement of Activities of the District:

Table 2		
Summary Statement of Activities		
for the Years Ended June 30, 2014 and 2013		
	<u>2014</u>	<u>2013</u>
Revenues		
Program revenues		
Charges for services	\$ 3,247,598	\$ 3,100,631
Operating grants and contributions	3,938,358	4,295,757
Capital grants and contributions	1,352,365	801,049
General revenues		
Property taxes	8,585,059	11,556,865
General grants and aids	24,487,681	21,352,625
Other	1,028,174	1,663,634
Total revenues	<u>42,639,235</u>	<u>42,770,561</u>
Expenses		
Administration	1,738,890	1,511,321
District support services	1,292,932	1,108,193
Elementary and secondary regular instruction	17,359,798	16,395,507
Vocational education instruction	604,895	589,598
Special education instruction	5,644,383	5,549,173
Instructional support services	1,532,351	1,166,442
Pupil support services	2,520,949	2,415,677
Sites and buildings	4,541,235	3,153,908
Fiscal and other fixed cost programs	107,460	91,036
Food service	1,368,529	1,344,172
Community service	2,091,210	1,891,568
Depreciation not allocated to other functions	750,341	798,582
Interest and fiscal charges on debt	2,993,178	3,124,634
Total expenses	<u>42,546,151</u>	<u>39,139,811</u>
Change in net position	93,084	3,630,750
Net position – beginning	<u>17,767,229</u>	<u>14,136,479</u>
Net position – ending	<u>\$ 17,860,313</u>	<u>\$ 17,767,229</u>

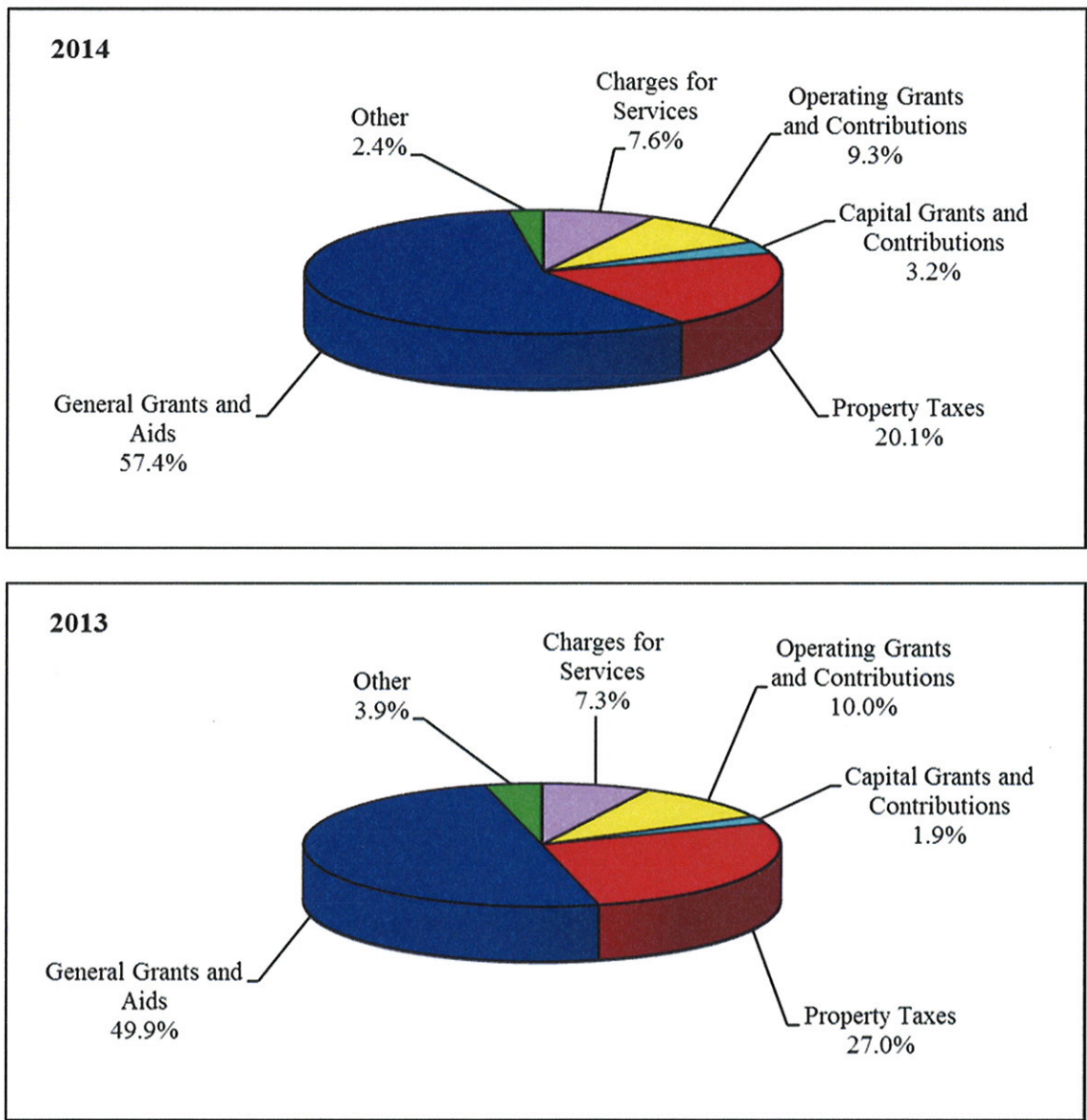
This format is similar to fund financial statements except that this is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

General grants and aids are greater and property taxes are lower in fiscal 2014, due mostly to the impact of the current year tax shift compared to the prior year.

The increase in sites and buildings expense relates to the sale of an elementary school building in the current year.

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

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

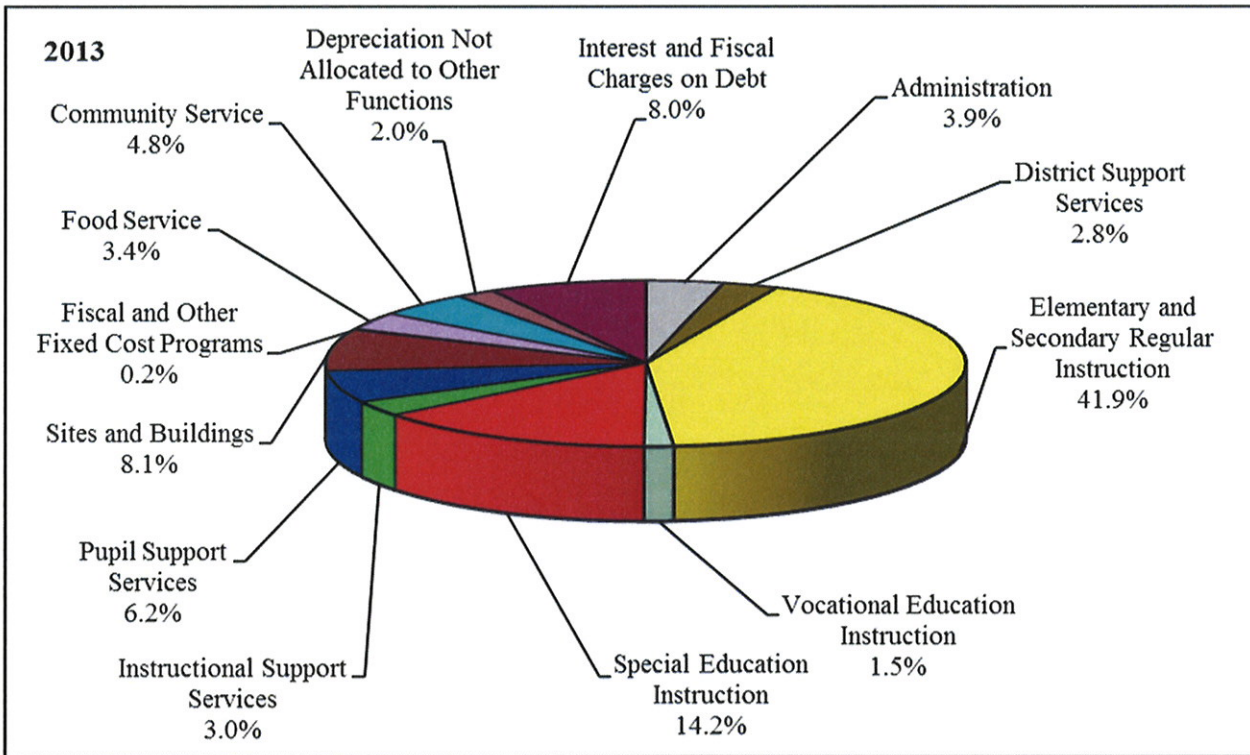
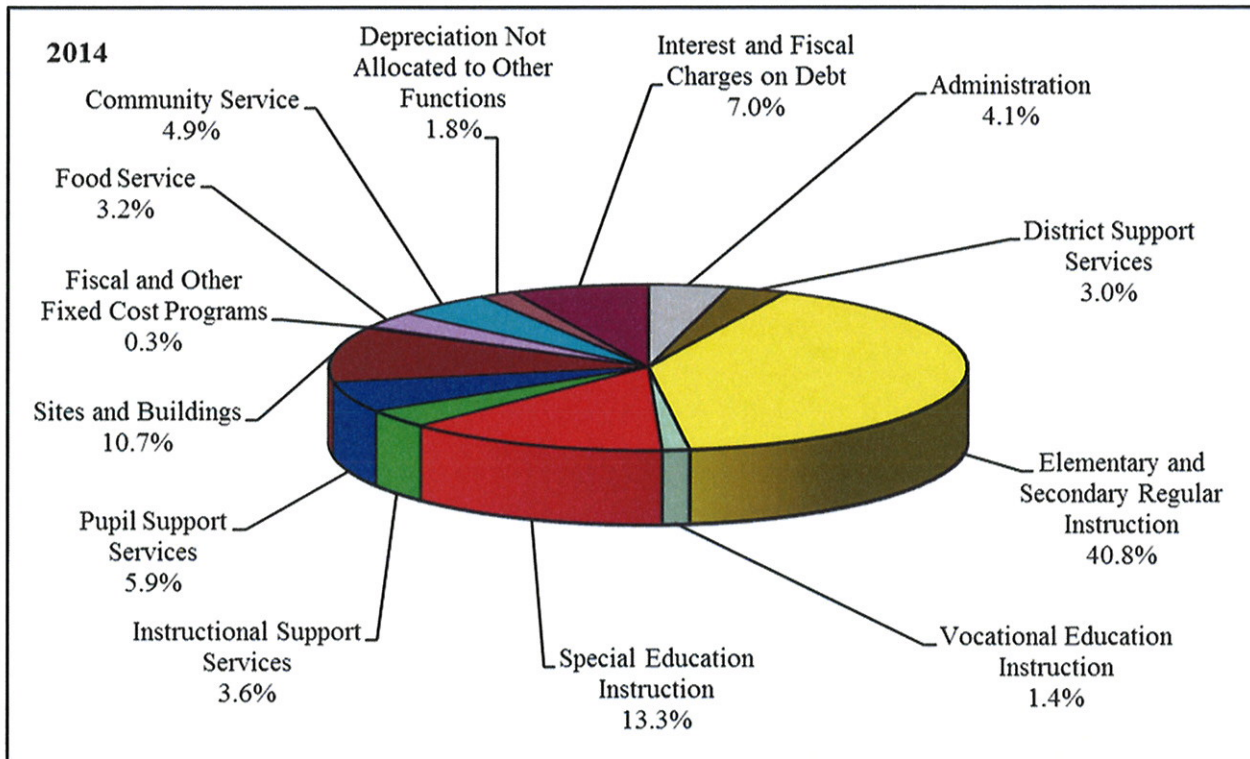


The largest share of the District’s revenue is received from the state, including the aid formula and most of the operating grants. This significant reliance on the state for funding has placed tremendous pressure on local school districts as a result of limited funding due to the state’s financial position in recent years.

Property taxes are generally the next largest source of funding. The level of funding property tax sources provide is not only dependent on taxpayers of the District by way of operating and building referenda, but also by decisions made by the Legislature in the mix of state aid and local effort in a variety of funding formulas.

The proportionate share of district revenue from these two sources may change significantly between fiscal years, due to the “tax shift.” The tax shift is an accounting tool used on occasion to balance the state budget, whereby districts recognize cash collections for the subsequent year’s property tax levy as current year revenue, and the state adjusts aid payments to districts by an equal amount.

Figure B – Expenses for Fiscal Years 2014 and 2013



The District’s expenses are predominately related to educating students. Programs (or functions) such as elementary and secondary regular instruction, vocational education instruction, special education instruction, and instructional support services are directly related to classroom instruction, while the rest of the programs support instruction and other necessary costs to operate the District.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is also reflected in its governmental funds. Table 3 shows the change in total fund balances of each of the District's governmental funds:

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
Major funds			
General	\$ 7,061,209	\$ 7,488,541	\$ (427,332)
Capital Projects – Building Construction	–	1,385,983	(1,385,983)
Debt Service			
Regular	648,839	1,022,076	(373,237)
Other post-employment benefits	61,456	43,081	18,375
Nonmajor funds			
Food Service Special Revenue	307,171	417,771	(110,600)
Community Service Special Revenue	<u>257,296</u>	<u>235,460</u>	<u>21,836</u>
Total governmental funds	<u>\$ 8,335,971</u>	<u>\$ 10,592,912</u>	<u>\$ (2,256,941)</u>

Table 3 shows the changes in fund balances by each governmental fund. The decrease in the General Fund balance was related to a planned decrease rather than making budget reductions for fiscal 2014. The Capital Projects – Building Construction Fund balance decreased in the current year due to the further spend-down of 2010B building bonds for construction project costs. The Food Service Special Revenue Fund balance decreased mainly due to lower participation in the school lunch program related to federal changes in meal offerings to students.

General Fund

The General Fund is used to account for all revenues and expenditures of the District not accounted for elsewhere. The General Fund is used to account for: K–12 educational activities, district instructional and student support programs, expenditures for the superintendent, district administration, normal operations and maintenance, pupil transportation, capital expenditures, and other legal school district expenditures not specifically designated to be accounted for in any other fund.

Table 4 summarizes the amendments to the General Fund budget:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Revenue	<u>\$ 32,756,493</u>	<u>\$ 33,164,501</u>	<u>\$ 408,008</u>	<u>1.2%</u>
Expenditures	<u>\$ 33,646,021</u>	<u>\$ 33,647,397</u>	<u>\$ 1,376</u>	<u>–</u>

The District is required to adopt an operating budget prior to the beginning of its fiscal year, referred to above as the original budget. During the year, the District amends the budget for known changes in circumstances such as enrollment levels, legislative funding, and employee contract settlements. The increase in revenue is due to the sale of an elementary school.

Table 5 summarizes the operating results of the General Fund:

	<u>2014</u>	<u>Over (Under) Final Budget</u>		<u>Over (Under) Prior Year</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenue and other financing sources	\$ 34,091,275	\$ 926,774	2.8%	\$ 1,056,634	3.2%
Expenditures	<u>(34,518,607)</u>	\$ 871,210	2.6%	\$ 1,925,710	5.9%
Net change in fund balances	<u>\$ (427,332)</u>				

The state sources revenue budget variance of \$450,195 was mainly due to an increase in actual enrollment of about 40 average daily membership. Other sources were over budget by \$520,844 in the year ended June 30, 2014, due to donations received for the high school gymnasium and an elementary playground project.

The increase in revenues from the prior year was mainly due to the increase in student enrollment, the sale of an elementary school, and additional donations. The expenditure variance was spread across several programs and object categories of the General Fund. Expenditures increased from the prior year mostly due to a combination of increased personnel costs in the elementary and secondary regular instructional areas and increased capital outlay.

Comments on Significant Activities in Other Funds

The Food Service Special Revenue Fund balance decreased \$110,600 in fiscal 2014 due to new food choices offered to students in response to changes in federal guidelines. The fund balance at the end of the fiscal year was \$307,171, or 20.7 percent, of current year expenditures. This year was the ninth year of a successful joint powers agreement for food service with Independent School District No. 834, Stillwater Area Public Schools.

The Community Service Special Revenue Fund balance increased \$21,836 to a balance of \$257,296, or 12.2 percent, of expenditures.

The Capital Projects – Building Construction Fund balance decreased \$1.4 million due to the continued spend-down of 2010B building bonds for construction projects.

The Debt Service Fund balance ended fiscal 2014 at \$710,295, a decrease of \$354,862 due to a normal debt excess reduction by the county. The entire Debt Service Fund balance is dedicated for future debt service obligations.

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost reimbursement basis. The District currently maintains one Internal Service Fund. This fund is used to account for the District's self-insured health insurance function. Operating revenues for the Internal Service Fund for fiscal 2014 totaled \$3,403,752. Operating expenses totaled \$3,846,586 for health benefit claims. The net position for the Internal Service Fund as of June 30, 2014 totaled a deficit of (\$138,097).

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

Table 6 shows the District's capital assets, together with changes from the previous year. The table also shows the total depreciation expense for fiscal years ending June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
Land	\$ 1,561,766	\$ 1,571,466	\$ (9,700)
Construction in progress	39,916,597	38,526,783	1,389,814
Buildings	35,284,600	37,197,609	(1,913,009)
Land improvements	8,630,512	9,097,735	(467,223)
Furniture and equipment	2,220,758	2,169,438	51,320
Less accumulated depreciation	<u>(18,679,363)</u>	<u>(19,394,041)</u>	<u>714,678</u>
Total	<u>\$ 68,934,870</u>	<u>\$ 69,168,990</u>	<u>\$ (234,120)</u>
Depreciation expense	<u>\$ 960,491</u>	<u>\$ 1,001,951</u>	<u>\$ (41,460)</u>

The District's \$1.7 million of capital asset additions in fiscal 2014 relate to building construction on a new elementary school in the District. The overall decline in capital assets relates to the sale of an elementary school in the current year.

Long-Term Liabilities

Table 7 illustrates the components of the District's long-term liabilities, together with the change from the prior year:

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
General obligation bonds payable	\$ 60,030,000	\$ 63,230,000	\$ (3,200,000)
Net (discount) premium	(25,929)	(231,816)	205,887
Certificates of participation payable	225,000	400,000	(175,000)
Severance benefits payable	305,014	114,193	190,821
Compensated absences payable	<u>173,296</u>	<u>211,358</u>	<u>(38,062)</u>
Total	<u>\$ 60,707,381</u>	<u>\$ 63,723,735</u>	<u>\$ (3,016,354)</u>

The decrease in general obligation bonds payable is due to the planned repayment schedule reflecting principal payments during fiscal year 2014.

The state limits the amount of general obligation debt the District can issue to 15 percent of the market value of all taxable property within the District's corporate limits. (See Table 8)

District's market value	\$ 1,788,663,200
Limit rate	<u>15.0%</u>
Legal debt limit	<u>\$ 268,299,480</u>

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. The basic general education formula allowance for Minnesota school districts increased \$78 per pupil in fiscal year 2014 to \$5,302. Beginning with the 2015 fiscal year, several funding and pupil weighting changes are effective, which include an equivalent increase of \$105, or 2.0 percent, for basic general education formula funding. The ongoing demands on limited resources continue to present challenges in funding education for Minnesota schools.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

These financial statements are designed to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives and utilizes. Should you have questions about these statements or need additional information, please contact Rochel Manders, Director of Business Services [phone (651) 407-2000], Independent School District No. 832, 1520 Mahtomedi Avenue, Mahtomedi, Minnesota 55115.

BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
Assets		
Cash and temporary investments	\$ 11,710,361	\$ 12,324,790
Receivables		
Current taxes	5,611,385	5,581,513
Delinquent taxes	193,867	262,588
Accounts and interest	39,294	60,477
Due from other governmental units	3,353,554	2,956,860
Inventory	18,046	23,231
Prepaid items	14,414	9,418
Negative net other post-employment benefits obligation	2,467,206	2,399,015
Restricted assets – temporarily restricted		
Cash and investments for debt service	237,366	237,366
Capital assets		
Not depreciated	41,478,363	40,098,249
Depreciated, net of accumulated depreciation	27,456,507	29,070,741
Total capital assets, net of accumulated depreciation	<u>68,934,870</u>	<u>69,168,990</u>
Total assets	<u>\$ 92,580,363</u>	<u>\$ 93,024,248</u>
Liabilities		
Salaries payable	\$ 105,913	\$ 56,686
Accounts and contracts payable	1,077,422	1,588,759
Accrued interest payable	1,130,922	1,149,981
Due to other governmental units	163,173	240,103
Unearned revenue	1,149,840	638,226
Long-term liabilities		
Due within one year	3,820,101	3,586,358
Due in more than one year	56,887,280	60,137,377
Total long-term liabilities	<u>60,707,381</u>	<u>63,723,735</u>
Total liabilities	64,334,651	67,397,490
Deferred inflows of resources		
Property taxes levied for subsequent year	10,385,399	7,859,529
Net position		
Net investment in capital assets	11,471,462	10,124,781
Restricted for		
Capital asset acquisition	865,639	669,340
Food service	307,171	417,771
Community service	259,789	239,756
Unrestricted	4,956,252	6,315,581
Total net position	<u>17,860,313</u>	<u>17,767,229</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 92,580,363</u>	<u>\$ 93,024,248</u>

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 832

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

Functions/Programs	Expenses	2014			2013	
		Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
					Governmental Activities	
Governmental activities						
Administration	\$ 1,738,890	\$ -	\$ -	\$ -	\$ (1,738,890)	\$ (1,511,321)
District support services	1,292,932	-	-	-	(1,292,932)	(1,108,193)
Elementary and secondary regular instruction	17,359,798	367,243	129,946	-	(16,862,609)	(15,621,421)
Vocational education instruction	604,895	-	-	-	(604,895)	(589,598)
Special education instruction	5,644,383	-	3,428,122	-	(2,216,261)	(2,084,436)
Instructional support services	1,532,351	-	-	-	(1,532,351)	(1,166,442)
Pupil support services	2,520,949	19,664	-	-	(2,501,285)	(2,368,339)
Sites and buildings	4,541,235	59,503	-	1,352,365	(3,129,367)	(2,352,859)
Fiscal and other fixed cost programs	107,460	-	-	-	(107,460)	(91,036)
Food service	1,368,529	1,008,616	333,351	-	(26,562)	113,816
Community service	2,091,210	1,792,572	46,939	-	(251,699)	(239,329)
Depreciation not allocated to other functions	750,341	-	-	-	(750,341)	(798,582)
Interest and fiscal charges	2,993,178	-	-	-	(2,993,178)	(3,124,634)
Total governmental activities	\$ 42,546,151	\$ 3,247,598	\$ 3,938,358	\$ 1,352,365	(34,007,830)	(30,942,374)
General revenue						
Taxes						
Property taxes, levied for general purposes					3,589,054	5,858,242
Property taxes, levied for community service					141,468	269,427
Property taxes, levied for debt service					4,854,537	5,429,196
General grants and aids					24,487,681	21,352,625
Other general revenues					1,014,673	1,589,347
Investment earnings					13,501	74,287
Total general revenue					<u>34,100,914</u>	<u>34,573,124</u>
Change in net position					93,084	3,630,750
Net position – beginning					<u>17,767,229</u>	<u>14,136,479</u>
Net position – ending					<u>\$ 17,860,313</u>	<u>\$ 17,767,229</u>

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	<u>General Fund</u>	<u>Capital Projects – Building Construction Fund</u>	<u>Debt Service Fund</u>
Assets			
Cash and temporary investments	\$ 6,593,040	\$ –	\$ 3,331,784
Cash and investments held by trustee	237,366	–	–
Receivables			
Current taxes	2,729,332	–	2,736,685
Delinquent taxes	104,959	–	84,019
Accounts and interest	36,371	–	–
Due from other governmental units	3,348,557	–	310
Inventory	–	–	–
Prepaid items	11,571	–	–
	<u>11,571</u>	<u>–</u>	<u>–</u>
Total assets	<u>\$ 13,061,196</u>	<u>\$ –</u>	<u>\$ 6,152,798</u>
Liabilities			
Salaries payable	\$ 72,935	\$ –	\$ –
Accounts and contracts payable	735,913	–	–
Due to other governmental units	106,875	–	–
Unearned revenue	332,088	–	–
Total liabilities	<u>1,247,811</u>	<u>–</u>	<u>–</u>
Deferred inflows of resources			
Property taxes levied for subsequent year	4,697,495	–	5,401,011
Unavailable revenue – delinquent taxes	54,681	–	41,492
Total deferred inflows of resources	<u>4,752,176</u>	<u>–</u>	<u>5,442,503</u>
Fund balances			
Nonspendable	11,571	–	–
Restricted	1,387,230	–	710,295
Assigned	2,228,509	–	–
Unassigned	3,433,899	–	–
Total fund balances	<u>7,061,209</u>	<u>–</u>	<u>710,295</u>
	<u>\$ 13,061,196</u>	<u>\$ –</u>	<u>\$ 6,152,798</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,061,196</u>	<u>\$ –</u>	<u>\$ 6,152,798</u>

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds	
	2014	2013
\$ 884,649	\$ 10,809,473	\$ 11,435,250
–	237,366	237,366
145,368	5,611,385	5,581,513
4,889	193,867	262,588
2,923	39,294	60,477
4,687	3,353,554	2,956,860
18,046	18,046	23,231
2,843	14,414	9,418
<u>\$ 1,063,405</u>	<u>\$ 20,277,399</u>	<u>\$ 20,566,703</u>
\$ 32,978	\$ 105,913	\$ 56,686
61,719	797,632	1,351,622
56,298	163,173	240,103
58,557	390,645	290,560
<u>209,552</u>	<u>1,457,363</u>	<u>1,938,971</u>
286,893	10,385,399	7,859,529
2,493	98,666	175,291
<u>289,386</u>	<u>10,484,065</u>	<u>8,034,820</u>
20,889	32,460	32,649
547,199	2,644,724	4,209,968
–	2,228,509	2,675,784
(3,621)	3,430,278	3,674,511
<u>564,467</u>	<u>8,335,971</u>	<u>10,592,912</u>
<u>\$ 1,063,405</u>	<u>\$ 20,277,399</u>	<u>\$ 20,566,703</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	<u>2014</u>	<u>2013</u>
Total fund balances – governmental funds	\$ 8,335,971	\$ 10,592,912
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	87,614,233	88,563,031
Accumulated depreciation	(18,679,363)	(19,394,041)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance as other financing sources and uses.		
General obligation bonds	(60,030,000)	(63,230,000)
Net discount (premium)	25,929	231,816
Certificates of participation	(225,000)	(400,000)
Severance benefits	(305,014)	(114,193)
Compensated absences	(173,296)	(211,358)
Net other post-employment benefit obligations reported in the Statement of Net Position do not require the use of current financial resources and are not reported as assets (liabilities) in governmental funds until actually due.		
	2,467,206	2,399,015
Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.		
	(1,130,922)	(1,149,981)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		
	(138,097)	304,737
Certain revenues (including delinquent property taxes) are included in net position, but are excluded from fund balances until they are available to liquidate liabilities of the current period.		
	<u>98,666</u>	<u>175,291</u>
Total net position – governmental activities	<u>\$ 17,860,313</u>	<u>\$ 17,767,229</u>

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	<u>General Fund</u>	<u>Capital Projects – Building Construction Fund</u>	<u>Debt Service Fund</u>
Revenue			
Local sources			
Property taxes	\$ 3,631,539	\$ –	\$ 4,887,023
Investment earnings	9,926	259	2,090
Other	2,033,367	–	–
State sources	27,284,326	–	3,097
Federal sources	626,783	–	737,365
Total revenue	<u>33,585,941</u>	<u>259</u>	<u>5,629,575</u>
Expenditures			
Current			
Administration	1,579,423	–	–
District support services	1,237,512	–	–
Elementary and secondary regular instruction	17,194,673	–	–
Vocational education instruction	597,955	–	–
Special education instruction	5,572,283	–	–
Instructional support services	1,482,572	–	–
Pupil support services	2,492,164	–	–
Sites and buildings	4,057,652	–	–
Fiscal and other fixed cost programs	107,460	–	–
Food service	–	–	–
Community service	–	–	–
Capital outlay	–	1,386,242	–
Debt service			
Principal	175,000	–	3,200,000
Interest and fiscal charges	21,913	–	2,784,437
Total expenditures	<u>34,518,607</u>	<u>1,386,242</u>	<u>5,984,437</u>
Excess (deficiency) of revenue over expenditures	(932,666)	(1,385,983)	(354,862)
Other financing sources			
Sale of assets	<u>505,334</u>	<u>–</u>	<u>–</u>
Net change in fund balances	(427,332)	(1,385,983)	(354,862)
Fund balances			
Beginning of year	<u>7,488,541</u>	<u>1,385,983</u>	<u>1,065,157</u>
End of year	<u>\$ 7,061,209</u>	<u>\$ –</u>	<u>\$ 710,295</u>

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds	
	2014	2013
\$ 143,271	\$ 8,661,833	\$ 11,597,536
1,226	13,501	74,287
2,841,048	4,874,415	4,586,094
226,471	27,513,894	24,663,778
288,069	1,652,217	1,889,537
<u>3,500,085</u>	<u>42,715,860</u>	<u>42,811,232</u>
–	1,579,423	1,498,957
–	1,237,512	1,105,537
–	17,194,673	16,471,615
–	597,955	592,392
–	5,572,283	5,578,169
–	1,482,572	1,141,933
–	2,492,164	2,414,068
–	4,057,652	3,492,827
–	107,460	91,036
1,371,286	1,371,286	1,327,535
2,091,355	2,091,355	1,870,718
126,208	1,512,450	17,683,508
–	3,375,000	3,315,000
–	2,806,350	2,861,379
<u>3,588,849</u>	<u>45,478,135</u>	<u>59,444,674</u>
(88,764)	(2,762,275)	(16,633,442)
–	505,334	350
(88,764)	(2,256,941)	(16,633,092)
<u>653,231</u>	<u>10,592,912</u>	<u>27,226,004</u>
<u>\$ 564,467</u>	<u>\$ 8,335,971</u>	<u>\$ 10,592,912</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

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

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

	<u>2014</u>	<u>2013</u>
Total net change in fund balances – governmental funds	\$ (2,256,941)	\$ (16,633,092)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded in net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	1,687,035	18,125,725
Depreciation expense	(960,491)	(1,001,951)
A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balances.		
	(960,664)	(1,307)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds	3,200,000	3,140,000
Certificates of participation	175,000	175,000
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.		
	19,059	13,712
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.		
	(205,887)	(276,967)
Certain expenses are included in the change in net position but do not require the use of current funds, and are not included in the change in fund balances.		
Severance benefits payable	(190,821)	43,724
Compensated absences payable	38,062	2,309
Negative net other post-employment benefits obligation	68,191	(220,469)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the Internal Service Fund is included in the governmental activities in the Statement of Activities.		
	(442,834)	304,737
Certain revenues (including delinquent property taxes) are included in the change in net position, but are excluded from the change in fund balances until they are available to liquidate liabilities of the current period.		
	<u>(76,625)</u>	<u>(40,671)</u>
Change in net position – governmental activities	<u>\$ 93,084</u>	<u>\$ 3,630,750</u>

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Property taxes	\$ 5,750,538	\$ 3,685,315	\$ 3,631,539	\$ (53,776)
Investment earnings	2,000	2,000	9,926	7,926
Other	1,477,650	1,512,523	2,033,367	520,844
State sources	24,796,936	26,834,131	27,284,326	450,195
Federal sources	729,369	630,532	626,783	(3,749)
Total revenue	<u>32,756,493</u>	<u>32,664,501</u>	<u>33,585,941</u>	<u>921,440</u>
Expenditures				
Current				
Administration	1,563,823	1,599,043	1,579,423	(19,620)
District support services	1,190,892	1,573,054	1,237,512	(335,542)
Elementary and secondary regular instruction	17,473,146	17,153,831	17,194,673	40,842
Vocational education instruction	612,619	569,412	597,955	28,543
Special education instruction	5,305,276	5,457,860	5,572,283	114,423
Instructional support services	1,152,904	1,133,235	1,482,572	349,337
Pupil support services	2,485,039	2,446,490	2,492,164	45,674
Sites and buildings	3,640,322	3,609,582	4,057,652	448,070
Fiscal and other fixed cost programs	222,000	104,890	107,460	2,570
Debt service				
Principal	—	—	175,000	175,000
Interest	—	—	21,913	21,913
Total expenditures	<u>33,646,021</u>	<u>33,647,397</u>	<u>34,518,607</u>	<u>871,210</u>
Excess (deficiency) of revenue over expenditures	(889,528)	(982,896)	(932,666)	50,230
Other financing sources				
Sale of assets	—	500,000	505,334	5,334
Net change in fund balances	<u>\$ (889,528)</u>	<u>\$ (482,896)</u>	<u>(427,332)</u>	<u>\$ 55,564</u>
Fund balances				
Beginning of year			<u>7,488,541</u>	
End of year			<u>\$ 7,061,209</u>	

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 832

Statement of Net Position
 Proprietary Fund
 Internal Service Fund
 as of June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current assets		
Cash and temporary investments	\$ 900,888	\$ 889,540
Liabilities		
Current liabilities		
Accounts and contracts payable	279,790	237,137
Unearned revenue	759,195	347,666
Total current liabilities	<u>1,038,985</u>	<u>584,803</u>
Net position		
Unrestricted	<u>\$ (138,097)</u>	<u>\$ 304,737</u>

Statement of Revenue, Expenses, and Changes in Fund Net Position
 Proprietary Fund
 Internal Service Fund
 Year Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenue		
Charges for services	\$ 3,403,752	\$ 3,757,320
Operating expenses		
Claims and settlements	<u>3,846,586</u>	<u>3,452,583</u>
Operating income	(442,834)	304,737
Net position		
Beginning of year	<u>304,737</u>	<u>—</u>
End of year	<u>\$ (138,097)</u>	<u>\$ 304,737</u>

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 832

Statement of Cash Flows
 Proprietary Fund
 Internal Service Fund
 Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Received from assessments made to other funds	\$ 3,815,281	\$ 4,104,986
Payments for claims	<u>(3,803,933)</u>	<u>(3,215,446)</u>
Net cash provided by operating activities	11,348	889,540
Cash and temporary investments		
Beginning of year	<u>889,540</u>	<u>—</u>
End of year	<u>\$ 900,888</u>	<u>\$ 889,540</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ (442,834)	\$ 304,737
Adjustments to reconcile operating income to net cash provided by operating activities		
Changes in assets and liabilities		
Accounts and contracts payable	42,653	237,137
Unearned revenue	<u>411,529</u>	<u>347,666</u>
Net cash provided by operating activities	<u>\$ 11,348</u>	<u>\$ 889,540</u>

See notes to basic financial statements

Statement of Fiduciary Net Position
Fiduciary Funds
as of June 30, 2014

	<u>Post-Employment Benefits Trust Fund</u>
Assets	
Cash and temporary investments	\$ 1,177,205
Investments	
Local government obligations	992,234
MNTrust Investment Shares Portfolio	183,020
Accounts and interest receivable	17,448
Total assets	<u>2,369,907</u>
Liabilities	
Accounts and contracts payable	<u>103,313</u>
Net position	
Held in trust for other post-employment benefits	<u><u>\$ 2,266,594</u></u>

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

	<u>Post-Employment Benefits Trust Fund</u>
Additions	
Contributions	
Employer	\$ —
Investment earnings	30,928
Total additions	<u>30,928</u>
Deductions	
Benefits paid to plan members	<u>254,455</u>
Change in net position	(223,527)
Net position	
Beginning of year	<u>2,490,121</u>
End of year	<u><u>\$ 2,266,594</u></u>

See notes to basic financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Independent School District No. 832, Mahtomedi, Minnesota (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. The District is governed by a six-member School Board elected by voters of the District to serve four-year terms. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

The accompanying financial statements include all funds, departments, agencies, boards, commissions, and other organizations that comprise the District, along with any component units.

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

Extracurricular student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside of school hours. In accordance with Minnesota Statutes, the District's School Board can elect to either control or not control extracurricular student activities. The District's School Board has elected to control and be financially accountable with respect to the underlying extracurricular activities. Accordingly, the extracurricular student activity accounts are included in these financial statements.

C. Government-Wide Financial Statement Presentation

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. 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 internally directed revenues are reported instead as general revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are generally recognized as revenues in the fiscal year for which they are levied, except for amounts advance recognized in accordance with a statutory “tax shift” described later in these notes. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

The District applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available. For capital assets that can be specifically identified with or allocated to functional areas, depreciation expense is included as a direct expense in the functional areas that utilize the related capital assets. For capital assets that essentially serve all functional areas, depreciation expense is reported as “depreciation not allocated to other functions.” Interest on debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

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

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

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. Revenues are generally considered as available if collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to funding formulas established by Minnesota Statutes. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and use the accrual basis of accounting as described earlier in these notes.

Description of Funds

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

Major Governmental Funds

General Fund – The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

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

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and payment of general obligation debt principal, interest, and related costs. The regular debt service account is used for all general obligation debt service except for the financial activities of the other post-employment benefits (OPEB) Debt Service Account. The OPEB Debt Service Account is used to pay principal, interest, and related costs on the 2009A taxable OPEB bond issue.

Nonmajor Governmental Funds

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

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

Proprietary Funds

Internal Service Funds – The internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The District has one Internal Service Fund. The District's Internal Service Fund includes financing for self-insurance of the employee health insurance program.

Fiduciary Funds

Post-Employment Benefits Trust Fund – The Post-Employment Benefits Trust Fund is used to administer resources received and held by the District as the trustee for others. The Post-Employment Benefits Trust Fund includes assets held in an irrevocable trust to fund post-employment insurance benefits of eligible employees.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Information

The budget for each fund is prepared on the same basis of accounting as the financial statements. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end. Each June, the School Board adopts an annual budget for the following fiscal year for all governmental funds except the Capital Projects – Building Construction Fund. Budgetary controls for the Capital Project – Building Construction Fund are accomplished through the use of project controls. Actual expenditures exceeded budgeted amounts in the General Fund by \$871,210.

F. Cash and Temporary Investments

Cash and temporary investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Bond proceeds recorded in the Capital Projects – Building Construction Fund are not pooled, and earnings from these proceeds are allocated specifically to that fund.

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes. In the General Fund, an escrow account is established for cash and investments held for debt service related to the issuance of certificates of participation. Interest earned in this trust account is allocated directly to the General Fund. The cash, investments, and related interest receivable are reported as restricted assets in the government-wide financial statements.

In the Post-Employment Benefits Trust Fund, investments reported at fair value are deposited by the District in an irrevocable trust account, the use of which is restricted to paying other post-employment health insurance benefits as specified in the trust agreement. Interest earned on this trust account is allocated directly to that fund.

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

G. Receivables

When necessary, the District utilizes an allowance for uncollectible accounts to value its receivables. However, the District considers all of its current receivables to be collectible. The only receivables not expected to be fully collected within one year are property taxes receivable.

H. Inventories

Inventories are recorded using the consumption method of accounting and consist of purchased food, supplies, and surplus commodities received from the federal government. Purchased food and supplies are recorded at cost on a first-in, first-out basis. Surplus commodities are stated at standardized costs, as determined by the U.S. Department of Agriculture.

I. Prepaid Items

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Property Taxes

The majority of district revenue is determined annually by statutory funding formulas. The total revenue allowed by these formulas is allocated between property taxes and state aid by the Legislature based on education funding priorities.

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the “tax shift,” which periodically changes the District’s recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year’s levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes \$661,470 of the property tax levy collectible in 2014 as revenue to the District in fiscal year 2013–2014. The remaining portion of the taxes collectible in 2014 is recorded as a deferred inflow of resources (property taxes levied for the subsequent year).

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.

Taxes which remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is reported as deferred inflows of resources (unavailable revenue) in the fund-based financial statements because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes is considered necessary.

K. Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market value at the date of donation. The District defines capital assets as those with an initial, individual cost of \$5,000 or more, which benefit more than one fiscal year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since assets are generally sold for an immaterial amount or scrapped when declared as no longer fit or needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary, ranging from 20 to 50 years for land improvements and buildings and improvements, and 5 to 20 years for furniture and equipment. Capital assets that are not depreciated include land and construction in progress.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Long-Term Obligations

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

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

M. Compensated Absences Payable

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

N. Severance Benefits

The District provides lump sum severance benefits to eligible employees in accordance with provisions in certain collectively bargained contracts. Eligibility for these benefits is based on years of service and/or minimum age requirements. The severance benefit is calculated by converting a portion of unused accumulated sick leave. No individual can receive severance benefits in excess of one year's salary.

Severance benefits payable are recorded as a liability in the government-wide financial statements as they are earned and it becomes probable they will vest at some point in the future. Severance benefits payable are accrued in the governmental fund financial statements as the liability matures due to employee termination.

O. Risk Management and Self-Insurance

- 1. General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage in fiscal year 2014.
- 2. Self-Insurance** – The District has established an Internal Service Fund to account for and finance its self-insured risk of loss for employee health insurance plans. Under this plan, the District provides coverage to participating employees and their dependants for certain health costs as described in the plans.

The District makes premium payments that include both employer and employee contributions to the Internal Service Fund on behalf of program participants based on rates determined by insurance company estimates of monthly claims paid for each coverage class, plus the stop-loss health insurance premium costs and administrative service charges.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Changes in the Internal Service Fund’s claim liabilities for the current fiscal year were as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2013	\$ –	\$ 3,452,583	\$ (3,215,446)	\$ 237,137
2014	\$ 237,137	\$ 3,846,586	\$ (3,803,933)	\$ 279,790

P. Deferred Inflows of Resources

In addition to liabilities, statements of financial position or balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items which qualify for reporting in this category.

The first item, unavailable revenue from property taxes, arises under a modified accrual basis of accounting and is reported only in the governmental funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available.

The second item is property taxes levied for subsequent years, which represent property taxes received or reported as a receivable before the period for which the taxes are levied, and is reported as a deferred inflow of resources in both the government-wide Statement of Net Position and the governmental funds Balance Sheet. Property taxes levied for subsequent years are deferred and recognized as an inflow of resources in the government-wide financial statements in the year for which they are levied, and in the governmental fund financial statements during the year for which they are levied, if available.

Q. Use of Estimates

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Net Position

In the government-wide financial statements, net position represents the difference between assets and liabilities, and deferred inflow of resources (if any). Net position is displayed in three components:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation, reduced by any outstanding debt attributable to acquire capital assets.
- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- **Unrestricted Net Position** – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

S. Fund Balance Classifications

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

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.
- **Committed** – Consists of internally imposed constraints that are established by resolution of the School Board. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to School Board resolution, the Director of Business Services is authorized to establish assignments of fund balance.
- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the District’s policy to first use restricted resources, then use unrestricted resources as they are needed.

When committed, assigned, or unassigned resources are available for use, it is the District’s policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Statement of Cash Flows

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

U. Prior Period Comparative Financial Information/Reclassification

The basic financial statements include certain prior year partial comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2013, from which the summarized information was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

Cash and investments at year-end consist of the following:

Deposits	\$	3,524,518
Investments		10,771,668
Petty cash		<u>4,000</u>
Total	\$	<u>14,300,186</u>

Cash and investments are presented in the financial statements as follows:

Statement of Net Position		
Cash and temporary investments	\$	11,710,361
Restricted assets – temporarily restricted		
Cash and investments for debt service		237,366
Statement of Fiduciary Net Position		
Cash and temporary investments		1,177,205
Investments		
Local government obligations		992,234
MNTrust Investment Shares Portfolio		<u>183,020</u>
Total	\$	<u>14,300,186</u>

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits

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

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

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

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated “A” or better; revenue obligations rated “AA” or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

The District’s deposit policy does not further limit depository choices.

At year-end, the carrying amount of the District’s deposits was \$3,524,518 while the balance on the bank records was \$3,523,800. At June 30, 2014, all deposits were fully covered by federal depository insurance, surety bonds, or by collateral held by the District’s agent in the District’s name.

C. Investments

The District has the following investments at year-end:

Investment Type	Credit Risk		Interest Risk –			Carrying Value
	Credit Rating	Rating Agency	Maturity Duration in Years			
			Less Than 1	1 to 5	6 to 10	
Local government obligations	AAA	S&P	\$ –	\$ 93,785	\$ –	\$ 93,785
Local government obligations	AA	S&P	\$ 305,202	\$ 115,508	\$ 224,595	645,305
Local government obligations	A	S&P	\$ –	\$ 253,145	\$ –	253,145
Negotiable certificate of deposit	N/A	N/A	\$ 972,169	\$ 144,991	\$ –	1,117,160
Investment pools/mutual funds						
Minnesota School District Liquid Asset Fund						
Liquid portfolio	AAA	S&P	N/A	N/A	N/A	580,535
First American Treasury Fund Obligation	AAA	S&P	N/A	N/A	N/A	237,366
MNTrust Investment Shares Portfolio	AAA	S&P	N/A	N/A	N/A	7,844,372
Total						\$ 10,771,668

N/A – Not Applicable

The Minnesota School District Liquid Asset Fund (MSDLAF) and the MNTrust Investment Shares Portfolio (MNTrust) are regulated by Minnesota Statutes and are external investment pools not registered with the Securities Exchange Commission (SEC) that follow the same regulatory rules of the SEC under rule 2a7. The District’s investment in the MSDLAf and the MNTrust is measured at the net asset value per share provided by the pools, which is based on an amortized cost method that approximates fair value.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

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

OPEB Trust Fund – This fund represents 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, and commercial paper of the highest quality with a maturity no longer than 270 days and in the Minnesota State Board of Investments. Investments are stated at fair value.

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

Concentration Risk – This is the risk associated with investing a significant portion of the District's investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

The District's investment policy states that the District will diversify use of investment instruments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities. The maximum percent of the District's portfolio in any instrument is as follows:

U.S. treasury obligations (bills, notes, and bonds)	100%
U.S. government agency securities and instrumentalities of government-sponsored corporations	100%
Bankers' acceptances (Ba)	75%
Commercial paper – prime (C)	75%
Repurchase agreements (Repos)	50%
Certificates of deposit (CDs)	75%
Local government investment pool	100%

Also, no more than 50 percent of the total portfolio will be with any one instrument.

Interest Rate Risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The District's investment policy includes limits on investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

NOTE 3 – CAPITAL ASSETS

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

	Balance – Beginning of Year	Additions	Deletions	Balance – End of Year
Capital assets, not depreciated				
Land	\$ 1,571,466	\$ –	\$ (9,700)	\$ 1,561,766
Construction in progress	38,526,783	1,389,814	–	39,916,597
Total capital assets, not depreciated	<u>40,098,249</u>	<u>1,389,814</u>	<u>(9,700)</u>	<u>41,478,363</u>
Capital assets, depreciated				
Buildings	37,197,609	–	(1,913,009)	35,284,600
Land improvements	9,097,735	46,963	(514,186)	8,630,512
Furniture and equipment	<u>2,169,438</u>	<u>250,258</u>	<u>(198,938)</u>	<u>2,220,758</u>
Total capital assets, depreciated	48,464,782	297,221	(2,626,133)	46,135,870
Less accumulated depreciation for				
Buildings	(15,853,054)	(706,709)	1,043,482	(15,516,281)
Land improvements	(2,270,208)	(126,403)	448,901	(1,947,710)
Furniture and equipment	<u>(1,270,779)</u>	<u>(127,379)</u>	<u>182,786</u>	<u>(1,215,372)</u>
Total accumulated depreciation	<u>(19,394,041)</u>	<u>(960,491)</u>	<u>1,675,169</u>	<u>(18,679,363)</u>
Net capital assets, depreciated	<u>29,070,741</u>	<u>(663,270)</u>	<u>(950,964)</u>	<u>27,456,507</u>
Total capital assets, net	<u>\$ 69,168,990</u>	<u>\$ 726,544</u>	<u>\$ (960,664)</u>	<u>\$ 68,934,870</u>

NOTE 3 – CAPITAL ASSETS (CONTINUED)

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

Elementary and secondary regular instruction	\$ 26,306
Instructional support services	38,525
Pupil support services	5,760
Sites and buildings	116,829
Food service	21,895
Community education	835
Depreciation not allocated to other functions	<u>750,341</u>
Total depreciation expense	<u>\$ 960,491</u>

NOTE 4 – LONG-TERM LIABILITIES

A. General Obligation Bonds Payable

The District currently has the following general obligation bonds payable outstanding:

Issue	Issue Date	Interest Rate	Original Issue	Final Maturity	Principal Outstanding
General obligation bonds payable					
School Building Bonds, Series 1995	06/01/1995	5.6–6.0%	\$ 5,194,754	02/01/2017	\$ 4,425,000
Taxable OPEB Bonds, Series 2009A	05/05/2009	3.5–5.4%	\$ 3,265,000	02/01/2024	2,505,000
School Refunding Bonds, Series 2010A	05/01/2010	4.0–5.0%	\$ 8,720,000	02/01/2018	6,685,000
School Building Bonds, Series 2010B (Build America Bonds)	07/26/2010	4.3–5.8%	\$ 45,000,000	02/01/2031	45,000,000
School Refunding Bonds, Series 2012A	05/01/2012	0.3–1.4%	\$ 2,135,000	02/01/2019	<u>1,415,000</u>
Total general obligation bonds payable					<u>\$ 60,030,000</u>

B. Certificates of Participation Payable

Issue	Issue Date	Interest Rate	Original Issue	Final Maturity	Principal Outstanding
Certificates of participation payable					
1997A Certificates of Participation	01/01/1997	4.00–5.50%	\$ 2,390,000	02/01/2015	\$ 225,000

In January 1997, the District sold \$2,390,000 of certificates of participation under Minnesota Statute § 123B.51. Scheduled future ad valorem lease obligation tax levies will be made to finance the retirement of principal and interest payments on the certificates. These certificates of participation are being paid by the General Fund.

C. Description of Long-Term Liabilities

General Obligation School Building and Refunding Bonds – These bonds were issued to finance acquisition and/or construction of capital facilities or to refinance the retirement (refund) of prior bond issues. Assets of the Debt Service Fund, together with scheduled future ad valorem tax levies, are dedicated for the retirement of these bonds. The annual future debt service levies authorized are equal to 105 percent of the principal and interest due each year. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

General Obligation Taxable OPEB Bonds – These obligations were issued to finance OPEB. Assets of the OPEB Debt Service Account, together with scheduled deferred ad valorem tax revenue, are dedicated for the retirement of these obligations. The annual future debt service levies authorized are equal to 105 percent of the principal and interest due each year. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

Build America Bonds – The District’s 2010B General Obligation School Building Bonds were issued as Qualified School Construction Bonds – Direct Pay, for which the District will receive a federal tax credit equal to 35 percent of the interest payment on this debt issue.

D. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including severance benefits and compensated absences. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are paid primarily from the General Fund.

E. Minimum Debt Payments

Minimum annual principal and interest payments to maturity for general obligation bonds and certificates of participation are as follows:

Year Ending June 30,	General Obligation Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest
2015	\$ 3,245,000	\$ 2,725,360	\$ 225,000	\$ 12,375
2016	3,305,000	2,669,750	–	–
2017	3,225,000	2,622,613	–	–
2018	3,345,000	2,541,038	–	–
2019	3,185,000	2,376,403	–	–
2020–2024	15,900,000	9,814,338	–	–
2025–2029	19,155,000	5,570,935	–	–
2030–2031	8,670,000	746,005	–	–
	<u>\$ 60,030,000</u>	<u>\$ 29,066,442</u>	<u>\$ 225,000</u>	<u>\$ 12,375</u>

F. Changes in Long-Term Liabilities

	Balance – June 30, 2013	Additions	Retirements	Balance – June 30, 2014	Due Within One Year
General obligation bonds payable	\$ 63,230,000	\$ –	\$ 3,200,000	\$ 60,030,000	\$ 3,245,000
Net (discount) premium	(231,816)	–	(205,887)	(25,929)	–
Certificates of participation payable	400,000	–	175,000	225,000	225,000
Severance benefits payable	114,193	367,626	176,805	305,014	176,805
Compensated absences payable	211,358	253,223	291,285	173,296	173,296
	<u>\$ 63,723,735</u>	<u>\$ 620,849</u>	<u>\$ 3,637,203</u>	<u>\$ 60,707,381</u>	<u>\$ 3,820,101</u>

NOTE 5 – FUND BALANCES

The following is a breakdown of equity components of governmental funds which are defined earlier in the report. Any such restrictions which have an accumulated deficit rather than positive balance at June 30 are included in unassigned fund balance in the District’s financial statements in accordance with accounting principles generally accepted in the United States of America. However, a description of these deficit balance restrictions is included herein since the District has specific authority to future resources for such deficits.

A. Classifications

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds	Total
Nonspendable					
Inventory	\$ –	\$ –	\$ –	\$ 18,046	\$ 18,046
Prepaid items	11,571	–	–	2,843	14,414
Total nonspendable	<u>11,571</u>	<u>–</u>	<u>–</u>	<u>20,889</u>	<u>32,460</u>
Restricted					
Operating capital	1,328,356	–	–	–	1,328,356
Deferred maintenance	58,874	–	–	–	58,874
Community education programs	–	–	–	233,616	233,616
Early childhood family education programs	–	–	–	27,158	27,158
Food service	–	–	–	286,425	286,425
Debt service	–	–	710,295	–	710,295
Total restricted	<u>1,387,230</u>	<u>–</u>	<u>710,295</u>	<u>547,199</u>	<u>2,644,724</u>
Assigned					
Separation benefits	411,850	–	–	–	411,850
Student activities	164,342	–	–	–	164,342
Building carryover	442,269	–	–	–	442,269
Subsequent year budget	710,048	–	–	–	710,048
New school operations	500,000	–	–	–	500,000
Total assigned	<u>2,228,509</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,228,509</u>
Unassigned					
School readiness restricted account deficit	–	–	–	(3,621)	(3,621)
Health and safety restricted account deficit	(225,351)	–	–	–	(225,351)
Capital project levy restricted account deficit	(8,300)	–	–	–	(8,300)
Unassigned	3,667,550	–	–	–	3,667,550
Total unassigned	<u>3,433,899</u>	<u>–</u>	<u>–</u>	<u>(3,621)</u>	<u>3,430,278</u>
Total	<u><u>\$ 7,061,209</u></u>	<u><u>\$ –</u></u>	<u><u>\$ 710,295</u></u>	<u><u>\$ 564,467</u></u>	<u><u>\$ 8,335,971</u></u>

NOTE 5 – FUND BALANCES (CONTINUED)

B. Fund Balance Policy

The School Board has formally adopted a fund balance policy. This policy states that the School Board will strive to maintain a minimum unassigned General Fund balance (excluding restricted account deficits) of 8 percent of total General Fund expenditures. At June 30, 2014, the unassigned fund balance of the General Fund was 10.6 percent of the total General Fund expenditures.

If the fund balance falls below 8 percent, the School Board shall implement a procedure to stabilize the District's financial position. This shall involve:

1. No new programs will be added at the District level unless matched by a like revenue source;
2. Allocations such as textbooks, supplies, etc., shall be frozen; and
3. The District will review other measures which shall not immediately affect delivery of programs but could have a cost savings. An example might be areas where expenditures have historically been lower than budgeted levels.

If the fund balance is projected to decrease below 7 percent, the District shall take measures to either generate additional revenues or to reduce expenditures through budget cuts or a combination of both.

C. Deficit Fund Balance

At June 30, 2014, the District's Internal Service Fund had a deficit fund balance of \$138,097.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

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

Teachers' Retirement Association (TRA)

A. Plan Description

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

The TRA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by Minnesota Statute and vest after three years of service credit. The defined retirement benefits are based on a member's highest average salary for any five consecutive years of allowable service, age, and a formula multiplier based on years of credit at termination of service.

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

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

Tier I

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

With these provisions:

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

Tier II

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

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

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

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

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

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

B. Funding Policy

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

The District's contributions for the years ended June 30, 2014, 2013, and 2012 were \$1,123,136, \$1,022,972, and \$916,686, respectively, equal to the contractually required contributions for each year as set by state statutes.

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

Public Employees' Retirement Association (PERA)

A. Plan Description

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

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

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

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

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

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

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

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

B. Funding Policy

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

The District's contributions to the GERF for the years ended June 30, 2014, 2013, and 2012 were \$281,934, \$273,919, and \$277,576, respectively. The District's contributions were equal to the contractually required contributions for each year as set by state statutes.

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

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

A. Plan Description

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

Post-Employment Insurance Benefits – All retirees of the District have the option under state law to continue their medical insurance coverage through the District from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of certain employee groups, the District pays for all or part of the eligible retiree's premiums for medical and/or dental insurance from the time of retirement until the employee reaches the age of eligibility for Medicare. Benefits paid by the District differ by bargaining unit, with some contracts specifying a certain dollar amount per month, and some covering premium costs as defined within each collective bargaining agreement. Retirees not eligible for these district-paid premium benefits must pay the full district premium rate for their coverage.

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

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

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 one 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

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to pre-fund benefits as determined annually by the District. There are invested plan assets accumulated for payment of future benefits which are held in the Post-Employment Benefits Trust Fund.

C. Annual OPEB Cost and Net OPEB Obligation

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

ARC	\$ 169,094
Interest on net OPEB obligation	(71,970)
Adjustment to ARC	<u>(165,315)</u>
Annual OPEB cost (expense)	(68,191)
Contributions made	<u>–</u>
Increase in net OPEB obligation	(68,191)
Negative net OPEB obligation – beginning of year	<u>(2,399,015)</u>
Negative net OPEB obligation – end of year	<u>\$ (2,467,206)</u>

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

The District’s annual OPEB cost, the employer contribution, the percentage of annual OPEB cost contributed to the plan, and the negative net OPEB obligation for the current year are as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Negative Net OPEB Obligation (Asset)
2012	\$ 210,630	\$ 88,717	42.1 %	\$ (2,619,484)
2013	\$ 220,469	\$ –	– %	\$ (2,399,015)
2014	\$ (68,191)	\$ –	– %	\$ (2,467,206)

D. Funded Status and Funding Progress

As of July 1, 2012, the most recent actuarial valuation date, the plan was 95.6 percent funded. The actuarial accrued liability for benefits was \$2,987,759, and the actuarial value of assets was \$2,854,978, resulting in an unfunded actuarial accrued liability (UAAL) of \$132,781. The covered payroll (annual payroll of active employees covered by the plan) was \$18,008,351, and the ratio of the UAAL to the covered payroll was 0.7 percent.

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

E. Actuarial Methods and Assumptions

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

In the July 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included: a 3.0 percent investment rate of return (net of administrative expenses) based on the District’s own investments; a 3.0 percent rate of projected salary increases; an annual healthcare cost trend rate of 8.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent for medical insurance; and an annual healthcare trend rate of 4.0 percent for dental insurance. All rates include a 2.5 percent inflation assumption. The UAAL is being amortized on a level dollar basis over a closed period. The remaining amortization period at July 1, 2012 for the various amortization layers ranged from 26 to 30 years.

F. Post-Employment Benefits Trust Fund

The District administers a defined benefit OPEB Plan. The assets of the plan are reported in the District’s financial report in the Post-Employment Benefits Trust Fund. The plan assets may be used only for the payment of benefits of the plan, in accordance with the terms of the plan.

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

The Post-Employment Benefits Trust Fund is reported using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

G. Membership

Membership in the plan consisted of the following as of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	15
Active plan members	<u>330</u>
Total members	<u><u>345</u></u>

NOTE 8 – COMMITMENTS AND CONTINGENCIES

A. Federal and State Receivables

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

B. Legal Claims

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

NOTE 9 – GASB STANDARDS ISSUED BUT NOT YET IMPLEMENTED

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

NOTE 10 – SUBSEQUENT EVENT

In October 2014, the District issued General Obligation School Refunding Bonds 2014A totaling \$39,315,000 to refund three outstanding bond issues of the District. These bonds were issued with an average interest rate of 2.84 percent.

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 832

Other Post-Employment Benefits Plan
 Schedule of Funding Progress and Schedule of Employer Contributions
 June 30, 2014

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Payroll
July 1, 2008	\$ 3,162,316	\$ -	\$ 3,162,316	- %	\$ 16,347,056	19.3 %
July 1, 2010	\$ 2,994,460	\$ 2,905,712	\$ 88,748	97.0 %	\$ 16,983,592	0.5 %
July 1, 2012	\$ 2,987,759	\$ 2,854,978	\$ 132,781	95.6 %	\$ 18,008,351	0.7 %

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Employer Contributions	Percentage Contributed	Net OPEB Obligation
2009	\$ 348,926	\$ 3,459,283	991.4 %	\$ (3,110,357)
2010	\$ 162,427	\$ -	- %	\$ (2,901,103)
2011	\$ 161,340	\$ 63,744	28.5 %	\$ (2,741,397)
2012	\$ 148,541	\$ 88,717	59.7 %	\$ (2,619,484)
2013	\$ 157,604	\$ -	- %	\$ (2,399,015)
2014	\$ 169,094	\$ -	- %	\$ (2,467,206)

SUPPLEMENTAL INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	Special Revenue Funds		Total
	Food Service	Community Service	
Assets			
Cash and temporary investments	\$ 358,174	\$ 526,475	\$ 884,649
Receivables			
Current taxes	–	145,368	145,368
Delinquent taxes	–	4,889	4,889
Accounts and interest	–	2,923	2,923
Due from other governmental units	–	4,687	4,687
Inventory	18,046	–	18,046
Prepaid items	2,700	143	2,843
Total assets	\$ 378,920	\$ 684,485	\$ 1,063,405
Liabilities			
Salaries payable	\$ –	\$ 32,978	\$ 32,978
Accounts and contracts payable	15,591	46,128	61,719
Due to other governmental units	56,158	140	56,298
Unearned revenue	–	58,557	58,557
Total liabilities	71,749	137,803	209,552
Deferred inflows of resources			
Property taxes levied for subsequent year	–	286,893	286,893
Unavailable revenue – delinquent taxes	–	2,493	2,493
Total deferred inflows of resources	–	289,386	289,386
Fund balances			
Nonspendable for inventory	18,046	–	18,046
Nonspendable for prepaids	2,700	143	2,843
Restricted	286,425	260,774	547,199
Unassigned	–	(3,621)	(3,621)
Total fund balances	307,171	257,296	564,467
Total liabilities, deferred inflows of resources, and fund balances	\$ 378,920	\$ 684,485	\$ 1,063,405

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	Special Revenue Funds		Total
	Food Service	Community Service	
Revenue			
Local sources			
Property taxes	\$ -	\$ 143,271	\$ 143,271
Investment earnings	638	588	1,226
Other	1,038,170	1,802,878	2,841,048
State sources	45,282	181,189	226,471
Federal sources	288,069	-	288,069
Total revenue	<u>1,372,159</u>	<u>2,127,926</u>	<u>3,500,085</u>
Expenditures			
Current			
Food service	1,371,286	-	1,371,286
Community service	-	2,091,355	2,091,355
Capital outlay	111,473	14,735	126,208
Total expenditures	<u>1,482,759</u>	<u>2,106,090</u>	<u>3,588,849</u>
Net change in fund balances	(110,600)	21,836	(88,764)
Fund balances			
Beginning of year	<u>417,771</u>	<u>235,460</u>	<u>653,231</u>
End of year	<u>\$ 307,171</u>	<u>\$ 257,296</u>	<u>\$ 564,467</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	<u>2014</u>	<u>2013</u>
Assets		
Cash and temporary investments	\$ 6,593,040	\$ 4,970,454
Cash and investments held by trustee	237,366	237,366
Receivables		
Current taxes	2,729,332	2,922,423
Delinquent taxes	104,959	143,464
Accounts and interest	36,371	50,472
Due from other governmental units	3,348,557	2,940,141
Prepaid items	<u>11,571</u>	<u>6,272</u>
 Total assets	 <u>\$ 13,061,196</u>	 <u>\$ 11,270,592</u>
Liabilities		
Salaries payable	\$ 72,935	\$ 37,873
Accounts and contracts payable	735,913	370,181
Due to other governmental units	106,875	181,468
Unearned revenue	<u>332,088</u>	<u>241,868</u>
Total liabilities	1,247,811	831,390
Deferred inflows of resources		
Property taxes levied for subsequent year	4,697,495	2,853,644
Unavailable revenue – delinquent taxes	<u>54,681</u>	<u>97,017</u>
Total deferred inflows of resources	4,752,176	2,950,661
Fund balances (deficit)		
Nonspendable for prepaid items	11,571	6,272
Restricted for capital projects levy	–	97,300
Restricted for operating capital	1,328,356	1,031,057
Restricted for deferred maintenance	58,874	–
Assigned for separation benefits	411,850	411,850
Assigned for student activities	164,342	157,748
Assigned for building carryover	442,269	716,658
Assigned for subsequent year budget	710,048	889,528
Assigned for new school operations	500,000	500,000
Unassigned – deferred maintenance restricted account deficit	–	(43,932)
Unassigned – capital project levy restricted account deficit	(8,300)	–
Unassigned – health and safety restricted account deficit	(225,351)	(177,719)
Unassigned	<u>3,667,550</u>	<u>3,899,779</u>
Total fund balances	<u>7,061,209</u>	<u>7,488,541</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 13,061,196</u>	 <u>\$ 11,270,592</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	2014		Over (Under)	2013
	Budget	Actual	Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 3,685,315	\$ 3,631,539	\$ (53,776)	\$ 5,886,674
Investment earnings	2,000	9,926	7,926	4,505
Other	1,512,523	2,033,367	520,844	1,815,553
State sources	26,834,131	27,284,326	450,195	24,570,965
Federal sources	630,532	626,783	(3,749)	756,594
Total revenue	<u>32,664,501</u>	<u>33,585,941</u>	<u>921,440</u>	<u>33,034,291</u>
Expenditures				
Current				
Administration				
Salaries	1,135,525	1,131,890	(3,635)	1,079,411
Employee benefits	372,168	375,962	3,794	351,776
Purchased services	66,000	25,578	(40,422)	45,647
Supplies and materials	9,500	25,379	15,879	8,904
Capital expenditures	—	814	814	—
Other expenditures	15,850	19,800	3,950	13,219
Total administration	<u>1,599,043</u>	<u>1,579,423</u>	<u>(19,620)</u>	<u>1,498,957</u>
District support services				
Salaries	732,284	535,006	(197,278)	447,838
Employee benefits	298,299	118,140	(180,159)	113,402
Purchased services	388,535	411,449	22,914	387,427
Supplies and materials	13,000	4,955	(8,045)	486
Capital expenditures	5,436	3,658	(1,778)	2,449
Other expenditures	135,500	164,304	28,804	153,935
Total district support services	<u>1,573,054</u>	<u>1,237,512</u>	<u>(335,542)</u>	<u>1,105,537</u>
Elementary and secondary regular instruction				
Salaries	11,182,750	11,034,744	(148,006)	10,831,556
Employee benefits	3,875,198	3,898,742	23,544	3,613,808
Purchased services	667,577	698,614	31,037	648,458
Supplies and materials	552,369	580,409	28,040	488,931
Capital expenditures	39,564	67,750	28,186	74,154
Other expenditures	836,373	914,414	78,041	814,708
Total elementary and secondary regular instruction	<u>17,153,831</u>	<u>17,194,673</u>	<u>40,842</u>	<u>16,471,615</u>

(continued)

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	2014		Over (Under) Budget	2013
	Budget	Actual		Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	355,633	351,936	(3,697)	364,658
Employee benefits	111,744	113,311	1,567	123,689
Purchased services	86,600	112,366	25,766	90,349
Supplies and materials	14,300	14,872	572	13,451
Capital expenditures	500	5,125	4,625	—
Other expenditures	635	345	(290)	245
Total vocational education instruction	569,412	597,955	28,543	592,392
Special education instruction				
Salaries	3,621,701	3,646,964	25,263	3,740,284
Employee benefits	1,298,720	1,308,459	9,739	1,275,109
Purchased services	313,006	387,166	74,160	347,678
Supplies and materials	57,945	62,601	4,656	63,868
Capital expenditures	54,438	52,308	(2,130)	44,762
Other expenditures	112,050	114,785	2,735	106,468
Total special education instruction	5,457,860	5,572,283	114,423	5,578,169
Instructional support services				
Salaries	710,139	994,521	284,382	747,809
Employee benefits	282,603	383,009	100,406	261,117
Purchased services	71,636	48,949	(22,687)	65,455
Supplies and materials	62,029	48,735	(13,294)	66,960
Capital expenditures	1,500	3,351	1,851	—
Other expenditures	5,328	4,007	(1,321)	592
Total instructional support services	1,133,235	1,482,572	349,337	1,141,933
Pupil support services				
Salaries	652,193	678,158	25,965	661,413
Employee benefits	220,337	217,558	(2,779)	218,786
Purchased services	1,491,606	1,511,017	19,411	1,468,838
Supplies and materials	75,330	78,500	3,170	54,076
Capital expenditures	3,000	2,887	(113)	2,459
Other expenditures	4,024	4,044	20	8,496
Total pupil support services	2,446,490	2,492,164	45,674	2,414,068

(continued)

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	2014		2013
	Budget	Actual	Over (Under) Budget
Expenditures (continued)			
Current (continued)			
Sites and buildings			
Salaries	900,486	849,520	(50,966)
Employee benefits	322,407	293,014	(29,393)
Purchased services	966,770	1,103,491	136,721
Supplies and materials	329,450	311,866	(17,584)
Capital expenditures	1,089,369	802,481	(286,888)
Other expenditures	1,100	697,280	696,180
Total sites and buildings	<u>3,609,582</u>	<u>4,057,652</u>	<u>448,070</u>
Fiscal and other fixed cost programs			
Purchased services	104,890	107,460	2,570
Debt service			
Principal	—	175,000	175,000
Interest	—	21,913	21,913
Total debt service	<u>—</u>	<u>196,913</u>	<u>196,913</u>
Total expenditures	<u>33,647,397</u>	<u>34,518,607</u>	<u>871,210</u>
Excess (deficiency) of revenue over expenditures	(982,896)	(932,666)	50,230
Other financing sources			
Sale of assets	<u>500,000</u>	<u>505,334</u>	<u>5,334</u>
Net change in fund balances	<u>\$ (482,896)</u>	<u>(427,332)</u>	<u>\$ 55,564</u>
Fund balances			
Beginning of year		<u>7,488,541</u>	<u>7,046,797</u>
End of year		<u>\$ 7,061,209</u>	<u>\$ 7,488,541</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	<u>2014</u>	<u>2013</u>
Assets		
Cash and temporary investments	\$ 358,174	\$ 454,797
Receivables		
Due from other governmental units	-	7,684
Inventory	18,046	23,231
Prepaid items	<u>2,700</u>	<u>2,700</u>
Total assets	<u>\$ 378,920</u>	<u>\$ 488,412</u>
Liabilities		
Accounts and contracts payable	\$ 15,591	\$ 18,450
Due to other governmental units	<u>56,158</u>	<u>52,191</u>
Total liabilities	71,749	70,641
Fund balances		
Nonspendable for inventory	18,046	23,231
Nonspendable for prepaid items	2,700	2,700
Restricted for food service	<u>286,425</u>	<u>391,840</u>
Total fund balances	<u>307,171</u>	<u>417,771</u>
Total liabilities and fund balances	<u>\$ 378,920</u>	<u>\$ 488,412</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	2014		Over (Under) Budget	2013
	Budget	Actual		Actual
Revenue				
Local sources				
Investment earnings	\$ 350	\$ 638	\$ 288	\$ 585
Other – primarily meal sales	1,052,247	1,038,170	(14,077)	1,082,054
State sources	44,737	45,282	545	44,053
Federal sources	278,422	288,069	9,647	331,894
Total revenue	<u>1,375,756</u>	<u>1,372,159</u>	<u>(3,597)</u>	<u>1,458,586</u>
Expenditures				
Current				
Salaries	117,000	117,340	340	108,181
Employee benefits	5,960	4,819	(1,141)	3,454
Purchased services	584,710	565,957	(18,753)	549,799
Supplies and materials	698,000	681,685	(16,315)	664,581
Other expenditures	–	1,485	1,485	1,520
Capital outlay	124,274	111,473	(12,801)	289,463
Total expenditures	<u>1,529,944</u>	<u>1,482,759</u>	<u>(47,185)</u>	<u>1,616,998</u>
Net change in fund balances	<u>\$ (154,188)</u>	(110,600)	<u>\$ 43,588</u>	(158,412)
Fund balances				
Beginning of year		<u>417,771</u>		<u>576,183</u>
End of year		<u>\$ 307,171</u>		<u>\$ 417,771</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	<u>2014</u>	<u>2013</u>
Assets		
Cash and temporary investments	\$ 526,475	\$ 316,783
Receivables		
Current taxes	145,368	142,902
Delinquent taxes	4,889	6,352
Accounts and interest	2,923	10,005
Due from other governmental units	4,687	8,561
Prepaid items	<u>143</u>	<u>446</u>
Total assets	<u><u>\$ 684,485</u></u>	<u><u>\$ 485,049</u></u>
Liabilities		
Salaries payable	\$ 32,978	\$ 18,813
Accounts and contracts payable	46,128	29,359
Due to other governmental units	140	6,444
Unearned revenue	<u>58,557</u>	<u>48,692</u>
Total liabilities	137,803	103,308
Deferred inflows of resources		
Property taxes levied for subsequent year	286,893	141,985
Unavailable revenue – delinquent taxes	<u>2,493</u>	<u>4,296</u>
Total deferred inflows of resources	289,386	146,281
Fund balances (deficit)		
Nonspendable for prepaid items	143	446
Restricted for community education programs	233,616	222,834
Restricted for early childhood family education programs	27,158	15,797
Unassigned – school readiness restricted account deficit	<u>(3,621)</u>	<u>(3,617)</u>
Total fund balances	<u><u>257,296</u></u>	<u><u>235,460</u></u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u><u>\$ 684,485</u></u>	 <u><u>\$ 485,049</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	2014		Over (Under) Budget	2013
	Budget	Actual		Actual
Revenue				
Local sources				
Property taxes	\$ 141,610	\$ 143,271	\$ 1,661	\$ 270,687
Investment earnings	—	588	588	271
Other – primarily tuition and fees	1,910,374	1,802,878	(107,496)	1,619,357
State sources	53,102	181,189	128,087	45,270
Total revenue	<u>2,105,086</u>	<u>2,127,926</u>	<u>22,840</u>	<u>1,935,585</u>
Expenditures				
Current				
Salaries	1,201,718	1,184,652	(17,066)	933,913
Employee benefits	404,748	391,110	(13,638)	327,197
Purchased services	443,072	433,038	(10,034)	537,313
Supplies and materials	63,862	57,752	(6,110)	63,768
Other expenditures	2,693	24,803	22,110	8,527
Capital outlay	13,322	14,735	1,413	28,324
Total expenditures	<u>2,129,415</u>	<u>2,106,090</u>	<u>(23,325)</u>	<u>1,899,042</u>
Net change in fund balances	<u>\$ (24,329)</u>	21,836	<u>\$ 46,165</u>	36,543
Fund balances				
Beginning of year		<u>235,460</u>		<u>198,917</u>
End of year		<u>\$ 257,296</u>		<u>\$ 235,460</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

Capital Projects – Building Construction Fund
 Comparative Balance Sheet
 as of June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and temporary investments	\$ —	\$ 2,317,315
Liabilities		
Accounts and contracts payable	\$ —	\$ 931,332
Fund balances		
Restricted for building construction	<u> —</u>	<u> 1,385,983</u>
Total liabilities and fund balances	<u>\$ —</u>	<u>\$ 2,317,315</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

Capital Projects – Building Construction Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended June 30, 2014
 (With Comparative Actual Amounts for the Year Ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
Revenue		
Local sources		
Investment earnings	\$ 259	\$ 66,695
Other	–	69,130
Total revenue	<u>259</u>	<u>135,825</u>
Expenditures		
Capital outlay		
Purchased services	131,774	592,531
Capital expenditures	<u>1,254,468</u>	<u>16,773,190</u>
Total expenditures	<u>1,386,242</u>	<u>17,365,721</u>
Net change in fund balances	(1,385,983)	(17,229,896)
Fund balances		
Beginning of year	<u>1,385,983</u>	<u>18,615,879</u>
End of year	<u>\$ –</u>	<u>\$ 1,385,983</u>

INDEPENDENT SCHOOL DISTRICT NO. 832

Debt Service Fund
Balance Sheet by Account
as of June 30, 2014

(With Comparative Totals as of June 30, 2013)

	Regular	OPEB	Totals	
	Debt Service Account	Debt Service Account	2014	2013
Assets				
Cash and temporary investments	\$ 3,118,340	\$ 213,444	\$ 3,331,784	\$ 3,375,901
Receivables				
Current taxes	2,577,450	159,235	2,736,685	2,516,188
Delinquent taxes	78,435	5,584	84,019	112,772
Due from other governmental units	288	22	310	474
Total assets	\$ 5,774,513	\$ 378,285	\$ 6,152,798	\$ 6,005,335
Liabilities				
Accounts and contracts payable	\$ —	\$ —	\$ —	\$ 2,300
Deferred inflows of resources				
Property taxes levied for subsequent year	5,086,752	314,259	5,401,011	4,863,900
Unavailable revenue – delinquent taxes	38,922	2,570	41,492	73,978
Total deferred inflows of resources	5,125,674	316,829	5,442,503	4,937,878
Fund balances				
Restricted for debt service	648,839	61,456	710,295	1,065,157
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,774,513	\$ 378,285	\$ 6,152,798	\$ 6,005,335

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	Budget	2014 Actual	
		Regular Debt Service Account	OPEB Debt Service Account
Revenue			
Local sources			
Property taxes	\$ 4,863,652	\$ 4,538,412	\$ 348,611
Investment earnings	5,000	2,090	—
State sources	—	2,875	222
Federal sources	801,049	737,365	—
Total revenue	<u>5,669,701</u>	<u>5,280,742</u>	<u>348,833</u>
Expenditures			
Debt service			
Principal	2,152,540	3,000,000	200,000
Interest	3,823,618	2,645,700	130,458
Fiscal charges and other	15,450	8,279	—
Total expenditures	<u>5,991,608</u>	<u>5,653,979</u>	<u>330,458</u>
Net change in fund balances	<u>\$ (321,907)</u>	(373,237)	18,375
Fund balances			
Beginning of year		<u>1,022,076</u>	<u>43,081</u>
End of year		<u>\$ 648,839</u>	<u>\$ 61,456</u>

		2013	
Total	Over (Under) Budget	Actual	
\$ 4,887,023	\$ 23,371	\$ 5,440,175	
2,090	(2,910)	2,231	
3,097	3,097	3,490	
<u>737,365</u>	<u>(63,684)</u>	<u>801,049</u>	
5,629,575	(40,126)	6,246,945	
3,200,000	1,047,460	3,140,000	
2,776,158	(1,047,460)	2,819,319	
8,279	(7,171)	10,697	
<u>5,984,437</u>	<u>(7,171)</u>	<u>5,970,016</u>	
(354,862)	<u>\$ (32,955)</u>	276,929	
<u>1,065,157</u>		<u>788,228</u>	
<u>\$ 710,295</u>		<u>\$ 1,065,157</u>	

SINGLE AUDIT AND OTHER REQUIRED REPORTS

INDEPENDENT SCHOOL DISTRICT NO. 832

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

Federal Grantor Pass/Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures
U.S. Department of Education		
Passed through Minnesota Department of Education		
Special education cluster		
Special Education – Grants to States	84.027	\$ 479,837
Special Education – Preschool Grants	84.173	<u>13,165</u>
Total special education cluster		493,002
Improving Teacher Quality State Grants	84.367	43,518
Title I – Grants to Local Educational Agencies	84.010	78,855
Special Education – Grants for Infants and Families	84.181	3,781
Passed through Intermediate School District No. 916		
Career and Technical Education – Basic Grants to States	84.048	7,574
U.S. Department of Agriculture		
Passed through Minnesota Department of Education		
Child nutrition cluster		
School Breakfast Program	10.553	9,257
National School Lunch Program	10.555	277,351
Special Milk Program for Children	10.556	<u>1,461</u>
Total child nutrition cluster		<u>288,069</u>
Total federal awards		<u>\$ 914,799</u>

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

Note 2: Non-monetary assistance of \$46,698 is reported in this schedule, representing the value of commodities received and disbursed for the U.S. Department of Agriculture National School Lunch Program (CFDA No. 10.555).

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

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

Program Title	Federal CFDA No.	Amount Provided
Title I – Grants to Local Education Agencies	84.010	\$ 1,505
Improving Teacher Quality State Grants	84.367	\$ 482

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 832, Mahtomedi, Minnesota (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated INSERT DATE.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

(continued)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 that we consider to be a significant deficiency.

COMPLIANCE AND OTHER MATTERS

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

DISTRICT'S RESPONSES TO FINDINGS

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

PURPOSE OF THIS REPORT

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

Minneapolis, Minnesota
INSERT DATE

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

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

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited Independent School District No. 832, Mahtomedi, Minnesota's (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

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

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

(continued)

OPINION ON EACH MAJOR FEDERAL PROGRAM

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

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

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

Minneapolis, Minnesota
INSERT DATE

INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 832, Mahtomedi, Minnesota (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated INSERT DATE.

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

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

The District's response to the legal compliance finding identified in our audit has been included in the Schedule of Findings and Questioned Costs. The District's response was not subject to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on it.

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

Minneapolis, Minnesota
INSERT DATE

INDEPENDENT SCHOOL DISTRICT NO. 832

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

A. SUMMARY OF AUDIT RESULTS

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

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiencies identified? X Yes No

Noncompliance material to the financial statements noted? Yes X None reported

Federal Awards

Internal controls over major federal award programs:

Material weakness(es) identified? Yes X No

Significant deficiencies identified? Yes X No

Type of auditor's report issued on compliance for major programs? X Unmodified
 Qualified
 Adverse
 Disclaimer

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

Programs tested as major programs:

Program or Cluster	CFDA No.
The U.S. Department of Agriculture child nutrition cluster consisting of:	
– School Breakfast Program	10.553
– National School Lunch Program	10.555
– Special Milk Program for Children	10.556

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

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

INDEPENDENT SCHOOL DISTRICT NO. 832

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

B. FINDINGS – FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCIES

2014-001 Segregation of Duties

Criteria – Internal control over financial reporting.

Condition – Independent School District No. 832, Mahtomedi, Minnesota (the District) has limited segregation of duties in several areas, including the processing of general disbursements and payroll transactions.

Questioned Costs – Not applicable.

Context – This is a current year and prior year finding.

Cause – The limited segregation of duties is primarily caused by the limited size of the District's business office staff.

Effect – One important element of internal accounting controls is an adequate segregation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction. A lack of segregation of duties subjects the District to a higher risk that errors or fraud could occur and not be detected in a timely manner in the normal course of business.

Recommendation – We recommend that the District continue its efforts to segregate duties as best it can within the limits of what the District considers to be cost beneficial.

Corrective Action Plan

Actions Planned – The District intends to review the transaction cycles identified above and work with the District's financial auditors to review specific weaknesses identified during the annual audit and actions needed to eliminate or mitigate this internal control weakness. Upon completion of this review, the District will weigh the related costs and benefits associated with implementation changes needed to eliminate this condition.

Official Responsible – The Director of Business Services.

Planned Completion Date – June 30, 2015.

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

Plan to Monitor – The Director of Business Services will make the entire business office aware of its objective to address this condition and supervise the progress of planned actions during the year.

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

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

None.

D. FINDINGS – MINNESOTA LEGAL COMPLIANCE AUDIT

2014-002 Claims and Disbursements

Criteria – Minnesota Statute § 471.425, Subd. 2.

Condition – Minnesota Statutes require districts to pay each vendor obligation according to the terms of each contract or within 35 days after the receipt of the goods or services or the invoice for the goods or services. If such obligations are not paid within the appropriate time period, the District must pay interest on the unpaid obligations at the rate of 1.5 percent per month or part of a month. For six disbursements selected for testing, the District did not pay the obligation within the required time period, and did not pay interest on the unpaid obligation.

Questioned Costs – Not applicable.

Context – Six of twenty-five disbursements tested were not in compliance. This is a current year finding.

Cause – This was an oversight by district personnel.

Effect – Certain payments made to vendors were not paid within the timeframe as required by state statute, and the vendors were not paid interest to which they were entitled.

Recommendation – We recommend that the District review claims and disbursement payment procedures in place to ensure future compliance with this statute.

Corrective Action Plan

Actions Planned – The District will review the payment procedures and will properly pay all invoices within the 35-day time limit.

Official Responsible – The Director of Business Services.

Planned Completion Date – June 30, 2015.

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

Plan to Monitor – The Director of Business Services will make the entire business office aware of its objective to address this condition and supervise the progress of planned actions during the year.

INDEPENDENT SCHOOL DISTRICT NO. 832

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

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

None.

INDEPENDENT SCHOOL DISTRICT NO. 832

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

		Audit	UFARS	Audit – UFARS
General Fund				
Total revenue		\$ 33,585,941	\$ 33,585,938	\$ 3
Total expenditures		\$ 34,518,607	\$ 34,518,603	\$ 4
Nonspendable				
460	Nonspendable fund balance	\$ 11,571	\$ 11,571	\$ -
Restricted/reserve				
403	Staff development	\$ -	\$ -	\$ -
405	Deferred maintenance	\$ 58,874	\$ 58,874	\$ -
406	Health and safety	\$ (225,351)	\$ (225,351)	\$ -
407	Capital projects levy	\$ (8,300)	\$ (8,300)	\$ -
408	Cooperative revenue	\$ -	\$ -	\$ -
411	Severance pay	\$ -	\$ -	\$ -
413	Projects funded by COP	\$ -	\$ -	\$ -
414	Operating debt	\$ -	\$ -	\$ -
416	Levy reduction	\$ -	\$ -	\$ -
417	Taconite building maintenance	\$ -	\$ -	\$ -
423	Certain teacher programs	\$ -	\$ -	\$ -
424	Operating capital	\$ 1,328,356	\$ 1,328,356	\$ -
426	\$25 taconite	\$ -	\$ -	\$ -
427	Disabled accessibility	\$ -	\$ -	\$ -
428	Learning and development	\$ -	\$ -	\$ -
434	Area learning center	\$ -	\$ -	\$ -
435	Contracted alternative programs	\$ -	\$ -	\$ -
436	State approved alternative program	\$ -	\$ -	\$ -
438	Gifted and talented	\$ -	\$ -	\$ -
441	Basic skills programs	\$ -	\$ -	\$ -
445	Career and technical programs	\$ -	\$ -	\$ -
446	First grade preparedness	\$ -	\$ -	\$ -
449	Safe schools levy	\$ -	\$ -	\$ -
450	Pre-kindergarten	\$ -	\$ -	\$ -
451	QZAB payments	\$ -	\$ -	\$ -
452	OPEB liability not in trust	\$ -	\$ -	\$ -
453	Unfunded severance and retirement levy	\$ -	\$ -	\$ -
Restricted				
464	Restricted fund balance	\$ -	\$ -	\$ -
Committed				
418	Committed for separation	\$ -	\$ -	\$ -
461	Committed fund balance	\$ -	\$ -	\$ -
Assigned				
462	Assigned fund balance	\$ 2,228,509	\$ 2,228,509	\$ -
Unassigned				
422	Unassigned fund balance	\$ 3,667,550	\$ 3,667,550	\$ -
Food Service				
Total revenue		\$ 1,372,159	\$ 1,372,159	\$ -
Total expenditures		\$ 1,482,759	\$ 1,482,759	\$ -
Nonspendable				
460	Nonspendable fund balance	\$ 20,746	\$ 20,746	\$ -
Restricted				
452	OPEB liability not in trust	\$ -	\$ -	\$ -
464	Restricted fund balance	\$ 286,425	\$ 286,425	\$ -
Unassigned				
463	Unassigned fund balance	\$ -	\$ -	\$ -
Community Service				
Total revenue		\$ 2,127,926	\$ 2,127,924	\$ 2
Total expenditures		\$ 2,106,090	\$ 2,106,089	\$ 1
Nonspendable				
460	Nonspendable fund balance	\$ 143	\$ 143	\$ -
Restricted/reserve				
426	\$25 taconite	\$ -	\$ -	\$ -
431	Community education	\$ 233,616	\$ 233,616	\$ -
432	ECFE	\$ 27,158	\$ 27,158	\$ -
444	School readiness	\$ (3,621)	\$ (3,621)	\$ -
447	Adult basic education	\$ -	\$ -	\$ -
452	OPEB liability not in trust	\$ -	\$ -	\$ -
Restricted				
464	Restricted fund balance	\$ -	\$ -	\$ -
Unassigned				
463	Unassigned fund balance	\$ -	\$ -	\$ -

INDEPENDENT SCHOOL DISTRICT NO. 832

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

	Audit	UFARS	Audit – UFARS
Building Construction			
Total revenue	\$ 259	\$ 259	\$ –
Total expenditures	\$ 1,386,242	\$ 1,386,242	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted/reserve			
407 Capital projects levy	\$ –	\$ –	\$ –
409 Alternative facility program	\$ –	\$ –	\$ –
413 Project funded by COP	\$ –	\$ –	\$ –
Restricted			
464 Restricted fund balance	\$ –	\$ –	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
Debt Service			
Total revenue	\$ 5,280,742	\$ 5,280,741	\$ 1
Total expenditures	\$ 5,653,979	\$ 5,653,979	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted/reserve			
425 Bond refundings	\$ –	\$ –	\$ –
451 QZAB payments	\$ –	\$ –	\$ –
Restricted			
464 Restricted fund balance	\$ 648,839	\$ 648,839	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
Trust			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
Internal Service			
Total revenue	\$ 3,403,752	\$ 3,403,752	\$ –
Total expenditures	\$ 3,846,586	\$ 3,846,586	\$ –
422 Net position	\$ (138,097)	\$ (138,097)	\$ –
OPEB Revocable Trust Fund			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
OPEB Irrevocable Trust Fund			
Total revenue	\$ 30,928	\$ 30,928	\$ –
Total expenditures	\$ 254,455	\$ 254,455	\$ –
422 Net position	\$ 2,266,594	\$ 2,266,594	\$ –
OPEB Debt Service Fund			
Total revenue	\$ 348,833	\$ 348,832	\$ 1
Total expenditures	\$ 330,458	\$ 330,458	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 61,456	\$ 61,456	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –

Note: Statutory restricted deficits, if any, are reported in unassigned fund balances in the financial statements in accordance with accounting principles generally accepted in the United States of America.

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

Regular Meeting - Board of Education

Date: November 13, 2014

Agenda Item #10. B. & C.

TOPIC: Approval of Resolutions Canvassing Returns of General School Board Election, Special School Board Election to Fill Vacancy, and Special Operating Levy Election

BACKGROUND: The general election to elect three school board members is held every two years. Also, this year there was a special election to fill the seat vacated by Steve Wolgamot. In August, 2014, the school board approved a resolution regarding the existing referendum levy authority of \$150.74 per pupil which is expiring after taxes payable in 2014 and has proposed to increase its general education revenue by \$593 per pupil over its existing referendum levy authority for a total proposed referendum revenue authorization of \$743.74 per pupil and calling a special election.

PURPOSE OF PRESENTATION: The purpose of this presentation is to present the results and canvass the returns of the general and special elections held on November 4, 2014.

ACTION RECOMMENDED: Approval.

Submitted By:



Name

Superintendent of Schools

Title

Concurrence By:



Dr. Mark Larson

Superintendent of Schools

Abstract of Votes Cast
Independent School District No. 832 (MAHTOMEDI)
State of Minnesota
at the 2014 State General Election
Held Tuesday, November 4, 2014

Compiled from the Official Returns.

Summary of Totals
Independent School District No. 832 (MAHTOMEDI)
Tuesday, November 4, 2014 2014 State General Election

Number of persons registered as of 7 a.m.	16490
Number of persons registered on Election Day	717
Number of accepted regular, military, and overseas absentee ballots and mail ballots	1280
Number of federal office only absentee ballots	0
Number of presidential absentee ballots	0
Total number of persons voting	11949

Summary of Totals
Independent School District No. 832 (MAHTOMEDI)
Tuesday, November 4, 2014 2014 State General Election

KEY TO PARTY ABBREVIATIONS

NP - Nonpartisan

School Board Member at Large (ISD #832) (Elect 3)

NP JULIE MCGRAW 4079	NP KEVIN P. DONOVAN 4012	NP MIKE CHEVALIER 3438	WI WRITE-IN** 136
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Special Election for School Board Member at Large (ISD #832)

NP LUCY L. PAYNE 2914	NP JULIO FESSER 2467	WI WRITE-IN** 29
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SCHOOL DISTRICT QUESTION 1 (ISD #832)

NP YES 3754	NP NO 3466
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Detail of Election Results
 Independent School District No. 832 (MAHTOMEDI)
 Tuesday, November 4, 2014 2014 State General Election

Precinct	Persons Registered as of 7 A.M.	Persons Registered on Election Day	Total Number of Persons Voting
82 0095 : DELLWOOD	811	38	605
82 0130 : GRANT	3077	98	2373
82 0165 : HUGO W-3 P-3B	793	23	582
82 0175 : LAKE ELMO P-2	3082	105	2206
82 0200 : MAHTOMEDI P-1	2491	137	1902
82 0205 : MAHTOMEDI P-2	3053	134	2326
82 0245 : OAKDALE P-5	2344	122	1341
82 0275 : PINE SPRINGS	299	11	226
82 0365 : WHITE BEAR LAKE W-4 P-2	252	24	184
82 0370 : WILLERNIE	288	25	204
Independent School District No. 832 (MAHTOMEDI) Total:	16490	717	11949

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Detail of Election Results
 Independent School District No. 832 (MAHTOMEDI)
 Tuesday, November 4, 2014 2014 State General Election

Office Title: School Board Member at Large (ISD #832) (Elect 3)

Precinct	NP JULIE MCGRAW	NP KEVIN P. DONOVAN	NP MIKE CHEVALIER	WI WRITE-IN**
82 0095 : DELLWOOD	362	371	331	7
82 0130 : GRANT	697	721	610	16
82 0165 : HUGO W-3 P-3B	171	182	148	3
82 0175 : LAKE ELMO P-2	106	102	97	0
82 0200 : MAHTOMEDI P-1	1073	1046	882	42
82 0205 : MAHTOMEDI P-2	1312	1262	1074	53
82 0245 : OAKDALE P-5	20	14	15	0
82 0275 : PINE SPRINGS	138	130	121	3
82 0365 : WHITE BEAR LAKE W-4 P-2	96	98	89	3
82 0370 : WILLERNIE	104	86	71	9
Total:	4079	4012	3438	136

Office Title: Special Election for School Board Member at Large (ISD #832)

Precinct	NP LUCY L. PAYNE	NP JULIO FESSER	WI WRITE-IN**
82 0095 : DELLWOOD	229	191	3
82 0130 : GRANT	524	429	5
82 0165 : HUGO W-3 P-3B	115	113	2
82 0175 : LAKE ELMO P-2	71	65	0
82 0200 : MAHTOMEDI P-1	763	666	8
82 0205 : MAHTOMEDI P-2	979	787	8
82 0245 : OAKDALE P-5	24	2	0
82 0275 : PINE SPRINGS	73	89	0
82 0365 : WHITE BEAR LAKE W-4 P-2	56	76	2

Detail of Election Results
 Independent School District No. 832 (MAHTOMEDI)
 Tuesday, November 4, 2014 2014 State General Election

Office Title: Special Election for School Board Member at Large (ISD #832)

Precinct	NP LUCY L. PAYNE	NP JULIO FESSER	WI WRITE-IN**
82 0370 : WILLERNIE	80	49	1
Total:	2914	2467	29

Office Title: SCHOOL DISTRICT QUESTION 1 (ISD #832)

Precinct	NP YES	NP NO
82 0095 : DELLWOOD	305	279
82 0130 : GRANT	587	767
82 0165 : HUGO W-3 P-3B	160	180
82 0175 : LAKE ELMO P-2	96	95
82 0200 : MAHTOMEDI P-1	1055	808
82 0205 : MAHTOMEDI P-2	1278	1009
82 0245 : OAKDALE P-5	20	20
82 0275 : PINE SPRINGS	102	116
82 0365 : WHITE BEAR LAKE W-4 P-2	74	77
82 0370 : WILLERNIE	77	115
Total:	3754	3466

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We, the school board members of Independent School District No. 832 (MAHTOMEDI), certify that we have canvassed the returns of the 2014 State General Election held on Tuesday, November 4, 2014 and have herein specified the names of any candidates receiving votes and the number of votes received by each candidate, and have herein specified the number of votes for and against any ballot questions voted on in this election.

As appears by the returns of the election precincts voting in this election, duly returned to, filed, opened, and canvassed, and now remaining on file in the office of the clerk of Independent School District No. 832 (MAHTOMEDI).

Witness our official signature at _____ in _____ County this _____ day of _____, 2014.

School Board Member

School Board Member

School Board Member

School Board Member

School Board Member

School Board Member

School Board Member

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State of Minnesota
Independent School District No. 832 (MAHTOMEDI)

I, _____, Clerk of the Independent School District No. 832 (MAHTOMEDI) do hereby certify the within and foregoing _____ pages to be a full and correct copy of the original abstract and return of the votes cast in the Independent School District No. 832 (MAHTOMEDI) 2014 State General Election held on Tuesday, November 4, 2014.

Witness my hand and official seal of office this _____ day of _____, 2014.



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 4, 2014, 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 11,949 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:

Julie McGraw	<u>4,079</u>
Kevin P. Donovan	<u>4012</u>
Mike Chevalier	<u>3438</u>
3. Candidate Julie McGraw, Candidate Kevin P. Donovan, and Candidate Mike Chevalier, having received the highest number of votes, are elected to four-year terms beginning the first Monday in January, 2015.
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)



Member _____ introduced the following resolution and moved its adoption:

**RESOLUTION CANVASSING RETURNS OF VOTES OF
SCHOOL DISTRICT SPECIAL ELECTION TO FILL VACANCY**

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 special election of the voters of the district held in conjunction with the state general election on November 4, 2014, 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 11,949 voters of the district voted at said election on the election of one school board member to fill vacancy in term expiring January 2, 2017 as follows:

Lucy Payne	<u>2,914</u>
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Julio Fesser	<u>2,467</u>
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3. Candidate Lucy Payne having received the highest number of votes, is elected to fill vacancy in term expiring January 2, 2017.

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)

CERTIFICATION OF MINUTES RELATING TO SPECIAL ELECTION

Issuer: Independent School District No. 832 (Mahtomedi), Minnesota

Governing Body: School Board

Kind, date, time and place of meeting: A regular meeting, held on November 13, 2014, at 7:00 p.m., at the District offices.

Members present:

Members absent:

Documents attached:

Minutes of said meeting (including):

RESOLUTION CANVASSING RETURNS OF SPECIAL ELECTION

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

WITNESS my hand officially as such recording officer this ____ day of November, 2014.

School District Clerk

The Clerk presented affidavits showing filing, mailing, publication and posting of notice, in accordance with the resolution adopted August 14, 2014, of the special election held November 4, 2014, to vote on the question with respect to the District's general education revenue authorization. The Clerk also presented the Official Returns and Summary Statements of Judges. The affidavits and the Official Returns and Summary Statements of Judges were duly examined, approved and ordered placed on file in the office of the Clerk.

Member _____ introduced the following resolution and moved its adoption, which motion was seconded by Member _____:

RESOLUTION CANVASSING RETURNS OF SPECIAL ELECTION

BE IT RESOLVED by the School Board of Independent School District No. 832 (Mahtomedi), Minnesota that the special election held in and for the School District on November 4, 2014, was in all respects duly and legally called and held, the returns thereof have been duly canvassed, and the votes cast at the special election for and against the question submitted to the electors was as follows:

**SCHOOL DISTRICT BALLOT QUESTION
APPROVAL OF SCHOOL DISTRICT REFERENDUM REVENUE AUTHORIZATION**

The Board of Independent School District No. 832 (Mahtomedi), Minnesota has an existing referendum levy authority of \$150.74 per pupil which is expiring after taxes payable in 2014 and has proposed to increase its general education revenue by \$593 per pupil over its existing referendum levy authority for a total proposed referendum revenue authorization of \$743.74 per pupil. The proposed referendum revenue authorization would be applicable for ten (10) years unless otherwise revoked or reduced as provided by law.

Shall the increase in the revenue proposed by the Board of Independent School District No. 832 (Mahtomedi), Minnesota be approved?

Votes YES	Votes NO	Spoiled, Defective or Blank Ballots	TOTAL VOTES
3,754	3,466		7,220

The ballot question, having received the approval of a majority of the votes cast, is hereby declared to have carried.

Pursuant to Minnesota Statutes, Section 126C.17, Subdivision 9(f) and Section 205A.07, Subdivision 3a, the Clerk is hereby instructed to notify the Commissioner of Education of the results of the referendum and to provide the certified vote totals for each ballot question in written form within 15 days after the results have been certified by the Board.

Upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted and was signed by the Chairperson and attested by the Clerk.

Chairperson

Attest: _____
School District Clerk

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

Regular Meeting - Board of Education

Date: November 13, 2014

Agenda Item #10. D.

TOPIC: Open Enrollment Task Force

BACKGROUND: At the October study session the Board discussed the need for a Task Force to study the issue of Open Enrollment and make recommendations to the Board.

The charge of the Task Force is to examine resident and non-resident enrollment data and enrollment trends. In addition, the Task Force will examine the current practices of open enrollment acceptance rates, application process, and consider other factors such as sibling preference, children of employee preference, families who move out of the district, proof of residency, and others.

ACTION RECOMMENDED: The Board provides direction to Administration as to the objectives and goals of the Task Force, identifies the specific areas of concern or question in the open enrollment process and determines the process for identifying Task Force members. The Board also directs Administration to create the Task Force and present the findings and recommendations to the full Board in February 2015.

Submitted By:



Name

Superintendent of Schools

Title

Concurrence By:



Dr. Mark Larson

Superintendent of Schools

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

Regular Meeting - Board of Education

Date: November 13, 2014

Agenda Item #10. E. 1.

TOPIC: Approval of Policy 903 – Visitors to School District Buildings and Sites

BACKGROUND: This is the third and final reading of the policy. The direction from the Board had been to clarify “volunteer” in the DEFINITIONS section of the policy. The rest of the policy remains unchanged.

LEARNING OBJECTIVE: As a result of this presentation, the change in definitions is as follows:

“Visitor” means any person who enters a district facility during the regular school year during established school hours. Except for the following: enrolled students who are in the facility to attend school, to participate in a school sponsored event or activity, or to attend a meeting of a student-initiated, non-curriculum related group that is recognized by the District; employees who are assigned to work at the facility; ~~volunteers who have been assigned to be in the facility at the time of the visit;~~ and central administrators.

“Volunteer” means any person who freely offers to take part in an enterprise or undertake a task and has the approval of the building administrator or designee to be in the building or program site, a field trip for example.

ACTION RECOMMENDED: Approval of policy as presented.

Submitted By:



Name

Superintendent of Schools

Title

Concurrence By:



Dr. Mark Larson

Superintendent of Schools



Revised: 11/13/14, 4/13/00, 2/14/02

Adopted: 2/11/99

903 VISITORS TO SCHOOL DISTRICT PROPERTY AND FACILITIES

I. PURPOSE

The purpose of this policy is to establish rules and procedures governing visits to District property and District facilities.

II. GENERAL STATEMENT OF POLICY

The School Board encourages interest and participation on the part of parents and community members in the District's programs and activities. At the same time the School Board recognizes that reasonable restrictions must be placed on visits to District facilities in order to maintain an environment that is safe and conducive to learning and working. The School Board has adopted this policy after considering and weighing these and other social, political, economic, and educational factors.

III. DEFINITIONS

- A. "Central administrator" means the superintendent and any director with district-wide responsibilities.
- B. "District facility" means any building that is owned, leased, or operated by the District.
- C. "District property" means any real property that is owned, leased, or operated by the District, including, but not limited to, athletic stadiums and athletic fields.
- D. "Parent" means a biological parent, adoptive parent, legal guardian, or conservator.
- E. "School building" means any District facility where a program of education is offered to preschool, elementary school, middle school, or high school students, including an alternative school.
- F. "Visitor" means any person who enters a district facility during the regular school year during established school hours. Except for the following: enrolled students who are in the facility to attend school, to participate in a school sponsored event or activity, or to attend a meeting of a student-initiated, non-curriculum related

group that is recognized by the District; employees who are assigned to work at the facility; ~~volunteers who have been assigned to be in the facility at the time of the visit;~~ and central administrators.

- G. “Volunteer” means any person who freely offers to take part in an enterprise or undertake a task and has the approval of the building administrator or designee to be in the building or program site, a field trip for example.

IV. PROCEDURES

A. Visitor Procedures: All visitors must comply with the following procedures when entering a District facility, unless they are attending an event or activity that is open to the public, such as parent-teacher conferences, a school board meeting, or an athletic contest:

1. Immediately upon entering a District facility, all visitors must report to the administrative office or reception desk. Signage to this effect must be prominently displayed on or near all unlocked doors to the facility.
2. Upon reporting to the administrative office or reception desk, all visitors must complete a form that requires them to do the following: print and sign their names, state the purpose of their visit, state the time of their arrival, and state the location of the building in which the visit will occur.
3. Parents who wish to observe their children in the classroom during the regular school day must schedule the visit at least three (3) school days in advance with the classroom teacher or the principal. A central administrator, building principal, assistant principal, or designee may reschedule or terminate any visit in the event of an emergency or unforeseen circumstance.
4. A central administrator or building principal may impose additional restrictions on any parent who has caused a disruption in a District facility.
5. A central administrator, the building principal, an assistant principal, or a designee will follow this policy in determining whether or not permission will be granted for a visit to a school building. A central administrator will follow this policy in determining whether or not permission will be granted for a visit to a District facility that is not a school building.
6. If permission for a visit is granted, the visitor will be given a visitor’s identification badge stating the visitor’s name and the location in the building where the visit will occur.
7. All visitors must wear the issued visitor identification badge in a conspicuous location at all times while in a District facility.
8. If a District employee sees a visitor in a school building without a visitor’s identification badge, the employee must either escort the visitor to the administrative office or immediately notify the administrative office of the presence of the visitor.
9. Upon completing a visit, a visitor must return to the administrative office or reception desk, return the visitor’s identification badge, sign his/her name on the same form that was signed upon entering the building, and state the time of his/her departure.

B. Parent Procedures for Communicating with Children: The District recognizes that under limited circumstances parents may occasionally need to communicate with their children during the school day. When this need arises, parents must follow one of the following procedures:

1. Parents may call the office and ask to speak with their child. School staff will then locate the child and instruct the child come to the office to speak with the parent by telephone. This may occur by making an announcement over the school's intercom system. Students generally will not be permitted to place or receive a call from a classroom.
2. Parents may enter the administrative office of a school building and ask the office staff to call their child to the office. Parents may not go directly to a classroom or to any other location in a District facility without complying with the Visitor Procedures stated in this policy.

C. Administrative Procedures in Response to Inappropriate Conduct: Central administrators, building principals, assistant principals, and designees are encouraged to take the following steps when a visitor violates this policy or engages in any other inappropriate conduct:

1. Notify the offending visitor that his or her conduct is inappropriate.
2. Notify the offending visitor that if the conduct does not cease immediately, the visitor will be required to leave the building.
3. Notify the offending visitor that he or she is required to immediately leave the building.
4. Contact law enforcement.
5. Document the incident.
6. Take other action that the central administrator, building principal, assistant principal, or designee reasonably deems to be prudent or necessary in order to: (a) protect the safety of students, staff, or school property; (b) maintain an environment that is conducive to learning and working; and (c) maintain an environment that is free from all forms of abusive and disruptive conduct.
7. Any step or steps of this procedure may be skipped or addressed at a later time if the central administrator, building principal, assistant principal, or designee determines, in the exercise of his or her professional judgment that immediate removal of the offending visitor is in the best interests of the students or the staff.

V. RULES OF CONDUCT FOR VISITORS

A. Required Conduct: All visitors must demonstrate respect and civility when interacting with other individuals during a visit. In addition, all visitors must immediately comply with any and all lawful directives given by a District employee, including a directive to leave the building.

B. Prohibited Conduct. Visitors must not conduct themselves in a prohibited manner during a visit. Examples of prohibited behaviors include, but are not limited to the following:

1. Violate any law;
2. Violate any District or school policy, regulation, rule, or procedure;
3. Make any threat or engage in any threatening or intimidating behavior;
4. Engage in any conduct that is designed to intimidate another person or that could reasonably be perceived as being designed to intimidate another person;
5. Demonstrate hostility toward another person;
6. Engage in conduct that is objectively rude;
7. Use any obscene or foul language;
8. Make or participate in making any personal attacks against another person;
9. Make or participate in making any objectively disrespectful, demeaning, disparaging, or insulting comments or statements about or to another person;
10. Make unwelcome physical contact with any person unless the physical contact is part of the normal greeting process, such as a handshake, or is reasonably necessary to prevent imminent harm to another person or serious harm to property;
11. Photograph, film, or otherwise create an audio or video record of any students, employees, or volunteers of the District, unless the visitor is on District property or in a limited part of a District facility to attend an event or activity that is open to the public, such as a school board meeting or an athletic contest;
12. Enter onto school property while impaired from the use of alcohol or any other chemical;
13. Create or participate in creating a disruption to the learning or working environment. Examples of disruptive behavior include, but are not limited to, using a raised voice, shouting, or yelling; swearing; talking with a teacher, classroom aide, or a student while observing in a classroom; using or allowing a cellular device make noise in the classroom; and engaging in other conduct that interrupts a lesson while observing in a classroom.

VI. GROUNDS FOR DENYING A REQUEST TO VISIT

A. Parent Visits for Purpose Other than Classroom Observation: A central administrator, a building principal, an assistant principal, or a designee may deny permission for a parent to visit any part of a District facility if the central administrator, the principal, the assistant principal, or the designee determines that:

1. The parent has refused or failed to comply with any part of this policy;
2. The parent violated any rule or procedure of this policy while visiting a District facility on a prior occasion during the school year;
3. The requested date or time for the visit is educationally inappropriate or inconvenient;

4. The parent has created a disruption during a prior visit;
5. The parent's presence in the District facility is not in the best interests of student or staff;
6. The parent presents a risk of harm to a student, to a staff member, or to District property;
7. The parent's parental rights have been terminated or the parent does not have physical custody or visitation rights during the school day or the period of time when the parent wants to visit the District facility; or
8. The parent's actions or words suggest that the parent is impaired from using alcohol or another chemical.

B. Classroom Observations by Parent: A central administrator, the building principal, an assistant principal, or a designee may deny a parent's request to observe his or her child in the classroom, or may revoke permission for such a visit, if the central administrator, principal, assistant principal, or designee determines that:

1. Any of the reasons for denying a visit in Section V(A) of this policy have been met;
2. The parent has failed or refused to schedule the classroom observation in advance;
3. The parent observed in the classroom on a prior occasion during the school year and created a disruption;
4. The requested date or time for the observation is educationally inappropriate or inconvenient, such as when a test is being administered, when a substitute teacher or guest speaker is present, or when students are attending an assembly or going on a field trip;
5. The parent has observed the child in the classroom on three prior occasions during the school year;
6. The parent's presence in the classroom is not in the best interests of the student, other children, or staff.

C. Classroom Observations by an Independent Examiner: If the parent of a student requests an independent educational evaluation (IEE) or hires an independent examiner to evaluate a child, and the parent requests that the independent examiner be permitted to observe the child in the classroom, the District will allow the independent examiner to visit and observe the student in the classroom to the extent permitted by law, provided that the independent examiner complies all provisions of this policy and does not create a disruption. The District may assign a staff member to accompany an independent examiner during all observations. An independent examiner may not interview any students at school or any District employees without prior written permission from the District. A District representative will be present during any interviews.

D. Parent's Right to Appeal: If a parent believes that a request to visit a District facility has been improperly denied, the parent may submit a written appeal to the Superintendent. The decision of the Superintendent, or a designee of the Superintendent, is final.

- E. Visits by Third Parties:** A central administrator, a building principal, an assistant principal, or a designee may, as he or she sees fit, deny a visitor's request to visit any part of a District facility if the visitor is not a parent of a child who attends school in the facility.

VII. PARKING

During school hours, visitors must park their vehicles in spaces designated for visitors. Vehicles that are parked in unauthorized spaces may be towed to a different location at the vehicle owner's expense.

VIII. PENALTIES.

Permission to be in a District facility is conditioned upon compliance with this policy. Pursuant to Minnesota Statutes section 609.605, subdivision 4, any person who violates this policy may be found guilty of a misdemeanor. Such persons may be detained by the school principal or a person designated by the school principal in a reasonable manner and for a reasonable period of time pending the arrival of a law enforcement officer. In addition to imposing other consequences specified in this policy, a central administrator, building principal, or assistant principal may issue an order prohibiting a person from entering onto school property.

Legal References:

- Minn. Stat. § 123B.02 (general powers of school districts)
- Minn. Stat. § 609.605, subd. 4 (trespass to school property)



TO: Northeast Metro 916 Board of Education
FROM: Connie Hayes
DATE: October 10, 2014
RE: October 7 Board of Education Meeting Talking Points

Members present: Auge'-622, Brunnette-833, Edstrom-623, Lindblad-14, Lodico-12, Newberg-624, Palmer-13, Ptacek-834, Sager-621, and Theisen-831.

Members absent: Forsberg-16 and Schwartz-832.

Among a number of topics discussed at the October 7, 2014, meeting of the Northeast Metro 916 School Board, the following agenda items were addressed:

1. **Digital Learning at the Area Learning Centers.** Principal Ann Peterson and four teachers from 916 Mahtomedi Academy gave the school board an update on the shift to digital learning at the ALCs.
2. **National School Boards Association Conference.** Each year, Northeast Metro 916 pays for up to two board members to attend the national conference. Each district has an opportunity on a rotating basis. The board discussed the districts that are on the schedule as first choice. In addition, the board discussed how to integrate the two new districts – Forest Lake and Fridley – into the rotation.
3. **Superintendent Evaluation Reminder:** Each fall the board chair distributes a copy of the evaluation tool to board members and reminds them to use the tool to make some notes throughout the school year. This ensures that board members can provide thoughtful feedback to the superintendent on activities throughout the year.
4. **Health and Dental Renewal Rates:** Health rates will be down 5% in year one and up to 4% for year two. Dental rates came in with no increase for the second year in a row.
5. **Storage Garage at Karner Blue Education Center:** This garage was not included in the original bid. With dollars remaining from the project, the board approved a detached garage for \$83,900, which will be completed by mid-November. This will allow exterior storage of snow removal and lawn equipment.
6. **Storage Area Network (SAN) Upgrade:** The current SAN is at 83% capacity, has servers nearing the end of life, no functional disaster recovery site, and no ability to test patches prior to moving into use. The board approved correcting these areas with the combination of quotes totaling \$118,000.

7. **Recommendation for Architect to Complete Feasibility Study of Capitol View Center (CVC)**: Last spring the board recommended a study of a multi-phase remodel/rebuild project for CVC after the estimates to replace the building were higher than desired. The school board approved architectural firm LSE to complete the study. This firm demonstrated expertise in both multi-phase staging, as well as understanding how to do so with our student population. Three other architectural firms were interviewed for the study.



TO: Northeast Metro 916 Board of Education
FROM: Connie Hayes
DATE: November 6, 2014
RE: November 5 Board of Education Meeting Talking Points

Members present: Auge'-622, Brunnette-833, Forsberg-16, Lodico-12, Newberg-624, Palmer-13, Payne-832 (alternate for Schwartz), Ptacek-834, Sager-621, and Theisen-831.
Members absent: Edstrom-623 and Lindblad-14.

Among a number of topics discussed at the November 5, 2014, meeting of the Northeast Metro 916 School Board, the following agenda items were addressed:

1. **Lobbyist Valerie Dosland Presented Legislative Agenda for the Intermediate School Districts.** Valerie lobbies for the three intermediate school districts, as well as a number of other education groups. She presented the agenda the intermediates have agreed to pursue this session including: (a) expansion of the use of the lease levy for safety and security, remodeling of existing space, building additions and long-term facilities maintenance; (b) increase allocation to the intermediate ALC programs to be equivalent to the amount students would receive in the resident districts; (c) support for professional development for alternatives to suspension and expulsion; and (d) fund teacher evaluation and do so based on the number of teachers rather than the number of students due to the lower teacher to student ratio in the intermediate school districts. Two tools developed for use to advocate on the lease levy were presented to the school board.
2. **Karner Blue Education Center Update.** A team from Karner Blue gave the board an update on how the opening of the new school has unfolded. There has been a lot of positive feedback on how the design is working with the students including the flexibility of the spaces and the furniture, the availability of multiple break-out areas, great technology, multiple reports from parents that kids can't wait to get to school, and staff report kids don't want to leave at the end of the day. There are currently 90 students enrolled and 10 pending enrollments. We have three unfilled teacher vacancies that are difficult to fill this time of the year. The students are responding very positively to the nature-based focus of the curriculum and activities. We also have a Como Zoo residency program underway.
3. **Member District Annual Reports:** The Cabinet presented the Member District Annual Reports which are posted, along with prior years, at the school board link on the website. A discussion was held with the board regarding the use of the current report and they suggested additional ideas that might make it even more useful for them in their liaison role to their local school boards.

4. **Open Enrollment for Valley Crossing Community School**: Each year the Northeast Metro 916 Board approves a resolution so that there are no direct open enrollments to Valley Crossing Community School through Northeast Metro 916, but rather through one of the three member districts, South Washington County.

5. **Superintendent Contract**: The Personnel Committee met with the superintendent and recommended a new three-year contract. Salary is the only change in the contract. The Personnel Committee based the FY16 salary upon the average of the member district superintendent contracts for FY15. The subsequent years will be an additional 2% in each year.

EXPAND LEASE LEVY AUTHORITY

The intermediate school districts request the legislature **expand the use of lease levy authority to include: safety and security needs, remodeling of existing spaces, building new additions, and long-term facilities maintenance.** The need for this is best told through the story of a particular school.

CAPITOL VIEW CENTER

Capitol View Center (CVC), part of Northeast Metro 916 Intermediate School District, is a high school facility serving high-needs special education students and area learning center students.

- Was built in the 50s – depends on the original HVAC system – many parts only found on EBay
- Health and safety (H&S) needs over \$500,000 and deferred maintenance \$14 M
- Design changes needed to improve services to students \$8.7 M

THE FUNDING ROADBLOCK

- H&S and deferred maintenance are not authorized expenditures for lease levy authority!
- Intermediates have no access to deferred maintenance revenue!
- Intermediates have no access to alternative facilities revenue!
- A bond election requires successful concurrent election in 12 member districts!

In fact! Combined existing **state statutes block the way for any work** on this valued building serving 12 member school districts + 30 other area districts.

THE ONLY CURRENT CHOICE AVAILABLE IS TO REPLACE CVC

However, the Northeast Metro 916 School Board would **prefer to repurpose** CVC because...

- New commercial property would be very expensive.
- The current location is central for members and supports efficient transportation.
- The building houses the district's fiber hub and it would be costly to relocate.
- Replacement estimated to be \$37M resulting in higher tax impacts.

SPRING LAKE PARK'S SUCCESS WITH REPURPOSING AN OLDER BUILDING

One only has to visit Spring Lake Park's high school campus to recognize that great success may be achieved for repurposing CVC as well. **It makes little sense to prevent repurposing** when that option makes both economic and programmatic sense.

TAKE A TOUR OF CAPITOL VIEW CENTER

Hear from facility experts. See first-hand the school's deficiencies.
Visit <https://nemetro916.wistia.com/medias/7bgm7k9lk5>

EXPAND LEASE LEVY AUTHORITY

The Capitol View Center story demonstrates why the **intermediate school districts need your support!**

EXPAND LEASE LEVY AUTHORITY

Frequently Asked Questions

1 Who are the intermediates and why do they need an expansion of the lease levy authority?

The three intermediate school districts serve a highly specialized population of Level IV special education students who local districts do not have expertise to serve or who do not have a critical mass of students to develop their own program. These students require specially designed spaces that provide for a combination of educational services and mental health services. These types of spaces are not found in typically designed schools. The focus for space is for therapeutic needs as well as for the safety of both students and staff. Expansion of the lease levy authority would allow for cost efficient solutions when replacement of space is not necessary to meet the needs.

2 What revenues are available to intermediates for school facilities?

Currently the intermediates have access to the following revenues for their facilities:

1. **Lease levy of \$65 per APU in each member district** (this authority is in addition to the \$212 lease levy authority for the member district).
2. **Capital dollars** in the formula for the few students counted in the intermediates school districts. (For NE Metro 916, approximately \$80,000 dollars was available.)
3. **Health and safety levy** is levied by the member districts and passed to the intermediates.

3 What does current statute allow the intermediates to use lease levy for?

MS 126C.40 Subd 1 (h) reads, "A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with the lease of administrative and classroom space for intermediate school district programs. The authority must not exceed \$65 times the adjusted pupil units of the member districts. This authority is in addition to any other authority authorized under this section."

4 Is this request included in the report from the School Facilities Financing Working Group?

The intermediates request to expand the use of the lease levy authority is similar to Recommendation #4 in the Schools Facilities Financing Working Group report to expand the use of lease levy authority for typical K-12 districts.

5 What additional needs do the intermediates wish to use the lease levy for?

- school safety and security
- remodeling of existing space
- building additions for instructional purposes
- long-term facilities maintenance

6 Are there any changes needed in the health and safety levy for the intermediates?

Recommendation #1 in the Schools Facilities Financing Working Group report would move health & safety revenue into a new program called long-term facilities maintenance for typical school districts. If health and safety levy is eliminated in this way, the intermediates would lose health and safety as a valuable revenue stream because the intermediates would not qualify for the new program dollars - long term facilities maintenance revenue. Thus, maintaining the health and safety levy for the intermediates is important. A requirement to use alternative facilities levy for projects over \$500,000 should be eliminated, however, since the intermediates do not qualify for it.

7 Are there any other roadblocks legislative leaders should know about?

Like regular school districts, the intermediates need to meet requirements for fire safety codes. In one intermediate school building at Northeast Metro 916, the Fire Marshall is requiring that no work on the building can begin until the district installs a sprinkling system. The cost of that (including with the asbestos abatement) is over \$1M. A health and safety project of that size is required to use alternative facilities revenue but the intermediates don't qualify for alternative facilities revenue.

8 Can the intermediates borrow money for large building projects?

Yes, but not in the same manner as typical school districts. Intermediates don't have authority to sell general obligation bonds which typically bring the best interest rates because they are backed by the full faith and credit of a local school district and also by the State of MN. Intermediates use certificates of participation (COP's) which work like a bond in that you borrow money and pay back like a bond, but the interest rates are higher. Also, statute requires COP's to be an annual appropriation by the school board creating more risk for the purchasers and that is why they demand a higher interest rate.

9

Why don't the intermediates just pass a bond referendum like other districts?

There is existing language in statute from 20 years ago when the intermediate school districts had direct levy authority (they no longer do) for a referendum. However, this is believed to be impractical because it would require successful concurrent referendums in all member districts (12 members in the case of Northeast Metro 916).

INDEPENDENT SCHOOL DISTRICT #832

MAHTOMEDI, MINNESOTA

TREASURER'S REPORT

MONTH ENDING 9/30/14

	CLOSING BALANCE		A/P	PAYROLL	JOURNAL ENTRY	BALANCE AS OF
	8/31/14	RECEIPTS	DISBURSEMENT	DISBURSEMENTS	TRANSFERS	09/30/14
GENERAL FUND (01)	6,952,626.02	2,755,325.91	(1,568,129.51)	(1,095,855.55)	(318,628.52)	6,725,338.35
FOOD SERVICE FUND (02)	329,248.09	134,410.17	(34,147.79)	0.00	211.84	429,722.31
COMMUNITY EDUCATION FUND (04)	461,555.21	118,201.05	(50,178.43)	(41,626.85)	(15,521.57)	472,429.41
DEBT SERVICE FUND (07)	2,379,881.70	266.35	0.00	0.00	0.00	2,380,148.05
INTERNAL FUND (20)	526,669.98	6,849.00	(320,446.25)	0.00	339,674.08	552,746.81
DONATIONS (25)	758,771.14	62,338.71	(51,943.75)	0.00	(360.84)	768,805.26
ACTIVITIES (50)	175,968.24	37,479.98	(642.89)	0.00	(9,963.54)	202,841.79
OPEB TRUST FUND (45)	2,253,677.29	0.00	0.00	0.00	(20.19)	2,253,657.10
OPEB DEBT SERV (47)	163,572.22	0.00	0.00	0.00	0.00	163,572.22
	14,001,969.89	3,114,871.17	(2,025,488.62)	(1,137,482.40)	(4,608.74)	13,949,261.30
BANK	BANK STATEMENT	OUTSTANDING (-) CHECKS	OUTSTANDING (+) DEPOSITS	OUTSTANDING WIRES	BANK BALANCE	09/30/14
MSDLAF Acct# 1289	1,405,692.37		24,335.72	(326,195.45)	1,103,832.64	
MSDLAF Acct# 1521 checking	210,206.35	(53,413.20)			156,793.15	
MN TRUST-OPERATING (30822-101)	10,430,978.33				10,430,978.33	
OHA #601344	500.01				500.01	
WW # 601343	500.01				500.01	
COM ED #601355	1,000.02				1,000.02	
MS ACT #601500	1,000.02				1,000.02	
HS ACT #601366	1,000.02				1,000.02	
MN TRUST-OPEB TRUST (30822-301) 45-101-00	2,331,057.10			(77,400.00)	2,253,657.10	
MN TRUST- 2010B BOND- 06-101-00	0.00				0.00	
TOTAL	14,381,934.23	(53,413.20)	24,335.72	(403,595.45)	13,949,261.30	

OCT 2014 CHECK REGISTER- BANK 02

Bank	Check Date	Check Number	Check Amount	Vendor Number	Address	Vendor Name	Check Status Description
2	10/02/2014	385635	899.62	05958	0	ACP DIRECT	Cleared
2	10/02/2014	385636	185.00	10322	0	ADHD LIFE TOOLS LLC	Cleared
2	10/02/2014	385637	3,477.50	00109	0	AMERICAN SECURITY LLC	Cleared
2	10/02/2014	385638	84.00	10319	0	ANDREW ALLER	Cleared
2	10/02/2014	385639	89.00	00172	3	ASCD	Cleared
2	10/02/2014	385640	88.00	00210	0	BARNETT CHRYSLER JEEP	Cleared
2	10/02/2014	385641	150.00	10323	0	BENILDE- ST MARGARET	Cleared
2	10/02/2014	385642	84.00	08839	0	BRIAN DOW	Cleared
2	10/02/2014	385643	160.00	10317	0	BRIAN KROOK	Cleared
2	10/02/2014	385644	101.00	04738	0	BRUCE DJOCK REPAIR	Cleared
2	10/02/2014	385645	63.00	10324	0	CALE SCHULTZ	Cleared
2	10/02/2014	385646	160.00	07040	0	CHANIN J. KLONTZ	Cleared
2	10/02/2014	385647	147.00	05973	0	CHRISTOPHER RICK	Cleared
2	10/02/2014	385648	634.35	07299	0	COBORNSDELIVERS LLC	Cleared
2	10/02/2014	385649	1,042.80	06754	0	COMMANDING EDGE INC	Cleared
2	10/02/2014	385650	2,730.00	07266	0	COMPUTER EXPLORERS	Cleared
2	10/02/2014	385651	1,539.34	00541	0	CONTINENTAL CLAY COMPANY	Cleared
2	10/02/2014	385652	4,522.29	09009	0	D & J QUALITY SOURCING LLC	Cleared
2	10/02/2014	385653	836.50	00599	0	DALCO	Cleared
2	10/02/2014	385654	118.00	06119	0	DENNIS HOFFBECK	Cleared
2	10/02/2014	385655	118.00	09378	0	DENNIS RICKERT	Cleared
2	10/02/2014	385656	825.00	00678	0	DOMINO'S PIZZA	Cleared
2	10/02/2014	385657	63.00	08626	0	DUANE MUTSCHLER	Cleared
2	10/02/2014	385658	6,414.00	00714	0	EAGLE SCREEN PRINTING/JEFFREY POESCHL	Cleared
2	10/02/2014	385659	83.00	06229	0	EUGENE RICHARDSON	Cleared
2	10/02/2014	385660	4.36	00815	0	FASTENAL COMPANY	Cleared
2	10/02/2014	385661	761.25	10304	0	FRONTLINE TECHNOLOGIES GROUP LLC	Cleared
2	10/02/2014	385662	53.67	00937	1	GENERAL INDUSTRIAL SUPPLY CO	Cleared
2	10/02/2014	385663	192.87	06146	1	GOPHER	Cleared
2	10/02/2014	385664	141.12	00987	0	GRAINGER	Cleared
2	10/02/2014	385665	274.75	01001	0	GREAT LAKES SPORTS	Cleared
2	10/02/2014	385666	793.00	06908	0	HEARTWOOD CONFERENCE CENTER	Cleared
2	10/02/2014	385667	283.25	01119	0	HERTZ FURNITURE SYSTEMS	Cleared
2	10/02/2014	385668	656.20	03331	0	I.S.D # 622 NO.ST PAUL-MAPLEWOOD-OAKDALE	Cleared
2	10/02/2014	385669	5,028.00	03248	1	I.S.D # 834 STILLWATER	Cleared
2	10/02/2014	385670	84.00	08999	0	ISAIAH CONRAD	Cleared
2	10/02/2014	385671	63.00	09396	0	JAMES LEACH	Cleared
2	10/02/2014	385672	64.00	06891	0	JAY MOORE	Cleared
2	10/02/2014	385673	84.00	10316	0	JEFF MOSCA	Cleared
2	10/02/2014	385674	84.00	07693	0	JEFF ZENNER	Cleared
2	10/02/2014	385675	63.00	04944	0	JIM MYLANDER	Cleared
2	10/02/2014	385676	160.00	07042	0	JOE STOHR	Cleared
2	10/02/2014	385677	84.00	07161	0	JOE WOLLAN	Cleared
2	10/02/2014	385678	118.00	08896	0	JOHN ARENIVAR	Cleared
2	10/02/2014	385679	63.00	01061	0	JOHN HARDGROVE	Cleared
2	10/02/2014	385680	84.00	09951	0	JOHN REITELBACH	Cleared
2	10/02/2014	385681	160.00	08817	0	KEITH ANDERSON	Cleared
2	10/02/2014	385682	602.10	08806	0	LANDS BEST FOODS	Cleared

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Bank	Check Date	Check Number	Check Amount	Vendor Number	Address	Vendor Name	Check Status Description
2	10/02/2014	385683	505.00	06860	0	LARKIN DANCE STUDIO	Cleared
2	10/02/2014	385684	1,188.66	03195	0	LASERPLUS, LLC	Cleared
2	10/02/2014	385685	84.00	07798	0	MARK CAREY	Cleared
2	10/02/2014	385686	75.00	01609	1	MASA REGION 9	
2	10/02/2014	385687	215.00	01641	0	MCCARTHY WELL COMPANY	Cleared
2	10/02/2014	385688	232.95	01684	0	MENARDS OAKDALE CASHWAY LUMBER	Cleared
2	10/02/2014	385689	5,700.00	10004	0	METRO EAST CONFERENCE	Cleared
2	10/02/2014	385690	63.00	05996	0	MICHAEL COOPER	
2	10/02/2014	385691	327.00	03384	0	MID CITY SERVICES-INDUSTRIAL LAUNDRY	Cleared
2	10/02/2014	385692	1,594.50	09998	0	MIDWEST VENDING	Cleared
2	10/02/2014	385693	160.00	06107	0	MIKE LINDHOLM	Cleared
2	10/02/2014	385694	320.00	05992	0	MIKE PETREY	Cleared
2	10/02/2014	385695	630.00	01739	2	MINITEX	Cleared
2	10/02/2014	385696	8,079.10	01744	0	MINNESOTA CONWAY FIRE & SAFETY	Cleared
2	10/02/2014	385697	83.00	04806	0	NANCY STEFFEN	Cleared
2	10/02/2014	385698	115.01	01871	0	NASCO	Cleared
2	10/02/2014	385699	141.72	09849	0	NORSAN	Cleared
2	10/02/2014	385700	32,125.74	01971	1	NORTHEAST METRO 916	Cleared
2	10/02/2014	385701	1,872.00	10020	0	NOW MICRO	Cleared
2	10/02/2014	385702	1,265.00	02043	0	ON SITE SANITATION INC	Cleared
2	10/02/2014	385703	2,234.91	09058	0	PATTERSON MEDICAL SUPPLY, INC.	Cleared
2	10/02/2014	385704	63.00	08878	0	PAUL LABELLE	Cleared
2	10/02/2014	385705	64.00	07011	0	PETER BAHR	Cleared
2	10/02/2014	385706	534.60	02180	0	PRESS PUBLICATIONS	Cleared
2	10/02/2014	385707	83.00	04940	0	RANDY MOTT	Cleared
2	10/02/2014	385708	2,147.14	04899	0	RELIABLE MEDICAL SUPPLY, INC	Cleared
2	10/02/2014	385709	30.00	10321	0	ROBERT KLEMM	Cleared
2	10/02/2014	385710	7,092.58	09874	0	ROD THOMPSON SIGN PAINTING	Cleared
2	10/02/2014	385711	159.24	07113	0	SAM'S CLUB	Cleared
2	10/02/2014	385712	160.00	10318	0	SARA HALVERSON	Cleared
2	10/02/2014	385713	437.80	09186	0	SCHOLASTIC	Cleared
2	10/02/2014	385714	84.00	10315	0	SCOTT MALLUEGE	Cleared
2	10/02/2014	385715	49.00	10320	0	SETH CATTANACH	Cleared
2	10/02/2014	385716	83.00	09411	0	SHANE STURGES	Cleared
2	10/02/2014	385717	174.33	00553	3	STAPLES ADVANTAGE	Cleared
2	10/02/2014	385718	64.00	09937	0	STEPHEN HELDER	Cleared
2	10/02/2014	385719	1,610.58	00951	0	THE LODGE AT GIANTS RIDGE	Cleared
2	10/02/2014	385720	221.46	02748	1	TIES/ TIES DEPOT	Cleared
2	10/02/2014	385721	713.25	03438	1	TR EQUIPMENT SERVICES LLC	Cleared
2	10/02/2014	385722	541.84	03345	0	TRIO SUPPLY CO	Cleared
2	10/02/2014	385723	1,398.25	08276	0	USA INFLATABLES	Cleared
2	10/02/2014	385724	90.50	04884	2	VIRCO INC	Cleared
2	10/02/2014	385725	63.00	10314	0	WILL DEITZMAN	Cleared
2	10/02/2014	385726	30,725.13	00723	0	XCEL ENERGY	Cleared
2	10/02/2014	385727	750.00	05822	0	ZETAH DESIGN	Cleared
2	10/09/2014	385728	250.00	00003	1	916 EDUCATION FOUNDATION	
2	10/09/2014	385729	184.29	00009	0	AAA AWARDS	

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Bank	Check Date	Check Number	Check Amount	Vendor Number	Address	Vendor Name	Check Status Description
2	10/09/2014	385730	1,246.80	00016	0	ABBOTT PAINT & CARPET CO	Cleared
2	10/09/2014	385731	6,463.08	09416	0	AGROPUR	Cleared
2	10/09/2014	385732	118.00	09124	0	ANDREW BARTCZAK	Cleared
2	10/09/2014	385733	60.00	07911	1	ANOKA HIGH SCHOOL DEBATE TEAM	Cleared
2	10/09/2014	385734	928.52	03646	1	ASPEN EQUIPMENT CO.	Cleared
2	10/09/2014	385735	2,551.79	08859	1	AWS SERVICE CENTER	Cleared
2	10/09/2014	385736	917.90	00659	1	BLICK ART MATERIALS	Cleared
2	10/09/2014	385737	67.21	00415	1	CAROLINA SCIENCE AND MATH	Cleared
2	10/09/2014	385738	16,649.09	01572	0	CITY OF MAHTOMEDI	Cleared
2	10/09/2014	385739	8,660.00	00527	0	COMSTOCK & SONS INC	Cleared
2	10/09/2014	385740	285.60	00541	0	CONTINENTAL CLAY COMPANY	Cleared
2	10/09/2014	385741	49.00	04941	0	CRAIG STOCKEL	Cleared
2	10/09/2014	385742	118.00	10276	0	CRAIG WEBER	Cleared
2	10/09/2014	385743	2,098.37	09009	0	D & J QUALITY SOURCING LLC	Cleared
2	10/09/2014	385744	1,565.33	00599	0	DALCO	Cleared
2	10/09/2014	385745	915.00	00678	0	DOMINO'S PIZZA	Cleared
2	10/09/2014	385746	2,105.50	00714	0	EAGLE SCREEN PRINTING/JEFFREY POESCHL	Cleared
2	10/09/2014	385747	29.95	00715	2	EAI EDUCATION-ERIC ARMIN INC	Cleared
2	10/09/2014	385748	1,512.60	06030	1	EARTHGRAINS CO.INC	Cleared
2	10/09/2014	385749	143.69	00725	0	ECKROTH MUSIC COMPANY	Cleared
2	10/09/2014	385750	498.94	05986	0	EDUCATORS BENEFITS CONSULTANTS,LLC	Cleared
2	10/09/2014	385751	77.22	08879	1	EPS LITERACY & INTERVENTION	Cleared
2	10/09/2014	385752	299.17	00787	0	ERICKSON OIL PRODUCTS INC	Cleared
2	10/09/2014	385753	250.60	03087	0	ERIKA HAMMERSCHMIDT	Cleared
2	10/09/2014	385754	83.00	06229	0	EUGENE RICHARDSON	Cleared
2	10/09/2014	385755	598.80	00803	0	EXPRESS SERVICES INC	Cleared
2	10/09/2014	385756	29.20	00815	0	FASTENAL COMPANY	Cleared
2	10/09/2014	385757	17,953.56	06819	0	FIRST STUDENT	Cleared
2	10/09/2014	385758	286.48	06697	0	FRATTALLONE'S ACE HARDWARE STORES	Cleared
2	10/09/2014	385759	1,171.74	06061	1	GOPHER SPORT	Cleared
2	10/09/2014	385760	125.98	01001	0	GREAT LAKES SPORTS	Cleared
2	10/09/2014	385761	384.00	01025	0	GUILFORD PRESS PUBLICATIONS	Cleared
2	10/09/2014	385762	1,041.75	01038	0	HAAS MUSICAL INSTRUMENT REPAIR	Cleared
2	10/09/2014	385763	35,441.64	01096	1	HEALTHPARTNERS	Cleared
2	10/09/2014	385764	120.00	01096	2	HEALTHPARTNERS/GROUP HEALTHIN	Cleared
2	10/09/2014	385765	64.00	10309	0	IAN MCGREGOR	Cleared
2	10/09/2014	385766	461.16	03141	0	JOAN STAHLMANN	Cleared
2	10/09/2014	385767	350.00	06615	0	JOKO SUTRISNO	
2	10/09/2014	385768	11,805.89	03378	0	KELLY SERVICES, INC	Cleared
2	10/09/2014	385769	118.00	05971	0	KEVIN HORST	
2	10/09/2014	385770	9.25	01372	0	KNOWLAN'S SUPER MARKETS	Cleared
2	10/09/2014	385771	162.93	01419	0	LAKESHORE LEARNING MATERIALS	Cleared
2	10/09/2014	385772	72.97	03195	0	LASERPLUS, LLC	Cleared
2	10/09/2014	385773	435.00	05135	0	LAURI HILL	
2	10/09/2014	385774	2,200.00	10313	0	LEARNING ALLY	Cleared
2	10/09/2014	385775	94.62	07073	0	LOFFLER	Cleared
2	10/09/2014	385776	362.21	07606	1	LOFFLER COMPANY INC/KONICA MINOLTA PREMIER FI	Cleared

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2	10/09/2014	385777	215.00	03486	1	LRP PUBLICATIONS	Cleared
2	10/09/2014	385778	5,959.33	03182	1	MADISON NATIONAL LIFE INS CO INC	Cleared
2	10/09/2014	385779	58.50	01557	0	MAHTOMEDI AUTO SERVICE	Cleared
2	10/09/2014	385780	40.00	06324	0	MEGT-MN EDUCATORS OF THE GIFTED \$ TALENTED	
2	10/09/2014	385781	82.51	01684	0	MENARDS OAKDALE CASHWAY LUMBER	Cleared
2	10/09/2014	385782	889.00	01694	0	MESPA/NAESP	Cleared
2	10/09/2014	385783	200.00	10326	0	MICHAEL LINDSTROM	Cleared
2	10/09/2014	385784	1,260.20	03723	0	MINNESOTA COACHES	Cleared
2	10/09/2014	385785	227.50	01744	0	MINNESOTA CONWAY FIRE & SAFETY	Cleared
2	10/09/2014	385786	170.00	01781	0	MN DEPT OF LABOR AND INDUSTRY	Cleared
2	10/09/2014	385787	300.00	10325	0	MOFAS-MN ORG.ON FETAL ALCOHOL SYNDROME	Cleared
2	10/09/2014	385788	196.25	08739	0	NAC MECHANICAL & ELECTRICAL SERVICE	Cleared
2	10/09/2014	385789	50.69	01871	0	NASCO	Cleared
2	10/09/2014	385790	4,023.99	01888	0	NATIONAL INSURANCE SERVICES OF WI INC	Cleared
2	10/09/2014	385791	27,858.36	01971	1	NORTHEAST METRO 916	Cleared
2	10/09/2014	385792	1,087.00	10020	0	NOW MICRO	Cleared
2	10/09/2014	385793	238.22	02043	0	ON SITE SANITATION INC	Cleared
2	10/09/2014	385794	4,673.35	05985	0	PAMS LUNCHROOM LLC	Cleared
2	10/09/2014	385795	504.00	02141	0	PINE TREE APPLE ORCHARD	Cleared
2	10/09/2014	385796	355.00	02142	1	PIONEER PRESS	Cleared
2	10/09/2014	385797	225.00	02151	0	PLUNKETTS PEST CONTROL INC	Cleared
2	10/09/2014	385798	65.13	02161	0	POPP.COM INC	Cleared
2	10/09/2014	385799	259,713.57	08212	0	PREFERRED ONE	Cleared
2	10/09/2014	385800	83.00	04940	0	RANDY MOTT	Cleared
2	10/09/2014	385801	1,432.20	02301	1	RIVERSIDE PUBLISHING CO/HM REC.CO LLC	Cleared
2	10/09/2014	385802	40.00	04981	1	ROSEMOUNT HIGH SCHOOL DEBATE	Cleared
2	10/09/2014	385803	49.44	09186	0	SCHOLASTIC	Cleared
2	10/09/2014	385804	81.55	02420	1	SCHOOL SPECIALTY INC/PREMIER AGENDAS INC	Cleared
2	10/09/2014	385805	1,092.50	03123	0	SHEILA MERZER M A	Cleared
2	10/09/2014	385806	522.46	00553	3	STAPLES ADVANTAGE	Cleared
2	10/09/2014	385807	5,196.38	02748	1	TIES/ TIES DEPOT	Cleared
2	10/09/2014	385808	395.70	02748	1	TIES/ TIES DEPOT	Cleared
2	10/09/2014	385809	392.00	08784	0	TRUSTED EMPLOYEES	Cleared
2	10/09/2014	385810	39,386.46	06934	0	US FOODSERVICE INC	Cleared
2	10/09/2014	385811	983.98	04884	3	VIRCO INC	Cleared
2	10/09/2014	385812	146.29	02902	0	WASHINGTON COUNTY	Cleared
2	10/15/2014	385813	68.16	00094	0	AMERICAN FAMILY ASSURANCE	Cleared
2	10/15/2014	385814	246.26	01096	1	HEALTHPARTNERS	Cleared
2	10/15/2014	385815	656.00	01556	0	MAHTOMEDI AREA EDUC.FOUNDATION	Cleared
2	10/15/2014	385816	9.90	01888	0	NATIONAL INSURANCE SERVICES OF WI INC	Cleared
2	10/15/2014	385817	320.00	01740	0	NCPERS MINNESOTA-179220	Cleared
2	10/15/2014	385818	766.00	02017	0	OFFICE & PROFESSIONAL	Cleared
2	10/15/2014	385819	851.18	02048	0	OPERATING ENGINEERS LOCAL #70	Cleared
2	10/15/2014	385820	700.00	04342	0	WISCONSIN SCTF	Cleared
2	10/16/2014	385821	300.00	10116	0	ROBERT HANSON /1ST SWING GOLF SCHOOL, LLC	Cleared
2	10/16/2014	385822	147.95	00032	1	ACCURATE LABEL DESIGNS	Cleared
2	10/16/2014	385823	165.00	00039	1	ACT	Cleared

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Bank	Check Date	Check Number	Check Amount	Vendor Number	Address	Vendor Name	Check Status Description
2	10/16/2014	385824	652.64	09140	0	AFFINETY SOLUTIONS INC	Cleared
2	10/16/2014	385825	3,584.50	00109	0	AMERICAN SECURITY LLC	Cleared
2	10/16/2014	385826	375.90	09832	0	ANDREA MYERS	Cleared
2	10/16/2014	385827	727.50	00149	0	APPERSON	Cleared
2	10/16/2014	385828	12,280.70	03340	0	BIX PRODUCE CO LLC	Cleared
2	10/16/2014	385829	70.00	07589	1	BLAINE HIGH SCHOOL-DEBATE TEAM	Cleared
2	10/16/2014	385830	63.00	05308	0	BOB ZAHRADKA	Cleared
2	10/16/2014	385831	13,348.50	08892	1	CAMBIUM LEARNING GROUP	Cleared
2	10/16/2014	385832	100.00	09027	0	CARI SATHER	Cleared
2	10/16/2014	385833	5,565.00	07031	0	CARRIE ARDITO	Cleared
2	10/16/2014	385834	84.00	10328	0	CHAD CROSBY	Cleared
2	10/16/2014	385835	160.00	06910	0	CHARLES ALDEAN	Cleared
2	10/16/2014	385836	83.00	05313	0	CHRISTINA FIEBICH	
2	10/16/2014	385837	2,700.00	07266	0	COMPUTER EXPLORERS	Cleared
2	10/16/2014	385838	634.61	00599	0	DALCO	Cleared
2	10/16/2014	385839	259.00	08538	0	DIANA HIRTE	Cleared
2	10/16/2014	385840	2,439.13	03328	0	DIVERSIFIED SNACK DIVISION	Cleared
2	10/16/2014	385841	1,549.49	00678	0	DOMINO'S PIZZA	Cleared
2	10/16/2014	385842	1,155.00	03360	0	DON BETHKE	Cleared
2	10/16/2014	385843	63.00	08626	0	DUANE MUTSCHLER	Cleared
2	10/16/2014	385844	130.00	07077	0	EAGAN HIGH SCHOOL	
2	10/16/2014	385845	4,796.00	00714	0	EAGLE SCREEN PRINTING/JEFFREY POESCHL	Cleared
2	10/16/2014	385846	69.00	10263	0	FIREFLY COMPUTERS	Cleared
2	10/16/2014	385847	131,896.65	06819	0	FIRST STUDENT	Cleared
2	10/16/2014	385848	400.00	03585	0	FIRST TECHNOLOGIES INC	Cleared
2	10/16/2014	385849	200.88	00987	0	GRAINGER	Cleared
2	10/16/2014	385850	200.00	03081	0	GRAY SEEVER	Cleared
2	10/16/2014	385851	375.80	09427	0	GREAT GARAGE DOOR CO	Cleared
2	10/16/2014	385852	51.00	01115	0	HERITAGE	Cleared
2	10/16/2014	385853	160.00	04793	0	JEFF LARSON	Cleared
2	10/16/2014	385854	970.00	08077	1	JOHN DEERE LANDSCAPES/ LESCO	Cleared
2	10/16/2014	385855	63.00	01061	0	JOHN HARDGROVE	Cleared
2	10/16/2014	385856	160.00	08817	0	KEITH ANDERSON	
2	10/16/2014	385857	84.00	10329	0	KEVIN SCHAFER	Cleared
2	10/16/2014	385858	897.65	07572	0	KORY ANDRY	Cleared
2	10/16/2014	385859	84.00	10327	0	KYLE STRICKFADEN	Cleared
2	10/16/2014	385860	1,419.00	08806	0	LANDS BEST FOODS	Cleared
2	10/16/2014	385861	3,247.66	07606	2	LOFFLER COMPANY INC	Cleared
2	10/16/2014	385862	4,551.31	07606	1	LOFFLER COMPANY INC/KONICA MINOLTA PREMIER FI	Cleared
2	10/16/2014	385863	266.17	06288	0	MARK TOENSING -GENERAL CONST.	Cleared
2	10/16/2014	385864	691.90	04063	1	MCGRAW HILL EDUCATION LLC	Cleared
2	10/16/2014	385865	100.00	05123	0	METRO COMMUNITY ED DIRECTORS ASSN	Cleared
2	10/16/2014	385866	3,139.52	10004	0	METRO EAST CONFERENCE	Cleared
2	10/16/2014	385867	160.00	04928	0	MICHAEL BONN	Cleared
2	10/16/2014	385868	507.50	06144	0	MICHAEL SCHUMACHER	Cleared
2	10/16/2014	385869	300.00	01766	0	MN ACADEMY OF SCIENCE	
2	10/16/2014	385870	125.00	01794	0	MN POLLUTION CONTROL AGENCY	Cleared

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2	10/16/2014	385871	500.00	01804	0	MN STATE H S MATHEMATICS LEAGUE	Cleared
2	10/16/2014	385872	50.00	01799	0	MSBA-MN SCHOOL BOARDS ASSOC	Cleared
2	10/16/2014	385873	83.00	04806	0	NANCY STEFFEN	Cleared
2	10/16/2014	385874	260.00	02043	0	ON SITE SANITATION INC	Cleared
2	10/16/2014	385875	1,890.92	05985	0	PAMS LUNCHROOM LLC	Cleared
2	10/16/2014	385876	63.00	09931	0	PAT BAUSCHELT	Cleared
2	10/16/2014	385877	63.00	09932	0	PAUL LEHMANN	Cleared
2	10/16/2014	385878	6,033.00	02108	0	PEOPLES ELECTRICAL CONTRACTORS	Cleared
2	10/16/2014	385879	63.00	10291	0	PETER GUTIERREZ	
2	10/16/2014	385880	588.00	02141	0	PINE TREE APPLE ORCHARD	Cleared
2	10/16/2014	385881	44.00	06012	1	PREMIUM WATERS INC	Cleared
2	10/16/2014	385882	100.00	02252	0	REGION 4AA	Cleared
2	10/16/2014	385883	84.00	10330	0	ROBERT DETERMAN	Cleared
2	10/16/2014	385884	150.00	08374	0	SCHOOL CHECK IN	Cleared
2	10/16/2014	385885	336.60	04710	0	SCHOOL OUTFITTERS	Cleared
2	10/16/2014	385886	668.33	02384	1	SCHOOL SPECIALTY /SAX ARTS & CRAFTS	Cleared
2	10/16/2014	385887	130.00	02492	0	SIMLEY HIGH SCHOOL	
2	10/16/2014	385888	535.24	08401	0	SPRIGGS PLUMBING /HEATING	Cleared
2	10/16/2014	385889	75.00	02591	0	ST PAUL AREA ATHENA AWARDS	
2	10/16/2014	385890	412.60	00553	3	STAPLES ADVANTAGE	Cleared
2	10/16/2014	385891	538.74	10245	0	STEINBRECHER CO INC	Cleared
2	10/16/2014	385892	84.00	09919	0	STEVE ZINS	Cleared
2	10/16/2014	385893	512.40	04176	0	SUNBURST CHEMICALS, INC.	Cleared
2	10/16/2014	385894	591.28	02748	1	TIES/ TIES DEPOT	Cleared
2	10/16/2014	385895	175.00	09382	0	TRI-CITY UNITED HIGH SCHOOL	Cleared
2	10/16/2014	385896	1,038.97	03345	0	TRIO SUPPLY CO	Cleared
2	10/16/2014	385897	277.26	00047	0	TYCO INTEGRATED SECURITY LLC	Cleared
2	10/16/2014	385898	901.80	02889	1	WALMART COMMUNITY / RFCSLLC	Cleared
2	10/16/2014	385899	885.60	04465	0	WEST MUSIC	Cleared
2	10/16/2014	385900	28,500.00	02941	0	WHITE BEAR GLASS INC	Cleared
2	10/16/2014	385901	250.00	10331	0	WOODBURY SPORTS FOUNDATION	
2	10/16/2014	385902	143.32	03003	1	WOODCRAFT	Cleared
2	10/23/2014	385903	380.00	03455	0	AARP	
2	10/23/2014	385904	631.31	00229	0	BEARCOM WIRELESS WORLDWIDE	Cleared
2	10/23/2014	385905	150.00	09461	0	BEAU BERGER	
2	10/23/2014	385906	50.00	09953	0	BERNARD RINGBERG	
2	10/23/2014	385907	3,061.00	03196	0	BF LAUZON ENTERPRISES INC	Cleared
2	10/23/2014	385908	21.59	00659	1	BLICK ART MATERIALS	Cleared
2	10/23/2014	385909	380.00	07948	0	BRIH DESIGN	Cleared
2	10/23/2014	385910	948.53	00358	0	BRYAN ROCK PRODUCTS INC	Cleared
2	10/23/2014	385911	2,497.83	00558	1	COURAGE KENNY REHABILITATION INSTITUTE	Cleared
2	10/23/2014	385912	1,755.38	00599	0	DALCO	Cleared
2	10/23/2014	385913	74.28	00815	0	FASTENAL COMPANY	Cleared
2	10/23/2014	385914	138.00	10263	0	FIREFLY COMPUTERS	Cleared
2	10/23/2014	385915	137.50	09475	0	GARDEN & ASSOCIATES INC	Cleared
2	10/23/2014	385916	849.75	00936	1	GBC/ACCO BRANDS USA LLC	Cleared
2	10/23/2014	385917	50.00	09560	0	GENIUS SIS	

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Bank	Check Date	Check Number	Check Amount	Vendor Number	Address	Vendor Name	Check Status Description
2	10/23/2014	385918	240.00	08883	0	GINA BOOGREN	
2	10/23/2014	385919	650.31	00974	1	GOODIN COMPANY	Cleared
2	10/23/2014	385920	413.04	01018	0	GROTH MUSIC	Cleared
2	10/23/2014	385921	153.43	01097	0	HEALY AWARDS INC	Cleared
2	10/23/2014	385922	45.56	01133	1	HOBART SERVICES	Cleared
2	10/23/2014	385923	32,056.50	03248	0	I.S.D # 834 STILLWATER	
2	10/23/2014	385924	14,343.95	03378	0	KELLY SERVICES, INC	Cleared
2	10/23/2014	385925	884.90	08806	0	LANDS BEST FOODS	Cleared
2	10/23/2014	385926	15.00	10333	0	LINDA EPPERSON	Cleared
2	10/23/2014	385927	2,400.00	07073	0	LOFFLER	Cleared
2	10/23/2014	385928	200.00	05325	0	MAPLE GROVE HIGH SCHOOL	Cleared
2	10/23/2014	385929	10,136.38	04685	0	MAX STEININGER INC	Cleared
2	10/23/2014	385930	125.00	03379	0	MCTLC	
2	10/23/2014	385931	172.86	01684	0	MENARDS OAKDALE CASHWAY LUMBER	Cleared
2	10/23/2014	385932	330.00	10332	0	METRO SHEET METAL INC	Cleared
2	10/23/2014	385933	915.00	01744	0	MINNESOTA CONWAY FIRE & SAFETY	Cleared
2	10/23/2014	385934	45.00	01780	1	MN DEPT OF HEALTH	Cleared
2	10/23/2014	385935	1,127.30	01971	1	NORTHEAST METRO 916	Cleared
2	10/23/2014	385936	29.00	10020	0	NOW MICRO	Cleared
2	10/23/2014	385937	727.50	08740	0	PHASOR ELECTRIC CO	Cleared
2	10/23/2014	385938	476.00	02141	0	PINE TREE APPLE ORCHARD	
2	10/23/2014	385939	51.12	06012	1	PREMIUM WATERS INC	Cleared
2	10/23/2014	385940	280.00	04507	0	ROMAN MARKET INC	Cleared
2	10/23/2014	385941	538.72	07113	0	SAM'S CLUB	Cleared
2	10/23/2014	385942	2,815.64	07113	0	SAM'S CLUB	Cleared
2	10/23/2014	385943	39.83	00487	2	SCHOOL SPECIALTY/CLASSROOM DIRECT	Cleared
2	10/23/2014	385944	172.50	03123	0	SHEILA MERZER M A	Cleared
2	10/23/2014	385945	49,830.00	08401	0	SPRIGGS PLUMBING /HEATING	Cleared
2	10/23/2014	385946	624.06	00553	3	STAPLES ADVANTAGE	Cleared
2	10/23/2014	385947	19,317.00	07618	0	SVL-SCHWAB VOLLHABER LUBRATT INC	Cleared
2	10/23/2014	385948	225.00	08174	0	TAYLOR KEATE	Cleared
2	10/23/2014	385949	9,289.57	02748	1	TIES/ TIES DEPOT	Cleared
2	10/23/2014	385950	578.25	02785	1	TRIARCO	Cleared
2	10/23/2014	385951	2,780.61	02800	0	TWIN CITY FILTER SERVICE INC	Cleared
2	10/23/2014	385952	496.60	09693	0	UNIVERSAL ATHLETIC	Cleared
2	10/23/2014	385953	400.00	06918	0	UNIVERSITY OF OREGON	
2	10/23/2014	385954	32.15	02858	0	VERIZON WIRELESS	
2	10/23/2014	385955	40.60	02873	0	VOSS LIGHTING	Cleared
2	10/23/2014	385956	83.00	02902	5	WASHINGTON COUNTY	
2	10/23/2014	385957	578.00	02902	5	WASHINGTON COUNTY	
2	10/23/2014	385958	578.00	02902	5	WASHINGTON COUNTY	
2	10/23/2014	385959	578.00	02902	5	WASHINGTON COUNTY	
2	10/23/2014	385960	578.00	02902	5	WASHINGTON COUNTY	
2	10/23/2014	385961	195.00	02946	0	WHITE BEAR LOCKSMITH	Cleared
2	10/23/2014	385962	7,520.55	00723	0	XCEL ENERGY	
2	10/23/2014	385963	1,400.00	05822	0	ZETAH DESIGN	
2	10/30/2014	385964	135.00	03455	0	AARP	

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Bank	Check Date	Check Number	Check Amount	Vendor Number	Address	Vendor Name	Check Status Description
2	10/30/2014	385965	308.00	09119	0	ADVANCEPIERRE FOODS	
2	10/30/2014	385966	639.00	06962	0	ALLINA HEALTH SYSTEM	
2	10/30/2014	385967	2,782.00	00109	0	AMERICAN SECURITY LLC	
2	10/30/2014	385968	250.60	09832	0	ANDREA MYERS	
2	10/30/2014	385969	94.00	00172	3	ASCD	
2	10/30/2014	385970	225.00	06857	0	ASHA	
2	10/30/2014	385971	1,071.00	06626	1	B & H PHOTO VIDEO	
2	10/30/2014	385972	1,998.00	00208	1	BARNES & NOBLE	
2	10/30/2014	385973	225.00	00262	0	BETHEL UNIVERSITY	
2	10/30/2014	385974	160.00	08350	0	BJORN ERICKSON	
2	10/30/2014	385975	300.00	09635	0	BOOTH LAW GROUP LLC	
2	10/30/2014	385976	400.00	05420	0	CARL'S VAN RENTALS	
2	10/30/2014	385977	300.00	00427	3	CASH	
2	10/30/2014	385978	2,555.00	00481	0	CLARK ENGINEERING CORP	
2	10/30/2014	385979	1,301.00	00490	0	CLIMB INC	
2	10/30/2014	385980	570.00	00491	0	CLOSING THE GAP	
2	10/30/2014	385981	95.95	07299	0	COBORNSDELIVERS LLC	
2	10/30/2014	385982	600.00	06546	0	COMO PARK ZOO AND CONSERVATORY ED	
2	10/30/2014	385983	18,380.00	00527	0	COMSTOCK & SONS INC	
2	10/30/2014	385984	13,486.65	09009	0	D & J QUALITY SOURCING LLC	
2	10/30/2014	385985	1,693.00	09332	0	DAKOTA TRUCK UNDERWRITERS	
2	10/30/2014	385986	4,387.28	00599	0	DALCO	
2	10/30/2014	385987	574.75	00631	0	DELTA EDUCATION INC	
2	10/30/2014	385988	807.71	00634	1	DEMCO	
2	10/30/2014	385989	1,600.00	04408	1	DISCOVERY EDUCATION	
2	10/30/2014	385990	1,357.50	00678	0	DOMINO'S PIZZA	
2	10/30/2014	385991	1,300.00	03242	0	DON CUNNINGHAM	
2	10/30/2014	385992	200.00	07675	0	DSAM	
2	10/30/2014	385993	77.22	08879	1	EPS LITERACY & INTERVENTION	
2	10/30/2014	385994	150.00	00814	0	FARMINGTON SENIOR HIGH SCHOOL	
2	10/30/2014	385995	320.00	00904	0	FUTURE HORIZONS INC	
2	10/30/2014	385996	17.05	06061	1	GOPHER SPORT	
2	10/30/2014	385997	151.71	00987	0	GRAINGER	
2	10/30/2014	385998	140.00	03081	0	GRAY SEEVER	
2	10/30/2014	385999	587.37	10335	0	GREENHAVEN PRINTING	
2	10/30/2014	386000	261.50	01096	0	HEALTHPARTNERS/GROUP HEALTH INC	
2	10/30/2014	386001	3,213.00	01102	5	HEINEMANN LIBRARY	
2	10/30/2014	386002	558.22	03248	2	I.S.D # 834 STILLWATER	
2	10/30/2014	386003	5,515.73	01210	0	INDIAN HILLS GOLF CLUB	
2	10/30/2014	386004	84.00	04882	0	JAMES ALLEN	
2	10/30/2014	386005	136.50	09963	0	KATHLEEN SIMMER	
2	10/30/2014	386006	4,992.11	03378	0	KELLY SERVICES, INC	
2	10/30/2014	386007	147.83	08152	1	KEYS BAKERY -WHITE BEAR LAKE	
2	10/30/2014	386008	357.00	08645	0	LARKIN HOFFMAN DALY & LINDGREN LTD	
2	10/30/2014	386009	259.91	03195	0	LASERPLUS, LLC	
2	10/30/2014	386010	89.00	09577	0	LDINFO PUBLISHING	
2	10/30/2014	386011	133.00	07073	0	LOFFLER	

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Bank	Check Date	Check Number	Check Amount	Vendor Number	Address	Vendor Name	Check Status Description
2	10/30/2014	386012	724.42	07606	1	LOFFLER COMPANY INC/KONICA MINOLTA PREMIER FI	
2	10/30/2014	386013	599.00	02115	1	MACKIN EDUCATIONAL RESOURCES	
2	10/30/2014	386014	38.15	01684	0	MENARDS OAKDALE CASHWAY LUMBER	
2	10/30/2014	386015	45.00	01699	0	METRO ECSU	
2	10/30/2014	386016	160.00	05992	0	MIKE PETREY	
2	10/30/2014	386017	12,700.00	01747	0	MINNESOTA HISTORICAL SOCIETY	
2	10/30/2014	386018	9,500.00	01764	0	MMKR- MALLOY MONTAGUE KARNOWSK RADOSEVICH	
2	10/30/2014	386019	332.50	01771	0	MN BOARD OF SCHOOL ADMINISTRATORS	
2	10/30/2014	386020	360.00	01805	0	MN SWORD PLAY/ GERALD BENFORD	
2	10/30/2014	386021	51.44	04089	0	MN UI FUND	
2	10/30/2014	386022	756.00	10337	0	MVNA	
2	10/30/2014	386023	214.50	01883	4	NATIONAL GEOGRAPHIC LEARNING/SCH PUBLISHING	
2	10/30/2014	386024	160.00	10334	0	NICHOLAS BRADT	
2	10/30/2014	386025	3,327.13	01961	0	NORCOSTCO INC	
2	10/30/2014	386026	158.90	07897	0	PACIFIC NW PUBLISHING	
2	10/30/2014	386027	160.00	06965	0	PAUL STENGLEIN	
2	10/30/2014	386028	390.83	02108	0	PEOPLES ELECTRICAL CONTRACTORS	
2	10/30/2014	386029	1,133.75	02141	0	PINE TREE APPLE ORCHARD	
2	10/30/2014	386030	980.10	02180	0	PRESS PUBLICATIONS	
2	10/30/2014	386031	3,248.00	02203	1	PSAT/NMSQT	
2	10/30/2014	386032	90.81	09309	0	PWF SOLUTIONS INC	
2	10/30/2014	386033	75.90	04715	0	READ NATURALLY	
2	10/30/2014	386034	402.50	03123	0	SHEILA MERZER M A	
2	10/30/2014	386035	237.65	00553	3	STAPLES ADVANTAGE	
2	10/30/2014	386036	95.04	03336	0	STRATEGIC EQUIPMENT-DONT USE	Void
2	10/30/2014	386037	67.00	02652	0	STUTTERING FOUNDATION	
2	10/30/2014	386038	527.78	04176	0	SUNBURST CHEMICALS, INC.	
2	10/30/2014	386039	154.00	04551	0	THE GOODPRINTER	
2	10/30/2014	386040	98.75	02745	1	THYSSENKRUPP ELEVATOR	
2	10/30/2014	386041	176.40	02785	1	TRIARCO	
2	10/30/2014	386042	344.58	03345	0	TRIO SUPPLY CO	
2	10/30/2014	386043	4,704.84	02861	2	TYLER TECHNOLOGIES INC	
2	10/30/2014	386044	145.00	02946	0	WHITE BEAR LOCKSMITH	
2	10/30/2014	386045	25,812.55	00723	0	XCEL ENERGY	
2	10/02/2014	80005426	54.24	99999	2432	Warren, Jeanna S	Cleared
2	10/02/2014	80005427	100.24	99999	1038	Crothers, Patrick	Cleared
2	10/02/2014	80005428	66.71	99999	10537	Huberty, Cassandra	Cleared
2	10/02/2014	80005429	147.00	99999	10344	Mickelson, Craig	Cleared
2	10/02/2014	80005430	72.61	99999	11107	Fossen, Alan	Cleared
2	10/02/2014	80005431	1,275.00	99999	2276	Muetzel, David J	Cleared
2	10/02/2014	80005432	14.95	99999	10707	Channon, Lisa	Cleared
2	10/02/2014	80005433	71.96	99999	5058	Osterbauer, Julie	Cleared
2	10/02/2014	80005434	21.84	99999	5081	Metz, Leroy R	Cleared
2	10/02/2014	80005435	870.32	99999	10404	Vedders, Angela	Cleared
2	10/09/2014	80005436	59.97	99999	2432	Warren, Jeanna S	Cleared
2	10/09/2014	80005437	11.76	99999	11092	Weber, Brittni	Cleared
2	10/09/2014	80005438	49.08	99999	10668	Giuliani, Lisa	Cleared

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Bank	Check Date	Check Number	Check Amount	Vendor Number	Address	Vendor Name	Check Status Description
2	10/09/2014	80005439	103.35	99999	10909	Rolling, Julie	Cleared
2	10/09/2014	80005440	74.20	99999	2342	Donovan, Julie A	Cleared
2	10/09/2014	80005441	25.20	99999	11100	Henning, Charlotte	Cleared
2	10/09/2014	80005442	120.00	99999	10690	Eckert, Kristi	Cleared
2	10/09/2014	80005443	59.99	99999	10477	Goff, Karen E	Cleared
2	10/09/2014	80005444	32.12	99999	10477	Goff, Karen E	Cleared
2	10/09/2014	80005445	74.96	99999	2122	Brass, Valerie B	Cleared
2	10/09/2014	80005446	29.33	99999	10196	Hering, James P	Cleared
2	10/09/2014	80005447	81.93	99999	10344	Mickelson, Craig	Cleared
2	10/09/2014	80005448	91.73	99999	2216	Trautman, Terry	Cleared
2	10/09/2014	80005449	125.00	99999	3821	Gerver, Laurie	Cleared
2	10/09/2014	80005450	41.38	99999	2411	Gale, Ann J	Cleared
2	10/09/2014	80005451	7.64	99999	10269	Heagle, Kristin	Cleared
2	10/09/2014	80005452	50.00	99999	10522	Bouwens, Kirsten	Cleared
2	10/09/2014	80005453	50.00	99999	10412	Hamre, Mark B	Cleared
2	10/09/2014	80005454	50.00	99999	10639	Larson, Mark	Cleared
2	10/09/2014	80005455	50.00	99999	10910	Wagner, Luanne	Cleared
2	10/09/2014	80005456	50.00	99999	10686	Neubeck, Michael	Cleared
2	10/09/2014	80005457	50.00	99999	2292	Nickleby, Kathe	Cleared
2	10/09/2014	80005458	45.83	99999	10700	Sorenson, Susan	Cleared
2	10/09/2014	80005459	50.00	99999	10224	Viker, Lynne M	Cleared
2	10/09/2014	80005460	50.00	99999	10908	Menier, Matthew	Cleared
2	10/09/2014	80005461	50.00	99999	11140	Cabe, Carrie	Cleared
2	10/09/2014	80005462	50.00	99999	10971	Manders, Rochel	Cleared
2	10/09/2014	80005463	25.00	99999	1038	Crothers, Patrick	Cleared
2	10/09/2014	80005464	25.00	99999	10196	Hering, James P	Cleared
2	10/09/2014	80005465	25.00	99999	1039	Kaczorek, Debora	Cleared
2	10/09/2014	80005466	25.00	99999	10323	Kostuch, Tonya M	Cleared
2	10/09/2014	80005467	50.00	99999	11097	McMahon, Megan	Cleared
2	10/09/2014	80005468	50.00	99999	5125	Albrecht, Daniel	Cleared
2	10/09/2014	80005469	16.74	99999	10245	Dusek, Sara A	Cleared
2	10/09/2014	80005470	40.93	99999	10427	Young, Matthew V	Cleared
2	10/09/2014	80005471	63.88	99999	2393	Ratzloff, Corey	Cleared
2	10/09/2014	80005472	17.36	99999	4054	DeMars, Joan S	Cleared
2	10/09/2014	80005473	110.81	99999	10182	Rohrig, Joyce L	Cleared
2	10/09/2014	80005474	38.55	99999	2200	Allen, John E	Cleared
2	10/09/2014	80005475	1,639.40	03088	0	STEVE HAMMERSCHMIDT	Cleared
2	10/09/2014	80005476	501.20	03115	0	CHARLES LINDERKAMP	Cleared
2	10/09/2014	80005477	38.91	99999	2245	Rana, Marianne E	Cleared
2	10/09/2014	80005478	130.00	99999	2236	Niziolek, Linda	Cleared
2	10/16/2014	80005479	1,918.62	03057	0	BRAD BERGIE	Cleared
2	10/16/2014	80005480	8.40	99999	4900	Audorff, Shirley	Cleared
2	10/16/2014	80005481	30.50	99999	7683	O'Hara, Jamie M	Cleared
2	10/16/2014	80005482	97.23	99999	2442	Livingston, Judy	Cleared
2	10/16/2014	80005483	41.16	99999	10974	Berge, Melanie	Cleared
2	10/16/2014	80005484	220.36	99999	10947	Ruth, Jessica	Cleared
2	10/16/2014	80005485	853.89	99999	11140	Cabe, Carrie	Cleared

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Bank	Check Date	Check Number	Check Amount	Vendor Number	Address	Vendor Name	Check Status Description
2	10/16/2014	80005486	53.76	99999	2292	Nickleby, Kathe	Cleared
2	10/16/2014	80005487	93.26	99999	3918	Oswald, Jean G	Cleared
2	10/16/2014	80005488	252.26	99999	10451	Haen, Elisabeth	Cleared
2	10/16/2014	80005489	12.99	99999	10389	Osborne, Emily M	Cleared
2	10/16/2014	80005490	11.20	99999	2268	Brown, Julie M	Cleared
2	10/16/2014	80005491	10.71	99999	11107	Fossen, Alan	Cleared
2	10/16/2014	80005492	2,918.25	99999	2021	Driscoll, Deborah	Cleared
2	10/16/2014	80005493	43.00	99999	2417	Murphy, Daniel W	Cleared
2	10/16/2014	80005494	44.24	99999	10807	O'Connor, Kimberly	Cleared
2	10/23/2014	80005495	57.40	99999	8080	Poirier, Nicole	Cleared
2	10/23/2014	80005496	63.28	99999	1038	Crothers, Patrick	Cleared
2	10/23/2014	80005497	279.99	99999	10344	Mickelson, Craig	Cleared
2	10/23/2014	80005498	1,618.18	99999	11107	Fossen, Alan	Cleared
2	10/23/2014	80005499	877.36	99999	11107	Fossen, Alan	Cleared
2	10/23/2014	80005500	1,575.40	03088	0	STEVE HAMMERSCHMIDT	Cleared
2	10/23/2014	80005501	519.10	03115	0	CHARLES LINDERKAMP	Cleared
2	10/23/2014	80005502	34.95	99999	2200	Allen, John E	Cleared
2	10/23/2014	80005503	75.00	99999	2372	Conzemius, Julie	Cleared
2	10/30/2014	80005504	106.03	99999	2327	Fox, Heather	Cleared
2	10/30/2014	80005505	147.00	99999	10385	Chow, Nanette L	Cleared
2	10/30/2014	80005506	100.00	99999	11101	Johnson, Bethany	Cleared
2	10/30/2014	80005507	392.95	99999	11107	Fossen, Alan	Cleared
2	10/30/2014	80005508	100.00	99999	3785	Rice, Marianne G	Cleared
2	10/30/2014	80005509	73.91	99999	2149	Kuchar, Sue	Cleared
2	10/30/2014	80005511	15.32	99999	2436	Childs, Rita	Cleared
2	10/30/2014	80005512	26.00	99999	2268	Brown, Julie M	Cleared
2	10/30/2014	80005513	24.45	99999	2156	Kluegel, Susan	Cleared
2	10/30/2014	80005514	173.10	99999	2159	Snedden, Bethany	Cleared
2	10/30/2014	80005515	58.66	99999	11107	Fossen, Alan	Cleared
2	10/30/2014	80005516	191.88	99999	11107	Fossen, Alan	Cleared
2	10/30/2014	80005517	54.95	99999	10451	Haen, Elisabeth	Cleared
2	10/30/2014	80005518	64.96	99999	10224	Viker, Lynne M	Cleared
2	10/30/2014	80005519	135.52	99999	10224	Viker, Lynne M	Cleared

Total 1,208,674.72

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Bank	Check Date	Check Number	Check Amount	Vendor Number	Address I	Vendor Name	Check Status Description
5	10/02/2014	50000259	79.00	04719	0	DOOR SERVICE CO OF THE TWIN CITIES IN	Cleared
5	10/02/2014	50000260	3,604.52	02747	0	TIERNEY BROTHERS INC	Cleared
5	10/09/2014	50000261	194.74	02747	0	TIERNEY BROTHERS INC	
5	10/16/2014	50000262	2,051.74	02227	0	CENTURYLINK	
5	10/16/2014	50000263	257.00	03241	0	ELECTRONIC DESIGN CO	
5	10/16/2014	50000264	293.02	02747	0	TIERNEY BROTHERS INC	
5	10/23/2014	50000265	612.00	04719	0	DOOR SERVICE CO OF THE TWIN CITIES IN	
5	10/23/2014	50000266	270.00	02747	0	TIERNEY BROTHERS INC	
5	10/30/2014	50000267	1,813.19	06303	1	JOHNSON CONTROLS	
5	10/30/2014	50000268	1,051.65	02747	0	TIERNEY BROTHERS INC	

Total 10,226.86

**INDEPENDENT SCHOOL DISTRICT #832
WIRE TRANSFER TRANSACTIONS
MONTH OF OCTOBER 2014**

<u>DATE</u>	<u>FROM</u>	<u>TO</u>	<u>AMOUNT</u>	<u>PURPOSE</u>
10/6/14	US Bank	Preferred One	\$11,079.21	claims payment
10/7/14	State of Minnesota	MN Trust	\$1,300.00	direct state payment
10/7/14	State of Minnesota	MN Trust	\$422.79	direct state payment
10/9/14	US Bank	Chase Card Service/Bank One	\$203.87	cardmember payment
10/10/14	MN Trust	MSDLAF	\$1,200,000.00	cover checks
10/14/14	US Bank	Preferred One	\$7,762.45	claims payment
10/14/14	US Bank	Preferred One	\$978.22	claims payment
10/14/14	US Bank	Peoples Bank of Commerce-EBC Flex	\$7,419.59	flex benefits
10/14/14	US Bank	Peoples Bank of Commerce-403-B/457	\$61,999.19	TSA payment/Deferred Comp
10/14/14	US Bank	Central Bank	\$776.10	para union dues
10/14/14	US Bank	US Bank Card Member Services	\$9,546.09	cardmember payment
10/15/14	MSDLAF	US Bank	\$557,822.53	cover checks
10/15/14	US Bank	IRS	\$213,063.91	federal & fica taxes
10/15/14	US Bank	MN Dept of Revenue	\$35,385.74	state payroll taxes
10/15/14	US Bank	Public Emp. Retirement Assoc.	\$23,792.85	pera retirement
10/15/14	US Bank	Mn Teachers Retirement	\$103,756.41	teachers retirement
10/15/14	US Bank	Mn Child Support	\$181.08	child support
10/15/14	State of Minnesota	MN Trust	\$574,881.24	direct state payment
10/15/14	State of Minnesota	MN Trust	\$34,505.12	direct state payment
10/17/14	US Bank	MN Dept of Revenue	\$1,402.00	sales tax payment
10/20/14	US Bank	Preferred One	\$691.75	claims payment
10/20/14	US Bank	Preferred One	\$9,084.40	claims payment
10/27/14	US Bank	Preferred One	\$9,896.05	claims payment
10/27/14	US Bank	Preferred One	(\$80.84)	claims payment
10/28/14	MN Trust	MSDLAF	\$1,400,000.00	cover checks
10/29/14	Washington County	MN Trust	\$2,382,915.00	direct state payment
10/30/14	US Bank	The United Educators CU	\$11,435.15	MEA teachers union dues
10/30/14	US Bank	Peoples Bank of Commerce-EBC Flex	\$7,419.59	flex benefits
10/30/14	US Bank	Peoples Bank of Commerce-403-B/457	\$62,053.73	TSA payment/Deferred Comp
10/30/14	US Bank	Central Bank	\$757.88	para union dues
10/30/14	State of Minnesota	MN Trust	\$804,621.10	direct state payment
10/31/14	MSDLAF	US Bank	\$563,813.71	cover checks
10/31/14	US Bank	IRS	\$218,900.61	federal & fica taxes
10/31/14	US Bank	MN Dept of Revenue	\$36,500.94	state payroll taxes
10/31/14	US Bank	Public Emp. Retirement Assoc.	\$24,004.87	pera retirement
10/31/14	US Bank	Mn Teachers Retirement	\$105,146.34	TRA payment
10/31/14	US Bank	Mn Child Support	\$231.72	child support
10/31/14	US Bank	MN Dept of Revenue	\$457.18	wage levy