INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA

Financial Statements and
Supplemental Information

Year Ended
June 30, 2015

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INDEPENDENT SCHOOL DISTRICT NO. 625

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<u>INTRODUCTORY SECTION</u>

Saint Paul Public Schools
Organization Chart
School Year 2014-15

Saint Paul Public Schools — A World of Opportunities

- **Board of Education**
  - **Office of Legal Services** — General Counsel — Nancy Cameron
  - **Superintendent** — Valeria Silva
    - **Exec. Asst. to Supt.** — Mai Vang
    - **Chief Executive Officer** — Michelle Walker
      - **Dept. of Human Resources** — Exec. Director — Laurin Cathey
        - Benefits
        - Compensation
        - HR Information Systems
        - Human Rights
        - Performance Management
        - Workforce Management
        - Staff Diversity
        - Staff Wellness
        - Payroll
        - Labor Negotiations
      - **Dept. of Finance** — Controller (CFO) — Marie Schrul
        - Accounts Payable/Receivable
        - Accounting
        - Purchasing & Contract Services
        - Grants Accounting
        - Budget
        - Financial Forecast
        - MARSS
        - HR/FIN Info Sys
      - **Office of Equity** — Director — Michelle Bierman
        - Racial Equity PD
        - Multicultural Resource Center
        - EMID Partnerships
        - Out for Equity
      - **Dept. of Research, Evaluation & Assessment** — Director — Stacey Gray Akyea
        - Testing Coordination
        - Data Collection/Analysis Reporting
        - Program Evaluation
      - **Office of Title I Federal Programs** — Director — Cheryl Carlstrom
        - ESEA, NCLB, Title I
        - Homeless Program
        - Non-public Schools
        - Foster Care Program
        - MDE Liaison
      - **Office of Strategic Planning and Policy** — Asst. Director — Jackie Allen
        - Interagency Coordination
        - Legislative Affairs
        - Strategic Plan Implementation
        - Referendum Monitoring
        - Board Policies/Procedures
        - Special Projects
    - **Division of Academic Services** — Chief Academic Officer — Christine Osorio
      - **Office of Multilingual Learning** — Asst. Supt. — Efe Agbamu
        - K-12 ELL Services
        - Cultural Programs (Hmong, Spanish, Somali & Karen)
        - Dual Language Programs
        - Title III
        - Indigenous & World Languages
      - **Office of Personalized Learning** — Asst. Supt. — Kate Wilcox-Harris
        - Technology Referendum
        - Library Media Specials
      - **Office of Specialized Services** — Asst. Supt. — Elizabeth Keenan
        - Birth to Age 21 Special Education
        - Section 504
        - Student Wellness – Nurses
        - Third Party Billing
        - Treatment/corrections Programs
      - **Office of Early Learning** — Asst. Director — Vicki Turner
        - PreK Program
        - PreK-3 Child Parent Centers
        - Project Early K
        - TACSEI
        - Minneminds
      - **Office of Teaching & Learning** — Director — Hans Ott
        - Academic Content Areas
        - American Indian Education/Studies
        - Districtwide Professional Development
        - Textbooks
        - PreK-12 Curriculum & Instruction
        - Valley Branch/Belwin
        - PAR
        - MTSS
        - AVID
        - Gifted Services
      - **Office of Career and College Readiness** — Director — Jon Peterson
        - Guidance & Counseling Services
        - Postsecondary Programs
        - Career and Technical Education
        - Extended Day
        - Summer School
        - Alternative Learning Programs
        - On-line Learning
    - **Elem. PreK-5** — Asst. Supt. — Sharon Freeman
    - **Elem. PreK-5** — Asst. Supt. — Andrew Collins
    - **Middle Schools (PreK-8, 6-8)** — Asst. Supt. — Lisa Sayles-Adams
    - **High Schools (6-12)** — Asst. Supt. — Theresa Battle
    - **Leadership Development** — Director — Patrick Duffy
      - Administrator Professional Development
      - Turnaround St. Paul Project
    - **Division of Operations** — Chief Operations Officer — Jean Ronnei
      - **Dept. of Transportation** — Director — Tom Burr
        - Transportation Contracts
        - Bus Safety
        - Route Operations
        - School Patrol
      - **Dept. of Technology Services** — Deputy Chief — Idrissa Davis
        - Tech. Support
        - Networks/Wireless
        - Device Management
        - VOIP Phones
        - Data Centers
      - **Dept. of Security & Emergency Management** — Director — Laurie Olson
        - Contracted Safety
        - School Resource Officers
        - Emergency Command Center
      - **Dept. of Facilities** — Interim Director — Tom Parent
        - Building Maintenance
        - Custodial Services
        - Energy & Waste Management
        - Environmental Health & Safety
        - Facility Planning
        - Furniture & Moves
        - Grounds
        - Real Estate & Property Management
      - **Dept. of Nutrition Services** — Director — Jim Hemmen
        - Nutrition Services
        - Print, Copy Mail Center
    - **Division of Engagement** — Chief Engagement Officer — Jackie Turner
      - **Office of Student Placement** — Director — Jayne Williams
        - Student records
        - Enrollment
        - Intake
        - School Choice
        - Screening
      - **Office of Communications, Marketing & Development** — Director — Julie Schultz Brown
        - Media Relations
        - Translations
        - District Website & Social Media
        - SPPS Foundation Liaison
        - Competitive Grants
        - Philanthropic Partnerships
        - Internal/External Communications
      - **Dept. of Community Education** — Director — Lynn Gallandat
        - 21st CCLC Programs
        - Adult Learning
        - Adult Special Needs
        - Community Programs/Activities
        - Early Childhood Family Educ.
        - Discovery Club
        - Planetarium
        - SEED
      - **Office of Family Engagement & Community Partnerships** — Director — Tyrize Cox
        - Family Engagement
        - Parent Academy
        - Ombudsperson
        - Volunteers
        - Community/Faith-based Partnerships
        - Latino Consent Decree
        - Parent Advisory Committees
        - Attendance/Truancy

Last Updated: December 17, 2014
Effective Date: October 15, 2014

INDEPENDENT SCHOOL DISTRICT NO. 625

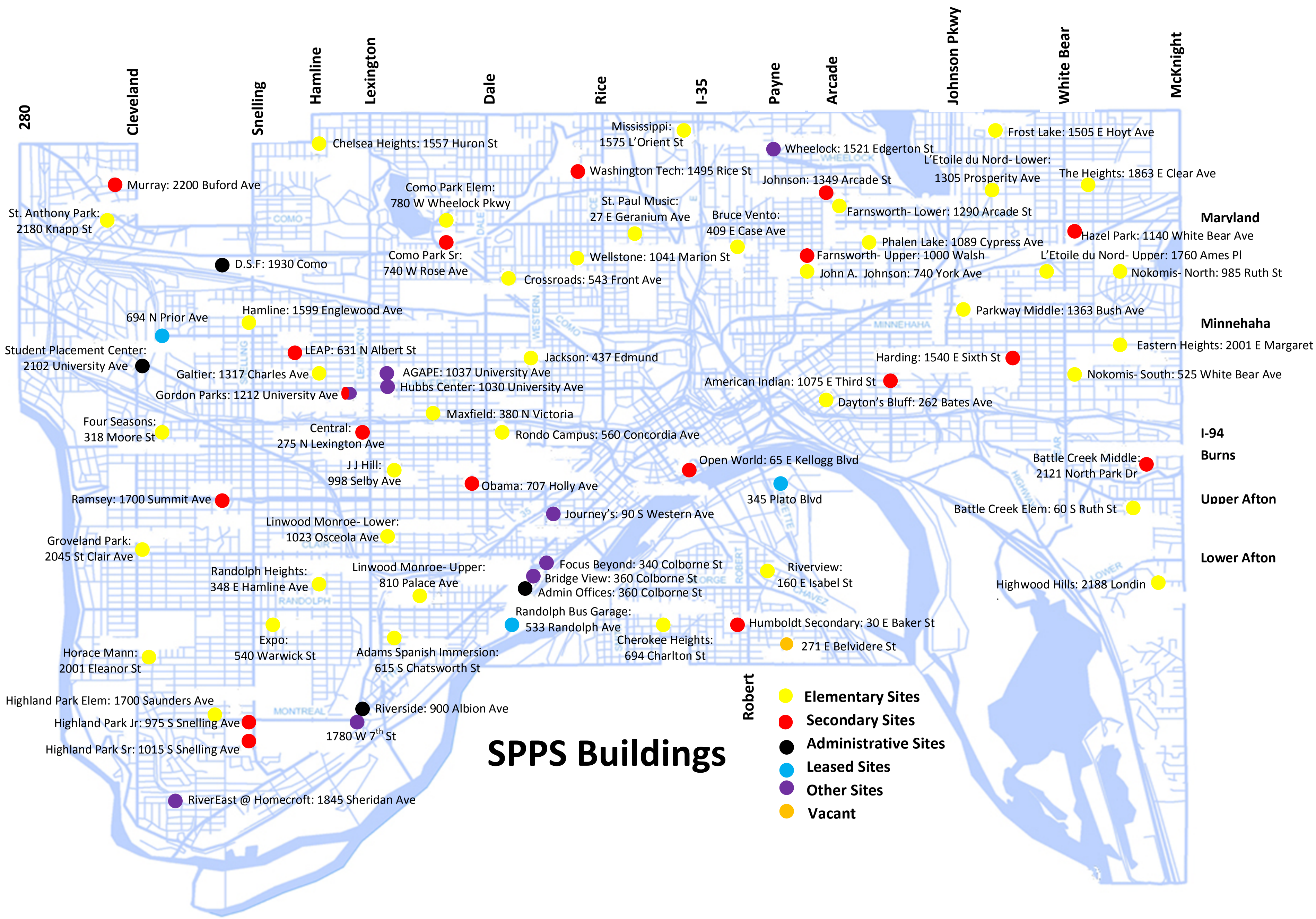
Board of Education and Administration
Year Ended June 30, 2015

BOARD OF EDUCATION

	Board Position
Mary C. Doran	Chairperson
Keith Hardy	Vice Chairperson
Anne Carroll	Treasurer
Chue Vue	Clerk
John Brodrick	Director
Jean O'Connell	Director
Louise Seeba	Director

ADMINISTRATION

Valeria Silva	Superintendent
Michelle Walker	Chief Executive Officer
Jean Ronnei	Chief Operations Officer
Jackie Turner	Chief Engagement Officer
Dr. Kate Wilcox-Harris	Chief Academic Officer
Marie Schrul	Chief Financial Officer
Andrew Collins	Assistant Superintendent, Elementary Schools
Sharon Freeman	Assistant Superintendent, Elementary Schools
Lisa Sayles-Adams	Assistant Superintendent, Middle Grades
Theresa Battle	Assistant Superintendent, High Schools
Dr. Efe Agbamu	Assistant Superintendent, Multilingual Learning
Dr. Elizabeth Keenan	Assistant Superintendent, Specialized Services
Idrissa Davis	Deputy Chief, Technology Services
Michelle Bierman	Director, Office of Equity
Laurin Cathey	Executive Director Human Resources
Patrick Duffy	Director, Leadership Programs
Hans Ott	Director of Teaching and Learning
Jon Peterson	Director, Office of College and Career Readiness
Ryan Vernosh	Director of Communications, Marketing and Development
Jacqueline Statum Allen	Assistant Director, Strategic Planning and Policy
Mai Vang	Executive Assistant to the Superintendent
Nancy Cameron	General Counsel


SPPS Buildings
280
Cleveland
Snelling
Hamline
Lexington
Dale
Rice
I-35
Payne
Arcade
Johnson Pkwy
White Bear
McKnight
Maryland
Minnehaha
I-94
Burns
Upper Afton
Lower Afton
Robert
Chelsea Heights: 1557 Huron St
Mississippi: 1575 L'Orient St
Wheelock: 1521 Edgerton St
Frost Lake: 1505 E Hoyt Ave
L'Etoile du Nord- Lower: 1305 Prosperity Ave
The Heights: 1863 E Clear Ave
Murray: 2200 Buford Ave
Como Park Elem: 780 W Wheelock Pkwy
Washington Tech: 1495 Rice St
Johnson: 1349 Arcade St
St. Anthony Park: 2180 Knapp St
St. Paul Music: 27 E Geranium Ave
Bruce Vento: 409 E Case Ave
Farnsworth- Lower: 1290 Arcade St
Hazel Park: 1140 White Bear Ave
Phalen Lake: 1089 Cypress Ave
D.S.F: 1930 Como
Como Park Sr: 740 W Rose Ave
Wellstone: 1041 Marion St
Farnsworth- Upper: 1000 Walsh
L'Etoile du Nord- Upper: 1760 Ames Pl
Crossroads: 543 Front Ave
John A. Johnson: 740 York Ave
Nokomis- North: 985 Ruth St
Hamline: 1599 Englewood Ave
Parkway Middle: 1363 Bush Ave
694 N Prior Ave
Student Placement Center: 2102 University Ave
LEAP: 631 N Albert St
Jackson: 437 Edmund
Harding: 1540 E Sixth St
Eastern Heights: 2001 E Margaret
Galtier: 1317 Charles Ave
AGAPE: 1037 University Ave
Hubbs Center: 1030 University Ave
American Indian: 1075 E Third St
Nokomis- South: 525 White Bear Ave
Gordon Parks: 1212 University Ave
Maxfield: 380 N Victoria
Dayton's Bluff: 262 Bates Ave
Four Seasons: 318 Moore St
Central: 275 N Lexington Ave
Rondo Campus: 560 Concordia Ave
J J Hill: 998 Selby Ave
Open World: 65 E Kellogg Blvd
Battle Creek Middle: 2121 North Park Dr
Obama: 707 Holly Ave
345 Plato Blvd
Ramsey: 1700 Summit Ave
Battle Creek Elem: 60 S Ruth St
Journey's: 90 S Western Ave
Linwood Monroe- Lower: 1023 Osceola Ave
Groveland Park: 2045 St Clair Ave
Focus Beyond: 340 Colborne St
Bridge View: 360 Colborne St
Admin Offices: 360 Colborne St
Randolph Heights: 348 E Hamline Ave
Linwood Monroe- Upper: 810 Palace Ave
Riverview: 160 E Isabel St
Highwood Hills: 2188 Londin
Randolph Bus Garage: 533 Randolph Ave
Humboldt Secondary: 30 E Baker St
Expo: 540 Warwick St
Cherokee Heights: 694 Charlton St
Horace Mann: 2001 Eleanor St
Adams Spanish Immersion: 615 S Chatsworth St
271 E Belvidere St
Highland Park Elem: 1700 Saunders Ave
Highland Park Jr: 975 S Snelling Ave
Highland Park Sr: 1015 S Snelling Ave
Riverside: 900 Albion Ave
1780 W 7th St
RiverEast @ Homecroft: 1845 Sheridan Ave
Elementary Sites
Secondary Sites
Administrative Sites
Leased Sites
Other Sites
Vacant

FINANCIAL SECTION

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PRINCIPALS
Thomas M. Montague, CPA
Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Education and Management of
Independent School District No. 625
Saint Paul, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 625 (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

(continued)

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

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

EMPHASIS OF MATTER

As described in Note 1 of the notes to basic financial statements, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, during the year ended June 30, 2015. Our opinion is not modified with respect to this matter.

OTHER MATTERS

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, supplemental information, and other district information, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

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

(continued)

Prior Year Comparative Information

We have previously audited the District's 2014 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 22, 2014. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
December 22, 2015

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This section of Independent School District No. 625's (the District) annual financial statements presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2015. Please read it in conjunction with the other components of the District's annual financial statements.

FINANCIAL HIGHLIGHTS

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2015 by $371.8 million (net position). The District's total net position decreased by $0.2 million during the fiscal year ended June 30, 2015, exclusive of the change in accounting principle reported in the current year as discussed below.
- The District recorded a change in accounting principle in the current year for reporting the District's participation in the Public Employees Retirement Association (PERA) and Saint Paul Teachers' Retirement Fund Association (SPTRFA) pension plans. This change reduced beginning net position in the government-wide financial statements by $480.6 million.
- Government-wide revenues totaled $682.9 million and were $0.2 million less than expenses of $683.1 million.
- The General Fund's total fund balance (under the governmental fund presentation) decreased $12.7 million from the prior year, compared to a $24.3 million decrease planned in the budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major funds," rather than the District as a whole. The District reports all governmental funds as major funds.

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. For Minnesota schools, funds are established in accordance with Uniform Financial Accounting and Reporting Standards in accordance with statutory requirements and accounting principles generally accepted in the United States of America.

The District maintains the following kinds of funds:

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1
Summary Statement of Net Position
as of June 30, 2015 and 2014
(in millions)

	2015	2014
Assets		
Current and other assets	$ 371.9	$ 388.7
Capital assets, net of depreciation	421.1	409.0
Total assets	**$ 793.0**	**$ 797.7**
Deferred outflows of resources		
Pension plan deferments – PERA and SPTRFA	$ 65.9	$ –
Deferred amount on refunding of debt	2.5	2.9
Total deferred outflows of resources	**$ 68.4**	**$ 2.9**
Liabilities		
Current and other liabilities	$ 77.7	$ 83.7
Long-term liabilities, including due within one year	954.7	493.1
Total liabilities	**$ 1,032.4**	**$ 576.8**
Deferred inflows of resources		
Property taxes levied for subsequent year	$ 114.7	$ 114.8
Pension plan deferments – PERA and SPTRFA	86.1	–
Total deferred inflows of resources	**$ 200.8**	**$ 114.8**
Net position		
Net investment in capital assets	$ 125.8	$ 109.7
Restricted	18.9	18.0
Unrestricted	(516.5)	(18.7)
Total net position	**$ (371.8)**	**$ 109.0**

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

Total net position decreased by $480.8 million, which reflects a decrease of $0.2 million from current year operating results, while the change in accounting principle mentioned earlier reduced unrestricted net position by $480.6 million. This change in accounting principle for pensions significantly increased deferred outflows of resources, long-term liabilities, and deferred inflows of resources as presented in the table above.

The District's change in the net investment in capital assets is due mostly to the relationship of the District repaying debt compared to the rate the assets are being depreciated. An increase in net position restricted for debt service and other state funding restrictions contributed to the growth in the restricted portion of net position. The decrease in unrestricted net position was primarily due to the change in accounting principle previously discussed.

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

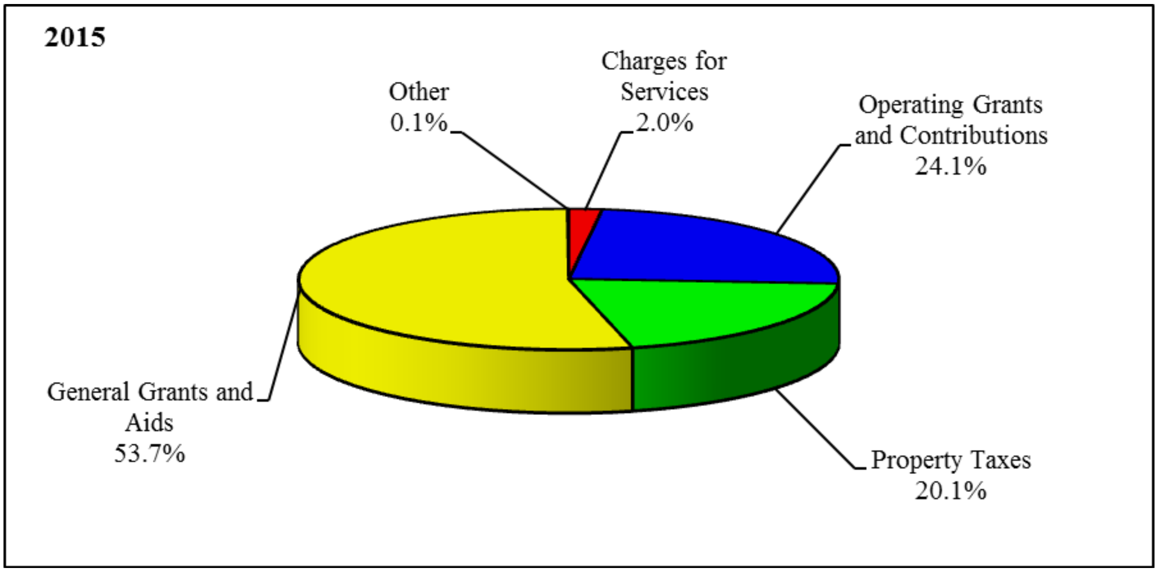
Table 2
Summary Statement of Activities
for the Years Ended June 30, 2015 and 2014
(in millions)

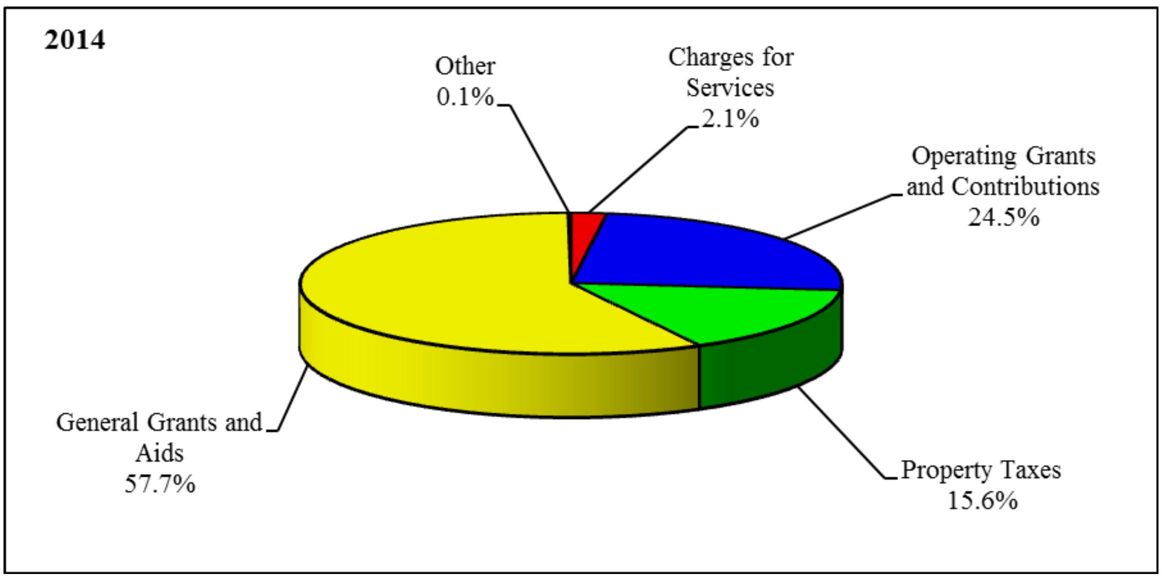
	2015	2014
Revenues		
Program revenues		
Charges for services	$ 13.6	$ 13.8
Operating grants and contributions	164.4	159.1
General revenues		
Property taxes	137.6	101.2
General grants and aids	366.8	374.9
Other	0.5	1.1
Total revenues	682.9	650.1
Expenses		
Administration	21.0	19.8
District support services	18.4	17.9
Elementary and secondary regular instruction	304.0	293.9
Vocational education instruction	5.0	4.9
Special education instruction	112.6	112.7
Instructional support services	50.1	41.3
Pupil support services	48.8	44.9
Sites and buildings	55.1	63.6
Food service	26.5	26.5
Community service	27.1	26.9
Interest and fiscal charges on debt	14.5	14.6
Total expenses	683.1	667.0
Change in net position	(0.2)	(16.9)
Net position – beginning, as previously reported	109.0	125.9
Change in accounting principle	(480.6)	–
Net position – beginning, restated	(371.6)	125.9
Net position – ending	**$ (371.8)**	**$ 109.0**

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

Figure A shows further analysis of these revenue sources:

Figure A – Sources of Revenues for Fiscal Years 2015 and 2014





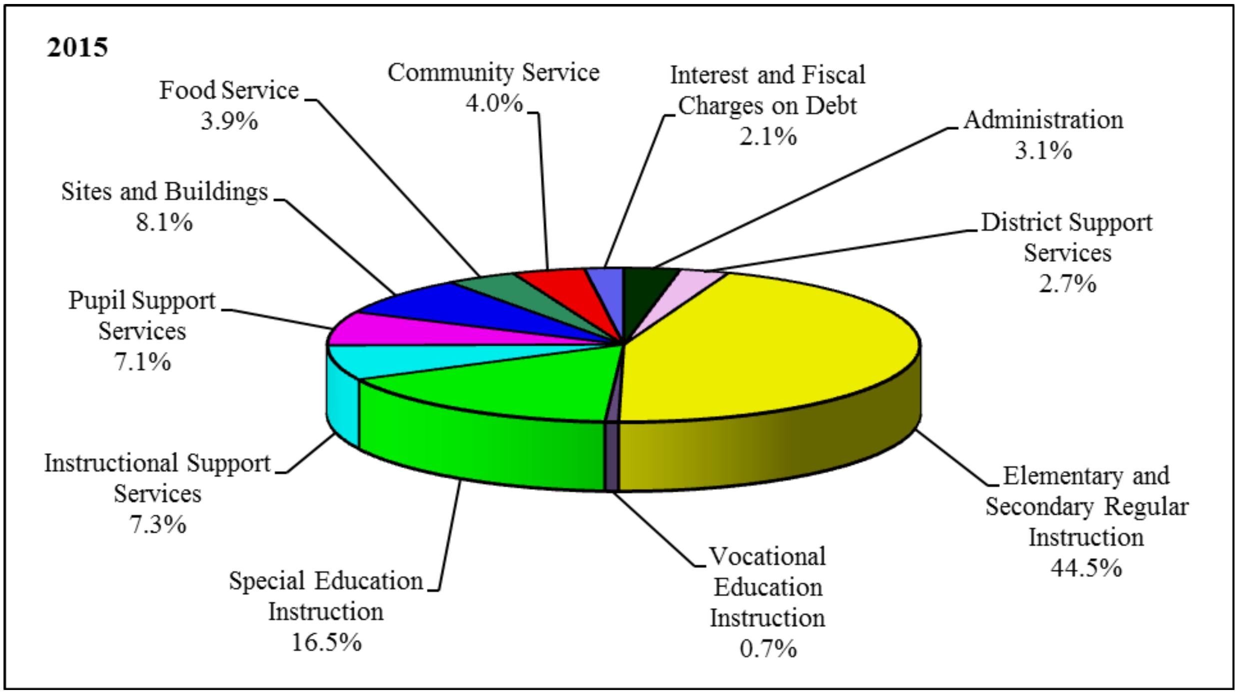
The largest share of the District's revenue is received from the state, including the general education aid formula and most of the operating grants. This significant reliance on the state for funding has placed pressure on local school districts as a result of limited funding increases in recent years.

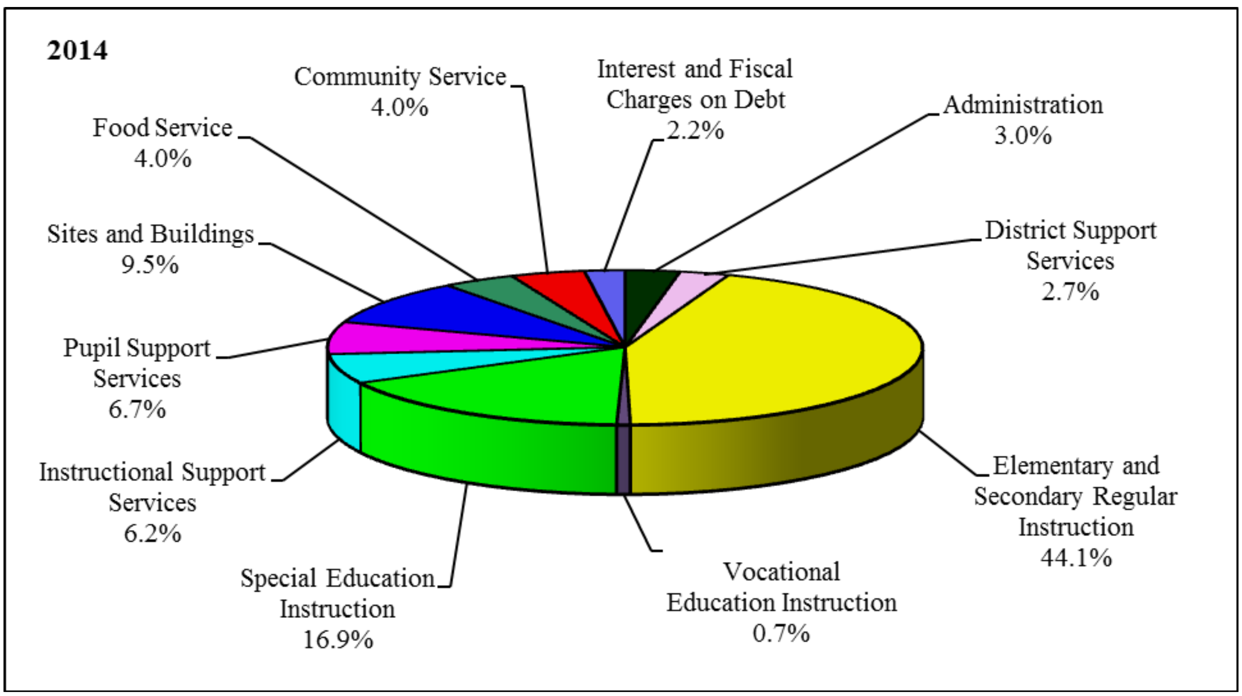
Property taxes are generally the next largest source of funding. The level of funding property tax sources provide is not only dependent on taxpayers of the District by way of operating and building referenda, but also by decisions made by the Legislature in the mix of state aid and local effort in a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

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

Figure B shows further analysis of these expense functions:

Figure B – Expenses for Fiscal Years 2015 and 2014





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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Table 3
Governmental Fund Balances
as of June 30, 2015 and 2014
(in millions)

	2015	2014	Increase (Decrease)
Major funds			
General	$ 86.1	$ 98.8	$ (12.7)
Food Service	1.8	2.9	(1.1)
Community Service	3.0	3.0	–
Capital Projects	22.9	29.5	(6.6)
Debt Service	66.1	58.3	7.8
Total governmental funds	$ 179.9	$ 192.5	$ (12.6)

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District's Board of Education.

At June 30, 2015, the District's governmental funds reported combined fund balances of $179.9 million, a decrease of $12.6 million in comparison with the prior year. Approximately 16.4 percent of this amount ($29.6 million) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is: 1) not in spendable form ($2.6 million), 2) restricted for particular purposes ($105.8 million), 3) committed for particular purposes ($24.9 million), or 4) assigned for particular purposes ($17.0 million).

Analysis of the General Fund

At year-end, the fund balance of the General Fund was $86,143,841. The decrease from the prior year was mainly due to the expenditures in fiscal year 2015 of General Fund projects for the Strong Schools, Strong Communities (SSSC) and Personalized Learning Through Technology initiatives and use of restricted balances for operating capital.

Analysis of the Food Service Special Revenue Fund

The Food Service Special Revenue Fund is used to record the activity of the District's child nutrition program. This fund ended the year with expenditures exceeding revenues by $1,073,629, compared to a balanced budget. At year-end, the fund balance in this fund was $1,839,553.

Analysis of the Community Service Special Revenue Fund

The Community Service Special Revenue Fund ended the year with expenditures exceeding revenues, decreasing equity by $65,852, compared to a planned fund balance increase of $75,826. At year-end, the fund balance in this fund was $2,956,983.

Analysis of the Capital Projects Fund

The Capital Projects Fund ended the year with a fund balance of $22,921,039 to be used for district projects. The decrease in the Capital Projects Fund was due to the District's planned spend-down of the school building bonds that were issued in the current and prior year.

Analysis of the Debt Service Fund

The Debt Service Fund is used to record revenues and expenditures for the District's outstanding bonded indebtedness, whether for building construction or for refunding bonds. The $7,782,015 increase in fund balance is due to the $21,690,000 Crossover Refunding Bonds, Series 2015B and Current Refunding Certificates of Participation, Series 2015C issued in the current year offset by the $15,185,000 of payments on refunded bonds.

Analysis of the General Fund

Table 4 summarizes the amendments to the General Fund budget:

Table 4
General Fund Budget
For the Year Ended June 30, 2015
(in millions)

	Original Budget	Final Budget	Increase (Decrease)	Percent Change
Revenues and other financing sources	$ 568.6	$ 582.0	$ 13.4	2.4%
Expenditures and other financing uses	$ 576.7	$ 606.3	$ 29.6	5.1%

The District is required to adopt an operating budget prior to the beginning of its fiscal year, referred to above as the original budget. During the year, the District amended that budget for known changes in circumstances such as updated enrollment levels, legislative funding, additional funding received from grants or other local sources, staffing changes, insurance premium changes, special education tuition changes, and employee contract settlements.

Table 5 summarizes the operating results of the General Fund:

Table 5
General Fund
Operating Results
(in millions)

	2015 Actual	Over (Under) Final Budget Amount	Over (Under) Final Budget Percent	Over (Under) Prior Year Amount	Over (Under) Prior Year Percent
Revenue and other financing sources	$ 580.1	$ (1.9)	(0.3%)	$ 31.2	5.7%
Expenditures and other financing uses	592.8	$ (13.5)	(2.2%)	$ 27.8	4.9%
Net change in fund balances	$ (12.7)				

Actual revenue and other financing sources for fiscal year 2015 were 0.3 percent, or $1.9 million, less than budgeted. The variance to budget was primarily in local sources for county and other, in state sources for special education, and in the Fully Financed General Fund account for federal revenues. The District budgeted for full federal entitlements and only receives revenue on a reimbursement basis. Significant federal entitlement funding was carried over to fiscal year 2016.

Actual revenue and other financing sources for fiscal 2015 were 5.7 percent, or $31.2 million, more than fiscal year 2014. The property tax shift change between fiscal year 2014 and fiscal year 2015 caused taxes to be $29.9 million higher with an equal offset in state sources in the current year. In 2015, the general education aid formula increased by an additional 2.0 percent as a result of the 2014 legislative session. This increase in revenue was offset by a decrease in state funding in the areas of special education revenue and integration aid. These areas of revenue had declining enrollment in fiscal year 2015. Federal revenue also decreased by $1.2 million in fiscal year 2015.

Actual expenditures and other financing uses for fiscal year 2015 were 2.2 percent, or $13.5 million, less than budgeted. The variance to budget was primarily in the areas of district support services and elementary and secondary regular instruction. Factors contributing to variances in these areas include vacancies and related salary and benefits, SSSC project cost savings, non-salary balances at sites, and teacher development and evaluation savings. Another major contributing factor to the variance in expenditures was the fully financed General Fund account activity. Similar to revenues, the District budgeted for full federal entitlements and underspent in Title I, Title II, and Title III. These funds are carried over to fiscal year 2016.

Actual expenditures and other financing uses for fiscal year 2015 were 4.9 percent, or $27.8 million, more than fiscal year 2014. The areas contributing to this increase include expenditures for the increase in staffing resulting from the teacher-negotiated contract class size, implementation of the Personalized Learning Through Technology initiative, additional Area Learning Center expenditures, increased costs of substitutes, an additional $3 million investment to the OPEB trust, use of operating capital to purchase and renovate a bus garage, planned use of $8.1 million of fund balance for fiscal year 2015 operations, SSSC 2.0 investments for program articulation at sites (Montessori training, AP/IB fees, mental health staff, and dual immersion program), camp 6 and 9 programs, additional pre-K costs, PAR/mentoring program, teacher evaluation and athletics support, and additional SPTRFA payments for prior obligations.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

Table 6 shows the District's capital assets, together with the changes from the previous year. The table also shows the total depreciation expense for fiscal years ending June 30, 2015 and 2014:

Table 6
Capital Assets
(in millions)

	2015	2014	Change
Land	$ 27.4	$ 26.0	$ 1.4
Construction in progress	6.1	8.3	(2.2)
Land improvements	25.7	24.1	1.6
Buildings	341.4	341.4	–
Building improvements	341.8	310.7	31.1
Equipment	21.1	19.9	1.2
Less accumulated depreciation	(342.4)	(321.4)	(21.0)
Total	$ 421.1	$ 409.0	$ 12.1
Depreciation expense	$ 21.1	$ 21.4	$ (0.3)

By the end of fiscal 2015, the District had invested in a broad range of capital assets, including school buildings, athletic facilities, and technology and equipment.

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2015, specifically the following deferred maintenance projects: outdoor repairs and replacements at 19 sites; boiler and ventilation projects at 7 sites; flooring, window, and piping replacements at 22 sites; roof replacements at 6 sites; remodeling and renovation at 22 sites; and safety and technology upgrades and replacements at 32 sites.

The District defines capital assets as those with an initial, individual cost of $5,000 or more, which benefit more than one fiscal year.

Additional details about capital assets can be found in the notes to basic financial statements.

Long-Term Liabilities

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

Table 7
Outstanding Long-Term Liabilities
(in millions)

	2015	2014	Change
General obligation bonds payable	$ 344.9	$ 347.5	$ (2.6)
Certificates of participation payable	12.2	14.9	(2.7)
Unamortized discount/premium	17.0	18.5	(1.5)
Capital lease payable	6.8	–	6.8
Severance benefits payable	10.3	10.8	(0.5)
Vacation payable	6.8	6.4	0.4
Early retirement incentive payable	1.5	2.6	(1.1)
Net pension liability – PERA and SPTRFA*	460.3	–	460.3
Net other post-employment benefit obligation	94.9	92.4	2.5
Total	$ 954.7	$ 493.1	$ 461.6

*Reflects current year change in accounting principle; prior year balances were not restated.

Bonds payable and certificates of participation payable decreased due to the planned repayment schedule reflecting principal payments and payments on refunded bonds during fiscal year 2015. This decrease was offset by the issuance of $15,000,000 School Building Bonds, $18,665,000 School Building Refunding Bonds, and $3,025,000 Refunding Certificates of Participation.

The District entered into a capital lease of $6,831,630 in the current year for iPad technology products.

As previously discussed, the District recorded a change in accounting principle in the current year for reporting the District's participation in the PERA and SPTRFA pension plans. Information needed to restate previous periods was not readily available; therefore, prior period amounts were not restated.

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

Table 8
Limitations on Debt
(in millions)

District's market value	$ 19,270
Limit rate	15.0%
Legal debt limit	$ 2,891

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. In the 2015 fiscal year, several funding and pupil weighting changes went into effect, which included an equivalent increase of $105, or 2.0 percent, for the basic general education formula funding. The Legislature has added $117, or 2.0 percent, per pupil to the formula for fiscal year 2016 and an additional $119, or 2.0 percent, per pupil to the formula for fiscal year 2017. The ongoing demands on limited resources continue to present challenges in funding education for Minnesota schools.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

These financial statements are designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about these financial statements or need additional financial information, contact the Business Office, Saint Paul Public Schools, 360 Colborne Street, Saint Paul, Minnesota 55102.

BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 625

Statement of Net Position
as of June 30, 2015
(With Partial Comparative Information as of June 30, 2014)

	Governmental Activities	
	2015	2014
Assets		
Current assets		
Cash and investments	$ 133,277,467	$ 143,651,903
Restricted cash and investments for capital projects	26,874,862	36,259,016
Restricted cash and investments for debt service	37,795,379	15,788,842
Current taxes receivable	83,465,297	80,901,415
Delinquent taxes receivable	3,062,347	3,320,924
Due from other governmental units	52,232,141	60,742,145
Other receivables	868,400	1,068,975
Inventories	1,466,828	1,579,001
Prepaid items	1,189,617	2,287,101
Total current assets	340,232,338	345,599,322
Noncurrent assets		
Restricted cash and investments in revocable trust for OPEB obligations	8,582,778	4,521,182
Restricted cash and investments for debt service	23,085,766	38,591,970
Capital assets, not depreciated	33,486,179	34,249,676
Capital assets, depreciated, net of accumulated depreciation	387,615,784	374,700,570
Total noncurrent assets	452,770,507	452,063,398
Total assets	793,002,845	797,662,720
Deferred outflows of resources		
Pension plan deferments – PERA and SPTRFA	65,914,280	–
Deferred amount on refunding of debt	2,539,294	2,918,325
Total deferred outflows of resources	68,453,574	2,918,325
Total assets and deferred outflows of resources	$ 861,456,419	$ 800,581,045
Liabilities		
Current liabilities		
Accounts payable	$ 12,942,325	$ 20,836,137
Accrued expenses	61,033,154	58,810,800
Due to other governmental units	567,701	519,617
Unearned revenue	3,130,509	3,506,706
Long-term obligations due within one year	71,234,221	49,130,056
Total current liabilities	148,907,910	132,803,316
Noncurrent liabilities		
Net other post-employment benefit obligation	94,885,430	92,430,862
Net pension liability	460,309,564	–
Long-term obligations	328,296,612	351,546,816
Total noncurrent liabilities	883,491,606	443,977,678
Total liabilities	1,032,399,516	576,780,994
Deferred inflows of resources		
Property taxes levied for subsequent year	114,743,062	114,849,276
Pension plan deferments – PERA and SPTRFA	86,127,779	–
Total deferred inflows of resources	200,870,841	114,849,276
Net position		
Net investment in capital assets	125,758,448	109,729,408
Restricted for		
Debt service	6,922,865	5,250,436
Capital projects	6,225,177	6,701,153
Community services	3,060,067	3,102,728
Food service	1,839,553	2,913,182
Other purposes (state and other funding restrictions)	851,744	–
Unrestricted	(516,471,792)	(18,746,132)
Total net position	(371,813,938)	108,950,775
Total liabilities, deferred inflows of resources, and net position	$ 861,456,419	$ 800,581,045

See accompanying notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 625

Statement of Activities
Year Ended June 30, 2015
(With Partial Comparative Information for the Year Ended June 30, 2014)

	2015				2014
		Program Revenues		Net (Expenses) Revenue and Changes in Net Position	Net (Expenses) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Governmental Activities
Governmental activities					
Administration	$ 20,966,859	$ –	$ 290,582	$ (20,676,277)	$ (19,831,940)
District support services	18,444,995	–	362,475	(18,082,520)	(17,949,262)
Elementary and secondary regular instruction	304,017,824	757,877	48,545,568	(254,714,379)	(247,463,950)
Vocational education instruction	4,991,264	–	892,131	(4,099,133)	(4,114,366)
Special education instruction	112,606,986	4,699,961	61,326,895	(46,580,130)	(52,534,774)
Instructional support services	50,072,361	40,851	2,475,727	(47,555,783)	(40,483,989)
Pupil support services	48,823,124	–	6,000,339	(42,822,785)	(30,971,250)
Sites and buildings	55,134,279	496,308	5,273,261	(49,364,710)	(58,288,794)
Food service	26,532,676	2,147,238	23,543,830	(841,608)	(1,155,665)
Community service	27,091,150	5,495,998	15,644,540	(5,950,612)	(6,696,069)
Interest and fiscal charges on debt	14,448,771	–	–	(14,448,771)	(14,611,192)
Total governmental activities	$ 683,130,289	$ 13,638,233	$ 164,355,348	(505,136,708)	(494,101,251)
General revenues					
Taxes					
Property taxes levied for general purposes				94,501,077	56,306,457
Property taxes levied for community services				3,544,440	1,767,460
Property taxes levied for debt services				39,633,324	43,137,512
General grants and aids				366,751,179	374,864,140
Investment earnings				486,713	1,120,838
Total general revenues				504,916,733	477,196,407
Changes in net position				(219,975)	(16,904,844)
Net position, beginning of year, as previously reported				108,950,775	125,855,619
Change in accounting principle				(480,544,738)	–
Net position, beginning of year, as restated				(371,593,963)	125,855,619
Net position, end of year				$ (371,813,938)	$ 108,950,775

See accompanying notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 625

Balance Sheet
as of June 30, 2015
(With Partial Comparative Information as of June 30, 2014)

	General	Food Service	Community Service	Capital Projects
Assets				
Cash and investments	$ 94,781,580	$ 535,382	$ 4,825,617	$ –
Restricted cash and investments in revocable trust for OPEB obligations	8,582,778	–	–	–
Restricted cash and investments for debt service	–	–	–	–
Restricted cash and investments for capital projects	–	–	–	26,874,862
Receivables				
Current taxes	59,087,368	–	2,099,746	–
Delinquent taxes	2,015,278	–	81,716	–
Due from other governmental units	47,854,407	1,300,431	2,526,789	–
Other	556,347	2,710	34,529	–
Inventories	570,436	896,392	–	–
Prepaid items	729,778	42,600	7,239	–
Total assets	$ 214,177,972	$ 2,777,515	$ 9,575,636	$ 26,874,862
Liabilities				
Accounts payable	$ 8,211,015	$ 134,679	$ 932,576	$ 3,609,831
Accrued expenditures	40,023,985	803,283	1,167,360	343,992
Due to other governmental units	567,701	–	–	–
Unearned revenue	2,150,748	–	979,761	–
Total liabilities	50,953,449	937,962	3,079,697	3,953,823
Deferred inflows of resources				
Property taxes levied for subsequent year	74,911,500	–	3,435,872	–
Unavailable revenue – delinquent taxes	2,169,182	–	103,084	–
Total deferred inflows of resources	77,080,682	–	3,538,956	–
Fund balances				
Nonspendable				
Inventories	570,436	896,392	–	–
Prepaid items	729,778	42,600	7,239	–
Restricted for				
Operating capital	3,888,384	–	–	–
Teacher development and evaluation	851,744	–	–	–
Adult basic education	–	–	138,853	–
Alternative facilities program	–	–	–	2,336,793
Capital projects	–	–	–	20,584,246
School readiness	–	–	446,445	–
Community education	–	–	1,156,433	–
ECFE	–	–	394,837	–
Community service	–	–	813,176	–
Bond refunding	–	–	–	–
QSCB payments	–	–	–	–
Debt service	–	–	–	–
Food service	–	900,561	–	–
OPEB revocable trust	8,582,778	–	–	–
Committed to				
Severance pay	2,538,018	–	–	–
Retiree health insurance	22,377,730	–	–	–
Assigned to				
Contractual obligations	3,911,415	–	–	–
Next year operations	2,500,000	–	–	–
Strong Schools, Strong Communities initiative	3,200,000	–	–	–
Site-based operations	4,245,808	–	–	–
Personalized Learning Through Technology	587,042	–	–	–
Intraschool activities	2,607,054	–	–	–
Unassigned				
Health and safety restricted account deficit	(3,238,942)	–	–	–
Unassigned	32,792,596	–	–	–
Total fund balances	86,143,841	1,839,553	2,956,983	22,921,039
Total liabilities, deferred inflows of resources, and fund balances	$ 214,177,972	$ 2,777,515	$ 9,575,636	$ 26,874,862

See accompanying notes to basic financial statements

	Total Governmental Funds	
Debt Service	2015	2014
$ 18,347,932	$ 118,490,511	$ 128,667,963
–	8,582,778	4,521,182
60,881,145	60,881,145	54,380,812
–	26,874,862	36,259,016
22,278,183	83,465,297	80,901,415
965,353	3,062,347	3,320,924
550,514	52,232,141	60,742,145
274,814	868,400	1,068,975
–	1,466,828	1,579,001
410,000	1,189,617	2,287,101
$ 103,707,941	$ 357,113,926	$ 373,728,534
$ 54,224	$ 12,942,325	$ 20,836,137
–	42,338,620	38,616,957
–	567,701	519,617
–	3,130,509	3,506,706
54,224	58,979,155	63,479,417
36,395,690	114,743,062	114,849,276
1,151,899	3,424,165	2,818,668
37,547,589	118,167,227	117,667,944
–	1,466,828	1,579,001
410,000	1,189,617	2,287,101
–	3,888,384	6,701,153
–	851,744	–
–	138,853	448,354
–	2,336,793	5,207,974
–	20,584,246	24,295,230
–	446,445	240,631
–	1,156,433	1,115,315
–	394,837	431,311
–	813,176	786,751
54,126,668	54,126,668	49,305,368
7,029,291	7,029,291	5,356,862
4,540,169	4,540,169	2,284,883
–	900,561	1,931,893
–	8,582,778	4,521,182
–	2,538,018	2,538,018
–	22,377,730	25,377,730
–	3,911,415	4,517,166
–	2,500,000	8,100,000
–	3,200,000	5,300,000
–	4,245,808	1,739,131
–	587,042	3,022,008
–	2,607,054	2,543,069
–	(3,238,942)	(1,241,315)
–	32,792,596	34,192,357
66,106,128	179,967,544	192,581,173
$ 103,707,941	$ 357,113,926	$ 373,728,534

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INDEPENDENT SCHOOL DISTRICT NO. 625

Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
as of June 30, 2015
(With Partial Comparative Information as of June 30, 2014)

	2015	2014
Total fund balances – governmental funds	$ 179,967,544	$ 192,581,173
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:		
Capital assets	763,541,028	730,369,286
Accumulated depreciation	(342,439,065)	(321,419,040)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows – PERA and SPTRFA pension plans	65,914,280	–
Deferred inflows – PERA and SPTRFA pension plans	(86,127,779)	–
Deferred inflows – delinquent property taxes	3,424,165	2,818,668
Debt issuance premiums and discounts are reported as other financing sources and uses in the governmental funds, but as assets or adjustments to the carrying value of long-term obligations in the Statement of Net Position.	(17,011,844)	(18,516,004)
An Internal Service Fund is used by management to charge the costs of the workers' compensation insurance program to the individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the Statement of Net Position.	1,520,273	1,514,335
Net other post-employment benefit obligations reported in the Statement of Net Position do not require the use of current financial resources and are not reported as liabilities in governmental funds until actually due.	(94,885,430)	(92,430,862)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable.		
General obligation bonds payable	(344,885,000)	(347,455,000)
Certificates of participation payable	(12,219,108)	(14,883,626)
Capital lease payable	(6,831,630)	–
Deferred amounts on refunding	2,539,294	2,918,325
Accrued interest on the bonds payable and certificates of participation payable	(5,427,851)	(6,724,238)
Severance benefits payable	(10,315,659)	(10,796,040)
Vacation payable	(6,819,254)	(6,451,311)
Early retirement incentive payable	(1,448,338)	(2,574,891)
Net pension liability – PERA	(88,759,244)	–
Net pension liability – SPTRFA	(371,550,320)	–
Net position of governmental activities	$ (371,813,938)	$ 108,950,775

See accompanying notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 625

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2015
(With Partial Comparative Information for the Year Ended June 30, 2014)

	General	Food Service	Community Service	Capital Projects
Revenues				
Local sources				
Property taxes	$ 94,138,565	$ –	$ 3,521,249	$ –
County and other	10,966,997	179,648	7,560,130	30,068
State	425,144,939	1,365,640	14,069,527	–
Federal	42,552,856	22,178,190	2,465,439	–
Investment earnings	99,403	137	1,938	19,294
Sales and conversions of assets	387,624	2,147,238	3,500	–
Total revenues	573,290,384	25,870,853	27,621,783	49,362
Expenditures				
Current				
Administration	20,624,411	–	–	–
District support services	17,568,820	–	–	–
Elementary and secondary regular instruction	276,315,746	–	–	–
Vocational education instruction	4,946,650	–	–	–
Special education instruction	110,136,937	–	–	–
Instructional support services	49,442,278	–	–	–
Pupil support services	47,801,767	–	1,018,284	–
Sites and buildings	56,307,587	–	–	31,246,028
Food service	–	26,944,482	–	–
Community service	–	–	26,669,351	–
Debt service				
Principal payments	–	–	–	–
Interest	–	–	–	–
Other debt	–	–	–	319,116
Total expenditures	583,144,196	26,944,482	27,687,635	31,565,144
Excess (deficiency) of revenues over expenditures	(9,853,812)	(1,073,629)	(65,852)	(31,515,782)
Other financing sources (uses)				
Refunding debt issued	–	–	–	–
Building bonds issued	–	–	–	15,000,000
Premium on bonds issued	–	–	–	270,001
Principal payments by refunded bond escrow agent	–	–	–	–
Capital lease issued	6,831,630	–	–	–
Transfers in	–	–	–	9,663,616
Transfers (out)	(9,663,616)	–	–	–
Sale of capital assets	11,800	–	–	–
Total other financing sources (uses)	(2,820,186)	–	–	24,933,617
Net change in fund balances	(12,673,998)	(1,073,629)	(65,852)	(6,582,165)
Fund balance at beginning of year	98,817,839	2,913,182	3,022,835	29,503,204
Fund balance at end of year	$ 86,143,841	$ 1,839,553	$ 2,956,983	$ 22,921,039

See accompanying notes to basic financial statements

Debt Service	Total Governmental Funds 2015	Total Governmental Funds 2014
$ 39,413,530	$ 137,073,344	$ 101,110,878
256,023	18,992,866	18,930,092
3,866,007	444,446,113	457,357,655
942,142	68,138,627	68,569,378
360,003	480,775	1,119,851
–	2,538,362	2,884,820
44,837,705	671,670,087	649,972,674
–	20,624,411	19,517,665
–	17,568,820	17,136,663
–	276,315,746	272,289,841
–	4,946,650	4,870,748
–	110,136,937	112,481,275
–	49,442,278	41,462,960
–	48,820,051	44,771,184
–	87,553,615	85,310,336
–	26,944,482	26,449,889
–	26,669,351	26,546,996
26,739,518	26,739,518	26,566,173
16,963,833	16,963,833	17,628,972
207,504	526,620	295,122
43,910,855	713,252,312	695,327,824
926,850	(41,582,225)	(45,355,150)
21,690,000	21,690,000	–
–	15,000,000	14,845,000
350,165	620,166	316,813
(15,185,000)	(15,185,000)	(15,465,000)
–	6,831,630	–
–	9,663,616	–
–	(9,663,616)	–
–	11,800	14,225
6,855,165	28,968,596	(288,962)
7,782,015	(12,613,629)	(45,644,112)
58,324,113	192,581,173	238,225,285
$ 66,106,128	$ 179,967,544	$ 192,581,173

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INDEPENDENT SCHOOL DISTRICT NO. 625

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
Governmental Funds
Year Ended June 30, 2015
(With Partial Comparative Information for the Year Ended June 30, 2014)

	2015	2014
Total net change in fund balances – governmental funds	$ (12,613,629)	$ (45,644,112)
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	33,251,928	22,890,646
Depreciation expense	(21,100,211)	(21,367,336)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows – PERA and SPTRFA pension plans	34,349,208	–
Deferred inflows – PERA and SPTRFA pension plans	(86,127,779)	–
Deferred inflows – delinquent property taxes	605,497	100,551
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
General obligation bonds payable	21,050,000	21,025,000
Certificates of participation payable	5,689,518	5,541,173
Payments by refunded bond escrow agent	15,185,000	15,465,000
Debt issued provides current financial resources to the governmental funds but increases long-term liabilities in the Statement of Net Position:		
Refunding bonds issued	(18,665,000)	–
Refunding certificates issued	(3,025,000)	–
Building bonds issued	(15,000,000)	(14,845,000)
Capital lease issued	(6,831,630)	–
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:		
Change in accrued interest payable and deferred amount on refunding	917,356	1,488,543
Change in severance benefits payable	480,381	(67,884)
Change in vacation payable	(367,943)	(715,609)
Change in early retirement incentive payable	1,126,553	1,098,768
Net pension liability – PERA	14,106,534	–
Net pension liability – SPTRFA	37,693,712	–
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.	1,504,160	1,507,546
Net other post-employment 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.	(2,454,568)	(3,383,117)
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 change in net position of the Internal Service Fund is reported within governmental activities.	5,938	987
Change in net position of governmental activities	$ (219,975)	$ (16,904,844)

See accompanying notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 625

Statement of Net Position
Proprietary Fund
as of June 30, 2015
(With Partial Comparative Information as of June 30, 2014)

	2015	2014
Assets		
Current assets		
Cash and investments	$ 14,786,956	$ 14,983,940
Liabilities		
Current liabilities		
Accrued expenses		
Workers' compensation payable	13,266,683	13,469,605
Net position		
Unrestricted	$ 1,520,273	$ 1,514,335

See accompanying notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 625

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
Year Ended June 30, 2015
(With Partial Comparative Information for the Year Ended June 30, 2014)

	2015	2014
Operating revenues		
Insurance service fees	$ 3,240,219	$ 4,274,603
Operating expenses		
Claims expense	3,240,219	4,274,603
Operating income	–	–
Nonoperating revenues		
Investment earnings	5,938	987
Change in net position	5,938	987
Net position at beginning of year	1,514,335	1,513,348
Net position at end of year	$ 1,520,273	$ 1,514,335

See accompanying notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 625

Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2015
(With Partial Comparative Information for the Year Ended June 30, 2014)

	2015	2014
Cash flows from operating activities		
Assessments from other funds	$ 3,240,219	$ 4,274,603
Workers' compensation payments	(3,443,141)	(3,566,981)
Net cash flows from operating activities	(202,922)	707,622
Cash flows from investing activities		
Investment income received	5,938	987
Net change in cash and investments	(196,984)	708,609
Cash at beginning of year	14,983,940	14,275,331
Cash at end of year	$ 14,786,956	$ 14,983,940
Reconciliation of operating income to net cash flows from operating activities		
Operating income	$ –	$ –
Adjustment to reconcile operating income to net cash flows from operating activities		
Changes in assets and liabilities		
Workers' compensation payable	(202,922)	707,622
Net cash flows from operating activities	$ (202,922)	$ 707,622

See accompanying notes to basic financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Independent School District No. 625 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. A Board of Education elected by the voters of the District governs the District. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

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

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

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

C. Government-Wide Financial Statement Presentation

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other internally directed revenues are reported instead as general revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Depreciation expense is included as a direct expense in the functional areas that utilize the related capital assets. Interest on debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting transactions are recorded in the following manner:

1. **Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues, including property taxes, to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to funding formulas established by Minnesota Statutes. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Description of Funds

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

Major Governmental Funds

General Fund – The General Fund is the government's primary operating fund. It accounts 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.

Food Service Special Revenue Fund – The Food Service Special Revenue Fund is primarily used to account for the District's child nutrition program.

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

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

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

Proprietary Fund

Internal Service Fund – The Internal Service Fund accounts for the financing of goods or services provided by one department to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District's Internal Service Fund is used to account for the activities of the District's workers' compensation self-insurance program.

E. Budgetary Information

Each June, the Board of Education adopts an annual budget for the following fiscal year for all governmental funds. The budget for each fund is prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. Expenditures in the Food Service Special Revenue Fund, Community Service Special Revenue Fund, and Debt Service Fund exceeded budgeted appropriations by $559,862, $45,029, and $2,393,855, respectively, during the fiscal year ended June 30, 2015. These variances were financed by revenues in excess of budget, other financing sources, or fund balance.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Cash and Investments

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

Restricted cash and investments include balances held in segregated accounts that are established for specific purposes. In the General Fund, restricted cash and investments represent assets contributed to a revocable trust established to finance the District's liability for post-employment insurance benefits. In the Capital Projects Fund, this represents assets held for building construction. In the Debt Service Fund, the refunding bond escrow accounts held by trustee are used only to retire refunded bond issues and to pay interest on refunding bond issues until the crossover refunding dates. Interest earned on these investments is allocated directly to the escrow accounts.

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

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

G. Receivables

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

H. Inventories

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

I. Prepaid Items

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

J. Property Taxes

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes $22,046,427 of the property tax levy collectible in 2015 as revenue to the District in fiscal year 2014–2015. The remaining portion of the taxes collectible in 2015 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

Taxes 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 reported as a deferred inflow of resources (unavailable revenue) in the fund financial statements because it is not known to be available to finance the operations of the District.

K. Capital Assets

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

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

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

L. Long-Term Obligations

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Compensated Absences

Under the 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 government-wide financial statements. Vacation pay is accrued in governmental fund financial statements only to the extent it has been used or otherwise matured prior to year-end.

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. 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 (PERA) of Minnesota. Severance pay is calculated at a rate ranging from $96 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. All severance pay is accrued in the government-wide financial statements as it is earned and it becomes probable that it will vest at some point in the future. Severance pay is accrued in governmental fund financial statements when the liability matures due to employee termination.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position or balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category.

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

The second item is the deferred amount on refunding of debt, which represents the difference (gain) resulting from current refundings and advance refundings and is reported as a deferred outflow of resources in the government-wide Statement of Net Position.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The third item, deferred inflows of resources related to pensions, is reported in the government-wide Statement of Net Position. This deferred inflow results from differences between expected and actual experience, changes of assumptions, and the difference between projected and actual earnings on pension plan investments. These amounts are deferred and amortized as required under pension standards.

O. Pension Plans

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

The SPTRFA has a special funding situation created by direct aid contributions made by the state of Minnesota pursuant to Minnesota Statutes § 354A.12 and § 423A.02.

P. Risk Management and Self-Insurance

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage in fiscal year 2015.

2. **Self-Insurance** – The District has established an Internal Service Fund to account for and finance its self-insured risk of loss for workers' compensation. Workers' compensation claim liabilities are based on open claims and estimates. They are also based on actuarial analysis to determine potential or unknown claims. Determining actual claim liabilities depends on complex factors such as changes in Minnesota Statutes, legal determinations, injury assessments, and awards; therefore, the process used in computing a claim liability does not necessarily result in an exact amount.

   Changes in workers' compensation claim liabilities for the last two years were as follows:

Fiscal Year Ended June 30,	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2014	$ 12,761,983	$ 4,274,603	$ 3,566,981	$ 13,469,605
2015	$ 13,469,605	$ 3,240,219	$ 3,443,141	$ 13,266,683

Q. Net Position

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

- **Net Investment in Capital Assets –** Consists of capital assets, net of accumulated depreciation, reduced by any outstanding debt attributable to acquire capital assets.

- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

- **Unrestricted Net Position** – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

The District applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

R. Fund Balance Classifications

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

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.

- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.

- **Committed** – Consists of internally imposed constraints that are established by resolution of the Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to Board of Education resolution, the District's Chief Executive Officer and Controller are authorized to establish assignments of fund balance.

- **Unassigned** – The residual classification for the General Fund which also reflects negative residual amounts in other funds.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Minimum Fund Balance Policy

The District's fund balance policy states:

1. The administration shall plan and merge annual revenue and expenditure budgets that provide an unassigned General Fund balance of at least 5 percent of annual General Fund expenditures.

2. If the unassigned General Fund balance should fall below 5 percent of annual General Fund expenditures within a given year or the following year, the Superintendent shall alert the Board of Education to the circumstances and recommend appropriate short-term actions to maintain the desired balance.

T. Use of Estimates

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

U. Prior Period Comparative Financial Information/Reclassification

The basic financial statements include certain prior year partial comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2014, from which the summarized information was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

V. Change in Accounting Principle

During the year ended June 30, 2015, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. GASB Statement No. 68 included major changes in how employers account for pension benefit expenses and liabilities. In financial statements prepared using the economic resources measurement focus and accrual basis of accounting (government-wide and proprietary funds), an employer is required to recognize a liability for its share of the net pension liability provided through the pension plan. An employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources for its share related to pensions. This standard required retroactive implementation, which resulted in the restatement of net position as of June 30, 2014. The net position of governmental activities in the government-wide financial statements as of June 30, 2014 was decreased by $480,544,738. This change reflects the District's proportionate share of the net pension liabilities ($512,109,810 decrease in net position) and related deferred outflows of resources ($31,565,072 increase in net position) for the PERA and SPTRFA pension plans, which are now reported by employers under current guidance. Certain amounts necessary to fully restate fiscal year 2014 financial information are not determinable; therefore, prior year comparative amounts have not been restated.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

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

Deposits	$ 6,189,629
Investments	223,426,623
Total	$ 229,616,252

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

Statement of Net Position – current assets	
Cash and investments	$ 133,277,467
Restricted cash and investments for capital projects	26,874,862
Restricted cash and investments for debt service	37,795,379
Statement of Net Position – noncurrent assets	
Restricted cash and investments in revocable trust for OPEB obligations	8,582,778
Restricted cash and investments for debt service	23,085,766
Total	$ 229,616,252

B. Deposits

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the Board of Education, including checking accounts and savings accounts.

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

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

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

At year-end, the carrying amount of the District's deposits was $6,189,629 while the balance on the bank records was $6,209,213. At June 30, 2015, all deposits for the District were insured or collateralized by securities held by the District's agent in the District's name.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments

The District has the following investments at year-end:

	Credit Risk		Concentration Risk	Interest Rate Risk – Maturity Duration in Years			
	Rating	Agency	Over 5% of Portfolio	Less Than 1	1 to 5	Greater Than 5	Carrying Value
U.S. treasury note	AAA	Moody's	– %	$ 34,464,504	$ 337,828	$ –	$ 34,802,332
Federal National Mortgage Association	AA+	S&P	8.1 %	$ 463,363	$ 17,676,637	$ –	18,140,000
Federal Home Loan Banks	AA+	S&P	– %	$ 250,058	$ 5,999,110	$ 1,000,140	7,249,308
Federal Farm Credit Banks	AA+	S&P	– %	$ 749,647	$ 3,095,219	$ –	3,844,866
Federal Home Loan Mortgage Corporation	AA+	S&P	– %	$ –	$ 7,981,110	$ –	7,981,110
Mortgage backed securities	AAA	S&P	– %	$ –	$ 100,018	$ –	100,018
Guaranteed investment contract	N/A	N/A	– %	$ –	$ –	$ 3,113,862	3,113,862
Repurchase agreement (U.S. agency underlying securities)	AAA	S&P	– %	$ –	$ –	$ 3,915,430	3,915,430
US Bank commercial paper	A1+	S&P	19.8 %	$ 44,265,273	$ –	$ –	44,265,273
Corporate obligations	AAA	S&P	– %	$ –	$ 75,098	$ –	75,098
Corporate obligations	A	S&P	– %	$ 317,505	$ 1,467,630	$ –	1,785,135
Corporate obligations	A	Moody's	– %	$ 25,649	$ 125,165	$ –	150,814
Corporate obligations	AA	S&P	– %	$ 75,723	$ 282,649	$ –	358,372
Corporate obligations	BBB	S&P	– %	$ 25,000	$ 332,346	$ –	357,346
Negotiable certificates of deposit	N/R	N/R	– %	$ 1,714,037	$ 2,203,638	$ –	3,917,675
Equities	N/R	N/R	– %	$ –	$ –	$ –	1,445,145
Investment pools/mutual funds							
Minnesota School District Liquid Asset Fund	AAA	S&P					87,856,486
Mutual funds	AAA	S&P					22,564
Mutual funds	N/R	N/R					4,045,789
Total investments							$ 223,426,623

N/R – Not Rated
N/A – Not Applicable

The Minnesota School District Liquid Asset Fund is regulated by Minnesota Statutes and is an external investment pool which is not registered with the Securities Exchange Commission (SEC) that follows the same regulatory rules of the SEC under rule 2a7. The District's investment in this trust is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value.

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the District's investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better; general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers. For assets held in the Post-Employment Benefits Trust Fund, the investment options available to the District are expanded to include the investment types specified in Minnesota Statute § 356A.06, Subd. 7. The District's investment policies do not further restrict investing in specific financial instruments.

Concentration Risk – This is the risk associated with investing a significant portion of the District's investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District's investment policies do not address concentration risk.

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

NOTE 3 – RECEIVABLES

At June 30, 2015, the District reported the following receivables due from other governmental units:

	General	Food Service	Community Service	Debt Service	Total
Due from Minnesota Department of Education	$ 36,757,200	$ 190,216	$ 1,638,608	$ 504,106	$ 39,090,130
Due from Minnesota Department of Education, principally pass-through federal assistance	6,307,027	1,102,000	460,297	–	7,869,324
Due from federal government, direct assistance	690,694	–	–	–	690,694
Due from other governmental units	3,773,312	118	427,884	46,408	4,247,722
Due from other Minnesota school districts	326,174	8,097	–	–	334,271
Total due from other governmental units	$ 47,854,407	$ 1,300,431	$ 2,526,789	$ 550,514	$ 52,232,141

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2015 is as follows:

	Balance – Beginning of Year	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated					
Land	$ 26,015,870	$ 1,417,507	$ –	$ –	$ 27,433,377
Construction in progress	8,233,806	30,874,698	–	(33,055,702)	6,052,802
Total capital assets, not depreciated	34,249,676	32,292,205	–	(33,055,702)	33,486,179
Capital assets, depreciated					
Land improvements	24,101,903	–	–	1,583,047	25,684,950
Buildings	341,405,511	–	–	–	341,405,511
Building improvements	310,701,236	–	–	31,098,096	341,799,332
Equipment	19,910,960	959,723	(80,186)	374,559	21,165,056
Total capital assets, depreciated	696,119,610	959,723	(80,186)	33,055,702	730,054,849
Less accumulated depreciation for					
Land improvements	(11,718,066)	(1,070,758)	–	–	(12,788,824)
Buildings	(165,746,206)	(6,200,499)	–	–	(171,946,705)
Building improvements	(128,039,555)	(12,322,395)	–	–	(140,361,950)
Equipment	(15,915,213)	(1,506,559)	80,186	–	(17,341,586)
Total accumulated depreciation	(321,419,040)	(21,100,211)	80,186	–	(342,439,065)
Net capital assets, depreciated	374,700,570	(20,140,488)	–	33,055,702	387,615,784
Total capital assets, net	$ 408,950,246	$ 12,151,717	$ –	$ –	$ 421,101,963

Depreciation expense for the year ended June 30, 2015 was charged to the following governmental functions:

Administration	$ 185,049
District support services	671,198
Elementary and secondary regular instruction	19,654,002
Special education instruction	265,230
Instructional support services	58,025
Pupil support services	70,897
Community service	195,810
Total depreciation expense	$ 21,100,211

NOTE 5 – LONG-TERM LIABILITIES

A. General Obligation Bonds Payable

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

Date of Issue	Issue	Date of Final Maturity	Coupon Rate Percentage	Amount of Original Issue	Outstanding at June 30, 2015
12/01/2004	2004C School Building Refunding Bonds	02/01/2017	3.5–4.0%	$ 29,055,000	$ 3,180,000
12/01/2005	2005A School Building Bonds	02/01/2026	4.0–5.0%	24,995,000	16,455,000
12/01/2005	2005B School Building Refunding Bonds	02/01/2021	4.0–5.0%	44,290,000	22,670,000
11/01/2006	2006A School Building Bonds	02/01/2027	4.0–5.0%	24,760,000	17,500,000
11/01/2007	2007A School Building Bonds	02/01/2028	4.0–5.0%	25,630,000	19,245,000
12/01/2008	2008A School Building Bonds	02/01/2029	3.0–5.0%	25,800,000	20,450,000
12/18/2008	2008B School Building Refunding Bonds	02/01/2018	3.5–4.5%	11,345,000	2,230,000
12/15/2009	2009B School Building Bonds	02/01/2030	2.0–4.0%	9,790,000	7,910,000
12/23/2009	2009D Taxable School Building Bonds	12/15/2025	1.585%	16,115,000	16,115,000
10/01/2010	2010A School Building Refunding Bonds	02/01/2021	3.0–4.0%	10,355,000	7,165,000
11/17/2010	2010B Taxable School Building Bonds	02/01/2031	0.9–4.9%	7,750,000	6,460,000
11/17/2010	2010C Taxable School Building Bonds	02/01/2027	5.075%	18,250,000	18,250,000
06/11/2011	2011A School Building Bonds	02/01/2028	2.0–4.0%	26,000,000	23,130,000
08/15/2011	2011C School Building Refunding Bonds	02/01/2023	3.0–4.0%	16,010,000	13,180,000
06/15/2012	2012A School Building Bonds	02/01/2033	3.0–4.0%	24,980,000	23,140,000
06/15/2012	2012B School Building Refunding Bonds	02/01/2025	4.0–5.0%	28,355,000	27,205,000
06/25/2013	2013A School Building Bonds	02/01/2034	2.0–4.0%	24,485,000	23,455,000
06/25/2013	2013B School Building Refunding Bonds	02/01/2027	4.0–5.0%	28,635,000	28,635,000
06/12/2014	2014A School Building Bonds	02/01/2035	2.0–4.0%	14,845,000	14,845,000
06/11/2015	2015A School Building Bonds	02/01/2036	2.0–5.0%	15,000,000	15,000,000
06/11/2015	2015B Taxable Refunding Bonds	02/01/2021	1.0–2.5%	18,665,000	18,665,000
Total general obligation bonds payable				$ 445,110,000	$ 344,885,000

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

The District’s 2009D bonds were issued as Qualified School Construction Bonds – Tax Credit Bonds. The 1.585 percent interest rate on this bond represents the supplemental coupon interest rate for which the District is responsible. Investors who hold these bonds are also eligible for a tax credit from the federal government, allowing the bonds to be issued at a lower rate of interest and cost to the District.

The District’s 2010B bonds were issued as Build America Bonds – Direct Pay, for which the District will receive a federal reimbursement for a portion of the interest payments on this debt issue.

The District’s 2010C bonds were issued as Qualified School Construction Bonds – Direct Pay, for which the District will receive a federal reimbursement for a portion of the interest payments on this debt issue.

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

During fiscal year 2012, the District issued $28,355,000 of Series 2012B General Obligation Refunding Bonds. The proceeds were used to finance a crossover refunding of the 2003B, 2003C, and 2004B General Obligation Bonds. The crossover of the 2003B and 2003C issues occurred on February 1, 2014 and the 2004B issue occurred on February 1, 2015. The proceeds of the 2012B issue were placed in an escrow account pending the call dates of the refunded issue. Until the call date, the District made all debt service payments on the refunded bond issues, and all debt service on the 2012B issue were paid from the escrow account. The 2012B issue was undertaken to reduce the total future debt service payments by $2,581,962 and resulted in present value savings of $2,586,606.

During fiscal year 2013, the District issued $28,635,000 of Series 2013B General Obligation Refunding Bonds to finance a crossover refunding of the 2005A and 2006A General Obligation Bonds. For the 2005A issue, the crossover will occur on February 1, 2016 and the 2006A issue on February 1, 2017. The proceeds of the 2013B issue have been placed in an escrow account pending the call dates of the refunded issues. Until the call dates, the District will make all debt service payments on the 2005A and 2006A issues, and all debt service on the 2013B issue will be paid from the escrow account. The 2013B issue was undertaken to reduce the total future debt service payments by $2,206,462 and resulted in present value savings of $2,206,788.

During fiscal year 2015, the District issued $18,665,000 in Taxable General Obligation School Building Refunding Bonds, Series 2015B to finance a crossover refunding of the 2005B General Obligation Refunding Bonds. The crossover will occur on February 1, 2016. The proceeds of the 2015B issue have been placed in an escrow account pending the call dates of the refunded issue. Until the call date, the District will make all debt service payments on the 2005B issue, and all debt service on the 2015B issue will be paid from the escrow account. The 2015B issue was undertaken to reduce the total future debt service payments by $1,465,975 and resulted in a present value savings of $1,408,422.

B. Certificates of Participation Payable

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 have been recorded as long-term obligations issued for capital projects in the financial statements. Certificates of participation outstanding at June 30, 2015 include:

Date of Issue	Date of Final Maturity	Coupon Rate Percentage	Amount of Original Issue	Certificates Outstanding
01/07/1993	01/01/2017	5.40–6.35%	$ 5,603,508	$ 379,108
11/01/2006	02/01/2016	4.00%	14,420,000	1,920,000
11/01/2006	02/01/2018	4.00%	9,370,000	3,000,000
01/29/2009	02/01/2019	3.50–4.25%	8,715,000	3,895,000
06/11/2015	02/01/2018	3.00%	3,025,000	3,025,000
			$ 41,133,508	$ 12,219,108

During fiscal year 2015, the District issued $3,025,000 Series 2015C Refunding Full Faith and Credit Certificates of Participation. The proceeds were used to finance a current refunding of the 2006C Refunding Full Faith and Credit Certificates of Participation. The refunding will occur on August 1, 2015. The proceeds of the 2015C issue have been placed in an escrow account pending the call date of the refunded issue. The 2015C issue was undertaken to reduce the total future debt service payments by $68,463 and resulted in a present value savings of $67,794.

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

C. Capital Lease Payable

The District has entered into a capital lease agreement to finance the acquisition of computer equipment. Capital lease proceeds of $6,831,630 carry an interest rate of 2.18 percent with a final maturity of August 1, 2018. The assets acquired through this capital lease have not been capitalized as individual asset amounts do not meet the capitalization threshold requirements. The lease will be repaid through the General Fund.

D. Legal Debt Limit and Defeased Debt

The District's legal debt limit is 15 percent of the fair market value of the property within the District, totaling $2,890,584,550 at June 30, 2015. The District's legal debt margin at June 30, 2015 is $2,612,178,772.

At June 30, 2015, $88,490,000 of defeased general obligation debt is outstanding.

E. 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 five 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 began on October 21, 2011.

At June 30, 2015, the present value cost of expected future benefit payments of the termination benefits under the ERI, discounted at 2.5 percent, is $1,448,338, and is recorded on the government-wide financial statements as a long-term liability. This benefit is financed from the General Fund.

F. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including severance benefits, pensions, vacation benefits, and other post-employment benefits (OPEB). The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are primarily liquidated by the fund incurring the liability (General Fund, Food Service Special Revenue Fund, and Community Service Special Revenue Fund).

G. Minimum Debt Payments

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

Year Ending	General Obligation Bonds Payable		Certificates of Participation Payable		Capital Lease Payable	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ 55,005,000	$ 13,329,324	$ 7,025,476	$ 977,691	$ 1,741,549	$ 29,874
2017	36,000,000	11,054,216	2,123,632	819,107	1,660,131	111,292
2018	20,635,000	9,631,391	2,035,000	115,036	1,696,429	74,994
2019	20,475,000	8,911,315	1,035,000	43,986	1,733,521	37,902
2020	19,125,000	8,147,511	–	–	–	–
2021–2025	81,560,000	30,199,469	–	–	–	–
2026–2030	86,810,000	13,931,474	–	–	–	–
2031–2035	24,265,000	2,244,560	–	–	–	–
2036	1,010,000	37,875	–	–	–	–
	$ 344,885,000	$ 97,487,135	$ 12,219,108	$ 1,955,820	$ 6,831,630	$ 254,062

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

H. Changes in Long-Term Liabilities

	Balance – Beginning of Year	Additions	Retirements	Balance – End of Year	Due Within One Year
General obligation bonds payable	$ 347,455,000	$ 33,665,000	$ (36,235,000)	$ 344,885,000	$ 55,005,000
Certificates of participation payable	14,883,626	3,025,000	(5,689,518)	12,219,108	7,025,476
Unamortized premium/discount	18,516,004	620,166	(2,124,326)	17,011,844	–
Total bonds and certificates payable	380,854,630	37,310,166	(44,048,844)	374,115,952	62,030,476
Capital lease payable	–	6,831,630	–	6,831,630	1,741,549
Compensated absences					
Severance benefits payable	10,796,040	1,870,205	(2,350,586)	10,315,659	2,157,814
Vacation payable	6,451,311	5,757,038	(5,389,095)	6,819,254	4,126,306
Early retirement incentive payable	2,574,891	51,523	(1,178,076)	1,448,338	1,178,076
	$ 400,676,872	$ 51,820,562	$ (52,966,601)	$ 399,530,833	$ 71,234,221

NOTE 6 – DEFINED BENEFIT PENSION PLANS

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

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

All full-time and certain part-time employees of the District other than teachers are covered by the General Employees Retirement Fund (GERF). 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. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

2. Saint Paul Teachers' Retirement Fund Association (SPTRFA)

District teachers are covered by the Saint Paul Teachers' Retirement Fund. The SPTRFA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota Statutes, Chapters 354A, 356, and 356A as well as the SPTRFA's bylaws. The SPTRFA is a separate statutory entity and administered by a Board of Trustees. The Board consists of nine trustees elected by the SPTRFA's membership and the District appoints one trustee who serves as an ex-officio member of the Board.

B. Benefits Provided

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

- **PERA** – Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90 percent funded for two consecutive years are given 2.5 percent increases. Members in plans that have not exceeded 90 percent funded, or have fallen below 80 percent, are given 1 percent increases.

NOTE 6 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

- **SPTRFA** – Post-retirement benefit increases are provided to eligible benefit recipients each January. The SPTRFA increase is 1.0 percent. If the SPTRFA funded ratio exceeds 80 percent, the annual post-retirement adjustment will increase to 2.0 percent. If the SPTRFA funded ratio exceeds 90 percent, the post-retirement adjustment will be determined by reference to the applicable Consumer Price Index with a maximum annual increase of 5.0 percent. Effective July 1, 2015, the provisions are modified to require that the funding status detailed in the preceding sentence be achieved for two consecutive actuarial valuations before any applicable increases are triggered.

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

1. GERF Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for the PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66. Disability benefits are available for vested members, and are based upon years of service and average high-five salary.

2. SPTRFA Benefits

The SPTRFA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by Minnesota Statutes and vest after three years of service credit for Coordinated Plan members and five years of service credit for Basic Plan members. The defined retirement benefits for the Basic Plan members are based on the highest five years of salary in the last 10 years.

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

NOTE 6 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Tier I Benefits

	Coordinated Plan Member	Basic Plan Member
For services rendered prior to July 1, 2015		
Each year of service during the first 10 years	1.2 percent per year	2.0 percent per year
Each year of service thereafter (up to a maximum of 40 years)	1.7 percent per year	2.0 percent per year
For services rendered after July 1, 2015		
Each year of service during the first 10 years	1.4 percent per year	2.0 percent per year
Each year of service thereafter (up to a maximum of 40 years)	1.9 percent per year	2.0 percent per year

With these provisions:

(a) Normal retirement age is 65

(b) One quarter of a percent per month early retirement reduction factor for all months under normal retirement age.

(c) If a Basic Plan member has 25 years of service, the reduction is applied only if the member is less than 60 years old. If a Coordinated Plan member has 30 years of service, the reduction is applied only if the member is less than 62 years old.

(d) Unreduced benefits for early retirement under a Rule-of-90 (age plus allowable service equals 90 or more).

Tier II Benefits

	Coordinated Plan Member	Basic Plan Member
For services rendered prior to July 1, 2015		
All years of service	1.7 percent per year	2.5 percent per year
For services rendered after July 1, 2015		
All years of service	1.9 percent per year	2.5 percent per year

With these provisions:

(a) Normal retirement age is 65

(b) Early retirement reduction factor for all months under normal retirement age using the actuarially determined early retirement reduction tables.

NOTE 6 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Basic Plan members and Coordinated Plan members were required to contribute 9.1 percent and 6.5 percent, respectively, of their annual covered salary in calendar year 2014. Coordinated Plan members contributed 6.5 percent of pay in 2015. In calendar year 2014, the District was required to contribute 11.78 percent of pay for Basic Plan members and 7.25 percent for Coordinated Plan members. In 2015, employer rates increased to 7.5 percent in the Coordinated Plan. The District's contributions to the GERF for the plan's fiscal year ended June 30, 2015, were $7,618,169. The District's contributions were equal to the required contributions for each year as set by state statutes.

2. SPTRFA Contributions

Per Minnesota Statutes, Chapter 354A.12 sets the contribution rates for employees and employers. Rates approved for each fiscal year are:

	Percentage of Covered Payroll			
Year Ended	Basic Plan		Coordinated Plan	
June 30,	Employee	Employer	Employee	Employer
2015	9.00%	12.64%	6.50%	9.34%
2016	9.50%	13.14%	7.00%	9.84%
2017	10.00%	13.39%	7.50%	10.09%
2018	10.00%	13.64%	7.50%	10.34%

The District's contributions to the SPTRFA for the plan's fiscal year ended June 30, 2015, were $24,994,020. The District's contributions were equal to the required contributions for each year as set by state statutes.

Additionally, pursuant to Minnesota Statute 423A.02, the District contributed $800,000 to the Saint Paul Teachers' Retirement Fund in fiscal years 2014 and 2015.

D. Pension Costs

1. GERF Pension Costs

At June 30, 2015, the District reported a liability of $88,759,244 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2013, through June 30, 2014, relative to the total employer contributions received from all of the PERA's participating employers. At June 30, 2014, the District's proportion was 1.8895 percent.

For the year ended June 30, 2015, the District recognized pension expense of $6,558,088 for its proportionate share of the GERF's pension expense.

NOTE 6 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

At June 30, 2015, the District reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 1,362,178	$ –
Changes in actuarial assumptions	9,147,523	–
Differences between projected and actual investment earnings	–	23,982,668
District's contributions to the GERF subsequent to the measurement date	7,618,169	–
Total	$ 18,127,870	$ 23,982,668

A total of $7,618,169 reported as deferred outflows of resources related to pensions resulting from district contributions to the GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to the GERF pensions will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2016	$ (2,492,433)
2017	$ (2,492,433)
2018	$ (2,492,433)
2019	$ (5,995,668)

2. SPTRFA Pension Costs

At June 30, 2015, the District reported a liability of $371,550,320 for its proportionate share of the SPTRFA's net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the SPTRFA in relation to total system contributions, including direct aid from the state of Minnesota. At June 30, 2014, the District's proportion was 69.346 percent.

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

District's proportionate share of net pension liability	$ 371,550,320
State's proportionate share of the net pension liability associated with the District	$ 161,849,511

NOTE 6 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

For the year ended June 30, 2015, the District recognized pension expense of $26,832,426. It also recognized $10,616,992 as pension expense for the support provided by direct aid.

At June 30, 2015, the District reported its proportionate share of the SPTRFA's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ –	$ 9,019,140
Changes in actuarial assumptions	21,992,390	–
Difference between projected and actual investment earnings	–	53,125,971
District's contributions to the SPTRFA subsequent to the measurement date	25,794,020	–
Total	$ 47,786,410	$ 62,145,111

A total of $25,794,020 reported as deferred outflows of resources related to pensions resulting from district contributions to the SPTRFA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to the SPTRFA will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2016	$ (10,038,180)
2017	$ (10,038,180)
2018	$ (10,038,180)
2019	$ (10,038,181)

E. Actuarial Assumptions

The total pension liability in the June 30, 2014, actuarial valuation was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Assumptions	GERF	SPTRFA
Inflation	2.75% per year	3.00%
Active member payroll growth	3.50% per year	4.00%–8.90%
Investment rate of return	7.90%	8.00%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP-2000 tables for males or females, as appropriate, with slight adjustments.

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of actuarial experience studies. The actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2004, to June 30, 2008, and a limited scope experience study dated August 29, 2014. The limited scope experience study addressed only inflation and long-term rate of return for the GASB Statement No. 67 valuation.

NOTE 6 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

The following changes in actuarial assumptions for the GERF occurred in 2014: as of July 1, 2013, the post-retirement benefit increase rate was assumed to increase from 1.0 percent to 2.5 percent on January 1, 2046. As of July 1, 2014, the post-retirement benefit increase rate was assumed to increase from 1.0 percent to 2.5 percent on January 1, 2031.

The following changes in actuarial assumptions for the SPTRFA occurred: the plan is assumed to pay a 2.0 percent post-retirement benefit increase beginning January 1, 2029, and a 3.0 percent post-retirement benefit increase beginning January 1, 2038.

The long-term expected rate of return on pension plan investments is 7.9 percent for the GERF and 8.0 percent for the SPTRFA. The Minnesota State Board of Investment, which manages the investments of the PERA, and the SPTRFA Board of Trustees, along with experienced and credentialed investment professionals, manage the SPTRFA, and prepare an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages.

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

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

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Domestic stocks	35%	6.55%
International stocks	20%	6.98%
Fixed income	20%	3.45%
Real assets	11%	3.90%
Private equity and alternatives	9%	7.47%
Opportunistic	5%	6.08%
Total	100%	

NOTE 6 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

F. Discount Rate

The discount rate used to measure the total pension liability was 7.9 percent for the GERF and 8.0 percent for the SPTRFA. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in the statute. Based on those assumptions, each of the pension plan's fiduciary net positions were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Liability Sensitivity

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
GERF discount rate	6.90%	7.90%	8.90%
District's proportionate share of the GERF net pension liability	$ 143,083,483	$ 88,759,244	$ 44,063,178
SPTRFA discount rate	7.00%	8.00%	9.00%
District's proportionate share of the SPTRFA net pension liability	$ 497,963,917	$ 371,550,320	$ 267,053,526

H. Pension Plan Fiduciary Net Position

Detailed information about the GERF's fiduciary net position is available in a separately-issued PERA financial report. That report may be obtained on the PERA website at www.mnpera.org; by writing to the PERA at 60 Empire Drive, Suite 200, Saint Paul, Minnesota 55103-2088; or by calling (651) 296-7460 or (800) 652-9026.

Detailed information about the SPTRFA's fiduciary net position is available in a separately-issued SPTRFA financial report. That report can be obtained at the SPTRFA website at www.sptrfa.org; by writing to the SPTRFA at 1619 Dayton Avenue, Room 309, Saint Paul, Minnesota 55104; or by calling (651) 642-2550.

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

A. Plan Description

The District provides post-employment benefits to certain eligible employees through the Independent School District No. 625 OPEB Plan, a single-employer defined benefit plan administered by the District. All post-employment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report. These benefits are summarized as follows:

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

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

B. Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to pre-fund benefits as determined annually by the District. The District has established an Employee Benefits Revocable Trust to fund these obligations.

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

C. Annual OPEB Cost and Net OPEB Obligation

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

ARC	$	23,585,169
Interest on net OPEB obligation		2,310,772
Adjustment to ARC		(4,262,416)
Annual OPEB cost		21,633,525
Contributions made		19,178,957
Increase in net OPEB obligation		2,454,568
Net OPEB obligation – beginning of year		92,430,862
Net OPEB obligation – end of year	$	94,885,430

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

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	$ 25,850,812	$ 14,264,457	55.2%	$ 89,047,745
June 30, 2014	$ 21,850,766	$ 18,467,649	84.5%	$ 92,430,862
June 30, 2015	$ 21,633,525	$ 19,178,957	88.7%	$ 94,885,430

D. Funded Status and Funding Progress

As of January 1, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was $353,531,587, resulting in an unfunded actuarial accrued liability (UAAL) of $353,531,587. The covered payroll (annual payroll of active employees covered by the plan) was $316,234,536, and the ratio of the UAAL to the covered payroll was 111.8 percent.

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

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

E. Actuarial Methods and Assumptions

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

In the January 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included: a 2.5 percent investment rate of return (net of investment expenses) based on the District's own investments; and an annual medical trend rate of 8.5 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after seven years. The UAAL is being amortized over a 30-year period on a level dollar method over an open period.

NOTE 8 – INTERFUND BALANCES AND TRANSACTIONS

During fiscal year 2015, the General Fund transferred $9,663,616 to the Capital Projects Fund. This transfer was made to allocate revenues levied by the General Fund that are required to be expended by the Capital Projects Fund. Such interfund transfers are reported in the fund financial statements, but are eliminated in the government-wide financial statements.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. Legal Contingencies

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

B. Federal and State Revenues

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

C. Construction Contracts

At June 30, 2015, the District had commitments totaling $8,038,416 under various construction contracts for which the work was not yet completed.

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REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 625

Defined Benefit Pension Plans
Schedule of District's and Non-Employer Proportionate Share of Net Pension Liability
GERF/SPTRFA Retirement Funds
June 30, 2015

Public Employees Retirement Association

	2014
District's proportion of the net pension liability (asset)	1.8895%
District's proportionate share of the net pension liability (asset)	$ 88,759,244
District's covered-employee payroll	$ 99,090,499
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	89.57%
Plan fiduciary net position as a percentage of the total pension liability	78.70%

Saint Paul Teachers Retirement Fund Association

District's proportion of the net pension liability (asset)	69.3460%
District's proportionate share of the net pension liability (asset) (a)	$ 371,550,320
District's proportionate share of the state of Minnesota's proportionate share of the net pension liability (b)	161,849,511
Proportionate share of the net pension liability and the District's share of the state of Minnesota's share of the net pension liability (a + b)	$ 533,399,831
District's covered-employee payroll	$ 259,740,000
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	143.05%
Plan fiduciary net position as a percentage of the total pension liability	66.12%

Note: The District implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2014 measurement date). This information is not available for previous fiscal years.

INDEPENDENT SCHOOL DISTRICT NO. 625

Defined Benefit Pension Plans
Schedule of District Contributions
GERF/SPTRFA Retirement Funds
June 30, 2015

Public Employees Retirement Association

	2015
Statutorily required contribution	$ 7,618,169
Contributions in relation to the statutorily required contributions	7,618,169
Contribution deficiency (excess)	$ –
District's covered-employee payroll	$ 99,908,024
Contributions as a percentage of covered-employee payroll	7.63%

Saint Paul Teachers Retirement Fund Association

Statutorily required contribution	$ 25,794,020
Contributions in relation to the statutorily required contributions	25,794,020
Contribution deficiency (excess)	$ –
District's covered-employee payroll	$ 262,952,558
Contributions as a percentage of covered-employee payroll	9.81%

Note: The District implemented GASB Statement No. 68 in fiscal 2015. This information is not available for previous fiscal years.

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Required Supplementary Information
Schedule of Funding Progress
June 30, 2015

Post-Employment Benefits Other Than Pensions

Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Payroll
January 1, 2009	$ 409,602,151	$ –	$ 409,602,151	– %	$ 298,996,320	137.0 %
January 1, 2011	$ 376,275,242	$ –	$ 376,275,242	– %	$ 318,665,789	118.1 %
January 1, 2013	$ 353,531,587	$ –	$ 353,531,587	– %	$ 316,234,536	111.8 %

INDEPENDENT SCHOOL DISTRICT NO. 625

Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
General Fund and Major Special Revenue Funds
Year Ended June 30, 2015

	General			
	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Local sources				
Property taxes	$ 90,092,110	$ 90,092,110	$ 94,138,565	$ 4,046,455
County and other	5,321,800	13,463,477	10,966,997	(2,496,480)
State	430,368,779	430,245,185	425,144,939	(5,100,246)
Federal	42,853,088	48,224,955	42,552,856	(5,672,099)
Investment earnings	–	–	99,403	99,403
Sales and conversions of assets	–	–	387,624	387,624
Total revenues	568,635,777	582,025,727	573,290,384	(8,735,343)
Expenditures				
Current				
Administration	20,682,754	20,678,652	20,624,411	(54,241)
District support services	25,173,598	27,382,018	17,568,820	(9,813,198)
Elementary and secondary regular instruction	270,727,145	285,735,946	276,315,746	(9,420,200)
Vocational education instruction	863,297	2,568,572	4,946,650	2,378,078
Special education instruction	108,320,970	111,720,344	110,136,937	(1,583,407)
Instructional support services	44,604,992	44,428,595	49,442,278	5,013,683
Pupil support services	48,318,920	50,698,118	47,801,767	(2,896,351)
Sites and buildings	48,232,255	53,466,875	56,307,587	2,840,712
Food service	–	–	–	–
Community service	–	–	–	–
Debt service				
Interest	148,230	–	–	–
Total expenditures	567,072,161	596,679,120	583,144,196	(13,534,924)
Excess (deficiency) of revenues over expenditures	1,563,616	(14,653,393)	(9,853,812)	4,799,581
Other financing sources (uses)				
Capital lease issued	–	–	6,831,630	6,831,630
Transfers (out)	(9,663,616)	(9,663,616)	(9,663,616)	–
Sale of capital assets	–	11,800	11,800	–
Total other financing sources (uses)	(9,663,616)	(9,651,816)	(2,820,186)	6,831,630
Net change in fund balances	$ (8,100,000)	$ (24,305,209)	(12,673,998)	$ 11,631,211
Fund balances at beginning of year			98,817,839	
Fund balances at end of year			$ 86,143,841	

Food Service				Community Service			
Budgeted Amounts				Budgeted Amounts			
Original	Final	Actual	Variance	Original	Final	Actual	Variance
$ –	$ –	$ –	$ –	$ 3,436,934	$ 3,317,365	$ 3,521,249	$ 203,884
–	80,320	179,648	99,328	7,290,002	7,560,931	7,560,130	(801)
1,331,900	1,331,900	1,365,640	33,740	12,558,495	14,421,490	14,069,527	(351,963)
22,489,600	22,489,600	22,178,190	(311,410)	1,632,049	2,418,646	2,465,439	46,793
–	–	137	137	–	–	1,938	1,938
2,484,600	2,482,800	2,147,238	(335,562)	–	–	3,500	3,500
26,306,100	26,384,620	25,870,853	(513,767)	24,917,480	27,718,432	27,621,783	(96,649)
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	532,093	1,003,213	1,018,284	15,071
–	–	–	–	–	–	–	–
26,306,100	26,384,620	26,944,482	559,862	–	–	–	–
–	–	–	–	25,098,671	26,639,393	26,669,351	29,958
–	–	–	–	–	–	–	–
26,306,100	26,384,620	26,944,482	559,862	25,630,764	27,642,606	27,687,635	45,029
–	–	(1,073,629)	(1,073,629)	(713,284)	75,826	(65,852)	(141,678)
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
$ –	$ –	(1,073,629)	$ (1,073,629)	$ (713,284)	$ 75,826	(65,852)	$ (141,678)
		2,913,182				3,022,835	
		$ 1,839,553				$ 2,956,983	

Note to Required Supplementary Information
June 30, 2015

Budgetary Information

The budgets for the General Fund, Food Service Special Revenue Fund, and Community Service Special Revenue Fund are prepared on the same basis of accounting as the financial statements and lapse 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 of Education's Committee of the Board reviews the citizens' recommendations and the administration's responses. The administration recommends the budget.
- The Board of Education'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 Controller 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.

Final budgeted amounts include two budget amendments. Unencumbered expenditure appropriations lapse at year-end. Encumbrances outstanding at year-end are reported in the applicable component of fund balance (restricted, committed, or assigned) 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. Expenditures in the Food Service Special Revenue Fund and Community Service Special Revenue Fund exceeded budgeted appropriations by $559,862 and $45,029, respectively, during the fiscal year ended June 30, 2015. These variances were financed by revenues in excess of budget, other financing sources, or fund balance.

SUPPLEMENTAL INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 625

General Fund
Balance Sheet by Account
as of June 30, 2015
(With Comparative Totals as of June 30, 2014)

	General Fund Accounts	Fully Financed General Fund Accounts	Totals 2015	Totals 2014
Assets				
Cash and investments (deficit)	$ 98,688,208	$ (3,906,628)	$ 94,781,580	$ 104,481,157
Restricted cash and investments in revocable trust for OPEB obligations	8,582,778	–	8,582,778	4,521,182
Receivables				
Current taxes	59,087,368	–	59,087,368	54,836,058
Delinquent taxes	2,015,278	–	2,015,278	2,147,694
Due from other governmental units	39,453,348	8,401,059	47,854,407	55,815,807
Other	169,134	387,213	556,347	746,717
Inventories	570,436	–	570,436	602,352
Prepaid items	684,508	45,270	729,778	904,988
Total assets	$ 209,251,058	$ 4,926,914	$ 214,177,972	$ 224,055,955
Liabilities				
Accounts payable	$ 7,912,635	$ 298,380	$ 8,211,015	$ 12,798,727
Accrued expenditures	37,834,029	2,189,956	40,023,985	36,755,318
Due to other governmental units	465,607	102,094	567,701	519,617
Unearned revenue	–	2,150,748	2,150,748	2,291,825
Total liabilities	46,212,271	4,741,178	50,953,449	52,365,487
Deferred inflows of resources				
Property taxes levied for subsequent year	74,911,500	–	74,911,500	71,065,959
Unavailable revenue – delinquent taxes	2,169,182	–	2,169,182	1,806,670
Total deferred inflows of resources	77,080,682	–	77,080,682	72,872,629
Fund balance				
Nonspendable for				
Inventories	570,436	–	570,436	602,352
Prepaid items	684,508	45,270	729,778	904,988
Restricted for				
Operating capital	3,888,384	–	3,888,384	6,701,153
Teacher development and evaluation	851,744	–	851,744	–
OPEB revocable trust	8,582,778	–	8,582,778	4,521,182
Committed to				
Severance pay	2,538,018	–	2,538,018	2,538,018
Retiree health insurance	22,377,730	–	22,377,730	25,377,730
Assigned to				
Contractual obligations	3,911,415	–	3,911,415	4,517,166
Next year operations	2,500,000	–	2,500,000	8,100,000
Strong Schools, Strong Communities initiative	3,200,000	–	3,200,000	5,300,000
Site-based operations	4,245,808	–	4,245,808	1,739,131
Personalized Learning Through Technology	587,042	–	587,042	3,022,008
Intraschool activities	2,607,054	–	2,607,054	2,543,069
Unassigned				
Health and safety restricted account deficit	(3,238,942)	–	(3,238,942)	(1,241,315)
Unassigned	32,652,130	140,466	32,792,596	34,192,357
Total fund balance	85,958,105	185,736	86,143,841	98,817,839
Total liabilities, deferred inflows of resources, and fund balance	$ 209,251,058	$ 4,926,914	$ 214,177,972	$ 224,055,955

INDEPENDENT SCHOOL DISTRICT NO. 625

General Fund Accounts
Comparative Balance Sheet
as of June 30, 2015 and 2014

	2015	2014
Assets		
Cash and investments	$ 98,688,208	$ 107,926,851
Restricted cash and investments in revocable trust for OPEB obligations	8,582,778	4,521,182
Receivables		
Current taxes	59,087,368	54,836,058
Delinquent taxes	2,015,278	2,147,694
Due from other governmental units	39,453,348	47,054,160
Other	169,134	413,948
Inventories	570,436	602,352
Prepaid items	684,508	824,412
Total assets	$ 209,251,058	$ 218,326,657
Liabilities		
Accounts payable	$ 7,912,635	$ 11,402,343
Accrued expenditures	37,834,029	35,068,386
Due to other governmental units	465,607	432,998
Total liabilities	46,212,271	46,903,727
Deferred inflows of resources		
Property taxes levied for subsequent year	74,911,500	71,065,959
Unavailable revenue – delinquent taxes	2,169,182	1,806,670
Total deferred inflows of resources	77,080,682	72,872,629
Fund balance		
Nonspendable for		
Inventories	570,436	602,352
Prepaid items	684,508	824,412
Restricted for		
Operating capital	3,888,384	6,701,153
Teacher development and evaluation	851,744	–
OPEB revocable trust	8,582,778	4,521,182
Committed to		
Severance pay	2,538,018	2,538,018
Retiree health insurance	22,377,730	25,377,730
Assigned to		
Contractual obligations	3,911,415	4,517,166
Next year operations	2,500,000	8,100,000
Strong Schools, Strong Communities initiative	3,200,000	5,300,000
Site-based operations	4,245,808	1,739,131
Personalized Learning Through Technology	587,042	3,022,008
Intraschool activities	2,607,054	2,543,069
Unassigned		
Health and safety restricted account deficit	(3,238,942)	(1,241,315)
Unassigned	32,652,130	34,005,395
Total fund balance	85,958,105	98,550,301
Total liabilities, deferred inflows or resources, and fund balances	$ 209,251,058	$ 218,326,657

INDEPENDENT SCHOOL DISTRICT NO. 625

Fully Financed General Fund Accounts
Comparative Balance Sheet
as of June 30, 2015 and 2014

	2015	2014
Assets		
Cash and investments (deficit)	$ (3,906,628)	$ (3,445,694)
Receivables		
Due from other governmental units	8,401,059	8,761,647
Other	387,213	332,769
Prepaid items	45,270	80,576
Total assets	$ 4,926,914	$ 5,729,298
Liabilities		
Accounts payable	$ 298,380	$ 1,396,384
Accrued expenditures	2,189,956	1,686,932
Due to other governmental units	102,094	86,619
Unearned revenue	2,150,748	2,291,825
Total liabilities	4,741,178	5,461,760
Fund balance		
Nonspendable for prepaid items	45,270	80,576
Unassigned	140,466	186,962
Total fund balance	185,736	267,538
Total liabilities and fund balance	$ 4,926,914	$ 5,729,298

INDEPENDENT SCHOOL DISTRICT NO. 625

General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances by Account
Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	General Fund Accounts	Fully Financed General Fund Accounts	Totals 2015	Totals 2014
Revenues				
Local sources				
Property taxes	$ 94,138,565	$ –	$ 94,138,565	$ 56,218,892
County and other	7,474,562	3,492,435	10,966,997	11,115,509
State	424,134,970	1,009,969	425,144,939	436,980,096
Federal	1,696,281	40,856,575	42,552,856	43,764,048
Investment earnings	99,403	–	99,403	391,628
Sales and conversions of assets	387,624	–	387,624	330,211
Total revenues	527,931,405	45,358,979	573,290,384	548,800,384
Expenditures				
Current				
Administration	20,589,785	34,626	20,624,411	19,517,665
District support services	17,403,677	165,143	17,568,820	17,136,663
Elementary and secondary regular instruction	244,522,133	31,793,613	276,315,746	272,289,841
Vocational education instruction	4,063,923	882,727	4,946,650	4,870,748
Special education instruction	101,449,189	8,687,748	110,136,937	112,481,275
Instructional support services	47,645,059	1,797,219	49,442,278	41,462,960
Pupil support services	45,823,073	1,978,694	47,801,767	43,802,483
Sites and buildings	56,206,576	101,011	56,307,587	53,224,977
Debt service				
Interest	–	–	–	141,244
Total expenditures	537,703,415	45,440,781	583,144,196	564,927,856
Excess (deficiency) of revenues over expenditures	(9,772,010)	(81,802)	(9,853,812)	(16,127,472)
Other financing sources (uses)				
Capital lease issued	6,831,630	–	6,831,630	–
Transfers in	–	–	–	116,192
Transfers (out)	(9,663,616)	–	(9,663,616)	(116,192)
Sale of capital assets	11,800	–	11,800	14,225
Total other financing sources (uses)	(2,820,186)	–	(2,820,186)	14,225
Net change in fund balances	(12,592,196)	(81,802)	(12,673,998)	(16,113,247)
Fund balance at beginning of year	98,550,301	267,538	98,817,839	114,931,086
Fund balance at end of year	$ 85,958,105	$ 185,736	$ 86,143,841	$ 98,817,839

INDEPENDENT SCHOOL DISTRICT NO. 625

General Fund Accounts
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015			2014
	Budget	Actual	Over (Under) Budget	Actual
Revenues				
Local sources				
Property taxes	$ 90,092,110	$ 94,138,565	$ 4,046,455	$ 56,218,892
County and other	8,020,000	7,474,562	(545,438)	7,679,231
State	429,204,669	424,134,970	(5,069,699)	436,091,014
Federal	1,000,000	1,696,281	696,281	915,000
Investment earnings	–	99,403	99,403	391,628
Sales and conversions of assets	–	387,624	387,624	330,211
Total revenues	528,316,779	527,931,405	(385,374)	501,625,976
Expenditures				
Current				
Administration	20,510,577	20,589,785	79,208	19,441,114
District support services	26,975,048	17,403,677	(9,571,371)	16,938,321
Elementary and secondary regular instruction	249,705,961	244,522,133	(5,183,828)	239,808,848
Vocational education instruction	1,528,949	4,063,923	2,534,974	4,023,485
Special education instruction	101,750,858	101,449,189	(301,669)	101,983,810
Instructional support services	41,838,701	47,645,059	5,806,358	39,591,569
Pupil support services	47,378,620	45,823,073	(1,555,547)	42,533,819
Sites and buildings	53,281,458	56,206,576	2,925,118	53,209,610
Debt service	–			
Interest	–	–	–	141,244
Total expenditures	542,970,172	537,703,415	(5,266,757)	517,671,820
Excess (deficiency) of revenues over expenditures	(14,653,393)	(9,772,010)	4,881,383	(16,045,844)
Other financing sources (uses)				
Capital lease issued	–	6,831,630	6,831,630	–
Transfers in	–	–	–	116,192
Transfers (out)	(9,663,616)	(9,663,616)	–	–
Sale of capital assets	11,800	11,800	–	14,225
Total other financing sources (uses)	(9,651,816)	(2,820,186)	6,831,630	130,417
Net change in fund balances	$ (24,305,209)	(12,592,196)	$ 11,713,013	(15,915,427)
Fund balance at beginning of year		98,550,301		114,465,728
Fund balance at end of year		$ 85,958,105		$ 98,550,301

INDEPENDENT SCHOOL DISTRICT NO. 625

Fully Financed General Fund Accounts
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015			2014
	Budget	Actual	Over (Under) Budget	Actual
Revenues				
Local sources				
County and other	$ 5,443,477	$ 3,492,435	$ (1,951,042)	$ 3,436,278
State	1,040,516	1,009,969	(30,547)	889,082
Federal	47,224,955	40,856,575	(6,368,380)	42,849,048
Total revenues	53,708,948	45,358,979	(8,349,969)	47,174,408
Expenditures				
Current				
Administration	168,075	34,626	(133,449)	76,551
District support services	406,970	165,143	(241,827)	198,342
Elementary and secondary regular instruction	36,029,985	31,793,613	(4,236,372)	32,480,993
Vocational education instruction	1,039,623	882,727	(156,896)	847,263
Special education instruction	9,969,486	8,687,748	(1,281,738)	10,497,465
Instructional support services	2,589,894	1,797,219	(792,675)	1,871,391
Pupil support services	3,319,498	1,978,694	(1,340,804)	1,268,664
Sites and buildings	185,417	101,011	(84,406)	15,367
Total expenditures	53,708,948	45,440,781	(8,268,167)	47,256,036
Excess (deficiency) of revenues over expenditures	–	(81,802)	(81,802)	(81,628)
Other financing sources (uses)				
Transfers (out)	–	–	–	(116,192)
Net change in fund balances	$ –	(81,802)	$ (81,802)	(197,820)
Fund balance at beginning of year		267,538		465,358
Fund balance at end of year		$ 185,736		$ 267,538

INDEPENDENT SCHOOL DISTRICT NO. 625

Food Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2015 and 2014

	2015	2014
Assets		
Cash and investments	$ 535,382	$ 1,906,954
Receivables		
Due from other governmental units	1,300,431	1,141,851
Other	2,710	5,790
Inventories	896,392	976,649
Prepaid items	42,600	4,640
Total assets	$ 2,777,515	$ 4,035,884
Liabilities		
Accounts payable	$ 134,679	$ 449,946
Accrued expenditures	803,283	672,756
Total liabilities	937,962	1,122,702
Fund balance		
Nonspendable for inventories	896,392	976,649
Nonspendable for prepaid items	42,600	4,640
Restricted for food service	900,561	1,931,893
Total fund balance	1,839,553	2,913,182
Total liabilities and fund balance	$ 2,777,515	$ 4,035,884

INDEPENDENT SCHOOL DISTRICT NO. 625

Food Service Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015			2014
	Budget	Actual	Over(Under) Budget	Actual
Revenues				
Local sources				
County and other	$ 80,320	$ 179,648	$ 99,328	$ 22,694
State	1,331,900	1,365,640	33,740	1,286,819
Federal	22,489,600	22,178,190	(311,410)	21,543,694
Investment earnings	–	137	137	170
Sales and conversion of assets	2,482,800	2,147,238	(335,562)	2,550,573
Total revenues	26,384,620	25,870,853	(513,767)	25,403,950
Expenditures				
Current				
Food service	26,384,620	26,944,482	559,862	26,449,889
Net change in fund balances	$ –	(1,073,629)	$ (1,073,629)	(1,045,939)
Fund balance at beginning of year		2,913,182		3,959,121
Fund balance at end of year		$ 1,839,553		$ 2,913,182

INDEPENDENT SCHOOL DISTRICT NO. 625

Community Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2015 and 2014

	2015	2014
Assets		
Cash and investments	$ 4,825,617	$ 4,672,789
Receivables		
Current taxes	2,099,746	2,072,590
Delinquent taxes	81,716	91,839
Due from other governmental units	2,526,789	2,934,997
Other	34,529	19,205
Prepaid items	7,239	473
Total assets	$ 9,575,636	$ 9,791,893
Liabilities		
Accounts payable	$ 932,576	$ 1,056,129
Accrued expenditures	1,167,360	961,006
Unearned revenue	979,761	1,214,881
Total liabilities	3,079,697	3,232,016
Deferred inflows of resources		
Property taxes levied for subsequent year	3,435,872	3,457,149
Unavailable revenue – delinquent taxes	103,084	79,893
Total deferred inflows of resources	3,538,956	3,537,042
Fund balance		
Nonspendable for prepaid items	7,239	473
Restricted for		
Adult basic education	138,853	448,354
School readiness	446,445	240,631
Community education	1,156,433	1,115,315
ECFE	394,837	431,311
Community service	813,176	786,751
Total fund balance	2,956,983	3,022,835
Total liabilities, deferred inflows of resources, and fund balance	$ 9,575,636	$ 9,791,893

INDEPENDENT SCHOOL DISTRICT NO. 625

Community Service Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Year Ended June 30, 2015
(With Comparative Amounts for the Year Ended June 30, 2014)

	2015			2104
	Budget	Actual	Over(Under) Budget	Actual
Revenues				
Local sources				
Property taxes	$ 3,317,365	$ 3,521,249	$ 203,884	$ 1,771,294
County and other	7,560,931	7,560,130	(801)	7,510,354
State	14,421,490	14,069,527	(351,963)	15,196,873
Federal	2,418,646	2,465,439	46,793	2,325,147
Investment earnings	–	1,938	1,938	295
Sale and conversion of assets	–	3,500	3,500	4,036
Total revenues	27,718,432	27,621,783	(96,649)	26,807,999
Expenditures				
Current				
Pupil support services	1,003,213	1,018,284	15,071	968,701
Community service	26,639,393	26,669,351	29,958	26,546,996
Total expenditures	27,642,606	27,687,635	45,029	27,515,697
Net change in fund balances	$ 75,826	(65,852)	$ (141,678)	(707,698)
Fund balance at beginning of year		3,022,835		3,730,533
Fund balance at end of year		$ 2,956,983		$ 3,022,835

INDEPENDENT SCHOOL DISTRICT NO. 625

Capital Projects Fund
Comparative Balance Sheet
as of June 30, 2015 and 2014

	2015	2014
Assets		
Restricted cash and investments for capital projects	$ 26,874,862	$ 36,259,016
Liabilities		
Accounts payable	$ 3,609,831	$ 6,527,935
Accrued expenditures	343,992	227,877
Total liabilities	3,953,823	6,755,812
Fund balance		
Restricted for		
Alternative facilities program	2,336,793	5,207,974
Capital projects	20,584,246	24,295,230
Total fund balance	22,921,039	29,503,204
Total liabilities and fund balance	$ 26,874,862	$ 36,259,016

INDEPENDENT SCHOOL DISTRICT NO. 625

Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015			2014
	Budget	Actual	Over (Under) Budget	Actual
Revenues				
Local sources				
County and other	$ –	$ 30,068	$ 30,068	$ 53,010
Investment earnings	100,000	19,294	(80,706)	46,223
Total revenues	100,000	49,362	(50,638)	99,233
Expenditures				
Current				
Sites and buildings	33,936,522	31,246,028	(2,690,494)	32,085,359
Debt service				
Other debt	–	319,116	319,116	265,685
Total expenditures	33,936,522	31,565,144	(2,371,378)	32,351,044
Excess (deficiency) of revenue over expenditures	(33,836,522)	(31,515,782)	2,320,740	(32,251,811)
Other financing sources				
Building bonds issued	15,000,000	15,000,000	–	14,556,575
Premium on bonds issued	–	270,001	270,001	316,813
Transfer in	9,663,616	9,663,616	–	–
Total other financing sources	24,663,616	24,933,617	270,001	14,873,388
Net change in fund balances	$ (9,172,906)	(6,582,165)	$ 2,590,741	(17,378,423)
Fund balance at beginning of year		29,503,204		46,881,627
Fund balance at end of year		$ 22,921,039		$ 29,503,204

INDEPENDENT SCHOOL DISTRICT NO. 625

Debt Service Fund
Comparative Balance Sheet
as of June 30, 2015 and 2014

	2015	2014
Assets		
Cash and investments	$ 18,347,932	$ 17,607,063
Restricted cash and investments for debt service	60,881,145	54,380,812
Receivables		
Current taxes	22,278,183	23,992,767
Delinquent taxes	965,353	1,081,391
Due from other governmental units	550,514	849,490
Other	274,814	297,263
Prepaid items	410,000	1,377,000
Total assets	$ 103,707,941	$ 99,585,786
Liabilities		
Accounts payable	$ 54,224	$ 3,400
Deferred inflows of resources		
Property taxes levied for subsequent year	36,395,690	40,326,168
Unavailable revenue – delinquent taxes	1,151,899	932,105
Total deferred inflows of resources	37,547,589	41,258,273
Fund balance		
Nonspendable for prepaid items	410,000	1,377,000
Restricted for		
Bond refunding	54,126,668	49,305,368
QSCB payments	7,029,291	5,356,862
Debt service	4,540,169	2,284,883
Total fund balance	66,106,128	58,324,113
Total liabilities, deferred inflows of resources, and fund balance	$ 103,707,941	$ 99,585,786

INDEPENDENT SCHOOL DISTRICT NO. 625

Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015			2014
	Budget	Actual	Over (Under) Budget	Actual
Revenues				
Local sources				
Property taxes	$ 40,327,000	$ 39,413,530	$ (913,470)	$ 43,120,692
County and other	–	256,023	256,023	228,525
State	3,733,000	3,866,007	133,007	3,893,867
Federal	931,000	942,142	11,142	936,489
Investment earnings	100,000	360,003	260,003	681,535
Total revenues	45,091,000	44,837,705	(253,295)	48,861,108
Expenditures				
Debt service				
Principal payments	26,740,000	26,739,518	(482)	26,566,173
Interest	14,677,000	16,963,833	2,286,833	17,487,728
Other debt	100,000	207,504	107,504	29,437
Total expenditures	41,517,000	43,910,855	2,393,855	44,083,338
Excess (deficiency) of revenues over expenditures	3,574,000	926,850	(2,647,150)	4,777,770
Other financing sources (uses)				
Refunding debt issued	–	21,690,000	21,690,000	–
Building bonds issued	–	–	–	288,425
Premium on refunding bonds issued	–	350,165	350,165	–
Principal payments by refunded bond escrow agent	–	(15,185,000)	(15,185,000)	(15,465,000)
Total other financing sources (uses)	–	6,855,165	6,855,165	(15,176,575)
Net change in fund balances	$ 3,574,000	7,782,015	$ 4,208,015	(10,398,805)
Fund balance at beginning of year		58,324,113		68,722,918
Fund balance at end of year		$ 66,106,128		$ 58,324,113

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OTHER DISTRICT INFORMATION

(UNAUDITED)

INDEPENDENT SCHOOL DISTRICT NO. 625

Elementary and Secondary Schools – General Fund
Fully Financed Fund Program Grant Analysis
Schedule of Reimbursable Programs' Revenues and Expenditures
Year Ended June 30, 2015

Program Description	Budget	Cash Received or Transferred During Year Ended June 30, 2015	Grant Receivable June 30, 2015
Title 1			
Title 1 Educationally Disadvantaged	$ 23,655,457	$ 20,734,281	$ 1,485,641
Title 1 Homeless McKinney Vento	100,000	69,481	30,519
Title 1 Project For Delinquency	295,631	249,847	14,410
Title 1 Race To The Top	190,264	180,573	9,691
Title 1 Adequate Yearly Progress	1,077,795	879,082	198,631
Total Title 1	25,319,147	22,113,264	1,738,892
Title IV			
Mandatory EIS	–	(47,560)	47,560
Preschool Incentive	305,910	173,716	–
Part H	255,295	185,028	17,327
Public Law 94-142	7,734,290	4,551,922	2,225,305
Discretionary EIS	1,231,318	1,042,256	76,513
Program Evaluation and Continuous Improvement	66,980	63,565	3,415
Total Title IV	9,593,793	5,968,927	2,370,120
Title II			
Title II, Part A	3,796,597	2,528,325	620,019
Title III			
Title III	2,253,557	1,017,862	207,429
Title III Children and Youth – Limited Eligibility	106,442	–	42,150
Total Title III	2,359,999	1,017,862	249,579
Carl Perkins Act, Public Law 84-524			
Intensified Services For Disadvantaged	566,370	414,361	152,009
Perkins – Reserve	20,131	20,130	–
Total Carl Perkins Act, Public Law 84-524	586,501	434,491	152,009
Indian Education			
Indian Education Title VII	268,547	227,259	26,170
Miscellaneous Federal			
SPDG Collaboration With Minneapolis	296,420	143,940	57,963
SPED Purchased Services	5,000	–	5,000
Johnson-O'Malley	74,079	18,909	20,941
Indian Education Chemical Prevention	171,734	66,950	92,038
CPC – Investing In Innovation – U of MN	560,000	(145,120)	714,831
JROTC Programs	995,000	955,790	99,173

Grant Payable June 30, 2015	Unearned Revenue June 30, 2015	Total Revenue	Total Expenditures
$ –	$ –	$ 22,219,922	$ 22,219,922
–	–	100,000	100,000
–	–	264,257	264,257
–	–	190,264	190,264
–	–	1,077,713	1,077,713
–	–	23,852,156	23,852,156
–	–	–	–
–	–	173,716	173,716
–	–	202,355	202,355
–	–	6,777,227	6,777,227
–	–	1,118,769	1,118,769
–	–	66,980	66,980
–	–	8,339,047	8,339,047
–	–	3,148,344	3,148,344
(17,071)	–	1,208,220	1,208,220
–	–	42,150	42,150
(17,071)	–	1,250,370	1,250,370
–	–	566,370	566,370
–	–	20,130	20,130
–	–	586,500	586,500
–	–	253,429	253,429
–	–	201,903	201,903
–	–	5,000	5,000
–	–	39,850	39,850
–	–	158,988	158,988
(4,278)	(8,003)	557,430	557,430
–	(47,453)	1,007,510	1,007,510

(continued)

Elementary and Secondary Schools – General Fund
Fully Financed Fund Program Grant Analysis
Schedule of Reimbursable Programs' Revenues and Expenditures (continued)
Year Ended June 30, 2015

Program Description	Budget	Cash Received or Transferred During Year Ended June 30, 2015	Grant Receivable June 30, 2015
Miscellaneous Federal (continued)			
Federal Reading Recovery i3	5,994	5,994	–
Youth Career Connect	941,334	333,872	138,581
Get Ready/Gear Up	542,739	–	230,646
Get Ready/Gear Up	–	–	321,403
Library Services and Technology Act	143,850	119,685	24,165
Learning Jet Morgan Technology	24,804	24,804	–
Project Aware	50,000	–	26,362
Project Prevent	395,591	10,871	64,939
Demonstration Grant – Indian Education	239,153	60,039	37,527
Reimbursable Health Services	180,000	66,533	114,505
MCH Adolescent Health	10,000	7,769	5,000
Turnaround St. Paul	853,044	450,266	42,831
Digital Works	535,130	9,596	234,169
KOM Refugee	5,000	–	4,892
Total Miscellaneous Federal	6,028,872	2,129,898	2,234,966
State of Minnesota			
Diabetes Grant	21,593	18,653	2,940
ICAP Intervention for College Attendance Program – Central	35,434	28,831	9,131
Advanced Placement – Humboldt	32,113	2,500	–
IB PYP MYP Programs – Highland Park Jr.	4,424	1,875	–
IB PYP MYP Programs – Ramsey Jr.	11,600	10,200	–
Arts Learning – Cesar Chavez	4,851	–	–
MSAB Grant – Linwood	3,164	2,691	–
MSAB Grant – St. Paul Music Academy	30,600	29,070	–
Upward Bound – UW River Falls	12,500	5,402	–
Upward Bound – Metro State	7,800	6,630	3,885
Safe Routes To School	7,000	–	4,563
Success For the Future	140,852	127,060	6,923
Century College ETS – TRIO	1,600	8,374	–
Get Ready – Department of Higher Education	15,800	7,574	7,118
Minnesota Zoo	15,500	7,572	–
Teacher Education Redesign Initiative – TERI	4,224	668	–
Total State of Minnesota	349,055	257,100	34,560
Ramsey/Hennepin County			
Attendance Action Center	68,334	–	–
CRWD – Chelsea Heights	24,400	23,660	–
State-Wide Health Improvement Program	125,899	(3,602)	114,644
Public Entity Innovation Grant	76,089	47,073	–
Public Entity Innovation Grant – Recycling	68,000	16,358	2,340
Total Ramsey/Hennepin County	362,722	83,489	116,984

Grant Payable June 30, 2015	Unearned Revenue June 30, 2015	Total Revenue	Total Expenditures
(1,333)	–	4,661	4,661
(9,516)	–	462,937	462,937
–	–	230,646	230,618
–	–	321,403	321,431
–	–	143,850	143,850
–	–	24,804	24,804
–	–	26,362	26,362
–	–	75,810	75,810
–	–	97,566	97,566
–	–	181,038	181,038
(840)	–	11,929	11,929
–	–	493,097	493,097
–	–	243,765	243,765
–	–	4,892	4,892
(15,967)	(55,456)	4,293,441	4,293,441
–	–	21,593	21,593
–	–	37,962	37,962
–	–	2,500	32,251
–	–	1,875	3,608
–	–	10,200	10,200
–	–	–	–
–	–	2,691	2,691
–	(3,798)	25,272	25,272
–	–	5,402	5,402
–	–	10,515	10,515
–	–	4,563	4,563
–	–	133,983	133,983
–	–	8,374	8,374
–	–	14,692	14,692
–	–	7,572	7,572
–	–	668	668
–	(3,798)	287,862	319,346
–	–	–	–
–	–	23,660	23,660
–	–	111,042	111,041
–	–	47,073	57,565
–	–	18,698	8,207
–	–	200,473	200,473

(continued)

Elementary and Secondary Schools – General Fund
Fully Financed Fund Program Grant Analysis
Schedule of Reimbursable Programs' Revenues and Expenditures (continued)
Year Ended June 30, 2015

Program Description	Budget	Cash Received or Transferred During Year Ended June 30, 2015	Grant Receivable June 30, 2015
Private			
SW Miscellaneous Grants/Donations	–	500	–
Metro ECSU Assistive Technology	1,992	1,992	–
Gillette Children's Hospital Summer School	8,000	–	8,000
Wilder SPPN – Freedom School	200,000	168,427	–
Wilder School Linked Mental Health	25,706	25,706	–
Indian Education Student Celebrations	28,177	12,101	–
Ecolab FIRST Robotics – Humboldt Sr.	11,095	7,071	–
Ecolab AVID – Humboldt Sr.	100,960	36,530	–
Ecolab Vista Tutoring – Humboldt Sr.	46,750	52,200	36,530
Arts Programming	10,472	1,500	–
Kellogg Foundation	103,553	194,803	–
Upward Bound River Falls	8,000	5,688	–
Facilities Job Fair	1,800	1,070	–
Center For School Change	23,980	18,621	–
NEA Foundation – Student Achievement	5,000	500	–
NEA Foundation – Highwood Hills	4,500	9,000	–
NEA Foundation – Jackson	–	4,500	–
Homeless Program Charitable Contributions	5,818	5,661	–
MN Historical Society – History Enrichment	17,000	–	–
SPPS Foundation Grant Inspired Educator – Equity	2,400	2,400	–
SPPS Foundation Grant AT&T Internet Safety	10,000	10,000	–
SPPS Foundation – Project Lead the Way	5,516	5,766	–
SPPS Foundation Grant Health Partners	90,076	32,181	–
SPPS Foundation Grant Inspired Educator Central	–	172	–
SPPS Foundation Grant OWL History Day	5,000	–	–
SPPS Foundation Grant Tutors – Washington	2,500	2,500	–
SPPS Foundation Grant Cherokee Pool	156	–	–
SPPS Foundation Grant Fuel Up To Play 60 – Crossroads	190	–	–
SPPS Foundation Grant Fuel Up To Play 60 – Randolph Heights	1,455	1,455	–
SPPS Foundation Grant BOKS – Reebok Foundation – St. Anthony Park	500	500	–
3M Grant Evaluation	49,572	29,008	–
3M Grant Engineering is Elementary	6,477	–	–
3M Grant Eastside Partnership	105,240	73,250	–
3M – Science Concept-Oriented Reading Instruction CORI	79,348	38,069	–
3M FIRST Lego League	105,781	79,243	–
3M Grant Math Counts	10,089	4,867	–
3M Grant FIRST Robotics	76,001	74,374	–
3M – Renewable Energy Challenge	13,731	11,369	–
3M Grant Field Trip Experiences	95,899	85,871	–
3M STEP	298,766	176,473	–
3M Gateway to Technology and Project Lead The Way	148,840	118,004	–
3M – Physics Course Development	5,891	2,227	–

Grant Payable June 30, 2015	Unearned Revenue June 30, 2015	Total Revenue	Total Expenditures
–	–	500	–
–	–	1,992	1,992
–	(8,000)	–	–
–	–	168,427	168,427
–	–	25,706	25,706
–	(11,309)	792	791
–	–	7,071	7,071
–	–	36,530	34,969
–	–	88,730	90,291
–	–	1,500	8,287
–	(112,403)	82,400	82,400
–	–	5,688	5,688
–	(583)	487	487
–	(1,625)	16,996	16,996
–	(500)	–	–
–	(4,500)	4,500	4,500
–	(4,500)	–	–
–	(1,537)	4,124	4,124
–	–	–	750
–	–	2,400	2,400
–	(10,000)	–	–
–	(4,016)	1,750	1,750
–	–	32,181	32,181
–	–	172	–
–	–	–	–
–	(2,500)	–	–
–	–	–	144
–	–	–	189
–	–	1,455	1,434
–	–	500	420
–	–	29,008	29,008
–	–	–	–
–	(26,810)	46,440	46,440
–	–	38,069	38,069
–	(8,050)	71,193	71,193
–	–	4,867	4,867
–	–	74,374	74,374
–	(4,675)	6,694	6,694
–	–	85,871	85,871
–	–	176,473	176,473
–	–	118,004	118,004
–	–	2,227	2,227

(continued)

INDEPENDENT SCHOOL DISTRICT NO. 625

Elementary and Secondary Schools – General Fund
Fully Financed Fund Program Grant Analysis
Schedule of Reimbursable Programs' Revenues and Expenditures (continued)
Year Ended June 30, 2015

Program Description	Budget	Cash Received or Transferred During Year Ended June 30, 2015	Grant Receivable June 30, 2015
Private (continued)			
3M Johnson Fab Lab	49,976	15,489	–
3M STEM	122,532	72,740	–
3M – Real World Design Challenge	2,896	1,132	–
3M Science Clubs	33,969	14,769	–
3M STEM – Secondary Science	6,672	5,226	–
Community Foundations – Employee Recognition – Golden Apple	2,604	–	–
Community Foundations – Open Your Heart Grant To The Hungry and Homeless	3,000	3,000	–
Community Foundations – MN Vikings Children's Fund	20,250	16,400	–
Community Foundations – Various Donor OCCR/AVID	17,010	32,414	–
Community Foundations – Heart of America	9,972	6,648	–
Community Foundations – Carton Council of North America	5,000	5,000	–
Community Foundations – Concordia Grant– Central	18,800	18,800	–
Community Foundations – FIRST FRC Rookie OWL	2,779	2,000	–
Community Foundations – Society of American Military Engineers – Farnsworth	2,720	2,720	–
Community Foundations – SAP Foundation Wolf Ridge	1,000	3,000	–
Community Foundations – SAP Foundation Music	1,000	1,750	–
Community Foundations – Sauer Children's Renewal Foundation	8,500	8,500	–
Community Foundations – Verizon Foundation – Beyond iPads	20,000	15,693	–
Community Foundations – Lowe's ToolBox for Education – Crossroads	2,995	2,995	–
Community Foundations – VILS (Verizon Foundation) Hamline Elementary	7,136	6,228	–
Community Foundations – Twin Cities Opera Guild – Capitol Hill	1,500	1,500	–
Community Foundations – Lowe's ToolBox for Education – Capitol Hill	4,870	–	–
Community Foundations – Lowe's ToolBox for Education – American Indian Magnet	3,000	3,000	–
Community Foundations – National Christian Foundation – GP	7,000	7,000	–
Community Foundations – GtCNN Gateway To College	100,000	–	68,032
Community Foundations – National Writing Project – LRNG Challenge Grant – Eastern Heights	20,000	24,307	–
Bigelow Foundation – Student Success In West Side	50,000	50,000	–
Bigelow Foundation – Camp 6/2018	50,000	50,000	–
Bigelow Foundation – Beyond Courage	35,000	35,000	–
Bigelow Foundation – Freedom School	75,000	–	–
McNeely Foundation – P-WEB	20,000	20,000	–
Minneapolis Foundation – Critical Transformation – Obama	78,457	78,457	–
Peta Wakan Tipi	–	–	–
United Way Grant – Generation Next Evaluator	35,000	–	–
United Way Grant – Reading By 3rd Grade	60,000	60,000	15,000
United Way Grant – Closing The Gap – Jackson	140,000	139,999	–
EMID Mini-Grant	150,341	(10,401)	24,944
City of St. Paul Parent Academy	168,075	33,090	–

Grant Payable June 30, 2015	Unearned Revenue June 30, 2015	Total Revenue	Total Expenditures
–	–	15,489	15,489
–	(17,576)	55,164	55,164
–	(1,129)	3	3
–	(183)	14,586	14,586
–	–	5,226	5,226
–	–	–	1,862
–	–	3,000	3,000
–	(29)	16,371	16,371
–	(26,876)	5,538	2,135
–	–	6,648	6,648
–	(700)	4,300	4,300
–	(1,043)	17,757	17,757
–	(1,164)	836	836
–	(2,720)	–	–
–	(2,000)	1,000	1,000
–	(750)	1,000	1,000
–	–	8,500	8,500
–	(759)	14,934	19,241
–	(344)	2,651	2,652
–	–	6,228	6,228
–	(1,500)	–	–
–	–	–	–
–	–	3,000	3,000
–	(6,521)	479	479
–	–	68,032	68,032
–	(4,307)	20,000	15,693
–	–	50,000	50,000
–	–	50,000	50,000
–	(32,165)	2,835	2,835
–	–	–	–
–	–	20,000	20,000
–	–	78,457	78,367
–	–	–	152
–	–	–	–
–	(30,000)	45,000	45,000
–	(8,847)	131,152	131,152
–	–	14,543	14,543
–	–	33,090	32,764

(continued)

Elementary and Secondary Schools – General Fund
Fully Financed Fund Program Grant Analysis
Schedule of Reimbursable Programs' Revenues and Expenditures (continued)
Year Ended June 30, 2015

Program Description	Budget	Cash Received or Transferred During Year Ended June 30, 2015	Grant Receivable June 30, 2015
Private (continued)			
Out For Equity	1,326	4,188	–
Travelers Grant – Principals Academy	117,027	117,027	–
AVID – Travelers Grant	351,998	286,497	786
Academy of Finance – Travelers Foundation	59,742	53,563	–
Travelers Foundation – Riverview	15,000	35,000	–
St. Paul Foundation Emergency	8,269	769	–
St. Paul Foundation – Enrollment Campaign	58,057	33,400	–
St. Paul Foundation – Next Gen Evaluator	50,000	–	–
St. Paul Foundation – Student Success in West Side	75,000	75,000	–
St. Paul Foundation – Camp 6/2018	50,000	50,000	–
St. Paul Foundation – Beyond Courage	35,000	35,000	–
St. Paul Foundation – Public Art Wayfinding – Four Seasons	3,700	3,700	–
St. Paul Foundation – Freedom School	150,000	150,000	–
St. Paul Foundation – Freedom School	75,000	–	–
Health Care Provider Partnership	16,900	16,900	–
Lillian Wright Memorial	16,423	11,890	–
Leadership Institute	150,000	150,000	–
Chuck Lund Scholarship	3,054	–	–
Scholarships – Olga B Hart Foundation	11,000	11,000	–
Firmin "Ace" Alexander Educational Scholarship Fund	3,000	–	–
Ordway Center	20,366	6,138	–
Upward Bound St. Olaf College	2,000	7,500	–
MN Children's Museum	7,500	4,178	14,433
MN Orchestra	9,000	1,133	–
Augsburg College Urban Debate	26,000	25,058	793
PIP/Dodge Nature Center	7,018	7,957	218
TC2 Grant	45,000	20,297	43,695
Bush Foundation – Teacher Effectiveness initiative	63,064	150,000	–
Federation Agreement	221,886	115,466	107,206
Ecolab Visions For Learning MRC	3,000	3,000	–
EMID Full Day Subs Reimbursement	19,000	5,280	1,865
Gibb's Farm Field Trips	8,000	–	5,378
St. Paul Chamber Orchestra – Buses	6,000	6,280	–
Field Trip Buses	300	–	–
Total Private	4,741,915	3,406,276	326,880

Grant Payable June 30, 2015	Unearned Revenue June 30, 2015	Total Revenue	Total Expenditures
–	(1,451)	2,737	2,737
–	(112,615)	4,412	4,413
–	–	287,283	287,283
–	–	53,563	53,563
–	(19,868)	15,132	15,132
–	–	769	4,172
–	–	33,400	33,400
–	–	–	–
–	–	75,000	75,000
–	–	50,000	50,000
–	(24,058)	10,942	10,942
–	(3,558)	142	142
–	–	150,000	150,000
–	–	–	–
–	(6,439)	10,461	10,461
–	(7,960)	3,930	3,930
–	–	150,000	150,000
–	–	–	2,689
–	(500)	10,500	10,500
–	–	–	1,000
–	–	6,138	6,138
–	–	7,500	7,500
–	–	18,611	18,611
–	–	1,133	1,133
–	–	25,851	25,851
–	(6,790)	1,385	1,385
–	–	63,992	63,992
–	(150,000)	–	–
–	–	222,672	222,672
–	–	3,000	2,690
–	–	7,145	6,224
–	–	5,378	5,378
–	–	6,280	6,280
–	–	–	–
–	(672,860)	3,060,296	3,071,450

(continued)

Elementary and Secondary Schools – General Fund
Fully Financed Fund Program Grant Analysis
Schedule of Reimbursable Programs' Revenues and Expenditures (continued)
Year Ended June 30, 2015

Program Description	Budget	Cash Received or Transferred During Year Ended June 30, 2015	Grant Receivable June 30, 2015
Miscellaneous			
Paraprofessional Training	2,000	476	–
Title I Reading Recovery	7,957	–	–
ELL Workshop	38,540	35,851	5,000
Automotive Learning Center	10,066	1,455	–
Grants Office	–	3,600	–
Translations with administration	13,396	–	–
Vending Machine Proceeds – 2102 University	–	138	–
Vending Machine Proceeds – 360 Colborne	20,000	12	–
Valley Branch ELC	59,941	8,769	–
Planetarium	70,000	31,760	–
EMID Starbase	79,900	–	–
Other	–	65,750	–
Total Miscellaneous	301,800	147,811	5,000
Total Fully Financed Fund	$ 53,708,948	$ 38,314,702	$ 7,875,179

Grant Payable June 30, 2015	Unearned Revenue June 30, 2015	Total Revenue	Total Expenditures
–	–	476	476
–	–	–	707
–	–	40,851	12,855
–	–	1,455	5,845
–	–	3,600	335
–	–	–	16,662
–	–	138	–
–	–	12	–
–	–	8,769	32,271
–	–	31,760	44,692
–	–	–	12,382
–	(65,750)	–	–
–	(65,750)	87,061	126,225
$ (33,038)	$ (797,864)	$ 45,358,979	$ 45,440,781

INDEPENDENT SCHOOL DISTRICT NO. 625

Elementary and Secondary Schools – Community Service Fund
Fully Financed Fund Program Grant Analysis
Schedule of Reimbursable Programs' Revenues and Expenditures
Year Ended June 30, 2015

Program Description	Budget	Cash Received or Transferred During Year Ended June 30, 2015	Grant Receivable June 30, 2015
Federal			
21st Century Grant – 4th Cohort Learning Centers	$ 17,444	$ 12,574	$ –
21st Century Grant – Cohort 5	878,991	725,877	262,826
21st Century Grant – Cohort 6	771,853	582,040	125,197
Total Federal	1,668,288	1,320,491	388,023
State			
Night Moves – Eastside	1,163	3,001	264
Night Moves – Como	2,682	4,924	–
State Hearing Impaired	13,825	–	6,681
ABE State-Wide Support Services	140,000	116,794	23,207
Think Small Grant – Child Care	–	4,444	1,111
Early Learning State Scholarship	789,111	720,978	267,599
Preventing Obesity Among Preschoolers	48,430	26,282	22,142
Communities To Connect	10,000	–	10,000
Preschool Screening	269,072	83,076	–
Nonpublic State Aid Programs	1,547,937	1,090,179	454,624
Total State	2,822,220	2,049,678	785,628
Other Governmental Units			
ABE Learner Activities	20,139	22,037	–
Day Cares	1,055,292	608,121	59,171
Total Other Governmental Units	1,075,431	630,158	59,171
Private			
Bremmer Foundation	55,154	55,154	–
PEK McKnight Foundation	1,113,786	1,113,786	–
GTCUW – Women's Giving Early Childhood	80,000	40,000	–
Ronald M. Hubbs Scholarship	12,955	5,502	–
CET – Fair Parking	10,600	23,898	–
No Budget	–	800,000	–
Total Private	1,272,495	2,038,340	–
Total Community Service Fully Financed	$ 6,838,434	$ 6,038,667	$ 1,232,822

Grant Payable June 30, 2015	Unearned Revenue June 30, 2015	Total Revenue	Total Expenditures
$ –	$ –	$ 12,574	$ 12,574
–	–	988,703	988,703
–	–	707,237	707,237
–	–	1,708,514	1,708,514
–	–	3,265	3,265
–	–	4,924	4,924
–	–	6,681	6,681
–	–	140,001	140,000
–	–	5,555	5,556
–	–	988,577	641,517
–	–	48,424	48,424
–	–	10,000	10,000
–	–	83,076	178,155
–	–	1,544,803	1,544,803
–	–	2,835,306	2,583,325
–	–	22,037	22,037
–	–	667,292	798,681
–	–	689,329	820,718
–	–	55,154	55,154
–	(69,790)	1,043,996	1,043,996
–	(1,051)	38,949	38,949
–	–	5,502	5,502
–	–	23,898	10,228
–	(800,000)	–	(111,389)
–	(870,841)	1,167,499	1,042,440
$ –	$ (870,841)	$ 6,400,648	$ 6,154,997

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