

**ADDENDUM DATED JANUARY 13, 2016  
TO  
PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 11, 2016**

**REFUNDING ISSUE - BOOK ENTRY ONLY  
BANK QUALIFIED**

**RATINGS:**  
**Moody's Investors Service Underlying Rating: A1**  
**Moody's Investors Service Minnesota Credit Enhancement Program Rating: Aa2**  
**(See "Bond Rating/Credit Enhancement" herein)**

**INDEPENDENT SCHOOL DISTRICT NO. 282,  
ST. ANTHONY-NEW BRIGHTON PUBLIC SCHOOLS, MINNESOTA**

**\$9,090,000\* GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A**

The Continuing Disclosure section contained in Preliminary Official Statement dated August 26, 2015 did not make reference to the District's late/incorrect continuing disclosure filings. The below section has been revised accordingly:

**FULL CONTINUING DISCLOSURE**

In order to assist the Underwriter(s) in complying with SEC Rule 15c2-12 (the "Rule"), pursuant to a resolution awarding the Issue and a Continuing Disclosure Certificate (the "Certificate") to be executed on behalf of the District on or before Bond Closing, the District has and will covenant for the benefit of holders of the Bonds to annually provide certain financial and operating data, relating to the District to the Municipal Securities Rulemaking Board ("MSRB") in an electronic format prescribed by the MSRB, and to provide notices of the occurrence of certain events enumerated in the Rule to the MSRB. The specific nature of the Certificate, as well as the information to be contained in the annual report or the notices of material events is set forth in the Continuing Disclosure Certificate in substantially the form attached hereto as Appendix B.

The District failed to file a material events notice for a rating change related to the Moody's recalibration of its ratings to a global scale for the 2004A Bonds. The District filed the rating change events notice on time for the 2008A, 2008B, and 2009A issues, but provided incorrect information. The material events filings have been subsequently corrected and posted on EMMA.

Other than the aforementioned missed/incorrect filings, in the past five years the District has never failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of material events. A failure by the District to comply with the Certificate will not constitute an event of default on the Bonds (although holders will have an enforceable right to specific performance). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. Please see Appendix B – Continuing Disclosure Certificate herein for additional information.

**BAIRD**

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\* Preliminary, subject to change. The District reserves the right, after bids are opened and prior to the award, to increase or reduce the principal amount of the individual serial or term maturities of the Bonds. Any such increase or reduction will be made in multiples of \$5,000 within any of the maturities. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread per \$1,000.

**PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 11, 2016**

**REFUNDING ISSUE - BOOK ENTRY ONLY  
BANK QUALIFIED**

**RATINGS:**

**Moody's Investors Service Underlying Rating: A1**

**Moody's Investors Service Minnesota Credit Enhancement Program Rating: Aa2  
(See "Bond Rating/Credit Enhancement" herein)**

*With respect to the \$9,090,000 General Obligation Crossover Refunding Bonds, Series 2016A, dated February 22, 2016, in the opinion of Knutson, Flynn & Deans, Professional Association, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings and decisions, at the time of their issuance and delivery to the original purchaser, interest on the Bonds is excluded from gross income for purposes of United States income tax and is excluded, to the same extent, in computing both gross and taxable net income for purposes of State of Minnesota income tax (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions). Interest is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account for the purpose of determining adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on corporations. No opinion will be expressed by Bond Counsel regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds. See "Tax Exemption" herein for additional information.*

**INDEPENDENT SCHOOL DISTRICT NO. 282,  
ST. ANTHONY-NEW BRIGHTON PUBLIC SCHOOLS, MINNESOTA**

**\$9,090,000\* GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A**

Dated: February 22, 2016

Due: February 1, as shown on the inside cover

The General Obligation Crossover Refunding Bonds, Series 2016A (the "Bonds" or the "Issue") are being issued pursuant to Minnesota Statutes, Chapter 475.

The Bonds maturing on February 1, 2025 and thereafter are subject to redemption, in whole or in part, on February 1, 2024 and on any date thereafter at a price of par plus accrued interest.

The Bonds are valid and binding general obligations of Independent School District No. 282, St. Anthony-New Brighton Public Schools, Minnesota (the "District" or the "Issuer") for which the District pledges its full faith and credit and power to levy direct general ad valorem taxes to pay all principal and interest payments on the Bonds. The District has also covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Chapter 126C.55 (Minnesota School District Credit Enhancement Program), which provides for payment by the State of Minnesota, in the event of a potential default of a school district debt obligation, of the principal and interest on the Bonds when due. See Security/Sources and Uses of Funds herein for additional information.

Proceeds from the Bonds will be used to (i) refund in advance of their stated maturities through a crossover refunding, all of the bonds maturing in the years 2019 to 2031, aggregating \$8,705,000 in principal amount, of the Issuer's General Obligation School Building Bonds, Series 2008B bearing a date of original issue of September 1, 2008 and (ii) pay costs associated with issuance of the Bonds. See Authority and Purpose herein for additional information.

The Financial Advisor to the District is: **BAIRD**

Principal due with respect to the Bonds, including mandatory redemptions, is payable annually on February 1 commencing February 1, 2019 and interest due with respect to the Bonds is payable semiannually February 1 and August 1, commencing August 1, 2016. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any whole multiple thereof. Purchasers will not receive physical delivery of Bonds. See "Book-Entry System" in Description of Bonds herein for additional information. The Paying Agent/Registrar for the Bonds will be U.S. Bank National Association, St. Paul, Minnesota. The Escrow Agent for the Bonds will be U.S. Bank National Association, St. Paul, Minnesota. The Verification Agent for the Bonds will be Barthe & Wahrman, P.A., Bloomington, Minnesota. Bonds will be available for delivery at DTC on or about February 22, 2016.

**SALE DATE: JANUARY 19, 2016**

**SALE TIME: 11:00 A.M. CT**

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\* Preliminary, subject to change. The District reserves the right, after bids are opened and prior to the award, to increase or reduce the principal amount of the individual serial or term maturities of the Bonds. Any such increase or reduction will be made in multiples of \$5,000 within any of the maturities. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread per \$1,000.

## MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

<u>Maturity</u> <u>(February 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> <sup>(1)</sup>	<u>Maturity</u> <u>(February 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> <sup>(1)</sup>
2019	\$585,000				2026	\$615,000			
2020	590,000				2027	620,000			
2021	595,000				2028	630,000			
2022	600,000				2029	635,000			
2023	605,000				2030	1,685,000			
2024	605,000				2031	710,000			
2025	615,000								

<sup>(1)</sup> CUSIP numbers are included solely for the convenience of the purchasers of the Bonds. CUSIP data herein is provided by CUSIP Global Services LLC, managed on behalf of the American Bankers Association by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers may also be subject to change after the issuance of the Bonds.

\* Preliminary, subject to change. The District reserves the right, after bids are opened and prior to the award, to increase or reduce the principal amount of the individual serial or term maturities of the Bonds. Any such increase or reduction will be made in multiples of \$5,000 within any of the maturities. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread per \$1,000.

## ISD 282, ST. ANTHONY-NEW BRIGHTON PUBLIC SCHOOLS, MINNESOTA

### Elected Officials – School Board

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Leah Slye	Chair	12/31/2017
Barry Kinsey	Vice Chair	12/31/2017
Cassandra Palmer	Clerk	12/31/2019
Andrea Scamehorn	Treasurer	12/31/2019
Laura Oksnevad	Director	12/31/2017
Mike Volna	Director	12/31/2019

### APPOINTED OFFICIALS

Robert Laney, Superintendent  
Bill Menozzi, Director of Business Services

### BOND COUNSEL

Knutson, Flynn & Deans, P.A.  
Mendota Heights, Minnesota

### FINANCIAL ADVISOR

Robert W. Baird & Co., Inc.  
Mahtomedi, Minnesota & Milwaukee, Wisconsin

*No dealer, broker, salesman or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement in connection with the offering contained herein, and if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.*

*The information contained in this Official Statement has been obtained from representatives of the District, public documents, records and other sources considered to be reliable. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information.*

*The delivery of this Official Statement at any time does not imply that any information herein is correct as of any time subsequent to its date. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not representations of fact.*

*This Official Statement should be considered in its entirety and no one factor considered less important than any other by reason of its position in this Official Statement. Where statutes, resolutions, reports or other documents are referred to herein, reference should be made to such statutes, resolutions, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.*

*Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other Federal, State, Municipal or other governmental entity, other than the District, shall have passed upon the accuracy or adequacy of this Official Statement.*

*(Remainder of page left intentionally blank)*

## TABLE OF CONTENTS

SUMMARY STATEMENT .....	2
AUTHORITY AND PURPOSE.....	3
SECURITY/SOURCES AND USES OF FUNDS .....	3
DESCRIPTION OF THE BONDS .....	3
FULL CONTINUING DISCLOSURE.....	6
UNDERWRITING .....	6
FINANCIAL ADVISOR.....	7
CONCURRENT/FUTURE FINANCING.....	7
MINNESOTA SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM.....	7
BOND RATING/CREDIT ENHANCEMENT .....	7
LITIGATION .....	8
STATEMENT OF NO DEFAULT .....	8
CERTIFICATION REGARDING OFFICIAL STATEMENT .....	8
LEGALITY .....	8
TAX EXEMPTION.....	8
DISTRICT GENERAL INFORMATION.....	10
MINNESOTA VALUATIONS; PROPERTY TAX CLASSIFICATIONS .....	19
ECONOMIC AND FINANCIAL INFORMATION .....	23
SUMMARY OF DEBT AND DEBT STATISTICS .....	26
Appendix A – LEGAL OPINION	
Appendix B – CONTINUING DISCLOSURE CERTIFICATE	
Appendix C – AUDITED FINANCIAL STATEMENTS	
Appendix D – OFFICIAL NOTICE OF SALE AND BID FORM	

**\$9,090,000\***  
**G.O. CROSSOVER REFUNDING BONDS, SERIES 2016A**  
**ISD 282, ST. ANTHONY-NEW BRIGHTON PUBLIC SCHOOLS, MINNESOTA**  
**SUMMARY STATEMENT**

Estimated Amount\*: \$9,090,000

Issuer: Independent School District No. 282, St. Anthony-New Brighton Public Schools, Minnesota

Award Date: Tuesday, January 19, 2016

Financial Advisor: Robert W. Baird & Co., Mahtomedi, MN and Milwaukee, WI 53202

Underwriter: \_\_\_\_\_

Type of Issue: General Obligation Crossover Refunding Bonds, Series 2016A (the "Bonds"). See *Authority and Purpose* as well as *Security/Sources and Uses of Funds* herein for additional information

Authority/Purpose & Security: The Bonds are valid and binding general obligations of the District for which the District pledges its full faith and credit and power to levy direct general ad valorem taxes to pay all principal and interest payments on the Bonds. The District has also covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Chapter 126C.55 (Minnesota School District Credit Enhancement Program), which provides for payment by the State of Minnesota, in the event of a potential default of a school district debt obligation, of the principal and interest on the Bonds when due. See *Security/Sources and Uses of Funds* herein for additional information.

Date of Issue: February 22, 2016

Interest Paid: August 1, 2016, and semiannually thereafter on February 1 and August 1 to registered owners appearing of record in the bond register on the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date (the "Record Date").

Maturities \* :

02/01/2019	\$585,000	02/01/2023	\$605,000	02/01/2026	\$615,000	02/01/2029	\$ 635,000
02/01/2020	590,000	02/01/2024	605,000	02/01/2027	620,000	02/01/2030	1,685,000
02/01/2021	595,000	02/01/2025	615,000	02/01/2028	630,000	02/01/2031	710,000
02/01/2022	600,000						

Redemption: The Bonds maturing on February 1, 2025 and thereafter are subject to redemption and repayment at the option of the District on February 1, 2024, and any date thereafter, at a price of par plus accrued interest.

Book-Entry: The Bonds will be issued as fully registered and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, to which principal and interest payments will be made. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any whole multiple thereof. Purchasers will not receive physical delivery of Bonds.

Paying Agent/Registrar: U.S. Bank National Association, St. Paul, Minnesota

Escrow Agent: U.S. Bank National Association, St. Paul, Minnesota

Verification Agent: Barthe & Wahrman, P.A., Bloomington, Minnesota

Tax Designations: NOT Private Activity Bonds - Bonds are not "private activity bonds" as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the Code).

Qualified Tax-Exempt Obligations - The District will designate these Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Legal Opinion: Knutson, Flynn & Deans, Professional Association

Bond Rating: The District received an A1 underlying bond rating from Moody's Investors Service ("Moody's"). In addition; the Bonds are rated Aa2 by Moody's based on the Minnesota School District Credit Enhancement Program.

Closing: February 22, 2016

Primary Contacts: Bill Menozzi, Director of Business Services, ISD 282, St. Anthony-New Brighton Public Schools  
Matt Rantapaa, Vice President, Robert W. Baird & Co.

\* Preliminary, subject to change. The District reserves the right, after bids are opened and prior to the award, to increase or reduce the principal amount of the individual serial or term maturities of the Bonds. Any such increase or reduction will be made in multiples of \$5,000 within any of the maturities. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread per \$1,000.

## **AUTHORITY AND PURPOSE**

The Bonds are being issued pursuant to Minnesota Statutes, Chapter 475, as amended. Proceeds from the Bonds will be used to (i) refund in advance of their stated maturities through a crossover refunding, all of the bonds maturing in the years 2019 to 2031, aggregating \$8,705,000 in principal amount, of the Issuer's General Obligation School Building Bonds, Series 2008B (the "Refunded Bonds"), bearing a date of original issue of September 1, 2008 and (ii) pay costs associated with issuance of the Bonds. The Refunded Bonds will be called for redemption on February 1, 2018.

The Series 2016A Bonds are being sold in advance of the call date of the Refunded Bonds and will be invested in accordance with the Internal Revenue Code of 1986, as amended. The District will establish an escrow account that will be funded with \_\_\_\_\_ (U.S. Treasury Securities and/or Agency Securities). The escrow account is established in an amount sufficient to pay interest on the Series 2016A Bonds through February 1, 2018, and to pay the callable principal on the Refunded Bonds on the call date. The District will continue to pay debt service on the Refunded Bonds until the call date of February 1, 2018. Actuarial services necessary to insure adequacy of the escrow account to provide timely interest payments on the Series 2016A Bonds and payment of principal of the Refunded Bonds on the call date will be performed by a certified public accountant.

## **SECURITY/SOURCES AND USES OF FUNDS**

### **Security**

The Bonds are valid and binding general obligations of the District. The District pledges its full faith and credit and power to levy direct ad valorem taxes to pay the principal and interest on the Bonds. In addition, the District has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 (Minnesota School District Credit Enhancement Program), which provides for payment by the State of Minnesota, in the event of a potential default of a school district debt obligation, of the principal and interest on the Bonds when due.

### **Sources and Uses of Funds**

Following are the *estimated* sources and uses of funds in connection with the issuance of the Bonds:

#### **Sources of Funds**

Par Amount of Bonds	\$9,090,000
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#### **Uses of Funds**

Deposit to Construction Fund	
Costs of Issuance/Underwriter's Discount	
Rounding	
Total Uses of Funds	\$9,090,000

## **DESCRIPTION OF THE BONDS**

### **Details of Certain Terms**

The Bonds will be dated, as originally issued, as of February 22, 2016, and will be issued as fully registered Bonds in the denominations of \$5,000 or any integral multiple thereof. Principal, including mandatory redemptions on the Bonds will be payable annually February 1, commencing February 1, 2019. Interest on the Bonds will be payable semiannually on each February 1 and August 1, commencing August 1, 2016. The Bonds when issued, will be registered in the name of Cede & Co. (the "Registered Holder"), as nominee of The Depository Trust Company, New York, New York ("DTC"), the initial

custodian for the Bonds, to which principal and interest payments on the Bonds will be made so long as Cede & Co. is the Registered Holder of the Bonds. See “Book- Entry System” in Description of the Bonds herein for additional information. So long as the Book-Entry Only System is used, individual purchases of the Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof (“Authorized Denominations”). Individual purchasers (“Beneficial Owners”) of the Bonds will not receive physical delivery of bond certificates, and registration, exchange, transfer, tender and redemption of the Bonds with respect to Beneficial Owners shall be governed by the Book-Entry Only System.

So long as the Book-Entry Only System is used, payments from Cede & Co., as the Record Holder, to the Beneficial Owners shall be governed by the Book-Entry Only System. If the Book-Entry Only System is discontinued, the principal of and premium, if any, on the Bonds will be payable upon presentation and surrender at the offices of the Paying Agent and Bond Registrar or a duly appointed successor. Interest on the Bonds will be paid by check or draft mailed by the Bond Registrar to the registered holders thereof as such appear on the registration books maintained by the Bond Registrar as of the close of business on the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date (the “Record Date”).

### **Registration, Transfer and Exchange**

So long as the Book-Entry Only System is used, payments from Cede & Co., as the Record Holder, to the Beneficial Owners shall be governed by the Book-Entry Only System. If the Book-Entry Only System is discontinued, the Bonds may be transferred upon surrender of the Bonds at the principal office of the Bond Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his or her attorney duly authorized in writing. The Bonds, upon surrender thereof at the principal office of the Bond Registrar may also be exchanged for other Bonds of the same series, of any authorized denominations having the same form, terms, interest rates and maturities as the Bonds being exchanged. The Bond Registrar will require the payment by the Bond holder requesting such exchange or transfer of any tax or governmental charge required to be paid with respect to such exchange or transfer. The Bond Registrar is not required to (i) issue, transfer or exchange any Bond during a period beginning at the opening of business fifteen days before any selection of Bonds of a particular stated maturity for redemption in accordance with the provisions of the Bond Indenture and ending on the day of the first mailing of the relevant notice of redemption or (ii) to transfer any Bonds or portion thereof selected for redemption.

### **Optional Redemption**

The Bonds maturing on February 1, 2025 and thereafter are subject to redemption, in whole or in part, on February 1, 2024 and on any date thereafter at a price of par plus accrued interest. If redemption is in part, the selection of the amounts and maturities of the Bonds to be prepaid shall be at the discretion of the District. Notice of redemption shall be given by certified mail to the registered owner of the Bonds not less than 30 days prior to such redemption date.

### **Book-Entry System**

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds (the “Bonds”). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a



member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtcc.org](http://www.dtcc.org).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bonds (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

### **FULL CONTINUING DISCLOSURE**

In order to assist the Underwriter(s) in complying with SEC Rule 15c2-12 (the "Rule"), pursuant to a resolution awarding the Issue and a Continuing Disclosure Certificate (the "Certificate") to be executed on behalf of the District on or before Bond Closing, the District has and will covenant for the benefit of holders of the Bonds to annually provide certain financial and operating data, relating to the District to the Municipal Securities Rulemaking Board ("MSRB") in an electronic format prescribed by the MSRB, and to provide notices of the occurrence of certain events enumerated in the Rule to the MSRB. The specific nature of the Certificate, as well as the information to be contained in the annual report or the notices of material events is set forth in the Continuing Disclosure Certificate in substantially the form attached hereto as Appendix B.

In the past five years the District has never failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of material events. A failure by the District to comply with the Certificate will not constitute an event of default on the Bonds (although holders will have an enforceable right to specific performance). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. Please see Appendix B – Continuing Disclosure Certificate herein for additional information.

### **UNDERWRITING**

The Bonds are being purchased from the District by \_\_\_\_\_ (the "Underwriter"). The Underwriter will receive total compensation of \$\_\_\_\_\_ in connection with the purchase of the Bonds assuming all Bonds are sold at the rates and yields set forth on the cover page of this Official Statement,

which compensation is \_\_\_\_% of the par value. The obligation to make such purchase is subject to certain terms and conditions, the approval of certain legal matters by counsel and certain other conditions.

### **FINANCIAL ADVISOR**

Robert W. Baird & Co., Milwaukee, Wisconsin has acted as Financial Advisor to the District in connection with the issuance of the Bonds.

### **CONCURRENT/FUTURE FINANCING**

The District does not anticipate the need to finance any capital improvements with the issuance of General Obligation Bonds/Notes within the next 6 months.

### **MINNESOTA SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM**

In the resolution adopting the sale of the Bonds, the District will covenant and obligate itself to be bound by the provisions of Minnesota Statutes, Section 126C.55, which provides for payment by the State of Minnesota in the event of a potential default of a school district obligation (herein referred to as the “State Payment Law” or the “Law”). The provisions of the State Payment Law shall be binding on the District as long as any obligations of the issues remain outstanding. Under the State Payment Law, if the District believes it may be unable to make a principal or interest payment for these issues on the due date, it must notify the Commissioner of Education as soon as possible, but not less than 15 working days prior to the due date, (which notice is to specify certain information) and will use the provisions of the Law to have the State of Minnesota make payment of the principal and interest when due. The District also covenants in the Resolution to deposit with the paying agent for the issues three business days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Commissioner of Education that it will be unable to make all or a portion of the payment.

The Law also requires the paying agent for these issues to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal and interest on these obligations, or if, on the day two business days prior to the payment date, there are insufficient funds to make the payment or deposit with the paying agent.

After receipt of a notice which requests a payment pursuant to the Law, after consultation with the paying agent and District, and after verifying the accuracy of the information provided, the Commissioner of Education shall notify the Commissioner of Finance of the potential default. The State Payment Law provides that “upon receipt of this notice...the Commissioner of Finance shall issue a warrant and authorize the Commissioner of Education to pay to the paying agent for the debt obligation the specified amount on or before the date due. The amounts needed for purposes of subdivision are annually appropriated to the Department of Education from the state general fund.”

### **BOND RATING/CREDIT ENHANCEMENT**

The District received an A1 underlying bond rating from Moody’s Investor Service. Further, the District has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Chapter 126C.55 (Minnesota School District Credit Enhancement Program), which provides for payment by the State of Minnesota, in the event of a potential default of a school district debt obligation, of the principal and interest on the Bonds when due. The Bonds are rated Aa2 by Moody’s based on the Minnesota School District Credit Enhancement Program. The rating reflects the opinion of Moody’s and any explanation of the significance of these ratings may be obtained only from Moody’s. There is no assurance that a rating will continue for any given period of time, or that such rating will not be revised or withdrawn, if in the judgment of Moody’s, circumstances so warrant. A revision or withdrawal of the rating may have an

adverse effect on the market price of the Bonds. See Minnesota School District Credit Enhancement Program herein for additional information.

### **LITIGATION**

As of November 16, 2015, the District has indicated that no litigation is pending or threatened that would may adversely affect the District's financial condition, ability to levy or collect taxes or tax revenues or ability to make payments on the Bonds.

### **STATEMENT OF NO DEFAULT**

The District has no record of default and has met its debt repayment obligations promptly.

### **CERTIFICATION REGARDING OFFICIAL STATEMENT**

The District hereby ratifies and approves the Official Statement and consents to its distribution and use by the Underwriter in connection with the public offering and sale of the Bonds. The District confirms that the Official Statement is "deemed final" as of its date for purposes of Rule 15c2 12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934.

### **LEGALITY**

Legal matters incident to the authorization and issuance of the Bonds are subject to the approving opinion of Knutson, Flynn and Deans, Professional Association as to validity and tax exemption. A copy of such opinion will be available at the time of the delivery of the Certificates. See Appendix A – Legal Opinion.

Bond Counsel has not participated in the preparation of this Official Statement and is not passing upon its accuracy, completeness or sufficiency. Bond Counsel has not examined, nor attempted to examine, or verify, any of the financial or statistical statements or data contained in this Official Statement, and will express no opinion with respect thereto.

### **TAX EXEMPTION**

#### **General**

In the opinion of Bond Counsel, under federal and Minnesota laws, regulations, rulings and decisions in effect on the date of issuance of the Bonds, interest on the Bonds is excludable from gross income for federal income tax purposes, and, to the same extent, from taxable net income of individuals, estates and trusts for Minnesota income tax purposes. Interest on the Bonds is includable in taxable income of corporations and financial institutions for purposes of the Minnesota franchise tax. Certain provisions of the Internal Revenue Code of 1986, as amended (the "Code"), however, impose continuing requirements that must be met after the issuance of the Bonds in order for interest thereon to be and remain excludable from federal gross income and, to the same extent, from Minnesota taxable net income. Noncompliance with such requirements by the District may cause the interest on the Bonds to be includable in gross income for purposes of federal income taxation and, to the same extent, in taxable net income for purposes of Minnesota income taxation, retroactive to the date of issuance of the Bonds, irrespective in some cases of the date on which such noncompliance is ascertained. No provision has been made for redemption of or for an increase in the interest rate on the Bonds in the event that interest on the Bonds becomes includable in federal gross income or Minnesota taxable income.

Interest on the Bonds is not an item of tax preference includable in alternative minimum taxable income for purposes of the federal alternative minimum tax applicable to all taxpayers or the Minnesota alternative minimum tax applicable to individuals, estates and trusts, but is includable in adjusted current

earnings in determining the federal alternative minimum taxable income of corporations for purposes of the federal alternative minimum tax. Interest on the Bonds may be includable in the income of a foreign corporation for purposes of the branch profits tax imposed by Section 884 of the Code and is includable in the net investment income of foreign insurance companies for purposes of Section 842(b) of the Code. In the case of an insurance company subject to the tax imposed by Section 831 of the Code, the amount which otherwise would be taken into account as losses incurred under Section 832(b)(5) of the Code must be reduced by an amount equal to fifteen percent of the interest on the Bonds that is received or accrued during the taxable year. Section 86 of the Code requires recipients of certain Social Security and railroad retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Bonds.

### **Passive Investment Income of S Corporations**

Passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for a Subchapter S corporation that has Subchapter C earnings and profits at the close of the taxable year if greater than twenty-five percent of the gross receipts of such Subchapter S corporation is passive investment income. Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of a financial institution, that portion of the holder's interest expense allocated to interest on the Bonds, except with respect to certain financial institutions (within the meaning of Section 265(b) of the Code).

### **Proposed Changes in Federal and State Tax Law**

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. No prediction is made whether such provisions will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

The above is not a comprehensive list of all federal tax consequences that may arise from the receipt of interest on the Bonds. The receipt of interest on the Bonds may otherwise affect the federal or State of Minnesota income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

### **Qualified Tax-Exempt Obligations**

The District will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations. "Qualified tax-exempt obligations" are treated as acquired by a financial institution before August 8, 1986.

## **DISTRICT GENERAL INFORMATION<sup>1</sup>**

### **Location**

Independent School District No. 282, St. Anthony-New Brighton Public Schools is located in Hennepin and Ramsey Counties in the central part of Minnesota. The District is situated just north of the City of Minneapolis and is part of the Minneapolis/St. Paul Metropolitan Area

### **Area**

2,078 Acres  
(3.247 Square Miles)

### **Population<sup>2</sup>**

2005 Census Estimate 9,566  
2010 Census 9,862

2013 Census Estimate 10,218  
2015 Estimate 10,618

### **Labor Force Data<sup>3</sup>**

Comparative average labor force and unemployment rate figures for 2015 (through October) and year-end 2014. Figures are not seasonally adjusted and numbers of people are estimated by place of residence.

	<u>October 2015</u>		<u>2014</u>	
	Unemployment		Unemployment	
	<u>Labor Force</u>	<u>Rate</u>	<u>Labor Force</u>	<u>Rate</u>
Hennepin County	672,043	2.9	666,810	3.0
Ramsey County	277,262	3.1	274,965	3.2
Minneapolis/St. Paul MSA	1,919,268	2.9	1,905,506	3.2
Minnesota	3,001,058	3.0%	2,974,102	4.1%

### **Capital Assets**

Capital assets, excluding accumulated depreciation, of the District have the following values as of June 30 (audited):

<b>Asset</b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Land	\$ 984,510	\$ 984,510	\$ 984,510
Construction in Process	0	122,124	0
Buildings and Improvements	25,934,847	26,574,123	27,554,046
Equipment	<u>168,071</u>	<u>174,569</u>	<u>203,500</u>
Total Capital Assets	\$27,087,428	\$27,855,326	\$28,742,056

### **Defined Benefit Pension Plans<sup>4</sup>**

The District employs 313 employees, 161 certified (licensed) and 152 noncertified (non-licensed). Substantially all employees of the District are required by state law to belong to pension plans administered by Teachers Retirement Association (TRA) or Public Employees Retirement Association

1 Information in this section provided by the District unless otherwise noted.

2 Source: U.S. census website at <http://www.census.gov/did/www/saige/data/schools/data/2012.html> and the District.

3 Labor force data obtained from Minnesota Department of Economic Security, Research and Statistics Office.

4 Source: District's audited financial statements and the District.

(PERA), all of which are administered on a statewide basis. Disclosures relating to these plans follow:  
Teachers Retirement Association (TRA)

#### 1. Plan Description

The Teachers Retirement Association (TRA) is an administrator of a multiple employer, cost-sharing, defined benefit retirement fund. TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota statutes, chapters 354 and 356. TRA is a separate statutory entity and administered by a Board of Trustees. The Board consists of four active members, one retired member and three statutory officials.

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

#### 2. Benefits Provided

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

#### 3. Contribution Rate

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

Per Minnesota statutes, chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year were:

	Ending June 30, 2014		Ending June 30, 2015	
	Employees	Employers	Employees	Employers
Basic	10.5%	11.0%	11.0%	11.5%
Coordinated	7.0%	7.0%	7.5%	7.5%

Audited District Contributions to TRA have been as follows:

Year	Amount	Year	Amount
2015	\$645,395	2012	\$476,738
2014	566,743	2011	436,415
2013	526,498	2010	419,484

#### 4. Net Pension Liability

As of June 30, 2015, the District reported a liability of \$8,174,464 for its proportionate share of the 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 TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. District proportionate share was 0.1774 percent at the end of the measurement period and 0.1806 percent for the beginning of the year.

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

District's proportionate share of net pension liability	\$8,174,464
State's proportionate share of the net pension liability	\$575,124

A change in benefit provisions that affected the measurement of the total pension liability since the prior measurement date was an increase of the contribution rates for both the member and employer. Section 3 on the previous page contains the rate information.

There was a change in actuarial assumptions that affected the measurement of the total liability since the prior measurement date. Post-retirement benefit adjustments are now assumed to increase from 2.0 percent annually to 2.5 percent annually once the legally specified criteria are met. This is estimated to occur July 1, 2034.

For the year ended June 30, 2015, the District recognized pension expense of \$405,303. It also recognized \$25,089 as an increase to pension expense for the support provided by direct aid.

On June 30, 2015, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 697,503	\$ 0
Net Difference between projected and actual earnings on plan investments	0	2,569,969
Changes on proportion	0	151,867
Contributions to TRA subsequent to the measurement date	<u>645,395</u>	<u>0</u>
Total	\$1,342,898	\$2,721,836

Deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

Year Ended June 30	Pension Expense Amount
2016	\$(528,581)
2017	(528,581)
2018	(528,581)
2019	(528,581)
2020	89,991

Detailed information about the plan's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at [www.MinnesotaTRA.org](http://www.MinnesotaTRA.org), by writing to TRA at 60 Empire Drive, Suite 400, St. Paul, MN, 55103-4000; or by calling (651) 296-2409 or (800) 657-3669.



## Public Employees Retirement Association (PERA)

### 1. Plan Description

The District participates in the following defined benefit pension plans administered by the Public Employees Retirement Association (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota statutes, chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

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. Benefits Provided

PERA provides retirement, disability and death benefits. Benefit provisions are established by Minnesota statute and can only be modified by the state legislature.

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.

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.

#### 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 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 ten 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 ten 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.

### 3. Contributions

Minnesota statutes, chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

#### GERF contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.10 percent and 6.25 percent, respectively, of their annual covered salary in calendar year 2014. Coordinated Plan members contributed 6.50 percent of pay in 2015. In calendar year 2014, the District was required to contribute the following percentages of annual covered payroll: 11.78 percent for Basic Plan members and 7.25 percent of Coordinated Plan members. In 2015, employer rates increased to 7.5 percent in the Coordinated Plan. The District's contributions to the GERF have been as follows:

<b>Year</b>	<b>Amount</b>	<b>Year</b>	<b>Amount</b>
2015	\$207,380	2012	\$194,753
2014	198,523	2011	189,909
2013	201,981	2010	176,427

The District's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

#### 4. Pension Costs

At June 30, 2015, the District reported a liability of \$2,452,094 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 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 PERA's participating employers. At June 30, 2014, the District's proportion was 0.0522 percent.

For the year ended June 30, 2015, the District recognized pension expense of \$182,032 for its proportionate share of GERF's pension expense.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 37,632	\$ 0
Changes in actuarial assumptions	252,713	0
Net Difference between projected and actual earnings on plan investments	0	662,554
Contributions to GERF subsequent to the measurement date	<u>207,380</u>	<u>0</u>
Total	\$497,725	\$662,554

Deferred outflows of resources totaling \$207,380 related to pensions resulting from the District's contributions to 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 GERF pensions will be recognized in pension expense as follows:

<b>Year Ended June 30</b>	<b>Pension Expense Amount</b>
2016	\$(68,857)

2017	(68,857)
2018	(68,857)
2019	(68,857)
2020	(68,857)

Detailed information about each defined benefit pension plan's fiduciary net position is available in a separately issued PERA financial report. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org); by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-7460 or (800) 652-9026.

### **Other Postemployment Benefits (OPEB)**

The District administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the District's group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the District and the union representing District employees and are renegotiated each three-year bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

The required contribution is based on funding these liabilities on a pay-as-you-go basis. Contribution requirements are negotiated between the District and union representatives. The District's employment agreement for certain administrative officials provides for the District to pay the following premium costs for single health and dental coverage. The District has established an Other Postemployment Benefits Trust fund to fund these obligations.

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for fiscal year 2015 and the two preceding fiscal years were as follows:

<b>Year Ended</b>	<b>Annual OPEB Cost</b>	<b>% of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation (Asset)</b>
06/30/2015	\$79,377	45%	\$(292,657)
06/30/2014	105,656	173%	(345,233)
06/30/2013	84,784	177%	(297,263)

As of July 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$1,242,287, of which \$50,151 was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$9,995,823, and the ratio of the unfunded actuarial accrued liability to the covered payroll was .5 percent.

**Estimated Cash and Investment Balances as of November 30, 2015 (unaudited)**

<u>Fund Name</u>	<u>Balance</u>
General Fund	\$7,421,228
Food Service Fund	100,621
Community Service Fund	457,236
Building Construction Fund	0
Debt Service Fund	969,521
Trust Fund	288
Internal Service Fund	<u>159,980</u>
Total	\$9,108,874

**2015/2016 District Budget**

<b>Fund</b>	<b>June 30, 2015 Actual Fund Balances</b>	<b>FY 2016 Budget Revenues and Transfers In</b>	<b>FY 2016 Budget Expenditures and Transfers Out</b>	<b>June 30, 2016 Projected Fund Balances</b>
General Fund/Restricted	\$265,121	\$1,065,307	\$951,622	\$378,806
General Fund/Other	4,074,405	16,273,261	16,129,228	4,218,438
Food Service Fund	57,124	834,780	831,197	60,707
Community Service Fund	402,506	1,209,711	1,210,202	402,015
Building Construction Fund	0	0	0	0
Debt Service Fund	9,409,994	1,834,744	1,884,445	9,360,293
Trust Fund	2,006	30,070	30,000	2,076
Internal Service Fund	<u>184,333</u>	<u>145,400</u>	<u>145,000</u>	<u>184,733</u>
TOTAL – ALL FUNDS	\$14,395,489	\$21,393,273	\$21,181,694	\$14,607,068

**Bargaining Units/Teacher Contracts**

Following is a list of Recognized/Certified Bargaining Units:

<b>Employee Group</b>	<b>Bargaining Unit</b>	<b>Expiration Date</b>
Teachers	St. Anthony Village Education Association	June 30, 2015
Food Service	School Service Employees, Local 284	June 30, 2016
Custodial	School Service Employees, Local 284	June 30, 2016
Secretaries/Support Staff	SEIU Local 284	June 30, 2016
Principals	St. Anthony Village Principals Association	June 30, 2016

## School Data

Enrollment has been as follows:

<b>Year</b>	<b>Elementary (Grades PK-6)</b>	<b>Secondary (Grades 7-12)</b>	<b>Totals</b>
2015/2016	819	961	1,780
2014/2015	834	956	1,790
2013/2014	778	932	1,710
2012/2013	801	961	1,762
2011/2012	818	955	1,773

Enrollment for the next two school years is projected as follows:

<b>Year</b>	<b>Elementary (Grades PK-6)</b>	<b>Secondary (Grades 7-12)</b>	<b>Totals</b>
2017/2018	822	958	1,780
2016/2017	822	958	1,780

## Buildings

The District currently operates three educational buildings: an elementary school, grades kindergarten through five; a middle school, grades six through eight; and a senior high school, grades nine through twelve. In addition, St. Anthony Community Services provides Early Childhood programs for children ages three- to five-years of age, a before- and after-school extended day program for youth in grades K-6, family and parent education programs, after-school youth programming and activities for adults and senior citizens.

## Banking/Financial Institutions<sup>1</sup>

Banking and financial services provided within the District include the following:

<b>Bank Name</b>	<b>Reported Deposits/Assets</b>
Bremer Bank National Association (Branch of St. Paul, MN)	\$ 192,778,000
U. S. Bank National Association (Branch of Cincinnati, OH)	78,481,000
Wells Fargo Bank National Association (Sioux Falls, SD)	488,985,000
Wings Financial Credit Union	4,192,089,211

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<sup>1</sup> Reported bank services deposits are as of June 30, 2015 and obtained from the FDIC website at <https://www.fdic.gov>. and reported credit union assets are as of September 30, 2015 and obtained from the NCUA website <http://www.ncua.gov/analysis/Pages/locate.asp>

## Major/Leading Employers<sup>1</sup>

Following are the major/leading employers located within the District:

<b>Employer</b>	<b>Product/Service</b>	<b>Number of Employees<sup>2</sup></b>
Medtox Laboratory Inc.	Medical Laboratory	600
Donatelle Plastics Inc.	Plastics Injection Molding	400
City of New Brighton	City Government	300
St. Anthony Health Center/Chandler Place	Skilled Nursing Care Facility	300
ISD 282, St. Anthony-New Brighton	Public Education	273
Johnson Screens, Inc.	Water Well and Water Processing Screens	270
Pentair (formerly Hypro Corporation)	Pump Manufacturing	250
Benedictine Health Center at Innsbruck	Skilled Nursing Care Facility	226
Mission Foods Corporation	Tortillas/Tortilla Chip Maker	218
Cub Foods	Grocery Store	170

## Largest Taxpayers<sup>3</sup>

Following are the ten largest taxpayers within the District:

<b>Name</b>	<b>Property Classification</b>	<b>2014/2015 Estimated Market Value</b>	<b>2014/2015 Tax Capacity</b>	<b>Percent of Total Tax Capacity (9,670,054)</b>
Inland Silver Lake Village LLC	Commercial	\$ 36,060,500.00	\$ 720,460.00	7.45%
St. Anthony Leased HSG Association	Commercial	\$ 33,438,900.00	\$ 383,167.00	3.96%
Autumn Woods Partners LP	Apartment	\$ 16,518,000.00	\$ 206,475.00	2.14%
St. Anthony Shopping Center	Commercial	\$ 6,474,000.00	\$ 128,730.00	1.33%
Northern States Power Company	Utility	\$ 6,385,200.00	\$ 127,010.00	1.31%
Chandler Place LP	Commercial	\$ 8,743,600.00	\$ 109,295.00	1.13%
Bigos Helena	Commercial	\$ 8,626,700.00	\$ 107,156.00	1.11%
Windsor South Apts LP	Apartment	\$ 7,602,500.00	\$ 95,031.00	0.98%
Equinox Properties LLC	Commercial	\$ 7,597,100.00	\$ 94,964.00	0.98%
Equinox Properties LLC	Commercial	\$ 7,527,700.00	\$ 94,096.00	0.97%
<b>TOTAL</b>		<b>138,974,200</b>	<b>2,066,384</b>	<b>21.37%</b>

<sup>1</sup> The District

<sup>2</sup> Includes full-time, part-time, and seasonal employees.

<sup>3</sup> Provided by Hennepin and Ramsey Counties.

## **MINNESOTA VALUATIONS; PROPERTY TAX CLASSIFICATIONS**

### **Market Value**

State Law defines the “market value” of real property as the usual selling price at the place where the property to which the term is applied shall be at the time of assessment; being the price which could be obtained at a private sale or an auction sale, if it is determined by the assessor that the price from the auction sale represents an arm's length transaction. The assessor uses sales and market value income trends to estimate the value of property in an open market transaction. This value is also called “estimated market value”. This value is set on January 2 of each year. Property taxes levied each year are based on the value of property on January 2 of the preceding year. According to Minnesota Statutes, Chapter 273, all real property subject to taxation is to be appraised at maximum intervals of five years.

### **Taxable Market Value**

The “taxable market value” is the amount used for calculating property taxes. The taxable market value may differ from the estimated market value due to the application of special programs that exclude value from taxation. These programs currently include, but are not limited to, Homestead Market Value Exclusion and Green Acres.

### **Market Value Exclusion**

In 2011, the State Legislature eliminated the Homestead Market Value Credit. The Credit was an amount paid by the State to local taxing jurisdictions to reduce taxes paid by homesteaded property. The Credit has been replaced by a Homestead Market Value Exclusion. The Exclusion reduces the taxable market value (beginning with taxes payable 2012) of a jurisdiction by excluding a portion of the value of homesteaded property from taxation. For a homestead valued at \$76,000 or less, the exclusion is 40 percent of market value, yielding a maximum exclusion of \$30,400 at \$76,000 of market value. For a homestead valued between \$76,000 and \$413,800, the exclusion is \$30,400 minus nine percent of the valuation over \$76,000. For a homestead valued at \$413,800 or more, there is no valuation exclusion.

### **Sales Ratio**

The Minnesota Department of Revenue annually conducts the Assessment Sales Ratio Study to compare real estate sales prices to local assessor valuations. The State uses the study results to ensure consistency in property assessments across the state. The Department of Revenue produces two sales ratio calculations: 1) sales ratio for adjusted net tax capacity; and 2) sales ratio for estimated market value (see further discussion below).

### **Adjusted and Economic Market Value**

“Adjusted market value” and “economic market value” reflect adjustments made to account for the effects of the sales ratio. The adjusted market value is determined by dividing the estimated market value of the jurisdiction by the net tax capacity sales ratio. Adjusted market value provides an estimation of the full value of property if it were valued at 100% of its value in the marketplace (prior to the application of legislatively mandated exclusions). The economic market value is determined by dividing the assessed estimated market value of real estate by the estimated market value sales ratio and adding the assessor’s estimated market value of personal property and utility, railroads, and minerals, if any. The economic market value is a sales ratio-adjusted measure of a community’s property wealth.

## **Net Tax Capacity**

Property taxes are calculated on the basis of the “net tax capacity value”. Net tax capacity is calculated by multiplying the taxable market value of a parcel by the statutory class rate for the use classification of the property. These class rates are subject to revisions by the State Legislature. The table following this section contains current and historical class rates for primary property classifications.

## **Tax Cycle**

Minnesota local government ad valorem property taxes are extended and collected by the various counties within the state. The process begins in the fall of every year with the certification, to the county auditor, of all local taxing districts’ property tax levies. Local tax rates are calculated by dividing each taxing district’s levy by its net tax capacity. One percentage point of local tax rate represents one dollar of tax per \$100 net tax capacity. A list of taxes due is then prepared by the county auditor and turned over to the county treasurer on or before the first Monday in January.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements (excluding manufactured homes) are to be mailed out no later than March 31, and manufactured home property tax statements no later than July 15. The due dates for payment of real and personal property taxes (excluding manufactured homes) are one-half on or before May 15 (May 31 for resorts) and one-half on or before October 15 (November 15 for farm property). Personal property taxes for manufactured homes become due one-half on or before August 31 and one-half on or before November 15. Delinquent property taxes are penalized at various rates depending on the type of property and the length of delinquency.

## **Tax Levies for General Obligation Bonds (Minnesota Statutes, Section 475.61)**

State Law requires the governing body of any municipality issuing general obligations, prior to delivery of the obligations, to levy by resolution a direct general ad valorem tax upon all taxable property in the municipality to be spread upon the tax rolls for each year of the term of the obligations. The tax levies for all years shall be specified and such that if collected in full will, together with estimated collections of special assessments and other revenues pledged for the payment of said obligations, produce at least five percent in excess of the amount needed to meet the principal and interest payments on the obligations when due.

Such resolution shall irrevocably appropriate the taxes so levied and any special assessments or other revenues so pledged to the municipality’s debt service fund or a special debt service fund or account created for the payment of one or more issues of obligations.

The governing body may, at its discretion, at any time after the obligations have been authorized, adopt a resolution levying only a portion of such taxes, to be filed, assessed, extended, collected and remitted, and the amount therein levied shall be credited against the tax required to be levied prior to delivery of the obligations.

The recording officer of the municipality shall file in the office of the county auditor of each county in which any part of the municipality is located a certified copy of the resolution, together with full information regarding the obligations for which the tax is levied. No further action by the municipality is required to authorize the extension, assessment and collection of the tax, but the municipality’s liability on the obligations is not limited thereto and its governing body shall levy and cause to be extended, assessed and collected any additional taxes found necessary for full payment of the principal and interest. The auditor shall annually assess and extend upon the tax rolls the amount specified for such year in the resolution, unless the amount has been reduced as authorized below or, if the municipality is located in more than one county, the portion thereof that bears the same ratio to the whole amount as the tax



capacity value of taxable property in that part of the municipality located in the county bears to the tax capacity value of all taxable property in the municipality.

Tax levies so made and filed shall be irrevocable, except that if the governing body in any year makes an irrevocable appropriation to the debt service fund of moneys actually on hand or if there is on hand any excess amount in the debt service fund, the recording officer may certify to the county auditor the fact and amount thereof and the auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

All such taxes shall be collected and remitted to the municipality by the county treasurer as other taxes are collected and remitted, and shall be used only for payment of the obligations on account of that levied or to repay advances from other funds used for such payments, except that any surplus remaining in the debt service fund when the obligations and interest thereon are paid may be appropriated to any other general purpose by the municipality.

*(Remainder of page left intentionally blank)*

The following is a partial summary of these factors:

Property Tax Classifications			Class Rate Schedule (shown as a percent)				
Class	Type of Property		2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015
1a	<u>Residential Homestead:</u>	First \$500,000	1.00	1.00	1.00	1.00	1.00
		Over \$500,000	1.25	1.25	1.25	1.25	1.25
1c	<u>Commercial seasonal-residential recreational-</u> under 250 days and includes homestead						
		First \$600,000	0.50	0.50	0.50	0.50	0.50
		\$600,000-2,300,000	1.00	1.00	1.00	1.00	1.00
		Over \$2,300,000*	1.25	1.25	1.25	1.25	1.25
2a	<u>Agricultural Homestead - House, Garage, One Acre: (HGA)</u>						
		First \$500,000	1.00	1.00	1.00	1.00	1.00
		Over \$500,000	1.25	1.25	1.25	1.25	1.25
	Remainder of Farm** -	First \$1,010,000					
		Over \$1,010,000					
		First \$1,140,000	0.50				
		Over \$1,140,000	1.00				
		First \$1,210,000		0.50			
		Over \$1,210,000		1.00			
		First \$1,290,000			0.50		
		Over \$1,290,000			1.00		
		First \$1,500,000				0.50	0.50
		Over \$1,500,000				1.00	1.00
	<u>Agricultural Homestead Land<sup>1</sup></u>		1.00	1.00	1.00	1.00	1.00
2a	<u>Non-Homestead Agricultural Productive Land**</u>		1.00	1.00	1.00	1.00	1.00
2b	<u>Non-Homestead Rural Vacant Land<sup>2</sup></u>		1.00	1.00	1.00	1.00	1.00
3a	<u>Commercial/Industrial and Public Utility*</u>						
		First \$150,000	1.50	1.50	1.50	1.50	1.50
		Over \$150,000	2.00	2.00	2.00	2.00	2.00
4a	<u>Apartment</u> (4+ units, incl. private for-profit hospitals)		1.25	1.25	1.25	1.25	1.25
4b(4)	<u>Unimproved Residential</u>		1.25	1.25	1.25	1.25	1.25
4bb(1)	<u>Residential Non-Homestead</u> (Single Unit)						
		First \$500,000	1.00	1.00	1.00	1.00	1.00
		Over \$500,000	1.25	1.25	1.25	1.25	1.25
4bb(2)	<u>Ag Non-Homestead</u> (Single Unit, Garage and 1 acre)						
		First \$500,000	1.00	1.00	1.00	1.00	1.00
		Over \$500,000	1.25	1.25	1.25	1.25	1.25
4c(1)	<u>Seasonal Residential Recreational/Commercial*</u> (Resort):	First \$500,000	1.00	1.00	1.00	1.00	1.00
		Over \$500,000	1.25	1.25	1.25	1.25	1.25
4c(2)	<u>Qualifying Golf Courses</u>		1.25	1.25	1.25	1.25	1.25
4c(12)	<u>Seasonal Residential Recreational*</u> <u>Non Commercial (Cabin)<sup>3</sup>:</u>	First \$76,000**		1.00	1.00	1.00	1.00
		\$76,000-\$500,000**		1.00	1.00	1.00	1.00
		Over \$500,000**		1.25	1.25	1.25	1.25
4d	<u>Qualifying Low-Income Rental Housing</u>						
		First \$100,000	0.75	0.75	0.75	0.75	0.75
		Over \$100,000	0.75	0.75	0.75	0.75	0.25
* Subject to state general property tax.							
** Exempt from referendum market value based taxes.							
<sup>1</sup> Homestead remainder & non-homestead; includes structures.							
<sup>2</sup> Homestead remainder & non-homestead; includes ancillary structures.							
<sup>3</sup> Note: For purposes of the state general property tax only, non-commercial class 4c(1) seasonal residential recreational property has the following class rate structure: First \$76,000 0.40%, \$76,001-\$500,000 1.00% and over \$500,000 1.25%.							

## ECONOMIC AND FINANCIAL INFORMATION<sup>1</sup>

### Valuations

	2014/2015 Estimated Market Value	2014/2015 Net Tax Capacity
Real Property		
Hennepin County	491,705,500	5,075,416
Ramsey County	376,918,800	4,446,371
	868,624,300	9,521,787
Personal Property		
Hennepin County	2,925,100	57,257
Ramsey County	4,625,500	91,010
	7,550,600	148,267
Less: Tax Increment		
Hennepin County	-	-
Ramsey County	-	896,739
	-	896,739
Less: Fiscal Disparity Contribution Value		
Hennepin County	-	308,468
Ramsey County	-	470,465
	-	778,933
Add: Fiscal Disparity Distribution Value		
Hennepin County	-	648,473
Ramsey County	-	590,702
	-	1,239,175
Total Valuation	876,174,900	9,233,557

### Economic Market Value<sup>2</sup>

Economic market value (described in detail under “MINNESOTA VALUATIONS, PROPERTY TAX CLASSIFICATIONS” herein) has been calculated as shown below.

\$848,665,310	Estimated Market Value of Locally Assessed Real Property (as of January 1, 2014 for taxes payable 2015)
÷ <u>90.97%</u>	Minnesota Department of Revenue 2014 Estimated Market Value Sales Assessment Ratio
=      \$932,867,971	Economic Market Value of Locally Assessed Real Property
+      \$7,550,600	Estimated Market Value of Personal Property
+ <u>\$2,715,833</u>	Estimated Market Value of Utility, Railroads, and Minerals
=      \$943,134,404	Total Economic Market Value

<sup>1</sup> Information in this section provided by Hennepin and Ramsey County unless noted otherwise.

<sup>2</sup> Source: Minnesota Department of Revenue website at: <http://www.revenue.state.mn.us/propertytax/Pages/statistics-imv.aspx>.

## Adjusted Market Value

Adjusted market value (described in detail under “MINNESOTA VALUATIONS, PROPERTY TAX CLASSIFICATIONS” herein) has been calculated as shown below, and is also used in the “Summary of Debt and Debt Statistics.”

$$\begin{aligned}
 & \$876,174,900 \quad \text{Estimated Market Value of real and personal property (as of January 1, 2014 for} \\
 & \quad \text{taxes payable 2015)} \\
 & \div \quad \underline{\quad 94.2\% \quad} \quad \text{Minnesota Department of Revenue 2014 Net Tax Capacity Sales Assessment} \\
 & \quad \text{Ratio} \\
 & = \quad \$930,121,975 \quad \text{Adjusted Market Value of Real and Personal Property}
 \end{aligned}$$

## Sales Assessment Ratios<sup>1</sup>

Sales assessment ratios have been as follows:

Year	Ratio	Year	Ratio
2014	94.20%	2011	100.90%
2013	99.10	2010	99.40
2012	106.00	2009	97.60

## Valuation Trends

In 2011, the State Legislature eliminated the Homestead Market Value Credit for homestead residential property and replaced it with “Homestead Market Value Exclusion”. Beginning with taxes payable in 2012, this results in a reduction in the Taxable Market Value of the residential homestead property portion of the District’s value.

Valuation trends have been as follows:

Levy Year/Collection Year	Adjusted Market Value	Indicated Market Value	Estimated Market Value	Taxable Market Value	Tax Capacity Before Tax Increments*	Tax Capacity After Tax Increments**
2014 / 2015	930,121,975	N/A	876,174,900	820,880,606	9,670,054	9,233,557
2013 / 2014	830,854,894	N/A	823,377,200	765,150,630	9,079,544	8,495,990
2012 / 2013	783,738,302	N/A	830,762,600	772,091,657	9,140,115	8,536,475
2011 / 2012	N/A	813,070,954	N/A	820,388,593	9,683,701	9,035,240
2010 / 2011	N/A	904,682,193	N/A	899,254,100	10,499,836	9,825,497
2009 / 2010	N/A	978,058,504	N/A	954,585,100	11,147,789	10,299,600

\*Also before Fiscal Disparities adjustments.  
\*\*Also after Fiscal Disparities adjustments.

<sup>1</sup> Data obtained from the District’s Levy Limitation and Certification Report that can be obtained from Minnesota Department of Education website at <http://education.state.mn.us/MDE/index.html>.

## Breakdown of Valuations

2014/2015 Tax Capacity, Real and Personal Property (before tax increment and fiscal disparities adjustments):

Residential Homestead	5,357,815	55.41%
Agricultural	-	0.00%
Commercial & Industrial	2,158,632	22.32%
Public Utility	31,108	0.32%
Railroad Operating	22,914	0.24%
Residential Non-Homestead	1,914,218	19.80%
Seasonal/Recreational Comm. & Resid'l	37,100	0.38%
Personal Property	<u>148,267</u>	<u>1.53%</u>
<b>TOTAL</b>	<b>9,670,054</b>	<b>100.00%</b>

## Tax Capacity Rates

Following are tax rates for a resident residing in the City of St. Anthony (Hennepin County) for the past five assessable/collection years:

Levy Year/Collection Year	2010/2011 Tax Capacity Rates	2011/2012 Tax Capacity Rates	2012/2013 Tax Capacity Rates	2013/2014 Tax Capacity Rates	2014/2015 Tax Capacity Rates
Hennepin County	45.840%	48.231%	49.461%	49.959%	46.398%
City of St. Anthony	59.885%	68.854%	75.461%	77.161%	72.931%
ISD 282	36.478%	38.318%	38.872%	33.093%	29.953%
Metro Council	0.885%	0.940%	0.997%	1.069%	0.976%
Metro Mosq	0.525%	0.537%	0.556%	0.563%	0.507%
Hennepin County HRA	0.397%	0.403%	0.478%	0.514%	0.471%
Hennepin County Railroad Auth.	1.246%	1.294%	1.561%	1.777%	1.817%
Metro Transit	1.539%	1.607%	1.689%	1.703%	1.523%
Three Rivers Park District	3.765%	3.943%	4.054%	4.169%	3.789%
Park Museum	<u>0.815%</u>	<u>0.799%</u>	<u>0.754%</u>	<u>0.766%</u>	<u>0.702%</u>
<b>Total</b>	<b>151.375%</b>	<b>164.926%</b>	<b>173.883%</b>	<b>170.774%</b>	<b>159.067%</b>

## Tax Levies and Collections

Levy Year/Collection Year	TOTAL 2010/ 2011	TOTAL 2011/ 2012	TOTAL 2012/ 2013	TOTAL 2013/ 2014	TOTAL 2014/ 2015
Original Gross Tax Levy	6,055,449.94	5,784,654.95	5,659,713.39	5,577,952.37	18,719,281.66
Property Tax Credits*	(124,154.65)	-	-	-	-
Levy Adjustments	<u>(1,127.11)</u>	<u>(8,538.15)</u>	<u>(2,491.27)</u>	<u>(1,371.40)</u>	<u>(2,245,324.67)</u>
Net Tax Levy	5,930,168.18	5,776,116.80	5,657,222.12	5,576,580.97	16,473,956.99
Current Year Adjustment	-	-	-	-	14,228,632.32
Amount Collected During Collection Year	5,872,968.22	5,715,323.45	5,583,940.66	5,524,589.81	In Process of Collection
Percent of Net Tax Levy Collected During Collection Year	99.04%	98.95%	98.70%	99.07%	
Amount Delinquent at End of Collection Year	57,199.96	60,793.35	73,281.46	51,991.16	
Delinquencies Collected As of 05/31/2015	(25,450.47)	(21,248.08)	(44,832.89)	(23,053.35)	
Delinquencies Abated or Cancelled as of 05/31/2015	<u>(24,370.20)</u>	<u>(23,531.15)</u>	<u>(12,313.83)</u>	<u>(4,720.00)</u>	
Total Delinquencies Outstanding as of 05/31/2015	7,379.29	16,014.12	16,134.74	24,217.81	
Percent of Total Net Tax Levy Collected	99.88%	99.72%	99.71%	99.57%	

\*Property tax credits are aids provided by the State of Minnesota and paid directly to the District.

## SUMMARY OF DEBT AND DEBT STATISTICS

### **Statutory Debt Limit**

Minnesota Statutes, Section 475.53, subdivision 4, states that a district may not incur or be subject to a net debt in excess of fifteen percent (15%) of its estimated market value or adjusted market value, whichever results in a higher value. Net debt is, with limited exceptions, debt paid solely from ad valorem taxes.

Computation of Legal Debt Margin as of November 2, 2015:

2014/2015 Adjusted Market Value	\$930,121,975
Times 15% of Adjusted Market Value	<u>      x   0.15      </u>
Statutory Debt Limit	\$139,518,296

Amount of debt applicable to debt limit:

\$3,215,000 G.O. School Building Bonds, Series 2004A	\$   350,000
\$10,410,000 G.O. Alternative Facility Bonds, Series 2008A	1,330,000
\$11,515,000 G.O. School Building Bonds, Series 2008B	1,310,000
\$8,850,000 G.O. Alternative Facility Crossover Refunding Bonds, Series 2015A	8,850,000
\$9,090,000 G.O. Crossover Refunding Bonds, Series 2016A (this issue)	<u>9,090,000</u>
Total debt applicable to debt limit	\$20,930,000
Legal debt margin	\$118,588,296

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ISD No. 282, St. Anthony - New Brighton							
General Obligation Debt Payable from Ad Valorem Taxes*							
(shown by fiscal year and as of November 2, 2015)							
Purpose	G.O. School Building Refunding Bonds, Series 2004A	G.O. Alternative Facility Bonds, Series 2008A	G.O. School Building Bonds, Series 2008B	G.O. Alternative Facility Crossover Refunding Bonds, Series 2015A	G.O. Crossover Refunding Bonds, Series 2016A (this issue)	Total Principal	Total P & I
Dated:	11/1/2004	9/1/2008	9/1/2008	3/1/2015	2/22/2016		
Par Amount:	3,215,000	10,410,000	11,515,000	8,850,000	9,090,000		
Maturity:	1-Feb	1-Feb	1-Feb	1-Feb	1-Feb		
Footnote:					A		
2016	350,000	190,000	415,000	0	0	955,000	2,052,117
2017	0	560,000	435,000	0	0	995,000	2,260,507
2018	0	580,000	460,000	0	0	1,040,000	2,277,452
2019	0	0	0	710,000	585,000	1,295,000	1,685,532
2020	0	0	0	730,000	590,000	1,320,000	1,688,727
2021	0	0	0	745,000	595,000	1,340,000	1,685,631
2022	0	0	0	765,000	600,000	1,365,000	1,686,092
2023	0	0	0	780,000	605,000	1,385,000	1,680,352
2024	0	0	0	800,000	605,000	1,405,000	1,673,015
2025	0	0	0	820,000	615,000	1,435,000	1,674,734
2026	0	0	0	840,000	615,000	1,455,000	1,665,296
2027	0	0	0	865,000	620,000	1,485,000	1,663,485
2028	0	0	0	885,000	630,000	1,515,000	1,659,081
2029	0	0	0	910,000	635,000	1,545,000	1,651,143
2030	0	0	0	0	1,685,000	1,685,000	1,751,502
2031	0	0	0	0	710,000	710,000	730,164
TOTAL	350,000	1,330,000	1,310,000	8,850,000	9,090,000	20,930,000	27,484,827

\* Debt summary reflects payments for issues subject to mandatory redemption. For more information please refer to the applicable official statement that can be viewed by borrower at: <http://emma.msrb.org/Search/Search.aspx>

A) Principal and interest are preliminary, subject to change.

ISD No. 282, St. Anthony - New Brighton			
Annual Appropriation Debt*			
(shown by fiscal year and as of November 2, 2015)			
Purpose	Minnesota Master Lease Agreement, Series 2007	Total Principal	Total P & I
Dated:	5/10/2007		
Par Amount:	1,500,000		
Maturity:	1-Feb		
2016	60,564	60,564	80,898
2017	107,656	107,656	138,681
2018	112,691	112,691	138,681
2019	117,962	117,962	138,681
2020	123,480	123,480	138,681
2021	129,256	129,256	138,681
2022	135,302	135,302	138,681
TOTAL	786,911	786,911	912,986

\* Debt summary reflects payments for issues subject to mandatory redemption. For more information please refer to the applicable official statement that can be viewed by borrower at: <http://emma.msrb.org/Search/Search.aspx>

## Indirect Debt<sup>1</sup>

Issuer	2014/2015 Tax Capacity Value	2014/2015 Tax Capacity Value in District	Percentage Applicable to District	Net General Obligation Debt <sup>2</sup>	Taxpayers' Share of Debt
Hennepin County	\$148,879,943	\$5,472,678	3.68%	\$766,200,000	\$28,164,747
Ramsey County	480,922,805	3,760,879	0.78%	200,445,000	1,567,506
City of New Brighton	18,954,933	1,297,061	6.84%	39,225,000	2,684,115
City of St. Anthony	5,472,678	5,472,678	100.00%	27,180,000	27,180,000
Metro Council	1,488,818,089 <sup>3</sup>	5,472,678	0.37%	12,625,000	46,408
Metro Airports Commission	3,284,416,937	3,760,879	0.11%	2,840,000 <sup>4</sup>	3,252
Metro Transit	1,417,452,313	5,472,678	0.39%	193,395,000	746,684
Three Rivers Park District	1,079,365,752	5,472,678	0.51%	57,005,000	289,031
HCRRA	1,489,879,943	5,472,678	0.37%	36,205,000 <sup>5</sup>	132,989
				Net Indirect Debt	<u>\$60,814,731</u>

*(Remainder of page left intentionally blank)*

<sup>1</sup> Only those taxing jurisdictions with general obligation debt outstanding are included. Debt figures do not include non-general obligation debt, general obligation debt supported by revenues, short-term obligation debt or general obligation tax/aid anticipation certificates of indebtedness.

<sup>2</sup> Net debt figures are as of November 2, 2015 and obtained from EMMA website at <http://emma.msrb.org/Search/Search.aspx> unless noted otherwise.

<sup>3</sup> Hennepin County value only.

<sup>4</sup> As of December 31, 2014 and obtained from Ramsey County.

<sup>5</sup> As of December 31, 2014 and obtained from Hennepin County.



**Direct Debt**

Bonds secured by ad valorem taxes (includes this issue and the concurrent issue)	\$20,930,000
Annual appropriation debt/master lease agreement	<u>786,911</u>
<i>Direct Debt</i>	\$21,716,911
Add taxpayers' share of indirect debt	<u>60,814,731</u>
<i>Direct and Indirect Debt</i>	\$81,604,731

**Factors for Ratio Computations**

2014/2015 Adjusted Market Value (real and personal property)	\$930,121,975
District Population (2015 estimate)	10,618

**Debt Ratios (including annual appropriation debt/master lease agreement)**

	Direct Debt	Indirect Debt	Direct and Indirect Debt
To Adjusted Market Value	2.33%	6.54%	8.87%
Per Capita	\$2,045	\$5,728	\$7,773

**Debt Ratios (excluding annual appropriation debt/master lease agreement)**

	Direct Debt	Indirect Debt	Direct and Indirect Debt
To Adjusted Market Value	2.24%	6.54%	8.77%
Per Capita	\$1,958	\$5,728	\$7,686

**APPENDIX A**  
**LEGAL OPINION**



**\$9,145,000\***  
**GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A**  
**INDEPENDENT SCHOOL DISTRICT NO. 282**  
**(ST. ANTHONY-NEW BRIGHTON)**  
**HENNEPIN AND RAMSEY COUNTIES, MINNESOTA**

We have acted as Bond Counsel in connection with the issuance by Independent School District No. 282 (St. Anthony-New Brighton), Hennepin and Ramsey Counties, Minnesota (the "District"), of its General Obligation Crossover Refunding Bonds, Series 2016A (the "Bonds"), in the aggregate principal amount of \$9,145,000\*, bearing a date of original issue of February 22, 2016. The Bonds are fully registered as to principal and interest and are originally issued using a global book-entry system.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

We have examined the law and such certified proceedings and other documents as we have deemed necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other affidavits and certificates of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based upon our examination of these materials, assuming the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such documents, and based upon present Minnesota and federal laws, regulations, rulings and decisions, it is our opinion that:

(1) The Bonds are in due form and the proceedings show lawful authority for their issuance according to their terms under the Constitution and laws of the State of Minnesota now in force.

(2) The Bonds are valid and binding general obligations of the District enforceable in accordance with their terms except to the extent to which enforceability thereof may be limited by the exercise of judicial discretion in accordance with general principles of equity, by the constitutional powers of the United States of America and by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted. All of the taxable property in the District is subject to the levy of ad valorem taxes to pay the principal and interest on the Bonds, which taxes are without limitation as to rate or amount.

(3) Interest on the Bonds is not includable in gross income for federal income tax purposes or in taxable net income of individuals, estates or trusts for Minnesota income tax purposes. Interest on the Bonds is includable in taxable income of corporations and financial institutions for purposes of the Minnesota franchise tax measured by income. Interest on the Bonds is not an item of tax preference required to be included in the computation of "alternative minimum taxable income" for purposes of the federal alternative minimum tax applicable to individuals and other taxpayers under Section 55 of the Internal Revenue Code of 1986, as amended, (the "Code") or for purposes of the Minnesota alternative minimum tax applicable to individuals, trusts and estates. Interest on the Bonds is includable in adjusted current earnings of corporations in determining alternative minimum taxable income for purposes of the federal and Minnesota alternative minimum taxes applicable to corporations.

(4) The opinion set forth in paragraph (3) above is subject to the condition that the District comply with all the requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal and state income tax purposes. The District has covenanted in the resolution authorizing the issuance of the Bonds to comply with these continuing requirements. Noncompliance with these covenants by the District following the issuance of the Bonds may result in inclusion of interest on the Bonds in federal gross income and Minnesota taxable net income for federal and Minnesota income tax purposes retroactive to the date of issuance of the Bonds. Except as stated in this opinion, we express no opinion regarding federal, state or other tax consequences caused by the receipt or accrual of interest on or arising with respect to ownership of the Bonds.

(5) The Bonds have been designated as "qualified tax-exempt obligations" for the purposes of Section 265 of the Code relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

DATED at Mendota Heights, Minnesota, this 22nd day of February, 2016.

KNUTSON, FLYNN & DEANS  
Professional Association

**APPENDIX B**  
**CONTINUING DISCLOSURE CERTIFICATE**

## **CONTINUING DISCLOSURE CERTIFICATE**

(Full Disclosure)

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Independent School District No. 282 (St. Anthony-New Brighton), State of Minnesota (the "District"), in connection with the issuance of its General Obligation Crossover Refunding Bonds, Series 2016A (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted by the School Board on January 19, 2016 (the "Resolution"). The District has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 (the "State Payment Law" described in the Official Statement for the Bonds) which provides for payment by the State of Minnesota in the event of a potential default of a District obligation. The District covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the District for the benefit of the Bondholders or beneficial owners, if different, and in order to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5). This Disclosure Certificate constitutes the written Undertaking required by the Rule.

**SECTION 2. Definitions.** In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" shall mean the financial statements of the District audited annually by an independent certified public accounting firm and prepared in accordance with generally accepted accounting principles or as otherwise required by Minnesota law for the preceding Fiscal Year, including a balance sheet and statement of revenues, expenditures and changes in fund balances.

"Dissemination Agent" shall mean the District, or any successor Dissemination Agent which has been designated in writing by the District and which has filed with the District a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system: [www.emma.msrb.org](http://www.emma.msrb.org), established by the MSRB and which contains a component that includes a continuing disclosure service for the receipt and public availability of continuing disclosure documents and related information to be submitted by issuers, obligated persons, and their agents pursuant to continuing disclosure undertakings entered into consistent with the Rule.

"Fiscal Year" shall mean the fiscal year of the District.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the Securities and Exchange Commission.

### **SECTION 3. Provision of Annual Reports.**

(a) The District shall provide, or shall cause the Dissemination Agent to provide, as soon as available, but not later than June 30, 2016, and twelve (12) months after the end of each Fiscal Year during which the Bonds are outstanding, to the MSRB, in an electronic format through the use of EMMA, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the District may be submitted separately from the balance of the Annual Report and shall be submitted if and when available. If audited financial statements are not available by the date specified above, the District shall submit unaudited financial statements by that date to the MSRB and will submit the audited financial statements as soon as they are available.

(b) If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a) above, the District shall send a timely notice to the MSRB.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the required method of submission to the MSRB and (if the Dissemination Agent is other than the District)

(ii) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was provided.

**SECTION 4. Content of Annual Reports.** The District's Annual Report shall contain or incorporate by reference the following:

1. An annual Audited Financial Statement.

2. Updates of the operating and financial data included in the Official Statement under headings substantially similar to the following or containing financial information directly relating to the following: (a) ECONOMIC AND FINANCIAL INFORMATION, (b) SUMMARY OF DEBT AND DEBT STATISTICS and (c) GENERAL INFORMATION.- "Major Employers".

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must also be available from the Municipal Securities Rulemaking Board (MSRB). The District shall clearly identify each such other document so incorporated by reference.

## **SECTION 5. Reporting of Significant Events.**

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events, with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;



11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the obligated person;

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever a Listed Event occurs, the District shall in a timely manner not in excess of ten business days after the occurrence of the Listed Event file a notice of such occurrence with the MSRB.

**SECTION 6. Termination of Reporting Obligation.** The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Bonds.

**SECTION 7. Dissemination Agent.** The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, including but not limited to its duties under Sections 3 and 5 hereof, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

**SECTION 8. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

If this Disclosure Certificate is amended, the District will disclose such amendment, together with a narrative explanation of that amendment, to the MSRB with its annual financial information disclosure.

**SECTION 9. Additional Information.** Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in

any future Annual Report or notice of occurrence of a Listed Event.

**SECTION 10. Default.** In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Bondholder or beneficial owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution or with respect to the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

**SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

**SECTION 12. Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders from time to time of the Bonds or the beneficial owners, if different, and shall create no rights in any other person or entity.

**SECTION 13. Reserved Rights.** The District reserves the right to discontinue providing any information required under the Rule if a final determination should be made by a court of competent jurisdiction that the Rule is invalid or otherwise unlawful or to modify the Undertaking under this Disclosure Certificate if the District determines that such modification is required by the Rule, or by a court of competent jurisdiction.

**APPENDIX C**  
**AUDITED FINANCIAL STATEMENT**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

INDEPENDENT SCHOOL DISTRICT  
NO. 282

ST. ANTHONY, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2015

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INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

FOR THE YEAR ENDED  
JUNE 30, 2015

BOB LANEY  
SUPERINTENDENT OF SCHOOLS

REPORT PREPARED BY  
BILL MENOZZI  
DIRECTOR OF BUSINESS SERVICES

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INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
TABLE OF CONTENTS  
FOR THE YEAR ENDED  
JUNE 30, 2015

	<u>Page No.</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	5
Board of Education and Administration	10
Organizational Chart	11
Certificate of Excellence in Financial Reporting	12
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	15
Management's Discussion and Analysis	19
<b>Basic Financial Statements</b>	
District-wide Financial Statements	
Statement of Net Position	30
Statement of Activities	31
Fund Financial Statements	
Governmental Funds	
Balance Sheet	34
Reconciliation of the Balance Sheet to the Statement of Net Position	35
Statement of Revenues, Expenditures and Changes in Fund Balances	36
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	38
General Fund	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	39
Proprietary Fund	
Statement of Net Position	40
Statement of Revenues, Expenses and Changes in Net Position	41
Statement of Cash Flows	42
Fiduciary Funds	
Statement of Fiduciary Net Position	43
Statement of Changes in Fiduciary Net Position	44
Notes to the Financial Statements	45
<b>Required Supplementary Information</b>	
Schedule of Employer's Share of Teachers Retirement Association Net Pension Liability	78
Schedule of Employer's Teachers Retirement Association Contributions	78
Schedule of Employer's Share of Public Employees Retirement Association Net Pension Liability	78
Schedule of Employer's Public Employees Retirement Association Contributions	78
Schedule of Funding Progress for Other Post-Employment Benefit Plan	79
Schedule of Employer Contributions for Other Post-Employment Benefit Plan	79
<b>Combining and Individual Fund Financial Statements and Schedules</b>	
Nonmajor Governmental Funds	
Combining Balance Sheet	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	85
General Fund	
Comparative Schedules of Assets, Liabilities and Fund Balances	87
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	89
Food Service Special Revenue Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	92
Community Service Special Revenue Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	93
Debt Service Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	94



INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
TABLE OF CONTENTS - CONTINUED  
FOR THE YEAR ENDED  
JUNE 30, 2015

	<u>Page No.</u>
<b>Combining and Individual Fund Financial Statements and Schedules - Continued</b>	
Schedule of the Components of the General Fund	
Schedules of Assets, Liabilities and Fund Balances	95
Schedule of Revenues, Expenditures and Changes in Fund Balances	97
Agency Funds	
Combining Schedule of Changes in Assets and Liabilities	101
Uniform Financial Accounting and Reporting Standards Compliance Table	102
	<u>Table No.</u>
	<u>Page No.</u>
<b>STATISTICAL SECTION (UNAUDITED)</b>	
Net Position by Component	1
Changes in Net Position	2
Fund Balances of Governmental Funds	3
Changes in Fund Balances of Governmental Funds	4
Tax Capacity, Market Value and Estimated Actual Value of Taxable Property	5
Property Tax Capacity Rates - Direct and Overlapping Governments	6
Principal Taxpayers	7
Property Tax Levies and Collections	8
Ratios of Outstanding Debt by Type	9
Ratios of General Bonded Debt Outstanding	10
Computation of Direct and Overlapping Debt	11
Legal Debt Margin Information	12
Demographic and Economic Statistics	13
Principal Employers	14
Full-time Equivalent Employees	15
Operating Indicators	16
Capital Asset Statistics	17
<b>OTHER REPORTS</b>	
Independent Auditor's Report on Minnesota Legal Compliance	135
Independent Auditor's Report on Internal Control Over	
Financial Reporting and on Compliance and Other Matters	
Based on an Audit of Financial Statements Performed	
in Accordance with <i>Government Auditing Standards</i>	136
<b>STUDENT ACTIVITY ACCOUNTS</b>	
Independent Auditor's Report	141
Statement of Changes in Assets and Liabilities	142
Notes to the Student Activity Account Financial Statements	144
Independent Auditor's Report on Student Activity Compliance	145
<b>FEDERAL FINANCIAL AWARD PROGRAMS</b>	
Independent Auditor's Report on Compliance	
For Each Major Program and on Internal Control Over	
Compliance Required by <i>OMB Circular A-133</i>	148
Schedule of Expenditures of Federal Awards	150
Notes to Schedule of Expenditures of Federal Awards	151
Schedule of Findings, Responses and Questioned Costs	152
Corrective Action Plan	154
Summary Schedule of Prior Audit Findings	155

**INTRODUCTORY SECTION**

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2015

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October 29, 2015

**2014-2015 COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
FOR FISCAL YEAR END JUNE 30, 2015**

To: ISD No. 282 - St. Anthony-New Brighton School Board members and citizens

**INTRODUCTION**

This letter accompanies the submission of the comprehensive annual financial report (CAFR) of Independent School District No. 282 – St. Anthony-New Brighton Schools (the District) for the fiscal year ended June 30, 2015. This report fairly presents the District’s financial position, results of operations, and cash flows in accordance with national and state standards. The District is responsible for its contents and has made every effort to ensure the accuracy and completeness of this presentation. An independent firm of certified public accountants audits this report.

As a part of required supplementary information, the “Management’s Discussion and Analysis” (MD&A) allows the District to explain, in layman’s terms, its financial position and results of operations of the past fiscal year.

**REPORT FORMAT**

This CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this letter of transmittal, a list of School Board members and administration personnel and an organization chart. The financial section includes the independent auditor’s report, MD&A, basic financial statements, required supplementary information, and the combining and individual fund statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year comparative basis, other reports and student activity account information.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A of the District can be found immediately following the report of the independent auditors.

**FEDERAL SINGLE AUDIT AND STATE COMPLIANCE AUDIT**

The District is required to undergo an annual single audit in conformity with the provisions of the Federal Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. The District is also required to undergo an annual Minnesota State legal compliance audit under Minnesota Statute § 6.65. Independent auditor reports and a Schedule of Expenditures of Federal Awards are included.

## **REPORTING ENTITY AND ITS SERVICES**

The District was incorporated in 1961 and is situated in Hennepin and Ramsey Counties (56% and 44%, respectively) and is headquartered within the City of St. Anthony Village. The District is comprised entirely of the City of St. Anthony Village and a portion of the City of New Brighton. The District is situated just north of the City of Minneapolis and is part of the Minneapolis/St. Paul Metropolitan Area. The District encompasses two thousand seventy-eight acres and approximately three square miles. We are the smallest geographical District in the State.

The District currently operates three schools with two sites: an elementary school, grades kindergarten through five; a middle school, grades six through eight; and a senior high school, grades nine through twelve.

In the past year, the District's elementary school (Wilshire Park Elementary) served approximately six hundred and ninety four students. Of those students, approximately five hundred and eighty six were residents. The District's middle school (St. Anthony Middle School) served approximately four hundred and thirty students. Of those students, approximately two hundred and forty six were resident students. The District's high school (St. Anthony High School) served approximately six hundred and sixty eight students. Of those students, approximately two hundred and ninety two were resident students.

The District provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through Grade 12. These include regular and enriched academic education, special education for exceptional children, and vocational education. Food service and transportation are provided as supporting programs. The District's community education program includes early childhood and extended day programs, along with a myriad of classes for lifelong learning experiences for children and adults.

The financial reporting entity includes all the funds of the primary government (the District). Component units are legally separate entities for which the District (primary government) is financially accountable. There are no organizations considered to be component units of the District. As of September, 2014, there were 158 charter schools operating in Minnesota. We do not have any charter schools operating within our school district boundary. Charter schools are eligible for general education revenue, special education revenue, building lease revenue, start-up grants, and certain other school district revenue.

The School Board consists of six members. The Board is responsible for, among other things; developing policy, adopting the budget, levying taxes, incurring bonded debt, supervising committees, and hiring the Superintendent. The Superintendent is responsible for carrying out the policies of the School Board and overseeing the day-to-day operations of the District. The School Board is elected on a non-partisan basis. Board members serve four-year terms with three board members elected every two years.

## **LOCAL ECONOMIC CONDITION AND OUTLOOK**

In November 2014, the Board of Education passed a voter approved increase to the District's operating referendum. This will increase the District's operating levy from \$987.60 per adjusted pupil unit to \$1,068.35 in taxes payable in 2015-17, \$1,149.11 in 2018-20, and \$1,229.86 in 2021-24. Additionally in November, the Board passed a voter approved capital projects levy for curriculum and technology. The capital projects approval authorizes the Board to levy \$450,000 per year for curriculum and technology purchases for a period of 10 years. The Board of Education and school administration thank the community for their continued tradition of community support.

The age of the buildings is also a key component in the long term financial planning of the District. The estimated average age of the District's buildings is forty nine years. With the passage of a voter approved bond referendum and the utilization of an alternative facilities bond in 2008, the District was able to update its educational facilities. Deferred maintenance, upgraded mechanical ventilation and program improvements that were made have provided opportunities to create a five year capital plan that can be funded and maintained. During the 2015 legislative session, the legislature established a new long-term facilities maintenance revenue program for school districts. The new program replaces the current health and safety revenue, deferred maintenance revenue and alternative facilities bonding and levy programs, beginning in the 2016-17 school year. The District will continue to monitor these changes and adjust the 5 year capital plan as needed.

With the exception of the voter-approved operating referendum, capital projects levy and bond referendum, the District is dependent on the State of Minnesota for 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. From 2005-2015, the actual general education funding formula increased, on average, by 1.25% per year, while the average rate of inflation increased by more than 2% each year.

The Legislature did approve an increase in the education funding formula for 2014-15 (the new formula is \$5,831 per pupil unit).

Student enrollment is a key component financially and programmatically. With the District having a large waiting list for students wanting to attend, maintaining projected enrollment has not been an issue. The District has projected enrollment for the 2015 – 2016 school year to be between 1,770 and 1,780 students. District administration monitors enrollment throughout the year and makes recommendations to the Board of Education on revenue projections as needed.

## **MAJOR INITIATIVES**

The District's mission and vision provide direction for the investment of human and financial resources across the system.

### **MISSION**

*The mission of the St. Anthony-New Brighton School District is to Educate, Prepare, and Inspire a Community of lifelong learners in our small, caring environment.*

### **VISION**

*We are committed to the success of all learners. We will engage, inspire, challenge, and support each learner through innovation and collaboration.*

Based upon the mission and vision, goals are in place as a means to continuously improve its high quality programs and services:

- Assessment, Curriculum and Instruction  
To foster the growth of the whole child and challenge each child to excellence, the District will utilize best practices and evolving research to ensure all students have access to high quality educational programming. The District reviews curriculum on a regular and systematic basis.
- Community Involvement  
Understanding its role as a partner to both families and the broader community, the District will foster engagement through open communication and active involvement.
- Facilities  
The District has put a substantial amount of resources into making our facilities work in today's learning environment. We will continue to maintain and utilize our facilities to meet identified needs in curriculum, services and programs consistent with its strong commitment to fiscal integrity.
- Human Resources  
Recognizing its commitment to academic excellence and fiscal responsibility, the District will develop and retain high-performing staff that fosters individual student growth and achievement.
- Technology  
The District will adopt, maintain and incorporate technology as a tool for 21<sup>st</sup> century learning and community engagement.

Although the aforementioned goal areas represent the broader interests and day-to-day work of the Board and District personnel, student performance has remained the primary focus of all District initiatives. We are committed to working with families and community to ensure that every student succeeds. We formally and informally examine our work and strive to constantly improve. The District's student performance on state tests for all subjects tested and for all grade levels has remained high. In order to maintain and build even further on this success, the District is engaged in a comprehensive review of local assessment practices, student performance data, instructional methodologies and district-wide professional staff development. For example, our Curriculum Standards Council involves parents, teachers, administrators, students and members of the community in recommending district-wide curriculum, assessments, program evaluation, and other responsibilities as directed by state laws.

The District's teaching staff is involved in a program called Q-Comp. Q-Comp was enacted through a bipartisan agreement in the Minnesota Legislature in July 2005. It is a voluntary program that allows local districts and exclusive representatives of the teachers to design and collectively bargain a plan that meets the five components of the law. The five components under Q-Comp include Career ladder/Advancement Options, Job-embedded Professional Development, Teacher Evaluation, Performance Pay, and an Alternative Salary Schedule. As part of the District's Q-Comp plan teachers are required to meet individual and site criteria/goals to receive additional compensation and advance to the next step of the salary schedule.

Teachers are evaluated three times by their peers in addition to administrative observations and evaluations. The peer evaluators are also available to help mentor teachers.

In terms of all other staff, including administrators, classified and confidential personnel, everyone who works in the District understands that their role is to support our number one goal: our students and their continued success. Therefore, all staff members are provided appropriate time and other resources in order to help them fulfill this mission.

The success of the District is also highly correlated to its outstanding leadership. The School Board has been strong, capable and supportive, working in unison for the success and betterment of our students, families, staff and broader community.

Open enrollment is a major contributor to the District. Because it is a large portion of our student population, we continue to work with legislators to make sure that funding remains in place to help support these students.

## **INTERNAL CONTROLS**

The management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America and with Minnesota Uniform Financial Accounting and Reporting Standards. The internal control framework is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

## **BUDGETARY CONTROLS**

The District maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Each June, the School Board adopts an annual budget for the following fiscal year for the General Fund (including separate budgets for the Pupil Transportation and Capital expenditure accounts), Food Service Special Revenue Fund, Community Service Special Revenue Fund, Building Construction Fund, Debt Service Fund, Trust Fund, Agency Fund, Internal Service Fund and OPEB Trust Fund. The level of budgetary control is at the fund level. However, in the General Fund, the Pupil Transportation and Capital Expenditure Accounts are treated as separate funds for budgeting purposes. The District also maintains an encumbrance accounting system as one method of maintaining budgetary control. Encumbered amounts lapse at year-end.

Budgets are reviewed and maintained on a daily basis at the site level. Once expenditures are approved at the site level, the review then moves on to the Director of Business Services to review and sign off. Quarterly, the Board of Education is presented budget to actual expenses for the current year. The Board evaluates and makes adjustments as necessary based on the information that has been provided.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

## **FINANCIAL PROSPECTS FOR FUTURE YEARS**

The economic condition of the State of Minnesota remains uncertain in the short term. As mentioned earlier, with the exception of the voter-approved excess operating referendum and capital projects levy, the District is dependent on the State of Minnesota for its revenue authority. Recent experience demonstrates that legislated revenue increases have not been sufficient to meet instruction program needs and increased costs due to inflation. The Legislature did increase the unrestricted general education formula funding per student for the 2014-15 and the 2015-16 fiscal years.

The Board of Education and the teachers union had a settled union contract for the 2013-14 and 2014-15 school years. The Board of Education has settled contracts with all other employee bargaining groups for the 2013-14 school year. Currently all contracts limit the costs for employee health insurance benefits.

## **RELEVANT FINANCIAL POLICIES**

The District has adopted a comprehensive set of financial policies. During the 2014-15 school year, one of these policies was particularly relevant. The District has a policy (701.3) that requires maintaining an adequate, stable fund balance to sustain District operations. The District has established a goal of achieving a total un-appropriated fund balance between (8) and (10) percent of expenditures. The economic uncertainties surrounding the State of Minnesota and the District's reliance on the state aid funding formula will continue to make this a useful and relevant financial policy going forward.

## **AWARDS**

The District received the Certificate of Excellence in Financial Reporting for fiscal year(s) ending June 30, 2012, 2013 and 2014.

The District has also received the Minnesota Department of Education's School Finance Award for the past eight years and will submit for the aforementioned award again in this current year.

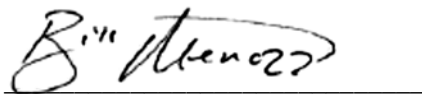
## **ACKNOWLEDGMENTS**

The time, effort, and attention that go into the timely preparation of a CAFR require the commitment and cooperation of many people. We would like to express appreciation to all the members of the Staff who assisted in the timely closing of the District's financial records and the preparation of this report. Special appreciation is extended to the School Board for their unfailing support for maintaining the highest standards of professionalism in the management of the District's finances.

Respectfully submitted,



Bob Laney  
Superintendent of Schools



Bill Menozzi  
Director of Business Services



INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
BOARD OF EDUCATION AND ADMINISTRATION  
FOR THE YEAR ENDED JUNE 30, 2015

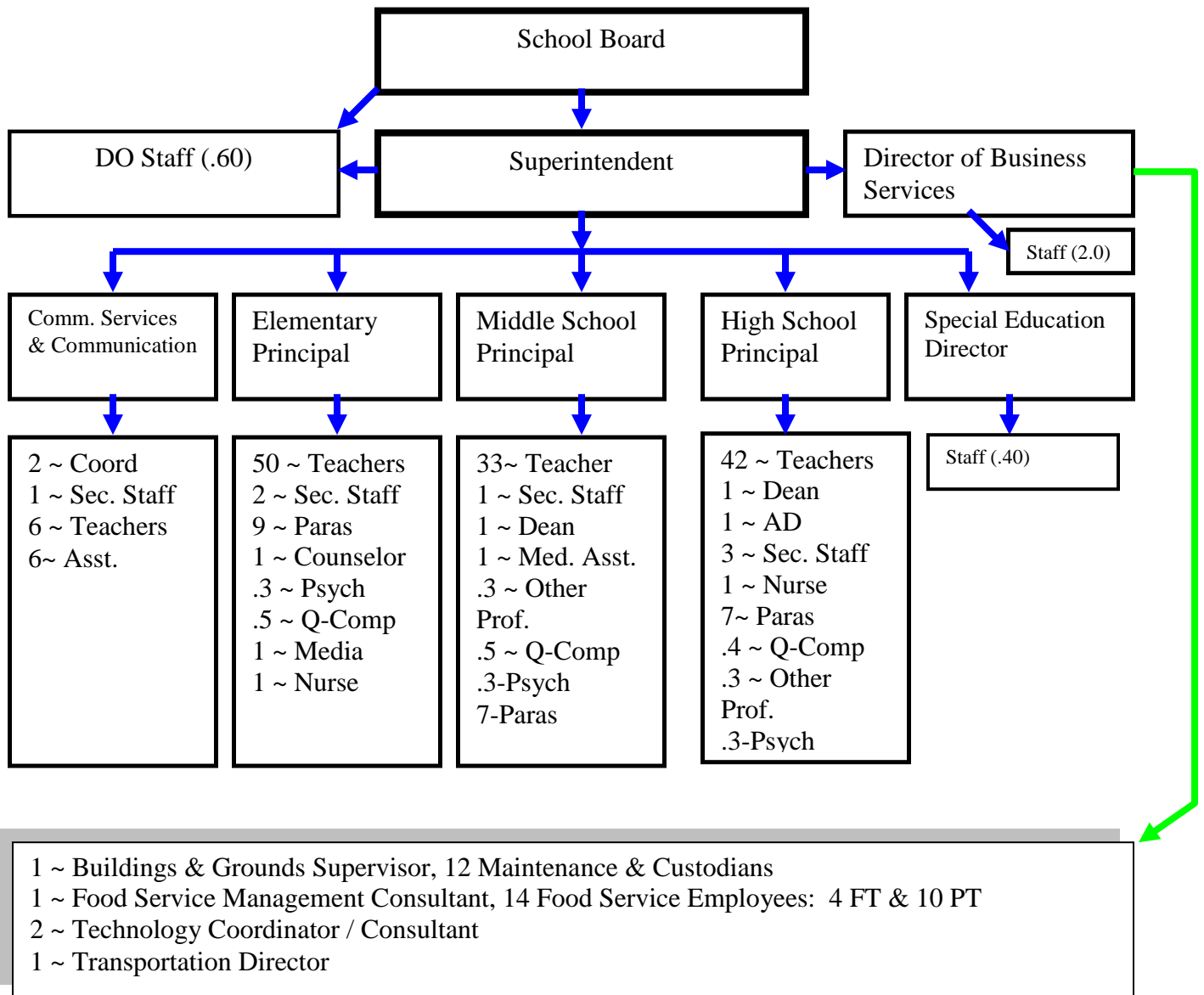
**BOARD OF EDUCATION**

<u>Name</u>	<u>Positions</u>
Leah Slye	Chairperson
Barry Kinsey	Vice-Chairperson
Don Sigglekow	Clerk
Andrea Scamehorn	Treasurer
Mike Volna	Director
Laura Oksnevad	Director

**ADMINISTRATION**

Bob Laney	Superintendent
Bill Menozzi	Director of Business Services

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
ORGANIZATIONAL CHART  
JUNE 30, 2015



# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

**St. Anthony - New Brighton Schools**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2014*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



Mark C. Pepera, MBA, RSBO, SFO  
President

John D. Musso, CAE, RSBA  
Executive Director

**FINANCIAL SECTION**

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2015

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Education  
Independent School District No. 282  
St. Anthony, 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 the Independent School District No. 282 (the District), St. Anthony, Minnesota 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 of 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.

### **Opinions**

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

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## Other Matters

### *Change in Accounting Standards*

As described in Note 8 to the financial statements, the School adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, for the year ended June 30, 2015. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 19 and the Schedules of Employer's Shares of the Net Pension Liability, the Schedules of Employer's Contributions and the Schedules of Funding Progress starting on page 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

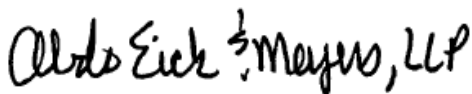
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and table and the statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and table and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 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 combining and individual fund financial statements and schedules and table and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
October 29, 2015

People  
+ Process®  
Going  
Beyond the  
Numbers



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## Management's Discussion and Analysis

As management of the Independent School District No. 282 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015.

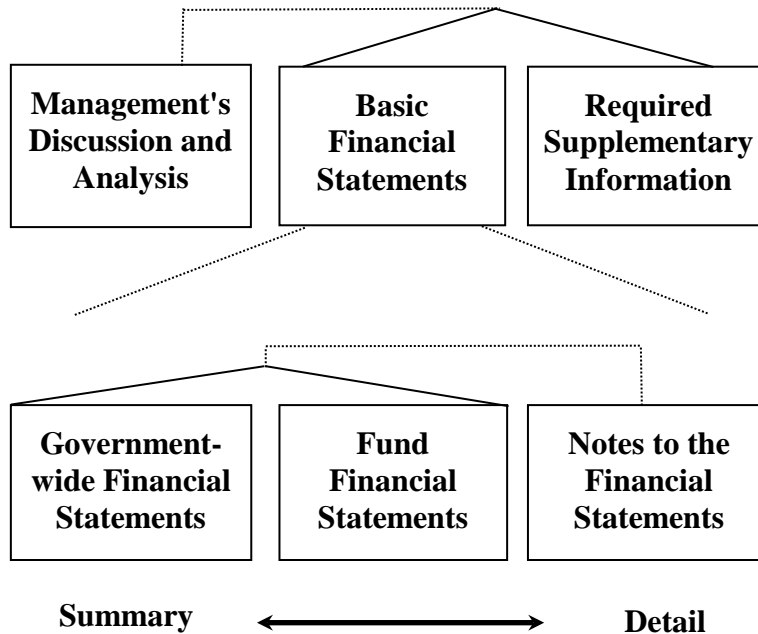
### Financial Highlights

- The assets and deferred outflows of the District were deficient to its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$896,347 (*net position*).
- A deficit of \$7,773,667 (*unrestricted net position*) now exists due to recognition of long-term pension liabilities in accordance with GASB Statements No. 68.
- The District's total net position decreased \$491,894. This decrease can be attributed to expenditures exceeding revenues mostly due increases in elementary and secondary regular instruction and pupil support services.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$14,209,149, an increase of \$8,040,369 in comparison with the prior year. Approximately 8.3 percent of this total amount, \$1,183,758, constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of fund balance is not available for new spending because it is either 1) nonspendable (\$82,808), 2) restricted (\$10,121,100), 3) committed (\$891,802), or 4) assigned (\$1,929,681).
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$1,183,758 or 6.1 percent of total General fund expenditures.
- The District's total long-term debt increased \$18,504,120 or 83.4 percent during the current fiscal year. The main reason for the increase was the implementation of GASB Statement No. 68 in which the District is required to report its proportionate share of the Minnesota Teacher's Retirement Association (TRA) and Minnesota Public Employees Retirement Association (PERA) net pension liabilities. The increase can also be attributed to the issuance of the 2015A G.O. Alternative Facility Refunding Bonds.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) District-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplemental information in addition to the basic financial statements themselves. The following chart shows how the various parts of this annual report are arranged and related to one another:

### Organization of Independent School District No. 282 Annual Financial Report



The following chart summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements:

**Figure 2**  
**Major Features of the District-wide and Fund Financial Statements**

	<b>District-wide Statements</b>	<b>Fund Financial Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
Scope	Entire District (except fiduciary funds)	The activities of the District that are not fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses.	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statements of Revenues, Expenses, and Changes in Net Position</li> <li>• Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Changes in Fiduciary Net Position</li> </ul>
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of in flow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and deductions during the year, regardless of when cash is received or paid

**District-wide financial statements.** The *district-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the residual remaining amount being reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial indicators such as changes in the District's property tax base and condition of school buildings and other facilities.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the district-wide financial statements, the District activities are shown in one category titled "governmental activities":

- **Governmental activities:** The District's basic services are reported here, including administration, district support services, elementary and secondary regular instruction, vocational education instruction, special education instruction, community education and services, instructional support services, pupil support services, sites and buildings, fiscal and other fixed cost programs, and interest and fiscal charges on long-term debt. Property taxes and State aids finance most of these activities.

The district-wide financial statements start on page 30 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact by the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund and the Debt Service fund, both of which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its General fund. A budgetary comparison statement has been provided for the General fund to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 34 of this report.

**Proprietary funds.** The *internal service fund* accounts for the District's self-insurance dental plan. Both District and employee insurance premiums are deposited into and paid from this fund.

The basic proprietary fund financial statements start on page 40 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the district-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those whom the assets belong. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements start on page 43 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements start on page 45 of this report.

**Other information.** The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules start on page 84 of this report.

### District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows were deficient to liabilities and deferred inflows of resources by \$896,347 at the close of the most recent fiscal year.

By far, the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Independent School District No. 282's Net Position

	2015	2014	Increase (Decrease)
Assets			
Current and other assets	\$ 23,351,002	\$ 14,585,971	\$ 8,765,031
Capital assets	27,087,428	27,855,326	(767,898)
Total assets	50,438,430	42,441,297	7,997,133
Deferred outflows of resources	1,840,623	-	1,840,623
Liabilities			
Noncurrent liabilities outstanding	40,698,721	22,194,601	18,504,120
Other liabilities	3,249,619	2,973,002	276,617
Total liabilities	43,948,340	25,167,603	18,780,737
Deferred inflows of resources	9,227,060	5,241,263	3,985,797
Net position			
Net investment in capital assets	6,023,235	5,767,883	255,352
Restricted	854,085	894,274	(40,189)
Unrestricted	(7,773,667)	5,370,274	(13,143,941)
Total net position	\$ (896,347)	\$ 12,032,431	\$ (12,928,778)

A portion of the District's net position represents restricted money that will be subject to external restrictions on how they may be used once funding is received.

At the end of the current fiscal year, the District is unable to report positive balances in all three categories of net position with the unrestricted balance reporting a deficit \$7,773,667.

- Current assets increased in part because of restricted cash held in escrow related to the issuance of the 2015A bonds. The 2015A bond issuance also attributed to the increase in noncurrent liabilities outstanding.
- Capital assets decreased due to depreciation of our assets
- The remaining increase in noncurrent liabilities and the increase in deferred outflows and deferred inflows can be attributed to the implementation of GASB 68 and recording the pension liability and related balances.

The District's net position decreased \$491,894 during the current fiscal year. Key elements of this decrease are as follows:

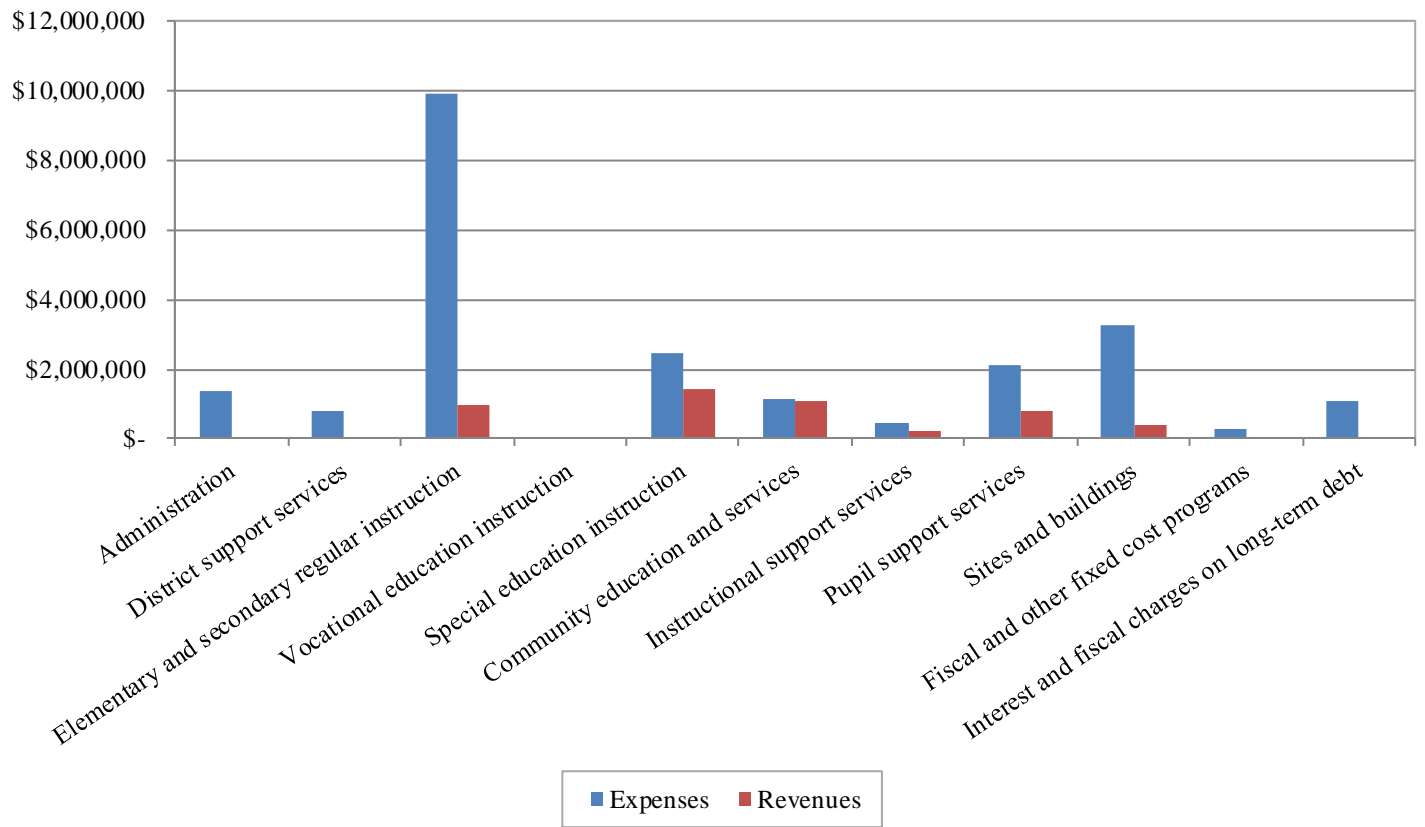
### Independent School District No. 282's Changes in Net Position

	2015	2014	Increase (Decrease)
Revenues			
Program revenues			
Charges for services	\$ 1,624,810	\$ 1,736,433	\$ (111,623)
Operating grants and contributions	3,286,278	3,383,510	(97,232)
General revenues			
Property taxes	5,719,582	4,409,749	1,309,833
State aid-formula grants	11,644,353	12,090,843	(446,490)
Other	108,683	73,254	35,429
Total revenues	<u>22,383,706</u>	<u>21,693,789</u>	<u>689,917</u>
Expenses			
Administration	1,380,391	1,375,229	5,162
District support services	778,876	788,130	(9,254)
Elementary and secondary regular instruction	9,917,023	9,486,466	430,557
Vocational education instruction	702	2,837	(2,135)
Special education instruction	2,475,714	2,312,860	162,854
Community education and services	1,155,325	1,336,824	(181,499)
Instructional support services	469,728	462,134	7,594
Pupil support services	2,125,726	1,876,761	248,965
Sites and buildings	3,243,362	3,114,486	128,876
Fiscal and other fixed cost programs	260,075	266,543	(6,468)
Interest and fiscal charges on long-term debt	1,068,678	1,044,530	24,148
Total expenses	<u>22,875,600</u>	<u>22,066,800</u>	<u>808,800</u>
Change in net position	(491,894)	(373,011)	(118,883)
Net position, July 1 as restated*	<u>(404,453)</u>	<u>12,405,442</u>	<u>(12,809,895)</u>
Net position, June 30	<u><u>\$ (896,347)</u></u>	<u><u>\$ 12,032,431</u></u>	<u><u>\$ (12,928,778)</u></u>

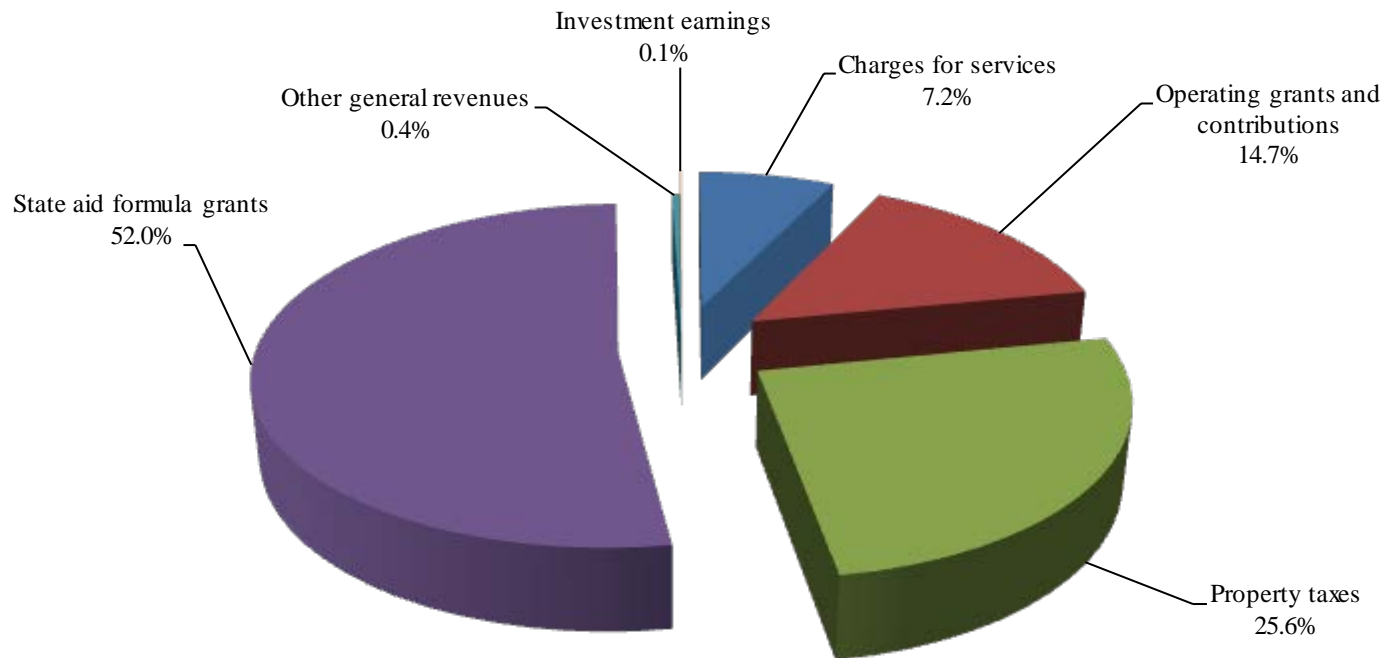
\* GASB Statement No. 68 was implemented for the year ended June 30, 2015 and required a \$12,436,884 restatement of beginning net position. Prior year amounts were not restated causing a variance in ending net position at June 30, 2014 and beginning net position on July 1, 2015. See Note 8.

- Operating grants and contributions decreased in the current year due to a decrease in special education state aid.
- Due to an increase in the tax levy, property tax revenue increased.
- Increased expenditures in regular and secondary instruction is consistent with increase the in wages and ADM.
- Increased expenditures in special education instruction is consistent with increase in wages.
- Pupil support services had increased expenditures due to an increase in transportation costs and food service costs.
- Community education and services expenditures decreased due to a decrease in all day kindergarten costs.

## Expenses and Program Revenues - Governmental Activities



## Revenues by Source - Governmental Activities





## Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** 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 spending at the end of the fiscal year.

As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$14,209,149, an increase of \$8,040,369 in comparison with the prior year. Approximately 8.3 percent of this total amount, \$1,183,758, constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of fund balance is not available for new spending because it is either 1) nonspendable (\$82,808), 2) restricted (\$10,121,100), 3) committed (\$891,802), or 4) assigned (\$1,929,681).

The General fund is the chief operating fund of the District. At the end of the current year, unassigned fund balance of the General fund was \$1,183,758, while total fund balance was \$4,339,526. As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 6.1 percent of expenditures while total fund balance represents 22.5 percent of that same amount.

The fund balance of the District's General fund decreased \$840,908 during the current fiscal year. The decrease primarily resulted from capital expenditures.

The Debt Service fund has a total fund balance of \$9,328,966, all of which is restricted for the payment of debt service. The fund balance increased \$8,925,857 and was part of the District's long-term debt financing plan.

### General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget.

The final budget called for an increase in fund balance of \$266,686 whereas the original budget called for a decrease in fund balance of \$76,735. Revenues were \$143,678 over the final budget and expenditures were \$1,251,272 over the final budget. Fund balance decreased \$759,880, \$1,026,556 more than anticipated in the final budget.

- The increase in budgeted revenues was mostly due to an increase in expected revenue from State sources.
- The decrease in budgeted expenditures was due to an expected decrease in instructional support service salaries.
- Pupil support services were over budget by roughly \$225,557 due to transportation costs in excess of budget.
- Market conditions continue to keep the potential to earn interest low from investments.
- Budgeted enrollment numbers were lower than actual students attending.

## Capital Asset and Debt Administration

**Capital assets.** The District's investment in capital assets for its governmental activities as of June 30, 2015, amounts to \$27,087,428 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements and machinery and equipment. The following is a schedule of capital assets as of June 30, 2015.

### Independent School District No. 282's Capital Assets (net of depreciation)

	2015	2014	Increase (Decrease)
Land	\$ 984,510	\$ 984,510	\$ -
Construction in progress	-	122,124	(122,124)
Buildings and improvements	25,934,847	26,574,123	(639,276)
Equipment	168,071	174,569	(6,498)
Total	<u>\$ 27,087,428</u>	<u>\$ 27,855,326</u>	<u>\$ (767,898)</u>

Significant capital asset activity for the year included:

- Completion of Wilshire Park building improvements and purchase of storage shed
- Purchase of 2015 Dodge Grand Caravan
- Other equipment and land improvement purchases

Additional information on the District's capital assets can be found in Note 3C on page 56 of this report.

**Long-term debt.** At the end of the current fiscal year, the District's long-term liabilities consisted of general obligation bonds, capital leases and severance payable. Balances of the liabilities are shown below.

### Independent School District No. 282's Outstanding Debt General Obligation Bonds and Liabilities

	2015	2014	Increase (Decrease)
General obligation bonds	\$ 29,085,000	\$ 21,160,000	\$ 7,925,000
Capital lease payable	829,193	927,443	(98,250)
Severance payable	157,970	107,158	50,812
Pension liability	10,626,558	-	10,626,558
Total	<u>\$ 40,698,721</u>	<u>\$ 22,194,601</u>	<u>\$ 18,504,120</u>

The District's total long-term debt increased \$18,504,120. The main reason for the increase was the implementation of GASB Statement No. 68 in which the District is required to report its proportionate share of the Minnesota Teacher's Retirement Association (TRA) and Minnesota Public Employees Retirement Association (PERA) net pension liabilities. The increase can also be attributed to the issuance of the 2015A G.O. Alternative Facility Refunding Bonds.

Additional information on the District's long-term debt can be found in Note 3E starting on page 57 of this report.

## **Factors Bearing on the District Future**

The state aid increase per pupil in 2014-15 was \$105 - an \$80 per pupil increase was authorized during the 2013 legislative session, and an additional \$25 per pupil was authorized during the 2014 legislative session. The state aid increase for 2015-16 will be an additional 2 percent, bringing the total state aid for 2015-16 to \$5,948 per adjusted pupil unit.

All day kindergarten was fully funded for the first time effective for the 2014-15 school year. As such, the District remodeled the Wilshire Park media center and multipurpose room in the summer of 2014 to accommodate additional sections of kindergarten.

As no doubt is the case for most school districts in Minnesota, projections over the next three to five years (without adequate aid from the State) suggest that the District will be faced with ongoing financial challenges. The School Board is dealing with this issue by keeping communication open with legislators regarding potential options for funding.

The District has implemented an alternative teacher compensation program. Funding provided by State aid will help support this program with the potential of the District levying for additional dollars. In the event the funding formula that supports this program changes, the District will review different facets of the program to determine viability.

An actuarial study was conducted for GASB 45 (other postemployment benefits). Based on the results of the study, the District decided to bond for the projected OPEB liability. This decision will provide financial relief to the General fund.

The taxpayers of the District approved an increase to the voter approved operating referendum and approved a capital projects levy for curriculum and technology in November of 2014. The operating referendum increased from \$987.60 to \$1,068.35 per adjusted pupil unit for taxes payable in 2015-2017, \$1,149.11 for taxes payable in 2018-2020, and \$1,229.86 for taxes payable in 2021-2024. The capital projects levy, which is set by the change in net tax capacity, will be for 10 years and will start in taxes payable 2015 at \$450,000 per year. The makeup, philosophy and vision of the School Board may change current policies. Particular highlights include policies regarding fund balances, and enrollment options.

## **Requests for Information**

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Superintendent, Independent School District No. 282, 3303 33<sup>rd</sup> Avenue Northeast, St. Anthony, Minnesota 55418.

**DISTRICT-WIDE FINANCIAL STATEMENTS**

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2015

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
STATEMENT OF NET POSITION  
JUNE 30, 2015

	Governmental Activities
<b>ASSETS</b>	
Cash and temporary investments	\$ 9,002,802
Cash with fiscal agent	8,847,731
Receivables	
Taxes	3,352,925
Accounts and interest	9,733
Due from other school districts	701
Due from Department of Education	1,631,455
Due from other governments	126,957
Inventory	12,164
Prepaid items	70,644
Capital assets (net of accumulated depreciation)	
Land	984,510
Buildings, improvements and equipment	26,102,918
Net pension asset	3,233
Other post employment benefit asset	292,657
<b>TOTAL ASSETS</b>	<b>50,438,430</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred pension resources	1,840,623
<b>LIABILITIES</b>	
Salaries and wages payable	2,238,980
Accounts and other payables	338,956
Accrued interest payable	521,451
Due to other school districts	98,669
Due to other governments	24,886
Unearned revenue	26,677
Noncurrent liabilities	
Due within one year	1,084,179
Due in more than one year	39,614,542
<b>TOTAL LIABILITIES</b>	<b>43,948,340</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property taxes levied for subsequent year	5,842,670
Deferred pension resources	3,384,390
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>9,227,060</b>
<b>NET POSITION</b>	
Net investment in capital assets	6,023,235
Restricted for	
Educational purposes	728,934
Food service	57,123
Debt service	68,028
Unrestricted	(7,773,667)
<b>TOTAL NET POSITION</b>	<b>\$ (896,347)</b>

The notes to the financial statements are an integral part of this statement.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Administration	\$ 1,380,391	\$ -	\$ 2,500	\$ -	\$ (1,377,891)
District support services	778,876	-	-	-	(778,876)
Elementary and secondary regular instruction	9,917,023	147,547	802,040	-	(8,967,436)
Vocational education instruction	702	-	10,350	-	9,648
Special education instruction	2,475,714	-	1,433,814	-	(1,041,900)
Community education and services	1,155,325	987,408	98,658	-	(69,259)
Instructional support services	469,728	-	231,333	-	(238,395)
Pupil support services	2,125,726	489,855	332,063	-	(1,303,808)
Sites and buildings	3,243,362	-	375,520	-	(2,867,842)
Fiscal and other fixed cost programs	260,075	-	-	-	(260,075)
Interest and fiscal charges on long term debt	1,068,678	-	-	-	(1,068,678)
Total governmental activities	<u>\$ 22,875,600</u>	<u>\$ 1,624,810</u>	<u>\$ 3,286,278</u>	<u>\$ -</u>	<u>(17,964,512)</u>
General revenues					
Taxes					
Property taxes, levied for general purpose					3,283,768
Property taxes, levied for capital expenditures					426,442
Property taxes, levied for community service					89,022
Property taxes, levied for debt service					1,920,350
State aid-formula grants					11,644,353
Other general revenues					94,990
Investment earnings					13,693
Total general revenues					<u>17,472,618</u>
Change in net position					(491,894)
Net position, July 1 as restated (note 8)					<u>(404,453)</u>
Net position, June 30					<u>\$ (896,347)</u>

The notes to the financial statements are an integral part of this statement.

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**FUND FINANCIAL STATEMENTS**

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2015



INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and temporary investments	\$ 6,775,986	\$ 1,352,631	\$ 689,852	\$ 8,818,469
Cash with fiscal agent	-	8,847,731	-	8,847,731
Receivables				
Taxes	2,262,779	998,911	91,235	3,352,925
Accounts and interest	9,733	-	-	9,733
Due from other school districts	701	-	-	701
Due from Department of Education	1,624,837	-	6,618	1,631,455
Due from other governments	98,869	-	28,088	126,957
Inventory	-	-	12,164	12,164
Prepaid items	69,164	-	1,480	70,644
<b>TOTAL ASSETS</b>	<b>\$ 10,842,069</b>	<b>\$ 11,199,273</b>	<b>\$ 829,437</b>	<b>\$ 22,870,779</b>
<b>LIABILITIES</b>				
Salaries and wages payable	\$ 2,167,569	\$ 8,678	\$ 71,411	\$ 2,247,658
Accounts and other payables	310,487	-	19,791	330,278
Due to other school districts	98,669	-	-	98,669
Due to other governments	24,886	-	-	24,886
Unearned revenue	-	-	26,677	26,677
<b>TOTAL LIABILITIES</b>	<b>2,601,611</b>	<b>8,678</b>	<b>117,879</b>	<b>2,728,168</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - delinquent property taxes	58,829	29,485	2,478	90,792
Property taxes levied for subsequent year	3,842,103	1,832,144	168,423	5,842,670
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>3,900,932</b>	<b>1,861,629</b>	<b>170,901</b>	<b>5,933,462</b>
<b>FUND BALANCES</b>				
Nonspendable	69,164	-	13,644	82,808
Restricted	265,121	9,328,966	527,013	10,121,100
Committed	891,802	-	-	891,802
Assigned	1,929,681	-	-	1,929,681
Unassigned	1,183,758	-	-	1,183,758
<b>TOTAL FUND BALANCES</b>	<b>4,339,526</b>	<b>9,328,966</b>	<b>540,657</b>	<b>14,209,149</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 10,842,069</b>	<b>\$ 11,199,273</b>	<b>\$ 829,437</b>	<b>\$ 22,870,779</b>

The notes to the financial statements are an integral part of this statement.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

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

Total fund balances - governmental funds	\$ 14,209,149
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	39,214,955
Less: accumulated depreciation	(12,127,527)
Noncurrent (liabilities) assets, including bonds payable, are not due and payable in the current period and therefore are not reported as (liabilities) assets in the funds.	
Noncurrent (liabilities) assets at year-end consist of	
Net pension asset	3,233
Other postemployment benefits asset	292,657
Severance payable	(157,970)
Capital leases payable	(829,193)
Bonds payable	(29,085,000)
Pension liability	(10,626,558)
Internal service funds are used by management to charge the cost of dental premiums to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	184,333
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	90,792
Governmental funds do not report long-term amounts due for pensions.	
Deferred outflow of pension resources	1,840,623
Deferred inflow of pension resources	(3,384,390)
Governmental funds do not report a liability for accrued interest until due and payable.	<u>(521,451)</u>
Total net position - governmental activities	<u><u>\$ (896,347)</u></u>

The notes to the financial statements are an integral part of this statement.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	General	Debt Service	Other Governmental Funds	Total
<b>REVENUES</b>				
Local property tax levies	\$ 3,579,423	\$ 1,920,350	\$ 89,022	\$ 5,588,795
Other local and county revenue				
Interest earned on investments	9,377	3,358	717	13,452
Other	229,735	-	1,024,287	1,254,022
Revenue from state sources	14,194,828	-	99,352	14,294,180
Revenue from federal sources	424,614	-	268,033	692,647
Sales and other conversion of assets	-	-	488,334	488,334
<b>TOTAL REVENUES</b>	<b>18,437,977</b>	<b>1,923,708</b>	<b>1,969,745</b>	<b>22,331,430</b>
<b>EXPENDITURES</b>				
Current				
Administration	1,309,798	-	-	1,309,798
District support services	782,201	-	-	782,201
Elementary and secondary regular instruction	9,744,229	-	-	9,744,229
Vocational education instruction	701	-	-	701
Special education instruction	2,512,495	-	-	2,512,495
Community education and services	-	-	1,156,804	1,156,804
Instructional support services	469,249	-	-	469,249
Pupil support services	1,283,054	-	818,999	2,102,053
Sites, buildings and equipment	1,937,722	-	-	1,937,722
Fiscal and other fixed cost programs	224,296	-	35,779	260,075
<b>Total current expenditures</b>	<b>18,263,745</b>	<b>-</b>	<b>2,011,582</b>	<b>20,275,327</b>
Capital outlay				
Elementary and secondary regular instruction	292,878	-	-	292,878
Community education and services	-	-	1,998	1,998
Instructional support services	3,566	-	-	3,566
Pupil support services	15,866	-	745	16,611
Sites, buildings and equipment	564,149	-	-	564,149
<b>Total capital outlay</b>	<b>876,459</b>	<b>-</b>	<b>2,743</b>	<b>879,202</b>
Debt service				
Principal	98,250	925,000	-	1,023,250
Interest and other	40,431	922,851	-	963,282
<b>Total debt service</b>	<b>138,681</b>	<b>1,847,851</b>	<b>-</b>	<b>1,986,532</b>
<b>TOTAL EXPENDITURES</b>	<b>19,278,885</b>	<b>1,847,851</b>	<b>2,014,325</b>	<b>23,141,061</b>

The notes to the financial statements are an integral part of this statement.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - CONTINUED  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	General	Debt Service	Other Governmental Funds	Total
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (840,908)	\$ 75,857	\$ (44,580)	\$ (809,631)
OTHER FINANCING SOURCES				
Refunding bonds issued	-	8,850,000	-	8,850,000
NET CHANGE IN FUND BALANCES	(840,908)	8,925,857	(44,580)	8,040,369
FUND BALANCES, JULY 1	5,180,434	403,109	585,237	6,168,780
FUND BALANCES, JUNE 30	<u>\$ 4,339,526</u>	<u>\$ 9,328,966</u>	<u>\$ 540,657</u>	<u>\$ 14,209,149</u>

The notes to the financial statements are an integral part of this statement.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

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

Total net change in fund balances - governmental funds	\$ 8,040,369
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.	
Capital outlay	335,591
Depreciation	(1,103,489)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amounts below are the effects of these differences in the treatment of long-term debt and related items.	
Principal repayments	
Bonds and capital lease payments	1,023,250
Refunding bonds issued	(8,850,000)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(105,396)
Long-term pension activity is not reported in governmental funds	
Pension expense	241,470
Direct aid contributions	25,089
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	17,413
Internal service funds are used by management to charge the costs of dental premiums to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	9,774
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.	
Compensated absences	(50,812)
Net pension asset	(22,577)
Other post employment benefits	(52,576)
Change in net position - governmental activities	<u>\$ (491,894)</u>

The notes to the financial statements are an integral part of this statement.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Local property tax levies	\$ 3,377,627	\$ 3,369,310	\$ 3,579,423	\$ 210,113
Other local and county revenue				
Interest earned on investments	8,349	14,000	9,377	(4,623)
Other	293,600	237,250	229,735	(7,515)
Revenue from state sources	13,635,787	14,271,542	14,194,828	(76,714)
Revenue from federal sources	663,052	402,197	424,614	22,417
TOTAL REVENUES	17,978,415	18,294,299	18,437,977	143,678
EXPENDITURES				
Current				
Administration	1,350,955	1,353,304	1,309,798	43,506
District support services	845,286	861,786	782,201	79,585
Elementary and secondary regular instruction	9,323,267	9,447,324	9,744,229	(296,905)
Vocational education instruction	-	-	701	(701)
Special education instruction	2,029,290	2,266,450	2,512,495	(246,045)
Instructional support services	1,004,896	455,719	469,249	(13,530)
Pupil support services	1,043,199	1,057,497	1,283,054	(225,557)
Sites, buildings and equipment	1,917,425	1,935,347	1,937,722	(2,375)
Fiscal and other fixed cost programs	254,400	250,387	224,296	26,091
Total current expenditures	17,768,718	17,627,814	18,263,745	(635,931)
Capital outlay				
District support services	5,000	3,000	-	3,000
Elementary and secondary regular instruction	41,307	156,674	292,878	(136,204)
Instructional support services	6,120	6,120	3,566	2,554
Pupil support services	-	-	15,866	(15,866)
Sites, buildings and equipment	91,162	91,162	564,149	(472,987)
Total capital outlay	143,589	256,956	876,459	(619,503)
Debt service				
Principal	96,676	96,676	98,250	(1,574)
Interest and other	46,167	46,167	40,431	5,736
Total debt service	142,843	142,843	138,681	4,162
TOTAL EXPENDITURES	18,055,150	18,027,613	19,278,885	(1,251,272)
NET CHANGE IN FUND BALANCES	(76,735)	266,686	(840,908)	(1,107,594)
FUND BALANCES, JULY 1	5,180,434	5,180,434	5,180,434	-
FUND BALANCES, JUNE 30	\$ 5,103,699	\$ 5,447,120	\$ 4,339,526	\$ (1,107,594)

The notes to the financial statements are an integral part of this statement.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2015

	Governmental Activities
	<u>Internal Service</u>
ASSETS	
Cash and temporary investments	<u>\$          184,333</u>
NET POSITION	
Unrestricted	<u>\$          184,333</u>

The notes to the financial statements are an integral part of this statement.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Activities
	<u>Internal Service</u>
OPERATING REVENUES	
Charges to other funds	\$ 165,433
OPERATING EXPENSES	
District support services	<u>155,900</u>
OPERATING INCOME	9,533
NONOPERATING REVENUES	
Interest earned on investments	<u>241</u>
CHANGE IN NET POSITION	9,774
NET POSITION, JULY 1	<u>174,559</u>
NET POSITION, JUNE 30	<u><u>\$ 184,333</u></u>

The notes to the financial statements are an integral part of this statement.



INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Activities
	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from interfund dental premiums	\$ 165,433
Payments to insurance provider	<u>(155,900)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	9,533
CASH FLOWS FROM INVESTING FINANCING ACTIVITIES	
Interest received on investments	<u>241</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	9,774
CASH AND CASH EQUIVALENTS, JULY 1	<u>174,559</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u><u>\$ 184,333</u></u>

The notes to the financial statements are an integral part of this statement.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2015

	Private-purpose Trusts <u>Scholarships</u>	Irrevocable Trusts <u>OPEB</u>	<u>Agency</u>
ASSETS			
Cash and temporary investments	\$ 2,006	\$ 1,205,476	\$ 103,732
Accounts receivable	<u>-</u>	<u>-</u>	<u>41,165</u>
 TOTAL ASSETS	 <u>2,006</u>	 <u>1,205,476</u>	 <u>144,897</u>
LIABILITIES			
Accounts payable	<u>-</u>	<u>-</u>	<u>144,897</u>
NET POSITION			
Held in trust for OPEB benefits	-	1,205,476	-
Unrestricted	<u>2,006</u>	<u>-</u>	<u>-</u>
 TOTAL NET POSITION	 <u><u>\$ 2,006</u></u>	 <u><u>\$ 1,205,476</u></u>	 <u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Private-purpose Trusts <u>Scholarships</u>	Irrevocable Trusts <u>OPEB</u>
ADDITIONS		
Contributions		
Donors	\$ 27,280	\$ -
Interest earned on investments	<u>66</u>	<u>12,965</u>
TOTAL ADDITIONS	<u>27,346</u>	<u>12,965</u>
DEDUCTIONS		
Professional services	-	250
Scholarship awards	<u>94,113</u>	<u>-</u>
TOTAL DEDUCTIONS	<u>94,113</u>	<u>250</u>
CHANGE IN NET POSITION	(66,767)	12,715
NET POSITION, JULY 1	<u>68,773</u>	<u>1,192,761</u>
NET POSITION, JUNE 30	<u><u>\$ 2,006</u></u>	<u><u>\$ 1,205,476</u></u>

The notes to the financial statements are an integral part of this statement.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting entity**

Independent School District No. 282 (the District), St. Anthony, Minnesota was incorporated under the laws of the State of Minnesota (the State). The District operates under a Board of Education form of government for the purpose of providing educational services to individuals within the area. The District is governed by an elected Board of Education of six members. The District has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. The District has no component units that meet the GASB criteria.

**B. District-wide and fund financial statements**

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

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

**C. Measurement focus, basis of accounting and financial statement presentation**

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements. 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 advanced, which are recognized in accordance with a statutory "tax shift" described later in these notes. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. State revenue is recognized in the year to which it applies according to Minnesota statutes and accounting principles generally accepted in the United States of America. Minnesota statutes include State aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure was made. Other revenue is considered available if collected within one year.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Description of funds***

The various District funds have been established by the State of Minnesota Department of Education. Each fund is accounted for as an independent entity. Descriptions of the funds included in this report are as follows:

***Major governmental funds***

The *General fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Debt Service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

***Nonmajor governmental funds***

The *Food Service special revenue fund* is used to account for food service revenue and expenditures.

The *Community Service special revenue fund* accounts for services provided to residents in the areas of recreation, civic activities, non-public pupils, adult or early childhood programs, or other similar services.

The *Post-Employment Benefits Debt Service fund* is used to account for levy proceeds and the repayment of the debt service payments on the OPEB bond.

***Proprietary fund***

The *Internal Service fund* accounts for the District's self-insurance dental plan. Both District and employee insurance premiums are deposited into and paid from this fund.

*Fiduciary funds* account for assets held by the District in a trustee capacity or as an agent on behalf of others:

The *Private-purpose Trust fund* accounts for the scholarships that are held in trust for the use of awarding scholarships to students.

The *Other Postemployment Benefits Irrevocable Trust fund (Internal Revenue Code 501(c) 9)* accounts for resources set aside and held in an irrevocable trust arrangement to fund post-employment benefits.

The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. The Districts agency funds are used to account for revenue and expenses that are related to various student activity accounts and to a local fundraising group.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

As a general rule, the effect of interfund activity has been eliminated from the district-wide financial statements.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position/fund balance**

***Deposits and investments***

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Cash balances from all funds are pooled and invested to the extent available in certificates of deposits and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The District may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase 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, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Investments for the District are reported at fair value. The Minnesota School District Liquid Asset Fund (MSDLAF) investment pool operates in accordance with appropriate Minnesota laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. The MSDLAF is an external investment pool not registered with the Securities and Exchange Commission (SEC); however, it follows the same regulatory rules of the SEC under rule §2a7. Financial statements of the MSDLAF fund can be obtained by contacting PFM Asset Management, LLC at P.O. Box 11760, Harrisburg, PA 17108-11760.

***Property taxes***

The Board of Education annually adopts a tax levy and certifies it to the County in December for collection in the following calendar year. The County is responsible for collecting all property taxes for the District. These taxes attach an enforceable lien on taxable property within the District on January 1 and are payable by the property owners in May and October of each year. The taxes are collected by the County Treasurer and tax settlements are made to the District three or four times throughout the year.

Statutory funding formulas determine the majority of the District revenue in the General and special revenue funds. This revenue is divided between property taxes and State aids by the legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the "tax shift." The remaining portion of taxes collectible in 2015 is recorded as deferred inflow of resources, property taxes levied for subsequent year.

Current property taxes receivable is the uncollected portion of the taxes levied in 2014 and collectible in 2015. This levy is offset with a deferred inflow of resources, property taxes levied for subsequent year. Delinquent property taxes receivable is the uncollected portion of the taxes levied prior to 2014 and not yet collected. Delinquent property taxes receivable is offset with a deferred inflow of resources, unavailable revenue delinquent property taxes.

***Receivables and payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. No allowance for uncollectible has been recorded. The only receivable not expected to be collected within one year are currently property taxes receivable.

***Inventories and prepaid items***

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Capital assets***

Capital assets include property, plant, equipment and infrastructure assets (e.g., roads, parking lots, sidewalks and similar items). Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Useful Lives in Years</u>
Buildings	15 - 75
Improvements other than buildings	15 - 30
Equipment and machinery	3 - 15

***Deferred outflows of resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has only one item that qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statement of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

***Pensions***

**Teachers Retirement Association (TRA)**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Teachers Retirement Association (TRA) and additions to/deductions from TRA's fiduciary net position have been determined on the same basis as they are reported by TRA.

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis and Minneapolis School District. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. Additional information can be found in Note 4.

**Public Employees Retirement Association (PERA)**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. 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.



INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Compensated absences payable***

Vacation Pay - Vacations taken or estimated to be taken within 60 days after year-end are expensed and included in salaries payable as of June 30, 2015.

Sick Pay - Substantially all District employees are entitled to sick leave at various rates. Employees are not compensated for unused sick leave upon termination of employment.

***Deferred inflows of resources***

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two types of items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, one of the items, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: delinquent property taxes and property taxes levied for subsequent year. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item is the deferred pension reported in the statement of net position of the government-wide statements. A deferred pension results from the difference between expected and actual experience, the net difference between projected and actual investments earnings on pension plan investments, changes in assumptions and changes in proportion and differences between entity contributions and proportionate share of contributions.

***Long-term obligations***

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

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

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Net position***

Net position represents the difference between assets and liabilities. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position - Consists of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets".

***Fund balance***

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

*Nonspendable* - Amounts that cannot be spent because they are not in spendable form, such as prepaid items and inventory.

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

*Committed* - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the Board of Education, which is the District's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Board of Education modifies or rescinds the commitment by resolution.

*Assigned* - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the Board of Education itself or by an official to which the governing body delegates the authority. The Board of Education has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Superintendent or Director of Business Services.

*Unassigned* - The residual classification for the General fund and also negative residual amounts in other funds.

The District considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District has formally adopted a fund balance policy for the General fund. The District's policy is to maintain a minimum unassigned fund balance between eight and ten percent of expenditures.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund, special revenue funds and the Debt Service fund. All annual appropriations lapse at fiscal year-end.

Budgets are prepared for the General, special revenue and Debt Service funds on the same basis and using the same accounting practices that are used in accounting and preparing financial statements for the funds.

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

1. Prior to July 1, the budget is prepared by the Business Manager to be adopted by the Board of Education.
2. Budgets for all General, special revenue and Debt Service funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).
3. Budgeted amounts are as amended.
4. Budget appropriations lapse at year-end.
5. The legal level of control is the fund level.
6. The District does not use encumbrance accounting.

**B. Excess of expenditures over appropriations**

For the year ended June 30, 2015, expenditures exceeded appropriations in the following funds:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess of Expenditures Over Appropriations</u>
Major			
General fund	<u>\$ 18,027,613</u>	<u>\$ 19,278,885</u>	<u>\$ 1,251,272</u>
Nonmajor			
Community Service	<u>\$ 1,173,424</u>	<u>\$ 1,213,892</u>	<u>\$ 40,468</u>

The excess of expenditures over appropriations were funded by revenues in excess of budget and available fund balance.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 3: DETAILED NOTES ON ALL FUNDS**

**A. Deposits and investments**

*Deposits*

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the District's deposits and investments may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the Board of Education, the District maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all District deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance, bonds, or irrevocable standby letters of credit from Federal Home Loan Banks.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any Federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a 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 selection should be approved by the government entity.

At year-end, the District's carrying amount of deposits was \$0 and the bank balance was a deficit of \$52,438. The bank balance was a deficit due to a transfer between the MSDLAF investment account and the bank account outstanding at June 30, 2015. The bank balance was covered by Federal depository insurance and by collateral held by the District's agent in the District's name.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

***Investments***

At year end, the District had the following investments that are insured or registered, or securities held by the District's agent in the District's name:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Fair Value and Carrying Amount
Pooled investments			
Minnesota School District Liquid Asset Fund	N/A	Less than 6 months	\$ 1,018,961
Broker Money Market	N/A	Less than 6 months	2,868,006
Non-pooled investments			
Brokered Certificates of Deposit	N/A	Less than 6 months	792,233
Brokered Certificates of Deposit	N/A	6 to 12 months	3,229,333
Brokered Certificates of Deposit	N/A	1 to 3 years	2,230,219
Brokered Certificates of Deposit	N/A	Greater than 3 years	175,314
U.S. Government Securities	N/A	1 to 3 years	8,587,914
U.S. Treasury Securities	N/A	6 to 12 months	91,968
U.S. Treasury Securities	N/A	1 to 3 years	167,799
Total investments			<u>\$ 19,161,747</u>

(1) Ratings are provided by various credit ratings agencies where applicable to indicate association's credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available.

The investments of the District are subject to the following risks:

- *Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes limit the District's investments to the list on page 47 of the notes.
- *Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.
- *Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.
- *Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The investment in the Minnesota School District Liquid Asset Fund is not subject to the credit risk classifications as noted in paragraph 9 of GASB Statement No. 40.

The District does not currently have an investment policy that addresses the risks described above.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

A reconciliation of cash and temporary investments as shown on the financial statements for the District follows:

Carrying amount of investments	<u>\$ 19,161,747</u>
As reported in the basic financial statements	
Statement of net position	
Cash and temporary investments	\$ 9,002,802
Cash with fiscal agent	8,847,731
Statement of fiduciary net position	
Cash and temporary investments	<u>1,311,214</u>
Total cash and temporary investments	<u>\$ 19,161,747</u>

**B. Property taxes**

Current property taxes receivable are recorded for uncollected taxes levied in 2014 and payable in 2015. The total levy is deferred for subsequent years' operations.

Delinquent property taxes receivable represents uncollected taxes from the previous six years' property tax levies.

Taxes receivable is comprised of the following components:

	Major Funds		Other Governmental Funds	Total
	General	Debt Service		
Current taxes	\$ 2,194,302	\$ 964,025	\$ 88,642	\$ 3,246,969
Delinquent taxes	<u>68,477</u>	<u>34,886</u>	<u>2,593</u>	<u>105,956</u>
Total reported taxes receivable	<u>\$ 2,262,779</u>	<u>\$ 998,911</u>	<u>\$ 91,235</u>	<u>\$ 3,352,925</u>

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

**C. Capital assets**

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 984,510	\$ -	\$ -	\$ 984,510
Construction in progress	122,124	267,784	(389,908)	-
	<u>1,106,634</u>	<u>267,784</u>	<u>(389,908)</u>	<u>984,510</u>
Total capital assets, not being depreciated				
	<u>1,106,634</u>	<u>267,784</u>	<u>(389,908)</u>	<u>984,510</u>
Capital assets, being depreciated				
Buildings and improvements	37,115,821	430,732	-	37,546,553
Equipment	656,909	26,983	-	683,892
	<u>37,772,730</u>	<u>457,715</u>	<u>-</u>	<u>38,230,445</u>
Total capital assets being depreciated				
	<u>37,772,730</u>	<u>457,715</u>	<u>-</u>	<u>38,230,445</u>
Less accumulated depreciation for				
Buildings and improvements	(10,541,698)	(1,070,008)	-	(11,611,706)
Equipment	(482,340)	(33,481)	-	(515,821)
	<u>(11,024,038)</u>	<u>(1,103,489)</u>	<u>-</u>	<u>(12,127,527)</u>
Total accumulated depreciation				
	<u>(11,024,038)</u>	<u>(1,103,489)</u>	<u>-</u>	<u>(12,127,527)</u>
Total capital assets, being depreciated, net				
	<u>26,748,692</u>	<u>(645,774)</u>	<u>-</u>	<u>26,102,918</u>
Governmental activities capital assets, net	<u>\$ 27,855,326</u>	<u>\$ (377,990)</u>	<u>\$ (389,908)</u>	<u>\$ 27,087,428</u>

Depreciation expense was charged to functions of the District as follows:

Elementary and secondary regular instruction	\$ 4,259
Pupil support services	14,165
Sites and buildings	<u>1,085,065</u>
Total depreciation expense - governmental activities	<u>\$ 1,103,489</u>

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

**D. Long-term liabilities**

Capital lease payable

The District has entered into a lease agreement as lessee for financing the acquisition of improvements necessary to make the District's buildings more energy efficient. The lease agreement qualifies as a capital lease for accounting purposes and, therefore has been recorded at the present value of the future minimum lease payments as of the date of its inception.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End	Balance Due Within One Year
GE Public Finance Energy Finance Lease	\$ 1,500,000	4.58 %	05/17/07	06/01/22	<u>\$ 829,193</u>	<u>\$ 102,846</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2016	\$ 138,681
2017	138,681
2018	138,681
2019	138,681
2020	138,681
2021-2022	<u>277,365</u>
Total minimum lease payments	970,770
Less amount representing interest	<u>(141,577)</u>
Present value of minimum lease payments	<u>\$ 829,193</u>

Assets related to the above outstanding lease obligations are as follows:

Asset	
Energy efficiency	\$ 1,500,000
Less: accumulated depreciation	<u>(400,000)</u>
Total	<u>\$ 1,100,000</u>



INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

General obligation bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund general obligation bond.

General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Description	Authorized and Issued	Interest Rate	Principal Installments to Maturity	Issue Date	Maturity Date	Balance at Year End
G.O. School Building Refunding Bonds 2004A	\$ 3,215,000	3.50 - 3.65 %	\$ 350,000 to \$ 350,000	11/01/04	02/01/16	\$ 350,000
G.O. Alternative Facility Bonds 2008A	10,410,000	3.75 - 5.00	190,000 to 8,540,000	09/03/08	02/01/19	9,870,000
G.O. School Building Bonds 2008B	11,515,000	3.75 - 4.75	415,000 to 785,000	09/03/08	02/01/31	10,015,000
G.O. Alternative Facility Refunding Bonds 2015A	8,850,000	2.00 - 2.50	710,000 to 910,000	03/01/15	02/01/29	<u>8,850,000</u>
Total G.O. Bonds						<u><u>\$ 29,085,000</u></u>

Annual debt service requirements to maturity for general obligation bonds and notes are as follows:

Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2016	\$ 955,000	\$ 1,185,323	\$ 2,140,323
2017	995,000	1,075,908	2,070,908
2018	1,040,000	1,036,108	2,076,108
2019	9,725,000	984,808	10,709,808
2020	1,220,000	553,604	1,773,604
2021-2025	6,630,000	2,200,271	8,830,271
2026-2030	7,735,000	1,086,200	8,821,200
2031	<u>785,000</u>	<u>37,286</u>	<u>822,286</u>
Total	<u><u>\$ 29,085,000</u></u>	<u><u>\$ 8,159,508</u></u>	<u><u>\$ 37,244,508</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

The total amount of compensated absences payable owed at June 30, 2015 is \$157,970.

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
General obligation bonds	\$ 21,160,000	\$ 8,850,000	\$ (925,000)	\$ 29,085,000	\$ 955,000
Capital lease payable	927,443	-	(98,250)	829,193	102,846
Severance payable	107,158	50,812	-	157,970	26,333
Pension liability					
TRA	-	10,360,343	(2,185,879)	8,174,464	-
PERA	-	2,841,807	(389,713)	2,452,094	-
Governmental activity					
Long-term liabilities	<u>\$ 22,194,601</u>	<u>\$ 22,102,962</u>	<u>\$ (3,598,842)</u>	<u>\$ 40,698,721</u>	<u>\$ 1,084,179</u>

The General fund has typically been used to liquidate the capital lease payable and compensated absences payable obligations. The Debt Service fund has typically been used to liquidate the general obligation bonds obligation.

Crossover refunding bonds

On March 1, 2015, the District issued \$8,850,000 of Alternative Facility Refunding Bonds, Series 2015A. The bonds bear an average coupon of 2.20 percent and will refund the outstanding principal of the G.O. Alternative Facility Bonds, Series 2008A on February 1, 2019 (\$8,540,000). As a result of the refunding issue, the District will save \$936,094 in debt service payments and achieve an economic gain (the present value of the difference between the old and the new debt service) of \$987,422.

**E. Operating lease**

The District rents space from the City of St. Anthony, Minnesota in an annual lease. The lease period is July 1 through June 30. The lease will renew on an annual basis until the year 2016, unless terminated prior to that date. The amount paid was \$125,000 for the year ended June 30, 2015.

The District entered into a lease with Loffler Business Systems, LLC for the use of 8 copiers. The lease began on July 1, 2014 and lasts for 60 months. The amount paid was \$57,385 for the year ended June 30, 2015.

The annual payment requirements to maturity for the operating leases as of June 30, 2015 are as follows:

Year Ending June 30,	Operating Leases		
	Building	Copier	Total
2016	\$ 125,000	\$ 53,968	\$ 178,968
2017	-	53,968	53,968
2018	-	53,969	53,969
2019	-	53,969	53,969
Total	<u>\$ 125,000</u>	<u>\$ 215,874</u>	<u>\$ 340,874</u>

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

**F. Components of fund balance**

At June 30, 2015, portions of the District's fund balance are not available for appropriation due to not being in spendable form (Nonspendable), legal restrictions (Restricted), Board of Education action (Committed), policy and/or intent (Assigned). The following is a summary of the components of fund balance:

Fund	General	Debt Service	Other Governmental Funds	Total
Nonspendable				
Prepaid items	\$ 69,164	\$ -	\$ 1,480	\$ 70,644
Inventories	-	-	12,164	12,164
Total nonspendable	<u>\$ 69,164</u>	<u>\$ -</u>	<u>\$ 13,644</u>	<u>\$ 82,808</u>
Restricted for				
Educational purposes				
Staff development	\$ 171,516	\$ -	\$ -	\$ 171,516
Deferred maintenance	80,276	-	-	80,276
Operating capital	8,811	-	-	8,811
Career and technical programs	4,518	-	-	4,518
Community education	-	-	294,174	294,174
School readiness	-	-	2,440	2,440
Community service	-	-	105,892	105,892
Debt service	-	9,328,966	81,028	9,409,994
Food service	-	-	43,479	43,479
Total restricted	<u>\$ 265,121</u>	<u>\$ 9,328,966</u>	<u>\$ 527,013</u>	<u>\$ 10,121,100</u>
Committed to				
Capital	\$ 36,106	\$ -	\$ -	\$ 36,106
Technology and curriculum	855,696	-	-	855,696
Total committed	<u>\$ 891,802</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 891,802</u>
Assigned to				
Severance, vacation, sick and other postemployment benefits payable	\$ 1,103,116	\$ -	\$ -	\$ 1,103,116
Special education and Federal programming	618,908	-	-	618,908
Integration	207,657	-	-	207,657
Total assigned	<u>\$ 1,929,681</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,929,681</u>
Unassigned				
General fund	<u>\$ 1,183,758</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,183,758</u>

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

The UFARS fund balance reporting standards are slightly different than the reporting standards under GASB 54 Fund Balance Reporting and Governmental Fund Type Definitions. The following schedule reconciles the fund balance reporting under GASB 54 and UFARS reporting standards for restricted and unassigned balances:

	GASB Balance	Reconciling Items	UFARS Balance
Restricted for			
Staff development	\$ 171,516	\$ -	\$ 171,516
Health and safety	-	(27,120)	(27,120)
Deferred maintenance	80,276	-	80,276
Operating capital	8,811	-	8,811
Capital projects levy	-	(229)	(229)
Career and technical programs	4,518	-	4,518
Community education	294,174	-	294,174
Early childhood family education	-	(39,036)	(39,036)
School readiness	2,440	-	2,440
Community service	105,892	-	105,892
Debt service	9,409,994	-	9,409,994
Food service	43,479	-	43,479
	<u>\$ 10,121,100</u>	<u>\$ (66,385)</u>	<u>\$ 10,054,715</u>
Total restricted			
	<u>\$ 1,183,758</u>	<u>\$ 66,385</u>	<u>\$ 2,048,750</u>
Unassigned			

Restricted for Staff Development - This amount represents unspent staff development revenues set aside from General Education Revenue that was reserved for staff development.

Restricted for Health and Safety - This amount represents available resources dedicated exclusively for capital expenditure health and safety projects. Revenues are derived from state aids and expenditures are for necessary corrections for fire safety hazards, life safety hazards, asbestos removal and selected repairs and clean-up, removal, disposal and repairs related to storing heating fuel or transportation fuel.

Restricted for Deferred Maintenance - This amount represents available resources that can be used for projects and costs that would be eligible for health and safety revenue, disabled access levy, or deferred maintenance projects necessary to prevent further erosion of facilities.

Restricted for Operating Capital - This amount represents available resources dedicated for capital expenditure building projects, equipment purchases, vehicles and computer hardware and software. Revenues are derived from tax levies and State aids and expenditures are for repair and restoration of existing facilities and construction of new facilities, purchase of equipment, computers, software, textbooks and library books.

Restricted for Capital Projects Levy - This amount represents available resources from the capital projects levy to be used for building construction.

Restricted for Career and Technical programs - This amount represents available resources that can be used for career development and technical programs.

Restricted for Community Education - This amount represents available resources for community education classes. Revenues are derived from local tax levies and State aids and expenditures are for salaries, benefits and supplies. Any deficits can be eliminated by future tax levies and State aids.

Restricted for Early Childhood Family Education (ECFE) - This amount represents available resources for ECFE classes. Revenues are derived from local tax levies and State aids and expenditures are for salaries, benefits and supplies.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

Restricted for School Readiness - This amount represents available resources to provide services for learning readiness programs. Related to Finance Code 344, School Readiness, Minnesota statute 124D.16, includes aids, fees, grants and all other revenues received by the District.

Restricted for Community Service - This amount represents restricted resources for community service stipulated by constitution, external resource providers, or through enabling legislation.

Restricted for Debt Service - This amount represents available resources dedicated exclusively for debt service payments. Revenues are derived from tax levies and expenditures are for principal, interest and paying agent fees.

Restricted for Food Service - This amount represents restricted resources for community service stipulated by constitution, external resource providers, or through enabling legislation.

Committed for Capital, Technology, and Curriculum - This represents amounts constrained for capital, technology, and curriculum by the District using the highest level of decision making authority (the Board of Education).

**Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE**

Substantially all employees of the District are required by state law to belong to pension plans administered by Teachers Retirement Association (TRA) or Public Employees Retirement Association (PERA), all of which are administered on a statewide basis.

Disclosures relating to these plans follow:

**A. Teacher Retirement Association (TRA)**

**1. Plan description**

The Teachers Retirement Association (TRA) is an administrator of a multiple employer, cost-sharing, defined benefit retirement fund. TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota statutes, chapters 354 and 356. TRA is a separate statutory entity and administered by a Board of Trustees. The Board consists of four active member, one retired member and three statutory officials.

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

**2. Benefits provided**

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

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

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE**

Tier I:	Step Rate Formula	Percentage
Basic	1st ten years of service	2.2 percent per year
	All years after	2.7 percent per year
Coordinated	1st ten years if service years are prior to July 1, 2006	1.2 percent per year
	1st ten years if service years are July 1, 2006 or after	1.4 percent per year
	All other years of service if service years are prior to July 1, 2006	1.7 percent per year
	All other years of service if service years are July 1, 2006 or after	1.9 percent per year

With these provisions:

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

**or**

**Tier II:** For years of service prior to July 1, 2006, a level formula of 1.7 percent per year for coordinated members and 2.7 percent per year for basic members. For years of service July 1, 2006 and after, a level formula of 1.9 percent per year for Coordinated members and 2.7 for Basic members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota statute. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

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

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

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

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE**

**3. Contribution rate**

Per Minnesota statutes, chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year were:

	Ending June 30, 2014		Ending June 30, 2015	
	Employee	Employer	Employee	Employer
Basic	10.50%	11.00%	11.00%	11.50%
Coordinated	7.0%	7.0%	7.5%	7.5%

The District's contributions to TRA for the years ending 2015 June 30, 2015, 2014 and 2013 were \$645,395, \$566,743 and \$526,498. The District's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

The following is a reconciliation of employer contributions in TRA's CAFR "Statement of Changes in Fiduciary Net Position" to the employer contributions used in schedule of employer and non-employer pension allocations.

Employer contributions reported in TRA's CAFR Statement of Changes in Fiduciary Net Position	\$ 299,299,837
Deduct employer contributions not related to future contribution efforts	(398,798)
Deduct TRA's contributions not included in allocation	<u>(370,701)</u>
Employer contributions reported in schedule of employer and non-employer pension allocations	<u><u>\$ 298,530,338</u></u>

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

**4. Actuarial assumptions**

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

**Key Methods and Assumptions Used in Valuation of Total Pension Liability**

**Actuarial Information**

Measurement Date	June 30, 2014
Valuation Date	July 1, 2014
Experience Study	October 30, 2009
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Investment Rate of Return	8.25%
Wage Inflation	3.00%
Projected Salary Increase	3.5 - 12%, based on years of service
Cost of Living adjustment	2.0% until year 2013; 2.5% thereafter

**Mortality Assumption**

Pre-retirement	RP 2000 non-annuitant generational mortality, white collar adjustment, male rates set back 5 years and female rates set back 7 years.
Post-retirement	RP 2000 annuitant generational mortality, white collar adjustment, male rates set back 2 years and female rates set back 3 years.
Post disability	RP 2000 disabled retiree mortality, without adjustment.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE**

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 67 valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	45.00 %	5.50 %
International stocks	15.00	6.0
Bonds	18.00	1.45
Alternative assets	20.00	6.40
Unallocated cash	2.00	0.50
Total	<u>100.00 %</u>	

**5. Discount rate**

The discount rate used to measure the total pension liability was 8.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal 2015 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be 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.



INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE**

**6. Net pension liability**

The June 30, 2015, the District reported a liability of \$8,174,464 for its proportionate share of the 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 TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. District proportionate share was 0.1774 percent at the end of the measurement period and 0.1806 percent for the beginning of the year.

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

District's proportionate share of net pension liability	\$ 8,174,464
State's proportionate share of net pension liability associated with the District	575,124

A change in benefit provisions that affected the measurement of the total pension liability since the prior measurement date was an increase of the contribution rates for both the member and employer. Section 3 contains the rate information.

There was a change in actuarial assumptions that affected the measurement of the total liability since the prior measurement date. Post-retirement benefit adjustments are now assumed to increase from 2.0 percent annually to 2.5 percent annually once the legally specified criteria are met. This is estimated to occur July 1, 2034.

For the year ended June 30, 2015, the District recognized pension expense of \$405,303. It also recognized \$25,089 as an increase to pension expense for the support provided by direct aid.

On June 30, 2015, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 697,503	\$ -
Net difference between projected and actual earnings on plan investments	-	2,569,969
Changes in proportion	-	151,867
Contributions to TRA subsequent to the measurement date.	645,395	-
Total	<u>1,342,898</u>	<u>2,721,836</u>

Deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

2016	\$ (528,581)
2017	(528,581)
2018	(528,581)
2019	(528,581)
2020	89,991

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE**

**7. Pension liability sensitivity**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 8.25 percent as well as the liability measured using one percent lower and one percent higher. The District's proportion of the net pension liability was based on the employer contributions to TRA in relation to TRA's total employer contributions including direct aid contributions from the State of Minnesota, City of Minneapolis and Minneapolis School District.

District proportionate share of NPL		
1 Percent Decrease (7.25%)	Current (8.25%)	1 Percent Increase (9.25%)
\$ 13,509,590	\$ 8,174,464	\$ 3,726,814

**8. Pension plan fiduciary net position**

Detailed information about the plan's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at [www.MinnesotaTRA.org](http://www.MinnesotaTRA.org), by writing to TRA at 60 Empire Drive, Suite 400, St. Paul, MN, 55103-4000; or by calling (651) 296-2409 or (800) 657-3669.

**B. Public Employees Retirement Association (PERA)**

**1. Plan description**

The District participates in the following defined benefit pension plans administered by the Public Employees Retirement Association (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota statutes, chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

General Employees Retirement Plan (GERF)

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. Benefits provided**

PERA provides retirement, disability and death benefits. Benefit provisions are established by Minnesota statute and can only be modified by the state legislature.

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.

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.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE**

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 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 ten 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 ten 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.

**3. Contributions**

Minnesota statutes, chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

GERF contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.10 percent and 6.25 percent, respectively, of their annual covered salary in calendar year 2014. Coordinated Plan members contributed 6.50 percent of pay in 2015. In calendar year 2014, the District was required to contribute the following percentages of annual covered payroll: 11.78 percent for Basic Plan members and 7.25 percent of 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 years ending June 30, 2015, 2014 and 2013 were \$207,380, \$198,523, and \$201,981. The District's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

**4. Pension costs**

At June 30, 2015, the District reported a liability of \$2,452,094 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 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 PERA's participating employers. At June 30, 2014, the District's proportion was 0.0522 percent.

For the year ended June 30, 2015, the District recognized pension expense of \$182,032 for its proportionate share of GERF's pension expense.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 37,632	\$ -
Changes in actuarial assumptions	252,713	-
Net difference between projected and actual earnings on plan investments	-	662,554
Contributions to GERF subsequent to the measurement date.	<u>207,380</u>	<u>-</u>
Total	<u>\$ 497,725</u>	<u>\$ 662,554</u>

Deferred outflows of resources totaling \$207,380 related to pensions resulting from the District's contributions to 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 GERF pensions will be recognized in pension expense as follows:

2016	\$ (68,857)
2017	(68,857)
2018	(68,857)
2019	(68,857)
2020	(96,781)

**5. Actuarial assumptions**

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75% per year
Active member payroll growth	3.50% per year
Investment rate of return	7.90%

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 experience study in the GERF was for the period July 1, 2004, through June 30, 2008, with an update of economic assumptions in 2014. Experience studies have not been prepared for PERA's other plans, but assumptions are reviewed annually.

The following changes in actuarial assumptions occurred in 2014:

- GERF: As of July 1, 2013, the postretirement 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 postretirement benefit increase rate was assumed to increase from 1.0 percent to 2.5 percent on January 1, 2031.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE**

The long-term expected rate of return on pension plan investments is 7.9 percent. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	45.00 %	5.50 %
International stocks	15.00	6.0
Bonds	18.00	1.45
Alternative assets	20.00	6.40
Cash	2.00	0.50
Total	<u>100.00 %</u>	

**6. Discount rate**

The discount rate used to measure the total pension liability was 7.9 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was 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.

**7. Pension liability sensitivity**

The following 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:

District proportionate share of NPL		
1 Percent Decrease (6.90%)	Current (7.90%)	1 Percent Increase (8.90%)
\$ 2,841,807	\$ 2,452,094	\$ 3,952,875

**8. Pension plan fiduciary net position**

Detailed information about each defined benefit pension plan's fiduciary net position is available in a separately-issued PERA financial report. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org); by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-7460 or (800) 652-9026.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 5: PENSION BENEFITS PLAN**

**A. Plan description**

The District provides pension benefits to certain eligible employees through a single-employer defined benefit pension plan administered by the District. All pension benefits are based on contractual agreements with the employee groups. Eligibility is as follows:

<u>Employee Groups</u>	<u>Eligibility</u>
Teachers	Age 55 and 15 years of service
Clerical	Employed prior to July 1, 2000, Age 55 and 15 years of service

The benefits are summarized as follows:

<u>Employee Groups</u>	<u>Benefits</u>
Teachers	\$39,500 paid in three equal installments at retirement
Clerical	\$7,133 paid in a lump sum at retirement

The plan does not issue a publicly available financial report.

**B. Funding policy**

The required contribution is based on funding these liabilities on a pay-as-you-go basis.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 5: PENSION BENEFITS PLAN - CONTINUED**

**C. Annual pension cost and net pension asset**

The District's annual pension cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 27. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed six years. The following table shows the components of the District's annual pension cost for the year, the amount actually contributed to the plan, and changes in the District's net pension asset

Annual required contribution	\$ 44,898
Interest on net pension asset	(774)
Adjustment to annual required contribution	<u>4,786</u>
Annual pension cost (expense)	48,910
Contributions made	<u>(26,333)</u>
Increase (decrease) in net pension asset	22,577
Net pension asset - beginning of year	<u>(25,810)</u>
Net pension asset - end of year	<u><u>\$ (3,233)</u></u>

The District's annual pension cost, the percentage of annual pension cost contributed to the plan, and the net pension obligation (asset) for fiscal year 2015 and the preceding two fiscal years is as follows:

Year Ending	Three Year Trend Information		
	Annual Pension Cost	Percentage Annual Pension Contributed	Net Pension Obligation (Asset)
06/30/15	\$ 48,910	59 %	\$ (3,233)
06/30/14	53,119	82	(25,810)
06/30/13	130,458	186	(39,429)

**D. Funded status and funding progress**

As of July 1, 2014, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$80,345, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability of \$80,345. The covered payroll (annual payroll of active employees covered by the plan) was \$249,283, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 32.2 percent.

The projection of future pension payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for pension benefits.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 5: PENSION BENEFITS 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 plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 3.0 percent investment rate of return, which is based on the District's own investments and a 3.0 percent salary increase for all members. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2015 was six years.

**Note 6: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**A. Plan description**

The District administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the District's group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the District and the union representing District employees and are renegotiated each three-year bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

<u>Employee Groups</u>	<u>Maximum Monthly Contribution</u>	<u>Duration</u>
Administrators	\$ 388	7 *
Teachers	388	8 *
Clerical	388	7 *
Custodial	388	8 *
Food Service	90-100% **	7 *

\* Maximum years available if certain criteria are met.

\*\* 100 percent for the first year and 90 percent for each subsequent year.

Eligibility is as follows:

<u>Employee Groups</u>	<u>Eligibility</u>
Administrators	Age 55 and 15 years of service
Teachers	Employed prior to April 1, 2000, Age 55 and 15 years of service
Clerical	Employed prior to July 1, 2009, Age 55 and 15 years of service
Custodial	Employed prior to July 1, 2009, Age 55 and 15 years of service
Food Service	Employed prior to July 1, 2009, Age 55 and 15 years of service

During the year ended June 30, 2015, the District had sixteen employees receiving benefits totaling \$57,424.



INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 6: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - CONTINUED**

**B. Funding policy**

The required contribution is based on funding these liabilities on a pay-as-you-go basis. Contribution requirements are negotiated between the District and union representatives. The District's employment agreement for certain administrative officials provides for the District to pay the following premium costs for single health and dental coverage. The District has established an Other Postemployment Benefits Trust fund to fund these obligations.

**C. Annual OPEB cost and net OPEB asset**

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty 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 changes in the District's net OPEB asset:

Annual required contribution	\$ 59,191
Interest on net OPEB asset	(10,011)
Adjustment to annual required contribution	<u>30,197</u>
Annual OPEB cost (expense)	79,377
Contributions made	<u>(26,801)</u>
Increase (decrease) in net OPEB asset	52,576
Net OPEB obligation (asset) - beginning of year	<u>(345,233)</u>
Net OPEB obligation (asset) - end of year	<u><u>\$ (292,657)</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for fiscal year 2015 and the two preceding fiscal years were as follows:

Year Ending	Three Year Trend Information		
	Annual OPEB Cost	Percentage Annual OPEB Contributed	Net OPEB Obligation (Asset)
06/30/15	\$ 79,377	45 %	\$ (292,657)
06/30/14	105,656	173	(345,233)
06/30/13	84,784	177	(297,263)

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 6: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - CONTINUED**

**D. Funded status and funding progress**

As of July 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$1,242,287, of which \$50,151 was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$9,995,823, and the ratio of the unfunded actuarial accrued liability to the covered payroll was .5 percent.

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

**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 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. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

In the July 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 3.0 percent investment rate of return, which is based on the plan being funded in an irrevocable employee benefit trust invested in long-term fixed income portfolio. The initial healthcare trend rate was 7.5 percent, reduced by decrements to an ultimate rate of 5.0 percent after eight years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2015 was twenty years.

**F. Other postemployment benefit trust fund**

The District administers a defined benefit Postemployment Healthcare Benefit Trust Fund. The assets of the plan are reported in the District's financial report in the Other Postemployment Benefit Trust Fund. The plan assets may be used only for the payment of benefits of the plan, in accordance with the terms of the plan.

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

**G. Membership**

Membership in the plan consisted of the following as of June 30, 2015:

Retirees receiving benefits	16
Other active plan members	<u>201</u>
Total	<u><u>217</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 7: OTHER INFORMATION**

**Risk management**

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; injuries to employees; 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.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The District's management is not aware of any incurred but not reported claims.

**Note 8: CHANGE IN ACCOUNTING STANDARDS**

During fiscal year 2015, the District implemented several new accounting pronouncements issued by the Government Accounting Standards Board (GASB), including Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68, for the year ended June 30, 2015. These standards required a retroactive implementation which resulted in the restatement of beginning balances in the June 30, 2014 financial statements. Changes related to these standards are reflected in the financial statements and schedules and related disclosures are included in Note 4.

As a result of the restatement of beginning balances, the following schedule reconciles the previously reported June 30, 2014 balances to the June 30, 2015 financial statements:

Fund	June 30, 2015		
	Net Position June 30, 2014 as Previously Reported	Prior Period Restatement (1)	Net Position July 1, 2014 as Restated
Governmental activities	\$ 12,032,431	\$ (12,436,884)	\$ (404,453)

(1) To record the beginning net pension liability and deferred outflows/inflows of resources at July 1, 2014.

**REQUIRED SUPPLEMENTARY INFORMATION**

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2015

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED  
JUNE 30, 2015

**Schedule of employer's share of TRA net pension liability**

Year	Required Supplementary Information						Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the District (b)	Total (a+b)	District's Covered Payroll (c)	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll ((a+b)/c)	
2014	0.1774 %	\$ 8,174,464	\$ 575,124	\$ 8,749,588	\$ 8,096,329	101.0 %	81.5 %

**Schedule of employer's TRA contributions**

Year	Required Supplementary Information					Contributions as a Percentage of Covered Payroll (b/c)
	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	District's Covered Payroll (c)		
2015	\$ 645,395	\$ 645,395	\$ -	\$ 8,605,267		7.5 %

**Schedule of employer's share of PERA net pension liability**

Year	Required Supplementary Information					Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability (a)	District's Covered Payroll (b)	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/b)		
2014	0.0522 %	\$ 2,452,094	\$ 2,738,248	89.55 %		78.7 %

**Schedule of employer's PERA contributions**

Year	Required Supplementary Information					Contributions as a Percentage of Covered Payroll (b/c)
	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	District's Covered Payroll (c)		
2015	\$ 207,380	\$ 207,380	\$ -	\$ 2,812,740		7.37 %

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED  
FOR THE YEAR ENDED  
JUNE 30, 2015

**Schedule of funding progress and employer contributions**

The following schedules present trend information about the amounts contributed to the pension benefit plan by the District:

**Schedule of funding progress**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	(Funded) Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/14	\$ -	\$ 80,345	\$ 80,345	- %	\$ 249,283	32.2 %
07/01/12	-	181,717	181,717	-	243,042	74.8
07/01/10	-	252,255	252,255	-	430,175	58.6

**Schedule of employer contributions**

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2015	\$ 44,898	59 %
2014	47,988	82
2013	47,988	186

The following schedules present trend information about the amounts contributed to the post employment healthcare benefit plan by the District:

**Schedule of funding progress**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	(Funded) Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/14	\$ 1,192,136	\$ 1,242,287	\$ 50,151	96 %	\$ 9,995,823	0.50 %
07/01/12	1,153,341	1,464,836	311,495	79	9,954,858	3.13
07/01/10	1,124,409	1,357,535	233,126	83	9,405,893	2.48

**Schedule of employer contributions**

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2015	\$ 59,191	45 %
2014	88,980	177
2013	88,980	154

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**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2015



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## **NONMAJOR GOVERNMENTAL FUNDS**

### **NONMAJOR SPECIAL REVENUE FUNDS**

**Food Service** - This fund was established to record financial activities of the District's Food Service program. Food service includes activities for the purpose of preparation and service of milk, meals and snacks in connection with school and community service activities.

**Community Service** - This fund was established to record all financial activities of the Community Service program. The program includes: Community Education, Early Childhood Family Education, School Readiness and Adult Basic Education. The activity in the fund includes only those activities authorized by Minnesota statute.

### **NONMAJOR DEBT SERVICE FUNDS**

**Other Postemployment Benefits (OPEB) Debt Service** - This fund was established to record the property taxes levied for the repayment of the bonds issued for the funding of the Districts OPEB obligation.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2015

	Special Revenue		Debt Service	
	Food Service	Community Service	OPEB	Total
<b>ASSETS</b>				
Cash and temporary investments	\$ 86,493	\$ 522,331	\$ 81,028	\$ 689,852
Taxes receivable	-	91,235	-	91,235
Due from Department of Education	-	6,618	-	6,618
Due from other governments	-	28,088	-	28,088
Inventories	12,164	-	-	12,164
Prepaid items	1,480	-	-	1,480
<b>TOTAL ASSETS</b>	<b>\$ 100,137</b>	<b>\$ 648,272</b>	<b>\$ 81,028</b>	<b>\$ 829,437</b>
<b>LIABILITIES</b>				
Salaries and wages payable	\$ 15,491	\$ 55,920	\$ -	\$ 71,411
Accounts and other payables	846	18,945	-	19,791
Unearned revenue	26,677	-	-	26,677
<b>TOTAL LIABILITIES</b>	<b>43,014</b>	<b>74,865</b>	<b>-</b>	<b>117,879</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - delinquent property taxes	-	2,478	-	2,478
Property taxes levied for subsequent year	-	168,423	-	168,423
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>170,901</b>	<b>-</b>	<b>170,901</b>
<b>FUND BALANCES</b>				
Nonspendable				
Inventories	12,164	-	-	12,164
Prepaid items	1,480	-	-	1,480
Restricted for				
Community education	-	294,174	-	294,174
Debt service	-	-	81,028	81,028
School readiness	-	2,440	-	2,440
Community service	-	105,892	-	105,892
Food service	43,479	-	-	43,479
<b>TOTAL FUND BALANCES</b>	<b>57,123</b>	<b>402,506</b>	<b>81,028</b>	<b>540,657</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 100,137</b>	<b>\$ 648,272</b>	<b>\$ 81,028</b>	<b>\$ 829,437</b>

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue		Debt Service	
	Food Service	Community Service	OPEB	Total
REVENUES				
Local property tax levies	\$ -	\$ 89,022	\$ -	\$ 89,022
Other local and county revenue				
Interest earned on investments	-	717	-	717
Other	1,521	1,022,766	-	1,024,287
Revenue from state sources	44,055	55,297	-	99,352
Revenue from federal sources	259,931	8,102	-	268,033
Sales and other conversion of assets	488,334	-	-	488,334
TOTAL REVENUES	793,841	1,175,904	-	1,969,745
EXPENDITURES				
Current				
Community education and services	-	1,156,804	-	1,156,804
Pupil support services	799,688	19,311	-	818,999
Fiscal and other fixed cost programs	-	35,779	-	35,779
Total current expenditures	799,688	1,211,894	-	2,011,582
Capital outlay				
Community education and services	-	1,998	-	1,998
Pupil support services	745	-	-	745
Total capital outlay	745	1,998	-	2,743
TOTAL EXPENDITURES	800,433	1,213,892	-	2,014,325
NET CHANGE IN FUND BALANCES	(6,592)	(37,988)	-	(44,580)
FUND BALANCES, JULY 1	63,715	440,494	81,028	585,237
FUND BALANCES, JUNE 30	\$ 57,123	\$ 402,506	\$ 81,028	\$ 540,657

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INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
GENERAL FUND  
COMPARATIVE SCHEDULES OF ASSETS, LIABILITIES AND FUND BALANCES  
JUNE 30, 2015 AND 2014

	2015	2014
<b>ASSETS</b>		
Cash and temporary investments	\$ 6,775,986	\$ 7,841,651
Receivables		
Taxes	2,262,779	1,939,490
Accounts and interest	9,733	786
Due from other school districts	701	2,837
Due from Department of Education	1,624,837	1,059,425
Due from other governments	98,869	-
Prepaid items	69,164	42,415
<b>TOTAL ASSETS</b>	<u><u>\$ 10,842,069</u></u>	<u><u>\$ 10,886,604</u></u>
<b>LIABILITIES</b>		
Salaries and wages payable	\$ 2,167,569	\$ 2,023,864
Accounts and other payables	310,487	308,861
Due to other school districts	98,669	83,768
Due to other governments	24,886	11,426
<b>TOTAL LIABILITIES</b>	<u>2,601,611</u>	<u>2,427,919</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - delinquent property taxes	58,829	46,360
Property taxes levied for subsequent year	3,842,103	3,231,891
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>3,900,932</u>	<u>3,278,251</u>
<b>FUND BALANCES</b>		
Nonspendable		
Prepaid items	69,164	42,415
Restricted for		
Staff development	171,516	96,881
Deferred maintenance	80,276	39,710
Operating capital	8,811	8,222
Career and technical programs	4,518	7,979
Capital projects levy	-	119,951
Committed for		
Capital	36,106	80,074
Technology and curriculum	855,696	1,386,895
Assigned for		
Severance, vacation, sick and other postemployment benefits payable	1,103,116	1,058,479
Special education and federal programming	618,908	618,908
Integration	207,657	259,546
Unassigned	1,183,758	1,461,374
<b>TOTAL FUND BALANCES</b>	<u>4,339,526</u>	<u>5,180,434</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u><u>\$ 10,842,069</u></u>	<u><u>\$ 10,886,604</u></u>

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INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - CONTINUED ON THE FOLLOWING PAGES  
FOR THE YEAR ENDED JUNE 30, 2015  
(With comparative actual amounts for the year ended June 30, 2014)

	2015				2014
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
REVENUES					
Local property tax levies	\$ 3,377,627	\$ 3,369,310	\$ 3,579,423	\$ 210,113	\$ 2,031,561
Other local and county revenue					
Interest earned on investments	8,349	14,000	9,377	(4,623)	14,106
Other	293,600	237,250	229,735	(7,515)	245,716
Revenue from state sources	13,635,787	14,271,542	14,194,828	(76,714)	14,741,866
Revenue from federal sources	663,052	402,197	424,614	22,417	408,609
TOTAL REVENUES	17,978,415	18,294,299	18,437,977	143,678	17,441,858
EXPENDITURES					
Current					
Administration					
Salaries	928,935	946,857	940,062	6,795	1,015,319
Employee benefits	341,494	333,206	315,622	17,584	339,825
Purchased services	35,515	28,230	22,018	6,212	32,976
Supplies and materials	17,461	17,461	13,472	3,989	10,371
Other	27,550	27,550	18,624	8,926	15,880
Total administration	1,350,955	1,353,304	1,309,798	43,506	1,414,371
District support services					
Salaries	279,587	279,587	266,518	13,069	309,928
Employee benefits	109,411	109,411	83,994	25,417	90,998
Purchased services	398,446	414,946	374,776	40,170	349,817
Supplies and materials	55,263	55,263	55,976	(713)	32,927
Other	2,579	2,579	937	1,642	1,086
Total district support services	845,286	861,786	782,201	79,585	784,756
Elementary and secondary regular instruction					
Salaries	6,602,409	6,664,126	6,857,893	(193,767)	6,490,177
Employee benefits	2,205,240	2,278,777	2,379,961	(101,184)	2,236,748
Purchased services	350,602	339,306	335,523	3,783	338,865
Supplies and materials	151,736	151,877	154,871	(2,994)	220,373
Other	13,280	13,238	15,981	(2,743)	12,733
Total elementary and secondary regular instruction	9,323,267	9,447,324	9,744,229	(296,905)	9,298,896



INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2015  
(With comparative actual amounts for the year ended June 30, 2014)

	2015				2014
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
EXPENDITURES - CONTINUED					
Current - continued					
Vocational education instruction					
Salaries	\$ -	\$ -	\$ 293	\$ (293)	\$ 330
Employee benefits	-	-	28	(28)	36
Purchased services	-	-	380	(380)	1,171
Supplies and materials	-	-	-	-	1,300
Total vocational education instruction	-	-	701	(701)	2,837
Special education instruction					
Salaries	1,377,924	1,478,692	1,713,256	(234,564)	1,489,055
Employee benefits	535,663	578,153	608,556	(30,403)	581,188
Purchased services	92,450	199,053	188,532	10,521	199,053
Supplies and materials	21,053	10,552	2,151	8,401	43,564
Other	2,200	-	-	-	-
Total special education instruction	2,029,290	2,266,450	2,512,495	(246,045)	2,312,860
Instructional support services					
Salaries	761,974	263,129	273,860	(10,731)	263,129
Employee benefits	178,897	78,013	67,730	10,283	78,013
Purchased services	41,360	101,325	114,068	(12,743)	101,325
Supplies and materials	22,665	13,252	13,591	(339)	12,253
Total instructional support services	1,004,896	455,719	469,249	(13,530)	454,720
Pupil support services					
Salaries	175,292	164,405	156,668	7,737	135,902
Employee benefits	46,633	42,455	53,405	(10,950)	37,917
Purchased services	813,878	843,241	1,040,030	(196,789)	843,138
Supplies and materials	7,396	7,396	32,951	(25,555)	52,535
Total pupil support services	1,043,199	1,057,497	1,283,054	(225,557)	1,069,492
Sites, buildings and equipment					
Salaries	684,682	687,196	711,865	(24,669)	604,472
Employee benefits	209,504	255,010	217,528	37,482	212,600
Purchased services	723,164	703,066	709,493	(6,427)	700,424
Supplies and materials	296,000	286,000	294,698	(8,698)	265,594
Other	4,075	4,075	4,138	(63)	3,262
Total sites, buildings and equipment	1,917,425	1,935,347	1,937,722	(2,375)	1,786,352

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2015  
(With comparative actual amounts for the year ended June 30, 2014)

	2015				2014
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
EXPENDITURES - CONTINUED					
Current - continued					
Fiscal and other fixed cost programs					
Employee benefits	\$ 160,000	\$ 170,387	\$ 129,964	\$ 40,423	\$ 168,908
Purchased services	94,400	80,000	94,332	(14,332)	70,726
Total fiscal and other fixed cost programs	254,400	250,387	224,296	26,091	239,634
Total current expenditures	17,768,718	17,627,814	18,263,745	(635,931)	17,363,918
Capital outlay					
District support services	5,000	3,000	-	3,000	3,374
Elementary and secondary regular instruction	41,307	156,674	292,878	(136,204)	169,692
Instructional support services	6,120	6,120	3,566	2,554	7,414
Pupil support services	-	-	15,866	(15,866)	-
Sites, buildings and equipment	91,162	91,162	564,149	(472,987)	459,828
Total capital outlay	143,589	256,956	876,459	(619,503)	640,308
Debt service					
Principal	96,676	96,676	98,250	(1,574)	93,860
Interest and other	46,167	46,167	40,431	5,736	44,822
Total debt service	142,843	142,843	138,681	4,162	138,682
TOTAL EXPENDITURES	18,055,150	18,027,613	19,278,885	(1,251,272)	18,142,908
NET CHANGE IN FUND BALANCES	(76,735)	266,686	(840,908)	(1,107,594)	(701,050)
FUND BALANCES, JULY 1	5,180,434	5,180,434	5,180,434	-	5,881,484
FUND BALANCES, JUNE 30	\$ 5,103,699	\$ 5,447,120	\$ 4,339,526	\$ (1,107,594)	\$ 5,180,434

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
FOOD SERVICE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
(With comparative actual amounts for the year ended June 30, 2014)

	2015				2014
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
REVENUES					
Local revenue					
Interest earned on investments	\$ 150	\$ 150	\$ -	\$ (150)	\$ 177
Other	1,200	1,200	1,521	321	792
Revenue from state sources	26,100	26,100	44,055	17,955	24,105
Revenue from federal sources	241,850	230,850	259,931	29,081	237,183
Sales and other conversion of assets	558,050	555,800	488,334	(67,466)	490,056
 TOTAL REVENUES	 827,350	 814,100	 793,841	 (20,259)	 752,313
EXPENDITURES					
Current					
Pupil support services					
Salaries	281,885	281,885	277,250	4,635	273,390
Employee benefits	110,171	110,171	111,149	(978)	115,032
Purchased services	63,801	63,801	61,739	2,062	62,216
Supplies and materials	369,634	369,634	347,208	22,426	322,674
Other	1,425	1,425	2,342	(917)	181
Total current expenditures	826,916	826,916	799,688	27,228	773,493
Capital outlay					
Pupil support services	-	-	745	(745)	2,773
 TOTAL EXPENDITURES	 826,916	 826,916	 800,433	 26,483	 776,266
NET CHANGE IN FUND BALANCES	434	(12,816)	(6,592)	6,224	(23,953)
FUND BALANCES, JULY 1	63,715	63,715	63,715	-	87,668
FUND BALANCES, JUNE 30	\$ 64,149	\$ 50,899	\$ 57,123	\$ 6,224	\$ 63,715

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
COMMUNITY SERVICE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
(With comparative actual amounts for the year ended June 30, 2014)

	2015				2014
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
REVENUES					
Local property tax levies	\$ 91,631	\$ 89,251	\$ 89,022	\$ (229)	\$ 88,960
Other local and county revenue					
Interest earned on investments	1,000	1,150	717	(433)	1,145
Other	864,976	943,300	1,022,766	79,466	1,106,275
Revenue from state sources	23,309	42,500	55,297	12,797	126,316
Revenue from federal sources	7,000	9,200	8,102	(1,098)	9,078
<b>TOTAL REVENUES</b>	<b>987,916</b>	<b>1,085,401</b>	<b>1,175,904</b>	<b>90,503</b>	<b>1,331,774</b>
EXPENDITURES					
Current					
Community education and services					
Salaries	594,714	623,584	628,425	(4,841)	761,849
Employee benefits	233,906	244,334	244,714	(380)	280,464
Purchased services	150,740	178,430	185,083	(6,653)	174,782
Supplies and materials	46,550	68,398	91,311	(22,913)	81,101
Other	6,800	9,580	7,271	2,309	16,115
<b>Total community education and services</b>	<b>1,032,710</b>	<b>1,124,326</b>	<b>1,156,804</b>	<b>(32,478)</b>	<b>1,314,311</b>
Pupil support services					
Salaries	-	15,000	16,788	(1,788)	14,676
Employee benefits	-	2,181	2,523	(342)	2,162
<b>Total pupil support services</b>	<b>-</b>	<b>17,181</b>	<b>19,311</b>	<b>(2,130)</b>	<b>16,838</b>
Fiscal and other fixed cost programs					
Salaries	25,132	20,334	31,981	(11,647)	22,451
Employee benefits	2,429	1,996	2,957	(961)	2,190
Purchased services	2,800	2,658	696	1,962	1,858
Supplies and materials	240	90	145	(55)	-
Other	1,590	1,900	-	1,900	410
<b>Total fiscal and other fixed cost programs</b>	<b>32,191</b>	<b>26,978</b>	<b>35,779</b>	<b>(8,801)</b>	<b>26,909</b>
<b>Total current expenditures</b>	<b>1,064,901</b>	<b>1,168,485</b>	<b>1,211,894</b>	<b>(43,409)</b>	<b>1,358,058</b>
Capital outlay					
Community education and services	3,300	4,939	1,998	2,941	22,513
<b>TOTAL EXPENDITURES</b>	<b>1,068,201</b>	<b>1,173,424</b>	<b>1,213,892</b>	<b>(40,468)</b>	<b>1,380,571</b>
NET CHANGE IN FUND BALANCES	(80,285)	(88,023)	(37,988)	50,035	(48,797)
FUND BALANCES, JULY 1	440,494	440,494	440,494	-	489,291
FUND BALANCES, JUNE 30	\$ 360,209	\$ 352,471	\$ 402,506	\$ 50,035	\$ 440,494

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
(With comparative actual amounts for the year ended June 30, 2014)

	2015				2014
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
REVENUES					
Local property tax levies	\$ 1,910,390	\$ 1,920,350	\$ 1,920,350	\$ -	\$ 1,874,676
Other local and county revenue					
Interest earned on investments	750	2,600	3,358	758	2,621
Revenue from state sources	-	-	-	-	13
TOTAL REVENUES	1,911,140	1,922,950	1,923,708	758	1,877,310
EXPENDITURES					
Debt service					
Principal	925,000	925,000	925,000	-	845,000
Interest and other	961,915	961,915	922,851	39,064	992,780
TOTAL EXPENDITURES	1,886,915	1,886,915	1,847,851	39,064	1,837,780
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	24,225	36,035	75,857	39,822	39,530
OTHER FINANCING SOURCES					
Refunding bonds issued	-	-	8,850,000	8,850,000	-
NET CHANGE IN FUND BALANCES	24,225	36,035	8,925,857	8,889,822	39,530
FUND BALANCES, JULY 1	403,109	403,109	403,109	-	363,579
FUND BALANCES, JUNE 30	\$ 427,334	\$ 439,144	\$ 9,328,966	\$ 8,889,822	\$ 403,109

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
SCHEDULE OF THE COMPONENTS OF THE GENERAL FUND  
SCHEDULES OF ASSETS, LIABILITIES AND FUND BALANCES  
JUNE 30, 2015

	Components of the General Fund			Total General Fund
	General	Pupil Transportation	Capital Expenditure	
<b>ASSETS</b>				
Cash and temporary investments	\$ 6,374,172	\$ 198,319	\$ 203,495	\$ 6,775,986
Receivables				
Taxes	2,262,779	-	-	2,262,779
Accounts and interest	9,733	-	-	9,733
Due from other school districts	701	-	-	701
Due from Department of Education	1,620,611	455	3,771	1,624,837
Due from other governments	98,869	-	-	98,869
Prepaid items	55,447	2,160	11,557	69,164
<b>TOTAL ASSETS</b>	<u>\$ 10,422,312</u>	<u>\$ 200,934</u>	<u>\$ 218,823</u>	<u>\$ 10,842,069</u>
<b>LIABILITIES</b>				
Salaries and wages payable	\$ 2,167,448	\$ 121	\$ -	\$ 2,167,569
Accounts payable and other payables	148,939	16,020	145,528	310,487
Due to other school districts	98,669	-	-	98,669
Due to other governments	24,886	-	-	24,886
<b>TOTAL LIABILITIES</b>	<u>2,439,942</u>	<u>16,141</u>	<u>145,528</u>	<u>2,601,611</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - delinquent property taxes	58,829	-	-	58,829
Property taxes levied for subsequent year	3,842,103	-	-	3,842,103
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>3,900,932</u>	<u>-</u>	<u>-</u>	<u>3,900,932</u>
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid items	55,447	2,160	11,557	69,164
Restricted for				
Staff development	171,516	-	-	171,516
Deferred maintenance	-	-	80,276	80,276
Operating capital	-	-	8,811	8,811
Career development	4,518	-	-	4,518
Committed for				
Capital	36,106	-	-	36,106
Technology and curriculum	855,696	-	-	855,696
Assigned for				
Severance, vacation, sick and other postemployment benefits payable	1,103,116	-	-	1,103,116
Special education and federal programming	618,908	-	-	618,908
Integration	207,657	-	-	207,657
Unassigned	1,028,474	182,633	(27,349)	1,183,758
<b>TOTAL FUND BALANCES</b>	<u>4,081,438</u>	<u>184,793</u>	<u>73,295</u>	<u>4,339,526</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 10,422,312</u>	<u>\$ 200,934</u>	<u>\$ 218,823</u>	<u>\$ 10,842,069</u>

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INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
SCHEDULE OF THE COMPONENTS OF THE GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - CONTINUED ON THE FOLLOWING PAGES  
FOR THE YEAR ENDED JUNE 30, 2015

	Components of the General Fund			Total General Fund
	General	Pupil Transportation	Capital Expenditure	
REVENUES				
Local property tax levies	\$ 3,152,981	\$ -	\$ 426,442	\$ 3,579,423
Other local and county revenue				
Interest earned on investments	9,373	-	4	9,377
Other	210,415	19,320	-	229,735
Revenue from state sources	12,997,635	821,673	375,520	14,194,828
Revenue from federal sources	424,614	-	-	424,614
TOTAL REVENUES	16,795,018	840,993	801,966	18,437,977
EXPENDITURES				
Current				
Administration				
Salaries	940,062	-	-	940,062
Employee benefits	315,622	-	-	315,622
Purchased services	22,018	-	-	22,018
Supplies and materials	13,472	-	-	13,472
Other	18,624	-	-	18,624
Total administration	1,309,798	-	-	1,309,798
District support services				
Salaries	266,518	-	-	266,518
Employee benefits	83,994	-	-	83,994
Purchased services	286,989	-	87,787	374,776
Supplies and materials	55,976	-	-	55,976
Other	937	-	-	937
Total district support services	694,414	-	87,787	782,201
Elementary and secondary regular instruction				
Salaries	6,857,893	-	-	6,857,893
Employee benefits	2,379,961	-	-	2,379,961
Purchased services	286,736	-	48,787	335,523
Supplies and materials	141,436	-	13,435	154,871
Other	15,981	-	-	15,981
Total elementary and secondary regular instruction	9,682,007	-	62,222	9,744,229
Vocational education instruction				
Salaries	293	-	-	293
Employee benefits	28	-	-	28
Purchased services	380	-	-	380
Total vocational education instruction	701	-	-	701



INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
SCHEDULE OF THE COMPONENTS OF THE GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2015

	Components of the General Fund			Total General Fund
	General	Pupil Transportation	Capital Expenditure	
EXPENDITURES - CONTINUED				
Current - continued				
Special education instruction				
Salaries	\$ 1,713,256	\$ -	\$ -	\$ 1,713,256
Employee benefits	608,556	-	-	608,556
Purchased services	188,532	-	-	188,532
Supplies and materials	2,151	-	-	2,151
Total special education instruction	2,512,495	-	-	2,512,495
Instructional support services				
Salaries	273,860	-	-	273,860
Employee benefits	67,730	-	-	67,730
Purchased services	114,068	-	-	114,068
Supplies and materials	5,811	-	7,780	13,591
Total instructional support services	461,469	-	7,780	469,249
Pupil support services				
Salaries	145,687	10,981	-	156,668
Employee benefits	50,732	2,673	-	53,405
Purchased services	14,500	1,025,530	-	1,040,030
Supplies and materials	32,951	-	-	32,951
Total pupil support services	243,870	1,039,184	-	1,283,054
Sites, buildings and equipment				
Salaries	708,865	-	3,000	711,865
Employee benefits	217,147	-	381	217,528
Purchased services	406,645	-	302,848	709,493
Supplies and materials	294,698	-	-	294,698
Other	4,138	-	-	4,138
Total sites, buildings and equipment	1,631,493	-	306,229	1,937,722
Fiscal and other fixed cost programs				
Employee benefits	129,964	-	-	129,964
Purchased services	94,332	-	-	94,332
Total fiscal and other fixed cost programs	224,296	-	-	224,296
Total current expenditures	16,760,543	1,039,184	464,018	18,263,745

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
SCHEDULE OF THE COMPONENTS OF THE GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2015

	Components of the General Fund			Total General Fund
	General	Pupil Transportation	Capital Expenditure	
EXPENDITURES - CONTINUED				
Capital outlay				
Elementary and secondary regular instruction	\$ 231,777	\$ -	\$ 61,101	\$ 292,878
Instructional support services	-	-	3,566	3,566
Pupil support services	-	15,866	-	15,866
Sites, buildings and equipment	343,968	-	220,181	564,149
Total capital outlay	575,745	15,866	284,848	876,459
Debt service				
Principal	-	-	98,250	98,250
Interest and other	-	-	40,431	40,431
Total debt service	-	-	138,681	138,681
TOTAL EXPENDITURES	17,336,288	1,055,050	887,547	19,278,885
NET CHANGE IN FUND BALANCES	(541,270)	(214,057)	(85,581)	(840,908)
FUND BALANCES, JULY 1	4,622,708	398,850	158,876	5,180,434
FUND BALANCES, JUNE 30	\$ 4,081,438	\$ 184,793	\$ 73,295	\$ 4,339,526

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INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<b>STUDENT ACTIVITIES</b>				
<b>ASSETS</b>				
Cash and temporary investments	\$ 130,314	\$ 337,041	\$ 335,552	\$ 131,803
<b>LIABILITIES</b>				
Accounts payable	\$ 130,314	\$ 337,041	\$ 335,552	\$ 131,803
<b>SANBE/PATRIOTS</b>				
<b>ASSETS</b>				
Cash and temporary investments	\$ (1,884)	\$ 27,035	\$ 53,222	\$ (28,071)
Accounts receivable	15,584	41,165	15,584	41,165
<b>TOTAL ASSETS</b>	<u>\$ 13,700</u>	<u>\$ 68,200</u>	<u>\$ 68,806</u>	<u>\$ 13,094</u>
<b>LIABILITIES</b>				
Accounts payable	<u>\$ 13,700</u>	<u>\$ 78,323</u>	<u>\$ 78,929</u>	<u>\$ 13,094</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and temporary investments	\$ 128,430	\$ 364,076	\$ 388,774	\$ 103,732
Accounts receivable	15,584	41,165	15,584	41,165
<b>TOTAL ASSETS</b>	<u>\$ 144,014</u>	<u>\$ 405,241</u>	<u>\$ 404,358</u>	<u>\$ 144,897</u>
<b>LIABILITIES</b>				
Accounts payable	<u>\$ 144,014</u>	<u>\$ 415,364</u>	<u>\$ 414,481</u>	<u>\$ 144,897</u>

**Fiscal Compliance Report - 6/30/2015**  
**District: ST. ANTHONY-NEW BRIGHTON (282-1)**

	Audit	UFARS	Audit - UFARS		Audit	UFARS	Audit - UFARS
<b>01 GENERAL FUND</b>				<b>06 BUILDING CONSTRUCTION</b>			
Total Revenue	\$18,437,977	<u>\$18,437,975</u>	<u>\$2</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$19,278,885	<u>\$19,278,886</u>	<u>(\$1)</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Non Spendable:</i>				<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$69,164	<u>\$69,163</u>	<u>\$1</u>	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>				<i>Restricted / Reserved:</i>			
4.03 Staff Development	\$171,516	<u>\$171,514</u>	<u>\$2</u>	4.07 Capital Projects Levy	\$0	<u>\$0</u>	<u>\$0</u>
4.05 Deferred Maintenance	\$80,276	<u>\$80,276</u>	<u>\$0</u>	4.09 Alternative Facility Program	\$0	<u>\$0</u>	<u>\$0</u>
4.06 Health and Safety	(\$27,120)	<u>(\$27,120)</u>	<u>\$0</u>	4.13 Project Funded by COP	\$0	<u>\$0</u>	<u>\$0</u>
4.07 Capital Projects Levy	(\$229)	<u>(\$229)</u>	<u>\$0</u>	<i>Restricted:</i>			
4.08 Cooperative Revenue	\$0	<u>\$0</u>	<u>\$0</u>	4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.09 Alternative Facility Program	\$0	<u>\$0</u>	<u>\$0</u>	<i>Unassigned:</i>			
4.13 Project Funded by COP	\$0	<u>\$0</u>	<u>\$0</u>	4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.14 Operating Debt	\$0	<u>\$0</u>	<u>\$0</u>				
4.16 Levy Reduction	\$0	<u>\$0</u>	<u>\$0</u>	<b>07 DEBT SERVICE</b>			
4.17 Taconite Building Maint	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$1,923,708	<u>\$1,923,707</u>	<u>\$1</u>
4.23 Certain Teacher Programs	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$1,847,851	<u>\$1,847,851</u>	<u>\$0</u>
4.24 Operating Capital	\$8,811	<u>\$8,812</u>	<u>(\$1)</u>	<i>Non Spendable:</i>			
4.26 \$25 Taconite	\$0	<u>\$0</u>	<u>\$0</u>	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.27 Disabled Accessibility	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted / Reserved:</i>			
4.28 Learning & Development	\$0	<u>\$0</u>	<u>\$0</u>	4.25 Bond Refundings	\$0	<u>\$0</u>	<u>\$0</u>
4.34 Area Learning Center	\$0	<u>\$0</u>	<u>\$0</u>	4.51 QZAB Payments	\$0	<u>\$0</u>	<u>\$0</u>
4.35 Contracted Alt. Programs	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted:</i>			
4.36 State Approved Alt. Program	\$0	<u>\$0</u>	<u>\$0</u>	4.64 Restricted Fund Balance	\$9,328,966	<u>\$9,328,966</u>	<u>\$0</u>
4.38 Gifted & Talented	\$0	<u>\$0</u>	<u>\$0</u>	<i>Unassigned:</i>			
4.40 Teacher Development and	\$0	<u>\$0</u>	<u>\$0</u>	4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
Evaluation							
4.41 Basic Skills Programs	\$0	<u>\$0</u>	<u>\$0</u>	<b>08 TRUST</b>			
4.45 Career Tech Programs	\$4,518	<u>\$4,518</u>	<u>\$0</u>	Total Revenue	\$27,346	<u>\$27,346</u>	<u>\$0</u>
4.48 Achievement and Integration	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$94,113	<u>\$94,113</u>	<u>\$0</u>
4.49 Safe School Crime - Crime Levy	\$0	<u>\$0</u>	<u>\$0</u>	4.22 Unassigned Fund Balance (Net	\$2,006	<u>\$2,006</u>	<u>\$0</u>
4.50 Pre-Kindergarten	\$0	<u>\$0</u>	<u>\$0</u>	Assets)			
4.51 QZAB Payments	\$0	<u>\$0</u>	<u>\$0</u>				
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>	<b>20 INTERNAL SERVICE</b>			
4.53 Unfunded Sev & Retirement Levy	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$165,674	<u>\$165,673</u>	<u>\$1</u>
<i>Restricted:</i>				Total Expenditures	\$155,900	<u>\$155,900</u>	<u>\$0</u>
4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	4.22 Unassigned Fund Balance (Net	\$184,333	<u>\$184,333</u>	<u>\$0</u>
<i>Committed:</i>				Assets)			
4.18 Committed for Separation	\$0	<u>\$0</u>	<u>\$0</u>				
4.61 Committed Fund Balance	\$891,802	<u>\$891,802</u>	<u>\$0</u>	<b>25 OPEB REVOCABLE TRUST</b>			
<i>Assigned:</i>				Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.62 Assigned Fund Balance	\$1,929,681	<u>\$1,929,681</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Unassigned:</i>				4.22 Unassigned Fund Balance (Net	\$0	<u>\$0</u>	<u>\$0</u>
4.22 Unassigned Fund Balance	\$1,211,107	<u>\$1,211,106</u>	<u>\$1</u>	Assets)			
<b>02 FOOD SERVICES</b>				<b>45 OPEB IRREVOCABLE TRUST</b>			
Total Revenue	\$793,841	<u>\$793,839</u>	<u>\$2</u>	Total Revenue	\$12,965	<u>\$12,965</u>	<u>\$0</u>
Total Expenditures	\$800,433	<u>\$800,431</u>	<u>\$2</u>	Total Expenditures	\$250	<u>\$250</u>	<u>\$0</u>
				4.22 Unassigned Fund Balance (Net	\$1,205,476	<u>\$1,205,476</u>	<u>\$0</u>
				Assets)			

*Non Spendable:*

4.60 Non Spendable Fund Balance	\$13,644	<u>\$13,644</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>			
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted:</i>			
4.64 Restricted Fund Balance	\$43,479	<u>\$43,480</u>	<u>(\$1)</u>
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

**04 COMMUNITY SERVICE**

Total Revenue	\$1,175,904	<u>\$1,175,905</u>	<u>(\$1)</u>
Total Expenditures	\$1,213,892	<u>\$1,213,890</u>	<u>\$2</u>
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>			
4.26 \$25 Taconite	\$0	<u>\$0</u>	<u>\$0</u>
4.31 Community Education	\$294,174	<u>\$294,181</u>	<u>(\$7)</u>
4.32 E.C.F.E	(\$39,036)	<u>(\$39,039)</u>	<u>\$3</u>
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	<u>\$0</u>
4.44 School Readiness	\$2,440	<u>\$2,438</u>	<u>\$2</u>
4.47 Adult Basic Education	\$0	<u>\$0</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted:</i>			
4.64 Restricted Fund Balance	\$144,928	<u>\$144,926</u>	<u>\$2</u>
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

**47 OPEB DEBT SERVICE**

Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted:</i>			
4.25 Bond Refundings	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance	\$81,028	<u>\$81,028</u>	<u>\$0</u>
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

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***SECTION III***

***STATISTICAL SECTION (UNAUDITED)***

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2015



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## STATISTICAL SECTION (UNAUDITED)

This part of the Independent School District No. 282's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

### Financial Trends

*These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.*

### Revenue Capacity

*These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.*

### Debt Capacity

*These schedules present information to help the reader assess the affordability of the government's current levels of out-standing debt and the government's ability to issue additional debt in the future.*

### Demographic and Economic Information

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.*

### Operating Information

*These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.*

*Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.*

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
Governmental activities				
Net investment in capital assets	\$ 4,088,670	\$ 4,378,101	\$ 4,513,954	\$ 4,589,588
Restricted	350,014	741,392	720,622	209,303
Unrestricted	<u>(37,971)</u>	<u>633,277</u>	<u>2,030,905</u>	<u>1,796,267</u>
Total governmental activities net position	<u>\$ 4,400,713</u>	<u>\$ 5,752,770</u>	<u>\$ 7,265,481</u>	<u>\$ 6,595,158</u>

Note: GASB Statement No. 68 was implemented for the year ended June 30, 2015 and required a \$12,436,884 restatement of beginning net position. Prior year amounts have not been restated.

**Table 1**

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 1,530,016	\$ 5,816,631	\$ 5,777,232	\$ 5,715,753	\$ 5,767,883	\$ 6,023,235
1,778,443	1,043,561	1,038,354	1,017,339	894,274	854,085
5,555,200	3,772,438	5,166,504	5,672,350	5,370,274	(7,773,667)
<u>\$ 8,863,659</u>	<u>\$ 10,632,630</u>	<u>\$ 11,982,090</u>	<u>\$ 12,405,442</u>	<u>\$ 12,032,431</u>	<u>\$ (896,347)</u>

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
<b>Expenses</b>				
Governmental activities				
Administration	\$ 884,450	\$ 936,338	\$ 930,917	\$ 941,760
District support services	922,902	414,022	767,148	946,582
Elementary and secondary regular instruction	6,554,295	7,369,374	7,725,660	8,897,508
Vocational education instruction	7,668	5,098	4,526	5,803
Special education instruction	2,137,465	2,020,027	1,944,393	1,735,225
Community education and services	1,205,753	1,287,367	1,334,997	1,244,496
Instructional support services	666,012	598,428	573,502	538,547
Pupil support services	1,725,537	1,861,063	1,795,584	1,874,827
Sites and buildings	1,813,103	2,375,609	2,498,103	2,574,180
Fiscal and other fixed cost programs	-	-	-	-
Interest on long-term debt	271,330	467,194	249,949	962,008
Total expenses	16,188,515	17,334,520	17,824,779	19,720,936
<b>Program revenues</b>				
Governmental activities				
Charges for services				
Administration	128	-	-	-
Elementary and secondary regular instruction	125,936	146,799	129,723	120,578
Special education instruction	194,459	83,220	-	-
Community education and services	967,283	981,177	964,693	983,507
Pupil support services	489,813	509,226	527,174	518,215
Operating grants and contributions	2,233,545	2,304,705	2,628,183	1,824,266
Capital grants and contributions	419,422	426,807	294,652	304,093
Total program revenues	4,430,586	4,451,934	4,544,425	3,750,659
<b>Net (expense) revenues</b>	(11,757,929)	(12,882,586)	(13,280,354)	(15,970,277)
<b>General revenues</b>				
Governmental activities				
Taxes				
Property taxes, levied for general purpose	569,937	2,019,092	2,101,563	2,170,959
Property taxes, levied for capital expenditures	1,008,237	1,395,846	965,136	1,188,455
Property taxes, levied for community service	80,248	158,099	160,300	164,427
Property taxes, levied for debt service	355,748	353,689	517,066	469,115
State aids	10,114,583	9,862,959	10,760,986	10,746,730
Unrestricted investment earnings	69,657	372,748	240,104	450,824
Other general revenues	70,660	72,210	47,910	109,444
Total general revenues	12,269,070	14,234,643	14,793,065	15,299,954
<b>Change in net position</b>	\$ 511,141	\$ 1,352,057	\$ 1,512,711	\$ (670,323)

Table 2

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 1,258,877	\$ 1,223,408	\$ 1,257,551	\$ 1,287,137	\$ 1,375,229	\$ 1,380,391
729,722	820,127	762,003	758,359	788,130	778,876
8,288,796	8,724,192	8,775,775	9,125,708	9,486,466	9,917,023
2,286	2,738	3,777	2,645	2,837	702
1,919,091	2,147,300	2,331,619	2,089,180	2,312,860	2,475,714
1,013,168	1,012,093	1,121,039	1,177,718	1,336,824	1,155,325
466,189	439,257	406,820	440,687	462,134	469,728
1,609,063	1,859,480	1,890,103	1,858,091	1,876,761	2,125,726
2,594,464	2,543,022	3,036,545	3,212,203	3,114,486	3,243,362
-	-	201,870	271,847	266,543	260,075
1,229,706	1,178,071	1,135,504	1,078,321	1,044,530	1,068,678
19,111,362	19,949,688	20,922,606	21,301,896	22,066,800	22,875,600
-	-	-	-	-	-
123,852	164,789	152,831	157,330	147,753	147,547
-	-	-	-	-	-
895,391	901,876	983,135	965,839	1,097,832	987,408
540,354	547,749	538,833	545,302	490,848	489,855
3,594,848	2,545,862	2,959,355	2,426,443	3,383,510	3,286,278
569,247	249,132	392,404	400,788	-	-
5,723,692	4,409,408	5,026,558	4,495,702	5,119,943	4,911,088
(13,387,670)	(15,540,280)	(15,896,048)	(16,806,194)	(16,946,857)	(17,964,512)
2,384,533	4,011,380	2,701,579	2,745,195	1,644,007	3,283,768
1,102,115	1,055,425	650,561	547,460	514,673	426,442
181,715	261,835	170,962	170,213	88,960	89,022
1,560,730	1,676,317	2,236,433	2,395,281	2,162,109	1,920,350
10,270,158	10,052,957	11,421,277	11,447,835	12,090,843	11,644,353
53,542	220,817	57,950	55,004	54,838	94,990
103,378	30,520	6,746	10,169	18,416	13,693
15,656,171	17,309,251	17,245,508	17,371,157	16,573,846	17,472,618
\$ 2,268,501	\$ 1,768,971	\$ 1,349,460	\$ 564,963	\$ (373,011)	\$ (491,894)

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
General fund				
Reserved	\$ 175,455	\$ 626,613	\$ 676,073	\$ 262,068
Unreserved	407,201	987,926	2,142,736	3,026,857
Total General fund	<u>\$ 582,656</u>	<u>\$ 1,614,539</u>	<u>\$ 2,818,809</u>	<u>\$ 3,288,925</u>
All other governmental funds				
Reserved	\$ 209,789	\$ 658,322	\$ 80,217	\$ 3,878,701
Unreserved, reported in				
Special revenue funds	166,813	169,136	249,369	198,923
Capital project funds	-	-	-	11,680,927
Total all other governmental funds	<u>\$ 376,602</u>	<u>\$ 827,458</u>	<u>\$ 329,586</u>	<u>\$ 15,758,551</u>
General fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All other governmental funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: GASB 54 was implemented prospectively beginning in fiscal year 2011.

Table 3

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 408,826	\$ -	\$ -	\$ -	\$ -	\$ -
3,781,535	-	-	-	-	-
<u>\$ 4,190,361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,604,660	\$ -	\$ -	\$ -	\$ -	\$ -
234,932	-	-	-	-	-
2,580,877	-	-	-	-	-
<u>\$ 4,420,469</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 14,858	\$ 1,721	\$ 640	\$ 42,415	\$ 69,164
-	569,391	460,677	400,736	272,743	265,121
-	1,850,000	1,820,568	1,702,198	1,466,969	891,802
-	1,323,782	1,782,335	1,865,280	1,936,933	1,929,681
-	1,471,169	1,783,648	1,912,630	1,461,374	1,183,758
<u>\$ -</u>	<u>\$ 5,229,200</u>	<u>\$ 5,848,949</u>	<u>\$ 5,881,484</u>	<u>\$ 5,180,434</u>	<u>\$ 4,339,526</u>
\$ -	\$ 11,354	\$ 11,254	\$ 18,320	\$ 11,470	\$ 13,644
-	708,462	886,321	989,556	999,097	9,855,979
-	-	-	-	(22,221)	-
<u>\$ -</u>	<u>\$ 719,816</u>	<u>\$ 897,575</u>	<u>\$ 1,007,876</u>	<u>\$ 988,346</u>	<u>\$ 9,869,623</u>



INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
Revenues				
Local property tax levies	\$ 2,064,056	\$ 3,976,376	\$ 3,790,710	\$ 3,859,510
Other local and county revenue				
Interest on investments	69,484	370,473	237,468	449,655
Other	1,615,874	1,431,018	1,335,759	1,231,718
Revenue from state sources	11,966,792	11,814,767	12,905,601	12,429,558
Revenue from federal sources	490,409	579,674	527,837	536,103
Sales and other conversion of assets	489,092	517,774	526,699	516,620
Total revenues	16,695,707	18,690,082	19,324,074	19,023,164
Expenditures				
Administration	902,884	929,082	951,384	969,102
District support services	937,450	561,152	767,148	946,582
Elementary and secondary regular instruction	6,595,740	7,397,599	7,828,402	9,059,980
Vocational education instruction	7,668	5,098	4,526	5,803
Special education instruction	2,137,465	2,022,320	1,954,805	1,735,225
Community education and services	1,201,855	1,283,469	1,344,686	1,245,837
Instructional support services	666,012	598,428	573,502	538,547
Pupil support services	1,710,075	1,838,413	1,774,046	1,853,289
Sites, buildings and equipment	1,727,405	4,185,375	2,672,897	8,673,010
Fiscal and other fixed cost programs	77,987	140,398	136,751	145,758
Debt service				
Principal	223,000	252,385	412,073	441,087
Interest and other	212,049	200,900	197,456	639,863
Total expenditures	16,399,590	19,414,619	18,617,676	26,254,083
Excess (deficiency) of revenues over (under) expenditures	296,117	(724,537)	706,398	(7,230,919)
Other financing sources				
Proceeds of bonds issued	-	725,000	-	23,130,000
Proceeds of refunding bonds issued	-	-	-	-
Proceeds of capital leases issued	-	1,500,000	-	-
Total other financing sources	-	2,225,000	-	23,130,000
Net change in fund balances	\$ 296,117	\$ 1,500,463	\$ 706,398	\$ 15,899,081
Debt service as a percentage of Noncapital expenditures	2.8%	2.6%	3.4%	4.3%

Table 4

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 5,112,918	\$ 6,817,037	\$ 5,596,426	\$ 5,753,307	\$ 4,282,630	\$ 5,588,795
53,278	29,995	6,510	9,887	18,049	13,452
1,514,166	1,341,594	1,382,370	1,353,069	1,352,783	1,254,022
12,296,870	11,829,903	13,991,895	13,449,084	14,892,302	14,294,180
1,900,778	1,094,642	739,086	759,362	654,870	692,647
536,845	546,885	538,306	544,385	490,056	488,334
21,414,855	21,660,056	22,254,593	21,869,094	21,690,690	22,331,430
1,280,386	1,255,103	1,284,362	1,324,419	1,414,371	1,309,798
729,722	820,127	762,003	758,359	788,130	782,201
9,132,591	8,794,169	9,004,572	9,229,881	9,468,588	10,037,107
2,286	2,738	3,777	2,645	2,837	701
1,919,091	2,147,300	2,331,619	2,089,180	2,312,860	2,512,495
1,013,168	1,012,093	1,121,039	1,177,718	1,336,824	1,158,802
466,189	439,257	406,820	440,687	462,134	472,815
1,608,434	1,798,917	1,875,938	1,838,287	1,862,596	2,118,664
13,932,024	6,175,075	2,080,258	2,165,697	2,246,180	2,501,871
146,881	142,958	201,870	271,847	266,543	260,075
472,643	625,000	1,250,659	1,334,666	1,203,860	1,023,250
1,148,086	1,109,133	1,134,168	1,092,872	1,046,347	963,282
31,851,501	24,321,870	21,457,085	21,726,258	22,411,270	23,141,061
(10,436,646)	(2,661,814)	797,508	142,836	(720,580)	(809,631)
-	-	-	-	-	-
-	-	-	-	-	8,850,000
-	-	-	-	-	-
-	-	-	-	-	8,850,000
\$ (10,436,646)	\$ (2,661,814)	\$ 797,508	\$ 142,836	\$ (720,580)	\$ 8,040,369
5.4%	7.3%	11.3%	11.4%	10.3%	8.9%

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
TAX CAPACITY, MARKET VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(Shown by year of tax collectability)

	2006	2007	2008	2009
Taxable market value				
Hennepin County				
Personal property	\$ 2,399,500	\$ 2,607,300	\$ 2,426,800	\$ 2,575,600
Real estate	516,198,900	564,932,900	583,205,800	556,537,200
Ramsey County				
Personal property	N/A (1)	N/A (1)	N/A (1)	3,409,400
Real estate	345,156,000	411,212,100	454,393,800	443,201,300
Total taxable market value	<u>\$ 863,754,400</u>	<u>\$ 978,752,300</u>	<u>\$ 1,040,026,400</u>	<u>\$ 1,005,723,500</u>
Estimated actual value of taxable property				
Hennepin County	\$ 540,619,000	\$ 571,849,900	\$ 586,859,900	\$ 561,176,600
Ramsey County	358,226,800	421,264,600	457,388,500	448,278,300
Total estimated market value	<u>\$ 898,845,800</u>	<u>\$ 993,114,500</u>	<u>\$ 1,044,248,400</u>	<u>\$ 1,009,454,900</u>
Taxable market value as a percentage of estimated actual value	<u>96.10 %</u>	<u>98.55 %</u>	<u>99.60 %</u>	<u>99.63 %</u>
Net tax capacity				
Hennepin County				
Personal property	\$ 47,697	\$ 51,016	\$ 47,371	\$ 50,335
Real estate	5,591,381	6,166,410	6,384,219	6,112,052
Ramsey County				
Personal property	69,020	72,230	68,870	67,438
Real estate	4,222,106	5,063,122	5,582,482	5,503,478
Subtotal	9,930,204	11,352,778	12,082,942	11,733,303
Adjustments (2)	(223,992)	(794,413)	(1,124,516)	(1,007,818)
Adjusted taxable net tax capacity	<u>\$ 9,706,212</u>	<u>\$ 10,558,365</u>	<u>\$ 10,958,426</u>	<u>\$ 10,725,485</u>
Tax levies				
General	\$ 3,585,912	\$ 3,332,358	\$ 3,436,078	\$ 3,622,954
Community service	162,611	170,021	172,924	189,287
Debt service - general	363,298	522,048	486,299	1,625,539
Debt service - OPEB	-	-	-	-
Total	<u>\$ 4,111,821</u>	<u>\$ 4,024,427</u>	<u>\$ 4,095,301</u>	<u>\$ 5,437,780</u>

Source: Hennepin & Ramsey County Auditor/Treasurer Departments

(1) Ramsey County was not able to provide the breakdown of taxable market value between personal and real estate properties for the years 2006-2008. The number presented as real estate is the total taxable market value for each respective year.

(2) Adjustments to the net tax capacity are for contributions to fiscal disparities pools, tax increment financing districts and receipts from fiscal disparities pools.

Table 5

2010	2011	2012	2013	2014	2015
\$ 2,424,200 530,894,500	\$ 2,661,600 498,475,600	\$ 2,717,500 460,140,293	\$ 3,067,000 427,973,057	\$ 2,848,900 457,090,130	\$ 2,925,100 458,590,506
3,426,200 417,840,200	3,721,300 394,395,600	3,930,800 353,600,000	4,258,600 336,793,000	4,271,500 330,939,100	4,625,500 354,739,500
<u>\$ 954,585,100</u>	<u>\$ 899,254,100</u>	<u>\$ 820,388,593</u>	<u>\$ 772,091,657</u>	<u>\$ 795,149,630</u>	<u>\$ 820,880,606</u>
\$ 534,972,400 422,489,600	\$ 502,696,400 399,516,900	\$ 496,202,800 380,640,600	\$ 466,252,500 364,510,100	\$ 464,733,400 358,643,800	\$ 494,630,600 381,544,300
<u>\$ 957,462,000</u>	<u>\$ 902,213,300</u>	<u>\$ 876,843,400</u>	<u>\$ 830,762,600</u>	<u>\$ 823,377,200</u>	<u>\$ 876,174,900</u>
<u>99.70 %</u>	<u>99.67 %</u>	<u>93.56 %</u>	<u>92.94 %</u>	<u>96.57 %</u>	<u>93.69 %</u>
\$ 47,294 5,849,048	\$ 52,025 5,488,478	\$ 53,130 5,099,620	\$ 60,125 4,733,416	\$ 55,748 4,742,214	\$ 57,257 5,075,416
67,774 5,183,673	73,676 4,885,657	77,617 4,530,951	84,182 4,262,392	84,443 4,197,139	91,010 4,537,381
11,147,789 (848,189)	10,499,836 (674,339)	9,761,318 (726,078)	9,140,115 (603,640)	9,079,544 (583,554)	9,761,064 (436,197)
<u>\$ 10,299,600</u>	<u>\$ 9,825,497</u>	<u>\$ 9,035,240</u>	<u>\$ 8,536,475</u>	<u>\$ 8,495,990</u>	<u>\$ 9,324,867</u>
\$ 3,648,126 185,533 1,773,135 -	\$ 3,377,558 182,181 1,807,558 525,090	\$ 3,037,715 174,886 1,884,890 522,895	\$ 3,324,255 173,074 1,874,676 287,433	\$ 3,566,001 89,022 1,920,350 -	\$ 4,170,557 168,423 1,832,144 -
<u>\$ 5,606,794</u>	<u>\$ 5,892,387</u>	<u>\$ 5,620,386</u>	<u>\$ 5,659,438</u>	<u>\$ 5,575,373</u>	<u>\$ 6,171,124</u>

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
PROPERTY TAX CAPACITY RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
(PER \$1,000 OF TAX CAPACITY)

**Table 6**

Year Taxes Payable	Independent School District No. 282		Overlapping Rates - Hennepin County					
	Tax Capacity Rate	Market Value Rate	Hennepin County	City of St. Anthony Village	Metro Taxing Districts	Special Taxing Districts	Watershed District 5	Watershed District 6
2006	21.784 %	21.436 %	41.016 %	46.583 %	2.924 %	4.074 %	1.794 %	2.407 %
2007	18.583	18.231	39.110	46.418	2.671	4.639	1.315	2.211
2008	19.733	16.393	38.571	46.902	2.562	4.835	1.608	2.029
2009	32.038	19.159	40.413	51.611	2.579	4.575	1.545	2.143
2010	32.717	20.168	42.640	55.661	2.620	5.518	1.511	1.938
2011	36.478	22.658	45.840	59.885	2.949	6.223	1.543	2.351
2012	38.315	21.367	48.231	68.854	3.084	6.439	2.297	2.471
2013	38.872	24.789	49.461	75.461	3.242	6.847	2.360	2.411
2014	33.093	28.672	49.959	77.161	3.335	7.226	2.371	2.430
2015	29.953	32.234	46.398	72.931	3.006	6.779	2.105	2.191

Year Taxes Payable	Independent School District No. 282		Overlapping Rates - Ramsey County				
	Tax Capacity Rate	Market Value Rate	Ramsey County	City of New Brighton	Metro Taxing Districts	Special Taxing Districts	Rice Creek Watershed District
2006	21.784 %	21.436 %	43.554 %	34.139 %	3.014 %	2.453 %	1.794 %
2007	18.583	18.231	41.967	33.017	2.675	3.956	1.315
2008	19.733	16.393	41.158	32.781	2.530	3.454	1.608
2009	32.038	19.159	43.171	33.880	2.571	3.521	1.545
2010	32.717	20.168	46.598	35.586	2.741	3.700	1.511
2011	36.478	22.658	50.801	35.586	2.816	3.921	1.618
2012	38.315	21.367	56.944	41.416	3.277	4.330	2.348
2013	38.872	24.789	60.638	41.968	3.349	4.528	2.322
2014	33.093	28.672	59.105	38.354	3.283	4.196	2.346
2015	29.953	32.234	54.462	36.193	3.035	3.938	2.206

Source: Hennepin & Ramsey County Auditor/Treasurer Departments

Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners (e.g. the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
PRINCIPAL TAXPAYERS  
CURRENT AND NINE YEARS AGO

**Table 7**

Taxpayer	2015			2006		
	Tax Capacity	Rank	Percent of Net Tax Capacity	Tax Capacity	Rank	Percent of Net Tax Capacity
Inland Silver Lake Village LLC	\$ 720,460	1	7.73 %	\$ -	-	- %
St. Anthony Leased Housing Association	383,167	2	4.11	-	-	-
Autumn Woods Partners	206,475	3	2.21	205,800	2	2.10
Equinox Properties, LLC	189,060	4	2.03	199,500	3	2.03
St. Anthony Shopping Center	128,730	5	1.38	607,470	1	6.19
Northern States Power Company	127,010	6	1.36	-	-	-
Individual	108,156	7	1.16	113,232	5	1.15
Chandler Place LP/Glaser Financial Group	109,295	8	1.17	79,931	7	0.81
Windsor South Apartments	95,031	9	1.02	87,750	6	0.89
Landau Pleasenet LLC & CO	82,706	10	0.89	-	-	-
Northern Gopher Enterprises	-	-	-	120,000	4	1.22
St. Anthony Nursing Home LP	-	-	-	74,165	8	0.76
Xcel Energy	-	-	-	66,668	9	0.68
Hermana Properties	-	-	-	59,250	10	0.60
Totals	<u>\$ 2,150,090</u>		<u>23.06 %</u>	<u>\$ 1,613,766</u>		<u>16.44 %</u>

Source: Hennepin & Ramsey County Auditor/Treasurer Departments and Northland Securities, Inc.

INDEPENDENT SCHOOL DISTRICT NO. 282  
STATISTICAL SECTION (UNAUDITED)  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

**Table 8**

Fiscal Year	(1) Total Levy	Collection of Current Year's Levy	Percentage of Levy Collected	Collection in Subsequent Years	Total Collections	Percent of Total Collections to Levy
2006	\$ 4,111,821	\$ 4,070,945	99.01 %	\$ 40,876	\$ 4,111,821	100.00 %
2007	4,024,427	3,982,423	98.96	42,004	4,024,427	100.00
2008	4,095,301	4,024,489	98.27	65,792	4,090,281	99.88
2009	5,437,780	5,349,338	98.37	88,442	5,437,780	100.00
2010	5,606,794	5,528,837	98.61	76,016	5,604,853	99.97
2011	5,892,387	5,834,156	99.01	49,422	5,883,578	99.85
2012	5,620,386	5,542,109	98.61	62,713	5,604,822	99.72
2013	5,659,438	5,577,964	98.56	56,884	5,634,848	99.57
2014	5,575,373	5,524,004	99.08	-	5,524,004	99.08
2015	6,171,124	2,924,462	47.39	-	2,924,462	47.39

Source: Hennepin & Ramsey County Auditor/Treasurer Departments

(1) Only a portion of the calendar year 2015 taxes are collectible as of June 30, 2015.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

**Table 9**

Fiscal Year	General Obligation Bonds	Capital Leases	Total	Percentage of Personal Income	Per Capita
2006	\$ 3,000,000	\$ -	\$ 3,000,000	3.67 %	\$ 98
2007	3,475,000	1,500,000	4,975,000	5.82	161
2008	3,065,000	1,431,317	4,496,317	5.12	145
2009	25,775,000	1,356,635	27,131,635	31.95	880
2010	25,305,000	1,278,460	26,583,460	30.80	896
2011	24,680,000	1,196,628	25,876,628	29.11	867
2012	23,515,000	1,110,969	24,625,969	26.89	810
2013	22,270,000	1,021,303	23,291,303	23.98	760
2014	21,160,000	927,443	22,087,443	22.74	717
2015	29,085,000	829,193	29,914,193	29.90	967

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.  
See the Demographic and Economic Statistics table on page 126 for personal income and population data.



INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

**Table 10**

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service Funds	Net Bonded Debt	Percentage of Estimated Actual Value of Taxable Property	Per Capita
2006	\$ 3,000,000	\$ 125,482	\$ 2,874,518	0.32 %	\$ 94
2007	3,475,000	154,617	3,320,383	0.33	107
2008	3,065,000	166,647	2,898,353	0.28	94
2009	25,775,000	130,239	25,644,761	2.54	832
2010	25,305,000	195,608	25,109,392	2.62	846
2011	24,680,000	243,613	24,436,387	2.71	819
2012	23,515,000	286,543	23,228,457	2.65	764
2013	22,270,000	363,579	21,906,421	2.64	715
2014	21,160,000	403,109	20,756,891	2.52	674
2015	29,085,000	9,409,994	19,675,006	2.25	636

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

See the Demographic and Economic Statistics table on page 126 for personal income and population data.

See the Tax Capacity, Market Value and Estimated Actual Value of Taxable Property table on page 116 for property value data.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2015

**Table 11**

	Gross Bonded Debt Used For Net Debt Calculation	Percentage Applicable to District	Amount of Net Debt Applicable to District
Direct Debt			
Independent School District No. 282	\$ 29,085,000	100.00 %	\$ 29,085,000
Overlapping Debt			
Hennepin County	1,118,210,000	5.56	62,116,566
Ramsey County	185,362,000	0.75	1,382,509
City of St. Anthony Village	25,785,000	19.91	5,133,794
City of New Brighton	3,785,000	6.72	254,533
Hennepin Suburban Park District	66,945,000	1.24	832,796
Hennepin Regional Railroad Authority	36,205,000	0.19	70,238
Metropolitan Council	1,724,004,856	0.19	3,344,569
Metropolitan Airports Commission	2,840,000	0.11	3,165
Total Overlapping Debt	<u>\$ 3,163,136,856</u>	<u>0.02 %</u>	<u>\$ 73,138,169</u>
Total Direct and Overlapping Debt	<u>\$ 3,192,221,856</u>	<u>0.03 %</u>	<u>\$ 102,223,169</u>

Source: Hennepin & Ramsey County Auditor/Treasurer Departments

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognized that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

	Fiscal Year			
	2006	2007	2008	2009
Debt limit	\$ 134,826,870	\$ 148,967,175	\$ 156,637,260	\$ 151,418,235
Total net debt applicable to limit	<u>2,874,518</u>	<u>3,320,383</u>	<u>2,898,353</u>	<u>25,644,761</u>
Legal debt margin	<u>\$ 131,952,352</u>	<u>\$ 145,646,792</u>	<u>\$ 153,738,907</u>	<u>\$ 125,773,474</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>2.1%</u>	<u>2.2%</u>	<u>1.9%</u>	<u>16.9%</u>

Note: Under State law, the District's net general obligation debt should not exceed 15 percent of the market value of taxable property.

Table 12

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 143,619,300	\$ 135,331,995	\$ 131,526,510	\$ 124,614,390	\$ 123,506,580	\$ 131,426,235
25,109,392	24,436,387	23,228,457	21,906,421	20,756,891	19,756,034
<u>\$ 118,509,908</u>	<u>\$ 110,895,608</u>	<u>\$ 108,298,053</u>	<u>\$ 102,707,969</u>	<u>\$ 102,749,689</u>	<u>\$ 111,670,201</u>
<u>17.5%</u>	<u>18.1%</u>	<u>17.7%</u>	<u>17.6%</u>	<u>16.8%</u>	<u>15.0%</u>

## Legal Debt Margin Calculation for Fiscal Year 2015

Taxable market value	<u>\$ 876,174,900</u>
Debt limit (15% of market value)	\$ 131,426,235
Debt applicable to limit	
General obligation bonds	29,085,000
Less: amount available in debt service funds	<u>(9,328,966)</u>
Total net debt applicable to limit	<u>19,756,034</u>
Legal debt margin	<u>\$ 111,670,201</u>

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

**Table 13**

Fiscal Year	City of New Brighton - Ramsey County				City of St. Anthony Village - Hennepin County			
	Population (1)	Per Capita Personal Income (2)	Total Personal Income (3)	Unemployment Rate (4)	Population (1)	Per Capita Personal Income (2)	Total Personal Income (3)	Unemployment Rate (4)
2006	\$ 22,325	\$ 44,360	\$ 21,537,838	4.0 %	8,361	\$ 53,593	\$ 60,310,574	3.6 %
2007	22,391	44,833	22,390,026	4.4	8,500	55,641	63,095,686	4.1
2008	22,511	45,784	23,013,542	5.2	8,437	56,619	64,764,391	4.9
2009	22,321	44,381	22,468,975	7.9	8,514	54,008	62,444,143	7.6
2010	21,456	44,962	22,897,395	7.3	8,226	54,949	63,414,896	6.9
2011	21,496	46,311	23,584,317	5.5	8,333	56,597	65,317,343	5.2
2012	21,996	47,700	24,291,846	6.4	8,417	58,295	67,276,863	5.8
2013	22,123	50,605	25,771,220	5.5	8,516	61,846	71,374,024	5.1
2014	22,234	50,605	25,771,220	4.8	8,559	61,846	71,374,024	4.5
2015	22,345	52,123	26,544,356	3.0	8,602	63,701	73,515,245	3.3

Data Sources:

- (1) Minnesota Office of the State Demographer (2006-2014); Estimated (2015)
- (2) US Department of Commerce - Bureau of Economic Analysis (2006-2011); Estimated (2012-2015)
- (3) US Department of Commerce - Bureau of Economic Analysis (2006-2011); Estimated (2012-2015)
- (4) United States Department of Labor - Bureau of Labor Statistics

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO (1)

**Table 14**

Employer	2015			2012		
	(1) Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Medtox Laboratory, Inc.	600	1	19.95 %	658	1	21.77 %
Donatelle Plastics, Inc.	400	2	13.30	450	2	14.89
City of New Brighton	300	3	9.98	300	3	9.92
St. Anthony Health Center/Chandler Place	300	4	9.98	225	9	7.44
Independent School District No. 282	273	5	9.08	242	5	8.01
Johnson Screens, Inc.	270	6	8.98	241	6	7.97
Pentair	250	7	8.31	242	4	8.01
Benedictine Health Center	226	8	7.52	192	10	6.35
Mission Foods Corporation	218	9	7.25	233	8	7.71
Cub Foods	170	10	6	-		-
Wal - Mart	-		-	240	7	7.94
Total	<u>3,007</u>		<u>100.00 %</u>	<u>3,023</u>		<u>100.00 %</u>

Source: Northland Securities, Inc.

(1) Principal Employer information for fiscal year 2006 was not available. Therefore the next available fiscal year of information was used, which was year 2012.

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INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
FULL-TIME EQUIVALENT EMPLOYEES  
LAST TEN FISCAL YEARS (1)

Table 15

Function	2008	2009	2010	2011	2012	2013	2014	2015
<b>TRA Eligible (Licensed)</b>								
District wide								
Administrators	2.07	2.13	2.13	3.00	2.50	3.00	3.00	3.00
Support services	0.40	0.60	-	1.00	1.00	1.17	1.00	1.00
Others	2.17	0.90	0.83	0.90	0.77	3.13	2.16	3.00
Teachers	0.77	0.53	0.93	0.83	1.00	0.96	0.96	1.00
Senior High School								
Administrators	1.80	1.70	2.80	2.80	2.80	2.80	2.80	3.00
Support services	1.97	1.73	1.33	1.06	0.83	0.86	0.86	3.00
Others	1.04	1.07	0.97	1.64	1.17	0.40	0.00	0.00
Teachers	32.24	32.72	34.28	34.04	33.85	34.40	37.54	42.00
Middle School								
Administrators	2.00	2.00	2.00	2.00	0.97	2.00	2.00	2.00
Support services	0.77	1.23	1.13	0.53	0.83	1.03	1.03	1.00
Others	0.87	0.87	0.87	1.37	0.80	0.00	0.00	0.00
Teachers	24.99	25.74	25.90	27.57	26.26	25.31	29.37	33.00
Wilshire Park Elementary								
Administrators	1.00	1.17	1.80	1.20	3.00	3.00	3.00	1.00
Support services	4.47	4.03	4.13	4.10	4.33	2.93	2.93	2.00
Others	0.84	1.30	0.37	2.17	1.20	0.00	0.00	0.00
Teachers	37.24	37.91	38.87	41.30	41.38	40.82	39.19	50.00
<b>PERA Eligible</b>								
District wide	25.76	22.67	22.77	19.29	19.69	19.97	27.23	7.00
Senior High School	13.14	14.49	13.96	15.19	15.07	15.12	18.24	57.00
Middle School	15.44	15.64	15.99	17.97	18.15	20.06	8.97	11.00
Wilshire Park Elementary	19.52	18.53	18.03	19.84	19.97	18.94	16.23	29.00
<b>Total</b>	<b>188.50</b>	<b>186.96</b>	<b>189.09</b>	<b>197.80</b>	<b>195.57</b>	<b>195.90</b>	<b>196.51</b>	<b>249.00</b>
<b>Staff Education</b>								
Bachelors degree	46.64	46.70	48.08	47.46	51.98	41.99	40.49	37.77
Masters degree	66.15	64.09	62.70	68.57	66.14	73.44	74.59	76.23
Doctorate degree	-	-	-	1.00	1.00	-	-	1.80
<b>Total</b>	<b>112.79</b>	<b>110.79</b>	<b>110.78</b>	<b>117.03</b>	<b>119.12</b>	<b>115.43</b>	<b>115.08</b>	<b>115.80</b>

Source: Independent School District No. 282

(1) Information not available prior to 2008. This table will be updated on a go-forward basis.



INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
OPERATING INDICATORS  
LAST TEN FISCAL YEARS

Function	2006	2007	2008	2009
<b>Student information</b>				
Actual enrollment				
Senior High School	634	626	645	639
Middle School	404	406	404	405
Wilshire Park Elementary	664	673	687	676
Open enrolled students	749	773	776	867
Special education students	142	159	157	134
Average daily membership (used by DOE)	1,697.78	1,722.19	1,715.39	1,693.36
High school graduates	109	128	140	132
Gender and ethnicity information				
Male students	52%	51%	52%	51%
Female students	48%	49%	48%	49%
Non-white students	19%	19%	19%	20%
<b>Food service information</b>				
Site information				
Serving breakfast	2	2	2	2
Serving lunch	3	3	3	3
Number of days serving students	N/A	N/A	174	172
Lunches served				
Free	N/A	N/A	23,277	26,175
Reduced	N/A	N/A	12,024	13,615
Paid in full	N/A	N/A	129,268	128,389
Adults	N/A	N/A	2,325	4,396
Breakfasts served				
Free	N/A	N/A	3,363	3,040
Reduced	N/A	N/A	1,860	2,030
Paid in full	N/A	N/A	1,851	1,979

Source: Independent School District No. 282

Note: Some information is not available for every fiscal year. This table will be updated on a go-forward basis.

Table 16

2010	2011	2012	2013	2014	2015
675	686	674	665	658	292
423	415	411	413	416	246
695	706	688	656	636	586
841	821	718	721	688	667
151	N/A	167	165	157	157
1,775.25	1,795.67	1,756.00	1,729.00	1,703.00	1,791.00
132	139	160	160	156	150
52%	N/A	51%	53%	49%	49%
48%	N/A	49%	47%	51%	51%
22%	N/A	23%	20%	27%	28%
2	2	2	2	3	3
3	3	3	3	3	3
173	173	174	174	174	174
30,263	32,203	35,284	38,272	37,951	40,649
19,477	19,575	18,686	12,435	12,760	15,929
134,293	131,523	125,806	121,385	111,735	111,667
4,419	4,270	4,496	4,189	4,976	5,120
4,917	5,999	5,662	5,288	5,304	13,808
3,680	4,467	3,539	2,102	1,864	5,445
2,842	3,658	3,871	2,810	2,441	16,926

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
CAPITAL ASSET STATISTICS  
LAST TEN FISCAL YEARS (1)

**Table 17**

Classifications	2011	2012	2013	2014	2015
<b>Buildings</b>					
Wilshire Park Elementary					
Original construction	1967	1967	1967	1967	1967
Square feet	65,906	65,906	65,906	65,906	65,906
Classrooms	23	23	23	23	23
Building addition	1996	1996	1996	1996	1996
Additional square feet	16,670	16,670	16,670	16,670	16,670
Additional classrooms	4	4	4	4	4
Computer lab addition	2009	2009	2009	2009	2009
Additional square feet	1,600	1,600	1,600	1,600	1,600
Senior High School / Middle School					
Original construction	1960	1960	1960	1960	1960
Square feet	202,285	202,285	202,285	202,285	202,285
Classrooms	55	55	55	55	55
Media center addition	1996	1996	1996	1996	1996
Additional square feet	4,400	4,400	4,400	4,400	4,400
Commons addition	2010	2010	2010	2010	210
Additional square feet	8,700	8,700	8,700	8,700	8,700
<b>Equipment</b>					
Computers	800	800	800	810	820
Interwrite boards	99	99	99	99	99
Ipads	7	26	76	86	106

Source: Independent School District No. 282

(1) Information not available prior to 2011. This table will be updated on a go-forward basis.

**OTHER REPORTS**

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2015

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## INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

Members of the Board of Education  
Independent School District No. 282  
St. Anthony, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Independent School District No. 282 (the District), St. Anthony, Minnesota as of and for the year ended June 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated October 29, 2015.

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

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

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

ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
October 29, 2015

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

Members of the Board of Education  
Independent School District No. 282  
St. Anthony, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Independent School District No. 282 (the District), St. Anthony, Minnesota, 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 and have issued our report thereon dated October 29, 2015.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings, Responses and Questioned Costs as item 2015-001 that we consider to be a significant deficiency.

**Compliance and Other Matters**

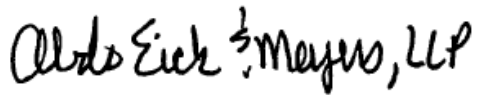
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

### **The District's Response to Finding**

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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



ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
October 29, 2015



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**STUDENT ACTIVITY ACCOUNTS**

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2015

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Education, Advisors and Students  
Independent School District No. 282  
St. Anthony, Minnesota

### Report on the Financial Statements

We have audited the accompanying statement of changes in assets and liabilities of the student activity accounts of the Independent School District No. 282 (the District), St. Anthony, Minnesota, as of and for the year ended June 30, 2015.

### Management's Responsibilities 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 this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement.

An audit also includes assessing the accounting principles used as well as evaluating the overall financial statement presentation.

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

### Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the changes in assets and liabilities of the District's student activity accounts for the year ended June 30, 2015, and the balances at that date in conformity with accounting principles generally accepted in the United States of America.

ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
October 29, 2015

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
STUDENT ACTIVITY ACCOUNTS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<b>ASSETS</b>				
Cash and temporary investments				
Senior high school				
Baseball	\$ 5,277	\$ 1,143	\$ 1,011	\$ 5,409
Basketball - Girls	1,078	-	5	1,073
Basketball - Boys	-	999	228	771
Cheerleading	1,217	2,373	2,804	786
Class of 2017	-	291	248	43
Class of 2016	-	11,401	9,813	1,588
Class of 2015	1,471	2,337	3,808	-
Class of 2014	642	-	641	1
Choir	1,869	38,983	36,977	3,875
Connection crew	234	1,341	542	1,033
Cross country	1,801	360	859	1,302
Dance	258	-	1	257
Drama	13,048	3,869	2,777	14,140
Football club	110	11,050	11,002	158
French club	96	-	-	96
Golf - Boys	506	677	862	321
Golf - Girls	139	1,273	1,412	-
Girl's tennis	-	188	1	187
Gymnastics	1,986	1	10	1,977
HS student council	1,399	4,460	3,952	1,907
Key club	338	1,645	1,536	447
Lego league	578	630	385	823
Letter winners club	4,587	701	498	4,790
Literary arts	385	-	2	383
Marching band	53,970	155,233	157,695	51,508
MS campus club magazine	6,744	19,261	16,442	9,563
MS danceline (Huskettes)	372	-	2	370
MS drama	4,442	859	1,612	3,689
MS student council	6,399	10,379	14,019	2,759
MS track	187	-	53	134
National honor society	2,134	1,690	1,708	2,116
Robo huskie	2,518	21,438	20,175	3,781
SADD	370	-	2	368
Science bowl	298	-	1	297
Science olympiad	349	-	2	347
School store	1,605	5,534	5,771	1,368
Softball club	2,265	994	2,419	840
Spanish club	120	-	1	119
Speech	2,113	2,193	2,144	2,162
Super high mileage	228	-	150	78
Swimming	2,234	7,723	8,626	1,331
Volleyball	3,850	13,721	10,573	6,998
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Total senior high school	127,217	322,747	320,769	129,195
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INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
STUDENT ACTIVITY ACCOUNTS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<b>ASSETS - CONTINUED</b>				
Cash and temporary investments - continued				
Elementary school				
Panda club	\$ 2,107	\$ -	\$ 468	\$ 1,639
Picture sales	-	2,600	2,598	2
Special Olympics	165	-	-	165
Field trips	626	11,694	11,717	603
Destination imagine	191	-	-	191
K-Kids	8	-	-	8
	<u>3,097</u>	<u>14,294</u>	<u>14,783</u>	<u>2,608</u>
Total elementary school	<u>3,097</u>	<u>14,294</u>	<u>14,783</u>	<u>2,608</u>
 TOTAL ASSETS	 <u>\$ 130,314</u>	 <u>\$ 337,041</u>	 <u>\$ 335,552</u>	 <u>\$ 131,803</u>
<b>LIABILITIES</b>				
Student activity accounts payable	<u>\$ 130,314</u>	<u>\$ 337,041</u>	<u>\$ 335,552</u>	<u>\$ 131,803</u>

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE STUDENT ACTIVITY ACCOUNT FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015

Student activity fund transactions are defined as extracurricular programs conducted for the motivation and enjoyment of students attending Independent School District No. 282, St. Anthony, Minnesota. These programs and activities are not offered for school credits nor required for graduation. Activities are generally conducted outside of school hours. The content of the activities is determined primarily by the students, under the guidance of a staff member or an adult.

Student activities are to be self-sustaining with all expenses paid by dues, admissions, or other student fundraising events.

The accounts of the Student Activity Funds are maintained, and the accompanying financial statements have been prepared on the accrual basis of accounting as discussed in Note 1C of the District's financial statements.



## INDEPENDENT AUDITOR'S REPORT ON STUDENT ACTIVITY COMPLIANCE

Members of the Board of Education, Advisors and Students  
Independent School District No. 282  
St. Anthony, Minnesota

We have audited the statement of changes in assets and liabilities of the extracurricular student activity accounts of the Independent School District No. 282 (the District), St. Anthony, Minnesota as of and for the year ended June 30, 2015, and have issued our report thereon dated October 29, 2015.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and provisions of the *Manual of Instruction for Uniform Student Activities Accounting for Minnesota School Districts and Area Vocational-Technical Colleges*, issued by the Minnesota Department of Education, pursuant to Minnesota statutes, section 123.38.

The *Manual of Instruction for Uniform Student Activities Accounting for Minnesota School Districts and Area Vocational-Technical Colleges* provides uniform financial accounting and reporting standards for student activities. Compliance with this manual is the responsibility of the District's management. We have performed auditing procedures to test compliance with the provisions of this manual. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the District complied, in all material respects, with the provisions referred to in the preceding paragraph.

The purpose of this report is solely to describe the scope of our testing of compliance with certain provisions of the *Manual of Instruction for Uniform Student Activities Accounting for Minnesota School Districts and Area Vocational-Technical Colleges*, and the result of that testing, and not to provide an opinion on the Districts compliance with those provisions. Accordingly, this report is not suitable for any other purpose.

ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
October 29, 2015



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**FEDERAL FINANCIAL AWARD PROGRAMS**

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2015



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

Members of the Board of Education  
Independent School District No. 282  
St. Anthony, Minnesota

**Report on Compliance for Each Major Federal Program**

We have audited the Independent School District No. 282, St. Anthony, Minnesota (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the year ended June 30, 2015. The District's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

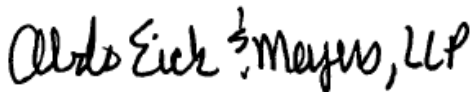
## Report on Internal Control Over Compliance

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

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

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

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



ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
October 29, 2015

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

<u>Funding Source</u>	<u>Administering Department</u>	<u>Grant Name</u>	<u>Federal Domestic Assistance Number</u>	<u>Federal Program Clusters</u>	<u>Federal Expenditures</u>
USDOE	MN Department of Education	Special Education	84.027 <sup>(1)</sup>	\$ 271,348	
USDOE	MN Department of Education	Special Education Preschool Grants	84.173 <sup>(1)</sup>	<u>12,918</u>	
		Total Special Education			\$ 284,266
USDOE	MN Department of Education	Training/Retraining Teachers	84.367		22,318
USDOE	MN Department of Education	Career and Technical Education Basic Grants	84.048		701
USDOE	MN Department of Education	English Language Acquisition State Grants	84.365		12,194
USDOE	MN Department of Education	Title I Grants to Local Educational Agencies	84.410		95,402
USDOE	MN Department of Education	SpurwickInvesting in Innovation (i3) Fund	84.411		9,733
USDOA	MN Department of Education	Child and Adult Care Food Program	10.558		8,102
USDOA	MN Department of Education	School Breakfast Program	10.553 <sup>(2)</sup>	31,296	
USDOA	MN Department of Education	National School Lunch Program	10.555 <sup>(2)</sup>	<u>228,635</u>	
		Total School Lunch			<u>259,931</u>
Total					<u>\$ 692,647</u>

(1) - Denotes Special Education Cluster

(2) - Denotes Child Nutrition Cluster

USDOE (United States Department of Education)

USDOA (United States Department of Agriculture)

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

**Note 1: General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal award programs of Independent School District No. 282, St. Anthony, Minnesota (the District). The District's reporting entity is defined in Note 1A to the financial statements.

**Note 2: Basis of accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1C to the financial statements. The activity is reported in the General and nonmajor governmental funds.

**Note 3: Noncash assistance - commodities**

Of the amount reported in the accompanying Schedule of Expenditures of Federal Awards for commodities distribution, \$32,299 represents noncash assistance comprised of the value of commodities issued to the District for the year.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
SCHEDULE OF FINDINGS, RESPONSES AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015

**Section I - Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	No

***Identification of Major Programs/Projects***

**CFDA No.**

Department of Education - Special Education Cluster	
Special Education - Grants to States	84.027
Dollar threshold used to distinguish between Type A and Type B Programs	\$ 300,000
Auditee qualified as low-risk auditee?	Yes

**Section II - Financial Statement Findings**

A significant deficiency relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Finding 2015-001 is reported as a significant deficiency.

**Section III - Major Federal Award Findings and Questioned Costs**

There are no significant deficiencies, material weaknesses, or instances of noncompliance including questioned costs that are required to be reported in accordance with OMB Circular A-133.

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
SCHEDULE OF FINDINGS, RESPONSES AND QUESTIONED COSTS - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2015

<u>Finding</u>	<u>Description</u>
<b>2015-001</b>	<b>Limited segregation of duties</b>
<i>Condition:</i>	During our audit, we reviewed procedures within each of the District's major transaction cycles and found the District to have limited segregation of duties in those transaction cycles.
<i>Criteria:</i>	There are four general categories of duties: authorization, custody, record keeping and reconciliation. In an ideal system, different employees perform each of these four major functions. In other words, no one person has control of two or more of these responsibilities
<i>Cause:</i>	The District has a limited number of staff to properly segregate duties in each of the major transaction cycles.
<i>Effect:</i>	The effectiveness of the internal control system relies on enforcement by management. The effect of deficiencies in segregation of duties and internal controls can result in undetected errors or misappropriation of assets of the District.
<i>Recommendation:</i>	<p>We recommend the District continue to review and analyze its internal controls, at a minimum annually, and implement any changes and compensating controls considered necessary. During our review of the District's procedures we noted the following recommendations:</p> <ul style="list-style-type: none"> <li>• Disbursement cycle: We recommend that a staff member other than the accounts payable clerk opens the mail and mails checks to vendors.</li> <li>• Receipt cycle: We recommend that a staff member other than the Business Manager takes the deposits to the bank and posts to the general ledger or reviews the postings to the general ledger.</li> <li>• Payroll cycle: We recommend that the Business Manager review and approve the payroll registers</li> </ul>
<i>Management response:</i>	<p>There is no disagreement with the audit finding. The District reviews and makes improvements to its internal control structure on an ongoing basis and attempts to maximize the segregation of duties in all areas with the limits of the staff available. However, the District does not consider it cost beneficial at this time to increase the size of its staff in order to further segregate accounting functions.</p>

**Findings and questioned costs - major Federal award programs audit**

Department of Education - Special Education Cluster	CFDA
Special Education - Grants to States	84.027
<b>None</b>	





Following is our response to findings in the audit as of June 30, 2015:

**FINDING 2015-001:**

Our study and evaluation disclosed that because of the limited size of the office staff, the District has limited segregation of duties.

**CORRECTIVE ACTION PLAN (CAP):**

1. Explanation of Disagreement with Audit Findings:

There is no disagreement with the audit finding.

2. Action Planned in Response to Finding:

The District is aware of the finding and believes corrective action is being addressed to the best of our abilities. We currently have staff outside of the Business Office doing random sampling of checks cleared and matching to invoices that are filed. We also have the Treasurer of the Board of Education do a monthly sampling of check registers and all back-up information for the processing of the checks. We continue to try and implement new methods of trying to have multiple stages for checking and review.

3. Official Responsible for Ensuring CAP:

Bob Laney would be responsible for establishing procedures.

4. Planned Completion Date for CAP:

On-going

5. Plan to Monitor Completion of CAP:

On-going

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Laney".

Bob Laney  
Superintendent  
Independent School District No. 282  
St. Anthony, Minnesota

INDEPENDENT SCHOOL DISTRICT NO. 282  
ST. ANTHONY, MINNESOTA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015

The following is a schedule of our prior audit findings:

**2014-001    Limited segregation of duties**

- Condition:*            During our audit, we reviewed procedures within each of the District's major transaction cycles and found the District to have limited segregation of duties in those transaction cycles.
- Criteria:*             There are four general categories of duties: authorization, custody, record keeping and reconciliation. In an ideal system, different employees perform each of these four major functions. In other words, no one person has control of two or more of these responsibilities
- Cause:*                The District has a limited number of staff to properly segregate duties in each of the major transaction cycles.
- Effect:*                The effectiveness of the internal control system relies on enforcement by management. The effect of deficiencies in segregation of duties and internal controls can result in undetected errors or misappropriation of assets of the District.
- Recommendation:*   We recommend the District continue to review and analyze its internal controls, at a minimum annually, and implement any changes and compensating controls considered necessary.

*Management response:*

There is no disagreement with the audit finding. The District reviews and makes improvements to its internal control structure on an ongoing basis and attempts to maximize the segregation of duties in all areas with the limits of the staff available. However, the District does not consider it cost beneficial at this time to increase the size of its staff in order to further segregate accounting functions.

**CURRENT STATUS:**

Finding still applies to the current fiscal year.

**APPENDIX D**

**OFFICIAL NOTICE OF SALE AND BID FORM**

## OFFICIAL NOTICE OF SALE

\$9,090,000\*

ISD 282, ST. ANTHONY-NEW BRIGHTON PUBLIC SCHOOLS  
GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A  
DATED FEBRUARY 22, 2016

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NOTICE IS HEREBY GIVEN that bids will be received by ISD 282, St. Anthony-New Brighton Public Schools, Minnesota for the purchase of all but no part of its \$9,090,000\* General Obligation Crossover Refunding Bonds, Series 2016A (the "Bonds") at the offices of the District's financial advisor, Robert W. Baird & Co. Incorporated ("Baird"), 25th Floor, 777 E. Wisconsin Avenue, Milwaukee, Wisconsin 53202, Attention: Katherine Voss, Assistant Vice President until:

**11:00 a.m. (Central Time) on January 19, 2016**

at which time the bids will be publicly opened and read. Bids may be mailed or delivered to Baird at the address set forth above, faxed to Baird at (414) 298-7354, or submitted electronically via PARITY, as described below. Signed bids, without final price or coupons, may be submitted to Baird prior to the time of sale. The bidder shall be responsible for submitting to Baird the final bid price and coupons, by telephone (414) 765-3827 or fax (414) 298-7354 for inclusion in the submitted bid. Bids which are mailed or delivered should be plainly marked "Bid for ISD 282, St. Anthony-New Brighton 2016A Bonds". A meeting of the School Board will be held on said date for the purpose of taking action on such bids as may be received.

Dates and Maturities: The Bonds will be dated February 22, 2016 and will mature on February 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u> *	<u>Year</u>	<u>Principal Amount</u> *
2019	\$585,000	2026	\$ 615,000
2020	590,000	2027	620,000
2021	595,000	2028	630,000
2022	600,000	2029	635,000
2023	605,000	2030	1,685,000
2024	605,000	2031	710,000
2025	615,000		

Interest: Interest on the Bonds will be payable semi-annually on February 1 and August 1 of each year, commencing on August 1, 2016 to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB.

Optional Redemption: The Bonds maturing on February 1, 2025 and thereafter are subject to redemption, in whole or in part, on February 1, 2024 and on any date thereafter at a price of par plus

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\* Preliminary, subject to change. The District reserves the right, after bids are opened and prior to the award, to increase or reduce the principal amount of the individual serial or term maturities of the Bonds. Any such increase or reduction will be made in multiples of \$5,000 within any of the maturities. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread per \$1,000.

accrued interest. If redemption is in part, the selection of the amounts and maturities of the Bonds to be prepaid shall be at the discretion of the District. Notice of redemption shall be given by certified mail to the registered owner of the Bonds not less than 30 days prior to such redemption date.

Term Bond Option: Bids for the Bonds may provide for term bonds.

Security and Purpose: The Bonds are being issued pursuant to Minnesota Statutes, Chapter 475, as amended.

The Bonds are valid and binding general obligations of the District. The District pledges its full faith and credit and power to levy direct ad valorem taxes to pay the principal and interest on the Bonds. In addition, the District has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 (Minnesota School District Credit Enhancement Program), which provides for payment by the State of Minnesota, in the event of a potential default of a school district debt obligation, of the principal and interest on the Bonds when due.

Proceeds from the Bonds will be used to (i) refund in advance of their stated maturities through a crossover refunding, all of the bonds maturing in the years 2019 to 2031, aggregating \$8,705,000 in principal amount, of the Issuer's General Obligation School Building Bonds, Series 2008B (the "Refunded Bonds"), bearing a date of original issue of September 1, 2008 and (ii) pay costs associated with issuance of the Bonds.

Registration: The Bonds will be issued as fully-registered Bonds without coupons and, when issued, will be registered only in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York ("DTC").

DTC Book Entry Only System: UTILIZATION OF DTC IS REQUIRED. BIDS FOR THE BONDS MAY NOT PROVIDE FOR THE BONDS TO BE ISSUED ON A NON-DTC BASIS. DTC will act as securities depository of the Bonds. A single Bond certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Individual purchasers will not receive certificates evidencing their ownership of the Bonds purchased. The successful bidder shall be required to deposit the Bond certificates with DTC as a condition to delivery of the Bonds.

The District will make payments of principal and interest on the Bonds through U.S. Bank, N.A., Saint Paul, MN (the "Paying Agent") to DTC or its nominee as registered owner of the Bonds in same-day funds. Transfer of those payments to participants of DTC will be the responsibility of DTC; transfer of the payments to beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by DTC rules and procedures. No assurance can be given by the District that DTC, its participants and other nominees of beneficial owners will make prompt transfer of the payments as required by DTC rules and procedures. The District assumes no liability for failures of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Bonds.

Depository: In the event that the securities depository relationship with DTC for the Bonds is terminated and the District does not appoint a successor depository, the District will prepare, authenticate and deliver, at its expense, fully-registered certificated Bonds in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Bonds of the same maturities and with the same interest rate or rates then outstanding to the beneficial owners of the Bonds.

Paying Agent and Escrow Agent: The District has selected U.S. Bank, National Association, St. Paul, Minnesota, to act as Paying Agent and Escrow Agent for the Bonds.

Verification Agent: The District has selected Barthe & Wahrman, P.A., Bloomington, Minnesota, to act as Verification Agent for the Bonds.

Qualified Tax-Exempt Obligations: The Bonds will be designated as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Bid Specifications: Bids will be received on an interest rate basis in integral multiples of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). All Bonds of the same maturity shall bear the same interest rate. No bid for less than Ninety Eight Percent (98%) of the principal amount of the Bonds (\$8,908,200) plus accrued interest to the date of delivery will be considered. The Bonds will be awarded to a responsible bidder whose proposal results in the lowest true interest cost to the District, as calculated prior to any adjustments as described above.

Type of Bid – Amount: Bids must be submitted either: (1) to Baird as set forth herein; or (2) electronically via PARITY, in accordance with this Official Notice of Sale, but no bids will be received after the time established above for the opening of bids. If any provisions in this Notice are conflicting with any instructions or directions set forth in PARITY, this Official Notice of Sale shall control. The normal fee for use of PARITY may be obtained from PARITY, and such fee shall be the responsibility of the bidder. For further information about PARITY, potential bidders may contact Baird, 25th Floor, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202 or PARITY, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021. The District and Robert W. Baird & Co. Incorporated assume no responsibility or liability for bids submitted through PARITY. Each bidder shall be solely responsible for making necessary arrangements to access PARITY for purposes of submitting its electronic bid in a timely manner and in compliance with the requirements of the Official Notice of Sale. Neither the District, its agents nor PARITY shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the District, its agents nor PARITY shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY. The District is using the services of PARITY solely as a communication mechanism to conduct the electronic bidding for the Bonds, and PARITY is not an agent of the District.

The District may regard the electronic transmission of the bid via the electronic service (including information about the purchase price for the Bonds and interest rate or rates to be borne by the Bonds and any other information included in such transmission) as though the same information were submitted on the bid form and executed on behalf of the bidder by a duly authorized signatory. If the bid is accepted by the District, the terms of the bid form, this Official Notice of Sale, and the information transmitted through the electronic service shall form a contract, and the bidder shall be bound by the terms of such contract.

For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the District, as described in this Official Notice of Sale and in the written form of Official Bid Form. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the form of Official Bid Form.

Good Faith Deposit: A good faith deposit in the amount of \$90,000 shall be made by federal wire transfer (payable to the order of the District) and is only required from the winning bidder. The good faith deposit shall be received by the District within three hours after the time stated for receipt of bids. The apparent winning bidder will receive wire instructions from the Financial Advisor promptly after the sale. If the Deposit is not received from the apparent winning bidder in the time allotted, the District may choose to reject their bid and then proceed to offer the Bonds to the next lowest bidder based on the terms of their original bid, so long as said bidder wires funds for the Deposit amount within two hours of said offer.

The good faith deposit will be applied to the purchase price of the Bonds. In the event the successful bidder fails to honor its accepted bid, the good faith deposit will be retained by the District. No interest shall be allowed on the good faith deposit. Payment for the balance of the purchase price of the Bonds shall be made at the closing.

**Maturity Adjustments:** The District reserves the right, after bids are opened and prior to the award, to increase or reduce the principal amount of the individual serial or term maturities of the Bonds. Any such increase or reduction will be made in multiples of \$5,000 within any of the maturities. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread per \$1,000. Such adjustments shall be made promptly after the sale and prior to award of bids and shall be at the sole discretion of the District.

The successful bidder may not withdraw or modify its bid once submitted for any reason, including post bond adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

**Bond Insurance at Bidder's Option:** If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the successful bidder. Each bidder shall indicate if it is obtaining bond insurance and shall list the name of the bond insurer on the bidder's Official Bid Form. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the successful bidder. Any other rating agency fees shall be the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Bonds.

**Delivery:** The Bonds will be delivered in printed form, one Bond per maturity, registered in the name of CEDE & CO., as nominee of The Depository Trust Company, securities depository of the Bonds for the establishment of book-entry accounts at the direction of the successful bidder, within approximately forty-five (45) days after the award. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within forty-five (45) days after the date of the sale of the Bonds, the successful bidder may, prior to tender of the Bonds, at its option, be relieved of its obligation under the contract to purchase the Bonds and its good faith deposit shall be returned, but no interest shall be allowed thereon.

**Legality:** The successful bidder will be furnished without cost, the unqualified approving legal opinion of Knutson, Flynn & Deans, P.A. of Mendota Heights, Minnesota. A transcript of the proceedings relative to the issuance of the Bonds (including an arbitrage certificate and a no-litigation certificate) will be furnished to the successful bidder without cost. A Continuing Disclosure Certificate will be delivered at closing setting forth the details and terms of the District's undertaking and such Certificate is a condition of closing.

**CUSIP Numbers:** The District will assume no obligation for the assignment of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon. The District will permit such numbers to be assigned and printed at the expense of the successful bidder, but neither the failure to print such numbers on any Bonds nor any error with respect thereto will constitute cause for failure or refusal by the successful bidder to accept delivery of the Bonds.

**Reoffering Prices:** Simultaneously with or before delivery of the Bonds, the successful bidder shall furnish to the District a certificate, made on the best knowledge, information and belief of the successful bidder, acceptable to bond counsel, stating the initial reoffering prices to the public of each maturity of the Bonds and further stating that a substantial amount of each maturity of the Bonds was sold to the public or final purchasers thereof (not including bond houses and brokers or similar persons or

organizations acting in the capacity of underwriters or wholesalers) at or below such initial reoffering prices.

Official Statement: Bidders may obtain a copy of the Preliminary Official Statement by request to the District's financial advisor prior to the bid opening. By submitting a bid, the successful bidder agrees to supply to the District within 24 hours after the award of the Bonds all necessary pricing information and any underwriter identification necessary to complete the Preliminary Official Statement. Within seven days of the award of the Bonds, the successful bidder will be provided with an electronic copy of the Official Statement in pdf format. If the successful bidder is the manager of an underwriting syndicate, the successful bidder shall be responsible for distributing copies of the Official Statement to syndicate members.

Certification Regarding Official Statement: The District hereby ratifies and approves the Preliminary Official Statement dated January 11, 2016 and consents to its distribution and use by the Underwriter in connection with the public offering and sale of the Bonds. The District confirms that the Preliminary Official Statement is "deemed final" as of its date for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934.

Undertaking to Provide Continuing Disclosure: In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the District will covenant to undertake (pursuant to a Resolution to be adopted by the School Board), to provide annual reports and timely notice of certain events for the benefit of holders of the Bonds. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the District, a form of which is included in the Preliminary Official Statement and in the Final Official Statement.

Irregularities: The District reserves the right to reject any and all bids and to waive any and all irregularities.

Information: Additional information may be obtained by addressing inquiries to: Robert W. Baird & Co. Incorporated, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202; Attention: Katherine Voss, (414) 765-3827 or Matt Rantapaa (651) 426-8533.



**BID FORM**  
**ISD 282, ST. ANTHONY-NEW BRIGHTON PUBLIC SCHOOLS**  
**\$9,090,000\***  
**General Obligation Crossover Refunding Bonds, Series 2016A**

ISD 282, ST. ANTHONY-NEW BRIGHTON PUBLIC SCHOOLS  
 3303 33<sup>rd</sup> Avenue NE  
 St. Anthony, MN 55418

Dear Members of the School Board:

For all but no part of your issue of \$9,090,000\* General Obligation Crossover Refunding Bonds, Series 2016A (the "Bonds"), said bid being no less than \$8,908,200 (98% of par), we offer to pay a price of \$ \_\_\_\_\_. The dated date and delivery date of the Bonds is February 22, 2016. The Bonds shall bear interest as follows:

<u>(February 1)</u>	<u>Rate</u>	<u>(February 1)</u>	<u>Rate</u>	<u>(February 1)</u>	<u>Rate</u>
2019	_____ %	2024	_____ %	2029	_____ %
2020	_____ %	2025	_____ %	2030	_____ %
2021	_____ %	2026	_____ %	2031	_____ %
2022	_____ %	2027	_____ %		
2023	_____ %	2028	_____ %		

This bid is made subject to all the terms and conditions of the Official Notice of Sale heretofore received and the Official Notice of Sale heretofore published, all terms and conditions which are made a part hereof as fully as though set forth in full in this bid.

The District reserves the right, after bids are opened and prior to the award, to increase or reduce the principal amount of the individual serial or term maturities of the Bonds. Any such increase or reduction will be made in multiples of \$5,000 within any of the maturities. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread per \$1,000.

A good faith deposit in the amount of \$90,000 shall be made by federal wire transfer (payable to the order of the District) and is only required from the winning bidder. The good faith deposit shall be received by the District within three hours after the time stated for receipt of bids. The apparent winning bidder will receive wire instructions from the Financial Advisor promptly after the sale. If the Deposit is not received from the apparent winning bidder in the time allotted, the District may choose to reject their bid and then proceed to offer the Bonds to the next lowest bidder based on the terms of their original bid, so long as said bidder wires funds for the Deposit amount within two hours of said offer.

\_\_\_\_\_  
 Managing Underwriter

Direct Contact and Phone Number: \_\_\_\_\_

By: \_\_\_\_\_

**- Please attach a list of account members -**

For your information, but not as a condition of this bid, the above interest rates result in:

Net Interest Cost \$ \_\_\_\_\_ True Interest Percentage \_\_\_\_\_ %

The foregoing offer is hereby accepted this 19<sup>th</sup> day of January 2016 by the Members of the School Board and in recognition therefore is signed by the Officers empowered and authorized to make such acceptance.

\_\_\_\_\_  
 School Board Chair

\_\_\_\_\_  
 School Board Clerk

\* Preliminary, subject to change. The District reserves the right, after bids are opened and prior to the award, to increase or reduce the principal amount of the individual serial or term maturities of the Bonds. Any such increase or reduction will be made in multiples of \$5,000 within any of the maturities. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread per \$1,000.