



**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Basic Financial Statements and Supplementary Information

June 30, 2011

(With Independent Auditors' Report Thereon)

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

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KPMG LLP
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Independent Auditors' Report

The Board of Education
Independent School District No. 625
Saint Paul, Minnesota:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 625, Saint Paul, Minnesota (the District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in note 1(d) to the basic financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2011 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 19 and 56 through 57 are not a required part of the basic financial statements, but are supplementary



information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements listed in Section I and the supplementary information listed in Section II of the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the District. The combining and individual fund statements listed in Section I of the accompanying table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The supplementary information listed in Section II of the accompanying table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

KPMG LLP

Minneapolis, Minnesota
December 19, 2011

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Management's Discussion and Analysis

June 30, 2011
(Unaudited)

Introduction

Our discussion and analysis of Independent School District No. 625, Saint Paul, Minnesota (SPPS or the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2011. As the intent of this management discussion and analysis is to look at SPPS's financial performance as a whole readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of SPPS's financial performance.

Financial Highlights

Key financial highlights for 2011 are as follows:

On the districtwide financial statements:

- Total net assets of SPPS decreased from \$110.1 million in fiscal year 2010 to \$102 million in fiscal year 2011, a decrease of \$8.1 million, or 7.4%. The majority of the reduction is due to the recognition of a portion of the actuarial accrued liability of \$17.8 million for postemployment healthcare benefits to certain eligible employees, further described in the notes to basic financial statements.
- Total revenue increased \$14.7 million from \$603.2 million in fiscal year 2010 to \$617.9 million in fiscal year 2011, or 2.4%. Total expenses increased \$2.1 million from \$624.0 million in fiscal year 2010 to \$626.1 million in fiscal year 2011. Additional information is provided in a later section of this Management's Discussion and Analysis.
- The District retired \$35.5 million of outstanding long-term debt, which included the 2001A QZAB general obligation bond issue and the 2002E Certificates of Participation issue. Sources of the \$35.5 million included \$6 million from the 2001A QZAB, \$6.1 million from the 2011B Refunding Full Faith and Credit Certificates of Participation issue and \$23.4 million in property tax levy.
- The District issued \$68.2 million of long-term debt: \$52 million (2010B, 2010C, and 2011A) of general obligation bonds under legislative authority for capital renovation and improvements and statutory authority for deferred maintenance; \$10.4 million (2010A general obligation bond crossover refunding of \$8.9 million (2001B) and \$2.9 million (2001C); and \$5.8 million (2011B) certificates of participation current refunding of \$6.1 million (2002E).

On the fund financial statements:

- The ending fund balance of all Governmental Funds of SPPS increased from \$96.5 million in fiscal year 2010 to \$144.2 million in fiscal year 2011; an increase of \$47.7 million, or 49.4%.
- The debt service fund balance increased from \$0.4 million in fiscal year 2010 to \$6.7 million in fiscal year 2011. This increase of \$6.3 million was due to an additional \$5.7 million of funds held in escrow for the 2011B Refunding Full Faith and Credit Certificates of Participation issue (crossover date of 2/1/2012) and \$0.6 million in excess revenue over expenditures.
- The General Fund balance increased by \$13.7 million, going from \$61.1 million in fiscal year 2010 to \$74.8 million in fiscal year 2011. The General Fund assigned to next year operations at June 30, 2011 was

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\$7.9 million. Other notable changes in the unrestricted/unreserved category are a \$2.0 million increase in committed for retiree health insurance, a \$1.2 million increase in assigned for encumbrances, and a \$1.1 million increase in unassigned fund balance. In compliance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, new fund balance categories were implemented as further described in the notes to the basic financial statements.

Overview of the Financial Statements

This report consists of five parts – management's discussion and analysis (this section), independent auditors' report, the basic financial statements, required supplementary information, and combining individual fund statements and schedules. The basic financial statements include two kinds of statements that present different views of the District:

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

The Governmental Funds statements tell how basic services such as regular and special education were financed in the short term, as well as what remains for future spending.

Proprietary funds statements offer short- and long-term financial information about the activities the District operates like businesses.

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

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of Management's Discussion and Analysis highlights the structure and contents of each of the statements.

Districtwide Financial Statements

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

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

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.

Figure A-1 Major Features of the Districtwide and Fund Financial Statements				
	Districtwide Financial Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district	The activities of the District that are not proprietary such as special education, building maintenance, food service, and community education.	Activities the District operates similar to private businesses * Internal Service funds	Resources: the District holds for the benefit of parties outside the district
Required Financial Statements	*Statement of Net Assets *Statement of Activities	*Balance Sheet *Statement of Revenues, Expenditures, and Changes in Fund Balances	*Balance Sheet *Statement of Revenues, Expenses, and Changes in Fund Net Assets *Statement of Cash Flows	*Statement of Fiduciary Net Assets *Statement of Changes in Fiduciary Net Assets
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short term and long term	Generally assets expected to be consumed and liabilities paid during the year or soon thereafter no capital assets included or long-term liabilities included	All assets and liabilities, both financial and capital, Short term and long term	All assets and liabilities, both financial and capital, Short term and long term
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

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- To assess the overall health of the District, the reader needs to consider additional nonfinancial factors such as changes in the District's property tax base, enrollment changes, legislative changes, and the condition of school buildings and other facilities.

In the districtwide financial statements, the District's activities are shown in one category:

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

Net Assets

(In millions)

	Governmental activities		
	2011	2010	Percentage change
Current assets	\$ 344.9	277.5	24.3%
Other noncurrent assets	59.4	31.9	86.2
Capital assets, net	397.2	397.6	(0.1)
Total assets	\$ 801.5	707.0	13.4%
Current liabilities	\$ 298.8	258.0	15.8%
Long-term liabilities	400.7	338.9	18.2
Total liabilities	\$ 699.5	596.9	17.2%
Net assets:			
Invested in capital assets, net of related debt	\$ 104.5	112.8	(7.4)%
Restricted for:			
Debt service fund	6.7	0.4	1,575.0
Capital projects fund	19.0	6.3	201.6
Community service	3.7	3.0	23.3
Food service fund	4.6	—	—
Other activities	7.2	6.4	12.5
Unrestricted	(43.7)	(18.8)	(132.4)
Total net assets	\$ 102.0	110.1	(7.4)%

- Total assets** – increased due to increases in current assets and noncurrent assets.
- Current assets** – increased \$67.4 million due to a increase in cash and short-term investments of \$49.7 million, an increase in restricted cash with fiscal agent of \$6.7 million, an increase in net taxes receivable of \$6.9 million, and an increase in due from other governmental units of \$4.6 million. These were offset by a \$0.2 decrease in other receivables and \$0.3 million in inventories.

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- **Noncurrent assets** – Restricted cash and investments increased by \$27.4 million and bond issuance costs increased by \$0.1 million. Capital assets increased nearly \$15.6 million, which when offset by the accumulated depreciation (current depreciation expense) of \$17.4 million and a \$1.3 million loss on disposal of buildings that in the aggregate represents the \$0.4 million decrease in capital assets net.
- **Current liabilities** – increased by \$45.2 million due to an increase in the short-term borrowing – aid anticipation certificate category of \$53.8 million, an increase of \$4.5 million in compensated absences, an increase of \$4.3 million in accrued expense, an increase of \$2.4 million in other deferred revenue, and a \$3.1 increase in accounts payable. These were offset by a decrease of \$17.2 million in property tax deferred revenue, a decrease of \$5.3 million in long-term obligations due within one year, and \$0.5 million in amounts held for school activities.
- **Noncurrent liabilities** – include a \$17.8 million increase in net other postemployment benefit obligation and a \$39.7 million increase in long-term obligations.

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The statement of net assets reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity, that is, the relative ease to convert the asset to cash. The liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. The long-term liabilities of the District, consisting of general obligation bonds, capital outlay certificates payable, and compensated absences payable have been reported in this manner on the statement of net assets. The difference between the District's assets and liabilities is its net assets.

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

(In millions)

	Governmental activities		
	2011	2010	Percentage change
Revenues:			
Program revenues:			
Charges for services	\$ 14.8	15.2	(2.6)%
Operating grants and contributions	177.9	197.3	(9.8)
Total program revenues	192.7	212.5	(9.3)
General revenues:			
Property taxes levied for general purposes	96.4	73.3	31.5
Property taxes levied for debt services	33.8	28.7	17.8
Property taxes levied for community service	5.2	3.6	44.4
Federal and state aid not restricted to specific purposes	290.6	284.1	2.3
Investment earnings	0.5	1.0	(50.0)
Loss on disposal of building	(1.3)	—	—
Total general revenues	425.2	390.7	8.8
Total revenues	617.9	603.2	2.4

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Table A-2
Change in Net Assets
(In millions)

	Governmental activities		
	2011	2010	Percentage change
Expenses:			
Instruction	\$ 408.7	400.0	2.2%
Support services:			
Pupil support	67.7	70.2	(3.6)
District administration	18.6	20.7	(10.1)
Sites and buildings	45.0	46.8	(3.8)
Instructional support	31.4	34.3	(8.5)
District support	15.0	12.5	20.0
Community education services	24.2	23.5	3.0
Interest and fiscal costs on long-term debt	15.5	16.0	(3.1)
Total expenses	<u>626.1</u>	<u>624.0</u>	<u>0.3</u>
Change in net assets	<u><u>\$ (8.2)</u></u>	<u><u>(20.8)</u></u>	<u><u>(60.6)%</u></u>

Revenues – SPPS's total revenues were \$617.9 million for the year ended June 30, 2011 compared to \$603.2 million for the year ended June 30, 2010.

Federal and state aid and property taxes accounted for 68.7% of total revenue for the year. The mix between local tax revenue and state aid is controlled by state law and is subject to change each year by legislative action.

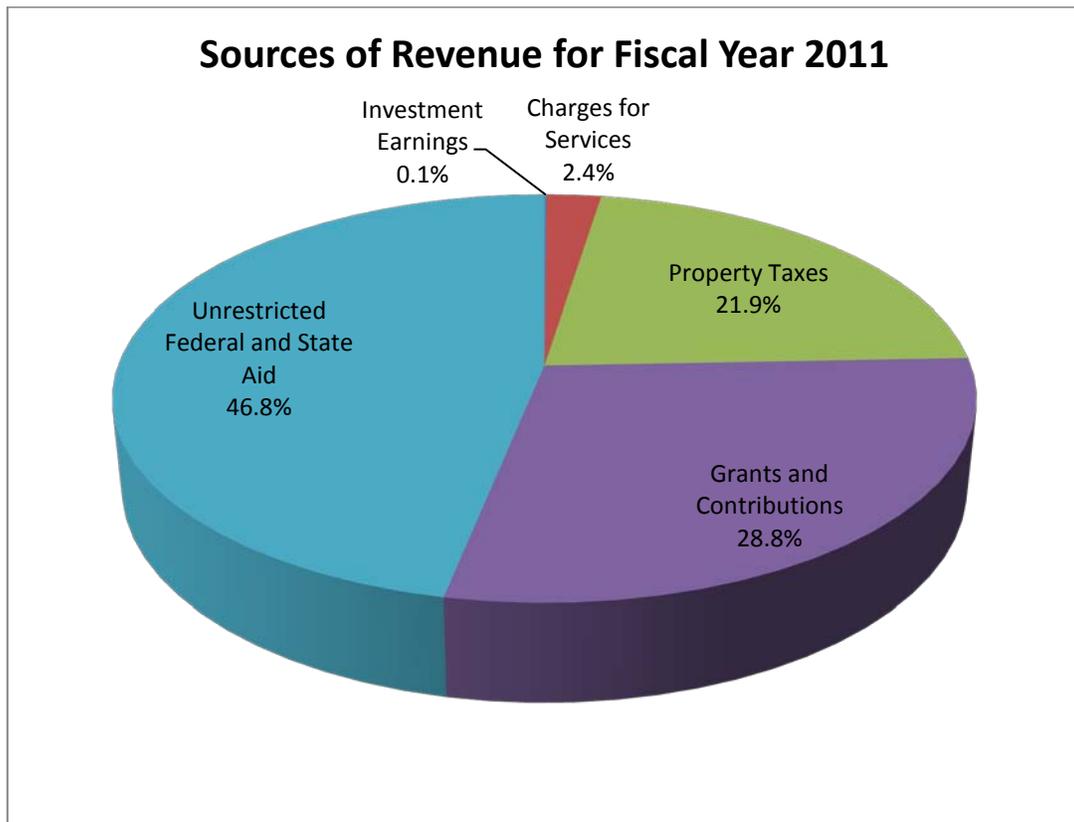
Another 28.8% came from operating grants and contributions, and 2.5% from charges for services and investment earnings.

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As a percentage of the total revenue, property tax revenue increased from 17.5% of revenue in fiscal year 2010 to 21.9% in fiscal year 2011, and federal and state aid decreased from 47.1% of revenue in fiscal year 2010 to 46.8% in fiscal year 2011.



Revenue increased in 2011 by \$14.7 million or 2.4% as compared to 2010.

Property taxes have slightly increased, whereas Grants and Contributions have decreased by \$19.5 million due to the absence of State fiscal stabilization funds in 2011.

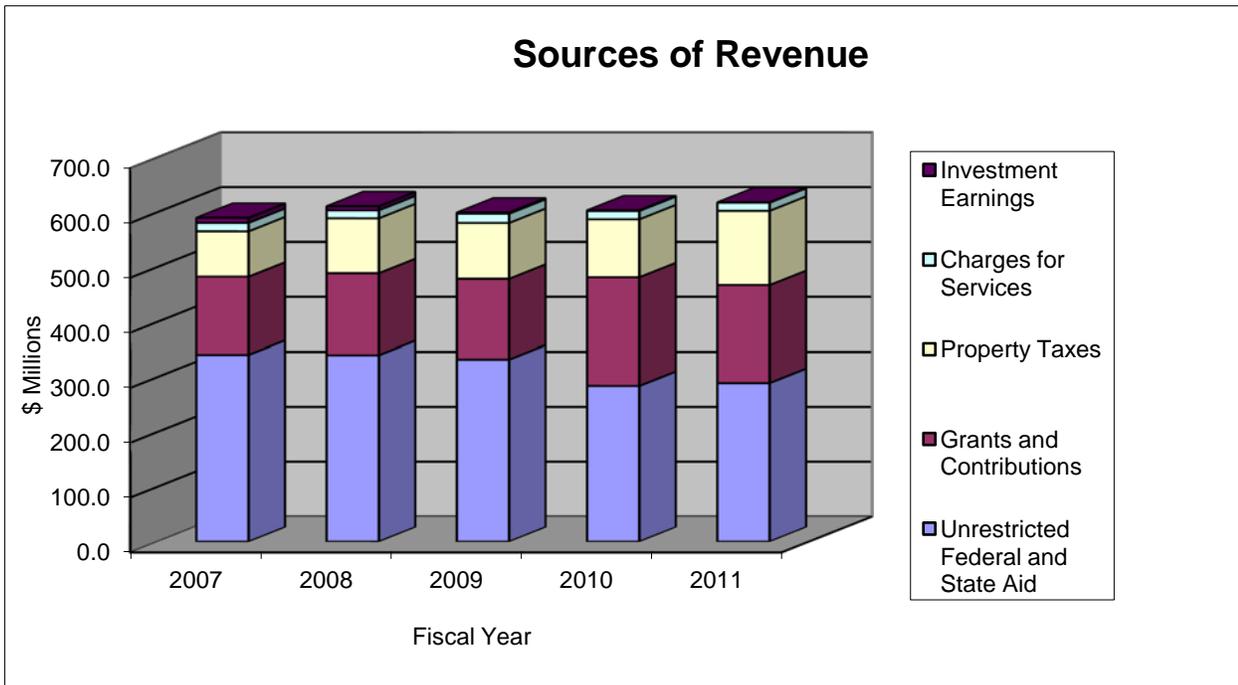
Federal and state aid slightly increased during 2011.

Investment earnings decreased \$0.5 million due to the reduction in investment interest rates.

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Expenses – The total cost of all programs and services was \$626.1 million.

The District's expenses for classroom instruction and caring for students are 81.1%, which consist of the following three program areas: instruction, instructional support, and pupil support.

Administration activities account for 3% of total costs.

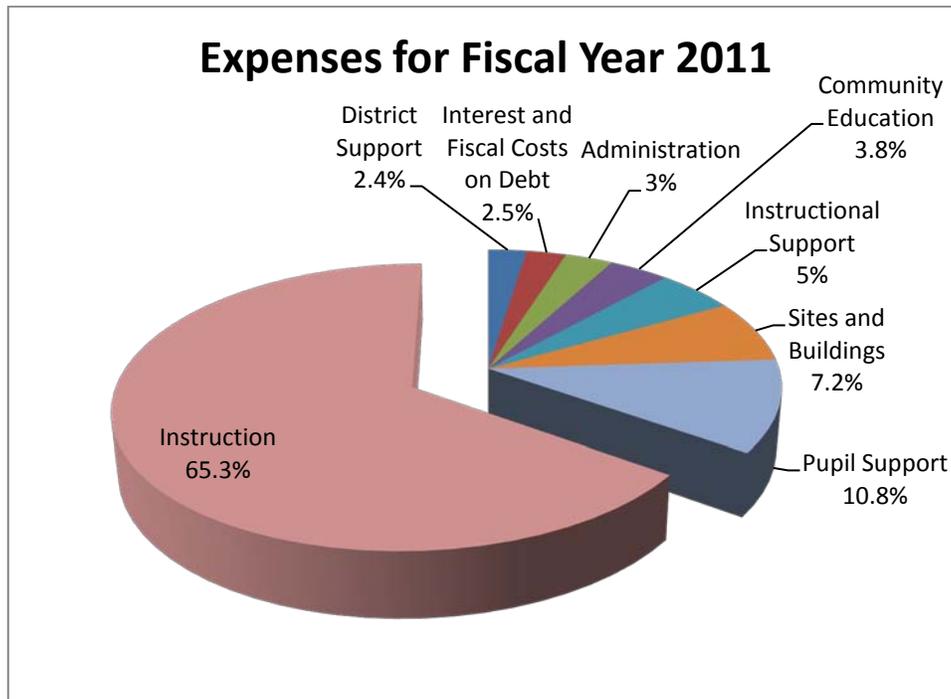
Employees' salaries and related benefits account for the vast majority of costs; 77.6% when capital expenditures and debt service are included, 80.1% when excluded.

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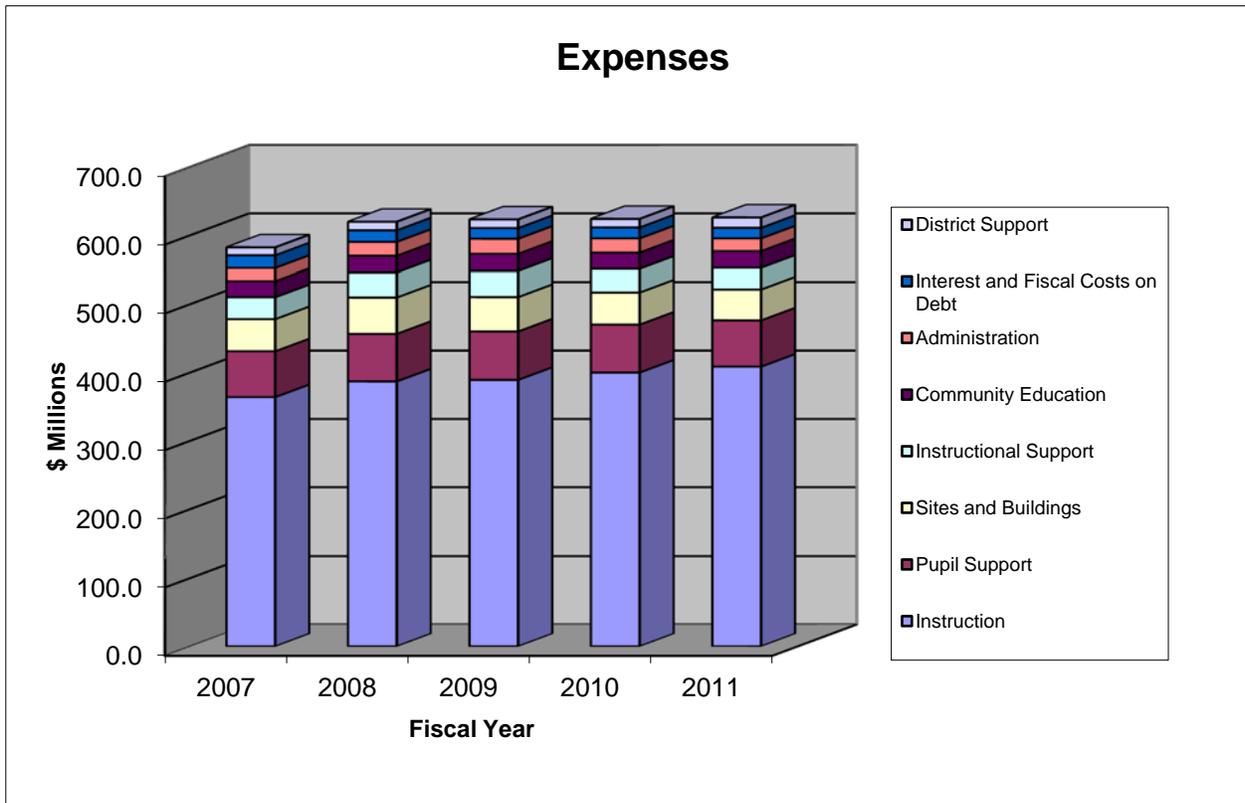
Capital expenditures and debt service is 3.3%, purchased services is 10.8%, and supplies and materials are 5.3% of total expenses.



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Enrollment – Enrollment is a critical factor in determining revenue. Over the last five years, the District has experienced a decrease in average daily membership after being 40,970 in 2006. Enrollment declined an average of 1.8% per year over the past five years. The following chart shows the number of students that has decreased over this time period.

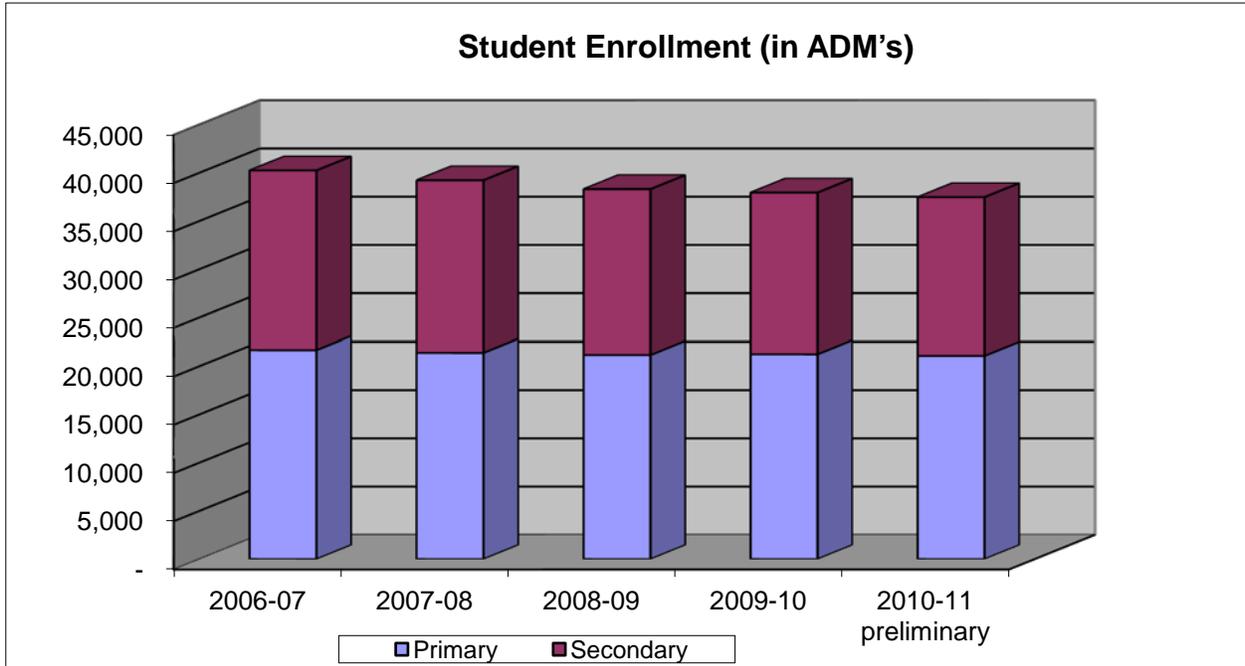
Student Enrollment (Average Daily Membership)					
	<u>2006 – 07</u>	<u>2007 – 08</u>	<u>2008 – 09</u>	<u>2009 – 10</u>	<u>2010 – 11</u>
Primary	\$ 21,659	21,379	21,159	21,231	21,070
Secondary	18,582	17,844	17,144	16,714	16,403
Total students	<u>\$ 40,241</u>	<u>39,223</u>	<u>38,303</u>	<u>37,945</u>	<u>37,473</u>
Percent change	(1.78)%	(2.53)%	(2.35)%	(1.00)%	(1.20)%

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Student Enrollment (Average Daily Membership)



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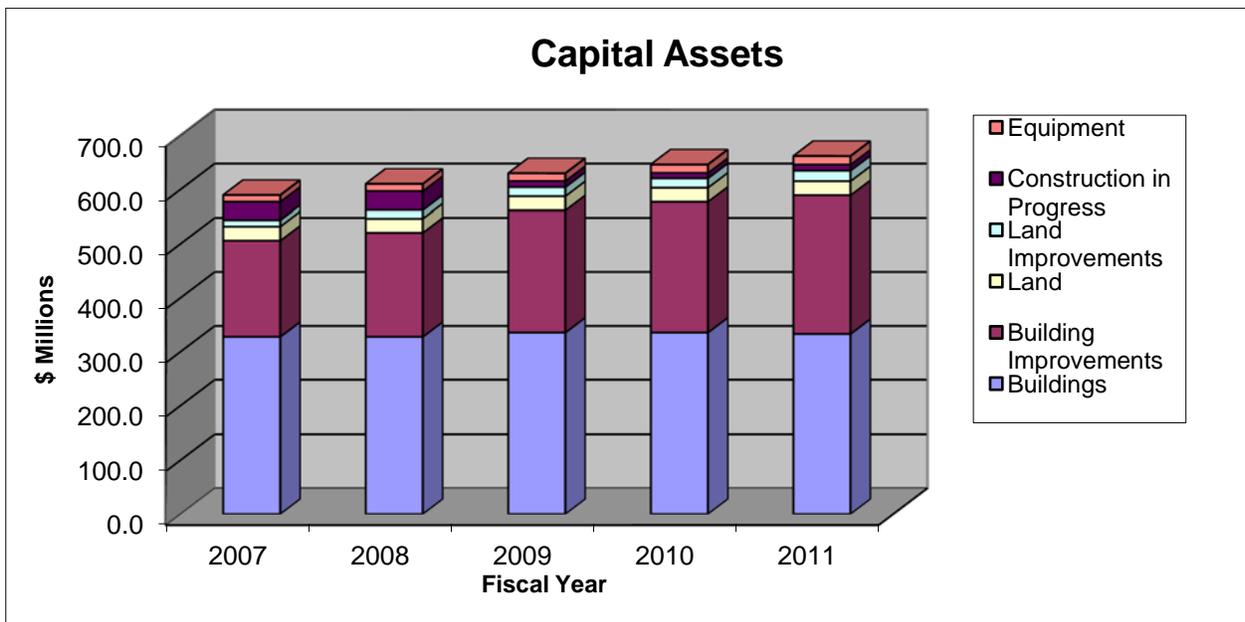
Capital Assets

At June 30, 2011, SPPS had \$397.2 million invested in a broad range of capital assets, including land, land improvements, buildings, building improvements, equipment, and construction in progress. This amount represents a net decrease (including additions and depreciation) of \$0.4 million or a decrease of 0.1%.

Capital Assets

(Net of depreciation in millions)

	Governmental activities		
	2011	2010	Percentage change
Land	\$ 26.0	26.0	—%
Land improvements	19.5	17.4	12.1
Buildings	333.1	335.6	(0.7)
Building improvements	256.2	241.6	6.0
Equipment	15.9	15.5	2.6
Construction in progress	11.1	10.0	11.0
Total	661.8	646.1	2.4
Less accumulated depreciation	(264.6)	(248.5)	6.5
Total capital assets, net	\$ 397.2	397.6	(0.1)%



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The increase in capital assets land improvements in fiscal year 2011 include: playfield modifications at Open School, paving improvements at Homecroft Elementary and Washington and a synthetic turf football field at Harding High School.

Major building improvements completed include: asbestos abatement restoration at Washington Middle, auditorium equipment replacement at Humboldt High School, DDC implementation at Cherokee Heights, Nokomis Elementary and North End Elementary, security improvements at various sites, technology improvements at Hayden Heights, pipe replacement of west building at Harding High School, interior and exterior improvements at Mississippi Magnet School, kitchen remodel and student storage at Cherokee Heights Elementary, lighting replacement at Obama Elementary, piping replacement at Riverview Elementary, window replacement at Johnson High School, curtain wall replacement at Highland High School, installation of interactive white boards at various sites, and a new main entrance addition and remodel at Highland High School.

Capital assets are recorded at historical or estimated historical cost of purchase or construction. Capital assets are not restated to current market value.

Long-Term Debt

As of June 30, 2011, SPPS had \$351 million in general obligation bonds and other long-term debt outstanding, which represents an increase of \$34.3 million, or 10.8%, from last year.

Outstanding Long-Term Debt

(In millions)

	Governmental activities		
	2011	2010	Percentage change
General obligation bonds	\$ 312.1	273.7	14.0%
Certificates of participation	31.9	37.6	(15.2)
Less unamortized discount/premium	7.4	6.0	23.3
Less deferred assets on refunding	(0.4)	(0.6)	(33.3)
	\$ 351.0	316.7	10.8%

During fiscal year 2011, the District retired one general obligation bond issue: \$6 million (2001A QZAB) and one certificate of participation issue: \$6.1 million (2002E). Proceeds to retire the debt came from the 2001A QZABs held in escrow (\$6 million) and the 2011B certificates of participation current refunding (\$6.1 million).

General obligation bonds in the amount of \$52 million (2010B, 2010C, and 2011A) were also issued in fiscal year 2011.

SPPS currently has legislative authority to annually issue \$15 million in capital bonds. SPPS has statutory authority to issue alternative bonds and \$11 million was issued for deferred maintenance.

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Fund Financial Statements

SPPS's fund financial statements provide detailed information about the most significant funds – not SPPS as a whole. SPPS's Governmental Funds use the following accounting approach: Governmental Funds – all of SPPS's services are reported in Governmental Funds. Governmental Funds reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund statements provide a detailed short-term view of SPPS's operations and the services it provides. Governmental Fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance SPPS's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and Governmental Funds on the reconciliation of the Governmental Funds.

Governmental Revenues

The following table presents a summary of the general operating fund, food service fund, community service fund, debt service fund, and capital project fund revenues and other financing sources by type for the year ended June 30, 2011. It also depicts the amount and percentage increases and decreases in relation to prior year revenues and other financing sources.

Revenues and Other Financing Sources

(In millions)

<u>Local sources</u>	<u>2011</u>	<u>2010</u>	<u>Percentage change</u>
Property taxes	\$ 134.7	105.1	28.2%
County and other	19.8	20.8	(4.8)
State aids	374.1	365.4	2.4
Federal aids	86.5	107.1	(19.2)
Investment earnings	0.2	0.1	100.0
Sales and conversion of assets	2.9	3.3	(12.1)
Subtotal	618.2	601.8	2.7
Other financing sources, net	58.5	7.7	659.7
Total	\$ 676.7	609.5	11.0%

Total revenues and other financing sources increased by \$67.2 million, or 11%, from the previous year. This is primarily a result of an increase in revenue due to a property tax shift offsetting state aid revenue and an increase in other financing sources for bonds issued.

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June 30, 2011
(Unaudited)

The financing of elementary and secondary education in Minnesota is through a combination of State-collected taxes (primarily income and sales) and locally collected property taxes. Revenue to school districts is received in three major categories:

1. State Education Finance Appropriations
 - a. General Education Aid – the largest share of the education finance appropriation, general education aid, is intended to provide the basic financial support for the education program.
 - b. Categorical Aids – Categorical revenue formulas are generally used to meet costs of that program (i.e., special education) or promote certain types of programs (i.e., career and technical aid)
2. Property Tax Levies – the largest share of the levy is from voter-approved levies: the excess operating referendum and debt service levies, which is also enrollment driven.
3. State Paid Property Tax Credits – not a major source for SPPS.

Governmental Expenditures

The following table represents a summary of general operating fund, food service fund, community service fund, debt service fund, and capital project fund expenditures for the year ended June 30, 2011, and the percentage increase and decrease in relation to prior year amounts.

Expenditures

(In millions)

	<u>2011</u>	<u>2010</u>	<u>Percentage change</u>
District administration	\$ 18.1	20.5	(11.71)%
District support services	13.9	11.4	21.93
Regular instruction	260.7	258.3	0.93
Vocational instruction	4.7	5.0	(6.00)
Exceptional instruction	110.6	108.5	1.94
Community education	23.6	23.1	2.16
Instructional support services	30.2	33.4	(9.58)
Pupil support services	66.1	68.8	(3.92)
Sites, buildings, and equipment	62.3	62.3	—
Debt service	38.9	38.4	1.30
Total	<u>\$ 629.1</u>	<u>629.7</u>	<u>(0.10)%</u>

Total governmental expenditures for fiscal year 2011 remained at essentially the same level as fiscal year 2010.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Management's Discussion and Analysis

June 30, 2011
(Unaudited)

Budgetary Highlights

The budgets are prepared by fund. Within the general fund, allocations are made to schools based mainly on the enrollment projections for the coming fall. Central services allocations are based on historical needs and projections.

- In June 2010, the board adopted a balanced budget for fiscal year 2011 that reflected total revenue of \$623.4 million.
- During the year, the District revised its budget to reappropriate fund balances, to adjust for enrollment changes, to adjust for economic changes, and to accept additional grants. The final general operating fund budget had revenues in excess of expenditures by \$.6 million due to an enrollment increase, additional grants, and use of fund balance and the reappropriation of June 30, 2010 reserved and designated fund balances.
- Actual general operating fund revenues and expenditures were under budget due to various factors. The primary factor was related to unspent grants. These grants normally carry over to the next grant year.
- In June 2010, the board approved an expenditure budget for fiscal year 2011 for all funds of \$623.8 million. In November 2010, the board approved a budget amendment to expenditures of \$15.8 million for all funds due to the following factors: (1) the recognition of \$9.7 million of grants, (2) the reappropriation of \$3.5 million in fund balances to be used for contractual obligations, site-based carryover, and encumbrances, and (3) an increase in revenue of \$2.6 million due to an enrollment increase and Community Service revenue increase.
- Subsequent revisions to the budget by the board increased expenditures by \$16.5 million to a total of all funds budget of \$656.1 million. These revisions were due to increases in fully financed grants in the General Fund and Community Service Fund.
- As in past years, the District continued to operate within its total statutory budgetary parameters. That is, expenditures for all funds by major function were less than anticipated, 97.7% of budget.

Requests for Information

This financial report is designed to provide citizens, taxpayers, parents, students, investors, and creditors with a general overview of SPPS's finances and to show SPPS's accountability for the money it receives. Additional details can be requested by mail, at the following address:

Saint Paul Public Schools
Business Office
360 Colborne Street
Saint Paul, Minnesota 55102

Or visit our Web site at: <http://businessoffice.spps.org>.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Statement of Net Assets

June 30, 2011

	Assets	Governmental activities
Current assets:		
Cash and short-term investments		\$ 104,986,934
Restricted cash with fiscal agent		12,011,105
Taxes receivable, net		78,102,671
Due from other governmental units		144,994,202
Other receivables		853,304
Inventories		1,406,689
Prepaid expenses		2,538,290
Total current assets		<u>344,893,195</u>
Noncurrent assets:		
Restricted cash and investments		58,319,013
Bond issuance costs		1,093,650
Capital assets		661,781,400
Less accumulated depreciation		<u>(264,581,271)</u>
Total noncurrent assets		<u>456,612,792</u>
Total assets		<u><u>\$ 801,505,987</u></u>
	Liabilities	
Current liabilities:		
Accounts payable		\$ 15,644,975
Accrued expense		66,873,438
Aid anticipation certificate		78,705,542
Compensated absences		15,743,844
Due to other governmental units		471,924
Amounts held for school activities		2,710,840
Deferred revenue – property tax		88,475,255
Deferred revenue – other		6,045,287
Long-term obligations due within one year		24,151,950
Total current liabilities		<u>298,823,055</u>
Noncurrent liabilities:		
Net other postemployment benefit obligation		69,440,982
Long-term obligations		331,268,194
Total noncurrent liabilities		<u>400,709,176</u>
Total liabilities		<u><u>\$ 699,532,231</u></u>
	Net Assets	
Invested in capital assets, net of related debt		\$ 104,459,725
Restricted for:		
Debt service		6,719,049
Capital projects		19,052,818
Community services		3,661,101
Food service		4,605,046
Other purposes		7,182,925
Unrestricted		<u>(43,706,908)</u>
Total net assets		<u><u>\$ 101,973,756</u></u>

See accompanying notes to basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Statement of Activities

Year ended June 30, 2011

	Functions/programs	Program revenues		Expenses	Charges for services	Operating grants and contributions	Total
Governmental activities:							
Elementary and secondary instruction		\$ 289,040,788	1,571,565		54,558,769		(232,910,454)
Exceptional instruction		114,982,317	4,578,140		56,012,709		(54,391,468)
Vocational education instruction		4,676,768	—		872,461		(3,804,307)
Community education services		24,153,173	5,309,274		15,234,225		(3,609,674)
Sites and buildings		44,965,481	267,685		1,412,357		(43,285,439)
Instructional support services		31,429,659	67,849		2,887,871		(28,473,939)
Pupil support services		67,702,132	2,642,195		42,926,980		(22,132,957)
District support services		15,057,967	133,236		68,587		(14,856,144)
Administration		18,625,830	211,337		20,827		(18,393,666)
Interest and fiscal costs on long-term debt		15,468,672	—		3,900,827		(11,567,845)
Total governmental activities		\$ 626,102,787	14,781,281		177,895,613		(433,425,893)
General revenues:							
Taxes:							
Property taxes levied for general purposes						96,363,783	
Property taxes levied for debt services						33,790,984	
Property taxes levied for community services						5,246,521	
Federal and state aid not restricted to specific purposes						290,625,009	
Investment earnings						556,806	
Loss on disposal of building						(1,290,653)	
Subtotal, general revenues						425,292,450	
Changes in net assets						(8,133,443)	
Net assets, beginning of year						110,107,199	
Net assets, end of year						\$ 101,973,756	

See accompanying notes to basic financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA

Balance Sheet
 Governmental Funds
 June 30, 2011

Assets	General	Community service	Food service	Debt service	Capital projects	Total Governmental Funds
Cash and short-term investments (note 2)	\$ 76,809,156	2,032,228	5,638,117	6,469,381	—	90,948,882
Restricted cash with fiscal agent	—	—	—	12,011,105	—	12,011,105
Restricted cash and investments (note 3)	—	—	—	—	58,319,013	58,319,013
Receivables:						
Property taxes	49,465,086	2,274,143	—	26,363,442	—	78,102,671
Due from other governmental units (note 4)	136,723,066	4,713,247	310,752	3,213,956	33,181	144,994,202
Other	752,427	71,306	487	25,747	3,337	853,304
Inventories, principally at cost	250,049	—	1,156,640	—	—	1,406,689
Prepaid expenses	1,150,350	—	10,940	1,377,000	—	2,538,290
Total assets	<u>\$ 265,150,134</u>	<u>9,090,924</u>	<u>7,116,936</u>	<u>49,460,631</u>	<u>58,355,531</u>	<u>389,174,156</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 10,953,305	857,184	332,294	—	3,502,192	15,644,975
Accrued expenses	43,791,545	2,078,121	2,179,596	—	382,314	48,431,576
Aid anticipation certificate payable	78,705,542	—	—	—	—	78,705,542
Due to other governmental units	471,924	—	—	—	—	471,924
Amounts held for school activities	2,710,840	—	—	—	—	2,710,840
Deferred revenue:						
Property taxes	48,205,419	1,981,966	—	42,741,582	—	92,928,967
Other	5,532,735	512,552	—	—	—	6,045,287
Total liabilities	<u>190,371,310</u>	<u>5,429,823</u>	<u>2,511,890</u>	<u>42,741,582</u>	<u>3,884,506</u>	<u>244,939,111</u>

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Balance Sheet
Governmental Funds
June 30, 2011

	General	Community service	Food service	Debt service	Capital projects	Total Governmental Funds
Equity:						
Fund balances:						
Nonspendable:						
Inventories and prepaid expenses	\$ 1,400,399	—	1,167,580	1,377,000	—	3,944,979
Restricted for:						
Operating capital	5,428,010	—	—	—	—	5,428,010
Area learning center	1,896,855	—	—	—	—	1,896,855
Adult basic education	—	768,121	—	—	—	768,121
Alternative facilities program	—	—	—	—	19,052,818	19,052,818
Capital projects	—	—	—	—	35,418,207	35,418,207
School readiness	—	278,239	—	—	—	278,239
Community education	—	2,262,464	—	—	—	2,262,464
ECFE	—	352,277	—	—	—	352,277
Bond refunding	—	—	—	11,294,665	—	11,294,665
QZAB and QSCB payments	—	—	—	716,440	—	716,440
Food service	—	—	3,437,466	—	—	3,437,466
Committed to:						
Severance pay	2,538,018	—	—	—	—	2,538,018
Retiree health insurance	22,377,730	—	—	—	—	22,377,730
Assigned to:						
Next year operations	7,958,664	—	—	—	—	7,958,664
Encumbrances	3,503,346	—	—	—	—	3,503,346
Contractual obligations	181,636	—	—	—	—	181,636
Unassigned	29,494,166	—	—	(6,669,056)	—	22,825,110
Total fund balances	74,778,824	3,661,101	4,605,046	6,719,049	54,471,025	144,235,045
Total liabilities and fund balances	\$ 265,150,134	9,090,924	7,116,936	49,460,631	58,355,531	389,174,156

See accompanying notes to basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Reconciliation of the Balance Sheet
to the Statement of Net Assets

June 30, 2011

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

Total fund balances – Governmental Funds		\$ 144,235,045
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in Governmental Funds:		
Capital assets	\$ 661,781,400	
Less accumulated depreciation	<u>(264,581,271)</u>	397,200,129
Long-term receivables applicable to governmental activities are not available to pay current period expenditures and, therefore, are deferred in Governmental Funds:		
Delinquent property taxes		4,453,712
Debt issuance premiums, discounts, and issuance costs are reported as other financing sources, uses, or expenditures in the Governmental Funds, but as assets or adjustments to the carrying value of long-term obligations in the statement of net assets:		
Bond issuance costs	1,093,650	
Unamortized bond discount (premium), net	<u>(7,403,681)</u>	(6,310,031)
An Internal Service Fund is used by management to charge the costs of the workers' compensation insurance program to the individual funds and account for the other Post-Employment Benefits Revocable Trust. The assets and liabilities of the Internal Service Fund are included with governmental activities in the statement of net assets.		
		2,496,758
Net other postemployment benefit obligations reported in the statement of net assets do not require the use of current financial resources and are not reported as liabilities in Governmental Funds until actually due.		
		(69,440,982)
Certain liabilities, including long-term obligations, are not due and payable in the current period and, therefore, are not reported as liabilities in the Governmental Funds:		
Bonds payable	312,110,000	
Certificates of participation	31,926,218	
Deferred amounts on refunding	(380,482)	
Accrued interest on the bonds and certificates	6,900,568	
Compensated absences (vacation expense)	5,556,020	
Special termination benefits payable (severance payment)	9,358,901	
Special termination benefits payable (early retirement incentive)	<u>5,189,650</u>	<u>(370,660,875)</u>
Net assets of governmental activities		<u>\$ 101,973,756</u>

See accompanying notes to basic financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year ended June 30, 2011

	General	Community service	Food service	Debt service	Capital projects	Total Governmental Funds
Revenues:						
Local sources:						
Property taxes	\$ 95,647,230	5,246,521	15,338	33,790,984	—	134,700,073
County and other	12,496,747	7,040,580	—	210,455	4,330	19,752,112
State	356,841,490	10,798,394	1,118,273	5,339,783	—	374,097,940
Federal	64,725,871	2,211,628	19,451,422	—	127,964	86,516,885
Investment earnings	62,738	3,030	2,984	37,714	125,303	231,769
Sales and conversions of assets	370,465	4,296	2,541,556	—	—	2,916,317
Total revenues	530,144,541	25,304,449	23,129,573	39,378,936	257,597	618,215,096
Expenditures:						
Current:						
District administration	18,089,163	—	—	—	—	18,089,163
District support	13,908,507	—	—	—	—	13,908,507
Regular instruction	260,624,335	52,064	—	—	—	260,676,399
Vocational instruction	4,652,554	—	—	—	—	4,652,554
Exceptional instruction	110,598,098	—	—	—	—	110,598,098
Community education services	—	23,579,761	—	—	—	23,579,761
Instructional support	30,222,781	—	—	—	—	30,222,781
Pupil support services	41,734,498	993,343	23,407,850	—	—	66,135,691
Sites, buildings, and equipment	36,841,198	—	—	—	25,432,210	62,273,408
Debt service:						
Principal payments	—	—	—	23,402,558	—	23,402,558
Interest expense	—	—	—	15,148,642	—	15,148,642
Other debt expense	—	—	—	213,853	173,835	387,688
Total expenditures	516,671,134	24,625,168	23,407,850	38,765,053	25,606,045	629,075,250
Excess (deficiency) of revenues over (under) expenditures	13,473,407	679,281	(278,277)	613,883	(25,348,448)	(10,860,154)
Other financing sources (uses):						
Bonds issued	—	—	—	16,240,000	52,000,000	68,240,000
Premium on bonds issued	241,983	—	—	1,317,158	595,148	2,154,289
Interest on proceeds of refunding bonds	—	—	—	325,037	—	325,037
Principal payments by refunded bond escrow agent	—	—	—	(12,065,000)	—	(12,065,000)
Interest payments by refunded bond escrow agent	—	—	—	(110,440)	—	(110,440)
Total other financing (uses) sources	241,983	—	—	5,706,755	52,595,148	58,543,886
Excess (deficiency) of revenue and other financing sources over (under) expenditures	13,715,390	679,281	(278,277)	6,320,638	27,246,700	47,683,732
Fund balance at beginning of year	61,063,434	2,981,820	4,883,323	398,411	27,224,325	96,551,313
Fund balance at end of year	\$ 74,778,824	3,661,101	4,605,046	6,719,049	54,471,025	144,235,045

See accompanying notes to basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

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

Governmental Funds

Year ended June 30, 2011

Total net change in fund balances – Governmental Funds	\$	47,683,732
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in Governmental Funds as expenditures. However, in the statement of activities, those costs are allocated over their estimated useful lives as annual depreciation expense.		
Capital outlays exceeded depreciation expense as follows in the current period:		
Capital outlays	\$ 18,265,870	
Depreciation expense	<u>(17,413,297)</u>	852,573
The statement of activities reports losses arising from the disposal of existing capital assets. Conversely, government funds do not report any gain or loss on the disposal of capital assets.		
		(1,290,653)
Certain revenues in the statement of activities do not provide current financial resources and are not reported as revenues in the Governmental Funds. This consists of current year delinquent property taxes.		
		701,215
Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of net assets:		
Long-term obligations	23,402,558	
Payments to refunded bond escrow agent	<u>12,065,000</u>	35,467,558
Bond proceeds provide current financial resources to the Governmental Funds but increase long-term liabilities in the statement of net assets.		
Bonds issued	(52,000,000)	
Refunding bonds and certificates of participation	<u>(16,240,000)</u>	(68,240,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds:		
Increase in accrued interest expense	(475,522)	
Decrease in accrued compensated absences	657,113	
Increase in accrued compensated absences for early retirement incentive	(5,189,650)	
Amortization of bond issuance costs, premiums, and discounts and deferred amounts on refunding	236,234	
Governmental Funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>(1,718,254)</u>	(6,490,079)
Net other postemployment benefit obligations reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in Governmental Funds until actually due.		
		(17,821,864)
An Internal Service Fund is used by the District’s management to charge the costs of the workers’ compensation insurance program to the individual funds. The net operating income of the Internal Service Fund is reported with governmental activities.		
		<u>1,004,075</u>
Change in net assets of governmental activities	\$	<u><u>(8,133,443)</u></u>

See accompanying notes to basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Statement of Net Assets

Proprietary Fund

June 30, 2011

	Assets	Governmental activities – internal service fund
Cash and short-term investments		\$ 14,038,052
Total assets		<u>\$ 14,038,052</u>
	Liabilities	
Workers' compensation payable		\$ 11,541,294
Total liabilities		<u>11,541,294</u>
	Net Assets	
Net assets:		
Unrestricted		1,500,958
Held in revocable trust for employee benefits		<u>995,800</u>
Total net assets		<u>2,496,758</u>
Total liabilities and net assets		<u>\$ 14,038,052</u>

See accompanying notes to basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Fund

Year ended June 30, 2011

	Governmental activities – internal service fund
Operating revenues:	
Insurance service fees	\$ 3,148,577
Employer contribution	1,000,000
Investment earnings	4,075
Total operating revenues	<u>4,152,652</u>
Operating expenses:	
Claims expense	<u>3,148,577</u>
Total operating expenses	<u>3,148,577</u>
Operating income/change in net assets	1,004,075
Net assets at beginning of year	<u>1,492,683</u>
Net assets at end of year	<u><u>\$ 2,496,758</u></u>

See accompanying notes to basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Statement of Cash Flows

Proprietary Fund

Year ended June 30, 2011

	Governmental activities – internal service fund
Cash flows from operating activities:	
Received from assessments made to other funds	\$ 3,148,577
Received from employer	1,000,000
Investment earnings	4,075
Workers' compensation payments	(3,184,069)
Net cash provided by operating activities	968,583
Cash at beginning of year	13,069,469
Cash at end of year	\$ 14,038,052
Reconciliation of operating income/change in net assets to net cash provided by operating activities:	
Operating income/change in net assets	\$ 1,004,075
Adjustment to reconcile operating income/change in net assets to net cash provided by operating activities:	
Changes in assets and liabilities:	
Workers' compensation payable	(35,492)
Net cash provided by operating activities	\$ 968,583

See accompanying notes to basic financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA

Notes to Basic Financial Statements

June 30, 2011

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

Independent School District No. 625, Saint Paul, Minnesota (the District) is an instrumentality of the state of Minnesota established to function as an educational institution. The Board of Education consists of elected officials and is responsible for legislative and fiscal control of the District. A superintendent is appointed by the Board of Education and is responsible for administrative control of the District.

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 include whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

Based on these criteria, there are no organizations considered to be component units of the District.

Extracurricular student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside of school hours. In accordance with Minnesota Statutes, the District's School Board has elected to control and be financially accountable with respect to the underlying extracurricular activities. Accordingly, the extracurricular student activity accounts are included in these financial statements in the General Fund.

(b) Districtwide and Fund Financial Statements

The districtwide financial statements (i.e., the statement of net assets and statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the District.

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

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

INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA

Notes to Basic Financial Statements

June 30, 2011

Separate fund financial statements are provided for Governmental Funds and proprietary funds. Major individual Governmental Funds are reported as separate columns in the fund financial statements.

The Internal Service Fund is presented in the proprietary fund financial statements. Because the principal user of the internal services is the District's governmental activities, the financial statement of the Internal Service Fund is consolidated into the governmental column when presented in the Districtwide financial statements. The cost of these services is reported in the appropriate functional activity.

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

(c) *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

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

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within 60 days of fiscal year-end. State revenue is recognized in the year to which it applies according to Minnesota Statutes and U. S. generally accepted accounting principles (U.S. GAAP). Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Other revenue is considered available if collected within one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

In governmental funds when an expenditure is incurred that can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure toward restricted fund balance and then to fund balance classifications in the following order to the extent available – committed, assigned, then unassigned.

In applying the provisions of Governmental Accounting Standards Board (GASB) Statement No. 20, the District adopted all applicable GASB pronouncements, as well as all Financial Accounting Standards Board (FASB) statements issued on or before November 30, 1989, with the exception of

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those pronouncements that conflict with GASB pronouncements. The District has elected not to adopt FASB statements and interpretations issued after November 30, 1989.

Funds

The District reports its financial activities through the use of fund accounting. This is a system of accounting wherein transactions are reported in self-balancing sets of accounts to reflect results of activities. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The existence of the various funds of the District has been established by the State of Minnesota, Department of Education. A description of the activities of the various funds is provided below:

Governmental Funds

The District reports the following 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. In the financial statements, the General Fund includes the Elementary and Secondary General Operating Fund and the Fully Financed Programs Fund, excluding amounts relating to community service fully financed programs, which are included in the Community Service Special Revenue Fund.

Community Service Special Revenue Fund – Elementary and Secondary Community Service and Fully Financed Community Service – Reports the activities and restricted and committed revenues and resources relating to the adult education programs, recreation and civic programs, and community programs that are fully financed by federal, state, or private grants.

Food Service Special Revenue Fund – Reports the activities and restricted revenues and resources relating to the school lunch and related programs.

Debt Service Fund – This fund accounts for resources that are restricted, committed, or assigned to repay bond indebtedness incurred to finance major property acquisition, construction, and improvement programs for Elementary and Secondary Schools.

Capital Projects Fund – This fund accounts for resources that are restricted, committed, or assigned for the acquisition and construction of major capital facilities for Elementary and Secondary Schools.

Proprietary Fund

Internal Service Fund – This fund accounts for the activities of the District's workers' compensation self-insurance program and the Other Post-Employment Benefits Revocable Trust.

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(d) *Assets, Liabilities, and Net Assets*

(i) Cash and Investments

The District uses pooled cash and investment accounts. Investments in money market instruments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost, which approximates fair value.

Investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement. Investment income is allocated to the various funds based upon average monthly cash and investment balances.

Cash overdrafts in certain funds are considered short-term advances from other funds within the pool and are reflected as interfund receivables/payables. The fund incurring the overdraft is charged interest.

For purposes of the statement of cash flows, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments with maturities of three months or less from the date of acquisition.

(ii) Receivables

All receivables are shown net of any allowance for uncollectibles. The only receivables not expected to be collected within one year are delinquent property taxes receivable.

(iii) Inventories

Inventory is valued at cost (first-in, first-out) or market and charged to expenditures when used. Inventory in the General Fund consists of textbooks and supplies held for consumption. Inventory in the Food Service Fund consists of food and related preparation supplies for the school nutrition programs.

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(iv) Property Taxes

Property taxes are levied each December and are certified to Ramsey County for collection in the following calendar year. In Minnesota, counties act as collection agents for all property taxes. The county spreads all levies over taxable property. Such taxes become a lien on property on the following January 1. Property taxes are due from taxpayers in two installments payable on May 15 and October 15. The following are the dates the District receives the calendar year 2011 property taxes from Ramsey County:

First half advance of estimated May property tax collections	May 24, 2011
Second half advance of estimated May property tax collections	June 6, 2011
Final May tax settlement	July 5, 2011
First half advance of estimated October property tax collections	October 24, 2011
Second half advance of estimated October property tax collections	November 2, 2011
Final October settlement	December 2, 2011
Final settlement for calendar year	January 25, 2012

The majority of the District's revenue in the General, Community Service, and Debt Service Funds is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between property taxes and state aids by the Legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the "tax shift." Districts are required to recognize a percentage of the tax receipts for the calendar year as revenue for the year ended June 30. State aid is reduced by the amount of revenue recognized early. The remaining portion of the 2011 property taxes is recorded as deferred revenue since the property tax levy collectible in 2011 is intended to finance the subsequent fiscal year. As mandated by legislation, a portion of the property tax levy collectible in 2011, including the Teacher's Retirement Association (TRA) benefit levy, is recognized as revenue in fiscal year 2011.

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is deferred in the fund-based financial statements because it is not known to be available to finance the operations of the District in the current year. Based on ultimate collections experience, no allowance for uncollectible taxes is considered necessary.

(v) Capital Assets

Capital assets have been acquired for school purposes. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of four years. Such assets are recorded at historical cost or estimated historical cost of purchased or constructed assets. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are recorded in the districtwide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over

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their estimated useful lives. Capital assets not being depreciated include land and construction in progress. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Estimated useful lives are as follows:

Land improvements	20 years
Buildings	50 years
Building improvements	25 years
Equipment	5 – 20 years

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

(vi) Long-Term Obligations

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

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

(vii) Compensated Absences – Vacation, Sick Leave, and Severance Pay

Under terms of union contracts, civil service employees are granted vacation and sick leave in varying amounts, portions of which can be carried over to future years. In the event of termination, civil service employees are reimbursed for any vacation earned and unused for the current and prior years. All vacation pay is accrued when incurred in the districtwide financial statements.

Unused sick leave for eligible employees is recorded as severance pay to the extent it is probable that the District will compensate employees for unused sick leave through cash payments upon termination or retirement. Severance pay is reported in the districtwide financial statements. Employees must be 55 years of age or older and must be eligible for pension under provisions of the Saint Paul Teachers Retirement Fund or the Public Employees Retirement Association of Minnesota. Severance pay is calculated at a rate ranging from \$96

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to \$175, depending on the bargaining group, for each day of unused sick leave. The maximum amount of money that any employee may obtain through the severance program is \$23,500.

Funding for severance pay is partially funded through a special levy. Severance pay is recorded as an expenditure when paid.

(viii) Fund Balances

The District adopted GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, (GASB Statement No. 54) effective July 1, 2010. There was no effect on beginning fund balance as a result of the adoption.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance is reported with the following categories:

Nonspendable – Includes amounts that cannot be spent because they are either (a) not in spendable form, such as inventories and prepaids; or (b) legally or contractually required to be maintained intact, such as the corpus of a permanent fund.

Restricted – Includes amounts that have constraints placed on their use by either (a) externally imposed restrictions, such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – Includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board of Education.

Assigned – Includes all amounts that are constrained by the District's intent to use for specific purposes, but are neither restricted or committed.

Unassigned – Represents the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. For other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, a negative unassigned fund balance can result.

Committed Fund Balance Policy

The District's committed fund balances are established as required by the Board of Education, either because of policy in the Policy Manual, or because of motions that passed at meetings of the Board of Education.

Assigned Fund Balance Policy

The District's assigned fund balances are established through Board of Education authority, under the direction of the Chief Business Officer.

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Minimum Fund Balance Policy

The District's Policy Manual states:

1. The administration shall plan and manage annual revenue and expenditure budgets that provide an unassigned general fund balance of at least five percent (5%) of annual general fund expenditures.
2. If the unassigned general fund balance should fall below five percent of annual general fund expenditures within a given year or the next succeeding year, the Superintendent shall alert the Board to the circumstances and recommend appropriate short-term actions to maintain the desired balance.

(ix) Net Assets

Net assets represent the difference between assets and liabilities in the districtwide financial statements. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net assets are reported as restricted in the districtwide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

(e) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Cash and Short-Term Investments

(a) Deposits

In accordance with Minnesota Statutes, the District maintains deposits at those depository banks authorized by the Board of Education. All such depositories are members of the Federal Reserve System.

Minnesota Statutes require that all the District's deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110% 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 deposits. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve

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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.

Deposit balances, including internal service funds, at June 30, 2011 are as follows:

	Carrying amount	Bank balance
Total bank deposits (checking and savings)	\$ 10,345,517	11,165,338

At June 30, 2011, all deposits for the District were insured or collateralized by securities held by the District's agent in the District's name.

(b) Investments

Minnesota Statutes authorize the District to invest in the following types of investments:

- (1) Direct obligations or obligations guaranteed by the United States or its agencies.
- (2) Shares of investment companies registered under the Federal Investment Company Act of 1940 whose only investments are securities described in (1) above.
- (3) General obligations of the State of Minnesota or any of its municipalities.
- (4) Banker's acceptances of U.S. banks eligible for purchase by the Federal Reserve System.
- (5) Commercial paper issued by U.S. corporations or their Canadian subsidiaries, of the highest quality and maturing in 270 days or less.
- (6) Guaranteed investment contracts issued or guaranteed by U.S. commercial banks or domestic branches of foreign banks or U.S. insurance companies or their subsidiaries.
- (7) Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker/dealers.
- (8) Future contracts sold under authority of Minnesota Statutes 471.56, subd. 5.

The District does not have any investment policies that would further limit investment choices.

The District's investments are potentially subject to various risks including the following:

- Custodial credit risk – The risk that in the event of a failure of the counterparty to an investment transaction (typically, a brokerage firm or financial institution), the government would not be able to recover the value of the investment or collateral securities.

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- Credit risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations.
- Concentration risk – Investing 5% or more of the District’s portfolio in the securities of a single issuer. This disclosure excludes U.S. government securities that are explicitly guaranteed by the U.S. government.
- Interest rate risk – The risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk).

The District’s investment policy does not address the various risks noted above.

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The following table presents the District's deposit and investment balances at June 30, 2011 and information relating to potential investment risks:

	<u>Interest rate risk</u>		<u>Concentration risk</u>	<u>Credit risk</u>	
	<u>Maturities less than 1 year</u>	<u>1-5 years</u>	<u>Over 5% of portfolio</u>	<u>Credit rating S&P's moody's</u>	<u>Carrying value</u>
Investment pool					
Minnesota School District					
Liquid Asset Fund	N/A	—	N/A	AAA	\$ 93,512,405
Money market funds	N/A	—	N/A	—	431,850
Mutual Funds	N/A	N/A	NR	NR	272,620
Government securities:					
Federal Farm Credit Bank	—	37,377	AAA	AAA	37,377
Federal Home Loan Mortgage Corporation	—	15,522	AAA	AAA	15,522
Commercial paper:					
Blackrock Inc.	—	26,347	A+	A1	26,347
Burlington Res Fin Co	30,741	—	A	A2	30,741
Citigroup Inc.	—	26,542	A	A3	26,542
eBay Inc.	—	24,428	A	A2	24,428
Goldman Sachs Group Inc.	—	25,457	A	A1	25,457
Google Inc.	—	25,120	AA-	AA2	25,120
HSBC Finance Corporation	25,292	—	A	A3	25,292
JP Morgan Chase & Company	—	26,418	A+	AA3	26,418
Lilly Eli & Company	—	29,486	AA-	A2	29,486
Lowe's Companies Inc	—	28,221	A	A1	28,221
Morgan Stanley	—	25,963	A	A2	25,963
Royal Bank of Canada	—	25,571	AA-	AA1	25,571
Toyota Motor Credit Corporation	—	25,171	AA-	AA3	25,171
Verizon Global Corporation	—	26,886	A-	A3	26,886
Total investments					94,641,417
Deposits					10,345,517
Total deposits and investments					<u>\$ 104,986,934</u>

N/A Not applicable

N/A Not rated

The Minnesota School District Liquid Asset Fund is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the same regulatory rules of the SEC under Rule 2a7. The fair value of the position in the pool is the same as the value of the pool shares.

(3) Restricted Cash and Investments

At June 30, 2011, \$71,329,118 of cash, money market accounts, and commercial paper were held in escrow accounts for the District. These funds are the proceeds of the certificates of participation and

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general obligation bonds issued for the District's acquisition and renovation of instructional facilities and cash with fiscal agent for bond refunding payments. At June 30, 2011, all deposits of restricted cash for the District were insured or collateralized by securities held by the District's agent in the District's name.

The commercial paper consists of one issue, U.S. Bank NA, with maturity date of September 27, 2011 and credit rating of A1+ by S&P and P1 by Moody's. Carrying value of the investment is \$6,593,400 at June 30, 2011.

(4) Receivables

Receivables due from other governmental units at June 30, 2011 consist of the following:

	<u>General</u>	<u>Community service</u>	<u>Food service</u>	<u>Debt service</u>	<u>Capital projects</u>	<u>Total</u>
Minnesota Department of Education categorical aid	\$ 124,977,343	4,094,357	272,999	3,213,956	33,181	132,591,836
Minnesota Department of Education, principally pass-through federal assistance	9,153,253	580,731	37,753	—	—	9,771,737
Tuition reimbursement	857,946	—	—	—	—	857,946
Federal government direct assistance	1,472,195	—	—	—	—	1,472,195
Other	262,329	38,159	—	—	—	300,488
	<u>\$ 136,723,066</u>	<u>4,713,247</u>	<u>310,752</u>	<u>3,213,956</u>	<u>33,181</u>	<u>144,994,202</u>

(5) Capital Assets

Capital assets activity for the year ended June 30, 2011 is as follows:

	<u>Land</u>	<u>Construction in progress</u>	<u>Total</u>
Capital assets not being depreciated:			
Cost at June 30, 2010	\$ 26,016,335	10,017,485	36,033,820
Additions and transfers in	—	17,720,292	17,720,292
Deletions and transfers out	(465)	(16,686,101)	(16,686,566)
Cost at June 30, 2011	<u>\$ 26,015,870</u>	<u>11,051,676</u>	<u>37,067,546</u>

	<u>Land improvements</u>	<u>Buildings</u>	<u>Building improvements</u>	<u>Equipment</u>	<u>Total</u>
Capital assets being depreciated:					
Cost at June 30, 2010	\$ 17,445,353	335,589,332	241,624,528	15,491,895	610,151,108
Additions and transfers in	2,040,390	—	14,608,777	582,512	17,231,679
Deletions and transfers out	—	(2,537,685)	—	(131,248)	(2,668,933)
Cost at June 30, 2011	<u>\$ 19,485,743</u>	<u>333,051,647</u>	<u>256,233,305</u>	<u>15,943,159</u>	<u>624,713,854</u>

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Accumulated depreciation activity for the year ended June 30, 2011 is as follows:

	<u>Land improvements</u>	<u>Buildings</u>	<u>Building improvements</u>	<u>Equipment</u>	<u>Total</u>
Accumulated depreciation at June 30, 2010	\$ 7,875,935	141,503,079	87,000,540	12,167,165	248,546,719
Additions	874,487	6,353,722	9,198,339	986,749	17,413,297
Deletions	—	(1,296,391)	—	(82,354)	(1,378,745)
Accumulated depreciation at June 30, 2011	<u>\$ 8,750,422</u>	<u>146,560,410</u>	<u>96,198,879</u>	<u>13,071,560</u>	<u>264,581,271</u>
Total capital assets being depreciated, net	\$ 10,735,321	186,491,237	160,034,426	2,871,599	360,132,583

Depreciation expense of \$17,413,297 for the year ended June 30, 2011 was charged to the following governmental functions:

Administration	\$ 151,992
District support services	551,297
Elementary and secondary regular instruction	16,225,435
Special education instruction	217,850
Instructional support services	47,660
Pupil support services	58,232
Community service	160,831
Total depreciation expense	<u>\$ 17,413,297</u>

At June 30, 2011, the District had approximately \$16,921,306 in outstanding construction commitments.

(6) Aid Anticipation Certificate

During fiscal 2011, the District participated in the Minnesota Tax and Aid Anticipation Borrowing Program to provide needed cash flow due to the timing of the State of Minnesota payments. Aid anticipation certificate with interest rate of 2% outstanding at June 30, 2011 was \$78,705,542.

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(7) Long-Term Liabilities

(a) Change in Long-Term Liabilities

During the fiscal year ended June 30, 2011, the following changes occurred in long-term liabilities:

	Balance, June 30, 2010	Additions	Retirements	Balance, June 30, 2011	Due within one year
General obligation bonds	\$ 273,650,000	62,355,000	(23,895,000)	312,110,000	18,445,000
Certificates of participation	37,613,776	5,885,000	(11,572,558)	31,926,218	5,706,950
Add (less) unamortized discount/premium	5,966,038	1,912,307	(474,664)	7,403,681	—
(Less) add deferred amounts on refunding	(583,259)	(175,010)	377,787	(380,482)	—
Total long-term obligations	316,646,555	69,977,297	(35,564,435)	351,059,417	24,151,950
Compensated absences:					
Severance pay	10,742,481	1,779,429	(3,163,009)	9,358,901	9,358,901
Vacation pay	4,829,553	3,997,234	(3,270,767)	5,556,020	5,556,020
Early retirement incentive pay	—	5,189,650	—	5,189,650	828,923
	<u>\$ 332,218,589</u>	<u>80,943,610</u>	<u>(41,998,211)</u>	<u>371,163,988</u>	<u>39,895,794</u>

Severance and vacation pay are primarily liquidated by the fund incurring the liability.

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(b) Components of Long-Term Liabilities

(i) General Obligation Bonds Payable

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds were issued for school improvement, acquisition, and construction programs. General obligation bonds outstanding at June 30, 2011 include:

<u>Date of issue</u>	<u>Date of final maturity</u>	<u>Coupon rate percentage</u>	<u>Amount of original issue</u>	<u>Outstanding at June 30, 2011</u>
8/1/2001	2/1/2021	4.0% – 5.0%	\$ 5,000,000	2,900,000
8/1/2001	2/1/2021	4.0% – 5.0%	15,000,000	8,885,000
8/1/2002	2/1/2023	3.0% – 5.0%	11,000,000	7,760,000
8/1/2002	2/1/2023	3.0% – 5.0%	15,000,000	10,655,000
3/31/2003	2/1/2024	3.0% – 4.5%	11,000,000	8,045,000
3/31/2003	2/1/2024	3.5% – 4.5%	15,000,000	10,980,000
12/1/2004	2/1/2025	3.0% – 5.0%	25,335,000	19,770,000
3/31/2003	2/1/2017	3.5% – 4.5%	29,055,000	14,855,000
12/1/2005	2/1/2026	4.0% – 5.0%	24,995,000	20,760,000
12/1/2005	2/1/2021	4.0% – 5.0%	44,290,000	37,130,000
11/1/2006	2/1/2021	4.0% – 5.0%	24,760,000	21,620,000
11/1/2007	2/1/2028	4.0% – 5.0%	25,630,000	23,270,000
12/1/2008	2/1/2029	3.0% – 5.0%	25,800,000	24,300,000
12/18/2008	2/1/2018	3.5% – 4.5%	11,345,000	6,825,000
12/15/2009	2/1/2020	2.0% – 4.0%	9,790,000	9,460,000
12/15/2009	2/1/2015	3.0% – 5.0%	8,300,000	6,425,000
12/23/2009	12/15/2015	1.585%	16,115,000	16,115,000
10/1/2010	2/1/2021	3.0% – 4.0%	10,355,000	10,355,000
11/17/2010	2/1/2031	0.9% – 4.9%	7,750,000	7,750,000
11/17/2010	2/1/2027	5.075%	18,250,000	18,250,000
6/11/2011	2/1/2028	3.0% – 4.0%	26,000,000	26,000,000
			<u>\$ 379,770,000</u>	<u>312,110,000</u>

The District's legal debt limit is 15% of the fair market value of the property within the District, totaling \$2,840,204,760 at June 30, 2011. The District's legal debt margin at June 30, 2011 is \$2,500,310,809.

At June 30, 2011, \$128,660,000 of defeased general obligation debt is outstanding.

(ii) Certificates of Participation

The District has entered into installment purchase contracts to acquire and renovate facilities for instructional purposes through certificates of participation issued by independent vendors in the District's name. These certificates are full faith and credit obligations of the District and

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have been recorded as long-term obligations issued for capital projects in the financial statements. Certificates of participation outstanding at June 30, 2011 include:

<u>Date of issue</u>	<u>Date of final maturity</u>	<u>Coupon rate percentage</u>	<u>Amount of original issue</u>	<u>Certificates outstanding</u>
2/1/1990	2/1/2010	5.90% – 7.10%	\$ 23,148,543	1,551,557
2/1/1993	2/1/2013	5.70% – 6.375%	4,000,000	650,000
1/7/1993	1/1/2017	5.40% – 6.35%	5,603,508	1,304,661
11/1/2006	2/1/2018	4.00%	14,420,000	8,785,000
11/1/2006	2/1/2016	4.00%	9,370,000	6,535,000
1/29/2009	2/1/2019	3.50% – 4.25%	8,715,000	7,215,000
6/15/2011	2/1/2021	3.0% – 4.0%	5,885,000	5,885,000
			<u>\$ 71,142,051</u>	<u>31,926,218</u>

(c) **Minimum Debt Service Payments**

Annual debt service requirements to maturity for the bonds and certificates of participation are as follows:

	<u>Bonds</u>		<u>Certificates</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year ending June 30:						
2012	\$ 18,445,000	11,786,364	5,706,950	3,145,875	24,151,950	14,932,239
2013	21,175,000	11,672,227	5,794,469	3,068,525	26,969,469	14,740,752
2014	21,075,000	10,785,937	5,541,173	2,912,215	26,616,173	13,698,152
2015	20,190,000	9,899,075	5,689,519	2,756,070	25,879,519	12,655,145
2016	19,795,000	9,058,512	3,990,476	979,712	23,785,476	10,038,224
2017 – 2021	91,385,000	32,520,480	5,203,631	1,009,641	96,588,631	33,530,121
2022 – 2026	75,700,000	14,374,685	—	—	75,700,000	14,374,685
2027 – 2031	42,465,000	2,769,085	—	—	42,465,000	2,769,085
2032 – 2035	1,880,000	75,200	—	—	1,880,000	75,200
	<u>\$ 312,110,000</u>	<u>102,941,565</u>	<u>31,926,218</u>	<u>13,872,038</u>	<u>344,036,218</u>	<u>116,813,603</u>

(d) **General Obligation Bonds and Certificates of Participation Issued**

During fiscal year 2011, the District issued \$7,750,000 in General Obligation Build America Bonds, Series 2010B, \$18,250,000 in Qualified School Construction Bonds, Series 2010C, and \$26,000,000 in General Obligation School Building Bonds, Series 2011A. The proceeds will be used to finance various deferred maintenance and repair projects, health and safety projects, handicapped accessibility projects, and betterment of school facilities.

During fiscal year 2011, the District issued \$10,355,000 Series 2010A General Obligation School Building Refunding Bonds. The proceeds will be used to finance the refunding of the 2001B and 2001C General Obligation Refunding Bonds in February 2012.

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During fiscal year 2011, the District issued \$5,885,000 Series 2011B Refunding Full Faith and Credit Certificates of Participation. The proceeds were used to finance the refunding of the 2002E Refunding Certificates of Participation. For the 2011B issue, the refunding resulted in a difference between the reacquisition price and the net carrying value of the old debt of \$175,010. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2015. The 2011B Refunding issue was undertaken to reduce the total debt service payments over the next four years by a net amount of \$345,436 and resulted in an economic gain in present value dollars of \$339,399.

(8) Early Retirement Incentive Payable

During fiscal year 2011, the District implemented an early retirement incentive (ERI) for 117 eligible employees (teachers, educational assistants, and principals), obligating the District to termination benefits over the next 5 years. Sixty equal monthly installments will be paid to the Independent School District No 625 403(b) Tax-Deferred Retirement Plan for Sheltering Severance Pay and Vacation Pay. Employer contributions will begin on October 21, 2011.

The present value cost of expected future benefit payments of the termination benefits under the ERI over the five-year period, discounted at 2.5%, is \$5,189,650 and is recorded in the Districtwide statements as a long-term liability.

(9) Postemployment Benefits Other than Pensions

The cost of postemployment healthcare benefits, from an accrual account perspective, similar to the cost of pension benefits, should be associated with the periods in which the employee renders service, rather than in the future year when it will be paid. In accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (GASB No. 45), the District recognizes the cost of postemployment healthcare in the year the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the District's future cash flows. Recognition of the liability accumulated from prior years will be amortized over 30 years.

(a) Plan Description

The District provides postemployment healthcare benefits to certain eligible employees. The District provides these benefits in a single-employer defined benefit healthcare plan administered by the District. All of the postemployment benefits are based on contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements.

Employees who retire before age 65 and meet the eligibility requirements for health insurance shall continue to be provided health insurance contributions by the District until such employees reach 65 years of age. Employees hired into the District before January 1, 1996 and who retired prior to January 1, 1998, upon reaching age 65 and meeting the service eligibility requirements, shall receive, at no cost to the retiree, health insurance premium coverage for the remainder of the retiree's and dependent's life. Employees hired into the District before January 1, 1996 and who retire on or after January 1, 1998, upon reaching age 65 and meeting the service eligibility requirements, shall

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continue to receive the District's contribution toward health insurance premiums for the remainder of the retiree's and dependent's lives. Premium contributions for such policy will not exceed \$300 per month for single coverage and \$400 per month for family coverage. Premium contributions for non-Medicare-eligible employees will not exceed \$400 per month for single coverage and \$500 per month for family coverage. Employees hired on or after January 1, 1996 shall not have and acquire in any way any eligibility for District-paid health insurance premium contributions for coverage in retirement at age 65 and over.

(b) Funding Policy

The required contribution is based on a projected pay-as-you-go financing requirement.

(c) Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The District's OPEB cost for the current year and the related information is as follows at June 30, 2011:

Annual required contribution (ARC)	\$	33,221,465
Interest on net OPEB obligation		1,263,262
Adjustment to ARC		<u>(2,414,226)</u>
Annual OPEB cost (expense)		32,070,501
Contributions made		<u>(14,248,637)</u>
Increase in net OPEB obligation		17,821,864
Net OPEB obligation, beginning of year		<u>51,619,118</u>
Net OPEB obligation, end of year	\$	<u><u>69,440,982</u></u>

(d) Three-Year Trend Information

Fiscal year ended	Annual OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB obligation
June 30, 2011	\$ 32,070,501	44.40%	\$ 69,440,982
June 30, 2010	30,006,082	45.20	51,619,118
June 30, 2009	28,257,841	38.40	35,172,982

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(e) Funded Status and Funding Progress

As of January 1, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$409,602,151 resulting in an unfunded actuarial accrued liability (UAAL) of \$409,602,151. The covered payroll (annual payroll of active employees covered by the plan) was \$298,996,320 and the ratio of UAAL to covered payroll was 137.0%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, as presented below as required supplementary information, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

(f) Schedule of Funding Progress – Unaudited Required Supplementary Information

Analysis of the District’s funding status is as follows:

Actuarial valuation date	Actuarial value of plan assets	Actuarial accrued liability (AAL)	Plan assets less than AAL	Funded ratio	Covered payroll	Plan assets less than AAL as of a percentage of covered payroll
January 1, 2009	\$ —	409,602,151	409,602,151	—%	\$ 298,996,320	137.0%
January 1, 2007	—	312,955,987	312,955,987	—	214,378,153	68.5
January 1, 2006	N/A	N/A	N/A	N/A	N/A	N/A

(g) 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 AAL and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 2.5% investment rate of return, which is a long-term rate of return on general account assets, and an annual inflation rate and annual healthcare cost trend rate of 8.5% in 2009, reduced 0.5% each year until it reaches an annual rate of 5.0% in 2016. The UAAL is being amortized over a 30-year period on a level-dollar method.

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(h) *Post-Employment Benefits Revocable Trust*

During fiscal year 2011, the Other Post-Employment Benefits Revocable Trust Internal Service Fund was established to fund OPEB in accordance with standards described in GASB Statement Nos. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and 45. This revocable trust fund was established in April 2011 to provide a source of funds to fund current and future benefit obligations to employees. As of June 30, 2011, this fund has net assets of \$995,800. The assets held in this fund are dedicated for the purpose of paying the District's OPEB obligations.

(10) Joint Powers Agreement

(a) *Metropolitan Learning Alliance*

The District has formed a joint powers entity (Metropolitan Learning Alliance (MLA)) with four metropolitan area districts. The purpose of such agreement is to jointly and cooperatively establish educational programming at the Mall of America for research and development of lifelong learning and outcome-based education. This educational programming is being accomplished in collaboration with the Mall of America business community. The MLA board of trustees consists of twelve members. Five of the members have voting rights. The five voting members are the School Board members who have been designated as representatives by and for the respective districts. The remaining seven are the superintendents of the respective schools and two persons designated by the Mall of America business community.

Each district is responsible for funding MLA on a per-pupil basis with respect to the enrollment or participation in MLA educational programming by pupils residing within the geographical boundaries of each respective district. It is the intent that each district's respective per-pupil MLA expenditures not exceed like expenditures for pupils enrolled in each respective district's own educational programming, excluding capital expenditure aid, referendum revenue, and intradistrict integration grants. It is the intent that grants and donations from other governmental and nongovernmental entities shall be a major source of MLA funding.

(b) *East Metro Integration District*

The District is a member of the East Metro Integration District (District 6067) that includes 10 area districts. Each district is responsible for funding on a per-pupil basis for pupils residing within the geographic boundaries of each district. The Joint Powers Board for District 6067 consists of two representatives selected by each of the member school districts. Each representative of the Joint Powers Board from a member school district shall be entitled to cast one vote.

(11) Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees (workers' compensation); and natural disasters. To mitigate these risks, the District has obtained general liability insurance through Berkley Risk Administrators (limited to \$1,500,000 each occurrence) along with property and casualty insurance through Travelers Insurance Company (\$250,000 deductible per occurrence). The property and casualty insurance plan requires quarterly premiums with no additional assessments. Travelers Insurance Company

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has obtained a reinsurance policy. Settlement claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage in fiscal year 2011.

Workers' compensation coverage is self-insured by the District and is administered by a third-party administrator, Cannon Cochran Management Services, Inc. (CCMSI). The District is a member of the Workers' Compensation Reinsurance Association (WCRA); an independent, nonprofit organization established by the State Legislature, governed by its own board of directors, and regulated by the Department of Labor and Industry. The WCRA reimburses the District for all statutory workers' compensation loss payments in excess of the chosen retention limit on a per-occurrence basis. The District's current WCRA retention level is \$1,800,000. The District pays quarterly premiums to WCRA and is subject to additional assessments. Changes in the estimated workers' compensation liability during the past two years are as follows:

	2011	2010
Estimated liability at beginning of year	\$ 11,576,786	10,973,109
Increased claims (including IBNR)	3,148,577	3,364,041
Administrative payments	(143,923)	(148,348)
Claim payments	(3,040,146)	(2,612,016)
Estimated liability at end of year	\$ 11,541,294	11,576,786

The District carries group employer insurance for employee health and dental coverage.

(12) Defined Benefit Pension Plans

The St. Paul Teachers' Retirement Fund Association (SPTRFA) is a single-employer pension plan. The Public Employees Retirement Association (PERA) is a cost-sharing multiple employer pension plan. Substantially all employees of the District are required by state law to belong to pension plans administered by the SPTRFA or PERA.

(a) *St. Paul Teachers Retirement Fund Association*

Plan Description

All licensed employees are required to participate in the SPTRFA plan. Licensed employees belong to either the Coordinated or the Basic Plan. Coordinated members are covered by Social Security and Basic members are not. Benefits are established by State Statute or SPTRFA bylaws.

SPTRFA provides retirement benefits, as well as death and disability benefits. All benefits vest after three years of credited service. Members first employed before July 1, 1989 are Tier I members but have the option of a Tier II benefit if this benefit is greater. All members first employed after June 30, 1989 are Tier II members. Normal retirement age in Tier I is 65. Normal retirement age in Tier II is 65 or the age in which a member becomes eligible for an unreduced Social Security benefit. In addition, the Tier I age and service requirements for unreduced benefits are the Rule of 90 or

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age 62 with 30 or more years of service in the Coordinated Plan, or age 60 with 25 years or more of service in the Basic Plan.

Employees in the Basic Plan with three years of credited service may retire at age 55 or older and receive a reduced retirement benefit. Employees in the Coordinated Plan with three years of credited service may retire at age 55 or older or at any age with 30 years of service and receive a reduced retirement benefit. Benefits are based upon the following formula percentages:

	<u>Coordinated Plan member</u>	<u>Basic Plan member</u>
Tier I:		
Each year of service during the first 10 years	1.2% per year	2.0% per year
Each year of service thereafter (up to a maximum of 40 years)	1.7% per year	2.0% per year
Tier II:		
All years of service	1.7% per year	2.5% per year

The formula percentage is applied to the average of the highest five successive annual salaries for Coordinated Plan members and the best five years during the 10 most current years for Basic Plan members. The benefit is payable for life with five available annuity payment plans.

SPTRFA issues a publicly available financial report that includes financial statements and required supplementary information for SPTRFA. That report may be obtained by writing to SPTRFA, 1619 Dayton Avenue, Room 309, St. Paul, Minnesota 55104, or by calling 651-642-2550.

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Funding Policy and Annual Pension Cost

The District makes annual required contributions to the pension plans. The annual required contributions are actuarially determined. The District and the State are required by statute to make contributions, all of which have been made. The District's annual pension cost for the current fiscal year and related information is as follows:

	<u>Basic Plan</u>	<u>Coordinated Plan</u>
Contribution rates:		
Employees	8.00%	5.50%
District	11.64%	8.34%
Annual pension cost	\$ 728,828	20,924,608
Contributions made	672,724	19,243,064
Actuarial valuation date	July 1, 2010	July 1, 2010
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percent of pay, assuming 5% payroll growth	Level percentage of pay, assuming 5% payroll growth
Remaining amortization period	25 years	25 years
Asset valuation method	Market value, adjusted for amortization obligations receivable at end of each fiscal year, less a percentage of unrecognized asset return determined at close of each of the four preceding fiscal years.	Market value, adjusted for amortization obligations receivable at end of each fiscal year, less a percentage of unrecognized asset return determined at close of each of the four preceding fiscal years.
Actuarial assumptions:		
Investment rate of return	8.50%	8.50%
Projected salary increases	Based on a 10-year select and ultimate rate table with rates ranging from 5.0 – 6.9%, age and service based	Based on a 10-year select and ultimate rate table with rates ranging from 5.0 – 6.9%, age and service based
Cost-of-living adjustments	0% at 1/1/11 (actual) assumed 2% thereafter	0% at 1/1/11 (actual) assumed 2% thereafter

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Three-Year Trend Information

	<u>Year ended</u>	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Net pension obligation</u>
Basic Plan	June 30, 2009	\$ 1,171,988	94%	\$ 75,604
	June 30, 2010	907,077	92	65,255
	June 30, 2011	728,828	92	56,104
Coordinated Plan	June 30, 2009	20,361,191	93	1,363,791
	June 30, 2010	20,568,865	92	1,532,589
	June 30, 2011	20,924,608	92	1,681,544

Schedule of Funding Progress (Unaudited)

Actuarial information with regard to the SPTRFA is presented below. All amounts are expressed in thousands of dollars.

<u>Actuarial valuation date</u>	<u>Actuarial value of assets (a)</u>	<u>AAL – entry age (b)</u>	<u>UAAL (b – a)</u>	<u>Funded ratio (a/b)</u>	<u>Annual covered payroll (c)</u>	<u>UAAL as a percentage of covered payroll (b – a)/c)</u>
July 1, 2008	\$ 1,075,951	1,432,040	356,089	75.13	\$ 235,993	150.89%
July 1, 2009	1,049,954	1,454,314	404,360	72.20	243,166	166.29
July 1, 2010	1,001,444	1,471,630	470,186	68.05	239,996	195.91

(b) Public Employees Retirement Association

Plan Description

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

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

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

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Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first 10 years of service and 2.7% for each remaining year. The annuity accrual rate for Coordinated Plan members is 1.2% of average salary for each of the first 10 years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service.

For all GERS members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 65 for Basic and Coordinated Plan members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated Plan members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

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

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

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERS. That report may be obtained on the Internet at www.mnpera.org, by writing to PERA, 60 Empire Drive, #200, St. Paul, Minnesota 55103-2088, or by calling 651-296-7460 or 1-800-652-9026.

Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The District makes annual contributions to the pension plan equal to the amount required by State Statute. GERS Basic Plan members and Coordinated Plan members are required to contribute 9.10% and 6.00%, respectively, of their annual covered salary. The District is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan GERS members and 6.75% for Coordinated Plan GERS members. The District's contributions for the years ended June 30, 2011, 2010, and 2009 were \$6,421,530, \$6,364,310, and \$6,247,038, respectively, equal to the contractually required contributions for each year as set by State Statute.

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June 30, 2011

(13) Subsequent Event

Due to the State of Minnesota's July 1, 2011 changes to the District's aid payments (shifting from 70/30 to 60/40), the District analyzed its cash flow impact and sought another short-term borrow through the Minnesota Tax and Aid Anticipation Borrowing Program. On August 25, 2011, the District received proceeds in the net amount of \$55,578,749 on Aid Anticipation Certificates of Participation, Series 2011B. The principal and interest are due on September 9, 2012.

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Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
General Fund and Major Special Revenue Funds

Year ended June 30, 2011

	General			Community service			Food service		
	Budgeted amounts		Actual	Budgeted amounts		Actual	Budgeted amounts		Actual
	Original	Final		Original	Final		Original	Final	
Revenues:									
Local sources:									
Property taxes	\$ 71,741,220	99,878,305	95,647,230	3,503,735	3,503,735	5,246,521	60,000	60,000	15,338
County and other	8,952,064	13,677,651	12,496,747	5,611,259	6,963,072	7,040,580	—	—	—
State	378,283,499	353,231,751	356,841,490	11,480,179	12,623,161	10,798,394	1,040,000	1,040,000	1,118,273
Federal	53,858,623	75,272,462	64,725,871	1,153,007	2,404,277	2,211,628	18,700,000	18,700,000	19,451,422
Investment earnings	137,656	83,965	62,738	—	—	3,030	3,000	3,000	2,984
Sales and conversions of assets	13,300	456,393	389,114	—	—	4,296	3,097,000	3,097,000	2,541,556
Total revenues	512,986,362	542,600,527	530,163,190	21,748,180	25,494,245	25,304,449	22,900,000	22,900,000	23,129,573
Expenditures:									
Current:									
District administration	19,762,915	18,452,895	18,089,163	—	—	—	—	—	—
District support	16,547,545	16,840,631	13,908,507	—	—	—	—	—	—
Regular instruction	250,996,098	271,423,956	260,624,335	—	56,673	52,064	—	—	—
Vocational instruction	1,072,541	2,745,036	4,652,554	—	—	—	—	—	—
Exceptional instruction	108,304,557	113,244,152	110,598,098	—	—	—	—	—	—
Community education services	—	—	—	21,592,668	24,922,050	23,579,761	—	—	—
Instructional support	30,039,550	32,966,875	30,222,781	—	—	—	—	—	—
Pupil support services	47,801,277	45,756,703	41,734,498	655,512	1,042,993	993,343	22,749,700	22,749,700	23,407,850
Capital outlay:									
Sites, buildings, and equipment	38,961,879	40,580,431	36,841,198	—	—	—	—	—	—
Total expenditures	513,486,362	542,010,679	516,671,134	22,248,180	26,021,716	24,625,168	22,749,700	22,749,700	23,407,850
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(500,000)	589,848	13,492,056	(500,000)	(527,471)	679,281	150,300	150,300	(278,277)
Other financing sources (uses):									
Premium on aid anticipation certificates	—	—	223,334	—	—	—	—	—	—
Total other financing sources	—	—	223,334	—	—	—	—	—	—
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(500,000)	589,848	13,715,390	(500,000)	(527,471)	679,281	150,300	150,300	(278,277)
Fund balances at beginning of year			61,063,434			2,981,820			4,883,323
Fund balances at end of year			\$ 74,778,824			\$ 3,661,101			\$ 4,605,046

See accompanying independent auditors' report.

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Note to Required Supplementary Information

June 30, 2011

Budgetary Information

The budget for the General Fund, Community Service, and Food Service Special Revenue Funds is prepared on the same basis of accounting as the financial statements and lapses at year-end.

These procedures are followed in establishing the budgetary data reflected in the required supplementary information:

- In September, the Board of Education appoints members to the Citizens' Budget and Finance Advisory Committee (CBFAC).
- The Board of Education adopts the guidelines and the budget calendar.
- From February through April, the administration and schools prepare the budget.
- The Board's Committee of the Board reviews the citizens' recommendations and the administration's responses. The administration recommends the budget.
- The Board's Committee of the Board reports at a June regular board meeting regarding the budget recommendations and adopts the budget, which is detailed in a separate budgetary report.
- The Superintendent and the Chief Business Officer are authorized to transfer budgeted amounts within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Budgeted amounts include three budget amendments that increased the District's total revenue and expenditure budgets by \$33,360,230 and \$32,297,853, respectively. Unencumbered expenditure appropriations lapse at year-end. Encumbrances outstanding at year-end are reported as assigned fund balances since they do not represent expenditures or liabilities. Encumbrances outstanding at year-end are reappropriated in the ensuing year's budget, and the related expenditures are recorded in the ensuing year.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

General Fund

Combining Balance Sheet

June 30, 2011

Assets	<u>General fund accounts</u>	<u>Fully financed general fund accounts</u>	<u>Total</u>
Cash and short-term investments	\$ 79,061,177	(2,252,021)	76,809,156
Receivables:			
Property taxes	49,465,086	—	49,465,086
Due from other governmental units	126,215,533	10,507,533	136,723,066
Other	169,668	582,759	752,427
Due from other funds	—	—	—
Inventories, principally at cost	250,049	—	250,049
Prepaid expenses	1,072,661	77,689	1,150,350
Total assets	<u>\$ 256,234,174</u>	<u>8,915,960</u>	<u>265,150,134</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ 9,359,798	1,593,507	10,953,305
Accrued expenses	40,770,789	3,020,756	43,791,545
Aid anticipated certificate payable	78,705,542	—	78,705,542
Due to other governmental units	471,924	—	471,924
Due to other funds	—	—	—
Amounts held for school activities	2,710,840	—	2,710,840
Deferred revenue:			
Property taxes	48,205,419	—	48,205,419
Other	1,231,038	4,301,697	5,532,735
Total liabilities	<u>181,455,350</u>	<u>8,915,960</u>	<u>190,371,310</u>
Fund balance:			
Nonspendable for inventory and prepaid expenses	1,322,710	77,689	1,400,399
Restricted for:			
Operating capital	5,428,010	—	5,428,010
Area learning center	1,896,855	—	1,896,855
Committed to:			
Severance pay	2,538,018	—	2,538,018
Retiree health insurance	22,377,730	—	22,377,730
Assigned to:			
Contractual obligations	181,636	—	181,636
Next year operations	7,958,664	—	7,958,664
Encumbrances	3,503,346	—	3,503,346
Unassigned	29,571,855	(77,689)	29,494,166
Total fund balance	<u>74,778,824</u>	<u>—</u>	<u>74,778,824</u>
Total liabilities and fund balance	<u>\$ 256,234,174</u>	<u>8,915,960</u>	<u>265,150,134</u>

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

General Fund Accounts

Balance Sheet

June 30, 2011

Assets

Cash and short-term investments	\$ 79,061,177
Receivables:	
Property taxes	49,465,086
Due from other governmental units	126,215,533
Interest	—
Other	169,668
Due from other funds	—
Inventories, principally at cost	250,049
Prepaid expenses	1,072,661
	<u>256,234,174</u>
Total assets	\$ <u>256,234,174</u>

Liabilities and Fund Balance

Liabilities:	
Accounts payable	\$ 9,359,798
Accrued expenses	40,770,789
Aid anticipated certificate payable	78,705,542
Due to other governmental units	471,924
Due to other funds	—
Amounts held for school activities	2,710,840
Deferred revenue:	
Property taxes	48,205,419
Other	1,231,038
	<u>181,455,350</u>
Total liabilities	\$ <u>181,455,350</u>
Fund balance:	
Nonspendable for inventory and prepaid expenses	1,322,710
Restricted for:	
Operating capital	5,428,010
Area learning center	1,896,855
Committed to:	
Severance pay	2,538,018
Retiree health insurance	22,377,730
Assigned to:	
Contractual obligations	181,636
Next year operations	7,958,664
Encumbrances	3,503,346
Unassigned	29,571,855
	<u>74,778,824</u>
Total fund balance	\$ <u>74,778,824</u>
Total liabilities and fund balance	\$ <u>256,234,174</u>

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Fully Financed General Fund Accounts

Balance Sheet

June 30, 2011

Assets

Cash and short-term investments	\$ (2,252,021)
Receivables:	
Due from other governmental units	10,507,533
Other	582,759
Prepaid expenses	77,689
	<hr/>
Total assets	\$ <u><u>8,915,960</u></u>

Liabilities and Fund Balance

Liabilities:	
Accounts payable	\$ 1,593,507
Accrued expenses	3,020,756
Deferred revenue	4,301,697
	<hr/>
Total liabilities	8,915,960
	<hr/>
Fund balance:	
Nonspendable for inventory and prepaid expenses	77,689
Unassigned	(77,689)
	<hr/>
Total fund balance	—
	<hr/>
Total liabilities and fund balance	\$ <u><u>8,915,960</u></u>

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

General Fund

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances

Year ended June 30, 2011

	General Fund Accounts	Fully Financed General Fund Accounts	Total
Revenues:			
Local sources:			
Property taxes	\$ 95,647,230	—	95,647,230
County and other	6,976,844	5,519,903	12,496,747
State	354,206,945	2,634,545	356,841,490
Federal	5,308,403	59,417,468	64,725,871
Investment earnings	62,738	—	62,738
Sales and conversions of assets	370,465	—	370,465
Total revenues	462,572,625	67,571,916	530,144,541
Expenditures:			
Current:			
District administration	17,889,931	199,232	18,089,163
District support	13,706,684	201,823	13,908,507
Regular instruction	216,182,988	44,441,347	260,624,335
Vocational instruction	3,780,093	872,461	4,652,554
Exceptional instruction	93,492,316	17,105,782	110,598,098
Instructional support	27,094,290	3,128,491	30,222,781
Pupil support services	40,111,718	1,622,780	41,734,498
Capital outlay:			
Sites, buildings, and equipment	36,841,198	—	36,841,198
Total expenditures	449,099,218	67,571,916	516,671,134
Excess of revenues over expenditures before other financing sources (uses)	13,473,407	—	13,473,407
Other financing sources (uses):			
Premium on aid anticipation certificates	241,983	—	241,983
Total other financing sources	241,983	—	241,983
Excess (deficiency) of revenues and other financing sources over (under) expenditures	13,715,390	—	13,715,390
Fund balance at beginning of year	61,063,434	—	61,063,434
Fund balance at end of year	\$ 74,778,824	—	74,778,824

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

General Fund Accounts

Statement of Revenues, Expenditures, and Changes in Fund Balances –
Final Budget and Actual

Year ended June 30, 2011

	Final Budget	Actual
Revenues:		
Local sources:		
Property taxes	\$ 99,878,305	95,647,230
County and other	6,279,674	6,976,844
State	349,927,505	354,206,945
Federal	5,350,000	5,308,403
Interest earnings	83,965	62,738
Sales and conversions of assets	456,393	370,465
	<u>461,975,842</u>	<u>462,572,625</u>
Total revenues		
Expenditures:		
Current:		
District administration	18,248,132	17,889,931
District support	16,647,171	13,706,684
Regular instruction	220,065,694	216,182,988
Vocational instruction	1,541,860	3,780,093
Exceptional instruction	92,802,547	93,492,316
Instructional support	27,555,595	27,094,290
Pupil support services	43,985,564	40,111,718
Capital outlay:		
Sites, buildings, and equipment	40,539,431	36,841,198
	<u>461,385,994</u>	<u>449,099,218</u>
Total expenditures		
(Deficiency) excess of revenues (under) over expenditures before other financing sources (uses)	589,848	13,473,407
Other financing sources (uses):		
Premium on aid anticipation certificates	—	241,983
	<u>—</u>	<u>241,983</u>
Total other financing sources and uses		
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ 589,848	13,715,390
Fund balance at beginning of year		61,063,434
Fund balance at end of year		\$ 74,778,824

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Fully Financed General Fund Accounts

Statement of Revenues, Expenditures, and Changes in Fund Balances –
Final Budget and Actual

Year ended June 30, 2011

	Final budget	Actual
Revenues:		
Local sources:		
County and other	\$ 7,397,977	5,519,903
State	3,304,246	2,634,545
Federal	69,922,462	59,417,468
	80,624,685	67,571,916
Total revenues		
Expenditures:		
Current:		
District administration	204,763	199,232
District support	193,460	201,823
Regular instruction	51,358,262	44,441,347
Vocational instruction	1,203,176	872,461
Exceptional instruction	20,441,605	17,105,782
Instructional support	5,411,280	3,128,491
Pupil support services	1,812,139	1,622,780
	\$ 80,624,685	67,571,916
Total expenditures		
Excess of revenues over expenditures		—
Fund balance at beginning of year		—
Fund balance at end of year		\$ —

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Community Service Fund

Balance Sheet

June 30, 2011

Assets

Cash and short-term investments	\$ 2,032,228
Receivables:	
Property taxes	2,274,143
Due from other governmental units	4,713,247
Other	71,306
	<u>9,090,924</u>
Total assets	\$ <u><u>9,090,924</u></u>

Liabilities and Fund Balance

Liabilities:	
Accounts payable	\$ 857,184
Accrued expenses	2,078,121
Deferred revenue:	
Property taxes	1,981,966
Other	512,552
	<u>5,429,823</u>
Total liabilities	
Fund balance:	
Restricted for:	
Adult basic education	768,121
School readiness	278,239
Community education	2,262,464
ECFE	352,277
	<u>3,661,101</u>
Total fund balance	
Total liabilities and fund balance	\$ <u><u>9,090,924</u></u>

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Community Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Year ended June 30, 2011

Revenues:

Local sources:

Property taxes	\$ 5,246,521
County and other	7,040,580
State	10,798,394
Federal	2,211,628
Investment earnings	3,030
Sale and conversion of assets	4,296
	<hr/>
Total revenues	25,304,449

Expenditures:

Current:

Regular instruction	52,064
Community education services	23,579,761
Pupil support services	993,343
	<hr/>
Total expenditures	24,625,168

Excess of revenues over expenditures 679,281

Fund balances at beginning of year	<hr/> 2,981,820
Fund balance at end of year	\$ <hr/> <hr/> 3,661,101

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Food Service Fund

Balance Sheet

June 30, 2011

Assets

Cash and short-term investments	\$ 5,638,117
Receivables:	
Due from other governmental units	310,752
Other	487
Inventories, principally at cost	1,156,640
Prepaid expenses	10,940
	<hr/>
Total assets	\$ <u><u>7,116,936</u></u>

Liabilities and Fund Balance

Liabilities:	
Accounts payable	\$ 332,294
Accrued expenses	2,179,596
	<hr/>
Total liabilities	<u>2,511,890</u>
Fund balance:	
Nonspendable for inventory and prepaid expenses	1,167,580
Restricted for food service	3,437,466
	<hr/>
Total fund balance	<u>4,605,046</u>
	<hr/>
Total liabilities and fund balance	\$ <u><u>7,116,936</u></u>

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Food Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance
Year ended June 30, 2011

Revenues:		
Local sources:		
Property taxes	\$	15,338
State		1,118,273
Federal		19,451,422
Sales and conversion of assets		2,541,556
Investment earnings		2,984
Total revenues		<u>23,129,573</u>
Expenditures:		
Current:		
Pupil support services		<u>23,407,850</u>
Total expenditures		<u>23,407,850</u>
Excess (deficiency) of revenues over (under) expenditures		(278,277)
Fund balances at beginning of year		<u>4,883,323</u>
Fund balance at end of year	\$	<u><u>4,605,046</u></u>

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Debt Service Fund

Balance Sheet

June 30, 2011

Assets

Cash and short-term investments	\$ 6,469,381
Restricted cash with fiscal agent	12,011,105
Receivables:	
Property taxes	26,363,442
Due from other governmental units	3,213,956
Due from other funds	—
Other receivable	25,747
Prepays expenses	1,377,000
	<hr/>
Total assets	\$ 49,460,631
	<hr/> <hr/>

Liabilities and Fund Balance

Deferred revenue:	
Property taxes	\$ 42,741,582
Due to other funds	—
	<hr/>
Total liabilities	42,741,582
	<hr/>
Fund balance:	
Nonspendable for inventory and prepaid expenses	1,377,000
Restricted for bond refunding	11,294,665
Restricted for QZAB and QSCB payments	716,440
Unassigned	(6,669,056)
	<hr/>
Total fund balance	6,719,049
	<hr/>
Total liabilities and fund balance	\$ 49,460,631
	<hr/> <hr/>

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance –
Final Budget and Actual

Year ended June 30, 2011

	Final budget	Actual
Revenues:		
Local sources:		
Property taxes	\$ 35,814,160	33,790,984
County and other	190,225	210,455
State	3,732,577	5,339,783
Investment earnings	6,000	37,714
Total revenues	39,742,962	39,378,936
Expenditures:		
Debt service:		
Principal payments	24,130,115	23,402,558
Interest expense	15,163,932	15,148,642
Other debt expense	30,000	213,853
Total expenditures	39,324,047	38,765,053
Excess (deficiency) of revenues over (under) expenditures	418,915	613,883
Other financing sources (uses):		
Refunding bonds issued	—	16,240,000
Premium on refunding debt	—	1,317,158
Interest on proceeds of refunding bonds	—	325,037
Principal payments by refunded bond escrow agent	—	(12,065,000)
Interest payments by bond escrow agent	—	(110,440)
Total other financing uses	—	5,706,755
Deficiency of revenue and other financing sources under expenditures	\$ 418,915	6,320,638
Fund balance at beginning of year		398,411
Fund balance at end of year		\$ 6,719,049

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Capital Projects Fund

Balance Sheet

June 30, 2011

Assets

Restricted cash and investments	\$ 58,319,013
Receivables:	
Interest receivable	3,337
Due from other funds	—
Due from other governmental units	33,181
	<u>33,181</u>
Total assets	<u>\$ 58,355,531</u>

Liabilities and Fund Balance

Liabilities:	
Accounts payable	\$ 3,502,192
Accrued expenses	382,314
Due to other funds	—
	<u>3,884,506</u>
Total liabilities	
Fund balance:	
Restricted for:	
Alternative facilities program	19,052,818
Restricted for capital projects	35,418,207
	<u>54,471,025</u>
Total fund balance	
Total liabilities and fund balance	<u>\$ 58,355,531</u>

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance –
Final Budget and Actual

Year ended June 30, 2011

	Final Budget	Actual
Revenues:		
Local sources:		
County and other	\$ —	4,330
Federal	—	127,964
Investment earnings	—	125,303
	—	257,597
Total revenues	—	257,597
Expenditures:		
Capital outlay:		
Sites, buildings, equipment, and other	26,000,000	25,432,210
Debt service:		
Other debt expense	—	173,835
	26,000,000	25,606,045
Total expenditures	26,000,000	25,606,045
Deficiency of revenue under expenditures	(26,000,000)	(25,348,448)
Other financing sources:		
Bonds issued	26,015,000	52,000,000
(Discount) premium on bonds issued, net	—	595,148
	26,015,000	52,595,148
Total other financing sources	\$ 26,015,000	52,595,148
Excess (deficiency) of revenue and other financing sources over (under) expenditures		27,246,700
Fund balance at beginning of year		27,224,325
Fund balance at end of year		\$ 54,471,025

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Combining Schedule of Net Assets

Internal Service Funds

June 30, 2011

Assets	Workers' Compensation Fund	Post Employment Benefits Trust Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Cash and investments	\$ 13,042,252	995,800	14,038,052
Total assets	<u>\$ 13,042,252</u>	<u>995,800</u>	<u>14,038,052</u>
Liabilities			
Workers' compensation payable	\$ 11,541,294	—	11,541,294
Total liabilities	<u>11,541,294</u>	<u>—</u>	<u>11,541,294</u>
Net Assets			
Net assets:			
Unrestricted	1,500,958	—	1,500,958
Held in revocable trust for employee benefits	—	995,800	995,800
Total net assets	<u>1,500,958</u>	<u>995,800</u>	<u>2,496,758</u>
Total liabilities and net assets	<u>\$ 13,042,252</u>	<u>995,800</u>	<u>14,038,052</u>

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Combining Schedule of Revenue, Expenses, and Changes in Fund Net Assets

Internal Service Funds

Year ended June 30, 2011

	Workers' Compensation Fund	Post Employment Benefits Trust Fund	Total
Operating revenues:			
Insurance service fees	\$ 3,148,577	—	3,148,577
Employer contribution	—	1,000,000	1,000,000
Investment earnings	8,275	(4,200)	4,075
Total operating revenues	3,156,852	995,800	4,152,652
Operating expenses:			
Claims expense	3,148,577	—	3,148,577
Total operating expenses	3,148,577	—	3,148,577
Operating income/change in net assets	8,275	995,800	1,004,075
Net assets at beginning of year	1,492,683	—	1,492,683
Net assets at end of year	\$ 1,500,958	995,800	2,496,758

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Combining Schedule of Cash Flows

Internal Service Funds

Year ended June 30, 2011

	Workers' Compensation Fund	Post Employment Benefits Trust Fund	Total
Cash flows from operating activities:			
Received from assessments made to other funds	\$ 3,148,577	—	3,148,577
Received from employer	—	1,000,000	1,000,000
Investment earnings	8,275	(4,200)	4,075
Workers' compensation payments	(3,184,069)	—	(3,184,069)
Net cash provided by operating activities	(27,217)	995,800	968,583
Cash at beginning of year	13,069,469	—	13,069,469
Cash at end of year	\$ 13,042,252	995,800	14,038,052
Reconciliation of operating income/change in net assets to net cash provided by operating activities:			
Operating income/change in net assets	\$ 8,275	995,800	1,004,075
Adjustment to reconcile operating income/change in net assets to net cash provided by operating activities:			
Changes in assets and liabilities:			
Workers' compensation payable	(35,492)	—	(35,492)
Net cash provided by operating activities	\$ (27,217)	995,800	968,583

See accompanying independent auditors' report.

Fiscal Compliance Report - 6/30/2011 District: ST. PAUL (625-1)

(Unaudited)

	Audit	UFARS	Audit - UFARS		Audit	UFARS	Audit - UFARS
01 GENERAL FUND				06 BUILDING CONSTRUCTION			
Total Revenue	\$530,144,541	<u>\$530,144,541</u>	\$0	Total Revenue	\$257,597	<u>\$257,597</u>	\$0
Total Expenditures	\$516,671,133	<u>\$516,671,133</u>	\$0	Total Expenditures	\$25,606,045	<u>\$25,606,045</u>	\$0
<i>Non Spendable:</i>				<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$1,400,400	<u>\$1,400,400</u>	\$0	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	\$0
<i>Restricted / Reserved:</i>				<i>Restricted / Reserved:</i>			
4.03 Staff Development	\$0	<u>\$0</u>	\$0	4.07 Capital Projects Levy	\$35,418,209	<u>\$35,418,209</u>	\$0
4.05 Deferred Maintenance	\$0	<u>\$0</u>	\$0	4.09 Alternative Facility Program	\$19,052,818	<u>\$19,052,818</u>	\$0
4.06 Health and Safety	\$0	(\$141,940)	<u>\$141,940</u>	4.13 Project Funded by COP	\$0	<u>\$0</u>	\$0
4.07 Capital Projects Levy	\$0	<u>\$0</u>	\$0	<i>Restricted:</i>			
4.08 Cooperative Revenue	\$0	<u>\$0</u>	\$0	4.64 Restricted Fund Balance	\$0	<u>\$0</u>	\$0
4.14 Operating Debt	\$0	<u>\$0</u>	\$0	<i>Unassigned:</i>			
4.16 Levy Reduction	\$0	<u>\$0</u>	\$0	4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	\$0
4.17 Taconite Building Maint	\$0	<u>\$0</u>	\$0	07 DEBT SERVICE			
4.23 Certain Teacher Programs	\$0	<u>\$0</u>	\$0	Total Revenue	\$39,378,937	<u>\$39,378,937</u>	\$0
4.24 Operating Capital	\$5,428,010	<u>\$5,428,010</u>	\$0	Total Expenditures	\$38,765,053	<u>\$38,765,053</u>	\$0
4.26 \$25 Taconite	\$0	<u>\$0</u>	\$0	<i>Non Spendable:</i>			
4.27 Disabled Accessibility	\$0	<u>\$0</u>	\$0	4.60 Non Spendable Fund Balance	\$1,377,000	<u>\$1,377,000</u>	\$0
4.28 Learning & Development	\$0	<u>\$0</u>	\$0	<i>Restricted / Reserved:</i>			
4.34 Area Learning Center	\$1,896,855	<u>\$1,896,855</u>	\$0	4.25 Bond Refundings	\$11,294,665	<u>\$11,294,665</u>	\$0
4.35 Contracted Alt. Programs	\$0	<u>\$0</u>	\$0	4.51 QZAB Payments	\$716,440	<u>\$716,440</u>	\$0
4.36 State Approved Alt. Program	\$0	<u>\$0</u>	\$0	<i>Restricted:</i>			
4.38 Gifted & Talented	\$0	<u>\$0</u>	\$0	4.64 Restricted Fund Balance	\$0	<u>\$0</u>	\$0
4.41 Basic Skills Programs	\$0	<u>\$0</u>	\$0	<i>Unassigned:</i>			
4.45 Career Tech Programs	\$0	<u>\$0</u>	\$0	4.63 Unassigned Fund Balance	(\$6,669,054)	<u>(\$6,669,054)</u>	\$0
4.49 Safe School Crime	\$0	<u>\$0</u>	\$0	08 TRUST			
4.50 Pre-Kindergarten	\$0	<u>\$0</u>	\$0	Total Revenue	\$0	<u>\$0</u>	\$0
4.51 QZAB Payments	\$0	<u>\$0</u>	\$0	Total Expenditures	\$0	<u>\$0</u>	\$0
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	\$0	4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	\$0
4.53 Unfunded Sev & Retirement Levy	\$0	<u>\$0</u>	\$0	20 INTERNAL SERVICE			
<i>Restricted:</i>				<i>Restricted:</i>			
4.64 Restricted Fund Balance	\$0	<u>\$0</u>	\$0	Total Revenue	\$3,156,853	<u>\$3,156,853</u>	\$0
<i>Committed:</i>				<i>Committed:</i>			
4.18 Committed for Separation	\$24,915,748	<u>\$24,915,748</u>	\$0	Total Expenditures	\$3,148,578	<u>\$3,148,578</u>	\$0
4.61 Committed Fund Balance	\$0	<u>\$0</u>	\$0	4.22 Unassigned Fund Balance (Net Assets)	\$1,500,958	<u>\$1,500,958</u>	\$0
<i>Assigned:</i>				25 OPEB REVOCABLE TRUST			
4.62 Assigned Fund Balance	\$11,643,646	<u>\$11,643,646</u>	\$0	Total Revenue	\$995,800	<u>\$995,800</u>	\$0
<i>Unassigned:</i>				<i>Unassigned:</i>			
4.22 Unassigned Fund Balance	\$29,494,167	<u>\$29,636,107</u>	(\$141,940)	Total Expenditures	\$0	<u>\$0</u>	\$0
02 FOOD SERVICES				4.22 Unassigned Fund Balance (Net Assets)			
Total Revenue	\$23,129,573	<u>\$23,129,573</u>	\$0	\$995,800	<u>\$995,800</u>	\$0	\$0
Total Expenditures	\$23,407,849	<u>\$23,407,849</u>	\$0	45 OPEB IRREVOCABLE TRUST			
<i>Non Spendable:</i>				<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$1,167,580	<u>\$1,167,580</u>	\$0	Total Revenue	\$0	<u>\$0</u>	\$0
<i>Restricted / Reserved:</i>				<i>Restricted:</i>			
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	\$0	Total Expenditures	\$0	<u>\$0</u>	\$0
<i>Restricted:</i>				4.22 Unassigned Fund Balance (Net Assets)			
4.64 Restricted Fund Balance	\$3,437,466	<u>\$3,437,466</u>	\$0	\$0	<u>\$0</u>	\$0	\$0
<i>Unassigned:</i>				47 OPEB DEBT SERVICE			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	\$0	Total Revenue	\$0	<u>\$0</u>	\$0
04 COMMUNITY SERVICE				Total Expenditures	\$0	<u>\$0</u>	\$0
Total Revenue	\$25,304,449	<u>\$25,304,449</u>	\$0	<i>Non Spendable:</i>			
Total Expenditures	\$24,625,168	<u>\$24,625,168</u>	\$0	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	\$0
<i>Non Spendable:</i>				<i>Restricted:</i>			
4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	\$0	4.25 Bond Refundings	\$0	<u>\$0</u>	\$0
<i>Restricted / Reserved:</i>				4.64 Restricted Fund Balance			
4.26 \$25 Taconite	\$0	<u>\$0</u>	\$0	\$0	<u>\$0</u>	\$0	\$0
4.31 Community Education	\$1,930,067	<u>\$1,930,067</u>	\$0	<i>Unassigned:</i>			
4.32 E.C.F.E	\$352,277	<u>\$352,277</u>	\$0	4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	\$0
4.44 School Readiness	\$278,239	<u>\$278,239</u>	\$0	04 COMMUNITY SERVICE			
4.47 Adult Basic Education	\$768,121	<u>\$768,121</u>	\$0	Total Revenue	\$25,304,449	<u>\$25,304,449</u>	\$0
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	\$0	Total Expenditures	\$24,625,168	<u>\$24,625,168</u>	\$0
<i>Restricted:</i>				<i>Non Spendable:</i>			
4.64 Restricted Fund Balance	\$332,398	<u>\$332,398</u>	\$0	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	\$0
<i>Unassigned:</i>				<i>Restricted:</i>			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	\$0	4.25 Bond Refundings	\$0	<u>\$0</u>	\$0
				4.64 Restricted Fund Balance			
				\$0			
				<u>\$0</u>			
				\$0			

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Elementary and Secondary Schools

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Year ended June 30, 2011

(Unaudited)

Budget code	Program description	Budget	Cash received or transferred during year ended June 30, 2011,	Grant receivable, June 30, 2011,	Unearned revenue, June 30, 2011	Total revenue	Total expenditures
Title I:							
29-2300 401	Title 1 Educationally Disadvantaged	\$ 11,646,634	7,931,620	3,014,715	—	10,946,335	10,946,335
29-2305 401	Title 1 Professional Development	2,193,282	1,698,391	—	—	1,698,391	1,698,391
29-2309 470	Title I ARRA	7,795,969	4,928,614	2,891,361	—	7,819,975	7,819,975
29-2310 401	Title 1 Homeless	850,000	746,465	—	—	746,465	746,465
29-2311 868	Title 1 Homeless McKinney Vento	100,000	87,914	12,086	—	100,000	100,000
29-2317 478	Title 1 Homeless – Prior Year	16,753	15,599	1,154	—	16,753	16,753
29-2340 401	Title 1 Delinquent	201,430	199,722	—	—	199,722	199,722
29-2341 406	Title 1 Project For Delinquency	283,764	42,858	—	—	42,858	42,858
29-2347 406/471	Title 1 Project For Delinquency PY Carry Over	413,713	369,973	27,147	—	397,120	397,120
29-2631 470/472	Title 1 District Improvement PD LLC	1,597,530	1,466,033	—	—	1,466,033	1,466,033
29-2633 401/470	Title 1 LEA Level Activities	2,808,091	2,235,298	—	—	2,235,298	2,235,298
29-2634 470	Title 1 District Improvement PD	603,332	514,533	—	—	514,533	514,533
29-2635 401/470	Title 1 AYP PD	1,747,996	1,599,478	—	—	1,599,478	1,599,478
29-2636 401	Title 1 Neglected	118,781	46,553	—	—	46,553	46,553
29-2637 470	Title 1 District Improvement PD PBIS	237,042	222,005	—	—	222,005	222,005
29-2638 401/470	Title 1 Parent Involvement	1,313,800	1,162,951	—	—	1,162,951	1,162,951
29-2639 401	Title 1 School Choice & SES	4,121,800	264,710	—	—	264,710	264,710
29-2641 470	Title 1 District Improvement PD PAR	432,302	430,830	—	—	430,830	430,830
29-2642 401	Title 1 LEA Activities – School Improvement	400,000	353,311	—	—	353,311	353,311
29-2643 470	Title 1 District Improvement PD CP	600,116	304,714	—	—	304,714	304,714
29-2644 401	Title 1 School Choice & SES PY	—	3,390,260	—	—	3,390,260	3,390,260
29-3300	Title 1 School Improvement	945,715	874,221	202,983	—	1,077,204	1,077,204
29-3300	Title 1 School Improvement – Humboldt	850,000	669,394	180,560	—	849,954	849,954
29-3300	Title 1 School Improvement – Maxfield	600,000	443,259	71,016	—	514,275	514,275
29-3303	Title 1 AYP Additional Grants	50,000	49,906	—	—	49,906	49,906
	Total Title I	39,928,050	30,048,612	6,401,022	—	36,449,634	36,449,634
Title IV:							
29-1011	Federal Carry Over	6,350,584	6,076,452	1,225,262	—	7,301,714	7,301,714
29-1012	Federal Carry Over Year 2	—	144,407	—	—	144,407	144,407
29-1050	SPDG LEA Capacity Grant	99,282	46,099	53,055	—	99,154	99,154
29-1080	Preschool Incentive	539,930	105,375	35,377	—	140,752	140,752
29-1290	Part H	688,531	450,566	—	(30,030)	420,536	420,536
29-1330	Public Law 94-142	10,357,455	5,776,687	1,007,050	—	6,783,737	6,783,737

**INDEPENDENT SCHOOL DISTRICT NO. 625
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Year ended June 30, 2011

(Unaudited)

Budget code	Program description	Budget	Cash received or transferred during year ended June 30, 2011,	Grant receivable, June 30, 2011,	Unearned revenue, June 30, 2011	Total revenue	Total expenditures
29-1351	Program Evaluation & Continuous Improvement	\$ 69,730	47,382	22,348	—	69,730	69,730
	Total Title IV	18,105,512	12,646,968	2,343,092	(30,030)	14,960,030	14,960,030
	Title II:						
29-2292	Title II, Part D E2T2	127,846	69,387	52,423	—	121,810	121,810
29-4430	Title II, Part A	2,640,007	1,041,663	307	—	1,041,970	1,041,970
29-4437	Title II, Part A PY Carry Over	1,922,885	1,836,865	86,020	—	1,922,885	1,922,885
	Total Title II	4,690,738	2,947,915	138,750	—	3,086,665	3,086,665
	Title III:						
29-4695	Title III	1,506,326	602,168	—	—	602,168	602,168
29-4697	Title III – PY Carry Over	1,238,791	1,154,388	84,403	—	1,238,791	1,238,791
	Total Bilingual Educational Act	2,745,117	1,756,556	84,403	—	1,840,959	1,840,959
29-2980	Carl Perkins Act, Public Law 84-524:	723,311	634,169	82,179	—	716,348	716,348
29-2981	Intensified Services for Disadvantaged Perkins PY Carry Over	31,607	31,607	—	—	31,607	31,607
	Total Carl Perkins Act	754,918	665,776	82,179	—	747,955	747,955
29-2010	Indian Education:						
	Indian Education Title VII	286,408	274,852	15,832	—	290,684	290,684
	Total Indian Education	286,408	274,852	15,832	—	290,684	290,684
	Miscellaneous Federal:						
29-1052	SPDG Aligned Literacy	21,111	—	14,004	—	14,004	14,004
29-2040	Johnson-O'Malley	47,544	18,178	14,411	—	32,589	32,589
29-2070	Indian Education Chemical Prevention	159,734	81,553	71,527	—	153,080	153,080
29-2209	Advanced Placement Incentive Program	472,242	163,191	140,265	—	303,456	303,456
29-2260	JROTC Programs	844,124	779,758	55,298	(13,350)	821,706	821,706
29-2365	Federal Reading Recovery	—	—	6,033	—	6,033	6,033
29-3356	Foreign Language Assistance Chinese Immersion	271,455	86,876	61,541	—	148,417	148,417
29-3540	NYLC – Farnsworth Middle	20,045	—	17,595	—	17,595	17,595
29-3540	NYLC – Obama	20,500	7,819	4,934	—	12,753	12,753
29-3830	Get Ready/Gear Up	116,000	108,132	6,910	(713)	114,329	114,329
29-3920	LSTA – Phalen Lake	128	—	—	—	—	—
29-4247	Title IV – PY Carry over	122,000	62,240	50,782	—	113,022	113,022
29-4300	Reimbursable Health Services	156,542	307,151	5,556	(147,043)	165,664	165,664

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		\$					
29-4301	MCH Adolescent Health	10,000	10,000	5,000	(10,085)	4,915	4,915
29-4375	Elementary School Counselors	306,280	207,837	31,878	—	239,715	239,715
29-4450	BioSMART Federal Magnet Grant	409,261	319,628	—	—	319,628	319,628
29-4631	Turnaround St. Paul	638,305	118,431	102,300	—	220,731	220,731
29-4710	Refugee Children School Impact Grant	61,311	56,895	—	—	56,895	56,895
29-4715	KOM Refugee	20,373	7,822	5,494	—	13,316	13,316
29-4970	Minnesota Humanities Grant	54,427	26,520	4,690	—	31,210	31,210
29-4980	TASAP	175,735	71,954	35,192	—	107,146	107,146
29-4990	Council of Great City Schools	81,000	61,237	5,743	—	66,980	66,980
29-5925	21st Century Grant – Neighborhood House	46,427	37,419	9,007	—	46,426	46,426
	Total Miscellaneous Federal	4,054,544	2,532,641	648,160	(171,191)	3,009,610	3,009,610
	State of Minnesota:						
29-2045	Diabetes Grant	33,757	30,190	3,953	(564)	33,579	33,579
29-2075	ICAP Program	28,964	19,275	7,694	—	26,969	26,969
29-2200	Advanced Placement – Open School	—	1,876	—	—	1,876	1,876
29-2200	Advanced Placement – Central	—	41,509	—	(34,644)	6,865	6,865
29-2200	Advanced Placement – Como Sr	—	43,727	—	(8,481)	35,246	35,246
29-2200	Advanced Placement – Harding	—	6,461	—	(6,164)	297	297
29-2200	Advanced Placement – Humboldt Sr	39,330	44,842	—	(44,542)	300	300
29-2200	Advanced Placement – Johnson	21,249	36,100	—	(23,174)	12,926	12,926
29-2200	Advanced Placement – Washington	—	2,762	—	(1,850)	912	912
29-2200	Advanced Placement – Farnsworth Middle	1,350	1,350	—	(1,100)	250	250
29-2200	Advanced Placement – Benjamin E Mays	—	7,350	—	(7,350)	—	—
29-2200	Advanced Placement – Highland Elem	—	13,376	—	(5,926)	7,450	7,450
29-2210	International Baccalaureate – Central	—	71,574	—	(600)	73,929	73,929
29-2220	International Baccalaureate – Harding	103,978	89,640	2,955	—	128,306	128,306
29-2225	IB PYP MYP Programs – Highland Pk Jr.	—	40,734	38,666	—	2,185	2,185
29-2225	IB PYP MYP Programs – Ramsey Jr.	—	10,540	—	(38,549)	—	—
29-2230	International Baccalaureate -Highland	56,178	102,023	—	(10,540)	92,419	92,419
29-2370	PASS Grant – Central	7,700	7,737	—	(9,604)	6,692	6,692
29-2660	MSAB Grant – Highland Sr	1,280	1,067	—	(65)	1,002	1,002
29-2660	MSAB Grant – Rondo Jazz	52,850	50,208	2,642	—	52,850	52,850
29-2660	MSAB Grant – JJ Hill	9,098	9,098	—	—	9,098	9,098
29-2660	MSAB Grant – Linwood	37,271	55,019	—	(24,291)	30,728	30,728
29-2660	MSAB Grant – Maxfield	31,219	31,219	—	(7,049)	24,170	24,170
29-2665	Ramp Up To Readiness – Murray	20,000	930	13,092	(351)	13,671	13,671
29-3930	MIDE Magnet Grant – Obama	96,959	15,493	25,576	—	41,069	41,069

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Year ended June 30, 2011

(Unaudited)

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29-3970	MN Agricultural Education – Humboldt	\$ 8,984	3,884	5,064	—	8,948	8,948
29-4510	Brain U – U of MN	2,500	—	—	—	—	—
29-4810	Success For the Future	133,871	104,839	20,788	—	125,627	125,627
29-4885	Cy Pres Program	887,924	(2,229)	4,446	—	2,217	2,217
29-9260	Outside Funded Transportation	36,000	26,822	2,733	—	29,555	29,070
	Total State of Minnesota	1,610,462	867,416	127,609	(225,889)	769,136	768,651
	Ramsey/Hennepin County:						
29-1179	Boys Totem Town – Summer School	7,717	7,717	—	—	7,717	7,717
29-1189	Juvenile Service Center – Summer	20,876	15,586	—	—	15,586	15,586
29-4385	Statewide Health Improvement	334,685	226,999	101,158	—	328,157	328,157
29-4900	Children's Initiative Grant – Nagi Kicopo Project	33,809	19,249	6,888	(14)	26,123	26,123
29-4900	Children's Initiative Grant – North End	—	13,610	—	—	13,610	13,610
	Total Ramsey/Hennepin County	397,087	283,161	108,046	(14)	391,193	391,193
	Private:						
29-1020	SW Miscellaneous Grants/Donations	3,297	605	—	—	605	605
29-1055	Lavander Grant	4,754	4,754	—	—	4,754	4,754
29-1200	Gillette Children's Hospital TDR	7,500	—	725	—	725	725
29-1209	Gillette Children's Hospital TDR	7,500	—	4,468	—	4,468	4,468
29-1266	Deaf/Hard of Hearing	114	114	—	(114)	—	—
29-1710	Wilder Programs	504,231	224,990	272,673	—	497,663	497,663
29-2050	Indian Ed Student Celebrations	63,225	69,673	—	(40,028)	29,645	29,645
29-2082	Ecolab Visions For Change – Humboldt Sr	1,131	1,131	—	(1,131)	—	—
29-2082	Ecolab FIRST Robotics – Humboldt Sr	7,736	7,736	—	(6,769)	967	967
29-2082	Ecolab AV/ID – Humboldt Sr	45,763	85,763	—	(21,866)	63,897	63,897
29-2082	Ecolab Vista Tutoring – Humboldt Sr	66,918	46,735	10,667	—	57,402	57,402
29-2082	Ecolab Open Our Lenses – Mississippi	2,887	—	1,693	—	1,693	1,693
29-2455	Hugh J Andersen Foundation – Capitol Hill	335	335	—	—	335	335
29-2660	MN State Arts Board	7,431	16,523	—	(16,135)	388	388
29-2790	St. Paul Travelers – Hayden Heights	11,283	11,283	—	(5,188)	6,095	6,095
29-2790	St. Paul Travelers – St. Anthony Park	10,000	10,000	—	—	10,000	10,000
29-2989	Thomson West Law & Justice	—	2,758	—	(1,125)	1,633	1,633
29-3040	Medtronics Grant	302	302	—	—	302	302
29-3040	Medtronics Crossroads	4,602	4,602	—	(3,647)	955	955
29-3070	Upward Bound	—	1,871	—	—	1,871	1,871
29-3070	Upward Bound River Falls	8,000	981	283	—	1,264	1,590
29-3070	Upward Bound Metro State University	8,000	217	326	—	543	217

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Year ended June 30, 2011

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29-3070	Upward Bound Century College	\$ 15,000	8,520	2,972	—	11,492	11,492
29-3080	Academy of Finance – District Wide	3,351	2,367	—	(595)	1,772	1,772
29-3080	Academy of Finance – Como Sr	—	138	—	—	138	138
29-3080	Academy of Finance – Johnson Sr	872	846	—	—	846	846
29-3180	Dean Witter Grant – Murray	14,551	14,551	—	—	14,551	14,551
29-3205	Gates Grant – Common Core State Standards	486,988	499,989	—	(257,554)	242,435	242,435
29-3340	Actuarial Foundation – Prosperity Heights	247	247	—	(247)	—	—
29-3360	NEA Foundation – Crossroads	1,712	1,713	—	(13)	1,700	1,700
29-3390	Deluxe Foundation – Uniform Grant Farnsworth Middle	3,042	3,042	—	(277)	2,765	2,765
29-3400	Homeless Program Charitable Contributions	7,345	8,629	—	(7,535)	1,094	1,094
29-3530	SPPS Foundation Grant Tutoring CBC	—	2,936	—	(35)	2,901	2,901
29-3530	SPPS Foundation Grants School Arts Project	—	592	—	(592)	—	—
29-3530	SPPS Foundation Grants Inspired Educator	3,343	3,443	—	(718)	2,725	2,725
29-3530	SPPS Foundation Grants TPAE Murray Jr	165	165	—	(5)	160	160
29-3530	SPPS Foundation Grants Parent Involvement Cherokee Pool	41,000	42,154	—	—	42,154	42,154
29-3530	SPPS Foundation Grants Parent Involvement Daytons Bluff	1,667	1,667	—	(515)	1,152	1,152
29-3530	SPPS Foundation Grants Inspired Educator Groveland	3,998	3,998	—	(6)	3,992	3,992
29-3530	SPPS Foundation Grants Inspired Educator Hayden Heights	4,030	4,030	—	—	4,030	4,030
29-3530	SPPS Foundation Grants North End – Walmar	1,100	1,100	—	(25)	1,075	1,075
29-3530	SPPS Foundation Grants Inspired Educator North End	3,374	3,374	—	(27)	3,347	3,347
29-3530	SPPS Foundation Grants Inspired Educator Prosperity Heights	3,622	3,622	—	(729)	2,893	2,893
29-3550	3M Grant Engineering is Elementary	446,411	444,065	—	(140,875)	303,190	303,190
29-3550	3M Grant Eastside Partnership	101,860	101,860	—	(66,779)	35,081	35,081
29-3550	3M FIRST Lego League	44,123	44,636	—	(15,184)	29,452	29,452
29-3550	3M Grant Math Counts	14,816	14,787	—	(12,947)	1,840	1,840
29-3550	3M Grant High School Robotics	51,000	51,000	—	(11,178)	39,822	39,822
29-3550	3M Grant – Catalyst/Common X	25,870	25,870	—	—	25,870	25,870
29-3550	3M Grant Field Trip Experiences	189,223	163,049	—	(37,566)	125,483	125,483
29-3550	3M Gateway Computers	—	47,412	—	(47,412)	—	—
29-3550	3M STEP	289,590	268,350	—	(158,559)	109,791	109,791
29-3550	3M Project Lead The Way	154,887	154,886	—	(140,172)	14,714	14,714
29-3550	3M 6th Grade Textbooks	53,560	57,904	—	—	57,904	57,904
29-3550	3M Stuff For Schools	46,000	95,581	—	(50,177)	45,404	45,404
29-3550	3M STEM	134,592	134,592	—	(49,732)	84,860	84,860
29-3550	3M SciFy	38,533	37,593	—	(37,515)	78	78
29-3570	Chosen To Achieve – Monitors Foundation	11,096	11,096	—	(61)	11,035	11,035
29-3570	Community Foundations – Open	—	1,674	—	—	1,674	1,674
29-3570	Community Foundations – AVID Central	3,000	8,249	—	(3,410)	4,839	4,839

INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA

Elementary and Secondary Schools

Fully Financed Fund Program Grant Analysis

Statement of Reimbursable Programs' Revenues and Expenditures

Year ended June 30, 2011

(Unaudited)

Budget code	Program description	Budget	Cash received or transferred during year ended June 30, 2011,	Grant receivable, June 30, 2011,	Unearned revenue, June 30, 2011	Total revenue	Total expenditures
29-3570	Community Foundations – Murray	\$ 5,052	10,052	—	(5,000)	5,052	5,052
29-3570	Community Foundations – Ames	1,163	1,163	—	—	1,163	1,163
29-3570	Community Foundations – Yackel – BEM	3,883	3,883	—	(3,883)	—	—
29-3570	Community Foundations – Fuel Up – Chelsea Heights	3,000	3,000	—	(402)	2,598	2,598
29-3570	Community Foundations – Yackel – Highland Elem	6,275	6,275	—	(6,275)	—	—
29-3570	Community Foundations – Walmart – Highwood Hills	2,300	2,300	—	(1,954)	346	346
29-3570	Community Foundations – Podruska – Jackson	10,000	84	—	(84)	—	—
29-3570	Community Foundations – Obama	4,600	4,600	—	—	4,600	4,600
29-3570	Community Foundations – American Indian Magnet	—	7,417	—	(2,518)	4,899	4,899
29-3571	Community Trusts – Jackson	31	31	—	(31)	—	—
29-3710	McNeely Foundation	97,860	114,966	—	(17,730)	97,236	97,236
29-3720	Minneapolis Foundation – Critical Transformation – Obama	200,000	200,000	—	(194,989)	5,011	5,011
29-3790	Peta Wakana Tipi	3,360	10,539	—	(1,204)	9,335	9,335
29-3850	General Mills Grant – Champion For Kids	—	1,761	—	(865)	896	896
29-3850	General Mills Grant – Central	6,425	6,425	—	(5,124)	1,301	1,301
29-3860	Northstar Financial	3,157	3,157	—	(401)	2,756	2,756
29-3890	United Way Grant	37,500	37,500	—	—	37,500	37,500
29-3890	United Way Grant – Jackson	140,000	140,143	—	(53)	140,090	140,090
29-3960	Target/Scholarship America – Highwood Hills	700	712	—	(75)	637	637
29-3960	Target/Scholarship America – Phalen Lake	700	700	—	—	700	700
29-3960	Target/Scholarship America – Wellstone	700	700	—	(30)	670	670
29-4190	Out For Equity	4,695	4,914	—	(94)	4,820	4,820
29-4192	Out For Equity Support	16,375	16,375	—	(12,999)	3,376	3,376
29-4274	Travelers Grant – Principals Academy	757,521	1,257,521	—	(854,814)	402,707	402,707
29-4275	AVID – Travelers Grant	1,000,000	1,897,305	1,453	(835,556)	1,063,202	1,063,202
29-4290	St. Paul Foundation Emergency	14,514	4,514	10,000	(4,066)	10,448	10,448
29-4291	St. Paul Foundation – Teacher Grants	37,594	64,221	—	(26,432)	37,789	37,789
29-4302	Miscellaneous Donations – Student Wellness	—	290	—	(290)	—	—
29-4345	Health Care Provider Partnership	1,133	1,133	—	(433)	700	700
29-4368	Exercise Your Right To Feel Good	22,924	34,487	—	(25,284)	9,203	9,203
29-4395	HP Healthy Lifestyles Plan	11,665	11,665	—	(473)	11,192	11,192
29-4397	AED Plan – Middle Schools	11,880	14,065	—	(2,585)	11,480	11,480
29-4600	Lillian Wright Memorial	9,261	5,533	1,960	—	7,493	7,493
29-4633	Principals' Academy	34,070	34,070	—	(25,138)	8,932	8,932
29-4640	Superintendent's Discretionary	98	98	—	(98)	—	—
29-4650	Best Practices Demonstration School	2,095	2,094	—	(81)	2,013	2,013
29-4850	Merck-Asthma	3,187	3,182	—	(3,182)	—	—
29-5300	Scholarships – Chuck Lund	2,160	4,661	—	(3,054)	1,607	1,607

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Elementary and Secondary Schools

Fully Financed Fund Program Grant Analysis

Statement of Reimbursable Programs' Revenues and Expenditures

Year ended June 30, 2011

(Unaudited)

Budget code	Program description	Budget	Cash received or transferred during year ended June 30, 2011	Grant receivable, June 30, 2011	Unearned revenue, June 30, 2011	Total revenue	Total expenditures
29-5300	Scholarships – Olga B Hart Foundation	\$ 22,000	22,000	—	(10,000)	12,000	12,000
29-9260	Outside Funded Transportation	45,000	26,892	18,308	—	45,200	45,685
29-9265	PIP/Dodge Nature Center	40,860	48,890	—	(19,440)	29,450	29,450
29-9490	Bush Educators – Connected Counseling	59,176	59,176	—	(366)	58,810	58,810
29-9500	Federation Agreement	202,859	83,784	118,983	—	202,767	202,767
	Total private	5,790,750	6,912,378	444,511	(3,201,446)	4,155,443	4,155,928
19-XXX	Intraschool/AAC Athletics:	—	—	—	—	—	—
	All Intraschool Accounts	—	—	—	—	—	—
	Total Intraschool/AAC Athletics	—	—	—	—	—	—
	Miscellaneous:						
29-1190	General Special Ed. Summer School	800,000	792,523	—	—	792,523	792,523
29-1230	Itin Vision Staff	957,100	329,911	455,106	—	785,017	785,018
29-1245	Special Education Purchase of Service	12,566	—	4,600	—	4,600	4,600
29-1260	Special Education Itinerant Vision	23,241	31,935	—	(13,190)	18,745	18,745
29-1310	Project Explore	3,781	3,781	—	(3,781)	—	—
29-2360	Title I Reading Recovery	28,757	33,196	—	(30,179)	3,017	3,017
29-3100	ELL Workshop	5,645	25,572	1,161	(26,558)	175	175
29-3520	Automotive Learning Center	10,579	14,702	—	(10,051)	4,651	4,651
29-4365	Employee Wellness Efforts	—	4,647	—	(4,647)	—	—
29-4910	Translations with administration	132,849	126,034	3,301	(49,181)	80,154	80,154
29-9090	Vending Machine Proceeds – 2102 University	—	804	163	(624)	343	342
29-9211	Valley Branch ELC	75,288	59,082	—	(59,082)	—	—
29-9300	Planetarium	75,993	95,734	740	(66,527)	29,947	29,947
29-9522	EMID Starbase	110,300	85,355	47,881	—	133,236	133,236
29-9540	Charter School SQRs	25,000	—	36,100	(17,900)	18,200	18,200
No budget		—	(51,950)	82,762	(30,812)	—	—
	Total miscellaneous	2,261,099	1,551,326	631,814	(312,532)	1,870,608	1,870,608
	Total fully financed fund	\$ 80,624,685	60,487,601	11,025,418	(3,941,102)	67,571,917	67,571,917

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Elementary and Secondary Schools – Community Service Fund

Fully Financed Fund Program Grant Analysis

Statement of Reimbursable Programs' Revenues and Expenditures

Year ended June 30, 2011

Budget code	Program description	Budget	Cash received or transferred during year ended June 30, 2011	Grant receivable June 30, 2011	Grant payable June 30, 2011	Unearned revenue June 30, 2011	Total revenue	Total expenditures
Federal:								
30-5064	21st Century Grant – 4th Cohort Learning Centers	\$ 617,272	255,726	259,177	—	—	514,903	514,903
30-5221	Supplemental Refugee ESL Grant	241,926	161,957	79,934	—	—	241,891	241,891
30-5824	PEK Early Reading First	71,754	46,397	—	—	—	46,397	46,397
30-5852	Learn & Serve America Schools	18,792	2,461	14,717	—	—	17,178	17,178
30-5931	21st Century Grant – Transition Project	56,673	52,064	—	—	—	52,064	52,064
30-5931	21st Century Grant – Cohort 3	776,000	402,349	310,377	—	—	712,726	712,726
	Total Federal	1,782,417	920,954	664,205	—	—	1,585,159	1,585,159
State:								
30-5051	Night Moves – Eastside	—	1,008	—	—	—	1,008	1,008
30-5052	Night Moves – Como	—	2,179	—	—	—	2,179	2,179
30-5101	State Hearing Impaired	—	(116)	14,695	—	—	14,579	14,579
30-5235	ABE Statewide Support Services	112,294	78,605	33,682	—	—	112,287	112,287
33-5302/5350/5909	Nonpublic State Aid Programs	1,649,639	1,144,919	436,182	—	—	1,581,101	1,581,101
30-5908	Preschool Screening	212,238	135,877	40,998	—	—	176,875	176,875
	Total State	1,974,171	1,362,472	525,557	—	—	1,888,029	1,888,029
Other Governmental Units:								
30-5230	ABE Learner Activities	56,450	45,979	1,142	—	—	47,121	27,464
30-5245	ABE MLC Distance Learning	2,500	2,500	—	—	—	2,500	2,500
30-5250	ABE DEED Energy Grant	32,450	—	—	—	—	—	—
30-5255	Workforce Child Development	19,249	—	9,102	—	(8)	9,094	9,094
30-5260	Medical Careers Path	12,690	4,229	2,584	—	(10)	6,803	6,803
30-5700	Day Cares	987,768	828,777	59,004	—	—	887,781	575,041
	Total Other Governmental Units	1,111,107	881,485	71,832	—	(18)	953,299	620,902
Private:								
30-5065	Nexus Community Partner	6,250	7,125	—	—	(4,180)	2,945	2,945
30-5201	Ronald M Hubbs Scholarship	10,450	15,940	—	—	(14,894)	1,046	1,046
30-5300	Indian Ed Scholarships	1,000	1,415	—	—	(915)	500	500
30-5300	Arlington Scholarships	1,150	1,150	—	—	(1,150)	—	—
30-5811	ECFE SWMICB	12,000	8,800	—	—	—	8,800	8,800
30-5827	PEK McNight Foundation	1,193,015	1,193,015	6,750	—	(90,971)	1,108,794	1,108,794
30-5911	CET – Fair Parking	—	23,745	—	—	(13,748)	9,997	9,997
	No Budget	—	47,000	—	—	(47,000)	—	—
	Total Private	1,223,865	1,298,190	6,750	—	(172,858)	1,132,082	1,132,082
	Total Community Service Fully Financed	\$ 6,091,560	4,463,101	1,268,344	—	(172,876)	5,558,569	5,226,172

See accompanying independent auditors' report.