

# **Intermediate District 287**

Responsive. Innovative. Solutions.



**Intermediate District 287**

**Regular Meeting**

**Thursday, January 25, 2018 6:45 PM**

# Intermediate District 287

## RESPONSIVE. INNOVATIVE. SOLUTIONS

### GENERAL MEETING OF THE BOARD

Thursday, January 25, 2018

6:45 PM @ District Service Center Board Room

#### AGENDA

	<u>Page #</u>
1. CALL TO ORDER (Action)	
2. APPROVAL OF GENERAL MEETING AGENDA (Action)	
3. OPEN FORUM (Information)	
4. APPROVAL OF CONSENT AGENDA (Action)	
4. 1. General Board Meeting Minutes from December 14, 2017	4
4. 2. Routine Human Resources Activities for January 25, 2018	7
4. 3. Financial Report November 2017	11
4. 4. Hennepin Technical College (HTC) PSEO Contract 2017-2018	24
4. 5. Lease of District Space – St. David’s Center	25
5. SHARE THE SUCCESS & RECOGNITION - None	
6. SUPERINTENDENT’S REPORT - (20 minutes)	
6. 1. 2018 Legislative Platform (Action)	26
Board Members will approve the 2019 Intermediate Legislative Platform	
6. 2. Consider state and federal MSBA draft resolutions on funding of special education. (Information)	31
7. INSTRUCTIONAL REPORT - (15 minutes) (Information)	
7. 1. Spotlight on 287 Itinerant Services Itinerant Service staff will present an in-depth look at 287’s Itinerant Services and share usage information and student features for member districts.	
8. BUSINESS SERVICES & LABOR RELATIONS REPORT - (30 minutes)	
8. 1. Facilities Report (Information)	
8. 1. 1. What the Board Needs to Know About the Ann Bremer Facilities Project Tim Norton, Director of Facilities will share a written update on the status of the project.	33
8. 2. Financial Report	
8. 2. 1. FY17 Audit - Auditor Presentation - (Annual Report) (Action)	36
Jim Eichten, Malloy, Montague, Karnowski, Radosevich & Co., will present a summary of the FY17 Audit and the Board will be asked to accept it.	
8. 2. 2. Approval of Routine Monthly Finance Report - December 2017 (Action)	171
Mae Hawkins, Executive Director of Business Services will provide an overview of the December 2017 monthly finance reports and the Board will be asked to approve it.	
8. 3. Human Resource Report (Action)	
8. 3. 1. What the Board Needs to Know about Human Resource Planning and Upcoming Hiring Season Michelle Axell, Director of Human Resources will share recruitment & retention strategies along with a proposal for the continuation of signing bonuses for high-quality candidates in hard-to-fill positions.	184
9. BOARD BUSINESS - (20 minutes) (Information)	
9. 1. Policy Review & Revision - None	

9. 2. Board Reports	
9. 2. 1. Chair Report	
9. 2. 1. 1. Superintendent Evaluation	186
9. 2. 2. TIES Update <i>(Information)</i>	
Board Members will receive a short update on the January 24th TIES meeting.	
9. 2. 3. AMSD Report	
9. 2. 3. 1. AMSD Update	
9. 2. 3. 2. January 2018 AMSD Newsletter	189
9. 2. 4. NSBA Annual Conference, April 7-9, 2018	193
9. 3. District News	
9. 3. 1. School Board Planning Calendar	195
9. 3. 2. January 25, 2018 Board Event Calendar	200
9. 3. 3. 2017-2018 Get on the Bus & Local 2209/Board Breakfast Schedule	201
9. 4. Once Around the Table	
10. <b>ADJOURNMENT</b>	

**DISTRICT 287 REGULAR BOARD MEETING**  
**Intermediate District 287**  
**December 14, 2017**  
**MINUTES**

**1. CALL TO ORDER**

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

270	Hopkins	Warren Goodroad
273	Edina	Regina Neville
278	Orono	Michèle Kunz
279	Osseo	Dean Henke
280	Richfield	Nancy Rowley
281	Robbinsdale	Sherry Tyrrell
284	Wayzata	Andrea Cuene
277	Westonka	Heidi Marty

Absent: 286/Palm, 272/Kohner, and 283/Gores

Guests: Aaron Clark, Kim Clerk, Endia Clerk, Melvina Clerk, Grant Nyberg, Chad Nyberg, Carol Bomben, and Kim Nyberg

287 Administration: Sandra Lewandowski, Michelle Axell, Anne Becker, Mae Hawkins, Kim Helgeson, Rachel Hicks, Tina Houck, Dr. Elisabeth Lodge Rogers, Dr. Jennifer Nelson, Tim Norton, Gloria Wilder, Dr. Jon Voss, and Wauneen Mgeni

287 Staff Members: Jayne Tiedemann, Kathryn Enselein, Benjamin Silberglitt, Robert Schoch, Michelle Seiger, Bob Laumann, Brian Burns, Chris Hanson, Amy Tiedens, Jayne Tiedemann, and Julie Tuorila

**2. APPROVAL OF GENERAL MEETING AGENDA**

The general meeting agenda was presented for approval. *Motion by Dean Henke, seconded by Warren Goodroad approve the meeting agenda. All in favor. Motion carried unanimously.*

Board Chair Henke and the Board recognized the outstanding service of outgoing Board member, Nancy Rowley from Richfield.

**3. OPEN FORUM FOR COMMUNITY COMMENTS**

**4. APPROVAL OF CONSENT AGENDA**

The Consent Agenda was presented for approval. The Consent Agenda included the general meeting minutes from November 9, 2017, Agreement for Tuition Contribution to Alternative Learning Programs – Robbinsdale, Authorization of Issuance of Individual Procurement Cards (P-Cards), Acceptance of the Minnesota Child Care Resource & Referral Network - Think Small Center and School Age Grant – North Education Center (NEC), Acceptance of the Minnesota Child Care Resource & Referral Network - Think Small Center and School Age Grant - South Education Center (SEC), Approval of October 2017 Monthly Financial Report, and Approval of SOCRATES (Division of South Central Service Cooperative) Agreement. *Motion by Dean Henke, seconded by Sherry Tyrrell to approve the Consent Agenda with the exception of removing consist agenda item Routine Human Resources Activities for December 14, 2017 section 4C Retirement (Regular/Disability). All in favor. Motion carried unanimously.*

At the recommendation of Board Chair Henke, *a motion was made by Sherry Tyrrell, seconded by Michèle Kunz, to approve the Routine Human Resources Activities for December 14, 2017 section 4C Retirement (Regular/Disability) as presented. All in favor. One no vote. Motion carried.*

## **5. SHARE THE SUCCESS & RECOGNITIONS**

Superintendent Lewandowski introduced Amy Tiedens, District 287 Transportation Coordinator. Amy briefly presented an update on the Special Education Division of the 2017 National Poster Contest from the National Association for Pupil Transportation (NAPT). Amy introduced Aaron Clark, student at Edgewood Education Center, Aaron is the 2017 National Poster Contest for NAPT winner. Aaron briefly explained how he came up with the idea for the poster.

Sandy introduced Jayne Tiedemann, South Education Center Principal. Jayne introduced Grant Nyberg, his parents Chad and Kim Nyberg from Edina Public School. Grant's parents briefly presented an overview of Grant's journey and success in District 287. They thanked Grant's educational team, the Superintendent, and the Board for all District 287 has done to foster Grant's success.

Rachel Hicks, Director of Communication and Public Relation presented the South Education Center Get on the Bus [video](#).

## **6. SUPERINTENDENT'S REPORT**

Superintendent Lewandowski introduced Dr. Jon Voss, Director of Teaching & Learning. Jon presented and recommended approval of the World's Best Workforce. *Motion by Dean Henke, seconded by Michèle Kunz, to approve the World's Best Workforce Report as provided by the printed documentation shared. All in favor. Motion carried unanimously.*

Superintendent Lewandowski provided an update on member district feedback about two potential legislative platform topics.

At the recommendation of Board Chair Henke, *a motion was made by Dean Henke, seconded by Warren Goodroad, to approve the nomination and approval of Andrea Cuene to be the TIES Board Representative. All in favor. Motion carried unanimously.*

Rachel Hicks, Director of Communication and Public Relations presented a summary of the naming process and Superintendent Lewandowski recommended the approval of the new name for the Northwest Tech Center (NWTC)/Edgewood Education Campus (EEC). *Motion by Dean Henke, seconded by Sherry Tyrrell, to approve the new name "Ann Bremer Education Center." All in favor. Motion carried unanimously.* The naming process included students, staff, neighbors and administration. 40 name ideas were generated; a naming committee and school community survey informed the superintendent's recommendation: [Read the announcement](#).

## **7. INSTRUCTIONAL REPORT**

Dr. Jon Voss, Director of Teaching & Learning, presented an overview on Minnesota Partnership for Collaborative Curriculum (MPCC) and the efforts to implement Open Educational Resources in the district and region. Teachers all over the state have access to digital content. Over 200 Minnesota school districts have access to 40-plus courses in core content areas in grades 3-12 all in a digital format. The digital content is created for Minnesota by Minnesota teachers, everything is aligned to Minnesota standards.

## **8. BUSINESS SERVICES & LABOR RELATIONS REPORTS**

### **Facilities Report**

Tim Norton, Director of Facilities, presented an update on the Northwest Tech Center (NWTC) Replacement/Edgewood Education Campus (EEC) Remodel Facility Project and change orders through November. [NWTC Replacement/EEC Remodel Project](#)

### **Financial Report**

Mae presented and recommended approval of the unaudited financial report for FY17. The overall fund balance at June 30, 2017 was \$6,818,690 or (6.53%). *Motion by Dean Henke, seconded by Sherry Tyrrell, to approve the unaudited fund balance for FY17 as presented. All in favor. Motion carried unanimously.*

### **Human Resources Report - None**

## **9. BOARD BUSINESS**

### **Policy Review & Revision**

Anne Becker, General Counsel presented and recommended the approval of the Health & Medical Policy Bucket. *Motion by Dean Henke, seconded by Sherry Tyrrell, to approve the Health & Medical Policy Bucket as presented. All in favor. Motion carried unanimously.*

**Chair Report**

Board Chair Henke informed the Board that the 2018 MSBA Leadership Conference conflicts with the 2018 Intermediate District 287 School Board January 11, 2018 General Meeting of the Board date. Board members unanimously agreed to cancel the January 11, 2018 General Meeting of the Board.

**AMSD Report - None**

**Once Around the Table - None**

**10. ADJOURNMENT**

*Motion was heard and seconded to adjourn the meeting. Meeting adjourned at 8:40 PM.*

The next general meeting will be held on January 25, 2018, at 6:30 PM in the District Service Center – Boardroom.

Submitted by  
Wauneen Mgeni  
Secretary to the Board

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

Clerk \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

**ROUTINE HUMAN RESOURCES ACTIVITIES FOR THE INTERMEDIATE DISTRICT 287  
SCHOOL BOARD – January 25, 2018**

**1. New Hires:**

**A. Additional Positions due to Increased Enrollment**

- Nicole Doescher-Train, Autism Teacher at North Education Center, effective November 27, 2017 – Step 2, Lane 5 MA – 1.0 FTE.
- Jeremy Bauernfeind, EBD Teacher at North Education Center, effective January 2, 2018 – Step 2, Lane 5 MA – 1.0 FTE.
- Glazell Toledo, Math Teacher at Gateway To College, effective January 17, 2018 – Step 11, Lane 5 MA – 1.0 FTE.
- Kathyrene Grengs, Education Assistant at West Education Center, effective January 16, 2018 Step 10, Lane 1 - .875 FTE.
- Janee Udalla, Education Assistant at North Education Center, effective December 13, 2017 – Step 5, Lane 5 BA - .875 FTE.
- Annalie Nelson, Education Assistant at North Education Center, effective February 7, 2018 – Step 4, Lane 5 BA - .875 FTE.
- William Hill, Education Assistant at West Education Center, effective January 10, 2018 – Step 10, Lane 1 - .875 FTE.
- Antonio McKnuckles, Education Assistant at South Education Center, effective December 21, 2017 – Step 6, Lane 5 BA - .875 FTE.
- Matthew Torgerson, Education Assistant for Care and Treatment, effective January 2, 2018 – Step 5, Lane 7 BA +20 Credits - .875 FTE.
- Brenda Berckenhoff, Education Assistant for Care and Treatment, effective January 2, 2018 – Step 5, Lane 5 BA - .875 FTE.
- Jaimoun Jarrett, Education Assistant at West Education Center, effective January 10, 2018 – Step 1, Lane 1 - .875 FTE.

## **B. Replacement for Transfers**

- Tonisha Coleman, Education Assistant at Edgewood Education Center, for C. Ramsey, effective January 2, 2018 – Step 10, Lane 1 - .875 FTE.

## **C. Replacement for Separations**

- Voneisha Harris, Education Assistant at South Education Center, for M. Herman, effective January 3, 2018 – Step 5, Lane 1 - .875 FTE.
- Rachel Gylling, Education Assistant at South Education Center, for B. Skufca, effective January 16, 2018 – Step 8, Lane 4 +90 credits - .875 FTE.

## **D. New Position**

### **2. Temporary Hires/Assignments:**

#### **A. Assignments**

- Mindy Thompson, D/HH Instructor, substitute for Itinerant Services effective January 8, 2018 through March 23, 2018.
- Darshan Hendricks, Education Assistant at North Education Center, effective January 3, 2018 through January 4, 2018.

#### **B. Northern Star Online or Independent Study Program**

- 

#### **C. Teachers on a Special Permission**

##### **Limited License**

- 

##### **Non-Licensed Community Expert**

- Thomas Simshauser                      Bridget Bengtson
- Corey Ramsey

##### **Variance**

-

## **D. Termination of Temporary Hire**

•

### **3. Extended Leaves of Absence:**

- Rick Wachholz, Math Teacher at Epsilon, 1.0 FTE effective December 18, 2017 through June 8, 2018.
- Jodi Dyvig, Education Assistant at South Education Center, .875 FTE effective January 12, 2018 through June 8, 2018.
- Thomas Simshauser, Education Assistant at North Education Center to accept a temporary teaching position, .875 FTE effective December 20, 2017 through June 8, 2018.
- Bridget Bengtson, Education Assistant at North Education Center to accept a temporary teaching position, .875 FTE effective January 2, 2018 through June 8, 2018.
- Corey Ramsey, Education Assistant at Edgewood Education Center to accept a temporary teaching position, .875 FTE effective January 2, 2018 through June 8, 2018.

### **4. Separations:**

#### **A. Dismissal**

- Yasmen Smith, Education Assistant at North Education Center, effective January 8, 2018.
- Cierra Muse, Education Assistant at North Education Center, effective January 8, 2018.

#### **B. Resignation**

- Jeremy Bauernfeind, Education Assistant at North Education Center, to accept a full-time licensed position, effective January 2, 2018.
- Dieudonne Asambang, Education Assistant at North Education Center, effective January 1, 2018.

- Gabe Vertin, Education Assistant at South Education Center, effective January 5, 2018.
- Nikkia Mills, Education Assistant at West Education Center, effective January 9, 2018.
- Tabitha Johnson, Administrative Support at the District Service Center, effective February 28, 2018.
- Anne Floyd, Administrative Support at the District Service Center, effective January 19, 2018.
- Candace Mielke, Administrative Support at the District Service Center, effective January 19, 2018.

**C. Retirement (Regular/Disability)**

- Garth Norberg, School Social Worker at South Education Center, effective June 8, 2018.

**5. Other:**

# CONSENT AGENDA - RECOMMENDATION

## Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

## November Monthly Financial Reports

January 25, 2018

### Author

Mae Hawkins, Executive Director of Business Services

### Summary

The November Budget to Actual Comparison and other financial Reports for Board approval

- Revenues are at 43.4% of budget, this is a higher % than the prior two years.
- Expenditures are at 30.1% of budget, this is a lower % than the prior two years.
- Cash is higher than the prior two year's levels.
- Investments earned interest of \$11,381.91.
- Enrollment Reports - October Actual ADM compared to Budget Planning:
  - ALC – Nov ADM is 49.5 ADM above budget. Change from previous month: -9.7
  - Northern Star Online – ADM will continue to grow throughout the year. Independent Study credits are added at the end of a semester.
  - Career & Technical Pathways – Nov ADM is 2 above budget. Change from previous month: -4.8
  - Special Education – Nov ADM is below budget for EBD programs. Total is 38 ADM below budget as of November. Change from previous month: +2
  - Care & Treatment – Nov ADM is below budget at several locations. Change from previous month: +31
- Donations equaled \$260.00 from GiveMN.org.

### Recommendation

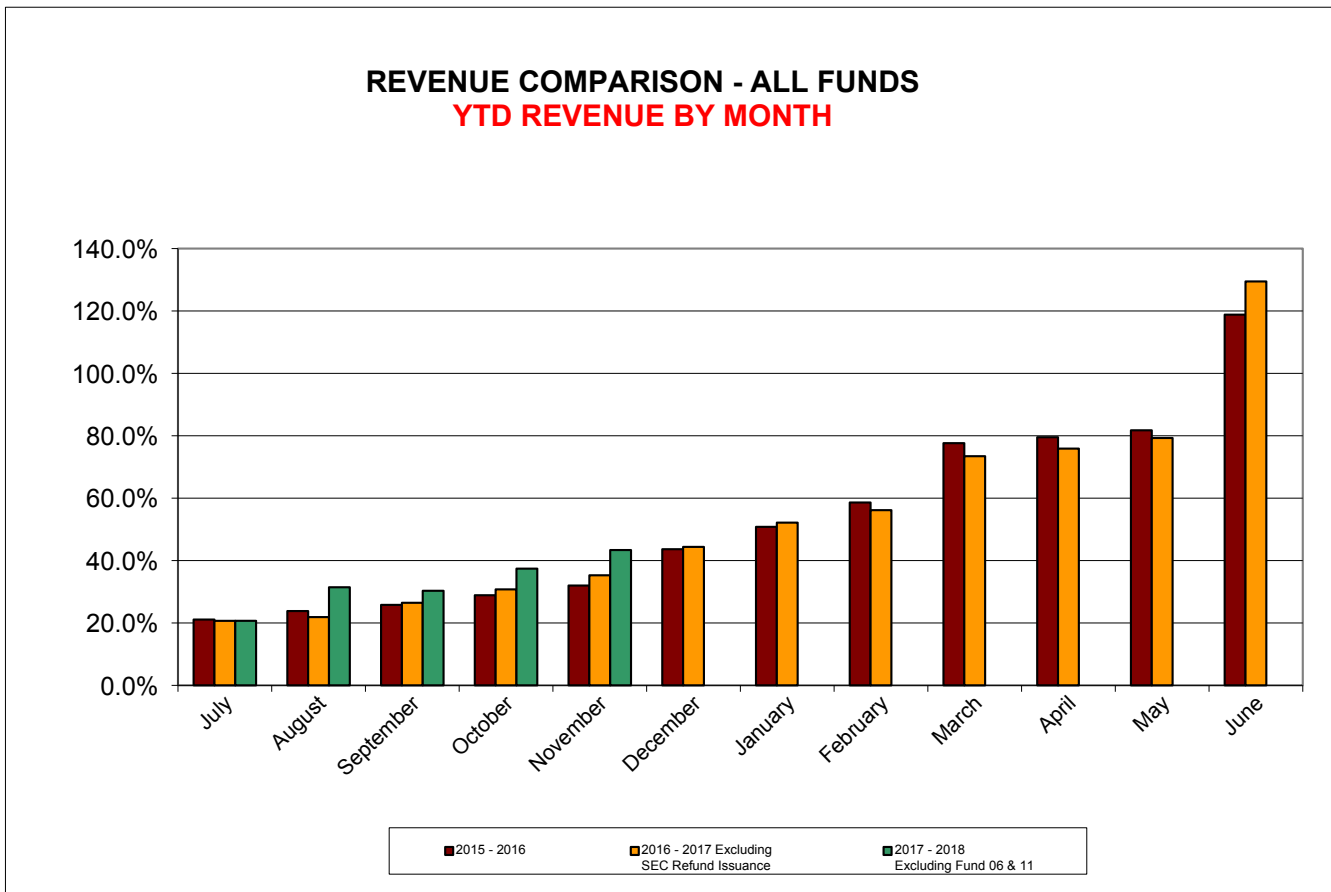
The Board approve the November Monthly Financial Reports.

**DISTRICT 287**  
**REVENUE COMPARISON**

Month	2015 - 2016		2016 - 2017 Excluding SEC Refund Issuance		2017 - 2018 Excluding Fund 06 & 11		2017 - 2018 Including Fund 06 & 11	
	\$	%	\$	%	\$	%	\$	%
July	20,378,472	21.1%	20,955,383	20.7% <sup>1</sup>	21,476,959	20.7% <sup>2</sup>	21,476,959	17.7%
August	2,631,390	23.8%	1,219,160	21.9% <sup>1</sup>	11,163,095	31.4% <sup>2</sup>	29,263,095	41.8%
September	1,909,306	25.8%	4,645,111	26.5% <sup>1</sup>	-1,171,259	30.3% <sup>2</sup>	-1,171,259	40.9%
October	2,986,373	28.9%	4,354,450	30.8% <sup>1</sup>	7,365,100	37.4% <sup>2</sup>	7,365,100	46.9%
November	3,005,312	32.0%	4,577,453	35.3% <sup>1</sup>	6,190,140	43.4% <sup>2</sup>	6,190,140	52.0%
December	11,245,464	43.6%	9,223,250	44.4% <sup>1</sup>				
January	6,925,064	50.8%	7,877,597	52.2% <sup>1</sup>				
February	7,537,967	58.6%	4,053,717	56.2% <sup>1</sup>				
March	18,377,018	77.6%	17,523,474	73.4% <sup>1</sup>				
April	1,836,026	79.5%	2,467,971	75.9% <sup>1</sup>				
May	2,145,220	81.8%	3,443,993	79.3% <sup>1</sup>				
June	35,805,362	118.8%	50,847,628	129.5% <sup>1</sup>				
<b>TOTAL</b>	<b>114,782,973</b>	<b>118.8%</b>	<b>131,189,188</b>	<b>129.5%</b>	<b>45,024,035</b>	<b>43.4%</b>	<b>63,124,035</b>	<b>52.0%</b>
<b>BUDGET</b>	<b>96,606,120</b>		<b>101,335,187</b> <sup>1</sup>		<b>103,806,267</b> <sup>2</sup>		<b>121,306,267</b>	

<sup>1</sup> excludes loan proceeds and related transactions of \$28,248,643 from the South Education Center 2016 Refunding Issuance

<sup>2</sup> excludes Funds 06 & 11 revenue of \$17,500,000



ACCT STATUS: All Account Statuses ACCOUNT RANGES: 01 TO 99-999  
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FD	PRIOR YEAR ACTUAL	REVISIED BUDGET	11/01/17 11/30/17	FISCAL YEAR 201707 RECEIVED THRU 11/30/17	REMAINING ON 11/30/17	PERCENT REMAINING
01 GENERAL FUND	38,897,113.59	16,372,763	4,600.23-	3,694,773.84	12,677,989.16	77.43 %
02 FOOD SERVICE FUND	784,476.13	806,374	10,425.60	34,803.86	771,570.14	95.68 %
04 COMMUNITY SERVICE FUND	97,153.31	105,612	6,404.33	16,456.70	89,155.30	84.41 %
06 BUILDING CONSTRUCTION FUND	0.00	17,500,000	0.00	12,700,000.00	4,800,000.00	27.42 %
07 DEBT SERVICE FUND	12,807,430.79	7,918,599	0.00	6,530,817.37	1,387,781.63	17.52 %
08 TRUST FUND	504,903.80	515,111	0.00	32,847.65	482,263.35	93.62 %
10 SCHOLARSHIP FUND	952.17	0	623.97	623.97	623.97-	0.00 %
11 EDGEWOOD LTFM BOND	0.00	0	0.00	5,400,000.00	5,400,000.00-	0.00 %
12 ALC-ACADEMIC	10,036,003.36	9,470,478	114,667.08	2,541,190.29	6,929,287.71	73.16 %
13 CAREER & TECH	1,096,305.25	1,037,619	0.00	704,917.43	332,701.57	32.06 %
14 SPECIAL EDUCATION	55,181,959.99	56,609,726	4,597,786.42	26,837,890.02	29,771,835.98	52.59 %
20 INTERNAL SERVICE FUND - DENTAL	598,787.56	554,000	70,205.08	228,994.17	325,005.83	58.66 %
21 INTERNAL SERVICE FUND - HEALTH	11,163,092.55	10,389,735	1,393,551.03	4,396,773.24	5,992,961.76	57.68 %
51 STUDENT CLUBS	21,009.78	26,250	1,076.97	3,946.33	22,303.67	84.96 %
*** REPORT TOTALS:	131,189,188.28	121,306,267	6,190,140.25	63,124,034.87	58,182,232.13	47.96 %

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# DISTRICT 287

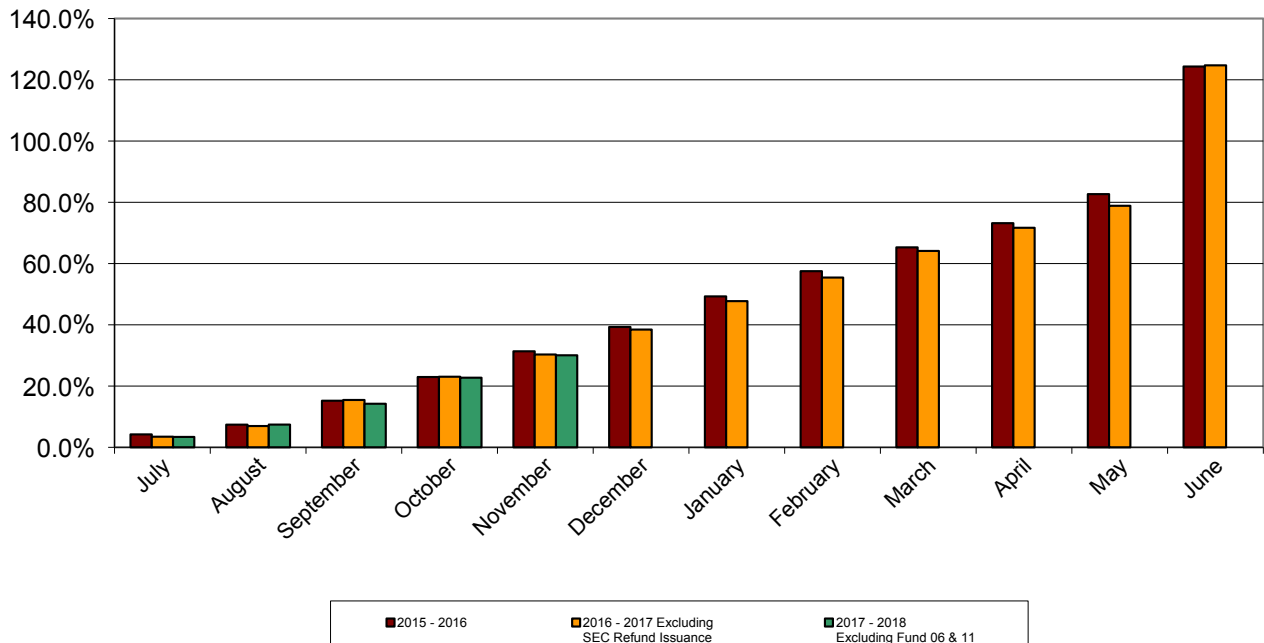
## EXPENDITURE COMPARISON

Month	2015 - 2016		2016 - 2017 Excluding SEC Refund Issuance		2017 - 2018 Excluding Fund 06 & 11		2017 - 2018 Including Fund 06 & 11	
	\$ Amount	% of Budget	\$ Amount	% of Budget	\$ Amount	% of Budget	\$ Amount	% of Budget
July	4,043,775	4.2%	3,543,140	3.5% <sup>1</sup>	3,500,963	3.4% <sup>2</sup>	3,500,963	2.9%
August	3,043,894	7.4%	3,555,125	7.0% <sup>1</sup>	4,151,891	7.4% <sup>2</sup>	4,151,941	6.4%
September	7,479,224	15.2%	8,684,253	15.5% <sup>1</sup>	7,013,854	14.2% <sup>2</sup>	7,620,014	12.8%
October	7,410,809	23.0%	7,744,736	23.1% <sup>1</sup>	8,769,316	22.7% <sup>2</sup>	8,828,762	20.2%
November	8,038,585	31.4%	7,407,913	30.3% <sup>1</sup>	7,543,575	30.1% <sup>2</sup>	7,670,256	26.6%
December	7,601,203	39.3%	8,309,643	38.5% <sup>1</sup>		<sup>2</sup>		
January	9,558,718	49.3%	9,475,028	47.7% <sup>1</sup>		<sup>2</sup>		
February	7,881,292	57.5%	7,858,634	55.4% <sup>1</sup>		<sup>2</sup>		
March	7,445,090	65.3%	8,865,790	64.1% <sup>1</sup>		<sup>2</sup>		
April	7,559,929	73.2%	7,719,134	71.7% <sup>1</sup>		<sup>2</sup>		
May	9,078,090	82.7%	7,330,932	78.9% <sup>1</sup>		<sup>2</sup>		
June	39,882,823	124.3%	46,799,582	124.7% <sup>1</sup>		<sup>2</sup>		
<b>TOTAL</b>	<b>119,023,433</b>	<b>124.3%</b>	<b>127,293,907</b>	<b>124.7%</b>	<b>30,979,600</b>	<b>30.1%</b>	<b>31,771,936</b>	<b>26.6%</b>
<b>BUDGET</b>	<b>95,730,013</b>		<b>102,066,698</b> <sup>1</sup>		<b>103,087,212</b> <sup>2</sup>		<b>119,522,212</b>	

<sup>1</sup> excludes loan proceeds and related transactions of \$24,134,295 from the South Education Center 2016 Refunding Issuance

<sup>2</sup> excludes Funds 06 & 11 expenditures of \$16,435,000

### EXPENDITURE COMPARISON - ALL FUNDS YTD EXPENDITURES BY MONTH



ACCT STATUS: All Account Statuses ACCOUNT RANGES: 01 TO 99-999  
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 SUBTOTALLED BY: ACCOUNT FD  
 SERIES TOTALS: <None Selected>  
 PAGE BREAK ON: <None Selected>

FD	PRIOR YEAR ACTUAL	REVISED BUDGET	11/01/17 11/30/17	EXPENDED THRU 11/30/17	FISCAL YEAR 201707 ENCUMBERED THRU 11/30/17	REMAINING ON 11/30/17	PERCENT REMAINING
01 GENERAL FUND	39,125,498.50	16,331,049	988,467.79	5,668,266.17	2,580,267.57	8,082,515.26	49.49 %
02 FOOD SERVICE	784,476.13	806,374	71,389.82	254,096.52	225,252.32	327,025.16	40.55 %
04 COMMUNITY SERVICE FUND	97,153.31	105,612	7,374.51	42,828.55	2,796.37	59,987.08	56.79 %
06 BUILDING CONSTRUCTION FUND	252,440.17	16,435,000	114,768.21	605,578.37	6,630,945.70	9,198,475.93	55.96 %
07 DEBT SERVICE FUND	11,360,239.11	7,178,562	1,500.00	1,819,296.49		5,359,265.51	74.65 %
08 TRUST FUND	504,903.80	515,111	0.00	0.00		515,111.00	100.00 %
10 SCHOLARSHIP FUND	2,500.00	14,000	2,500.00	2,500.00		11,500.00	82.14 %
11 EDGEWOOD LTFM BOND	77,830.94	0	11,912.34	186,758.35	2,676,780.22	2,863,538.57	0.00 %
12 ALC-ACADEMIC	9,818,607.65	9,768,750	815,436.44	3,096,709.71	758,461.88	5,913,578.41	60.53 %
13 CAREER & TECH	1,095,268.43	1,040,480	81,909.72	278,867.47	11,269.50	750,343.03	72.11 %
14 SPECIAL EDUCATION	54,416,996.13	56,343,293	4,956,766.06	16,486,781.06	1,551,944.49	38,304,567.45	67.98 %
20 INTERNAL SERVICE FUND	563,405.22	554,000	43,180.87	181,823.91		372,176.09	67.17 %
21 SELF HEALTH INSURANCE	9,155,399.11	10,389,735	574,214.32	3,140,870.05	6,634,163.34	614,701.61	5.91 %
51 STUDENT CLUBS	39,188.42	40,246	835.88	7,559.54	6,915.35	25,771.11	64.03 %
*** REPORT TOTALS:	127,293,906.92	119,522,212	7,670,255.96	31,771,936.19	21,078,796.74	66,671,479.07	55.78 %

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# Intermediate District 287

## *Responsive. Innovative. Solutions.*

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### INTER-OFFICE MEMORANDUM

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DATE: **December 18, 2017**

TO: Members of the School Board

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

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

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

- |   |                                  |
|---|----------------------------------|
| 1. Claim payments for: <b>November 2017</b>   | Totaling \$ <u>3,699,727.57</u>  |
| a) Check #'s <b>505881 - 506141</b><br>and Wire Transfers - #'s <b>2926, 2929, 2931 - 2940, 3139, 70022604 - 70022762, 80001608 - 80001627</b><br>and P-Card Purchases - #'s <b>90000870 - 90000878</b> |                                  |
| 2. Payroll for: <b>November 2017</b>  | Totaling \$ <u>2,520,251.51</u>  |
| a) Check #'s <b>675709 - 675711</b><br>b) Direct Deposit #'s <b>339692 - 340672 &amp; 340673 - 341660 (regular pay)</b><br>and Wire Transfers - #'s <b>n/a</b>  |                                  |
| 3. Receipts for: <b>November 2017</b>   | Totaling \$ <u>7,685,283.11</u>  |
| a) Receipt #'s <b>142620 - 142730</b>   |                                  |
| 4. Investments at end of month  | Totaling \$ <u>12,027,085.18</u> |

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

**INTERMEDIATE DISTRICT 287  
INVESTMENTS ON HAND  
NOVEMBER 30, 2017**

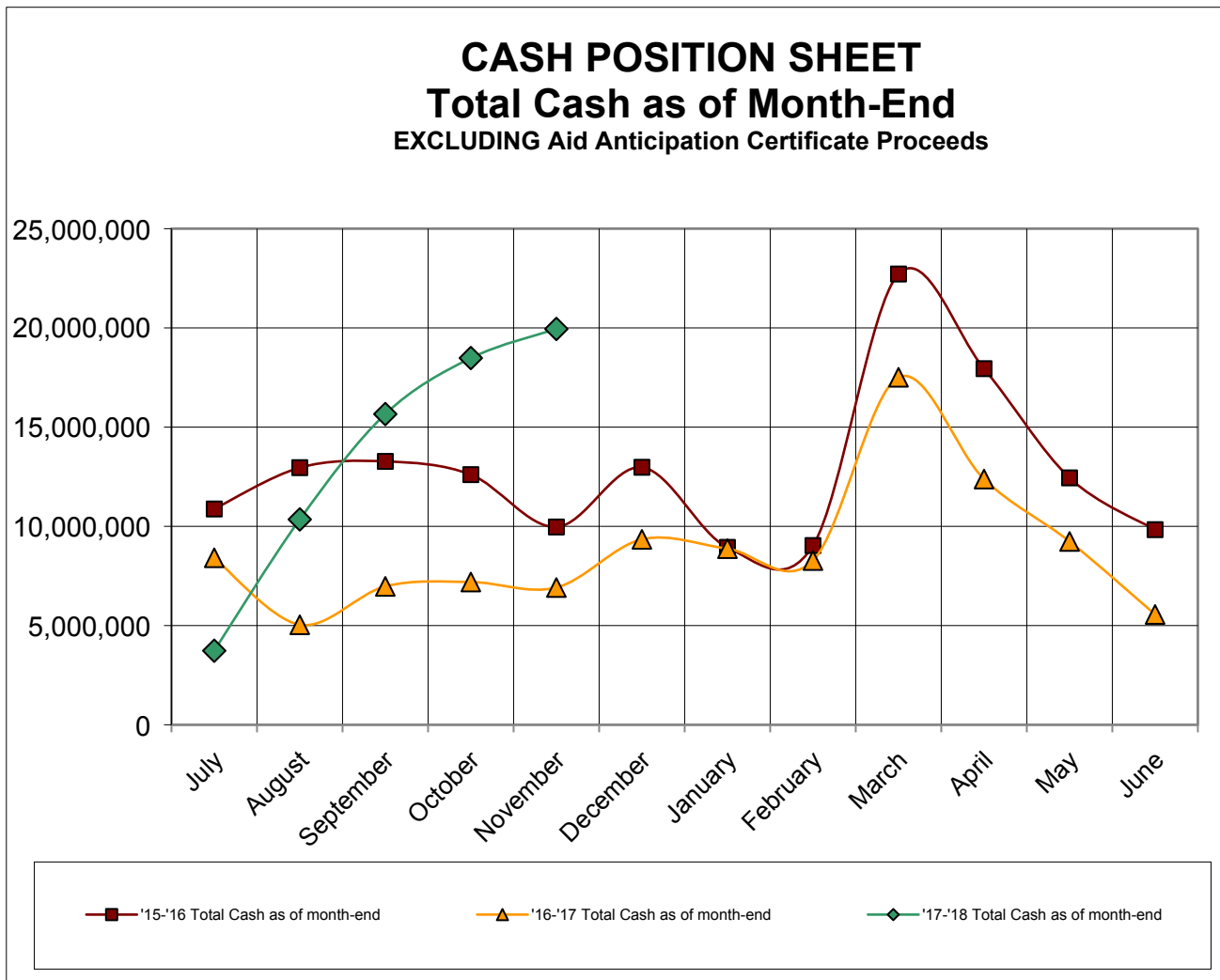
INV NBR	INSTITUTION	INV TYPE	RATE OF RETURN (%)	PURCHASE DATE	MATURITY DATE	AMOUNT INVESTED
	PMA- MNTRUST SAVINGS DEPOSIT ACCOUNT		1.140	11/01/17	11/30/17	12,027,085.18
	TOTAL PMA- MNTRUST INVESTMENTS ON BOOKS					12,027,085.18
<b>ACTIVITY DETAIL:</b>						
	INVESTMENTS ON OUR BOOK AT END OF PRIOR MONTH					12,015,703.27
	CURRENT MONTH ACTIVITY					
	DEPOSITS					
	WITHDRAWALS					
	INTEREST EARNED- RECORDED					11,381.91
	INTEREST EARNED- NOT RECORDED BY MONTH-END					
	TOTAL INVESTMENTS AT END OF MONTH & UN-RECORDED INTEREST					12,027,085.18

# Intermediate District 287

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

- EXCLUDING Aid Anticipation Certif. Proceeds

<u>Date</u>	<u>'15-'16 Total Cash as of month-end</u>	<u>'16-'17 Total Cash as of month-end</u>	<u>'17-'18 Total Cash as of month-end</u>
July	10,874,357	8,416,248	3,732,072
August	12,957,525	5,040,856	10,349,977
September	13,272,863	6,975,089	15,658,753
October	12,606,016	7,194,655	18,481,017
November	9,967,552	6,916,923	19,946,453
December	12,975,710	9,344,714	
January	8,941,620	8,875,350	
February	9,032,093	8,275,904	
March	22,715,110	17,511,081	
April	17,946,260	12,382,094	
May	12,442,140	9,237,955	
June	9,833,118	5,560,309	



**INTERMEDIATE DISTRICT 287**  
**NOVEMBER 2017 ACTIVITY**

**ELECTRONIC TRANSFERS IN:**

DATE	TO	AGENCY	EF#	AMOUNT	DESCRIPTION
11/1/2017	MSDLAF	DHS-MMIS	142706	2,102.54	THIRD PARTY BILLING
	MSDLAF	HENN CO	142729	3,644.76	MEC2 SECA
11/2/2017	MSDLAF	APPLE CLICKS	142707	62.31	APPLE CLICKS AUGUST PAID IN OCTOBER 17
11/3/2017	MSDLAF	EDUC-EDU	142708	93,934.22	MN DEPT OF EDU INV#75815
11/15/2017	MSDLAF	EDUC-STATE AID	142709	4,009,006.55	01S360 SPECIAL ED AID
11/21/2017	MSDLAF	HENN CO	142710	20,555.24	MEC2 NECA
11/22/2017	MSDLAF	HENN CO	142711	5,456.46	MEC2 SECA
11/30/2017	MSDLAF	EDUC-STATE AID	142712	561,548.88	STATE AID
	MSDLAF	SQUARE INC BULLDOG CAFÉ	142713	874.93	BULLDOG CAFÉ @ WEC SQUARE INC NOVEMBER 2017
	MSDLAF	SQUARE INC-COM GROU	142714	580.32	COMMON GROUNDS SQUARE INC NOVEMBER 2017
	MSDLAF	SQUARE INC JITTERBUG	142715	213.31	JITTERBUG SQUARE INC NOVEMBER 2017
	MSDLAF	ELAVON	142716	4,288.05	PAYPAMS NOVEMBER 2017
	MSDLAF	PAYPAL	142717	3,165.14	PAYPAL NOVEMBER 2017
	MSDLAF	US BANK	142720	150,555.72	EDGEWOOD CONSTRUSTION
<b>MTD TOTALS</b>				<b>4,855,988.43</b>	

**INTERMEDIATE DISTRICT 287**  
**NOVEMBER 2017 ACTIVITY**

**WIRE TRANSFERS OUT:**

DATE	FROM	AGENCY	WIRE #	AMOUNT	DESCRIPTION
11/2/2017	MSDLAF	HEALTHPARTNERS	2931	117,041.24	HPAI CLAIM
11/3/2017	MSDLAF	BANK OF MONTREAL	90000870 - 90000878	23,017.19	P-CARD
11/10/2017	MSDLAF	US BANK	70022604 - 70022687	3,102.02	DIRECT DEPOSIT EMPLOYEE EXPENSES FY 17-18
11/15/2017	MSDLAF	EBC	80001608	50,533.05	EMPLOYEE & EMPLOYER 403B
	MSDLAF	MN DEPT OF REV	80001609	744.92	MN DEPT OF REVENUE-WAGE LEVY'S
	MSDLAF	MN REVENUE	80001610	80,106.85	MN REVENUE
	MSDLAF	PERA	80001611	52,773.36	PUBLIC EMPLOYEES RETIREMENT ASSN
	MSDLAF	TRA	80001612	87,259.20	TEACHERS RETIREMENT ASSN
	MSDLAF	US BANK	80001613	344,102.08	FEDERAL TAXES
	MSDLAF	EBC	80001614	20,277.09	EMPLOYEE & EMPLOYER 403B
	MSDLAF	PERA	80001615	60,892.37	PUBLIC EMPLOYEES RETIREMENT ASSN
	MSDLAF	TRA	80001616	87,259.20	TEACHERS RETIREMENT ASSN
	MSDLAF	US BANK	80001617	145,856.66	FEDERAL TAXES
	MSDLAF	US BANK	339692 - 340672	1,263,128.09	PAYROLL
	MSDLAF	VOIDED	2926	0.00	VOID
	MSDLAF	VOIDED	2929	0.00	VOID
11/17/2017	MSDLAF	HEALTHPARTNERS	2932	221,032.62	HPAI CLAIM
	MSDLAF	HEALTHPARTNERS	2933	2,155.28	HPAI CLAIM
11/22/2017	MSDLAF	HEALTHPARTNERS	2934	101,648.66	HPAI CLAIM
	MSDLAF	EBC	2935	29,344.50	EDUCATORS BENEFIT CONSULTANT
	MSDLAF	MSRS	2936	19,902.69	MN STATE RETIREMENT SYSTEMS
11/25/2017	MSDLAF	BANK OF MONTREAL	2937	105,929.93	P-CARD
11/27/2017	MSDLAF	US BANK	70022688 - 70022762	13,442.64	DIRECT DEPOSIT EMPLOYEE EXPENSES FY 17-18
11/29/2017	MSDLAF	HEALTHPARTNERS	2938	127,253.06	HPAI CLAIM
11/30/2017	MSDLAF	EBC	80001618	20,277.09	EMPLOYEE & EMPLOYER 403B
	MSDLAF	PERA	80001619	60,868.70	PUBLIC EMPLOYEES RETIREMENT ASSN
	MSDLAF	TRA	80001620	87,135.15	TEACHERS RETIREMENT ASSN
	MSDLAF	US BANK	80001621	145,234.02	FEDERAL TAXES
	MSDLAF	EBC	80001622	50,683.05	EMPLOYEE & EMPLOYER 403B
	MSDLAF	MN DEPT OF REV	80001623	1,163.24	MN DEPT OF REVENUE-WAGE LEVY'S
	MSDLAF	MN REVENUE	80001624	79,637.55	MN REVENUE
	MSDLAF	PERA	80001625	52,752.93	PUBLIC EMPLOYEES RETIREMENT ASSN
	MSDLAF	TRA	80001626	87,135.15	TEACHERS RETIREMENT ASSN
	MSDLAF	US BANK	80001627	342,165.24	FEDERAL TAXES
	MSDLAF	US BANK	2939	83.34	ARP FEES VOUCHER ACCT OCTOBER 17
	MSDLAF	CHS	2940	33,838.91	CORPORATE HEALTH SYSTEMS
	MSDLAF	US BANK	3139	243.06	ARP FEES RECEIPT ACCT OCTOBER 17
	MSDLAF	US BANK	340673 - 341660	1,254,871.93	PAYROLL
<b>MTD TOTALS</b>				<b>5,172,892.06</b>	

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**DONATIONS  
INTERMEDIATE DISTRICT 287  
2017-2018**

**Nov-17**

DON. DATE	DESCRIPTION	VIN#	EST VALUE	DONOR	CAMPUS	PROGRAM
11/15/2017	CHECK		\$ 260.00	K FOUNDATION, GIVE MN.ORG	DISTRICT WIDE	ALL

\$ 260.00







# Intermediate District 287









## 2017-18 Monthly Program ADM Data by Division

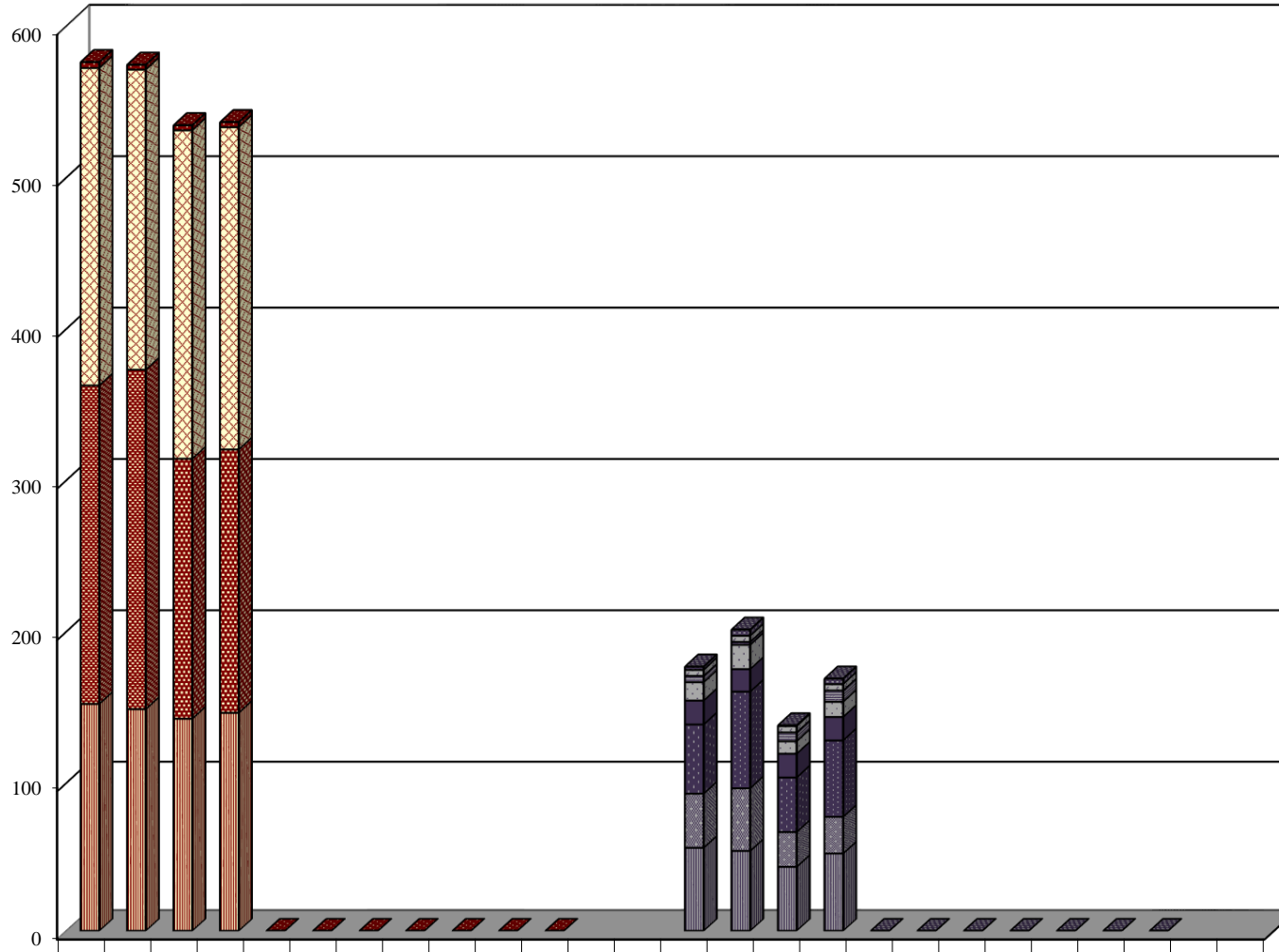
Internal and School Board Use Only - Includes Director Planned ADMs  
Includes member and non-member districts and does not include services

**SPECIAL EDUCATION**

-  **MULTI-CATEGORICAL**
-  **TRANSITION**
-  **EBD/DCD K-12**
-  **ASD/DCD K-12**

**CARE & TREATMENT**

-  **ALLINA**
-  **OHHS**
-  **ACF**
-  **WEST ACADEMY**
-  **OMEGON**
-  **PRAIRIE CARE**
-  **EPSILON**
-  **HEADWAY**



	SPECIAL EDUCATION												CARE & TREATMENT											
	FY17	Budget	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY17	Budget	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		
Allina												2.08	3.96	0.42	3.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
OHHS												3.99	4.02	4.21	4.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
ACF												4.17	1.98	5.79	7.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
West Academy												12.11	16.00	8.24	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Omegon												15.81	14.94	15.71	15.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Prairie Care												45.81	63.86	36.67	50.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Epsilon												36.54	42.30	23.52	24.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Headway												56.15	54.00	43.27	52.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Multi-Categorical	3.89	3.18	3.32	3.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00													
Transition	209.67	198.24	216.94	212.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00													
EBD/DCD K-12	210.43	224.26	171.78	173.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00													
ASD/DCD K-12	152.08	148.62	142.30	146.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00													

# CONSENT AGENDA - RECOMMENDATION

Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

## Recommendation for Board Acceptance of Post-Secondary Enrollment Contract with Hennepin Technical College.

January 25, 2018

### Author

Mae Hawkins, Executive Director of Business Services

### Summary

Approve the Post-Secondary Enrollment Contract between Intermediate District 287 and Hennepin Technical College pursuant to the provisions of Minnesota Statute 124D.09. The contract outlines the terms for paying Hennepin Technical College an amount equivalent to the Post-Secondary rate for students enrolled in District 287 programs who are taking college courses as part of their school day.

### Recommendation

Administration recommends that the school board approve the above contract.

# CONSENT AGENDA - RECOMMENDATION



**Intermediate District 287**  
RESPONSIVE. INNOVATIVE. SOLUTIONS.

## Lease of District Space – St. David’s Center

January 25, 2018

### Author

Mae L. Hawkins, Executive Director of Business Services

### Summary

- Agreement for St. David’s Center to use space after school at Edgewood Education Center and South Education Center for the remainder of the 2017-18 school calendar.
- Agreement includes definition of terms and payment of \$500.00 per month per site.

### Recommendation

- The School Board approve the lease agreement with St. David’s Center for their afterschool usage of Edgewood Education Center and South Education Center for the remainder of the 2017-18 school calendar.

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

**Regular Meeting – September, 2017**

**AGENDA SECTION: SUPERINTENDENT'S REPORT**

**ITEM: 2018 Legislative Platform**

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

**1. Background Information**

Minnesota's four Intermediate School Districts partner with the Legislature in our unique mission as both special school districts and regional service providers. With continued support in 2018, we can continue to provide quality programs and services in special education, career and technical education, and a variety of other specialty areas for our member districts and students. Responding to our legislative needs will also enhance our ability to serve as a model for the regional delivery of many of the programs and services needed by students and K-12 school districts.

Key initiatives supported by the Intermediate School Districts for the 2018 legislative session include the following:

- Mental Health Funding
- Increase Intermediate Lease Levy

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

**3. RECOMMENDED ACTION: The Board approves the 2018 Legislative Platform as presented.**

Motion by: \_\_\_\_\_

Yes \_\_\_\_ Passed \_\_\_\_

Second by: \_\_\_\_\_

Yes \_\_\_\_ Failed \_\_\_\_

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

## **INTERMEDIATE SCHOOL DISTRICTS 2018 LEGISLATIVE PRIORITIES**

Minnesota's four Intermediate School Districts partner with the Legislature in our unique mission as both special school districts and regional service providers. With continued support in 2018, we can continue to provide quality programs and services in special education, career and technical education, and a variety of other specialty areas for our member districts and students. Responding to our legislative needs will also enhance our ability to serve as a model for the regional delivery of many of the programs and services needed by students and K-12 school districts.

Key initiatives supported by the Intermediate School Districts for the 2018 legislative session include the following:

### ***MENTAL HEALTH FUNDING***

Public schools have become the frontline of children's mental health services and have become the de facto mental health system for Minnesota's 125,000 students who receive special education services, at least during the school day. This trend is alarming, as schools do not have the funding for the necessary training, staff support, or specialized mental health services to serve in this capacity. As a result, the Intermediate School Districts and other cooperative units have become the main educational provider for these students. And, these students bring with them increasingly complex special education disabilities and extraordinary mental health needs.

Over the past several legislative sessions, the Intermediates have requested funding from the Legislature to begin addressing these needs. One-time funding was provided in the form of one-time grants: 1) \$4.9 million for mental health innovation grants; and 2) \$4.5 million for mental health crisis professional development grants. While one-time funding is greatly appreciated, we are at a point where on-going funding is needed so that our Intermediate school districts and other cooperative units can provide the necessary mental health services their members districts are requested to support students. *We are proposing legislation to allow the Intermediates school districts and other cooperative units to access a mental health levy of \$20 times the adjusted pupil units of the member districts.*

### ***INCREASE INTERMEDIATE LEASE LEVY***

The four 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.

*We are proposing an increase in the Intermediate lease levy by \$20 and include language allowing the Intermediates to access lease levy authority for non-member districts that have students participating in Intermediate district programming.*

\*\*\*\*

For questions or more information, please contact:

Superintendent Sandy Lewandowski  
Intermediate School District #287  
(763) 550-7100  
sllewandowski@district287.org

Superintendent Connie Hayes  
Intermediate School District #916  
(651) 415-5656  
chayes@916schools.org

Superintendent Darren Kermes  
Intermediate School District #288  
(952) 567-8102  
dkermes@swmetro.k12.mn.us

Superintendent John Christiansen  
Intermediate School District #917  
(651) 423-8226  
john.christiansen@isd917.k12.mn.us

Valerie Dosland  
Lobbyist, Ewald Consulting  
(612)490-3052  
valeried@ewald.com

DRAFT

# INTERMEDIATE SCHOOL DISTRICTS

## 2018 LEGISLATIVE PRIORITIES

Minnesota's four Intermediate School Districts partner with the Legislature in our unique mission as both special school districts and regional service providers. With continued support in 2018, we can continue to provide quality programs and services in special education, career and technical education, and a variety of other specialty areas for our member districts and students. Responding to our legislative needs will also enhance our ability to serve as a model for the regional delivery of many of the programs and services needed by students and K-12 school districts.

Key initiatives supported by the Intermediate School Districts for the 2018 legislative session include the following:

### MENTAL HEALTH FUNDING

125,000 students in Minnesota receive special education services, with public schools at the frontline of children's mental health.

Intermediate School Districts and other cooperative units have become the main educational provider for these students that require specialized services.

One-time funding was provided in the form of one-time grants:

- \$4.9 million for mental health innovation grants
- \$4.5 million for mental health crisis professional development grants

On-going funding is needed so that our Intermediate school districts and other cooperative units can continue to provide necessary mental health services to students

*We are proposing legislation to allow the Intermediates school districts and other cooperative units to access a mental health levy of \$20 times the adjusted pupil units of the member districts.*

### INCREASE INTERMEDIATE LEASE LEVY

Intermediate School Districts serve a highly-specialized population of Level IV special education students.

Level IV students require specially-designed spaces that provide for a combination of educational services and mental health services.

These spaces:

- Are not found in typically-designed schools
- Focus on therapeutic needs
- Provide safety to students & staff

Expansion of the lease levy authority would allow for cost-efficient solutions when replacement of space is necessary to meet the needs.

*We are proposing an increase in the Intermediate lease levy by \$20 and include language allowing the Intermediates to access lease levy authority for non-member districts that have students participating in Intermediate district programming.*



**For questions or more information, please contact**

**Superintendent Sandy Lewandowski**

Intermediate School District #287  
(763) 550-7100  
sllewandowski@district287.org

**Superintendent Darren Kermes**

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**Superintendent Connie Hayes**

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**Superintendent John Christiansen**

Intermediate School District #917  
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john.christiansen@isd917.k12.mn.us

**Valerie Dosland**

Lobbyist, Ewald Consulting  
(612) 490-3052  
valeried@ewald.com



# Resolution to Fully Fund Special Education Services (Minnesota)

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

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

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

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

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

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

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

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

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

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

On Behalf of the ***INSERT SCHOOL DISTRICT NAME*** Board of Directors:

***NAME***, Board Chair

Passed on a vote of ***XX*** ayes; ***XX*** nays

Dated:

# Resolution to Fully Fund Special Education Services

## (Federal)

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

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

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

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

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

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

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

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

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

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

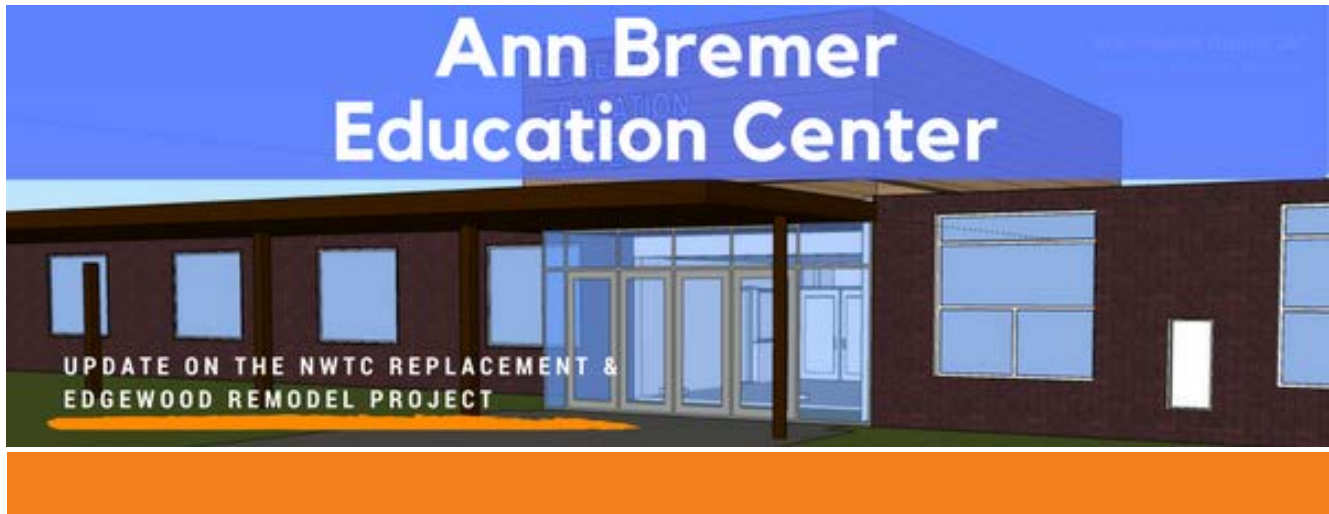
BE IT FURTHER RESOLVED, that the Secretary of the Senate cause a copy of this resolution to be delivered to all United States Representatives and Senators representing Minnesota in the Congress of the United States.

On Behalf of the **INSERT SCHOOL DISTRICT NAME** Board of Directors:

**NAME**, Board Chair

Passed on a vote of **XX** ayes; **XX** nays

Dated:



## Ann Bremer Education Center Construction Update



We want to keep our neighbors, staff, and stakeholders updated about the **Ann Bremer Education Center Project** (formerly the NWTC Replacement & Edgewood Remodel Project). We'll send periodic updates to help communicate with member district leaders about timelines, actions, and costs.

### In this Update

- Timeline
- Project Highlights
- Photos
- Videos
- Subscribe

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### Timeline

- **January 2018**
  - Staff Students moved into Phase I remodeled classrooms
  - Begin Phase II interior remodel work.
  - Prudently authorize resources to accelerate work of framing, mechanical, electrical, and plumbing rough-in.
  - Start roofing install at addition; begin to install masonry brick.
- **February 2018**

Continue Phase II & begin Phase III interior remodel work.

- **March 2018**

Phase III interior remodel work is completed. Interior drywall/finish along with mechanical, electrical & plumbing finishes. Note: Winter weather conditions may require authorization of additional resources to maintain schedule.

- **April 2018**

Programs move into the new addition pending temporary Certificate of Occupancy. Phase IV interior remodel work is initiated and completed.

- **May 2018**

Continue working toward Certificate of Occupancy (rather than TCO) in new addition. Complete punch list items; continue with remodel of existing building.

---

## Project Highlights

---

- **Building enclosure is 90% complete**
- **Domestic water and heating lines from boiler room are complete**
- **Accelerating frost removal to prep soil for slab pours started January 17. Note: We lost approximately three weeks due to winter weather conditions.**

Video by A.J. Lillesve, Kraus Anderson



[Drone Video Interior/Exterior](#)

Photos by Patrick Nelson, District 287



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**Intermediate District 287**

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# WHAT THE BOARD NEEDS TO KNOW

## Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

### Construction Contingency & Change Orders

January 25, 2018

#### Authors

Mae L. Hawkins, Executive Director of Business Services

Tim Norton, Director of Finance

#### Summary

- Per the Change Order Approval Process approved by the School Board on September 28, 2017. A monthly report of change orders will be presented to the school board showing all change orders approved by district administration and those requiring board approval.

#### In-depth

Date Proposed	Approved by	Approved Date	Vendor	Item	Amount	New Addition	Fund 1	LTFM
9/21/17	MLH	1/3/18	Park Construction	Replace Clay Sanitary Sewer line	12,589.26	12,589.26		
10/20/17	Waiting for documents		Park Constr.	Septic System Removal & Soil Corrections	13,786.30	13,786.30		
11/1/17	MLH	11/29/17	G F Cook	Credit/Laminate	-2,100.00			-2,100.00
11/20/17	MLH	11/20/17	TSP	Contract for additional work	12,280.00	6,860.00	1,165.00	4,255.00
12/11/2017	Waiting for documents		George F Cook	Laminate at front entry	19,326.00		19,326.00	
12/07/2017	Waiting for documents		Quality Drywall	Support beams at breakout rooms 2, 4, & 6	1,831.00			1,831.00
12/11/2017	Waiting for documents		El-Jay Plumbing	Add 1 hydration station	285.00	285.00		
12/07/2017	Waiting for documents		El-Jay Plumbing	Modify roof drains per EEA	2,832.00	2,832.00		
9/14/17	MLH	1/3/18	Park Construction	Add Alt 2 Basketball Ct	2,000.00	2,000.00		
Total					62,829.56	38,352.56	20,491.00	3,986.00
				Original Budgeted Contingency		436,300.40	8,124.75	186,191.00
				Remaining Contingency Balance		397,947.84	-12,366.25	182,205.00
				Bids under Budget Amount		880,503.94	19,160.11	864,428.28
				Total Remaining Funds		\$1,278,451.78	\$6,793.86	\$1,046,633.28

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

Regular Meeting – January 25, 2018

**AGENDA SECTION: BUSINESS SERVICES REPORT**

**ITEM: Recommendation for Board Acceptance of the  
Audited Financial Report for the year ended June 30, 2017**

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

**1. Background Information**

Jim Eichten, Managing Partner of MMKR, Certified Public Accountants & Co., P.A. will present the district’s Audited Financial Report for the year ended June 30, 2017.

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

**3. RECOMMENDED ACTION:**

The Board accepts the audited financial report for the year ended June 30, 2017.

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

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

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

Management Report  
for  
Intermediate District No. 287  
Plymouth, Minnesota  
June 30, 2017

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

We have prepared this management report in conjunction with our audit of Intermediate District No. 287's (the District) financial statements for the year ended June 30, 2017. We have organized this report into the following sections:

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

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

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

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

Minneapolis, Minnesota  
December 18, 2017

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## AUDIT SUMMARY

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

### **OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA AND *GOVERNMENT AUDITING STANDARDS***

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, 2017, 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 and *Government Auditing Standards*, 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, 2017:

- We have issued an unmodified opinion on the District's basic financial statements.
- We noted no matters involving the District's internal control over financial reporting that we consider to be material weaknesses.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- We reported no findings based on our testing of the District's compliance with Minnesota laws and regulations.

### **GENERAL COMMENTS AND RECOMMENDATIONS**

#### **Written Procurement Procedures for Uniform Guidance**

When your district initially adopted the new Uniform Guidance (UG) requirements for federal programs, it exercised an option to delay implementation of the general procurement standards portion of the UG for a two-year grace period, which effectively ended on June 30, 2017. On May 17, 2017, the U.S. Office of Management and Budget (OMB) amended the UG to extend the available grace period for an additional year, which would potentially exempt the District through the fiscal year ending June 30, 2018. Districts are required to document their decision to use the previous OMB procurement standards during the extension period. We recommend this decision be documented by a Board of Directors resolution.

If not already completed, we recommend the District begin the process of documenting its UG-compliant procurement procedures, including a clear timeline of when the UG procurement standards will be effective for the District. The UG requires the District to have written procurement procedures which reflect applicable state and local laws and regulations, provided that the procurements conform to applicable federal law and the standards identified in 2 CFR 200.318. Districts are also required to have written standards of conduct that cover conflicts of interest and govern the performance of their employees engaged in the selection, award, and administration of contracts. The District should review the UG, to obtain a better understanding of the procurement standards and identify any needed policy and procedure changes, as well as provide employee training in preparation for implementation, which is July 1, 2018, if the full grace period is elected.

## **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, 2017.

However, the District implemented the following governmental accounting standards during the fiscal year ended June 30, 2017:

- Governmental Accounting Standards Board (GASB) Statement No. 79, *Certain External Investment Pools and Pool Participants*, which enhanced disclosures regarding investments.
- GASB Statement No. 82, *Pension Issues, an amendment of GASB Statements No. 67, No. 68, and No. 73*, which addressed certain issues related to pension reporting and disclosures.

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

## **CORRECTED AND UNCORRECTED MISSTATEMENTS**

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

## **ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS**

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

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

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

The District has recorded activity for other post-employment benefits (OPEB) and pension benefits. These obligations are calculated using actuarial methodologies described in GASB Statement Nos. 45 and 68. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, proportionate share, and employee turnover.

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

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

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

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

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

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

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

#### **DISAGREEMENTS WITH MANAGEMENT**

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

#### **MANAGEMENT REPRESENTATIONS**

We have requested certain representations from management that are included in the management representation letter dated December 18, 2017.

#### **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 the management's discussion and analysis and the pension and OPEB-related 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 and Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table accompanying the financial statements, which are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and other district information, which accompany the financial statements but are not RSI. Such information 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 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.

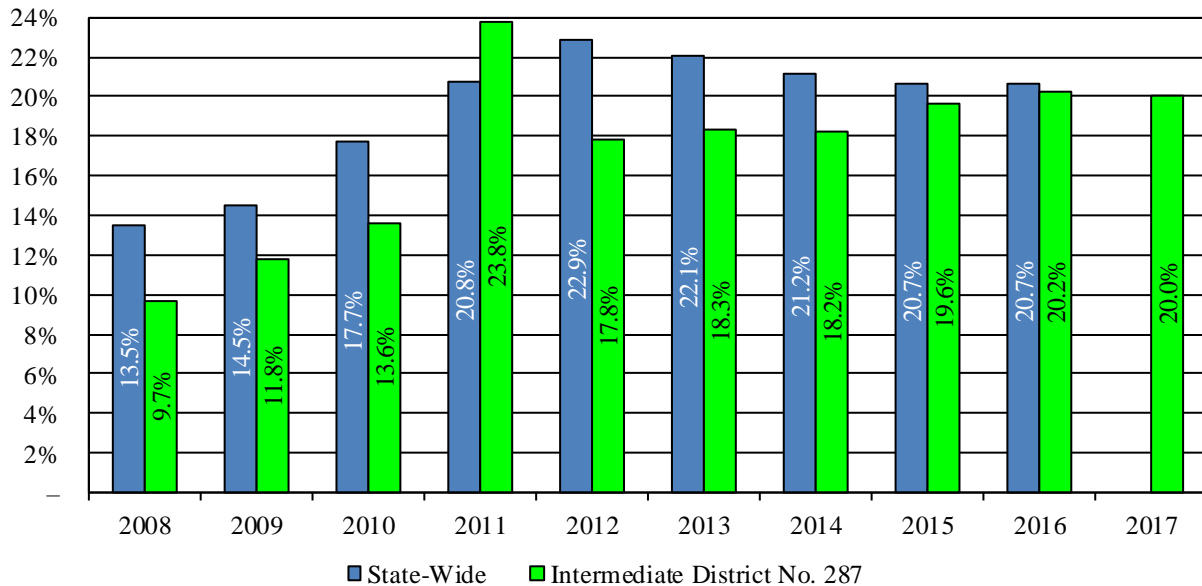
The table below presents a summary of the formula allowance for the past decade and as approved for the 2018 and 2019 fiscal years. The amount of the formula allowance and the percentage change from year to year excludes temporary funding changes, the “roll-in” of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts. The \$529 increase in 2015 was offset by changes to pupil weightings and the general education aid formula that resulted in an increase equivalent to approximately \$105, or 2.0 percent, state-wide.

Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
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 %
2016	\$ 5,948	2.0 %
2017	\$ 6,067	2.0 %
2018	\$ 6,188	2.0 %
2019	\$ 6,312	2.0 %

## STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

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

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



Note: State-wide information is not available for fiscal 2017.

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. We have also included the comparable percentages for your district.

During the economic downturn that began in 2008, the average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts increased, peaking at 22.9 percent at the end of fiscal 2012. This trend reflects districts' efforts to limit budget cuts, retain educational programs, and maintain adequate operating cash flow during a period of uncertain funding. As the state's economic condition improved in subsequent years, this ratio has gradually decreased, stabilizing at 20.7 percent for fiscal 2015 and fiscal 2016.

As of June 30, 2016, this ratio was 20.2 percent for the District, as compared to 20.0 percent at the end of the current year.

## FINANCIAL TRENDS OF YOUR DISTRICT

### DISTRICT FINANCIAL POSITION

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

	Year Ended June 30,			
	2014	2015	2016	2017
Revenue	\$ 76,894,291	\$ 79,112,527	\$ 80,199,806	\$ 83,340,884
Expenditures	<u>76,159,478</u>	<u>77,117,979</u>	<u>79,377,306</u>	<u>82,520,426</u>
Excess (deficiency) of revenue over expenditures	734,813	1,994,548	822,500	820,458
Other financing sources (uses)	<u>(380,303)</u>	<u>(374,406)</u>	<u>(354,913)</u>	<u>(83,626)</u>
Net change in fund balance	354,510	1,620,142	467,587	736,832
Fund balances				
Beginning of year	<u>13,288,874</u>	<u>13,643,384</u>	<u>15,263,526</u>	<u>15,731,113</u>
End of year	<u>\$ 13,643,384</u>	<u>\$ 15,263,526</u>	<u>\$ 15,731,113</u>	<u>\$ 16,467,945</u>
Fund balances				
Nonspendable for prepaid items	\$ 130,931	\$ 149,666	\$ 80,200	\$ 191,093
Restricted for health and safety	94	94	-	-
Restricted for basic skills	104,312	317,124	191,375	151,506
Restricted for safe schools	390,983	564,984	460,316	236,688
Restricted for long term facilities maintenance	-	-	-	150,335
Restricted for medical assistance	-	-	-	445,411
Assigned for severance	5,303,564	5,445,665	5,558,446	5,540,880
Assigned for tuition adjustments	650,000	1,646,636	2,425,433	2,425,433
Assigned for property	246,685	245,581	118,700	80,131
Assigned for student clubs	42,910	47,179	52,446	34,268
Assigned for vehicle depreciation	43,587	28,587	36,529	47,012
Assigned for self-insurance	76,299	76,299	76,299	76,299
Assigned for collaborative curriculum project	260,971	256,222	202,924	270,199
Unassigned	<u>6,393,048</u>	<u>6,485,489</u>	<u>6,528,445</u>	<u>6,818,690</u>
Total fund balances	<u>\$ 13,643,384</u>	<u>\$ 15,263,526</u>	<u>\$ 15,731,113</u>	<u>\$ 16,467,945</u>
Unassigned General Fund balances as a percentage of expenditures	<u>8.4%</u>	<u>8.4%</u>	<u>8.2%</u>	<u>8.3%</u>
Total fund balances as a percentage of expenditures	<u>17.9%</u>	<u>19.8%</u>	<u>19.8%</u>	<u>20.0%</u>

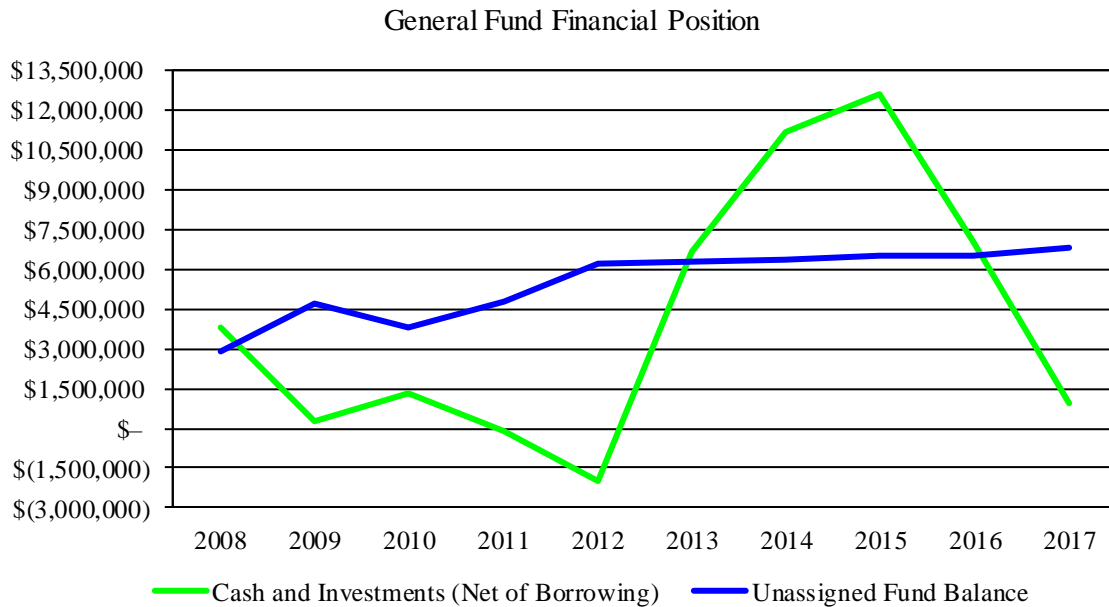
The District completed the year with a net increase in General Fund balance of \$736,832. This compares to a budget which projected a decrease in fund balance of \$1,623,705. This difference from the projected fund balance mainly occurred as a result of the combined revenue from state sources and tuition being \$1.0 million over budget, and total expenditures were under budget by \$1.5 million, mainly in purchased services and capital expenditures.

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

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

Unassigned fund balance as a percentage of expenditures is one key measure of a district's financial health. The resources represented by this fund balance are critical to a district's ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion the impact of unexpected costs or funding shortfalls. For your district, this ratio is 8.3 percent of total current year expenditures. This ratio compares to the District's fund balance policy, which endeavors to maintain an unassigned fund balance as a percentage of the District's operating budget, excluding operating capital programs, of at least 6.0 to 8.0 percent.

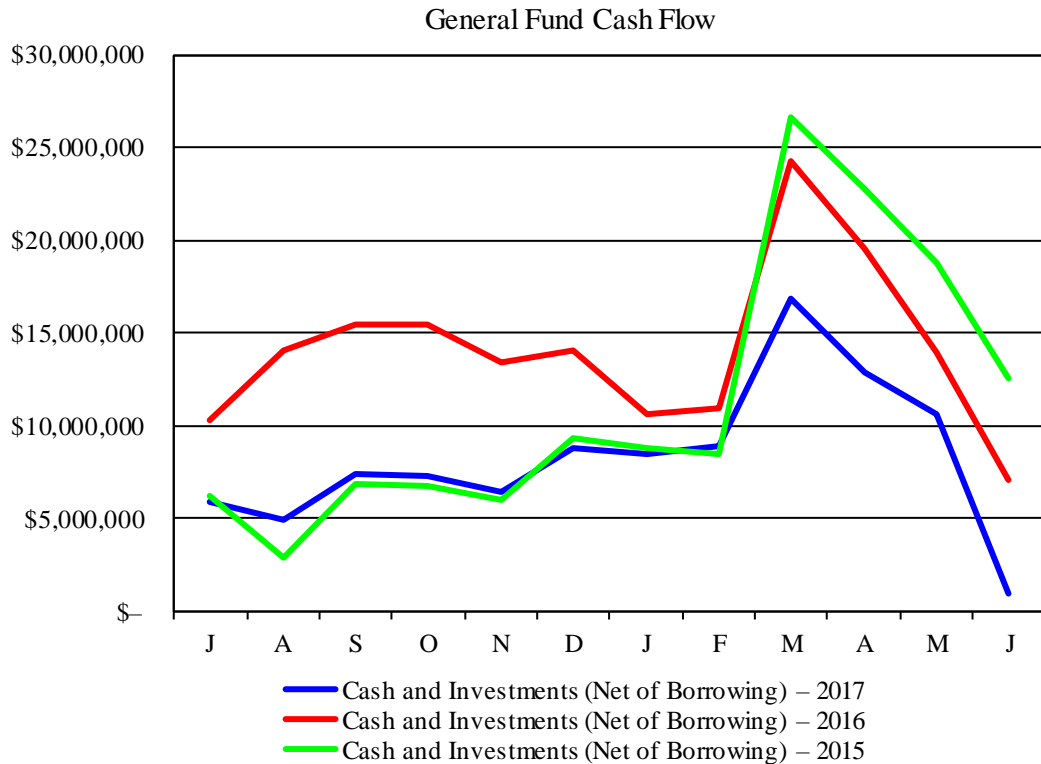
The following graph summarizes the level of cash and investments, net of borrowing, and unassigned fund balance in the General Fund:



The above graph shows a slight increase in fund balance and a significant decrease in cash and investments (net of borrowing) at June 30, 2017. The graph also shows significant fluctuations in year-end cash balances. These changes are caused by changes in the tuition billing cycles and systems of the District. Changes in funding structure and state aid payment schedules significantly affect the cash flow of Minnesota school districts. The decrease in cash and investments in 2017 is the result of an increase in the amount due from other governmental units, specifically payments from MDE for special education categorical aid.

## GENERAL FUND CASH FLOW

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



The graph above shows the peaks and valleys of the General Fund cash and investments balance (net of borrowing) on a monthly basis. The swing between its high and low month-end cash balances was about \$15.8 million for fiscal 2017.

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

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

**Special Education Account**

	Year Ended June 30,			
	2014	2015	2016	2017
Revenue and other financing sources	\$ 48,029,728	\$ 50,424,619	\$ 52,609,274	\$ 55,181,961
Expenditures and other financing uses	47,697,739	49,119,178	51,127,387	55,312,433
Excess (deficiency)	331,989	1,305,441	1,481,887	(130,472)
Fund balances				
Beginning of year	6,156,169	6,488,158	7,793,599	9,275,486
End of year	<u>\$ 6,488,158</u>	<u>\$ 7,793,599</u>	<u>\$ 9,275,486</u>	<u>\$ 9,145,014</u>

In fiscal 2017, the Special Education Account expenditures and other financing uses exceeded revenues and other financing sources by \$130,472, while the District’s budget showed an expected deficit spending of \$20,464. Net tuition revenue and state revenues were higher than budget by \$629,799. Salaries and wages were higher than budget by \$593,097 while employee benefits and purchased services were under budget by \$625,971 and \$342,968, respectively.

Special Education Account revenue (excluding other financing sources) increased \$3.1 million, or 6.0 percent. Most of this increase was in state sources, which increased \$3.4 million due to higher special education enrollment. Tuition revenue decreased by \$355,410.

Expenditures (excluding other financing uses) increased by \$3.3 million. Most of the increased costs were in salaries and employee benefits due to planned contractual salary increases and increases in staff to accommodate the increase in enrollment.

## Career and Technical Education Account

	Year Ended June 30,			
	2014	2015	2016	2017
Revenue and other financing sources	\$ 1,493,567	\$ 1,232,307	\$ 1,291,187	\$ 1,096,305
Expenditures and other financing uses	1,403,840	1,211,785	1,174,460	1,054,191
Excess (deficiency)	89,727	20,522	116,727	42,114
Fund balances				
Beginning of year	71,004	160,731	181,253	297,980
End of year	\$ 160,731	\$ 181,253	\$ 297,980	\$ 340,094

In fiscal 2017, the Career and Technical Education Account fund balance increased by \$42,114, while budget expectations projected an increase of \$746 in fund balance. Most of the difference was in expenditures, which were under budget by \$52,077.

Revenues (excluding other financing sources) in this account decreased by \$194,882, mostly in tuition generated revenue. Expenditures (excluding other financing uses) in this account decreased \$120,271, mostly in the area of salaries and wages.

## Academic Education Account

	Year Ended June 30,			
	2014	2015	2016	2017
Revenue and other financing sources	\$ 10,198,323	\$ 9,711,677	\$ 9,609,264	\$ 10,796,339
Expenditures and other financing uses (net of capital lease activity)	10,244,375	9,863,612	9,779,639	9,792,491
Excess (deficiency)	(46,052)	(151,935)	(170,375)	1,003,848
Fund balances (deficit)				
Beginning of year	(144,069)	(190,121)	(342,056)	(512,431)
End of year	\$ (190,121)	\$ (342,056)	\$ (512,431)	\$ 491,417

The Academic Education Account fund balance increased by \$1,003,848 in 2017, while budget projections provided for a decrease in fund balance of \$511,533. Tuition revenue and intrafund transfers exceeded budget by \$1,517,395 accounting for the significant increase in fund balance. This was due to conservative budgeting. Expenditures were close to planning numbers, exceeding budget by \$4,682.

Revenue (excluding other financing sources) in this account increased by \$426,739 in 2017. Most of this increase can be traced to tuition revenue, which was \$435,503 more than the prior year due to increases in the District's online learning program.

Expenditures (excluding other financing sources) also increased in this account by \$154,938. Most of this increase was related to increases in salaries and wages due to planned contractual salary increases.

## District-Wide Account

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

	Year Ended June 30,			
	2014	2015	2016	2017
Revenue	\$ 17,381,139	\$ 17,777,065	\$ 17,224,023	\$ 17,011,482
Expenditures	16,522,735	17,066,151	17,140,188	16,936,324
Other financing sources (uses)	<u>(684,295)</u>	<u>(410,066)</u>	<u>(1,035,654)</u>	<u>(179,503)</u>
Excess (deficiency)	174,109	300,848	(951,819)	(104,345)
Fund balances				
Beginning of year	<u>1,417,348</u>	<u>1,591,457</u>	<u>1,892,305</u>	<u>940,486</u>
End of year	<u>\$ 1,591,457</u>	<u>\$ 1,892,305</u>	<u>\$ 940,486</u>	<u>\$ 836,141</u>

The District-Wide Account fund balance decreased by \$104,345 in 2017. This compares to a budgeted decrease in fund balance of \$1,085,118. Revenues were under budget by \$591,930, mostly in the area of state and federal revenue, which were under budget by \$333,599 and \$129,853, respectively. Expenditures were under budget by \$1,396,710. Expenditures for purchased services were under budget by \$976,548, and expenditures for capital expenditures were under budget by \$510,865, accounting for most of the expenditure budget variance. These budget differences were due to project costs coming in under budget, projects that were budgeted to be complete in the current year getting delayed, and preconstruction costs for the Edgewood building being approved as part of the General Fund budget, but were coded to the Capital Projects – Building Construction Fund. The District-Wide Account also includes transfers to the Food Service Special Revenue and Community Service Special Revenue Funds as described below.

Revenue in this account decreased by \$212,541, reflecting decreases in pass-through levy revenue of \$568,116, and other revenue of \$306,286 offset by an increase in state aid of \$664,778. Expenditures decreased \$203,864 from the prior year.

### OTHER GOVERNMENTAL FUNDS

#### Food Service Special Revenue Fund

The District's Food Service Special Revenue Fund expenditures exceeded revenue by \$302,941. A planned transfer was made from the General Fund to eliminate this deficit.

#### Community Service Special Revenue Fund

The District's Community Service Special Revenue Fund expenditures exceeded revenue by \$49,649. A planned transfer was made from the General Fund to eliminate this deficit.

#### Capital Projects – Building Construction Fund

The District established the Capital Projects – Building Construction Fund in the current year to account for building renovation projects. This account ended the year with a deficit of \$330,271 due to construction-related timing. The Board approved the budget for these expenditures as part of the General Fund as discussed above.

**Debt Service Fund**

The District's Debt Service Fund revenues exceeded expenditures by \$1,447,191, leaving a fund balance restricted for debt service of \$7,988,125 at June 30, 2017.

**Internal Service Funds**

The District's internal service funds are used to account for health and dental insurance offered by the District to its employees as self-insured plans. As of June 30, 2017, the Dental Self-Insurance Fund had unrestricted net position of \$557,210. The Health Self-Insurance Fund had an unrestricted net position of \$3,032,507 at June 30, 2017.

## 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, the 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:

	Year Ended June 30,		Change
	2016	2017	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 22,272,047	\$ 24,125,799	\$ 1,853,752
Net book value of capital assets	72,795,935	72,227,976	(567,959)
Capital lease payable	(22,104,549)	(50,533)	22,054,016
Certificates of participation payable	(47,035,000)	(65,275,000)	(18,240,000)
Severance benefits and compensated absences payable	(7,028,195)	(6,723,811)	304,384
Net OPEB and pension benefit obligations	(2,752,545)	(2,743,883)	8,662
Net pension-related liabilities	(44,886,735)	(62,694,992)	(17,808,257)
Bond refunding deferments	–	506,316	506,316
Internal service funds net position	1,546,641	3,589,717	2,043,076
Accrued interest payable	(559,163)	(488,853)	70,310
Unamortized premium/discount on debt issued	(39,794)	(2,331,230)	(2,291,436)
	<u>\$ (27,791,358)</u>	<u>\$ (39,858,494)</u>	<u>\$ (12,067,136)</u>
Net position			
Net investment in capital assets	\$ 3,616,592	\$ 6,128,628	\$ 2,512,036
Restricted	7,245,071	8,517,480	1,272,409
Unrestricted	(38,653,021)	(54,504,602)	(15,851,581)
	<u>\$ (27,791,358)</u>	<u>\$ (39,858,494)</u>	<u>\$ (12,067,136)</u>

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

Overall net position decreased by \$12,067,136 during the current year. The net investment in capital assets increased by \$2,512,036 from capital asset additions, retirement of debt, and annual depreciation. The increase in restricted assets is largely attributable to payments to the Debt Service Fund's cash held in escrow, which will be used to pay a portion of the North Education Center's outstanding debt. The change in the District's proportionate share of the Public Employees Retirement Association and the Teachers Retirement Association state-wide pension obligations were the significant factor in the decrease in the unrestricted net position.

## LEGISLATIVE SUMMARY

The 2017 legislative session established public education funding appropriations for the 2018–2019 fiscal biennium totaling \$483.3 million. The following is a brief summary of specific legislative changes from the 2017 session or previous legislative sessions impacting Minnesota school districts in future years.

**Basic General Education Revenue** – The 2017 Legislature approved annual increases of 2 percent to the basic general education formula allowance for the 2018–2019 biennium. The per pupil allowance will increase \$121 to \$6,188 for fiscal year (FY) 2018, and another \$124 to \$6,312 for FY 2019.

**Compensatory Revenue** – The \$5 million allocation for compensatory pilot grants in FY 2017 was permanently added to the allocation for regular compensatory revenue beginning in FY 2018. Beginning in FY 2018, a portion of compensatory revenue will be required to be used for extended time activities. The requirement will be 1.7 percent of total compensatory revenue for FY 2018, and 3.5 percent in FY 2019 and beyond.

**Transportation Sparsity Revenue** – Beginning in FY 2018, transportation sparsity revenue increases annually by 18.20 percent of the difference between 1) the lessor of a district’s actual regular and excess transportation costs for the previous fiscal year, or 105.00 percent, of those costs for the preceding year, and 2) the sum of 4.66 percent of the district’s basic transportation revenue, transportation sparsity revenue, and charter school transportation adjustment for the previous year. For charter schools, the adjustment to transportation sparsity is equal to the applicable school district’s per pupil adjustment.

**Early Learning** – The Legislature made a number of changes to early learning programs, including appropriating funding of \$71.75 million for the 2018–2019 biennium. Other changes include:

- The creation of a new School Readiness Plus (SR+) program for FY 2018 and FY 2019 only, with the following student eligibility requirements:
  - A child who is four years of age as of September 1, and who demonstrates one or more risk factors is eligible to participate in the program free of charge,
  - A child who is four years of age as of September 1, and who does not demonstrate any risk factors is eligible to participate on a fee-for-service basis, and
  - A district must adopt a sliding fee schedule for students not demonstrating risk factors, but must waive the fee for students unable to pay.
- Changing the Voluntary Pre-Kindergarten (VPK) cap from a limit on the total state aid entitlement to a limit on the number of participants, as follows:
  - A combined cap of 6,160 participants for VPK and SR+ for FY 2018,
  - A combined cap of 7,160 participants for VPK and SR+ for FY 2019, and
  - A cap of 3,160 participants for VPK for FY 2020 and later (SR+ program sunsets).
- All applications submitted in January to renew an existing FY 2017 VPK program will be funded first (3,160 slots). Applications for expanded VPK programs, and new VPK or SR+ programs will be ranked and approved based on various criteria. The number of new participants allowed in each new or expanded program will depend on how the programs are ranked.

**Long-Term Facilities Maintenance Revenue** – Beginning in FY 2017, deferred maintenance, health and safety, and alternative facilities programs were rolled into a new long-term facilities maintenance revenue program. Revenue for FY 2017 was \$193 per adjusted pupil unit (APU); multiplied by the lessor of one, or the ratio of the district’s average building age to 35 years. Funding will increase to \$292 per APU for FY 2018 and \$380 per APU for FY 2019, multiplied by the same building age factor.

**Home Visiting Revenue** – For FY 2018 (Pay 17 tax levy), home visiting program revenue is increased from \$1.60 to \$3.00, multiplied by the population under age 5 residing in a district on September 1 of the last school year. The levy will be equalized using a factor of \$17,250 per APU.

**Debt Service Equalization** – Beginning in FY 2018, the equalizing factors for debt service levies are indexed at 1) Tier 1 – the greater of \$4,430, or 55.33 percent, of the state average adjusted net tax capacity per APU, or 2) Tier 2 – the greater of \$8,000, or 100 percent, of the state average adjusted net tax capacity per APU.

**Procedural Changes or Clarifications Related to Funding –**

- Operating referendum notices can be delivered by any type of mail, no longer required to be by first class mail.
- For nonpublic pupil aid the definition of “textbook” is modified to include an online book with an annual subscription cost and the definition of “software or other educational technology” is modified to include registration fees for online advanced placement courses.
- Charter schools are allowed to include students participating in postsecondary enrollment options in their pupil count for generating building lease aid.

**Payments to Nonoperating Funds** – Beginning in FY 2018, the payment schedule for state aids for nonoperating funds (e.g., debt service equalization) has been changed from 12 monthly installments throughout the fiscal year to six monthly installments from July through December.

**Nutrition Contracts** – The Legislature amended the law governing school district contracts to provide for an exception to the requirement limiting school district contracts to two years, with an option for an additional two years. A contract between a school board and a food service management company that complies with Code of Federal Regulations, Title 7, Section 210.16, may be renewed annually after its initial term for not more than four years.

**School Building Bond Agricultural Tax Credit** – Effective for taxes payable in 2018 (FY 2019), a property tax credit on all property classified as agricultural (excluding the house, garage, and one acre of an agricultural homestead) is provided equal to 40 percent of the tax on the property attributable to school district building bond levies.

**Lead in School Drinking Water –**

- Requires the commissioners of health and education to develop a model plan to test for lead in school drinking water.
- Requires school districts and charter schools to adopt the model plan or an alternative plan to test school water for lead at least every five years.
- A school district must begin testing by July 1, 2018 and complete testing for all schools within five years.
- Allows school districts to include lead testing and remediation in their 10-year facilities plans and to use long-term facilities maintenance revenue for lead testing and remediation.
- Requires school districts and charter schools to make lead testing results available to the public and to notify parents that this information is available.

**Review and Comment** – Directs the commissioner of education to include comments from district residents in the review and comment on capital project proposals. School boards are required to hold a public meeting to review the commissioner’s review and comment on a proposal before the bond election.

## ACCOUNTING AND AUDITING UPDATES

### **GASB STATEMENT NO. 75, *ACCOUNTING AND FINANCIAL REPORTING FOR POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS***

The primary objective of this statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This statement replaces the requirements of GASB Statement Nos. 45 and 57. GASB Statement No. 74 establishes new accounting and financial reporting requirements for OPEB plans.

This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This statement is effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged.

Similar to changes implemented for pensions, this statement requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

### **GASB STATEMENT NO. 83, *CERTAIN ASSET RETIREMENT OBLIGATIONS***

At times, state and local governments are required to take specific actions to retire certain tangible capital assets, such as the decommissioning of nuclear reactors, removal and disposal of wind turbines in wind farms, dismantling and removal of sewage treatment plants, and removal and disposal of x-ray machines. Obligations to retire certain tangible capital assets also arise from contracts or court judgments. Accounting and financial reporting standards exist for costs of the closure and post-closure care of municipal solid waste landfills, but those standards do not address retirement obligations associated with other types of tangible capital assets.

This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs) that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

### **GASB STATEMENT NO. 84, *FIDUCIARY ACTIVITIES***

This statement is intended to enhance consistency and comparability of fiduciary activity reporting by state and local governments. It is also meant to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries.

This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The requirements of this statement are effective for reporting periods beginning after December 15, 2018.

## **GASB STATEMENT NO. 85, *OMNIBUS 2017***

The objective of this statement is to address issues that have been identified during implementation and application of certain GASB statements. The statement addresses a variety of topics, including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and OPEB). The statement is meant to enhance consistency in the application of recent accounting and financial reporting standards. The requirements of this statement are effective for reporting periods beginning after June 15, 2017.

## **GASB STATEMENT NO. 86, *CERTAIN DEBT EXTINGUISHMENT ISSUES***

Current GASB guidance requires that debt be considered defeased in substance when the debtor irrevocably places cash or other monetary assets acquired with refunding debt proceeds in a trust to be used solely for satisfying scheduled payments of both principal and interest of the defeased debt. This new standard establishes essentially the same requirements for when a government places cash and other monetary assets acquired with only existing resources in an irrevocable trust to extinguish the debt.

The primary objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this statement are effective for reporting periods beginning after June 15, 2017.

## **GASB STATEMENT NO. 87, *LEASES***

A lease is a contract that transfers control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this statement.

Governments enter into leases for many types of assets. Under the previous guidance, leases were classified as either capital or operating depending on whether the lease met any of four tests. In many cases, the previous guidance resulted in reporting lease transactions differently than similar nonlease financing transactions.

The goal of this statement is to better meet the information needs of users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

To reduce the cost of implementation, this statement includes an exception for short-term leases, defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

INTERMEDIATE DISTRICT NO. 287  
PLYMOUTH, MINNESOTA

Financial Statements and  
Supplemental Information

Year Ended  
June 30, 2017

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INTRODUCTORY SECTION

INTERMEDIATE DISTRICT NO. 287

Board of Directors and Administration  
as of June 30, 2017

**BOARD OF DIRECTORS**

<u>Board of Directors</u>	<u>Member District</u>	<u>Position on Board</u>
Dean Henke	Osseo	Chairperson
Regina Neville	Edina	Vice Chairperson
Sherry Tyrrell	Robbinsdale	Treasurer
Andrea Cuene	Wayzata	Clerk
Karen Filla	Minnetonka	Director
Warren Goodroad	Hopkins	Director
Nancy Gores	St. Louis Park	Director
John Kohner	Eden Prairie	Director
Michèle Kunz	Orono	Director
Jeffrey Palm	Brooklyn Center	Director
Nancy Rowley	Richfield	Director
Vacant	Westonka	Director

**ADMINISTRATION**

Sandra Lewandowski	Superintendent
Anne Becker	General Counsel
Chad Maxa	Executive Director of Technology and Innovation
Elisabeth Lodge Rogers	Executive Director of Special Services and Educational Programs
Mae Hawkins	Executive Director of Business Services
Michelle Axell	Director of Human Resources
Michael Cowles	Director of Facilities
Kim Helgeson	Director of Technology
Rachel Hicks	Director of Communications and Public Relations
Christina Houck	Director of Special Education and Mental Health Partnerships
Jennifer Nelson	Director of Planning and Improvement
Jonathan Voss	Director of Teaching and Learning
Gloria Wilder	Director of Finance
David Anderson	Finance Manager

FINANCIAL SECTION

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**PRINCIPALS**

Thomas A. Karnowski, CPA  
Paul A. Radosevich, CPA  
William J. Lauer, CPA  
James H. Eichten, CPA  
Aaron J. Nielsen, CPA  
Victoria L. Holinka, CPA/CMA

**INDEPENDENT AUDITOR'S REPORT**

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

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Intermediate District No. 287 (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express 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, 2017, 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 (RSI), 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 RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, supplemental information, and other district information, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying 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 and the UFARS Compliance Table are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

(continued)

## **Prior Year Comparative Information**

We have previously audited the District's 2016 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 19, 2016. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota  
December 18, 2017

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## INTERMEDIATE DISTRICT NO. 287

### Management's Discussion and Analysis Year Ended June 30, 2017

This section of Intermediate District No. 287's (the District) annual financial statements presents management's discussion and analysis (MD&A) of the District's financial performance during the fiscal year ended June 30, 2017. We encourage readers to consider the financial information presented here in conjunction with the other components of the District's annual financial statements.

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

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

- Independent Auditor's Report;
- MD&A;
- Basic financial statements, including the government-wide financial statements, fund financial statements, and the notes to basic financial statements;
- Required supplementary information; and
- Combining and individual fund statements and schedules, presented as supplemental information.

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

#### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information about the District as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Position includes *all* of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, except for the fiduciary funds. 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, 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 member district usage and the condition of school buildings and other facilities.

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

## FUND FINANCIAL STATEMENTS

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

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

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

The District maintains the following kinds of funds:

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

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

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

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

	2017	2016
<b>Assets</b>		
Current and other assets	\$ 29,243,494	\$ 25,977,911
Restricted assets	7,910,233	6,472,417
Capital assets, net of accumulated depreciation	72,227,976	72,795,935
Total assets	\$ 109,381,703	\$ 105,246,263
<b>Deferred outflows of resources</b>		
Bond refunding deferments	\$ 506,316	\$ -
Pension plan deferments	91,993,929	10,599,793
Total deferred outflows of resources	\$ 92,500,245	\$ 10,599,793
<b>Liabilities</b>		
Current and other liabilities	\$ 9,927,064	\$ 9,190,803
Long-term liabilities, including due within one year	227,913,880	126,790,004
Total liabilities	\$ 237,840,944	\$ 135,980,807
<b>Deferred inflows of resources</b>		
Pension plan deferments	\$ 3,899,498	\$ 7,656,607
<b>Net position</b>		
Net investment in capital assets	\$ 6,128,628	\$ 3,616,592
Restricted	8,517,480	7,245,071
Unrestricted	(54,504,602)	(38,653,021)
Total net position	\$ (39,858,494)	\$ (27,791,358)

The District's financial position is the product of many factors. For example, the determination of the District's net investment in capital assets involves many assumptions and estimates, such as current and accumulated depreciation amounts. A conservative versus liberal approach to depreciation estimates, as well as capitalization policies, may produce a significant difference in the calculated amounts. The other major factor in determining net position as compared to fund balances is the liability for long-term severance, pension, and other post-employment benefits (OPEB), which impacts the unrestricted portion of net position.

Overall, net position decreased by \$12,067,136 during the current year. The net investment in capital assets increased by \$2,512,036 from capital asset additions, retirement of debt, and annual depreciation. The increase in restricted assets is largely attributable to payments to the Debt Service Fund's cash held in escrow, which will be used to pay a portion of the North Education Center's outstanding debt. The changes in the District's proportionate share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) state-wide pension obligations were the significant factors in the decrease in the unrestricted net position.

Table 2 presents a summarized version of the District's Statement of Activities:

	<u>2017</u>	<u>2016</u>
<b>Revenue</b>		
Program revenues		
Charges for services	\$ 21,967,097	\$ 23,370,376
Operating grants and contributions	63,067,492	56,860,030
General revenues		
General grants and aids	6,177,639	5,204,510
Other general revenues	433,038	469,565
Investment earnings	327,663	222,549
Total revenue	<u>91,972,929</u>	<u>86,127,030</u>
<b>Expenses</b>		
Career and technical education	1,369,906	1,142,660
Academic education	13,060,608	10,121,670
Special education	67,710,721	51,068,483
Student clubs	39,188	29,516
Administrative support services and operations and maintenance	17,056,602	15,386,789
Food service	792,317	718,400
Community service	99,396	162,080
Interest and fiscal charges on debt	3,911,327	3,739,564
Total expenses	<u>104,040,065</u>	<u>82,369,162</u>
Change in net position	(12,067,136)	3,757,868
Net position – beginning	<u>(27,791,358)</u>	<u>(31,549,226)</u>
Net position – ending	<u>\$ (39,858,494)</u>	<u>\$ (27,791,358)</u>

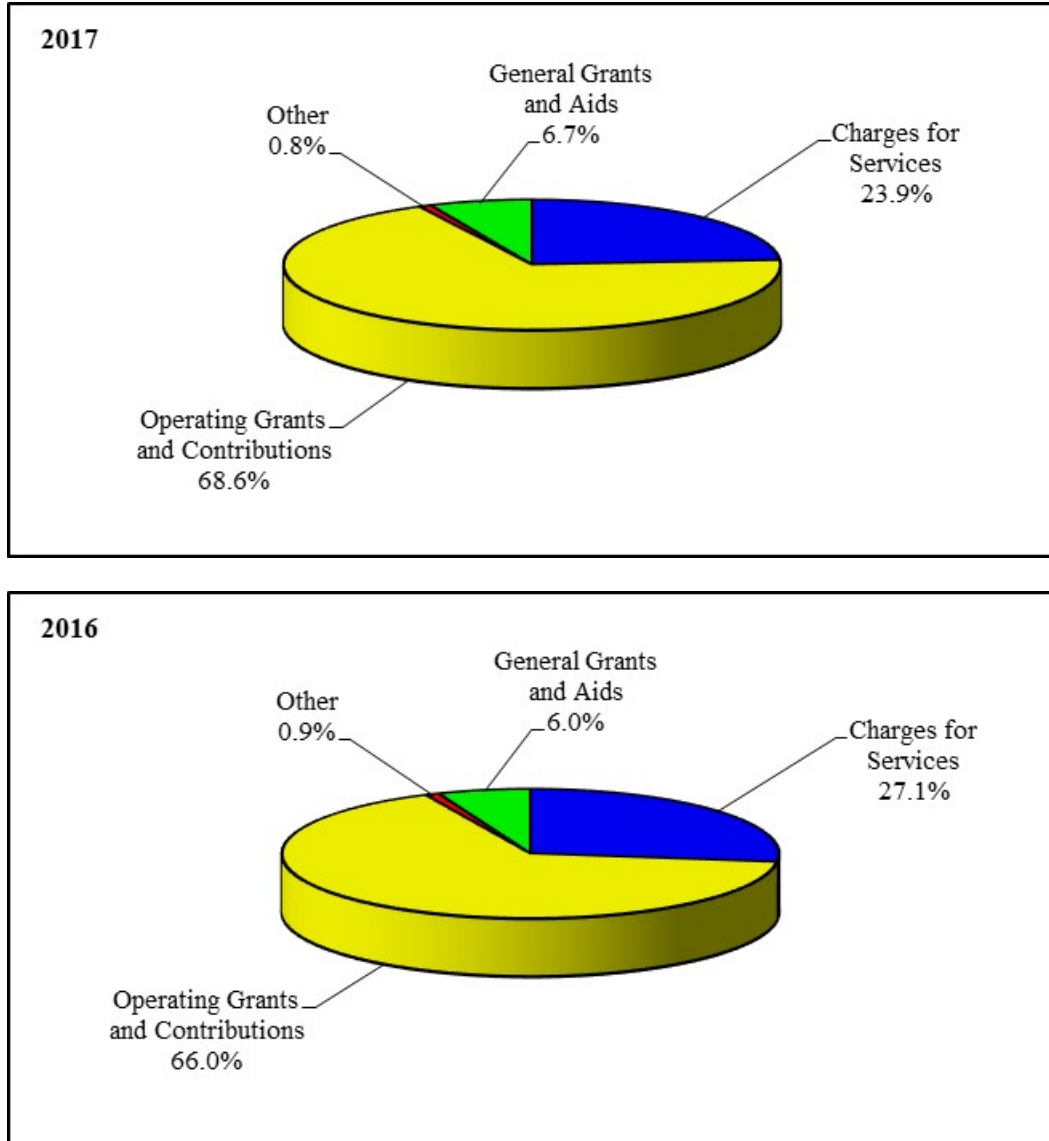
This statement is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

The District's total revenues were \$91,972,929 for the year ended June 30, 2017. Charges for services account for 23.9 percent of total revenues for the year, while operating grants and contributions accounted for 68.6 percent. General grants and aids accounted for 6.7 percent of the total revenue, and are mainly from pass-through levies for debt service and the federal reimbursement received for interest payments made on the Build America Bonds and Qualified School Construction Bonds.

The total cost of all programs and services was \$104,040,065. The significant increase in expense reflects the change in the PERA and the TRA multi-employer defined benefit pension plans, along with natural inflationary increase.

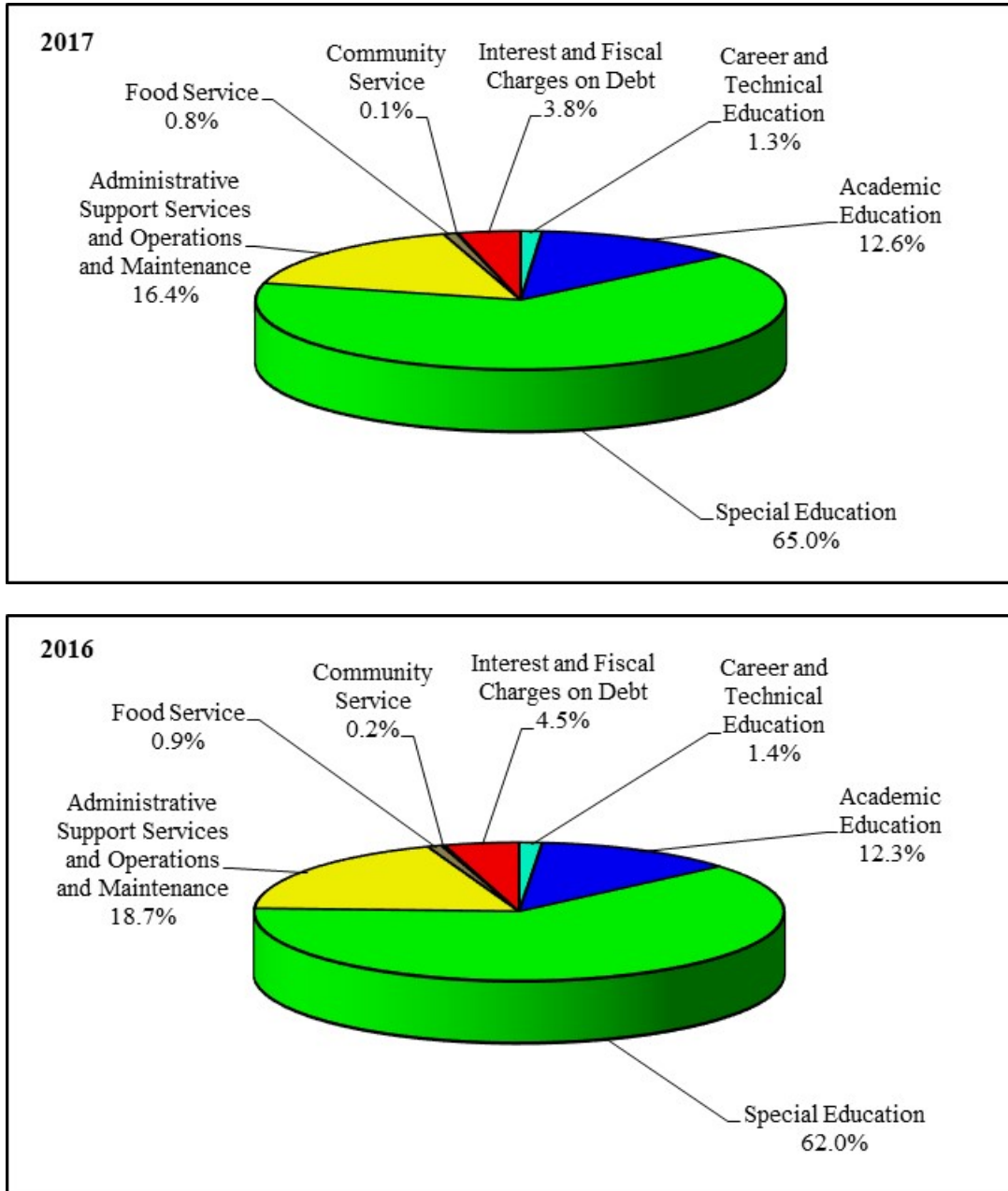
Figures A and B show further analysis of these revenue sources and expense functions:

**Figure A – Sources of Revenues for Fiscal Years 2017 and 2016**



The largest share of the District’s revenue results from services to member and nonmember school districts that normally generate tuition charges and service fees. Special education tuition billing has been processed through the Minnesota Department of Education (MDE) since 2009. Based on the special education services and costs reported to the MDE, the District generates both state special education aid and MDE-generated tuition billing revenue. Because these dollars flow through the state, they are classified as an operating grant rather than a charge for services.

**Figure B – Expenses for Fiscal Years 2017 and 2016**



The District’s expenses are predominately in categories that correlate directly to providing instruction, which includes: special education, academic education, and career and technical education, comprising 78.9 percent of the total. Total expenses for the year in administrative support services and operations and maintenance were 16.4 percent, which include administrative, business services, instructional support services, and building operations and maintenance. Debt service expenses related to financing of facilities were 3.8 percent of total expenses.

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

	2017		2016	
	Total Cost of Services	Net (Expenses Over) Revenues From Services	Total Cost of Services	Net (Expenses Over) Revenues From Services
Governmental activities				
Career and technical education	\$ 1,369,906	\$ (242,858)	\$ 1,142,660	\$ 147,509
Academic education	13,060,608	(2,759,115)	10,121,670	(512,405)
Special education	67,710,721	(11,402,916)	51,068,483	944,820
Student clubs	39,188	(18,178)	29,516	5,267
Administrative support services and operations and maintenance	17,056,602	(309,853)	15,386,789	1,375,275
Food service	792,317	(309,657)	718,400	(262,591)
Community service	99,396	(51,572)	162,080	(97,067)
Interest and fiscal charges on debt	3,911,327	(3,911,327)	3,739,564	(3,739,564)
	<u>\$ 104,040,065</u>	<u>\$ (19,005,476)</u>	<u>\$ 82,369,162</u>	<u>\$ (2,138,756)</u>

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

	2017	2016	Increase (Decrease)
Major funds			
General	\$ 16,467,945	\$ 15,731,113	\$ 736,832
Debt Service	7,988,125	6,540,934	1,447,191
Nonmajor Funds	(330,271)	-	(330,271)
Total governmental funds	<u>\$ 24,125,799</u>	<u>\$ 22,272,047</u>	<u>\$ 1,853,752</u>

The Board of Director’s fund balance policy states: “To ensure the financial strength and stability of the District, the Board of Directors will endeavor to maintain an unassigned fund balance of at least 6 to 8 percent of the District’s General Fund operating budget, excluding operating capital programs.” The current General Fund unassigned fund balance is in alignment with the board policy. The debt service fund balance will continue to grow as funds are accumulated in an escrow account that will be used to pay the North Education Center Quality School Construction Fund Bonds in 2029.

The District transferred an amount to an assigned fund balance for severance to continue to fund future severance obligations. The District also has an assigned fund balance for MDE special education state aid tuition adjustments totaling \$2,425,433. This is in recognition of the potential for additional calculation changes in these areas by state agencies.

### Analysis of the General Fund

Table 5 presents a summary of General Fund revenues:

	<u>2017</u>	<u>2016</u>	<u>Amount of Increase (Decrease)</u>
Local sources			
Pass-through levies	\$ 3,279,663	\$ 3,850,274	\$ (570,611)
Tuition	19,262,787	19,398,980	(136,193)
Investment earnings	65,701	28,814	36,887
Other	2,237,485	2,765,720	(528,235)
State sources	58,159,071	53,880,747	4,278,324
Federal sources	<u>336,177</u>	<u>275,271</u>	<u>60,906</u>
 Total General Fund revenues	 <u>\$ 83,340,884</u>	 <u>\$ 80,199,806</u>	 <u>\$ 3,141,078</u>

The District received over \$3.2 million in property taxes that were levied on the District’s behalf by its member districts. The pass-through levies are authorized in Minnesota Statutes to cover the District’s lease costs, safe school initiatives, and long-term facilities maintenance programs. State sources also increased as a result of increases in the special education program.

Table 6 presents a summary of General Fund expenditures:

	<u>2017</u>	<u>2016</u>	<u>Amount of Increase (Decrease)</u>
Salaries	\$ 50,205,297	\$ 47,251,674	\$ 2,953,623
Employee benefits	19,195,745	18,768,376	427,369
Purchased services	8,409,929	8,693,061	(283,132)
Supplies and materials	1,992,378	1,103,513	888,865
Capital expenditures	1,027,364	1,215,858	(188,494)
Other expenditures	413,320	316,428	96,892
Debt service	<u>1,276,393</u>	<u>2,028,396</u>	<u>(752,003)</u>
Total General Fund expenditures	<u>\$ 82,520,426</u>	<u>\$ 79,377,306</u>	<u>\$ 3,143,120</u>

The increase in expenditures of \$3,143,120 from the prior year is mainly due to an increase in overall salaries and employee benefits costs, the most significant of which occurred in the Special Education Program.

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Unrestricted – unassigned fund balance	\$ 6,310,491	\$ 6,393,048	\$ 6,485,489	\$ 6,528,445	\$ 6,818,690
Unassigned fund balance as a percentage of noncapital related expenditures	8.5%	8.4%	8.4%	8.2%	8.3%

Unassigned fund balance as a percentage of noncapital related expenditures is one key measurement of a district's financial health. The unassigned fund balance of \$6,818,690 at June 30, 2017 represents 8.3 percent of annual expenditures. The District continues to monitor its fund balances closely. The Board of Director's policy sets a goal of at least 6.0 to 8.0 percent for the unassigned fund balance as a percentage of noncapital-related expenditures.

## General Fund Budgetary Highlights

Table 8 summarizes the General Fund budget to actual comparison:

	Original Budget	Final Budget	Actual	Over (Under) Final Budget	
				Amount	Percent
Revenue and other financing sources	<u>\$ 81,234,267</u>	<u>\$ 104,442,241</u>	<u>\$ 105,232,392</u>	<u>\$ 790,151</u>	<u>0.8%</u>
Expenditures and other financing uses	<u>\$ 81,981,821</u>	<u>\$ 106,065,946</u>	<u>\$ 104,495,560</u>	<u>\$ (1,570,386)</u>	<u>(1.5%)</u>

Revenues were mainly over budget from higher than expected medical assistance revenue. Expenditures were mainly under budget in employee benefits, purchased services, and capital expenditures. The District budgeted for the state pension pass-through at amounts comparable to prior year, however, the District's current year portion of the state pension pass through was lower than anticipated. Purchased services and capital expenditures were under budget due to project costs coming in under budget, projects that were budgeted to be complete in the current year getting delayed, and preconstruction costs for Edgewood building being approved as part of the General Fund budget, but were coded to the Capital Projects – Building Construction Fund. The District is required to adopt an operating budget prior to the beginning of its fiscal year, referred to above as the original budget. During the year, the District might amend that budget for known changes in circumstances such as enrollment levels, grant funding, and employee contract settlements.

### Debt Service Fund

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

### Internal Service Funds

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 two internal service funds used to account for the District's self-insured health and dental insurance functions.

Operating revenues for the internal service funds for fiscal 2017 totaled \$11,761,880. Operating expenses totaled \$9,718,804 for self-insured health and dental benefit claims.

The net position for internal service funds as of June 30, 2017 totaled \$3,589,717, which represents an increase of \$2,043,076 in net position from the prior year. As fiscal year 2017 was the district's second year of having self-funded health insurance, this increase in net position was planned to enable the District's self-funded plan to establish a reserve.

## CAPITAL ASSETS AND LONG-TERM LIABILITIES

### Capital Assets

Table 9 shows the District's capital assets, together with changes from the previous year. The table also shows total depreciation expense for fiscal years ending June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>	<u>Net Change</u>
Land	\$ 10,865,963	\$ 10,865,963	\$ -
Buildings	76,607,969	76,291,939	316,030
Equipment	4,600,209	4,036,408	563,801
Construction in progress	330,271	62,657	267,614
Less accumulated depreciation	<u>(20,176,436)</u>	<u>(18,461,032)</u>	<u>(1,715,404)</u>
<b>Total</b>	<u><u>\$ 72,227,976</u></u>	<u><u>\$ 72,795,935</u></u>	<u><u>\$ (567,959)</u></u>
Depreciation expense	<u><u>\$ 1,780,090</u></u>	<u><u>\$ 1,767,237</u></u>	<u><u>\$ 12,853</u></u>

### Long-Term Liabilities

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

	<u>2017</u>	<u>2016</u>	<u>Net Change</u>
Capital leases payable	\$ 50,533	\$ 22,104,549	\$ (22,054,016)
Certificates of participation payable	65,275,000	47,035,000	18,240,000
Unamortized premium/discount	2,331,230	39,794	2,291,436
Severance benefits payable	6,146,330	6,427,606	(281,276)
Compensated absences payable	577,481	600,589	(23,108)
Net OPEB obligation	2,743,883	2,752,545	(8,662)
Net pension liability	<u>150,789,423</u>	<u>47,829,921</u>	<u>102,959,502</u>
<b>Total</b>	<u><u>\$ 227,913,880</u></u>	<u><u>\$ 126,790,004</u></u>	<u><u>\$ 101,123,876</u></u>

The decrease in capital leases payable is due to planned refunding of a capital lease. The increase in certificates of participation and premium/discount on debt issued is due to the issuance of \$25,805,000 of refunding certificates of participation that refunded the capital lease and advanced refunded a certificate of participation, and the related premium/discount on the debt issued. Scheduled debt and refunding payments offset the increase from new debt issued in the current year.

The difference in the net pension liability reflects the change in the District's proportionate share of the state-wide pension obligations for the PERA and the TRA.

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

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

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

One member district withdrew membership as of June 30, 2017.

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

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

BASIC FINANCIAL STATEMENTS

INTERMEDIATE DISTRICT NO. 287

Statement of Net Position  
as of June 30, 2017  
(With Partial Comparative Information as of June 30, 2016)

	Governmental Activities	
	2017	2016
<b>Assets</b>		
Cash and temporary investments	\$ 5,365,789	\$ 9,650,391
Receivables		
Accounts and interest	332,588	421,427
Due from other governmental units	23,344,773	15,818,200
Inventory	5,196	5,919
Prepaid items	195,148	81,974
Restricted assets – temporarily restricted		
Cash and investments for debt service	7,910,233	6,472,417
Capital assets, net of depreciation		
Not depreciated	11,196,234	10,928,620
Depreciated, net of accumulated depreciation	<u>61,031,742</u>	<u>61,867,315</u>
Total capital assets, net of accumulated depreciation	<u>72,227,976</u>	<u>72,795,935</u>
Total assets	109,381,703	105,246,263
Deferred outflows of resources		
Bond refunding deferments	506,316	–
Pension plan deferments	<u>91,993,929</u>	<u>10,599,793</u>
Total deferred outflows of resources	<u>92,500,245</u>	<u>10,599,793</u>
Total assets and deferred outflows of resources	<u>\$ 201,881,948</u>	<u>\$ 115,846,056</u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ 6,464,557	\$ 5,816,278
Accounts and contracts payable	1,689,810	1,848,417
Accrued interest payable	488,853	559,163
Due to other governmental units	997,329	700,225
Unearned revenue	286,515	266,720
Long-term liabilities		
Due within one year	3,652,331	3,620,968
Due in more than one year	<u>224,261,549</u>	<u>123,169,036</u>
Total long-term liabilities	<u>227,913,880</u>	<u>126,790,004</u>
Total liabilities	237,840,944	135,980,807
Deferred inflows of resources		
Pension plan deferments	3,899,498	7,656,607
Net position		
Net investment in capital assets	6,128,628	3,616,592
Restricted for		
State funding restrictions	1,018,208	704,137
Debt service	7,499,272	6,540,934
Unrestricted	<u>(54,504,602)</u>	<u>(38,653,021)</u>
Total net position	<u>(39,858,494)</u>	<u>(27,791,358)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 201,881,948</u>	<u>\$ 115,846,056</u>

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Statement of Activities  
 Year Ended June 30, 2017  
 (With Partial Comparative Information for the Year Ended June 30, 2016)

Functions/Programs	2017			2016	
	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Governmental Activities
Governmental activities					
Career and technical education	\$ 1,369,906	\$ 1,069,766	\$ 57,282	\$ (242,858)	\$ 147,509
Academic education	13,060,608	5,750,282	4,551,211	(2,759,115)	(512,405)
Special education	67,710,721	9,561,726	46,746,079	(11,402,916)	944,820
Student clubs	39,188	–	21,010	(18,178)	5,267
Administrative support services and operations and maintenance	17,056,602	5,414,329	11,332,420	(309,853)	1,375,275
Food service	792,317	123,490	359,170	(309,657)	(262,591)
Community service	99,396	47,504	320	(51,572)	(97,067)
Interest and fiscal charges on debt	3,911,327	–	–	(3,911,327)	(3,739,564)
Total governmental activities	<u>\$ 104,040,065</u>	<u>\$ 21,967,097</u>	<u>\$ 63,067,492</u>	(19,005,476)	(2,138,756)
General revenues					
General grants and aids				6,177,639	5,204,510
Other general revenues				433,038	469,565
Investment earnings				327,663	222,549
Total general revenues				<u>6,938,340</u>	<u>5,896,624</u>
Change in net position				(12,067,136)	3,757,868
Net position – beginning				<u>(27,791,358)</u>	<u>(31,549,226)</u>
Net position – ending				<u>\$ (39,858,494)</u>	<u>\$ (27,791,358)</u>

INTERMEDIATE DISTRICT NO. 287

Balance Sheet  
 Governmental Funds  
 as of June 30, 2017  
 (With Partial Comparative Information as of June 30, 2016)

	General Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds	
				2017	2016
<b>Assets</b>					
Cash and temporary investments	\$ 951,643	\$ 77,892	\$ 2,462	\$ 1,031,997	\$ 7,082,658
Cash and investments held by trustee	–	7,910,233	–	7,910,233	6,472,417
Receivables					
Accounts and interest	307,314	–	3,261	310,575	398,639
Due from other funds	332,164	–	–	332,164	12,663
Due from other governmental units	23,331,304	–	13,469	23,344,773	15,818,200
Inventory	–	–	5,196	5,196	5,919
Prepaid items	191,093	–	4,055	195,148	81,974
<b>Total assets</b>	<b>\$ 25,113,518</b>	<b>\$ 7,988,125</b>	<b>\$ 28,443</b>	<b>\$ 33,130,086</b>	<b>\$ 29,872,470</b>
<b>Liabilities</b>					
Salaries and compensated absences payable	\$ 6,448,710	\$ –	\$ 15,847	\$ 6,464,557	\$ 5,816,278
Due to other funds	–	–	332,164	332,164	12,663
Accounts and contracts payable	926,136	–	2,474	928,610	804,537
Due to other governmental units	996,864	–	465	997,329	700,225
Unearned revenue	273,863	–	7,764	281,627	266,720
<b>Total liabilities</b>	<b>8,645,573</b>	<b>–</b>	<b>358,714</b>	<b>9,004,287</b>	<b>7,600,423</b>
<b>Fund balances (deficit)</b>					
Nonspendable	191,093	–	–	191,093	80,200
Restricted	983,940	7,988,125	–	8,972,065	7,192,625
Assigned	8,474,222	–	–	8,474,222	8,470,777
Unassigned	6,818,690	–	(330,271)	6,488,419	6,528,445
<b>Total fund balances (deficit)</b>	<b>16,467,945</b>	<b>7,988,125</b>	<b>(330,271)</b>	<b>24,125,799</b>	<b>22,272,047</b>
<b>Total liabilities and fund balances</b>	<b>\$ 25,113,518</b>	<b>\$ 7,988,125</b>	<b>\$ 28,443</b>	<b>\$ 33,130,086</b>	<b>\$ 29,872,470</b>

INTERMEDIATE DISTRICT NO. 287

Reconciliation of the Balance Sheet to the  
Statement of Net Position  
Governmental Funds  
as of June 30, 2017  
(With Partial Comparative Information as of June 30, 2016)

	<u>2017</u>	<u>2016</u>
Total fund balances – governmental funds	\$ 24,125,799	\$ 22,272,047
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	92,404,412	91,256,967
Accumulated depreciation	(20,176,436)	(18,461,032)
Governmental funds do not report a liability for accrued interest on long-term debt until due and payable.		
	(488,853)	(559,163)
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.		
Capital leases payable	(50,533)	(22,104,549)
Certificates of participation payable	(65,275,000)	(47,035,000)
Unamortized premium/discount on debt issued	(2,331,230)	(39,794)
Severance benefits payable	(6,146,330)	(6,427,606)
Compensated absences payable	(577,481)	(600,589)
Net OPEB obligation	(2,743,883)	(2,752,545)
Net pension liability	(150,789,423)	(47,829,921)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflow – bond refunding deferments	506,316	–
Deferred outflows – pension plan deferments	91,993,929	10,599,793
Deferred inflows – pension plan deferments	(3,899,498)	(7,656,607)
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.		
	<u>3,589,717</u>	<u>1,546,641</u>
Total net position – governmental activities	<u>\$ (39,858,494)</u>	<u>\$ (27,791,358)</u>

INTERMEDIATE DISTRICT NO. 287

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2017  
 (With Partial Comparative Information for the Year Ended June 30, 2016)

	General Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds	
				2017	2016
Revenue					
Local sources					
Pass-through levies	\$ 3,279,663	\$ 4,426,908	\$ –	\$ 7,706,571	\$ 7,531,295
Tuition	19,262,787	–	15,371	19,278,158	19,411,396
Investment earnings	65,701	261,962	–	327,663	222,549
Other	2,237,485	223,961	155,547	2,616,993	2,918,488
State sources	58,159,071	–	17,929	58,177,000	53,898,154
Federal sources	336,177	1,526,768	340,192	2,203,137	2,136,992
Total revenue	83,340,884	6,439,599	529,039	90,309,522	86,118,874
Expenditures					
Current					
Career and technical education	1,014,191	–	–	1,014,191	1,134,462
Academic education	9,792,491	–	–	9,792,491	9,637,553
Special education	54,416,997	–	–	54,416,997	51,127,387
Student clubs	39,188	–	–	39,188	29,516
Administrative support services and operations and maintenance	15,981,166	–	–	15,981,166	15,419,992
Food service	–	–	784,476	784,476	718,471
Community service	–	–	97,153	97,153	165,420
Capital outlay	–	–	330,271	330,271	–
Debt service					
Principal	431,472	1,990,000	–	2,421,472	2,230,009
Interest and fiscal charges	844,921	3,288,923	–	4,133,844	3,777,233
Total expenditures	82,520,426	5,278,923	1,211,900	89,011,249	84,240,043
Excess (deficiency) of revenue over expenditures	820,458	1,160,676	(682,861)	1,298,273	1,878,831
Other financing sources (uses)					
Refunding debt issued	20,160,000	5,645,000	–	25,805,000	–
Premium on debt issued	1,720,812	722,831	–	2,443,643	–
Payment on refunded debt	(21,622,544)	(6,081,316)	–	(27,703,860)	–
Transfers in	–	–	352,590	352,590	363,069
Transfers (out)	(352,590)	–	–	(352,590)	(363,069)
Sale of assets	10,696	–	–	10,696	8,156
Total other financing sources (uses)	(83,626)	286,515	352,590	555,479	8,156
Net change in fund balances	736,832	1,447,191	(330,271)	1,853,752	1,886,987
Fund balances (deficit)					
Beginning of year	15,731,113	6,540,934	–	22,272,047	20,385,060
End of year	\$ 16,467,945	\$ 7,988,125	\$ (330,271)	\$ 24,125,799	\$ 22,272,047

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Reconciliation of the Statement of  
Revenue, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
Governmental Funds  
Year Ended June 30, 2017

(With Partial Comparative Information for the Year Ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Total net change in fund balances – governmental funds	\$ 1,853,752	\$ 1,886,987
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	1,212,690	425,645
Depreciation expense	(1,780,090)	(1,767,237)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
Refunding debt payable	(25,805,000)	–
Repayment of long-term debt principal does not affect the change in net position. However, it reduces fund balances.		
Capital lease payable	22,054,016	825,009
Certificates of participation payable	7,565,000	1,405,000
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.		
	70,310	26,392
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.		
	(559)	(1,250)
The 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 funds is included in the governmental activities in the Statement of Activities.		
	2,043,076	1,058,843
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses or interest and fiscal charges.		
	(2,291,436)	11,277
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	281,276	14,031
Compensated absences payable	23,108	(99,585)
Net OPEB obligation	8,662	(176,421)
Net pension obligation	–	152,017
Net pension liability	(102,959,502)	(5,933,485)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflow – bond refunding deferments	506,316	–
Deferred outflows – pension plan deferments	81,394,136	1,069,540
Deferred inflows – pension plan deferments	<u>3,757,109</u>	<u>4,861,105</u>
Change in net position – governmental activities	<u>\$ (12,067,136)</u>	<u>\$ 3,757,868</u>

See notes to basic financial statements

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INTERMEDIATE DISTRICT NO. 287

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 General Fund  
 Year Ended June 30, 2017

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Pass-through levies	\$ 4,040,659	\$ 3,350,694	\$ 3,279,663	\$ (71,031)
Tuition	19,544,899	18,401,856	19,262,787	860,931
Investment earnings	8,000	13,000	65,701	52,701
Other	2,594,098	2,300,378	2,237,485	(62,893)
State sources	54,611,467	58,005,239	58,159,071	153,832
Federal sources	435,144	465,984	336,177	(129,807)
Total revenue	<u>81,234,267</u>	<u>82,537,151</u>	<u>83,340,884</u>	<u>803,733</u>
Expenditures				
Current				
Career and technical education	1,088,425	1,106,268	1,014,191	(92,077)
Academic education	9,497,518	9,852,909	9,792,491	(60,418)
Special education	52,520,442	54,498,132	54,416,997	(81,135)
Student clubs	29,136	36,472	39,188	2,716
Administrative support services and operations and maintenance				
Annual costs	16,309,153	17,256,841	15,981,166	(1,275,675)
Debt service				
Principal	869,277	431,472	431,472	-
Interest and fiscal charges	1,163,430	844,921	844,921	-
Total expenditures	<u>81,477,381</u>	<u>84,027,015</u>	<u>82,520,426</u>	<u>(1,506,589)</u>
Excess (deficiency) of revenue over expenditures	(243,114)	(1,489,864)	820,458	2,310,322
Other financing sources (uses)				
Refunding debt issued	-	20,160,000	20,160,000	-
Premium on debt issued	-	1,720,812	1,720,812	-
Payment on refunded debt	-	(21,622,544)	(21,622,544)	-
Transfers (out)	(504,440)	(416,387)	(352,590)	63,797
Sale of assets	-	24,278	10,696	(13,582)
Total other financing sources (uses)	<u>(504,440)</u>	<u>(133,841)</u>	<u>(83,626)</u>	<u>50,215</u>
Net change in fund balances	<u>\$ (747,554)</u>	<u>\$ (1,623,705)</u>	736,832	<u>\$ 2,360,537</u>
Fund balances				
Beginning of year			<u>15,731,113</u>	
End of year			<u>\$ 16,467,945</u>	

See notes to basic financial statements

INTERMEDIATE DISTRICT NO. 287

Statement of Net Position  
 Proprietary Funds  
 Internal Service Funds  
 as of June 30, 2017

(With Partial Comparative Information as of June 30, 2016)

	<u>2017</u>	<u>2016</u>
Current assets		
Cash and temporary investments	\$ 4,333,792	\$ 2,567,733
Receivables		
Accounts and interest	<u>22,013</u>	<u>22,788</u>
Total current assets	<u>4,355,805</u>	<u>2,590,521</u>
Current liabilities		
Accounts payable	186,905	148,095
Claims payable	574,295	895,785
Unearned revenue	<u>4,888</u>	<u>—</u>
Total current liabilities	<u>766,088</u>	<u>1,043,880</u>
Net position		
Unrestricted	<u>\$ 3,589,717</u>	<u>\$ 1,546,641</u>

INTERMEDIATE DISTRICT NO. 287

Statement of Revenue, Expenses, and Changes in Net Position  
 Proprietary Funds  
 Internal Service Funds  
 Year Ended June 30, 2017  
 (With Partial Comparative Information for the Year Ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Operating revenue		
Contributions from governmental funds	\$ 11,761,880	\$ 10,984,415
Operating expenses		
Dental benefit claims and expenses	563,405	552,991
Health benefit claims and expenses	9,155,399	9,372,581
Total operating expenses	<u>9,718,804</u>	<u>9,925,572</u>
Operating income	2,043,076	1,058,843
Net position		
Beginning of year	<u>1,546,641</u>	<u>487,798</u>
End of year	<u>\$ 3,589,717</u>	<u>\$ 1,546,641</u>

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INTERMEDIATE DISTRICT NO. 287

Statement of Cash Flows  
 Proprietary Funds  
 Internal Service Funds  
 Year Ended June 30, 2017

(With Partial Comparative Information for the Year Ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Received from assessments made to other funds	\$ 11,767,543	\$ 10,961,627
Payments for claims	<u>(10,001,484)</u>	<u>(8,894,523)</u>
Net cash provided by operating activities	1,766,059	2,067,104
Cash and temporary investments		
Beginning of year	<u>2,567,733</u>	<u>500,629</u>
End of year	<u>\$ 4,333,792</u>	<u>\$ 2,567,733</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 2,043,076	\$ 1,058,843
Adjustments to reconcile operating income to net cash provided by operating activities		
Changes in assets and liabilities		
Unearned revenue	4,888	-
Accounts payable	38,810	148,095
Claims payable	(321,490)	882,954
Accounts receivable	<u>775</u>	<u>(22,788)</u>
Net cash provided by operating activities	<u>\$ 1,766,059</u>	<u>\$ 2,067,104</u>

INTERMEDIATE DISTRICT NO. 287

Statement of Fiduciary Net Position  
as of June 30, 2017

	Employee Benefit Trust Fund	Scholarship Private-Purpose Trust Fund
	<u>                    </u>	<u>                    </u>
Assets		
Cash and temporary investments	\$ 101,357	\$ 93,253
Prepaid items	4,677	-
Total assets	<u>106,034</u>	<u>93,253</u>
Liabilities	<u>95,350</u>	<u>-</u>
Net position		
Held in trust for flexible benefits	<u>\$ 10,684</u>	
Held in trust for scholarships		<u>\$ 93,253</u>

Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2017

	Employee Benefit Trust Fund	Scholarship Private-Purpose Trust Fund
	<u>                    </u>	<u>                    </u>
Additions		
Plan member contributions	\$ 504,904	\$ -
Donations	-	952
Total additions	<u>504,904</u>	<u>952</u>
Deductions		
Benefits to plan members	504,904	-
Scholarships awarded	-	2,500
Total deductions	<u>504,904</u>	<u>2,500</u>
Change in net position	-	(1,548)
Net position		
Beginning of year	<u>10,684</u>	<u>94,801</u>
End of year	<u>\$ 10,684</u>	<u>\$ 93,253</u>

INTERMEDIATE DISTRICT NO. 287

Notes to Basic Financial Statements  
June 30, 2017

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

**A. Organization**

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

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

**B. Reporting Entity**

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

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

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

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

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

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

## 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. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

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

### D. Fund Financial Statement Presentation

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

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

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. State revenue is recognized in the year to which it applies according to Minnesota Statutes and accounting principles generally accepted in the United States of America. Federal revenue is recorded in the year in which the related expenditure is made. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. Other revenue is considered available if collected within 60 days after year-end. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.
- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

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

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 (MDE). Each fund is accounted for as an independent entity. A description of the funds included in this report is as follows:

#### **Major Governmental Funds**

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

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

#### **Nonmajor Governmental Funds**

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

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

**Capital Projects – Building Construction Fund** – The Capital Projects – Building Construction Fund is used to record all operations of a district’s building construction program.

#### **Proprietary Funds**

**Internal Service Funds** – The internal service funds are used to account for and finance the uninsured risk of loss of the District’s self-insured plans that provide employee health and dental insurance benefits.

#### **Fiduciary Funds**

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

**Scholarship Private-Purpose Trust Fund** – The Scholarship Private-Purpose Trust Fund is used to account for resources received by various other third parties to be used for scholarship awards.

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

### **E. Budgeting**

Each June, the Board of Directors adopts an annual budget for all governmental funds. The budget for each fund is prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end. Expenditures exceeded budgeted amounts in the Capital Projects – Building Construction Fund by \$330,271, due to construction related timing. The board approved budget for these expenditures in the General Fund.

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

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

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

Investments are generally stated at fair value, except for investments in certain external investment pools, which are stated at amortized cost. Short-term, highly liquid debt instruments (including commercial paper, bankers' acceptance, and U.S. treasury and agency obligations) purchased with a remaining maturity of one year or less are also reported at amortized cost. Investment income is accrued at the Balance Sheet date. Repurchase agreement investments are valued on a cost-basis measure and, therefore, are not subject to the fair value disclosures.

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See Note 2 for the District's recurring fair value measurements as of year-end.

### **G. Receivables**

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

### **H. Inventories**

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

### **I. Prepaid Items**

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

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

### **J. Capital Assets**

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

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

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

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

### **K. Unearned Revenue**

Unearned revenue consists of tuition for fiscal 2018, West Suburban Summer School classes collected with spring registration, gifts and grants for the fiscal 2018 school year, balances remaining in student lunch accounts, and collections in advance of premiums in the internal service funds.

### **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. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

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

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

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

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

### **N. Severance Benefits**

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

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

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

### **O. State-Wide Pension Plans**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) and additions to/deductions from the PERA's and the TRA's fiduciary net positions have been determined on the same basis as they are reported by the PERA and the TRA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The TRA has a special funding situation created by direct aid contributions made by the state of Minnesota, City of Minneapolis, and Special School District No. 1, Minneapolis Public Schools. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association into the TRA in 2006. A second direct aid source is from the state of Minnesota for the merger of the Duluth Teachers Retirement Fund Association in 2015.

The PERA has a special funding situation created by a direct aid contribution made by the state of Minnesota. The direct aid is a result of the merger of the Minneapolis Employees Retirement Fund into the PERA on January 1, 2015.

### **P. Tuition Billings**

The District's policy is to recognize tuition revenue in the fiscal year that corresponds with the fiscal year in which the educational services are rendered to resident districts. Therefore, tuition revenue for the year ended June 30, 2017 represents services performed during the 2016–2017 fiscal year.

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

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

**Q. Risk Management**

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers’ compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District’s insurance coverage in fiscal 2017.
2. **Self-Insurance** – The District utilizes internal service funds to account for and finance its uninsured risk of loss for its employee dental and health plans. The internal service funds are funded by the District, employee contributions, and interest income (if any). The claims liability reported in the internal service funds for the dental and health plans at June 30, 2017 is based on the requirement that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the loss can be reasonably estimated. Changes in the internal service funds’ medical and dental plan claims liability were:

**Dental**

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
June 30, 2016	\$ 12,831	\$ 552,991	\$ 555,265	\$ 10,557
June 30, 2017	\$ 10,557	\$ 563,405	\$ 561,865	\$ 12,097

**Medical**

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
June 30, 2016	\$ –	\$ 9,224,486	\$ 8,339,258	\$ 885,228
June 30, 2017	\$ 885,228	\$ 9,116,589	\$ 9,439,619	\$ 562,198

**R. Deferred Outflows/Inflows of Resources**

In addition to assets and liabilities, the Statement of Financial Position will sometimes report a separate section for deferred outflows or inflows of resources. This separate financial statement element represents a consumption or acquisition of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) or an inflow of financial resources (revenue) until then.

The District reports deferred outflows of resources related to bond refunding deferrals in the government-wide Statement of Net Position. A bond refunding deferral results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

The District also reports deferred outflows and inflows of resources related to pensions reported in the government-wide Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual experience, changes in proportion, changes of assumptions, the difference between projected and actual earnings on pension plan investments, and from contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension standards.

### S. Statement of Cash Flows

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

### T. Restricted Assets

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

### U. 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 reported amounts and disclosures in the financial statements during the reporting period. Actual results could differ from those estimates.

### V. Net Position

In the government-wide and proprietary fund financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is displayed in three components:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation, reduced by any outstanding debt attributable to acquire capital assets.
- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on its 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."

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

### W. Fund Balance Classifications

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

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

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

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

### X. 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, 2016, from which the summarized information was derived.

## NOTE 2 – DEPOSITS AND INVESTMENTS

### A. Deposits

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

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

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

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

At year-end, the carrying amount of the District’s deposits was \$1,104,664, while the balance on the bank records was \$1,104,664. At June 30, 2017, all deposits were insured or collateralized by securities held by the District’s agent in the District’s name.

### B. Cash on Hand

Cash in the possession of the District, consisting of petty cash and change funds, totaled \$520 at year-end.

### C. Investments

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

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

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

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

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

**Concentration Risk** – This is the risk associated with investing a significant portion of the District’s investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District’s investment policies do not address concentration risk. At June 30, 2017, the District’s investments portfolio includes the following percentages of specific issuers:

Repurchase agreement	
Citigroup Global Markets	64.0%

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

**D. Summary Information**

The following table presents the District’s deposit and investment balances at June 30, 2017, and information relating to potential investment risks:

Investment Type	Credit Risk		Interest	Fair Value Measurements Using	Carrying Value
	Credit Rating	Rating Agency	Rate Risk Maturity Date		
Repurchase agreement					
Citigroup Global Markets	AAA	S&P	> 10 years	N/A	\$ 7,910,228
Investment pools/mutual funds					
MNTrust Investment Shares Portfolio	AAA	S&P	N/A	N/A	3,813
Minnesota School District Liquid Asset Fund					
Liquid portfolio	AAA	S&P	N/A	N/A	<u>4,451,407</u>
Total investments					12,365,448
Deposits					1,104,664
Cash on hand					<u>520</u>
Total cash and investments					<u><u>\$ 13,470,632</u></u>

N/A – Not Applicable

Investment pools purchased through the Minnesota School District Liquid Asset Fund (MSDLAF) and MNTrust are external investment pools not registered with the Securities and Exchange Commission regulated by Minnesota Statutes. The District’s investment in these investment pools are measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. For these investment pools, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required except for the MSDLAF – Max Class, which requires a redemption notice of 14 days.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

Cash and temporary investments – Statement of Net Position	\$ 5,365,789
Restricted assets – cash and investments for debt service – Statement of Net Position	7,910,233
Cash and investments – Statement of Fiduciary Net Position	
Employee Benefit Trust Fund	101,357
Scholarship Private-Purpose Trust Fund	<u>93,253</u>
 Total cash and investments	 <u><u>\$ 13,470,632</u></u>

## NOTE 3 – CAPITAL ASSETS

Capital assets activity for the current year is as follows:

	Balance – Beginning of Year	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated					
Land	\$ 10,865,963	\$ –	\$ –	\$ –	\$ 10,865,963
Construction in progress	<u>62,657</u>	<u>377,734</u>	<u>–</u>	<u>(110,120)</u>	<u>330,271</u>
Total capital assets, not depreciated	10,928,620	377,734	–	(110,120)	11,196,234
Capital assets, depreciated					
Buildings	76,291,939	205,910	–	110,120	76,607,969
Equipment	<u>4,036,408</u>	<u>629,046</u>	<u>(65,245)</u>	<u>–</u>	<u>4,600,209</u>
Total capital assets, depreciated	80,328,347	834,956	(65,245)	110,120	81,208,178
Less accumulated depreciation for					
Buildings	(14,747,430)	(1,597,906)	–	–	(16,345,336)
Equipment	<u>(3,713,602)</u>	<u>(182,184)</u>	<u>64,686</u>	<u>–</u>	<u>(3,831,100)</u>
Total accumulated depreciation	<u>(18,461,032)</u>	<u>(1,780,090)</u>	<u>64,686</u>	<u>–</u>	<u>(20,176,436)</u>
Net capital assets, depreciated	<u>61,867,315</u>	<u>(945,134)</u>	<u>(559)</u>	<u>110,120</u>	<u>61,031,742</u>
Total capital assets, net	<u><u>\$ 72,795,935</u></u>	<u><u>\$ (567,400)</u></u>	<u><u>\$ (559)</u></u>	<u><u>\$ –</u></u>	<u><u>\$ 72,227,976</u></u>

Depreciation expense for the current year ended was charged to the following governmental functions:

Career and technical education	\$ 18,513
Academic education	554,320
Special education	657,921
Administrative support services and operations and maintenance	<u>549,336</u>
 Total depreciation expense	 <u><u>\$ 1,780,090</u></u>

## NOTE 4 – LONG-TERM LIABILITIES

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

	June 30, 2016	Additions	Retirements	June 30, 2017	Due Within One Year
Capital leases payable	\$ 22,104,549	\$ –	\$ 22,054,016	\$ 50,533	\$ 5,209
Certificates of participation payable	47,035,000	25,805,000	7,565,000	65,275,000	2,530,000
Unamortized premium/discount on debt issued	39,794	2,443,643	152,207	2,331,230	–
Severance benefits payable	6,427,606	341,088	622,364	6,146,330	539,641
Compensated absences payable	600,589	598,728	621,836	577,481	577,481
Net other post-employment benefit obligation (OPEB)	2,752,545	809,405	818,067	2,743,883	–
Net pension liability	47,829,921	108,591,280	5,631,778	150,789,423	–
	<u>\$ 126,790,004</u>	<u>\$ 138,589,144</u>	<u>\$ 37,465,268</u>	<u>\$ 227,913,880</u>	<u>\$ 3,652,331</u>

### B. Descriptions of Long-Term Liabilities

#### 1. Capital Leases Payable – The following capital leases are outstanding as of June 30, 2017:

Issue	Issue Date	Interest Rate	Original Issue	Final Maturity	Principal Outstanding
Capital leases payable North Vector	02/15/2005	5.37%	\$ 96,000	01/15/2025	<u>\$ 50,533</u>

The assets acquired through the capital lease have been recorded in capital assets within building and equipment costs of \$96,000. The building and equipment costs are depreciated using the straight-line method over the life of the leases. The lease obligations will be repaid through the General Fund. Certain future pass-through levies of the member districts have been pledged for the payment of this capital lease.

#### 2. Certificates of Participation Payable – The following certificates of participation are outstanding as of June 30, 2017:

Issue	Issue Date	Interest Rate	Original Issue	Final Maturity	Principal Outstanding
Certificates of participation payable					
Refunding Certificate of Participation – 2009A (Bren Road)	07/15/2009	1.65–5.00%	\$ 8,570,000	02/01/2025	\$ 4,825,000
Certificate of Participation – 2010A	01/07/2010	2.40%	\$ 3,200,000	02/01/2020	1,060,000
Certificate of Participation – 2010B (Build America Bonds – Direct Pay)	01/07/2010	5.48%	\$ 2,050,000	02/01/2025	2,050,000
Certificate of Participation – 2010E (Qualified School Construction Bonds – Direct Pay)	11/18/2010	6.00%	\$ 29,790,000	02/01/2029	29,790,000
Certificate of Participation – 2011A	05/19/2011	3.00–4.20%	\$ 4,075,000	02/01/2026	2,660,000
Refunding Certificate of Participation – 2016A	09/15/2016	3.00–4.00%	\$ 25,805,000	05/01/2032	<u>24,890,000</u>
Total certificates of participation payable					<u>\$ 65,275,000</u>

#### NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

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

In September 2016, the District issued \$25,805,000 of Refunding Certificate of Participation, Series 2016A. In November 2016, \$20,160,000 of par from this issue, and the debt issue premium, were used to refund, in advance of their stated maturities, the May 2017 through November 2032 maturities of the District's Lease Loan, Series 2006 totaling \$21,622,544. This current refunding will reduce the District's total future debt service payments by \$5,844,883 and will result in a present value savings of \$4,838,599. The remaining \$5,645,000 of par from this issue, the debt issue premium, and interest earned thereon will be used to refund, in advance of their stated maturities, the 2018–2028 maturities of the District's 2010C Refunding Certificate of Participation. The proceeds of the 2016A issue have been placed in an escrow account pending the February 1, 2020 call date of the refunded issue. On February 1, 2020, the escrow account will be used to call the remaining principal of the 2010C issue. This advance refunding has met the requirements of an in-substance defeasance and, therefore, the escrow cash and related debt paid by the escrow have been removed from these financial statements. At June 30, 2017, the District has \$5,200,000 in defeased bonds outstanding from the 2010C issue. This advance refunding will reduce the District's total future debt service payments by \$73,033 and will result in present value savings of \$69,558.

3. **Severance Benefits Payable** – Severance benefits payable consist of early retirement incentive benefits payable to employees. Severance benefit liabilities are paid by the General Fund. Annual payments to retire the severance benefit liabilities have not been determined and will depend on actual employee turnover.
4. **Compensated Absences Payable** – Compensated absences payable represent accrued vacation payable at year-end. Compensated absences are paid by the General Fund. Annual payments to retire compensated absences payable have not been determined and will depend on employee turnover and actual employee absences.
5. **Other Long-Term Liabilities** – The District offers a number of benefits to its employees, including: pensions and other post-employment benefits (OPEB). The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are financed primarily from the General and Internal Service Funds.

**NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)**

District employees participate in two state-wide, cost-sharing, multi-employer defined benefit pension plans, administered by the PERA and the TRA. The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the year ended June 30, 2017:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERA	\$ 23,083,748	\$ 9,026,982	\$ 2,807,410	\$ 2,595,960
TRA	127,705,675	82,966,947	1,092,088	20,675,020
Total	\$ 150,789,423	\$ 91,993,929	\$ 3,899,498	\$ 23,270,980

**C. Minimum Debt Payments**

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

Year Ending June 30,	Capital Leases		Certificates of Participation	
	Principal	Interest	Principal	Interest
2018	\$ 5,209	\$ 2,645	\$ 2,530,000	\$ 3,135,969
2019	5,492	2,361	2,630,000	3,039,444
2020	5,791	2,062	2,730,000	2,933,434
2021	6,106	1,747	2,845,000	2,822,274
2022	6,438	1,415	2,940,000	2,717,300
2023–2027	21,497	2,065	13,560,000	11,877,102
2028–2032	–	–	38,040,000	4,439,700
	\$ 50,533	\$ 12,295	\$ 65,275,000	\$ 30,965,223

**NOTE 5 – FUND BALANCES**

**A. Classifications**

At June 30, 2017, a summary of the District’s governmental fund balance classifications are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Fund</u>	<u>Total</u>
Nonspendable				
Prepaid items	\$ 191,093	\$ –	\$ –	\$ 191,093
Restricted				
Basic skills	151,506	–	–	151,506
Safe schools	236,688	–	–	236,688
Long-term facilities maintenance	150,335	–	–	150,335
Medical Assistance	445,411	–	–	445,411
Debt service	–	7,988,125	–	7,988,125
Total restricted	<u>983,940</u>	<u>7,988,125</u>	<u>–</u>	<u>8,972,065</u>
Assigned				
Severance	5,540,880	–	–	5,540,880
Tuition adjustments	2,425,433	–	–	2,425,433
Property	80,131	–	–	80,131
Student clubs	34,268	–	–	34,268
Vehicle depreciation	47,012	–	–	47,012
Self-insurance	76,299	–	–	76,299
Collaborative curriculum project	270,199	–	–	270,199
Total assigned	<u>8,474,222</u>	<u>–</u>	<u>–</u>	<u>8,474,222</u>
Unassigned	<u>6,818,690</u>	<u>–</u>	<u>(330,271)</u>	<u>6,488,419</u>
Total	<u>\$ 16,467,945</u>	<u>\$ 7,988,125</u>	<u>\$ (330,271)</u>	<u>\$ 24,125,799</u>

**B. Fund Balance Policy**

The Board of Directors has formally adopted a fund balance policy regarding the unassigned fund balance for the General Fund. The policy establishes that the District will endeavor to maintain an unassigned fund balance of at least 6.0–8.0 percent of the District’s General Fund operating budget, excluding operating capital programs. At June 30, 2017, the unassigned fund balance of the General Fund was 8.3 percent of total current year expenditures.

## **NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN**

### **A. Plan Description**

The District provides post-employment benefits to certain eligible employees through the District's OPEB Plan, a single-employer defined benefit plan administered by the District. There are 754 active plan participants and 30 retired plan participants. All post-employment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report. These benefits are summarized as follows:

**Post-Employment Insurance Benefits** – All retirees of the District have the option under state law to continue their medical insurance coverage through the District from the time of retirement until the employee reaches the age of eligibility for Medicare. For benefit eligible employees, the District continues to contribute its portion of health insurance costs for retired employees for a specified amount of time as defined within the guidelines of each employee group agreement. Benefits paid by the District differ by employee group, with some contracts specifying a certain dollar amount per month, and some covering a percentage of premium costs. Retirees not eligible for these district-paid premium benefits must pay the full district premium rate for their coverage upon retirement, if they wish to continue their coverage.

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

### **B. Funding Policy**

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

**NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

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

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

ARC	\$ 856,442
Interest on net OPEB obligation	94,894
Adjustment to ARC	(141,931)
Annual OPEB cost (expense)	<u>809,405</u>
Contributions made	<u>818,067</u>
Increase in net OPEB obligation	(8,662)
Net OPEB – beginning of year	<u>2,752,545</u>
Net OPEB – end of year	<u><u>\$ 2,743,883</u></u>

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

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2015	\$ 950,264	\$ 821,103	86.4%	\$ 2,576,124
June 30, 2016	\$ 817,742	\$ 641,321	78.4%	\$ 2,752,545
June 30, 2017	\$ 809,405	\$ 818,067	101.1%	\$ 2,743,883

**D. Funded Status and Funding Progress**

As of July 1, 2015, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$8,059,925, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,059,925. The covered payroll (annual payroll of active employees covered by the plan) was \$46,013,623, and the ratio of the UAAL to the covered payroll was 17.5 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 following the notes to basic financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## **NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS PLAN (OPEB) (CONTINUED)**

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

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

In the July 1, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included: a 3.75 percent investment rate of return (net of administrative expenses) based on the District's own investments; an inflation rate of 2.75; and annual healthcare cost trend rate of 7.00 percent initially, reduced by decrements to an ultimate rate of 5.00 percent after seven years. The UAAL is being amortized on a level dollar basis over a 30-year open period.

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

### **A. Plan Descriptions**

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

#### **1. General Employees Retirement Fund (GERF)**

The PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

All full-time and certain part-time employees of the District other than teachers are covered by the GERF. The GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

#### **2. Teachers Retirement Association (TRA)**

The TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota Statutes, Chapters 354 and 356. The TRA is a separate statutory entity administered by a Board of Trustees. The Board of Trustees consists of four active members, one retired member, and three statutory officials.

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

## NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

### B. Benefits Provided

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

- **PERA** – Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90.0 percent funded for two consecutive years are given 2.5 percent increases. Members in plans that have not exceeded 90.0 percent funded, or have fallen below 80.0 percent, are given 1.0 percent increases.
- **TRA** – Post-retirement benefit increases are provided to eligible benefit recipients each January and are assumed to remain level at 2.0 percent annually.

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

#### 1. GERF Benefits

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 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 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 1.7 percent for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at age 66.

#### 2. TRA Benefits

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 Statutes and vest after three years of service credit. The defined retirement benefits are based on a member's highest average salary for any five consecutive years of allowable service, age, and a formula multiplier based on years of credit at termination of service.

## NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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

### Tier I Benefits

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

With these provisions:

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

### Tier II Benefits

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. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota Statutes. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

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

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

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**C. Contributions**

Minnesota Statutes set the rates for employer and employee contributions. Contribution rates can only be modified by the State Legislature.

**1. GERF Contributions**

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2017; the District was required to contribute 7.5 percent of pay for Coordinated Plan members. The District’s contributions to the GERF for the year ended June 30, 2017 were \$1,408,849. The District’s contributions were equal to the required contributions as set by state statutes.

**2. TRA Contributions**

Minnesota Statutes, Chapter 354 sets the rates for employer and employee contributions. Rates for each fiscal year were:

	Year Ended June 30,			
	2016		2017	
	Employee	Employer	Employee	Employer
<b>Basic Plan</b>	11.0 %	11.5 %	11.0 %	11.5 %
<b>Coordinated Plan</b>	7.5 %	7.5 %	7.5 %	7.5 %

The District’s contributions to the TRA for the plan’s fiscal year ended June 30, 2017, were \$2,172,700. The District’s contributions were equal to the required contributions for each year as set by state statutes.

The following is a reconciliation of employer contributions in the TRA’s Comprehensive Annual Financial Report (CAFR) Statement of Changes in Fiduciary Net Position to the employer contributions used in the Schedule of Employer and Nonemployer Pension Allocations:

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

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

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**D. Pension Costs**

**1. GERF Pension Costs**

At June 30, 2017, the District reported a liability of \$23,083,748 for its proportionate share of the GERF’s net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2015, through June 30, 2016, relative to the total employer contributions received from all of the PERA’s participating employers. The District’s proportionate share was 0.2843 percent at the end of the measurement period and 0.2916 percent for the beginning of the period.

The District’s net pension liability reflected a reduction due to the state of Minnesota’s contribution of \$6 million to the fund in 2017. The state of Minnesota is considered a nonemployer contributing entity and the state’s contribution meets the definition of a special funding situation. The amount recognized by the District as its proportionate share of the net pension liability, the direct aid, and total portion of the net pension liability that was associated with the District were as follows:

District’s proportionate share of net pension liability	\$ 23,083,748
State’s proportionate share of the net pension liability associated with the District	\$ 301,469

For the year ended June 30, 2017, the District recognized pension expense of \$2,506,070 for its proportionate share of the GERF’s pension expense. In addition, the District recognized an additional \$89,890 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota’s contribution of \$6 million to the GERF.

At June 30, 2017, the District reported its proportionate share of the GERF’s deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 70,073	\$ 1,887,929
Changes in actuarial assumptions	4,990,387	–
Difference between projected and actual investment earnings	2,557,673	–
Changes in proportion	–	919,481
District’s contributions to the GERF subsequent to the measurement date	<u>1,408,849</u>	<u>–</u>
Total	<u><u>\$ 9,026,982</u></u>	<u><u>\$ 2,807,410</u></u>

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

A total of \$1,408,849 reported as deferred outflows of resources related to pensions resulting from district contributions to the GERS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to the GERS pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2018	\$ 1,187,017
2019	\$ 646,375
2020	\$ 2,143,506
2021	\$ 833,825

**2. TRA Pension Costs**

At June 30, 2017, the District reported a liability of \$127,705,675 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Special School District No. 1, Minneapolis Public Schools. The District's proportionate share was 0.5354 percent at the end of the measurement period and 0.5289 percent for the beginning of the period.

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

District's proportionate share of net pension liability	\$ 127,705,675
State's proportionate share of the net pension liability associated with the District	\$ 12,817,443

For the year ended June 30, 2017, the District recognized pension expense of \$18,885,276. It also recognized \$1,789,744 as an increase to pension expense for the support provided by direct aid.

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

At June 30, 2017, the District reported its proportionate share of the TRA’s deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,369,893	\$ 3,560
Changes in actuarial assumptions	72,701,220	–
Difference between projected and actual investment earnings	5,113,727	–
Changes in proportion	1,609,407	1,088,528
District’s contributions to the TRA subsequent to the measurement date	<u>2,172,700</u>	<u>–</u>
Total	<u>\$ 82,966,947</u>	<u>\$ 1,092,088</u>

A total of \$2,172,700 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to the TRA will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2018	\$ 15,858,797
2019	\$ 15,858,797
2020	\$ 17,791,091
2021	\$ 15,964,197
2022	\$ 14,229,277

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.50% per year	
Price inflation		2.75%
Wage growth rate		3.50%
Active member payroll	3.25% per year	3.50–9.50% based on years of service
Investment rate of return	7.50%	4.66%

## NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP-2014 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1 percent per year for all future years for the GERF and 2 percent per year for all future years for the TRA.

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

The following changes in actuarial assumptions for the GERF occurred in 2016:

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035, and 2.50 percent per year thereafter, to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth, and 2.50 percent for inflation.

There was a change in actuarial assumptions that affected the measurement of the total liability for the TRA since the prior measurement date. Post-retirement benefit adjustments are now assumed to remain level at 2.00 percent annually, while in the previous measurement the cost of living adjustment increased to 2.50 percent in 2034.

The long-term expected rate of return on pension plan investments is 7.50 percent for the GERF and 4.66 percent for the TRA. The Minnesota State Board of Investment, which manages the investments of the PERA and the TRA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic stocks	45 %	5.50 %
International stocks	15	6.00 %
Bonds	18	1.45 %
Alternative assets	20	6.40 %
Cash	2	0.50 %
Total	<u>100 %</u>	

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**F. Discount Rate**

**1. GERF**

The discount rate used to measure the total pension liability in 2016 was 7.5 percent, a reduction from the 7.9 percent used in 2015. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the fiscal 2017 contribution rates. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**2. TRA**

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

**G. Pension Liability Sensitivity**

The following table presents the District’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	6.50%	7.50%	8.50%
District’s proportionate share of the GERF net pension liability	\$ 32,785,766	\$ 23,083,748	\$ 15,091,929
TRA discount rate	3.66%	4.66%	5.66%
District’s proportionate share of the TRA net pension liability	\$ 164,516,829	\$ 127,705,675	\$ 97,724,190

## **NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

### **H. Pension Plan Fiduciary Net Position**

Detailed information about the GERP's fiduciary net position is available in a separately issued PERA financial report. That report may be obtained on the PERA website at [www.mnpera.org](http://www.mnpera.org); by writing to the PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103; or by calling (651) 296-7460 or (800) 652-9026.

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

## **NOTE 8 – FLEXIBLE BENEFIT PLAN**

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

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

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

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

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

## NOTE 9 – OPERATING LEASES

The District is leasing equipment, buildings, and space in several locations. The District incurred costs of \$370,248 for operating leases during the year ended June 30, 2017. These leases are scheduled to expire on various dates through fiscal 2021. Many of the leases are negotiated on a yearly basis and payment commitments extend out one year. The following is a summary of minimum lease payment commitments for all operating leases:

Year Ending June 30,	Amount
2018	\$ 346,990
2019	104,749
2020	49,048
2021	45,318
	<u>\$ 546,105</u>

## NOTE 10 – INTERFUND TRANSFERS AND BALANCES

### A. Interfund Transfers

At June 30, 2017, the District's Food Service Special Revenue Fund and Community Service Special Revenue Fund received a transfer in the amount of \$302,941 and \$49,649, respectively, from the General Fund. These transfers were made to finance current year operations in these funds.

### B. Interfund Loans

At June 30, 2017, the District's Community Service Special Revenue Fund and Building Construction Fund had interfund payables to the General Fund totaling \$1,893 and \$330,271, respectively to eliminate cash deficits as of year-end.

Interfund transfers and balances are reported in the fund financial statements and are eliminated in the government-wide financial statements.

## **NOTE 11 – COMMITMENTS AND CONTINGENCIES**

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

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

### **B. Legal Contingencies**

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

### **C. State Tuition Billing Revenue**

At June 30, 2017, the District reported a balance due from other governmental units of approximately \$14.7 million related to amounts receivable from the MDE for state aids from the state's special education tuition billing process.

Special education state aid revenue includes amounts related to tuition billings to other school districts for special education services, which are computed using formulas derived by the MDE. Because of the timing of the MDE's calculations, these final aid amounts for fiscal 2017 have not been finalized. The amount of the receivable and revenue recorded for fiscal 2017 for state special education aid is calculated using preliminary information available to the District.

The District has reported a \$2,425,433 assigned fund balance for tuition adjustments of the MDE tuition calculations in the General Fund. This was reported to recognize the potential for additional calculation changes in these aid categories by state agencies.

## **NOTE 12 – SUBSEQUENT EVENTS**

In August 2017, the District authorized the issuance of Certificate of Participation, Series 2017A. The certificate of participation will be used to finance the construction and equipping of an addition to the District's Edgewood Education Center. The total issuance of \$11,880,000 has interest rates ranging from 3.0 to 5.0 percent, and matures in February 2035.

In August 2017, the District authorized the issuance of Facilities Maintenance Bonds, Series 2017B. The bonds will be used to finance various long-term facilities maintenance projects at the District's Edgewood Education Center. The total issuance of \$5,065,000 has interest rates ranging from 4.0 percent to 5.0 percent, and matures in May 2033.

## **NOTE 13 – DEFICIT FUND BALANCE**

At June 30, 2017, the Capital Projects – Building Construction Fund had a deficit fund balance of \$330,271.

REQUIRED SUPPLEMENTARY INFORMATION

INTERMEDIATE DISTRICT NO. 287

Public Employees Retirement Association Pension Benefits Plan  
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability  
 Year Ended June 30, 2017

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.3151%	\$ 14,801,819	\$ -	\$ 14,801,819	\$ 16,777,909	88.22%	78.70%
06/30/2016	06/30/2015	0.2916%	\$ 15,112,225	\$ -	\$ 15,112,225	\$ 17,124,370	88.25%	78.20%
06/30/2017	06/30/2016	0.2843%	\$ 23,083,748	\$ 301,469	\$ 23,385,217	\$ 17,638,480	130.87%	68.90%

Public Employees Retirement Association Pension Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2017

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 1,263,957	\$ 1,263,957	\$ -	\$ 17,124,370	7.38%
06/30/2016	\$ 1,322,815	\$ 1,322,815	\$ -	\$ 17,638,480	7.50%
06/30/2017	\$ 1,408,849	\$ 1,408,849	\$ -	\$ 18,842,440	7.48%

Note 1: **Changes of Benefit Terms** – On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the GERF, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

Note 2: **Changes in Actuarial Assumptions** – (1) 2015 Changes – The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2035 and 2.50 percent per year thereafter. (2) 2016 Changes – The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all future years. The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 7.50 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Note 3: The District implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2014 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INTERMEDIATE DISTRICT NO. 287

Teachers Retirement Association Pension Benefits Plan  
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability  
 Year Ended June 30, 2017

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.5880%	\$ 27,094,617	\$ 1,906,176	\$ 29,000,793	\$ 26,838,372	100.95%	81.50%
06/30/2016	06/30/2015	0.5289%	\$ 32,717,696	\$ 4,013,309	\$ 36,731,005	\$ 26,851,536	121.85%	76.80%
06/30/2017	06/30/2016	0.5354%	\$ 127,705,675	\$ 12,817,443	\$ 140,523,118	\$ 27,856,299	458.44%	44.88%

Teachers Retirement Association Pension Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2017

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 2,013,921	\$ 2,013,921	\$ -	\$ 26,851,536	7.50%
06/30/2016	\$ 2,089,182	\$ 2,089,182	\$ -	\$ 27,856,299	7.50%
06/30/2017	\$ 2,172,700	\$ 2,172,700	\$ -	\$ 28,980,858	7.50%

Note 1: **Changes of Benefit Terms.** The Duluth Teachers Retirement Fund Association was merged into the TRA on June 30, 2015.

Note 2: **Change of Assumptions** – (1) 2015 Changes – The annual cost of living adjustment for the June 30, 2015 valuation assumed 2.00 percent. The prior year valuation used 2.00 percent with an increase to 2.50 percent commencing in 2034. The discount rate used to measure the total pension liability was 8.00 percent. This is a decrease from the discount rate at the prior measurement date of 8.25 percent. (2) 2016 Changes – The discount rate used to measure the total pension liability was 4.66 percent. Details, if necessary, can be obtained from the TRA's CAFR.

Note 3: The District implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2014 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INTERMEDIATE DISTRICT NO. 287

Schedules of Funding Progress  
 Other Post-Employment Benefits Plan  
 Year Ended June 30, 2017

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, 2011	\$ 9,532,459	\$ -	\$ 9,532,459	- %	\$ 34,915,812	27.3 %
July 1, 2013	\$ 9,327,173	\$ -	\$ 9,327,173	- %	\$ 37,767,517	24.7 %
July 1, 2015	\$ 8,059,925	\$ -	\$ 8,059,925	- %	\$ 46,013,623	17.5 %

SUPPLEMENTAL INFORMATION

INTERMEDIATE DISTRICT NO. 287

Nonmajor Governmental Funds  
 Combining Balance Sheet  
 as of June 30, 2017

	Food Service Special Revenue Fund	Community Service Special Revenue Fund	Capital Projects – Building Construction Fund	Total
<b>Assets</b>				
Cash and temporary investments	\$ 2,462	\$ –	\$ –	\$ 2,462
Receivables				
Accounts and interest	3,261	–	–	3,261
Due from other governmental units	13,443	26	–	13,469
Inventory	5,196	–	–	5,196
Prepaid items	1,055	3,000	–	4,055
	<u>25,417</u>	<u>3,026</u>	<u>–</u>	<u>28,443</u>
Total assets	<u>\$ 25,417</u>	<u>\$ 3,026</u>	<u>\$ –</u>	<u>\$ 28,443</u>
<b>Liabilities</b>				
Salaries and compensated absences payable	\$ 15,847	\$ –	\$ –	\$ 15,847
Due to other funds	–	1,893	330,271	332,164
Accounts and contracts payable	1,341	1,133	–	2,474
Due to other governmental units	465	–	–	465
Unearned revenue	7,764	–	–	7,764
Total liabilities	<u>25,417</u>	<u>3,026</u>	<u>330,271</u>	<u>358,714</u>
<b>Fund balances (deficit)</b>				
Unassigned	<u>–</u>	<u>–</u>	<u>(330,271)</u>	<u>(330,271)</u>
Total liabilities and fund balances	<u>\$ 25,417</u>	<u>\$ 3,026</u>	<u>\$ –</u>	<u>\$ 28,443</u>

INTERMEDIATE DISTRICT NO. 287

Nonmajor Governmental Funds  
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Year Ended June 30, 2017

	Food Service Special Revenue Fund	Community Service Special Revenue Fund	Capital Projects – Building Construction Fund	Total
<b>Revenue</b>				
Local sources				
Tuition	\$ –	\$ 15,371	\$ –	\$ 15,371
Other	123,490	32,057	–	155,547
State sources	17,853	76	–	17,929
Federal sources	340,192	–	–	340,192
Total revenue	<u>481,535</u>	<u>47,504</u>	<u>–</u>	<u>529,039</u>
<b>Expenditures</b>				
Current				
Food service	784,476	–	–	784,476
Community service	–	97,153	–	97,153
Capital expenditures	–	–	330,271	330,271
Total expenditures	<u>784,476</u>	<u>97,153</u>	<u>330,271</u>	<u>1,211,900</u>
Excess (deficiency) of revenue over expenditures	(302,941)	(49,649)	(330,271)	(682,861)
Other financing sources				
Transfers in	<u>302,941</u>	<u>49,649</u>	<u>–</u>	<u>352,590</u>
Net change in fund balance	–	–	(330,271)	(330,271)
<b>Fund balances (deficit)</b>				
Beginning of year	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
End of year	<u>\$ –</u>	<u>\$ –</u>	<u>\$ (330,271)</u>	<u>\$ (330,271)</u>

INTERMEDIATE DISTRICT NO. 287

General Fund  
Comparative Balance Sheet  
as of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Cash and temporary investments	\$ 951,643	\$ 7,011,042
Receivables		
Accounts and interest	307,314	395,186
Due from other funds	332,164	12,663
Due from other governmental units	23,331,304	15,800,784
Prepaid items	<u>191,093</u>	<u>80,200</u>
 Total assets	 <u>\$ 25,113,518</u>	 <u>\$ 23,299,875</u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ 6,448,710	\$ 5,816,067
Accounts and contracts payable	926,136	797,234
Due to other governmental units	996,864	697,566
Unearned revenue	<u>273,863</u>	<u>257,895</u>
Total liabilities	8,645,573	7,568,762
<b>Fund balances</b>		
Nonspendable for prepaid items	191,093	80,200
Restricted for basic skills	151,506	191,375
Restricted for safe schools	236,688	460,316
Restricted for long-term facilities maintenance	150,335	-
Restricted for Medical Assistance	445,411	-
Assigned for severance	5,540,880	5,558,446
Assigned for tuition adjustments	2,425,433	2,425,433
Assigned for property	80,131	118,700
Assigned for student clubs	34,268	52,446
Assigned for vehicle depreciation	47,012	36,529
Assigned for self-insurance	76,299	76,299
Assigned for collaborative curriculum project	270,199	202,924
Unassigned	<u>6,818,690</u>	<u>6,528,445</u>
Total fund balances	<u>16,467,945</u>	<u>15,731,113</u>
 Total liabilities and fund balances	 <u>\$ 25,113,518</u>	 <u>\$ 23,299,875</u>

INTERMEDIATE DISTRICT NO. 287

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under) Budget	2016
	Budget	Actual		Actual
<b>Revenue</b>				
Local sources				
Pass-through levies	\$ 3,350,694	\$ 3,279,663	\$ (71,031)	\$ 3,850,274
Tuition	18,401,856	19,262,787	860,931	19,398,980
Investment earnings	13,000	65,701	52,701	28,814
Other	2,300,378	2,237,485	(62,893)	2,765,720
State sources	58,005,239	58,159,071	153,832	53,880,747
Federal sources	465,984	336,177	(129,807)	275,271
Total revenue	<u>82,537,151</u>	<u>83,340,884</u>	<u>803,733</u>	<u>80,199,806</u>
<b>Expenditures</b>				
Current				
Career and technical education	1,106,268	1,014,191	(92,077)	1,134,462
Academic education	9,852,909	9,792,491	(60,418)	9,637,553
Special education	54,498,132	54,416,997	(81,135)	51,127,387
Student clubs	36,472	39,188	2,716	29,516
Administrative support services and operations and maintenance				
Annual costs	17,256,841	15,981,166	(1,275,675)	15,419,992
Debt service				
Principal	431,472	431,472	–	825,010
Interest and fiscal charges	844,921	844,921	–	1,203,386
Total expenditures	<u>84,027,015</u>	<u>82,520,426</u>	<u>(1,506,589)</u>	<u>79,377,306</u>
Excess (deficiency) of revenue over expenditures	(1,489,864)	820,458	2,310,322	822,500
<b>Other financing sources (uses)</b>				
Refunding debt issued	20,160,000	20,160,000	–	–
Premium on debt issued	1,720,812	1,720,812	–	–
Payment on refunded debt	(21,622,544)	(21,622,544)	–	–
Transfers (out)	(416,387)	(352,590)	63,797	(363,069)
Sale of assets	24,278	10,696	(13,582)	8,156
Total other financing sources (uses)	<u>(133,841)</u>	<u>(83,626)</u>	<u>50,215</u>	<u>(354,913)</u>
Net change in fund balances	<u>\$ (1,623,705)</u>	736,832	<u>\$ 2,360,537</u>	467,587
<b>Fund balances</b>				
Beginning of year		<u>15,731,113</u>		<u>15,263,526</u>
End of year		<u>\$ 16,467,945</u>		<u>\$ 15,731,113</u>

INTERMEDIATE DISTRICT NO. 287

General Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances by Account  
 Year Ended June 30, 2017

	<u>Career and Technical Education Account</u>	<u>Academic Education Account</u>	<u>Special Education Account</u>
<b>Revenue</b>			
Local sources			
Pass-through levies	\$ 166,938	\$ 38,945	\$ -
Tuition	902,828	5,127,514	11,248,274
Investment earnings	6,691	-	81,647
Other	111	1,204,495	159,969
State sources	5,008	3,665,049	43,686,194
Federal sources	14,729	-	-
Total revenue	<u>1,096,305</u>	<u>10,036,003</u>	<u>55,176,084</u>
<b>Expenditures</b>			
Current			
Career and technical education	1,014,191	-	-
Academic education	-	9,792,491	-
Special education	-	-	54,416,997
Student clubs	-	-	-
Administrative support services and operations and maintenance	-	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>1,014,191</u>	<u>9,792,491</u>	<u>54,416,997</u>
Excess (deficiency) of revenue over expenditures	82,114	243,512	759,087
<b>Other financing sources (uses)</b>			
Refunding debt issued	-	-	-
Premium on debt issued	-	-	-
Payment on refunded debt	-	-	-
Intrafund transfers	(40,000)	760,336	(895,436)
Transfers (out)	-	-	-
Sale of assets	-	-	5,877
Total other financing sources (uses)	<u>(40,000)</u>	<u>760,336</u>	<u>(889,559)</u>
Net change in fund balances	42,114	1,003,848	(130,472)
<b>Fund balances (deficit)</b>			
Beginning of year	<u>297,980</u>	<u>(512,431)</u>	<u>9,275,486</u>
End of year	<u>\$ 340,094</u>	<u>\$ 491,417</u>	<u>\$ 9,145,014</u>

District-Wide Account	Severance and Property Account	Student Clubs Account	Total
\$ 3,073,780	\$ -	\$ -	\$ 3,279,663
1,984,171	-	-	19,262,787
(22,637)	-	-	65,701
851,900	-	21,010	2,237,485
10,802,820	-	-	58,159,071
321,448	-	-	336,177
<u>17,011,482</u>	<u>-</u>	<u>21,010</u>	<u>83,340,884</u>
-	-	-	1,014,191
-	-	-	9,792,491
-	-	-	54,416,997
-	-	39,188	39,188
15,659,931	321,235	-	15,981,166
431,472	-	-	431,472
844,921	-	-	844,921
<u>16,936,324</u>	<u>321,235</u>	<u>39,188</u>	<u>82,520,426</u>
75,158	(321,235)	(18,178)	820,458
20,160,000	-	-	20,160,000
1,720,812	-	-	1,720,812
(21,622,544)	-	-	(21,622,544)
(90,000)	265,100	-	-
(352,590)	-	-	(352,590)
4,819	-	-	10,696
<u>(179,503)</u>	<u>265,100</u>	<u>-</u>	<u>(83,626)</u>
(104,345)	(56,135)	(18,178)	736,832
<u>940,486</u>	<u>5,677,146</u>	<u>52,446</u>	<u>15,731,113</u>
<u>\$ 836,141</u>	<u>\$ 5,621,011</u>	<u>\$ 34,268</u>	<u>\$ 16,467,945</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – Career and Technical Education Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual

Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017			2016
	Budget	Actual	Over (Under) Budget	Actual
<b>Revenue</b>				
Local sources				
Pass-through levies	\$ 160,000	\$ 166,938	\$ 6,938	\$ 170,696
Tuition	912,040	902,828	(9,212)	1,080,495
Investment earnings	–	6,691	6,691	891
Other	–	111	111	571
State sources	20,291	5,008	(15,283)	20,291
Federal sources	14,683	14,729	46	18,243
Total revenue	<u>1,107,014</u>	<u>1,096,305</u>	<u>(10,709)</u>	<u>1,291,187</u>
<b>Expenditures</b>				
Career and technical education				
Salaries and wages	697,846	742,147	44,301	824,669
Employee benefits	271,749	256,191	(15,558)	256,753
Purchased services	26,875	32,183	5,308	21,916
Supplies and materials	106,798	58,763	(48,035)	57,704
Capital expenditures	2,000	–	(2,000)	9,780
Other	1,000	5,987	4,987	380
Allocated costs	(40,000)	(81,080)	(41,080)	(36,740)
Total expenditures	<u>1,066,268</u>	<u>1,014,191</u>	<u>(52,077)</u>	<u>1,134,462</u>
Excess of revenue over expenditures	40,746	82,114	41,368	156,725
<b>Other financing (uses)</b>				
Intrafund transfers	<u>(40,000)</u>	<u>(40,000)</u>	<u>–</u>	<u>(39,998)</u>
Net change in fund balances	<u>\$ 746</u>	42,114	<u>\$ 41,368</u>	116,727
<b>Fund balances</b>				
Beginning of year		<u>297,980</u>		<u>181,253</u>
End of year		<u>\$ 340,094</u>		<u>\$ 297,980</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – Academic Education Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under) Budget	2016
	Budget	Actual		Actual
Revenue				
Local sources				
Pass-through levies	\$ 37,000	\$ 38,945	\$ 1,945	\$ 37,682
Tuition	4,435,555	5,127,514	691,959	4,692,011
Other	1,204,705	1,204,495	(210)	1,426,251
State sources	3,664,116	3,665,049	933	3,453,320
Total revenue	<u>9,341,376</u>	<u>10,036,003</u>	<u>694,627</u>	<u>9,609,264</u>
Expenditures				
Academic education				
Salaries and wages	6,139,498	6,282,839	143,341	6,119,894
Employee benefits	2,193,336	2,060,892	(132,444)	2,084,431
Purchased services	1,356,673	1,298,844	(57,829)	1,401,708
Supplies and materials	153,660	136,166	(17,494)	115,382
Capital expenditures	3,000	599	(2,401)	6,479
Other	6,742	39,268	32,526	31,924
Allocated costs	(65,100)	(26,117)	38,983	(122,265)
Total expenditures	<u>9,787,809</u>	<u>9,792,491</u>	<u>4,682</u>	<u>9,637,553</u>
Excess (deficiency) of revenue over expenditures	(446,433)	243,512	689,945	(28,289)
Other financing sources (uses)				
Intrafund transfers	<u>(65,100)</u>	<u>760,336</u>	<u>825,436</u>	<u>(142,086)</u>
Net change in fund balances	<u>\$ (511,533)</u>	<u>1,003,848</u>	<u>\$ 1,515,381</u>	<u>(170,375)</u>
Fund balances (deficit)				
Beginning of year		<u>(512,431)</u>		<u>(342,056)</u>
End of year		<u>\$ 491,417</u>		<u>\$ (512,431)</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – Special Education Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under) Budget	2016
	Budget	Actual		Actual
Revenue				
Local sources				
Tuition	\$ 11,120,256	\$ 11,248,274	\$ 128,018	\$ 11,603,684
Investment earnings	8,000	81,647	73,647	21,842
Other	143,544	159,969	16,425	145,929
State sources	43,184,413	43,686,194	501,781	40,269,094
Total revenue	<u>54,456,213</u>	<u>55,176,084</u>	<u>719,871</u>	<u>52,040,549</u>
Expenditures				
Special education				
Current				
Salaries and wages	35,396,282	35,989,379	593,097	33,899,869
Employee benefits	15,059,013	14,433,042	(625,971)	14,177,784
Purchased services	2,906,378	2,563,410	(342,968)	2,383,930
Supplies and materials	695,519	740,758	45,239	407,838
Capital expenditures	398,107	456,097	57,990	216,127
Other	42,833	234,311	191,478	41,839
Total expenditures	<u>54,498,132</u>	<u>54,416,997</u>	<u>(81,135)</u>	<u>51,127,387</u>
Excess (deficiency) of revenue over expenditures	(41,919)	759,087	801,006	913,162
Other financing sources (uses)				
Intrafund transfers	–	(895,436)	(895,436)	563,990
Sale of assets	21,455	5,877	(15,578)	4,735
Total other financing sources (uses)	<u>21,455</u>	<u>(889,559)</u>	<u>(911,014)</u>	<u>568,725</u>
Net change in fund balances	<u>\$ (20,464)</u>	<u>(130,472)</u>	<u>\$ (110,008)</u>	<u>1,481,887</u>
Fund balances				
Beginning of year		<u>9,275,486</u>		<u>7,793,599</u>
End of year		<u>\$ 9,145,014</u>		<u>\$ 9,275,486</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – District-Wide Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under) Budget	2016
	Budget	Actual		Actual
<b>Revenue</b>				
Local sources				
Pass-through levies	\$ 3,153,694	\$ 3,073,780	\$ (79,914)	\$ 3,641,896
Tuition	1,934,005	1,984,171	50,166	2,022,790
Investment earnings (charges)	5,000	(22,637)	(27,637)	6,081
Other	922,993	851,900	(71,093)	1,158,186
State sources	11,136,419	10,802,820	(333,599)	10,138,042
Federal sources	451,301	321,448	(129,853)	257,028
Total revenue	<u>17,603,412</u>	<u>17,011,482</u>	<u>(591,930)</u>	<u>17,224,023</u>
<b>Expenditures</b>				
Current				
Administrative support services and operations and maintenance				
Salaries and wages	7,184,355	7,190,932	6,577	6,407,242
Employee benefits	2,514,973	2,445,620	(69,353)	2,249,408
Purchased services	5,492,040	4,515,492	(976,548)	4,885,507
Supplies and materials	875,102	1,056,691	181,589	522,589
Capital expenditures	1,081,533	570,668	(510,865)	983,472
Other	108,838	94,566	(14,272)	212,769
Allocated costs	(200,200)	(214,038)	(13,838)	(149,195)
Debt service				
Principal	431,472	431,472	–	825,010
Interest and fiscal charges	844,921	844,921	–	1,203,386
Total expenditures	<u>18,333,034</u>	<u>16,936,324</u>	<u>(1,396,710)</u>	<u>17,140,188</u>
Excess (deficiency) of revenue over expenditures				
	(729,622)	75,158	804,780	83,835
<b>Other financing sources (uses)</b>				
Refunding debt issued	20,160,000	20,160,000	–	–
Premium on debt issued	1,720,812	1,720,812	–	–
Payment on refunded debt	(21,622,544)	(21,622,544)	–	–
Intrafund transfers	(200,200)	(90,000)	110,200	(676,006)
Transfers (out)	(416,387)	(352,590)	63,797	(363,069)
Sale of assets	2,823	4,819	1,996	3,421
Total other financing sources (uses)	<u>(355,496)</u>	<u>(179,503)</u>	<u>175,993</u>	<u>(1,035,654)</u>
Net change in fund balances				
	<u>\$ (1,085,118)</u>	<u>(104,345)</u>	<u>\$ 980,773</u>	<u>(951,819)</u>
<b>Fund balances</b>				
Beginning of year		<u>940,486</u>		<u>1,892,305</u>
End of year		<u>\$ 836,141</u>		<u>\$ 940,486</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – Severance and Property Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017			2016
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current				
Administrative support services and operations and maintenance				
Allocated costs	<u>305,300</u>	<u>321,235</u>	<u>15,935</u>	<u>308,200</u>
Excess (deficiency) of revenue over expenditures	(305,300)	(321,235)	(15,935)	(308,200)
Other financing sources				
Intrafund transfers	<u>305,300</u>	<u>265,100</u>	<u>(40,200)</u>	<u>294,100</u>
Net change in fund balances	<u>\$ -</u>	<u>(56,135)</u>	<u>\$ (56,135)</u>	<u>(14,100)</u>
Fund balances				
Beginning of year		<u>5,677,146</u>		<u>5,691,246</u>
End of year		<u>\$ 5,621,011</u>		<u>\$ 5,677,146</u>

INTERMEDIATE DISTRICT NO. 287

General Fund – Student Clubs Account  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017			2016
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other	\$ 29,136	\$ 21,010	\$ (8,126)	\$ 34,783
Expenditures				
Current				
Student clubs				
Pupil support services	<u>36,472</u>	<u>39,188</u>	<u>2,716</u>	<u>29,516</u>
Net change in fund balances	<u>\$ (7,336)</u>	<u>(18,178)</u>	<u>\$ (10,842)</u>	<u>5,267</u>
Fund balances				
Beginning of year		<u>52,446</u>		<u>47,179</u>
End of year		<u>\$ 34,268</u>		<u>\$ 52,446</u>

INTERMEDIATE DISTRICT NO. 287

Food Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Cash and temporary investments	\$ 2,462	\$ -
Receivables		
Accounts and interest	3,261	48
Due from other governmental units	13,443	14,116
Inventory	5,196	5,919
Prepaid items	<u>1,055</u>	<u>198</u>
 Total assets	 <u>\$ 25,417</u>	 <u>\$ 20,281</u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ 15,847	211
Due to other funds	-	7,927
Accounts and contracts payable	1,341	659
Due to other governmental units	465	2,659
Unearned revenue	<u>7,764</u>	<u>8,825</u>
 Total liabilities	 <u>\$ 25,417</u>	 <u>\$ 20,281</u>

INTERMEDIATE DISTRICT NO. 287

Food Service Special Revenue Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under) Budget	2016
	Budget	Actual		Actual
Revenue				
Local sources				
Other – primarily meal sales	\$ 136,403	\$ 123,490	\$ (12,913)	\$ 100,171
State sources	15,700	17,853	2,153	17,407
Federal sources	332,201	340,192	7,991	338,231
Total revenue	<u>484,304</u>	<u>481,535</u>	<u>(2,769)</u>	<u>455,809</u>
Expenditures				
Current				
Food service	<u>839,977</u>	<u>784,476</u>	<u>(55,501)</u>	<u>718,471</u>
Excess (deficiency) of revenue over expenditures	(355,673)	(302,941)	52,732	(262,662)
Other financing sources				
Transfers in	<u>355,673</u>	<u>302,941</u>	<u>(52,732)</u>	<u>262,662</u>
Net change in fund balances	<u>\$ –</u>	<u>–</u>	<u>\$ –</u>	<u>–</u>
Fund balances				
Beginning of year		<u>–</u>		<u>–</u>
End of year		<u>\$ –</u>		<u>\$ –</u>

INTERMEDIATE DISTRICT NO. 287

Community Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and temporary investments	\$ -	\$ -
Receivables		
Accounts and interest	-	3,405
Due from other governmental units	26	3,300
Prepaid items	<u>3,000</u>	<u>1,576</u>
Total assets	<u>\$ 3,026</u>	<u>\$ 8,281</u>
Liabilities		
Due to other funds	\$ 1,893	\$ 4,736
Accounts and contracts payable	<u>1,133</u>	<u>3,545</u>
Total liabilities	<u>\$ 3,026</u>	<u>\$ 8,281</u>

INTERMEDIATE DISTRICT NO. 287

Community Service Special Revenue Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under) Budget	2016
	Budget	Actual		Actual
Revenue				
Local sources				
Tuition	\$ 10,000	\$ 15,371	\$ 5,371	\$ 12,416
Other	34,000	32,057	(1,943)	52,597
State sources	—	76	76	—
Total revenue	<u>44,000</u>	<u>47,504</u>	<u>3,504</u>	<u>65,013</u>
Expenditures				
Current				
Community service	<u>104,714</u>	<u>97,153</u>	<u>(7,561)</u>	<u>165,420</u>
Excess (deficiency) of revenue over expenditures	(60,714)	(49,649)	11,065	(100,407)
Other financing sources				
Transfers in	<u>60,714</u>	<u>49,649</u>	<u>(11,065)</u>	<u>100,407</u>
Net change in fund balances	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>	<u>—</u>
Fund balances				
Beginning of year		<u>—</u>		<u>—</u>
End of year		<u>\$ —</u>		<u>\$ —</u>

INTERMEDIATE DISTRICT NO. 287

Capital Projects – Building Construction Fund  
Balance Sheet  
as of June 30, 2017

Assets	
Cash and temporary investments	\$ <u>          –</u>
Liabilities	
Due to other funds	\$ 330,271
Fund balances (deficit)	
Unassigned – building construction restricted account deficit	<u>          (330,271)</u>
Total liabilities and fund balances	<u>          \$ <u>          –</u></u>

INTERMEDIATE DISTRICT NO. 287

Capital Projects – Building Construction Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenue			
Local sources			
Other	\$           –	\$           –	\$           –
Expenditures			
Capital outlay			
Purchased services	<u>                  –</u>	<u>          330,271</u>	<u>          330,271</u>
Net change in fund balances	<u><u>                  –</u></u>	<u><u>          (330,271)</u></u>	<u><u>          (330,271)</u></u>
Fund balances (deficit)			
Beginning of year		<u>                  –</u>	
End of year		<u><u>          (330,271)</u></u>	

INTERMEDIATE DISTRICT NO. 287

Debt Service Fund  
 Comparative Balance Sheet  
 as of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and temporary investments	\$ 77,892	\$ 71,616
Cash and investments held by trustee	<u>7,910,233</u>	<u>6,472,417</u>
Total assets	<u>\$ 7,988,125</u>	<u>\$ 6,544,033</u>
Liabilities		
Accounts payable	\$ -	\$ 3,099
Fund balances		
Restricted for debt service	<u>7,988,125</u>	<u>6,540,934</u>
Total liabilities and fund balances	<u>\$ 7,988,125</u>	<u>\$ 6,544,033</u>

INTERMEDIATE DISTRICT NO. 287

Debt Service Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 Year Ended June 30, 2017  
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017		Over (Under) Budget	2016
	Budget	Actual		Actual
Revenue				
Local sources				
Pass-through levies	\$ 4,365,324	\$ 4,426,908	\$ 61,584	\$ 3,681,021
Investment earnings	244,519	261,962	17,443	193,735
Other	223,062	223,961	899	–
Federal sources	1,527,447	1,526,768	(679)	1,523,490
Total revenue	<u>6,360,352</u>	<u>6,439,599</u>	<u>79,247</u>	<u>5,398,246</u>
Expenditures				
Debt service				
Principal	2,365,000	1,990,000	(375,000)	1,404,999
Interest	3,095,153	2,976,206	(118,947)	2,556,447
Fiscal charges and other	299,001	312,717	13,716	17,400
Total expenditures	<u>5,759,154</u>	<u>5,278,923</u>	<u>(480,231)</u>	<u>3,978,846</u>
Excess of revenue over expenditures	601,198	1,160,676	559,478	1,419,400
Other financing sources (uses)				
Refunding debt issued	5,665,000	5,645,000	(20,000)	–
Premium on debt issued	722,831	722,831	–	–
Payment on refunded debt	–	(6,081,316)	(6,081,316)	–
Total other financing sources (uses)	<u>6,387,831</u>	<u>286,515</u>	<u>(6,101,316)</u>	<u>–</u>
Net change in fund balances	<u>\$ 6,989,029</u>	1,447,191	<u>\$ (5,541,838)</u>	1,419,400
Fund balances				
Beginning of year		<u>6,540,934</u>		<u>5,121,534</u>
End of year		<u>\$ 7,988,125</u>		<u>\$ 6,540,934</u>

INTERMEDIATE DISTRICT NO. 287

Combining Statement of Net Position  
 Proprietary Funds  
 Internal Service Funds  
 as of June 30, 2017

(With Comparative Totals as of June 30, 2016)

	Health Self-Insurance	Dental Self-Insurance	2017	2016
Current assets				
Cash and temporary investments	\$ 3,767,460	\$ 566,332	\$ 4,333,792	\$ 2,567,733
Receivables				
Accounts and interest	18,746	3,267	22,013	22,788
Total current assets	<u>3,786,206</u>	<u>569,599</u>	<u>4,355,805</u>	<u>2,590,521</u>
Current liabilities				
Accounts payable	186,905	-	186,905	148,095
Claims payable	562,198	12,097	574,295	895,785
Unearned revenue	4,596	292	4,888	-
Total current liabilities	<u>753,699</u>	<u>12,389</u>	<u>766,088</u>	<u>1,043,880</u>
Net position				
Unrestricted	<u>\$ 3,032,507</u>	<u>\$ 557,210</u>	<u>\$ 3,589,717</u>	<u>\$ 1,546,641</u>

INTERMEDIATE DISTRICT NO. 287

Combining Statement of Revenue, Expenses, and Changes in Net Position  
 Proprietary Funds  
 Internal Service Funds  
 Year Ended June 30, 2017  
 (With Comparative Totals for the Year Ended June 30, 2016)

	Health Self-Insurance	Dental Self-Insurance	2017	2016
Operating revenue				
Contributions from governmental funds	\$ 11,163,092	\$ 598,788	\$ 11,761,880	\$ 10,984,415
Operating expenses				
Dental benefit claims and expenses	-	563,405	563,405	552,991
Health benefit claims and expenses	9,155,399	-	9,155,399	9,372,581
Total operating expenses	<u>9,155,399</u>	<u>563,405</u>	<u>9,718,804</u>	<u>9,925,572</u>
Operating income	2,007,693	35,383	2,043,076	1,058,843
Net position				
Beginning of year	<u>1,024,814</u>	<u>521,827</u>	<u>1,546,641</u>	<u>487,798</u>
End of year	<u>\$ 3,032,507</u>	<u>\$ 557,210</u>	<u>\$ 3,589,717</u>	<u>\$ 1,546,641</u>

INTERMEDIATE DISTRICT NO. 287

Combining Statement of Cash Flows  
 Proprietary Funds  
 Internal Service Funds  
 Year Ended June 30, 2017  
 (With Comparative Totals for the Year Ended June 30, 2016)

	Health Self-Insurance	Dental Self-Insurance	2017	2016
Cash flows from operating activities				
Received from assessments made to other funds	\$ 11,168,769	\$ 598,774	\$ 11,767,543	\$ 10,961,627
Payments for claims	<u>(9,439,619)</u>	<u>(561,865)</u>	<u>(10,001,484)</u>	<u>(8,894,523)</u>
Net cash provided by operating activities	1,729,150	36,909	1,766,059	2,067,104
Cash and temporary investments				
Beginning of year	<u>2,038,310</u>	<u>529,423</u>	<u>2,567,733</u>	<u>500,629</u>
End of year	<u>\$ 3,767,460</u>	<u>\$ 566,332</u>	<u>\$ 4,333,792</u>	<u>\$ 2,567,733</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 2,007,693	\$ 35,383	\$ 2,043,076	\$ 1,058,843
Adjustments to reconcile operating income to net cash provided by operating activities				
Changes in assets and liabilities				
Unearned revenue	4,596	292	4,888	-
Accounts payable	38,810	-	38,810	148,095
Claims payable	(323,030)	1,540	(321,490)	882,954
Accounts receivable	<u>1,081</u>	<u>(306)</u>	<u>775</u>	<u>(22,788)</u>
Net cash provided by operating activities	<u>\$ 1,729,150</u>	<u>\$ 36,909</u>	<u>\$ 1,766,059</u>	<u>\$ 2,067,104</u>

OTHER DISTRICT INFORMATION

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INTERMEDIATE DISTRICT NO. 287

Government-Wide Revenue by Type  
Last Ten Fiscal Years

Year Ended June 30,	Program Revenues		General Revenues	Total
	Charges for Services	Operating Grants and Contributions		
2008	\$ 56,134,852 94.3%	\$ 2,250,947 3.8%	\$ 1,112,200 1.9%	\$ 59,497,999 100.0%
2009	36,419,310 51.4%	34,258,992 48.4%	160,493 0.2%	70,838,795 100.0%
2010	32,677,313 46.6%	37,212,152 53.1%	205,766 0.3%	70,095,231 100.0%
2011	31,551,418 39.2%	47,437,971 58.8%	1,655,682 2.0%	80,645,071 100.0%
2012	25,187,923 30.8%	50,953,848 62.3%	5,631,369 6.9%	81,773,140 100.0%
2013	24,693,241 31.0%	49,209,282 61.8%	5,662,277 7.1%	79,564,800 100.0%
2014	23,543,538 28.5%	53,222,921 64.5%	5,808,833 7.0%	82,575,292 100.0%
2015	23,560,298 27.7%	55,382,586 65.1%	6,128,183 7.2%	85,071,067 100.0%
2016	23,370,376 27.1%	56,860,030 66.0%	5,896,624 6.9%	86,127,030 100.0%
2017	21,967,097 23.9%	63,067,492 68.6%	6,938,340 7.5%	91,972,929 100.0%

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

INTERMEDIATE DISTRICT NO. 287

Government-Wide Expenses by Function  
Last Ten Fiscal Years

Year Ended June 30,	Career and Technical Education	Academic Education	Special Education	Student Clubs	Administrative Support Services and Operations and Maintenance
2008	\$ 3,174,598 5.3%	\$ 7,709,078 12.9%	\$ 43,046,317 71.8%	\$ 34,590 0.1%	\$ 3,485,015 5.8%
2009	2,031,279 3.0%	7,369,185 10.7%	41,461,900 60.4%	30,182 -	14,507,409 21.1%
2010	1,799,980 2.6%	7,414,031 10.8%	42,834,001 62.4%	33,230 0.1%	14,177,454 20.6%
2011	1,701,554 2.4%	8,685,176 12.2%	43,571,799 61.1%	37,220 -	14,456,449 20.2%
2012	2,089,610 2.5%	9,765,874 11.5%	47,330,201 55.9%	28,059 -	19,944,160 23.6%
2013	1,545,389 2.0%	9,836,410 12.6%	46,711,262 59.8%	29,161 -	15,030,687 19.3%
2014	1,764,840 2.1%	11,274,730 13.5%	49,225,704 58.9%	34,837 -	16,507,110 19.8%
2015	1,204,770 1.5%	10,771,569 13.1%	49,436,189 60.2%	29,074 -	15,884,064 19.4%
2016	1,142,660 1.4%	10,121,670 12.3%	51,068,483 62.0%	29,516 -	15,386,789 18.7%
2017	1,369,906 1.3%	13,060,608 12.6%	67,710,721 65.0%	39,188 -	17,056,602 16.4%

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

Food Service		Community Service		Interest and Fiscal Charges		Total	
\$	204,638	\$	228,778	\$	2,087,803	\$	59,970,817
	0.3%		0.4%		3.5%		100.0%
	302,050		289,497		2,603,436		68,594,938
	0.4%		0.4%		3.8%		100.0%
	271,290		302,778		1,862,426		68,695,190
	0.4%		0.4%		2.7%		100.0%
	313,772		245,600		2,449,587		71,461,157
	0.4%		0.3%		3.4%		100.0%
	364,196		214,916		4,890,548		84,627,564
	0.4%		0.3%		5.8%		100.0%
	590,030		221,269		4,044,542		78,008,750
	0.8%		0.3%		5.2%		100.0%
	671,461		181,463		3,901,822		83,561,967
	0.8%		0.2%		4.7%		100.0%
	771,783		152,350		3,835,131		82,084,930
	0.9%		0.2%		4.7%		100.0%
	718,400		162,080		3,739,564		82,369,162
	0.9%		0.2%		4.5%		100.0%
	792,317		99,396		3,911,327		104,040,065
	0.8%		0.1%		3.8%		100.0%

INTERMEDIATE DISTRICT NO. 287

General Fund Revenue by Source  
Last Ten Fiscal Years

<u>Year Ended June 30,</u>	<u>Pass-Through Levies</u>	<u>Tuition</u>	<u>Federal Revenue</u>	<u>State Revenue</u>	<u>Other Revenue</u>	<u>Total</u>
2008	\$ —	\$ 54,145,979	\$ 1,209,303	\$ 523,268	\$ 3,286,217	\$ 59,164,767
2009	6,134,620	28,370,605	314,578	33,178,712	2,441,764	70,440,279
2010	6,823,078	23,511,263	1,003,070	35,631,298	2,748,921	69,717,630
2011	4,923,538	24,119,591	1,698,976	44,274,425	3,550,539	78,567,069
2012	2,825,406	19,647,575	1,672,281	47,049,421	6,099,715	77,294,398
2013	2,974,288	18,994,895	667,828	46,793,472	4,431,219	73,861,702
2014	2,800,789	19,448,574	654,280	49,297,310	4,693,338	76,894,291
2015	3,151,287	20,430,978	928,060	51,522,895	3,079,307	79,112,527
2016	3,850,274	19,398,980	275,271	53,880,747	2,794,534	80,199,806
2017	3,279,663	19,262,787	336,177	58,159,071	2,303,186	83,340,884

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

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

OTHER REQUIRED REPORTS

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Intermediate District No. 287 (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 18, 2017.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

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

(continued)

## COMPLIANCE AND OTHER MATTERS

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

## PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota  
December 18, 2017

INDEPENDENT AUDITOR'S REPORT  
ON MINNESOTA LEGAL COMPLIANCE

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Intermediate District No. 287 (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 18, 2017.

**MINNESOTA LEGAL COMPLIANCE**

The *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minnesota Statutes § 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 School Districts*. 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.

**PURPOSE OF THIS REPORT**

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

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

Minneapolis, Minnesota  
December 18, 2017

INTERMEDIATE DISTRICT NO. 287

Uniform Financial Accounting and Reporting Standards  
Compliance Table  
June 30, 2017

		Audit	UFARS	Audit – UFARS
<b>General Fund</b>				
Total revenue		\$ 83,340,884	\$ 83,340,884	\$ –
Total expenditures		\$ 82,520,426	\$ 82,520,425	\$ 1
Nonspendable				
460	Nonspendable fund balance	\$ 191,093	\$ 191,093	\$ –
Restricted				
403	Staff development	\$ –	\$ –	\$ –
406	Health and safety	\$ –	\$ –	\$ –
407	Capital projects levy	\$ –	\$ –	\$ –
408	Cooperative revenue	\$ –	\$ –	\$ –
413	Project funded by certificates of participation	\$ –	\$ –	\$ –
414	Operating debt	\$ –	\$ –	\$ –
416	Levy reduction	\$ –	\$ –	\$ –
417	Taconite building maintenance	\$ –	\$ –	\$ –
423	Certain teacher programs	\$ –	\$ –	\$ –
424	Operating capital	\$ –	\$ –	\$ –
426	\$25 taconite	\$ –	\$ –	\$ –
427	Disabled accessibility	\$ –	\$ –	\$ –
428	Learning and development	\$ –	\$ –	\$ –
434	Area learning center	\$ –	\$ –	\$ –
435	Contracted alternative programs	\$ –	\$ –	\$ –
436	State approved alternative program	\$ –	\$ –	\$ –
438	Gifted and talented	\$ –	\$ –	\$ –
440	Teacher development and evaluation	\$ –	\$ –	\$ –
441	Basic skills programs	\$ 151,506	\$ 151,506	\$ –
445	Career and technical programs	\$ –	\$ –	\$ –
448	Achievement and integration	\$ –	\$ –	\$ –
449	Safe schools levy	\$ 236,688	\$ 236,688	\$ –
450	Pre-Kindergarten	\$ –	\$ –	\$ –
451	QZAB payments	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
453	Unfunded severance and retirement levy	\$ –	\$ –	\$ –
467	Long-term facilities maintenance	\$ 150,335	\$ 150,335	\$ –
472	Medical Assistance	\$ 445,411	\$ 445,411	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Committed				
418	Committed for separation	\$ –	\$ –	\$ –
461	Committed fund balance	\$ –	\$ –	\$ –
Assigned				
462	Assigned fund balance	\$ 8,474,222	\$ 8,474,222	\$ –
Unassigned				
422	Unassigned fund balance	\$ 6,818,690	\$ 6,818,691	\$ (1)
<b>Food Service</b>				
Total revenue		\$ 481,535	\$ 481,535	\$ –
Total expenditures		\$ 784,476	\$ 784,476	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
452	OPEB liability not in trust	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
<b>Community Service</b>				
Total revenue		\$ 47,504	\$ 47,504	\$ –
Total expenditures		\$ 97,153	\$ 97,153	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
426	\$25 taconite	\$ –	\$ –	\$ –
431	Community education	\$ –	\$ –	\$ –
432	ECFE	\$ –	\$ –	\$ –
440	Teacher development and evaluation	\$ –	\$ –	\$ –
444	School readiness	\$ –	\$ –	\$ –
447	Adult basic education	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –

INTERMEDIATE DISTRICT NO. 287

Uniform Financial Accounting and Reporting Standards  
Compliance Table (continued)  
June 30, 2017

		Audit	UFARS	Audit – UFARS
<b>Building Construction</b>				
Total revenue		\$ -	\$ -	\$ -
Total expenditures		\$ 330,271	\$ 330,271	\$ -
Nonspendable				
460	Nonspendable fund balance	\$ -	\$ -	\$ -
Restricted				
407	Capital projects levy	\$ -	\$ -	\$ -
413	Project funded by certificates of participation	\$ -	\$ -	\$ -
467	Long-term facilities maintenance	\$ -	\$ -	\$ -
464	Restricted fund balance	\$ -	\$ -	\$ -
Unassigned				
463	Unassigned fund balance	\$ (330,271)	\$ (330,271)	\$ -
<b>Debt Service</b>				
Total revenue		\$ 6,439,599	\$ 6,439,600	\$ (1)
Total expenditures		\$ 5,278,923	\$ 5,278,923	\$ -
Nonspendable				
460	Nonspendable fund balance	\$ -	\$ -	\$ -
Restricted				
425	Bond refundings	\$ -	\$ -	\$ -
451	QZAB payments	\$ -	\$ -	\$ -
464	Restricted fund balance	\$ 7,988,125	\$ 7,988,125	\$ -
Unassigned				
463	Unassigned fund balance	\$ -	\$ -	\$ -
<b>Trust</b>				
Total revenue		\$ 505,856	\$ 505,856	\$ -
Total expenditures		\$ 507,404	\$ 507,404	\$ -
422	Net position	\$ 103,937	\$ 103,937	\$ -
<b>Internal Service</b>				
Total revenue		\$ 11,761,880	\$ 11,761,880	\$ -
Total expenditures		\$ 9,718,804	\$ 9,718,804	\$ -
422	Net position	\$ 3,589,717	\$ 3,589,717	\$ -
<b>OPEB Revocable Trust Fund</b>				
Total revenue		\$ -	\$ -	\$ -
Total expenditures		\$ -	\$ -	\$ -
422	Net position	\$ -	\$ -	\$ -
<b>OPEB Irrevocable Trust Fund</b>				
Total revenue		\$ -	\$ -	\$ -
Total expenditures		\$ -	\$ -	\$ -
422	Net position	\$ -	\$ -	\$ -
<b>OPEB Debt Service Fund</b>				
Total revenue		\$ -	\$ -	\$ -
Total expenditures		\$ -	\$ -	\$ -
Nonspendable				
460	Nonspendable fund balance	\$ -	\$ -	\$ -
Restricted				
425	Bond refundings	\$ -	\$ -	\$ -
464	Restricted fund balance	\$ -	\$ -	\$ -
Unassigned				
463	Unassigned fund balance	\$ -	\$ -	\$ -

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

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

**Regular Meeting – January 25, 2018**

**AGENDA SECTION: BUSINESS SERVICES REPORT**

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

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

**1. Background Information**

The December Budget vs. Actual Reports are presented for Board information and review. These reports indicate that year-to-date revenue in all funds (excluding Funds 06 & 11) total \$51,193,304 or 49.3% of the Revenue Budget of \$103,806,267. Including Funds 06 & 11 year-to-date revenue in all funds total \$69,293,304 or 57.1% of the Revised Revenue Budget of \$121,306,267. The District’s monthly revenue will continue to be based upon the cash payments we receive from MDE Special Education Uniform Tuition system and other state aids. Revenue will be made whole at the end of each fiscal year as we calculate all of our receivables and recognize the revenue receivable as part of the audit.

Year-to-date expenditures in all funds (excluding Funds 06 & 11) total \$38,893,915, or 37.7% of the Expenditure Budget of \$103,087,212. Including Funds 06 & 11 year-to-date expenditures in all funds total \$40,638,237, or 34.0% of the Revised Expenditure Budget of \$119,522,212.

DDA

Attachments

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

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

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

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

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

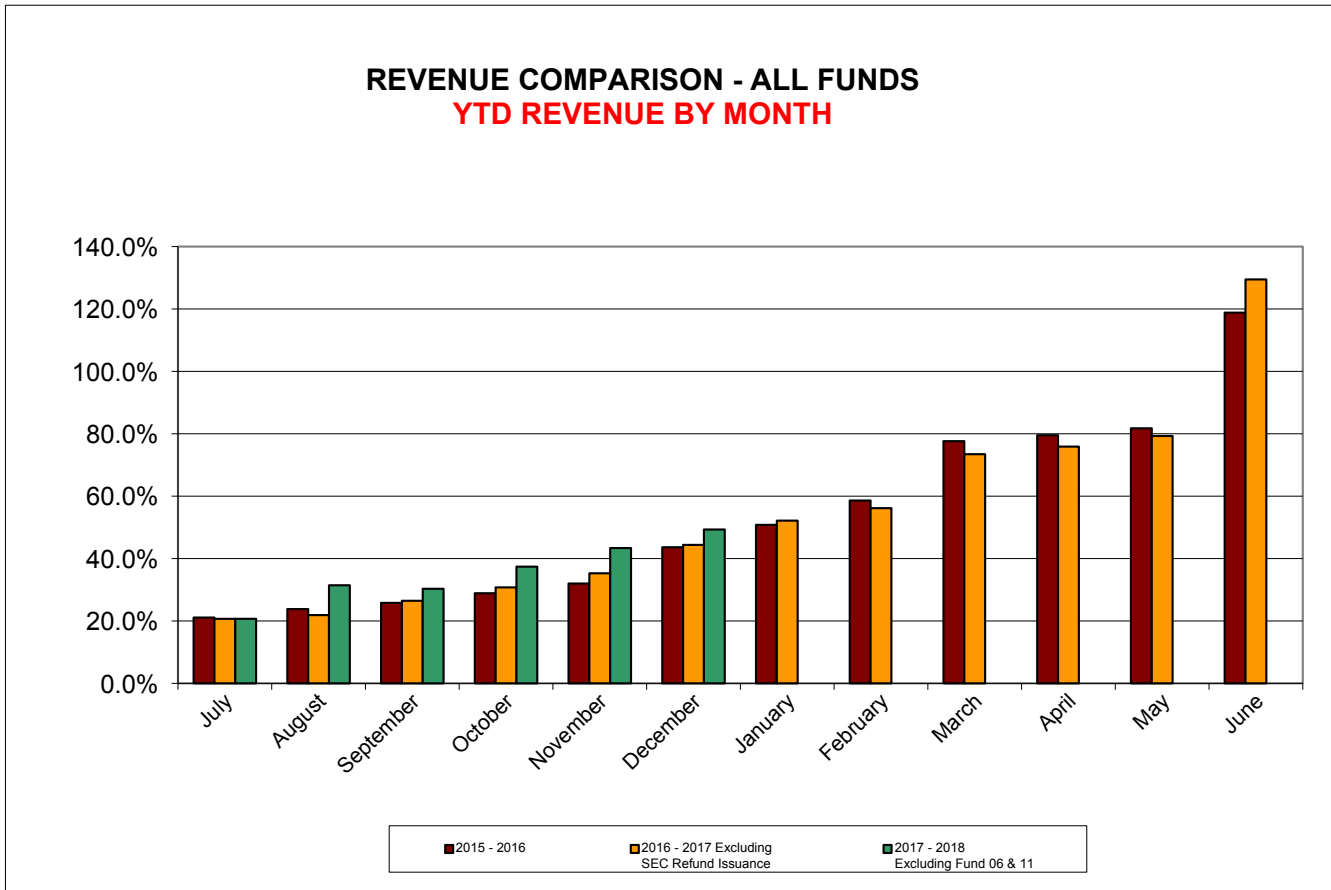
**The mission of Intermediate District 287 is to be the premier provider of innovative specialized services to ensure that each member district can meet the unique learning needs of its students.**

**DISTRICT 287**  
**REVENUE COMPARISON**

Month	2015 - 2016		2016 - 2017 Excluding SEC Refund Issuance		2017 - 2018 Excluding Fund 06 & 11		2017 - 2018 Including Fund 06 & 11	
	\$	%	\$	%	\$	%	\$	%
July	20,378,472	21.1%	20,955,383	20.7% <sup>1</sup>	21,476,959	20.7% <sup>2</sup>	21,476,959	17.7%
August	2,631,390	23.8%	1,219,160	21.9% <sup>1</sup>	11,163,095	31.4% <sup>2</sup>	29,263,095	41.8%
September	1,909,306	25.8%	4,645,111	26.5% <sup>1</sup>	-1,171,259	30.3% <sup>2</sup>	-1,171,259	40.9%
October	2,986,373	28.9%	4,354,450	30.8% <sup>1</sup>	7,365,100	37.4% <sup>2</sup>	7,365,100	46.9%
November	3,005,312	32.0%	4,577,453	35.3% <sup>1</sup>	6,190,140	43.4% <sup>2</sup>	6,190,140	52.0%
December	11,245,464	43.6%	9,223,250	44.4% <sup>1</sup>	6,169,270	49.3% <sup>2</sup>	6,169,270	57.1%
January	6,925,064	50.8%	7,877,597	52.2% <sup>1</sup>				
February	7,537,967	58.6%	4,053,717	56.2% <sup>1</sup>				
March	18,377,018	77.6%	17,523,474	73.4% <sup>1</sup>				
April	1,836,026	79.5%	2,467,971	75.9% <sup>1</sup>				
May	2,145,220	81.8%	3,443,993	79.3% <sup>1</sup>				
June	35,805,362	118.8%	50,847,628	129.5% <sup>1</sup>				
<b>TOTAL</b>	<b>114,782,973</b>	<b>118.8%</b>	<b>131,189,188</b>	<b>129.5%</b>	<b>51,193,304</b>	<b>49.3%</b>	<b>69,293,304</b>	<b>57.1%</b>
<b>BUDGET</b>	<b>96,606,120</b>		<b>101,335,187</b> <sup>1</sup>		<b>103,806,267</b> <sup>2</sup>		<b>121,306,267</b>	

<sup>1</sup> excludes loan proceeds and related transactions of \$28,248,643 from the South Education Center 2016 Refunding Issuance

<sup>2</sup> excludes Funds 06 & 11 revenue of \$17,500,000



ACCT STATUS: All Account Statuses ACCOUNT RANGES: 01 TO 99-999  
 ZERO BALANCES: Suppress Zero Balances INCLUDE/EXCLUDES: EXL FD 09 09  
 SORTED BY: ACCOUNT FD  
 SUBTOTALLED BY: ACCOUNT FD  
 SERIES TOTALS: <None Selected>  
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FD	PRIOR YEAR ACTUAL	REVIS BUDGET	12/01/17 12/31/17	FISCAL YEAR 201707 RECEIVED THRU 12/31/17	REMAINING ON 12/31/17	PERCENT REMAINING
01 GENERAL FUND	38,897,113.59	16,372,763	25,259.00	3,720,032.84	12,652,730.16	77.27 %
02 FOOD SERVICE FUND	784,476.13	806,374	64,597.49	99,401.35	706,972.65	87.67 %
04 COMMUNITY SERVICE FUND	97,153.31	105,612	5,708.11	22,164.81	83,447.19	79.01 %
06 BUILDING CONSTRUCTION FUND	0.00	17,500,000	0.00	12,700,000.00	4,800,000.00	27.42 %
07 DEBT SERVICE FUND	12,807,430.79	7,918,599	0.00	6,530,817.37	1,387,781.63	17.52 %
08 TRUST FUND	504,903.80	515,111	0.00	32,847.65	482,263.35	93.62 %
10 SCHOLARSHIP FUND	952.17	0	0.00	623.97	623.97-	0.00 %
11 EDGEWOOD LTFM BOND	0.00	0	0.00	5,400,000.00	5,400,000.00-	0.00 %
12 ALC-ACADEMIC	10,036,003.36	9,470,478	148,923.79	2,690,114.08	6,780,363.92	71.59 %
13 CAREER & TECH	1,096,305.25	1,037,619	0.00	704,917.43	332,701.57	32.06 %
14 SPECIAL EDUCATION	55,181,959.99	56,609,726	4,506,915.24	31,344,805.26	25,264,920.74	44.63 %
20 INTERNAL SERVICE FUND - DENTAL	598,787.56	554,000	69,582.56	298,576.73	255,423.27	46.10 %
21 INTERNAL SERVICE FUND - HEALTH	11,163,092.55	10,389,735	1,348,283.42	5,745,056.66	4,644,678.34	44.70 %
51 STUDENT CLUBS	21,009.78	26,250	0.00	3,946.33	22,303.67	84.96 %
*** REPORT TOTALS:	131,189,188.28	121,306,267	6,169,269.61	69,293,304.48	52,012,962.52	42.87 %

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# DISTRICT 287

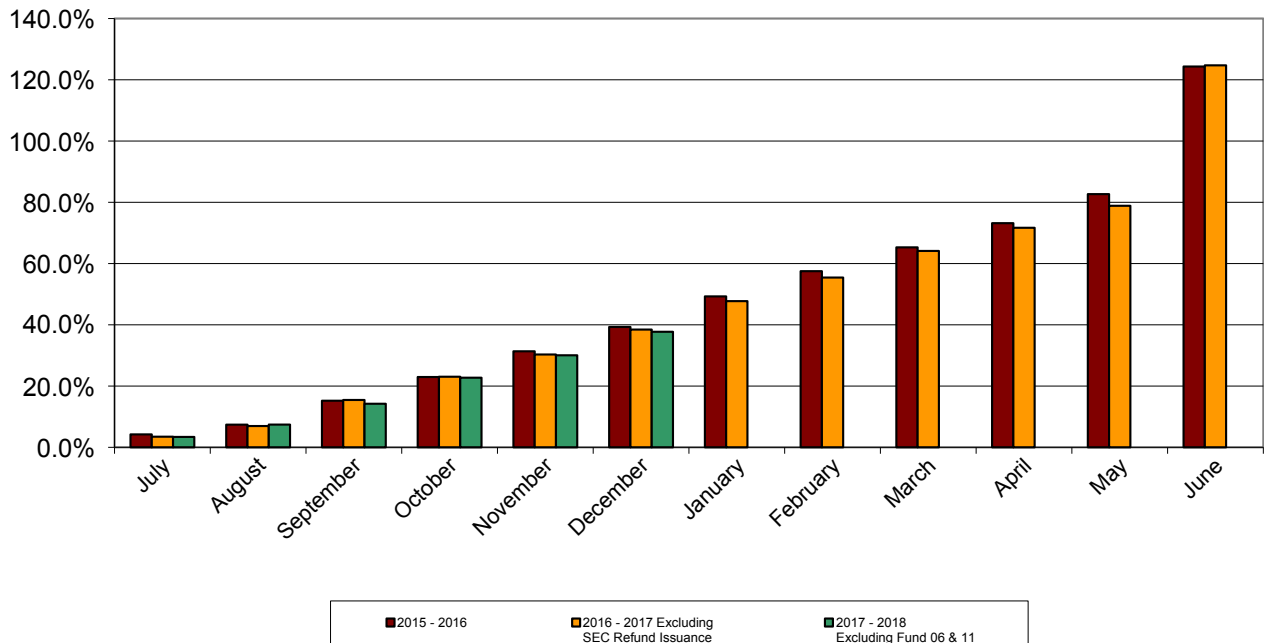
## EXPENDITURE COMPARISON

Month	2015 - 2016		2016 - 2017 Excluding SEC Refund Issuance		2017 - 2018 Excluding Fund 06 & 11		2017 - 2018 Including Fund 06 & 11	
	\$	%	\$	%	\$	%	\$	%
	Amount	of Budget	Amount	of Budget	Amount	of Budget	Amount	of Budget
July	4,043,775	4.2%	3,543,140	3.5% <sup>1</sup>	3,500,963	3.4% <sup>2</sup>	3,500,963	2.9%
August	3,043,894	7.4%	3,555,125	7.0% <sup>1</sup>	4,151,891	7.4% <sup>2</sup>	4,151,941	6.4%
September	7,479,224	15.2%	8,684,253	15.5% <sup>1</sup>	7,013,854	14.2% <sup>2</sup>	7,620,014	12.8%
October	7,410,809	23.0%	7,744,736	23.1% <sup>1</sup>	8,769,316	22.7% <sup>2</sup>	8,828,762	20.2%
November	8,038,585	31.4%	7,407,913	30.3% <sup>1</sup>	7,543,575	30.1% <sup>2</sup>	7,670,256	26.6%
December	7,601,203	39.3%	8,309,643	38.5% <sup>1</sup>	7,914,316	37.7% <sup>2</sup>	8,866,300	34.0%
January	9,558,718	49.3%	9,475,028	47.7% <sup>1</sup>				
February	7,881,292	57.5%	7,858,634	55.4% <sup>1</sup>				
March	7,445,090	65.3%	8,865,790	64.1% <sup>1</sup>				
April	7,559,929	73.2%	7,719,134	71.7% <sup>1</sup>				
May	9,078,090	82.7%	7,330,932	78.9% <sup>1</sup>				
June	39,882,823	124.3%	46,799,582	124.7% <sup>1</sup>				
<b>TOTAL</b>	<b>119,023,433</b>	<b>124.3%</b>	<b>127,293,907</b>	<b>124.7%</b>	<b>38,893,915</b>	<b>37.7%</b>	<b>40,638,237</b>	<b>34.0%</b>
<b>BUDGET</b>	<b>95,730,013</b>		<b>102,066,698</b> <sup>1</sup>		<b>103,087,212</b> <sup>2</sup>		<b>119,522,212</b>	

<sup>1</sup> excludes loan proceeds and related transactions of \$24,134,295 from the South Education Center 2016 Refunding Issuance

<sup>2</sup> excludes Funds 06 & 11 expenditures of \$16,435,000

### EXPENDITURE COMPARISON - ALL FUNDS YTD EXPENDITURES BY MONTH



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

FD	PRIOR YEAR ACTUAL	REVIS BUDGET	12/01/17 12/31/17	EXPENDE THRU 12/31/17	201707 ENCUMBERED THRU 12/31/17	REMAINING ON 12/31/17	PERCENT REMAINING
01 GENERAL FUND	39,125,498.50	16,331,049	1,123,822.08	6,814,531.37	2,265,756.31	7,250,761.32	44.39 %
02 FOOD SERVICE	784,476.13	806,374	69,919.63	324,016.15	200,409.57	281,948.28	34.96 %
04 COMMUNITY SERVICE FUND	97,153.31	105,612	5,449.02	48,277.57	2,796.37	54,538.06	51.64 %
06 BUILDING CONSTRUCTION FUND	252,440.17	16,435,000	886,580.38	1,492,158.75	6,756,624.36	8,186,216.89	49.80 %
07 DEBT SERVICE FUND	11,360,239.11	7,178,562	733.33	1,820,029.82		5,358,532.18	74.64 %
08 TRUST FUND	504,903.80	515,111	0.00	0.00		515,111.00	100.00 %
10 SCHOLARSHIP FUND	2,500.00	14,000	0.00	2,500.00		11,500.00	82.14 %
11 EDGEWOOD LTFM BOND	77,830.94	0	65,404.24	252,162.59	3,089,391.98	3,341,554.57-	0.00 %
12 ALC-ACADEMIC	9,818,607.65	9,768,750	853,257.42	3,954,733.46	687,169.93	5,126,846.61	52.48 %
13 CAREER & TECH	1,095,268.43	1,040,480	77,098.32	355,965.79	10,421.01	674,093.20	64.78 %
14 SPECIAL EDUCATION	54,416,996.13	56,343,293	4,810,938.57	21,270,510.18	1,421,575.96	33,651,206.86	59.72 %
20 INTERNAL SERVICE FUND	563,405.22	554,000	35,899.80	217,723.71		336,276.29	60.69 %
21 SELF HEALTH INSURANCE	9,155,399.11	10,389,735	937,071.27	4,077,941.32	5,697,092.07	614,701.61	5.91 %
51 STUDENT CLUBS	39,188.42	40,246	126.36	7,685.90	6,788.99	25,771.11	64.03 %
*** REPORT TOTALS:	127,293,906.92	119,522,212	8,866,300.42	40,638,236.61	20,138,026.55	58,745,948.84	49.15 %

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# Intermediate District 287

## *Responsive. Innovative. Solutions.*

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### INTER-OFFICE MEMORANDUM

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DATE: **January 17, 2017**

TO: Members of the School Board

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

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

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

1. Claim payments for: <b>December 2017</b>	Totaling \$	<u>4,945,803.24</u>
a) Check #'s <b>506142 - 506422</b>		
and Wire Transfers - #'s <b>2941 - 2951, 3140, 70022763 - 70022882, 80001628 - 80001647</b>		
and P-Card Purchases - #'s <b>90000879 - 90000885</b>		
2. Payroll for: <b>December 2017</b>	Totaling \$	<u>2,539,296.09</u>
a) Check #'s <b>n/a</b>		
b) Direct Deposit #'s <b>341661 - 342647 &amp; 342648 - 343626 (regular pay)</b>		
and Wire Transfers - #'s <b>n/a</b>		
3. Receipts for: <b>December 2017</b>	Totaling \$	<u>6,187,386.40</u>
a) Receipt #'s <b>142731 - 142880</b>		
4. Investments at end of month	Totaling \$	<u>12,039,443.51</u>

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

**INTERMEDIATE DISTRICT 287  
INVESTMENTS ON HAND  
DECEMBER 31, 2017**

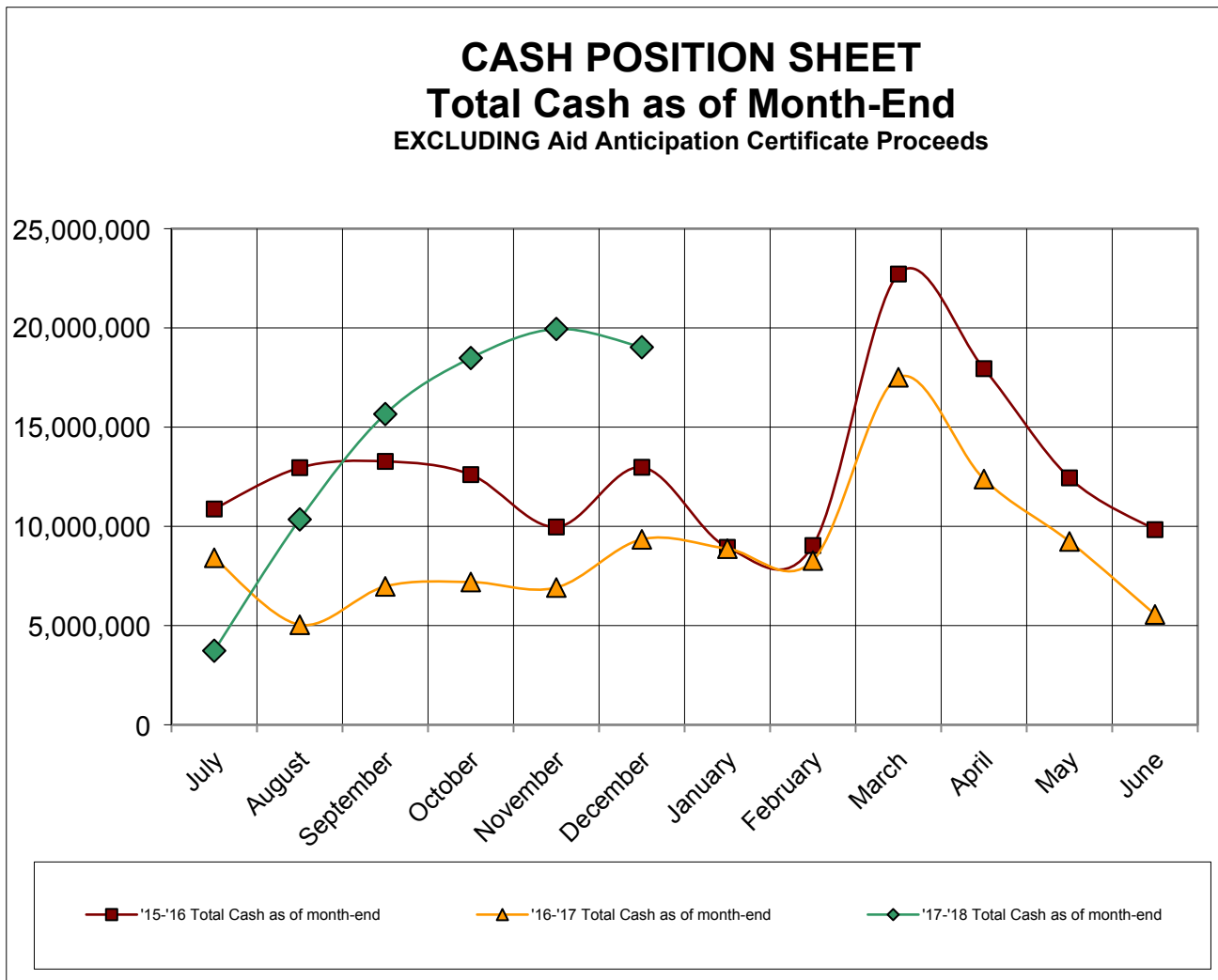
INV NBR	INSTITUTION	INV TYPE	RATE OF RETURN (%)	PURCHASE DATE	MATURITY DATE	AMOUNT INVESTED
	PMA- MNTRUST SAVINGS DEPOSIT ACCOUNT		1.140	12/01/17	12/31/17	12,039,443.51
	TOTAL PMA- MNTRUST INVESTMENTS ON BOOKS					12,039,443.51
<b>ACTIVITY DETAIL:</b>						
	INVESTMENTS ON OUR BOOK AT END OF PRIOR MONTH					12,027,085.18
	CURRENT MONTH ACTIVITY					
	DEPOSITS					
	WITHDRAWALS					
	INTEREST EARNED- RECORDED					12,358.33
	INTEREST EARNED- NOT RECORDED BY MONTH-END					
	TOTAL INVESTMENTS AT END OF MONTH & UN-RECORDED INTEREST					12,039,443.51

# Intermediate District 287

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

- EXCLUDING Aid Anticipation Certif. Proceeds

<u>Date</u>	<u>'15-'16 Total Cash as of month-end</u>	<u>'16-'17 Total Cash as of month-end</u>	<u>'17-'18 Total Cash as of month-end</u>
July	10,874,357	8,416,248	3,732,072
August	12,957,525	5,040,856	10,349,977
September	13,272,863	6,975,089	15,658,753
October	12,606,016	7,194,655	18,481,017
November	9,967,552	6,916,923	19,946,453
December	12,975,710	9,344,714	19,026,766
January	8,941,620	8,875,350	
February	9,032,093	8,275,904	
March	22,715,110	17,511,081	
April	17,946,260	12,382,094	
May	12,442,140	9,237,955	
June	9,833,118	5,560,309	



**INTERMEDIATE DISTRICT 287**  
**DECEMBER 2017 ACTIVITY**

**ELECTRONIC TRANSFERS IN:**

DATE	TO	AGENCY	EF#	AMOUNT	DESCRIPTION
12/1/2017	MSDLAF	HENN CO	142856	6,857.24	MEC2 SECA
12/5/2017	MSDLAF	E/50 ARTS BOARD	142857	1,716.00	MN ARTS BOARD INVOICE #75237
12/6/2017	MSDLAF	EDUC VENDOR	142858	23,714.54	MATH&SCIENCE INV #75818
	MSDLAF	DEED VOC/GRANT	142858	28,668.53	MN DEPT OF EMPLOYMNT INV#75816
	MSDLAF	EDU FNS	142858	28,898.54	SEPT CHILD NUTRTRION FD SVS
12/12/2017	MSDLAF	HENN CO	142859	153.96	MEC2 SECA
	MSDLAF	HENN CO	142860	1,034.90	MEC2 NECA
12/13/2017	MSDLAF	EDUC-FNS	142861	34,909.94	OCT CHILD NUTRITION FD SVS
12/14/2017	MSDLAF	EDUC-STATE AID	142862	4,091,381.97	GEN ED AID/SPECIAL ED AID
12/18/2017	MSDLAF	ANOKA CO	142863	1,022.01	MEC2 NECA
12/19/2017	MSDLAF	HENN CO	142864	34,934.75	MEC2 SECA
12/19/2017	MSDLAF	HENN CO	142865	50,683.97	MEC2 NECA
12/26/2017	MSDLAF	HENN CO	142866	1,648.31	MEC2 SECA
12/27/2017	MSDLAF	HENN CO	142867	230.94	MEC2 NECA
	MSDLAF	DHS-MMIS	142868	227,353.06	THIRD PARTY BILLING
12/28/2017	MSDLAF	EDUC-STATE AID	142869	140,068.98	LNLINE LRN REC'BLE GEN ED AID
12/31/2017	MSDLAF	SQUARE INC	142870	1,929.41	BULLDOG CAFÉ,JITTERBUG,COMMON GROUNDS SQUARE INC
	MSDLAF	ELAVON	142871	3,775.47	PAYPAMS DECEMBER 2017
	MSDLAF	PAYPAL	142872	1,339.80	PAYPAL DECEMBER 2017
	MSDLAF	APPLE CLICKS	142874	95.34	APPLE CLICKS OCTOBER PD IN DECEMBER
<b>MTD TOTALS</b>				<b>4,680,417.66</b>	

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**INTERMEDIATE DISTRICT 287**  
**DECEMBER 2017 ACTIVITY**

**WIRE TRANSFERS OUT:**

DATE	FROM	AGENCY	WIRE #	AMOUNT	DESCRIPTION
12/4/2017	MSDLAF	BANK OF MONTREAL	90000879 - 90000885	17,038.49	P-CARD
12/7/2017	MSDLAF	HEALTHPARTNERS	2941	187,943.52	HPAI CLAIM
12/12/2017	MSDLAF	US BANK	70022763 - 70022797	3,858.55	DIRECT DEPOSIT EMPLOYEE EXPENSES FY 17-18
12/14/2017	MSDLAF	EBC	2942	50,506.17	EDUCATORS BENEFIT CONSULTANT
	MSDLAF	MSRS	2943	17,116.24	MN STATE RETIREMENT SYSTEMS
	MSDLAF	HEALTHPARTNERS	2944	170,715.11	HPAI CLAIM
	MSDLAF	HEALTHPARTNERS	2945	2,370.88	HPAI CLAIM
12/15/2017		US BANK	341661 - 342647	1,264,106.14	PAYROLL
	MSDLAF	EBC	80001628	50,185.89	EMPLOYEE & EMPLOYER 403B
	MSDLAF	MN DEPT OF REV	80001629	899.97	MN DEPT OF REVENUE-WAGE LEVY'S
	MSDLAF	MN REVENUE	80001630	79,213.92	MN REVENUE
	MSDLAF	PERA	80001631	52,839.10	PUBLIC EMPLOYEES RETIREMENT ASSN
	MSDLAF	TRA	80001632	87,088.04	TEACHERS RETIREMENT ASSN
	MSDLAF	US BANK	80001633	339,983.67	FEDERAL TAXES
	MSDLAF	EBC	80001634	19,966.46	EMPLOYEE & EMPLOYER 403B
	MSDLAF	PERA	80001635	60,968.19	PUBLIC EMPLOYEES RETIREMENT ASSN
	MSDLAF	TRA	80001636	87,088.04	TEACHERS RETIREMENT ASSN
12/20/2017	MSDLAF	US BANK	80001637	143,918.76	FEDERAL TAXES
12/21/2017	MSDLAF	US BANK	70022798 - 70022882	10,563.83	DIRECT DEPOSIT EMPLOYEE EXPENSES FY 17-18
12/28/2017	MSDLAF	HEALTHPARTNERS	2946	156,586.95	HPAI CLAIM
	MSDLAF	EBC	80001638	50,175.06	EMPLOYEE & EMPLOYER 403B
	MSDLAF	MN DEPT OF REV	80001639	732.88	MN DEPT OF REVENUE-WAGE LEVY'S
	MSDLAF	MN REVENUE	80001640	84,702.25	MN REVENUE
	MSDLAF	PERA	80001641	53,077.70	PUBLIC EMPLOYEES RETIREMENT ASSN
	MSDLAF	TRA	80001642	89,453.79	TEACHERS RETIREMENT ASSN
	MSDLAF	US BANK	80001643	360,718.39	FEDERAL TAXES
	MSDLAF	EBC	80001644	20,217.67	EMPLOYEE & EMPLOYER 403B
	MSDLAF	PERA	80001645	61,243.45	PUBLIC EMPLOYEES RETIREMENT ASSN
	MSDLAF	TRA	80001646	89,453.79	TEACHERS RETIREMENT ASSN
	MSDLAF	US BANK	80001647	148,201.04	FEDERAL TAXES
12/31/2017	MSDLAF	US BANK	342648 - 343626	1,275,189.95	PAYROLL
	MSDLAF	HEALTHPARTNERS	2947	160,860.58	HPAI CLAIM
	MSDLAF	CHS	2948	38,608.81	CORPORATE HEALTH SYSTEMS
	MSDLAF	US BANK	2949	73.75	ARP FEES VOUCHER ACCT NOVEMBER 17
	MSDLAF	UNISSUED	2950	0.00	UNISSUED
	MSDLAF	UNISSUED	2951	0.00	UNISSUED
	MSDLAF	US BANK	3140	486.24	ARP FEES RECEIPT ACCT NOVEMBER 17
<b>MTD TOTALS</b>				<b>5,236,153.27</b>	

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# Intermediate District 287

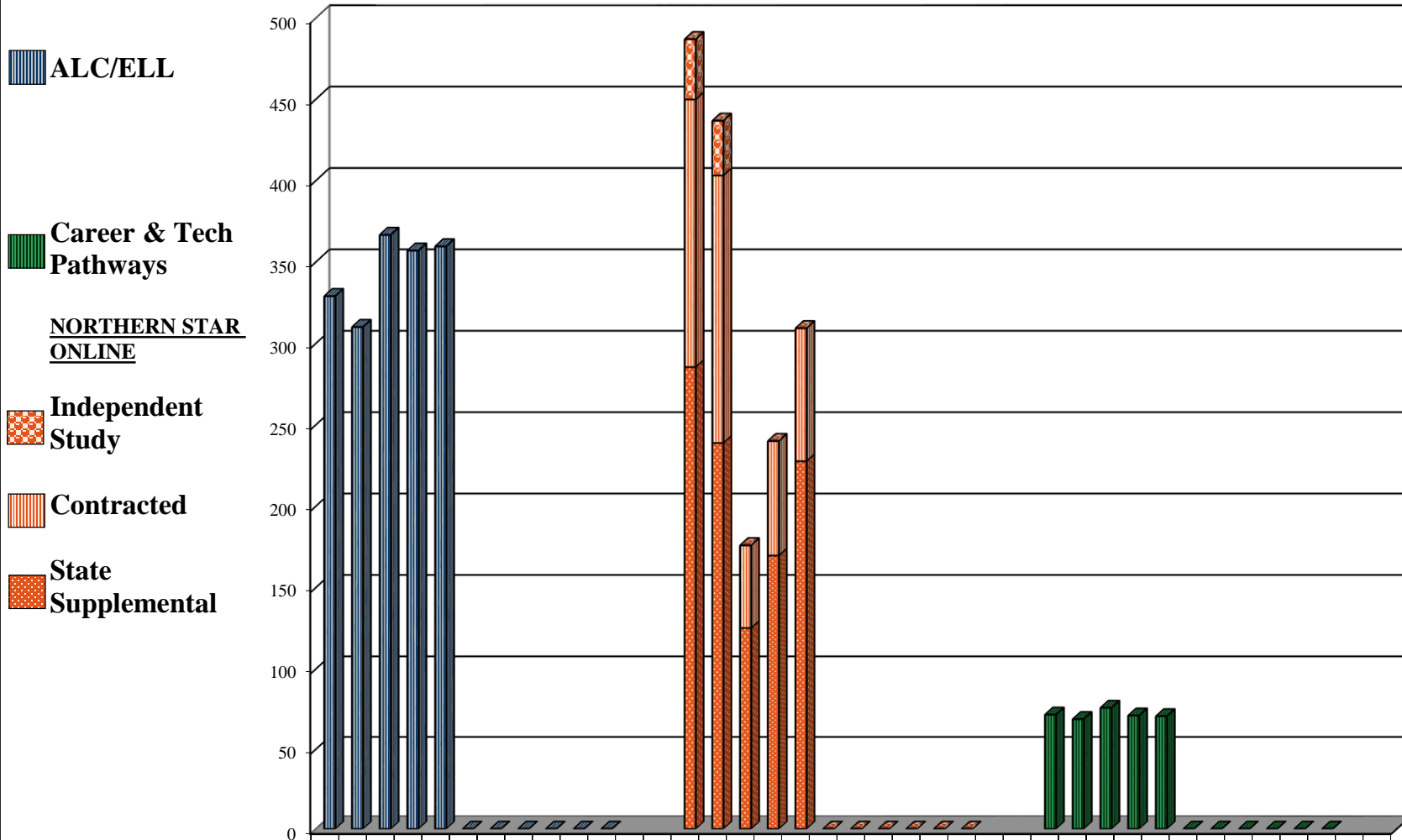
## 2017-18 Monthly Program ADM Data by Division

Internal and School Board Use Only - Includes Director Planned ADMs

Includes member and non-member districts

Does not include 287 ADMs attending Pathways and does not include services

181







	ALC/ELL						NORTHERN STAR ONLINE						CAREER & TECH					
	FY17	Budget	Oct	Nov	Dec	Jan	FY17	Budget	Oct	Nov	Dec	Jan	FY17	Budget	Oct	Nov	Dec	Jan
Independent Study							36.98	33.56	0.00	0.00	0.00	0.00						
Contracted							164.3	164.3	50.76	70.28	81.61	0.00						
State Supplemental							285.4	238.8	125.1	169.6	227.6	0.00						
Pathways													71.73	68.90	75.99	71.16	70.73	0.00
ALC	329.0	310.0	366.6	356.9	359.5	0.00												

# Intermediate District 287









## 2017-18 Monthly Program ADM Data by Division

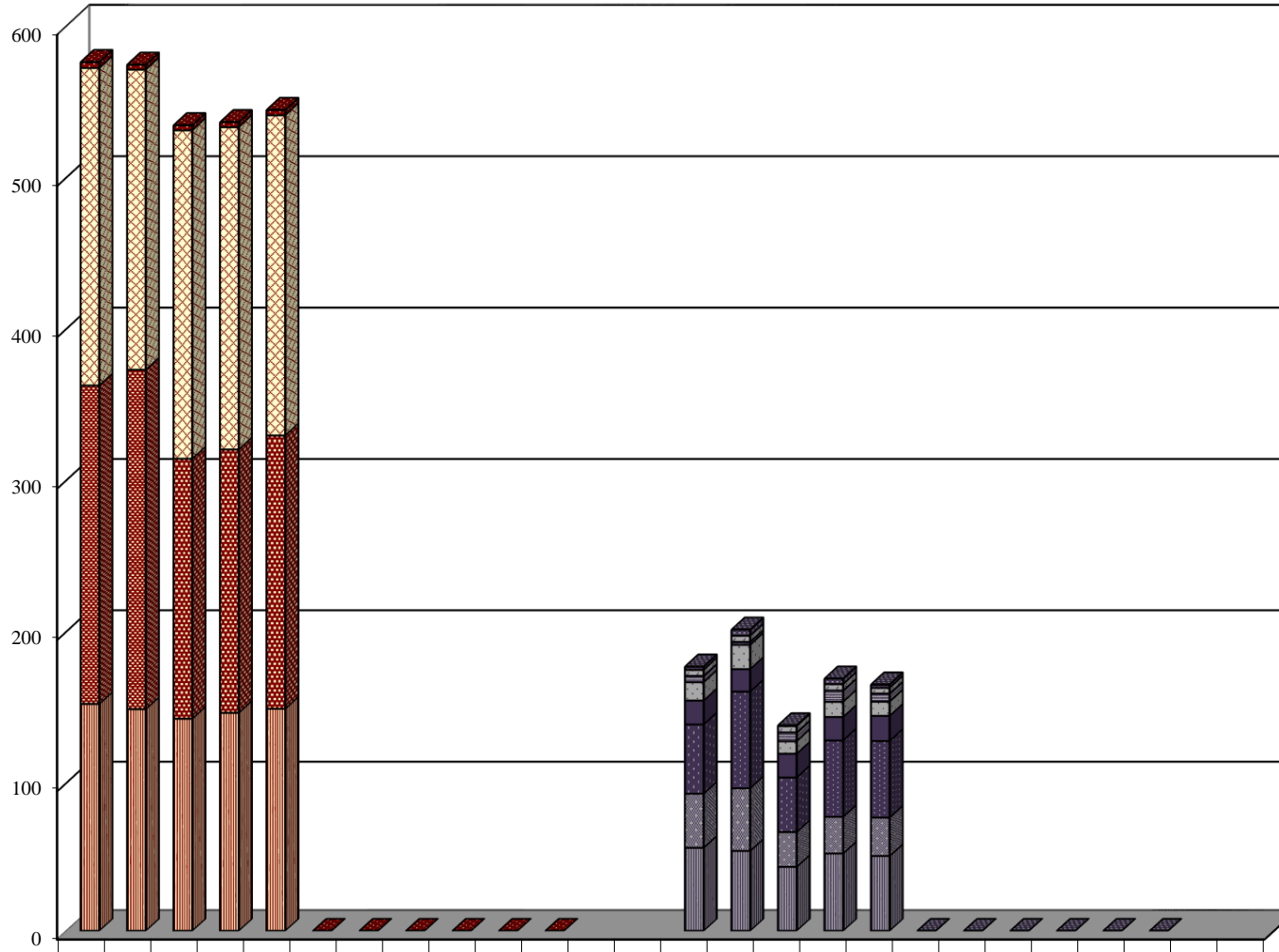
Internal and School Board Use Only - Includes Director Planned ADMs  
Includes member and non-member districts and does not include services

**SPECIAL EDUCATION**

-  **MULTI-CATEGORICAL**
-  **TRANSITION**
-  **EBD/DCD K-12**
-  **ASD/DCD K-12**

**CARE & TREATMENT**

-  **ALLINA**
-  **OHHS**
-  **ACF**
-  **WEST ACADEMY**
-  **OMEGON**
-  **PRAIRIE CARE**
-  **EPSILON**
-  **HEADWAY**



	SPECIAL EDUCATION												CARE & TREATMENT											
	FY17	Budget	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY17	Budget	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		
Allina												2.08	3.96	0.42	3.57	2.14	0.00	0.00	0.00	0.00	0.00	0.00		
OHHS												3.99	4.02	4.21	4.24	3.76	0.00	0.00	0.00	0.00	0.00	0.00		
ACF												4.17	1.98	5.79	7.41	5.34	0.00	0.00	0.00	0.00	0.00	0.00		
West Academy												12.11	16.00	8.24	10.00	9.37	0.00	0.00	0.00	0.00	0.00	0.00		
Omegon												15.81	14.94	15.71	15.54	16.62	0.00	0.00	0.00	0.00	0.00	0.00		
Prairie Care												45.81	63.86	36.67	50.89	51.01	0.00	0.00	0.00	0.00	0.00	0.00		
Epsilon												36.54	42.30	23.52	24.77	25.99	0.00	0.00	0.00	0.00	0.00	0.00		
Headway												56.15	54.00	43.27	52.29	50.60	0.00	0.00	0.00	0.00	0.00	0.00		
Multi-Categorical	3.89	3.18	3.32	3.28	3.46	0.00	0.00	0.00	0.00	0.00	0.00													
Transition	209.67	198.24	216.94	212.92	211.47	0.00	0.00	0.00	0.00	0.00	0.00													
EBD/DCD K-12	210.43	224.26	171.78	173.99	180.63	0.00	0.00	0.00	0.00	0.00	0.00													
ASD/DCD K-12	152.08	148.62	142.30	146.21	148.88	0.00	0.00	0.00	0.00	0.00	0.00													

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**DONATIONS**  
**INTERMEDIATE DISTRICT 287**  
**2017-2018**  
**Dec-17**

DON. DATE	DESCRIPTION	VIN#	EST VALUE	DONOR	CAMPUS	PROGRAM
12/28/2017	CHECK		\$ 1,000.00	BUJOLD FUND OF THE MN FOUNDATION	DSC	FOOD SERVICE
12/18/2017	10 MOVIE TICKETS		\$ 40.00	CINEMA GRILL	EDGEWOOD	STUDENT CLUB
12/4/2017	2000 FORD RANGER	1FTZR15V9YPB09258	\$ 2,500.00	DAHL, JOHN	HTC/EP	AUTO TECH
12/4/2017	34 PIECES OF CLOTHING, JERSEYS & PANTS		\$ 1,360.00	DAVE'S SPORT SHOP	EDGEWOOD	SCHOOL WIDE
12/21/2017	CHECKS (\$300.00) & HYGIENE SUPPLIES		\$ 350.00	GHOSE, LORRIE	WEC	WALT
12/21/2017	CHECK		\$ 50.00	ISCHE, BRIDGET	SEC	VET
12/28/2017	CHECK		\$ 500.00	MAPLE GROVE LIONS CLUB	EDGEWOOD	SCHOOL WIDE
12/18/2017	HYGIENE SUPPLIES		\$ 25.00	MOOT, STACY	WEC	WALT
12/21/2017	CHECK		\$ 500.00	PROPERTY RESOURCES	SEC	VET
12/6/2017	CHECK		\$ 5,000.00	LOUIS & MARY KAY SMITH FAMILY FOUNDATION	EPSILON	CARE & TREATMENT
12/18/2017	PUSH LAWNMOVER		\$ 50.00	SUTHERLAND, BILL	HTC/EP	OUTDOOR MOTOR SPORTS

\$ 11,375.00

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

**Regular Meeting – September, 2017**

**AGENDA SECTION: BUSINESS SERVICES & LABOR RELATIONS REPORT**

**ITEM: Human Resource Report: What the Board Needs to Know About HR Planning & Upcoming Hiring Season**

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

**1. Background Information**

Staffing each school building and classroom with an effective instructor and support staff is the most important function of a school district. Doing so requires targeted efforts to attract top talent focused on student success and committed to address systemic inequities. One of our current realities is the shortage of high quality educators, especially in high-need areas. District 287’s forward thinking recruitment efforts have made great strides in filling these positions with high-quality, high-performing staff.

The Board approved the payment of a \$3,000 signing and retention bonus to all newly-hired, full-time (.8 FTE or higher) qualified candidates providing instruction or support to students in high-need content areas and high-demand support areas for the 2016-2017 and 2017-2018 school years. Principals and applicants confirm that the signing bonus supported the recruitment efforts to fill these positions with high-quality, high-performing instructional staff.

Human Resources is recommending that the Board approve the continuation of a signing and retention bonus for the 2018-2019 school year. A decision to implement the signing and retention bonus for positions outside the high-need areas will be determined by a specific threshold of need and timing of the open position.

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

**3. RECOMMENDED ACTION: The Board approves the continuation of a signing and retention bonus for the 2018-2019 school year as presented.**

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

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

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

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

# WHAT THE BOARD NEEDS TO KNOW

## Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

### Attracting Top Talent to 287

January 25, 2018

#### Authors

Michelle Axell, Director of Human Resources

Amanda Achterkirch, Talent Acquisition Professional

#### Hiring Success in Attracting Top Talent

Staffing each school building and classroom with an effective instructor and support staff is the most important function of a school district. Doing so requires targeted efforts to attract top talent focused on student success and committed to address systemic inequities. One of our current realities is the shortage of high quality educators, especially in high-need areas. District 287's forward thinking recruitment efforts have made great strides in filling these positions with high-quality, high-performing staff.

#### Targeted Effort Highlights

- Social Media Efforts
  - Indeed.com, Facebook and Twitter, LinkedIn *\*new 2018\**
- 287 Job Fair
  - Exclusive to our District, on the spot interviews and offers
  - Plans to hold a job fair focused on the non-licensed openings *\*new 2018\**
- Human Resources Educational Assistant Screening *\*new this January\**
  - Simplified Educational Assistant posting
  - Initial screening; added to a "pool" for advancement to specific program openings
- West Metro Partnership
  - Grown to 34 staff currently enrolled in classes as of July 2017
- Signing & Retention Bonus - 48 high-demand new hires since fall 2016
  - 25 specialized positions
  - 23 licensed instructors

#### Continuation of Signing & Retention Bonus

The Board approved the payment of a \$3,000 signing and retention bonus to all newly-hired, full-time (.8 FTE or higher) qualified candidates providing instruction or support to students in high-need content areas and high-demand support areas for the 2016-2017 and 2017-2018 school years. Principals and applicants confirm that the signing bonus supported the recruitment efforts to fill these positions with high-quality, high-performing instructional staff.

Human Resources is recommending that the Board approve the continuation of a signing and retention bonus for the 2018-2019 school year. A decision to implement the signing and retention bonus for positions outside the high-need areas will be determined by a specific threshold of need and timing of the open position.

**UNIFORM PROCEDURE**

**SUBJECT: Superintendent Evaluation**  
**RELATES TO POLICY SERIES: Board Officers & Operations**  
**BOARD APPROVED: April 26, 2012**  
**REVISION DATE: April 26, 2012**

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**BOO 1040 Superintendent Evaluation**

**I. PURPOSE**

The Board is responsible for evaluating the performance of the Superintendent. The Superintendent Performance Evaluation process described below is intended to develop and continue a positive, cooperative and productive working relationship between the Board and the Superintendent.

**II. EVALUATION PROCESS**

The Intermediate District 287 Board shall conduct an annual evaluation of the Superintendent's job performance. The Superintendent's job performance will be measured systematically and rigorously against the Board's expectations for:

- A. Administrative/Managerial Leadership;
- B. Development, implementation and outcomes of the Strategic Plan; and
- C. Accomplishment of Superintendent Goals, as approved by the Board.

**III. EVALUATION PLANNING MEETING**

- A. By September 1 of each year, the Superintendent and the Board Chair shall meet. During this meeting the Superintendent and Board Chair will:
  - 1. Affirm the mutually agreed on evaluation process.
  - 2. Schedule the evaluation timeline(s) for the year.

**IV. OPTION FOR MID-YEAR EVALUATION MEETING**

- A. The Board and the Superintendent may meet for the purposes of a mid-year evaluation.
- B. If the mid-year Superintendent Evaluation meeting is closed, the Board Chair or designee shall prepare a summary of the meeting and present it at the next regular meeting of the Board.

## **V. PREPARATION FOR FINAL EVALUATION MEETING**

- A. By May 1 of each year, the Superintendent shall provide the Board with a written summary in response to each question on the evaluation survey.
- B. All Board members shall fill out the evaluation instrument individually.
- C. The Board Chair, or designee, shall compile the individual assessments into a composite appraisal. Each Board member and the Superintendent shall receive a copy of the composite appraisal.

## **VI. FINAL EVALUATION MEETING**

- A. By June 30 of each year, the Superintendent and the Board Chair shall hold a final evaluation meeting to evaluate the Superintendent's performance based on the composite appraisal and the Superintendent's written summary. The Board Chair may elect to have additional Board officers in the evaluation meeting.
- B. The Board Chair or designee shall prepare a summary of the meeting and present it at the next regular meeting of the Board.

### **Minnesota Statute 13D.05, Subd. 3(a)**

A public body may close a meeting to evaluate the performance of an individual who is subject to its authority. The public body shall identify the individual to be evaluated prior to closing a meeting. At its next open meeting, the public body shall summarize its conclusions regarding the evaluation. A meeting must be open at the request of the individual who is the subject of the meeting.

### **Minnesota Department of Administration Advisory Opinion 02-021**

How a public body approaches the evaluation will determine exactly which data it should summarize. The public body should carefully review the specific points it established in reaching a conclusion about the performance evaluation. Clearly, the language of the Open Meeting Law indicates that the governing body ought to summarize each salient point of the evaluation so that the public is given the opportunity to get the best possible sense of the performance - good, bad or indifferent - of the public employee.

# Intermediate District 287

## *Responsive. Innovative. Solutions*

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### INTER-OFFICE MEMORANDUM

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April 21, 2017

**RE: 2015-2016 Superintendent Evaluation Process**

Dear Board Members,

As we discussed in previous Board meetings, this year's Superintendent Evaluation process will be different. At the May 12 Board meeting we will have a closed session to talk to Superintendent Lewandowski regarding her performance this school year.

Please consider the Superintendent's management, leadership and accomplishments during the period July 1, 2016 through May 11, 2017 and answer the following questions.

Superintendent Evaluation Questions for 2016-2017	
Question	Comment
1. What do you think has gone well and/or is worthy of praise?	
2. In the context of the district's mission, vision and values, what are the Superintendent's key strengths?	
3. What do you think is worthy of improvement?	
4. In the context of the district's mission, vision and values, are there any attributes that left unattended could inhibit the Superintendent's long-term effectiveness?	
5. Are your expectations being met in terms of timing and quality?	
6. Do you have any specific coaching you would like to pass on?	
7. Do you have any comments beyond your responses to questions 1-6?	

Please send your comments to Wauneen and she will compile our comments, into one document for our review on May 11.

Thanks for everyone's help in this important role of the board!

Dean Henke  
 Board Chair  
 612-206-2025  
 dhdh@usfamily.net

January 2018  
vol 15 ♦ no 4

**January 5, 2018  
Board of Directors  
Meeting**

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

**January 26, 2018  
Executive/Legislative  
Committee Meeting**

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

**February 2, 2018  
Legislative Preview**

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

**February 23, 2018  
Executive/Legislative  
Committee Meeting**

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

## AMSD's Mission

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



Association of  
Metropolitan School Districts

## Best Communities for Music

### *Instrument donations support Mounds View's award-winning music programs*

Every year, in every school, dozens of Mounds View Public Schools students who participate in band and orchestra cannot afford to rent or buy their instrument.

As enrollment continues to grow across the District, the number of students participating in music programs also grows. And access to instruments remains the number one barrier to participating in music programs.

“When we couple financial need with other factors, nearly 40 percent of the District’s band and orchestra students are playing school-loaned instruments this year,” says Mounds View’s music curriculum coordinator Andy Schmidt. “As interest in the program and overall enrollment continues to grow, the need for more instruments grows as well. Thankfully, we are part of a caring and generous community that sees the value in music education and has helped to fill that need.”

In spring 2017, Schmidt called on the community to donate used instruments to the District’s music program. Since April, more than 80 instruments have been collected. A partnership with a local music retailer has allowed the District to trade unusable or worn instrument donations for credit toward new instruments. This partnership offers schools the opportunity to give deserving band and orchestra students brand new instruments to play while they are enrolled in District music programs.

“I will never forget the reaction that one student had when I gave her a new flute,” says Schmidt. “When I told her it was hers to take home, she looked at me in disbelief. She said she had never been given anything new. It made me realize the true success of the donation program. It is really changing lives.”

Not only have these donations helped outfit the program with necessary brass, woodwinds and string instruments, they have also helped the District to free up resources for larger music program initiatives.



*Nearly 87 percent of District high school students participate in at least one club, sport or musical opportunity. Irondale High School's award-winning Marching Band is made up of 90 students.*

*Continued on page 2*

## From the Chair

The 2018 legislative session is right around the corner and I want to encourage AMSD board members and legislators representing our member school districts to mark your calendar for AMSD’s annual Legislative Session Preview program. The 2018 Session Preview will be held on Friday, February 2 from 7:30 – 10:00 a.m. in the Grand Hall in the TIES Event Center. The session preview is always a great chance for legislators and AMSD members to discuss important education issues.

The program will include an overview of AMSD’s legislative priorities, as well as a legislative panel discussion and remarks from Minnesota Department of Education Commissioner Brenda Cassellius. While the 2018 session is not a budget setting session, there are many important issues to be addressed. I look forward to seeing you for a great kick-off to the 2018 session at AMSD’s Session Preview on February 2!

*Steve Adams, school board member from Hopkins Public Schools, is chair of AMSD.*

## Mounds View Music Program Draws the Interest of Nearly Half of 4th to 12th Grade Students

### Beyond the classroom

While the instrument donation program continues to outfit classrooms with necessary equipment, it is also putting instruments into students' hands for co-curricular activities. Music opportunities like jazz band and orchestra ensembles give students a chance to connect outside of the classroom. They also give staff an opportunity to showcase talented student groups, while offering the community opportunities to see live performances.

In addition to school performances, the District hosts Music at Mounds View, an annual music series for area residents that brings professional musicians to perform locally at Mounds View High School. These concerts often present opportunities for student musicians to perform alongside the professionals who participate in the concert series.

### A lasting impact

Mounds View's music program clearly makes a lasting impact on its students. Irondale High School alumnus Nick Gohman says his high school provided him with an opportunity to find his talents and express them. He says, "the music programs were the most inspiring to me," and he is convinced his involvement in orchestra and music helped prepare him for the rigors of college at the University of Minnesota. Mounds View High School alumna Jessica Sorenson credits choir for teaching her that it is okay to be unique. Both students cite music teachers and programs at Mounds View Public Schools when asked how their schools prepared them for post-secondary success.

"At Mounds View, we are proud of a music program that draws the interest of nearly half of fourth-grade to 12th-grade students," says Schmidt. More than 3,500 students in these grades participate in music programs districtwide annually.

Students and staff are not the only ones recognizing the impact of the music programs throughout the District. In 2017, for the fifth consecutive year, Mounds View Public Schools was named among the nation's Best Communities for Music Education. Awarded by the National Association of Music Merchants, the Best Communities for Music designation recognized fewer than 4 percent of schools across the country in 2017. The award honors school districts that show an exceptionally high commitment to music education and ensure access to music for all students.

"Music education is such an important piece of the puzzle that helps us prepare students for life," says Schmidt. "I am grateful for a community that helps us sustain a program where all students have access to music programs. I look forward to growing the donation program so that stories like our alumni's continued to be heard for years to come."

With the ongoing support from the community, Mounds View Public Schools hopes to put more instruments in more students hands. To learn more about the instrument donation program, call 651-621-6787 or email

[andy.schimdt@moundsviewschools.org](mailto:andy.schimdt@moundsviewschools.org).



*In November, District choir students performed with nationally-recognized singer and songwriter Kat Perkins at Mounds View High School for the first 2017 concert in the District's annual Music at Mounds View series. Orchestra students will perform with musicians from a professional instrumental trio, Clocks and Clouds, in January.*



*Representatives from Schmitt Music congratulated Mounds View Public Schools music teachers for maintaining their commitment to music and earning the Best Communities for Music Education distinction.*

*This month's member spotlight was submitted by Rachel Gutierrez, assistant director of public relations, Mounds View Public Schools.*

# 2018 AMSD Legislative Platform

The AMSD Board of Directors recently approved its legislative platform for the 2018 session that will convene on February 20, 2018.

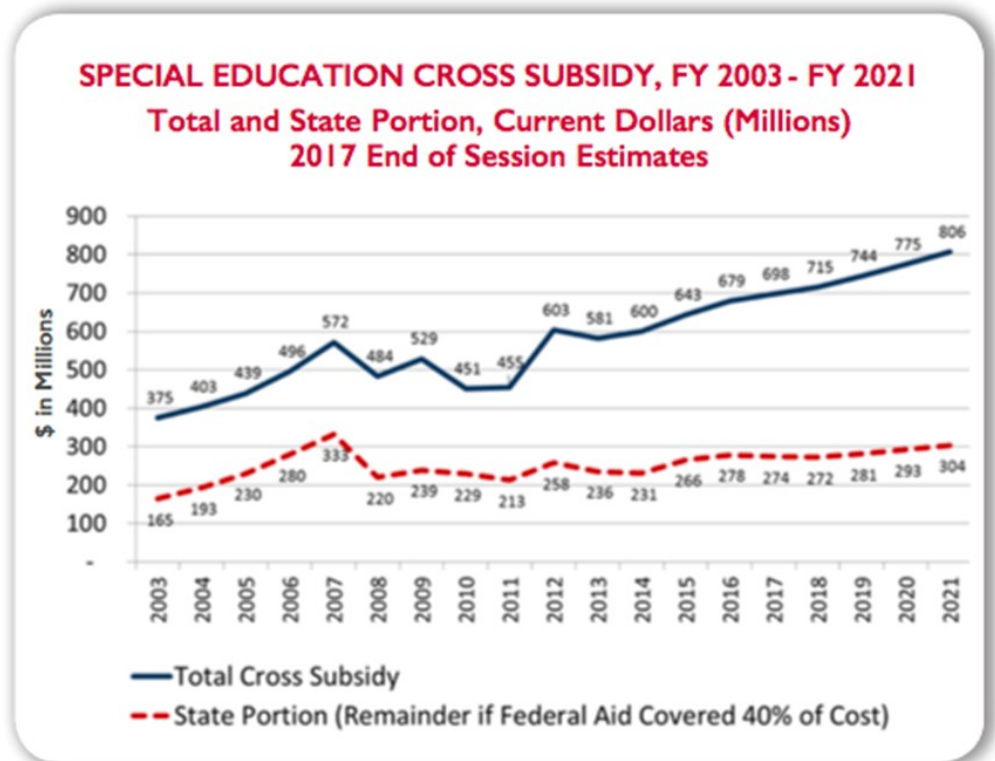
AMSD board members recognize that the 2018 session is not a budget setting session. The November budget forecast presents a challenge with a projected deficit of \$188 million for the current biennium and \$586 million deficit for the 2020-2021 biennium. However, during a press conference following the release of the November budget forecast, Republican legislative leaders expressed hope that the February forecast may show significant improvement.

The new investments in education approved during the 2017 session, including a 2 percent per year increase in the general education formula, provided important resources for our schools. At the same time, the growing special education cross-subsidy continues to exert tremendous pressure on school district budgets and increases the reliance on the operating referendum to provide basic programming for students. Consequently, addressing the special education cross-subsidy and increasing operating referendum equalization remain high priorities for AMSD members. Likewise, AMSD members feel strongly that locally-elected school board members should have the authority to renew an existing operating referendum at the same level by a vote of the school board.

In addition, AMSD remains committed to closing the achievement gap and ensuring equitable academic outcomes—high levels of achievement—for all students. A summary of the AMSD legislative platform is below and the complete platform is available on the AMSD web site: <http://www.amsd.org/2018-legislative-platform>

## Stabilize Education Funding

- Increase special education funding to reduce the state share of the special education cross-subsidy by 10 percent and create a working group to develop a plan to eliminate the state share of the cross-subsidy by 2023.
- Allow locally elected school boards to renew an existing operating referendum.
- Direct the Permanent School Fund Commission to study the feasibility of allowing school districts to borrow against the school trust fund to address capital needs and make recommendations regarding any governance changes needed to ensure that the school trust lands director has the authority to work on behalf of the trust beneficiaries - Minnesota public school students.



Data Source: Minnesota Department of Education

Continued on page 4

## 2018 AMSD Legislative Platform

### Reform and Stabilize the Teachers Retirement Association Fund

- Reform and stabilize the Teachers Retirement Association Fund and St. Paul Teachers Retirement Fund by increasing employer and employee contributions and adjusting benefits. Use the pension adjustment mechanism in the funding formula to cover the actual increase in the employer contribution to avoid cuts to programs for students.

### Increase and Diversify the Teacher Workforce

- Expand programs and incentives to attract, develop and retain teachers, particularly teachers of color and teachers in shortage areas.



### Enhance Taxpayer Equity

- Increase equalization of the operating referendum, local optional and debt service levies to reduce taxpayer and education funding disparities.
- Oppose taxpayer subsidies of private education through vouchers, tax credits or scholarships.

### Reduce Mandates and Enhance Local Control

- Align the World’s Best Workforce law to the State ESSA plan to create one accountability plan.
- Maximize federal funding for Medical Assistance services such as social worker costs and 504 health-related services.
- Provide funding for all 11th grade students to take a nationally-recognized college entrance exam and, if approved by the United States Department of Education, replace the high school MCA exams with a nationally-recognized college entrance exam.
- Allow locally-elected school boards to establish the school calendar that best meets the needs of their students and families.
- Reduce the number of reports required to be submitted to the Minnesota Department of Education.

### Ensure Safe and Modern School Facilities

- Implement the recommendation of the School Facilities Financing Work Group to establish a school facilities improvement revenue program to allow school districts to enhance safety.
- Increase the Safe Schools Levy and expand the allowable uses to allow school districts to enhance cyber security.

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

SAVE THE DATE



SAN ANTONIO

April 7-9, 2018

**Early Registration and Housing  
Opens October 18, 2017\***

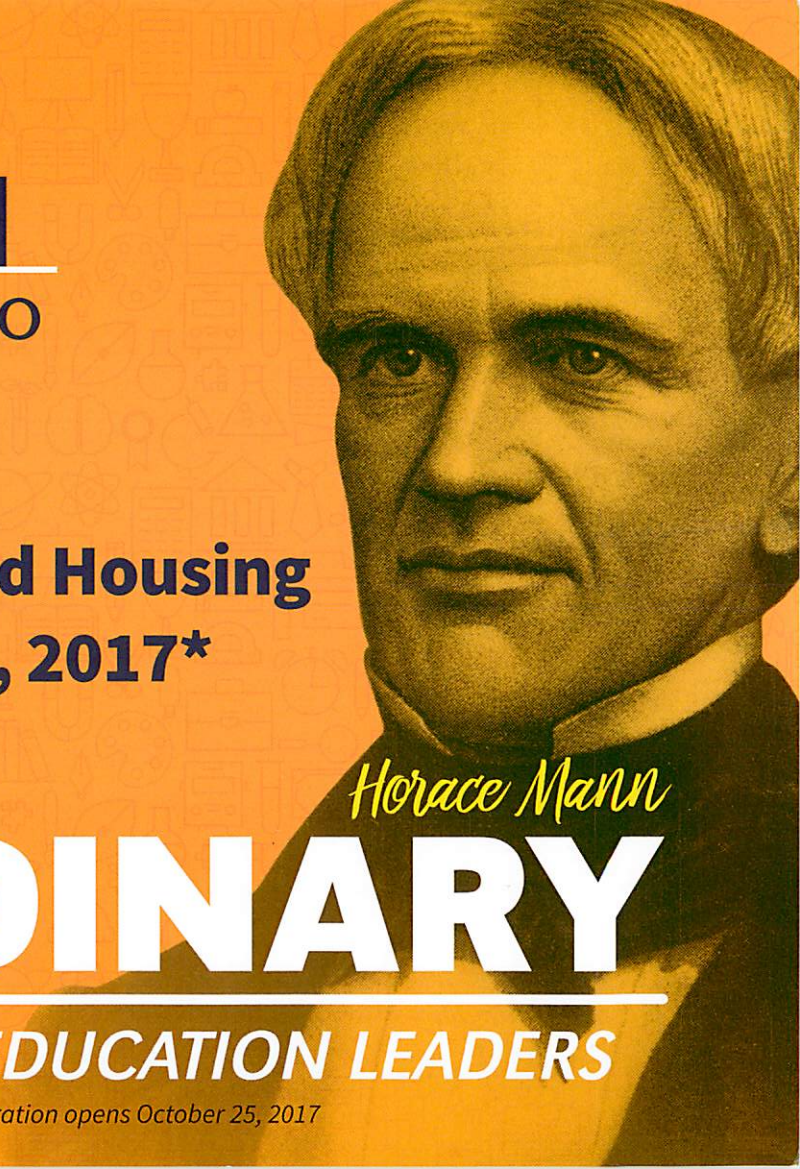
*Horace Mann*

**Be**  
**EXTRAORDINARY**

**THE CONFERENCE FOR PUBLIC EDUCATION LEADERS**

\*National Connection and CUBE Districts Only. General registration opens October 25, 2017

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# Be EXTRAORDINARY

## Attend the 2018 NSBA Annual Conference and Exposition

As a school board member YOU make an extraordinary contribution to our country by helping shape the leaders of tomorrow. The NSBA Annual Conference and Exposition is the only national event that offers education leaders information on the latest issues, trends, and best practices in public education.

Visit the website to learn about the education resources offered, and find inspiration in the stories of remarkable leaders like Horace Mann. Then make the commitment, with colleagues from across the country, to **Be Extraordinary** for America's public schools at the **2018 NSBA Annual Conference**.

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- *Pre-Conference Sessions*
- *Meal Events*
- *Experiential Learning Visits*

[www.nsba.org/BeExtraordinary](http://www.nsba.org/BeExtraordinary)



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MRS. NANCY GORES  
BOARD MEMBER  
INTERMEDIATE DISTRICT 287  
SUPERINTENDENT  
SUPERINTENDENT OFFICE  
1820 XENIUM LN N  
PLYMOUTH MN 55441-3708

# Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

## School Board Planning Calendar 2017-2018

<p style="text-align: center;"><b>2017 Meetings (August - December)</b></p> <p>September 28                      October 12  August 10                              October 26  August 24                              November 9  September 14                         December 14</p>	<p style="text-align: center;"><b>2018 Meetings (January - June)</b></p> <p style="text-align: center;"><a href="#"><u>January 11</u></a>  (conflicts with MASA)  <a href="#"><u>January 25</u></a>  <a href="#"><u>February 8</u></a>  <a href="#"><u>February 22</u></a>  <a href="#"><u>March 8</u></a></p> <p style="text-align: center;"><a href="#"><u>March 22</u></a>  <a href="#"><u>April 12</u></a>  <a href="#"><u>May 10</u></a>  <a href="#"><u>May 24</u></a>  <a href="#"><u>June 14</u></a>  <a href="#"><u>June 22</u></a></p>
1 <sup>st</sup> Meeting of the Month	2 <sup>nd</sup> Meeting of the Month
<b>START TIME 6:30 PM</b>	
<p><b>AUGUST 10, 2017 - 7:30 AM</b></p> <p><i>SPECIAL MEETING</i></p> <ul style="list-style-type: none"> <li>● Business Services Report <ul style="list-style-type: none"> <li>■ Approval of Long Term Facilities Maintenance Bonds</li> <li>■ Approval of Award of Construction Bids</li> </ul> </li> </ul>	
<p><b>AUGUST 24, 2017 - Ground Breaking Ceremony 6 p.m. (meeting at Edgewood)</b></p> <ul style="list-style-type: none"> <li>● Financial Report June &amp; July</li> <li>● What Board Members Need to Know About “2017-2018 Back to School Start-Up”/? New Staff Academy highlights</li> <li>● <a href="#"><u>Plan for District Wide Compensatory Education Revenue Utilization</u></a></li> <li>● Recruitment, Retention, Hiring and Hiring Update - new Talent Acquisition Professional, Amanda Achterkirch, present as welcome (include West Metro Partnership Update)</li> <li>● Introduction of Equity Leader Courtney Caldwell</li> <li>● Update on the 4.5 Legislative Funding</li> <li>● Employee Rights &amp; Responsibilities Policy Bucket (1st read)</li> <li>● Groundbreaking at Edgewood 6:00 p.m.</li> </ul>	
<p><b>SEPTEMBER 14, 2017</b></p> <ul style="list-style-type: none"> <li>● Kudos (back to school - first days of school video)</li> <li>● Employee Rights &amp; Responsibilities Policy Bucket (2nd read)</li> <li>● Courageous Conversation with Staff and Board Members</li> </ul>	<p><b>SEPTEMBER 28, 2017</b></p> <p style="background-color: yellow;"><b>Kudos &amp; Recognition</b></p> <ul style="list-style-type: none"> <li>● NEC SUN Parents - Rochelle and Tom, and their son Marshall</li> </ul> <p style="background-color: green; color: white;"><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p>

	<ul style="list-style-type: none"> <li>● Information submitted to DHS (verbal)</li> <li>● ALC Update (verbal)</li> <li>● Facilities report</li> <li>● Routine monthly finance report</li> </ul> <p><b>Special Presentation</b></p> <ul style="list-style-type: none"> <li>● Member district communication recommendations update</li> </ul> <p><b>Annual Presentation - none</b></p> <p><b>Spotlight - none</b></p>
<p><b>OCTOBER 12, 2017</b></p> <p><b>Kudos &amp; Recognition</b></p> <p><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p> <ul style="list-style-type: none"> <li>● Renaming of Edgewood Education Center After Construction</li> <li>● School Improvement Planning 2017-18 &amp; 2016-17 results and WTBNTK (carry over)</li> </ul> <p><b>Special Presentation</b></p> <p><b>Annual Presentation</b></p> <ul style="list-style-type: none"> <li>● West Metro Partnership Update (1-2 members to speak) (carry over)</li> </ul> <p><b>Spotlight</b></p> <ul style="list-style-type: none"> <li>● West Education Center Project Based Learning (Wayzata)</li> </ul> <p><b>Closed Session: Local 2209 Negotiations Parameters</b></p>	<p><b>OCTOBER 26, 2017</b></p> <p><b>Kudos &amp; Recognition</b></p> <p><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p> <ul style="list-style-type: none"> <li>● Facilities Report (Project &amp; Construction Update)</li> <li>● Financial Report September - Quarterly Update (Action)</li> <li>● Emergency and Crisis Plans for 2017-18 (action) Approval of Asbestos Bid (consent agenda)</li> </ul> <p><b>Special Presentation</b></p> <p><b>Annual Presentation</b></p> <p>Emergency and Crisis Plans for 2017-18 -Jim Kurtz (carry over)</p> <p><b>Spotlight - none</b></p>
<p style="text-align: center;"><b>NOVEMBER 9, 2017</b></p> <p><b>Kudos &amp; Recognition</b></p> <p><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p> <ul style="list-style-type: none"> <li>● Fund balance transfers (Action item)</li> <li>● Health &amp; Medical Policy Bucket (1st read)</li> </ul> <p><b>Special Presentation</b></p> <p><b>Annual Presentation - none</b></p> <p><b>Spotlight - Northern Star Online (David)</b></p> <p>To consider:</p> <ul style="list-style-type: none"> <li>● Student or parent</li> </ul> <p>Closed Session pursuant to Minnesota Statutes Section 13D.05, subdivision 2(a) (3), for the purpose of discussing private educational data.</p>	

**DECEMBER 14, 2017**  
*(Only one Board meeting this month!)*

**Kudos & Recognition**

**YES - TBD**

**Consent Agenda OR What the Board Needs to Know OR Verbal Update**

- Health & Medical Policy Bucket (2nd read)
- Financial Report October (consent agenda)
- Legislative Platform (carry over)
- Unaudited Financial Report for FY17 (action item)
- Edgewood Construction Update

**Special Presentation**

**Annual Presentation**

- World's Best Workforce Report

**Spotlight**

- Minnesota Partnership for Collaborative Curriculum (Jon)

**Closed Session - Local 2209 Negotiations**

To consider:

- HR Planning and upcoming hiring season (see January 25th meeting date)

**2018**

**JANUARY 11, 2018**

**Conflicts with  
MSBA Leadership Conference  
January 11-12, 2018**

**JANUARY 25, 2018**

*Organizational Meeting*

Election of Board Officers  
Oath of Office  
Etc.

*Regular Meeting*

**Kudos & Recognition**

**Consent Agenda OR What the Board Needs to Know OR Verbal Update**

- Facilities Report (Project & Construction Update)
- Financial Report November (consent agenda)
- Financial Report December - Quarterly update (action item)
- Superintendent Mid-Year Evaluation Procedure (carry over)
- TIES Update

**Special Presentation -**

Under HR Report:

What the Board Needs to Know:

HR Planning and upcoming hiring season:

Michelle Axell, Director of Human Resources will share recruitment & retention strategies along with a proposal for the continuation of signing bonuses for high-quality candidates in hard-to-fill positions.

**Annual Presentation**

- FY17 Audit - Auditor Presentation - (Annual Report) (action item) **(Please move to top of Agenda)**

**Spotlight**

<p><b>FEBRUARY 8, 2018</b></p> <p><b>Kudos &amp; Recognition</b></p> <ul style="list-style-type: none"> <li>School Board Recognition Week</li> </ul> <p><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p> <ul style="list-style-type: none"> <li>Approval of revised Administrative Organizational Plan (carry over)</li> <li>Update on Culture and Climate Uber Goal</li> <li>Technology &amp; Communications Policy Bucket (1st read)</li> </ul> <p><b>Special Presentation</b></p> <ul style="list-style-type: none"> <li>Equity Update</li> </ul> <p><b>Annual Presentation</b></p> <p><b>Spotlight</b></p> <ul style="list-style-type: none"> <li>Care &amp; Treatment (Jan)</li> </ul> <p>Closed Session - 2209 Negotiations</p>	<ul style="list-style-type: none"> <li>Itinerant (Melissa)</li> </ul> <p><b>FEBRUARY 22, 2018</b></p> <p><b>Kudos &amp; Recognition</b></p> <p><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p> <ul style="list-style-type: none"> <li>Financial Report January -consent agenda</li> <li>Resolution Reducing Programs and Positions</li> <li>Facilities Report (Project Update)</li> <li>Edgewood Construction Update</li> <li>What the Board Needs to Know about Operational Results (carry over)</li> <li>Technology &amp; Communications Policy Bucket (2nd read)</li> </ul> <p><b>Special Presentation</b></p> <p><b>Annual Presentation</b></p> <ul style="list-style-type: none"> <li>FY17 Budget Revision - annual report (action item)</li> </ul> <p><b>Spotlight</b> - none</p> <p>TIES winners</p>
<p><b>MARCH 8, 2018</b></p> <p><b>Kudos &amp; Recognition</b></p> <ul style="list-style-type: none"> <li>WSSS- 40 year anniversary (move to June)</li> </ul> <p><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p> <ul style="list-style-type: none"> <li>Staff Reduction ULA Resolution for upcoming year (carry-over keep)</li> </ul> <p><b>Special Presentation</b> - none</p> <p><b>Annual Presentation</b></p> <ul style="list-style-type: none"> <li>FY19 Budget Assumption/Program Withdrawal Report - Annual Report (Action item)</li> </ul> <p><b>Spotlight</b> -Alternative Learning Center Academies (Who?)  <i>(Focus on how our student profile is different than that of our member districts and what has changed in our approach in the last two years.)</i></p>	<p><b>MARCH 22, 2018</b></p> <p><b>Kudos &amp; Recognition</b></p> <ul style="list-style-type: none"> <li>WEC</li> </ul> <p><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p> <ul style="list-style-type: none"> <li>Edgewood Construction Update</li> <li>Financial Report February - consent agenda</li> <li>2017-2018 School Calendar Approval (carry over)</li> <li>Staff Reduction ULA Resolution</li> </ul> <p><b>Special Presentation</b> - none</p> <p><b>Annual Presentation</b> - none</p> <p><b>Spotlight</b> -none</p> <p><b>HR Closed Session</b></p> <ul style="list-style-type: none"> <li>1st look - Parameters for Local 284 Negotiations</li> </ul>
<p style="text-align: center;"><b>APRIL 12, 2018</b></p> <p><b>Kudos &amp; Recognition</b></p> <ul style="list-style-type: none"> <li>Care &amp; Treatment</li> </ul> <p><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p> <ul style="list-style-type: none"> <li>Decision - Parameters for Local 284 Negotiations</li> <li>Financial Report March - Quarterly Update - (Action Update)</li> <li>Discontinuing Educational Programs and Positions</li> </ul> <p><b>Special Presentation</b> - none</p> <p><b>Annual Presentation</b> - none</p> <p><b>Spotlight</b></p> <ul style="list-style-type: none"> <li>Programs doing a Setting 4.5 partnership (Elisabeth &amp; Kate?)</li> </ul> <p style="text-align: center;"><b>Closed Session:</b> Decision - Parameters for Local 284 Negotiations</p>	

<p><b>MAY 10, 2018</b></p> <p><b>Kudos &amp; Recognition</b></p> <ul style="list-style-type: none"> <li>• Edgewood</li> </ul> <p><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p> <ul style="list-style-type: none"> <li>• Superintendent Evaluation Closed Session (carry over)</li> </ul> <p><b>Special Presentation - none</b></p> <p><b>Annual Presentation - none</b></p> <p><b>Spotlight -</b>Pathways at HTC (Lea)</p> <p><b>RETIREMENT CELEBRATION (starts at 5:30 PM)</b></p>	<p><b>MAY 24, 2018 - Meeting at Edgewood</b></p> <p><b>Kudos &amp; Recognition</b></p> <p><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p> <ul style="list-style-type: none"> <li>• Financial Report April (consent agenda)</li> <li>• Probationary Licensed, and Non-Licensed Non-Renewal Resolutions (carry over)</li> <li>• Superintendent's Evaluation Update (carry over)</li> <li>• Facilities Report/Construction Report (carry over)</li> </ul> <p><b>Special Presentation - none</b></p> <p><b>Annual Presentation - none</b></p> <ul style="list-style-type: none"> <li>• Facilities - Long Term Facilities Maintenance Plan Approval - (Action item)</li> </ul> <p><b>Spotlight - none</b></p>
<p><b>JUNE 14, 2018</b></p> <p><b>Kudos &amp; Recognition</b></p> <ul style="list-style-type: none"> <li>• WSSS 40th Anniversary</li> </ul> <p><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p> <ul style="list-style-type: none"> <li>• Annual Food Service Program Resolution Action Item</li> <li>• Computer Refresh - consent agenda (carry over)</li> <li>• Ratification of Service Employees International Union (SEIU) Local 284 Tentative Agreement (hopeful date)</li> </ul> <p><b>Special Presentation - none</b></p> <p><b>Annual Presentation</b></p> <ul style="list-style-type: none"> <li>• Strategic Plan Update (carry over)</li> <li>• Food Services Report - (Annual Report)</li> </ul> <p><b>Spotlight -</b>WSSS and Gifted Programs</p>	<p><b>JUNE 22, 2018</b></p> <p><b>Kudos &amp; Recognition</b></p> <p><b>Consent Agenda OR What the Board Needs to Know OR Verbal Update</b></p> <ul style="list-style-type: none"> <li>• Approval of Contracts: <ul style="list-style-type: none"> <li>○ FY19 - Food Services Prime Vendor Contract (consent agenda)</li> </ul> </li> <li>• Financial Report May (consent agenda)</li> <li>• Non-Licensed Permanent Employment Status Position Elimination Resolutions (carry over)</li> <li>• Construction Report (carry over)</li> <li>• Consent Agenda: Renewal of Teachers on Call Agreement</li> </ul> <p><b>Special Presentation - none</b></p> <p><b>Annual Presentation - none</b></p> <ul style="list-style-type: none"> <li>• 2018-19 Original Budget Approval - Annual Report</li> </ul> <p><b>Spotlight -</b>none</p>

**INTERMEDIATE DISTRICT 287**  
**January 25, 2018**  
**SCHOOL BOARD CALENDAR**

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January 2018

09	Tuesday	Local 2209/Board Breakfast	7:00AM	DSC Rm 316
25	Thursday	General Board Meeting	6:30PM	Board Rm

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February 2018

08	Thursday	General Board Meeting	6:30PM	Board Rm
13	Tuesday	Get on the Bus: TBD	8:30AM	DSC
22	Thursday	North Education Center's History Day	12:00PM	NEC
22	Thursday	General Board Meeting	6:30PM	Board Rm

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March 2018

08	Thursday	General Board Meeting	6:30PM	Board Rm
13	Tuesday	Local 2209/Board Breakfast	7:00AM	DSC Rm 316
22	Thursday	General Board Meeting	6:30PM	Board Rm

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April 2018

*(Only one meeting this month  
choose one date)*

10	Tuesday	Get on the Bus: TBD	8:30AM	DSC
12	Thursday	General Board Meeting	6:30PM	Board Rm
17	Tuesday	Local 2209/Board Breakfast	7:00AM	DSC Rm 316
26	Thursday	General Board Meeting	6:30PM	Board Rm

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May 2018

10	Thursday	General Board Meeting	6:30PM	Board Rm
24	Thursday	General Board Meeting	6:30PM	Board Rm
25	Friday	HTC EP Pathways Program Awards	10:30AM & 12:30 PM	TBN

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June 2018

14	Thursday	General Board Meeting	6:30PM	Board Rm
28	Thursday	General Board Meeting	6:30PM	Board Rm

◆ General Board Meeting – Date Change

◆ New Event

◆ Event Date Change

# Intermediate District 287

*RESPONSIVE. INNOVATIVE. SOLUTIONS.*

Get on the Bus & Local 2209 Breakfast Schedule  
2017-2018

## Get on the Bus

Tuesday, February 13<sup>th</sup>  
Northwest Tech Center  
Bus leaves 287 DSC @ 8:30 AM

Andrea Cuene  
Michèle Kunz

Heidi Marty

Tuesday, April 10<sup>th</sup>  
Edgewood Education Center  
Bus leaves 287 DSC @ 8:30 AM

Andrea Cuene  
Michèle Kunz

Heidi Marty

**Local 2209/Board Breakfast**  
**7:00 AM**

Tuesday, March 13<sup>th</sup>  
District Service Center  
(3<sup>rd</sup> Floor – Room 316)

Michèle Kunz	Andrea Cuene
Regina Neville	

Tuesday, April 17<sup>th</sup>  
District Service Center  
(3<sup>rd</sup> Floor – Room 316)

Michèle Kunz	Andrea Cuene